



NORTHERN TERRITORY

2025-26 BUDGET

INDUSTRY
OUTLOOK

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Industry outlook

The Northern Territory's gross state product (GSP) by industry (sector) is concentrated in mining, and government and community services (Table 1). The largest employing industries are health care and social assistance, public administration and safety, and education and training, followed by construction, 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 2023-24 (chain volume measure)

	Gross state product					Employment ¹			
	Value \$M	Change %	Share ² %	10-year average	10-year CAGR %	Number	Change %	Share %	10-year average
Government and community services	7 547	3.4	23.9	6 826	2.2	60 477	7.2	43.7	53 756
Public administration and safety	3 253	3.6	10.2	3 175	0.6	21 526	10.6	15.6	21 198
Health care and social assistance	2 723	3.6	8.7	2 194	5.0	24 359	9.8	17.6	19 901
Education and training	1 571	2.5	5.0	1 457	1.6	14 592	- 1.0	10.5	12 657
Service industries	6 381	1.4	19.9	5 998	1.9	44 093	- 7.3	31.9	44 593
Accommodation and food services	735	- 3.4	2.3	748	0.5	9 037	- 14.3	6.5	9 396
Transport, postal and warehousing	1 338	6.2	3.9	1 226	2.0	6 222	4.4	4.5	6 301
Information and media telecommunications	126	0.8	0.4	105	5.3	1 262	25.1	0.9	1 319
Financial and insurance services	739	3.9	2.3	661	2.3	1 396	13.8	1.0	1 460
Rental, hiring and real estate services	430	- 1.8	1.3	414	0.8	1 901	- 1.3	1.4	2 041
Professional, scientific and technical services	911	- 4.7	2.9	1 002	1.4	7 818	- 6.4	5.6	7 284
Administrative and support services	628	5.9	2.0	532	0.2	3 710	- 23.8	2.7	4 323
Electricity, gas, water and waste services	487	2.3	1.6	453	3.8	2 032	- 21.4	1.5	2 328
Arts and recreational services	377	- 2.1	1.2	337	3.9	4 395	- 0.8	3.2	3 528
Other services ³	610	3.4	1.9	520	3.4	6 320	- 5.3	4.6	6 614
Mining and manufacturing	11 030	8.8	27.0	9 809	3.0	7 361	- 0.5	5.3	7 903
Mining	10 235	9.5	24.6	8 672	4.5	4 060	- 1.3	2.9	4 413
Manufacturing	795	0.1	2.4	1 137	- 6.9	3 301	0.5	2.4	3 490
Construction	1 982	3.8	6.4	2 361	- 5.0	10 727	6.8	7.8	12 071
Retail and wholesale trade	1 808	- 0.4	5.7	1 785	0.6	12 843	5.6	9.3	12 664
Retail	930	0.6	3.0	871	0.8	10 565	0.7	7.6	10 380
Wholesale trade	878	- 1.6	2.8	914	0.3	2 278	36.1	1.6	2 284
Agriculture, forestry and fishing	1 361	9.9	3.4	1 142	2.1	2 915	- 5.4	2.1	2 761
Total⁴	34 581	4.6	100	32 535	1.5	138 416	1.3	100	133 748
Defence⁵	3 095	9.6	10.2	2 478	5.2	5 420	1.2	4.9⁶	5 479
Tourism⁷	1 215	9.6	3.7	837	4.8	7 973	2.8	5.1	6 644

CAGR: compound annual growth rate

¹ Total economy employment data is for May 2024.

² The industry shares are calculated using GSP in current prices.

³ Other services component of GSP include personal services and general repair and maintenance activities, however excludes units engaged in providing buildings or dwelling repair and maintenance services.

⁴ Includes non-industry components of GSP (ownership of dwellings, taxes less subsidies and statistical discrepancy), and therefore the industry shares may not add up to 100%. In other instances, numbers may not add due to rounding. Defence and tourism sectors are not discrete industries in Australian Bureau of Statistics (ABS) reporting, and activities for these sectors are 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 defence and tourism sectors in this table.

⁵ DTF own calculations.

⁶ Share of Australian Defence Force.

⁷ State Tourism Satellite Account numbers produced by Tourism Research Australia are in current prices only. CAGR has been calculated for a 5-year period. Share of total is calculated by Tourism Research Australia.

Source: ABS, *State Accounts*, *Labour Force*, unpublished defence data; Department of Defence Annual Reports; Tourism Research Australia State Tourism Satellite Accounts; Department of Treasury and Finance

Territory economic activity increased by 4.6% to \$34.6 billion in 2023-24 supported by public and private sector investment, and ongoing progress developing the Barossa gas field. The Territory's domestic economy is growing solidly in 2024-25, driven by strong public investment spending and construction of the Barossa project, with state final demand expected to grow by 4%. However, GSP will contract, driven by lower exports from the Ichthys liquefied natural gas (LNG) plant due to unexpected maintenance in the second half of 2024.

In 2025-26, the Territory's GSP is forecast to grow by 7.8%, driven by the Barossa project's transition from construction to LNG production for export. Although private sector investment will detract from growth during this period, this impact is outweighed by higher exports. By 2026-27, the Ichthys and Darwin LNG plants are expected to be at full operational capacity, with exports continuing to fuel GSP growth. In 2027-28, export levels are forecast to stabilise, no longer contributing to growth, while public investment is anticipated to decline from recent highs to more sustainable levels. By 2028-29, the Territory's GSP growth is expected to revert to trend.

The government and community services sector was the largest employer in the Territory (43.7%) and contributed 23.9% to GSP in 2023-24. The sector's relatively large contribution reflects the complexity of delivering services in across the Territory. The sector is expected to grow in the near term driven by policy commitments to support health outcomes, reduce crime and address high levels of demand for critical government services. Proposed education reforms and ongoing defence investment in the Territory are also expected to support growth.

The services sector covers a range of discrete industries (excluding government and community services) accounting for 19.9% of the Territory's GSP and 31.9% of employment in 2023-24. The services sector grew by 4.6% in 2023-24 with growth driven by transport, postal and warehousing, as well as administrative and support services. The outlook for the services sector is positive, supported by demand from infrastructure, construction and defence projects. Population growth is expected to underpin demand for a range of services over the outlook period, while also contributing to stronger labour supply, which is expected to ease labour shortages that the services sector has faced in the post-covid period.

The mining and manufacturing sector is a central element of the Territory economy, contributing around 27% to the Territory's GSP and providing around 7,400 jobs in 2023-24. The mining industry is the main driver of this industry subcomponent. Major commodities produced in the Territory include LNG, manganese, gold and bauxite. Mining output is forecast to increase over the outlook period. Production of manganese at Groote Eylandt mine is also expected to return following remediation work post Cyclone Megan. LNG production will commence from the Barossa gas field in 2025-26 while LNG production at the Ichthys LNG plant returns to normal from 2026-27 following significant maintenance shutdowns in 2024-25 and 2025-26.

The recent trade policies announced by the United States (US) administration, and reciprocal policies introduced by US trading partners, could have a material impact on export industries in Australia. Ongoing uncertainty and volatility in financial markets is weakening consumer confidence and business sentiment. If sustained, this will have implications for consumption and business investment over the outlook period.

For the Territory, direct trade with the US is small at 0.1% of Territory goods exports. The indirect effects on Australia and the Territory will be felt through Australia's major trading partners, particularly China and Australia's Asian neighbours, who have larger direct trading relationships with the US. Particular sectors will be more affected than others, with mining expected to see the largest impact (see Northern Territory Economy, Chapter 2 *Economic Growth* Box 2).

The construction sector is the fourth largest industry in the Territory, accounting for 6.4% of GSP and 7.8% of employment in 2023-24. With the Barossa project coming to an end in 2024-25, a steady pipeline of public projects is expected to support growth in the near term with significant projects like the Darwin ship lift and ongoing programs in roads and public housing.

The contribution of the retail and wholesale trade sector to the Territory's GSP was 5.7% in 2023-24, which is relatively low compared to other jurisdictions, reflecting the large size of the mining, and government and community services sectors. The sectors play a crucial role in the economy as a supplier of consumer goods for the Territory's population and of specialist equipment and materials for industries. In the near term, the growth of the sector will be supported by solid growth in household consumption, reflecting easing of cost-of-living pressures. In 2024-25, the wholesale trade is expected to be supported by strong ongoing investment activity. From 2025-26 wholesale trade will face weaker demand and will grow at a slower rate due to lower investment associated with the completion of the Barossa project.

The Territory's agriculture, forestry and fishing sector grew by 9.9% to \$1.4 billion in 2023-24, as favourable weather conditions and strong live export demand drove cattle supply. Growth is expected to continue in 2024-25 following significant investment in the cattle industry, and as producers focus on restocking their herds. The cotton industry is also expected to continue to develop, with the new cotton gin near Katherine supporting production. Over the outlook period, several major agricultural precincts are expected to progress, with an investor recently being chosen to develop the Wildman Agricultural Precinct.

Defence is a significant contributor to the Territory's economy, supporting local businesses and employment in construction, maritime and aerospace. The Department of Treasury and Finance estimates defence consumption and investment activity in the Territory was around \$3.1 billion in 2023-24 or 10.2% of GSP. This encompasses defence expenditure on employees and operating costs as well as defence capital investment activity. Information on significant defence planned investment projects over the next decade are provided in Chapter 5. Following the recent escalation in geopolitical tensions and the Commonwealth Government's focus on growing Australia's strategic presence in the Indo-Pacific region, defence investment in the Territory is expected to increase over the outlook period.

Tourism is an important driver of the Territory's economy, accounting for 3.7% of Territory's GSP and 5.1% of employment in 2023-24. The number of visitors to the Territory increased slightly, although remains below pre-covid levels. Over the forward estimates period, the outlook for tourism remains positive and is expected to continue to recover from the impacts of covid as international visitation improves.

Government and community services

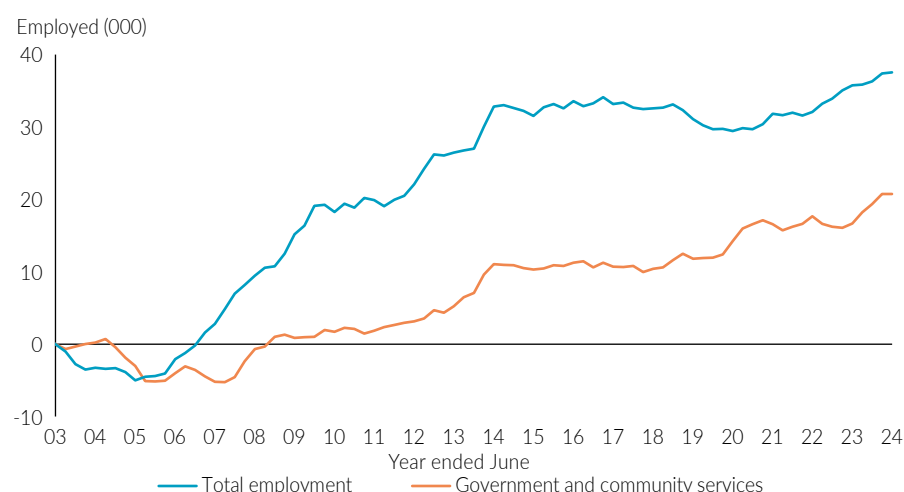
Outlook

The government and community services sector is expected to continue growing in the near term driven by ongoing demand for critical government services.

The government and community services sector grew by 3.4% to \$7.5 billion in 2023-24 and accounted for about 23.9% of the Territory's GSP. The government and community services sector as a share of the economy has historically been higher than the national share, reflecting the complexity of delivering services in the Territory.

This sector is the largest employer in the Territory, representing around 43.7% of employment in 2023-24. This comprises 17.6% in health care and social assistance, 15.6% in public administration and safety, and 10.5% in education and training. Employment growth post 2019-20 has been largely led by growth in health care and social assistance, and education and training (Chart 1).

Chart 1: Territory change in year average employment since 2002-03



Source: ABS, *Labour Force, Australia, Detailed*; Department of Treasury and Finance

The government and community services sector is expected to continue growing in the near term with significant new policy commitments over the budget cycle to support mental health and hospital services, reduce crime through early intervention programs and investment in police services. The government has also announced new investment to address demand on the justice and correction systems.

Key program funding and investment includes:

- \$126 million in 2025-26 and \$176 million per year ongoing from 2026-27 in additional funding to address corrections system pressures, increase electronic monitoring capacity and support prison healthcare services
- \$100 million per year ongoing from 2025-26 to address pressures in the health system and deliver safe and high quality health services to meet current and future needs of Territorians
- \$95 million in 2025-26 for additional police resourcing through the Territory police funding package
- \$78 million over four years from 2024-25 and \$20.9 million per annum ongoing from 2028-29 to address and reduce justice system demand.

Significant education reforms under the *Better and Fairer Schools Agreement 2025–2034* over the next decade will also support the government and community services sector with total funding under the agreement of \$1.1 billion.

Defence activity also contributes to the government and community services sector, with ongoing defence activity expected in the Territory as strategic competition grows in the Indo-Pacific region (refer to the Defence section for further information).

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

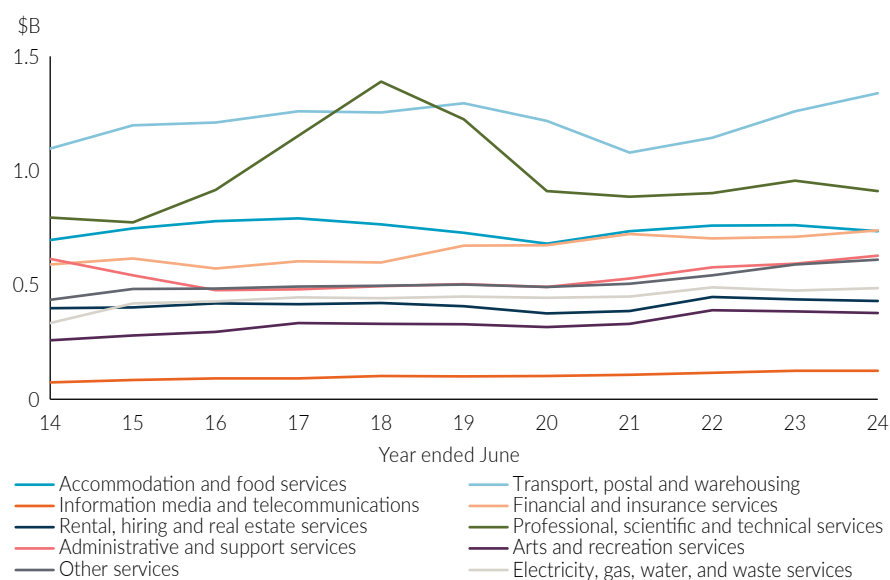
Service industries

Outlook

The outlook for the Territory's service industries is positive, with growth in output driven by stronger real income growth for households, improving tourism and a strong pipeline of construction projects that will also support future growth.

The service sector covers a broad range of industries (Chart 2), which accounted for 19.9% of the Territory's GSP and 31.9% of the Territory's employment in 2023-24.

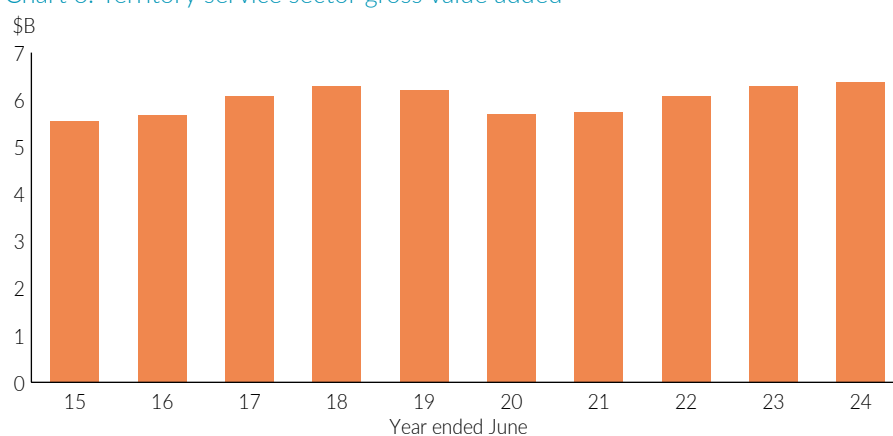
Chart 2: Territory sub-industries of the service sector, gross value added



Source: ABS, Australian National Accounts: State Accounts; Department of Treasury and Finance

Growth in the service sector slowed to 1.4% in 2023-24, driven by transport, and postal and warehousing services, contributing 1.2 percentage points. This reflected strong demand related to large projects in the Territory, such as the \$6 billion Barossa project. Administrative and support services also performed well in the year, contributing 0.6 percentage points to growth (Chart 3).

Chart 3: Territory service sector gross value added



Source: ABS, Australian National Accounts: State Accounts

Professional, scientific and technical services will be supported over the year ahead by the completion of the Barossa project, and large scale projects such as the Darwin ship lift facility and Territory and Commonwealth joint investment in remote housing. The service sector is also expected to benefit from defence infrastructure projects and increased expenditure on electricity and water infrastructure.

The service sector will also be supported by a number of large proposed construction projects 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 [Northern Territory Economy](#) Chapter 2 *Economic Growth*.

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.

The tourism industry is also expected to support accommodation, food, arts and recreation services. The outlook for tourism remains positive over the long term with the industry continuing to recover from covid.

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

Mining and manufacturing

Outlook

In 2024-25, the mining industry's output is expected to decline due to unexpected maintenance at the Ichthys LNG plant before recovering in 2025-26 as the Barossa project comes on line.

In 2023-24, the mining industry accounted for 24.6% of GSP, making it the largest contributor to GSP. The manufacturing sector accounted for 2.4% of GSP over the same period. Mining employed 4,060 persons in 2023-24, accounting for 2.9% of total Territory employment. The manufacturing industry employed 3,301 persons, accounting for 2.4% of employment. In real terms, the gross value-adding activity of the mining industry increased by 9.5%. Output of the manufacturing industry was broadly flat over the same period.

Mining output is dominated by LNG and metallic minerals. The industry contributes to the Territory economy through international trade, private investment and employment. The Ichthys LNG plant experienced an unplanned outage in 2024, which led to a decline in production. The Bayu-Undan field continued to produce gas for the Territory's domestic market over 2024, despite some challenges. Its replacement, the Barossa project, is scheduled for first gas in the September quarter 2025.

Critical minerals such as lithium, copper, nickel, cobalt and rare earth elements are essential for electrification and renewable energy technologies. As countries increase efforts to transition to low-carbon sources of energy, the demand for these minerals is rapidly growing. This presents significant economic opportunities for the Territory, which has the potential to become an important supplier of critical minerals due to its rich mineral endowments. The Territory has resources of 17 critical minerals, of which it currently produces manganese, aluminium (as bauxite), zinc and titanium (as ilmenite).

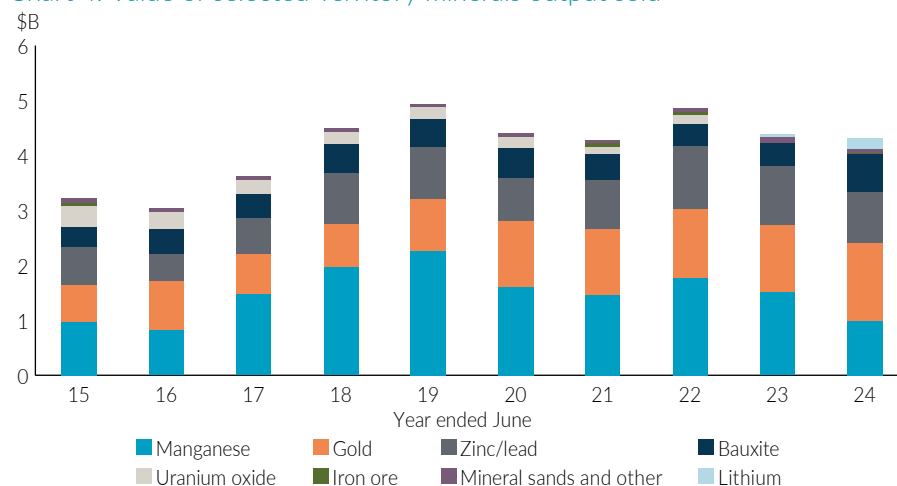
The implementation of tariffs by the US administration poses direct and indirect risks to the mining sector, with supply chains and investment decisions likely to be impacted (see Northern Territory Economy, Chapter 2 *Economic Growth* Box 2). The Australian economy is expected to be relatively well insulated from the US tariffs due to the limited volume of direct trade. However, the impacts on Australia's major trading partners will have flow-on effects for the national economy. The announcement of additional tariffs in early April 2025 led to increased volatility in commodity and financial markets with considerable uncertainty remaining on the effect of tariffs as the US negotiates new trade arrangements with trade partners.

Minerals production

Most minerals produced in the Territory are metallic, including manganese, gold, zinc and lead, bauxite, ilmenite and iron (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 \$4.3 billion in 2023-24, a 1.6% decline from the previous year, driven by reduced production of manganese, zinc and lead due to the impact of Cyclone Megan in March 2024, as well as lower zinc prices. This was partially offset by a significant rise in the price for bauxite and gold. The value of mineral output is expected to decline in 2024-25 to \$3.9 billion due largely to a sharp decrease in manganese production before recovering strongly in 2025-26 to \$4.8 billion as manganese production returns to normal and gold production increases.

Chart 4: Value of selected Territory minerals output sold



Source: Department of Mining and Energy

Manganese

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

In 2023-24, manganese accounted for 23% of the value of all mineral output sold by the Territory. Over this period, the value of manganese sold fell by 35% to \$992.6 million (Chart 4), as mining was suspended in March 2024 as a result of Cyclone Megan. Production is expected to be significantly lower in 2024-25, around 1 million tonnes, due to continued recovery works. Manganese production is expected to return to pre-cyclone levels in 2025-26, at around 5 million tonnes.

Gold

The Territory produces gold predominantly from the Granites mine in the Tanami region. The value of gold sold increased by 15.9% in 2023-24 and accounted for 32.5% of the value of all Territory minerals sold. This was driven by increases in the price of gold and quantity produced.

In 2024-25, the value of gold output is expected to rise reflecting further increases in the price of gold, with production expected to remain broadly steady. The Nobles Nob mine is expected to produce its first gold in mid 2025. In 2025-26, production of gold is anticipated to increase as the Nobles Nob mine moves into full production.

The Tanami Expansion 2 project is expected to begin commercial production in mid 2027 following a capital investment of about \$1.8 billion.

Zinc and lead

Zinc and lead are produced at McArthur River mine, located 65 kilometres southwest of Borroloola. The value of zinc and lead sold declined by around 13% to \$937 million in 2023-24. The quantity sold fell by less than 1%, however the quantity produced fell by 7%, suggesting the fall in the zinc price affected mineral production value. Stockpile material was sold to supplement production due to the impact of Cyclone Megan.

In 2024-25 and 2025-26 the value of output sold and volumes produced are anticipated to be steady.

Bauxite

Two bauxite mines operate in the Territory on the Gove Peninsula. The value of bauxite sold in the Territory increased significantly by 67% to \$702 million in 2023-24, reflecting record price growth and increased production.

Looking forward, bauxite prices are expected to remain broadly stable, with the volume of production anticipated to decline moderately in 2024-25 and remain flat in 2025-26.

Iron ore

In 2023-24, the value of iron ore sold in the Territory declined by 17.9% to \$5.6 million. Iron ore in the Territory was produced mainly at the Peko and Roper Bar mines. The Peko mine went into care and maintenance in February 2024. Production at the Roper Bar mine recommenced in early 2024.

After the Warrego rehabilitation project became operational in October 2024, it dispatched its first shipment of magnetite concentrate in January 2025 before going into administration in April 2025. The Frances Creek mine also exported a shipment of 55,000 tonnes of iron ore fines in April 2025.

Lithium

The Finnis mine opened in October 2022, making the Territory an emerging supplier of lithium. Over 2023, the price of lithium fell steeply due to an oversupply in the market and weak growth in electric vehicle sales. As a result, mining operations at the Finnis mine were suspended in January 2024.

In 2023-24, the Territory produced 209,000 tonnes of lithium concentrate and sold 165,000 tonnes. The value of lithium sold over this period was \$189 million, accounting for 4.4% of the Territory's value of all minerals produced.

A stockpile of lithium fines remains at the Finnis mine site, however no lithium sales were reported in the financial year to date. A restart study is currently underway and on track to be completed in the June quarter 2025.

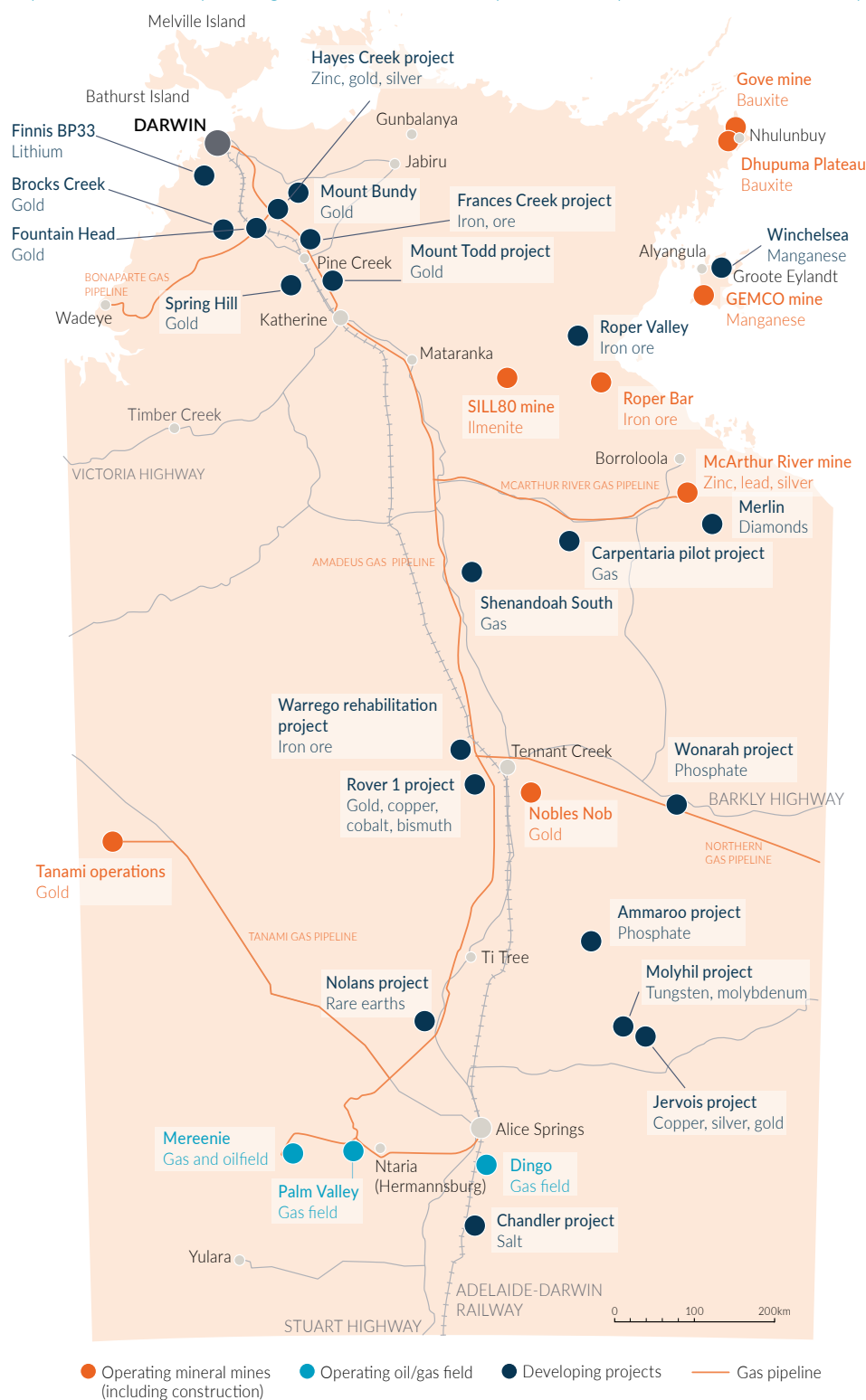
Uranium

Uranium mining ceased in January 2021 when the Ranger mine closed down, with all inventories sold by June 2022. Rehabilitation of the Ranger mine is currently underway with an estimated cost of \$2.4 billion. In February 2025, the Commonwealth approved the mine closure plan for the Ranger mine. Mine rehabilitation will be an ongoing source of activity in the Territory for decades as several mines are nearing the end of their operating lives.

Other minerals

The value of non-metallic minerals sold increased by 5.1% to \$73.1 million in 2023-24. This was driven by increases in producing crushed rock, gravel and soil. The value of mineral output is expected to be relatively stable in 2024-25 and may increase in 2025-26 due to phosphate production. A phased development strategy for the Wonarah phosphate project is being advanced with operations targeted to commence in the September quarter 2025.

Map 1: Current and pending mineral and onshore petroleum operations in the Territory¹



¹ This map is to be used as a guide only.

Source: Department of Mining and Energy; 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, with production occurring at the Mereenie, Palm Valley and Dingo fields.

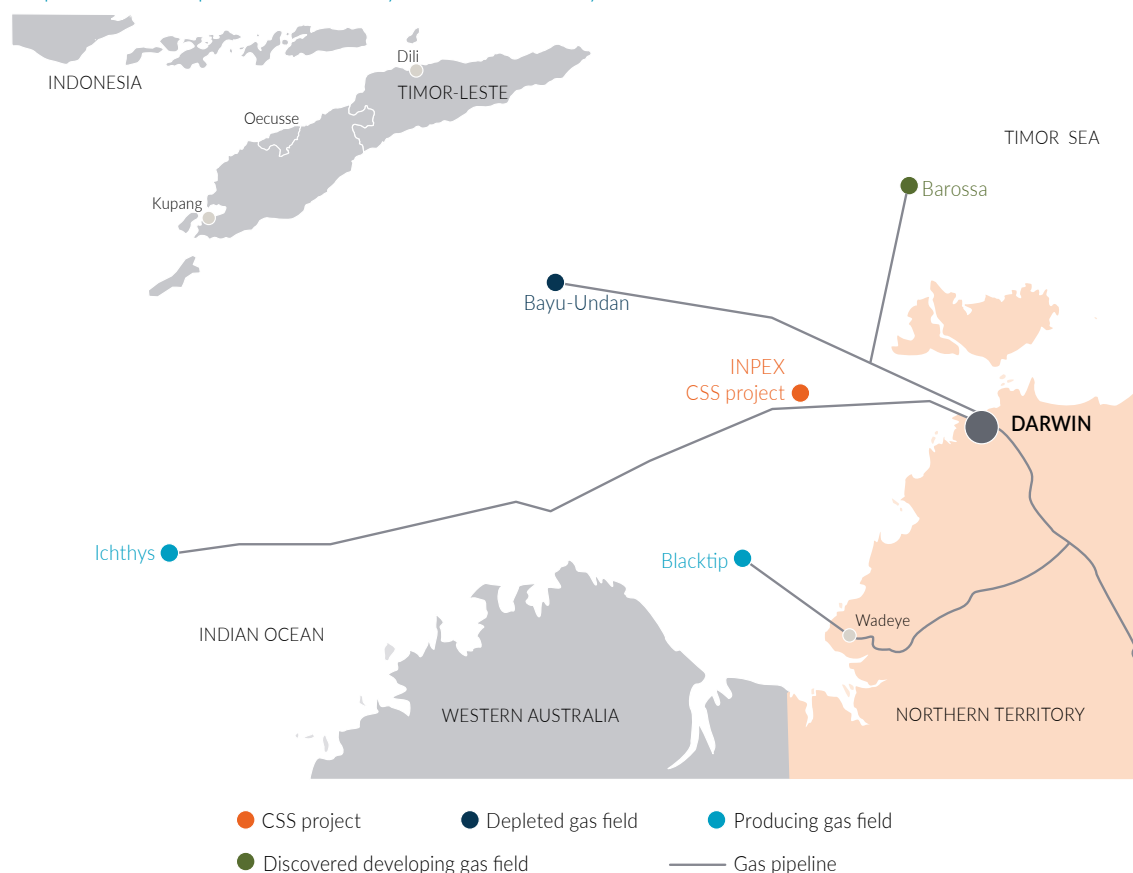
In 2023-24 onshore oil production declined by 20.5% to 110 thousand barrels of oil, and gas production declined by 8.3% to around 12.9 petajoules. A new compressor was commissioned at Mereenie to capture low pressure waste gas and convert it to sales gas. This is expected to increase sales and reduce carbon emissions.

Offshore gas attributed to the Territory is sourced from the Ichthys, Blacktip and Bayu-Undan fields. Previously, gas from the Bayu-Undan field was transported to onshore processing facilities before being exported overseas. However, as the Bayu-Undan field approached depletion, it shifted supply towards domestic consumption. The Barossa project is set to replace Bayu-Undan and expected to be operational from the September quarter 2025, supplying gas to the Darwin LNG facility for export. The Ichthys field continues to produce gas primarily for export markets. It experienced an unplanned shutdown in 2024-25 and has significant maintenance activities planned for early 2025-26.

Offshore gas from Blacktip is produced for the Australian domestic market, and used for electricity generation in the Territory and sales to the east coast market. Following almost no production from Blacktip from mid-December to mid-March, efforts to enhance production has resulted in an increased production of gas.

The Northern Gas Pipeline (NGP) reverse capability project was completed in August 2024, allowing gas to flow into the Territory from Queensland if required. The main purpose of the NGP is to transmit gas from Blacktip and the Amadeus Basin to the east coast market. In April 2025, the APA Group applied for a pipeline licence to construct a 37 kilometres pipeline from the Tamboran Resources (Tamboran) processing facility in the Beetaloo Sub-basin to the Amadeus pipeline. Construction of the pipeline is expected to commence in September 2025 and be operational in 2026.

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. Santos is exploring CCS at the Bayu-Undan field, aiming to store up to 10 metric tonnes per annum (Mtpa) of carbon dioxide using existing infrastructure with the project's front-end engineering design being 97% complete. A final investment decision is expected in 2026. INPEX is also progressing exploration of CCS opportunities at the Bonaparte Basin. In April 2025, INPEX commenced preliminary front-end engineering design for the CCS project after successfully completing a detailed study and drilling two appraisal wells. INPEX estimates the reservoir can store up to 10 Mtpa of carbon dioxide and has projected injection to occur by 2030.

Map 2: Offshore petroleum activity near the Territory¹

¹ This map is to be used as a guide only.

Source: 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 declined by 23% to \$176 million in 2024, down from \$228.5 million the year before. This largely reflects decreased expenditure across 'other' minerals and gold, partially offset by an increase in uranium expenditure (Chart 5).

Petroleum exploration activity in the Territory is focused on the Beetaloo Sub-basin and the Amadeus Basin and increased significantly from \$78.8 million in 2023 to \$369.7 million in 2024. The ABS does not provide a breakdown of onshore and offshore exploration expenditure. Onshore exploration over this period was focused on the appraisal of gas in the Beetaloo Sub-basin as it aims to move towards commercial production, with offshore exploration expenditure likely to have been from INPEX's drilling activities to check the suitability of carbon capture in the Bonaparte Basin.

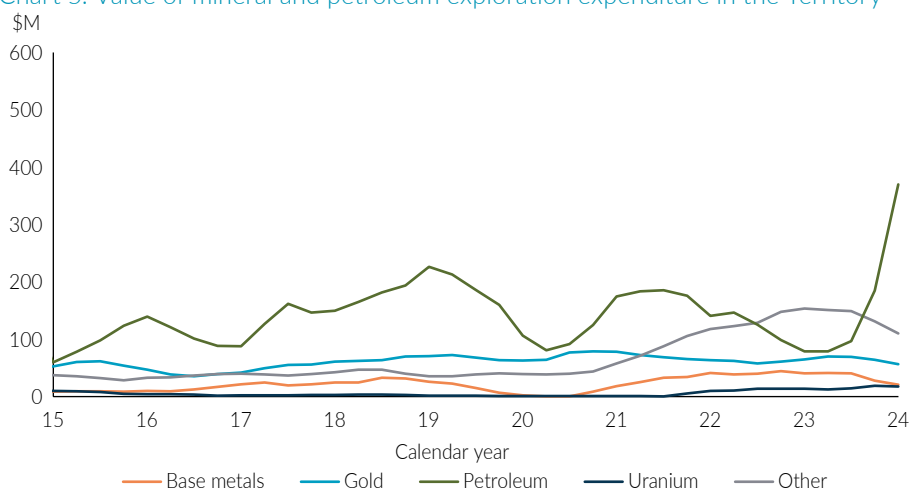
In 2024-25, Tamboran drilled two wells at its Shenandoah South development area, with fracture stimulation of one well completed in February 2025. Results for both wells are expected by mid 2025. In 2025-26, Tamboran plans to drill and test four more wells in the Shenandoah South area as part of its pilot project, which aims to initially deliver 40 tera joules per day of gas. Tamboran is targeting to have first commercial gas available from 2026, with new supporting gas processing and pipeline infrastructure in place.

Empire Energy drilled the Carpentaria 5H well in 2024-25 and plans to fracture, stimulate and flow test this well from June 2025. This well is part of Empire's Carpentaria pilot project, which includes drilling up to 10 wells and installing a gas processing facility, with first gas sales expected by the end of 2025.

Central Petroleum drilled and commissioned two new wells at Mereenie in 2024-25, with both wells producing commercial gas by early 2025. Approvals for two new wells at the Palm Valley field have been progressing and are expected to increase field production capacity, subject to market conditions and a final investment decision.

Santos is scheduled to drill and test two new wells in the Beetaloo Sub-basin in 2026. The results will add to previous positive flow test results and provide an evidence base for it to progress pilot production activities. In January 2025, Santos and Tamboran executed a memorandum of understanding for a joint study on Beetaloo gas export options through Darwin. In addition, Tamboran has signed a non-binding letter of intent for future gas supply to Arafura's Nolans project, dependent on a final investment decision.

Chart 5: Value of mineral and petroleum exploration expenditure in the Territory¹



1 Moving annual total

Source: ABS, *Mineral and Petroleum Exploration, Australia*

Manufacturing

Significant manufacturing industries in the Territory include food product manufacturing, fabricated metal and non-metallic mineral product manufacturing.

In 2021, the Territory Government entered 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, Warle Construction, Think Water, blueflite, Life h2o Australia, Rise and Wurrba.

To support development of the Territory's 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 the project is currently in the planning and concept design phase.

Construction

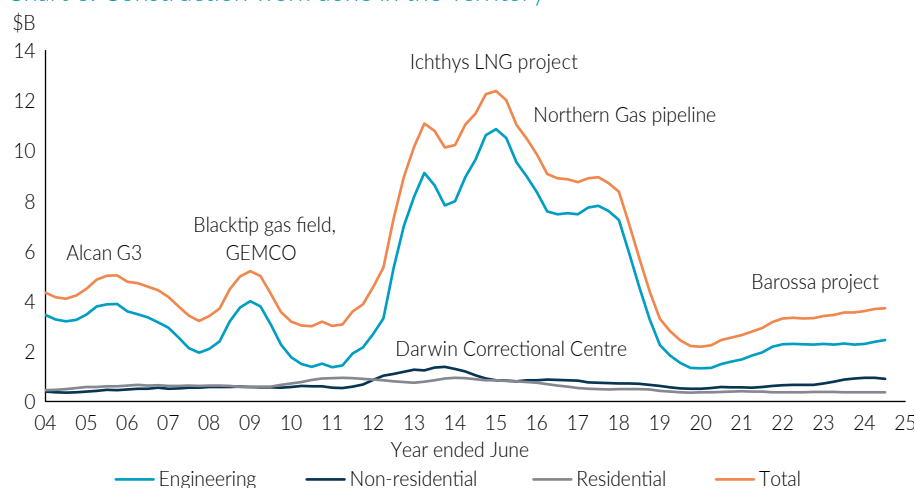
Outlook

Construction activity is expected to grow modestly over the outlook period, activity is already at a high level, supported by defence and resource-related projects.

In 2023-24, the construction sector grew by 3.8% to \$2 billion, driven by increased non-dwelling construction work. The construction sector is the fourth largest industry in the Territory, accounting for 6.4% of total GSP and employing about 10,700 people.

A steady pipeline of projects is expected to support growth in construction activity over the outlook period, including the continuation of defence spending, and ongoing works as part of the Territory's infrastructure program. There are also several potential private sector projects, that may reach final investment decision and increase construction activity over the outlook period (see Northern Territory Economy, Chapter 2 *Economic growth* Box 1).

Chart 6: Construction work done in the Territory¹



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

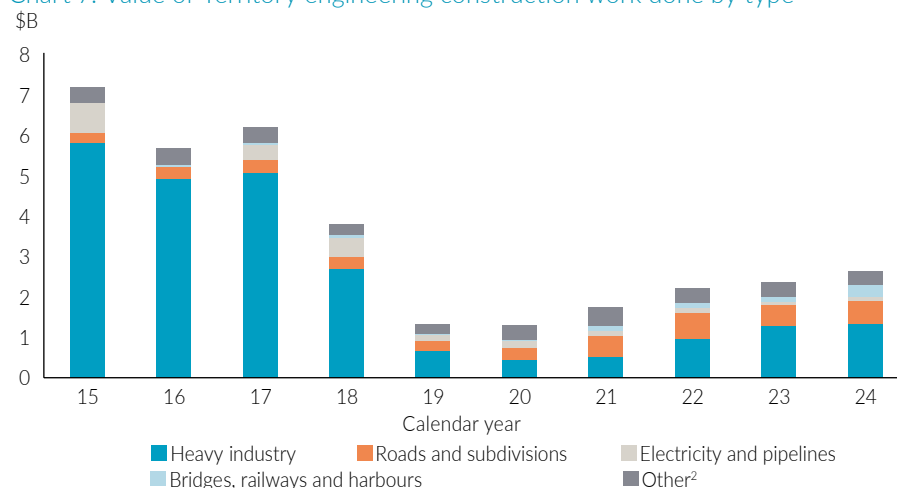
¹ Moving annual total.

Source: ABS, *Construction Work Done, Australia*; Department of Treasury and Finance

The Territory Government's commitment to deliver affordable housing through the HomeGrown Territory and FreshStart grants is expected to support residential construction activity in the Territory by stimulating new housing construction. Land releases across the Territory will also unlock opportunities for residential dwelling construction by expanding supply.

Engineering construction

The value of engineering construction work done increased by 7.8% in 2024 to \$2.5 billion (Chart 7). In current prices, private sector activity increased by 7.8% to \$1.8 billion, driven by work on bridges, railways and harbours, as repair work at GEMCO continues following Cyclone Megan, and heavy industry as work progressed on resource projects. Public sector activity increased by 20.8% to \$829 million, largely reflecting work on roads, highways and subdivisions.

Chart 7: Value of Territory engineering construction work done by type¹

¹ Current prices

² Includes water storage and supply, sewerage and drainage, telecommunications and recreation, and other.

Source: ABS, *Engineering Construction Activity, Australia*

Significant investment into the Territory's public infrastructure is expected over the outlook period. Construction work for the Darwin ship lift project is expected to ramp up in the near term, employing about 250 workers during the peak of construction, while progress is continuing on the Manton Dam return to service project with completion expected around mid-2026. In 2025-26, the Territory and Commonwealth governments are investing about \$324 million in roads, including national highway and strategic road programs, and sealing and improving remote road access and crossing upgrades.

Defence-related projects will continue to contribute a significant amount of engineering construction work in the Territory, with about \$5.96 billion in approved planned investments and a further \$1.37 billion in unapproved planned investment (refer to *Defence* section for further information). Key works currently progressing include the Royal Australian Air Force (RAAF) Base Tindal redevelopment, major defence training ranges, and Robertson barracks base improvements.

Rehabilitation works are anticipated to support sustained activity over the outlook period, including at the Rum Jungle and Ranger uranium mines. Costs for the Ranger mine are anticipated to be \$2.4 billion.

Private sector mining and gas-related projects are expected to contribute to engineering construction activity over the outlook period. The Tanami Expansion 2 project is expected to be completed in 2027, extending the lifetime of the Granites gold mine beyond 2040. Works at the Santos' Barossa project and the life extension project of the Darwin LNG processing facility are progressing with first gas expected in the September quarter 2025. Further development of gas assets at the Beetaloo Sub-basin will also contribute to construction activity in the Territory (see Northern Territory Economy, Chapter 2 *Economic growth* Box 1).

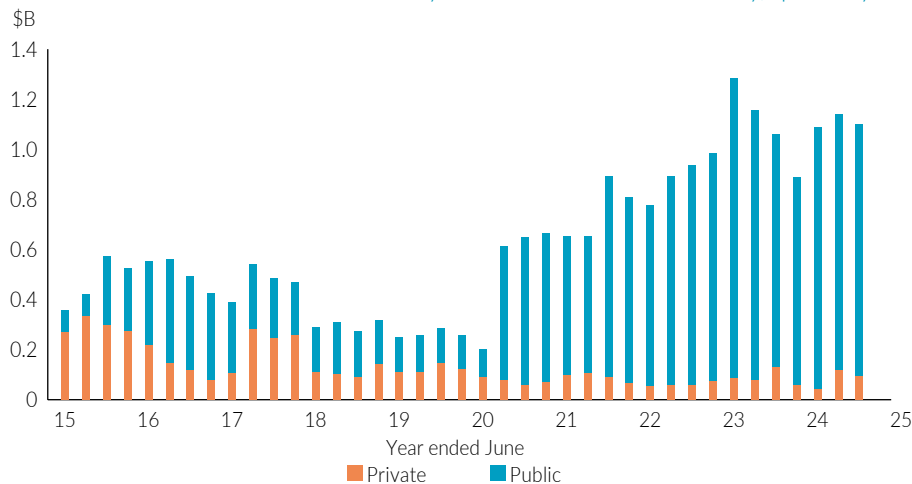
In January 2025, Arafura announced it received \$200 million in equity funding from the National Reconstruction Fund Corporation. Arafura is targeting total equity funding of US\$793 million and has already achieved its conditional debt financing goal of US\$1 billion. In April 2025, Arafura announced the possibility of a joint venture which may reduce the equity funding required. It should be noted, this project has not yet reached final investment decision and is not included in budget forecasts (see Northern Territory Economy, Chapter 2 *Economic growth* Box 1).

Over the long term, development of the Middle Arm Sustainable Development Precinct will aim to attract new industries, including carbon capture storage (see Northern Territory Economy, Chapter 2 *Economic growth* Box 1), advanced manufacturing and minerals processing.

Non-residential construction

The value of non-residential building work done in the Territory increased by 3.9% to \$903 million in 2024, with public sector activity increasing by 10.1% to \$680 million and private sector activity declining by 11.2% to \$223 million. In the next 2-3 years, public sector activity will continue to support non-residential construction activity with a significant amount of work in the pipeline (Chart 8).

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



Source: ABS, *Building Activity, Australia*

Upgrades are progressing across health infrastructure in the Territory, supporting non-residential construction activity. The \$86.3 million Royal Darwin Hospital mental health inpatient unit, stabilisation assessment, and referral area facility is on track to be completed in 2025-26.

Non-residential construction work in the regions will be supported through various funding agreements between the Commonwealth and Territory governments.

Construction of the Northern Territory Art Gallery at State Square, as part of the Darwin revitalisation project, is expected to support non-residential building activity over the medium term. In March 2025, the Development Consent Authority (DCA) approved the redevelopment of the Darwin Civic Centre, a \$150 million building to be developed in a partnership between the City of Darwin and DCOH. The DCA has also approved the expansion of NextDC's D1 data centre, which is expected to further support and attract digital investment in the Territory. Improvements at Casuarina shopping centre by Sentinel Property Group will also support non-residential building activity in the Territory, including plans to build a new three-storey carpark, reconfigure the Trower Road entrance and create new tenancies at the ground level, with a target for construction commencement in the second half of 2025.

Residential construction

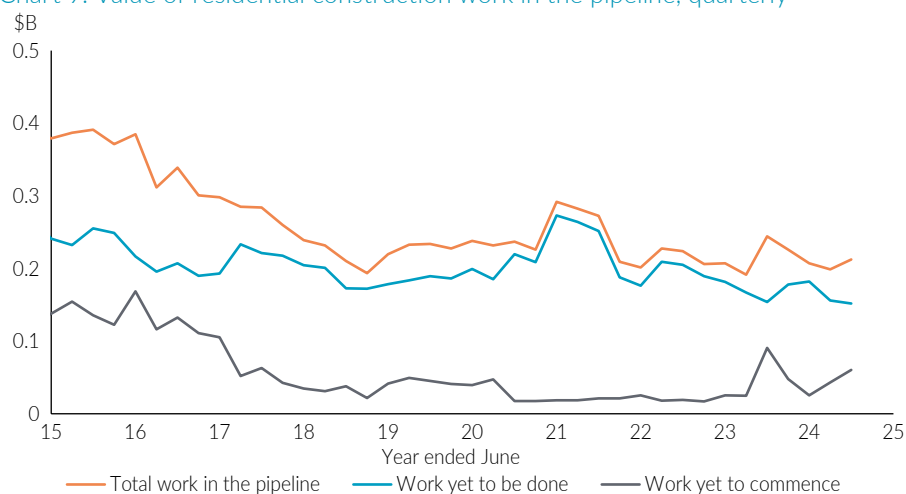
The value of residential building work done in the Territory declined by 2.2% to \$365 million in 2024, with private sector activity declining by 23.3% to \$227 million and public sector activity increasing by 79.2% to \$138 million.

Both demand and supply factors have contributed to the steady decline in residential construction activity in 2024. Increasing interest rates and input costs dampened demand for the construction of new builds, and net interstate migration flows remained weak in 2024.

However, demand is showing early signs of improvement in 2025 supported by building approvals data. Household budgets are recovering following recent growth in real wages and easing inflation with further reductions in interest rates expected in 2025. The cost of construction is also stabilising, with these factors expected to support demand for housing. The Territory Government has introduced new homeownership assistance measures which will support residential activity in the Territory. These include the HomeGrown Territory grant, which offers \$50,000 to first-home buyers for building or buying their first home and \$10,000 to first-home buyers to purchase an established dwelling, and the FreshStart New Home grant offers \$30,000 to existing homeowners to build or buy a new home.

Several land releases, such as Kilgariff, Katherine East, Zuccoli, Humpty Doo, Lee Point, Northcrest and Holtze, are anticipated to support residential construction by providing a steady supply of land over the coming years.

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



Source: ABS, *Building Activity, Australia*; Department of Treasury and Finance

In March 2024, the Commonwealth and Territory governments announced a joint \$4 billion investment for remote housing over 10 years, with the goal of halving overcrowding. This is further supported by additional funding from the Commonwealth to continue to improve housing and infrastructure upgrades in remote homelands. In March 2025, the Commonwealth government announced \$25 million for two projects in the Territory as part of the Housing Support Program. In Alice Springs, \$14 million will go towards the construction of infrastructure and preparatory works to facilitate the development of up to 120 dwellings and in Palmerston, \$11 million will provide upgrades to existing infrastructure in the Farrar West development.

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

Defence

Outlook

Ongoing defence investment in the Territory remains critical to national and regional security for Australia and its strategic partners amid growing competition for influence in the Indo-Pacific region.

The Territory is a critical defence and national security hub for Australia and its strategic partners, with considerable defence assets and personnel operating and being supported in the Territory. The Territory is also host to significant international military training exercises, bringing together Australian and international defence personnel and assets.

An estimated \$7.3 billion in defence infrastructure investment is planned over the decade, comprising \$5.96 billion in approved planned investment and \$1.37 billion in unapproved planned investment.

Ongoing defence investment and activity in the Territory will remain important to Australia given the Territory's strategic location and growing competition for influence in the Indo-Pacific region.

Employment and personnel

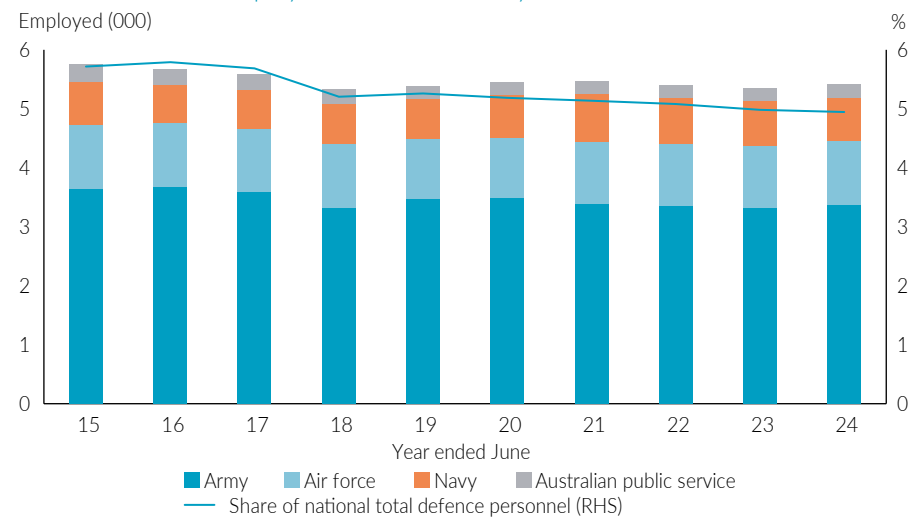
The number of Australian defence persons stationed in the Territory increased by 1.2% in 2023-24 to around 5,420 persons, with an increase across permanent and reserve forces as well as public service personnel (Chart 10). Total defence personnel in the Territory accounted for about 4.9% of the national total in 2023-24, although permanent defence forces in the Territory was higher at about 7.3% of the national total.

While the number of Australian defence personnel in the Territory has remained relatively stable over the last five years, the composition has changed with an increase in the number of reserve forces partly offset by decreases in permanent forces. By military branch, the Territory has seen a higher number of air force and navy personnel and a lower number of army personnel.

From 2024-25, the composition of defence personnel stationed in the Territory will continue to evolve with the 5th Battalion Royal Australian Regiment's relinking with 7th Battalion in Darwin, and the 1st Aviation Regiment relocating from Darwin to Townsville.

As part of the Army's restructuring from generalised to specialised combat brigades, the 1st Brigade which is based in Darwin, will also transition towards a light combat brigade that can be quickly deployed in the littoral environment.

Chart 10: Defence employment in the Territory



RHS: right-hand side

Source: Department of Defence Annual Report; Department of Treasury and Finance

International cooperation

The Territory maintains a vital role in strengthening Australia's international cooperation with its allied partners and supporting Australia's defence strategy. The Territory's strategic location, expansive landscape and diverse training areas allow for the operation of large-scale military training and exercises, as well as the hosting of international forces.

Since 2012, the Territory has hosted the US Marine Rotational Forces–Darwin (MRF-D), a deployment of US marines aimed at enhancing Australia and US defence cooperation, interoperability and regional security. Over the years, the MRF-D has grown in size, complexity and capability, and numbered around 2,500 personnel in early 2025.

In late 2024, Australia, the US and Japan committed to enhancing defence cooperation, which will see the participation of Japanese ground self-defence forces in annual training activities with Australia and the MRF-D.

To strengthen its defence alliances and enhance the skills of its military personnel, Australia routinely participates in military exercises. The Territory hosts annual and bi-annual international military exercises including:

- Exercise Predator's Run, a littoral-focused multilateral training exercise with Australian, US, UK and Phillipine forces
- Exercise Talisman Sabre, led by the Australian forces and US military, with an increasing contribution from Japan
- Exercise Pitch Black, a large-scale air combat exercise
- Exercise Kakadu, an international maritime engagement exercise.

These exercises bring together numerous nations and strengthen international alliances, while establishing the Territory as an important location for defence training in the Indo-Pacific region.

Projects

Significant defence projects are being delivered in the Territory over the decade with an estimated \$5.96 billion of approved planned investment projects underway and an estimated \$1.37 billion of unapproved planned investment (Table 2).

These projects continue to support the growth of the local defence industry with Territory businesses across areas such as construction, maritime and aerospace becoming key partners in delivering defence programs and providing local solutions to allied partners training in the region.

Defence tenders also incentivise large international firms to invest in the Territory, bringing with them expertise and experience that support the 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.

Defence projects extend across the air force, navy and army, and across major defence sites in the Territory (Map 3).

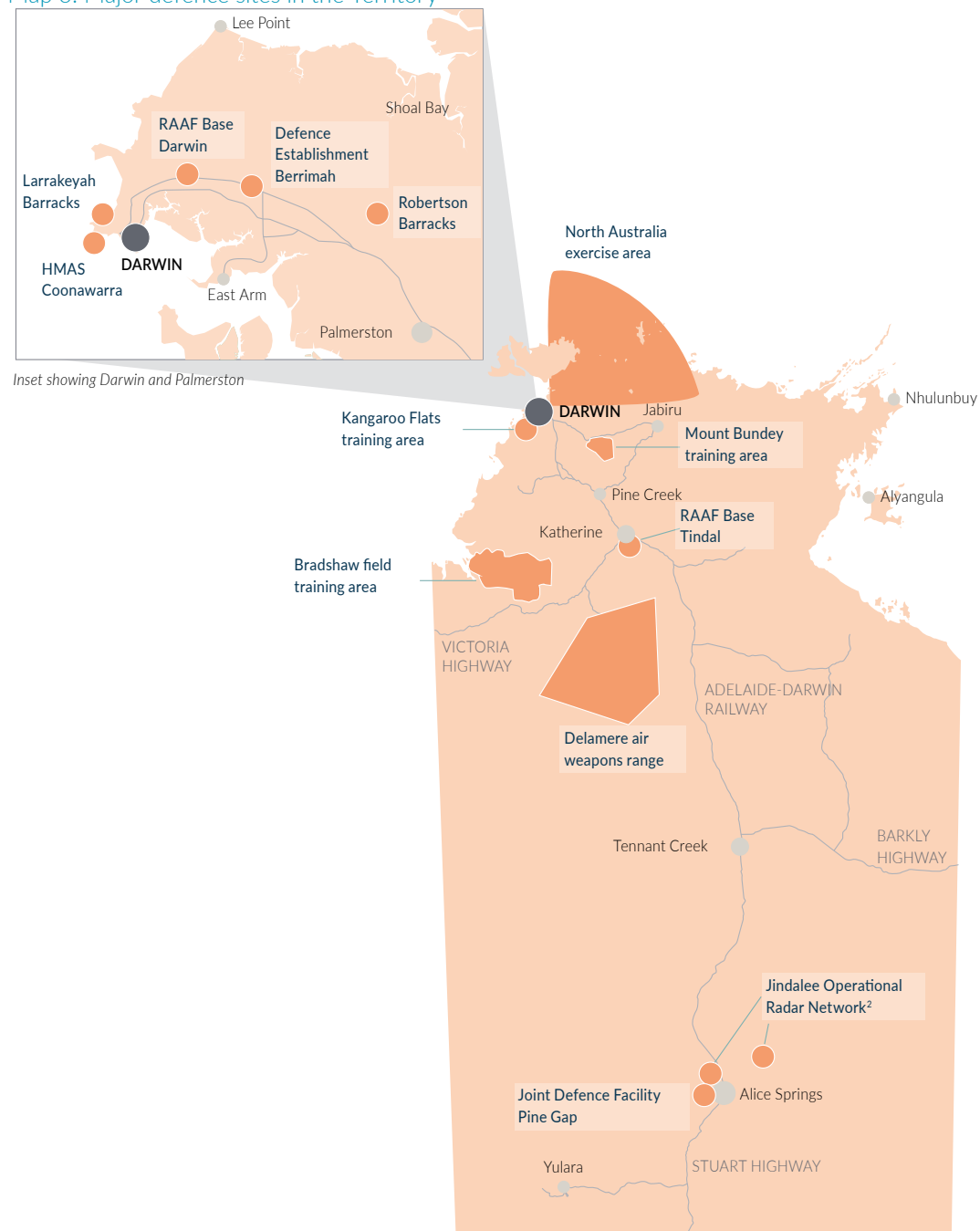
Table 2: Defence approved and unapproved planned investment

Planned investment	\$M
RAAF Base Tindal redevelopment stage 6 and United States Force Posture Initiatives (USFPI) airfield and infrastructure works	1582
USFPI Northern Territory training areas and ranges upgrades	747
Larrakeyah Defence Precinct Redevelopment Program	602
NAVFAC Darwin Aircraft Maintenance Facilities Program	380
Robertson Barracks base improvements Project	389
RAAF Darwin and Mount Bunday airfield capital works	352
Facilities to support remotely piloted aircraft system	314
Navy capability infrastructure sub-program: offshore patrol vessel facilities	287
RAAF Base Tindal aircraft parking apron	205
Facilities to support enhanced defence communications	160
RAAF Base Darwin mid-term refresh	160
Other ¹	782
Total approved planned investment	5960
Guided weapons and explosive ordnance storage and distribution	200
Theatre Logistics Estate Sub-Program	185
National Maritime Infrastructure Maintenance Program	100
RAAF Base Tindal aircraft maintenance support facility	60
Other	826
Total unapproved planned investment	1371
Total planned investment	7331

¹ Includes planned investment for Cocos Islands airfield upgrades

Source: Department of Treasury and Finance; Department of Chief Minister and Cabinet; Department of Defence Annual Report

For the latest information on the Territory's defence sector, refer to the [Territory Economy](#) and [DefenceNT](#) websites.

Map 3: Major defence sites in the Territory¹

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 Chief Minister and Cabinet; Department of Defence

Retail and wholesale trade

Outlook

Growth in the retail trade industry is expected to be modest in 2024-25. While household consumption growth has been solid, this is largely due to spending on services rather than retail goods. Wholesale trade is expected to be supported in 2024-25 by strong investment activity. The wholesale trade industry supports investment by facilitating the supply of specialist equipment and materials.

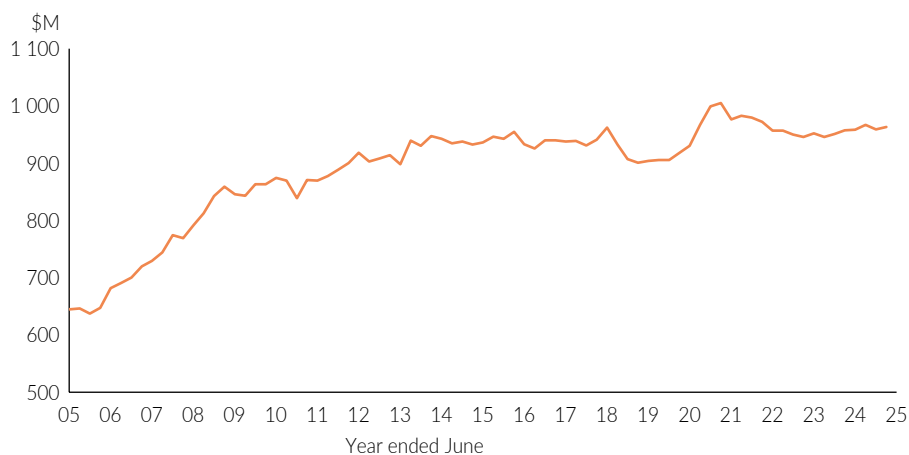
In 2023-24, the Territory retail and wholesale trade sector contributed \$1.8 billion to the Territory's economy, a similar value to 2022-23, and its share of GSP increased from 5.5% to 5.7% in 2023-24. The sector's contribution to GSP is relatively low compared with other jurisdictions, reflecting the dominance of government and community services, and mining sectors in the Territory economy.

In the short term, the retail and wholesale trade sector will be supported by a solid outlook for household consumption. The wholesale trade industry will face weaker demand from declining levels of investment from 2025-26 as work on Barossa is completed.

Retail trade

Retail trade's contribution to GSP increased by 0.6% to \$930 million in 2023-24. This is slightly higher than the 0.2% growth in real retail turnover in 2023-24, possibly reflecting retailers taking the opportunity to rebuild margins following several years of high inflation (Chart 11).

Chart 11: Retail sales in the Territory (quarterly, seasonally adjusted, chain volume measure)



Source: ABS, *Retail Trade, Australia*

Over 2025, household consumption is expected to increase, supporting the retail sector, with a rise in real disposable income due to stage 3 tax cuts, real wage growth, and further anticipated cuts to the cash rate.

Several public and private developments are expected to support retail investment and turnover in the near term, including the Civic and State Square revitalisation and Northern Territory Art Gallery.

Sentinel Property Group plans to improve the layout and security at Casuarina Shopping Centre by building a new three-storey carpark, reconfiguring the Trower Road entrance and creating new tenancies at the ground level. The project is targeting construction commencement in the second half of 2025.

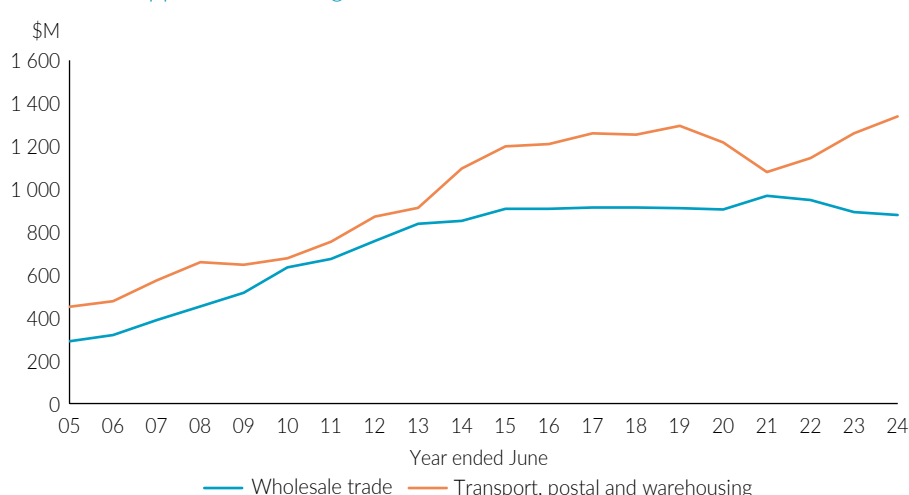
Online sales in the Territory grew by 11.3% in 2024 according to the Australia Post e-commerce update. Since its surge during covid, online shopping has firmly established itself as an integral part of consumer behaviour and local retailers will need to compete more with other suppliers interstate and overseas. 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 in other jurisdictions or overseas, meaning growth in online retail expenditure does not necessarily translate to growth in the retail industry in the Territory.

Wholesale trade

In 2023-24 the wholesale trade industry's contribution to GSP declined by 1.6% to \$878 million in the Territory, compared to a 3.3% decline nationally.

Wholesale trade broadly tracks activity in other sectors, including retail trade that relies on wholesalers for the supply of goods, and capital-intensive industries like mining and manufacturing that depend on wholesalers for large quantities of material, machinery and equipment. This trend is also evident in the transport, postal and warehousing industry (Chart 12).

Chart 12: Support industries gross value added



Source: ABS, *Australian National Accounts: State Accounts*

Infrastructure investment can provide significant support to the wholesale sector. Projects that will facilitate future growth in the wholesale trade industry include various road upgrades (which will support movement of freight), industrial land releases in Berrimah North, 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.

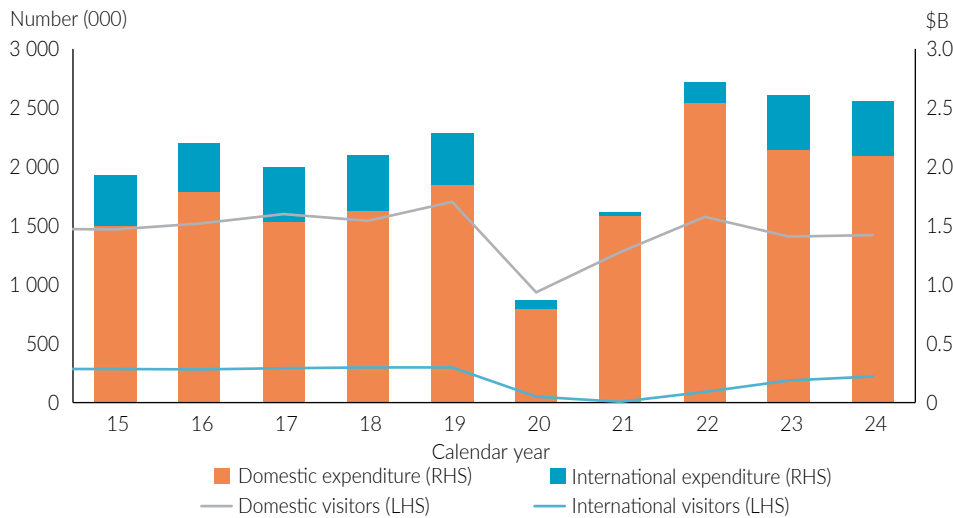
Tourism

Outlook

Tourism visitation continues to recover slowly from the covid pandemic. Over the medium term, tourism is expected to gain from growth in international visitation. The long-term outlook remains positive as the industry continues to recover to pre-covid levels.

Tourism is an important economic driver for the Territory and a significant industry in regional areas. In 2023-24, the tourism sector accounted for 3.7% of GSP, contributing \$1.2 billion, and 5.1% of total employment with about 8,000 jobs. The number of visitors to the Territory increased by 2.9% to 1.6 million visitors in 2024 with a 0.9% increase in domestic and a 17.6% increase in international overnight visitation. Visitor expenditure remained steady in 2024. The growth in international visitation was supported by marketing activities and measures such as The Territory Aviation Attraction Scheme (TAAS), catering to both domestic and international flight travel. The outlook for tourism remains positive over the long term as the industry continues to recover post covid.

Chart 13: International and domestic visitation and expenditure in the Territory¹



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

¹ Moving annual total.

Source: Tourism Research Australia, National Visitor Survey

Domestic and international overnight visitations were 16.5% and 25.9% below pre-pandemic levels in 2024, respectively.

International visitation

There were 221,000 total international visitors to the Territory in 2024 (33,000 more than the previous year). Despite growth rising post covid, the recovery of international visitation to pre-covid levels has been challenging due to limited flight routes into the Territory and increased competition from other tourism destinations globally.

In 2024, 159,000 international visitors came to the Territory to holiday, while 31,000 came to visit a friend or relative. About 11,000 visitors came for business purposes, while 29,000 visited for other reasons. Holiday visitation was a key driver in the Territory, comprising about 72% of total international visitation in 2024.

The Territory's travel sector has been affected by outbound travel, which has stabilised at high levels throughout 2024. There is strong competition for international visitors in global tourism industries due to international events and festivals, especially in European countries during summer. Due to this, the gap between inbound and outbound visitors in the Territory has been widening.

Domestic visitation

In 2024, there were 1.4 million domestic visitors to the Territory, up 0.9% from 2023 with the average domestic visitor spend around \$1,471 per trip, down 3.3% from 2023. Domestic visitor numbers continue to reflect shifts in consumer behaviour and the impact of higher airfares. In addition, competition in the global market for tourism, with a range of destinations ramping up their investment to attract potential travellers have contributed to the slow growth in domestic visitation.

Domestic visitation to the Territory remains below pre-covid levels but is continuing to recover. The number of domestic visitors increased by 11.3% from 2021 to 2024, while average visitor expenditure improved by 18.6%. About 525,000 holiday visitors came to the Territory in 2024, making up 36.9% of total domestic visitors. The number of interstate visitors increased by 19% to 912,000, which remains below pre-covid levels, down by 15.5%.

Business travel to the Territory is recovering at a steady pace, with a better rate of recovery than holiday travel. In 2024, there were 590,000 business travellers to the Territory, up 28.6% from 2023, and 13.9% below pre-covid levels. Many businesses have maintained practices that were adopted during covid, such as virtual conferences instead of face-to-face meetings, dampening the demand for business travel.

The Territory faces strong competition from international destinations for visitation. In the long term, the tourism industry will also be supported by improvements in domestic visitation as more frequent flight routes are established.

Government initiatives

In 2025-26, the Territory Government is investing \$88.3 million in tourism, events and screen production.

This includes an ongoing \$8 million increase to the tourism base budget, instilling confidence in a forward-looking sector, with a focus on:

- realigning international marketing strategies to boost visitor numbers from established markets such as the United States, United Kingdom and Germany, while maintaining trade education initiatives in emerging markets like China and Southeast Asia
- partnerships with airlines and trade partners to enhance seat demand and raise awareness of the diverse offerings of the Territory, both nationally and internationally
- development of a Visitor Economy Strategy that would bring a clear focus on all drivers of visitation, including events and hospitality
- updating the NT creative marketing efforts to enhance awareness of the diverse aspects of the Territory as a holiday destination
- incorporating business events, major sporting and cultural events, and domestic and international screen opportunities into NT's destination promotion strategies, itineraries, and trade-ready bookable products

- development of a robust strategy for visitors to appreciate and experience the Territory's rich military heritage
- supporting the continued operation of the Visitor Information Centre at Yulara, and maintaining the Visitor Information Centre network in Darwin, Katherine, Tennant Creek and Alice Springs
- prioritising and enhancing Parks tourism assets as drivers of visitation to the Territory.

Along with the ongoing boost to base funding, the Territory Government is investing in a number of projects that will help support the tourism sector across the Territory in 2025-26. These include:

- \$3 million in the second year of the five-year partnership agreements 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
- \$1.1 million for Aboriginal tourism industry development that inspires visitors to connect with one of the world's oldest cultures and ensures Aboriginal people of the NT are supported to benefit economically, socially and culturally
- \$3 million in Visitor Experience Enhancement Program grants to assist the tourism industry to undertake projects that improve the on ground visitor experience in the Territory, spanning over three streams, namely, new product and experience enhancement, military heritage tourism, and upgrading and enhancing existing offerings, each with a \$1 million funding pool
- Cooperative marketing with airlines to support the long-term sustainability of aviation services to the Northern Territory.

Accommodation

In 2024, the average visitor spent 7.3 nights in the Territory, up 0.4 nights from the previous year. The Northern Territory Monthly Accommodation Report outlines the accommodation sector in the Darwin and Alice Springs regions. In 2024, hotels experienced a marginal decline in bookings, with occupancy rates declining by 0.3 percentage points to 57%, relative to 2023. The hotel sector experienced a decline in supply, down 0.4% to 3.4 million room nights, and a decline in demand by 0.1% to 1.9 million room nights.

In 2024, the short-term letting sector experienced an increase in bookings, with occupancy rates increasing by 3.0 percentage points to 57%, relative to 2023. The short-term letting sector experienced a decline in supply of 3.1%, to 247,000 room nights, and an increase in demand of 1.4% to 146,000 room nights.

The hospitality sector was significantly affected by staff shortages in 2024. This indicates a widespread issue across various hospitality segments from restaurants and cafés to hotels and resorts. Attracting workers post-covid has been challenging. However, measures such as the Working Holiday Maker campaign by the Territory Government and Tourism NT aims to attract international workers and backpackers aged between 18 and 35 years, encouraging more travel to the Territory to create a stronger workforce.

Access

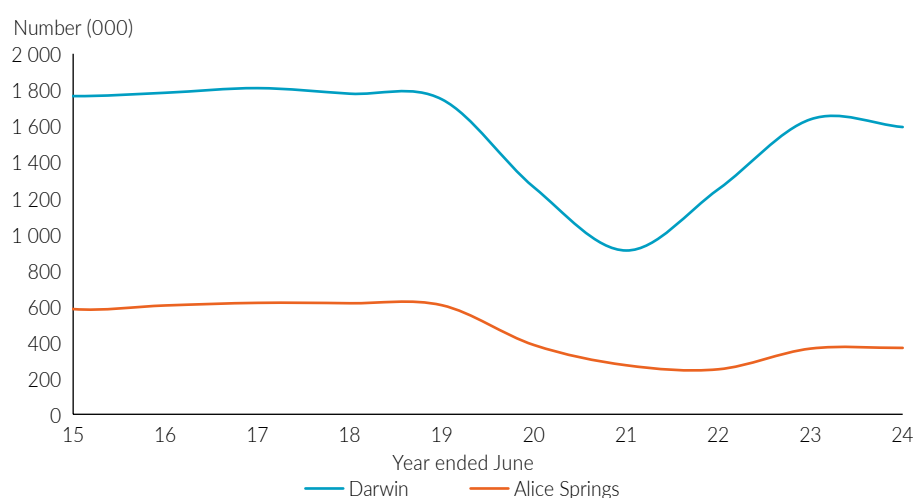
Aviation services directly support the Territory's economic development and underpin essential services such as healthcare, education, social welfare and movement of time-critical freight. It also plays an important role in keeping the Territory's remote communities connected throughout the year, particularly 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 2023-24, domestic flights to the Territory remain below pre-covid levels, with over 1.6 million passengers flying through Darwin (down 2.6% from 2022-23) and 367,500 passengers through Alice Springs (up 1.1% from 2022-23) (Chart 14). Relative to 2018-19, flight routes are down 6.2% and are expected to recover once international markets fully return to the Territory. Aviation recovery in Central Australia has been slower than in 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 have continued throughout 2024, with new works on military aprons being undertaken in 2025. However, runway works at Darwin Airport are not expected to affect airline flight schedules, especially with airlines having adjusted their schedules and having introduced measures to mitigate impacts on operations.

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 barriers to establishing new routes. The Territory Government secured a number of new airline routes during 2024-25, such as Airnorth's direct flights from Alice Springs to Perth, Jetstar's new direct seasonal flight between Darwin and the Gold Coast, Airnorth's flight from Alice Springs to Cairns, Indonesia Air Asia's flight from Darwin to Denpasar and AirAsia Malaysia's direct service between Kuala Lumpur and Darwin. All are expected to support visitation and place downward pressure on airfares.

Chart 14: 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 continues to prioritise cruise tourism growth in the Territory while promoting Darwin as the preferred cruise gateway. After a year of significant growth in cruise tourism in the previous year, the Territory generated \$181 million in total activity and supported 527 jobs from cruise ship visiting in 2024, with Darwin serving as the primary port. In 2023-24, over 100 cruise and expedition ships visited Darwin, with a total passenger capacity of 80,000 persons.

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

Agriculture, forestry and fishing

Outlook

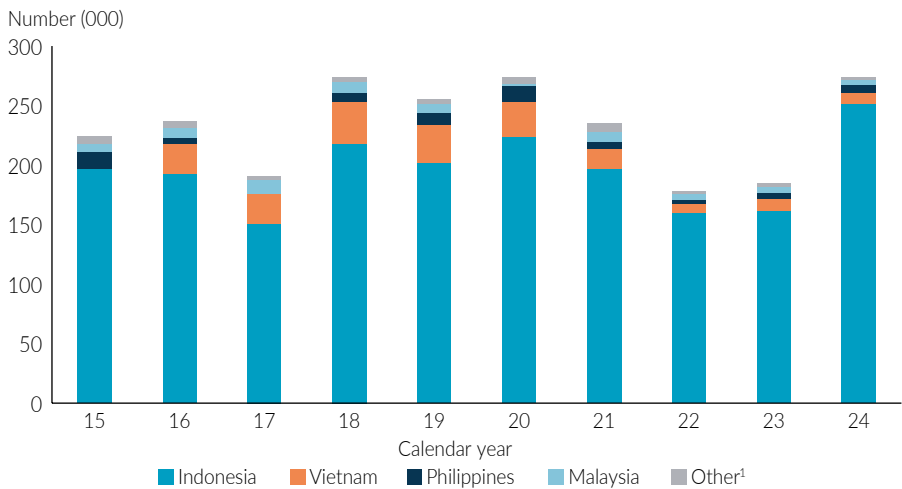
The value of the Territory's agricultural sector is expected to grow in 2024-25 due to investment and herd building in the cattle industry. In the medium term, the sector will be supported by several large agricultural land developments.

In 2023-24, the agriculture, forestry and fishing sector accounted for 3.4% of GSP in the Territory, having increased by 9.9% to \$1.4 billion. The sector accounts for 2.1% of total employment, with around 2,900 workers employed on average, noting there are significant seasonal fluctuations. Current growth in the sector is largely due to increased cattle production, diversification into cropping on pastoral leases, and investment in new cropping and horticultural developments (Map 4). In the medium term, growth is expected to be supported by several large agricultural land developments, along with significant private sector investment in property purchases, and growth in exports.

Live cattle

The Territory's live cattle exports increased by around 42% in 2024, driven by increased demand from Indonesia and favourable weather conditions (Chart 15). The recent acquisition of several large cattle stations in 2024 reflects increased investment in the sector that should support future supply.

Chart 15: Annual number of live Territory cattle exports, by destination



1 Other comprises Brunei, Cambodia, Egypt, Timor-Leste and Thailand.

Source: Department of Agriculture and Fisheries

Net interstate trade of Territory cattle has grown over the past year, with the number of Territory cattle moved interstate increasing by around 65%, while the number of interstate cattle moved into the Territory declining by around 28%.

Indonesia accounted for around 91% of the Territory's live cattle exports in 2024. Indonesia's geographical proximity, constraints around herd development, established diplomatic relations with Australia, and strong demand, sees it as the largest and most consistent buyer of northern Australian live cattle. Currently, Australia is Indonesia's sole provider of live cattle although the Indonesian Government is seeking to diversify supply, with new regulation that will allow cattle imports from countries such as Brazil.

Although domestic supply remains high, the price of live cattle from Darwin has increased from last year, up 10 cents to \$3.60 per kilogram in March 2025. If this upward trend in price persists, it may place downward pressure on demand for Australian live cattle. The tariff announcements by the US administration in April 2025 introduced volatility in the cattle market, which may lead to changes in trading relationships potentially opening up new opportunities for Australian cattle meat exports. Foot and mouth disease and lumpy skin disease, which have been detected in Southeast Asia, continue to be a significant biosecurity threat to Australia's cattle industry and an ongoing risk to live cattle exports.

The Territory's live buffalo exports declined in 2024, with the number of live buffalo exported declining 26% lower compared to last year. This market experiences significant fluctuations due to change in supply conditions across Asia (particularly from India). The Territory currently exports live buffalo to Indonesia (accounting for around 76% of the Territory's exports), Brunei, Sarawak and Vietnam. Live buffalo is typically a cheaper alternative to live cattle, although this is constrained by wild harvest supply.

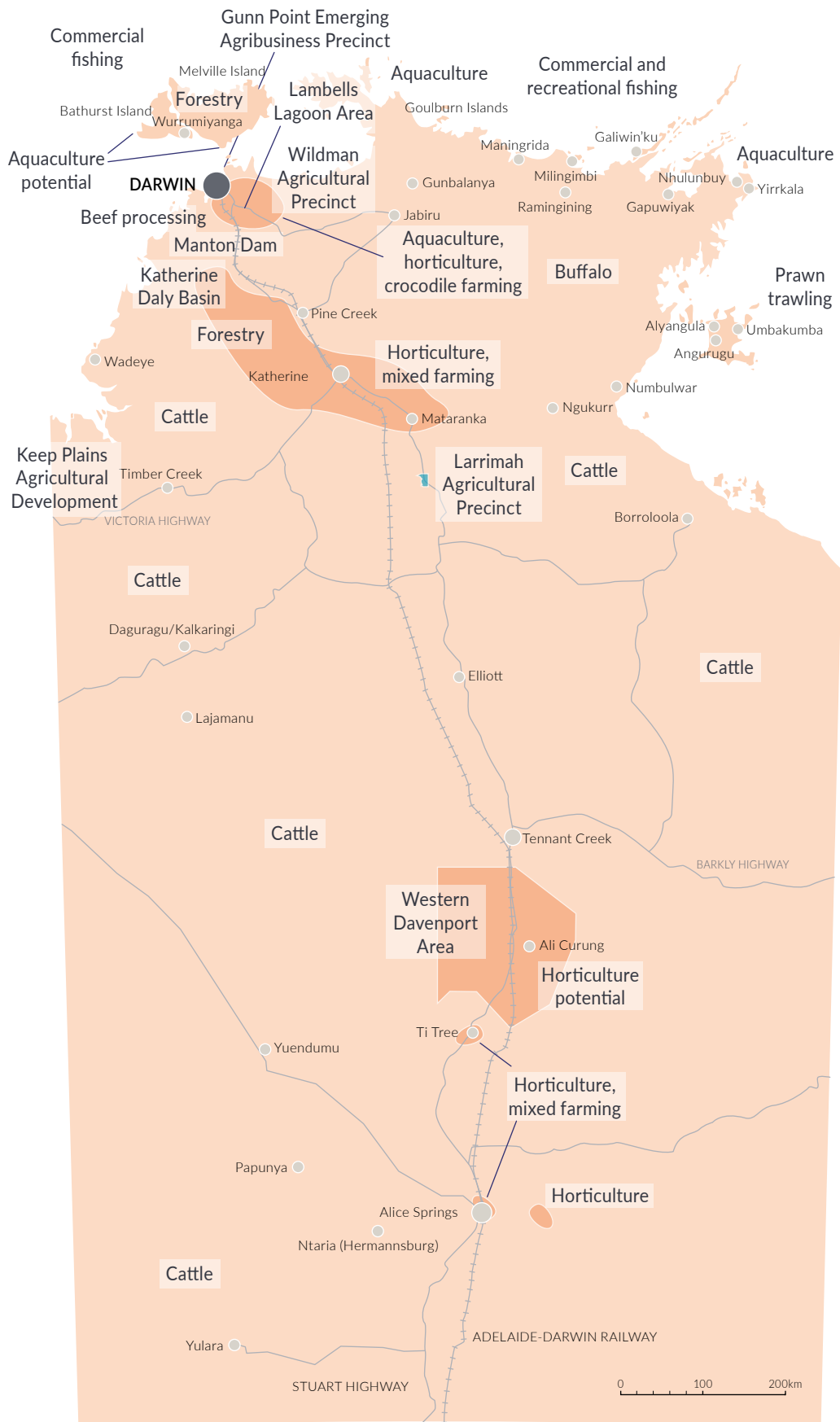
Other livestock products

According to data from the Commonwealth Department of Agriculture, Fisheries and Forestry, overseas boxed beef exports from the Territory recovered from no production in 2023 to 247 tonnes in 2024. Domestically, the number of Territory cattle sent interstate for meat processing declined by around 15% to 26,200 due to increased restocking by cattle producers.

There are several micro-abattoirs in the Territory and a single larger facility at Batchelor, which produces both frozen and fresh boxed beef and buffalo, along with the capability for a full suite of offals. The Territory currently exports processed beef and buffalo products to Vietnam, South Korea, the Philippines and Japan.

Australia accounts for 61% of the global trade in saltwater crocodile skins, with most being farmed and exported by the Territory. Gross revenue from the Territory crocodile industry increased by around 40% to \$46 million in 2023-24, largely reflecting increased production capacity.

Map 4: Territory agriculture, forestry and fishing¹



¹ 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 Agriculture and Fisheries

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 and is strongly influenced by seasonal conditions and demand in southern Australian markets. In 2024-25, the Territory mango industry produced around 52% of the nation's supply. Territory mango production is expected to increase over the medium term with three new varieties of mango (named Yess!, AhHa! and Now!) introduced in 2023-24. The new varieties are a product of the National Mango Breeding Program and could potentially extend the Territory's mango season. Around \$3.4 million worth of Territory mangoes were exported overseas in the 2024 calendar year to countries including New Zealand (around 50% of the Territory's exports), Canada, United Arab Emirates, Singapore, and the US.

Melon farming is the second-largest horticultural activity after mangoes in the Territory, producing around 23% of the nation's supply. Current production includes watermelons, pumpkins, rock melons and honeydew melons. Melon production is expected to increase over the medium term, supported by recent investment and expansion plans from major producers.

Horticultural producers of crops such as jack fruit, dragon fruit and citrus are maturing and developing production and supply chain systems to benefit from the Territory's seasonal advantage. Dragon fruit production in the Territory has fallen due to increased competition from Vietnamese imports over the past five years. This is pushing dragon fruit producers to seek export market opportunities. New plantings of citrus crops are expected to come into production over the outlook period after the Territory was declared citrus canker free in 2021.

Broadacre crops

In 2023-24, around 13,000 hectares of cotton was grown in the Territory, with 50,000 bales produced over the year. Production is expected to significantly increase over the outlook period, reaching \$250 million per annum within 10 years. The Territory's first cotton gin opened in Katherine in December 2023, allowing farmers to process their cotton locally, rather than being trucked interstate for processing and export. In September 2024, a shipment of Territory cotton was exported from the new gin via Darwin Port.

Irrigated and rainfed hay and fodder production remains a core diversification option for pastoralists with off farm sales worth \$34.6 million in 2023. New cereal and grain production is likely to emerge as producers seek rotation crops for cotton and hay.

Forestry

The outlook for the forestry industry is generally positive, noting the longer-term nature of activity means the economic return takes many years to realise. There are currently 42,000 hectares of plantations in the Territory, with a standing value of \$115 million. However, production from the Indian Sandalwood plantations is less certain following the recent sale of several properties, which will be converted to melon production. The African Mahogany plantations in the Douglas Daly region are expected to reach maturity in 2026-27.

Fisheries

Wild harvest production in 2023-24 was slightly below 5,000 tonnes, a decline of around 790 tonnes compared to 2022-23. The gross value of production from wild caught product also declined to \$47.5 million.

Inshore fisheries (including barramundi, mud crab and aquarium products) had reduced production in 2023-24. The cyclone in the Gulf and the sale of several commercial licences impacted mud crab fishery productivity and overall production. The Barramundi Fishery saw fewer vessels in operation, with catchment effort caps in place for selected locations. In contrast, the Coastal Line, Trepang and Aboriginal Coastal fisheries reported increased production.

Offshore fisheries, including Demersal, Timor Reef, and Spanish Mackerel, reported a drop in production, largely due to fewer vessels in operation. The Offshore Net and Line Fishery reported a 50 tonne increase in production in 2023-24 compared to 2022-23.

The gross value of aquaculture production contracted slightly to \$77 million in 2023-24, reflecting a slight decline in the value of pearling aquaculture although barramundi aquaculture production continued to grow. The outlook for the Territory aquaculture industry is positive, with several new species being investigated. The Commonwealth's introduction of country-of-origin labelling for seafood in the hospitality sector is expected to increase consumer awareness and preference for Australian seafood products.

Territory Government agribusiness development

There are several development opportunities and facilitated projects underway focusing on growing the agriculture, forestry and fisheries sector in the Territory. Priority projects include Larrimah Agricultural Precinct, Wildman Agricultural Precinct, the proposed Ord River Irrigation Scheme expansion into the Territory (Sweetwater Agricultural Development Project), an improved regional road network and developing infrastructure to increase export opportunities.

Land developments

There has been significant progress over the past year toward the development and delivery of the Wildman Agricultural Precinct, Larrimah Agricultural Precinct, and Sweetwater Agricultural Development Project as part of the Territory Government's land releases. All projects now have proponents in place to deliver a range of agricultural products, which will drive regional growth in the sector. The Department of Agriculture and Fisheries continues to support these developments through land suitability assessments, advice on land tenure, regulatory approvals processes, and assisting with stakeholder engagement.

In July 2024, the Commonwealth provided \$2.3 million to develop a detailed business case for the proposed Ord River expansion to the Northern Territory, through the National Water Grid Fund. This project will assess infrastructure options to expand the Ord River Irrigation Scheme to supply water from Lake Argyle in Western Australia to the Sweetwater Agricultural Development Project in the Territory.

The Territory Government is also currently working to identify additional regional areas that could be developed for agriculture. Prospective precinct areas such as the Western Davenport, including Singleton Station, could potentially produce up to 150,000 to 200,000 tonnes per annum of various crops, with the project currently undertaking regulatory approvals. Several other areas are also being investigated including the Douglas Daly, Gunn Point, and Lambells Lagoon regions, with opportunities being investigated in all three areas.

Collectively, these developments provide an opportunity to significantly expand and diversify the Territory's agricultural production area and offer opportunities for new investment in a wide range of high value crops, including mangoes, 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
AMEF	Advanced Manufacturing Ecosystem Fund
AMGC	Advanced Manufacturing Growth Centre
B	billion
CAGR	compound annual growth rate
CCS	carbon capture and storage
GEMCO	Groote Eylandt Mining Company Pty Ltd
GSP	gross state product
HMAS	His Majesty's Australian Ship
LHS	left-hand side
LNG	liquefied natural gas
M	million
Mtpa	metric tonnes per annum
NGP	Northern Gas Pipeline
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.