



NORTHERN TERRITORY



# 2024-25 BUDGET

## WORKING FOR THE TERRITORY

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INDUSTRY OUTLOOK

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## Industry outlook

The Northern Territory's economic output is concentrated in the mining, defence, and public administration and safety industries (Table 1). The main contributors to employment are health care and social assistance, public administration and safety, and education and training, followed by retail trade, and accommodation and food services. This publication provides an overview of the Territory's key industries and discusses opportunities and risks to growth in these industries.

Table 1: Gross state product and employment, Territory 2022-23<sup>1</sup> (chain volume measure)

	GSP					Employment			
	Value \$M	Change %	Share of GSP %	10-year average	10-year CAGR %	Number	Change %	Share of employment %	10-year average
<b>Government and community services</b>	<b>7 086</b>	<b>0.2</b>	<b>22.9</b>	<b>6 412</b>	<b>2.2</b>	<b>56 312</b>	<b>- 1.9</b>	<b>41.3</b>	<b>52 787</b>
Public administration and safety	3 147	- 2.4	10.1	3 033	0.7	19 428	- 12.4	14.2	21 370
Health care and social assistance	2 499	3.1	8.0	2 034	5.1	22 172	- 4.5	16.3	19 038
Education and training	1 440	1.1	4.8	1 346	1.6	14 712	22.3	10.8	12 379
<b>Service industries</b>	<b>5 842</b>	<b>3.9</b>	<b>18.7</b>	<b>5 474</b>	<b>2.3</b>	<b>47 448</b>	<b>8.5</b>	<b>34.8</b>	<b>44 457</b>
Accommodation and food services	685	5.2	2.3	654	0.8	10 498	13.6	7.7	9 226
Transport, postal and warehousing	1 196	17.8	3.6	1 070	4.0	5 945	- 15.4	4.4	6 324
Information and media telecommunications	134	6.3	0.4	107	5.6	1 005	- 24.8	0.7	1 335
Financial and insurance services	666	3.9	2.2	591	2.4	1 223	28.0	0.9	1 496
Rental, hiring and real estate services	448	1.1	1.4	405	2.5	1 919	11.9	1.4	2 076
Professional, scientific and technical services	855	- 0.5	2.8	943	0.8	8 329	25.4	6.1	7 161
Administrative and support services	556	7.3	1.7	503	1.2	4 864	6.9	3.6	4 414
Electricity, gas, water and waste services	440	- 4.8	1.5	414	3.3	2 580	4.0	1.9	2 330
Arts and recreational services	348	- 6.5	1.1	310	3.2	4 418	40.3	3.2	3 433
Other services	514	- 4.1	1.7	476	2.4	6 668	0.2	4.9	6 663
<b>Mining and manufacturing</b>	<b>9 222</b>	<b>- 15.6</b>	<b>31.6</b>	<b>8 512</b>	<b>2.7</b>	<b>7 365</b>	<b>4.9</b>	<b>5.4</b>	<b>8 189</b>
Mining	8 183	- 17.1	28.0	7 336	4.1	4 093	9.8	3.0	4 566
Manufacturing	1 039	- 1.2	3.6	1 176	- 4.2	3 272	- 0.7	2.4	3 623
<b>Construction</b>	<b>1 768</b>	<b>6.6</b>	<b>5.7</b>	<b>2 315</b>	<b>- 6.5</b>	<b>10 013</b>	<b>8.5</b>	<b>7.3</b>	<b>12 535</b>
<b>Defence<sup>2,3</sup></b>	<b>2 944</b>	<b>4.5</b>	<b>9.0</b>	<b>2 209</b>	<b>5.8</b>	<b>5 358</b>	<b>- 0.7</b>	<b>5.0<sup>4</sup></b>	<b>5 548</b>
<b>Retail and wholesale trade</b>	<b>1 630</b>	<b>- 1.9</b>	<b>5.8</b>	<b>1 615</b>	<b>0.8</b>	<b>12 123</b>	<b>0.2</b>	<b>8.9</b>	<b>12 667</b>
Retail	778	- 2.8	2.7	778	0.4	10 452	2.9	7.7	10 331
Wholesale trade	852	- 1.2	3.1	837	1.1	1 671	- 13.7	1.2	2 336
<b>Tourism<sup>3</sup></b>	<b>1 226</b>	<b>56.7</b>	<b>3.8</b>	<b>1 003</b>	<b>2.9</b>	<b>7 500</b>	<b>21.0</b>	<b>5.0</b>	<b>7 800</b>
<b>Agriculture, forestry and fishing</b>	<b>767</b>	<b>- 4.4</b>	<b>2.2</b>	<b>877</b>	<b>- 0.3</b>	<b>3 087</b>	<b>- 10.7</b>	<b>2.3</b>	<b>2 613</b>

CAGR: compound annual growth rate; GSP: gross state product

1 Excludes non-industry components of GSP (ownership of dwellings, taxes less subsidies and statistical discrepancy). Numbers may not add due to rounding. Tourism and defence estimates are indicative. These sectors are not discrete industries in Australian Bureau of Statistics (ABS) reporting, and activity for these sectors is captured across multiple industries in ABS state accounts data. Therefore, figures in the table do not sum to ABS reported GSP and employment data due to double counting related to the separate reporting of the tourism and defence sectors in this table.

2 ABS labour market statistics exclude defence personnel.

3 Current price terms.

4 This is the Territory's share of the Australian Defence Force (ADF).

Source: ABS, *State Accounts*, Cat. No. 5220.0, *Labour Force*, Cat. No. 6291.0.55.003, unpublished defence data; Department of Defence annual reports; Tourism Research Australia *State Tourism Satellite Accounts*; Department of Treasury and Finance

Territory economic activity declined by 5.3% in 2022-23 reflecting a pause in exports associated with major maintenance in the gas industry. Economic growth is forecast to average 4.1% per annum in the 5 years to 2027-28.

GSP is expected to increase by 4.9% in 2023-24. This reflects liquefied natural gas (LNG) exports from Ichthys LNG plant increasing relative to 2022-23, partially offset by a decline in lithium-related exports following the suspension of the Core Lithium mining production due to adverse commodity price movements.

Private investment is forecast to grow by 5.8% in 2023-24, supported by a strong pipeline of major non-dwelling construction projects and investment related to preparing the Barossa project for production. There are several large-scale resource and technology projects proposed that are not included in the 2024-25 budget forecasts. If these projects achieved final investment decision status and began construction within the forward estimates period, this would create greater economic and employment activity.

Household consumption (-1.5%) is expected to detract from growth in 2023-24 due to the combination of high interest rates, recent increases in inflation and low consumer confidence. The impact of these factors is currently reflected in the slow growth of retail trade, and modest household spending in restaurants and cafés as rising costs of mortgage interest repayments and cost of living pressures impact household budgets. Household consumption is expected to improve from 2024-25 as tax cuts flow into household balance sheets, inflation pressures on non-discretionary consumption moderates and the Reserve Bank of Australia cash rate is cut in 2025.

In the short term, dwelling investment is set to decline amid uncertainty around high interest rates, cost of living pressures on household budgets, and increased input costs weakening demand for the construction of new homes and apartments. Over the longer term, dwelling investment will be supported by decreased costs of borrowing, ample land supply and housing construction for the growing population, leading to positive downstream impacts for the service, retail and wholesale trade industries.

Public investment (6.7%) is expected to contribute solidly to growth, underpinned by road infrastructure works, remote housing construction and defence projects. The growth of public consumption in the near term will be driven by spending to ease cost of living pressures, social services and address public safety.

Public investment in water, road, and infrastructure for housing development by the Territory Government, including large remote housing construction projects with the Commonwealth, and increased spending on public education, is expected to support the government and community services sector activity over the outlook.

As Australia's northernmost jurisdiction, the Territory is integral to the operational capability of the ADF, and the Territory is expected to benefit from sustained levels of defence spending over the outlook period as the Commonwealth looks to grow Australia's strategic presence in the Indo-Pacific region. Much of the benefit of defence and infrastructure spending across different levels of government will be felt in the construction industry as facilities and capability are upgraded.

Business confidence in the Territory remained positive throughout 2023 and remains above pre-pandemic levels. Most industries in the Territory were impacted by labour shortages and increasing business costs in 2022 and 2023, which to some extent has now eased. Initiatives from the Territory and Commonwealth governments to upskill more workers domestically and attract more overseas workers has assisted in reducing labour shortages, and this has eased pressures on some business input costs.

In 2022-23 the Territory's agricultural sector experienced challenging conditions including a decline in cattle exports to Indonesia (the main importer of Territory live cattle) and Vietnam. In 2023-24, cattle prices have risen and cattle exports are returning to normal. An expansion of agricultural land and trialling of new crops in some regions, and investment in infrastructure and logistics hubs are expected to contribute to medium-term growth in the sector.

Global demand and prices for mining commodities exported by the Territory are expected to remain solid over the outlook period. Demand for critical minerals will improve in the medium term as a recovery in demand for energy-efficient technology eases recent price declines for some critical minerals across the forward estimates period (that is, lithium and spodumene concentrates) and as countries increase efforts to transition to low-carbon energy. The risks from geopolitical tensions spilling into global supply chains has risen. This reflects an escalation in hostilities related to both the Russia-Ukraine war and the Israel-Hamas war in the Middle East. Any escalation in these or other conflicts may add to gas price volatility.

Locally, mining activity will be heavily influenced by LNG production from the Darwin LNG plant. LNG production and exports are expected to increase, with the Barossa gas field set to replace production from the Bayu-Undan field as it approaches the end of operational life, and new development wells in the Amadeus Basin are likely to come online in the period ahead.

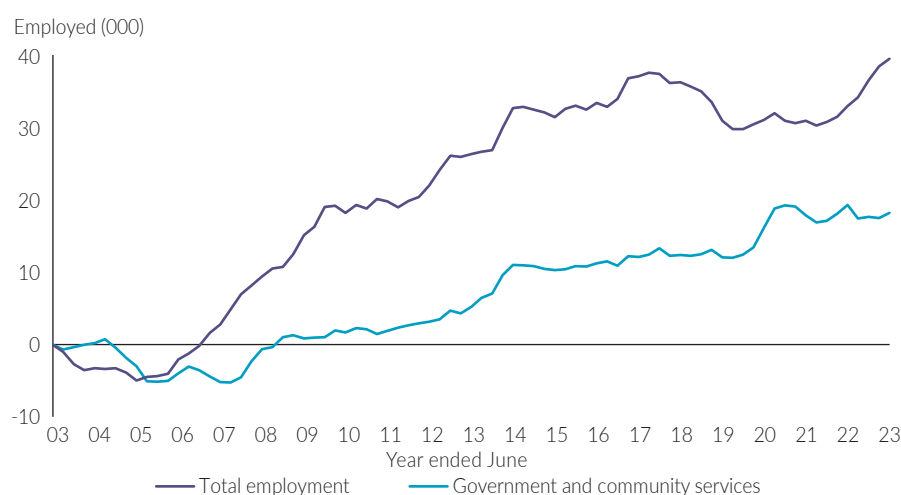
# Government and community services

## Outlook

The government and community services sector's output is expected to increase slightly in the year ahead, due to increased Territory Government spending on public infrastructure, social policy initiatives related to reducing crime, and the response to damage caused by extreme weather events. Over the medium term, the sector's output will increase broadly in-line with population and economic growth, GST revenue, and tied Commonwealth grants.

In 2022-23, the government and community services sector accounted for 22.9% of the Territory's GSP. This is higher than the national industry share of around 17%, reflecting the complexity of delivering services in regional and remote Australia. The sector is the largest employer in the Territory, accounting for 41.3% of Territory employment in 2022-23, of which 14.2% is public administration and safety, 16.3% is health care and social assistance, and 10.8% is education and training.

Chart 1: Territory change in employment since 2002-03



Source: ABS, *Labour Force, Australia, Detailed*, Cat. No. 6291.0.55.001; Department of Treasury and Finance

From 2002-03 to 2022-23, the share of employment for the government and community services sector averaged 37.8%. The sector is expected to grow in 2023-24 due to increased expenditure to strengthen public service delivery, particularly housing services and community safety, and disaster assistance for flood impacted parts of the Territory.

On 18 March 2024, Cyclone Megan, a category 3 system, made landfall on the Gulf of Carpentaria, impacting East Arnhem, West Arnhem and the Roper Gulf districts. The Angurugu, Gunbalanya and Borroloola communities were affected by severe weather and significant flooding. The Commonwealth and Territory governments provided financial assistance to support affected residents through immediate hardship payments and repairs to service and infrastructure.

The Territory Government has committed to additional programs and infrastructure investment for areas of strategic need. This includes several long-term projects and funding initiatives that will support output in the government and community services sector over the outlook period.

Key program funding and investments include:

- \$107.5 million to upgrade the Royal Darwin Hospital and \$34.1 million the Alice Springs Hospital
- \$40 million for new health centres and morgues in Borroloola and Gunbalanya
- \$53.9 million to upgrade Territory schools and other educational facilities
- \$445 million over five years with an ongoing \$120 million per year for police resourcing and to implement the Northern Territory Police Review outcomes, including full establishment of the Territory Safety Division and an additional 200 police officers
- \$67 million to upgrade police complexes across the Territory
- \$30 million in additional funding to support the continued implementation and expansion of reforms under the Domestic, Family and Sexual Violence Action Plan
- \$140 million with an ongoing \$10 million per year to support correctional services demand pressures and facilities
- \$14.16 million to establish and operate residential youth justice camps in Darwin, Katherine, Tennant Creek and Alice Springs.

The Commonwealth and Territory governments have also agreed to several significant initiatives to boost government and community services. In early 2023 the Commonwealth and Territory governments announced a \$298 million package for Central Australia, aiming to enhance community safety, combat alcohol-related harm and create more opportunities for young people.

On 13 March 2024, the Commonwealth and Territory governments committed to increase funding for public schools to 100% of the Schooling Resource Standard by 2029. As a result, Territory public schools will achieve full funding two decades earlier than under current settings. The agreement aims to provide additional resources to schools across the Territory, supporting students and improving education outcomes. The Commonwealth will invest at least an additional \$737.7 million from 2025 to 2029, while the Territory Government commits to investing at least an additional \$350 million over the same period.

In addition, the Territory Government will continue to improve the quality and quantity of economic and community infrastructure through its long-term urban and regional infrastructure programs including:

- the \$200 million Darwin City Deal, a 10-year (2018 to 2028) agreement with the Commonwealth and the city of Darwin
- the Darwin Education and Community Precinct, which is expected to be completed in 2024
- planning for future upgrades to cultural facilities in Alice Springs
- \$30.3 million for upgrades to sporting and event facilities across the Territory
- \$24 million for a cyclone shelter in Maningrida.

For the latest data on the Territory's government and community services sector, refer to the [Territory Economy](#) website.

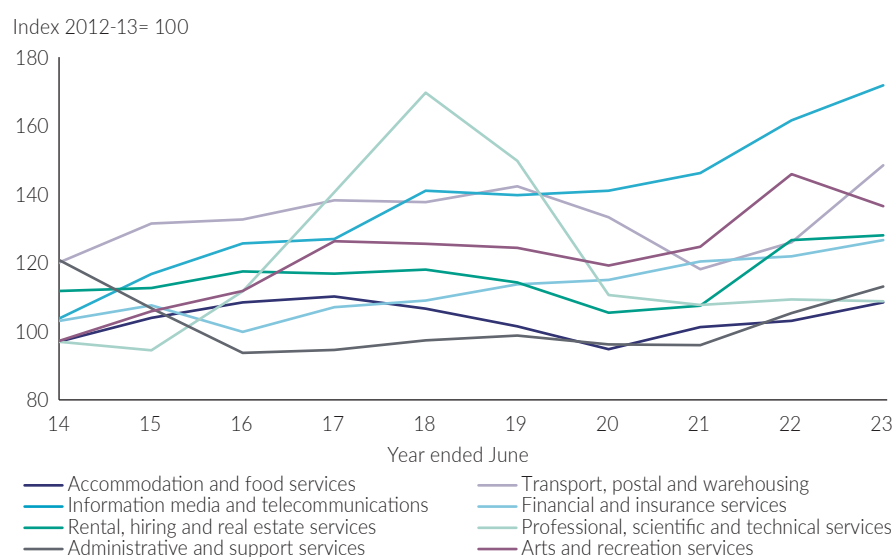
# Service industries

## Outlook

The outlook for the Territory's service industries is positive, supported by easing of labour supply constraints that had previously held back output, and a strong pipeline of construction projects that will support future growth.

The service sector covers a broad range of discrete industries (Chart 2), which accounted for 18.7% of the Territory's GSP and 34.8% of the Territory's employment in 2022-23.

Chart 2: Territory service industries gross value added, sub-industries

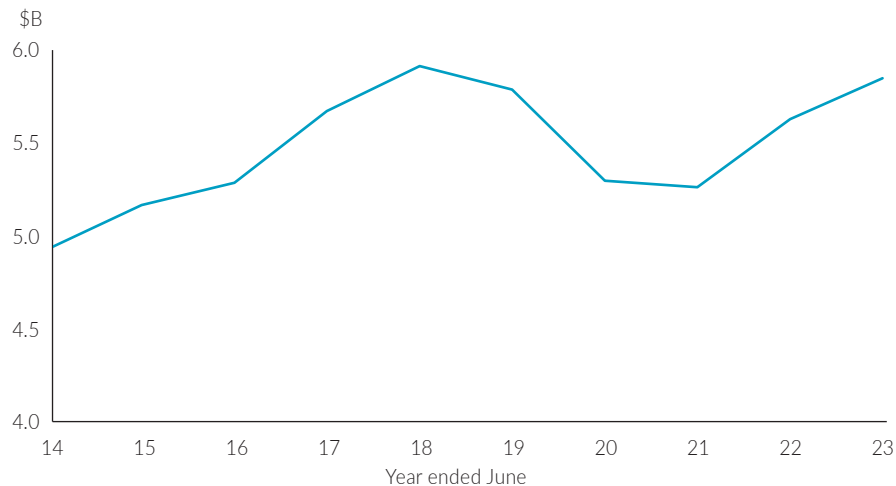


Source: ABS, *Australian National Accounts: State Accounts*, Cat. No. 5220.0; Department of Treasury and Finance

The output of the services sector grew strongly in 2022-23, up by 3.9%, having now fully recovered to pre-covid levels (Chart 3). Driving this growth was transport, postal and warehousing, up 17.8% in the year due to the return of international travel. Accommodation and food services also performed well in the year, up 5.2%, likely because of returning tourists following the end of covid-related travel restrictions. There is some uncertainty in the outlook of industries with links to tourism, as travellers are starting to favour shorter trips closer to home given pressures on household budgets. Offsetting shifts in consumer behaviour is an easing in labour shortages, which had previously been a limiting factor for output. For more information on tourism, see the *Tourism* section.



Chart 3: Territory service industries gross value added



Source: ABS, *Australian National Accounts: State Accounts*, Cat. No. 5220.0

The outlook for arts and recreation services is positive with the Northern Territory Art Gallery currently under construction in Darwin and the tendering process underway for the National Aboriginal Art Gallery in Alice Springs.

Professional, scientific and technical services will be supported by the construction of the Barossa project over the year ahead, following a resumption of activity in January 2024 after the project was delayed as a result of court proceedings. Other large construction projects that will support these services include the Darwin ship lift facility, Territory and Commonwealth joint investment into remote housing, and the National Aboriginal Art Gallery.

These services are also expected to benefit from defence infrastructure projects and increased expenditure on electricity and water infrastructure.

Additionally, there are a number of large construction projects proposed that, if final investment decisions are achieved, will boost and sustain service industries in the Territory in the future. For further information on these projects see Chapter 2 *Economic Growth* in the [2024-25 Northern Territory Economy](#) book.

Large construction projects are expected to contribute to population growth with significant workforce demand. Population growth will support greater demand for a wide range of services across the Territory such as electricity, gas, water and waste services, and rental, hiring and real estate services.

For the latest data on the service industries, refer to the [Territory Economy](#) website.

# Mining and manufacturing

## Outlook

The mining industry's output is expected to increase significantly in 2025-26 as the Darwin LNG plant commences LNG production from the Barossa gas field.

In 2022-23, the mining industry accounted for 28% of GSP, making it the largest contributor to GSP. The manufacturing sector accounted for 3.6% of GSP over the same period. Mining is a capital-intensive industry that employed 4,093 persons in 2022-23, accounting for 3% of total Territory employment, while the manufacturing industry employed 3,272 persons, accounting for 2.4% of the Territory's employment. In real terms, the gross value-adding activity of both the mining and the manufacturing industry declined in 2022-23 by 17.1% and 1.2%, respectively.

Mining output is dominated by LNG and metallic minerals. The sector contributes to the Territory economy through international trade, private investment and employment. The mining industry also has a significant impact on the Territory's construction industry, as mining investment often generates significant levels of construction activity.

Production levels from the Ichthys LNG plant are expected to increase slightly in 2024, as production capacity is raised from 8.9 million tonnes to 9.3 million tonnes of LNG per year. Gas produced from the Bayu-Undan field declined in 2023 as it approached the end of its operational life. The last LNG cargo from Bayu-Undan was shipped in November 2023 with remaining reserves supplying the domestic market.

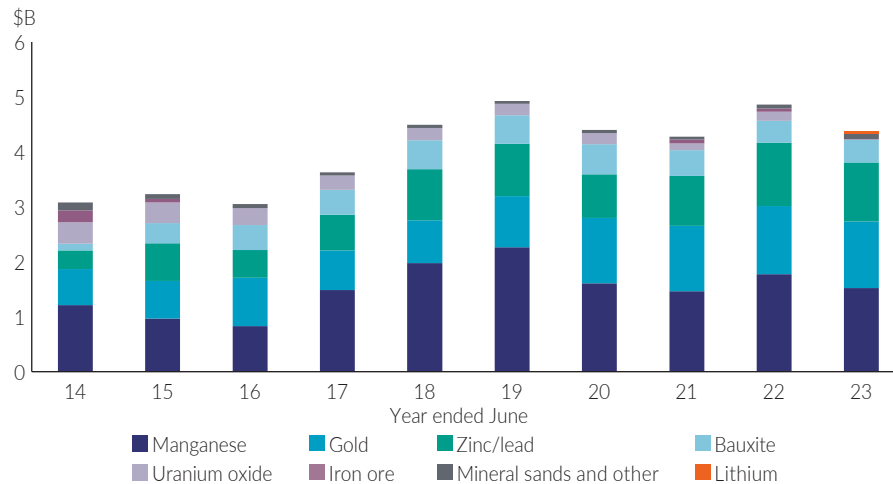
Demand for critical minerals is expected to improve over time given their use in energy-efficient technology and as countries increase efforts to transition to low-carbon energy. There are a number of projects under development that may make final investment decision over the outlook period. If these are realised, they will boost mineral production in the Territory.

## Minerals production

The majority of minerals produced in the Territory are metallic, including manganese, gold, zinc and lead, bauxite, iron and lithium (Map 1). The Territory also produces non-metallic minerals, such as crushed rock, sand, quicklime and gravel.

The value of the Territory's mineral output was \$4.4 billion in 2022-23, a 9.9% decrease from the previous year, not adjusted for inflation. This was largely driven by a decrease in the value of manganese and zinc/lead concentrate reflecting lower prices for these commodities. The value of the Territory's mineral production is expected to increase slightly to \$4.5 billion in 2023-24 driven by an increase in the value of production for gold.

Chart 4: Value produced of selected Territory minerals



Source: Department of Industry, Tourism and Trade

## Manganese

Manganese is an input to steel manufacturing with production largely driven by global steel demand. In the Territory, manganese is produced at South32’s Groote Eylandt Mining Company (GEMCO) mine, the largest manganese mine in the world.

In 2022-23, the value of manganese produced decreased by 14.1% (Chart 4), driven by a fall in the global price for the commodity and a reduction in the volume of manganese produced. Manganese accounted for 34.8% of the value of all minerals produced by the Territory.

In 2023-24, the value of production is forecast to decline as a result of damage to the GEMCO mine site and the Milner Bay Groote Eylandt Wharf caused by Cyclone Megan (see Chapter 2, *Economic growth*, NT Economy book). The price of manganese is expected to remain stable, supported by increased global demand for steel.

## Gold

The Territory produces gold predominantly from Newmont’s Granites mine in the Tanami region. The value of gold produced declined by 2.4% in 2022-23 and accounted for 27.6% of the value of all minerals produced by the Territory. This was driven by a decrease in the volume of gold produced, partially offset by a strong increase in the price of gold.

In 2023-24, the value of production for gold is expected to increase, driven by elevated prices amid global economic uncertainty.

The completion of expansion activities at the Granites mine will contribute to production levels increasing over 2024-25. Newmont’s Tanami Expansion 2 project is expected to begin commercial production in 2027 with capital costs estimated between \$1.7 and \$1.8 billion. There are a number of prospective projects in the Tennant Creek and Pine Creek regions that would support the Territory’s gold production, dependent on final investment decisions and obtaining necessary approvals.

## Zinc and lead

Zinc and lead are produced at Glencore’s McArthur River mine, located 65 kilometres southwest of Borroloola. The value of zinc and lead produced decreased by 6.8% to \$1.1 billion in 2022-23 due to a decline in the price of zinc and a reduction in the volume of zinc/lead concentrate produced.

Heavy rainfall resulting from Cyclone Megan led to a temporary pause in operations at the McArthur River mine on 18 March 2024. However, the impact of this was modest, with the mine beginning the process of safely returning to normal operations on 26 March. In 2023-24, the value of production of zinc and lead is expected to remain relatively stable.

## Bauxite

Two bauxite mines operate in the Territory – Rio Tinto's mine at Gove and Gulkula's mine on the Dhupuma Plateau.

The value of bauxite produced in the Territory increased by 6.2% to \$421.3 million in 2022-23, reflecting an increase in the price. This was driven by strong demand for aluminium, which uses bauxite as an input.

Bauxite prices and the quantity produced in the Territory are expected to increase modestly over the short term due to an expected increase in global demand for aluminium as global economic growth improves.

## Iron ore

In 2022-23, the value of iron ore produced in the Territory decreased by 88.6% to \$6.9 million. Iron ore in the Territory was produced solely at Elmore's Peko mine, which exported a shipment of ore in October 2023, before going into administration in early 2024. At least one more shipment is expected to be exported while they are in administration. Value of production is forecast to remain low in 2023-24 with the Nathan River mine having approval to export stockpiles.

Several projects are currently under consideration and are awaiting final investment decisions, including the Warrego tailings project. Favourable market conditions and necessary approvals may result in these becoming operational during the outlook period.

## Lithium

Core Lithium's Finnis mine opened in October 2022, making the Territory an emerging supplier of lithium. Production occurred in two forms, direct shipping ore and spodumene concentrate. Production of spodumene concentrate was below initial projections due to the flooding of the Grants mine pit.

Over 2023, the price of lithium fell steeply due to an oversupply in the market and weak growth in electric vehicle sales in the United States (US) and European Union. Lithium output from the Core Lithium mine will be limited to processing existing stockpiles in the second half of 2023-24, as the steep fall in prices led to the suspension of mining operations in January 2024.

## Uranium

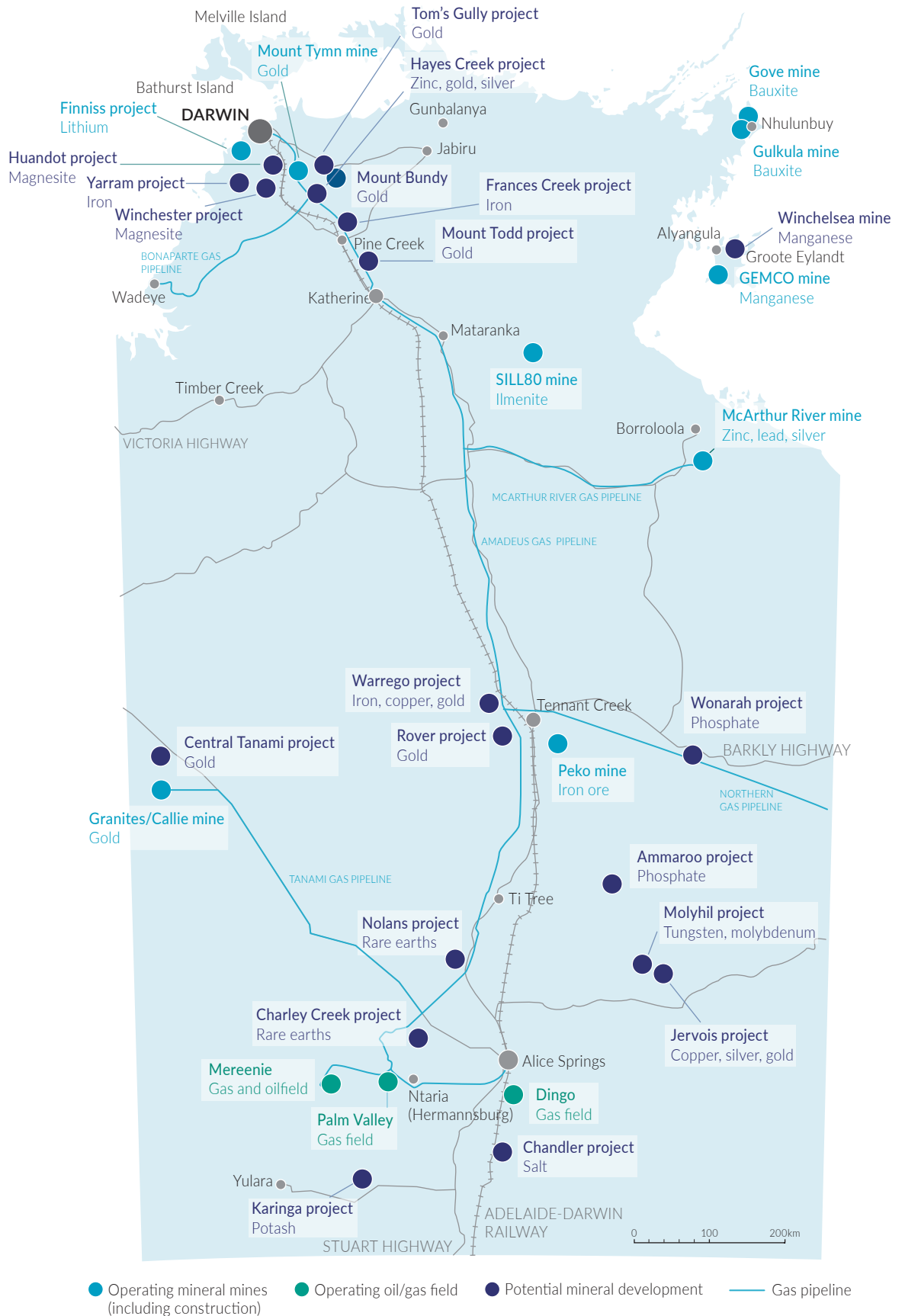
Uranium mining ceased in January 2021 when Energy Resources of Australia's (ERA) Ranger mine closed down, with all inventories sold by June 2022. Rehabilitation of the Ranger mine is currently underway. ERA expects costs to exceed the previously estimated range of \$1.6 billion to \$2.2 billion. In addition, rehabilitation of the Rum Jungle mine is anticipated to cost an estimated \$500 million. Mine rehabilitation will be an ongoing source of activity in the Territory in coming decades as a number of mines are nearing the end of their operating lives.

## Other minerals

The value of production of other non-metallic minerals increased by 32.1% to \$69.6 million in 2022-23. This was driven by increases in the production of sand and soil.

The value of production is expected to decline slightly in 2023-24 driven by a decrease in the value for crushed rock and sand.

Map 1: Current and pending mineral and onshore petroleum operations in the Territory<sup>1</sup>



<sup>1</sup> This map is produced from various sources. Department of Treasury and Finance cannot guarantee the accuracy, currency or completeness of the information. To be used as a guide only.  
 Source: Department of Industry, Tourism and Trade; Department of Treasury and Finance

## Oil and gas production

The Territory's conventional onshore oil and gas is sourced from the Amadeus Basin in Central Australia. Production occurs at the Mereenie, Palm Valley and Dingo fields located close to Alice Springs and operated by Central Petroleum Limited.

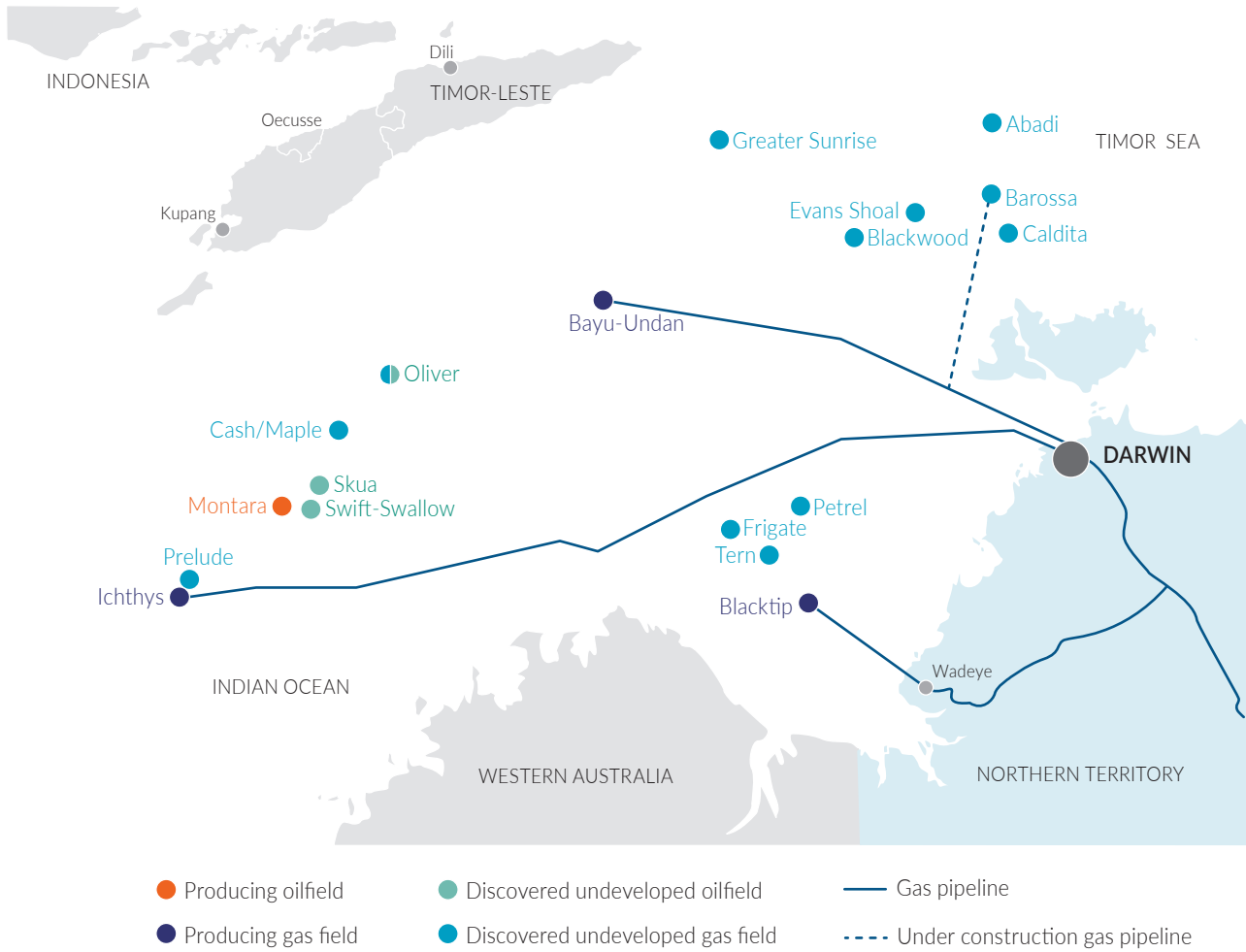
In 2022-23 onshore oil production decreased by 14.8% to 0.13 million barrels of oil, and gas production decreased by 7.1% to 13.3 billion cubic feet. This was due to several shutdowns of the Northern Gas Pipeline during the year. Future gas production is expected to be supported by new investment at the Mereenie, Palm Valley and Dingo fields. These include a recompletion plan undertaken to increase field capacity, two new development wells expected to go online in 2024 at Mereenie, and planning for additional wells to be drilled at Palm Valley and Dingo.

The Territory's offshore gas is currently sourced from the Ichthys, Blacktip and Bayu-Undan fields. Previously, gas from both the Ichthys and Bayu-Undan fields was transported to onshore processing facilities to be exported overseas. However, as the Bayu-Undan field approaches depletion, it no longer produces gas for global markets and instead has shifted supply towards domestic consumption until the end of its field life. Offshore gas from Blacktip is also used by the domestic market, providing gas for electricity generation in the Territory, noting that gas output from this field declined significantly and remained well below historical levels in 2023. The Barossa gas field is set to replace Bayu-Undan and expected to become operational from 2025-26.

Offshore oil production is mainly generated by the Montara field and is exported overseas. The value of the Territory's offshore oil exports increased from \$5.3 million in 2021-22 to \$1.3 billion in 2022-23 (caution is advised when interpreting this result, as the large spike in offshore oil exports reflects changes in the ABS's confidentiality provisions relating to international trade data).

Carbon capture and storage (CCS) is the process of capturing greenhouse gases from industrial and energy-related sources, and injecting it deep underground for storage. Oil and gas reservoirs that have been depleted serve as attractive storage targets as they have been proven to contain good reservoirs and traps. The Territory Government is currently working to develop a low emissions CCS Hub at the Middle Arm Sustainable Development Precinct. In addition, Santos' proposed Bayu-Undan CCS project is targeting final investment decision in 2025, with the first injection of carbon dioxide expected to take place in 2028.

Map 2: Offshore petroleum activity near the Territory<sup>1</sup>



<sup>1</sup> This map is produced from various sources. Department of Treasury and Finance cannot guarantee the accuracy, currency or completeness of the information. To be used as a guide only.  
Source: Department of Industry, Tourism and Trade; Department of Treasury and Finance

## Exploration activity

Exploration activity can be a leading indicator of future development, depending on the outcomes of the exploration work undertaken.

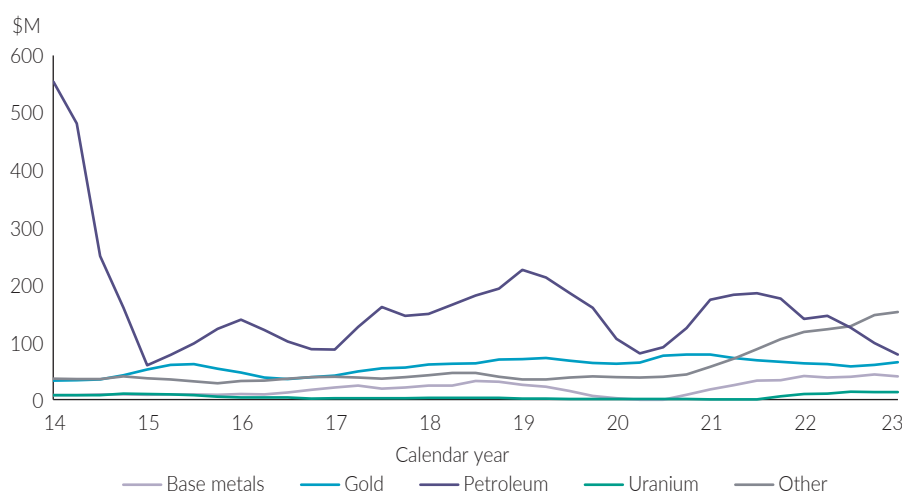
Total mineral exploration expenditure in the Territory increased by 14.1% to \$228.1 million in 2023, slightly below the highest level seen in 2011 of \$228.4 million. This reflects increased expenditure across ‘other’ minerals such as lithium, rare earths and graphite, which accounted for \$106.7 million in expenditure. Uranium and gold exploration also increased (Chart 5).

In 2023, gallium and graphite resources were discovered in the Territory, taking the list of critical minerals found in the Territory to 17, and provides a strategic opportunity for the Territory to become a major supplier of critical minerals.

Petroleum exploration activity in the Territory is focused on the Beetaloo Sub-basin and the Amadeus Basin. The main companies exploring in the Beetaloo Sub-basin are Santos, Tamboran Resources, Falcon Oil and Gas, and Empire Energy Group. In 2023, petroleum exploration expenditure in the Territory decreased by 43.9% to \$78.8 million. This was likely due to limited exploration work conducted by Empire Energy Group as it performed flow testing on existing wells, as well as no petroleum exploration work undertaken by Santos.

In 2023, Tamboran Resources announced a strategic partnership with a North American energy services firm to import specialised equipment needed for the proposed Shenandoah South gas pilot project. Tamboran Resources have also entered into three formal and binding agreements with APA Group, an energy infrastructure business, to support the development of their assets in the Beetaloo Sub-basin. Additionally, Empire Energy Group have also formed an agreement with APA Group to connect their holdings in the Beetaloo Sub-basin to APA Group's Amadeus gas pipeline, which supplies gas to Darwin, Alice Springs and regional centres in the Territory. Following the success of Tamboran Resources' 30-day gas flow testing at their Shenandoah South test well, they are expected to progress development plans for the Shenandoah South gas pilot project, with drilling anticipated to commence in the second half of 2024. This timeline is subject to funding availability and obtaining the required approvals. In April 2024, Empire Energy Group raised over \$46 million, enabling them to progress drilling in the Beetaloo Sub-basin. The drilling will comprise a pilot development well for pre-production testing, with commercial production expected by 2025. To secure the Territory's energy future, in April 2024 the Territory Government signed a nine-year deal with Tamboran Resources for supply of gas from the Beetaloo Sub-basin. Petroleum exploration is expected to increase in 2024, supported by exploration in the Beetaloo Sub-basin.

Chart 5: Value of mineral and petroleum exploration expenditure in the Territory<sup>1</sup>



<sup>1</sup> Moving annual total

Source: ABS, *Mineral and Petroleum Exploration, Australia*, Cat. No. 8412.0.

## Manufacturing

Significant manufacturing industries in the Territory include food products, fabricated metals and transport equipment.

In 2021, the Territory Government entered into a partnership with the Advanced Manufacturing Growth Centre (AMGC) to support the development of advanced manufacturing in the Territory. As part of this partnership, AMGC and the Territory Government have established the Advanced Manufacturing Ecosystem Fund (AMEF) to support local businesses to commercialise products using innovative technology. Since its inception, the AMEF has supported Diverseco, Katherine Joinery, Arctic Installations, Air Tip, Corrosion Instruments, Colemans Printing, Steeline and Warle Construction. The Territory Government has recently co-invested in Warle Construction to build durable and cost-effective modular homes for remote areas, together with supporting Think Water in commercialising a water testing system to enhance water quality testing efficiency.



The combined investment of the AMEF is expected to contribute over 160 new jobs and generate over \$84 million for the Territory's economy in its first five years.

To support the Territory's role as an LNG export hub and fully realise the potential of the manufacturing sector, the Territory Government is working towards establishing the Middle Arm Sustainable Development Precinct. The focus of Middle Arm will be on enhancing downstream activities and it is currently in the planning and concept design phase. Avenira Limited and Aleees have signed a licence and technology transfer agreement granting Avenira the right to use Aleees' intellectual property for the lithium ferro phosphate battery cathode manufacturing facility to be based at Middle Arm. Avenira's Wonarah phosphate project is expected to supply the facility, with both projects pending final investment decisions. If these projects proceed, they will support the Territory's mining industry in addition to advancing the Territory's manufacturing capabilities.

# Construction

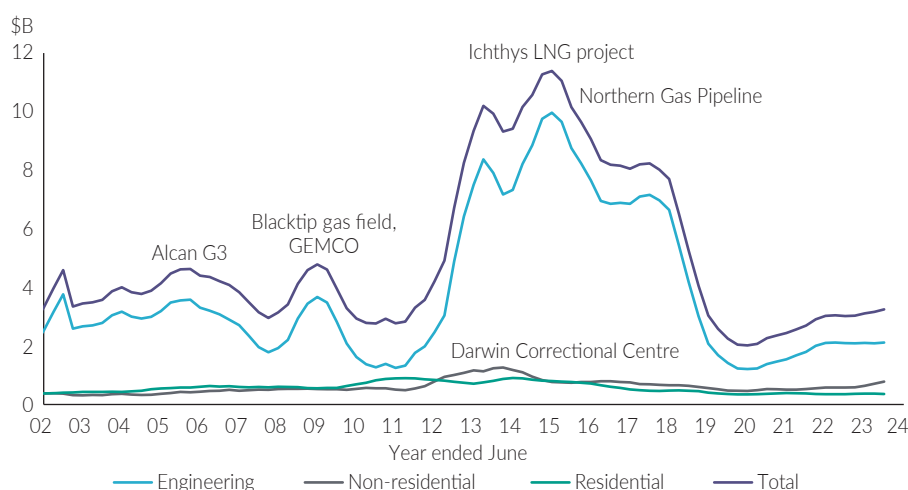
## Outlook

Construction activity is expected to experience moderate growth over the outlook period, supported by significant defence and natural resource-related projects.

In 2022-23, the construction sector grew by 6.6% to \$1.8 billion, driven by increased non-dwelling construction work. The construction sector is the sixth largest industry in the Territory, accounting for 5.7% of total GSP and employing about 10,000 people.

A steady pipeline of projects is expected to support growth in construction activity over the outlook period, with the continuation of significant defence spending and ongoing works as part of the Territory's \$4.5 billion infrastructure program. There are also a number of potential private sector projects, that may reach final investment decision and increase construction activity over the outlook period. Sentiment is largely positive in the Territory construction sector due to significant investments from the Territory and Commonwealth governments, with the industry potentially constrained by a need for highly skilled workers.

Chart 6: Construction work done in the Territory<sup>1</sup>



GEMCO: Groote Eylandt Mining Company; LNG: liquefied natural gas

<sup>1</sup> Moving annual total.

Source: ABS, *Construction Work Done, Australia*, Cat. No. 8755.0; Department of Treasury and Finance

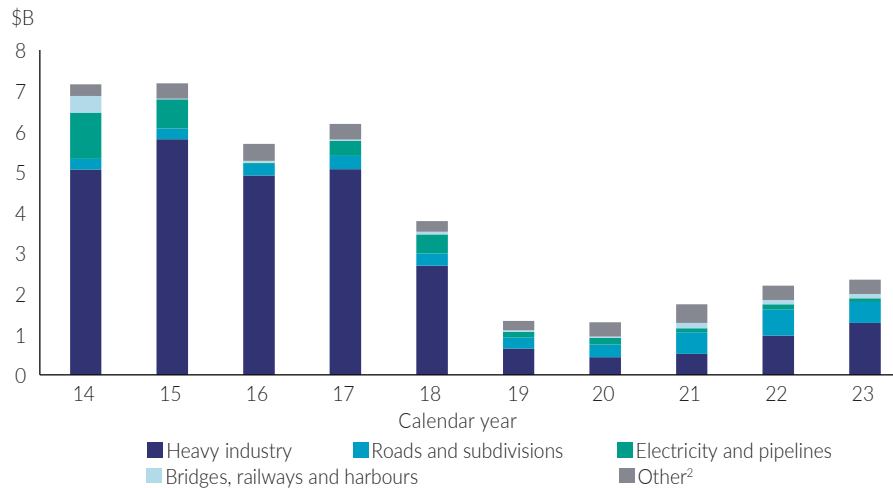
The Territory Government's commitment to deliver land to meet future growth requirements will unlock opportunities for further construction activity. Ongoing work by the Territory Government to improve the land development process through implementing recommendations of the *Bringing Land to Market: An Independent Review of the Land Development Processes, Land Under Development and Titled Land* report should support private sector residential dwelling construction and commercial developments. Infrastructure investment will also be supported by the Territory's \$2.3 billion transport program.

For an overview of committed and proposed major projects in the Territory, all of which will require varying degrees of construction work, see Chapter 2: *Economic Growth* in the [2023-24 Northern Territory Economy](#) publication.

## Engineering

The value of engineering construction work done increased by 0.8% in 2023 to \$2.1 billion (Chart 7). Private sector activity increased by 10.3% to \$1.7 billion mainly due to work for heavy industry as work progressed on resource projects, and public sector activity decreased by 1% to \$686 million, largely reflecting decreased work on roads, highways and subdivisions, following elevated levels in the previous year. The fall in public sector activity was partly offset by increased work on bridges, railways and harbours.

Chart 7: Value of Territory engineering construction work done by type<sup>1</sup>



<sup>1</sup> Current prices

<sup>2</sup> Includes water storage and supply, sewerage and drainage, telecommunications and recreation, and other.

Source: ABS, *Engineering Construction Activity, Australia*, Cat. No. 8762.0

Defence-related projects will continue to contribute a significant amount of engineering construction work in the Territory. Construction activity at Royal Australian Air Force (RAAF) Base Tindal is expected to continue until 2027, including runway extensions and construction of new fuel storage facilities. Training area upgrades, redevelopment of Larrakeyah Barracks and HMAS Coonawarra facility upgrades will contribute over the medium term. The Territory Government’s Darwin ship lift project and associated Marine Industry Park will complement Commonwealth defence investment, and is anticipated to employ 250 workers at the peak of construction with works expected to be completed by 2025-26.

Significant investment into the Territory’s public infrastructure is expected over the outlook period. Investments in key water and logistic projects will support growth in the Territory economy. Construction to return Manton Dam to service, as part of the Darwin Region Water Supply Infrastructure program, has commenced. The program, which also includes the Adelaide River off-stream water storage project, will secure Greater Darwin’s water supply for the next 50 years and support the agricultural sector. Additionally, the Territory government will invest in \$53.1 million into water security projects in remote and regional areas.

Rehabilitation works are anticipated to occur over the outlook period at the site of the old Rum Jungle uranium mine, with funding split between Territory and Commonwealth governments. Initial works such as preliminary roadworks and bulk earthworks are anticipated over the short to medium term. Additionally, rehabilitation works continue at the Ranger uranium mine, with works expected to continue into the outlook period.

Private sector mining and gas-related projects are expected to contribute a significant amount to engineering construction activity over the outlook period. The Tanami Expansion 2 project is expected to be completed in 2026, extending the lifetime of the Granites gold mine beyond 2040. Works at Santos' Barossa project recommenced in early 2024, to supply a new source of gas to Darwin LNG. The life extension project at Darwin LNG is expected to be completed in the first half of 2025, with the initial gas production expected in the second half of 2025.

In March 2024, the Commonwealth announced the financing of up to \$840 million for Arafura's Nolans rare earths project in Central Australia. This funding will be used towards developing and constructing the Nolans project mine and refinery. The financing was provided through the Critical Minerals Facility, Northern Australian Infrastructure Facility and Commonwealth export financing. It should be noted, this project has not reached final investment decision and is not included in budget forecasts.

Over the long term, development of the Middle Arm Sustainable Development Precinct will aim to attract new industries including hydrogen, carbon capture, advanced manufacturing and minerals processing.

## Non-residential

The value of non-residential building work done in the Territory increased by 33.8% to \$770 million in 2023, with public sector activity increasing by 47.5% to \$547 million and private sector activity increasing by 9.1% to \$223 million. Public sector activity continues to support non-residential activity with a significant amount of work in the pipeline on the horizon (Chart 8).

Chart 8: Value of non-residential work yet to be done in the Territory, quarterly



Source: ABS, *Building Activity, Australia*, Cat. No. 8752.0

Potential investment options for the planned construction of regional logistics hubs across the Territory are currently in development. The Commonwealth has committed \$440 million towards upgrades along the Darwin-Tarcoola rail corridor to improve capacity and efficiency of rail freight and logistics infrastructure. These upgrades are aimed at improving and facilitating the development and operation of proposed mining, agriculture and energy projects.

Non-residential work in the regions will be supported through various funding agreements between the Commonwealth and Territory governments. The Barkly Regional Deal, a 10-year commitment to 2029 by all levels of government, aims to improve productivity and liveability in the region by developing social infrastructure and a mining and energy services hub to support private industry. The Jabiru Futures Package aims to redevelop Jabiru into a tourism and services centre.

Construction on the Royal Darwin hospital's new mental health inpatient unit and upgrades to the central sterile supply department are well underway, with completion anticipated for the second half of 2025.

Construction of NextDC's D1 \$80 million data centre in Darwin commenced in late 2023, with the first stage of D1 expected to be operational in mid-2024. Planned construction of new subsea and terrestrial cables into Darwin over the outlook period will support and attract private digital investment in the Territory.

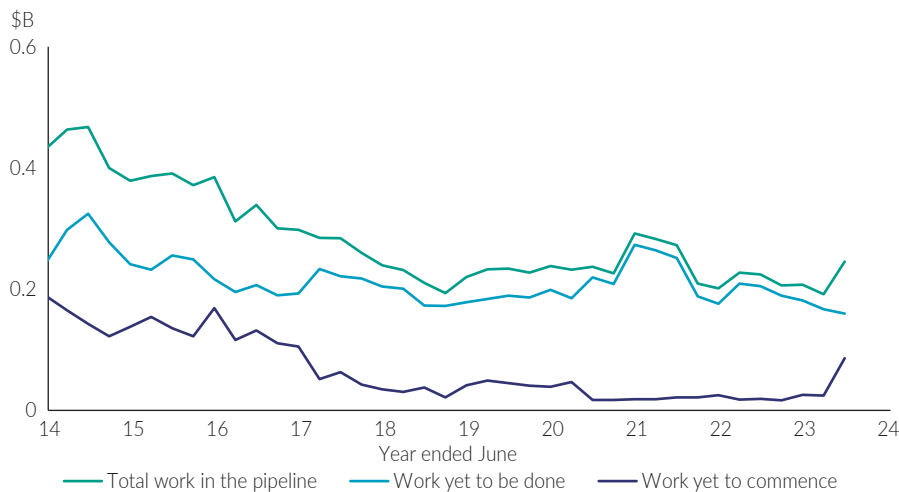
In addition, ongoing defence-related projects will contribute to non-residential construction activity over the outlook period including redevelopment of Darwin and Tindal RAAF bases, and the Robertson Barracks base improvements project.

## Residential

The value of residential building work done in the Territory increased by 0.1% to \$348 million in 2023, with private sector activity increasing by 4.7% to \$280 million and public sector activity decreasing by 15.3% to \$68 million.

Both demand and supply factors have contributed to the steady decline in residential construction activity over the past year. Increasing interest rates and input costs have dampened demand for the construction of new builds.

Chart 9: Value of residential construction work in the pipeline, quarterly



Source: ABS, *Building Activity, Australia*, Cat. No. 8752.0; Department of Treasury and Finance

The upcoming development of new residential land across various regions, such as Lee Point, Northcrest, Zuccoli and Kilgariff, will provide a steady supply of land for residential construction work over the coming years.

The Territory Government is also progressing its regional accelerated accommodation project, aiming to deliver 180 and 240 dwellings in Alice Springs and Katherine, respectively, with half of these dwellings to be used to accommodate key government workers. Construction of these dwellings is scheduled to start in 2024-25.

Demolition of the public housing complex on Shiers Street is nearing completion, with works to identify a community housing provider or consortium to undertake construction and management of a new public housing site in the next phase of the redevelopment.

In March 2024, the Commonwealth and Territory governments announced a joint \$4 billion investment for remote housing over 10 years, with the goal of building up to 270 homes each year. Since 2016, significant progress has been made to address overcrowding in remote communities with around 3,800 homes built and upgraded.

For the latest data on the construction sector, refer to the [Territory Economy](#) website.

# Defence

## Outlook

Defence investment in the Territory is expected to increase over the outlook period due to increased geopolitical uncertainty and the Territory’s important strategic location in the Indo-Pacific region.

In 2022-23 defence expenditure in the Territory was the highest on record, reaching \$2.9 billion, up 4.5% from the previous year. Given the Territory’s relatively low population and output, defence investment has a significant impact on the Territory economy. Large defence projects provide significant investment opportunities for the public and private sector, and impact Territory population.

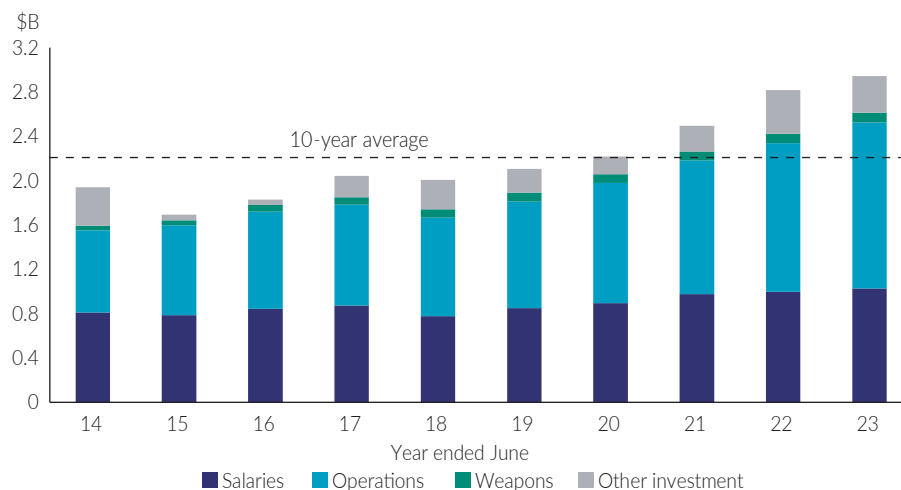
Australia’s strategic outlook is changing due to the shift in global economic and political power to the Indo-Pacific region. In response to this changing dynamic, the Commonwealth is strengthening ties with allies and partners, increasing defence capabilities and reprioritising its force posture.

The National Defence Strategy, released on 17 April 2024, outlines the strategic framework for addressing the nation’s security challenges. Since the 2023 Defence Strategic Review, the Commonwealth has committed an additional \$5.7 billion over the next four years and \$50.3 billion over the next decade in national defence funding. Defence investment in the Territory is expected to be supported by growing interest in the Indo-Pacific region, which remains a strong focus for national security.

## Expenditure and employment

National defence expenditure in the Territory represented 9% of GSP. The Territory share of both national defence expenditure and employment was 5%, with both decreasing by 0.1 percentage point from the previous year.

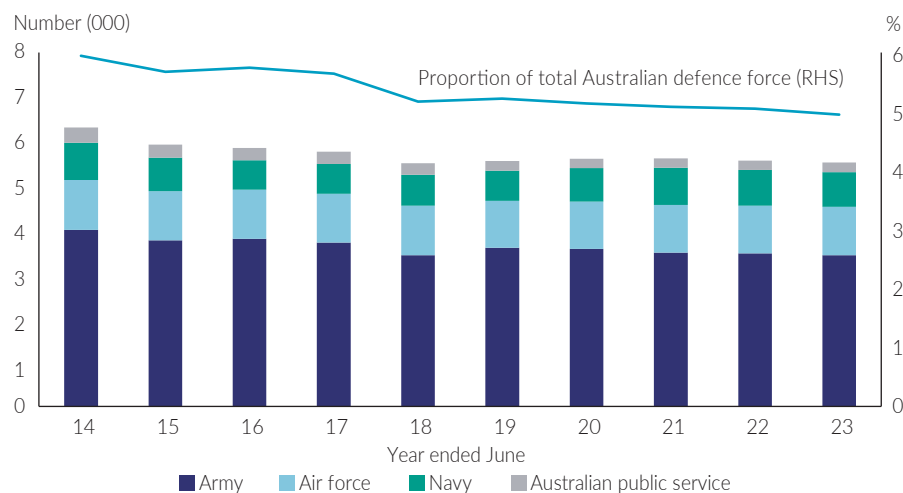
Chart 10: Defence expenditure in the Territory



Source: ABS unpublished data; Department of Treasury and Finance

The number of defence personnel stationed in the Territory decreased by 0.7% (37) in 2022-23 to a total of 5,358. The number of permanent forces decreased by 2.2% to 4,181 while the reserve forces grew by 4.4% to 958. The number of Department of Defence public servants increased by 7.4% (15) to 219.

Chart 11: Defence employment in the Territory



RHS: right-hand side

Source: Defence Annual Report 2022-23

In the permanent forces, the army numbers decreased by 2.8% to 2,576 while the number of navy personnel fell by 3.4% to 659. This was partially offset by a 0.5% increase in air force personnel to 946. The Territory accounted for 7.3% of national permanent defence forces.

The number of Defence Housing Australia properties in the Territory decreased by 0.6% to 1,699 in 2022-23, continuing a downward trend that has averaged a decrease of 2.4% over the past five years.

## International cooperation

Australia maintains international cooperation with a range of defence partners. Together with its main defence partner, the US, Australia participates in the United States Force Posture Initiatives (USFPI).

To strengthen its defence alliances and enhance the skills of its military personnel, Australia routinely participates in military exercises. Given its location in the Indo-Pacific region, the Territory collaborates with various international partners to host annual exercises including:

- Exercise Koolendong, a combined exercise alongside the US Marine Corps
- Exercise Diamond Storm, operating from RAAF bases Darwin and Tindal
- Exercise Talisman Sabre, led by the Australian forces and US military.

The Territory is home to two large biennial defence exercises: an international air combat exercise, Exercise Pitch Black, and an international maritime engagement exercise, Exercise Kakadu. These exercises bring together numerous nations and strengthen international alliances, while establishing the Territory as an important location for defence in the Indo-Pacific region.

In 2024, the ADF participated in Exercise Milan 24, a six-day naval exercise hosted by India. Exercise Milan is a biennial training activity for the Indo-Pacific region that brings together about 50 nations and 20 international vessels. Australia’s participation is important for strengthening engagement and partnerships with regional security forces.



The defence outlook in the Territory remains positive as global focus on the Indo-Pacific region increases. Engagement with international partners continues to strengthen alliances and investment in the defence sector.

## Projects

Defence tenders offer the incentive for large international firms to invest in the Territory. International firms bring with them expertise and experience that support the growing local defence industry. Defence, by fostering links between international and local firms, provides the opportunity for local businesses to integrate into the global supply chain. For example, Territory companies, such as Fuel Calibration Services, Territory Instruments, RAM Services and RGM Maintenance, are subcontracted by Lockheed Martin to provide ground support equipment capability.

The defence projects being delivered in the Territory are significant and extend across the air force, navy, and army. These projects include upgrades to training facilities, enhanced defence logistical capability, housing expansion and new strategic infrastructure to support the ADF's operation in the north. Projects under development in the Territory (Map 3) include:

- \$1.6 billion for RAAF Base Tindal redevelopment stage 6 and USFPI airfield and infrastructure works
- \$760 million for the P-923 , 941 and 949 aircraft facilities at RAAF Base Darwin
- \$747 million to upgrade major defence training ranges and infrastructure to support the USFPI
- \$601 million for the Larrakeyah defence precinct redevelopment program
- \$518 million for the MQ-4C Triton forward operating base for RAAF Base Tindal
- \$389 million to upgrade USFPI Robertson Barracks base support infrastructure
- \$382 million for multipurpose hangar and taxiway construction at RAAF Base Tindal
- \$380 million to develop the Berrimah Defence Establishment
- \$351 million to maintain and upgrade the national airfield capital works at RAAF Base Darwin
- \$214 million for the P-8A Poseidon operating base maintenance and development
- \$203 million to develop and maintenance of facilities for RAAF Base Darwin
- \$140 million for the Arafura class offshore patrol vessel Sea1180 facilities
- \$120 million to upgrade bulk fuel facility at RAAF Base Tindal
- \$76 million to maintain the US Air Force support facility and squadron operations at RAAF Base Tindal
- \$58 million to upgrade the secure multi-user compound at RAAF Base Darwin
- \$37 million for the new Larrakeyah Health Centre and refurbishments to Robertson Health Centre
- \$18 million to support the Air555 Airborne Intelligence Surveillance Reconnaissance Electronic Warfare facilities
- \$8 million for facilities to support the Sea2273 fleet information environment modernisation project
- \$500,000 for the Land 121 facilities project.

On 21 February 2023, the Commonwealth announced a \$64 million investment into the Defence Renewable Energy and Energy Security Program to deliver solar energy and battery storage systems to selected defence sites across Australia.

In the Territory, \$13 million in upgrades have been proposed to the following sites:

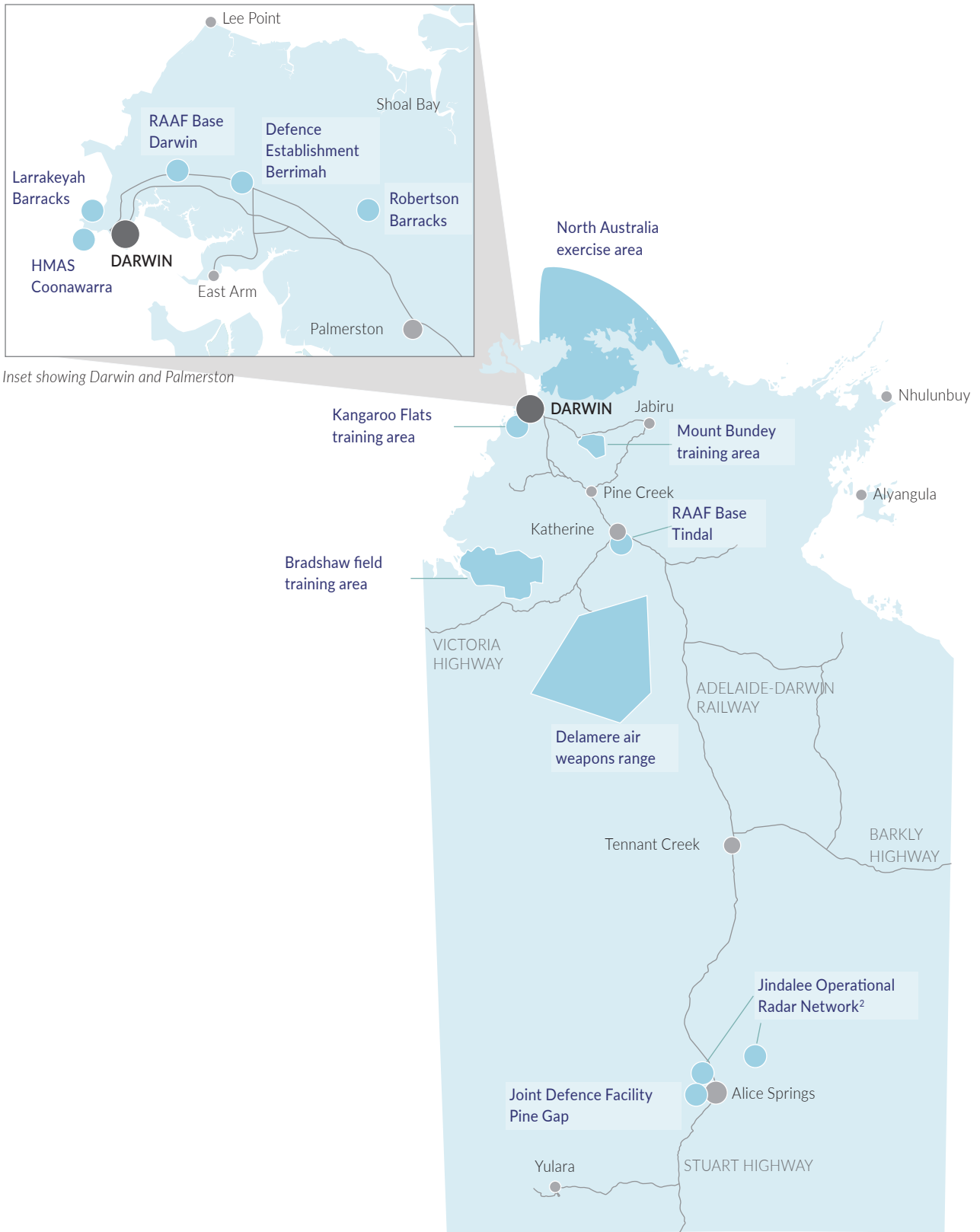
- Robertson Barracks
- Larrakeyah Barracks
- Harts Range
- RAAF bases Darwin and Tindal.

On 30 January 2024, the Commonwealth announced an investment of \$24 million for key infrastructure upgrades to Robertson Barracks and Howard Springs South in Darwin.

Defence investment is expected to grow in the Territory as outlined in the National Defence Strategy 2024. Recommendations in the strategy include a focus on improving the ADF's ability to operate from Australia's northern bases, and establishing networks in the Indo-Pacific region, representing further upside to the defence outlook in the Territory.

For the latest data on the Territory's defence sector, refer to the [Territory Economy](#) website.

Map 3: Major defence sites in the Territory<sup>1</sup>



1 This map is produced from various sources. Department of Treasury and Finance cannot guarantee the accuracy, currency, or completeness of the information. To be used as a guide only.

2 The Jindalee Operational Radar Network has 2 operating facilities within the Alice Springs region, at Harts Range and Mount Everard. Source: Department of Treasury and Finance; Department of Industry, Tourism and Trade; Department of Defence

# Retail and wholesale trade

## Outlook

Growth in the retail trade industry is expected to be modest in 2023-24. Pressure on household budgets from high inflation and sharp increases in interest rates have constrained spending. However, these pressures are expected to ease towards the end of 2024. The outlook for wholesale trade will broadly track private investment activity, as large investment projects require significant logistical support.

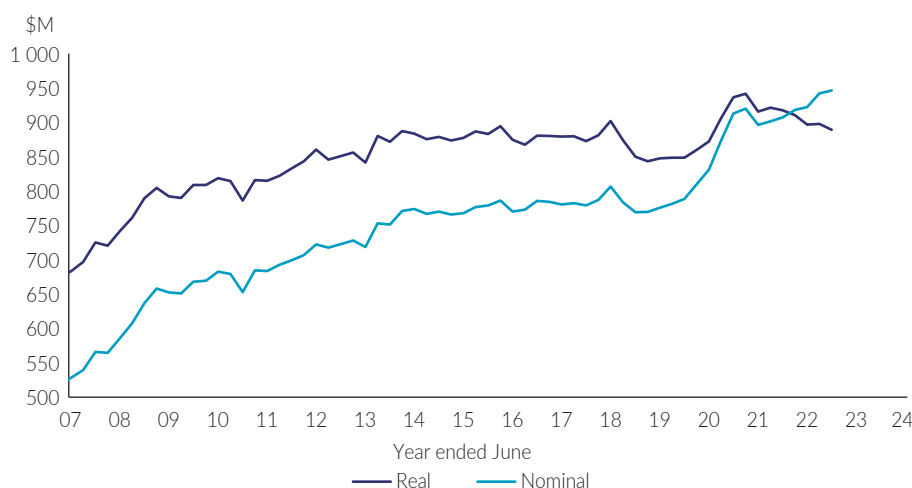
In 2022-23, the Territory retail and wholesale trade sector contributed \$1.6 billion to the Territory's economy, a similar value to 2021-22, and its share of GSP increased from 5.2% to 5.8% in 2022-23. Both the retail and wholesale shares of GSP increased from the previous year. The sector's contribution to GSP is relatively low compared with other jurisdictions, reflecting the dominance of the government and community services, and mining sectors in the Territory economy.

In the short term, the retail and wholesale trade sector continues to face challenges on both the supply and demand sides. On the supply side, labour shortages and higher input costs are impacting margins. On the demand side, consumer spending has fallen as rising prices and high interest rates constrain household spending. Consumers are adjusting their shopping behaviours in response to the rising cost of living. It is anticipated the retail and wholesale trade sector will start to return to modest growth in 2024-25 as inflation eases, and disposable incomes grow.

## Retail trade

Retail trade's contribution to GSP declined by 2.8% to \$778 million in 2022-23. Nominal retail trade turnover, however, increased by 3.4% in 2023. This increase was largely due to price increases, as in real gross value added terms (volumes), retail turnover fell by 1.2% (Chart 12).

Chart 12: Retail sales in the Territory (seasonally adjusted)



Source: ABS, Retail Trade, Australia, Cat. No. 8501.0

Over 2024, household consumption habits are expected to move closer to pre-pandemic patterns. Services spending, which had been relatively high post-pandemic, should continue to decline while goods spending is likely to be relatively stable. The Australian household saving ratio has fallen from the high levels during covid to low levels.

Over the medium term population growth will support growth in retail turnover.

Developments likely to support retail investment and turnover in the Territory include:

- the Darwin City Deal project to revitalise the central business district (CBD) including the Civic and State Square Redevelopment and Northern Territory Art Gallery
- redevelopment of Jabiru into a tourism and regional service hub
- CBD revitalisation in Alice Springs, focusing on heat mitigation and enhancing community safety through environmental design
- the National Aboriginal Art Gallery in Alice Springs
- Godinymayin Yijard Rivers Arts and Culture Centre in Katherine
- Gunyangara (Gove Port) tourism precinct
- Katherine East Neighbourhood Centre, retail and commercial precinct.

Sentinel Property Group plans to improve the layout and security at Casuarina Shopping Centre by building a new three-storey carpark, reconfiguration of the Trower Road entrance and creating new tenancies at the ground level. The redevelopment could cost up to \$20 million with work anticipated to begin during the 2024 dry season and be completed by 2025.

There are further unfunded proposals as well as smaller funded projects and programs in the pipeline, such as the Katherine Logistics and Agribusiness Hub and Darwin International Airport, which would support retail investment across the region. Infrastructure and land use planning are being fast-tracked in major urban development zones, such as Holtze, Coolalinga and Humpty Doo, which will provide future areas for population growth and commercial development.

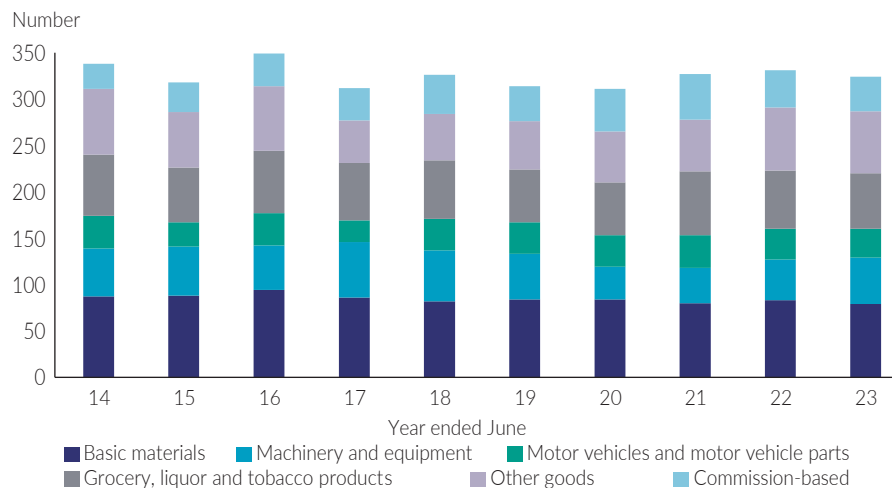
Online sales in the Territory grew by 4.6% in 2023. Nationally, online sales increased by 0.8% in 2023 in year-on-year terms, according to the Australia Post e-commerce update. Online retailing expenditure is only partially captured in ABS data, as it only reflects online retail sales by Australian retailers. E-commerce shops can be located in other jurisdictions or overseas, meaning growth in online retail expenditure does not directly translate to growth in the retail industry in the Territory.

## Wholesale trade

In 2022-23 the wholesale trade industry decreased by 1.2% to \$852 million in the Territory, compared to a 2.5% increase nationally.

At the end of June 2023, the number of businesses in the wholesale trade industry in the Territory fell by 2.1% to 324. Despite the decrease, the number of businesses is in line with the 10-year average of 325 (Chart 13). All types of wholesale businesses experienced a decline except for machinery and equipment wholesalers.

Chart 13: Number of wholesale businesses, by type



Source: ABS, Counts of Australian Businesses, including Entries and Exits, Cat. No. 8165.0

Infrastructure investment can provide significant support to the wholesale sector. The Territory is progressing development of the Katherine Logistics and Agribusiness Hub, which will assist rural and resource industries to link in with national supply chains and connect with other sectors of the economy. Other projects that will facilitate future growth in the wholesale trade industry include the Tanami Road upgrades, which will support movement of freight, and the development of the Marine Industry Park.

For the latest data on the retail and wholesale trade sector, refer to the [Territory Economy](#) website.

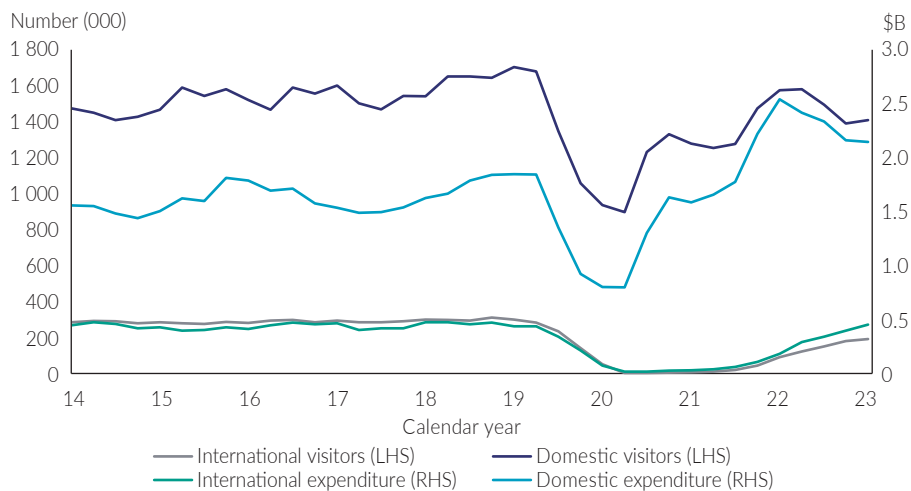
# Tourism

## Outlook

Growth in the tourism industry is expected to slow in 2024 as outbound travel rises and household budgets tighten. Over the medium term, the industry is expected to be supported by international and domestic visitation to the Territory.

Tourism is an important economic driver for the Territory and a significant industry in regional areas. In 2022-23, the tourism sector accounted for 3.8% of GSP and 5% of total employment. The number of visitors to the Territory decreased by 3.8% to 1.6 million in 2023, reflecting a change in consumer travel preferences in the domestic market. Visitor expenditure in the Territory decreased by 4.7% from the previous year to \$2.6 billion, reflecting a decline in domestic expenditure relating to households restricting leisure travel amid increased living costs (Chart 14). Compared to 2019, domestic and international overnight visitations were 17.2% and 36.1% below pre-pandemic levels, respectively. During 2022-23 international visitation more than doubled, supported by marketing activities to rebuild global tourism and a recovery in inbound aviation capacity to Australia. The outlook for tourism remains positive over the long term as the industry continues to recover.

Chart 14: International and domestic visitation and expenditure in the Territory<sup>1</sup>



LHS: left-hand side; RHS: right-hand side

<sup>1</sup> Moving annual total.

Source: Tourism Research Australia, National Visitor Survey

On average, visitors stayed 6.7 nights in the Territory (down by 0.6 nights) and spent \$1,622 per stay (down by 0.8%). Year-on-year decreases reflect less visitors willing to spend in the Territory, with fewer visitors overall.

While international visitation is recovering, some markets in Asia have been slower to return to travel. Growth in domestic spending is expected to moderate as increasing cost of living pressures weigh on discretionary spending, and Australians are exposed to a range of holiday choices as international travel returns. A full recovery to pre-pandemic levels of visitation is anticipated from 2025 when international travellers return and aviation supply issues have moderated.

## International visitation

There were 191,000 international visitors to the Territory in 2023 (101,000 more than the previous year). Despite the strong year-on-year increase, international visitation numbers are only 64% of the 2019 figures. The recovery of international visitation to pre-pandemic levels remains challenging due to limited flight routes to the Territory and increased competition from other tourism destinations globally.

From 2009 to 2019, the Territory averaged 293,000 international visitors per year. As a result of the pandemic, this number dropped to a low of 5000 in 2021. The closure of international borders was particularly damaging to the Central Australian tourism industry, which traditionally has been more reliant on international visitors than the Top End. Affordability issues in the Territory have been exacerbated due to airplane and crew shortages, the high cost of jet fuel and inflationary pressures. The effects of the pandemic still impact the tourism industry, and the Northern Territory's Tourism Industry Strategy 2030 has recently been updated to reflect the adjusted operating environment.

In 2023, 146,000 international visitors came to the Territory for holiday, while 21,000 came to visit a friend or relative. About 8000 visitors came for business purposes, while 21,000 visited for other reasons. Holiday visitation is a key driver in the Territory, comprising about 77% of total international visitation. Tourism marketing is paramount to increasing international awareness of the Territory as a destination to attract and enhance the Territory's brand.

The Territory's international visitor revival lags the national recovery, which is largely due to the Territory's placement on international itineraries for Australia. While forward occupancy rates for Darwin indicate strong visitation during the traditional peak season, significant capacity remains available outside this period when the tourism industry relies more heavily on international visitors.

## Domestic visitation

In 2023, there were 1.4 million domestic visitors to the Territory, down 10.5% from 2022 and the average domestic visitor spent \$1,521 per trip, down 5.7% from 2022. Lower domestic visitor numbers reflect shifts in consumer behaviour and higher airfares. In addition, competition is high in the global market for tourism, with a range of competing destinations ramping up their investment to attract potential travellers.

Domestic visitation to the Territory is continuing to recover from the pandemic period, however remains below pre-pandemic levels. The number of domestic visitors increased by 10.2% from 2021 to 2023, while average visitor expenditure has improved by 22.7%. About 700,000 travellers visited the Territory for holiday in 2023, accounting for 49.7% of total domestic visitors, which is expected to grow through the Territory's peak season from April to October 2024. Optimism remains strong in the tourism industry with more positive forward bookings and domestic visitors continuing to support recovery across the sector.

In 2023, the number of interstate visitors decreased by 19.4% to 766,000, which is 29% below pre-pandemic levels. The number of intra-state visitors increased by 3.2% to 643,000 mainly driven by residents seeking experiences within the Territory.



Business travel to the Territory is recovering at a steady pace, however the rate of recovery has been slower than holiday travel. In 2023, there were 459,000 business travellers to the Territory, down 7.9% from 2022, and 33% below pre-pandemic levels. Many businesses have maintained practices that were adopted during COVID-19 such as virtual conferences instead of face-to-face meetings, dampening the demand for business travel.

Despite year-on-year decreases, the outlook for tourism in the long term is positive. New airline routes secured during 2023-24 are placing downward pressure on airfares, however the Territory is challenged by competition from international destinations for visitation. In the long term, the tourism industry is expected to be supported by domestic visitation as more frequent flight routes are established and inflationary pressures decrease.

## Government initiatives

The Northern Territory Tourism Industry Strategy 2030 sets out the strategic direction for industry development over the next decade. The strategy includes specific actions to achieve identified goals in the short, medium and long term to attract more visitors to the Territory, and help the tourism sector deliver increasingly diverse, quality tourism experiences.

In 2024-25, the Territory Government has invested in a number of projects that will help support the tourism sector across the Territory:

- \$12.8 million for targeted tourism, business events and international education marketing activities (funding continued from 2022-23)
- \$3 million for cooperative marketing with airlines to support the Territory Aviation Attraction Scheme (TAAS)
- \$3 million for conversion-focussed activity to continue recover in international markets
- \$1.9 million for Aboriginal tourism industry development activities (funding continued from 2022-23)
- \$1.1 million in additional personnel expenses to increase digital activities and deliver enhanced marketing and development initiatives (funding continued from 2022-23)
- \$500,000 for visitor information services across the Territory (funding continued from 2022-23).

To assist the tourism industry undertake projects that improve the on-ground visitor experience in the Territory, \$3 million in Visitor Experience Enhancement Program grants will be provided in 2024-25. This program is intended to fast-track the delivery of new and improved visitor experiences and products, and support the general business community through a requirement to abide by 'Buy Local' provisions during project delivery.

Five-year partnership agreements are in place with the regional tourist associations, Tourism Top End and Tourism Central Australia, and the Katherine Town Council to support visitor information services and intra-Territory marketing initiatives. Funding in 2024-25 will support the second year of programs under these agreements.

The National Aboriginal Art Gallery project in Alice Springs is progressing. The Territory Government acquired the land for the site and opened a tender for construction in December 2023, with the gallery commencing in 2024.

The Territory Government awarded a tender for developing of a plan to seal the Mereenie Loop, also known as Red Centre Way. This project aims to enhance safety, reduce road closures, and improve the driving experience along the route connecting Alice Springs to Uluru, Kata Tjuta and Kings Canyon.

## Accommodation

In 2023, the average visitor spent 6.7 nights in the Territory, down 0.6 nights from the previous year. The Northern Territory Monthly Accommodation Report outlines the accommodation sector in the Darwin and Alice Springs regions. In 2023, hotels experienced a decrease in bookings, with occupancy rates decreasing by 6.7 percentage points to 56%, relative to 2022. The hotel sector experienced an increase in supply up 3.4% to 3.4 million room nights, and a decrease in demand by 7.6% to 1.9 million room nights.

Many hotels across Australia are facing an industry-wide shortage of qualified hospitality workers, inhibiting the sector's ability to service the recovering visitor numbers. In 2023, the accommodation sector employed 23% of hospitality workers. Attracting a workforce post-pandemic has been challenging, however is expected to improve through working holiday-maker campaigns by the Territory Government and Tourism NT. The 'Get Paid to do this' campaign will run from 19 March to 31 July 2024 to attract international workers and backpackers aged between 18 and 35 years, encouraging more travel to the Territory and create a stronger workforce.

## Access

Aviation services directly support the Territory's economic development and underpin essential services such as healthcare, education, social welfare and movement of time-critical freight. It also plays an important role in keeping the Territory's remote communities connected throughout the year, particularly those experiencing road closures during the wet season. The Territory's expansive and isolated geography means there is a high reliance on air travel when commuting intrastate, interstate and internationally.

In 2023, domestic flights to the Territory have mostly recovered to pre-pandemic levels, with over 1.6 million passengers flying through Darwin (up 31% from 2022) and 363,600 passengers through Alice Springs (up 46% from 2022) (Chart 15). Relative to 2019, flight routes are down 5.3% and are expected to recover once international markets fully return to the Territory. Aviation recovery in Central Australia has been slower than the Top End due to its higher reliance on international visitation.

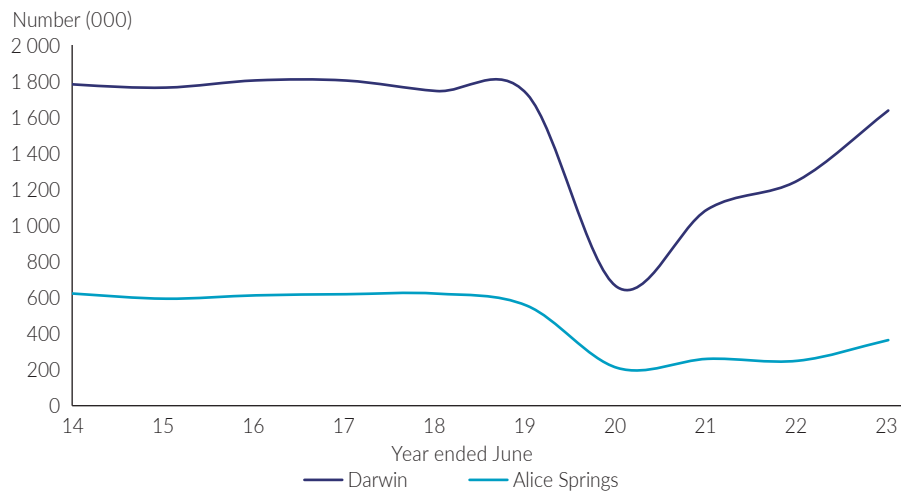
Aviation access in the Territory has been challenged in recent years by frequency of flights, choice of airlines and supply-side issues due to lack of airplanes and crews. Runway works at Darwin Airport will continue throughout 2024, with the main construction element to be completed by the end of the year. Airlines have adjusted schedules and introduced other measures to mitigate impacts on operations.

The Territory Government is supporting the development of aviation services in line with key priorities outlined in the Tourism Industry Strategy 2030. In July 2023, the TAAS became available for eligible airports to apply for funding to assist with rebates on aeronautical charges, which are passed onto consumers by airlines. The TAAS has delivered new flight routes and additional capacity across the Territory by reducing the barriers to establishing new routes.

The strategy also outlines key immediate and long-term (five years onward) priorities for sustainable and affordable aviation services within the Territory including:

- using the TAAS to attract new domestic and international services to Darwin, and incremental air capacity to Central Australia
- prioritising network expansion using QantasLink's E190 Darwin base
- continue advocating to minimise the impact of the Commonwealth's Department of Defence runway works on civilian aviation services at Darwin Airport
- raising awareness of Darwin's profile as an important leisure and business city among airline network and commercial planners
- connecting Darwin with an international Gulf-region aviation hub
- developing a route for non-stop Trans-Tasman flights, including consideration for seasonal operations
- destination marketing efforts to develop new markets identified in Tourism NT's market prioritisation model.

Chart 15: Annual passenger movements



Source: Bureau of Infrastructure and Transport Research Economics, *Domestic aviation activity*

Encouraging visitation during the off season is important for the recovery of flight routes and visitation to the Territory. Cooperative marketing campaigns are undertaken with all domestic and international airlines to promote air routes into the Territory and drive demand in off-peak periods.

The Territory Government's Cruise Tourism Strategy 2022–2025 aims to increase the number of both cruise liners and expedition ships over the next 3 years. The cruise sector is a key part of the tourism industry in the Top End, and expected to generate \$65 million of annual expenditure within the Territory in 2023-24. Over 100 cruise and expedition ships are expected to visit Darwin over this period, with a total passenger capacity of 60,000 persons.

For the latest data on the tourism sector, refer to the [Territory Economy](#) website.

# Agriculture, forestry and fishing

## Outlook

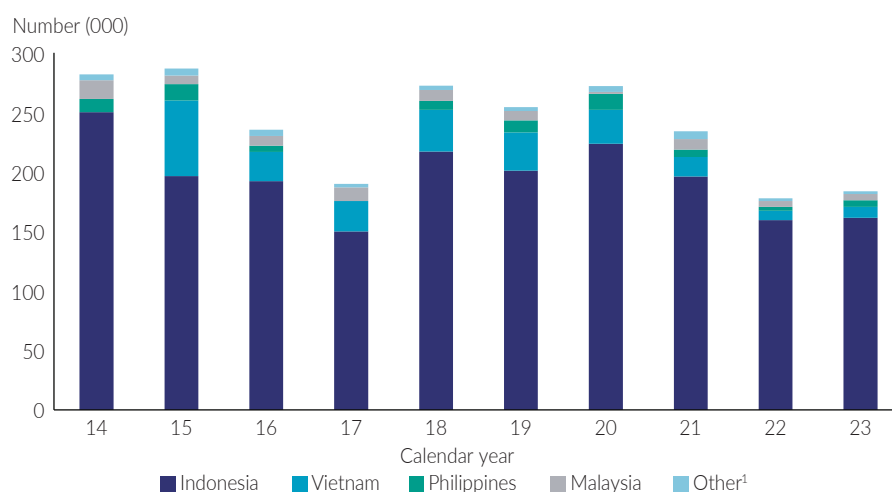
The value of the Territory's agricultural output is expected to grow moderately over the outlook period, reflecting new investment in horticulture, and new crops coming into production.

In 2022-23, the Territory agriculture, forestry and fishing sector accounted for 2.2% (\$767 million) of GSP and 2.3% (3,100 people) of employment. International cattle exports declined in 2022-23 before rebounding towards the end of 2023. The sector is expected to continue to grow solidly in 2023-24. Horticultural production is expected to be weaker in 2023-24, reflecting lower mango production, predominately due to seasonal conditions. The outlook for the rest of the forecast period is relatively positive, with continued investment in new crops, and the Territory's largest forestry plantations approaching maturity (Map 4).

### Live cattle

The Territory's live cattle exports are expected to increase in 2023-24, continuing the upward trend in the second half of 2023. Live cattle exports were up for all of the Territory's major trading partners in 2023, rebounding from a decade low in 2022 (Chart 16).

Chart 16: Annual number of live Territory cattle overseas exports, by destination



<sup>1</sup> Other comprises Brunei, Cambodia, Egypt, Timor-Leste and Thailand.

Source: Department of Industry, Tourism and Trade

Domestic cattle prices declined over much of 2023, before trending up from November 2023 into early 2024. The decline in prices in early 2023 reflected stronger cattle supply, and this trend continued into September, reflecting an expected El Niño weather event. With low prospective feed levels due to poor rainfall predictions, producers reduced their stock levels, which led to an oversupply of cattle on the market. However, strong rainfall in late 2023 reversed this downward trend in prices. With above-average rainfall continuing into 2024, pastoralists in the Territory are likely to rebuild their herds over the remainder of 2023-24.

Indonesia is the Territory’s largest live cattle export market, accounting for 88% (162,126 head) of cattle exports in 2023. In the second half of 2023 the number of live cattle exports to Indonesia was tracking higher than the same period in 2022. This is partly driven by the decline in domestic cattle prices, leading to producers seeking better returns in overseas markets.

Live cattle exports to Indonesia are expected to be stronger in 2024, however recent price rises may affect the Territory’s competitiveness. India is Australia’s major competitor in the Indonesian beef market, with its lower quality and cheaper priced frozen buffalo meat. This competition, along with the Indonesian Government’s policies to achieve beef self-sufficiency by 2026, continues to have an impact on Australian live cattle exports.

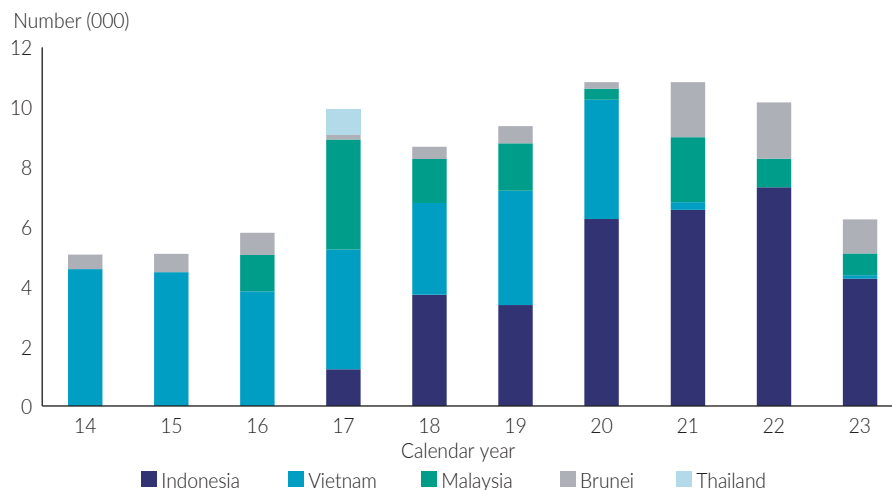
In other major markets of Territory live cattle, the number of head exported has increased in 2023, although volumes are still below long-term levels for each major importer.

Over the past few years, lumpy skin disease has spread through herds in South-East Asia, reaching Indonesia in early 2022, disrupting live exports. Around the same time, foot and mouth disease, another highly contagious infection, was also detected in Indonesia. Both diseases are still prevalent in South-East Asia and remain a major risk to Australian exports.

In August 2023, Indonesia suspended live cattle imports from four Australian facilities, followed by a total ban on all Australian cattle and buffalo by Malaysia, due to concerns of lumpy skin disease in Australian herds. Both bans were overturned in September 2023. Australia remains free of lumpy skin disease, demonstrated by the results of extensive testing undertaken across northern Australia.

The export of live buffalo is a small industry in the Territory with further growth potential. The relatively higher price of live cattle positions live buffalo as an alternative product for South East Asia. Indonesia is the largest export destination for Territory buffalo, accounting for 68% (4,262 head) of total buffalo exports in 2023, followed by Brunei at 18% (1,136 head) (Chart 17). In 2023, buffalo exports decreased by 38.5% to 6,237 head.

Chart 17: Annual number of live Territory buffalo overseas exports, by destination



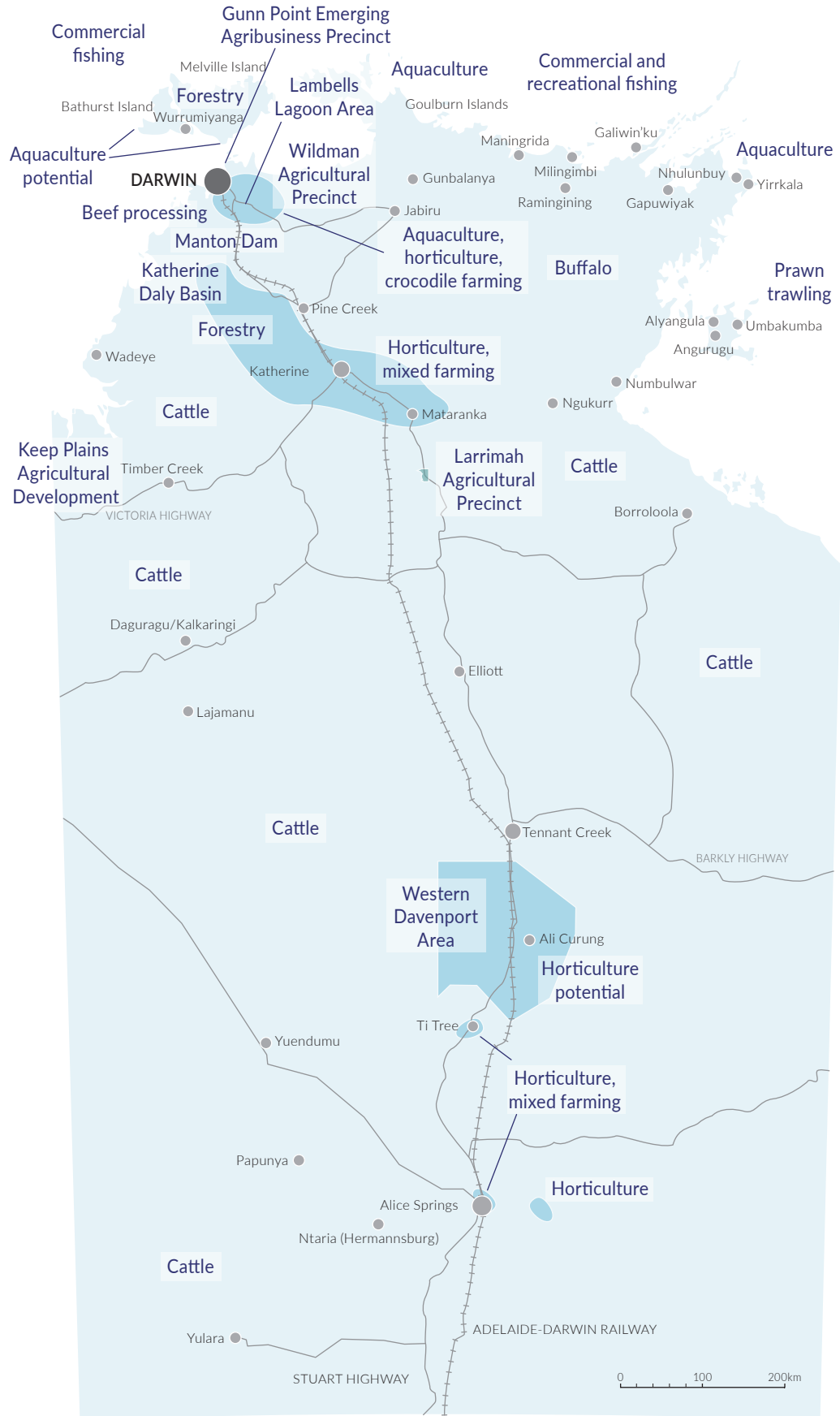
Source: Department of Industry, Tourism and Trade

## Other livestock products

According to data from the Commonwealth Department of Agriculture, Fisheries and Forestry, overseas boxed beef exports from the Territory declined, from 55 tonnes in 2022 to no production in 2023. More than 50% of the Territory's beef cattle production is live exported, with the remaining production processed through interstate abattoirs.

Australia accounts for 62% of the global trade in saltwater crocodile skins, with most being farmed and exported by the Territory. Gross revenue from the Territory crocodile industry was \$30.7 million in 2022-23 and is expected to increase in 2023-24, largely reflecting increased production capacity. In April 2024, the Territory Government released the Crocodile Farming Industry Strategic Plan 2024–2033, with the goal of maintaining sustainable industry growth and contributing to conservation, research and economic development in remote Aboriginal communities.

Map 4: Territory agriculture, forestry and fishing<sup>1</sup>



<sup>1</sup> This map is produced from various sources. Department of Treasury and Finance cannot guarantee the accuracy, currency, or completeness of the information.  
 Source: Department of Treasury and Finance; Department of Industry, Tourism and Trade

## Horticulture

The outlook for horticultural production is expected to remain positive over the forecast period, with several potential developments in the outer years. Mango production accounts for a large proportion of the Territory's horticulture sector (around half of the total value, excluding forestry) and is strongly influenced by seasonal conditions and demand in southern Australian markets. Melon farming is the second-largest horticultural activity in the Territory and is expected to increase over the outlook period.

In 2023-24, mango production has reportedly been weaker than the previous season due to warmer than expected weather affecting yields. Regardless, the outlook for the mango industry remains positive, with three new varieties of mango (named Yess!, AhHa! and Now!) being put to market in the last season. The new varieties are a product of the National Mango Breeding Program and could potentially extend the Territory's mango season.

There are several new crops under consideration that are expected to increase the value of horticulture production over the outlook period. Up to 15,000 jackfruit trees are planted in the Territory but most are yet to produce fruit. Increased dragon fruit, passionfruit and rambutan production is also expected within the next five years following earlier Territory Government hybridisation trials.

After fertiliser production costs rose sharply due to the Russia-Ukraine conflict, global fertiliser prices have since declined from record highs and are closer to historic average levels. In terms of labour supply, the industry will continue to face input cost and labour supply challenges for the foreseeable future. In 2022, the Commonwealth ceased the agriculture visa program and expanded the Pacific Australia Labour Mobility (PALM) scheme in its place. However, under current conditions, uptake of the program is expected to decline for the year ahead. The PALM scheme requires employers to accommodate workers for up to 9 months, leading to rotations between farms across Australia. From 1 July 2024, PALM workers must also receive 30 hours of work per week, adding more restrictions for employers in a typically volatile industry. These labour supply issues are partly offset by the return of working holiday backpackers, with holiday visa numbers returning to pre-covid levels.

## Broadacre crops

Cotton production is expected to increase in the Katherine region, with around 15,000 hectares planted in 2024, up from 10,000 hectares in 2023. Production is expected to continue growing rapidly over the outlook period, with studies suggesting the value to production from the cotton industry could grow to \$200 million per annum within 10 years. The Territory's first cotton gin was opened in the Katherine region in December 2023, allowing farmers to process cotton locally rather than transport it interstate. In addition, cotton seed is a high-protein feedstock that could significantly increase the productivity of the Territory's beef cattle herd.

## Forestry

The outlook for the forestry industry is generally positive, noting the longer-term nature of the activity means the economic return takes many years to realise. There are currently 42,000 hectares of plantations in the Territory that are expected to produce an average of \$100 million per annum over the next 10 years. The two main types of plantations grown in the Douglas-Daly and Katherine regions are African mahogany and Indian sandalwood. Due to different times to maturity, the African mahogany is expected to be harvested in coming years, providing a boost to the Territory's total value of agricultural production. Production from the Indian sandalwood plantations is less certain, with Quintis being placed in receivership in early 2024.



Up to 35,000 hectares of *Acacia mangium* plantations on the Tiwi Islands are being harvested and sold on the international woodchip market. Production increased from 77,000 green metric tonnes (GMT) in 2021-22 to 143,000 GMT in 2022-23, rebounding from pandemic-related supply chain disruptions in 2022. Production is expected to be steady in 2023-24, with 109,000 GMT to be exported in the second half of 2024, in line with the level of production in the first half of 2023.

## Fisheries

Successive favourable wet seasons saw wild harvest fisheries production in 2022-23 remain consistent with 2021-22, at 6,000 tonnes. The gross value of production from wild caught product was also consistent at \$60 million.

Inshore fisheries (including barramundi and mud crab) reported either increased or steady production in 2022-23. The outlook for 2023-24 is positive due to the high level of rainfall during the 2024 wet season. Production at offshore fisheries, including Demersal, Offshore Net & Line, and Spanish Mackerel, remained steady while the Timor Reef Fishery experienced a drop in productivity, down 300 tonnes from 2021-22.

The gross value of aquaculture production grew by 25% to \$82 million in 2022-23, driven by increases in barramundi and pearling aquaculture. Barramundi production alone increased by 1,000 tonnes. The outlook for the Territory aquaculture industry is positive, with expansions of existing operations expected to enter production. The Commonwealth is currently considering laws to introduce country-of-origin labelling for seafood in the hospitality sector, which may raise consumer awareness and preferences for Australian produce.

## Territory Government agribusiness development

The Territory Government is committed to growing the agribusiness industry to \$2 billion by 2030. As a part of its agribusiness strategy, the Territory Government announced the NT Agribusiness Value-Add Opportunity Grant Program, which will provide \$500,000 worth of funding through a competitive grants program. The goal of the program is to develop or expand the value-add capabilities of the Territory's agribusiness sector.

There are also several projects and opportunities that focus on developing the agriculture, forestry and fishing sector in the Territory. Priority projects include the Katherine Logistics and Agribusiness Hub, Ord River Irrigation Scheme expansion into the Territory, Larrimah Agricultural Precinct, Wildman Agricultural Precinct, Gunn Point Emerging Agribusiness Development Precinct, an improved regional road network and developing infrastructure to increase export opportunities. A \$15 million agribusiness facility at the Berrimah Farm Science Precinct is also due to be completed by the end of 2024, which will contain high-tech biosecurity laboratories. Under the Commonwealth's \$2 billion Water for Australia plan, up to \$300.6 million will contribute towards the first stage of the Darwin Region Water Supply Infrastructure Program, which includes returning Manton Dam to service and preliminary works for the Adelaide River off-stream water storage project. Consistent with the findings of the detailed business case, investment in additional water supply will support a range of industries across the Darwin region including new agricultural development.

## Land developments

In 2020, the Territory Government released expressions of interest for three large-scale agricultural land developments: the Ord River Irrigation Scheme expansion into the Territory (formerly known as the Keep Plains Agricultural Development) (total area of 67,500 hectares with up to 15,000 hectares suitable for intensive irrigated agriculture); Wildman Agricultural Precinct (26,000 hectares); and Larrimah Agricultural Precinct (5,700 hectares). Developers were successfully appointed to the Ord River Irrigation Scheme expansion and Larrimah Agricultural Precinct, with the Wildman Agricultural Precinct currently in negotiations with a developer. These three developments are set to contribute to regional growth and increased agribusiness production. A Lambells Lagoon agribusiness precinct is also under consideration, with a detailed business case to be completed by mid 2024.

The Gunn Point Emerging Agribusiness Precinct, co-funded by the National Water Grid Authority and in partnership with the Territory Government, is being established to trial the commercial viability of agricultural opportunities that could be rolled out on a broader scale. The project area is made up of two blocks over 260 hectares, allowing for multiple participants.

Another prospective region in Western Davenport is Singleton Station, which has been identified as having the potential to produce up to 150,000 to 200,000 tonnes per annum of various crops, with the project currently undertaking regulatory approvals. There has also been interest in further expanding the Douglas-Daly region, with opportunities for properties in the high rainfall zone to further develop land for intensive agriculture and horticulture production.

Collectively, these developments provide an opportunity to significantly expand the Territory's agricultural production area and offer opportunities for new investment in a wide range of high value crops, including mangoes, bananas, melons and forestry, as well as broadacre crops such as cotton, sorghum and chia.

For the latest data on the agriculture, forestry and fishing sector, refer to the [Territory Economy](#) website.

## Abbreviations and acronyms

ABS	Australian Bureau of Statistics
ADF	Australian Defence Force
AMEF	Advanced Manufacturing Ecosystem Fund
AMGC	Advanced Manufacturing Growth Centre
B	billion
CAGR	compound annual growth rate
Cat. No.	catalogue number
CBD	central business district
CCS	carbon capture and storage
ERA	Energy Resources of Australia
GEMCO	Groote Eylandt Mining Company Pty Ltd
GMT	green metric tonnes
GSP	gross state product
GST	goods and services tax
HMAS	His Majesty's Australian Ship
LHS	left-hand side
LNG	liquefied natural gas
M	million
PALM	Pacific Australia Labour Mobility scheme
RAAF	Royal Australian Air Force
RHS	right-hand side
TAAS	Territory Aviation Attraction Scheme
US	United States (of America)
USFPI	United States Force Posture Initiatives

# Explanation of terms

## Agriculture, forestry and fishing

The agriculture, forestry and fishing sector is a significant employer and source of economic activity in regional and remote areas. It also has important linkages to other industries of the economy, including retail and wholesale trade, manufacturing and transport. The sector's output can vary significantly from year to year due to changes in demand (including trade restrictions), seasonal conditions affecting production, and impacts of pest and disease incursions.

## Construction

Analysis of construction activity and work done is based on monthly and quarterly data reported by the Australian Bureau of Statistics through a number of data releases including engineering construction activity, building activity, building approvals and construction work done. The sector's gross value added is measured annually and reported in Australian Bureau of Statistics state accounts data. Sector contributions to employment are based on quarterly Australian Bureau of Statistics labour force statistics.

## Conventional gas

Conventional gas is found in geological formations which permits the gas to freely migrate below the surface and move to the surface when intercepted by a well.

## Defence

Defence is not reported as a separate industry in the national accounts, rather it is reported against several industries, predominantly public administration and safety. Australian Bureau of Statistics does not report defence employment numbers. References to defence refer to both the Department of Defence and the Australian Defence Force. The Department of Defence and Defence Housing Australia annual reports are the sources of data.

## Employed

Persons 15 years and older who worked for one hour or more in the week as measured by the labour force survey. Persons are measured as being employed in the jurisdiction in which they reside, regardless of the location of their employment.

## Engineering construction

Construction work that does not have a roof.

## Government and community services

The government and community services sector consists of public administration and safety; education and training; and health care and social assistance.

These services are mainly funded by the public sector, including the Commonwealth, Territory and local governments. However, non-government and private entities may also provide education, health, aged care and other community services as well as defence.

## Gross state product

Similar to gross domestic product, except it measures the total value of goods and services produced in a state or territory. It can be calculated by measuring expenditure, where it is the sum of state final demand and international and interstate trade, changes in the level of stocks, and a balancing item.

## Gross value added

The value of output at basic prices minus the value of intermediate consumption at purchasers' prices. The term is used to describe gross product by industry and by sector. Basic prices valuation of output removes the distortion caused by variations in the incidence of commodity taxes and subsidies across the output of individual industries.

## Mining and manufacturing

Mining and manufacturing activities in the Territory include mining of metal ores, oil and gas production, and quarrying, as well as the manufacture of fabricated metal, transport equipment and repair, and helium for domestic and overseas markets. The Territory's mining industry data also includes offshore oil and gas production in Territory waters.

## Non-residential building

Buildings intended for purposes other than long-term residence.

## Residential building

Buildings primarily used for the purpose of long-term residence.

## Retail trade and wholesale trade

Retail trade captures the sale of goods in stores and online to predominantly households for personal consumption. Domestic online sales are attributed to the state in which the online retailer is based. This means, due to the relatively low number of Territory-based online retailers, published retail trade data does not provide a complete representation of the level of spending on retail goods by Territorians. Retail turnover data does not include purchases made directly from an overseas website.

Wholesale trade is the sale of new or used goods to businesses and institutional users. Wholesale trade is generally a smaller component of Territory gross state product than retail trade and a much smaller share of employment.

## Service industries

The service industries sector covers a broad range of industries and makes up a significant proportion of gross state product and employment. The service industries are: professional, scientific and technical services; transport, postal and warehousing; accommodation and food services; financial and insurance services; administrative and support services; electricity, gas, water and waste services; rental, hiring and real estate services; arts and recreation services; information and media telecommunications; and other services.

## Tourism

Tourism differs from other industries as it is defined by consumers' behaviour rather than the process of producing goods and services. Accordingly, standard Australian Bureau of Statistics measures of production in the national accounts are not available for tourism. Rather, tourism's contribution to the Territory economy is captured in a range of industries, including accommodation and food services, retail trade, culture and recreation, and transport. Tourism is sensitive to factors such as global and local economic conditions, exchange rates, tourism marketing activity, aviation access, changing consumer behaviour, visa regulations and competition amongst destinations.