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# NORTHERN AUSTRALIA ECONOMIC UPDATE

NWQROC / September 2023

ONE TEAM, MANY EXPERTS

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# ABOUT THIS PRESENTATION

**Purpose of this Presentation**
This presentation has been prepared in-kind by the AEC Group PTY LTD (AEC) for the Developing Northern Australia (DNA) Conference 2023.

The aim of this report is to provide a quantitative baseline for discussion at and beyond the DNA Conference, with the intention of focusing combined efforts by government, industry and community in areas of either most need and/or most opportunity.

**Measures of Success**
There are multiple ways to measure the success of different strategies. Typical measures include an assessment of:
- Performance – achievement of specified tasks
- Effectiveness – measured by achievement of targeted outcomes
- Impact – measurable change in the economy/community

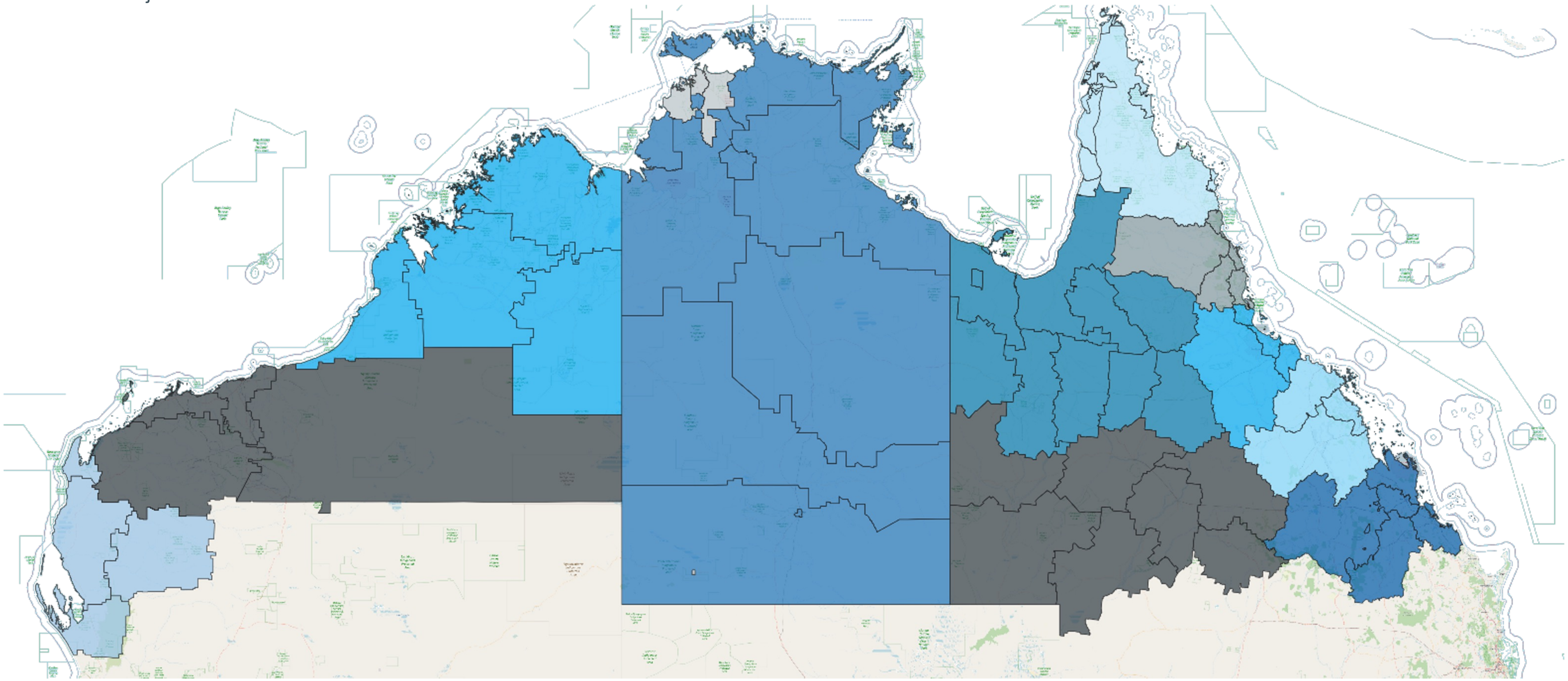
This report seeks to assess the impact of the Northern Australia agenda since the release of the Our North, Our Future Whitepaper in 2015.

**Principles of Economic Growth**
This report focuses on identifying the key drivers of economic growth (measured in Gross Domestic/Regional Product – GDP/ GRP).

For reference, GRP/GDP is calculated by:
- Domestic consumption, which is best represented by:
  - Population size and growth
  - Visitation and visitor spend
  - Average incomes and household expenditure
- Private investment, such as investment in:
  - Buildings
  - Plant & machinery
- Government spending, such as spending on:
  - Infrastructure
  - Welfare
  - Services
- Net Exports, which is value of exports minus value of imports

# GEOGRAPHIES ANALYSED

This report analyses the economic performance of the below identified regions in Northern Australia, as well as each jurisdiction and the North as a whole.



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# ABOUT AEC

**A unique Northern heritage**
AEC was founded in Northern Australia (Townsville) over 30 years ago and continues to be the largest economics consulting firm operating in Northern Australia.

With a unique combination of economics, finance, market research and visual communications expertise, AEC has a proud history of providing strategic advice to private industry, local governments, regional economic development organisations, regional tourism organisations and commonwealth and state/territory agencies.

We have trusted networks across Northern Australia and beyond, allowing us to provide national best-practice advice to our clients in Northern Australia.

Our experience working with tier one, as well as local engineering, town planning, capital investors enables us to lead complex project delivery, with an economics lens, focused on identifying and meeting local needs.

Our tools, resources and databases have been developed over our 30 years of operating from and in Northern Australia, which are now available to our clients through our subscription-based platform – DataAU.

## OUR CORE SERVICES

- OPPORTUNITY IDENTIFICATION
- ECONOMIC MASTER PLANNING
- PROJECT VISIONING
- FEASIBILITY STUDIES
- ECONOMIC PROFILING
- BUSINESS CASE DEVELOPMENT
- LONG-TERM FINANCIAL SUSTAINABILITY
- VISUAL COMMUNICATIONS
- SUPPLY CHAIN ASSESSMENT
- GRANT APPLICATIONS

## OUR EXPERTISE

- ECONOMICS
- FINANCE
- DATA
- MARKET RESEARCH
- VISUAL COMMUNICATIONS

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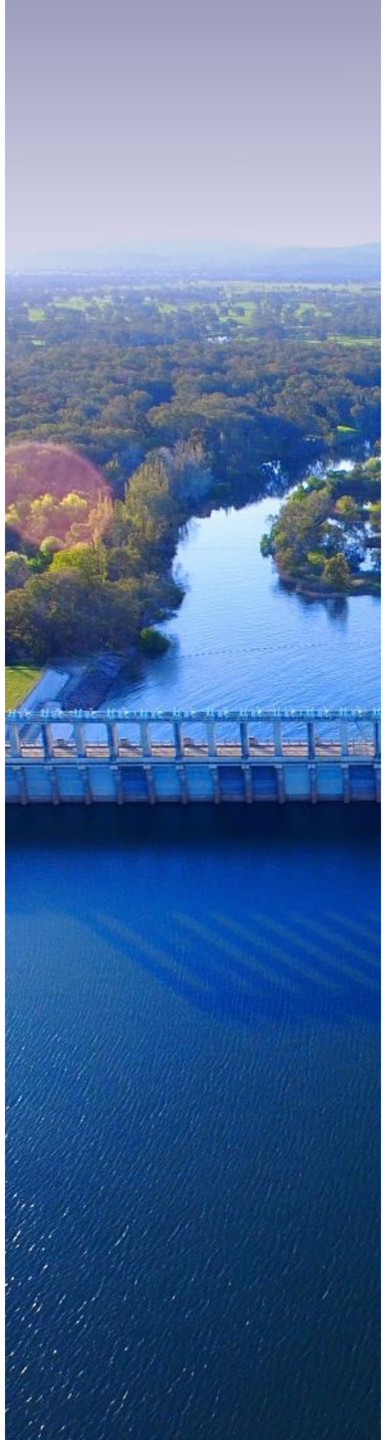

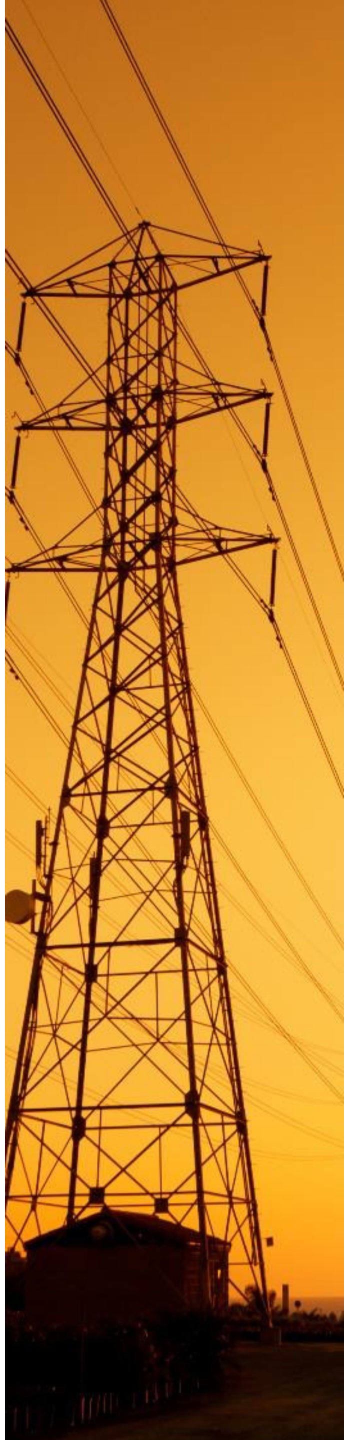

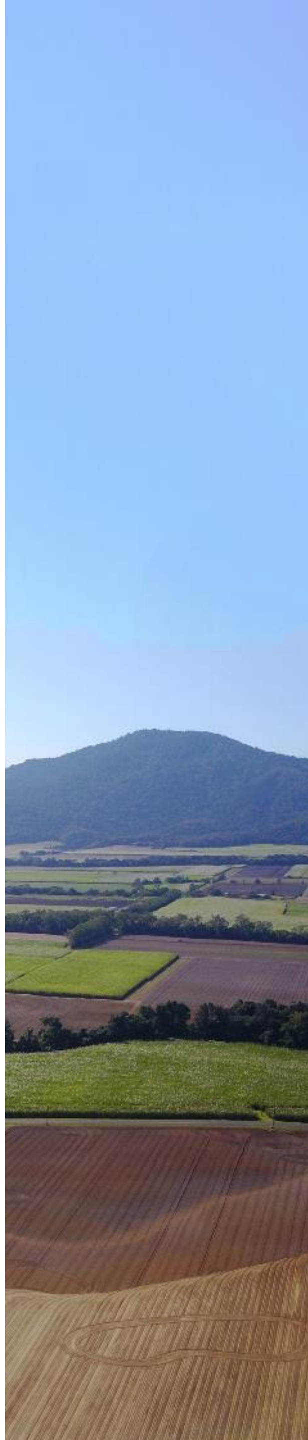

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# NORTHERN AUSTRALIA DEVELOPMENT PRIORITIES

The White Paper on Developing Northern Australia was released by the Australian Government in 2015, with a vision to facilitate transformational growth.

The White Paper outlined the enormous opportunity to develop; not just to the benefit of the North, but to the benefit of all of Australia.

A subsequent update was released in 2021, improving the focus on key sectors

This section explores the priorities of the White Paper (and subsequent update) in terms of:

- Reform priorities
- Key objectives
- Focus industries

# White Paper Priorities

The White Paper (and 2021 refresh) include the following:

**Reform Priorities**

Realising the growth opportunity included a focus on:

- Simpler land arrangements to support investment
- Developing the North's water resources
- Encouraging private investment and trade
- Infrastrucutre to support growth
- A larger northern workforce
- Better governance for Northern Australia

**Key Objectives**

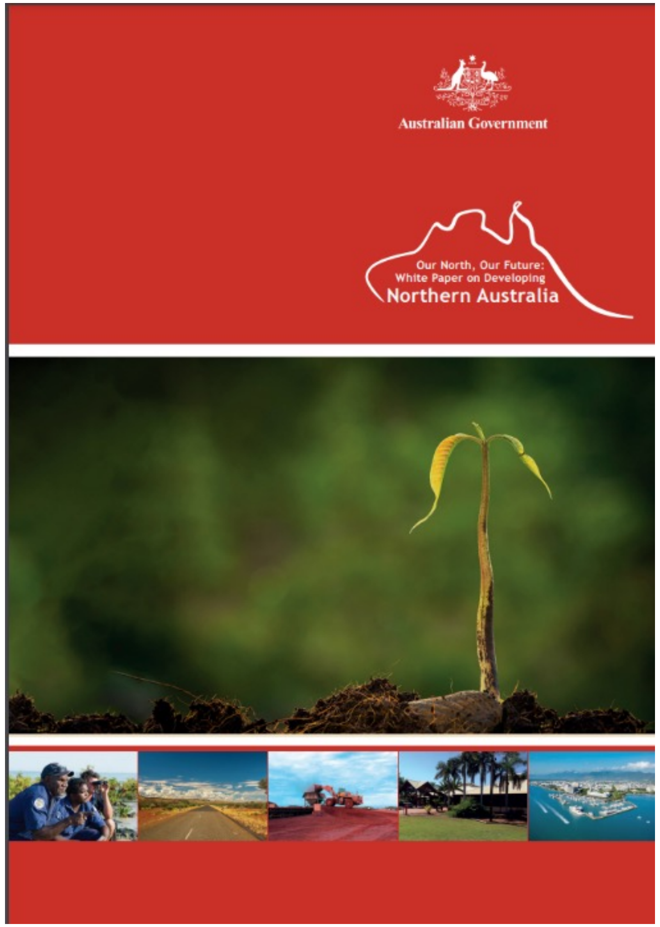
The reform priorities are expected to deliver higher:

- Resident population
- Economic activity (GRP)
- Employment
- Investment

**Focus industries**

Realising the objectives would be achieved through targeted growth in:

- Agriculture
- Mining
- Tourism
- International education
- Defence




# KEY ECONOMIC INDICATORS

This section explores the following key economic indicators:

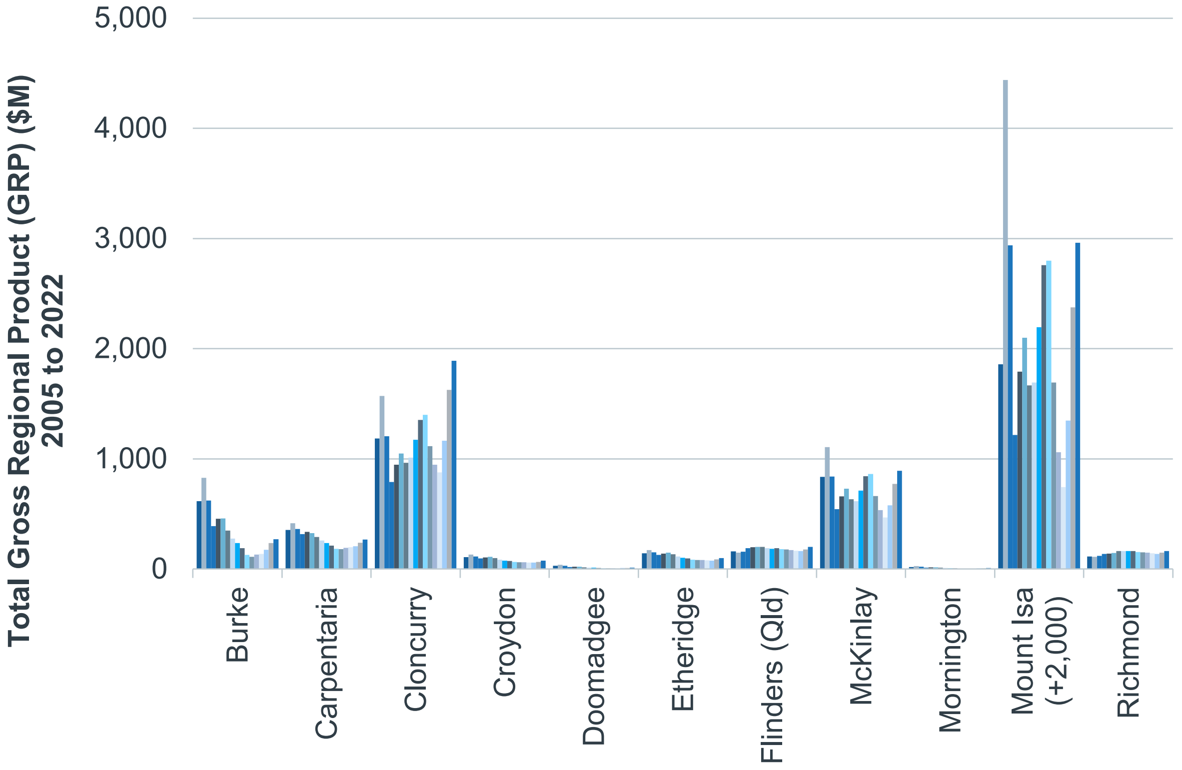
- Economic Growth
  - Gross Regional Product (GRP)
  - Net Exports
- Labour Force
  - Total Employment (FTE)
- Population
  - Estimated Resident Population
  - Net Migration
- Investment
  - Non-residential Building Approvals
  - Public Investment
  - Private Investment

# ECONOMIC GROWTH – GROSS REGIONAL PRODUCT

**Key Points:**

- Northern Australia's economy has grown faster than Australia's generally
- However, growth is not uniform and some regions are failing to grow or are contracting
- The NT's economy has consistently grown slower

| | GRP ($B) | | |
|---|---|---|---|
| **Region** | **2015** | **2022** | **Change(%)** |
| **Sub-regions** | | | |
| WA Pilbara | $96.71 | $119.08 | 23% |
| QLD Mackay-Isaac-Whitsunday | $26.64 | $42.10 | 58% |
| QLD Central Queensland | $27.24 | $26.79 | -2% |
| NT Greater Darwin | $18.20 | $19.59 | 8% |
| QLD Townsville & Region | $17.28 | $18.38 | 6% |
| QLD Cairns & Region | $15.69 | $17.73 | 13% |
| NT Rest of NT | $8.59 | $11.03 | 28% |
| QLD North West QLD | $7.89 | $8.84 | 12% |
| WA Kimberley | $4.62 | $4.52 | -2% |
| QLD Cape York | $2.40 | $2.64 | 10% |
| WA Gascoyne | $1.69 | $1.60 | -5% |
| QLD Central West QLD | $1.43 | $1.35 | -6% |
| **North Australia Summary** | | | |
| Total NT | $26.80 | $30.62 | 14% |
| Northern QLD | $98.57 | $117.84 | 20% |
| Northern WA | $103.02 | $125.19 | 22% |
| **Northern Australia** | **$228.39** | **$273.65** | **20%** |
| **Australia** | **$1,972.13** | **$2,309.75** | **17.1%** |
| **% of Australia** | **11.6%** | **11.8%** | **0.3%** |



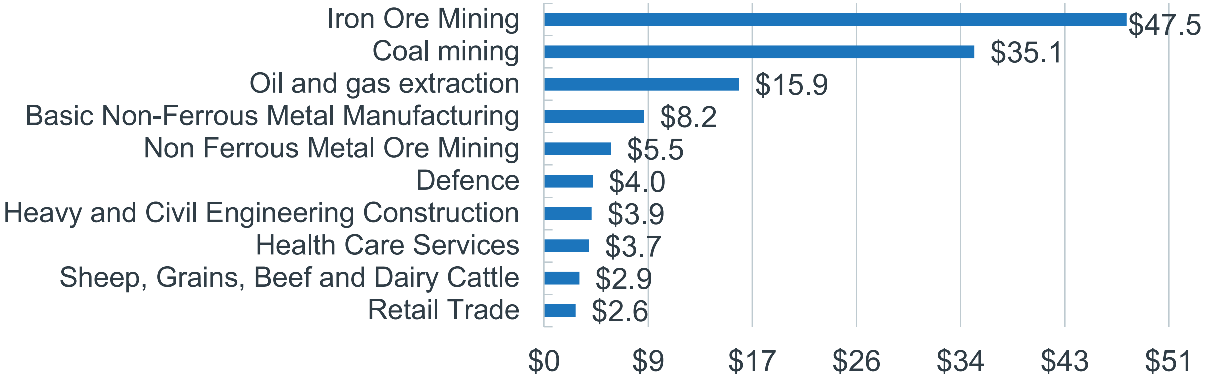

Source: ABS (2023). Regional Population, 2022. Cat no. 3218.0. Australian Bureau of Statistics, Canberra

# NET EXPORTS

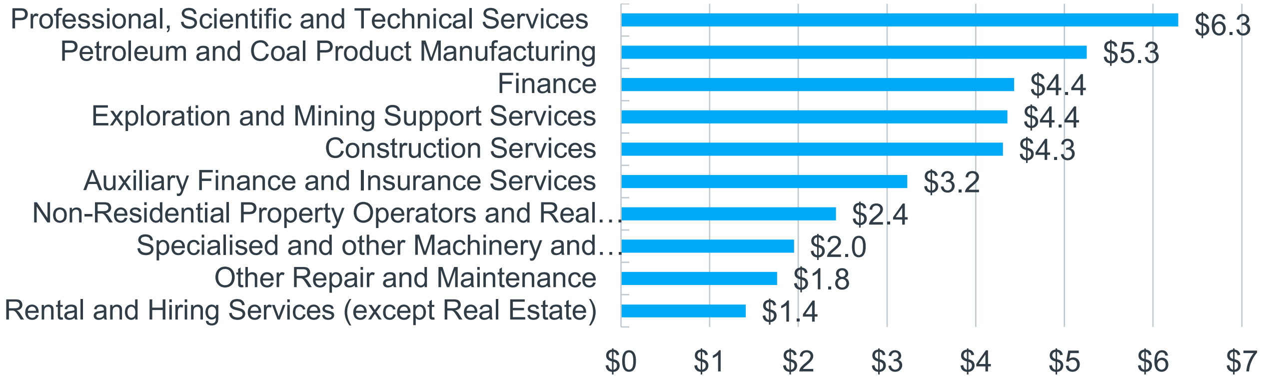
**Key Points:**
- Every region in the North is a net exporter, but this is largely driven by mining activity (96% of net export value)
- Professional services is largest import and can be easily replaced to support future growth ($6 billion annually)

| Sector | Exports ($B) | Imports ($B) | Net Exports |
|---|---|---|---|
| Mining | $107.1 | $6.2 | $100.9 |
| Public administration and safety | $7.1 | $0.8 | $6.2 |
| Agriculture, forestry and fishing | $6.7 | $0.9 | $5.8 |
| Health care and social assistance | $4.5 | $0.1 | $4.5 |
| Education and training | $2.9 | $0.1 | $2.7 |
| Retail trade | $2.8 | $0.2 | $2.6 |
| Accommodation and food services | $3.0 | $0.9 | $2.1 |
| Ownership of dwellings | $2.0 | $0.0 | $2.0 |
| Transport, postal and warehousing | $6.3 | $4.3 | $2.0 |
| Construction | $11.0 | $9.2 | $1.8 |
| Electricity, gas, water and waste services | $4.4 | $3.5 | $0.9 |
| Arts and recreation services | $0.8 | $0.3 | $0.6 |
| Administrative and support services | $2.1 | $2.0 | $0.1 |
| Wholesale trade | $2.4 | $2.9 | -$0.6 |
| Information media and telecommunications | $1.0 | $2.4 | -$1.4 |
| Other services | $1.2 | $2.8 | -$1.6 |
| Rental, hiring and real estate services | $1.4 | $5.2 | -$3.8 |
| Manufacturing | $15.0 | $19.4 | -$4.4 |
| Professional, scientific and technical services | $2.6 | $10.0 | -$7.3 |
| Financial and insurance services | $1.2 | $9.0 | -$7.8 |

**Top 10 Exports – By Industry Value ($B)**




**Top 10 Imports – By Industry Value ($B)**




Source: AEC (unpublished). AEC Supply Chain Model 2020-21. AEC Group, Townsville

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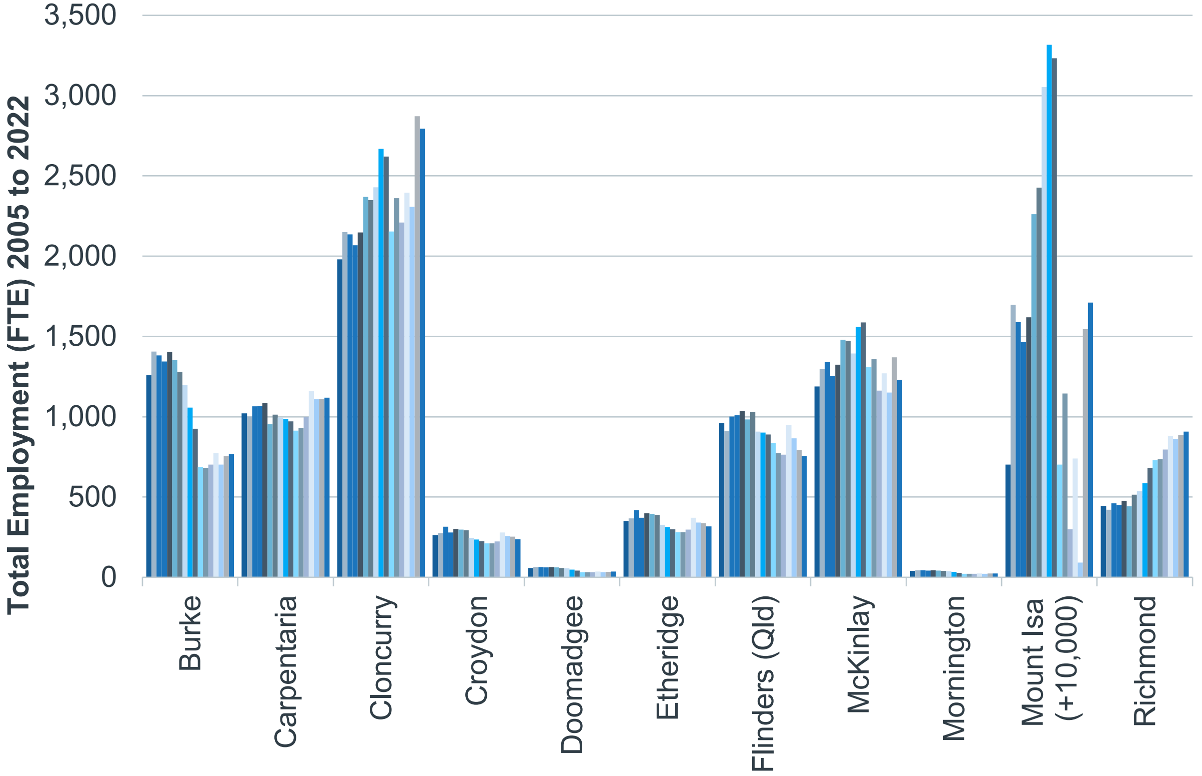
# LABOUR FORCE – TOTAL EMPLOYMENT

**Key Points:**

- Employment growth across Northern Australia has slowed below Australian growth since 2015
- Recent employment growth shows strong improvement across most regions, relative to Australian averages

| Region | Total Employment 2015 | 2022 | Change (%) |
|---|---|---|---|
| **Sub-regions** | | | |
| QLD Cairns & Region | 102,998 | 118,635 | 15% |
| QLD Townsville & Region | 108,167 | 111,911 | 3% |
| QLD Central Queensland | 107,314 | 109,929 | 2% |
| QLD Mackay-Isaac-Whitsunday | 85,695 | 97,436 | 14% |
| NT Greater Darwin | 74,371 | 78,792 | 6% |
| WA Pilbara | 67,002 | 71,534 | 7% |
| NT Rest of NT | 34,430 | 35,792 | 4% |
| QLD North West QLD | 21,507 | 19,899 | -7% |
| WA Kimberley | 18,972 | 17,353 | -9% |
| QLD Cape York | 10,599 | 10,150 | -4% |
| QLD Central West QLD | 6,335 | 5,906 | -7% |
| WA Gascoyne | 5,320 | 5,347 | 1% |
| **North Australia Sumary** | | | |
| Total NT | 108,801 | 114,584 | 5% |
| Northern QLD | 442,616 | 473,866 | 7% |
| Northern WA | 91,294 | 94,234 | 3% |
| **Northern Australia** | **642,711** | **682,684** | **6%** |
| **Australia** | **10,528,365** | **12,327,239** | **17%** |
| **% of Australia** | **6.10%** | **5.54%** | **-0.57%** |



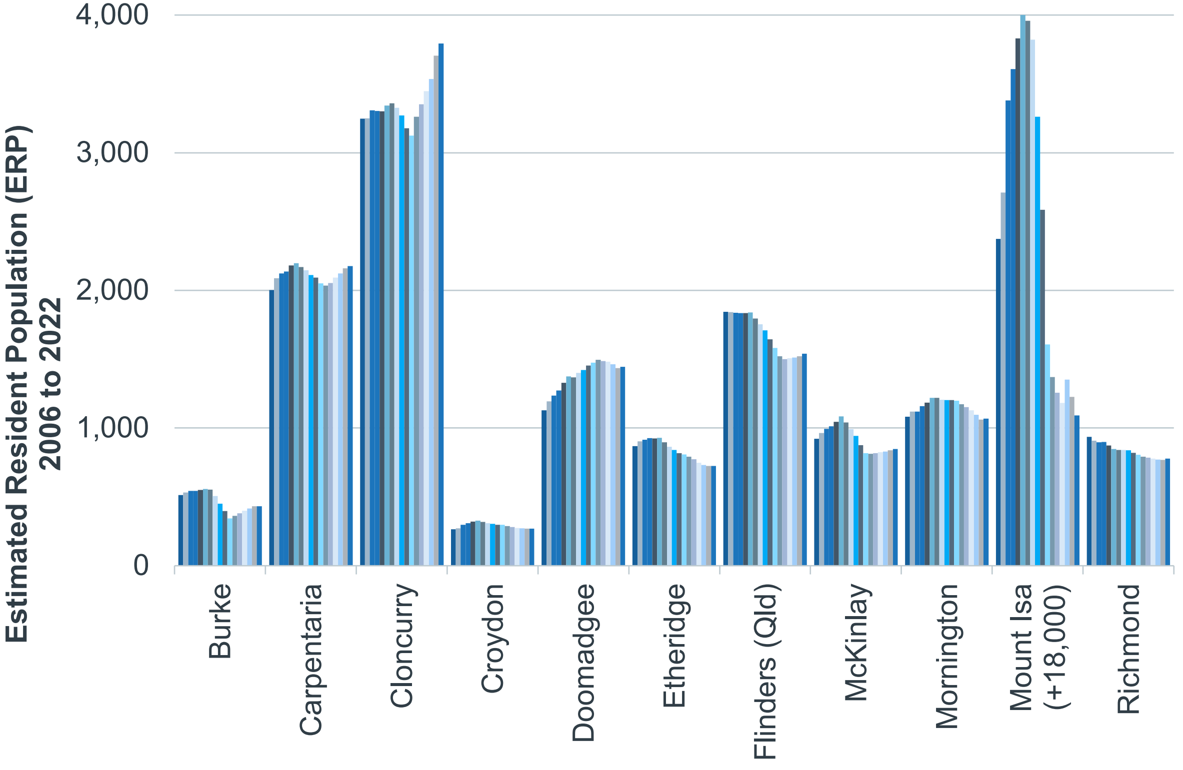

Source: AEC (unpublished). Employment Estimates Model 2021-22. AEC Group, Townsville

# POPULATION – ESTIMATED RESIDENTIAL POPULATION

**Key Points:**

- The North continues to grow slower than Australia and is now a smaller part of the national population than in 2015
- Some Northern Queensland regions are growing faster than the Australian average post-COVID

| | Resident Population | | |
|---|---|---|---|
| **Region** | **2015** | **2022** | **Change (%)** |
| **Sub-regions** | | | |
| QLD Cairns & Region | 250,537 | 267,456 | 7% |
| QLD Townsville & Region | 233,543 | 240,758 | 3% |
| QLD Central Queensland | 227,141 | 234,543 | 3% |
| QLD Mackay-Isaac-Whitsunday | 174,974 | 186,512 | 7% |
| NT Greater Darwin | 152,490 | 157,141 | 3% |
| NT Rest of NT | 92,202 | 93,561 | 1% |
| WA Pilbara | 63,021 | 58,904 | -7% |
| WA Kimberley | 37,066 | 38,932 | 5% |
| QLD North West QLD | 33,363 | 32,165 | -4% |
| QLD Cape York | 25,551 | 25,547 | 0% |
| QLD Central West QLD | 11,207 | 10,721 | -4% |
| WA Gascoyne | 9,836 | 10,107 | 3% |
| **North Australia Sumary** | | | |
| Total NT | 244,692 | 250,702 | 2% |
| Northern QLD | 956,316 | 997,702 | 4% |
| Northern WA | 109,923 | 107,943 | -2% |
| Northern Australia | 1,310,931 | 1,356,347 | 3% |
| Australia | 23,815,995 | 25,996,144 | 9% |
| % of Australia | 5.5% | 5.2% | -0.3% |




Source: ABS (2023). Regional Population, 2022. Cat no. 3218.0. Australian Bureau of Statistics, Canberra

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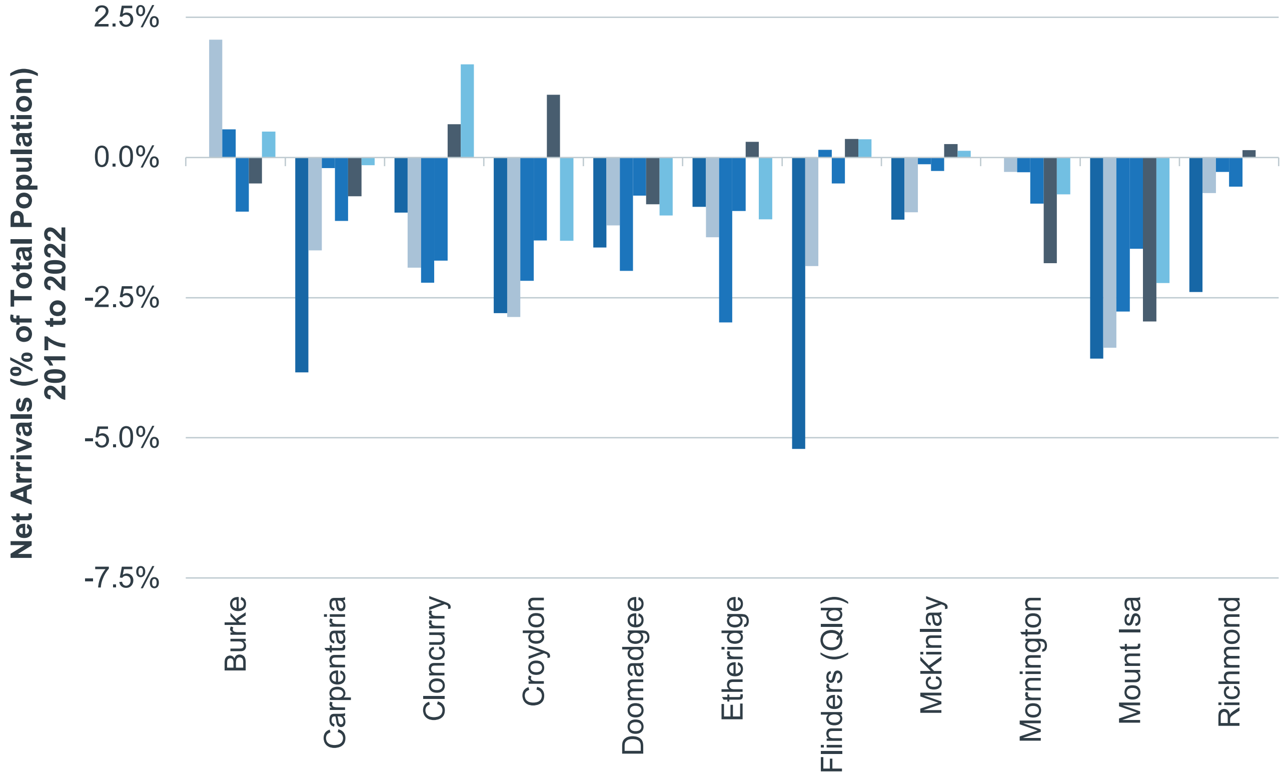
# POPULATION – NET ARRIVALS (MIGRATION)

**Key Points:**

- Coastal Northern Queensland is now a net migration destination and is growing faster than Australia generally
- Most other areas in Northern Australia are not retaining existing residents (despite a slowing of net departures)

| | Net Arrivals (% of total ERP) | | |
|---|---|---|---|
| **Region** | **2017** | **2022** | **Change** |
| **Sub-regions** | | | |
| QLD Mackay-Isaac-Whitsunday | -1.2% | 1.1% | 2.3% |
| QLD Cairns & Region | 0.5% | 1.1% | 0.5% |
| QLD Central Queensland | -0.8% | 0.8% | 1.7% |
| QLD Townsville & Region | -0.1% | 0.8% | 0.9% |
| WA Gascoyne | -2.6% | 0.7% | 3.4% |
| QLD Central West QLD | -2.8% | 0.3% | 3.1% |
| NT Rest of NT | -0.9% | -0.1% | 0.8% |
| WA Pilbara | -1.6% | -0.2% | 1.4% |
| WA Kimberley | -2.0% | -0.4% | 1.6% |
| NT Greater Darwin | -0.1% | -0.5% | -0.4% |
| QLD Cape York | 0.1% | -0.7% | -0.8% |
| QLD North West QLD | -3.0% | -1.2% | 1.8% |
| **North Australia Summary** | | | |
| Total NT | -0.4% | -0.4% | 0.1% |
| Northern QLD | -0.4% | 0.8% | 1.2% |
| Northern WA | -1.8% | -0.2% | 1.6% |
| **Northern Australia** | **-0.5%** | **0.5%** | **1.1%** |
| **Australia** | **1.1%** | **0.7%** | **-0.4%** |




ABS (2023). Regional Population, 2022. Cat no. 3218.0. Australian Bureau of Statistics, Canberra

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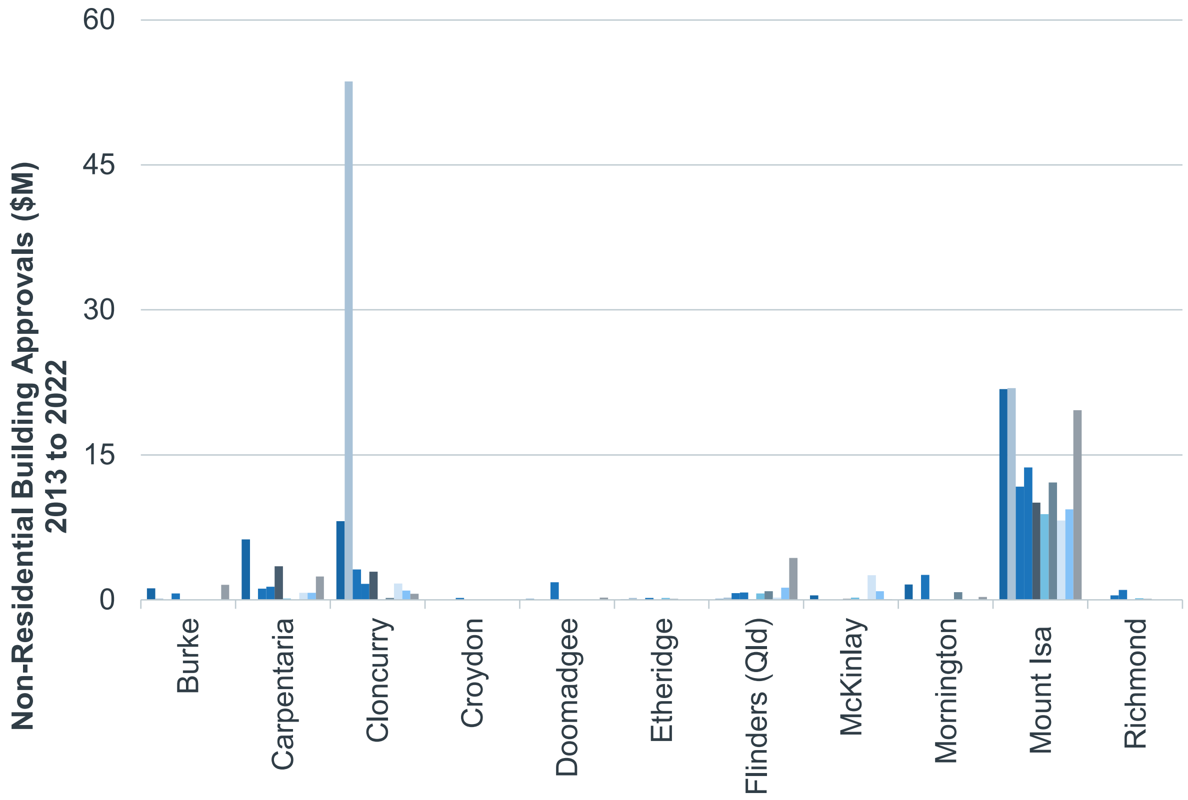
# INVESTMENT – NON-RESIDENTIAL BUILDING APPROVALS

**Key Points:**

- Non-residential building approvals in northern Western Australia and the Northern Territory have not grown at the same rate as Northern Queensland or Australia generally.

| | Total Non-Resi Investment ($M) | | |
|---|---|---|---|
| **Region** | **2015** | **2022** | **Change** |
| **Sub-regions** | | | |
| NT Greater Darwin | 719 | 645 | -10% |
| QLD Townsville & Region | 313 | 510 | 63% |
| QLD Mackay-Isaac-Whitsunday | 116 | 398 | 243% |
| WA Pilbara | 315 | 376 | 20% |
| QLD Central Queensland | 158 | 328 | 108% |
| QLD Cairns & Region | 120 | 300 | 150% |
| NT Rest of NT | 123 | 209 | 70% |
| WA Gascoyne | 34 | 69 | 104% |
| WA Kimberley | 48 | 54 | 13% |
| QLD North West QLD | 20 | 29 | 47% |
| QLD Cape York | 21 | 25 | 21% |
| QLD Central West QLD | 4 | 6 | 60% |
| **North Australia Summary** | | | |
| Total NT | 842 | 854 | 1% |
| Northern QLD | 750 | 1,595 | 113% |
| Northern WA | 397 | 499 | 26% |
| **Northern Australia** | **1,990** | **2,949** | **48%** |
| **Australia** | **29,447** | **58,162** | **97.5%** |




Source: ABS (2022). Building Approvals, Australia, Jun 2022. Cat no. 8731.0. Australian Bureau of Statistics, Canberra

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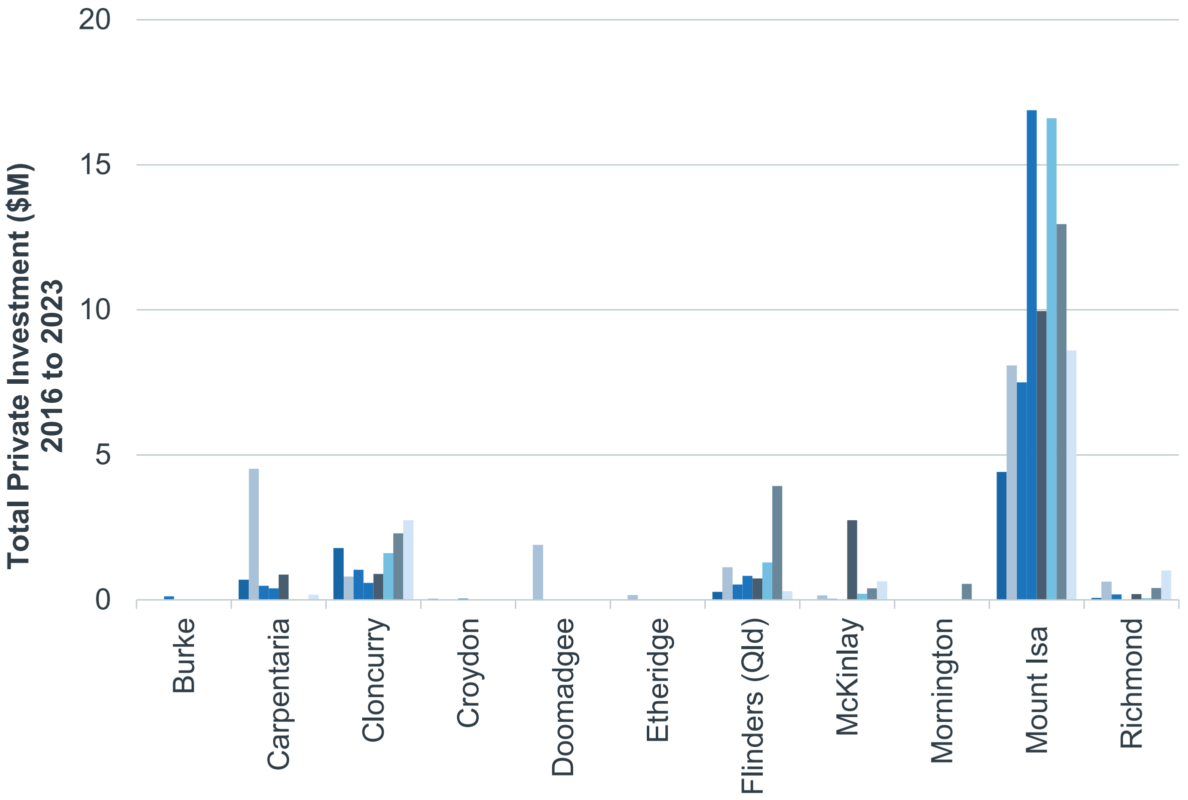
# INVESTMENT – PRIVATE INVESTMENT

**Key Points:**

- Private investment has grown faster than Australia generally, except for the Northern Territory
- The North's share of total private investment in Australia has grown from 2.12% to 2.9%.

| | PRIVATE INVESTMENT ($M) | | |
|---|---|---|---|
| **Region** | **2016** | **2022** | **Change** |
| **Sub-regions** | | | |
| QLD Cairns & Region | 268 | 747 | 179% |
| QLD Mackay-Isaac-Whitsunday | 99 | 729 | 638% |
| QLD Townsville & Region | 312 | 674 | 116% |
| QLD Central Queensland | 123 | 651 | 429% |
| NT Greater Darwin | 239 | 394 | 65% |
| WA Pilbara | 55 | 283 | 413% |
| NT Rest of NT | 29 | 105 | 265% |
| WA Kimberley | 19 | 66 | 253% |
| WA Gascoyne | 7 | 60 | 784% |
| QLD North West QLD | 7 | 21 | 182% |
| QLD Cape York | 7 | 14 | 99% |
| QLD Central West QLD | 3 | 9 | 244% |
| **North Australia Summary** | | | |
| Total NT | 268 | 499 | 86% |
| Northern QLD | 820 | 2,845 | 247% |
| Northern WA | 81 | 409 | 408% |
| **Northern Australia** | **1,168** | **3,753** | **221%** |
| **Australia** | **55,470** | **130,131** | **134.6%** |
| **% of Australia** | **2.1%** | **2.9%** | |




Source: ABS (2022). Building Approvals, Australia, Jun 2022. Cat no. 8731.0. Australian Bureau of Statistics, Canberra

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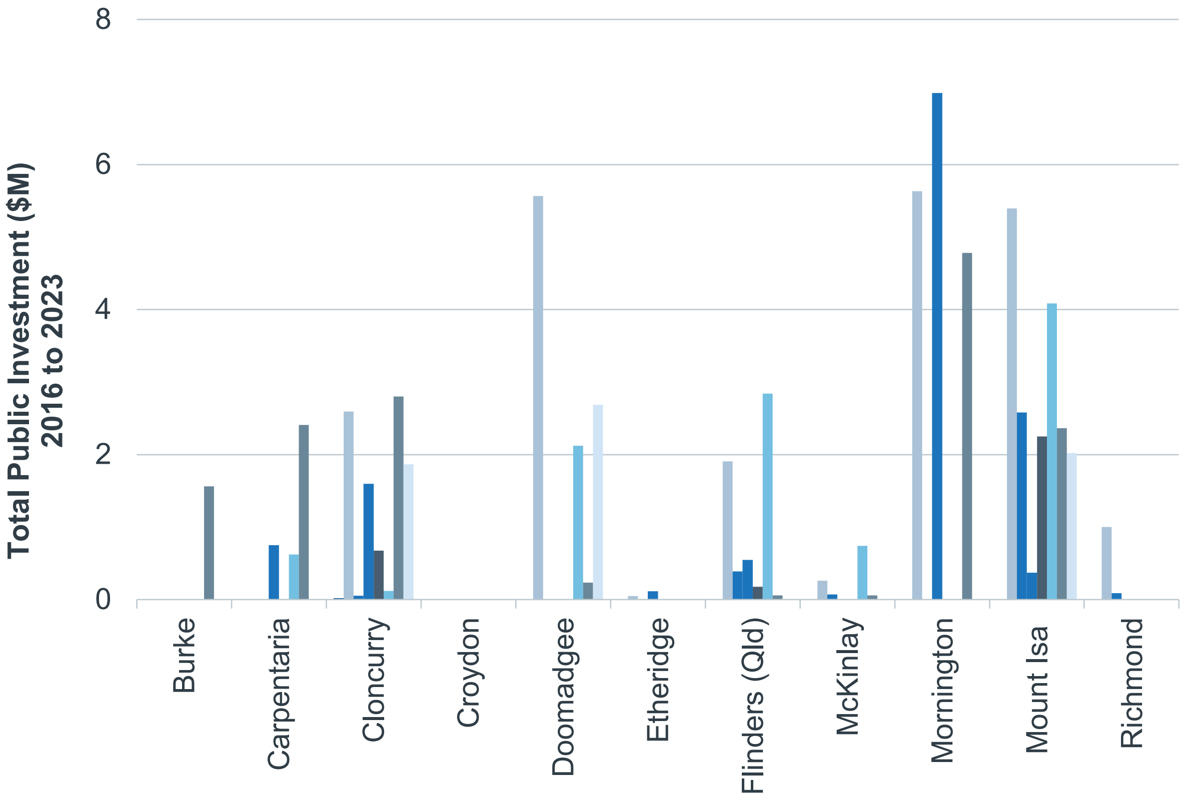
# INVESTMENT – PUBLIC INVESTMENT

**Key Points:**

- Despite growth in all sub-regions, the North's share of public investment has halved.
- Growth in public investment in Northern WA and Northern Territory have consistently been below Australia generally.

| | PUBLIC INVESTMENT ($M) | | |
|---|---|---|---|
| **Region** | **2016** | **2022** | **Change** |
| **Sub-regions** | | | |
| WA Kimberley | 48 | 302 | 530% |
| NT Greater Darwin | 159 | 263 | 66% |
| NT Rest of NT | 131 | 180 | 37% |
| QLD Townsville & Region | 47 | 163 | 242% |
| WA Pilbara | 90 | 143 | 59% |
| QLD Central Queensland | 15 | 93 | 534% |
| QLD Cairns & Region | 65 | 71 | 10% |
| QLD Mackay-Isaac-Whitsunday | 15 | 38 | 147% |
| QLD Cape York | 24 | 29 | 20% |
| WA Gascoyne | 5 | 25 | 437% |
| QLD Central West QLD | 1 | 16 | 1964% |
| QLD North West QLD | 0.02 | 14 | 79168% |
| **North Australia Summary** | | | |
| Total NT | 290 | 443 | 53% |
| Northern QLD | 167 | 425 | 154% |
| Northern WA | 142 | 470 | 230% |
| **Northern Australia** | **600** | **1,337** | **123%** |
| **Australia** | **5,027** | **22,778** | **353.1%** |
| **% of Australia** | **11.9%** | **5.9%** | |



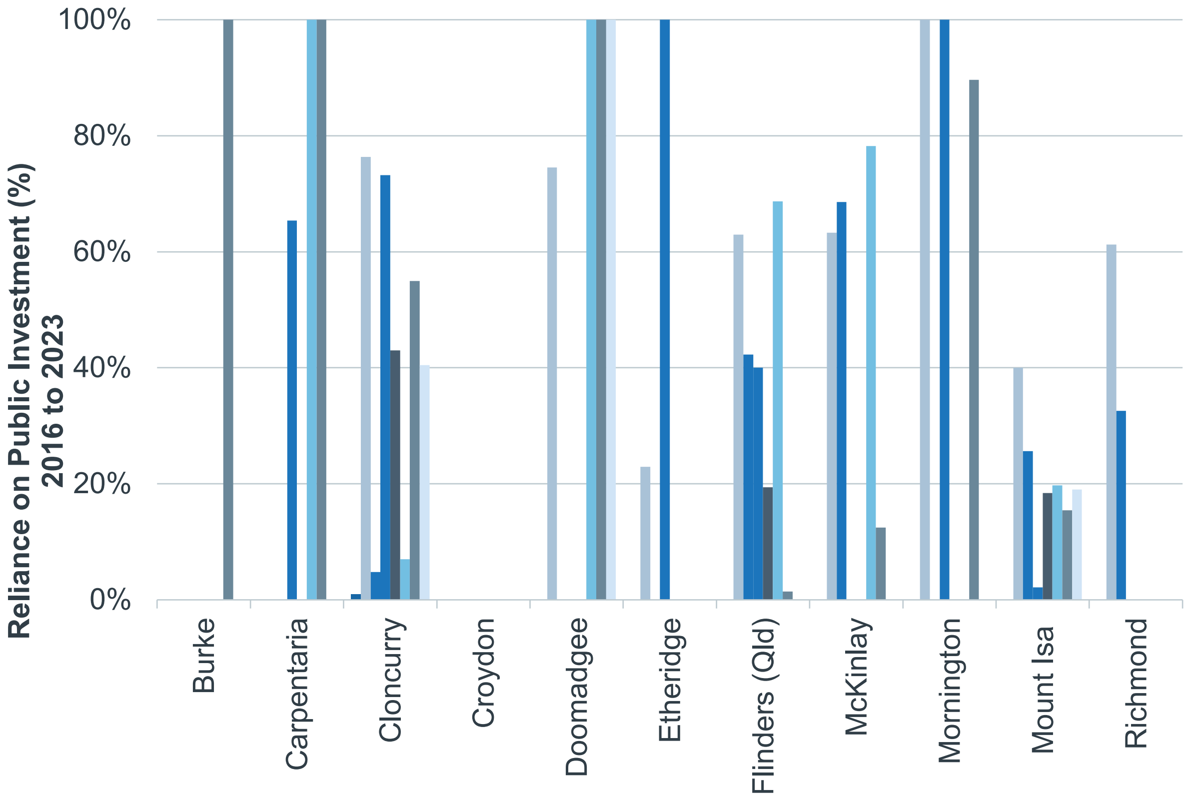

Source: ABS (2022). Building Approvals, Australia, Jun 2022. Cat no. 8731.0. Australian Bureau of Statistics, Canberra

# INVESTMENT – RELIANCE ON PUBLIC INVESTMENT

**Key Points:**

- Despite some reduction, the North continues to rely on public investment for growth.
- Some sub-regions in the North are considerably more reliant on public investment and others receive much less public investment than Australia generally.

| | % of Investment is Public | | |
|---|---|---|---|
| **Region** | **2016** | **2022** | **Change** |
| **Sub-regions** | | | |
| WA Kimberley | 72.0% | 82.1% | 10% |
| QLD Cape York | 76.6% | 66.4% | -10% |
| QLD Central West QLD | 23.3% | 64.6% | 41% |
| NT Rest of NT | 82.1% | 63.2% | -19% |
| QLD North West QLD | 0.2% | 41.0% | 41% |
| NT Greater Darwin | 39.9% | 40.0% | 0% |
| WA Pilbara | 61.9% | 33.5% | -28% |
| WA Gascoyne | 40.7% | 29.4% | -11% |
| QLD Townsville & Region | 13.2% | 19.4% | 6% |
| QLD Central Queensland | 10.7% | 12.6% | 2% |
| QLD Cairns & Region | 19.5% | 8.7% | -11% |
| QLD Mackay-Isaac-Whitsunday | 13.5% | 5.0% | -9% |
| **North Australia Summary** | | | |
| Total NT | 52.0% | 47.0% | -5% |
| Northern QLD | 16.9% | 13.0% | -4% |
| Northern WA | 63.9% | 53.4% | -10% |
| **Northern Australia** | **33.9%** | **26.3%** | **-8%** |
| **Australia** | **8.3%** | **14.9%** | **6.6%** |




Source: ABS (2022). Building Approvals, Australia, Jun 2022. Cat no. 8731.0. Australian Bureau of Statistics, Canberra

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# KEY INDUSTRY PERFORMANCE

This section explores the performance of the following key industries (measured through total employment – Place of Work):

- Agriculture
- Mining
- Tourism
- International education
- Defence

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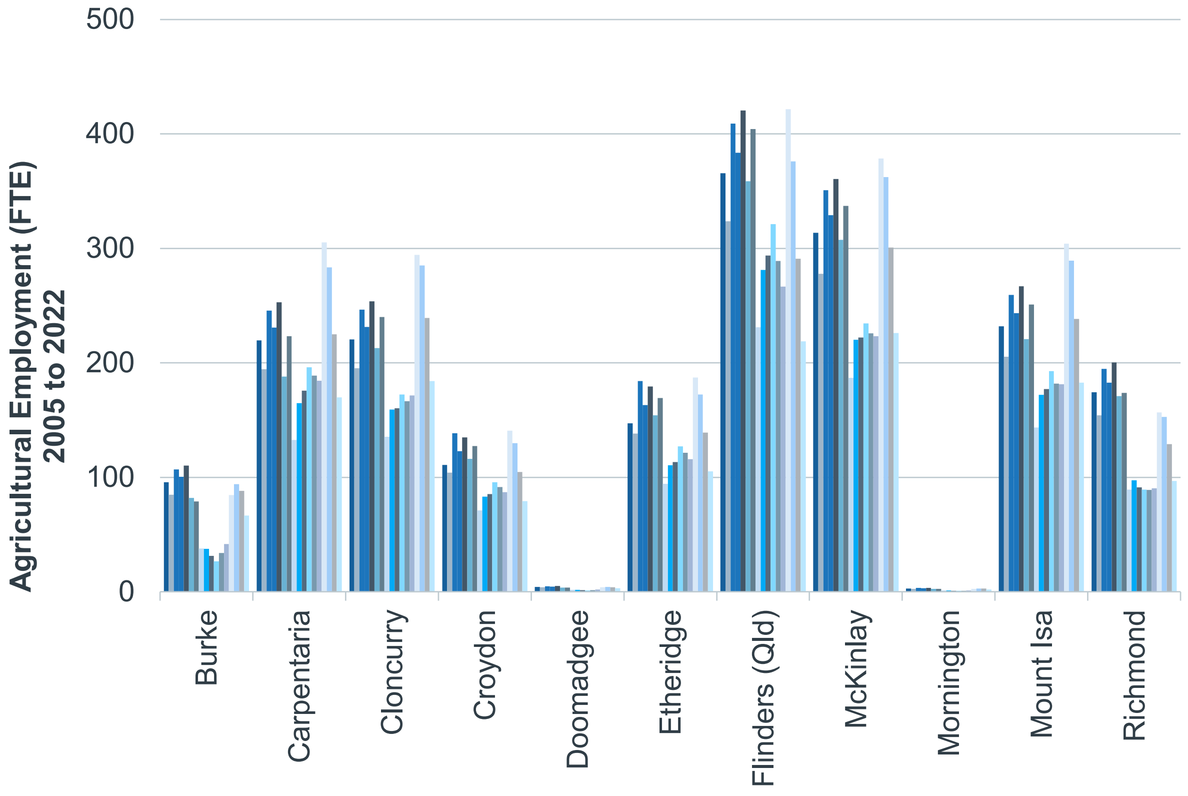
# KEY INDUSTRY – AGRICULTURE (INCL FORESTRY AND AQUACULTURE)

**Key Points:**

- Total employment in agriculture has declined across Northern Australia.
- Despite gains in Northern WA and the Northern Territory, Northern Queensland is in decline.

| | Total Employment | | |
|---|---|---|---|
| **Region** | **2015** | **2022** | **Change (%)** |
| **Sub-regions** | | | |
| QLD Cairns & Region | 5,613 | 5,397 | -4% |
| QLD Mackay-Isaac-Whitsunday | 5,875 | 4,266 | -27% |
| QLD Central Queensland | 4,818 | 4,091 | -15% |
| QLD Townsville & Region | 3,250 | 2,692 | -17% |
| NT Rest of NT | 1,342 | 1,903 | 42% |
| QLD North West QLD | 1,353 | 1,335 | -1% |
| QLD Central West QLD | 1,456 | 1,221 | -16% |
| WA Kimberley | 618 | 925 | 50% |
| NT Greater Darwin | 790 | 797 | 1% |
| WA Gascoyne | 511 | 551 | 8% |
| QLD Cape York | 314 | 294 | -6% |
| WA Pilbara | 209 | 288 | 38% |
| **North Australia Summary** | | | |
| Total NT | 2,132 | 2,700 | 27% |
| Northern QLD | 22,680 | 19,297 | -15% |
| Northern WA | 1,338 | 1,765 | 32% |
| **Northern Australia** | **26,149** | **23,761** | **-9%** |
| **Australia** | **271,111** | **274,413** | **1.2%** |
| **% of Australia** | **9.6%** | **8.7%** | **-1.0%** |



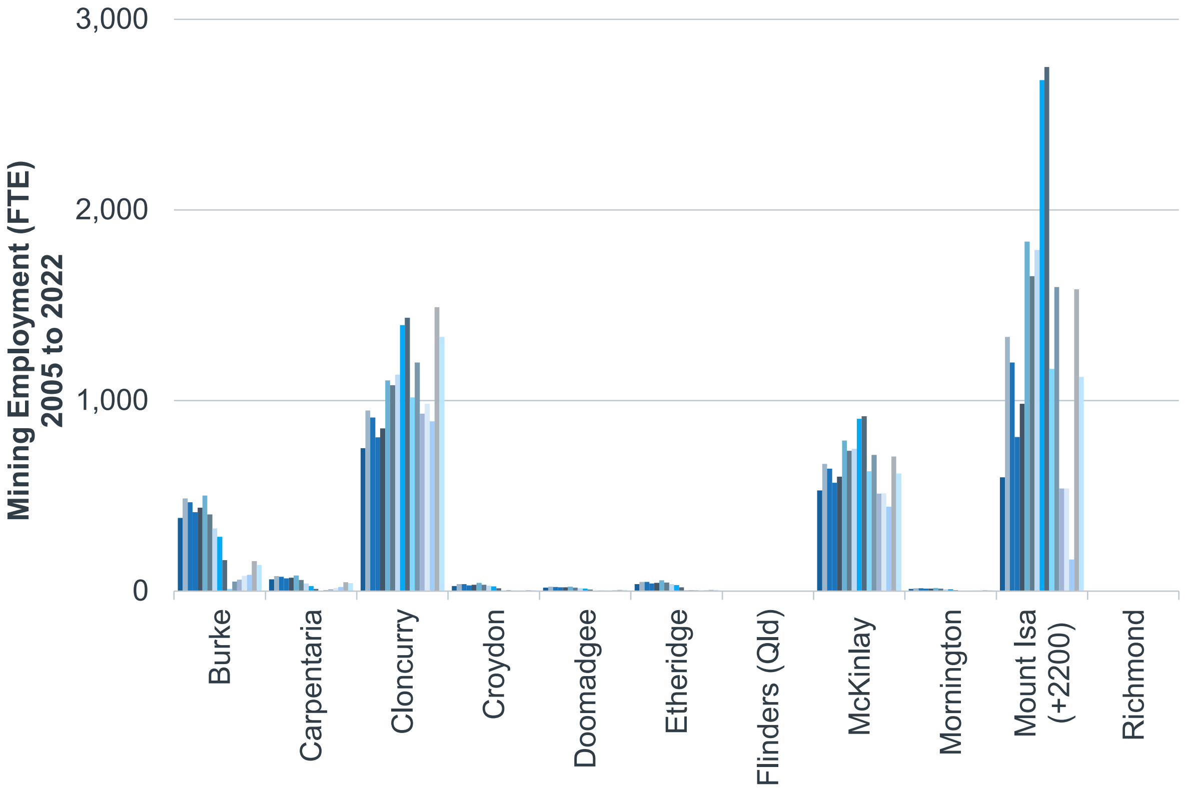

Source: AEC (unpublished). Employment Estimates Model 2021-22. AEC Group, Townsville

# KEY INDUSTRY – MINING (INCL GAS)

**Key Points:**

- Employment in mining in Northern Australia has grown considerably, principally in the Pilbara.
- In Northern Queensland, employment in coal mining has remained steady, while non-coal regions have declined.

| | Total Employment | | |
|---|---|---|---|
| **Region** | **2015** | **2022** | **Change (%)** |
| **Sub-regions** | | | |
| WA Pilbara | 24,244 | 41,430 | 71% |
| QLD Mackay-Isaac-Whitsunday | 16,570 | 18,255 | 10% |
| QLD Central Queensland | 11,606 | 9,096 | -22% |
| QLD North West QLD | 7,528 | 5,476 | -27% |
| NT Rest of NT | 2,641 | 3,209 | 21% |
| QLD Townsville & Region | 1,278 | 1,474 | 15% |
| QLD Cape York | 1,559 | 1,151 | -26% |
| NT Greater Darwin | 1,342 | 1,112 | -17% |
| WA Kimberley | 792 | 1,107 | 40% |
| QLD Cairns & Region | 646 | 553 | -14% |
| WA Gascoyne | 320 | 401 | 25% |
| QLD Central West QLD | 81 | 29 | -64% |
| **North Australia Summary** | | | |
| Total NT | 3,984 | 4,320 | 8% |
| Northern QLD | 39,267 | 36,034 | -8% |
| Northern WA | 25,356 | 42,938 | 69% |
| **Northern Australia** | **68,607** | **83,292** | **21%** |
| **Australia** | **200,745** | **263,227** | **31.1%** |
| **% of Australia** | **34.2%** | **31.6%** | **-2.5%** |




Source: AEC (unpublished). Employment Estimates Model 2021-22. AEC Group, Townsville

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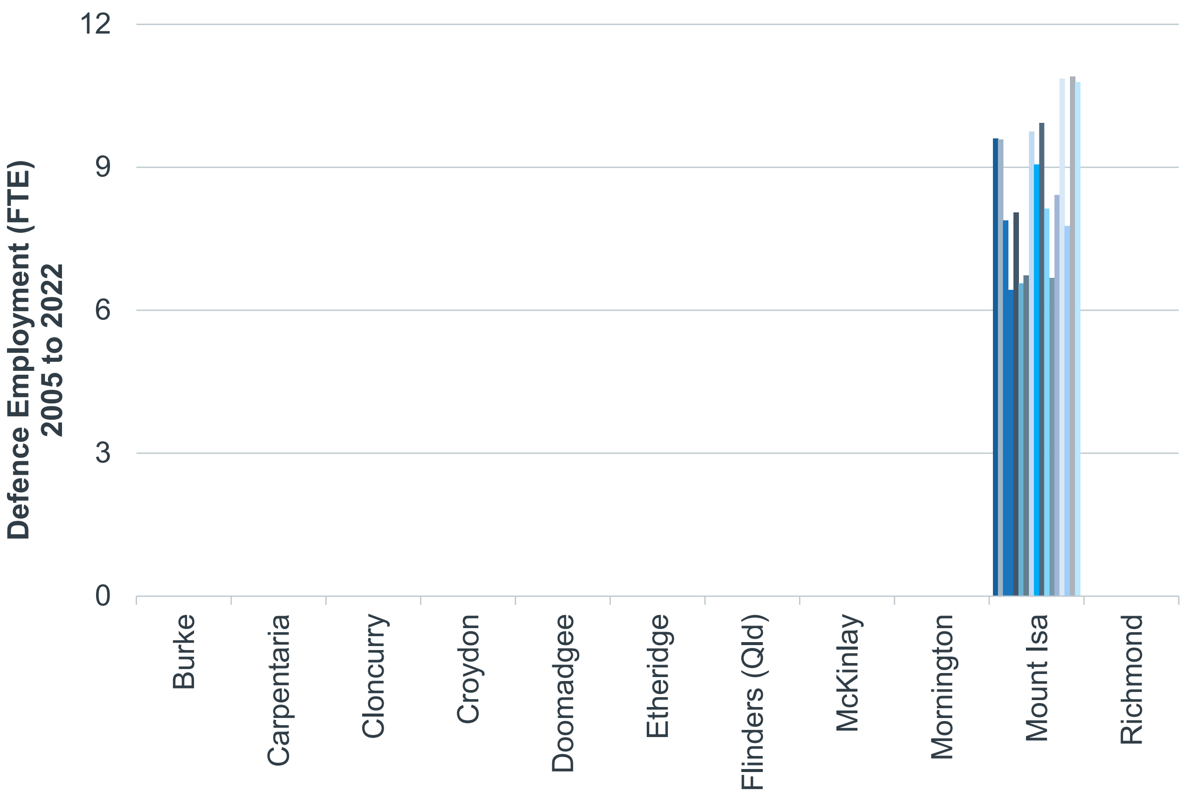
# KEY INDUSTRY – DEFENCE

**Key Points:**

- Total employment in Defence has declined across Northern Australia, both in total FTEs and as proportion of Australia.
- Growth in Defence across Australia is primarily occurring in southern Australia.

| | Total Employment | | |
|---|---|---|---|
| **Region** | **2015** | **2022** | **Change (%)** |
| **Sub-regions** | | | |
| QLD Townsville & Region | 5,970 | 6,081 | 2% |
| NT Greater Darwin | 4,261 | 3,832 | -10% |
| NT Rest of NT | 918 | 959 | 5% |
| QLD Cairns & Region | 1,049 | 906 | -14% |
| QLD Cape York | 92 | 112 | 22% |
| QLD Central Queensland | 100 | 61 | -39% |
| WA Pilbara | 44 | 58 | 32% |
| WA Gascoyne | 36 | 37 | 3% |
| WA Kimberley | 10 | 20 | 109% |
| QLD Mackay-Isaac-Whitsunday | 19 | 14 | -28% |
| QLD North West QLD | 10 | 11 | 9% |
| QLD Central West QLD | 12 | 7 | -43% |
| **North Australia Summary** | | | |
| Total NT | 5,178 | 4,791 | -7% |
| Northern QLD | 7,251 | 7,191 | -1% |
| Northern WA | 90 | 116 | 29% |
| **Northern Australia** | **12,519** | **12,098** | **-3%** |
| **Australia** | **76,963** | **91,939** | **19.5%** |
| **% of Australia** | **16.3%** | **13.2%** | **-3.1%** |

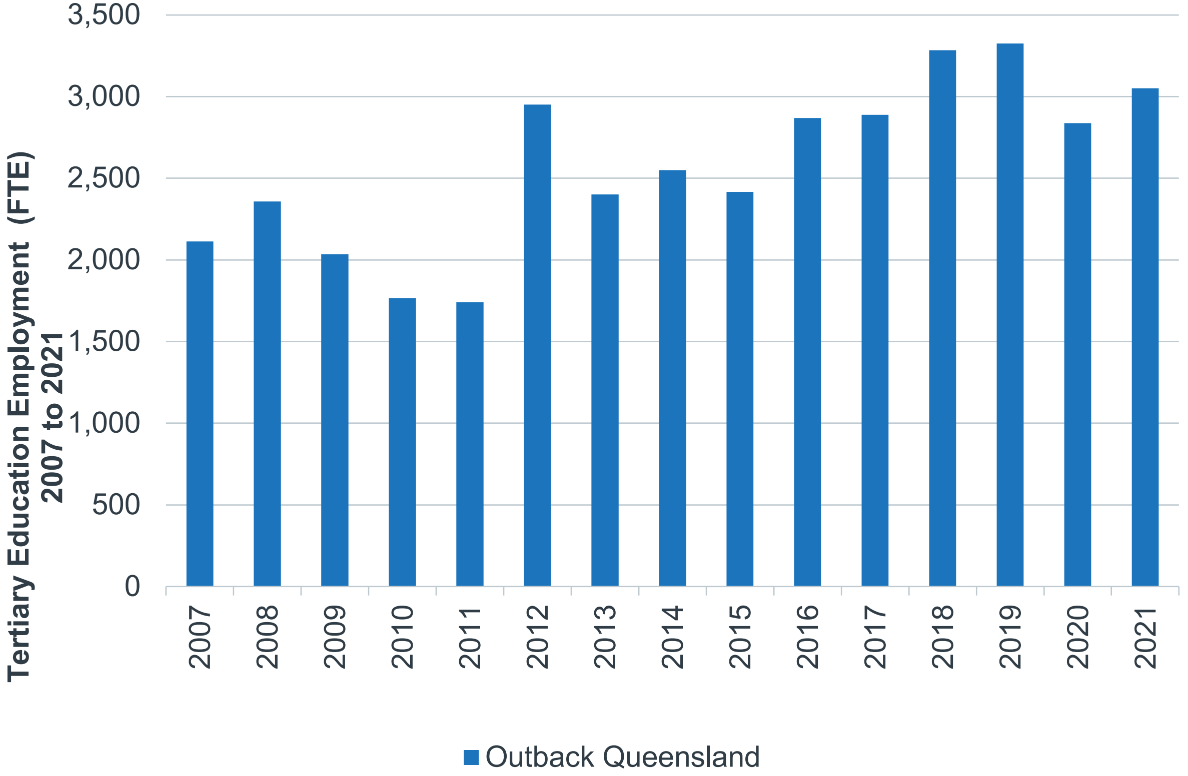



Source: AEC (unpublished). Employment Estimates Model 2021-22. AEC Group, Townsville

# KEY INDUSTRY – TOURISM

**Key Points:**
- Pre-COVID-19, tourism in Northern Australia was lagging behind growth in Australia generally.
- Northern Australia's tourism industry has persevered with the COVID-19 pandemic better than Australia and increased its share of total industry employment.

| | Total Employment | | |
|---|---|---|---|
| **Region** | **2015** | **2021** | **Change (%)** |
| **Sub-regions** | | | |
| QLD Tropical North Queensland | 16,863 | 14,857 | -12% |
| QLD Mackay-Isaac-Whitsunday | 6,264 | 7,965 | 27% |
| QLD Central Queensland | 5,454 | 7,129 | 31% |
| WA Australia's North West | 6,607 | 5,957 | -10% |
| WA Gascoyne-Geraldton | 6,139 | 5,917 | -4% |
| QLD Townsville & Region | 5,796 | 4,871 | -16% |
| NT Greater Darwin | 5,238 | 4,595 | -12% |
| QLD Outback Queensland | 2,416 | 3,051 | 26% |
| NT Rest of NT | 2,934 | 2,923 | 0% |
| **North Australia Summary** | | | |
| Total NT | 8,172 | 7,518 | -8% |
| Northern QLD | 36,792 | 37,873 | 3% |
| Northern WA | 12,746 | 11,874 | -7% |
| **Northern Australia** | **57,710** | **57,265** | **-1%** |
| **Australia** | **565,726** | **500,622** | **-11.5%** |
| **% of Australia** | **10.2%** | **11.4%** | **1.2%** |



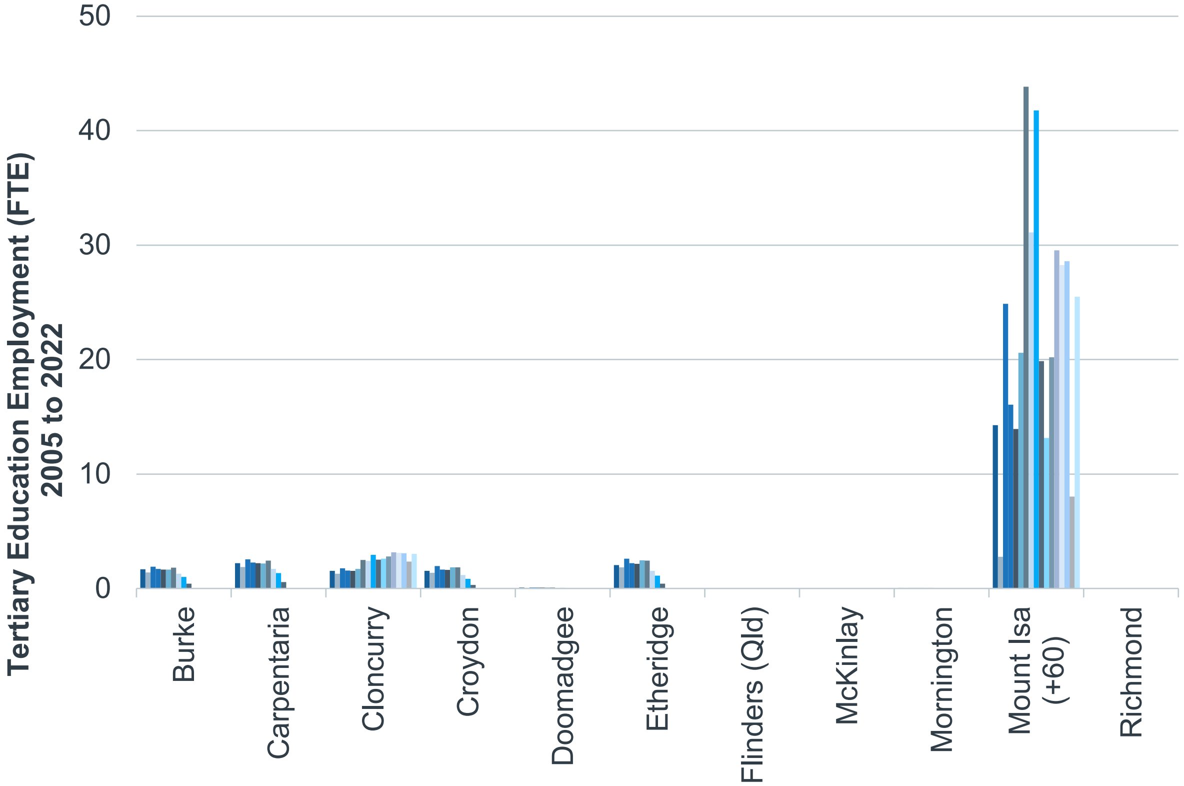

Source: TRA (2023). Regional Tourism Satellite Account. Tourism Research Australia, Canberra

# KEY INDUSTRY – TERTIARY EDUCATION

**Key Points:**

- Growth in employment in tertiary education remains at or below Australian averages.
- Sector employment has grown in Northern Queensland's major university hubs, while contracting in Darwin.

| | Total Employment | | |
|---|---|---|---|
| **Region** | **2015** | **2022** | **Change (%)** |
| **Sub-regions** | | | |
| QLD Townsville & Region | 2,446 | 2,461 | 1% |
| QLD Cairns & Region | 1,134 | 1,537 | 36% |
| QLD Central Queensland | 1,466 | 1,474 | 1% |
| NT Greater Darwin | 1,442 | 1,329 | -8% |
| QLD Mackay-Isaac-Whitsunday | 464 | 416 | -10% |
| NT Rest of NT | 433 | 325 | -25% |
| WA Kimberley | 295 | 220 | -25% |
| WA Pilbara | 209 | 173 | -17% |
| QLD North West QLD | 84 | 89 | 5% |
| QLD Cape York | 29 | 53 | 82% |
| QLD Central West QLD | 29 | 22 | -24% |
| WA Gascoyne | 33 | 16 | -51% |
| **North Australia Summary** | | | |
| Total NT | 1,875 | 1,654 | -12% |
| Northern QLD | 5,652 | 6,052 | 7% |
| Northern WA | 537 | 409 | -24% |
| **Northern Australia** | **8,064** | **8,114** | **1%** |
| **Australia** | **221,820** | **235,325** | **6.1%** |
| **% of Australia** | **3.6%** | **3.4%** | **-0.2%** |



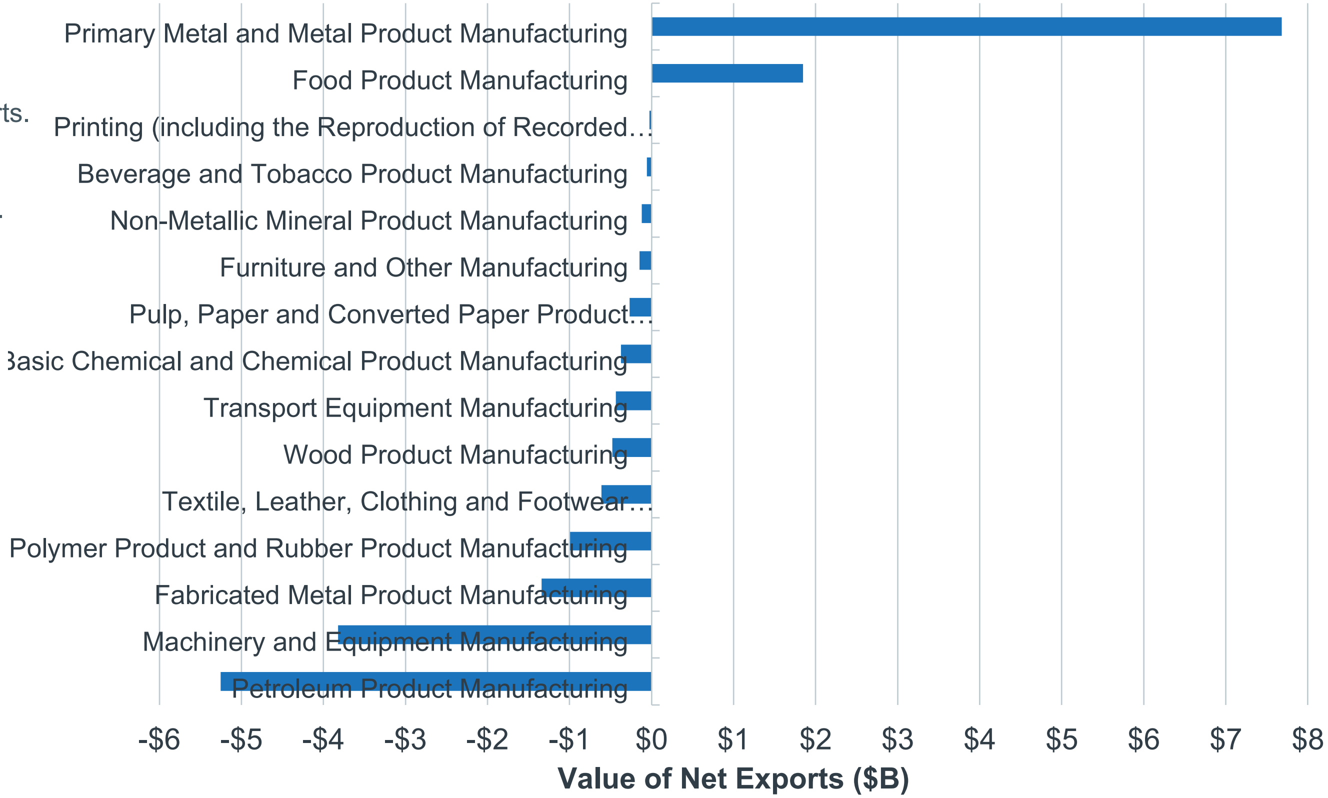

Source: AEC (unpublished). Employment Estimates Model 2021-22. AEC Group, Townsville

# KEY INDUSTRY – MANUFACTURING

**Key Points:**

- Northern Australia has a $4.39 billion manufacturing trade deficit, principally driven by liquid fuel and machinery imports.
- The only net export sectors include metals (namely aluminium) and food products (sugar and beef)
- 90% of manufacturing export is from Northern Queensland.

| Sector | Exports ($B) | Imports ($B) | Net Exports |
|---|---|---|---|
| Primary Metal and Metal Products | $8.42 | -$0.74 | $7.68 |
| Food Product Manufacturing | $3.06 | -$1.21 | $1.85 |
| Printing (including Media Reproduction) | $0.06 | -$0.09 | -$0.02 |
| Beverage and Tobacco Products | $0.10 | -$0.16 | -$0.06 |
| Non-Metallic Mineral Products | $0.42 | -$0.54 | -$0.12 |
| Furniture and Other Manufacturing | $0.08 | -$0.23 | -$0.15 |
| Pulp, Paper and Converted Paper Products | $0.05 | -$0.31 | -$0.27 |
| Basic Chemical and Chemical Products | $0.96 | -$1.33 | -$0.37 |
| Transport Equipment | $0.56 | -$1.00 | -$0.44 |
| Wood Products | $0.10 | -$0.58 | -$0.48 |
| Textile, Leather, Clothing and Footwear | $0.06 | -$0.67 | -$0.61 |
| Polymer Product and Rubber Products | $0.10 | -$1.09 | -$0.99 |
| Fabricated Metal Products | $0.48 | -$1.81 | -$1.34 |
| Machinery and Equipment | $0.34 | -$4.16 | -$3.82 |
| Petroleum Products | $0.21 | -$5.47 | -$5.25 |
| **Manufacturing Total** | **$15.00** | **$19.39** | **$4.39** |




Source: AEC (unpublished). AEC Supply Chain Model 2020-21. AEC Group, Townsville

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# SOCIAL DEVELOPMENT INDICATORS

This section explores the performance of the following social development indicators:

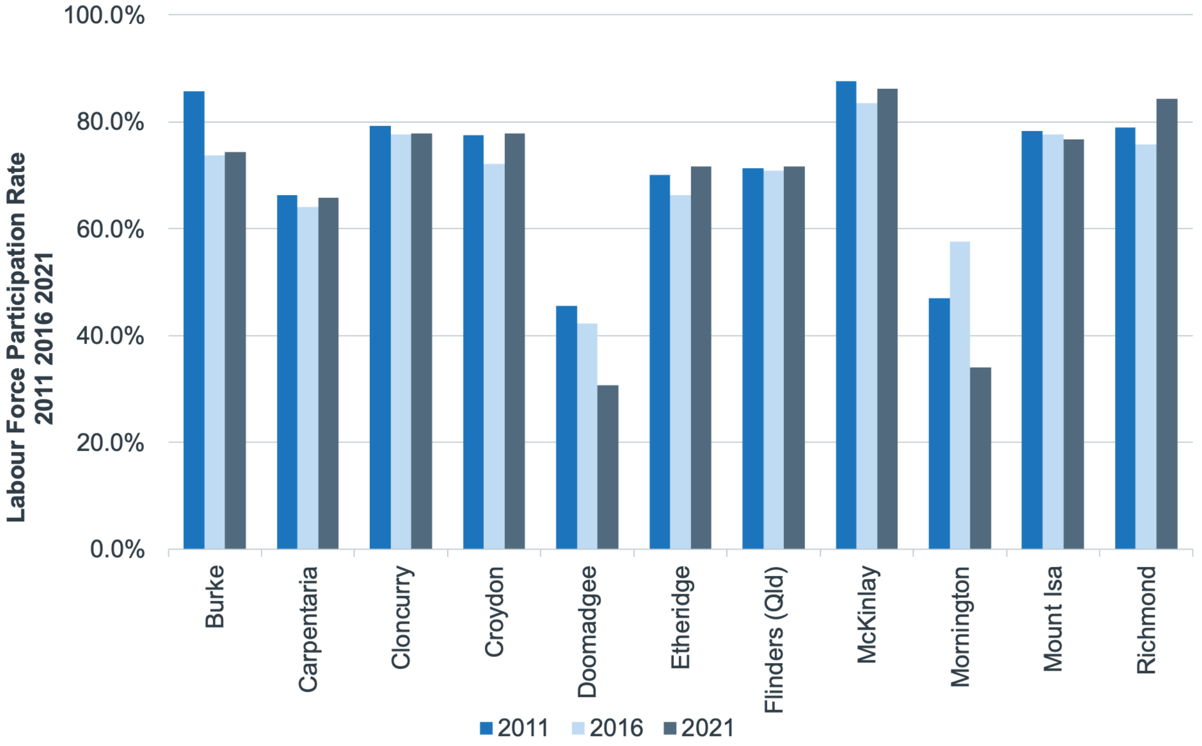
- Labour force participation
- Non-resident employment (FIFO)
- Prevalence of long-term health conditions
- Average household income
- Non-school qualifications

# LABOUR FORCE – PARTICIPATION

**Key Points:**

- Participation is generally higher in the North, but highly variable across regions.
- Participation in most Northern regions has deteriorated over time.

| Region | 2011 | 2016 | 2021 |
|---|---|---|---|
| **Sub-regions** | | | |
| WA Pilbara | 86% | 84% | 83% |
| NT Greater Darwin | 77% | 77% | 76% |
| QLD Central West QLD | 73% | 72% | 73% |
| QLD North West QLD | 76% | 74% | 73% |
| QLD Mackay-Isaac-Whitsunday | 73% | 70% | 71% |
| WA Gascoyne | 69% | 69% | 71% |
| QLD Townsville & Region | 69% | 67% | 67% |
| QLD Central Queensland | 70% | 68% | 67% |
| QLD Cairns & Region | 67% | 66% | 65% |
| WA Kimberley | 65% | 66% | 65% |
| QLD Cape York | 62% | 61% | 61% |
| NT Rest of NT | 62% | 58% | 55% |
| **North Australia Summary** | | | |
| Total NT | 71% | 71% | 69% |
| Northern QLD | 70% | 68% | 68% |
| Northern WA | 78% | 77% | 76% |
| **Northern Australia** | **71%** | **69%** | 68% |
| **Australia** | **65%** | **65%** | **65%** |




Source: ABS (2022). Census of Population and Housing, 2021. Australian Bureau of Statistics, Canberra

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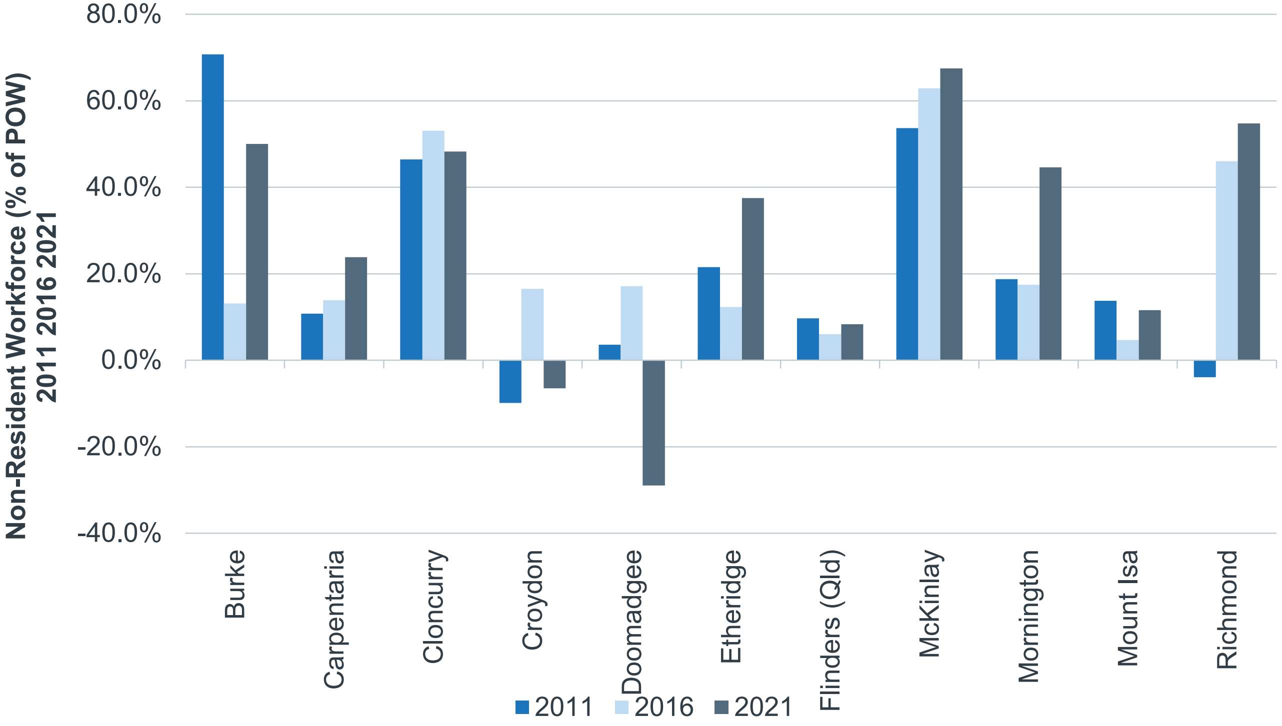
# LABOUR FORCE – NON-RESIDENT WORKFORCE

**Key Points:**

- Increasing number of jobs not filled by local residents
- Some Northern regions are FIFO hubs, but their prominence is diminishing

| | Non-Resident Workers | | |
|---|---|---|---|
| **Region** | **2011** | **2016** | **2021** |
| **Sub-regions** | | | |
| WA Pilbara | 21,442 | 31,852 | 31,888 |
| QLD Mackay-Isaac-Whitsunday | 6,985 | 6,337 | 9,494 |
| NT Rest of NT | 4,250 | 4,261 | 5,418 |
| QLD North West QLD | 4,932 | 3,635 | 5,037 |
| QLD Central Queensland | 3,287 | 3,473 | 2,907 |
| WA Kimberley | 2,930 | 1,669 | 1,951 |
| QLD Cape York | 593 | 1,245 | 1,012 |
| QLD Central West QLD | 463 | 316 | 439 |
| WA Gascoyne | 191 | 666 | 399 |
| NT Greater Darwin | -861 | 2,594 | -420 |
| QLD Townsville & Region | -5,528 | -1,362 | -3,086 |
| QLD Cairns & Region | -4,243 | -2,865 | -3,171 |
| **North Australia Summary** | | | |
| Total NT | 3,389 | 6,855 | 4,998 |
| Northern QLD | 6,489 | 10,779 | 12,633 |
| Northern WA | 24,563 | 34,187 | 34,239 |
| **Northern Australia** | **34,441** | **51,821** | **51,870** |




Source: ABS (2023). Regional Population, 2022. Cat no. 3218.0. Australian Bureau of Statistics, Canberra

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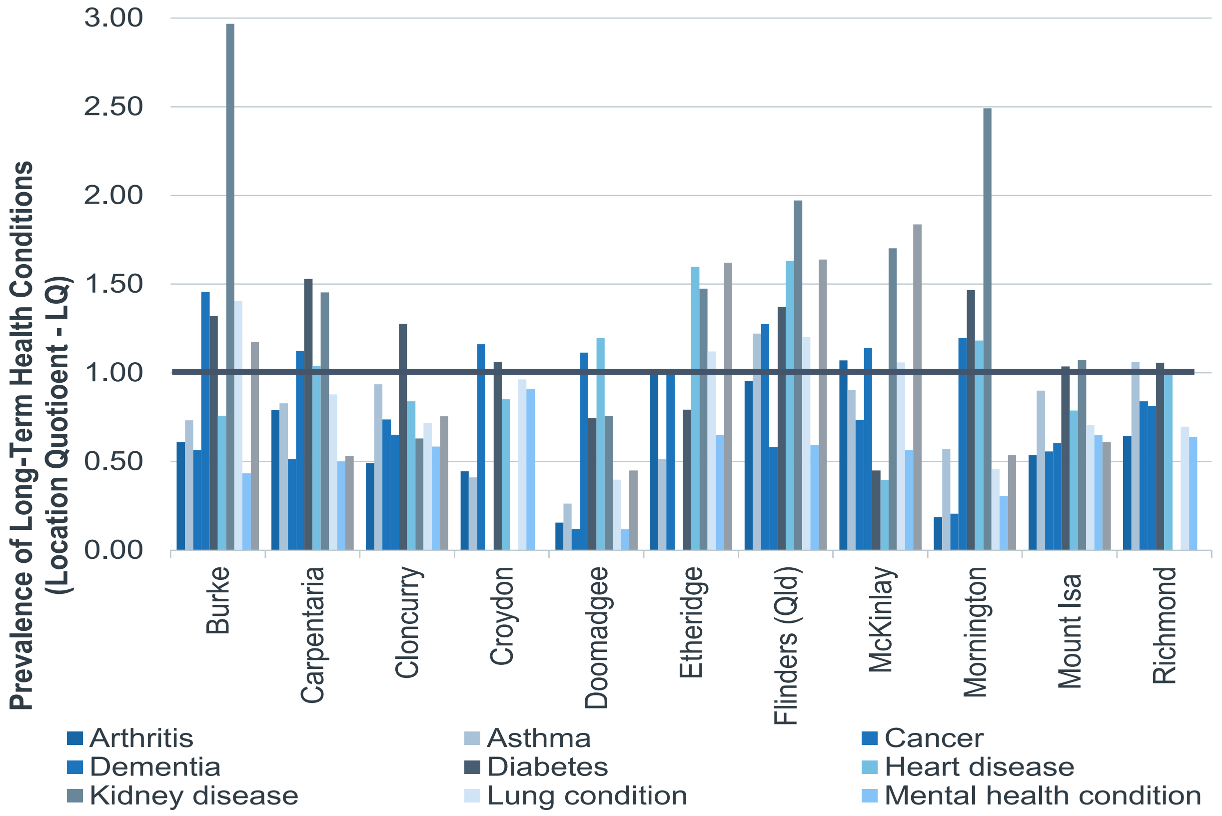
# SOCIAL DEVELOPMENT – LONG-TERM HEALTH CONDITIONS

**Key Points:**

- Townsville & North Queensland has the highest incidence of long-term health conditions (39% of total population).
- Some Northern regions have a high incidence of kidney disease, diabetes, lung conditions and mental ill-health.

| Region | Kidney Disease | Diabetes | Lung conditions |
|---|---|---|---|
| **Sub-regions** | | | |
| QLD Townsville & Region | 1.13 | 1.07 | 1.24 |
| QLD Central Queensland | 1.09 | 1.06 | 1.41 |
| QLD Central West QLD | 1.45 | 1.21 | 1.28 |
| QLD Cairns & Region | 1.03 | 0.97 | 1.17 |
| QLD Mackay-Isaac-Whitsunday | 1.01 | 0.96 | 1.12 |
| NT Rest of NT | 1.44 | 1.12 | 0.57 |
| WA Gascoyne | 1.04 | 1.00 | 0.99 |
| NT Greater Darwin | 0.82 | 0.78 | 0.72 |
| WA Kimberley | 1.08 | 0.91 | 0.58 |
| QLD North West QLD | 1.14 | 1.10 | 0.75 |
| WA Pilbara | 0.49 | 0.66 | 0.33 |
| QLD Cape York | 0.99 | 1.32 | 0.46 |
| **North Australia Summary** | | | |
| Total NT | 1.05 | 0.91 | 0.66 |
| Northern QLD | 1.07 | 1.03 | 1.20 |
| Northern WA | 0.76 | 0.78 | 0.48 |
| **Northern Australia** | **1.04** | **0.99** | **1.05** |
| **Australia** | **1.00** | **1.00** | **1.00** |




Source: ABS (2022). Census of Population and Housing, 2021. Australian Bureau of Statistics, Canberra

Note: Data presented on this page uses Location Quotients (LQ).
LQs demonstrate the local intensity of an indicator relative to a larger region.
A LQ above "1" indicates a higher local incidence of disease compared to the proportion of the same indicator in Australia.,

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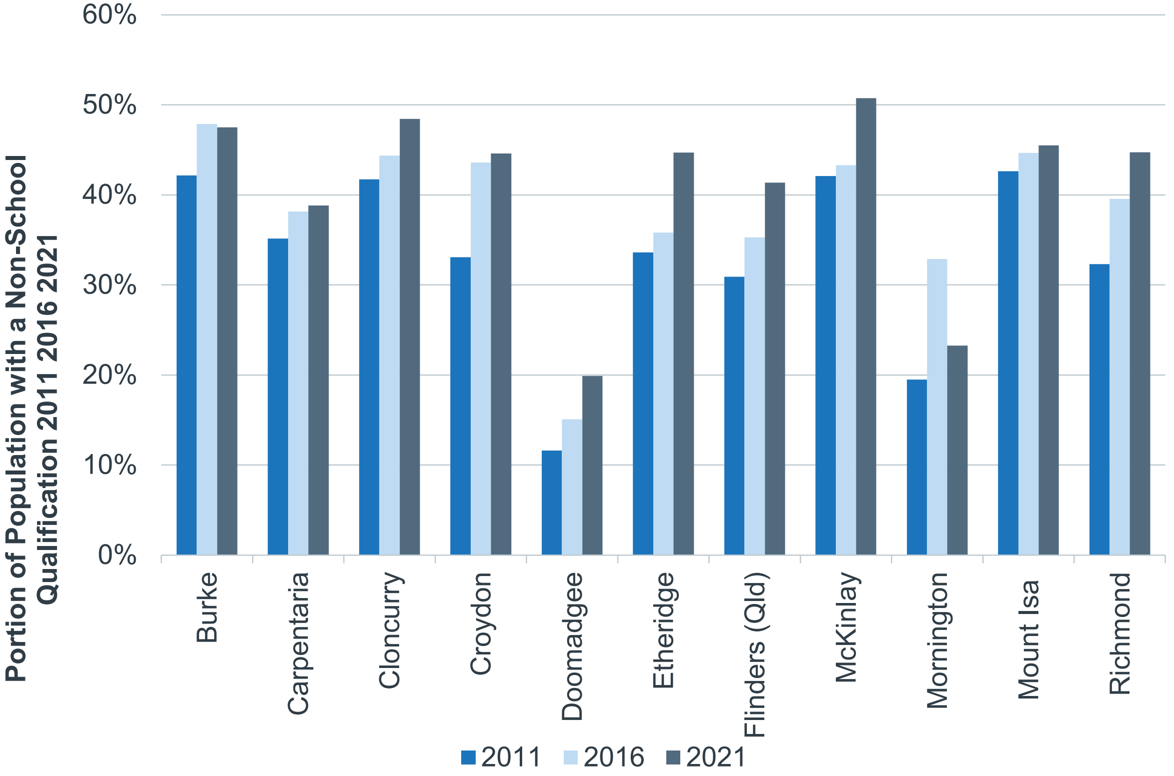
# SOCIAL DEVELOPMENT – NON-SCHOOL QUALIFICATION

**Key Points:**

- While the level of non-school qualifications are increasing, the rate of growth is lower than Australia generally.
- Some regions continue to have considerable gaps in the attainment in non-school qualifications.

| | Non-school Qualifications | | |
|---|---|---|---|
| **Region** | **2011** | **2016** | **2021** |
| **Sub-regions** | | | |
| NT Greater Darwin | 48% | 54% | 53% |
| WA Pilbara | 54% | 54% | 53% |
| QLD Cairns & Region | 43% | 48% | 50% |
| WA Gascoyne | 42% | 47% | 50% |
| QLD Mackay-Isaac-Whitsunday | 41% | 45% | 48% |
| QLD Townsville & Region | 40% | 45% | 47% |
| WA Kimberley | 43% | 46% | 46% |
| QLD Central West QLD | 34% | 41% | 46% |
| QLD Central Queensland | 39% | 43% | 45% |
| NT Rest of NT | 34% | 40% | 44% |
| QLD North West QLD | 39% | 42% | 43% |
| QLD Cape York | 34% | 39% | 43% |
| **North Australia Summary** | | | |
| Total NT | 43% | 49% | 48% |
| Northern QLD | 40% | 45% | 48% |
| Northern WA | 49% | 51% | 50% |
| **Northern Australia** | **41%** | **46%** | **48%** |
| **Australia** | **45%** | **49%** | **52%** |




ABS (2022). Census of Population and Housing, 2021. Australian Bureau of Statistics, Canberra

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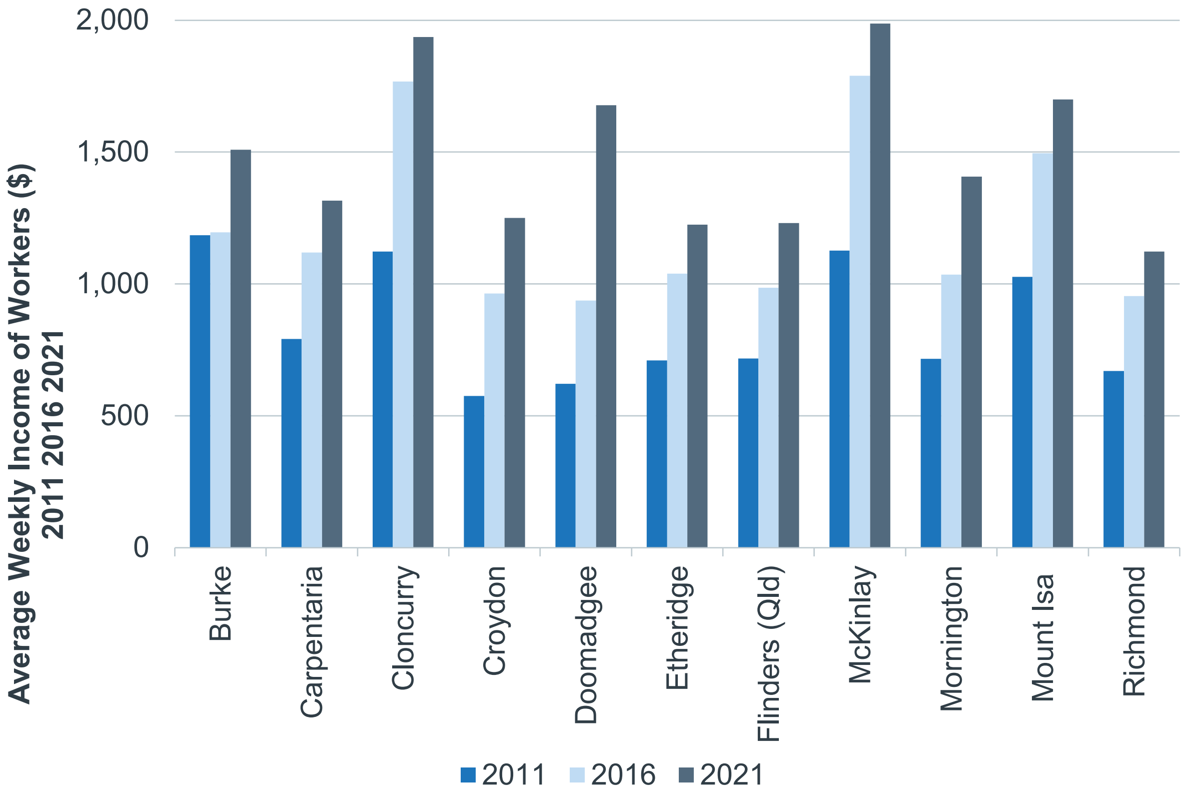
# SOCIAL DEVELOPMENT – AVERAGE WEEKLY INCOME

**Key Points:**

- Average worker income is highly variable across the North
- Incomes across nearly all regions in the North have grown slower than Australia generally between 2016 and 2021.

| | Average Weekly Income | | |
|---|---|---|---|
| **Region** | **2011** | **2016** | **2021** |
| **Sub-regions** | | | |
| WA Pilbara | $1,752 | $2,256 | $2,278 |
| QLD North West QLD | $1,285 | $1,477 | $1,668 |
| WA Kimberley | $1,163 | $1,337 | $1,531 |
| NT Greater Darwin | $1,149 | $1,505 | $1,524 |
| QLD Mackay-Isaac-Whitsunday | $1,152 | $1,310 | $1,513 |
| NT Rest of NT | $1,047 | $1,286 | $1,502 |
| QLD Central Queensland | $1,086 | $1,255 | $1,405 |
| QLD Cape York | $908 | $1,184 | $1,395 |
| WA Gascoyne | $998 | $1,292 | $1,341 |
| QLD Townsville & Region | $966 | $1,100 | $1,287 |
| QLD Central West QLD | $872 | $1,045 | $1,287 |
| QLD Cairns & Region | $882 | $1,036 | $1,203 |
| **North Australia Summary** | | | |
| Total NT | $1,114 | $1,442 | $1,517 |
| Northern QLD | $1,026 | $1,179 | $1,359 |
| Northern WA | $1,565 | $2,029 | $2,068 |
| **Northern Australia** | **$1,106** | **$1,339** | **$1,471** |
| **Australia** | **$1,012** | **$1,206** | **$1,416** |




ABS (2022). Census of Population and Housing, 2021. Australian Bureau of Statistics, Canberra

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# CARBON EMISSIONS

This section explores the net Greenhouse Gas (GHG)/carbon (CO2e) emissions, based on Australia's National Greenhouse Gas Inventory.

Primary emitting sectors include:
- Electricity generation
- Transport fuels
- Industrial processes
- Agriculture & land use
- Natural processes
- Land use change
- Waste

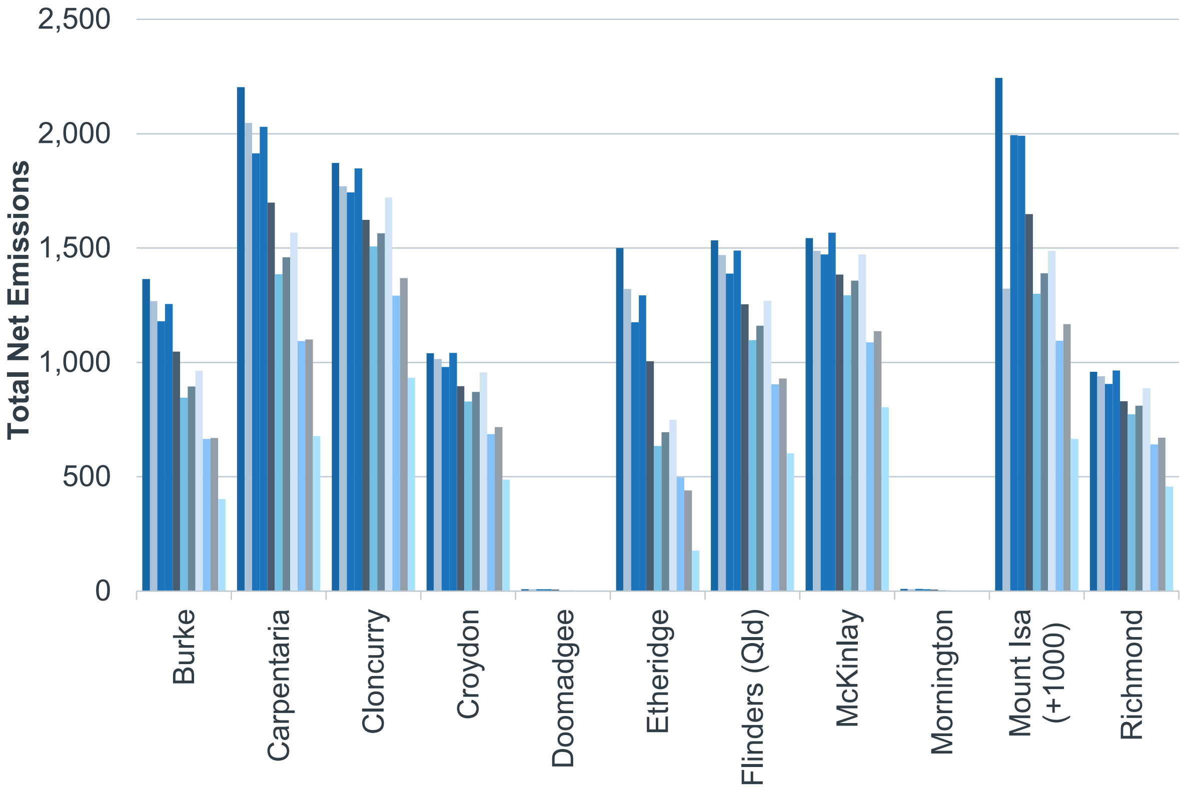
Sequestering sectors include:
- Forestry and forest products

# CARBON EMISSIONS – TOTAL NET EMISSIONS

**Key Points:**

- Northern Territory GHG emissions are growing.
- Northern Queensland is the largest CO2e emitter but has reduced emissions at twice the rate of Australia generally.
- Some regions in the North are already beyond Net Zero

| | Total GHG Emissions | | |
|---|---|---|---|
| **Region** | **2015** | **2021** | **Change** |
| **Sub-regions** | | | |
| QLD Central Queensland | 33,122 | 29,543 | -11% |
| QLD Mackay-Isaac-Whitsunday | 14,627 | 14,100 | -4% |
| NT Greater Darwin | 5,441 | 11,573 | 113% |
| WA Pilbara | 8,179 | 10,221 | 25% |
| QLD North West QLD | 12,405 | 6,210 | -50% |
| QLD Townsville & Region | 5,552 | 4,370 | -21% |
| NT Rest of NT | 6,152 | 2,419 | -61% |
| QLD Cairns & Region | 4,029 | 2,245 | -44% |
| QLD Central West QLD | 8,800 | 1,757 | -80% |
| WA Gascoyne | 530 | -412 | -178% |
| WA Kimberley | 1,585 | -956 | -160% |
| QLD Cape York | 795 | -2,595 | -426% |
| **North Australia Summary** | | | |
| Total NT | 11,592 | 13,992 | 21% |
| Northern QLD | 79,329 | 55,629 | -30% |
| Northern WA | 10,294 | 8,852 | -14% |
| **Northern Australia** | **101,215** | **78,473** | **-22%** |
| **Australia** | **539,967** | **463,955** | **-14%** |
| **% of Australia** | **19.30%** | **16.90%** | **-2.40%** |




Source: AEC (unpublished). Carbon Model 2020-21. AEC Group, Townsville


# CONCLUSIONS & RECOMMENDATIONS FOR NORTHERN AUSTRALIA

This section identifies a number of conclusions and recommendations that can be considered for strengthening the Northern Australia agenda into the future.

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## CONCLUSIONS

**More work to do!**

Northern Australia is making progress in achieving the objectives of the White Paper on Developing Northern Australia.

However, progress is neither uniform across the North nor achieving sufficient success across a range of indicators.

For example, since 2015:

- While the North's share of the national economy has grown from 11.6% to 11.8%, there are some regions where the economy has considerably contracted
- The structure of the economy in the North remains hollow:
  - Mining alone accounts for 96% of export value
  - Most manufactured products consumed in the north are not produced in the North.
  - The proportion of employment in the North in key industries (such as Defence and tertiary education) is declining, relative to Australia generally
  - Enormous reliance on professional services and other office-based services from outside the North.
- Population growth remains weak and most regions are failing to attract more new residents than those leaving.
- While private investment has been increasing, the North remains heavily reliant on public investment.
- More jobs are being generated, but at a slower rate than Australia generally and with a higher reliance on FIFO labour.
- Social development issues remain unresolved, namely:
  - Declining economic participation across the North
  - Prevalence of numerous long-term health conditions

## RECOMMENDATIONS

**Back to the basics**

The Developing Northern Australia agenda can increase its impact by focusing on the key drivers of economic growth.

These drivers include:

- Growing the residential population, through:
  - Investing in quality urban infrastructure and services improve liveability, encouraging population retention and attraction
  - Re-calibrating tax incentives (such as Fringe Benefits Tax and the Zone Tax Rebate) to incentivise permanent migration to the North
- Supporting private investment by:
  - Improving sustainable development of natural resources
  - Lowering the cost of doing business in the North (electricity, transport and insurance)
- Increasing government spending on:
  - Catalytic infrastructure (dams, energy networks, transport – mass transit and freight)
- Increasing the value of exports, namely:
  - Identifying opportunities and supporting industry investing in value-adding primary exports
  - Identifying opportunities to replace major imports with local supply (such as professional services and liquid fuels.

These outcomes can be achieved through the development of a series of place-based development plans for all regions, with a priority on those who are falling behind.

These plans will need to include a clear assessment of each regions' opportunities and challenges and the infrastructure, investment and policy change required to realise their opportunities.

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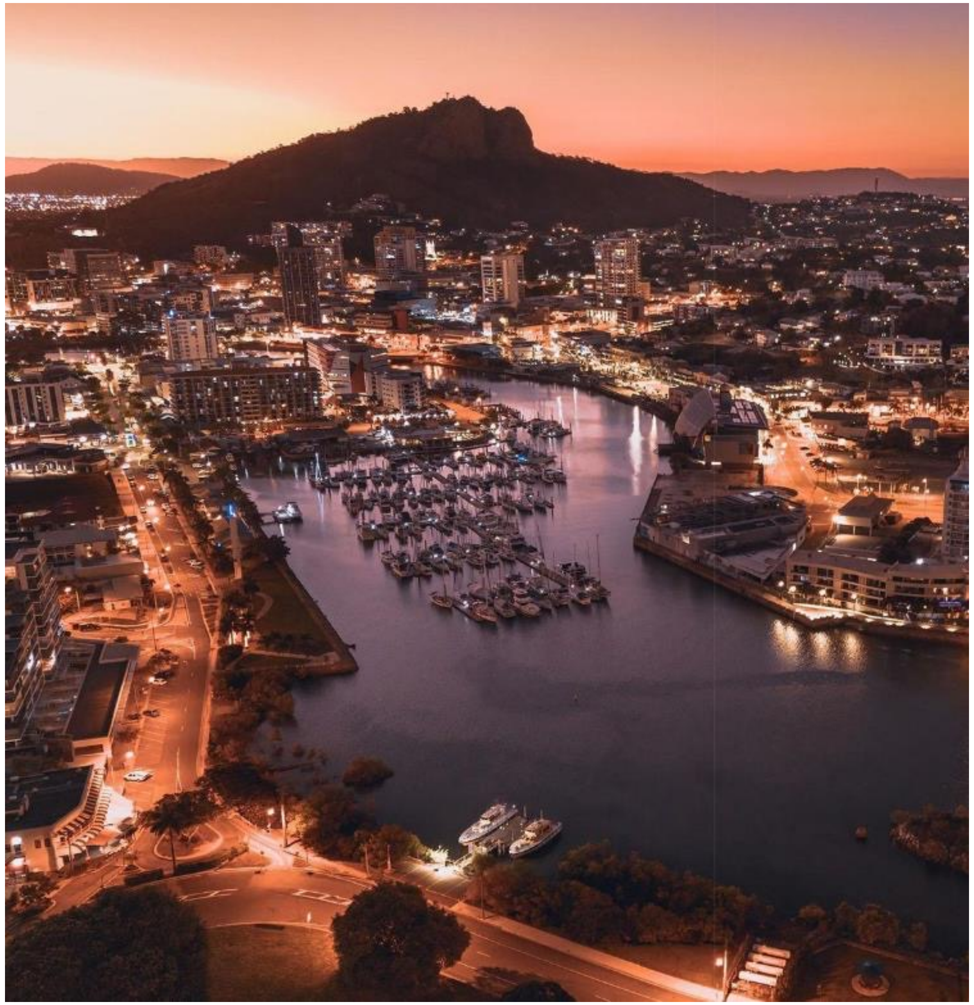


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# About the Author

Jonathan is a senior economist and leads AEC's Northern Australia portfolio, bringing his industry and policy experience in the agricultural sector and industry development to identify and de-risk transformational economic development initiatives, particularly in regional Australia.

During his career, Jonathan has also successfully delivered complex economic and financial appraisals on several high profile infrastructure initiatives. Examples include transforming Australia's largest infrastructure project (Inland Rail), delivering detailed business cases for government (Townsville Concert Hall, Lakeland Irrigation Scheme and North Queensland Simulation Park – NQSPARK), supporting the re-establishment of manufacturing into regional Queensland (multiple initiatives), and construction supply chain analysis on Australia's largest dam proposal – the $5 billion Hells Gates Dam Scheme.

Jonathan has also been a presenter at the Developing Northern Australia Conference, the Sustainable Growth for Regional Australia (SEGRA) Conference, the G20 and the Asia Pacific Cities Summit.

In addition to his professional work, Jonathan serves in the Queensland Rural Fire Service, Australian Army Reserves (rank: Major) and  has served as President of the Hinchinbrook Chamber of Commerce, Industry and Tourism. Jonathan is also a member of the Order of Saint John of Jerusalem, Knights Hospitaler.


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