


Rebuilding the Economy

Northern Territory Economic Strategy 2025



A group of five children are swimming in a pool. They are all smiling and looking towards the camera. The water is bright blue and splashing around them. A white circular graphic is overlaid on the image, containing text. The children are wearing swimwear and goggles. The background is a solid teal color.

Rebuilding the economy is key to enhancing the quality of life of all Territorians. A growing economy and population stimulates business activity, job opportunities and investment, and creates certainty and security. A strong economy provides capacity to fund health clinics, schools, roads and other essential infrastructure and services.

Overview

We aim to build an economy that:

- **Outpaces the nation** by growing faster than elsewhere in Australia
- **Plays to our strengths** by prioritising sectors where we have a comparative advantage and long-term growth prospects
- **Benefits all Territorians** by improving the lives and restoring the lifestyle of all Territorians.

Five strategic priorities will guide our efforts to achieve this vision over our first term of Government:

1. Be the best place to do business
2. Build a bigger, better workforce
3. Deliver for Australia
4. Unlock regional growth
5. Connect the Territory.

These priorities will deliver the greatest impact on our economy and the best return to Territorians on government spending. They are supported by initiatives that focus on where the Territory has, or could develop, a competitive advantage, or where Government focus is required to address challenges and barriers to growth. They include reinvigorating private and community sector investment and establishing productive partnerships with the Australian Government.

Rebuilding the economy is important for reducing crime and enhancing liveability.

Economic growth provides opportunities for Territorians to thrive by boosting employment, education and training choices, and through facilitating investment in social services, housing and health. This can provide individuals and families with security and resources, helping to address the root causes of crime.

Rebuilding the economy will also enhance the lifestyle that Territorians value, which is essential to retaining and attracting more Territorians. More effective investment in services, critical infrastructure and our natural environment, as well as in programs that communities need and enjoy, will help make the Northern Territory (NT) an even better place to live.

REBUILDING THE ECONOMY - STRATEGY ON A PAGE

REDUCING CRIME

Rebuilding the economy is crucial to addressing the root causes of crime by increasing economic participation.

REBUILDING THE ECONOMY

RESTORING OUR LIFESTYLE

Rebuilding the economy will increase government capacity to invest in the great Territory lifestyle which attracts and retains Territorians.

VISION

OUTPACE THE NATION	PLAY TO OUR STRENGTHS	BENEFIT ALL TERRITORIANS
The Northern Territory (NT) aims to grow consistently faster than Australia. A larger economy and population will increase scale, driving cost reductions, enhanced services, and improved labour flexibility, while reducing reliance on the Australian Government.	Rebuilding the economy in a fiscally constrained environment means prioritising sectors where the Territory holds comparative advantages and has strong long-term growth prospects, such as energy, defence, agriculture, mining, and tourism.	Economic growth will benefit all Territorians by driving job creation, improving affordability and access to goods and services, and increasing government capacity to fund public services.

STRATEGIC PRIORITIES

1. Be the best place to do business	2. Build a bigger, better workforce	3. Deliver for Australia	4. Unlock regional growth	5. Connect the Territory
<p>A highly competitive tax and investment environment will support businesses to grow and be more productive.</p> <p>This priority focuses on:</p> <ul style="list-style-type: none"> Delivering highly competitive tax and regulatory settings to promote business activity in the Territory. Expanding Asian market opportunities for Territory businesses by investing in trade relationships. Collecting, managing and using data to enhance government services, and to support businesses and industry. 	<p>The Territory needs more local workers with the right skills to meet current and future business and industry needs, reducing reliance on fly-in, fly-out workers.</p> <p>This priority focuses on:</p> <ul style="list-style-type: none"> Developing and coordinating vocational pathways to support Territorians to be job-ready. Increasing Aboriginal workforce participation through better harnessing local job opportunities. Expanding new skilled migration pathways with a focus on retention through improved coordination and stronger advocacy with the Australian Government. 	<p>Accelerating nation building projects that drive growth, support our regional partners and strengthen the resilience of the Territory and national economy.</p> <p>This priority focuses on:</p> <ul style="list-style-type: none"> Accelerating energy production to meet the needs of the Territory, Australia and our region. Developing the defence ecosystem and capabilities so that the Territory is the defence partner of choice in Northern Australia. Supporting resource production to position the Territory as a key player in global supply chains for energy and other technologies. 	<p>A strong focus is needed to plan and foster development in the regions, where many of the Territory's opportunities are located.</p> <p>This priority focuses on:</p> <ul style="list-style-type: none"> Leveraging the strength of regional communities, business and industry, including in our priority sectors (energy, defence, agriculture, mining, and tourism). Restoring decision-making control to regional communities establishing them as genuine partners in economic development. Working with Aboriginal communities and the Australian Government to create economic resilience and provide sustained employment opportunities in remote communities. 	<p>Unlocking development opportunities, reducing business costs and supporting the delivery of critical government services requires robust enabling infrastructure and networks.</p> <p>This priority focuses on:</p> <ul style="list-style-type: none"> Identifying and developing critical enabling infrastructure projects and infrastructure corridors. Expanding trade, export and logistics capabilities for economic growth, with a focus on enhancing links to northern markets. Increasing supply chain resilience and reliability.

STRATEGIC INITIATIVES

<ul style="list-style-type: none"> Deliver a regulatory reform program to improve certainty and reduce timeframes. Reform government procurement operations to achieve an efficient interface for businesses. Strengthen relationships and set shared priorities with trade partners in Asia. Deliver on government's digitisation and data priorities to optimise regulatory and administrative processes. 	<ul style="list-style-type: none"> Establish employment pathways to real jobs that start by engaging young people in schools. Provide local education and training opportunities that equip Territorians with technical skills needed now and in the future. Target international students and skilled migrants who want to build their lives in the Territory. Work with businesses and industry to grow the local workforce in the Territory and reduce reliance on fly-in, fly-out workers. 	<ul style="list-style-type: none"> Accelerate the delivery of significant projects and investments in the Territory with the support of the Territory Coordinator. Coordinate gas-related development to fast-track Territory and national benefits. Implement a new electricity market to deliver affordable, reliable, secure and sustainable electricity. Deliver key projects that will leverage Australian Government northern defence investment. 	<ul style="list-style-type: none"> Develop and implement regional economic development plans to re-invigorate and coordinate efforts across the regions. Empower Aboriginal people to develop and grow their own communities, including by establishing community councils. Establish a whole-of-government strategic relationship with Land Councils to progress economic development. Improve land tenure processes to provide improved certainty and clarity for communities and investors. 	<ul style="list-style-type: none"> Deliver enabling infrastructure to improve supply chains and access to markets. Leverage emerging technology to expand connectivity across the Territory. Lift our logistics capacity through targeted road and rail investment. Negotiate more interstate and international flight options to increase business connectivity, liveability and inbound tourism.
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MEASURES OF SUCCESS

Annual Targets	What the measure shows	What does success look like	Quarterly Reporting
Target 1: The Northern Territory's economic growth exceeds national economic growth	Compares the economic growth rate of the NT to the national economy, indicating how the NT's economy is performing relative to the country.	Annual growth in the NT gross state product exceeds that of the national gross domestic product.	<ul style="list-style-type: none"> Consumption Investment Government spending Net exports
Target 2: Population growth exceeds baseline forecasts	Population growth measures the annual change in the total number of people living in the NT.	The NT population increases by at least 4000 persons per annum including net migration of at least 1300 persons per annum.	<ul style="list-style-type: none"> Natural increase Interstate migration Overseas migration
Target 3: The Northern Territory is recognised as a better place to invest	Regulatory reports rank the best jurisdiction for regulatory, tax and investment settings.	The NT's ranking is improved in: <ul style="list-style-type: none"> Business Council of Australia's Regulation Rumble (4th) Fraser Institute's Policy Perception Index (22nd). 	<ul style="list-style-type: none"> Business confidence Private new capital expenditure

We're already taking action

Rebuilding the economy needs Government to keep investing in critical infrastructure and services, like housing, roads, justice and policing, and education and training. We have set up a stronger and more agile public sector to support this, with 18 specialised departments responding quickly and effectively to what is happening on the ground, creating certainty and securing economic opportunities. These departments are working with business, industry, the community and other partners to make the Northern Territory the best place to live, work, visit and invest.

We are committed to repairing the budget, while continuing to invest to make a difference for Territorians. While this will take time, we are already delivering on key commitments, including:

- Delivering payroll tax reforms by raising the payroll tax-free threshold from \$1.5 million to \$2.5 million and saving eligible businesses up to \$68,750 annually.

- Our reforms also introduce a payroll tax exemption for wages paid to trainees and apprentices, encouraging more local employers to invest in the future of the Northern Territory workforce.
- Addressing cost of living pressures and providing savings to Territorians, for example on licence and registration fees, solar feed-in tariffs and batteries, vaccines and swimming lessons.
- Streamlining regulatory approvals and reducing red tape to facilitate business and investment through the Approvals Fast Track Taskforce.
- Establishing the Territory Coordinator to bring new focus and powers to support transformational projects and investment in the Territory. The Territory Coordinator will make it easier for investors to bring big ideas to life and achieve timely approvals across government.

What we know

Numerous plans and initiatives have been developed in the past to overcome the barriers to growth and capture new economic opportunities in the Territory.

These attempts have not produced the results we need. A new strategic approach is required, one that focuses on tangible, prioritised actions that reflect the strengths in our community and economy and leverage trends and circumstances that are relevant to the Territory.

Business, industry and the community have provided consistent feedback about the barriers to and opportunities for growth in the Territory. This has informed the priorities and initiatives in this Strategy.





Challenges to rebuilding the economy in the Territory

- **Investment attraction and business costs:** Businesses in the Territory face cost challenges due to the Territory's remoteness, long distances between population centres, climate, workforce constraints, infrastructure gaps and relatively small local market size. This impacts our potential to attract investment and boost business growth.
- **Regulatory complexity and timeframes:** Industry stakeholders and peak bodies across all sectors have identified the difficulty in navigating regulatory processes and gaining approvals in a timely manner. Gaps in digitisation, duplicative processes and multiple tenure types add complexity to the regulatory system and can cause delays, ultimately restricting business growth.
- **Workforce participation, attraction and retention:** Skilled workforce shortages can increase business costs, reduce industry growth, affect population growth and lead to a reliance on non-resident workers and international migration. Workforce participation rates vary significantly across the Territory, presenting both challenges and opportunities. Stakeholders highlight that attracting and retaining resident workers is a key barrier to growth in both industry and community sectors.
- **Infrastructure, supply chain logistics and connectivity gaps:** Establishing and maintaining infrastructure across large geographical areas and dispersed population centres present commercial and liveability challenges. Key barriers to growth highlighted by stakeholders include the quality of the Territory's roads, with unsealed roads adding costs to doing business, and gaps in digital networks and telecommunications coverage. Stakeholders have also called for action to address deficits in community infrastructure, especially in regional areas.

The tangible actions in this Strategy will overcome these challenges, produce the results we need to grow the Territory, and deliver certainty and security.

Strategic priorities

Priority 1 – Be the best place to do business

Why this is a priority

The Territory is competing against other states and global economies for investment. We need to maintain our status as a highly competitive tax environment and increase our attractiveness as an investment destination. Being the best place to do business will support existing businesses to invest and grow and provide the confidence and certainty needed to attract new businesses and industries.



Business confidence has been affected by regulatory complexity and processes that do not provide the certainty businesses need to invest. Private sector investment in the Territory is well below the ten-year average and we aim to reverse this trend by making the Territory's investment environment more competitive.

We also want to leverage our proximity to growing populations in Asia to benefit small, medium and large businesses across the Territory, by building trade relationships and demonstrating the competitiveness of Territory suppliers to Asian markets. We will also be a trusted and reliable investment destination for our partners in the region.

Our focus

We are focused on making the Territory the best place to do business by delivering highly competitive tax settings and improving government regulation, facilitation and information.

An effective and efficient regulatory system that meets business needs and community expectations is key to building business confidence and attracting investment. It needs to maintain integrity and high standards, while also avoiding unnecessary duplication or uncertainty. Our regulatory reforms will achieve this outcome.

We will support Territory businesses to be more competitive and expand trade in goods and services with our neighbours, especially in Asia.

We will expand programs to collect, use and publish data to support better decision-making, and improve digitisation of government services to drive efficiencies, support regulatory activities and foster a more attractive and competitive environment for investment.



Priority 2 – Build a bigger, better workforce

Why this is a priority

Building a workforce of the size and with the skills needed by business, industry, government and the community sector is critical to achieving our ambitions for economic and population growth that delivers benefits to Territorians.

Our current workforce capacity has restricted economic growth and led to a reliance on non-resident (fly-in, fly-out) workers. Although we have the highest workforce participation rate among all Australian jurisdictions, the rate is variable across the Territory with significant opportunities to improve participation in regional and remote areas.

We need to harness the Territory's existing workforce potential and attract skilled workers to settle here. We want Territorians to have the right mix of skills, opportunities and supports to realise their potential and reap the rewards of economic growth.

Building and retaining a bigger workforce in the Territory will further stimulate the economy by driving demand for goods and services and creating economies of scale.

Our focus

We will support Territorians to be job-ready by creating strong collaborations between businesses, community services and vocational education and training providers to align skills, training and supports to fulfil current and future employment opportunities. We will link young Territorians across all regions with employment through more direct school-to-job pathways.

We will focus on the Territory's existing workforce potential. This means increasing Aboriginal workforce participation in local economies through partnership and incentive models that align worker strengths and aspirations with local job opportunities. Creating better alignment means more meaningful and enduring employment outcomes.



Attracting skilled workers to move to and thrive in the Territory is also critical to building a bigger and better workforce. We will prioritise programs that draw in workers who are more likely to stay for the long-term.

Priority 3 – Deliver for Australia

Why this is a priority

We want to build on the Territory's competitive strengths to support long-term economic and national security here and across Australia. Energy, mining, tourism, agriculture and defence offer significant growth potential for the Territory and provide unique opportunities to support nation building.

The Territory can play a central role in delivering national and regional priorities in energy, resource production and defence. We are well positioned to harness immediate opportunities to support national and global energy security, open up new markets in the Territory and across Australia, and boost defence capability across northern Australia.



Our focus

We will prioritise investment in the energy, resource production and defence sectors to support high-growth, high-benefit projects and to build the capacity of small businesses to service these priority sectors. This includes addressing challenges to the Territory's electricity market and related infrastructure to ensure energy security and better harness the Territory's strengths in energy resources.



The energy, and defence sectors operate in regional and remote areas of the Territory and will require significant workforces and infrastructure, creating synergies with other priorities identified in this strategy.

We will accelerate projects and support businesses that boost security, drive growth, strengthen the resilience of the Territory and national economy and support our regional partners. Focusing on these priorities and leveraging these opportunities will also uplift Territory businesses and generate revenue and jobs for Territorians.

Priority 4 – Unlock regional growth

Why this is a priority

The Northern Territory's world-class resources, natural landscapes and cultural assets present significant potential for economic development. Strong collaboration between communities, industry and Government can realise this potential and deliver meaningful benefit to communities and the broader economy.

Around 40% of the Territory's population and 75% of our Aboriginal population live in regional and remote areas. About 50% of the Territory's land mass and 80% of our coastline is Aboriginal Land. Many residents of regional and remote communities, including Traditional Owners and Aboriginal Territorians, want to see their communities prosper to improve living standards, create economic resilience and provide sustained employment opportunities in remote communities.



Partnering with communities, Traditional Owners, Land Councils, the Australian Government and businesses to enable timely development of shared priorities is essential to getting development right.

Our focus

We will work closely with communities and industry to understand competitive advantages and unlock development opportunities across the regions, including in sectors like energy, defence, agriculture, mining and tourism.



We will facilitate and enable development by supporting improved governance structures and processes that address barriers to investment and allow community aspirations for economic development to be realised faster.

This includes establishing Aboriginal-led community councils, strengthening relationships with Land Councils and improving land tenure systems to provide certainty for communities and investors.

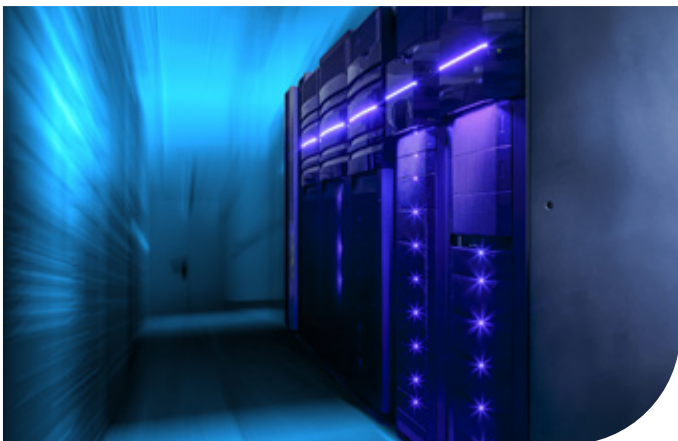
Priority 5 – Connect the Territory

Why this is a priority

The Territory's remoteness from the rest of Australia, long distances between population centres and the growing economic opportunities to our north, mean that being well-connected is essential for economic and population growth over the longer term.

Robust infrastructure, supply chains and other physical and digital networks provide a backbone for businesses to operate and for people to live, and are important enablers for attracting investment.

We need to invest strategically and coordinate efforts to build economies of scale, lower business and community sector operating costs, and support both urban and regional development. Enabling infrastructure, strategic logistics centres and effective telecommunication systems are just some examples of the strategic connectivity assets needed to grow the Territory economy and ensure benefits flow to Territorians.



Our focus

We will prioritise investments in connectivity that demonstrate net benefits and eliminate wasteful infrastructure spending. An integrated approach across the Territory, as well as a focus on enhancing links with Asian markets, will capture synergies and maximise value for money.

Improving road and rail transport efficiency and capacity and strategically locating warehousing and other infrastructure will improve supply chain security, benefitting business and communities and boosting employment opportunities in remote and regional areas.

Ensuring that the Territory is easily accessible by air will drive economic activity, boost our commitment to restoring the Territory lifestyle and help promote the Territory as a world-class destination.

We will seize emerging funding opportunities, harness private investment and build Australian Government partnerships to advance this priority. We will leverage emerging technology to support increased digital connectivity across the Territory, improving productivity for businesses and accessibility for Territorians.

Strategic Initiatives

1 Be the best place to do business

- 1a. Deliver a regulatory reform program to improve certainty and reduce timeframes
- 1b. Reform government procurement operations to achieve an efficient interface for businesses
- 1c. Strengthen relationships and set shared priorities with trade partners in Asia
- 1d. Deliver on government's digitisation and data priorities to optimise regulatory and administrative processes

2 Build a bigger, better workforce

- 2a. Establish employment pathways to real jobs that start by engaging young people in schools
- 2b. Provide local education and training opportunities that equip Territorians with technical skills needed now and in the future
- 2c. Target worker attraction efforts towards skilled migrants who want to build their lives in the Territory
- 2d. Work with businesses and industry to grow the local workforce in the Territory and reduce reliance on fly-in, fly-out workers

3 Deliver for Australia

- 3a. Accelerate the delivery of significant projects and investments in the Territory with the support of the Territory Coordinator
- 3b. Coordinate gas-related development to fast-track Territory and national benefits
- 3c. Implement a new electricity market to deliver affordable, reliable, secure and sustainable electricity
- 3d. Deliver key projects that will leverage Australian Government northern defence investment

4 Unlock regional growth

- 4a. Develop and implement regional economic development plans to re-invigorate and coordinate efforts across the regions
- 4b. Empower Aboriginal people to develop and grow their own communities, including by establishing community councils
- 4c. Establish a whole-of-government strategic relationship with Land Councils to progress economic development
- 4d. Improve land tenure processes to provide improved certainty and clarity for communities and investors

5 Connect the Territory

- 5a. Deliver enabling infrastructure to improve supply chains and access to markets
- 5b. Leverage emerging technology to expand connectivity across the Territory
- 5c. Lift our logistics capacity through targeted road and rail investment
- 5d. Negotiate more interstate and international flight options to increase business connectivity, liveability and inbound tourism

Next steps

Our Strategy sets a clear direction for government agencies to focus their efforts to rebuild the Territory economy. It establishes an expectation that agencies will develop stronger partnerships with businesses, communities and the Australian Government. Agencies will align their work programs to deliver the vision and priorities in this Strategy. This will be driven by the Standing Committee on Rebuilding the Economy.

Our progress to achieving the vision and priorities will be tracked by three key measures. The Strategy will be reviewed in three years to make sure we continue to target the right priorities.

Annual Targets	What the measure shows	What does success look like	Quarterly reporting
<p>Target 1: The Northern Territory's economic growth exceeds national economic growth.</p>	Compares the economic growth rate of the NT to the national economy, indicating how the NT's economy is performing relative to the country.	Annual growth in the NT gross state product exceeds that of the national gross domestic product.	<ul style="list-style-type: none"> • Consumption • Investment • Government spending • Net exports
<p>Target 2: Population growth exceeds baseline forecasts.</p>	Population growth measures the annual change in the total number of people living in the NT.	The NT population increases by at least 4000 persons per annum, including net migration of at least 1300 persons per annum.	<ul style="list-style-type: none"> • Natural increase • Interstate migration • Overseas migration
<p>Target 3: The Northern Territory is recognised as a better place to invest.</p>	Regulatory reports rank the best jurisdiction for regulatory, tax and investment settings.	<p>The NT's ranking is improved in:</p> <ul style="list-style-type: none"> • Business Council of Australia's Regulation Rumble (4th) • Fraser Institute's Policy Perception Index (22nd). 	<ul style="list-style-type: none"> • Business confidence • Private new capital expenditure



