

WHAT THE TERRITORY NEEDS 2026



DARWIN
MAJOR
BUSINESS
GROUP

THE CHALLENGE CONTINUES - ACCELERATING GROWTH

The Northern Territory is beginning to turn the corner. Population, employment and housing investment are all strengthening after a challenging period. But the next phase is very important. The Territory has a window of opportunity to accelerate growth right across the economy, by backing in and expanding our private sector.

Seizing this moment will determine whether the NT will build a stronger, more resilient and sustainable future.

[Steve Margetic – Chair, Darwin Major Business Group]



A detailed data-based report by a national economics firm (AEC) forms the basis of the priorities identified in this document.

About the Darwin Major Business Group

The Darwin Major Business Group represents 19 of the Northern Territory's largest businesses. The majority of members are long-term investors in the Northern Australian economy, and all are here to invest in and support economic growth. Our members are large employers, and their futures are tied to the Northern Territory and Northern Australian economies.

We have continued to talk to all levels of government to secure opportunities and resolve challenges; all with the overall aim of making the Northern Territory a great place to live, work and invest.



19 of the Territory's largest businesses



Strong investments in jobs, housing and population growth



Making the NT a better place to invest

The Territory Must Do Better, And We Can

Darwin Major Business Group is very proud to have once again sponsored a major economic analysis of the NT economy by consulting firm, AEC Group.

We believe that the Territory can do much better than what we have been achieving. If we are honest with ourselves, we can agree that the Territory has under-performed and the consequences of that have been felt in every business and in every home right across the Territory.

We also believe that commentary is easy – and we can contribute far more by presenting the facts and encouraging the broadest possible conversation right across our community.

The 2026 AEC Report is their third deep dive into the Territory economy, and it examines our performance on a wide range of socio-economic indicators. They find that the Territory has done much better around population, jobs, and housing investment. But they also find plenty of areas where a lot more work is needed.

That is not unexpected. No economy hits the bump stops on every indicator. But we are still a long way short of our potential.

Reason enough if we needed it, to drive the conversation on what the Territory needs to do to improve our living standards and create economic opportunity for all Territorians.

In this booklet we have set out initiatives to achieve this. We see these as key conversation starters.

We encourage Territorians to back-in the ideas that you like, challenge the ones you don't, and to take the opportunity to present your own new and fresh ideas.

Results are what matters from now on.

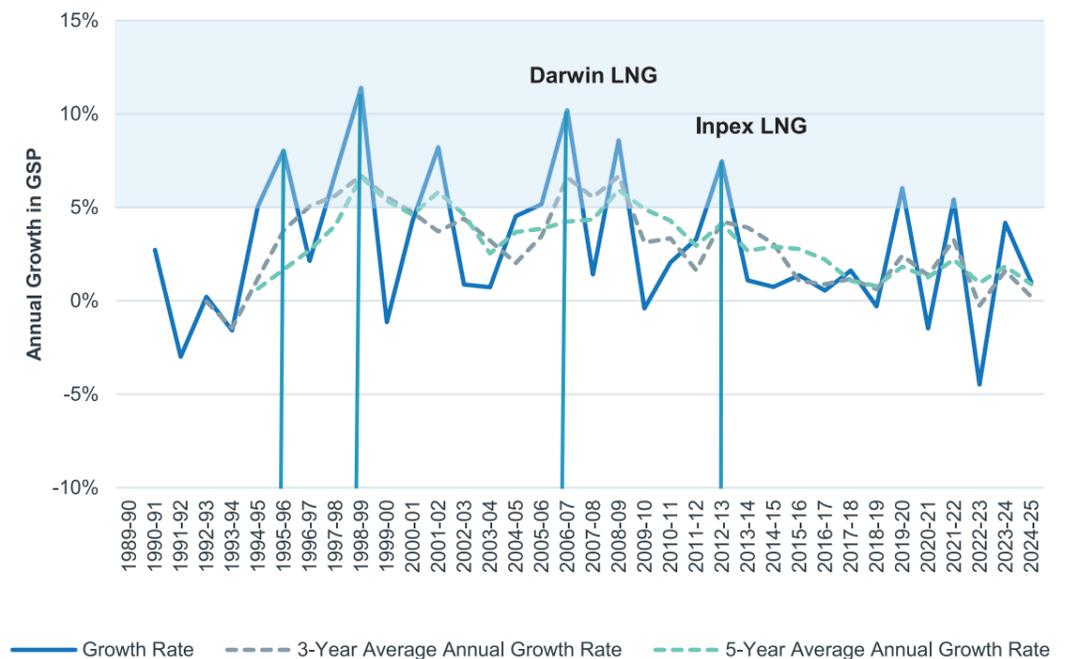
State Comparison Table

Figure A.1. Economic Indicators, State Comparison Table 2024-25

Economic Indicator	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS
GDP/GSP Growth, 2024-25	0.9%	1.1%	2.2%	1.0%	1.3%	1.0%	1.0%	3.5%	1.4%
State Final Demand Growth, 2025	2.0%	2.2%	2.6	4.0%	3.3%	2.1%	-0.2%	3.0%	2.6%
Population Growth, 2024-25	1.2%	1.8%	1.8%	1.1%	2.2%	0.2%	1.4%	1.3%	1.5%
Unemployment, Jan 2026	4.0%	4.5%	4.2%	3.8%	3.9%	4.5%	4.5%	4.3%	4.1%
Net Interstate Migration, Total	-24,328	-777	21,595	-1,295	10,288	-1,877	-2,105	-1,501	-
Debt to GSP/GDP, 2024-25	12.8%	24.4%	5.1%	14.4%	6.3%	9.4%	31.5%	15.4%	20.0%
Strength Industry, % of GSP/GPD	8.3%	7.7%	16.6%	12.2%	43.6%	17.5%	38.2%	33.0%	16.9%

This table provides a quick comparison snapshot between NT performance against other State and Territories, and the national average.

NORTHERN TERRITORY GROSS STATE PRODUCT



This graphic demonstrates the volatility of NT economic growth.

Why Growth Matters

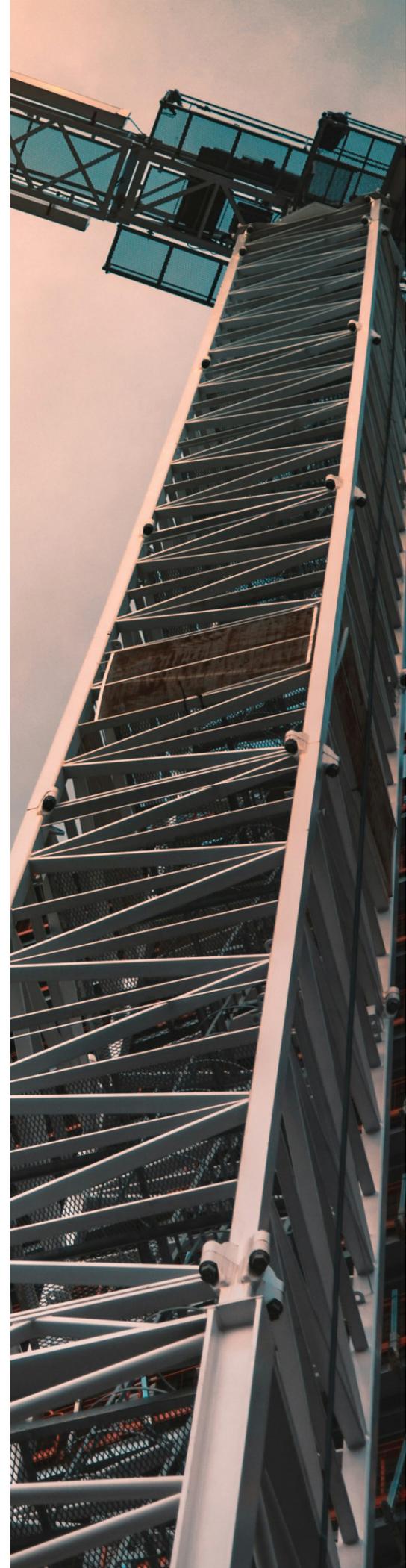
Economic growth is not an abstract concept. It determines the Territory Governments' ability to fund hospitals, schools, roads and essential services. It influences our wages, job opportunities and the ability of young Territorians to build a future here. Without sustained growth, the Territory will struggle to reduce debt, attract investment and retain its workforce.

What the AEC Data Tells Us

The latest economic data highlights several important trends:

- 1.** The Territory economy avoided contraction, but growth remains below the national rate.
- 2.** Private investment has declined following the completion of major construction projects.
- 3.** Population growth has improved but interstate out-migration remains a challenge.
- 4.** Government debt remains high relative to the size of the Territory economy.
- 5.** Economic activity remains highly concentrated in a small number of industries.

These trends reinforce the need to unlock stronger private sector investment.



What Has Changed Since Our Last 2025 Report

The short answer is 'a lot'! As we write this booklet, the Iran war is still underway and its impact feels heavier everyday. Fuel prices have skyrocketed, there are genuine fears for an inflationary outbreak, and commentators are talking about slowing national growth.

The Reserve Bank has once again lifted interest rates and at long last Australia is starting to understand the consequences of falling productivity – that it means lower living standards for everyone.

This all demonstrates that we can never assume that we can take economic growth for granted. Places like the Territory need to have a sense of urgency, to be impatient knowing that now is so much more important than tomorrow. We were under-performing before these latest.. Now the backdrop is even harder.

NT Government Economic Success Measures

In March 2025 the NT Government launched its Economic Development Strategy 2025-2028, outlining the government's plan to rebuild the economy over the following three years.

The government's measures of success were defined as:

- The Northern Territory's economic growth exceeds national economic growth
- Population growth exceeds baseline forecasts, rising 4,000 persons per year with net migration of 1,300
- The Northern Territory is recognised as a better place to invest.
- Expanding the Private Sector
- Throughout their report, AEC has reminded us that we need a renewed effort on attracting private investment, capturing greater value from major supply chains, and encouraging more dynamism from our business sector.
- The graphic below shows how private investment has retreated and Government investment has grown to fill some of that gap. Government investment is critical to economic growth, as investment in infrastructure supports an expanding private sector.
- But private investment leads to expanding productive capacity, cementing new opportunities into our economy. And delivering stronger growth.
- NT Capital Investment (\$m Vs GSP)

Expanding the Private Sector

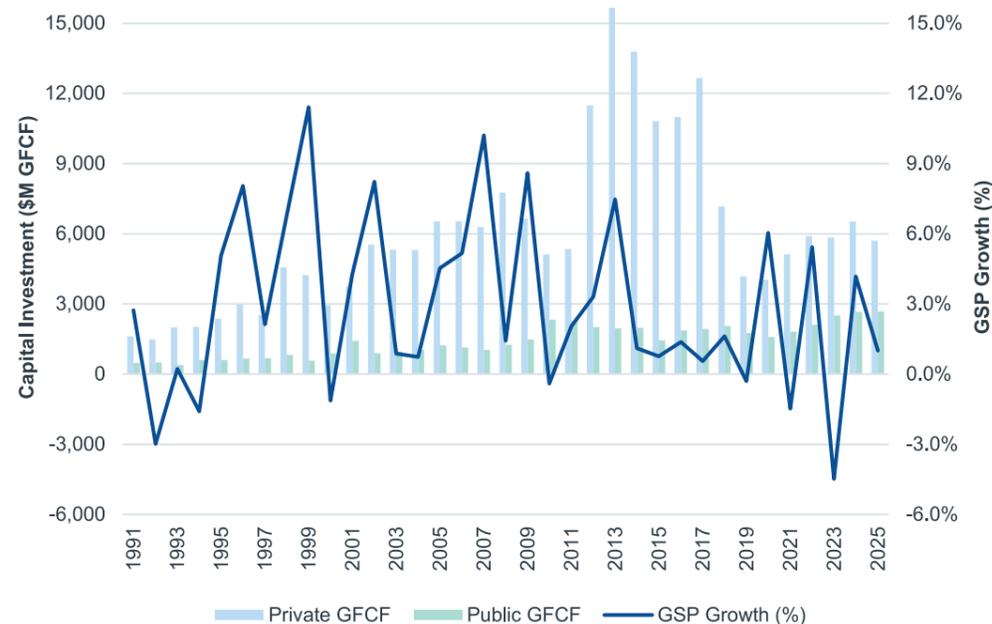
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NT Capital Investment (\$m Vs GSP).

Figure 3.1. NT Capital Investment (\$M vs GSP Growth (%))



The Challenge of Debt

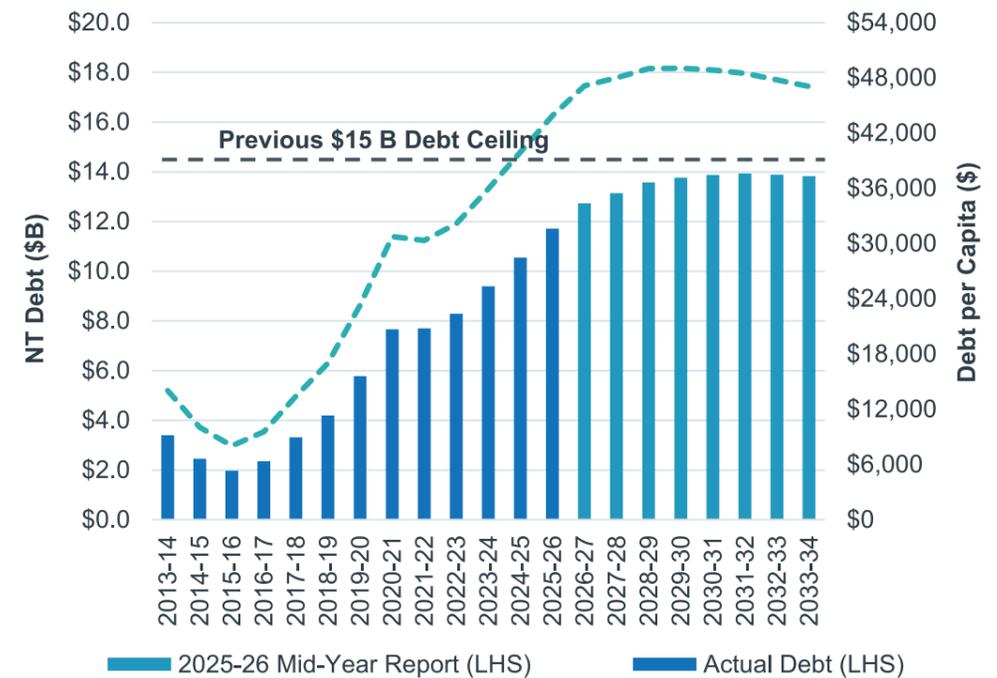
In their 2025 report, AEC warned the NT about the challenges of Government debt that were then emerging. Rightly, they warned that debt was reaching unsustainable levels, signalling the urgent need for a shift from Government funded growth to a more sustainable private sector led model.

The NT Government has since taken steps to improve the Territory's debt position, but as shown above, we are yet to achieve the complementary challenge of driving private sector investment and business dynamism.

Even so, the improvement in the nett debt position is a very positive success over the past year

Historical and Projected NT Debt (\$Bn)

Figure 2.1. Historical and Projected NT Debt (\$B)



Source: NT Government (2025a), AEC (unpublished c)

WHAT NEEDS TO BE DONE

In 2024 and 2025, DMBG set out a number of priority areas for urgent action that we believed would move the dial on our economic performance.

We have continued with that this year and we have restated those on the following pages. But we also wanted to respond to the challenge put to us by many people that we should also contribute to the annual Budget conversation, and not just the long term economic Agenda.

So we have taken up that challenge in 2026, and below we offer some initial thoughts around three critical economic areas:

- Pushing the Envelope
- Circulating Cash Through the Economy
- Leveraging Investment Opportunities.

Pushing the Envelope

This is all about investing in impatience. Driving decisions where-ever those might be made to ensure that the slowest does not shape our economic future. It demands laser-like focus on Federal policy, and matters like land negotiations and joined up economic development.

Our suggestions here are:

- Establish a Beetaloo Authority
- Create a CCS Taskforce
- Create an Arafura Local Content Taskforce
- Establish a major buy-local campaign around major supply chains.

Circulating Cash Through the Economy

Some industries play an out-sized role in helping to keep cash circulating through the economy, adding economic energy providing confidence to business and the community.

Our suggestions here are:

- Invest in a major tourism promotion campaign to attract Australians to holiday at home in the NT;
- Back up the housing incentives with a major promotional push for 'Home Ownership';
- Reduce Government payment times.

Leverage Investment

It is just as important to encourage 100's of small investments as it is to chase major projects. A \$50,000 housing grant, for example, brings a further \$550,000 of investment from the home owner – and the Territory has attracted 500 new homes in the past 12 months.

Our suggestions here are:

- It's home ownership from 47% to the national average of 67%
- Advance advocacy around the Defence infrastructure pipeline
- Develop key businesses cases for infrastructure that can be pitched to Infrastructure Australia, NAIF and the Australian Government.

Our Key Actions for 2026

The Darwin Major Business Group's key actions for 2026 focus on driving long-term economic growth, attracting investment, positioning Darwin as Northern Australia's supply chain hub for defence, energy and resources, and strengthening liveability across the Northern Territory.

The Territory has significant economic opportunities ahead, particularly in energy, defence and resources. However, capturing these opportunities will require stronger private investment, sustained population growth and a policy environment that supports business expansion. The Territory cannot rely on government spending or a small number of resource projects to drive growth. A broader, more resilient economy must be built.

Priority One - An Unwavering Focus on Growth

Economic growth must remain the central focus of policy and decision-making across the Northern Territory.

- ✓ Advocate for a specialist growth advisory unit within the NT Government.
- ✓ Establish a Chief Economist function for the Territory.
- ✓ Require government agencies to report annually on their contribution to economic growth.
- ✓ Ensure the emerging whole-of-Territory Workforce Strategy is aligned to defence, energy and construction investment opportunities.
- ✓ Support policies that grow the Territory's population and workforce to meet the demands of major investment projects.

Priority Two - A Pipeline of Investment Dollars

Sustained economic growth requires a strong pipeline of private investment across energy, resources, defence and infrastructure.

- ✓ Increased support for development of Beetaloo gas, critical minerals and downstream processing.
- ✓ Expand Darwin's water supply to support population growth and the Middle Arm industrial precinct.
- ✓ Support the development of the Middle Arm Sustainable Development Precinct as a globally competitive industrial hub.

- ✓ Continue the extended HomeGrown Territory Grant Scheme to stimulate private investment.
- ✓ Prioritise rezoning and release of government-owned land to support housing supply and improve liveability.
- ✓ Maintain a continuous pipeline of residential land releases, including Holtze, Farrar West, Lee Point and Lloyd Creek.
- ✓ Accelerate major private investment projects across the Territory economy.
- ✓ Strengthen alignment with national defence industry priorities and procurement opportunities.
- ✓ Strengthen mechanisms such as the Territory Coordinator and Red Tape Reduction initiatives to accelerate private investment and project delivery.
- ✓ Ensure long-term infrastructure planning keeps pace with major private investment, including port, power, water and transport capacity.
- ✓ Strengthen Territory industry capability to participate in major defence, energy and infrastructure supply chains.
- ✓ Maximise Territory industry participation in major projects through early supply chain engagement and project visibility via ICNNT.

Priority Three - A Sophisticated 21st Century Public Service

A modern and capable public service is essential to supporting investment, delivering services and enabling economic growth.

- ✓ Establish a Public Service College in partnership with Charles Darwin University.
- ✓ Invest in modern digital and business systems across government.
- ✓ Develop a Public Sector Centre of Excellence to strengthen capability and leadership.
- ✓ Continue to strengthen performance, transparency and accountability, supported by the Auditor-General.

Our Key Actions for 2026

Priority Four - Shaping How the Territory is Seen

The Northern Territory must actively promote its strengths to investors, decision-makers and national audiences.

- ✓ Continue to rebuild the Northern Territory's national reputation as a place to invest and do business.
- ✓ Continue to reposition Darwin and the Northern Territory as Australia's strategic gateway to Southeast Asia and Northern Australia.
- ✓ Maintain direct engagement with federal decision-makers, national investors and industry leaders.
- ✓ Expand strategic programs and events that showcase Territory investment opportunities.
- ✓ Leverage industry networks to attract major conferences and national events to Darwin.
- ✓ Promote clear, stable and predictable regulatory settings to support long-term private investment.

Priority Five - Recalibrating Lifestyle, Liveability and Livelihoods

Improving liveability and economic opportunity is critical to attracting and retaining the workforce needed for future growth.

- ✓ Accelerate delivery of major lifestyle and recreation projects.
- ✓ Address connectivity challenges, including high airfares and aviation competition.
- ✓ Support expanded tourism access and investment in Kakadu National Park.
- ✓ Develop a growth and investment plan for Katherine as a regional hub.

Priority Six - Reclaiming our Towns and Cities

Safe and welcoming town centres are essential to liveability, tourism and investor confidence in the Northern Territory.

- ✓ Support the implementation of recent law and justice reforms aimed at addressing repeat offending.
- ✓ Monitor the rollout of new youth rehabilitation and work-based programs, ensuring they deliver meaningful outcomes.
- ✓ Advocate for continued action to reduce anti-social behaviour and street disorder in town centres.
- ✓ Reinforce the importance of safe, vibrant and well-maintained public spaces to support tourism, business activity and community confidence.

A Shared Responsibility

Growing the Territory economy is not the responsibility of government alone. Business, industry, government and the community must all play a role.

The Darwin Major Business Group will continue to work with all levels of government and industry partners to ensure the Territory captures the opportunities ahead and builds a stronger, more resilient economy.



Give us your feedback

For more information

To find the AEC report on our
website Scan the QR code below



www.dmbg.com.au

To provide feedback to DMBG
Scan QR Code below



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