



**Northern Territory Government Submission to the Joint Standing
Committee on Trade and Investment Growth's inquiry into Austrade's
role in attracting investment in Australia.**

November 2018

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Northern Territory Government's Key Recommendations

The Northern Territory Government recommends:

1. That Austrade work with the Northern Territory Government to develop a mutually agreed investment plan and approach to investment attraction. The investment plan will provide a high level understanding tailored to an international audience covering Austrade's eight key sectors and the development of Northern Australia.
2. That such a plan would acknowledge that ongoing development of Northern Australia and the Northern Territory is seen as critical to the security and prosperity of the nation and as such will attract ongoing governmental support into the future.
3. That the plan should consider the overall Australian Government position on key issues such as regional development and security issues, and also take into account factors such as the role of ASEAN countries, the United States, Japan and Europe in trade and investment.
4. That 'Developing the North' be formally embedded in Austrade's Business Plan and strategies. Through integration of the Northern Australia White Paper, the Australian Government has an opportunity to develop a comprehensive and integrated Austrade strategy / business plan that directly and specifically supports 'Developing Northern Australia'.
5. That in order to implement a new integrated investment plan, there should be a dedicated Austrade team established that specifically focuses on promoting and attracting investment into Northern Australia. This should include:
 - a. the promotion of Northern Australia's unique economic structure and trade/investment opportunities throughout Austrade's foreign, trade and investment attraction network;
 - b. the active marketing by Austrade of opportunities in Northern Australia, including in 'Brand Australia' publications and marketing;
 - c. increased Australian Government resource allocation specifically allocated to developing Northern Australia and specific focus, in conjunction with the Northern Territory, Queensland and Western Australia governments to develop initiatives that target investment into the region;
 - d. establishment of a dedicated Northern Australia Austrade team co-located in Darwin and supported by resources situated within major investor countries; and
 - e. that the Austrade Northern Australia team would work with the Northern Territory, Queensland and Western Australia business community and government agencies to run events, similar in focus to the successful Northern Australia Investment Forums in 2015 and 2017 in key offshore locations.
6. Within the Northern Territory agribusiness sector there is strong potential to capitalise on growth in demand from South East Asia, particularly for clean, safe and natural products.
 - a. The scale and diversity of production in the Northern Territory needs to grow and this will see value chains mature. Investment into supply chain infrastructure such as cold storage infrastructure is required for products to reach high value markets in Asia.
 - b. The Northern Territory sees working with Austrade to support this trade development, both in Australia and in-market, as critical and is confident of, continued strong support from Austrade.
7. Mineral resources in the Northern Territory is a key sector in the Northern Territory's economy with numerous mining projects in operational phase and many others in various stages of the development approvals process. A number of which are close to financial investment decision requiring finance or investment partners.

8. The Northern Territory has large onshore and offshore gas resources, with the onshore Beetaloo Sub-basin alone believed to contain in excess of 500 trillion cubic feet of gas (350 years supply for Australia), and approximately 30 trillion cubic feet of gas resources in offshore basins. In April 2018, the Northern Territory Government lifted its moratorium on hydraulic fracturing of unconventional gas reservoirs.
 - a. This is one of the most significant shale gas opportunities outside of North America, and has the potential to transform the Northern Territory economy.
 - b. A dedicated Northern Australia Austrade team is required to further assist in investor matching to allow the Northern Territory to continue developing as both an oil and gas supply and service hub for the region, and as a renewable energy service hub for the region.
9. The Northern Territory's proximity, long term links to Asia, and its culturally and linguistically diverse society are key points of difference that will assist to grow our education-based relationships including research, study and 'edutourism' (combining an educational experience with cultural and tourism activities).
 - a. Global demand for international education services is expected to continue to increase by 7 per cent per annum to 2020, driven principally by China and India.
 - b. The Northern Territory has significant scope to increase international student numbers, benefiting the Northern Territory and further developing a skilled labour source within the Northern Territory.
 - c. The Northern Territory would like to see increased assistance from Austrade in developing international linkages with education and scientific institutions that will build upon our proximity and our strong relationships in the region and our knowledge of the tropics.
 - d. The Northern Territory sees working with Austrade to support this development in-market as critical and is confident of strong support from Austrade.
10. Tourism is an important industry for the Northern Territory, being the third highest contributor to the economy behind construction and mining. 'Cultural Tourism' is on the rise around the world and the Northern Territory is uniquely placed to offer arts and cultural tourists a compelling reason for increased visitation.
11. For Austrade (and DFAT), when pursuing Australian cultural diplomacy initiatives in foreign countries, the Northern Territory Government encourages that a priority be placed on showcasing Aboriginal art and culture which is the oldest unbroken tradition of art in the world.
12. The scale and diversity of production in the Northern Territory needs to grow for our value chains to mature. The Northern Territory sees working with Austrade to support this trade development, both in Australia and in-market as essential.
13. Northern Australia, by virtue of its large geography and low population, requires infrastructure in all areas, from roads to railways to airports, and from pipelines to processing plants capable of handling a wide range of products.
 - a. These investments will be in the billions of dollars and a dedicated Northern Australia Austrade team, operating in Australia and offshore, will be essential in ensuring that these opportunities that can deliver increased wealth and prosperity to Australia for many decades to come are realised.

Northern Territory Government's relationship with Austrade.

The Northern Territory Government has a close working relationship with Austrade and is a strong supporter of Austrade's mission and strategy. The Northern Territory Government considers that Austrade's role as the Australian Government's international trade, education and investment promotion agency is a key component in the success of Australia's international trade and investment objectives.

The Northern Territory Government relationship with Austrade is strong and Austrade is generally seen as proactive. There are however times when considered advice, particularly if there are strategic issues at play, is a necessity and in these circumstances it is possible that such advice may conflict with Austrade's more generalised 'whole of Australia' investment promotion approach, thus reinforcing the need for a dedicated unit focusing on Northern Australian issues.

It is the Northern Territory Government's view that one of Austrade's important objectives is to help attract investment into Australia that is considered beneficial to the Australian economy. The inquiry's Terms of Reference refer to what role Austrade has in attracting investment to Australian businesses. However it is the Northern Territory Government's understanding that this is not Austrade's principal focus and that Austrade's primary objective is to assist in attracting Foreign Direct Investment (FDI) that is of benefit to Australia as a whole.

The Northern Territory Government further considers that individual companies seeking FDI into their operations may use the Austrade network and account managers to assist in this objective; however, would more likely work with private sector investment specialists such as business brokers or intermediaries such as accountants, lawyers or banks.

In line with this approach, the Northern Territory Government works closely with, and receives strong support from, Austrade as it seeks to attract both domestic and foreign investment into the Northern Territory with a primary objective of working to ensure that such investment is of benefit to the Northern Territory's economy as a whole.

The Northern Territory is reliant on Foreign Direct Investment.

The Northern Territory relies heavily on investment from external sources. While a large percentage of this is from Australia, international investment is critical in helping stimulate the local economy, creating local jobs and in ensuring that the Northern Territory remains a modern and vibrant environment in which to live, work and invest.

FDI supports local businesses, develops infrastructure and builds regional economies, thus driving greater competition, innovation and productivity through new technologies. In working with Austrade to encourage FDI into the Northern Territory, the Northern Territory Government considers that:

- the Northern Territory economy will continue to be, reliant on external investment and major project stimulus;
- growing the Northern Territory/Darwin as Australia's key northern gateway for key sector/industries is important to the country's overall security and prosperity.
- Strengthening trade/investment ties:
 - The Northern Territory has strong relationships with core partners such as Japan, China, Indonesia and Timor-Leste; however would welcome increased support from Austrade to strengthen these ties.

- The Northern Territory Government is increasing its engagement with India, and as such are seeking further expert advice and support from Austrade regarding further developing these initial engagements.
- The Northern Territory has a reliance on a relatively small number of key markets/export sectors and is keen to increase the number of meaningful relationships that it has. As a small jurisdiction eager to continue diversifying export markets and sectors, the Northern Territory both welcomes and indeed relies upon the assistance of Austrade to assist in strengthening and establishing expansion of these markets .

‘Developing the North’ must be embedded in Austrade’s Business plan.

The Northern Territory recommends working together with Austrade to develop a mutually agreed plan and approach to investment attraction into Northern Australia. Such a plan would provide a high level understanding of the key sectors and provide clear linkages to the development of Northern Australia.

The development of the top half of the Australian continent through increased investment and population will underpin the future growth, security and prosperity of Australia and should be a national priority. The Northern Territory is a natural hub for Australia’s defence, emergency response, aid, capacity building and humanitarian initiatives into the region, and would welcome the Australian Government leveraging our advantages in these sectors. In addition, the resources already long identified in the Northern Territory are well known such as minerals, agribusiness, energy and tourism.

With increased assistance from Austrade, and with coordinated national and Northern Territory policies in place, the Northern Territory economy, exports and inward investment can grow and expand and be a key contributor to Australia’s future prosperity.

The Northern Australia White Paper, provides a valuable opportunity to develop a comprehensive and integrated Austrade strategy/business plan that directly supports ‘Developing Northern Australia’.

Austrade should establish a dedicated team to attract investment into Northern Australia.

The Australian Government has committed to developing Northern Australia in *Our North, Our Future: White Paper on Developing Northern Australia*.

The Northern Territory Government advocates that this should also be translated into Austrade’s business plan and strategy, particularly trade and investment programs.

To ensure a commitment to the development of Northern Australia in our nation’s peak trade bodies, the Northern Territory Government supports:

- the promotion of a thorough understanding of Northern Australia’s unique economic structure and trade/investment opportunities throughout the foreign, trade and investment attraction network; and
- the active marketing by Austrade of the abundant opportunities in Northern Australia, including in ‘Brand Australia’ publications and marketing.

The Northern Territory Government advocates for increased Australian Government resources specifically allocated to developing Northern Australia initiatives and that this should be done through the establishment of a dedicated Northern Australia Austrade team. This proposed team should be located in Darwin and supported by resources situated within major investor countries. A dedicated team would reaffirm key Australian Government commitments as stated in the Northern Australia 'Developing the North' White Paper; Commitments to business, trade and investment, to developing Northern Australia and to unlocking opportunities.

Austrade is uniquely placed to promote the developing Northern Australia as a priority for Australia and its regional/international interaction regarding trade, investment and migration. Developing Northern Australia i.e. half of the Australian land-mass, will require significant FDI and the current Northern Australia Infrastructure Fund, while a welcome initiative at \$5 billion (AUD), is a positive start, much more will be required to meet the growth potential of Northern Australia. These opportunities would be actively promoted by a dedicated team to ensure that the projects and potential are well articulated and that dialogue in regards to possible Northern Australia FDI is both ongoing and consistent.

Northern Territory as a 'Gateway with Asia'

Significant strategic opportunities lie to Australia's north, and mutually beneficial engagement with Asia is important to the Northern Territory and to the nation as a whole. The Northern Territory and Northern Australia are on the doorstep of a region that takes 75 per cent of Australia's exports, a region that is on an upward wealth trajectory.

The rise of China and India and the burgeoning Asian middle class is significant for the Northern Territory, Northern Australia and Australia. By 2030, around two-thirds of the world's middle class will live in Asia. As this demographic group expands, so too does their demand for specific products and the Northern Territory is in a position to respond to the increasing regional demand for high-quality produce, travel experiences, resources and other needs. The Northern Territory currently has some limitations in getting produce to key markets in Asia due to a significant shortfall in cold supply chain infrastructure. Increased infrastructure investment will be crucial to unlocking this opportunity and will rely on attracting appropriate investors into these sectors. This is an area that Northern Territory Government sees Austrade continuing to play an important role.

The Northern Territory Government has a clear focus on our position as a 'Gateway with Asia' and will continue to build relationships in the region.

The Northern Territory maintains two overseas representative offices: in Jakarta and Singapore (also covering Malaysia), to promote and grow trade and investment in the region.

The Northern Territory has also formed economic partnerships with many nations in the region, most notably with our core trade and investment partners (Japan, China and Indonesia) and has growing relationships underlying future trade and investment flows with many emerging and developing nations.



North Australia's Future

Since 2003, Australian exports have increased by a factor of 1.5 times, from \$108 billion to \$155 billion, with exports to our key regional trading partners in the Asia Pacific rising from approximately 60 per cent of total exports to now close to 80 per cent.

Exports to China have increased eight-fold. China is now Australia's dominant export trading relationship and represents 31 per cent of total exports (almost 2.5 times Japan at number two). In 2003, this position was held by Japan who took 18 per cent of total Australian exports. In 2003, exports to key Asia-Pacific trade partners represented 59 per cent of total exports versus 75 per cent today. Meanwhile exports to historically traditional partners such as USA, UK and NZ have increased only marginally since 2003.

While the increased trade linkages with Asia are well documented, and their effects have been felt across the nation, the impact on Northern Australia is disproportionately large and will be long-lasting. 'Develop the North' has been an oft-stated mantra from the nation's leaders for many decades; however, concrete action and policy settings was, until recently, somewhat limited.

The economic rise of China, and the mining boom that followed, has irrevocably changed the Northern Australia status quo. Despite a longstanding national desire to develop the north, there had been difficulty in linking this to any clear economic imperative. Eastern and southern states had largely been able to meet the majority of demand from traditional trading partners up to the end of the 20th century.

The impact caused by China's entry into the global economy has changed this dynamic, and the mining boom in turn gave impetus and encouragement to companies from Japan, China and other countries to visit Northern Australia as they sought to secure assets and supply.

Initially their focus was in the areas of mining and energy, and they are now looking to broaden the range of sectors to include agribusiness, tourism, infrastructure and education.

The Northern Territory and Northern Australia are on the doorstep of a region that takes 75 per cent of Australia's exports. That same region is on an upward wealth trajectory and as a consequence, Northern Australia faces a bright but challenging future in which neighbouring countries and key trade and investment partners will have a strong influence and be key stakeholders

Recent policy developments such as the Defence White Paper, the Developing the North White Paper, the Agriculture Competitiveness White Paper, the Closing the Gap Indigenous agenda and the new Foreign Policy White Paper all speak to Australia's global positioning, and the role of Northern Australia in securing and strengthening that position.

It is imperative that the Australian Government's lead trade and investment agency embed developing the North into their day to day practice. The Northern Territory Government considers that the only way this can be done successfully is through bolstering resources in the Northern Territory and establishing a dedicated Northern Australia Austrade team located in Darwin, to work closely with resources in Australia and in key investment partner countries.

Northern Australia, through strategic, balanced and sensible development will strengthen Australia's position in the region. Optimising this opportunity is integral to the continued and growing prosperity of the nation and this will in turn attract investment and migration to Australia's north, and a thriving, and well populated northern half of our country has long been acknowledged as a highly beneficial outcome.

Northern Australia Investment Forum

The Northern Australia Investment Forum was a high level, invitation only event hosting senior leaders from international and domestic companies. The Forum provided attendees with an increased understanding of the diversity and scale of investment opportunities available in the various sectors across Northern Australia.

The Northern Territory Government views the inaugural Northern Australia Investment Forum held in Darwin in 2015 as a success, and greatly appreciated the key role that Austrade played in both the 2015, and subsequent second Forum held in Cairns in late November 2017.

A dedicated team could be tasked with leading the development of similar events in key offshore locations in collaboration with the Northern Territory, Western Australia and Queensland.

It has long been recognised that opportunities in the north are often not well understood by Australian businesses in the southern states, so it is logical that non-Australian companies and businesses generally have an even poorer appreciation of the potential. A dedicated team could ensure that information, knowledge, research and investment opportunities are disseminated more widely in a timely fashion.

How Austrade might better help Australian businesses to attract investment.

Agribusiness and Food

The Northern Territory's primary industry sector includes livestock, horticulture, cropping, fisheries and aquaculture, and forestry. The sector is a small but important contributor to the Northern Territory economy, currently valued at around \$700 million. The sector is important to regional communities and plays a key role in supporting the Northern Territory increase Aboriginal workforce participation. The Northern Territory:

- produces an estimated 500 000 head of cattle per year, with 50% or more going to live exports;
- produces an estimated 32 000 tonnes of mango, more than 50% of Australia's total production;
- produces wild catch fisheries valued at \$44 million and aqua-cultured species valued at \$34 million; and
- has a growing forestry industry covering some 47 000 ha.

There are numerous future growth opportunities in agribusiness and food which would greatly benefit from increased investment. Growth in the primary industry sector is driven by strong domestic demand. There is strong potential to capitalise on growth in demand from South East Asia, particularly for clean, safe and natural products. The Northern Territory is uniquely positioned to grow and supply premium markets into the future. Expansion and intensification of production systems will bring scale and support further growth. For example, increasing diversification on pastoral leases to produce crops as well as livestock, with locally sourced protein enabling development of intensive animal industries such as feedlots and aquaculture ventures.

Maturing of our value chains will also support this growth. There is demand for increased FDI into these crucial supply chains. For example, a planned export hub at the Darwin International Airport will support premium agricultural and food products to be exported directly into Asian markets.

The Northern Territory Department of Primary Industry and Resource's agribusiness investment team works closely with Austrade in facilitating investment interests. International investment interests introduced through Austrade have come from a diverse international range including Argentina, China, Brazil, India and Indonesia. Austrade has supported the Department of Primary Industry and Resource's work with the Japanese Ministry for Agriculture, Forestry and Fisheries which is designed to facilitate increased Japanese investment into agribusiness in the Northern Territory.

The Department of Primary Industry and Resources has been liaising with the Japanese Ministry of Agriculture Forestry and Fisheries since September 2015 regarding trade and investment opportunities which align Japan's Global Food Value Chain project with the focus on agriculture and aquaculture development in Northern Australia.

A Memorandum of Cooperation has been agreed with the Japanese Ministry of Agriculture Forestry and Fisheries which provides the potential for expansion of the agriculture and aquaculture industries in the Northern Territory, and new partnerships.

The Northern Territory Government and Japanese Ministry of Agriculture Forestry and Fisheries are seeking to develop collaborative projects that link Northern Territory's agriculture and aquaculture industries with Japanese technology in harvesting, food processing and cold chain logistics. Both Austrade Japan and Austrade Australia have supported the development of the Memorandum of Cooperation and related projects.

However, the Northern Territory Government would benefit from additional assistance in development of future proposals and engagement with the Japanese Ministry of Agriculture Forestry and Fisheries.

More recently the Department of Primary Industry and Resources has worked closely with Austrade's Agribusiness and Food Team to share an understanding of the opportunities and challenges that agribusiness development in the Northern Territory presents. Austrade's renewed commitment to understanding the competitive advantages and constraints unique to Northern Australia provides an excellent platform to implement a co-operative, strategic approach to investment attraction. The Department of Primary Industry and Resources also works with Austrade to facilitate trade; however, the Northern Territory is not able to support supply of products routinely sought by international enquiries such as premium processed product.

The scale and diversity of production in the Northern Territory needs to grow and this will see our value chains mature. For example a treatment and cold storage facility is proposed for the planned Darwin Airport Export Hub which will support the export of mangoes direct to China. The Northern Territory views working with Austrade to support this trade development, both in Australia and in-market, as critical.

Resources and Energy

The Northern Territory economy is dominated by the resources sector, with the mining industry alone valued at \$4.49 billion in 2017-18, a 24% increase on the previous year and the first time the value of the mining sector in the Northern Territory has passed the \$4 billion mark. The Northern Territory currently exports significant manganese, zinc concentrate, gold, uranium, bauxite and LNG.

In the minerals sector the Northern Territory's commodity strengths lie particularly in non-ferrous metals (zinc, copper, lead, tungsten), battery and high-technology minerals (lithium, rare earths and vanadium), fertiliser commodities (phosphate and potash), gold and uranium. The discovery of lithium deposits in the Bynoe field near Darwin in 2016 has generated significant interest in the Northern Territory's lithium potential, with all investment to date coming from China. This is a substantial opportunity for the Northern Territory to participate in the booming battery industry.

There are around 17 mining projects in various stages of the development approvals process, including a number that are close to a financial investment decision and in need of finance or investment partners. This includes large scale rare earths, vanadium, copper, tungsten and phosphate projects. The rare earths and vanadium projects include significant downstream processing to produce high value products, and the Northern Territory Government is keen to encourage more minerals processing into the Northern Territory. The Northern Territory welcomes the continuing support of Austrade with assistance in investor matching and considers that the establishment of a dedicated team will result in even greater success into the future.

The Northern Territory has large onshore and offshore gas resources, with the onshore Beetaloo Sub-basin alone believed to contain in excess of 500 trillion cubic feet of gas, and with approximately 30 trillion cubic feet of gas resources in offshore basins. In April 2018, the Northern Territory Government lifted its moratorium on hydraulic fracturing of unconventional gas reservoirs. This allows for the potential future development of the Northern Territory's large onshore shale gas resources, subject to the implementation of recommendations from a Scientific Inquiry into Hydraulic Fracturing in the Northern Territory.

This is one of the most significant shale gas opportunities outside of North America, and has the potential to transform the Northern Territory economy. Australia is set to become the largest LNG exporter in the world, making these production assets important to the energy security of a number of countries in the Asia Pacific region. This year one of the world's largest oil and gas projects, Ichthys LNG, commenced production in Darwin and has generated a significant boost in Australia's export earnings. The Ichthys LNG project will provide 10 per cent of Japan's energy requirements.

The Northern Territory Department of Primary Industry and Resources has a dedicated International Minerals Investment Strategy, which targets key markets (China, Japan, South Korea and to a lesser extent India) to attract investment into pre-production Northern Territory resources projects. The Department of Primary Industry and Resources works very closely with Austrade in these markets to assist with investor matching, and organising meetings for industry delegations.

The Department of Primary Industry and Resources also targets the North American market, particularly through participation in Australia Minerals and Australia Petroleum promotions co-ordinated by Geoscience Australia. The Northern Territory strongly relies upon Austrade's expertise in assisting Australian SMEs to gain access to multinational corporation value chains especially in the Mining Equipment Technology and Services (METS), oil and gas and renewables sectors.

On 15 November 2018, the Northern Territory Government signed a Memorandum of Understanding (MoU) with the Australian Government regarding harnessing the potential of the Northern Territory's gas industry. The MoU will help realise existing offshore gas reserves and the potential of the Beetaloo Sub-Basin as a new world-class gas province.

Major objectives of the MoU include:

- contributing to national energy security;
- establishing the Northern Territory as a world class gas production, manufacturing and services hub;
- driving industry collaboration in the priority areas of infrastructure investment, create economic growth, Aboriginal economic development, common industry practices and research, innovation and training; and
- managing social and environmental impacts for a Northern Gas Industry.

The Australian and Northern Territory Governments recognise that a proactive approach to planning and investment by both governments and private sector is critical to ensuring the efficient delivery of infrastructure.

The Northern Territory is rich in renewable energy resources, particularly in the areas of solar, tidal, bio-energy and hydrogen. The Northern Territory Government has also committed itself to 50 per cent renewable energy by 2030 for electricity supplied to Northern Territory households and businesses. With the continuing and hopefully growing support of Austrade, the Northern Territory will be well positioned to continue developing as both an oil and gas supply and service hub for the region, and as a renewable energy service hub for the region.

International Education and Training

The Northern Territory's strong economy, centuries old links to Asia, and its culturally and linguistically diverse society are key points of difference that will assist to grow education-based relationships including research, study and 'edutourism' (combining an educational experience with cultural and tourism activities). The Northern Territory international education and training sector is growing; however, still only contributed a modest \$81 million to the Northern Territory economy in 2016.

Global demand for international education services is expected to continue to increase by 7 per cent per annum to 2020, driven principally by China and India. With modern education and training facilities, the Northern Territory has significant scope to increase international student numbers, benefiting the Territory and is an attractive option for foreign student.

'Edutourism' is also highly prospective if packaged correctly for each market.

Schools are potent places to build relationships within our region, through Sister School partnerships and study tours, and further investment in this area is paramount. Schools provide the opportunity to strengthen communities and their resilience, promote intercultural understanding, develop skills fundamental to our nation's future development (i.e. learning a second language) and generate economic benefits. International education and training is a relatively small sector; however, the Northern Territory Government has identified International education and training as a growth sector in the Northern Territory Economic Development Framework and is keen to see increased investment both federally and from domestic and international investors to grow this sector and develop enabling infrastructure.

While the international education and training sector is relatively small, it is an important contributor to the Northern Territory economy and is the Northern Territory's ninth largest export with international education and training in generating over 400 jobs.

A commitment from all levels of government is required to collaborate and connect the goals of our foreign policy and education policy to encourage and attract material numbers of international students to study in the Northern Territory.

Tourism and Regional Development

The Northern Territory has a long established reputation as a unique tourism destination centred on its extraordinary natural landscapes and rich Aboriginal culture. 'Cultural Tourism' is on the rise around the world and the Northern Territory is uniquely placed to offer arts and cultural tourists a compelling reason for increased visitation. Tourism exports from the Northern Territory will continue to grow, with high growth potential markets including China and Singapore.

Tourism is an important industry to the Northern Territory, being the third highest contributor to the economy behind construction and mining. Tourism is also an opportunity to provide jobs to Aboriginal people, and there are opportunities for tourism enterprise development in the remote and regional areas where a high proportion of Aboriginal Territorians live.

For Austrade (and DFAT), when pursuing Australian cultural diplomacy initiatives in foreign countries, the Northern Territory Government encourages a priority be placed on showcasing Aboriginal art and culture which is the oldest unbroken tradition of art in the world.

Continued foreign investment in tourism infrastructure and products is essential to ensure the Northern Territory maintains a competitive edge. Establishing an iconic Aboriginal cultural centre and art trails to reinforce the Northern Territory's point of difference are priorities for the Northern Territory Government.

Northern Australia and the Northern Territory have a substantial tourist industry, with iconic attractions such as Uluru and Kakadu. The scope to grow tourism through further development of unique and premium products and attractions offers huge potential and can grow other sectors of the Australian economy through international engagement.

Austrade should continue to support long term growth in the international tourism markets by establishing greater collaboration with countries such as Indonesia to build complementary product, logistics and marketing. With increasing tourism development across the Asian region, new opportunities are emerging for Australia, Northern Australia and the Northern Territory.

The Northern Territory Government is actively seeking private capital investment into the tourism industry. With unique natural landscapes and rich cultural diversity, the tourism experiences in the Northern Territory are in high demand. Excellent opportunities exist to develop new and enhanced immersive nature based experiences, innovative visitor attractions and services that leverage our existing tourism assets. The tourism sector is a priority and the Northern Territory Government is committed to improving the competitiveness and quality of the Northern Territory's tourism experiences through the investment in game-changing and drawcard infrastructure.

The Northern Territory would welcome increased collaboration from Austrade in appropriate investor matching and promotion of the Northern Territory's boundless opportunities for investors to develop, expand and acquire tourism assets including:

- significant areas of land available for greenfield development in prime locations in the Darwin CBD and coastal areas;
- opportunities to invest in short-term accommodation, luxury lodges, camping facilities and resorts;
- exceptional natural landscapes and a rich cultural heritage from which to build experiential nature based accommodation, immersive tourism attractions and experiences, adventure tourism, wildlife tourism and wellness retreats; and
- opportunities for public-private partnership in transport infrastructure projects, including airports, cruise terminals and roads.

Kakadu National Park has experienced a continuing decline in visitor numbers and urgent investment is required by the federal government, as owner of the park, to restore Kakadu to its position as one of the world's significant natural tourism environments.

International Health

The Australian Government is positioning Northern Australia as a global leader in tropical health, and the Northern Territory is well positioned to build ties and collaborate with our near neighbours in this sector. Improving the standard of living of our neighbours through collaborative healthcare initiatives (including in tropical health) will increase regional prosperity and foster greater understanding and goodwill. There are numerous research and development opportunities to further expand the Territory's expertise in tropical health. With increased assistance from Austrade in appropriate investor matching this sector could be greatly bolstered.

Increased assistance from Austrade in with developing international linkages with education and scientific institutions can be built upon through the Northern Territory's proximity to Asia, our strong relationships with the region and our position in, and knowledge of, the tropics. In Darwin, the Menzies School of Health Research, located adjacent to Royal Darwin Hospital and working closely with Charles Darwin University, has been a leader in tropical health for more than 30 years.

The potential for increased exports from the Northern Territory's pillar industries is undoubted and we consider that Austrade can partner even more closely with the Northern Territory Government to realise these untapped opportunities. Likewise the potential for increased investment both domestic and international into both research and development and into value adding our existing health technology industries is boundless.

The Northern Territory Government therefore encourages the Australian Government to recognise, leverage and support the expertise and strong linkages that the Northern Territory has. Likewise, for Austrade to work closely with the Northern Territory on opportunities such as increasing the amount of investment into the health research sector, promoting the sharing of the Northern Territory best practices in remote and tropical health, and sustainable livelihoods with our near neighbours.

Advanced Manufacturing, Defence and Services and Technology

With services making up approximately 70 per cent of the Australian economy, it is critical that efforts be expended to encourage and drive growth into that sector in Northern Australia.

The Northern Territory Government and Austrade have a strong partnership in assisting Australian SMEs to access multinational corporation value chains especially in the defence, aerospace and marine sectors.

The 2016 Defence White Paper recognised the importance of the Northern Territory as a gateway to Australia's northern approaches, and critical hub for major Defence facilities and regional engagement. With greater connectivity to Asia on a number of levels, economically and politically, the Northern Territory is evolving to become a focal point as a regional defence hub. The Northern Territory has welcomed increasing numbers of US Marine Corps personnel, their aircraft and equipment to Darwin through the 2014 Australia-United States Force Posture Agreement.

The Northern Territory Government considers that there are further opportunities to deepen and diversify Australia's international defence relationships in the region and beyond, including making greater use of and expanding and enhancing the infrastructure of defence training areas in the Northern Territory. Guidance, in the form of a Northern Territory Government Defence Training Area Development Options Paper, was provided to the Department of Defence in early 2016.

In addition to current multilateral exercises such as KAKADU (maritime) and PITCH BLACK (air), the Northern Territory could become the Australian focal point for military exercises conducted under the ASEAN Defence Ministers Meeting Plus (ADMM+) arrangements. The Northern Territory would also welcome the opportunity to host ADMM+ senior officials' and working group meetings; and desktop exercises.

Fully developing the range instrumentation at Northern Territory defence training areas could also open up opportunities for Australian-based participation in Five Power Defence Arrangements exercises, including via Joint Live Virtual and Constructive links with ranges in Singapore and Malaysia.

The Northern Territory Government is keen to explore opportunities and develop a space industry in the Northern Territory, something that will complement our existing growth sectors of defence, agribusiness, energy, minerals and tourism. The Northern Territory wants to continue to grow and diversify its economy through public and private investment.

The Australian space sector currently produces annual revenues of \$3 billion-\$4 billion which represents only 0.8 per cent of the global space industry. With technology shifts driving growth in the commercial space industry, Australia has the potential to capture a greater share of the global industry and the Northern Territory can be part of this. The Northern Territory is the perfect launch site due to its close proximity to the equator and remote locations. Desired assistance from Austrade in developing this new industry for the Northern Territory includes assistance in appropriate investor matching and appropriate technology provider matching.

Major Infrastructure and Urban Development

Northern Australia, by virtue of its large geography and low population requires infrastructure in all areas, from roads to railways to airports, from pipelines to processing plants capable of handling the numerous minerals that the top half of the continent produces.

Australia has previously exported raw product only to then import the value added product. There is an opportunity to address this in certain key sectors where Northern Australia has the raw material and land but requires investment into infrastructure that can produce value added products in the Northern Territory.

These investments will be in the trillions of dollars and a dedicated team, operating in Northern Australia and offshore, will be essential in ensuring that this opportunity delivers increased wealth and prosperity to Australia for many decades to come.