

Labour market brief – March quarter 2017

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	Dec 2015	Sep 2016	Dec 2016
Alice Springs			
Unemployment (no.)	1,010	824	797
Labour Force (no.)	24,955	23,978	24,592
Unemployment Rate (%)	6.2%	5.1%	4.8%
Barkly			
Unemployment (no.)	298	214	196
Labour Force (no.)	3,303	3,174	3,255
Unemployment Rate (%)	10.2%	7.8%	6.9%
Daly - Tiwi - West Arnhem			
Unemployment (no.)	771	625	594
Labour Force (no.)	8,875	8,524	8,743
Unemployment Rate (%)	10.5%	8.7%	8.1%
East Arnhem			
Unemployment (no.)	523	380	361
Labour Force (no.)	6,338	6,088	6,245
Unemployment Rate (%)	6.6%	5.0%	4.7%
Greater Darwin			
Unemployment (no.)	2,701	2,835	2,888
Labour Force (no.)	83,403	84,234	83,760
Unemployment Rate (%)	3.3%	3.4%	3.5%
Katherine			
Unemployment (no.)	675	497	474
Labour Force (no.)	11,829	11,366	11,657
Unemployment Rate (%)	8.5%	6.4%	5.9%

Source: Department of Employment, Australian Government.

During the December 2016 quarter:

- All regions reported a decrease in the unemployment rate compared to the September 2016 quarter, except Greater Darwin.
- Outside the Greater Darwin and Alice Springs region, East Arnhem experienced the lowest unemployment rate at 4.7%, a decrease of 0.3 of a percentage point.

- The Daly, Tiwi and West Arnhem regions had the highest unemployment rate in the Territory at 8.1%. 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.

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 Feb 2016	YTD Feb 2017
Alice Springs		
Commencements	87	89
Completions	37	20
Barkly		
Commencements	13	18
Completions	6	0
Daly - Tiwi - West Arnhem		
Commencements	5	3
Completions	2	1
East Arnhem		
Commencements	26	17
Completions	12	4
Darwin		
Commencements	358	302
Completions	118	77
Katherine		
Commencements	35	23
Completions	10	8

Source: Department of Trade, Business and Innovation

- Comparing the year to date to February 2017 to the same period a year ago, apprentice and trainee commencements decreased in all regions, except for Alice Springs (87 to 89) and Barkly (13 to 18).
- Completions also decreased in all regions in the year to date February 2017.

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 February 2017)

Training Funding Group	2016	YTD 2016	YTD 2017	YTD Change
Arts, Entertainment, Sports and Recreation	48	26	34	▲ 30.8%
Automotive	143	48	46	▼ 4.2%
Building and Construction	250	55	35	- 36.4%
Business and Clerical	194	65	54	▼ 16.9%
Communications	11	0	2	- 0.0%
Community Services, Health and Education	239	38	48	▲ 26.3%
Computing	23	16	17	▲ 6.3%
Engineering and Mining	138	38	33	▼ 13.2%
Exceptions - Cookery	15	5	0	▼ 100.0%
Finance Banking and Insurance	23	9	11	▲ 22.2%
Food Processing	55	7	7	- 0.0%
Primary Industry	216	25	28	▲ 12.0%
Process Manufacturing	1	0	0	- 0.0%
Sales and Personal Service	282	64	26	▼ 59.4%
Science, Technical and Other	27	4	2	▼ 50.0%
Textiles, Clothing, Footwear and Furnishings	24	5	2	▼ 60.0%
Tourism and Hospitality	261	34	37	▲ 8.8%
Transport and Storage	92	9	11	▲ 22.2%
Utilities	219	76	59	▼ 22.4%
Total	2,261	524	452	▼ 13.7%

Source: Department of Trade, Business and Innovation

Apprentice and Trainee Completions by Training Funding Group (year to date to February 2017)

Training Funding Group	2016	YTD 2016	YTD 2017	YTD Change
Arts, Entertainment, Sports and Recreation	24	1	1	- 0.0%
Automotive	60	12	14	▲ 16.7%
Building and Construction	96	16	17	▲ 6.3%
Business and Clerical	92	30	15	▼ 50.0%
Communications	9	0	1	- 0.0%
Community Services, Health and Education	137	28	13	▼ 53.6%
Computing	10	1	2	- 0.0%
Engineering and Mining	66	12	8	▼ 33.3%
Exceptions - Cookery	10	2	1	- 50.0%
Finance Banking and Insurance	19	3	4	▲ 33.3%
Food Processing	23	1	1	- 0.0%
Primary Industry	103	7	3	▼ 57.1%
Process Manufacturing	20	0	1	- 0.0%
Sales and Personal Service	112	26	2	▼ 92.3%
Science, Technical and Other	5	1	2	- 0.0%
Textiles, Clothing, Footwear and Furnishings	5	2	1	- 0.0%
Tourism and Hospitality	75	6	10	▲ 66.7%
Transport and Storage	46	7	4	▼ 42.9%
Utilities	140	30	10	▼ 66.7%
Total	1,052	185	110	▼ 40.5%

Source: Department of Trade, Business and Innovation

Commencements

- In the year to date to February 2017, there were 452 apprentice and trainee commencements in the Territory.
- The training funding groups with the largest number of commencements were Utilities (59), followed by Business and clerical (54).
- Compared to the same period last year, there has been a 13.7% decrease (72) in the number of commencements, with the largest decrease in Sales and personal service (64 to 24), followed by Building and construction (55 to 35), followed by Utilities (76 to 59).
- Outside Darwin, Alice Springs had the largest number of apprentice and trainee commencements (83), of which 23 being in Tourism and hospitality. Katherine had 22 apprentice and trainee commencements, followed by Barkly with 18, and East Arnhem had 17.
- Over the same period, West Arnhem had the lowest commencements, with 3 in the year to date to February 2017.

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.

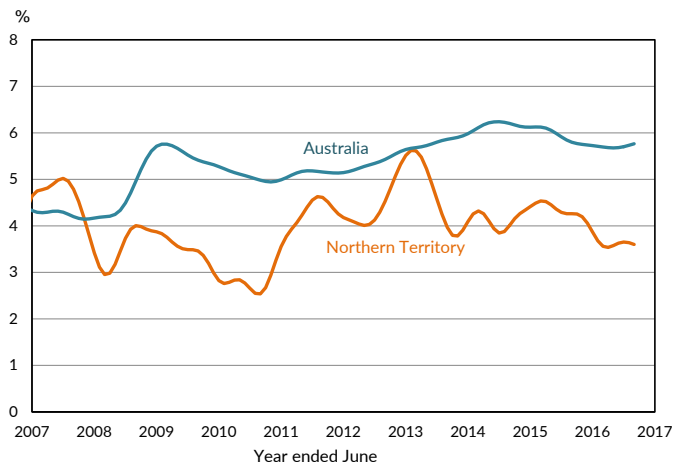
Completions

- In the year to date to February 2017, there were 110 apprentice and trainee completions in the Territory, a 40.5% decrease (75) compared to the same period last year.
- The decrease in apprentice and trainee completions was experienced by most training funding groups, with Sales and personal service having the largest decrease (26 to 2), followed Utilities (30 to 10), and then equally followed by Community services, health and education (28 to 13), and Business and clerical (30 to 15).
- In the same period, the remaining industries either recorded small increases in completions, or year to date to February 2017 remained unchanged.
- Outside Darwin, Alice Springs had the largest number of apprentice and trainee completions (19), of which 10 was in Tourism and hospitality. Katherine had a total of 7 completions, followed by East Arnhem with 3, and West Arnhem with 1. Barkly had no 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)

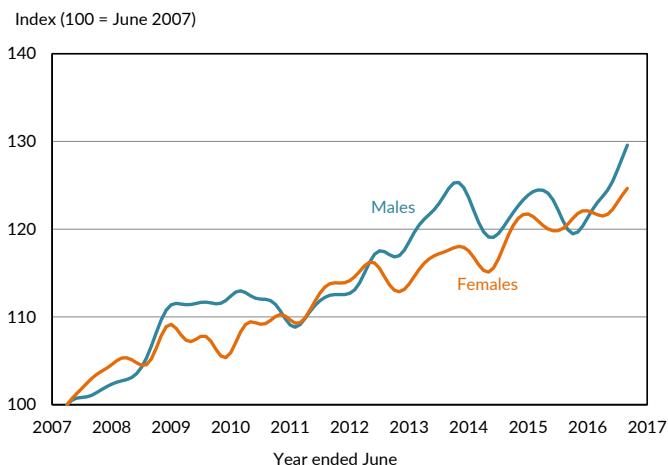


Source: ABS Cat No 6202.0

- In the March quarter 2017, the Territory unemployment rate decreased by 0.1 of a percentage point to 3.5%, from the previous quarter's revised figure.
- There were 5,160 unemployed persons in the Territory in the March quarter 2017, a decrease from 5,177 persons in the previous quarter.
- In the March quarter 2017, the male unemployment rate in the Territory decreased by 0.6 percentage points to 3.2%, while the female unemployment rate increased by 0.5 of a percentage point to 3.9%. Nationally, the male unemployment rate increased by 0.1 of a percentage point to 5.7%, and the female unemployment rate increased by 0.2 percentage points to 5.9%.

Resident Employment

Chart 2: Northern Territory Resident Employment



Source: ABS Cat No 6202.0

- In the March quarter 2017, there were 140,565 Territorians that were employed, an increase of 3,875 from the previous quarter's revised figure.
- Full-time employment increased by 2,285 to 111,235 persons. Part-time employment increased by 1,590 persons over the period to 29,330 persons.
- In the same quarter in the Territory, male full-time employment increased by 2.6%, and female full-time employment also increased by 1.3%.
- At the national level, male employment increased by 0.4% in the quarter, with part-time employment decreasing 0.5%, and full-time increasing by 0.6%. Female employment increased by 0.5% over the same period, with part-time employment increasing by 0.6%, and full-time increasing by 0.3%.

Underemployment

		Quarterly Change	Level
Underemployment Rate	NT	↑ 0.1 ppt	4.8%
	Australia	↑ 0.1 ppt	8.8%

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 February quarter 2017, the Territory underemployment rate is the lowest of the jurisdictions at 4.8% of total employed persons, signifying that compared to the rest of Australia (8.8%), there are more employed people in the Territory working their desired number of hours.
- The number of underemployed persons in the Territory increased to 6,900 in the February quarter 2017, and has been generally rising over the past two years.

Hours Worked

		Quarterly Change	Level (Hours)
Average Weekly Hours Worked Per Capita	NT	↓ 1.5%	37.2
	Australia	↓ 0.2%	34.7

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 March quarter 2017, average weekly hours worked per capita in the Territory decreased by 1.5% to 37.2 hours per week on average.
- Nationally, average weekly hours worked per capita decreased by 0.2% to 34.7 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

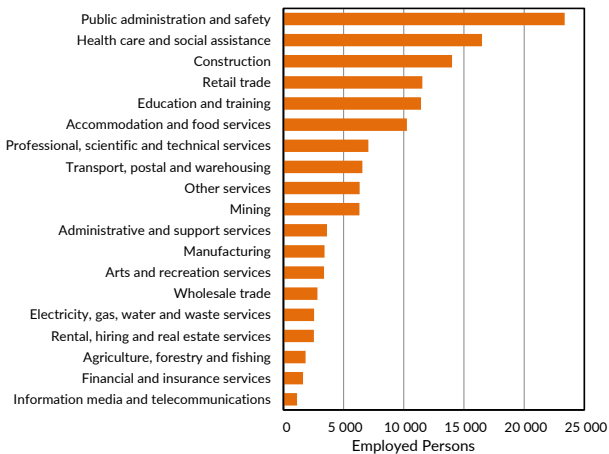
Top 5 Industries by Percentage Change	Year on Year Change
Agriculture, Forestry and Fishing	99.4%
Rental, Hiring and Real Estate Services	21.8%
Retail Trade	19.1%
Accommodation and Food Services	14.1%
Mining	12.0%

Source: ABS Cat No 6291.0.55.003

- In the year to February 2017, Agriculture, forestry and fishing had the highest percentage increase in employment of all industries (99.4%), followed by Rental, hiring and real estate services (21.8%).
- 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 0.3%.
- Construction is the largest industry in the Territory by value of production, and is also a significant employer (10.3% of total employment). In the year to February 2017, Construction employment decreased by 11.4% to 14,010 persons.
- Mining is the second largest industry in the Territory by value of production. However, Mining only employs approximately 4.6% 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 12.0% to 6,310 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 February 2017)



Source: ABS Cat No 6291.0.55.003

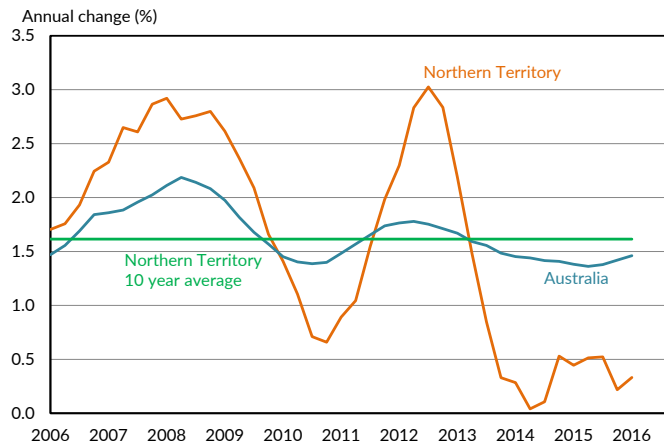
Resident Population

		Quarterly Change	Number of Persons
Population	NT	↑ 0.2%	245,700
	Australia	↑ 0.4%	24,220,200

Source: ABS Cat No 3101.0

- In the September quarter 2016, the Territory's estimated resident population (ERP) increased by 0.2% to 245,700 persons, while the national population increased by 0.4% to 24,220,200 persons.
- In annual terms the Territory's ERP increased by 0.3%, the lowest of all jurisdictions. The national annual growth rate was 1.5%.

Chart 4: Annual Population Growth Rate



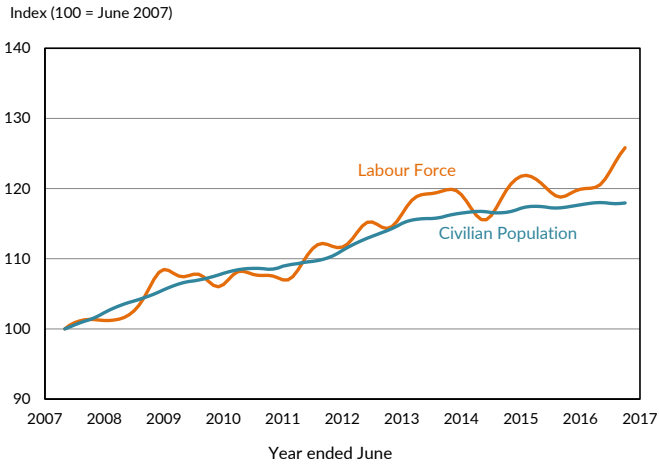
Source: ABS Cat No 3101.0

- Territory annual ERP growth has moderated over the past two years and continues to be below the Territory 10-year average growth rate.
- Net interstate migration has improved from a net outflow of 3,020 persons in the year to September 2015, to a net outflow of 2,800 persons in the year to September 2016.

Labour Force

- In the March quarter 2017, there were 186,756 persons in the civilian population (persons aged 15 years and over) and 145,726 persons in the labour force (employed persons and those actively pursuing employment). This is 3,858 persons more than in the December 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

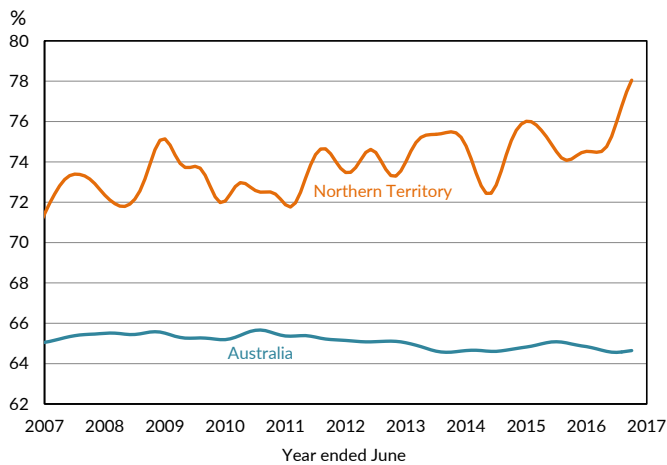


Source: ABS Cat No 6202.0

Labour Force Participation Rate

- In the March quarter 2017, the Territory labour force participation rate increased by 2.1 percentage points to 78.1% from the previous quarter’s revised figure.
- The Territory continues to report the highest labour force participation rate for all jurisdictions and was 13.5 percentage points above the national rate of 64.6% in the March quarter 2017.

Chart 6: Participation Rate (quarterly average)



Source: ABS Cat No 6202.0

- The Territory male workforce participation rate increased by 2.2 percentage points to 82.3% in the March quarter 2017.
- The Territory female workforce participation rate increased by 1.9 percentage points to 73.4% in the same quarter.
- 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 increased by 0.1 of a percentage point to 70.3% in the March quarter 2017, with the female workforce participation rate increased by 0.1 of a percentage point to 59.2%.
- Territory workforce participation rates for both males and females are significantly higher than nationally, reflecting greater confidence in the Territory economy and job prospects.

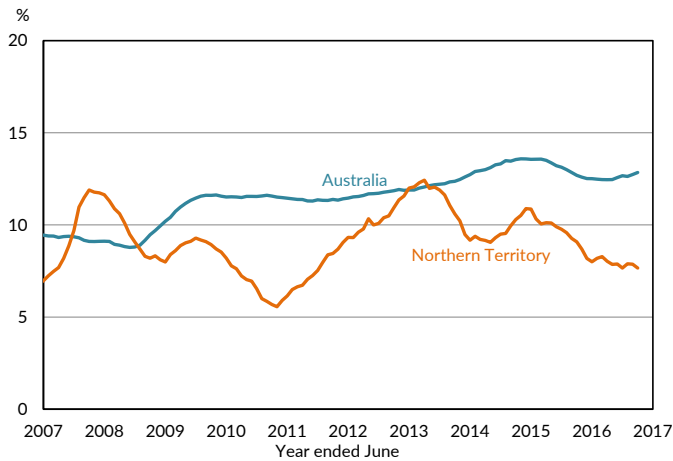
Youth Labour Market (15-24 years old)

		Year on Year Change	Annual Average Level
Civilian Population (15-24 years old)	NT	↓ 1.2%	32,900.0
	Australia	↑ 0.9%	3,163,500.0
Total Employed	NT	↑ 0.1%	20,900.0
	Australia	- 0.0%	1,840,900.0
Total Unemployed	NT	↓ 17.4%	1,700.0
	Australia	↑ 1.4%	271,600.0
Labour Force (15-24 years old)	NT	↓ 1.5%	22,600.0
	Australia	↑ 0.2%	2,112,400.0
Not In Labour Force	NT	↑ 6.8%	3,900.0
	Australia	↑ 2.1%	212,600.0
Unemployment Rate	NT	↓ 1.4 ppt	7.7%
	Australia	↑ 0.2 ppt	12.8%
Participation Rate	NT	↓ 0.2 ppt	68.7%
	Australia	↓ 0.5 ppt	66.8%
Civilian Population - Attending Full-time Education	NT	↑ 0.3%	11,900.0
	Australia	↑ 3.0%	1,685,300.0
Labour Force - Attending Full-time Education	NT	↑ 0.6%	5,500.0
	Australia	↑ 3.7%	846,800.0
Not In Labour Force - Attending Full-time Education	NT	↓ 4.3%	6,400.0
	Australia	↑ 2.3%	838,400.0

Source: ABS Cat No 6202.0

- In the year to March 2017 the number of youth (persons aged 15 to 24 years) employed in the Territory increased by 0.1% to 20,900 persons.
- Over the same period, national youth employment remained unchanged at 1,840,900 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 March 2017, 11,800 out of the 32,900 youths (36.1%) were undertaking full-time education in the Territory, an increase of 0.3 percentage points from the previous quarter. In comparison, 53.2% of the national youth population were undertaking full-time education.

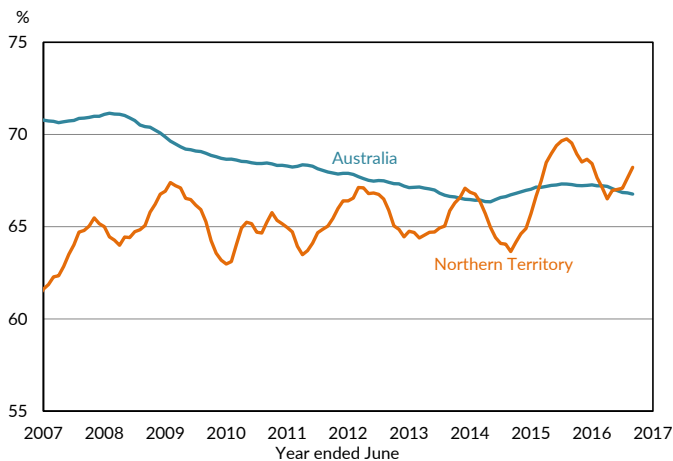
Chart 7: Youth Unemployment Rate (annual average)



Source: ABS Cat No 6202.0

- In the year to March 2017 the average youth unemployment rate in the Territory was 7.7%. This is below the corresponding national rate of 12.8%.
- 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 March 2017, the average youth participation rate in the Territory was 68.7% and nationally was 66.8%.

Wage Price Index

		Quarterly Change	Level
Wage Price Index	NT	↑ 0.5%	126.6
	Australia	↑ 0.4%	125.1

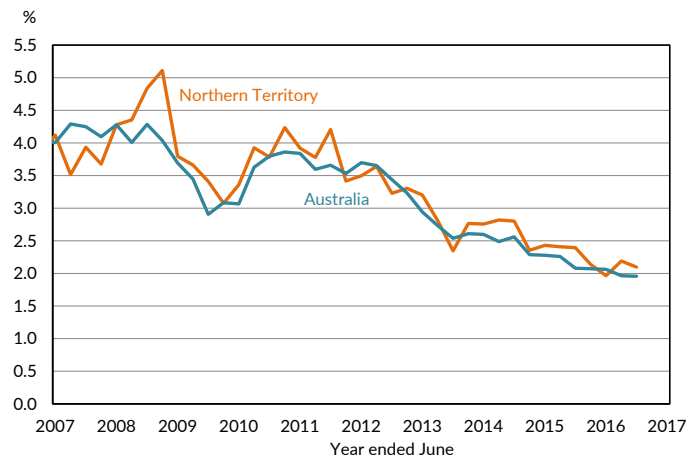
Source: ABS Cat No 6345.0

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

- In the December quarter 2016, the WPI increased by 0.5% in the Territory and increased by 0.4% nationally.

- In annual terms, the Territory WPI increased by 2.1% 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

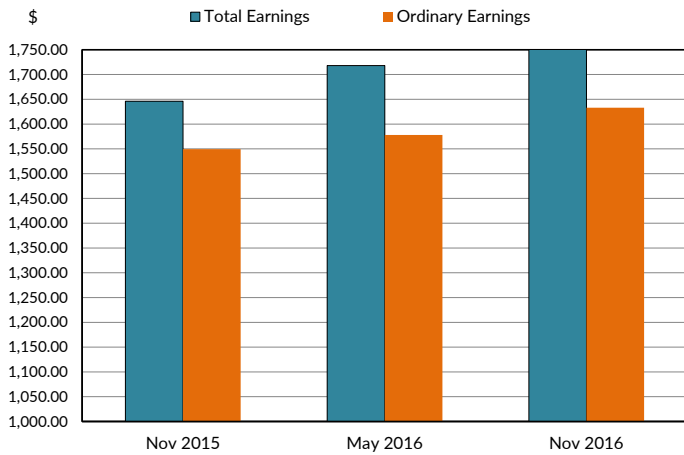
		6 Monthly Change	Level
Average Weekly Full Time Adult Ordinary Time Earnings	NT	↑ 3.5%	\$1,633.10
	Australia	↑ 1.1%	\$1,533.10
Average Weekly Full Time Adult Total Earnings	NT	↑ 4.3%	\$1,791.90
	Australia	↑ 1.0%	\$1,592.40

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 November 2016, ordinary earnings in the Territory increased by 3.5% to \$1,633.10. Over the same period, average weekly total earnings (which includes overtime payments) increased by 4.3% to \$1,791.90. At the national level, ordinary earnings increased by 1.1% to \$1,533.10, and average weekly total earnings increased by 1.0% over the period to \$1,592.40.
- Territory weekly total earnings are now about \$100.00 higher than nationally, compared to being \$88.20 higher in November 2015.

Chart 10: Northern Territory Average Weekly Earnings



Source: ABS Cat No 6302.0

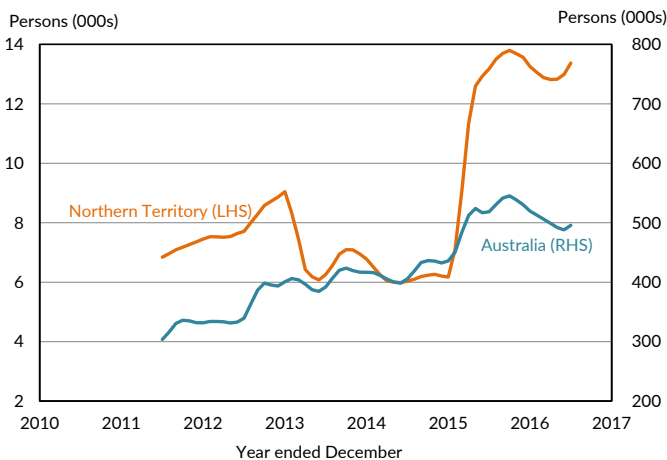
Newstart and Youth Allowance

		Quarterly Change	Persons
Newstart and Youth Allowance	NT	↑ 5.8%	14,154
	Australia	↑ 7.7%	533,614

Source: Department of Social Services, Australian Government.

- In the March quarter 2017, the number of Newstart and Youth Allowance recipients that are ready and available to work in the Territory increased by 5.8% to 14,154.
- In the March quarter 2017, all jurisdictions recorded an increase in the number of Newstart and Youth Allowance recipients. Western Australia had the highest increase (8.9%), followed by Queensland (8.5%) and then Victoria (8.4%).
- At the national level the number of recipients increased by 7.7% to 533,614.

Chart 11: Newstart and Youth Allowance Recipients



Source: Department of Social Services, Australian Government

Job Vacancies

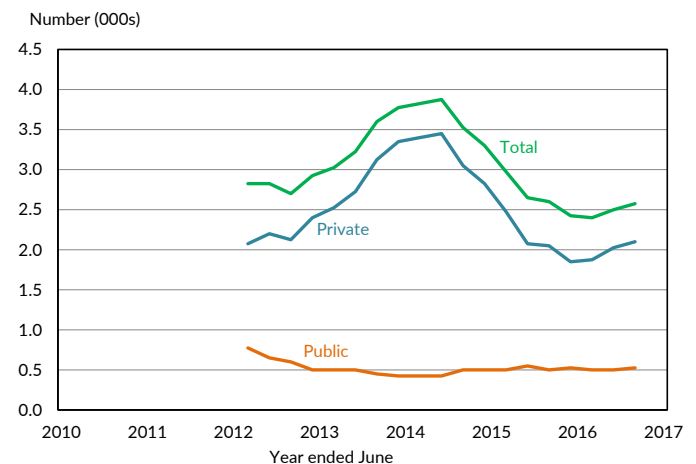
		Year on Year Change	Vacancies
Job Vacancies	NT	↓ 1.0%	2,575
	Australia	↑ 8.6%	179,125

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 1.0% to 2,575 vacancies in the year to February 2017.
- Private sector job vacancies in the Territory increased in the year by 2.4% with 2,100 vacancies.
- At the national level, job vacancies increased by 8.6% to 179,100 vacancies in the year to February 2017.
- The increase nationally was mainly the result of both private and public sector vacancies rising by 7.4% and 21.0% 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



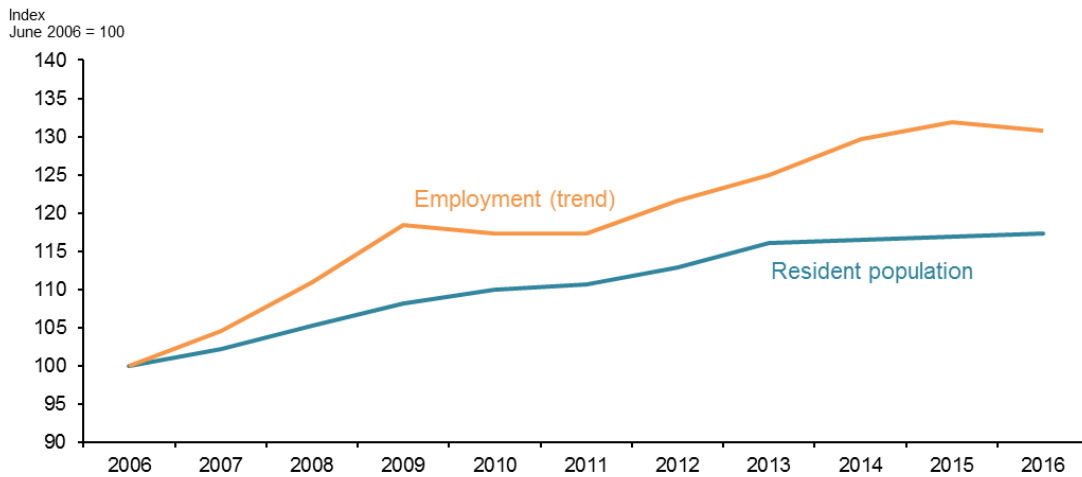
Source: ABS Cat No 6354.0

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>

Chart 13: Northern Territory Labour Market Update



Solid economic growth in the Territory over the last decade has placed pressure on the labour market and contributed to employment demand. The above chart illustrates that resident employment in the Territory outstripped population growth over the past decade, growing by 30.8% compared to 17.3%. As a result, the Territory has the highest participation rate on record and the lowest unemployment rate of the jurisdictions, effectively having one of the tightest labour markets in Australia.

The relatively small size of the Territory's workforce means that, under such tight conditions, skills and labour shortages are more easily created and exacerbated. Skill and labour shortages affect levels of economic production and increase the costs of recruitment and retention activities. They impact on the ability to be competitive, a factor that is increasingly important in a rapidly changing global market.

The Strategic Services Division of the Department of Business has been undertaking labour market research since 2004. The Northern Territory Skilled Occupation Priority List (NTSOPL), produced by the Division annually, is forward looking and lists skilled and semi-skilled occupations that are in high demand or considered critical by business and industry in the Northern Territory. It provides guidance to business, industry and government in workforce planning and occupation related decision-making, and informs government decisions around training funding allocations, employer/employee incentives and the targeting of skills under workforce attraction and skilled migration programs.

For more information about the NTSOPL or to view the 2017 list please see:

<https://nt.gov.au/employ/for-employers-in-nt/hard-to-fill-jobs-in-the-nt>

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)

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