

Labour market brief – December quarter 2016

Key Message

The Territory's labour market remains characterised by a low unemployment rate, high participation rate and the lowest underemployment rate of the jurisdictions. However, with growing part-time employment, falling job vacancies and moderating wages growth, this may signal a moderation in labour market conditions is expected in the short-term.

Introduction

The Northern Territory labour market is characterised by a relatively young and skilled workforce, high participation and low unemployment. However, there are also marked differences between certain cohorts and within different sub-Territory regions.

Regional Labour Markets

Region	Sep 2015	Jun 2016	Sep 2016
Alice Springs			
Unemployment (no.)	1,014	920	824
Labour Force (no.)	25,018	24,185	23,978
Unemployment Rate (%)	6.3%	5.7%	5.1%
Barkly			
Unemployment (no.)	298	260	214
Labour Force (no.)	3,296	3,201	3,174
Unemployment Rate (%)	10.2%	9.2%	7.8%
Daly - Tiwi - West Arnhem			
Unemployment (no.)	752	699	625
Labour Force (no.)	8,851	8,597	8,524
Unemployment Rate (%)	10.4%	9.7%	8.7%
East Arnhem			
Unemployment (no.)	525	446	380
Labour Force (no.)	6,641	6,139	6,088
Unemployment Rate (%)	6.6%	5.9%	5.0%
Greater Darwin			
Unemployment (no.)	2,650	2,891	2,835
Labour Force (no.)	82,462	84,468	84,234
Unemployment Rate (%)	3.3%	3.5%	3.4%
Katherine			
Unemployment (no.)	683	572	497
Labour Force (no.)	11,806	11,465	11,366
Unemployment Rate (%)	8.6%	7.3%	6.4%

Source: Department of Employment, Australian Government.

During the September 2016 quarter:

- All regions reported a decrease in the unemployment rate compared to the June 2016 quarter.
- Outside the Greater Darwin region, East Arnhem experienced the lowest unemployment rate at 5.0%.

- The Daly, Tiwi and West Arnhem regions had the highest unemployment rate in the Territory at 8.7%. Generally this region experiences a higher level of unemployment compared to other Territory regions, largely due to the lower levels of economic activity and a less diverse local economy.
- All regions reported a decrease in unemployment rates when compared to the September quarter 2015, except for the Greater Darwin region, which increased 0.1 of a percentage point.

It should be noted that many Territory regions consist of a small population base, which can result in volatility in labour market figures.

Regional Apprentices and Trainees

Region	YTD Oct 2015	YTD Oct 2016
Alice Springs		
Commencements	341	368
Completions	170	173
Barkly		
Commencements	88	72
Completions	21	24
Daly - Tiwi - West Arnhem		
Commencements	28	25
Completions	17	16
East Arnhem		
Commencements	89	93
Completions	56	52
Darwin		
Commencements	1,143	1,225
Completions	572	451
Katherine		
Commencements	225	232
Completions	81	64

Source: Department of Trade, Business and Innovation

- Comparing the year to date to November 2016 to the same period a year ago, apprentice and trainee commencements increased in Alice Springs, East Arnhem, Darwin and Katherine. The Barkly and Daly, Tiwi and West Arnhem regions reported decreases during the same period.
- Completions decreased in all regions in the year to date November 2016, except for Alice Springs and Barkly.

As there can be significant lags in reporting training data, the data may be revised in the future.

Apprentice and Trainee Commencements by Training Funding Group (year to date to November 2016)

Training Funding Group	2015	YTD 2015	YTD 2016	YTD Change
Arts, Entertainment, Sports and Recreation	51	51	45	↓ 11.8%
Automotive	204	196	136	↓ 30.6%
Building and Construction	223	211	230	↑ 9.0%
Business and Clerical	192	184	187	↑ 1.6%
Communications	8	8	8	- 0.0%
Community Services, Health and Education	214	201	236	↑ 17.4%
Computing	23	21	23	↑ 9.5%
Engineering and Mining	95	88	134	↑ 52.3%
Exceptions - Cookery	41	40	30	↓ 25.0%
Finance Banking and Insurance	49	48	21	↓ 56.3%
Food Processing	106	106	55	↓ 48.1%
Primary Industry	223	219	215	↓ 1.8%
Process Manufacturing	19	19	1	↓ 94.7%
Sales and Personal Service	197	188	262	↑ 39.4%
Science, Technical and Other	9	9	25	↑ 177.8%
Textiles, Clothing, Footwear and Furnishings	28	27	23	↓ 14.8%
Tourism and Hospitality	164	162	243	↑ 50.0%
Transport and Storage	70	67	88	↑ 31.3%
Utilities	276	261	211	↓ 19.2%
Total	2,192	2,106	2,173	↑ 3.2%

Source: Department of Trade, Business and Innovation

Apprentice and Trainee Completions by Training Funding Group (year to date to November 2016)

Training Funding Group	2015	YTD 2015	YTD 2016	YTD Change
Arts, Entertainment, Sports and Recreation	26	25	24	↓ 4.0%
Automotive	92	84	52	↓ 38.1%
Building and Construction	231	196	86	↓ 56.1%
Business and Clerical	97	88	81	↓ 8.0%
Communications	11	11	7	↓ 36.4%
Community Services, Health and Education	102	96	123	↑ 28.1%
Computing	19	10	4	↓ 60.0%
Engineering and Mining	101	88	62	↓ 29.5%
Exceptions - Cookery	12	12	9	↓ 25.0%
Finance Banking and Insurance	18	15	17	↑ 13.3%
Food Processing	81	80	20	↓ 75.0%
Primary Industry	90	69	72	↑ 4.3%
Process Manufacturing	6	4	19	↑ 375.0%
Sales and Personal Service	99	87	107	↑ 23.0%
Science, Technical and Other	9	6	5	↓ 16.7%
Textiles, Clothing, Footwear and Furnishings	6	6	4	↓ 33.3%
Tourism and Hospitality	94	88	71	↓ 19.3%
Transport and Storage	17	14	42	↑ 200.0%
Utilities	126	111	123	↑ 10.8%
Total	1,237	1,090	928	↓ 14.9%

Source: Department of Trade, Business and Innovation

Commencements

- In the year to date to November 2016, there were 2,173 apprentice and trainee commencements in the Territory.
- The training funding groups with the largest number of commencements were Sales and personal service (262), followed by Tourism and Hospitality (243).
- Compared to the same period last year, there has been a 3.2% increase (67) in the number of commencements, with the largest increase in Tourism and hospitality (162 to 243), followed by Sales and personal service (188 to 262), followed by Engineering and mining (88 to 134).
- Outside Darwin, Alice Springs had the largest number of apprentice and trainee commencements (385), of those 102 being in Tourism and hospitality. West Arnhem had the lowest commencements, with 27 in the year to date to November 2016. Over the same period, Katherine had 232 apprentice and trainee commencements, with 108 of those in Primary industry.

Due to the natural lag in contracts being registered (up to six months after the commencement date) it is expected there was a considerably higher number of actual commencements than at the time of publishing.

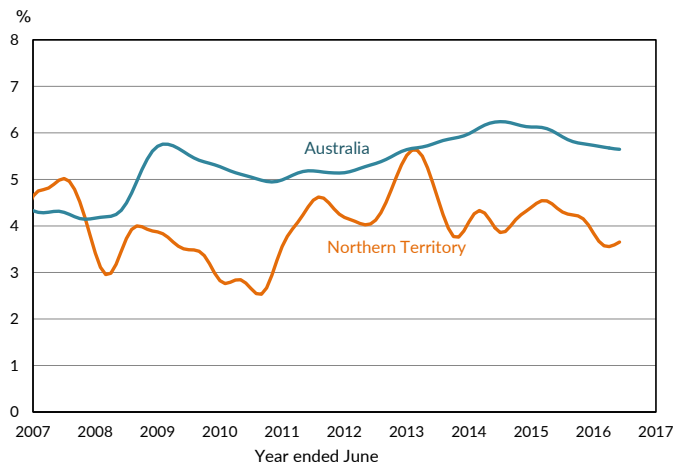
Apprentice and trainee commencements are an indicator of employment demand and employer sentiment.

Completions

- In the year to date to November 2016, there were 928 apprentice and trainee completions in the Territory, a 14.9% decrease (162) compared to the same period last year.
 - The decrease in apprentice and trainee completions was experienced by most training funding groups, with Building and construction having the largest decrease (196 to 86), followed by Food processing (80 to 20), and then Automotive (84 to 52).
 - Industries that experienced increases in completions in the year to date to November 2016 include Transport and storage (14 to 42), followed by Community services, health and education (96 to 123), and Sales and personal service (87 to 107).
 - In Alice Springs, the largest number of apprentice and trainee completions was in Tourism and hospitality with 53 completions out of a total of 183. Katherine had a total of 97 completions, followed by East Arnhem with 46. Barkly had 34 completions, and the West Arnhem region had 19 completions.
- As with commencements, there are also lags in completions, as such the magnitude of the decline in completions is likely significantly less than at the time of publishing.*

Unemployment Rate

Chart 1: Unemployment Rate (quarterly average)

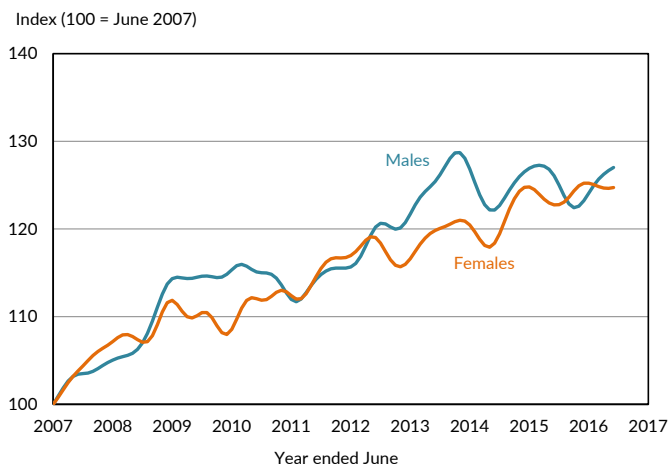


Source: ABS Cat No 6202.0

- In the November quarter 2016, the Territory unemployment rate increased by 0.1 of a percentage point to 3.7%, from the previous quarter's revised figure.
- There were 5,104 unemployed persons in the Territory in the November quarter 2016, an increase from 4,959 persons in the previous quarter.
- In the November quarter 2016, the male unemployment rate in the Territory remained unchanged at 4.1%, while the female unemployment rate increased by 0.2 of a percentage point to 3.1%. Nationally, both male and female unemployment rates remained unchanged at 0.1 of a percentage point to 5.7%.

Resident Employment

Chart 2: Northern Territory Resident Employment



Source: ABS Cat No 6202.0

- In the November quarter 2016, there were 134,520 Territorians that were employed, an increase of 710 from the previous quarter's revised figure.
- Full-time employment decreased by 240 to 107,190 persons. Part-time employment increased by 950 persons over the period to 27,330 persons.
- In the same quarter in the Territory, male full-time employment increased by 0.5%, and female full-time employment decreased by 1.3%.
- At the national level, male employment increased by 0.1% in the quarter, with part-time employment increasing by 0.9%, and full-time decreased by 0.1%. Female employment increased by 0.1% over the same period, with part-time employment increasing by 0.5%, and full-time decreasing by 0.3%.

Underemployment

		Quarterly Change	Level
Underemployment Rate	NT	↓ 0.2 ppt	4.4%
	Australia	- 0.0 ppt	8.5%

Source: ABS Cat No 6202.0

An underemployed person is an employed person whose hours of work were less than 35 hours in a particular week, and they were willing and available to work additional hours if offered.

- In the November quarter, the Territory underemployment rate is the lowest of the jurisdictions at 4.4% of total employed persons, signifying that compared to the rest of Australia (8.5%), there are more employed people in the Territory working their desired number of hours.
- The number of underemployed persons in the Territory decreased to 6,200 in the November quarter 2016, but has been generally rising over the past two years.

Hours Worked

		Quarterly Change	Level (Hours)
Average Weekly Hours Worked Per Capita	NT	↑ 0.3%	38.2
	Australia	↑ 0.4%	34.8

Source: ABS Cat No 6202.0

Average weekly hours worked per capita refers to the number of hours each employed person works each week on average.

- In the November quarter 2016, average weekly hours worked per capita in the Territory increased by 0.3% at 38.2 hours per week on average.
- Nationally, average weekly hours worked per capita increased by 0.4% to 34.8 hours per week.
- On average, Territory workers work longer hours than nationally, which may also be a reason the Territory has the lowest underemployment rate in the nation.

Employment by Industry

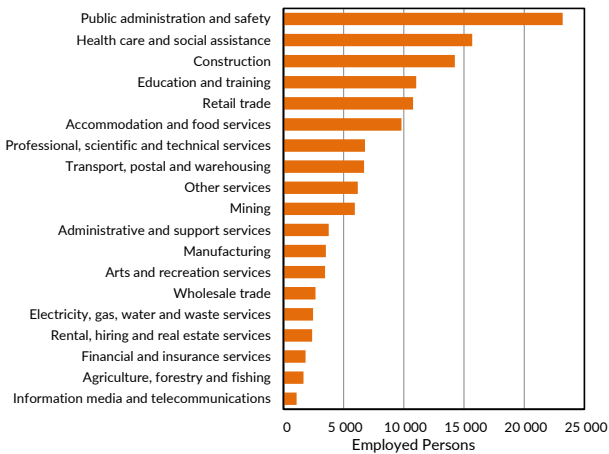
Top 5 Industries by Percentage Change	Year on Year Change
Agriculture, Forestry and Fishing	66.4%
Financial and Insurance Services	21.7%
Rental, Hiring and Real Estate Services	19.7%
Accommodation and Food Services	11.4%
Retail Trade	9.9%

Source: ABS Cat No 6291.0.55.003

- In the year to November 2016, Agriculture, forestry and fishing had the highest percentage increase in employment of all industries (66.4%), followed by Financial and insurance services (21.7%).
- Public administration and safety, the largest employing industry, which includes activities involving government legislation, emergency services and border control, had a year on year increase of 1.1%.
- Construction is the largest industry in the Territory by value of production, and is also a significant employer (10.7% of total employment). In the year to November 2016, Construction employment decreased by 9.7% to 14,200 persons.
- Mining is the second largest industry in the Territory by value of production. However, Mining only employs approximately 4.5% of the Territory workforce as the industry is capital intensive, utilising machines instead of people to perform many tasks. In the year, Mining employment increased by 4.9% to 5,900 persons.

Caution should be exercised when interpreting employment changes by industry due to data volatility in small jurisdictions such as the Northern Territory.

Chart 3: Northern Territory Employment by Industry (year average to November 2016)



Source: ABS Cat No 6291.0.55.003

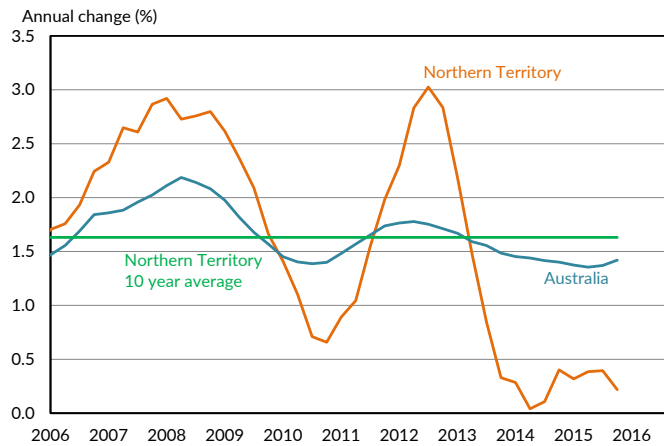
Resident Population

		Quarterly Change	Number of Persons
Population	NT	↑ 0.3%	244,900
	Australia	↑ 0.3%	24,127,200

Source: ABS Cat No 3101.0

- In the June quarter 2016, the Territory's estimated resident population (ERP) increased by 0.3% to 244,900 persons, while the national population increased by 0.3% to 24,127,200 persons.
- In annual terms the Territory's ERP increased by 0.3%, the lowest of all jurisdictions. The national annual growth rate was 1.4%.

Chart 4: Annual Population Growth Rate



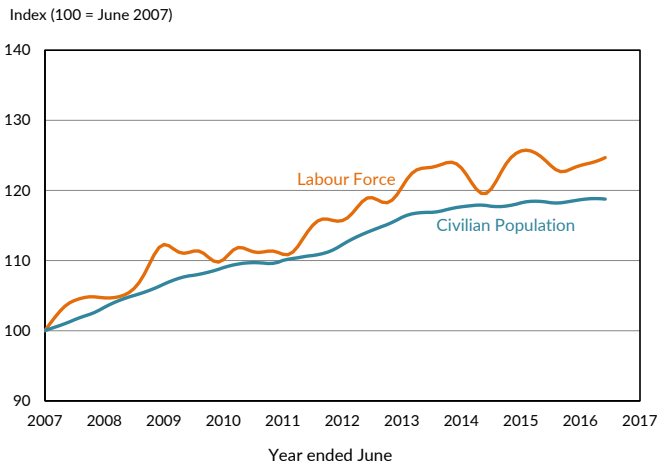
Source: ABS Cat No 3101.0

- Territory annual ERP growth has moderated over the past two years and is now below the Territory 10-year average growth rate.
- Net interstate migration has deteriorated from a net outflow of 1,200 persons in 2012-13 to a net outflow of 2,700 persons in the year to June 2016.

Labour Force

- In the November quarter 2016, there were 186,220 persons in the civilian population (persons aged 15 years and over) and 139,620 persons in the labour force (employed persons and those actively pursuing employment). This is 850 persons less than in the August quarter 2016.
- Since 2006, the Territory labour force has increased at a faster pace than the civilian population, implying the number of people employed or actively looking for a job has increased at a faster pace than the civilian population, leading to tighter labour market conditions.

Chart 5: Northern Territory Labour Force and Civilian Population

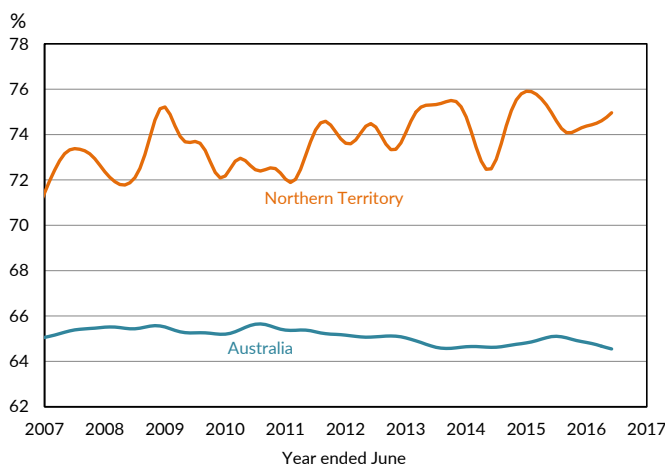


Source: ABS Cat No 6202.0

Labour Force Participation Rate

- In the November quarter 2016, the Territory labour force participation rate increased by 0.5 of a percentage point to 75.0% from the previous quarter’s revised figure.
- The Territory continues to report the highest labour force participation rate for all jurisdictions and was 10.5 percentage points above the national rate of 64.5% in the November quarter 2016.

Chart 6: Participation Rate (quarterly average)



Source: ABS Cat No 6202.0

- The Territory male workforce participation rate increased by 0.9 percentage points to 79.0% in the November quarter 2016.
- The Territory female workforce participation rate remained unchanged at 70.6% in the November quarter 2016.
- Historically, male participation in the workforce has been higher than female participation, in large part due to a relatively higher proportion of females leaving the workforce to care for family.

- At the national level, the male workforce participation rate decreased by 0.2 of a percentage point to 70.3% in the November quarter 2016, with the female workforce participation rate decreasing also by 0.2 of a percentage point to 59.0%.
- Territory workforce participation rates for both males and females are significantly higher than nationally, reflecting greater confidence in the Territory economy and job prospects.

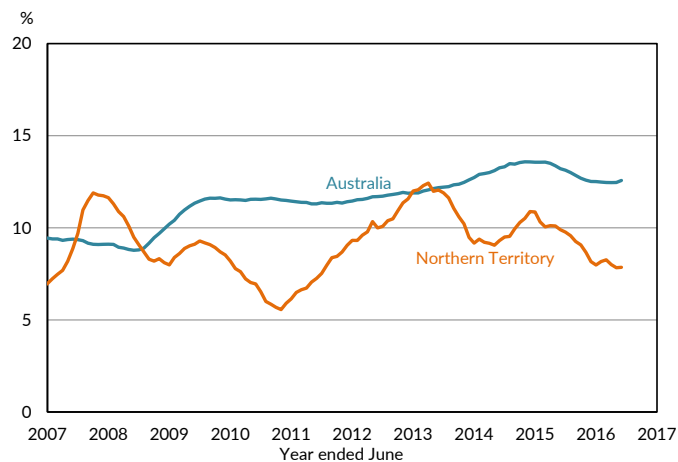
Youth Labour Market (15-24 years old)

		Year on Year Change	Annual Average Level
Civilian Population (15-24 years old)	NT	↓ 1.6%	32,800.0
	Australia	↑ 0.7%	3,150,300.0
Total Employed	NT	↓ 2.9%	20,200.0
	Australia	↑ 0.9%	1,843,800.0
Total Unemployed	NT	↓ 25.1%	1,700.0
	Australia	↓ 4.7%	265,200.0
Labour Force (15-24 years old)	NT	↓ 5.1%	21,900.0
	Australia	↑ 0.2%	2,109,000.0
Not In Labour Force	NT	↑ 25.9%	4,400.0
	Australia	↓ 1.4%	207,700.0
Unemployment Rate	NT	↓ 2.0 ppt	7.9%
	Australia	↓ 0.6 ppt	12.6%
Participation Rate	NT	↓ 2.4 ppt	66.9%
	Australia	↓ 0.3 ppt	66.9%
Civilian Population - Attending Full-time Education	NT	↓ 0.6%	11,300.0
	Australia	↑ 2.5%	1,669,100.0
Labour Force - Attending Full-time Education	NT	↓ 0.3%	4,900.0
	Australia	↑ 2.7%	835,500.0
Not In Labour Force - Attending Full-time Education	NT	↓ 4.0%	6,400.0
	Australia	↑ 2.4%	833,600.0

Source: ABS Cat No 6202.0

- In the year to November 2016 the number of youth (persons aged 15 to 24 years) employed in the Territory decreased by 2.9% to 20,200 persons.
- Over the same period, national youth employment increased by 0.9% to 1,843,800 persons.
- Youth labour market data is reported on by averaging monthly data over a year. This is done to lessen the variability and volatility of monthly movements.
- In the year to November 2016, 11,300 out of the 32,800 youths (34.5%) were undertaking full time education in the Territory, a decrease of 0.5% from the previous quarter. In comparison, 53.0% of the national youth population were undertaking full time education.

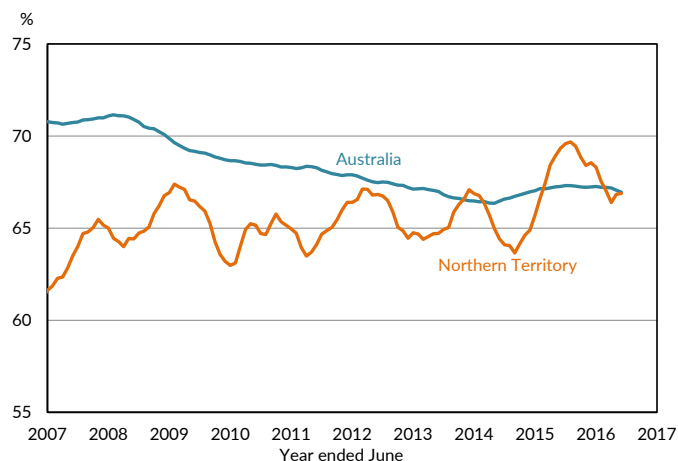
Chart 7: Youth Unemployment Rate (annual average)



Source: ABS Cat No 6202.0

- In the year to November 2016 the average youth unemployment rate in the Territory was 7.9%. This is below the corresponding national rate of 12.6%.
- The Territory youth unemployment rate has generally been decreasing over the past six months.

Chart 8: Youth Participation Rate (annual average)



Source: ABS Cat No 6202.0

- In the year to November 2016, the average youth participation rates both in the Territory and nationally was 66.9%.

Wage Price Index

		Quarterly Change	Level
Wage Price Index	NT	↑ 1.1%	126.0
	Australia	↑ 0.7%	124.6

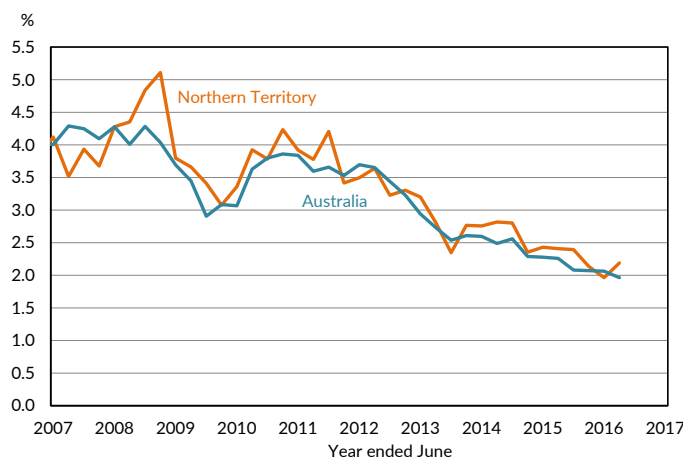
Source: ABS Cat No 6345.0

The Wage Price Index (WPI) measures changes in the price of wages and salaries and excludes changes in overtime and bonus payments.

- In the September quarter 2016, the WPI increased by 1.1% in the Territory and increased by 0.7% nationally.

- In annual terms, the Territory WPI increased by 2.2% in the year, with the national growth rate increased by 2.0% over the same period.

Chart 9: Wage Price Index (annual percentage change)



Source: ABS Cat No 6345.0

Average Weekly Earnings

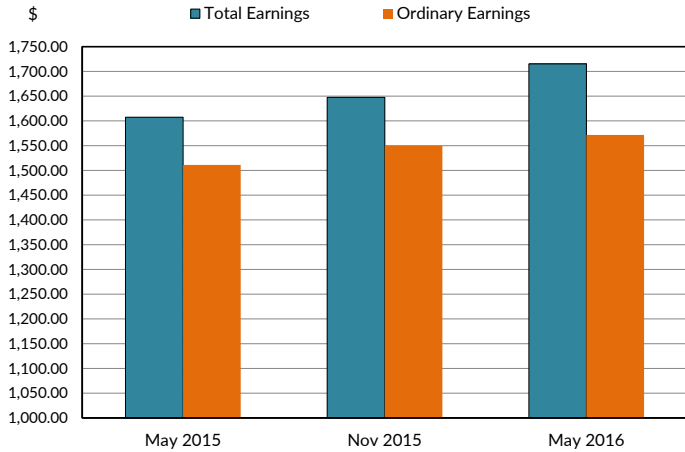
		6 Monthly Change	Level
Average Weekly Full Time Adult Ordinary Time Earnings	NT	↑ 1.4%	\$1,571.70
	Australia	↑ 1.1%	\$1,516.00
Average Weekly Full Time Adult Total Earnings	NT	↑ 4.1%	\$1,715.10
	Australia	↑ 1.1%	\$1,575.40

Source: ABS Cat No 6302.0

Average weekly full-time adult ordinary time earnings (ordinary earnings) and average weekly full-time adult total earnings (total earnings) includes earnings for all wage and salary earners, except some groups such as overseas consulates and Australian Defence personnel. For a full list see Labour Force Terms and Information.

- In the six months to May 2016, ordinary earnings in the Territory increased by 1.4% to \$1,572.00. Over the same period, average weekly total earnings (which includes overtime payments) increased by 4.1% to \$1,715.00. At the national level, ordinary earnings increased by 1.1% to \$1,516.00, and average weekly total earnings increased by 1.1% over the period to \$1,575.00.
- Territory weekly total earnings are now \$140.00 higher than nationally, compared to being \$89.30 higher in November 2015.

Chart 10: Northern Territory Average Weekly Earnings



Source: ABS Cat No 6302.0

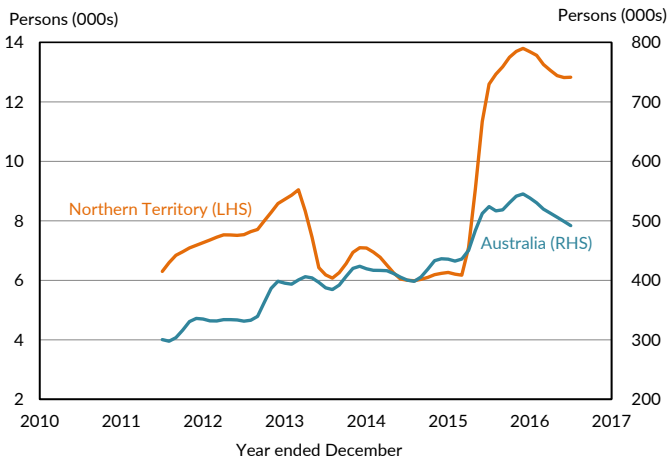
Newstart and Youth Allowance

		Quarterly Change	Persons
Newstart and Youth Allowance	NT	↓ 1.8%	12,828
	Australia	↓ 4.1%	491,908

Source: Department of Social Services, Australian Government.

- In the October quarter 2016, the number of Newstart and Youth Allowance recipients that are ready and available to work in the Territory decreased by 1.8% to 12,828.
- In the October quarter 2016, all jurisdictions recorded a decrease in the number of Newstart and Youth Allowance recipients, except for Western Australia. New South Wales had the highest decrease (5.7%), followed by Victoria (5.1%), and Queensland (4.8%).
- At the national level the number of recipients decreased by 4.1% to 491,908.

Chart 11: Newstart and Youth Allowance Recipients



Source: Department of Social Services, Australian Government

Job Vacancies

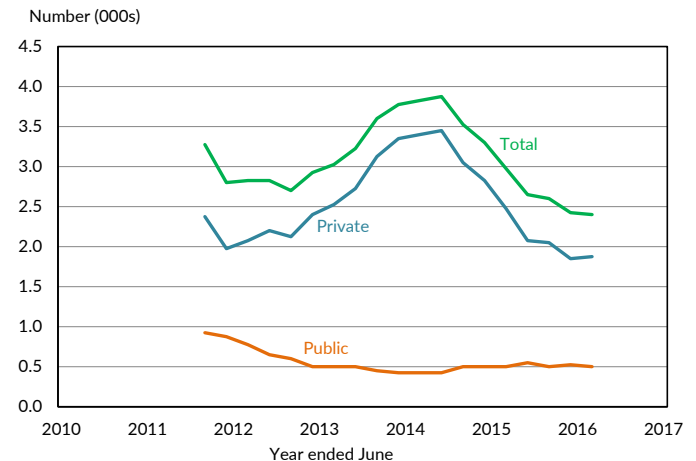
		Year on Year Change	Vacancies
Job Vacancies	NT	↓ 19.3%	2,400
	Australia	↑ 10.9%	172,000

Source: ABS Cat No 6354.0

Job vacancies are a leading indicator for future jobs growth, with an increase indicating increased demand for workers.

- Territory job vacancies decreased by 19.3% to 2,400 vacancies in the year to August 2016. This was primarily driven by a 24.2% decrease in the number of private sector job vacancies to 1,900 vacancies.
- Public sector job vacancies in the Territory remained unchanged in the year with 500 vacancies.
- At the national level, job vacancies increased by 10.9% to 172,000 vacancies in the year to August 2016.
- The increase nationally was mainly the result of both private and public sector vacancies rising by 9.6% and 24.9% respectively in the year.
- The fall in job vacancies in the Territory may indicate that employment growth will decrease in the short term.

Chart 12: Northern Territory Job Vacancies



Source: ABS Cat No 6354.0

Other Economic Indicators

No single indicator can give a comprehensive view of the labour market. There are a number of economic indicators that can impact on or explain changes in the Northern Territory labour market that are not considered in this publication. These may include gross state product, inflation, retail sales, international trade, business and consumer sentiment and housing affordability.

For consideration of broader economic indicators please see

NT key business statistics: <https://business.nt.gov.au/business/business-and-economic-data>

Underutilisation Rate

Chart A: NT underutilisation rate components

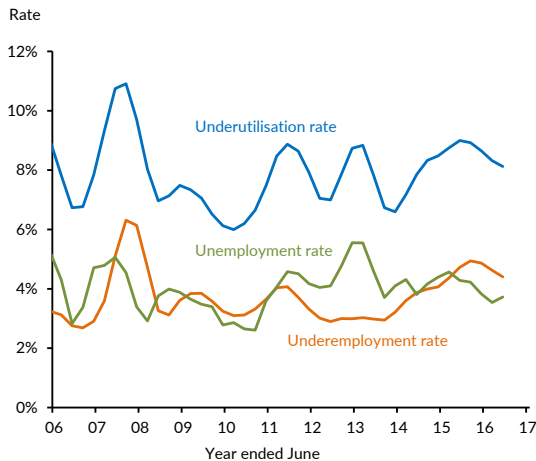
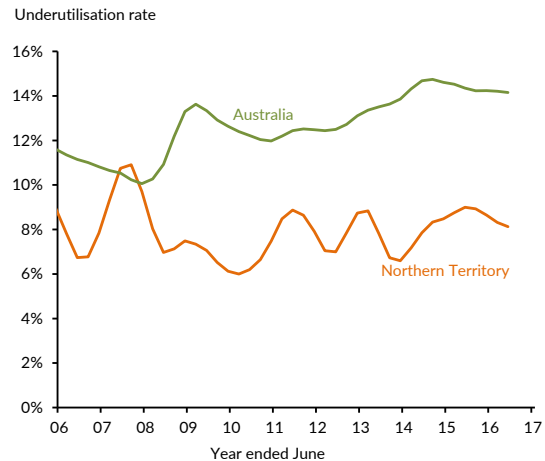


Chart B: Underutilisation rate, NT vs Australia



The Australian Bureau of Statistics publishes a number of measures to assess labour market conditions in the economy. The labour force underutilisation rate is one such measure. It is defined as the unemployed, plus the underemployed expressed as a proportion of the labour force.

The Territory underutilisation rate, as shown in Chart A, has fluctuated over time and is currently 8.1% (November 2016).

The underutilisation rate, a measure of spare labour capacity in the economy, has two key components; the underemployed and the unemployed (Chart A). An underemployed person is an employed person whose hours of work were less than 35 hours in a particular week, and they were willing and available to work additional hours if offered. An unemployed person is defined as a person who is not employed and is actively seeking a job.

In the Territory, the contribution of underemployed to labour underutilisation has been significant over time, contributing as much as the unemployed.

Although the underemployment rate has moderated recently, it has steadily increased over the last few years, indicating growth in spare capacity in the Territory labour market, driven in part by growth in part time employment.

The underutilisation rate in the Territory is however lower than the national level (Chart B).

Notes

All data referred to are in original terms except for unemployment rate, participation rate, employment, labour force, and civilian population. For information on the data sources used and a glossary of labour market terms please see Labour Market Terms and Information.

Data Sources

Australian Bureau of Statistics, catalogue numbers 3101.0, 6202.0, 6220.0, 6291.0.55.003, 6302.0, 6345.0, 6354.0

Department of Trade, Business and Innovation (NT Government)

Department of Employment (Australian Government)

Department of Social Services (Australian Government)

Enquiries

Strategic Policy and Research, Department of Trade, Business and Innovation

Email: SPAR.DTBI@nt.gov.au

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