

- Efficient transport and communication services are important to the Territory economy, given distance from national distribution centres and a small, dispersed population.
- In the 10 years to 2002-03, growth in the transport and communication industries was considerably stronger than broader economic growth, reflecting increasing capacity as infrastructure is developed.
- The completion of the Alice Springs to Darwin leg of the rail link to Adelaide, together with Darwin's East Arm Port, have established Darwin as a multimodal transport hub providing a 'landbridge' linking southern Australian and Asian markets.
- Lower transport costs will see rail become dominant on the north-south freight route. Nonetheless, road and air transport will continue to serve niche freight markets.
- Access to sophisticated information and communications technology and increased coverage has facilitated improved and innovative service provision mechanisms in remote regions.
- In the short to medium term, the major influence on the outlook for the transport sector is value-adding and trade opportunities associated with the new rail link and port.
- Further improvements in communications technology could increase the scope and quality of public and private service provision, particularly in remote areas.

Public Sector

- The public sector continues to be a major contributor to the Northern Territory economy and provides a wide range of economic and social services. It consists of the Commonwealth, Territory and local governments.
- In 2002-03, government administration and defence, and the other predominantly public sector industries (health and education), together accounted for more than 21 per cent of the Territory's Gross State Product (GSP). About 36 per cent of Territory State Final Demand was attributable to public expenditure, of which 89 per cent was consumption related.
- The proportion of public sector-related industries in Territory GSP continues to be well above the national average, in part because the cost of public sector service provision is relatively high in the Territory as a consequence of a small and widely dispersed population, compounded by higher average cost of servicing people in remote communities.
- The importance of the public sector in the Territory has not diminished in significance over the past decade, reflecting the defence build-up and increases in local and Territory government employment (partially offset by reductions in other Commonwealth Government non-defence employment).
- There is expected to be modest growth in public sector employment in the Territory in coming years, due partly to greater defence personnel numbers associated with further defence relocations and expanded Northern Territory Government service delivery initiatives currently being introduced.