

Labour market brief - September quarter 2017

Key Message

The Territory's labour market remains characterised by a low unemployment rate, high participation rate and low underemployment rate. However, despite these positives, the level of employment has been declining in recent months (down 6000 persons over the past five months). Given this decline in employment, falling job vacancies, and moderating wages growth, this may signal softening labour market conditions 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	Mar 2016	Dec 2016	Mar 2017
Alice Springs			
Unemployment (no.)	994	799	765
Labour Force (no.)	24 469	24 656	25 888
Unemployment Rate (%)	6.2%	4.9%	4.4%
Barkly			
Unemployment (no.)	286	198	181
Labour Force (no.)	3240	3263	3425
Unemployment Rate (%)	10.0%	7.0%	6.1%
Daly - Tiwi - West Arnhem			
Unemployment (no.)	757	598	565
Labour Force (no.)	8698	8770	9212
Unemployment Rate (%)	10.5%	8.1%	7.3%
East Arnhem			
Unemployment (no.)	498	364	345
Labour Force (no.)	6211	6263	6581
Unemployment Rate (%)	6.4%	4.7%	4.2%
Greater Darwin			
Unemployment (no.)	2941	2900	2781
Labour Force (no.)	84 252	83 959	83 382
Unemployment Rate (%)	3.6%	3.5%	3.4%
Katherine			
Unemployment (no.)	635	477	455
Labour Force (no.)	11 599	11 687	12 269
Unemployment Rate (%)	8.1%	5.9%	5.4%

Source: Department of Employment, Australian Government.

During the March 2017 quarter:

- All regions reported a decrease in the unemployment rate compared to the December 2016 quarter.
- Outside the Greater Darwin region, East Arnhem experienced the lowest unemployment rate at 4.2%, a decrease of 0.5 of a percentage point.

- Alice Springs unemployment rate was 4.4% in the quarter.
- The Daly, Tiwi and West Arnhem regions had the highest unemployment rate in the Territory at 7.3%. 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 Jul 2016	YTD Jul 2017
Alice Springs		
Commencements	277	310
Completions	114	116
Barkly		
Commencements	62	59
Completions	9	3
Daly - Tiwi - West Arnhem		
Commencements	19	13
Completions	6	5
East Arnhem		
Commencements	68	51
Completions	36	26
Darwin		
Commencements	943	760
Completions	356	333
Katherine		
Commencements	196	130
Completions	43	32

Source: Department of Trade, Business and Innovation

- Comparing the year to date to July 2017 to the same period a year ago, apprentice and trainee commencements decreased in all regions, except for Alice Springs, which increased by 33.
- Completions also decreased in all regions in the year to date to July 2017, except for Alice Springs, which increased by 2.

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 July 2017)

Training Funding Group	2016	YTD 2016	YTD 2017	YTD Change
Arts, Entertainment, Sports and Recreation	48	36	44	▲ 22.2%
Automotive	138	94	98	▲ 4.3%
Building and Construction	251	148	115	▼ 22.3%
Business and Clerical	179	132	100	▼ 24.2%
Communications	11	6	6	- 0.0%
Community Services, Health and Education	239	156	177	▲ 13.5%
Computing	23	20	21	▲ 5.0%
Engineering and Mining	136	86	83	▼ 3.5%
Exceptions - Cookery	15	12	0	▼ 100.0%
Finance Banking and Insurance	23	14	18	▲ 28.6%
Food Processing	55	14	31	▲ 121.4%
Primary Industry	216	187	148	▼ 20.9%
Process Manufacturing	1	1	0	- 0.0%
Sales and Personal Service	284	189	114	▼ 39.7%
Science, Technical and Other	27	22	11	▼ 50.0%
Textiles, Clothing, Footwear and Furnishings	24	17	3	▼ 82.4%
Tourism and Hospitality	261	182	129	▼ 29.1%
Transport and Storage	92	68	57	▼ 16.2%
Utilities	219	162	145	▼ 10.5%
Total	2242	1546	1300	▼ 15.9%

Source: Department of Trade, Business and Innovation

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

Training Funding Group	2016	YTD 2016	YTD 2017	YTD Change
Arts, Entertainment, Sports and Recreation	24	2	7	▲ 250.0%
Automotive	61	43	51	▲ 18.6%
Building and Construction	99	65	57	▼ 12.3%
Business and Clerical	83	58	32	▼ 44.8%
Communications	9	4	3	- 0.0%
Community Services, Health and Education	139	75	49	▼ 34.7%
Computing	10	2	4	- 0.0%
Engineering and Mining	69	35	31	▼ 11.4%
Exceptions - Cookery	10	7	9	- 28.6%
Finance Banking and Insurance	19	9	7	▼ 22.2%
Food Processing	23	10	15	- 0.0%
Primary Industry	109	13	18	▲ 38.5%
Process Manufacturing	21	10	1	- 0.0%
Sales and Personal Service	113	75	59	▼ 21.3%
Science, Technical and Other	5	4	12	- 0.0%
Textiles, Clothing, Footwear and Furnishings	6	3	4	- 0.0%
Tourism and Hospitality	76	41	49	▲ 19.5%
Transport and Storage	46	29	31	▲ 6.9%
Utilities	141	78	71	▼ 9.0%
Total	1063	563	510	▼ 9.4%

Source: Department of Trade, Business and Innovation

Commencements

- In the year to date to July 2017, there were 1300 apprentice and trainee commencements in the Territory.
- The training funding groups with the largest number of commencements were Community services, health and education (177), followed by Primary industry (148).
- Compared to the same period last year, there has been a 15.9% decrease (246) in the number of commencements, with the largest decrease in Sales and personal service (189 to 114), followed by Tourism and hospitality (182 to 129), followed by Primary industry (187 to 148).
- Outside Darwin, Alice Springs had the largest number of apprentice and trainee commencements (292), of which 71 being in Tourism and hospitality. Katherine had 127 apprentice and trainee commencements, followed by Barkly with 59, and East Arnhem had 49.
- Over the same period, West Arnhem had the lowest commencements, with 12 in the year to date to July 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.

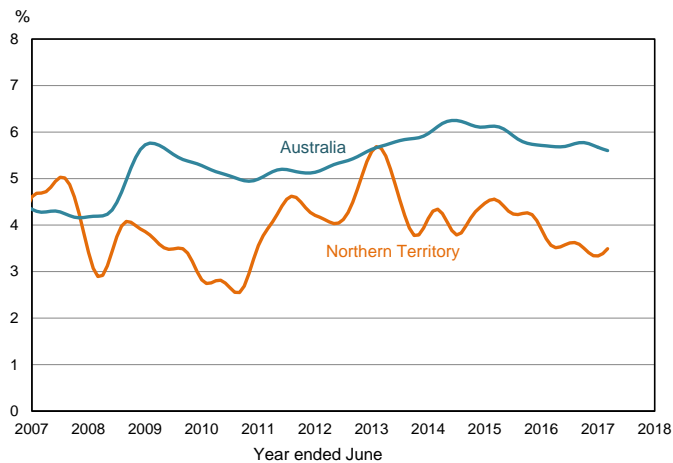
Completions

- In the year to date to July 2017, there were 510 apprentice and trainee completions in the Territory, a 9.4% decrease (53) compared to the same period last year.
- The decrease in apprentice and trainee completions was experienced by most training funding groups, with both Business and clerical, and Community services, health and education having the largest decrease (58 to 32, and 75 to 49 respectively), followed by Sales and personal service (75 to 59), and then followed by Utilities (78 to 71).
- Outside Darwin, Alice Springs had the largest number of apprentice and trainee completions (111), of which 33 was in Tourism and hospitality. Katherine had a total of 30 completions, followed by East Arnhem with 24, and West Arnhem with 5. Barkly had 3 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)

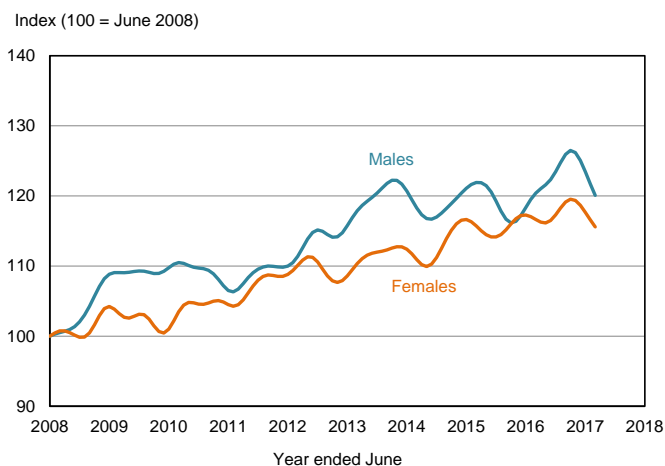


Source: ABS Cat No 6202.0

- In the August quarter 2017, the Territory unemployment rate increased by 0.1 of a percentage point to 3.5%, from the previous quarter's revised figure.
- There were 4834 unemployed persons in the Territory in the August quarter 2017, a decrease from 49 persons in the previous quarter.
- In the August quarter 2017, the male unemployment rate in the Territory increased by 0.5 percentage points to 3.6%, while the female unemployment rate decreased by 0.3 percentage points to 3.3%. Nationally, the male unemployment rate decreased by 0.1 of a percentage point to 5.5%, while the female unemployment rate decreased by 0.2 percentage points to 5.7%.

Resident Employment

Chart 2: Northern Territory Resident Employment



Source: ABS Cat No 6202.0

- In the August quarter 2017, there were 133 582 Territorians that were employed, a decrease of 4633 from the previous quarter's revised figure.
- Full-time employment decreased by 3298 to 104 609 persons. Part-time employment decreased by 1335 persons over the period to 28 973 persons.
- In the same quarter in the Territory, male full-time employment decreased by 3.5% (62 527), and female full-time employment also decreased by 2.3% (42 082).
- At the national level, male employment increased by 0.7% in the quarter, with part-time employment decreasing 0.2%, and full-time increasing by 0.9%. Female employment increased by 1.1% over the same period, with part-time employment increasing by 0.4%, and full-time increasing by 1.8%.

Underemployment

		Quarterly Change	Level
Underemployment Rate	NT	↓ 0.2 ppt	4.6%
	Australia	- 0.0 ppt	8.7%

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 August quarter 2017, the Territory underemployment rate is the lowest of the jurisdictions at 4.6% of total employed persons, signifying that compared to the rest of Australia (8.7%), there are more employed people in the Territory working their desired number of hours.
- The number of underemployed persons in the Territory decreased to 6400 in the August quarter 2017, and has been generally falling over the past 18 months.

Hours Worked

		Quarterly Change	Level (Hours)
Average Weekly Hours Worked Per Capita	NT	↓ 0.8%	36.4
	Australia	↑ 0.1%	34.9

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 August quarter 2017, average weekly hours worked per capita in the NT decreased by 0.8% to 36.4 hours per week on average.
- Nationally, average weekly hours worked per capita increased by 0.1% to 34.9 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

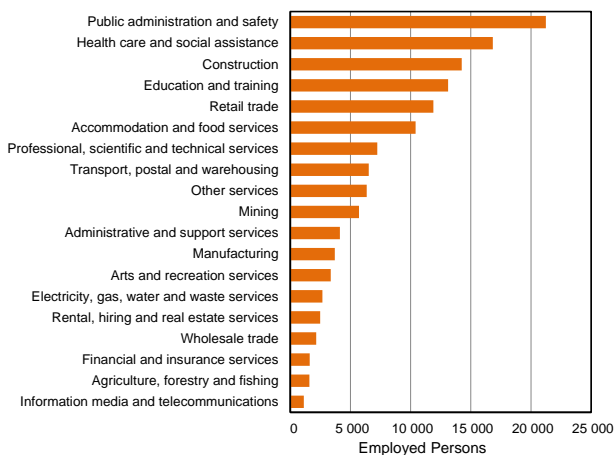
Top 5 Industries by Percentage Change	Year on Year Change
Agriculture, Forestry and Fishing	24.5%
Accommodation and Food Services	16.9%
Education and Training	15.8%
Retail Trade	14.4%
Information Media and Telecommunications	11.7%

Source: ABS Cat No 6291.0.55.003

- In the year to August 2017, Agriculture, forestry and fishing had the highest percentage increase in employment of all industries (24.5%), followed by Accommodation and food services (16.9%), then Education and training (15.8%).
- Public administration and safety, the largest employing industry, which includes activities involving government legislation, emergency services and border control, had a year on year decrease of 9.9%.
- Construction is the largest industry in the Territory by value of production, and is also a significant employer (10.5% of total employment). In the year to August 2017, Construction employment decreased by 5.1% to 14 200 persons.
- Mining is the second largest industry in the Territory by value of production. However, Mining only employs approximately 4.2% of the NT workforce as the industry is capital intensive, utilising machines instead of people to perform many tasks. In the year, Mining employment increased by 0.8% to 5700 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 August 2017)



Source: ABS Cat No 6291.0.55.003

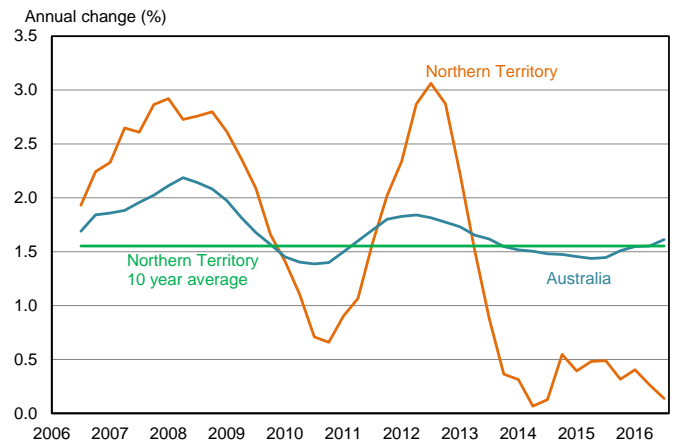
Resident Population

		Quarterly Change	Number of Persons
Population	NT	- 0.0%	244 990
	Australia	↑ 0.5%	24 511 800

Source: ABS Cat No 3101.0

- In the March quarter 2017, the Territory's estimated resident population (ERP) remained unchanged at 244 990 persons, while the national population increased by 0.5% to 24 511 800 persons.
- In annual terms the Territory's ERP increased by 0.1%, the lowest of all jurisdictions. The national annual growth rate was 1.6%.

Chart 4: Annual Population Growth Rate



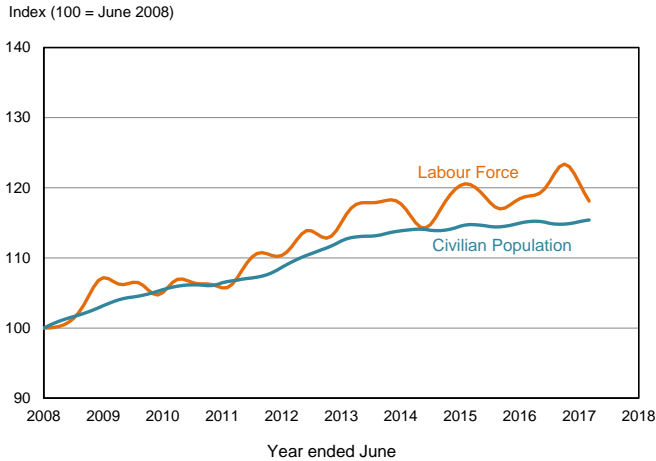
Source: ABS Cat No 3101.0

- 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 deteriorated from a net outflow of 3178 persons in the year to December 2016, to a net outflow of 3458 persons in the year to March 2017.

Labour Force

- In the August quarter 2017, there were 187 000 persons in the civilian population (persons aged 15 years and over) and 138 416 persons in the labour force (employed persons and those actively pursuing employment). This is 4584 persons less than in the May quarter 2017.
- 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

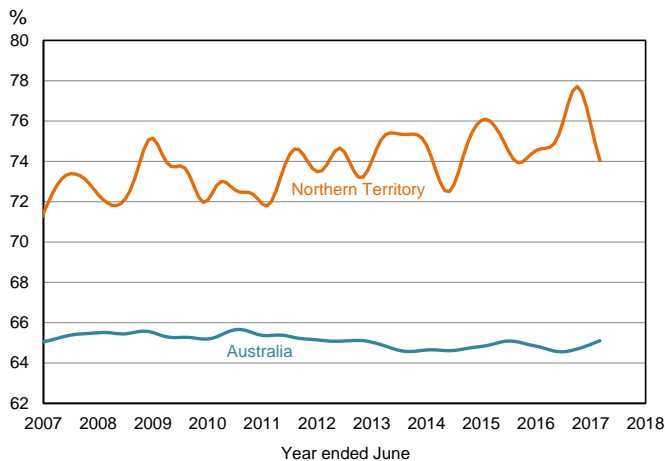


Source: ABS Cat No 6202.0

Labour Force Participation Rate

- In the August quarter 2017, the Territory labour force participation rate decreased by 2.7 percentage points to 74.0% from the previous quarter's revised figure.
- The Territory continues to report the highest labour force participation rate for all jurisdictions and was 8.9 percentage points above the national rate of 65.1% in the August quarter 2017.

Chart 6: Participation Rate (quarterly average)



Source: ABS Cat No 6202.0

- The Territory male workforce participation rate decreased by 3.0 percentage points to 77.6% in the August quarter 2017.
- The Territory female workforce participation rate decreased by 2.3 percentage points to 70.1% 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 0.2 percentage points to 70.7% in the August quarter 2017, with the female workforce participation rate increased by 0.3 percentage points to 59.7%.
- Territory workforce participation rates for both males and females are significantly higher than nationally, reflecting greater confidence in the Territory economy and job prospects.

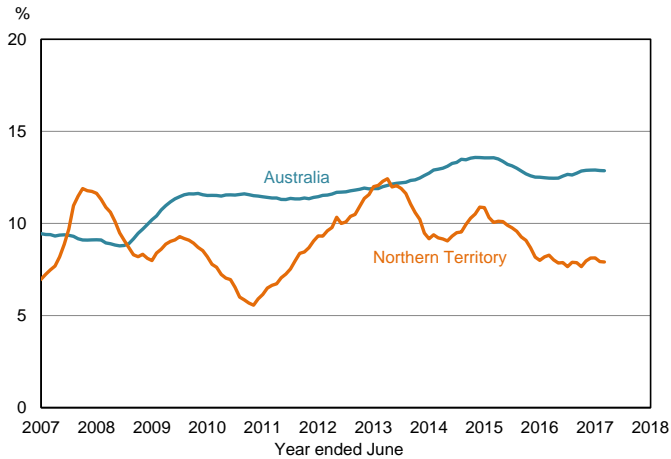
Youth Labour Market (15-24 years old)

		Year on Year Change	Annual Average Level
Civilian Population (15-24 years old)	NT	↓ 0.8%	32 800
	Australia	↑ 1.1%	3 181 700
Total Employed	NT	↑ 1.3%	20 600
	Australia	↓ 0.2%	1 848 100
Total Unemployed	NT	↓ 3.0%	1 800
	Australia	↑ 3.5%	273 000
Labour Force (15-24 years old)	NT	↑ 1.0%	22 400
	Australia	↑ 0.2%	2 121 100
Not In Labour Force	NT	↓ 15.8%	3 700
	Australia	↑ 3.3%	213 400
Unemployment Rate	NT	↓ 0.4 ppt	7.9%
	Australia	↑ 0.4 ppt	12.9%
Participation Rate	NT	↑ 1.2 ppt	68.3%
	Australia	↓ 0.6 ppt	66.7%
Civilian Population - Attending Full-time Education	NT	↑ 1.4%	12 600
	Australia	↑ 2.6%	1 697 700
Labour Force - Attending Full-time Education	NT	↑ 1.2%	6 000
	Australia	↑ 2.6%	850 500
Not In Labour Force - Attending Full-time Education	NT	↑ 3.3%	6 600
	Australia	↑ 2.7%	847 200

Source: ABS Cat No 6202.0

- In the year to August 2017 the number of youth (persons aged 15 to 24 years) employed in the Territory increased by 1.3% to 20 600 persons.
 - Over the same period, national youth employment decreased by 0.2% to 1 848 100 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 August 2017, 12 600 out of the 32 800 youths (38.4%) were undertaking full-time education in the Territory, an increase of 1.4 percentage points from the previous quarter. In comparison, 53.4% of the national youth population were undertaking full-time education.

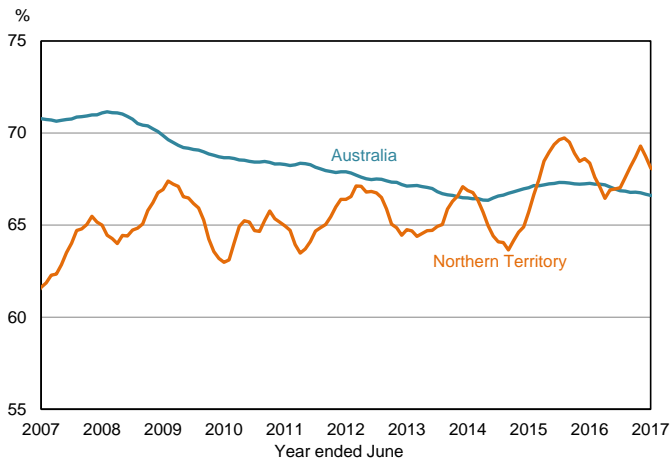
Chart 7: Youth Unemployment Rate (annual average)



Source: ABS Cat No 6202.0

- In the year to August 2017 the average youth unemployment rate in the Territory was 7.9%. This is below the corresponding national rate of 12.9%.
- The Territory youth unemployment rate has generally been decreasing over the past two years.

Chart 8: Youth Participation Rate (annual average)



Source: ABS Cat No 6202.0

- In the year to August 2017, the average youth participation rate in the Territory was 68.3% and nationally was 66.7%.

Wage Price Index

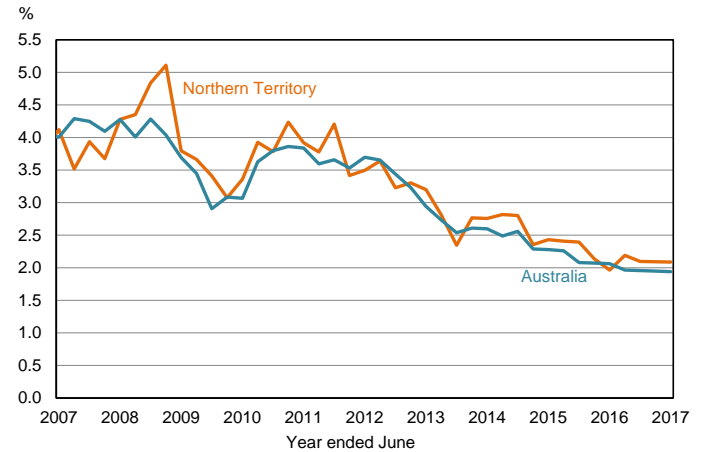
		Quarterly Change	Level
Wage Price Index	NT	↑ 0.2%	127.2
	Australia	↑ 0.4%	126.1

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 June quarter 2017, the WPI increased by 0.2% 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 increasing by 1.9% over the same period.

Chart 9: Wage Price Index (annual percentage change)



Source: ABS Cat No 6345.0

Average Weekly Earnings

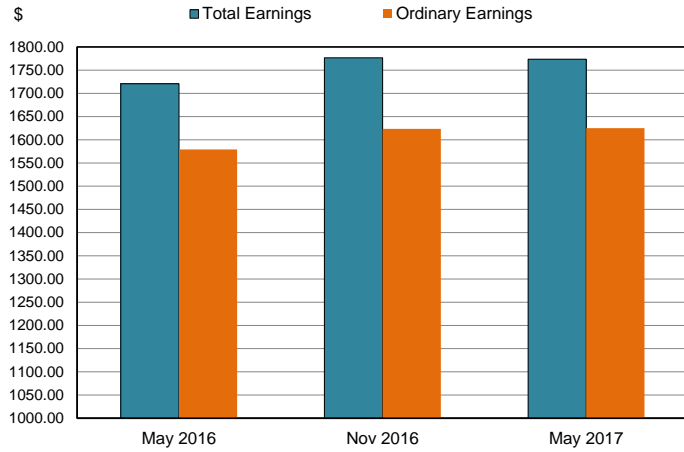
		6 Monthly Change	Level
Average Weekly Full Time Adult Ordinary Time Earnings	NT	↑ 0.1%	\$1625.00
	Australia	↑ 0.8%	\$1543.80
Average Weekly Full Time Adult Total Earnings	NT	↓ 0.2%	\$1773.70
	Australia	↑ 1.0%	\$1608.40

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 2017, ordinary earnings in the Territory increased by 0.1% to \$1625.00. Over the same period, average weekly total earnings (which includes overtime payments) decreased by 0.2% to \$1773.70. At the national level, ordinary earnings increased by 0.8% to \$1543.80, and average weekly total earnings increased by 1.0% over the period to \$1608.40.
- Territory weekly total earnings are now about \$165.30 higher than nationally, compared to being \$144.90 higher in May 2016.

Chart 10: Northern Territory Average Weekly Earnings



Source: ABS Cat No 6302.0

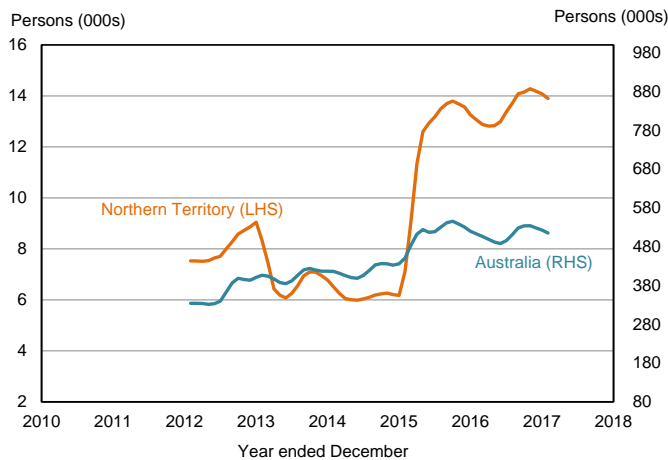
Newstart and Youth Allowance

		Quarterly Change	Persons
Newstart and Youth Allowance	NT	↓ 2.7%	13 897
	Australia	↓ 3.5%	515 154

Source: Department of Social Services, Australian Government.

- In the July quarter 2017, the number of Newstart and Youth Allowance recipients that are ready and available to work in the Territory decreased by 2.7% to 13 897.
- In the July quarter 2017, all jurisdictions recorded a decrease in the number of Newstart and Youth Allowance recipients, except for Western Australia. Western, which increased by 0.5%. The Australian Capital Territory and South Australia both had the highest decrease (5.5%), followed by Victoria (5.2%) and then New South Wales at 3.8%.
- At the national level the number of recipients decreased by 3.5% to 515 154.

Chart 11: Newstart and Youth Allowance Recipients



Source: Department of Social Services, Australian Government

Job Vacancies

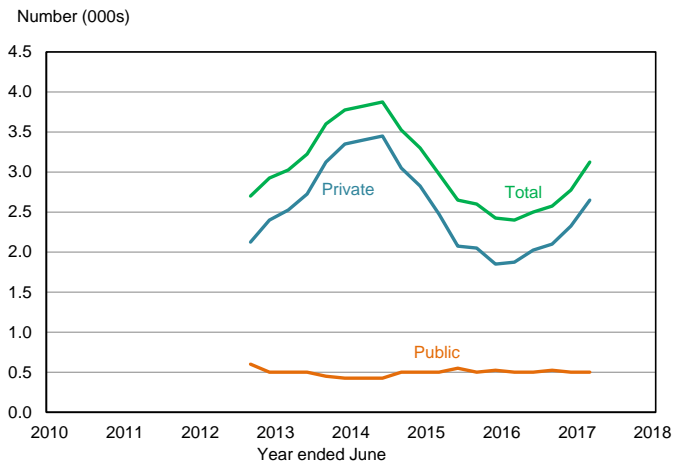
		Year on Year Change	Vacancies
Job Vacancies	NT	↑ 30.2%	3125
	Australia	↑ 11.0%	190 900

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 increased by 30.2% to 3125 vacancies in the year to August 2017.
- Private sector job vacancies in the Territory increased in the year by 41.3% with 2700 vacancies.
- At the national level, job vacancies increased by 11.0% to 190 900 vacancies in the year to August 2017.
- The increase nationally was mainly the result of both private and public sector vacancies rising by 10.6% and 14.8% respectively in the year.
- The rise in job vacancies in the Territory may indicate that employment growth will increase 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>