

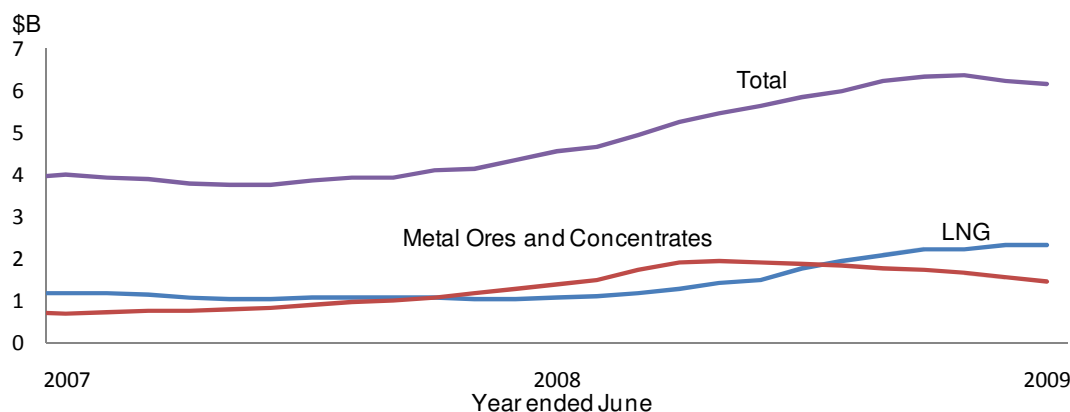
The Northern Territory's Mining and Energy Industry

Mining is the most significant contributor to the Territory economy. In 2008-09, production in the mining and energy sector was estimated at \$6.7 billion or over a quarter of the Territory's Gross State Product (GSP). GSP is the headline measure of economic growth in each jurisdiction. The industry accounts for over 2000 Territory jobs and a large proportion of both Territory exports and imports.

Mining and energy production is inherently volatile as it is highly dependent on external factors, including demand and supply for commodities, exchange rate fluctuations and the economic conditions of the Territory's key trading partners. The vulnerability of mining production to external factors combined with the Territory's relatively small economy, means that economic growth in the Territory is heavily reliant on the rise and fall of this industry. Major mining projects, or the lack thereof, can have a significant impact on the Territory's economic growth and flow-on effects on population growth, consumer and business confidence, employment and construction activity.

The recent global financial crisis has had a crippling effect on the economy of many developed nations. It has slowed economic growth and decreased demand for, and subsequently the price of, commodities. However, the Territory's mining and energy sector appears to have withstood the most severe impacts of the global financial storm. In 2008-09, total Territory exports increased by 38.7 per cent to \$6.3 billion. The largest contributor to growth in Territory exports was liquefied natural gas exports, which contributed \$2.3 billion of total Territory exports (see chart 1). The growth in LNG exports was mainly due to higher contract prices, with volumes remaining relatively stable.

Chart 1: Territory Exports, 2006-07 to 2008-09



Source: Australian Bureau of Statistics

The growth in exports over a period where there was a downturn in the global economy shows the strength of the Territory's mining sector. This growth in 2008-09 was underpinned by a weaker Australian dollar and strong growth in China, the Territory's second largest export market after Japan.

Commodity prices have fallen from their historical highs, however, they remain above the long-term average. The recent appreciation of the Australian dollar could potentially have a dampening effect on mining and energy export volumes, as exports become less price competitive in the global market. Notwithstanding, the Territory's exports are expected to remain above the long-term trend levels, as a result of positive signs of recovery in the global economy, particularly in the Territory's major trading partners – Japan and China.

Although global demand is likely to remain sluggish in the short-term, the increase in investment in mining and energy projects in the Territory in recent years combined with exploration expenditure remaining at near record levels means that the Territory is well placed to benefit from the next upswing in world growth. Inpex's selection of Darwin as the preferred site for its eight million tonne per annum LNG plant would secure continued growth in the resource industry in the medium term.

Northern Territory State Final Demand and Gross State Product												
Year ended June	Percentage Change	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	Latest available	Annual % change*
COMPONENTS OF GSP (2005-06 prices)												
Private Consumption		6.6	3.5	6.5	4.6	6.5	4.8	5.7	3.7	5.7	Mar Q 09	1.8
Public Consumption		7.6	1.1	0.4	2.5	4.6	3.2	2.2	5.3	3.6	Mar Q 09	3.4
Total Consumption Expenditure		7.0	2.4	3.8	3.7	5.7	4.1	4.2	4.4	4.8	Mar Q 09	2.5
Private Investment												
<i>Dwellings</i>		-24.7	-40.7	4.0	9.9	-4.0	27.5	14.7	-4.4	-8.4	Mar Q 09	-20.8
<i>Other buildings and structures</i>		-58.9	-22.7	125.2	26.5	6.5	0.7	4.4	-3.9	-23.4	Mar Q 09	23.7
<i>Machinery and equipment</i>		11.3	31.3	2.6	6.3	11.8	-11.6	28.7	7.1	83.5	Mar Q 09	-21.5
<i>Livestock</i>		-7.7	41.7	5.9	-55.6	225.0	-3.8	8.0	-29.6	10.5	Mar Q 09	9.5
<i>Intangible fixed assets**</i>		-18.9	-17.8	51.0	-42.0	-20.0	62.5	98.2	-3.9	1.4	Mar Q 09	-9.7
<i>Ownership transfer costs</i>		-6.3	-21.7	16.0	3.7	29.2	6.8	9.0	-1.2	-16.1	Mar Q 09	10.0
Business Investment#		-40.2	-1.7	54.4	7.9	9.7	0.4	17.0	-2.5	4.7	Mar Q 09	2.1
Total Private Investment		-36.1	-11.6	45.0	8.1	8.5	3.8	16.3	-2.8	1.8	Mar Q 09	-0.8
Public Investment		46.3	45.8	19.4	-33.3	1.9	25.6	2.1	-3.8	24.3	Mar Q 09	-13.6
Total Investment		-29.8	-2.4	38.9	-0.5	7.6	6.7	14.2	-2.9	4.9	Mar Q 09	-3.0
State Final Demand		-5.0	1.5	12.0	2.3	6.2	4.8	7.1	2.1	4.8	Mar Q 09	1.0
State Final Demand less L-C and B-U##		2.2	1.6	10.8	0.9	5.2	9.5	8.5	2.5		Mar Q 09	
International Trade - export of goods		47.2	30.0	-22.6	-11.0	-23.9	-6.2	-1.6	44.1	-5.9	Mar Q 09	44.1
International Trade - import of goods		178.4	-62.0	15.2	30.1	4.0	107.5	27.5	-0.4	-21.8	Mar Q 09	131.4
Total Gross State Product		7.2	4.9	1.7	0.0	2.3	5.6	6.5	5.2	3.9		
Contribution to GSP Growth												
Private Consumption		2.7	1.4	2.6	1.9	2.8	2.2	2.6	1.8	2.1		
Public Consumption		2.5	0.4	0.1	0.8	1.5	1.1	0.7	1.7	1.1		
Private Investment		-12.3	-2.3	7.6	1.9	2.2	1.1	4.5	-0.8	-0.2		
Public Investment		1.3	1.8	1.0	-2.1	0.1	1.1	0.1	-0.2	1.1		
State Final Demand		-5.5	1.5	11.4	2.4	6.6	5.4	7.8	2.4	4.1		
Net International Exports		4.0	23.7	-13.1	-7.6	-9.3	-11.7	-5.8	9.0	2.6		
Balancing item		8.8	-20.3	3.3	5.2	5.0	12.0	4.5	-6.2	-2.8		
Gross State Product		7.2	4.9	1.7	0.0	2.3	5.6	6.5	5.2	3.9		

* Quarter on corresponding quarter of the previous year, or through the year annual per cent change ** Predominantly computer software and mineral exploration
Private investment less dwellings investment and ownership transfer costs ## Investment for the Laminaria-Coralina oilfields and Bayu-Undan Stage 1 and Stage 2 pipeline
Source: NT Treasury, Australian Bureau of Statistics data

Latest Northern Territory Economic Indicators												
Year ended June	Percentage Change*	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	Latest	Annual change**
Real Retail Turnover		7.6	-2.2	4.8	3.1	6.0	4.0	0.7	8.5	8.0	Jun Q 09	7.1
New Motor Vehicle Sales		-8.8	-4.2	-0.3	3.3	8.4	10.7	0.0	4.1	8.2	Jul 09	-15.4
Tourist Accommodation Takings		0.0	0.0	-1.0	-0.1	2.8	13.6	3.4	14.8	10.5	Mar Q 09	-1.6
Number of Dwellings Approved		-30.6	-28.4	-13.8	0.0	23.4	18.4	-1.8	7.4	-19.9	Jun 09	41.8
Number of Dwellings Commenced		-21.1	-34.0	0.1	-4.1	6.0	29.1	1.3	-0.2	-20.9	Mar Q 09	-17.7
Employment		-2.3	1.5	4.8	1.5	-2.0	-0.2	3.2	5.1	5.9	Jul 09	3.7
Unemployment rate		4.4	5.6	6.7	5.5	5.2	5.7	5.5	3.8	4.4	Jul 09	4.5
Darwin Consumer Price Index##		0.7	3.9	3.6	2.2	2.1	1.6	2.6	4.4	3.4	Jun Q 09	2.5
AWOTE# (year average)		4.3	3.4	2.1	4.7	6.0	6.6	3.8	1.5	5.2	May Q 09	4.2
Wage Price index (year average)		0.0	0.0	3.1	3.0	3.3	3.7	4.4	3.9	3.9	May Q 09	3.8
Population, December (levels - thousands)##		194.3	196.3	198.3	199.3	200.6	203.8	208.4	212.3	217.4	Dec Q 08	221.7
Population (annual % change)##		1.6	1.0	1.1	0.5	0.6	1.6	2.3	1.9	2.4	Dec Q 08	2.0
Net Interstate Migration (levels - number)##		-817	-1621	-1751	-2440	-2283	-482	726	-428	885	Dec Q 08	691.0

* Year ended, or year on year ** Quarter on corresponding quarter the previous year, or through the year per cent change # Average Weekly Ordinary Time Earnings
Denotes calendar year
Source: NT Treasury, Australian Bureau of Statistics data

Financial Indicators												
Year Ended June		1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	Latest	Level
Interest Rates												
90 Day Bank Bill (as at 30 June)		6.17	5.02	5.11	4.67	5.50	5.66	5.97	6.43	7.80	26 Aug 09	3.33
10 Year Govt Bond Yield (as at 30 June)		6.16	6.04	5.99	5.01	5.87	5.11	5.79	6.26	6.45	26 Aug 09	5.37
Exchange Rates												
US\$ per A\$ (year average)		0.63	0.54	0.52	0.58	0.71	0.75	0.75	0.79	0.90	26 Aug 09	0.73
US\$ per A\$ (as at 30 June)		0.60	0.51	0.56	0.67	0.69	0.76	0.74	0.85	0.96	26 Aug 09	0.84
Special Drawing Rights' per A\$ (as at 30 June)		0.45	0.41	0.43	0.48	0.47	0.52	0.51	0.56	0.59	26 Aug 09	0.54
Trade Weighted Index of A\$ (as at 30 June)		53.30	49.70	52.30	59.40	59.06	64.50	62.24	68.92	73.40	26 Aug 09	66.1

* A measure of the Australian dollar against an IMF determined, weighted basket of currencies consisting of the US dollar, the Euro, the yen and pound sterling
Source: NT Treasury, Reserve Bank of Australia data

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ECONOMIC INDICATORS DUE FOR RELEASE

September 2009			
ABS	5302.0	Balance of Payments and International Investment Position, Australia, June 2009	1-Sep-09
ABS	8731.0	Building Approvals, Australia, July 2009	1-Sep-09
ABS	5206.0	Australian National Accounts: National Income, Expenditure and Product, June 2009	2-Sep-09
ABS	5368.0	International Trade in Goods and Services, Australia, July 2009	3-Sep-09
ABS	3401.0	Overseas Arrivals and Departures, Australia, July 2009 (<i>no brief</i>)	4-Sep-09
ANZ		ANZ job ads series, August 2009 (<i>no brief</i>)	7-Sep-09
Westpac-MI		Consumer Sentiment Index (<i>no brief</i>)	9-Sep-09
ABS	8501.0	Retail Trade, Australia, July 2009	9-Sep-09
ABS	5609.0	Housing Finance, Australia, July 2009	9-Sep-09
ABS	8412.0	Mineral and Petroleum Exploration, Australia, June 2009 (<i>no brief</i>)	9-Sep-09
ABS	6202.0	Labour Force, Australia, August 2009	10-Sep-09
ABS	5671.0	Lending Finance, Australia, July 2009 (<i>no brief</i>)	14-Sep-09
ABS	8750.0	Dwelling Unit Commencements, Australia, Preliminary, June 2009	15-Sep-09
AAA		Petrol Prices, August 2009	Mid-Sep 09
Westpac-MI		Leading Index (<i>no brief</i>)	16-Sep-09
ABS	6291.0.55.001	Labour Force by Industry, Australia, August 2009 (<i>no brief</i>)	17-Sep-09
ABS	9314.0	Sales of New Motor Vehicles, Australia, August 2009	21-Sep-09
ABS	3101.0	Australian Demographic Statistics, March 2009	22-Sep-09
ABS	8501.0	Retail Trade, Australia, August 2009	30-Sep-09
ABS	8731.0	Building Approvals, Australia, August 2009	30-Sep-09
October 2009			
ABS	8762.0	Engineering Construction Activity, Australia, June 2009	1-Oct-09
ANZ		ANZ job ads series, September 2009 (<i>no brief</i>)	5-Oct-09
ABS	3401.0	Overseas Arrivals and Departures, Australia, August 2009 (<i>no brief</i>)	6-Oct-09
ABS	5368.0	International Trade in Goods and Services, Australia, August 2009	6-Oct-09
ABS	5609.0	Housing Finance, Australia, August 2009	7-Oct-09
ABS	6202.0	Labour Force, Australia, September 2009	8-Oct-09
ABS	8635.0	Tourist Accommodation, June 2009	8-Oct-09
ABS	5671.0	Lending Finance, Australia, August 2009 (<i>no brief</i>)	12-Oct-09
ABS	8752.0	Building Activity, Australia, June 2009	14-Oct-09
ABS	8782.0.65.001	Construction Activity: Chain Volume Measures, Australia, June 2009	14-Oct-09
Westpac-MI		Consumer Sentiment Index (<i>no brief</i>)	14-Oct-09
ABS	6291.0.55.001	Labour Force by Industry, Australia, September 2009 (<i>no brief</i>)	15-Oct-09
AAA		Petrol Prices, September 2009	Mid-Oct 09
ABS	9314.0	Sales of New Motor Vehicles, Australia, September 2009	21-Oct-09
Westpac-MI		Leading Index (<i>no brief</i>)	21-Oct-09
ABS	6457.0	International Trade Price Indexes, Australia, September 2009 (<i>no brief</i>)	23-Oct-09
ABS	6427.0	Producer Price Index, Australia, September 2009 (<i>no brief</i>)	26-Oct-09
ABS	6401.0	Consumer Price Index, Australia, September 2009	28-Oct-09

International Merchandise Goods Trade

In 2008-09, the value of Territory merchandise goods exports increased by 38.7 per cent to \$6.3 billion while imports grew by 68.6 per cent to \$4.4 billion. This has led to a goods trade surplus of \$2.0 billion in the Territory, down 0.6 per cent from 2007-08 (see chart). In year on year terms, this is the first decrease in the Territory goods trade surplus since August 2007.

Export volume growth in the Territory was driven by higher production and prices of mineral ores such as manganese and alumina and liquefied natural gas from the ConocoPhillips Wickham Point LNG plant. The growth in the Territory's exports was supported by the depreciation of the Australian dollar over 2008-09 and high contract prices for most commodities that were locked in before the downturn in global demand.

The large growth in import volumes to the Territory was driven by an increase in feedstock gas imports for the LNG plant.

Employment

ABS labour force survey (LFS) data for the Territory is characterised by extreme volatility and as such should be interpreted with caution. While analysis of the LFS data nationally is focussed on seasonally adjusted data, the ABS only publishes original and trend data for the Territory.

The ABS reports that in July 2009 the trend employment in the Territory decreased by 0.2 per cent to 119 535 from June 2009. Nationally, seasonally adjusted employment increased by 0.3 per cent in July 2009 to 10.79 million persons.

In July 2009, the trend resident employment in the Territory increased by 5.1 per cent compared with July 2008, the highest annual growth rate of the jurisdictions. In year on year terms, a more stable measure of annual growth, Territory employment increased by 4.3 per cent in the year to July 2009. Nationally, employment growth continued moderating over this period, increasing by 0.9 per cent.

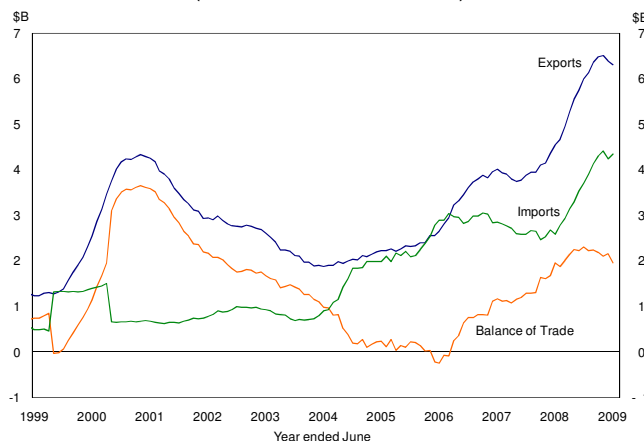
Unemployment

The Territory's trend unemployment rate was 4.2 per cent in July 2009, unchanged from June 2009 but higher than the July 2008 rate of 3.0 per cent. The Territory recorded the second lowest rate, behind the Australian Capital Territory (3.8 per cent).

Nationally, the seasonally adjusted unemployment rate (the figure most commonly quoted in the media) remained unchanged at 5.8 per cent in July 2009. In trend terms, the national unemployment rate has been tracking upwards since the 30-year low reported in March 2008.

Territory Merchandise Trade Balance*

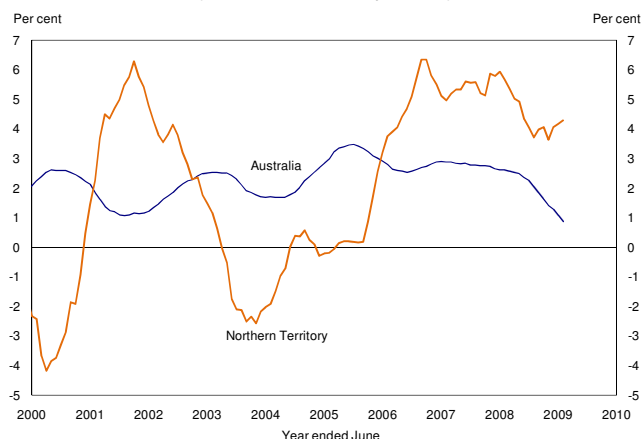
(Latest data – June 2009)



* moving annual total, current prices
Source: ABS Cat. No. 5368.0

Employment*

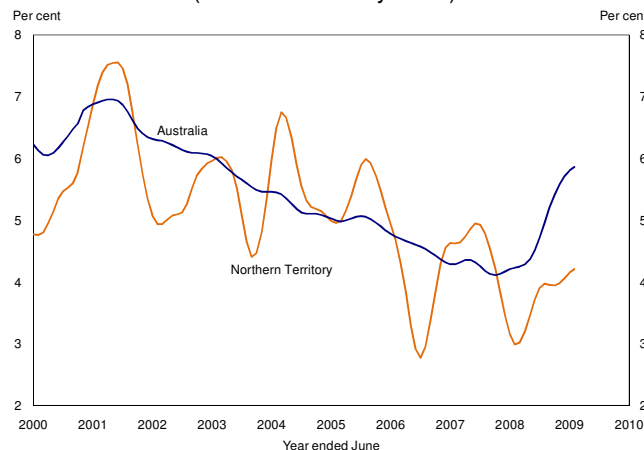
(Latest data - July 2009)



* original data, year on year percentage change
Source: ABS Cat. No. 6202.0

Unemployment Rate*

(Latest data – July 2009)



* Trend monthly data
Source: ABS Cat. No. 6202.0

Retail Turnover (inflation adjusted)

In the June 2009 quarter, seasonally adjusted real retail turnover decreased by 2.9 per cent in the Territory and increased by 2.0 per cent nationally compared with the previous quarter.

Despite the fall in the June 2009 quarter, the Territory's real retail turnover increased by 9.2 per cent to \$2.38 billion in 2008-09. This was the highest growth rate recorded in Australia and well above the national average growth rate of 1.4 per cent (see chart).

The growth in retail sales in the Territory reflects the strong employment and population growth and the fall in interest rates since September 2008. Growth in retail sales has also been underpinned by the Commonwealth's stimulus payments to households in the second half of 2008-09.

Sales of New Motor Vehicles

In July 2009, the number of seasonally adjusted new motor vehicle sales in the Territory increased by 7.4 per cent to 795. By vehicle category; sales of 'passenger' vehicles increased by 17.0 per cent in the month, 'SUVs' decreased by 1.3 per cent and 'other' vehicles (such as light and heavy trucks) decreased by 0.4 per cent. Nationally, total new motor vehicle sales decreased by 6.9 per cent in July 2009.

In the year to July 2009, new motor vehicle sales in the Territory decreased by 13.0 per cent to 9241 (see chart). Nationally, new motor vehicle sales decreased by 14.1 per cent in the same period.

The total number of new motor vehicle sales in the Territory in the year to July 2009 has continued to decline from the peak reported in the year to September 2008 (see chart). This may reflect tighter credit market conditions and Territory households and businesses becoming more cautious in their spending and delaying major purchasing decisions during uncertain economic times.

Petrol Prices

Average Darwin unleaded petrol (ULP) prices in July 2009 increased by 4.9 cents per litre (cpl) to 134.2 cpl from the previous month. In comparison, the eight capital cities weighted average ULP price decreased by 0.7 cpl to 122.9 cpl. This represents an 11.3 cpl price differential between Darwin and national average. A comparison between July 2008 and July 2009 shows that ULP prices in Darwin and nationally have decreased by 22.6 per cent and 23.1 per cent respectively.

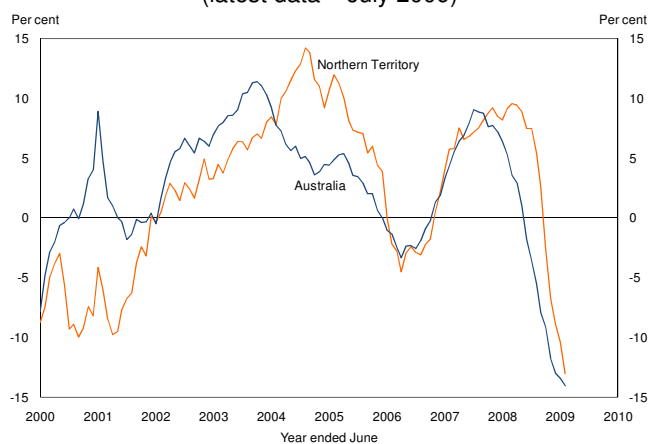
In annual terms, crude oil prices decreased by 43.1 per cent in \$A terms to A\$85.88 a barrel in July 2009, while decreasing by 52.4 per cent in \$US terms. Since falling to an average monthly price of US\$45.39 a barrel in December 2008, crude oil prices had steadily increased over the first half of 2009 before the 4.0 per cent decrease was recorded in July. The general upward trend may be attributed to increased expectations of a global economic recovery and the increases in oil consumption expected to follow.

Retail Turnover* (latest data – June quarter 2009)



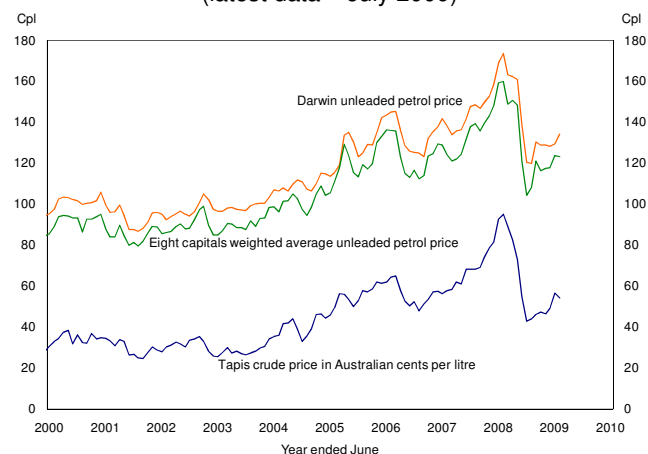
* year on year percentage change, chain volume measure
Source: ABS Cat. No. 8501.0

Motor Vehicle Sales* (latest data – July 2009)



* original data, year on year percentage change
Source: ABS Cat. No. 9314.0.55.001

Petrol Prices* (latest data – July 2009)



* original monthly data
Source: Australian Automobile Association, Reserve Bank of Australia and Energy Information Administration

Construction Work Done

In the June 2009 quarter, seasonally adjusted real construction activity in the Territory decreased by 5.4 per cent to \$787 million. The small decrease was primarily due to a 6.7 per cent quarterly decrease in seasonally adjusted engineering construction. Nevertheless, total construction activity in the June 2009 quarter remained well above long-term trend levels. Nationally, total construction work done decreased by 0.1 per cent over the same period.

In 2008-09, total construction work done in the Territory was \$3.16 billion (see chart), the highest moving annual total on record and an increase of 59.0 per cent from 2007-08. Construction activity over this period was supported by major engineering related projects such as the GEMCO manganese refinery expansion, the Bonaparte gas pipeline, ENI's Blacktip project, the Darwin Waterfront Redevelopment, and the Territory Government's capital works program, which included the upgrade to Tiger Brennan Drive.

House Price Index

The House Price Index (HPI) reports on the growth in the average price of established homes and cost of project homes (new homes under construction on existing land) in each of the capital cities in Australia. In the June 2009 quarter, Darwin established house prices increased by 2.4 per cent, compared 4.2 per cent increase nationally.

In annual terms, established house prices in Darwin increased by 11.0 per cent in the June quarter 2009 (see chart), the highest growth rate of the capital cities. Nationally, established house prices decreased by 1.4 per cent. Hobart (0.1 per cent) and Adelaide (2.7 per cent) were the only other capital cities to record annual growth, while Perth recorded the largest decrease in house prices falling by 3.7 per cent.

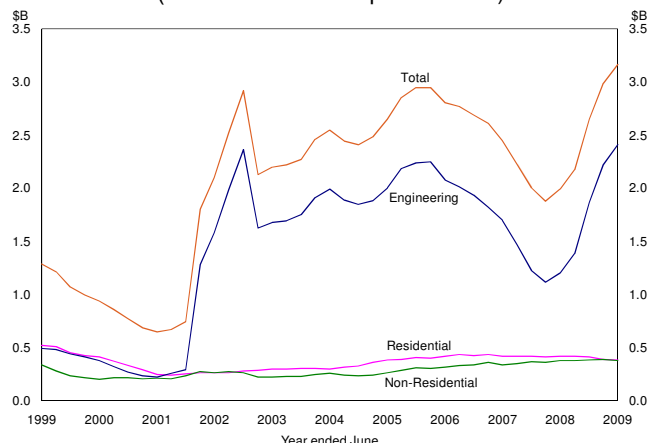
Housing Finance for Owner Occupation

In June 2009, the number of trend housing finance commitments for owner occupation in the Territory increased by 0.6 per cent to 520. Nationally, commitments increased by 1.4 per cent to 65 332 (see chart).

Since the recent low (379) recorded in July 2008, the number of monthly trend housing finance commitments for owner occupation in the Territory has increased by 37.2 per cent to 520 in June 2009. The recovery is due to falling interest rates, which has significantly increased housing affordability both in the Territory and nationally, and government housing initiatives including the Commonwealth's First Home Owners Boost and the Territory Government's Buildstart program.

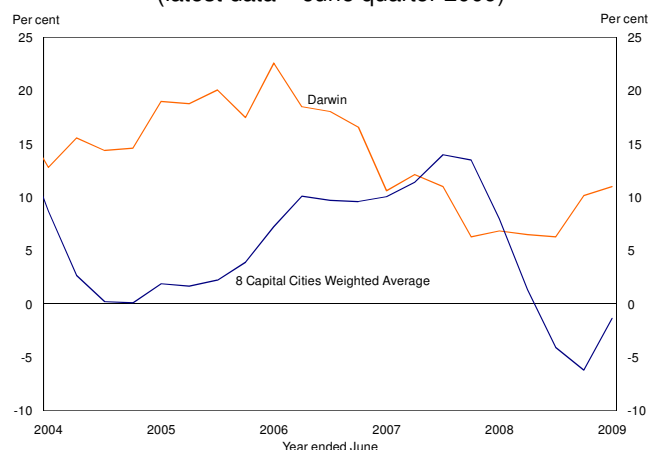
In 2008-09, there were 1215 finance commitments by first home buyers in the Territory, up 30.6 per cent from 2007-08.

Construction Work Done* (latest data – June quarter 2009)



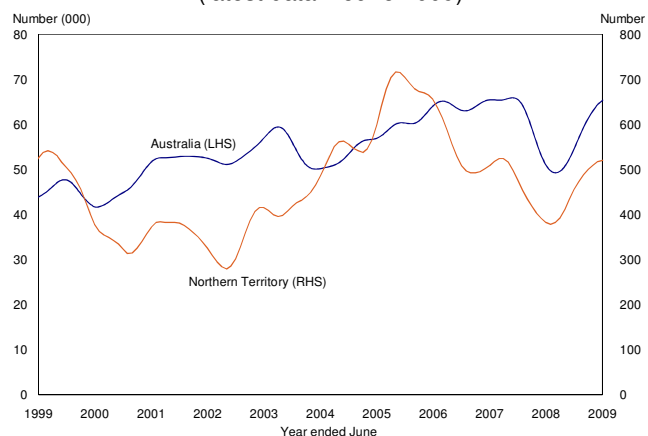
*moving annual total, chain volume measure
Source: ABS Cat. No. 8635.0

Established House Price Index* (latest data – June quarter 2009)



*annual percentage change
Source: ABS Cat. No. 6416.0

Number of Housing Finance Commitments* (latest data – June 2009)



* trend monthly data
Source: ABS Cat. No. 5609.0

Wage Price Index / Average Weekly Earnings

The wage price index (WPI) measures the change in the cost of employing a constant quantity and quality of jobs. In the June 2009 quarter, the Northern Territory WPI increased by 0.4 per cent. This was largely driven by wages growth in the private sector, which increased by 0.6 per cent in the quarter while public sector wages increased by 0.2 per cent.

In 2008-09, the WPI increased by 4.5 per cent in the Territory and 4.0 per cent nationally. In the Territory, public WPI over the same period increased by 4.3 per cent while private increased by 4.6 per cent. Nationally the increases in WPI for public and private were 4.2 per cent and 4.0 per cent respectively.

In the May 2009 quarter, seasonally adjusted average weekly full time earnings full time (AWFTE) for adults was \$1173 in the Territory, the third lowest of the jurisdictions, and below the national level of \$1243. In year on year terms, AWFTE increased by 4.1 per cent in the Territory and by 5.1 per cent nationally.

Regional House Prices

In the June 2009 quarter, the Real Estate Institute of the Northern Territory reported that house prices continued to increase to record levels across the Territory.

All major regions in the Territory recorded growth in house prices. Tennant Creek had the highest growth in house prices increasing by 35.4 per cent to \$162 500. Darwin house prices increased by 26.9 per cent to \$537 100, Alice Springs 20.4 per cent to \$375 800, Katherine 16.6 per cent to \$312 500 and Palmerston 13.6 per cent to \$448 800.

Palmerston recorded the highest annual growth rate in two bedroom unit prices, increasing by 26.8 per cent to \$345 000 in the June 2009 quarter. This was followed by Alice Springs which increased by 22.2 per cent to \$287 200, Darwin by 16.2 per cent to \$382 300 and Katherine by 11.0 per cent to \$234 600.

In general, strong prices growth across the Territory over the past year was driven by falling interest rates and Territory government housing subsidies.

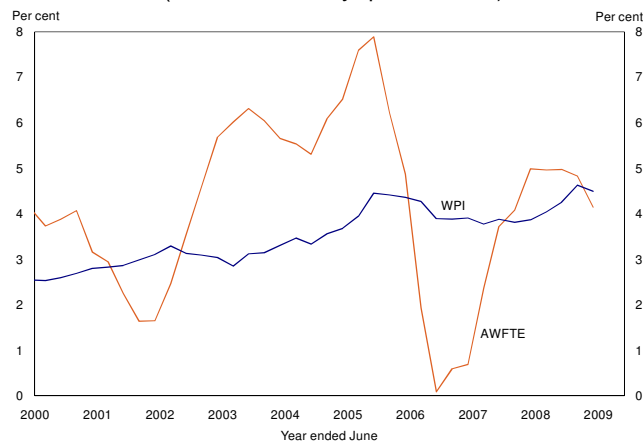
Regional Rents and Vacancy Rates

REINT reports that the median rental price for a three bedroom house in Darwin increased by 4.7 per cent to \$555 per week in the June 2009 quarter. Compared to June 2008, the median rental price in Darwin has increased by 8.8 per cent. The vacancy rate in Darwin remains low at 0.8 per cent.

In the June 2009 quarter, the median house rental price in Alice Springs had risen to \$430 per week, 8.9 per cent higher than in June 2008 quarter. The median rental price for units in Alice Springs also increased by 5.0 per cent over the same period. The increase in median rent prices in Alice Springs coincides with a low total vacancy rate of 0.3 per cent (includes house and units).

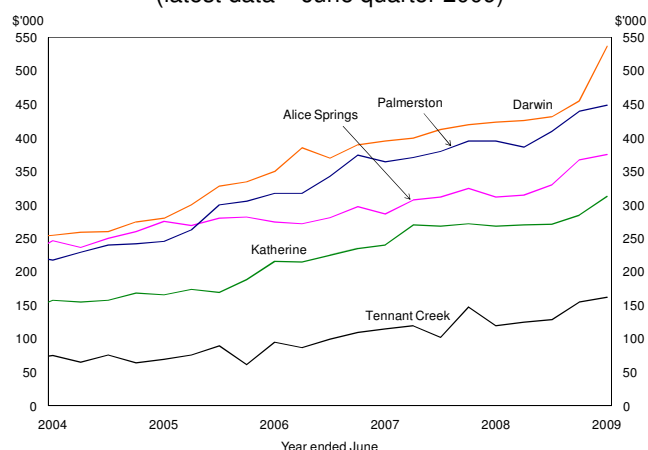
Low vacancy rates and strong population growth will continue to add pressures to rent prices across the Territory highlighting the supply shortage of rental properties.

Territory Wage Price Index* and Average Weekly Full Time Earnings* (latest data – May quarter 2009)



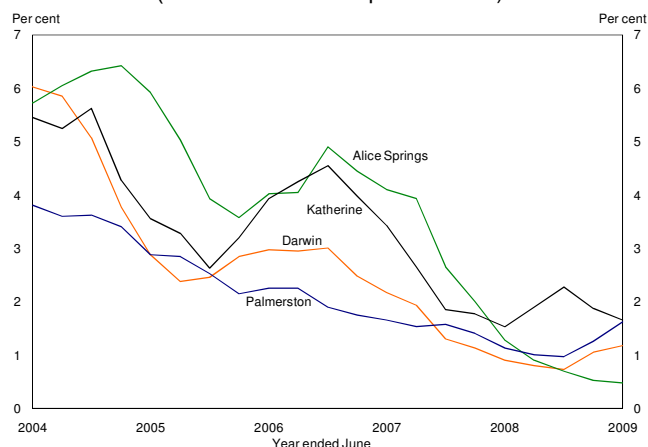
*year on year percentage change
Source: ABS Cat. Nos. 6302.0 and 6345.0

Regional House Prices* (latest data – June quarter 2009)



* quarterly data
Source: Real Estate Institute of the Northern Territory

Regional Vacancy Rates* (latest data – June quarter 2009)



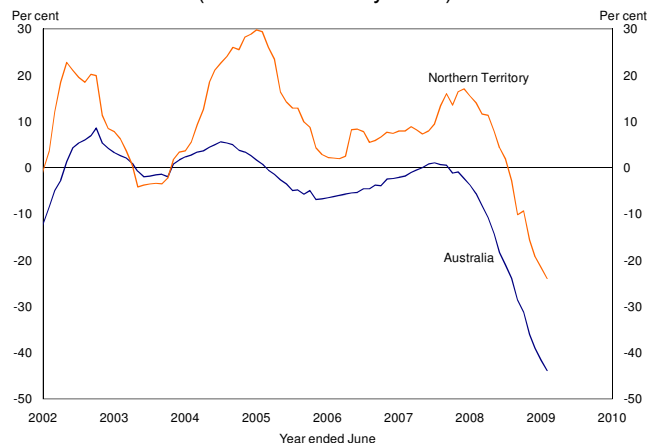
* quarterly data
Source: Real Estate Institute of the Northern Territory *moving annual average

ANZ Job Ads

In July 2009, seasonally adjusted newspaper job advertisements in the Territory decreased by 3.3 per cent to 264. In comparison, advertisements decreased by 0.4 per cent nationally. Comparing July 2009 to July 2008, seasonally adjusted newspaper job advertisements decreased by 29.8 per cent in the Territory and by 48.4 per cent nationally.

In the year to July 2009, job advertisements in the Territory decreased by 23.9 per cent compared to a decrease of 43.8 per cent nationally (see chart). The Territory reported the second lowest decline in job advertisements behind Tasmania (-13.7 per cent). The ANZ reports that the trend pace of decline in job ads has eased for the past five months and is a tentative sign that job ads may soon stabilise.

ANZ Job Advertisements* (latest data – July 2009)



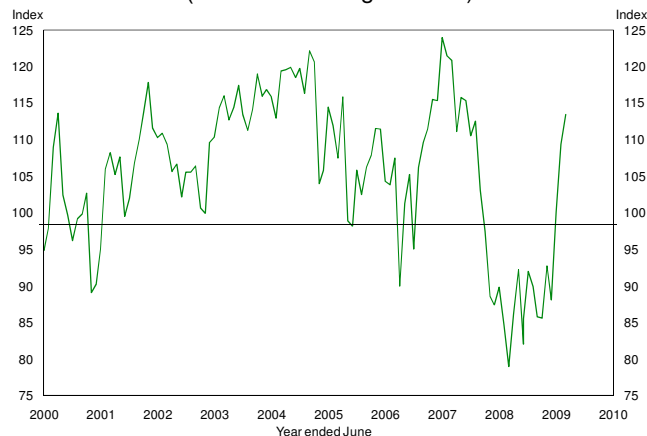
* year on year percentage change
Source: ANZ Job Advertisements series

Consumer Sentiment Index

Nationally consumer sentiment, reported by the Westpac-Melbourne Institute, increased from 109.4 in July 2009 to 113.4 in August 2009 (see chart), an increase of 3.7 per cent. Compared to August 2008, the index has increased by 31.6 per cent. This extends what has already been a large rally in confidence over the previous two months. Since May 2009, consumer sentiment is up 27.7 per cent, the largest three-month increase since the survey began in 1975.

The increase in sentiment over the past month may be a response to the ABS reporting that house prices rose 4.2 per cent in the June 2009 quarter and that national seasonally adjusted unemployment stabilised at 5.8 per cent. The Westpac-Melbourne Institute reports that these data releases help to alleviate the two main areas of consumer concern over the past year – the fear of losing money on the family home and the fear of losing one's job.

Consumer Sentiment Index (latest data – August 2009)



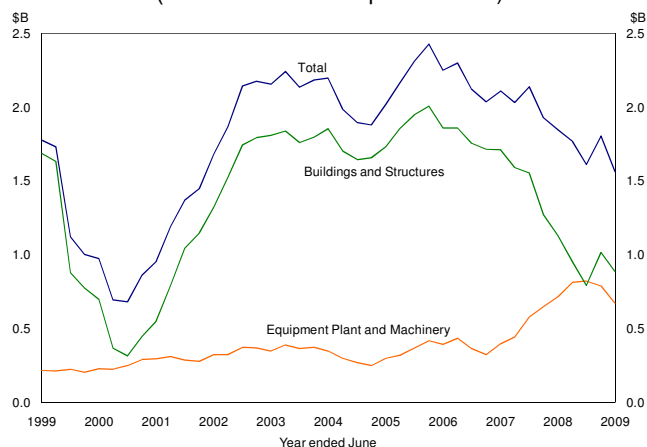
Source: Westpac-Melbourne Institute

Private New Capital Expenditure

Nationally in 2008-09, total private new capital expenditure increased by 11.9 per cent to \$96.1 billion. New capital expenditure on 'buildings and structures' increased by 23.4 per cent to \$47.0 billion while expenditure for 'equipment, plant and machinery' increased 2.7 per cent to \$49.1 billion.

In the Territory, total private new capital expenditure decreased by 15.4 per cent to \$1.56 billion in 2008-09 (see chart). Private new capital expenditure for 'buildings and structures' decreased by 21.6 per cent to \$888 million while expenditure for 'equipment plant and machinery' decreased by 5.7 per cent to \$674 million. The recent decline in private new capital expenditure can be attributed to the high level of expenditure in the previous years associated with major projects including the Darwin Waterfront, GEMCO manganese refinery expansion and ENI's Blacktip project. The recent global economic downturn and the tighter credit markets have also contributed to the decline in private new capital expenditure.

Territory Private New Capital Expenditure* (latest data – June quarter 2009)



* chain volume measure, moving annual total
Source: ABS Cat. No. 5625.0

Consumer Price Index

A general indicator of prices paid by household consumers for a specific basket of goods and services in one period relative to the cost of the same basket in a base period.

Current Dollars

Nominal. A measure that is not adjusted for inflation or changes in the purchasing power of money. Current dollars specify the value at a certain point in time and are not used to compare value over a series of time periods. Also referred to as nominal dollars.

Dwelling Unit

A self-contained suite of rooms, including cooking and bathing facilities, intended for long-term residential use.

Employed

Persons 15 years and older who worked for one hour or more in the week of the labour force survey.

Final Consumption Expenditure

The value of purchases of goods and services for consumption. Excludes purchases of fixed assets, intermediate goods or additions to inventories. Intermediate goods are those used as inputs for making other goods.

Fixed Capital Formation

Additions to the stock of real capital. Real capital represents assets, except land and natural resources, which are capable of producing income. For example, new and second-hand buildings, plant and equipment and roads.

Goods and Services Tax

From 1 July 2000 the Australian Government introduced a 10 per cent tax on goods and services replacing the previous wholesale sales tax regime. Some items like basic food, health, education and exports are GST free.

Gross Domestic Product

The total value of goods and services produced in Australia over the period for final consumption. Intermediate goods, or those used in the production of other goods, are excluded. GDP can be calculated by either summing total expenditure, total income, or total production. GDP is the headline measure of economic growth for Australia

Gross State Product

GSP is the headline measure of economic growth for each jurisdiction. Similar to GDP, the ABS produces three measures of GSP; GSP (Expenditure), GSP (Income) and GSP (Production). The main measure of GSP growth is GSP (Average), the average growth rate of the three measures.

GSP (Expenditure) approach sums all final consumption expenditures (general government and household); private and public gross fixed capital formation; net international and interstate exports (exports - imports) and changes in inventories in each jurisdiction.

GSP (Income) is the sum of: compensation of employees; gross operating surplus; gross mixed income and taxes less subsidies on production and imports in that jurisdiction.

GSP (Production) is the sum of the value of all goods and services produced by an industry less the cost of goods and

services used up by the industry in producing the goods and services (ie Gross value added (GVA) by industry). The industry GVA's and taxes less subsidies on products are then summed to form GSP.

Labour Force

All persons 15 years and over, who are available for work. That is, employed plus unemployed persons actively seeking work. Excludes defence force personnel and non-residents.

Original Terms

Data in original terms is basic, raw data as collected in a survey or a census. It is not adjusted for seasonality or smoothed to remove irregularities to form a trend series.

Participation Rate

The proportion of the population over 15 years of age who are working or looking for work.

Business Investment

Private fixed capital formation for non-residential buildings and structures, machinery and equipment, livestock, intangible fixed assets before depreciation.

Real Dollars

Used to remove the impact of price changes (inflation) in time series data. In the base year current prices equal constant prices. To convert current dollar values to constant dollar values it is necessary to deflate/inflate by the appropriate inflation index number. Also referred to as constant dollars or values in chain volume terms.

Seasonally Adjusted Terms

The seasonally adjusted series is a time series of estimates with the effects of normal seasonal variation removed (that is those fluctuations that exhibit a regular pattern at a particular time of year). Seasonally adjusted terms allow the effects of other non-seasonal influences on the series to be more clearly recognised.

State Final Demand

SFD measures the final demand for goods and services within the state or territory borders. It encompasses personal and government expenditure on goods and services, and government and business fixed capital investment. It does not have the same coverage as GSP as it does not include international (or interstate) trade nor change in inventories. Therefore, unlike GSP, SFD is not a measure of the output or production of a state or territories economy.

Trend Terms

The trend series is used to analyse the underlying behaviour of the series over time. Trend terms are derived by smoothing the seasonally adjusted series to reduce the impact of any irregular components of that series.

Unemployed

Persons 15 years and older who were not employed during the week of the labour force survey and were actively seeking work in the past four weeks.

Unemployment rate

The number of unemployed persons expressed as a percentage of the labour force.

Territory Economic Review September 2009

Comparative Economic Indicators*

Indicator	Period	Measure	NT	NSW	Vic	Qld	SA	WA	Tas	ACT	Aus
Economic Growth											
Gross Domestic Product ^(a)	2007-08	% change	3.9	2.8	3.2	5.3	3.8	5.2	3.4	2.5	3.7
State Final Demand ^(a)	Year to Mar 09	% change	9.4	2.2	3.1	3.7	4.5	6.2	5.3	0.3	3.3
International Goods Exports	Year to Jun 09	% change	38.7	28.7	-0.6	59.5	-7.9	26.1	-4.1	200.0	26.8
International Goods Imports	Year to Jun 09	% change	68.6	4.1	0.7	4.9	-6.4	21.1	37.8	-53.8	8.9
Demography											
Population	Dec-07 Qtr to Dec-08 Qtr	% change	2.0	1.4	1.9	2.5	1.2	3.1	1.0	1.7	1.9
Labour Market											
Employment (trend)	Jul 08 to Jul 09	% change	5.1	-0.1	-0.4	0.0	0.4	-0.2	-2.2	-1.7	-0.1
Participation Rate (trend)	As at July 08	%	72.1	63.7	64.9	67.4	63.5	68.9	62.3	73.2	65.4
	As at July 09	%	75.1	63.8	64.5	67.4	63.4	68.8	60.7	71.9	65.3
Unemployment Rate (trend)	As at July 08	%	3.0	4.8	4.5	3.7	4.9	3.0	4.1	2.7	4.2
	As at July 09	%	4.2	6.3	6.0	5.6	5.5	5.5	4.8	3.8	5.9
ANZ Job Ads	Year to Jul 09	% change	-23.9	-43.8	-4.2	-43.6	-14.8	-10.6	13.3	-53.8	-3.8
Prices and Wages											
Consumer Price Index	Jun-08 Qtr to Jun-09 Qtr	% change	2.5	1.3	1.2	2.0	1.6	1.4	1.7	2.1	1.5
	Year to Jun 09 Qtr	% change	3.4	3.1	2.8	3.7	3.2	3.0	2.9	3.4	3.1
Average Weekly Earnings (full-time adult total earnings)	As at May 09	\$	1179.50	1252.10	1211.50	1183.70	1160.80	1429.80	1109.00	1391.00	1241.30
Housing Sector											
Building Approvals (number)	Year to Jun 09	% change	-15.9	-25.1	-3.0	-36.2	-10.2	-18.2	7.2	19.7	-18.8
Housing Finance for Owner Occupation (number)	Year to Jun 09	% change	-1.6	-3.8	-8.1	-12.5	-3.8	-11.7	-7.6	16.5	-7.5
Housing Affordability Indicator ^(b)	As at Mar 09 Qtr	Level	46.0	33.0	36.1	33.2	35.1	38.6	36.0	59.4	35.0
Consumer Spending											
Retail Trade (current \$)	Year to Jun 09	% change	13.5	2.4	5.9	5.5	7.7	3.7	8.2	3.5	4.7
New Motor Vehicle Sales (No.)	Year to Jul 09	% change	-13.0	-13.4	-13.2	-17.0	-9.4	-15.4	-12.9	-10.4	-14.1
Tourist Accommodation - Takings (current \$)	Year to Mar 09	% change	9.9	0.3	3.9	0.3	5.3	10.1	3.4	12.8	2.8

*original data unless otherwise stated

(a) in real, inflation adjusted terms (b) the higher the number, the more affordable the housing

Source: Australian Bureau of Statistics Data, ANZ Job Advertisement Series, AMP Housing Affordability Report

Note: Care should be taken in using monthly estimates for the Territory, in view of the small numbers and the volatile nature of the data. Although all due care has been exercised in the preparation of this material, no responsibility is accepted for any errors or omissions. For queries please contact Northern Territory Treasury, Economic and Social Analysis Unit, on (08) 8999 6801.