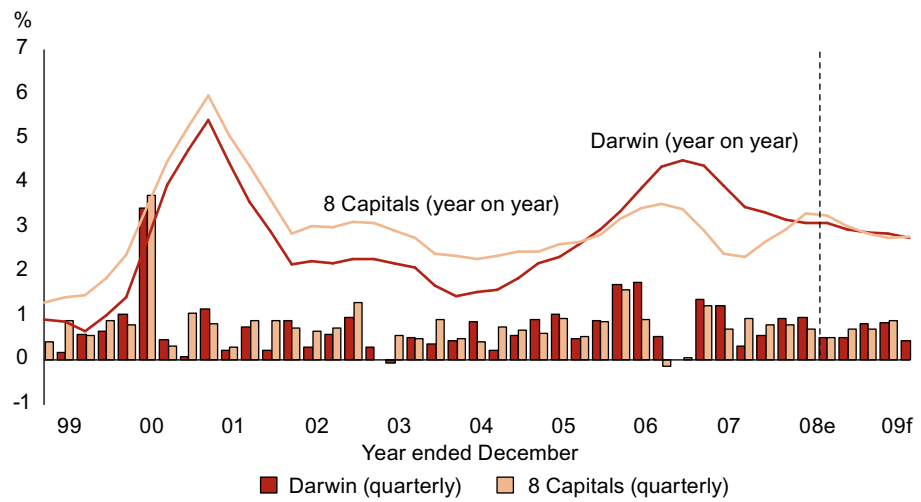


Prices and Wages

- Darwin's CPI increased 2.9 per cent in annual terms in 2007, and 3.4 per cent in year-on-year terms.
- Strong wages growth, in the Territory and nationally, over the two years to 2007, reflects a tight labour market with skilled labour shortages, especially in construction, mining and health.
- Some inflationary pressures are expected in the Territory in 2008, largely reflecting continued growth in rents, fuel costs and food prices.
- Six interest rate rises in the 18 months to March 2008 increased the Australian cash rate to 7.25 per cent, the highest rate since 1994. With the possibility of further rises in 2008, Territory house purchases are expected to moderate. The Reserve Bank of Australia's contractionary monetary policy is also expected to dampen consumer demand.

Consumer Price Index



e: estimate; f: forecast
 Source: Northern Territory Treasury, ABS Cat. No. 6401.0

Wage Price Index
 (year-on-year to December 2007,
 percentage change)

	2002	2003	2004	2005	2006	2007
	%	%	%	%	%	%
Northern Territory						
Public	3.2	3.7	3.3	4.8	4.4	2.7
Private	3.1	2.6	3.4	4.1	3.5	4.8
Total	3.1	3.1	3.3	4.5	3.9	3.9
Australia						
Public	3.3	4.4	4.1	4.6	4.3	4.2
Private	3.3	3.3	3.4	3.9	3.9	4.1
Total	3.2	3.6	3.6	4.1	4.0	4.1

Source: ABS Cat. No. 6345.0