

Deloitte.

Hospitality NT



Hospitality NT Industry Snapshot

Profile of the Hospitality Industry in the Northern Territory 2023

February 2024

The Hospitality industry is a significant contributor to the NT's economy

Hospitality added
\$427.2 million
to the Gross Territory Product

Pay
\$187.5 million
In combined taxes to the Government

Over
838
Registered Businesses

The Music industry is supported by the Hospitality industry, which is also a significant contributor to the NT's economy.

Total
\$74 million
NT Music Industry Value

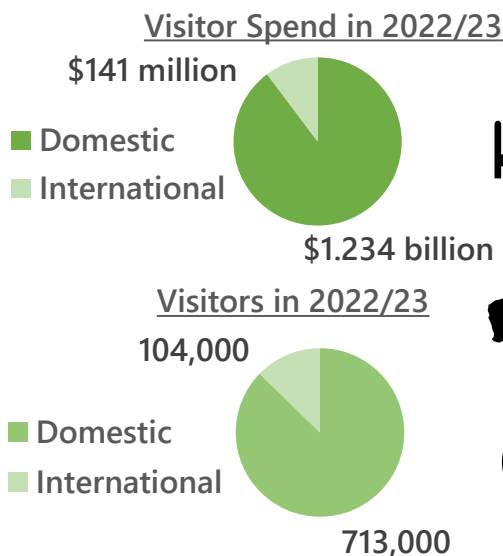


Hospitality businesses in the NT can also pay annual charges and fees including:

- Tobacco retail licence fee
- Liquor licensing fees
- Music licensing fees
- Food registration
- Alfresco fees
- Council rates and Payroll tax.



Visitors in the NT spend big. The Tourism industry's strong association with Hospitality indicates that the Hospitality industry is well placed to grow.



283,000 rooms
across **106 locations**



Domestic visitors stay an average of **4 nights**



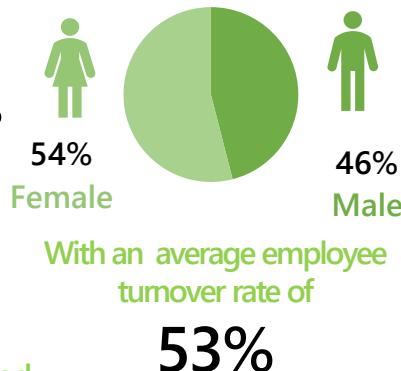
International visitors stay an average of **6 nights**



Hospitality is a significant employer in the NT – specifically the young and part-time workforce.

Over
17,000
employed in
Hospitality and
Tourism
12.1%
of the NT labour
force employed

Median age of
workers
25 years
59%
Part-time, and
41%
Full-time employed



Top Sectors of Employment:

- Accommodation: 23%
- Restaurants: 22%
- Pubs / Taverns: 13%
- Community Clubs: 12%
- Cafés: 6%

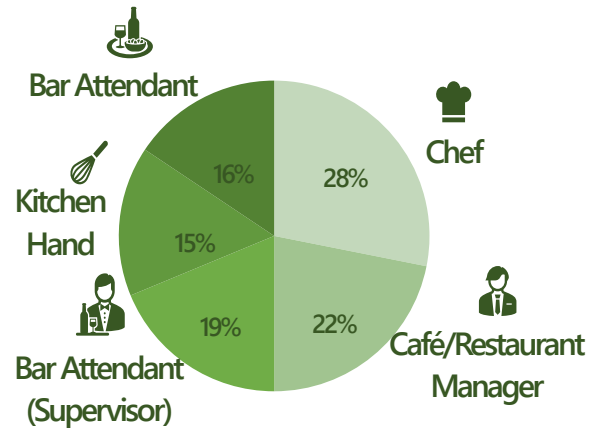
A major challenge for the Hospitality industry in the NT is the skills shortage, especially in regional and remote areas.

The NT Government has identified the following jobs in the *Skilled Occupation Priority List*:

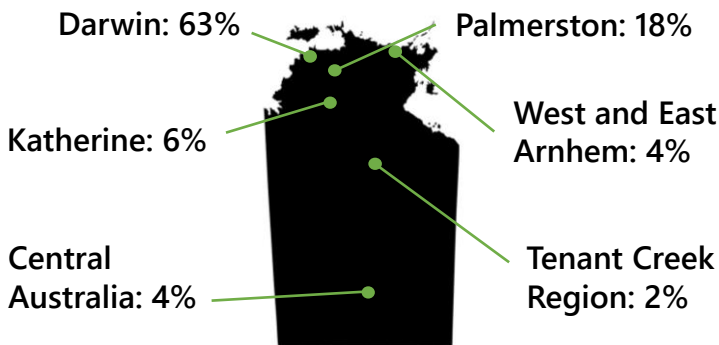
- Café / Restaurant Manager
- Accommodation and Hospitality Managers
- Chef and cook
- Bar Attendant
- Baker / Pastrycook
- Waiter
- Barista.

Incentivising skills training will help to ensure identified shortages are addressed to meet the needs of the NT's booming Hospitality industry.

Percentage of businesses which find certain skills difficult to hire:



Chef and Café / Restaurant Managers are the most difficult occupations to recruit for in the Hospitality industry, and these skills are now in demand by local businesses.



37% Of Hospitality businesses in the NT are located outside Darwin. This adds to the existing difficulty in hiring skilled and qualified workers, especially outside urban areas.

Most business owners face challenges related to job applicants who have:

- Limited working experience
- Visa regulations (for overseas workers)
- A lack of relevant qualifications
- No license and/or specialised skills
- Low desire to migrate to remote and regional areas.

Additionally,

75% of businesses report they are impacted by crime and

However,

42% expect crime to increase.



44% of businesses report they expect businesses to grow in the next 12 months.

Overall, Hospitality is a strong industry that contributes significantly to the NT economy. Hospitality provides many job prospects, especially for young adults, right across the NT. While there are challenges, if addressed and supported through engagement and collaboration, these can become opportunities to further strengthen its contribution to the NT's economic and social fabric. It should also be noted Hospitality positively contributes to the 'liveability' challenge that continues to impact recruitment and retention of the workforce in the NT, which is needed if it is to meet its stated economic objectives.

Sources:

Please find following a summary of the key information sources and calculations relevant to the Hospitality NT infographic:

- Value added by the food and beverage industry to the NT's Gross Territory Product (GTP):** \$427.2 million in 2021, as per economy.id <https://economy.id.com.au/rda-northern-territory/value-add-by-industry>
- Total tax paid:** Excise tax and wine equalisation tax - \$71.3 million. \$71.3 billion for Australia and since NT is 1% population, hence \$71.3 million for NT. Budget paper 2023-24 page 183 [Budget Paper No. 1](#). Tax revenue generated: - \$15.2 million in 2022 as per Department of Industry, Tourism and Trade Report 2022-23, page 56. \$101.5 million gambling as per Northern Territory Budget 2023-24 (Budget Strategy and Outlook) page 68 2023-24 BP2 Budget Strategy and Outlook (nt.gov.au)
- Visitor number and spend 2022-23:** 713,000 domestic visitors and 104,000 international visitors. \$1.23 billion spent by domestic visitors and \$141 million spent by international visitors. Department of Industry, Tourism and Trade Report 2022-23, page 29
- Rooms capacity in NT:** 283,000 rooms over 106 properties in 2023 as per NT's Monthly Accommodation Report November 2023, page 1 <https://www.tourismnt.com.au/file/download/3669>
- Average stay of international and domestic visitors:** Domestic visitors spend 4 nights on average and international spend 6.2 nights on average in 2022, as per economy.id <https://economy.id.com.au/rda-northern-territory/tourism-visitors-nights>
- Total registered hospitality businesses:** 838 businesses in 2022 as per economy.id <https://economy.id.com.au/rda-northern-territory/number-of-businesses-by-industry>
- Employed:** 17,000 FTE employed in tourism and hospitality. <https://industry.nt.gov.au/industries/hospitality>
- Proportion of NT labour force:** 12.1% of NT labour force as 17,000 employed in the industry and 140,109 people employed in the NT <https://nteconomy.nt.gov.au/labour-market>
- Gender distribution:** 54% female and 46% male nationally, in 2023 as per Labour Market Insights <https://www.jobsandskills.gov.au/data/labour-market-insights/industries/accommodation-and-food-services>
- Employment type:** 59% part time and 41% full time nationally, in 2023 as per Labour Market Insights. <https://www.jobsandskills.gov.au/data/labour-market-insights/industries/accommodation-and-food-services>
- Age of workers data:** 25 years median age nationally, in 2023 as per Labour Market Insights. <https://www.jobsandskills.gov.au/data/labour-market-insights/industries/accommodation-and-food-services>
- Employee turnover rate:** 53% in 2019 as per ISACNT Report page 11.
- Top sectors of employment:** Accommodation 23%, restaurants 22%, pubs 13%, community clubs 12%, cafes 6% in 2023 as per Industry Census 2023 – Question 4. Reasonable assumption made that the number and type of industry sectors is directly proportional to employment.
- Skills in demand:** Chef 28%, manager 22%, kitchen hand 15%, and bar attendant 16% in 2023, as per Industry Census 2023 – Question 20
- Occupation list:** NT Government 2023 Skilled Occupation Priority List NT Gov. https://nt.gov.au/data/assets/pdf_file/0006/490335/nt-skilled-occupation-priority-list.pdf
- Location of businesses:** Darwin 63%, Palmerston 18%, West Arnhem 2%, East Arnhem 2%, Katherine region 6%, Tennant creek/Barkly 2%, Alice Springs and Central Australia 4%, other 2% in 2023, as per Industry Census 2023 – Question 3
- Music industry:** Industry value \$74 million as per MusicNT Northern Territory live Music Strategy 2021, page 5
- Impact of crime on businesses:** 24.44% had no impact, 75.56% had impact, 11.11% expect crime to decrease, 42.22% expect crime to increase, 46.67% expect crime to remain the same in 2023 as per Industry Census 2023 – Question 11 and 12
- Challenges faced by businesses:** Ongoing staff shortages in regional and remote areas and reliance on overseas workers, per the ISACNT Report 2021 page 11.



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

The entity named herein is a legally separate and independent entity. In providing this document, the author only acts in the named capacity and does not act in any other capacity. Nothing in this document, nor any related attachments or communications or services, have any capacity to bind any other entity under the 'Deloitte' network of member firms (including those operating in Australia).

About Deloitte

Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte's approximately 200,000 professionals are committed to becoming the standard of excellence.

About Deloitte Australia

In Australia, the member firm is the Australian partnership of Deloitte Touche Tohmatsu. As one of Australia's leading professional services firms, Deloitte Touche Tohmatsu and its affiliates provide audit, tax, consulting, and financial advisory services through approximately 6000 people across the country. Focused on the creation of value and growth and known as an employer of choice for innovative human resources programs, we are dedicated to helping our clients and our people excel. For more information, please visit our web site at www.deloitte.com.au.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited.

© 2024 Deloitte Touche Tohmatsu.