

# Northern Territory state of the economy

September Quarter 2020



## NT Agriculture, Forestry and Fishing Projects



- The NT is an open, trade-oriented economy
- Key exports include LNG, live animals, and mineral ores and concentrates
- Over 80% of NT exports go to Japan, China, Thailand, and Indonesia
- Key imports include iron, steel and aluminium structures, pipes of iron or steel, and refined petroleum
- The NT's major import partners are from Singapore, Switzerland, and Malaysia.

- The Northern Territory has a land mass of 1 348 199 km<sup>2</sup>, the third largest Australian jurisdiction
- The NT has a small and sparsely distributed population of 244 761, accounting for about 1.0% of the Australian resident population
- The NT civilian population (15+ years) is 187 843 persons, with a labour force of 136 619 persons, including 126 396 people employed
- The NT is characterised by a young population, with a median age of 33 years compared to 37 years nationally
- 30.3% of the resident NT population are Aboriginal or Torres Strait Islander
- More than half of the NT's population reside in the Greater Darwin region, the main hub of economic activity
- The NT has considerable onshore and offshore energy resources, in addition to existing and prospective mineral, agriculture, aquaculture and horticulture projects.
- The NT's developing economic infrastructure connects regions and key markets through roads, ports, international airport, gas pipeline and Darwin to Adelaide railway
- Economic output (GSP) in 2018-19 was \$26.1 billion, a 1.5% decrease from 2017-18.

## NT Mining and Energy Projects



- The NT's five largest industries by output are mining; public administration and safety; health care and social assistance; construction; education and training; comprising a combined 48% of total NT GSP
- The Defence presence (air force, army, and navy) in the region plays a significant role
- Tourism activity is an expanding sector with significant tourism economy and assets such as the world-famous Kakadu National Park, Uluru, Katherine Gorge; and other national parks.

**Regional fast facts**

**Greater Darwin**  
 (Darwin city, Darwin suburbs, Palmerston, Litchfield)

Area: 3 164 km<sup>2</sup>

Pop: 147 255

Businesses: 10 545

Key Industries:

- retail/wholesale
- manufacturing
- government services
- agriculture
- transport
- construction

**Daly-Tiwi-West Arnhem**

Area: 112 251 km<sup>2</sup>

Pop: 17 872

Businesses: 360

Key Industries:

- Agriculture/fishing mining
- tourism
- government services

**East Arnhem**

Area: 33 596 km<sup>2</sup>

Pop: 14 525

Businesses: 223

Key Industries:

- Agriculture/fishing;
- mining
- tourism
- government services

**Katherine (Big Rivers)**

Area: 326 327 km<sup>2</sup>

Pop: 20 869

Businesses: 915

Key Industries:

- Agriculture
- tourism
- cattle
- fishing
- mining
- defence
- government services

**Barkly**

Area: 303 295 km<sup>2</sup>

Pop: 6 091

Businesses: 211

Key Industries:

- Agriculture
- tourism
- government services

**Alice Springs**

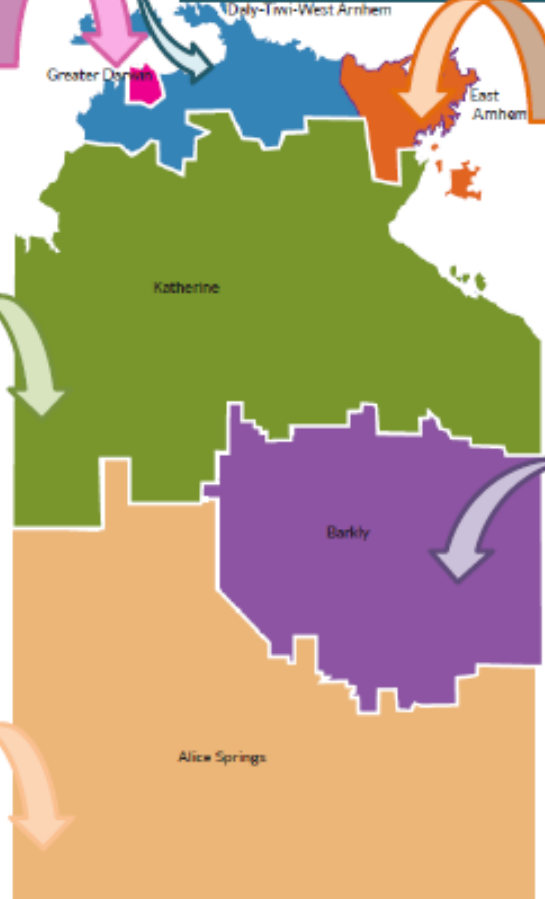
Area: 569 566 km<sup>2</sup>

Pop: 39 317

Businesses: 2049

Key Industries:

- Agriculture
- Tourism
- cattle
- mining
- retail
- government services



Regions – Australian Statistical Geography Standard (ASGS) Statistical level 3 (SA3)

Regional population data as at June 2019

## Introduction

The Territory’s economy, while relatively small compared to other Australian jurisdictions, is vibrant and has an abundance of mineral and energy resources. Its close proximity to Asia, the fastest growing region of the global economy, and a renewed focus of developing northern Australia, provide many potential business opportunities for Territory businesses.

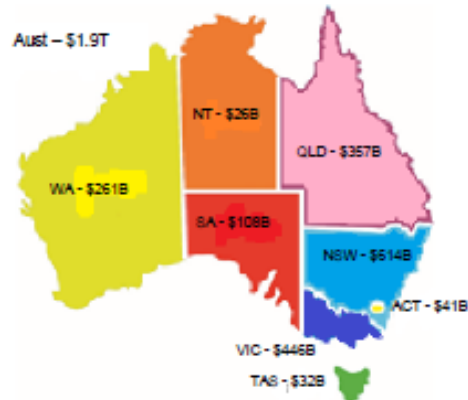
## Gross state product (GSP)

The NT’s 10-year average annual economic (GSP) growth rate (2008-09 to 2018-19) was 2.5%. In 2018-19, NT GSP (inflation adjusted) decreased by 1.5% to \$26.1 billion, driven by a fall in business investment, and consumption, but partly offset by rising exports (Chart 1). In 2018-19, total investment in the NT was valued at \$5.6 billion, a decrease of 44.8% compared to 2017-18.

Private investment is the largest component of total investment, about 71% (\$4.0 billion). Private investment decreased by 53.5% over 2018-19 (Chart 2). This decrease was largely driven by a 71.1% fall in non-dwelling construction activities (business investment). In the NT economy, large projects have a considerable impact on investment and generate high levels of economic growth, but also large fluctuations in investment.

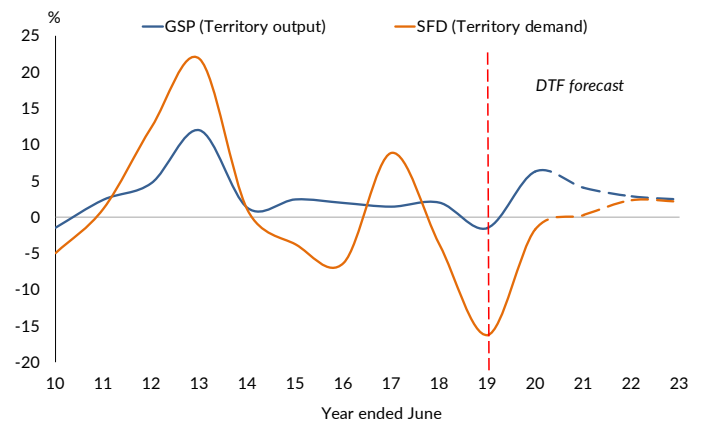
Nationally, Gross Domestic Product (GDP) increased by 1.9% in 2018-19. NT GSP accounts for 1.4% of Australian GDP.

**Chart 1: State and Territory Real GSP 2018-19**



Source: ABS Cat. No. 5220.0

**Chart 2: GSP vs SFD Growth**



Source: ABS Cat. No. 5220.0, DTF

Private business investment (\$3.2 billion), the key driver of investment (\$5.6 billion), comprised about 82% of the total private investment (\$4.0 billion) and 58% of the total investment in 2018-19.

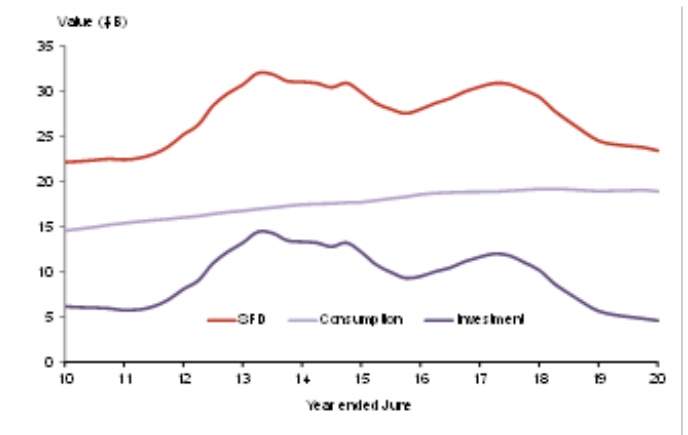
NT economic growth is estimated to increase by 3.8% in 2019-20 before declining by 3.4% in 2020-21 (Department of Treasury and Finance). This is largely due to a falling private investment and sluggish private consumption as a result of COVID-19.

Deloitte Access Economics forecasts the NT economy to grow by 4.6% in 2019-20 and by 0.9% in 2020-21. National GDP is estimated to decline by 0.25% in 2019-20 and by 2.5% in 2020-21 (Australian Economic and Fiscal Update July 2020).

NT State Final Demand (SFD), total domestic expenditure within the local economy, was \$23.4 billion (seasonally adjusted and inflation adjusted) in 2019-20 (Chart 3). For the same period in the previous year SFD was \$24.5 billion. Consumption (public and private consumption), the largest component of SFD, comprised 80.7% of domestic demand.

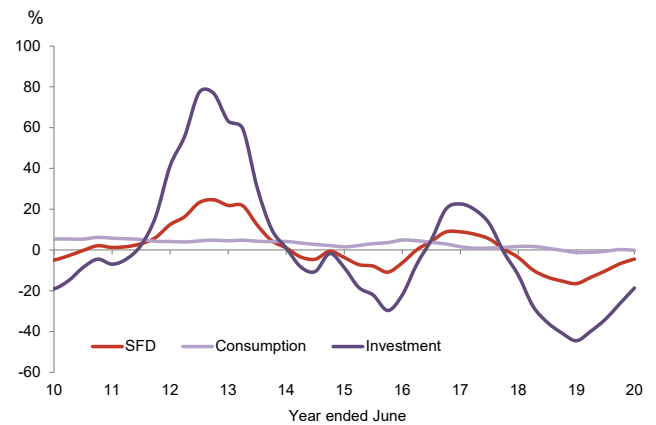
SFD growth is expected to remain weak as the effects of COVID-19 continue to impact private sector investment and private consumption (Chart 4). The export led growth in GSP in 2019-20 is masking challenging conditions within the local economy.

**Chart 3: NT SFD, inflation adjusted**



Source: ABS Cat. No. 5220.0, DTF

**Chart 4: State final demand: YoY % change**



Source: ABS Cat. No. 5206.0

NT SFD component	Proportion of SFD in the year to June 2020		
	Jun 2020	Jun 2019	Annual change
Private consumption	45.0%	44.5%	Increase
Public consumption	35.7%	32.8%	Increase
Private investment	13.3%	15.9%	Decrease
Public investment	5.3%	5.8%	Decrease

## International trade

In the year to July 2020, the value of NT goods exported rose to \$12.3 billion. This represents a 25.4% increase on the same time last year which can be attributed to the commencement of LNG exports from the INPEX project (Chart 5).

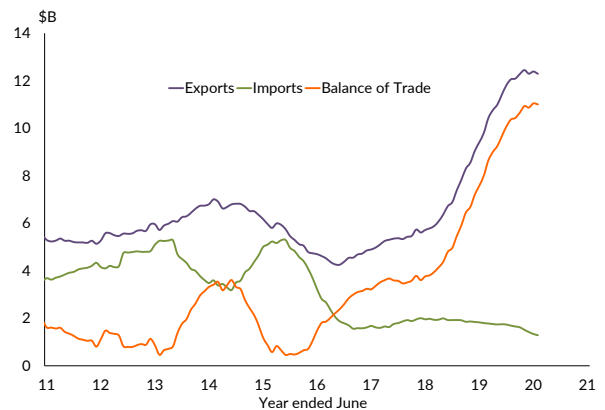
The value of goods imported has dropped 28.5% to \$1.3 billion when compared to the same time last year.

The NT’s trade surplus sits at \$11.0 billion in in the year to July 2020, which is near a record high.

The NT contributed about 3.3% of Australia’s goods exports, and around 0.4% of imports in the year.

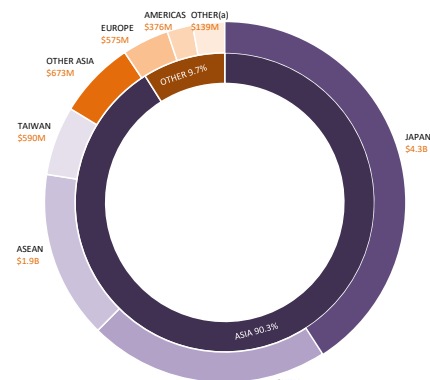
A significant proportion of imports to the NT come from other Australian jurisdictions and is treated as the balancing item in the GSP accounts.

Chart 5: NT International Trade



Source: ABS Cat. No. 5368.0

Chart 6: NT International Trade



Regional breakdowns:

Asia includes Southern and Central Asia, Middle East, North East Asia, and South East Asia

Europe includes North-West Europe and Southern and Eastern Europe

Americas includes North America, South America, Central America and the Caribbean

Other (a) includes Africa (North Africa, Central and West Africa, and Southern and East Africa) and Oceania (Antarctica and Pacific Island countries and territories)

Major NT imports from overseas are petroleum, transport equipment, and road vehicles.

The NT’s major exports to overseas are LNG, live animals, and mineral ores and concentrates.

The majority of NT exports are destined for North and South East Asia (Japan and China are key export partners) while the main import partners in 2019-20 were Singapore, Malaysia and China.

## Population

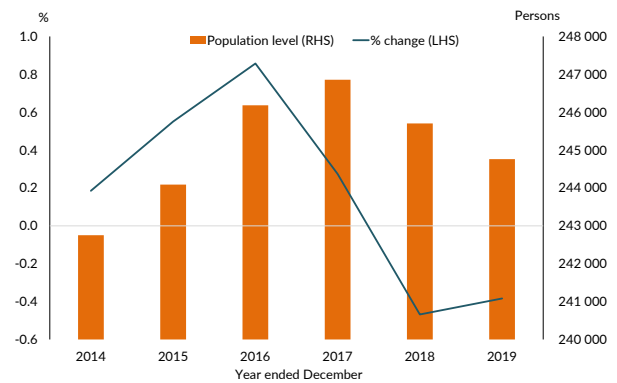
As at December 2019, the NT’s resident population was 244 761, a decrease of 0.4% in annual terms (Chart 7). Natural increase and net overseas migration added to the population while net interstate migration detracted from population growth. NT population has declined over the past year.

The population of Australia in December 2019 was 25 522 169 people. The NT population comprised 1.0% of the national population.

The estimated resident Aboriginal and Torres Strait Islander population of the NT in June 2016 was 74 509 persons, comprising around 30.3% of the NT resident population. Around 49.9% of the Indigenous population were females. Nationally, the Indigenous population accounts for 3.3% of the total population.

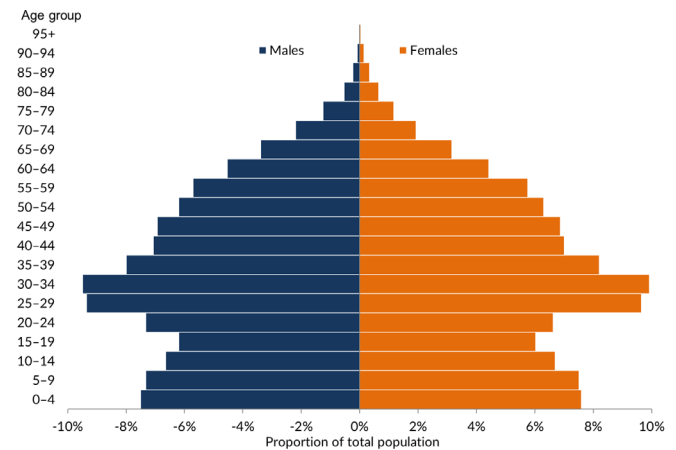
The NT population is relatively young (median age of 33 years compared to 37 years nationally) with a higher male-to-female sex ratio 107.5 males per 100 females compared to 97.4 males per 100 females nationally.

**Chart 7: Northern Territory Population**



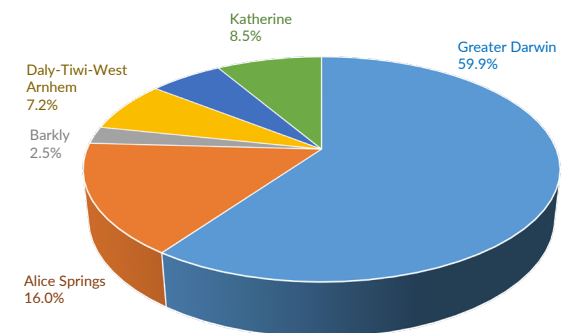
Source: ABS Cat. No. 3101.0

**Chart 8: NT Age Distribution 2019**



Source: ABS Cat. No. 3101.0

**Chart 9: NT Regional Population, June 2019**



Source: ABS Cat. No. 3218.0

In the June quarter 2020, the civilian population (15+ years) of the NT was 187 813 persons, about 76.7% of the total population. Nationally, the civilian population was 81.6% of the population.

Around 59.9% of the NT population is located in the Greater Darwin area (Darwin City, Darwin suburbs, Litchfield and Palmerston) with Central Australia (Alice Springs region) accounting for a further 16.0% and the Katherine region accounting for 8.5% of the total population (Chart 9).

## Labour market

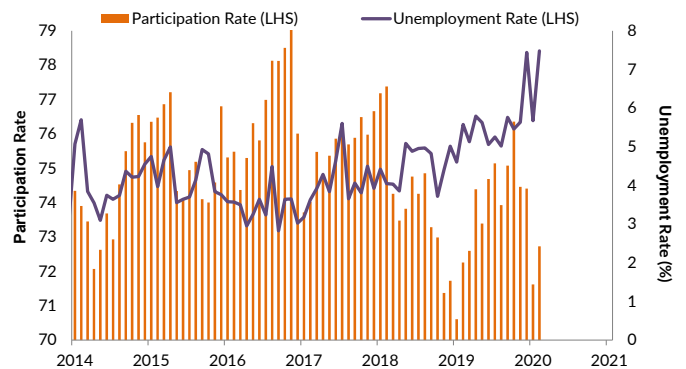
The NT labour market is characterised by a relatively skilled labour force with a high level of labour participation. There are however, regional differences in the labour market characteristics.

In July 2020, the NT unemployment rate increased to 7.5% (seasonally adjusted) and has increased by 1.9 percentage points over the year (Chart 10), and has the fourth highest unemployment rate of all Australian jurisdictions. Nationally, the unemployment rate was 7.5%.

Employment levels have decreased for four consecutive months with 126 396 persons employed across the NT at July 2020. This represents a 1.9% decrease when compared to July 2019. The year on year change in resident employment declined by 0.3% (Chart 11), while national employment levels decreased by 0.1% over the same period.

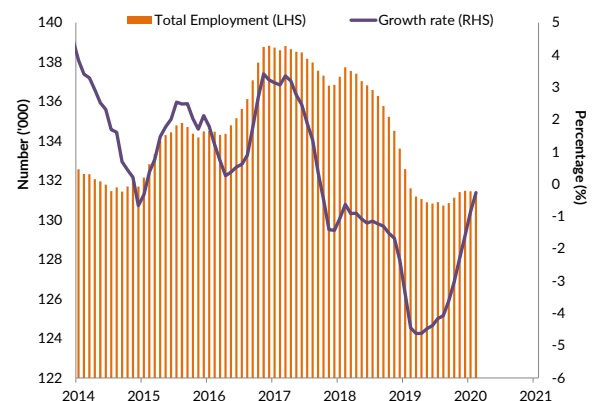
Regional statistics show the unemployment rate increased in all NT regions in the March quarter 2020. Daly-Tiwi-West Arnhem reported the highest unemployment rate of 11.1% in the quarter, while Greater Darwin reported the lowest unemployment of 5.3%.

**Chart 10: NT Participation and Unemployment Rate**



Source: ABS Cat. No. 6202.0

**Chart 11: NT Total Employed and Growth Rate**



Source: ABS Cat. No. 6202.0



As at July 2020, of the civilian population of 187 843, 72.7% (136 619) are in the labour force, of which 126 396 were employed.

The NT underemployment rate was the lowest of all jurisdictions at 6.9% of total employed persons in July 2020, compared to 11.2% nationally. This signifies that there are more employed people in the NT working their desired number of hours.

The NT underemployment rate has been falling since peaking in April 2020 when social distancing measures were in place.

The NT underutilisation rate (unemployment rate+ underemployment rate) was 14.4% of the total employed persons in July 2020. Similarly to the underemployment rate, this rate has trended down since peaking at 17.7% in May 2020.

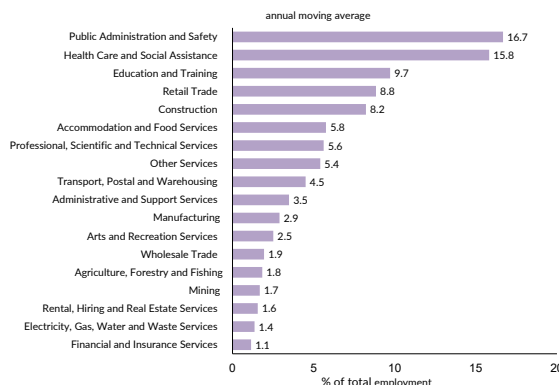
The NT participation rate has been trending down over the four months but still remains highest of all jurisdictions at 72.7% (Chart 10). This represents a 0.4 of a percentage point increase in annual terms. The national participation rate was 64.7% in the same period.

Non-resident labour (including fly-in-fly-out workers) is an important component of the NT labour market statistics. Although difficult to measure, Census 2016 estimated it to be about 8700 workers in June 2016. Similarly, members of the Australian Defence Force are also not included in the labour force statistics, but Australian Defence Force data estimated it to be about 4397 permanent defence force personnel as at June 2018 (Department of Treasury and Finance).

Employment levels in the NT are forecast to fall by 0.5% in 2019-20 before recovering to

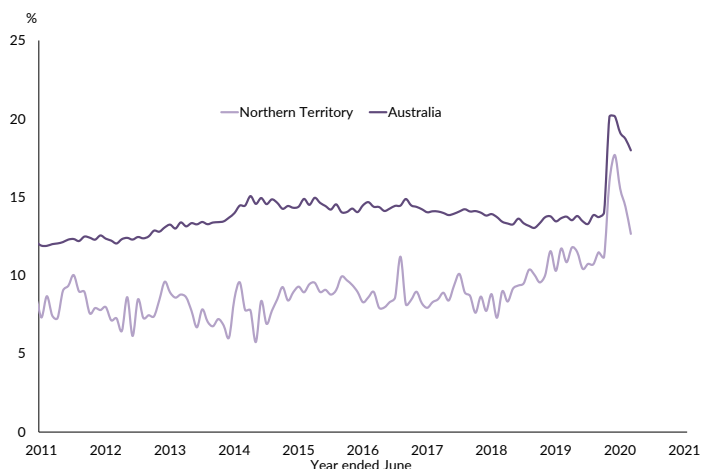
1.1% growth in 2020-21 (Deloitte Access Economics Business Outlook, June 2020).

**Chart 12: NT Total Employment by Industry, May 2020**



Source: ABS Cat. No. 6291.0.55.003

**Chart 13: Labour underutilisation rate**



Source: ABS Cat. No. 6202.0



As at July 2020 the number of youth employed (aged 15-24 years) in the NT decreased to 14 600, which represents a 7.5% year on year decline. At the national level, youth employment decreased to 1 769 500 persons, representing a 4.2% year on year decrease.

NT employment by industry sector data (annual moving average at May 2020) shows that Public administration and safety is the largest employer employing about 16.7% of the total employed, ahead of Health care and social assistance (15.8%).

Other large industry employers include, Education and training (9.7%), Retail trade (8.8%), and Construction (8.2%). The Mining industry on the other hand employs around 1.7% of the NT workforce (Chart 12).

In 2019-20, there were 1023 apprentice and trainee commencements in the Territory, a decrease of 33.3% compared to the same period in the previous year. Over the same period there were 275 apprentice and trainee completions, an increase of 1.0% compared to the same time last year.

## Prices

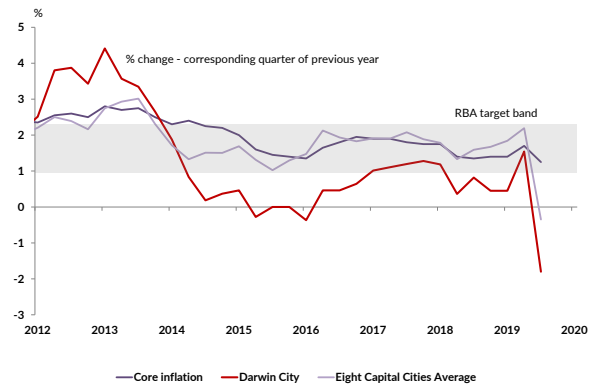
The consumer price index (CPI) decreased by 2.5% in the June quarter 2020 (Chart 14).

Over the year to June 2020, the Darwin CPI decreased by 1.8% to 109.0. Over the year, all categories recorded decreases except Tobacco and alcohol (up by 8.9%), Food & non-alcoholic beverages (up by 3.8%), Health (up by 1.2%), and Education (up by 0.9%).

Furnishings, household equipment and services reported the largest annual decrease over the year (down by 10.7%).

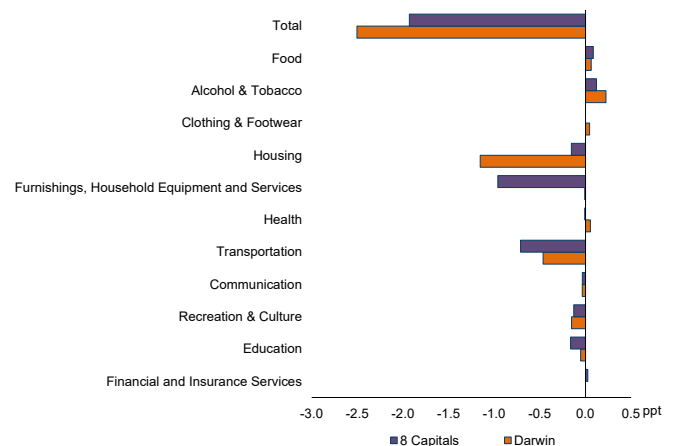
Darwin's annual CPI is lower than the national average of a decrease of 0.3%.

**Chart 14: Inflation Aggregates, Annual data**



Source: ABS Cat. No. 6401.0

**Chart 15: Darwin CPI Components, June Qtr 2020**



Source: ABS Cat. No. 6401.0

The Reserve Bank of Australia’s (RBA) measure of the national annual underlying inflation (core inflation) increased by 1.2% in the June Quarter 2020, lower than the RBA’s target inflation range of 2-3%.

## Residential property prices

In the NT property market, sales have moderated, with lower home purchase prices and lower rents.

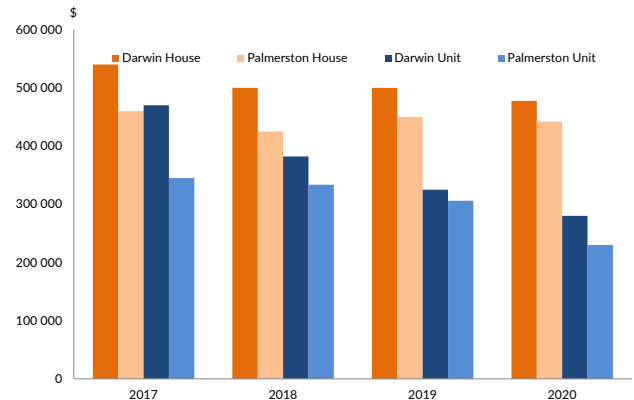
The June Quarter 2020 Real Estate Institute of the NT’s (REINT) data on median prices for a 3 bedroom house ranged from \$310 000 in Tennant Creek to \$701 000 in Inner Darwin (Chart 16). Median 2 bedroom residential unit prices ranged from \$230 000 in Palmerston to \$330 000 in Darwin Inner.

REINT reported the median rent price for a 3 bedroom house ranged from \$390 in Palmerston and Darwin North to \$550 in Darwin North East. Median 2 bedroom residential unit rents ranged from \$298 in Palmerston to \$400 in Inner Darwin and Alice Springs (Chart 17).

Location	Median House price	Median Unit/ Townhouse price
Darwin Overall	\$477 500	\$280 000
Inner Darwin	\$701 000	\$330 000
Palmerston	\$442 000	\$230 000
Katherine	\$349 500	\$260 000
Tennant Creek	\$310 000	N/A
Alice Springs	\$471 500	\$337 500

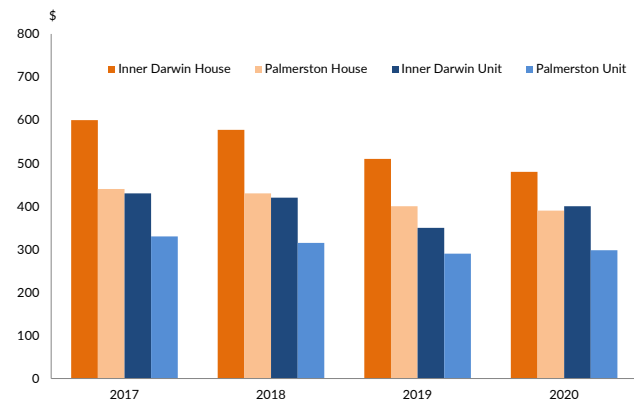
The property price index (PPI - established house price and attached house price) produced by ABS for Australian capital cities, show that for the June Quarter 2020, Darwin PPI decreased by 1.4%, while nationally the PPI decreased by 1.8%.

**Chart 16: House and Unit Purchase Price, June Qtr**



Source: REINT

**Chart 17: House and Unit Weekly Rental Price, June Qtr**



Source: REINT

## Income

The average weekly earnings and wage price index measure are different but related concepts. Average weekly earnings captures the current average value of wages and salaries paid to employees. Wage price index measures changes in wages and salaries paid by employees for a unit of labour where the quality and quantity of labour are not considered. The Wage Price Index is designed to measure inflationary pressures on wages and salaries.

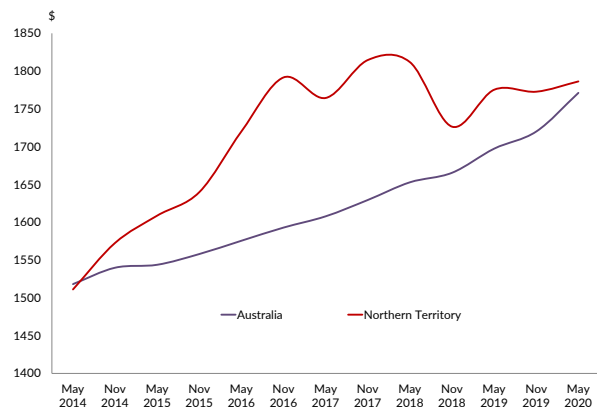
Average weekly earnings have generally increased over time, however, the rate of growth has fluctuated.

In annual terms the average weekly full time adult earnings (AWFTE) in the NT increased by 0.6% in the six month period to May 2020 to \$1786, compared to the national weekly earnings of \$1771 (Chart 18). The NT has the third highest AWFTE among Australian jurisdictions, behind WA (\$1911) and NSW (\$1805).

Over the year, the AWFTE for males in the NT decreased by 0.5% to \$1911 and for females it increased by 2.3% to \$1645. A substantial difference between male and female wage levels exists - both in the NT and at the national level.

In annual terms to June 2020, the WPI increased by 2.3% in the NT. Nationally, the growth in the WPI was 1.7% in the same period (Chart 19).

**Chart 18: Average Weekly Earnings**



Source: ABS Cat. No. 6302

**Chart 19: Wage Price Index, all sectors**



Source: ABS Cat. No. 6345.0

## Business confidence

The Department of Industry, Tourism and Trade (DITT) conducts its own quarterly business confidence survey with a significantly higher sample size than the Sensis® Business Index (SBI), and includes results by region and industry.

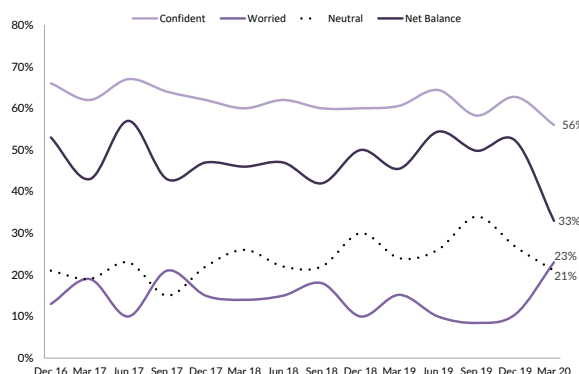
In the March 2020 DITT quarterly survey, business confidence was +33%, with confidence by region ranging from +100% in Barkly-Tennant Creek to +25% in Alice Springs. Over the past year, business confidence has been gradually trending sideways before the fall in March (Chart 20).

Overall 34% of businesses report business performance is better this year compared to the previous year. Over the past year, the proportion of businesses reporting better business conditions has been trending down, while the proportion of businesses reporting worse business conditions has been trending upwards (Chart 21).

In the March quarter 2020, key reasons for businesses feeling confident include strong customer relations, strong market position, and business opportunities. Key reasons why businesses were worried included a decrease in business/sales, a weak local economy, and increasing business costs.

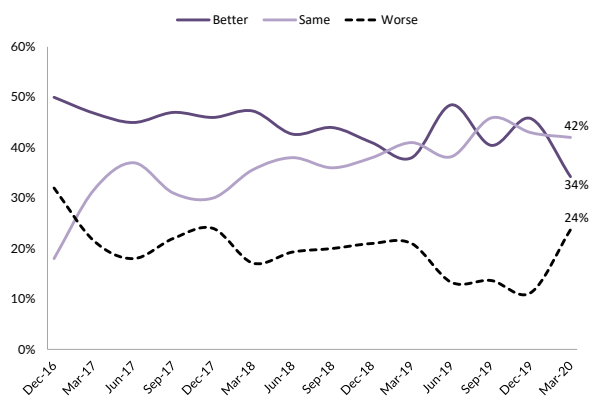
*Note: The SBI does not adequately assess the business confidence levels in the Territory due to a small and unrepresentative sample size (35 survey responses for over 14 000 businesses in the March quarter 2020). In 2019, SBI incorporated changes to its survey methodology, largely reflecting the transition to online surveys from telephone-based interviews, and publication design. Sensis noted that the methodology change would result in a quicker turnaround time.*

Chart 20: NT Business Confidence



Source: DITT Business Confidence Survey

Chart 21: NT Business Performance



Source: DITT Business Confidence Survey

## Count of NT businesses

The NT had 14 776 actively trading businesses as at June 2019 which constitutes 0.62% of the national business count. In June 2018 there were 14 479 businesses operating (Chart 22).

The highest number of operating businesses was in New South Wales followed by Victoria, Queensland, Western Australia, South Australia, Tasmania, the Australian Capital Territory and the NT.

In 2018-19 the entry rate for businesses in the NT was 14.9%, lower than the national average of 15.4%. The exit rate for businesses in the NT was 12.4%, lower than the entry rate and resulting in an increase in the number of overall businesses. Nationally, the exit rate was 12.7%.

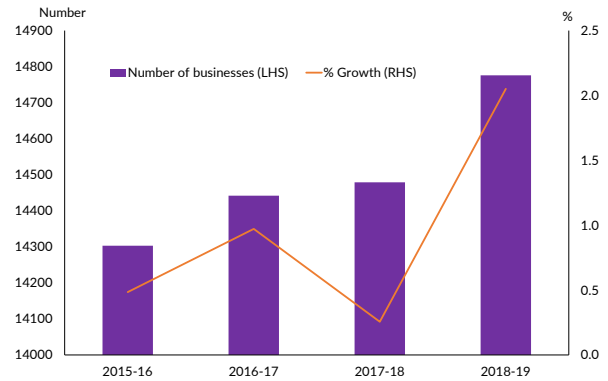
In June 2015, the NT had 14 234 operating businesses and of these 86.9% survived to June 2016, 77.6% survived to June 2017, and 69.9% survived to June 2018 and 64.1% survived to June 2019. Similarly, at the national level, 64.9% of the businesses operating in June 2015 survived to June 2019.

Australian Bureau of Statistics (ABS) defines business size by level of employment as follows:

- Small business: 0-19 employees
- Medium business: 20-199 employees
- Large business: 200+ employees.

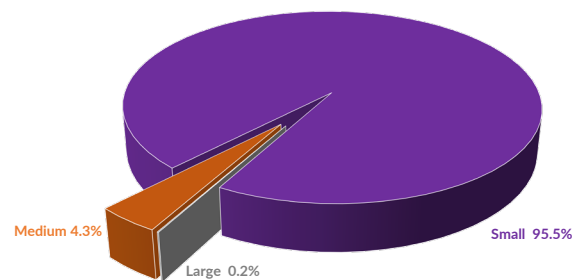
The majority of actively trading businesses in the NT are small. In June 2019, 95.5% were small businesses, 4.3% were medium businesses and 0.2% were large businesses (Chart 23). Nationally, 97.4% of the businesses were small.

**Chart 22: Number and Growth of NT Businesses**



Source: ABS Cat. No. 8165.0

**Chart 23: NT Business size, June 2019**



Source: ABS Cat. No. 8165.0

Of the small businesses in the NT, 62.3% were non-employing businesses, 24.2% were micro businesses with between 1-4 employees, and 13.5% were those businesses employing 5-19 employees.

In June 2019, the Construction industry had the highest number of businesses operating in the NT accounting for 19.8% of total businesses. This was followed by Rental, hiring and real estate services (13.0%), Professional, scientific and technical services (9.6%), Transport, postal and warehousing (8.0%), Finance and insurance services (6.1%), and Agriculture forestry and fishing (6.1%) (Chart 24).

The majority of businesses in the NT are in the services sector (all industries except Agriculture, forestry and fishing; Mining; Manufacturing; Electricity, gas and water; and Construction).

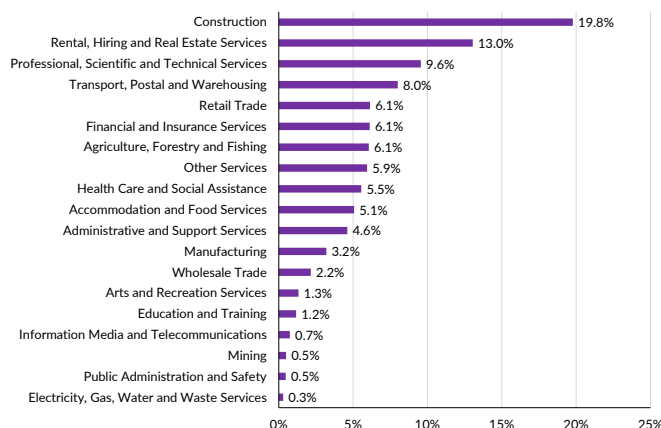
In June 2019, the services sector included 70.2% of all NT businesses.

At the national level, the Construction industry had the highest number of businesses (16.6%) followed by Professional, scientific and technical services (12.4%) and Rental, hiring and real estate services (10.9%).

The majority of the businesses in the NT are located in the Greater Darwin region (Darwin City, Darwin Suburbs, Litchfield and Palmerston).

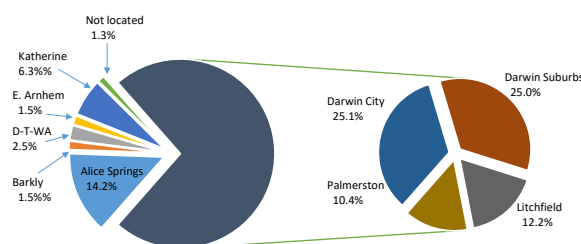
In June 2019, 73.0% of all businesses in the NT were located in the Greater Darwin region. The Alice Springs region had the second largest number of businesses (14.1%), Katherine region had 6.3%, Daly-Tiwi-West Arnhem had 2.5%, East Arnhem had 1.5% and Barkly region had 1.4% (Chart 25).

**Chart 24: NT Business by Industry, June 2019**



Source: ABS Cat. No. 8165.0

**Chart 25: Business Location, June 2019**



Source: ABS Cat. No. 8165.0

At June 2019, the NT had 21.2% of businesses operating in the 'zero to <\$50k' turnover range. About 13.5% of the businesses were operating in the '\$50k to <\$100k' range, 18.1% in the '\$100k to <\$200k' range, 20.2% were in the '\$200k to <\$500k' range, 17.4% in the '\$500k to <\$2m' range, and 6.1% in the '\$2m to <\$5m range, 2.0% in the \$5m to <\$10m range, and 1.5% in the \$10m+ range.

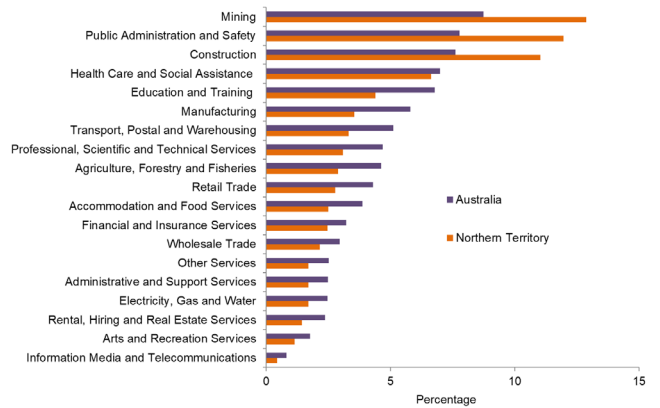
### Key industry sectors

The structure of the NT economy is different to the national economy with greater contributions to production in the NT from Construction, Mining, Public administration and safety, Education and training, and Health care and social assistance industries.

These five sectors together make up 48.1% of the total of industry sector contributions to the NT's GSP in 2018-19 with the combined value of their contribution to the NT economy being about \$12.6 billion.

Industry sector	Value Added 2018-19	Proportion of NT GSP
Mining	\$4.7 billion	18.1%
Public Administration and Safety	\$3.3 billion	12.5%
Health Care & Social Assistance	\$1.7 billion	6.6%
Construction	\$1.6 billion	6.2%
Education and training	\$1.2 billion	4.7%

Chart 26: Sector Contribution to Output, NT and Australia 2018-19



Source: ABS; Cat. No. 5220.0



## Construction sector

In 2018-19, the Construction sector contributed \$1.6 billion to NT GSP, with an industry share of total output of 6.2%. The construction industry accounts for 8.2% of the NT’s resident employment.

The value of the Construction sector is now below historical levels largely due to the completion of major construction projects such as INPEX LNG gas project.

In 2019-20, construction work done decreased by 33.8% to \$1.8 billion. Engineering work done decreased by 41.7% to \$1.1 billion, residential construction decreased by 15.3% to \$314 million and non-residential construction decreased by 19.3% to \$424 million, reflecting construction of the INPEX LNG plant winding down (Chart 27).

Over the next few years, growth is forecast to remain subdued with the completion of the construction phase of some resource projects.

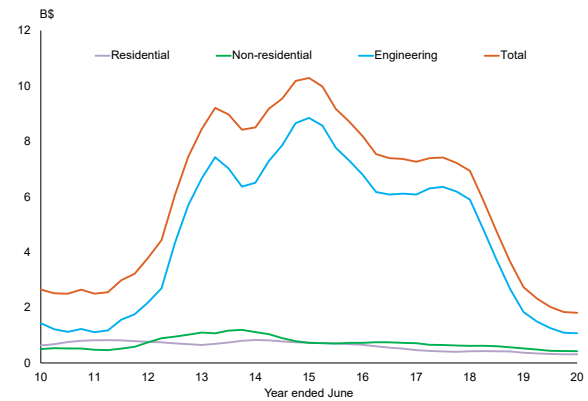
## Mining and energy sector

Mining and energy sector contributed \$4.7 billion (gross value-added) or 18.1% to NT GVA in 2018-19 (Chart 29).

The main minerals produced and processed in the NT are bauxite, gold, manganese and zinc/lead concentrate. Key energy commodities are oil, natural gas, uranium, and the production of LNG.

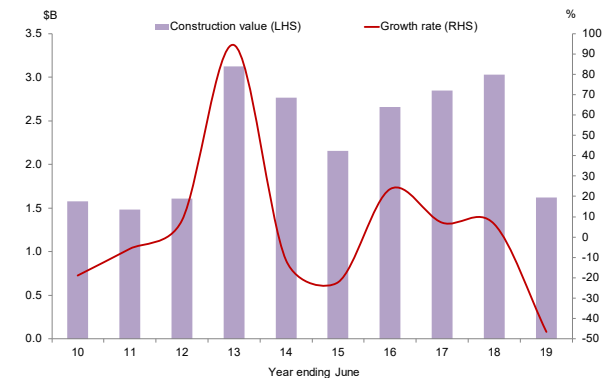
Although the sector is the largest contributor to NT GSP it employs around 1.7% of the resident employment as it is capital intensive and a portion of its FIFO workers are residents of other jurisdictions.

Chart 27: NT Construction Activity



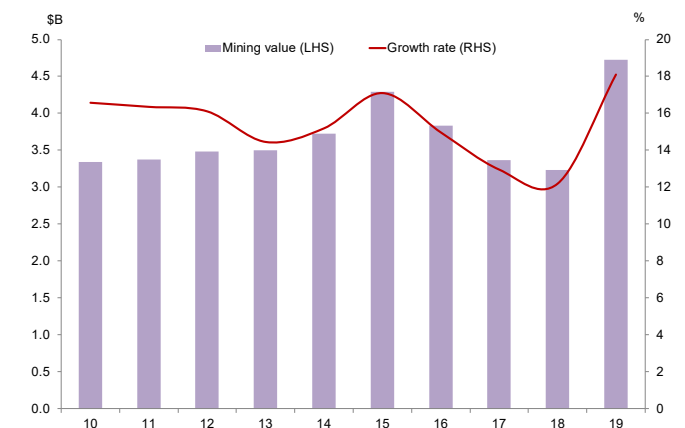
Source: ABS Cat. No. 8755.0

Chart 28: Construction, GVA, Inflation Adjusted



Source: ABS Cat. No. 5220.0

Chart 29: Mining, GVA, Inflation Adjusted



Source: ABS Cat. No. 5220.0

The value of Mining and energy increased strongly in 2018-19 as LNG production commenced at INPEX’s LNG plant.

## Manufacturing sector

In 2018-19, the Manufacturing sector accounted for 3.6% of the NT’s GSP (Chart 30).

Manufacturing in the NT consists mainly of small scale production of various products for export and domestic consumption, and mining-related processing.

This sector employs around 3800 people, 2.9% of the NT’s total resident employment in the year to May 2020.

## Retail sector

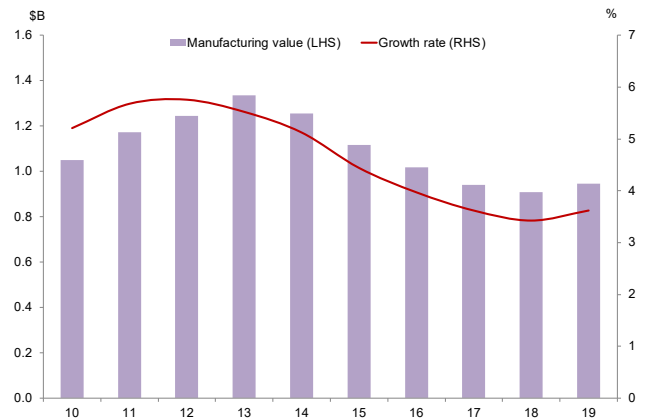
The Retail trade sector value (gross value added) decreased by 2.1% in 2018-19 to \$691 million. The sector contributes around 2.6% to NT GSP and 8.8% to total NT resident employment in the year to May 2020 (Chart 31).

Nationally, retail turnover in 2018-19 contributed about 4.2% of the national GDP and the sector grew by 1.0% in the same period.

The retail turnover (sales) in the NT in the year to July 2020 was \$3.2 billion, a year on year increase of 4.3%.

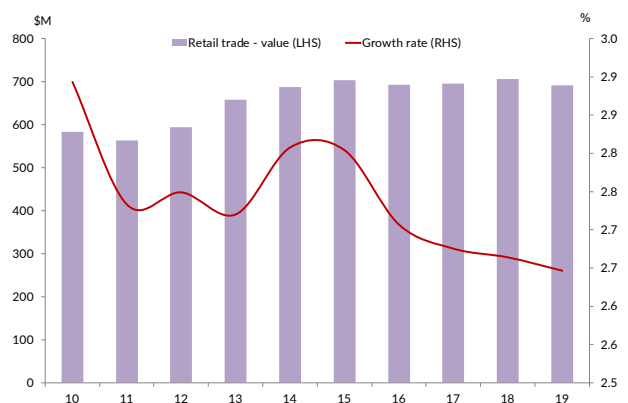
Food retailing is the largest component contributing 2.8 percentage points to total NT growth in the year, followed by Other retailing (4.5 percentage points), and Electrical and electronic goods retailing (0.9 of a percentage point).

**Chart 30: Manufacturing, GVA, Inflation Adjusted**



Source: ABS Cat. No. 5220.0

**Chart 31: Retail trade, GVA, inflation adjusted**



Source: ABS Cat. No. 5220.0

The growth in NT retail turnover is expected to be subdued in the short term, largely reflecting softening population growth in the NT.

The Wholesale trade sector contributed \$524 million or about 2.0% of the NT GSP.

## Agriculture, forestry and fishing (rural industries)

Key agricultural commodities include livestock, horticulture produce and fisheries.

The key livestock commodities of the NT include cattle, buffaloes and crocodiles. In the horticultural sector the main commodities include fruit (mangos, melons, and bananas), Asian vegetables, and plant nursery products. The fishing sector includes commercial, recreational and traditional indigenous fishing. The commercial fishing sector includes wild catch fish (such as barramundi, snapper, and shark), crustaceans (mainly prawns and mud crabs) and aquaculture (pearls). Forestry includes sandalwood and African Mahogany production.

Agriculture, fishing and forestry contributed \$700 million (inflation adjusted), about 2.7% to the value of NT GSP in 2018-19 (Chart 32).

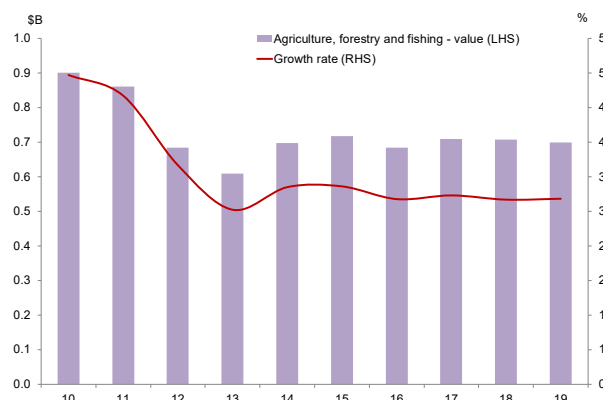
Cattle production is the largest component of agriculture, forestry and fishing. The key markets for NT cattle are interstate markets (for further growing or slaughter) and live exports overseas (mainly Indonesia). In the short term, the value of this industry is expected to increase, driven by growth in the value of live cattle exports under the free trade agreement signed in March 2019 between Australia and Indonesia. This will be partly offset by competition from Indian buffalo meat and disruptions in the cattle

supply chain from severe Queensland floods.

Horticultural production is expected to improve with favourable outlooks for barramundi and prawn production, and recovering production of bananas and melons. The horticultural products are mainly destined for interstate markets.

Fisheries production in the NT has strong potential in the coming years with the expansion of aquaculture production, e.g. Seafarms' \$1.45 billion Sea Dragon Project.

**Chart 32: Agriculture, Forestry and Fishing: NT GVA, Inflation Adjusted**



Source: ABS Cat. No. 5220.0

## Tourism

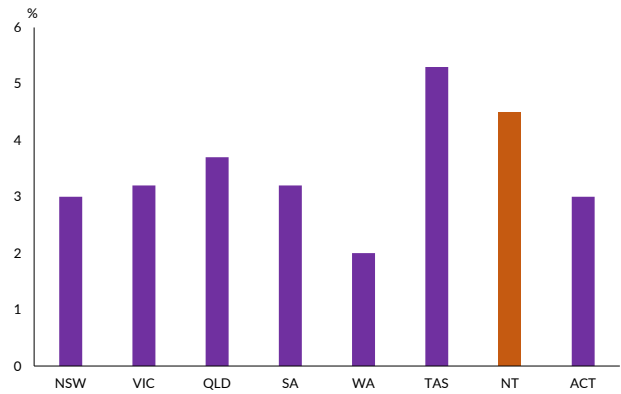
The Tourism sector is distributed across a number of Australian and New Zealand Standard Industrial Classification (ANZSIC) industry sectors. The largest industry sectors that directly contribute to tourism gross value added (GVA) in the NT include Accommodation and food services; Transport, postal and warehousing, and Recreation and culture.

In the year to March 2020, visitor expenditure in the NT was \$2.6 billion (Tourism NT).

Over the same period 1.96 million people visited the NT, up 0.7% on the previous year’s visitor numbers.

Tourism directly employs around 7.3% of the NT employment.

**Chart 33: Share of Tourism in Gross Value Added, 2018-19**



Source: Tourism Research Australia, 2018-19

## Goods-producing and service-producing sectors

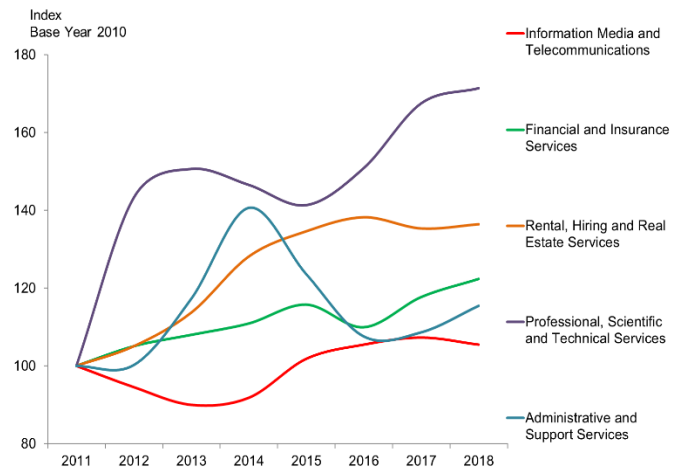
In categorising goods and services, dwelling growth is excluded.

The GVA of goods-producing sectors (Agriculture, forestry and fishing, Mining, Manufacturing, Electricity, gas and water, Construction) was \$8.4 billion in 2018-19, about 40.7% of all industries.

Service producing sectors' output ("things you cannot drop on your foot") was valued at \$12.3 billion, contributing 59.3% of all industries NT GSP (ownership of dwellings is excluded from the service-producing sectors).

Business services (those industries that provide non distribution services to other companies) have grown strongly since 2011 and contributed \$2.7 billion (10.3%) of NT GSP in 2018-19. Since 2011 business services have grown, on average, by 5.2%. There are however, variations in growth in individual business service sectors (Chart 34).

Chart 34: Business Services Output



Source: ABS Cat. No. 5220.0

## Investment projects – major project status

Project	Company	Location	Type	Under construction	FID	Resource	Indicative cost estimate
Northcrest	Halikos	Darwin	New project	Yes	Yes	Land development	\$300 million
Australia-ASEAN Power Link (AAPL) – (formerly SASH)	Sun Cable	Tennant Creek	New Project	No	No	Solar PV, Storage and Export	\$22 billion
Mount Peake Vanadium-Titanium-Iron Project	TNG Limited	Mine site - 235 km northwest of Alice Springs Processing plant - Middle Arm Industrial Precinct on the Darwin Port	New project	No	Mid 2021	Titanium dioxide, vanadium pentoxide and iron oxide	\$824 million
Nolans Project	Arafura Resources	135 kilometers north northwest of Alice Springs	New project	No	To be announced	Rare earths and phosphoric acid	\$1 billion
Mount Todd	Vista Gold	56 kilometers northwest of Katherine	Reopen mine	No	Mid 2021	Gold	\$1.19 billion
Ammaroo Phosphate	Verdant Minerals	180km south east of Tennant Creek	New project	No	Mid 2022	Phosphoric Acid	\$1.4 billion

Project	Company	Location	Type	Under construction	FID	Resource	Indicative cost estimate
Jervois Base Metals Project	KGL Resources	270km east north east of Alice Springs	New project	No	Early 2021	Copper, gold & silver with minor lead and zinc	\$190 million
Prelude FLNG	Shell	Offshore Browse Basin, 475km north-east of Broome, WA	New project	Complete	2011	LNG	Third party estimates at \$12-17 billion
Wonarah	Avenira Limited	260 kilometers east of Tennant Creek	New project	No	To be announced	Super phosphoric acid	Stage 1 \$350 million Total \$1200 million
Chandler Salt Mine	Tellus Holdings	Alice Springs	New project	No	H1 2021	Salt (out)	\$676 million
Project Sea Dragon	Seafarms Group	Gunn Point – hatchery (stage 1B) Bynoe – hatchery and broodstock centre (stage 1A) Legune – grow out ponds (farms) and	New project	Gunn Point - No Bynoe –Site cleared, intake and discharge ponds completed Legune – minimal infrastructure works	End 2020	Black Tiger prawns	Stage 1 \$780 million



Project	Company	Location	Type	Under construction	FID	Resource	Indicative cost estimate
		ancillary services (power, water conveyance, feed stores and accommodation) (stage 1A+)					
Molyhil	Thor Mining	220 kilometers northeast of Alice Springs	New project	No	End 2021	Tungsten and molybdenum	\$69.3 million

Source: Bureau of Resources and Energy Economics (BREE), NT ICN and NT Department of Industry, Tourism and Trade

## Future major projects – major project status

Project	Company	Location	Type	Under construction	FID	Resource	Indicative cost estimate
Bonaparte Gas Project	Neptune	Offshore Petrel Gas Field, 250 kms west of Darwin	New project	No	No	LNG	To be announced
Bladin Point LNG Expansion (Trains 3-6)	INPEX Holdings	Bladin Point	Expansion	No	No	LNG	To be announced

Source: Bureau of Resources and Energy Economics (BREE), NT ICN and NT Department of Industry, Tourism and Trade

## Investment projects – facilitated investment projects

Project	Company	Location	Type	Under construction	FID	Resource	Indicative cost estimate
Ichthys LNG	INPEX Operations Australia Pty Ltd	Bladin Point, Darwin	New project	Operational	2012	LNG	US\$3 billion at FID
Westin Hotel	Landbridge	Darwin	New project	No	Yes	Other – hotel	\$200 million
Northern Gas Pipeline	Jemena	Tennant Creek – Mount Isa	New project	Complete	Yes	Gas pipeline	\$800 million
Darwin Shiplift	NTG	Darwin	New project	No	No	Infrastructure	\$400 million
Seniors Lifestyle Accommodation	TBD	Darwin	New project	No	No	Other	TBD
Seniors Lifestyle Accommodation	TBD	Alice Springs	New project	No	No	Other	TBD

## Future projects – facilitated investment projects

Project	Company	Location	Type	Under construction	FID	Resource	Indicative cost estimate
Ord Stage 3	To be announced	WA-NT border	Expansion	No	No	Infrastructure	To be announced
Alice Springs Tourism Commercial	TBD	Alice Springs	New project	No	No	Other	TBD
Darwin Data Centre Park	TBD – Various	Darwin (Wishart)	New Project	No	No	Other	TBD

## Regional labour markets, population and income

Region <sup>1</sup>	Labour force March Qtr 2020	Unemployment March Qtr 2020	Unemployment rate (%) March Qtr 2020	Population 2018-19	Median weekly household income 2016 (\$)¹
Greater Darwin	83 385	3 977	5.3	147,255	2,1832
Darwin city	18 769	635	3.7	27,674	2,320
Darwin suburbs	32 025	1 729	6.1	56,154	2,075
Litchfield	14 410	369	2.7	25,172	2,219
Palmerston	18 181	1 244	8.7	38,255	2,199
Alice Springs	17 734	951	5.5	39,317	1,715
Barkly	2 914	247	8.5	6,091	1,366
Daly-Tiwi-West Arnhem	7 510	736	11.1	17,872	1,134
East Arnhem	6 129	477	7.5	14,525	1,944
Katherine	10 722	666	8.9	20,869	1,485

Source: ABS Cat. No. 3218.0, 5673.0.55.003, Department of Employment, and Census 2016 on Population and Housing

1. Statistical Area Level 3 (SA3)
2. Greater Capital City Statistical Area (GCCSA)

## Data sources

Australian Bureau of Statistics, catalogue numbers 3101.0, 6202.0, 6220.0, 6291.0.55.003, 6302.0, 6345.0, 6354.0

Department of Social Services (Australian Government)

Department of Industry, Tourism and Trade – Business Confidence Survey

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