

Northern Australia's strategic operating system:

Industry, infrastructure and national resilience

REPORT

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About the author

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Executive summary

Northern Australia has become a nationally significant strategic operating environment. Its industrial continuity, infrastructure resilience and sovereign capability directly shape Australia's ability to withstand coercion, disruption and strategic competition. The region sits at the centre of Australia's economic strength and strategic posture. Northern Australia anchors nationally significant industries, sustains remote and regional communities, and underwrites supply chains that extend well beyond the 26th parallel. Yet national policy hasn't consistently reinforced the structural conditions needed to translate that industrial strength into enduring regional and national resilience.

In practice, northern Australia's resilience now shapes Australia's broader national resilience. The north hosts export corridors, energy systems, ports, logistics networks, workforce capability and industrial infrastructure that underpin Australia's economic security, defence posture and strategic sustainment capacity. Failure across northern operating systems during periods of concurrent disruption wouldn't remain regionally contained. It would directly affect national revenue, sovereign capability, defence logistics and Australia's ability to operate through prolonged strategic pressure. The central finding of this report is that northern Australia hosts industries of national consequence but lacks consistently robust fiscal, regulatory and reinvestment settings required to convert industrial strength into durable regional resilience. Addressing that imbalance is in the national interest and can be achieved through disciplined reinforcement of existing strengths rather than through reinvention.

Australia's risk environment has hardened. Resilience continues to be tested by extreme weather. Geopolitical shocks increasingly disrupt markets and supply chains. Capital flows respond quickly to policy instability. In this context, resilience in northern Australia can't rest on aspiration or episodic investment. It must rest on continuity.

Long-dated industries¹ form the backbone of that continuity. Agriculture, resources, energy, transport and tourism operate across multi-decade horizons. They anchor towns, sustain small and medium-sized enterprises (SMEs), embed technical capability and maintain operational knowledge across vast geographies and supply chains. Operational continuity, not construction cycles, determines whether communities absorb shocks or hollow out. Stable and predictable industrial settings, therefore, serve as a foundation for resilience. Similarly, competitive settings help to sustain industry activity through cycles and shocks, not merely attract investment.

Structural weaknesses remain evident. Infrastructure systems in transport, energy, water and communications lack redundancy across key corridors. Housing and service constraints limit workforce depth and retention. Industry activity, and tax and royalties, generated in the north don't consistently recycle into the systems that sustain northern livability and industrial continuity.

Episodic investment and periodic funding cycles can compound those pressures.

Policy settings haven't always matched the time horizons of northern industry. Fiscal adjustments occur within electoral cycles, while capital allocation and reinvestment decisions occur over decades. Regulatory duplication and complexity persist even where environmental and cultural safeguards remain robust. Fragmented assessment processes increase cost and delay without demonstrable gains in stewardship. Remote and capital-intensive systems can't absorb avoidable overlays or volatility without consequence.

Resilience also depends on people. Northern Australia's workforce includes deeply embedded regional capability and significant First Nations knowledge and governance authority. Structured local value capture demonstrates what deliberate procurement, skills development and local-to-local partnership frameworks can achieve. Where participation is embedded within long-term operating models, resilience strengthens. Where engagement remains transactional or short term, resilience thins.

Infrastructure system integrity underpins supply-chain continuity. Concentrated export corridors optimise cost in stable conditions but narrow redundancy during disruption. Extreme weather events and corridor interruptions have repeatedly demonstrated the exposure of single-node systems. Climate-hardened infrastructure—backed by alternative logistics, key infrastructure redundancy and distributed storage capacity—can enhance system durability.

Resilience for northern Australia won't be delivered through annually refreshed policy priorities or episodic investment. It's earned through continuity, disciplined policy alignment and measurable delivery across decades. It requires the reinforcement of existing strengths—where success is measured by continuity, delivery and reinvestment, not a heightening of vulnerabilities.

Across the industry ecosystem, ground-truthing those settings that keep it real for regional industry and communities will provide the ballast against a growing sea of uncertainty and international pressures. A 'deliberateness' on resilience needs to be set and held. In an era defined by volatility, stability and resilience aren't optional.

Four priorities emerge:

- First, governments should deliver long-horizon fiscal clarity across royalties, taxation and compliance frameworks. Transparent review mechanisms and forward visibility will reduce policy-induced volatility and strengthen reinvestment confidence.
- Second, governments should consider competitive settings that seed resilience and operational continuity. Government investment in northern Australia's energy, water and transport systems should continue to prioritise structural cost improvements. Fiscal policy should prioritise favourable

and stable settings that strengthen resilience to downturns and encourage industry reinvestment through the cycle.

- Third, governments should integrate regulatory pathways without lowering standards. Accredited assessments, aligned evidentiary requirements and coordinated statutory timelines can preserve environmental and cultural safeguards while reducing duplication and sovereign risk.
- Fourth, governments and industry should prioritise local value capture, Indigenous economic participation, sovereign workforce capability and enhanced local governance. Structured reinvestment into regional systems—housing, utilities, services, transport and skills—will reinforce livability and operational continuity.

Key judgements

- Northern Australia's infrastructure systems now constitute nationally significant strategic infrastructure.
- Industrial continuity in the north directly shapes Australia's strategic endurance during prolonged disruption.
- Defence posture in northern Australia depends on resilient civilian infrastructure, logistics and workforce systems.
- Concentrated northern export, energy and logistics corridors create systemic national vulnerabilities during concurrent disruptions.
- Northern Australia carries national economic and strategic weight disproportionate to its population share. Yet current policy settings don't consistently convert that strength into durable regional resilience.
- Long-dated industries form the backbone of northern stability. Communities remain viable where operations continue; they hollow out when reinvestment stalls. Continuity, not construction booms, determines resilience.
- Investment horizons in the north span decades. Fiscal adjustments, regulatory shifts and compliance layering within short political cycles create cumulative uncertainty that weakens capital confidence, while prolonging reliance on ageing infrastructure.
- Structurally unfavourable settings can weaken industry's resilience to downturns, shocks, hot market conditions or growing cost pressures. Retaining competitive relevance for industry settings is central to industry resilience and supporting ongoing sustaining investment. Any increase in volatility further accentuates the importance of stable competitive settings.
- Export infrastructure is efficient but structurally concentrated. Limited corridors for rail, ports and energy increase exposure to climate disruption and geopolitical shocks.
- Revenue flows from northern industry don't systematically reinforce northern infrastructure, housing, workforce capability or local services at a scale commensurate with the north's industrial contributions.
- Regulatory duplication and complexity persist across jurisdictions. Parallel processes increase delay and cost without proportionate improvements in environmental or cultural safeguards.
- Workforce fragility, driven by housing constraints, thin labour markets and service gaps, limits local participation and entrenches dependence on transient labour models.
- First Nations participation materially strengthens resilience when embedded in long-term operating frameworks with structured procurement and governance roles. Transactional engagement produces thinner outcomes.
- Capital surges generate visible economic spikes but limited enduring capability. Long-term operational activity sustains SMEs, councils and skills ecosystems.
- Industry diversification supports resilience when built from existing strengths, logistics, processing, land management and established corridors. Unsequenced transition increases systemic exposure.
- Local SMEs, councils and regionally embedded institutions act as the north's shock absorbers. Underinvestment in those systems compounds vulnerability.
- The central finding is structural: northern Australia doesn't lack industrial strength. It lacks consistent policy alignment and reinvestment discipline to translate that strength into sustained regional resilience.
- Durable resilience will depend on long-horizon fiscal clarity, coordinated regulation, reinvestment in enabling systems and measurable delivery, not narrative resets or episodic funding cycles.

Part one of this report, by way of an introduction to northern industries, provides an industry snapshot across key northern sectors of resources and agriculture. It considers the local, regional and national significance of northern industry, including industry's relevance to First Nations, local workforce and northern investment.

The second part of the report puts forward the strategic narrative to drive resilience in conjunction with northern industry. The analysis considers stable foundations for a resilient north, the role of infrastructure in resilient supply chains, and opportunities to build resilience through strengths.

Recommendations: stability and resilience

Government (federal, state and territory)

Stability and economic resilience

1. Federal, state and territory treasuries should jointly develop and publish a Northern Australia Fiscal Stability Framework that provides investment-relevant certainty across the combined fiscal system affecting long-dated baseload industries, including agriculture, resources, energy and priority emerging sectors. The framework shouldn't seek to centralise royalty powers or freeze headline rates, which remain primarily a state responsibility for onshore resources and a federal responsibility offshore through the petroleum resource rent tax (PRRT). Instead, it should clarify and provide forward visibility into the interaction among royalties, PRRT, safeguard and carbon settings, environmental bonds and major compliance instruments, with clearly defined and transparent review triggers for material fiscal change over 15–25-year investment horizons. Success should be measured by reduced policy-induced volatility, improved confidence in capital allocation, sustained reinvestment and increased asset life-extension decisions in northern Australia, recognising that long-dated industries assess sovereign risk across the cumulative fiscal architecture rather than any single instrument in isolation.
2. Existing national, state and territory fiscal and industry policy review processes should similarly include a review across cumulative industrial settings, to assess resilience implications for long-dated baseload industries, including agriculture, resources, energy and priority emerging industries. Reviews would look to ensure the long-term competitive relevance and stability of those settings across the investment cycle, including operational phases and ongoing sustaining expenditure. Success would be measured by reduced policy-induced volatility and improved industry resilience to volatility, downturns, high-cost environments and price cycles.
3. Federal and state regulators should jointly implement a regulatory integration and simplification program for northern Australia, focused on outcome-based and risk-proportionate regulation to deliver a step-change in regulatory simplicity without lowering standards. This program shouldn't seek to remove federal government approval responsibilities that arise from international treaty obligations or constitutional settings. Instead, it should eliminate duplicative assessment processes by expanding accredited and delegated assessment arrangements, aligning information requirements across jurisdictions and ensuring that a single, coordinated assessment process can satisfy both state and federal decision-making needs wherever legally permissible. The

federal government would retain formal approval authority where required. Still, proponents shouldn't be required to run parallel evidentiary and consultation processes that address the same matters twice. Clear statutory decision timelines, transparent assessment pathways and coordinated conditions-setting should form part of the reform. Success should be measured by reduced duplication, shorter approval time frames without diminished environmental or cultural safeguards, and improved certainty for proponents operating in northern Australia.

Local resilience and capability

4. Environmental and planning regulators should transition to integrated, risk-based approval frameworks that ensure biodiversity, water and cultural heritage protection while properly considering infrastructure, economic and community resilience. While many major proponents already undertake early engagement with traditional owners as a matter of commercial necessity, regulatory settings should formally embed and incentivise early, structured co-design across all project scales and sectors, ensuring that engagement informs project design rather than being confined to statutory consultation milestones. Effectiveness should be assessed through approval timeliness, compliance outcomes and measurable reductions in post-approval disputes and litigation.
5. The Australian Government, through the Department of Employment and Workforce Relations and the Department of Education, should fund a dedicated Northern Australia Sovereign Workforce Program to build region-specific human capital. The program should prioritise *in situ* training, apprenticeships and on-the-job learning delivered through northern TAFE colleges, universities, schools and local employers. Funding should be tied to measurable outcomes, including local workforce participation rates, reduced fly-in/fly-out (FIFO) dependency and improved workforce retention.
6. Major resource and infrastructure projects in northern Australia that receive government financial support or require significant government approvals, tenure, licensing or project agreements should include structured local value-generation requirements covering employment, procurement and Indigenous business participation. Those requirements should be regionally calibrated and tiered, reflecting project-adjacent communities, regional hubs and, where appropriate, territory- or state-wide participation, and should account for available qualified labour pools and supply-chain depth. Clear, proportionate targets should be established as part of project approvals or agreements, transparently reported annually and linked, where appropriate, to ongoing funding, tenure conditions or agreement milestones. Variability across projects should

inform tailored standards grounded in regional capability rather than justify the absence of measurable accountability.

7. State and territory governments should commit to reinvesting a defined proportion of revenue derived from major economic activity in northern Australia back into northern local government infrastructure, services and resilience-critical systems. While royalties from extractive industries provide a clear anchor revenue stream, the mechanism should also capture other material state-derived revenues associated with large-scale projects, including lease payments, payroll tax, land-based charges and other project-linked fiscal returns. Funds should prioritise roads, utilities, housing-enabling infrastructure and assets critical to climate and supply-chain resilience. A transparent and rules-based funding mechanism—similar in structure to Western Australia’s Royalties for Regions model—should be established, with public reporting on allocations and measurable outcomes.

Private sector

8. Industry operators should adopt clear local value-capture strategies for northern Australia, including long-term Indigenous procurement, local SME development and local workforce pathways. Performance should be reported publicly and aligned with project life cycles rather than construction phases alone.

9. Industry should actively partner with governments in regulatory co-design processes to improve regulatory effectiveness while streamlining approvals. That partnership must move away from ever-expanding academic and administrative pre-development approaches that can add delay without improving outcomes. Instead, the focus should shift to applied operational understanding and practical design insights—such as alternative water-management approaches suited to staged or varied development pathways, different climatic conditions, and flexible infrastructure configurations that reflect the nature of the industry and may improve design effectiveness and capital efficiency while maintaining safeguards. Effective co-design means aligning regulatory intent with on-the-ground operational conditions. Success should be measured not by the volume of information submitted, but by reduced approval time frames, lower compliance friction and maintained or improved environmental and social outcomes.

10. Recognising that workforce attraction and retention are constrained by housing and services, industry should invest in dedicated workforce housing for non-local workers and partner with local councils to improve livability infrastructure for resident workforces. Those investments should be coordinated with local government planning and measured by improved workforce stability and reduced staff turnover.

Industry snapshot

Under the Australian Government’s definition, northern Australia covers 53% of Australia’s landmass, yet is home to only 5.1% of the national population: almost 1.4 million people, including 17.4% First Nations people.² The region supports more than 100,000 businesses and employs 629,000 people.³

Nationally

Northern Australia’s industries are significant to the national economy. Australia’s top three exports—iron ore, liquefied natural gas (LNG) and metallurgical coal—are predominantly from the north. In 2024–25, those exports contributed more than 40% of Australia’s (goods) exports, or \$220 billion in export value, underscoring how much of Australia’s export engine sits above the 26th parallel.⁴ That includes all 79 million tonnes of Australia’s LNG exports, valued at \$65 billion, which underpin national energy exports, as well as iron ore exports of about \$116 billion.⁵

Regionally

At the regional level, long-dated industry has been a bedrock of northern economies. In the Northern Territory, key industries of agribusiness, resources, energy, transport, tourism and construction contributed over 40% of gross state product in

2023–24 and some 25% of employment.⁶ This is compared to government and community services, which account for 24% of the economy but 44% of employment.⁷

Locally

At the local level, the industry footprint matters—it anchors communities across vast distances—boosting local services, council viability, training pathways and the SME ecosystem that sustains remote towns and regional centres.⁸

Agriculture

Northern Australia’s agricultural sector remains a significant contributor to Australia’s agriculture. In 2020–21, agriculture in northern Australia employed around 23,000 people, or about 10% of Australia’s agricultural workforce. It generated agricultural production valued at more than \$8 billion, representing around 10% of the national agricultural gross value of production.⁹ Northern Australia is particularly central to Australia’s beef sector: its cattle herd accounts for a large share of the national total. The region also produces the vast majority of key tropical horticultural commodities such as mangoes, bananas and sugar.¹⁰

Resources

The resources sector in northern Australia plays a nationally consequential role in Australia's resources exports and supply chains. As one illustration of scale: Australia's iron ore exports, produced overwhelmingly in northern Australia, reached 900 million tonnes in 2024–25.¹¹ The mining industry was the largest taxpayer in Australia in 2023–24, paying \$65 billion in company tax and royalties, including a large portion from northern Australia.¹²

At the regional level, the sector contributes to regional employment, local suppliers, communities and local governments. In the Northern Territory, the mining sector employed 10,300 people and made local supplier purchases of some \$3 billion in 2023–24, supporting more than 770 local businesses.¹³

First Nations participation and local value capture

First Nations participation and local value capture remain central to northern resilience, but the picture is uneven. The mining industry has also been one of the strongest contributors to local and Indigenous procurement, including traditional owners' businesses.¹⁴ In Western Australia's iron ore sector, spending with First Nations organisations has grown strongly over the past five years, reflecting a structural shift in procurement practice. In 2023–24, approximately \$1.8 billion was reported as spent with Indigenous businesses across the state's iron ore industry, including spend with traditional owners' businesses.¹⁵ When procurement frameworks are deliberate, transparent and embedded in long-term operating models, industry can materially contribute to local value capture and Indigenous economic participation at scale.

While employment figures are only one indicator, in 2020–21, around 49,000 First Nations people were employed across northern Australia.¹⁶ Of those, approximately 850 were recorded in agriculture, representing around 2% of First Nations employment in the region. That figure, however, doesn't fully capture the economic contribution occurring through traditional owners' organisations, ranger programs, cultural land management, pastoral partnerships and on-country enterprises operating on Indigenous estates. Nor does it reflect the broader value of cultural authority, land stewardship and governance capability that underpin regional stability.

The issue is therefore not employment for employment's sake. It's about the depth and durability of local economic participation. Regions where traditional owners have structured procurement pathways, skills pipelines and decision-making roles embedded within major projects tend to demonstrate stronger social licence, more stable workforce participation and greater long-term continuity. Where participation is limited to short-term labour hire or peripheral contracting, resilience gains are thinner.

Viewed through this lens, any gap in sectoral representation is a resilience signal rather than a deficit narrative. It highlights the

need for sustained capability development, genuine co-design of projects on Indigenous land, and mechanisms that enable traditional owners' enterprises to scale in line with regional industry growth. Policy settings matter, but so too do industry practices, financing models and partnership frameworks. Strengthening First Nations' economic agency in the north isn't a metropolitan prescription imposed from afar; it's a practical requirement for durable regional development in jurisdictions where Indigenous land tenure and governance structures are foundational to economic activity.¹⁷

Local workforce

Northern Australia maintains a substantial industry skills base. Construction, mining, energy, transport, tourism and agriculture also sustain a broader ecosystem of contractors, suppliers and service providers. Local workforce composition remains a constraint, driven by persistent shortages in skilled labour across many industries. FIFO and drive-in/drive-out labour remains operationally necessary, particularly in the resources sector, because local labour supply can't consistently meet demand at scale. The structural drivers sit elsewhere: a small population base, chronic housing shortages, service gaps and livability constraints that limit recruitment and retention.

Northern population centres such as Darwin, Townsville and Cairns, which have historically functioned as key northern FIFO labour hubs, retain a baseload of regionally experienced industry personnel and offer regionally relevant head office locations. However, those northern centres continue to compete with southern centres. Flight availability, housing availability and lifestyle choices influence the FIFO workforce. Centralised office roles tend towards non-regional southern centres. That can further reduce the regional capture of higher value work and weaken the development of local professional pathways.

Together, those conditions constrain the north's ability to grow and retain a deeper resident workforce over time and reduce the stability of the broader labour-supply system that remote operations depend upon.

Many of northern Australia's core sectors, particularly mining and energy, are highly productive but relatively low in labour intensity. The objective should therefore not be to inflate total workforce numbers, but to increase the percentage of roles, at all skill levels, filled locally, including through local SMEs and Indigenous employment.

That distinction matters. Capital-intensive industries won't suddenly become labour-heavy; nor should they. However, workforce composition, supply-chain participation and procurement location are variables that can be influenced.

The policy aim, therefore, is not to distort productive industries but to maximise the regional share of the workforce and supply chain that's genuinely required, while supporting sectors with higher labour intensity where diversification and value-adding can deepen local economic resilience.

National reinvestment

A key limitation is that most industry taxation and mining and energy royalties flow to southern capitals and aren't reinvested in northern infrastructure, services or capability. With the exception of Western Australia's long-dated Royalties for Regions program, which partially reinvested in the north, this persistent imbalance constrains the north's ability to reinforce the systems, housing, utilities, transport, skills and governance that underpin long-term resilience.

Investment patterns

Investment patterns further accentuate the challenge. Large-scale capital investment in northern Australia has historically been cyclical and often sporadic, driven by global markets, commercial sanctioning and government approvals of projects. Those

investment surges generate short-term economic activity but often deliver limited and uneven local engagement during construction phases. By contrast, long-term operational expenditure provides a more stable economic base, sustaining employment, local procurement and regional businesses over decades. Therefore, it is the sustained operational footprint, not episodic construction booms, that most consistently underwrites regional resilience.

Taken together, the evidence points to an implied tension: Northern Australia hosts industries of national strategic importance, yet lacks the structural conditions to consistently convert industrial strength into enduring regional resilience. Addressing the inherent imbalance doesn't require dismantling existing industries or pursuing constant reinvention. It requires recognising the stabilising role of long-dated industries, improving local value capture and deliberately reinforcing regional systems, skills, infrastructure, housing and services that allow industry, communities and ecosystems to endure and adapt over time.

Stable foundations for a resilient north

Industrial resilience in northern Australia is no longer solely an economic issue. It has become a national-security requirement. Northern Australia's ports, logistics systems, energy networks, industrial workforce and export infrastructure underpin Australia's strategic endurance during periods of disruption, coercion and regional instability. In an era defined by continuous, concurrent and cascading shocks, resilience must be understood as the ability of northern operating systems to continue functioning under sustained pressure.

The resilience of northern Australia's core industries directly shapes regional resilience. Long-dated sectors such as resources, energy and agriculture anchor local businesses, sustain SME ecosystems and retain workforce capability across remote geographies. Recent shocks demonstrate the consequences when those foundations weaken.

Extreme weather events provide clear evidence. The 2019 northern and Far North Queensland floods severely damaged rail infrastructure linking inland resource basins to export terminals, disrupting metallurgical coal supply and generating recovery costs exceeding \$1 billion.¹⁸ Severe Tropical Cyclone Veronica in 2019 temporarily disrupted Pilbara iron ore exports, affecting national export volumes and regional contractor activity.¹⁹ Those events didn't remain isolated corporate disruptions; they flowed through to local employment, freight systems and council revenues.

Geopolitical shocks have produced similar regional effects. Trade restrictions imposed by China on Australian commodities during 2020 and 2021 generated abrupt market dislocation and price volatility, affecting regional exporters and supply chains.²⁰ Market diversification eventually reduced exposure, but the short-term disruption underscored how external pressure translates rapidly into regional economic stress.

Policy instability compounds vulnerability. The 2021 independent review of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) found that regulatory complexity and duplication had increased delay and cost without consistently improving environmental outcomes.²¹ In capital-intensive northern jurisdictions, prolonged approval uncertainty can defer reinvestment and asset life-extension decisions, weakening workforce continuity and local supplier networks. In 2017, the Productivity Commission similarly found that regions anchored by established operational industries exhibit greater labour-market stability than those dependent on short-term construction cycles.²²

Evidence from the past decade demonstrates a consistent pattern: climate shocks, market coercion and regulatory fragmentation impose measurable economic and social costs in northern Australia. Stable fiscal settings, coordinated regulation and long-horizon reinvestment therefore function as resilience multipliers. Stability isn't a rhetorical preference; it's an operational requirement in geographically vast, climate-exposed and capital-intensive systems.

Stable settings are a minimum

In the first instance, industrial resilience in northern Australia depends on stable policy and fiscal settings over investment-relevant time frames. Industry decisions, including on capital investment, asset life extensions, productivity improvements, supplier selection, employment and capability build, are often long-horizon decisions. Major resource and energy investments, for example, operate across multi-decade horizons. Evidence shows that regulatory complexity, fiscal uncertainty and approval delays influence capital allocation decisions in capital-intensive sectors.²³ The independent review of the EPBC

Act found that regulatory duplication and protracted timelines had reduced certainty without demonstrably improving environmental outcomes.²⁴ In remote jurisdictions where asset life spans extend to 20–30 years, delayed reinvestment, deferred upgrades or forgone asset life extensions can reduce industry viability and continuity, with direct and immediate impacts to regional employment and supplier ecosystems.

Similarly, retaining competitive relevance for industry fiscal and policy settings is central to industry resilience. Australia's corporate tax rates are relatively high by international standards, making it less attractive for businesses to invest in Australia²⁵ and distorting both new investments and reinvestment decisions. The broader system includes tiered and bracketed tax and royalty settings – which in some circumstances can effectively tax both 'normal' and 'above normal' profits – as evidenced within state-level fiscal settings. The combined tax system—including corporate tax, payroll taxes, industry-specific trade taxes, state or territory royalties where applicable, and a raft of fixed state-level charges—presents a complex and significant tax burden for industries in northern Australia. Structurally unfavourable fiscal settings can weaken industry's resilience to downturns, shocks, hot market conditions or growing cost pressures. In an international setting prone to increasing volatility and shocks, a tax system that constrains investment upside while burdening businesses during downturns puts at risk the retention of long-dated investment that's crucial for sustaining remote northern industries. For regionally significant northern industries, in which capital-intensive long-term regional commitments define resilience over decades, long-duration competitive settings are essential. Any increase in volatility further accentuates the importance of stable competitive settings.

Cost competitiveness reinforces that stability. Energy, labour availability and logistics represent structural cost drivers in northern Australia. The Australian Energy Market Operator has identified transmission constraints and sequencing risks in infrastructure as material challenges for industrial decarbonisation and grid reliability.²⁶ The CopperString transmission project in Queensland, designed to connect from Mt Isa to the national electricity market near Townsville, illustrates how timing, financing and delivery uncertainty can affect investor confidence and project sequencing.²⁷ Infrastructure delays don't remain isolated to energy markets; they constrain and put at risk mining extensions, downstream processing and agricultural value-adding.

Labour-market evidence supports this linkage. The Productivity Commission found that regions dependent on transient construction cycles experience greater volatility than those anchored by ongoing operational industries.²⁸ Northern Australia's thin labour markets and housing constraints amplify exposure when projects stall or fiscal settings shift.

Regulatory predictability constitutes the third pillar. Mechanisms in Queensland and the Northern Territory that designate 'coordinated' or 'significant' projects aim to prioritise high-value developments. However, a considerable portion of investment in the north arises from sustaining capital, ongoing operations,

incremental expansions, smaller non-prescribed projects and corridor-based reinvestment. Research on sovereign risk indicates that uneven or discretionary regulatory application can increase perceived investment risk even where formal standards remain unchanged.²⁹ Consistent, transparent processes therefore matter as much as speed. Similarly, certainty, visibility and capable regulatory oversight provide investor confidence for the broader industry in the north.

Diversification policy provides a further lesson. Regional development literature demonstrates that diversification enhances resilience when it builds on existing comparative strengths, but increases fragility when it relies on high-risk, unsequenced transitions.³⁰ Diversification strategies that integrate with established infrastructure and skill bases perform more reliably than abrupt structural shifts. Conversely, where policy settings specifically disadvantage foundation industries or accelerate disruptive transitions, impacts can lead to reduced employment, regional skills loss and fragmented supplier ecosystems. Broader impacts can flow on to workforce morale, community sentiment and the local economy. A resilience-first approach requires that new development emerges from a stable base, allowing innovation to amplify strength and drive sustainable diversification.

Recent Australian experience reinforces these findings. Climate shocks disrupted export corridors in Queensland and Western Australia.³¹ Trade coercion episodes affected commodity markets and regional exporters.³² In each case, regions with embedded operational industries and established infrastructure recovered more quickly than those reliant on single projects or transient growth phases.

Evidence therefore supports the core proposition: long-horizon fiscal certainty, competitive cost structures, coordinated regulation and disciplined industry integration reduce volatility in remote, capital-intensive systems. Stability doesn't oppose growth; it underwrites it. In northern Australia's geography, continuity functions as a resilience asset.

'Built and delivered' as a foundation for stability

Across thousands of kilometres in the remote north, the provision of reliable common-user power, water and transport infrastructure is essential. From major upgrades to road networks and ongoing water supply projects to targeted increases in the performance and resilience of rail networks, there's a renewed urgency among the state, territory and federal governments to deliver. However, the 'deliberateness' needs to be set and held. Delivering infrastructure that shores up supply chains and wires resilience in the north isn't a small undertaking. It will require continued focus over decades to build out—and maintain—and for industry and the region to realise the benefit.

In addition to corridor-based infrastructure, 'built and delivered' decentralised solutions are a needed reality for remote areas in the north. An increased focus on installed, reliable remote-area energy,

water and communication systems would bolster the resilience of the decentralised north. This extends beyond the physical infrastructure and backup generators to include local capability for ongoing upkeep and maintenance, and, preferably, locally made and locally available critical spares and consumables. These systems take time to build out properly but, once implemented, they can be highly resilient. As dull as it seems, and counter to the effort to modernise everything, sometimes in the conditions of the north, it's simplicity and replication that win the day.

Remote-area solutions—that deliver

In many local government areas, from small communities to larger centres, there is a raft of issues, from severe housing shortages to the lack of all-weather roads and airports to gaps in education, health and even water treatment that are all too frequent across the north. Closing those gaps ahead of industry growth is necessary. What the region needs isn't incremental change; it needs a boost. In Western Australia, the Royalties for Regions program has had considerable success in providing a step-change in key infrastructure and services in regions. From 2008 to 2028, a total of \$18.7 billion is forecast to be distributed to regional programs, investing in jobs, health, education, livability and transport.³³ A similar program for the Northern Territory and Queensland may provide the necessary funding and focus to more rapidly lift foundational infrastructure and livability in the north.

Keeping it real: regulation and applied policy

For northern Australia, resilience depends not on regulatory intent but on how regulation performs in practice. The region operates under robust environmental and heritage protections, including Australian Government oversight through the EPBC Act, which gives effect to international obligations relating to listed threatened species and migratory species.³⁴ The issue is rarely the existence of safeguards. The issue is duplication and cumulative process friction—parallel state and federal assessment pathways that can require substantially similar evidence, consultation and mitigation material to be prepared in different formats, even where the federal government must retain formal approval authority because of constitutional and treaty-linked responsibilities.

Bilateral assessment agreements and accredited processes exist precisely to reduce that duplication by allowing states and territories to undertake assessments that the federal government can rely upon when making its EPBC Act decisions.³⁵ The independent review of the EPBC Act concluded that the system had become complex and slow. It recommended clearer standards and more efficient processes to improve both environmental outcomes and investment certainty.³⁶ The lesson isn't that northern Australia requires lower standards. It requires integrated, coordinated and performance-tested regulation that reduces duplicative processes while preserving statutory protections.

Northern jurisdictions have begun to respond. The Northern Territory's 'Saying "Yes" to Business' reforms explicitly targeted approvals efficiency and coordination, seeking to streamline pathways and clarify decision timelines without weakening environmental obligations.³⁷ Similar facilitation and statutory time-management mechanisms operate in Western Australia and Queensland for significant projects. These initiatives demonstrate that predictability and environmental integrity aren't mutually exclusive; clarity strengthens standards by reducing adversarial escalation and late-stage redesign.

The policy implication for northern Australia is disciplined integration rather than rhetorical deregulation. Regulatory performance should be measured transparently—through published decision time frames, reduced duplication in evidentiary requirements, improved interagency coordination and maintained or improved compliance outcomes. Climate extremes, remoteness and thin labour markets leave little tolerance for procedural inefficiency. Governance frameworks that prioritise applied risk management, early co-design and outcome-based assessment strengthen resilience over time. Frameworks that accumulate processes without measurable risk reduction weaken it.

Northern Australia doesn't need fewer safeguards. It needs coherent, coordinated and regionally grounded regulation that demonstrably improves environmental stewardship, reduces unnecessary duplication and reinforces long-term industrial continuity.

Infrastructure as the backbone of supply-chain resilience

Adequate infrastructure sits at the centre of supply-chain resilience in northern Australia. Without resilient ports, roads, rail, energy, water and communications systems, industry can't sustain output during disruptions. Resilient supply chains aren't an adjunct to resilient industry; they're its operating system. Where infrastructure is thin, ageing or exposed, industry absorbs volatility that no balance sheet or management reform can offset.

Northern Australia's export system is efficient but structurally concentrated. A limited number of bulk ports and rail corridors move commodities that underpin a substantial share of national export earnings. Concentration lowers average costs in stable conditions, yet it narrows redundancy. Severe tropical cyclones in the Pilbara routinely suspend port operations and rail haulage, interrupting vessel loading and constraining global supply. Even short suspensions disrupt contracted shipping windows, elevate demurrage costs and create downstream price volatility. In Queensland, extreme rainfall and flooding have repeatedly damaged rail infrastructure linking inland basins to export terminals, disrupting metallurgical coal supply and generating billions of dollars in recovery costs.³⁸ Those events demonstrate that corridor-based infrastructure operating in high-risk climatic zones must be designed for continuity rather than peak throughput.

Agriculture presents a parallel case. Northern producers depend on long-distance road freight networks to move livestock and perishable goods to processors and ports. Seasonal inundation and road closures increase freight times, constrain market access and heighten working capital pressures. Where all-weather road access remains incomplete, producers can't reliably arbitrage price signals or adjust production schedules. Infrastructure fragility, therefore, translates directly into reduced supply-chain agility and lower regional income stability. In remote geographies, resilience depends less on theoretical diversification and more on whether physical access routes remain open.

Energy and transmission infrastructure amplifies or mitigates those risks. Reliable, competitively priced electricity determines whether processing, cold storage, water treatment and communications systems can operate during disruption. Transmission uncertainty and constrained generation capacity limit industries' ability to buffer shocks through storage, flexible production or downstream value-add. When power systems lack redundancy or climate hardening, supply chains become exposed to cascading failures. A port closure combined with an energy outage compounds disruption across multiple sectors simultaneously.

Port infrastructure represents a further concentration risk. Northern exports move through a small number of terminals that also support defence logistics and fuel imports. Limited surge capacity and constrained hinterland connectivity restrict diversion options when a node fails. In an era of intensifying geopolitical competition, port resilience constitutes both an economic and strategic variable. Infrastructure reliability underpins not only export earnings but also sovereign capability.

Underinvestment in enabling infrastructure carries structural cost penalties. Freight costs in remote regions exceed those in southern metropolitan corridors. At the same time, housing and social infrastructure constraints reduce workforce stability and increase reliance on transient labour models. Thin local systems extend recovery times after shocks and reduce surge

capacity during crises. Resilience, therefore, depends on the broader infrastructure ecosystem, roads, utilities, housing, health services and communications that sustain labour continuity and operational uptime.

Western Australia's Royalties for Regions framework illustrates the scale at which reinvestment can reinforce regional systems. Forecast distributions over two decades have targeted infrastructure, services and livability in regional communities.³⁹ The model reflects a foundational principle: extractive revenue must reinforce the infrastructure that enables ongoing production. Without systematic reinvestment, infrastructure depreciates faster than it's renewed, and industrial exposure compounds over time.

For decades, supply chains have been optimised for efficiency and cost minimisation. Northern Australia's geography and climate render that model increasingly brittle. Vast distances, low population density and limited alternative routes increase exposure to single-point failures. Climate intensity magnifies that exposure. Climate-hardened transport corridors, interoperable infrastructure, distributed storage capacity and scalable energy systems shift the system from reactive repair to anticipatory resilience. Those investments don't represent discretionary upgrades; they're preconditions for continuity.

Industry can't engineer resilience in isolation from its physical environment. Management discipline, diversified markets and financial hedging offer partial buffers, but they can't compensate for inadequate roads, ports, transmission lines or water systems. When infrastructure fails, supply chains stall. When supply chains stall, industrial continuity erodes. In a region that accounts for a significant share of national export performance, infrastructure adequacy is a key component of national risk management.

A credible resilience agenda for northern Australia must therefore prioritise enabling infrastructure as a strategic asset class. Adequate, interoperable and climate-ready infrastructure forms the backbone of resilient supply chains. Without it, efforts to strengthen industry rest on unstable foundations.

Reaffirming/building resilience: opportunities through strength

At the most basic level, resilient industries in northern Australia underpin a resilient region. That resilience isn't derived solely from the presence of longstanding industries, enduring relationships or accumulated capability. It's the product of how industry is embedded within the region's daily life and operating systems: in remote work rhythms, shared infrastructure, supply chains, cultural heritage, local knowledge, training institutions, equipment suppliers, service providers and, ultimately, the people who live in and understand the north. Resilience emerges from the interaction of those elements over time. A policy that enables their combined strength offers a mature and credible pathway to strengthening resilience across northern Australia.

Industry as a tool for driving long-term regional resilience

Industry is one of the most effective tools available for building long-term regional resilience, precisely because it operates over long horizons. Where policy is wired to enable the demonstrated strengths of industry—rather than constrain them—it's more likely to deliver durable outcomes than episodic government interventions that provide temporary relief without addressing structural vulnerabilities. Across decades of drought, floods, commodity cycles and market shocks, northern industries and

communities have weathered disruption together. That endurance isn't accidental. It's structural.

Resilience is built through continuity: sustained operations, workforce retention, local procurement and ongoing reinvestment. Over long time frames, industry embeds capability, supports services, anchors populations and provides the economic stabiliser that allows regions to absorb shocks. In this sense, industry isn't merely an economic actor; it's a stabilising institution. Enabling industry to perform that role should therefore be a central objective of resilience policy.

Too often, however, industry in the north is treated primarily as a fiscal instrument—a source of revenue to be extracted to support broader state or territory budgets. When that occurs, northern Australia is disadvantaged twice over. First, the taxes and royalties generated in the region aren't systematically reinvested in the infrastructure, services and capability that underpin local resilience. Second, constrained cash flows, reduced incentives for asset life extensions and heightened policy risk undermine investment confidence. In extreme cases, those dynamics can precipitate closures, with immediate consequences for employment, local businesses and community viability. A resilience-focused approach would instead seek to enable industry, retain value locally and reinforce the conditions under which industries have historically supported regional stability.

Reaffirming resilience through embedded strength

Resilience in northern Australia grows from embedded capability rather than episodic intervention. Long-dated industries—mining, gas, agriculture, logistics, defence support and tourism—operate as stabilising systems across remote geographies. Regional economic literature demonstrates that export-oriented regions with established operational industry bases sustain higher income persistence and recover more consistently from external shocks than regions reliant on project construction cycles or narrow sectoral concentration.⁴⁰ Northern Australia reflects that structural dynamic.

The Pilbara provides a clear illustration. Iron ore operations there have operated continuously across decades, sustaining engineering workshops, port services, fabrication yards, heavy haulage networks and Indigenous enterprises. Deloitte Access Economics found that mining operations in Western Australia generate extensive indirect employment through supply chain multipliers, particularly in regional areas where operational activity persists long after construction phases conclude.⁴¹ Operational continuity, not headline capital expenditure, underwrites regional capability retention.

The Darwin LNG and Ichthys LNG projects offer a second example. Construction phases created short-term surges in employment and gross state product. Operational phases, however, now anchor long-term technical employment, maintenance contracts and port activity in the Northern Territory.⁴² The shift from construction to

operations altered the composition of regional economic stability. Sustained operations embed skills and supplier relationships that remain available during downturns or transition periods.

Agriculture demonstrates a parallel pattern. Northern beef supply chains depend on multigenerational station management, livestock logistics, meat processing and export coordination. In 2023, the Australian Bureau of Agricultural and Resource Economics and Sciences showed that diversified export markets for Australian beef, including Japan, Korea and the US, have reduced exposure to single-market disruption over time.⁴³ Producers who diversified markets and retained processing capacity weathered commodity volatility more effectively than producers reliant on narrow channels. Market diversification anchored in operational continuity strengthened resilience.

Embedded capability also reduces systemic risk in energy systems. In 2023, the Australian Energy Regulator identified geographical isolation and transmission constraints as ongoing challenges in remote regions.⁴⁴ Where local generation, maintenance capacity and grid-management expertise remain embedded, system reliability improves. Industrial operators who maintain on-site technical expertise reduce downtime and recovery time after outages. Operational depth, therefore, functions as an infrastructure resilience asset.

Indigenous governance capacity further reinforces resilience. Native title agreements and Indigenous land use agreements across northern Australia have embedded structured engagement frameworks between traditional owners and resource proponents.⁴⁵ Long-term agreement structures create predictable participation pathways, enterprise development opportunities and dispute-resolution mechanisms. Altman and Markham have demonstrated that Indigenous land ownership and participation in governance contribute to long-term regional stability when supported by economic integration rather than marginal consultation.⁴⁶

Workforce continuity remains central. Regional labour-market analysis shows that areas with embedded apprenticeship pathways and employer-led training models experience stronger skill retention and lower structural unemployment.⁴⁷ Northwest Queensland's resource and maintenance sectors illustrate how transferable skills, such as in diesel fitting, heavy engineering and electrical systems, support cross-sector mobility into renewables and critical-minerals processing. Skills mobility grounded in operational experience lowers transition risk.

SME ecosystems amplify those effects. Regional supplier directories in the Pilbara and Northern Territory demonstrate dense networks of locally owned firms delivering fabrication, environmental services, transport, accommodation and professional services.⁴⁸ Those firms provide surge capacity during expansion cycles and continuity during downturns. Research on regional multipliers confirms that locally embedded SMEs retain economic value within the region at higher rates than externally headquartered firms.⁴⁹

Policy design influences whether those embedded strengths endure. Sovereign risk analysis consistently shows that investors respond not only to formal tax rates but also to predictability and transparency in fiscal settings.⁵⁰ Capital-intensive sectors incorporate policy risk into long-term discount rates. Volatility in royalty frameworks or compliance settings can defer sustaining capital expenditure, which in turn affects employment and local supplier demand. Long-horizon stability, therefore, functions as a resilience multiplier.

Diversification requires careful sequencing. Regional development theory distinguishes between ‘related diversification’, which builds from existing capabilities, and ‘unrelated diversification’, which introduces high failure risk.⁵¹ That holds true for industry diversification. Northern Australia’s industry strengths include a broad capability base in upstream resources, resource processing, logistics, land management, defence support and tropical agriculture. Expansion into critical-minerals processing, biofuels or renewable hydrogen, for example, can build from existing technical and infrastructure expertise. Abrupt transitions disconnected from regional capability increase exposure.

Leveraging capability is essential not just to industry development, but to long-term resilience. Resilience is increasingly shaped by crosscutting issues: digitisation, supply-chain risk, climate-resilient infrastructure and biosecurity. Capabilities developed in natural gas and mineral resources—covering complex multi-decade operations, logistics, and asset management—have direct relevance to understanding resilience in critical minerals, energy transition projects and manufacturing. Agricultural and LNG sector capabilities offer practical insights for emerging biofuels and decarbonisation initiatives. While competition for labour remains a constraint, knowledge transfer is essential. Building from existing capability rather than reinventing frameworks can de-risk, and wire in resilience.

Infrastructure coordination further compounds resilience. Ports such as Dampier, Port Hedland and Darwin operate as multi-commodity hubs serving both export and defence logistics. Shared infrastructure reduces duplication and increases utilisation

efficiency. Northern Australia’s distance from major population centres magnifies the benefit of shared assets.

Local government capacity anchors daily resilience. Councils manage water, roads, waste, land-use planning and emergency response across dispersed populations. The Australian Local Government Association has identified funding gaps in remote councils relative to infrastructure maintenance needs.⁵² Where councils retain stable funding and technical staff, recovery and service continuity improve. Where funding volatility constrains maintenance, system fragility increases.

Financing discipline remains essential. Emerging sectors such as renewable hydrogen and critical-minerals processing require staged capital deployment and credible offtake structures. Australian Government policy documents on critical minerals emphasise the importance of market-led viability rather than subsidy-dependent acceleration.⁵³ Regions that align new industry growth with established logistics, port and workforce systems reduce failure risk.

Evidence across those domains converges on a consistent conclusion. Embedded operational industry, Indigenous governance participation, SME density, workforce continuity, infrastructure coordination and predictable fiscal settings interact to create compounding resilience. Regions that build from comparative strengths have lower volatility. Regions that pursue abrupt, disconnected transformation amplify exposure.

Northern Australia’s resilience, therefore, rests on enablement rather than prescription. Generations of operational experience, cultural authority and technical capability already exist. Policy should reinforce and integrate those strengths, align regulatory settings with operational realities, support local enterprise density, and carefully diversify the sequence. Empirical evidence from regional economic research, labour-market analysis and infrastructure planning supports that approach.

Durable resilience in the north will emerge from continuity, coordination and capability retention. Evidence indicates that compounding strength offers a more credible pathway than constant reinvention.

Conclusion

Northern Australia isn't a remote margin of the nation; it's the geography through which Australia's resilience is tested, and the platform from which Australia's strategic posture must increasingly operate. Treating it as an extractive hinterland, useful when markets are high, neglected when budgets tighten, has always been short-sighted. In today's risk environment, it's reckless.

The central choice is now unavoidable. Australia can continue to manage northern Australia as a set of projects, announcements and episodic funding rounds, cycling between hype and neglect, or it can treat the region as an interconnected system that must be deliberately reinforced. Resilience isn't a slogan, and it isn't delivered by rebranding old policy under new frameworks. It's built through continuity: reliable infrastructure, stable fiscal settings, competent regulation, and a workforce and business base that can endure shocks without hollowing out. That isn't glamorous policy, but it's the difference between a region that bends under pressure and one that holds.

Industry sits at the heart of that system. Long-dated industries aren't simply contributors to gross product; they're institutional anchors. They keep towns viable, sustain local SMEs, create skills pathways and provide the operational capability that allows the north to recover after floods, supply-chain disruptions or market swings. When policy settings destabilise those foundation industries, through volatility in royalties and taxation, inconsistent approvals regimes or regulatory accretion that adds cost without reducing risk, government isn't just 'sending a signal.' It's weakening the region's shock absorbers. The consequences are immediate: deferred reinvestment, reduced local procurement, workforce churn, and a slow erosion of confidence that no one notices until the system fails.

That is why the report's recommendations must be read as a discipline, not a menu. Governments should lock in investment-relevant fiscal certainty, simplify regulation without lowering standards, and enable interoperable infrastructure that allows multiple industries to share, adapt and endure. They should reinvest a defined portion of northern-derived revenues into northern infrastructure and livability and treat workforce development as a sovereign capability, delivered in-region for regional conditions, with measurable outcomes. Industry, for its part, must stop treating local value capture as a corporate social responsibility add-on. It must become a core business function: local procurement, Indigenous economic participation, workforce housing and livability investments that stabilise operations and communities alike. The goal is simple: to shift northern Australia from episodic growth to durable capacity.

The most important test of seriousness is accountability. Northern Australia has had no shortage of strategies; it has had a shortage of delivery and consequences. If governments and institutions continue to prioritise narrative, visibility and bureaucratic process over operational outcomes, the north will remain structurally exposed—regardless of how many resilience plans are written. A resilience agenda that can't be measured won't be delivered. The north needs fewer announcements and more hard-edged commitments: time-bound reforms, transparent reporting and favourable policy settings that hold when conditions deteriorate, not just when it's politically convenient.

Northern Australia won't become resilient by accident. It will become resilient when Australia decides, through discipline, investment and continuity, that the north isn't a place we take from, but a system we strengthen. If Australia gets this wrong, it won't be the north that pays first; it will be the nation's ability to withstand the next shock.

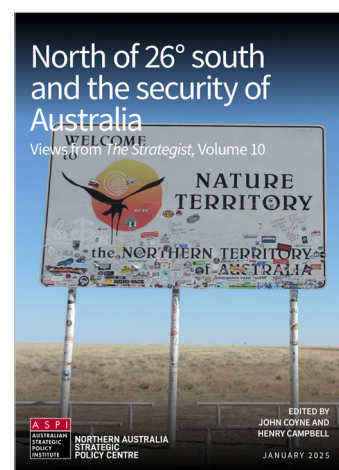
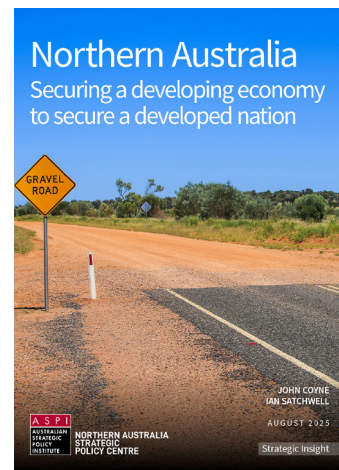
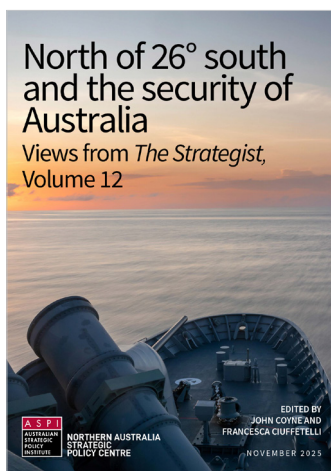
Notes

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Acronyms and abbreviations

EPBC Act	<i>Environment Protection and Biodiversity Conservation Act 1999</i>
FIFO	fly-in/fly-out
LNG	liquefied natural gas
PRRT	petroleum resource rent tax
SMEs	small and medium-sized enterprises
TAFE	technical and further education

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