

Key Message

The Northern Territory labour market has continued to soften over the last six months, with full-time employment declining and labour force participation falling slightly. However, the underemployment rate has increased, but continues to remain the lowest in Australia. Employment in the Accommodation and food services industry has increased strongly in the last 12 months. Outside the greater Darwin region, lower levels of economic activity and a less diverse economy resulted in higher levels of unemployment, particularly in Daly-Tiwi-West Arnhem.

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 2014	Sep 2015	Dec 2015
Alice Springs			
Unemployment (no.)	980	1 017	1 014
Labour Force (no.)	24 289	24 901	24 780
Unemployment Rate (%)	6.5%	6.4%	6.3%
Barkly			
Unemployment (no.)	265	299	299
Labour Force (no.)	3 135	3 215	3 200
Unemployment Rate (%)	9.6%	10.6%	10.7%
Daly - Tiwi - West Arnhem			
Unemployment (no.)	619	754	772
Labour Force (no.)	8 409	8 617	8 571
Unemployment Rate (%)	9.2%	10.8%	11.0%
East Arnhem			
Unemployment (no.)	457	527	524
Labour Force (no.)	7 286	7 465	7 425
Unemployment Rate (%)	5.9%	6.7%	6.6%
Greater Darwin			
Unemployment (no.)	2 529	2 653	2 710
Labour Force (no.)	81 422	82 726	83 762
Unemployment Rate (%)	3.3%	3.3%	3.3%
Katherine			
Unemployment (no.)	607	684	677
Labour Force (no.)	11 236	11 519	11 464
Unemployment Rate (%)	8.1%	8.9%	8.8%

Source: Department of Employment, Australian Government.

During the December quarter 2015:

- Alice Springs, East Arnhem, and Katherine reported an increase in the unemployment rate, while Barkly and the Daly, Tiwi and West Arnhem region decreased and Greater Darwin remained unchanged.
- Outside the Greater Darwin region, Alice Springs and East Arnhem both experienced the lowest unemployment rate at 6.3% and 6.6% respectively.
- The Daly, Tiwi and West Arnhem regions had the highest unemployment rate in the Territory at 11.0%. 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 except Alice Springs and Greater Darwin reported increases in unemployment rates when compared to the September quarter 2014.

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 May 2015	YTD May 2016
Alice Springs		
Commencements	212	211
Completions	71	70
Barkly		
Commencements	64	48
Completions	6	7
West Arnhem		
Commencements	21	17
Completions	12	3
East Arnhem		
Commencements	55	56
Completions	27	25
Darwin		
Commencements	723	689
Completions	248	227
Katherine		
Commencements	172	164
Completions	26	22

Source: Department of Business

- Comparing the year to date to May 2016 to the same period a year ago, apprentice and trainee commencements decreased in all Territory regions.
- Completions also decreased in all regions, except for the Barkly region.
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 May 2016)

Training Funding Group	2015	YTD 2015	YTD 2016		YTD Change
Arts, Entertainment, Sports and Recreation	51	44	33	↓	25.0%
Automotive	204	131	75	↓	42.7%
Building and Construction	241	117	109	↓	6.8%
Business and Clerical	192	131	118	↓	9.9%
Communications	1	1	2	↑	100.0%
Community Services, Health and Education	214	101	107	↑	5.9%
Computing	22	21	17	↓	19.0%
Engineering and Mining	95	41	66	↑	61.0%
Exceptions - Cookery	44	23	17	↓	26.1%
Finance Banking and Insurance	49	40	8	↓	80.0%
Food Processing	106	61	13	↓	78.7%
Primary Industry	223	186	161	↓	13.4%
Process Manufacturing	19	13	1	↓	92.3%
Sales and Personal Service	204	74	157	↑	112.2%
Science, Technical and Other	9	6	4	↓	33.3%
Textiles, Clothing, Footwear and Furnishings	9	1	9	↑	800.0%
Tourism and Hospitality	161	79	115	↑	45.6%
Transport and Storage	70	37	36	↓	2.7%
Utilities	276	140	137	↓	2.1%
Total	2 190	1 247	1 185	↓	5.0%

Source: Department of Business

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

Training Funding Group	2015	YTD 2015	YTD 2016		YTD Change
Arts, Entertainment, Sports and Recreation	25	2	1	↓	50.0%
Automotive	90	34	27	↓	20.6%
Building and Construction	200	50	41	↓	18.0%
Business and Clerical	95	36	44	↑	22.2%
Communications	10	7	1	↓	85.7%
Community Services, Health and Education	97	21	38	↑	81.0%
Computing	19	5	1	↓	80.0%
Engineering and Mining	95	44	26	↓	40.9%
Exceptions - Cookery	12	6	4	↓	33.3%
Finance Banking and Insurance	18	5	5	-	0.0%
Food Processing	81	40	7	↓	82.5%
Primary Industry	88	10	4	↓	60.0%
Process Manufacturing	5	4	0	↓	100.0%
Sales and Personal Service	96	39	57	↑	46.2%
Science, Technical and Other	9	3	1	↓	66.7%
Textiles, Clothing, Footwear and Furnishings	12	2	5	↑	150.0%
Tourism and Hospitality	94	29	28	↓	3.4%
Transport and Storage	17	11	11	-	0.0%
Utilities	124	42	53	↑	26.2%
Total	1 187	390	354	↓	9.2%

Source: Department of Business

Commencements

- In the year to date to May 2016, there were 1185 apprentice and trainee commencements in the Territory.
- The training funding groups with the largest number of commencements were Primary industry (161), followed by Sales and personal service (157), and Utilities (137).
- In Alice Springs, the largest number of apprentice and trainee commencements was in Tourism and hospitality (49). West Arnhem had the lowest commencements with 16 in the year to date to May 2016. Over the same period, East Arnhem had 55 apprentice and trainee commencements, with 38 of those in Sales and personal service.
- Compared to the same period last year, there has been a 5.0% decrease (62) in the number of commencements, with the largest decrease in Process manufacturing (13 to 1), followed by Finance, banking and insurance (40 to 8), then Food processing (61 to 13).
- 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.*

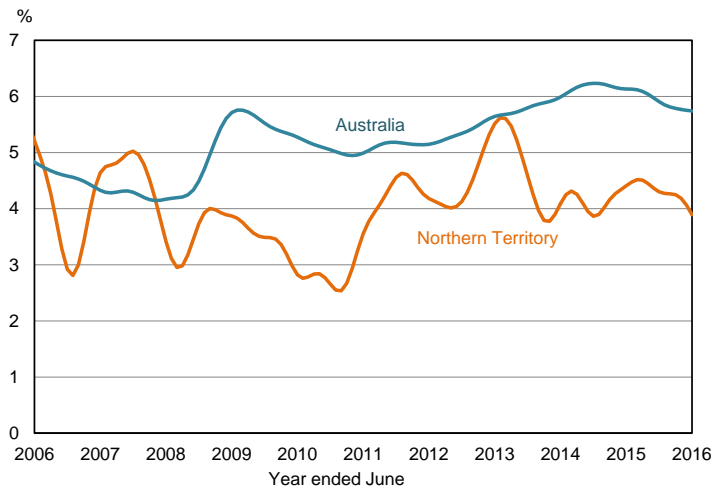
Apprentice and trainee commencements are an indicator of employment demand and employer sentiment.

Completions

- In the year to date to May 2016, there were 354 apprentice and trainee completions in the Territory, a 9.2% decrease (36) compared to the same period last year.
- The decrease in apprentice and trainee completions has not been concentrated to any specific industry, with falls experienced by most training funding groups.
- Industries that experienced increases in completions in the year to date to May 2016 include Sales and personal service (39 to 57), Community services, health and education (21 to 38), and Utilities (42 to 53).
- Industries that experienced large decreases in the year to January 2016 were Business and clerical (10 to 2), Automotive (9 to 3), and Building and construction (9 to 4).
- In Alice Springs, the largest number of apprentice and trainee completions was in Utilities, accounting for 3 completions out of a total of 7. East Arnhem had a total of 5 completions, followed by Katherine with 4. Barkly had 2 completions, and the West Arnhem region had 1 completion.
- 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)

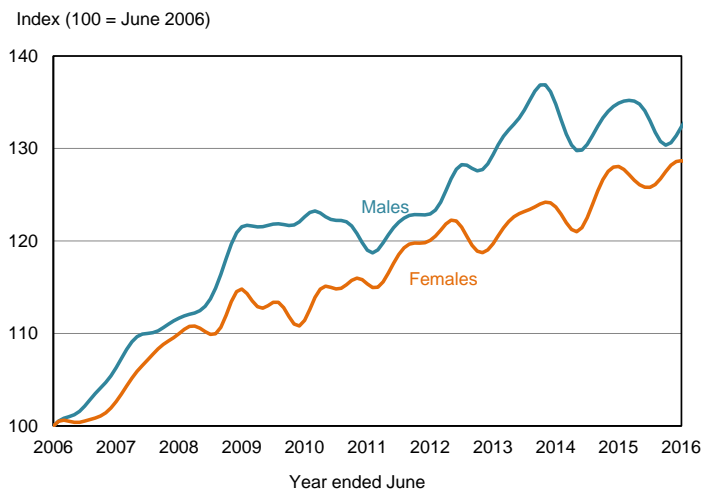


Source: ABS Cat No 6202.0

- In the May quarter 2016, the Territory unemployment rate decreased by 0.4 of a percentage point to 3.9%, from the previous quarter's revised figure.
- There were 5620 unemployed persons in the Territory in the May quarter 2016, a decrease from 5870 persons in the previous quarter.
- In the May quarter 2016, the male unemployment rate in the Territory remained unchanged at 4.4%, while the female unemployment rate decreased by 0.3 of a percentage point to 3.3%. Nationally, the male's unemployment rate decreased to 5.6% and increased for females to 5.9%.

Resident Employment

Chart 2: Northern Territory Resident Employment



Source: ABS Cat No 6202.0

- In the May quarter 2016, there were 134 470 Territorians that were employed, an increase of 1250 from the previous quarter's revised figure.
- Full-time employment increased by 1700 to 109 160 persons. Part-time employment decreased by 150 persons over the period to 25 310 persons.
- In the May quarter 2016 in the Territory, male full-time employment increased by 1.7%, and female full-time employment increased by 1.4%.
- At the national level, male employment increased by 0.1% in the quarter, with part-time employment increasing by 1.5%, and full-time decreasing by 0.2%. Female employment increased by 0.3% over the same period, with part-time employment increasing by 0.6%, and full-time remaining unchanged.

Underemployment

		Quarterly Change	Level
Underemployment Rate	NT	↑ 0.1 ppt	5.0%
	Australia	- 0.0 ppt	8.4%

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.

- The Territory underemployment rate is the lowest of the jurisdictions at 5.0% of total employed persons, signifying that compared to the rest of Australia, there are more employed people in the Territory working their desired number of hours.
- The number of underemployed persons in the Territory increased to 7000 in the May quarter 2016, and has been generally rising over the past two years.

Hours Worked

		Quarterly Change	Level (Hours)
Average Weekly Hours Worked Per Capita	NT	↓ 0.5%	37.8
	Australia	↓ 0.6%	34.3

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 May quarter 2016, average weekly hours worked per capita in the Territory decreased by 0.5% to 37.8 hours per week on average.
- Nationally, average weekly hours worked per capita decreased by 0.6% to 34.3 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.

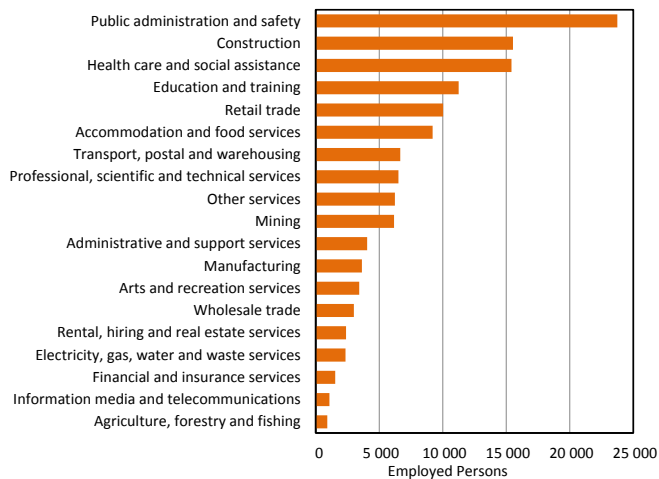
Employment by Industry

Top 5 Industries by Percentage Change	Year on Year Change
Rental, Hiring and Real Estate Services	27.6%
Mining	18.7%
Accommodation and Food Services	14.1%
Wholesale Trade	10.4%
Retail Trade	7.4%

Source: ABS Cat No 6291.0.55.003

- In the year to May 2016, Rental, hiring and real estate services had the highest percentage increase in employment of all industries (27.6%), followed by Mining (18.7%).
- 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 4.8%.
- Construction is the largest industry in the Territory by value of production, and is also a significant employer (12.0% of total employment). In the May quarter 2016, Construction employment increased by 3.2% to 15 500 persons.
- Mining is the second largest industry in the Territory by value of production. However, Mining only employs approximately 4.3% 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 18.7% to 6200 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 May 2016)



Source: ABS Cat No 6291.0.55.003

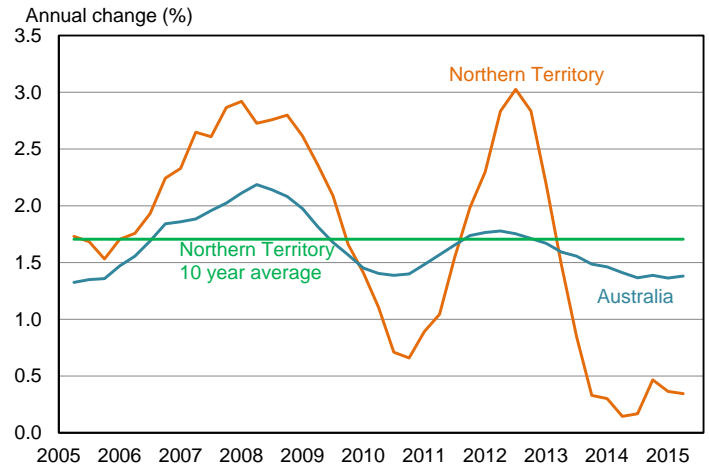
Resident Population

		Quarterly Change	Number of Persons
Population	NT	↓ 0.3%	244 000
	Australia	↑ 0.3%	23 940 300

Source: ABS Cat No 3101.0

- In the December quarter 2015, the Territory's estimated resident population (ERP) decreased by 0.3% to 244 300 persons, while the national population increased by 0.3% to 23 940 300 persons.
- In annual terms the Territory's ERP increased by 0.3%, the lowest of the jurisdictions and lower than the national annual growth rate of 1.4%.

Chart 4: Annual Population Growth Rate



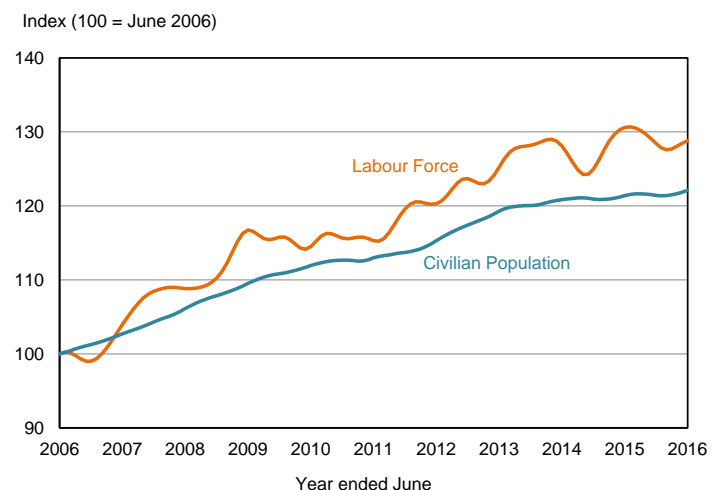
Source: ABS Cat No 3101.0

- 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 1220 persons in 2012-13 to a net outflow of 3019 persons in the year to September 2015.

Labour Force

- In the May quarter 2016, there were 187 000 persons in the civilian population (persons aged 15 years and over) and 139 640 persons in the labour force (employed persons and those actively pursuing employment). This is 1010 persons less than in the February 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

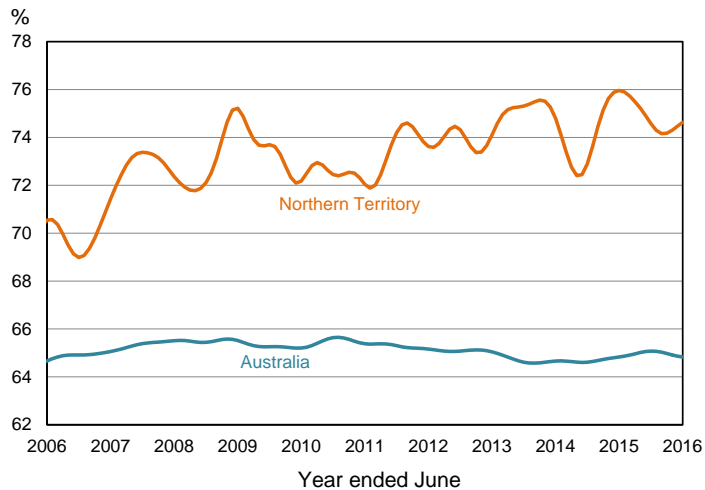


Source: ABS Cat No 6202.0

Labour Force Participation Rate

- In the May quarter 2016, the Territory labour force participation rate increased by 0.5 of a percentage point to 74.8% from the previous quarter's revised figure.
- The Territory continues to report the highest labour force participation rate for all jurisdictions and was 10.0 percentage points above the national rate of 64.8% in the May quarter 2016.

Chart 6: Participation Rate (quarterly average)



Source: ABS Cat No 6202.0

- The Territory male workforce participation rate increased by 0.6 of a percentage point to 77.5% in the May quarter 2016.
- The Territory female workforce participation rate increased by 0.3 of a percentage point to 71.8% in the May 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 0.3 of a percentage point to 70.4% in the May quarter 2016, while the female workforce participation rate remained unchanged 59.3%.
- Territory workforce participation rates for both males and females are significantly higher than nationally, reflecting greater confidence in the Territory economy and job prospects.

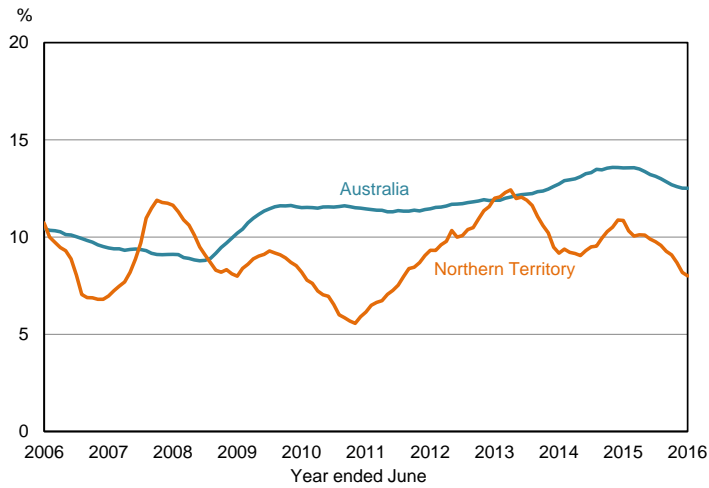
Youth Labour Market (15-24 years old)

		Year on Year Change	Annual Average Level
Civilian Population (15-24 years old)	NT	↓ 1.8%	33 000
	Australia	↑ 0.5%	3 137 200
Total Employed	NT	↑ 5.5%	20 800
	Australia	↑ 2.1%	1 845 800
Total Unemployed	NT	↓ 25.1%	1 800
	Australia	↓ 7.0%	264 000
Labour Force (15-24 years old)	NT	↑ 2.2%	22 600
	Australia	↑ 0.9%	2 109 900
Not In Labour Force	NT	↑ 0.5%	4 000
	Australia	↓ 6.0%	204 100
Unemployment Rate	NT	↓ 2.8 ppt	8.0%
	Australia	↓ 1.0 ppt	12.5%
Participation Rate	NT	↑ 2.7 ppt	68.4%
	Australia	↑ 0.2 ppt	67.3%
Civilian Population - Attending Full-time Education	NT	↓ 0.9%	11 300
	Australia	↑ 1.6%	1 645 500
Labour Force - Attending Full-time Education	NT	↑ 0.3%	4 900
	Australia	↑ 1.9%	822 200
Not In Labour Force - Attending Full-time Education	NT	↓ 14.9%	6 400
	Australia	↑ 1.3%	823 300

Source: ABS Cat No 6202.0

- In the year to June 2016 the number of youth (persons aged 15 to 24 years) employed in the Territory increased by 5.5% to 20 800 persons.
- Over the same period, national youth employment increased by 2.1% to 1 845 800 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 June 2016, 11 300 out of the 33 000 youths (34.2%) were undertaking full time education in the Territory, a decrease from 35.0% in the previous quarter. In comparison, 52.4% of the national youth population were undertaking full time education.

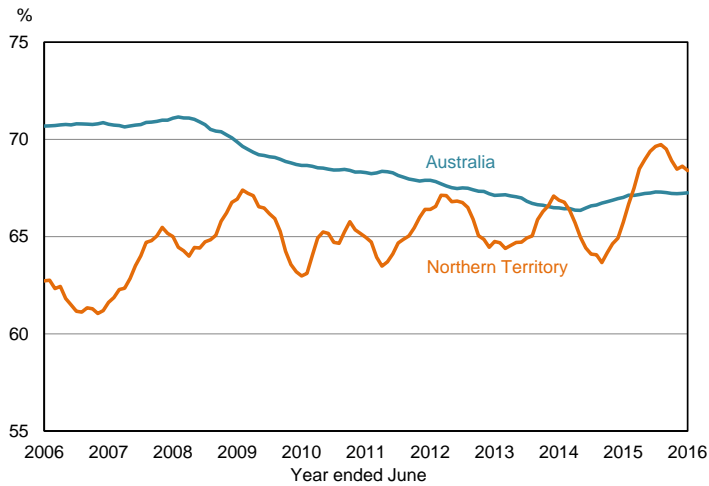
Chart 7: Youth Unemployment Rate (annual average)



Source: ABS Cat No 6202.0

- In the year to June 2016 the average youth unemployment rate in the Territory was 8.0%. This is below the corresponding national rate of 12.5%.
- The Territory youth unemployment rate has generally been decreasing over the past six months, similar to the national youth unemployment.

Chart 8: Youth Participation Rate (annual average)



Source: ABS Cat No 6202.0

- In the year to June 2016, the average youth participation rate in the Territory was 68.4% and 67.3% nationally.

Wage Price Index

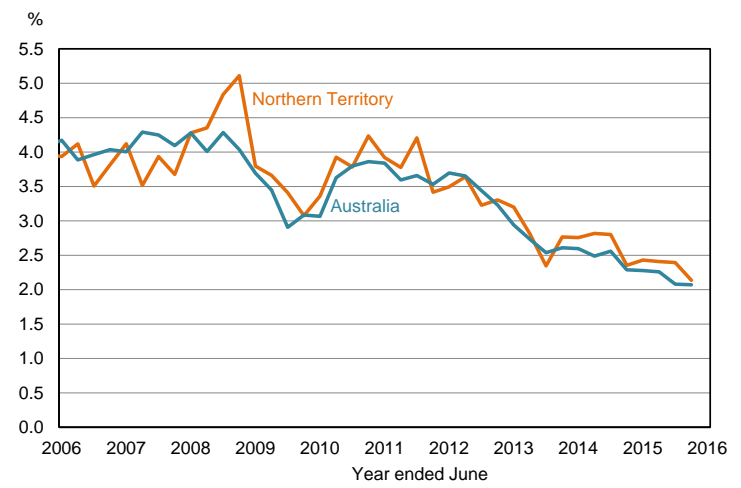
		Quarterly Change	Level
Wage Price Index	NT	↑ 0.2%	124.3
	Australia	↑ 0.4%	123.2

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 March quarter 2016, the WPI increased by 0.2% in the Territory and remaining unchanged at 0.4% nationally.
- In annual terms, the Territory WPI increased by 2.1% in the year, with the national growth rate also at 2.1% over the same period.

Chart 9: Wage Price Index (annual percentage change)



Source: ABS Cat No 6345.0

Average Weekly Earnings

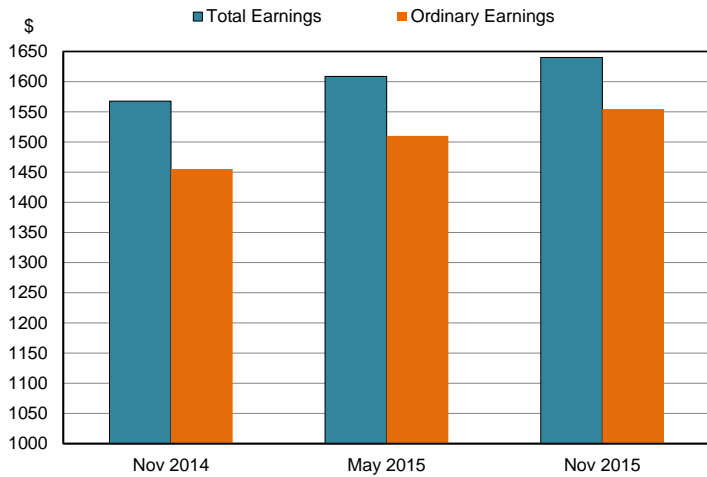
		6 Monthly Change	Level
Average Weekly Full Time Adult Ordinary Time Earnings	NT	↑ 2.9%	\$1 555
	Australia	↑ 1.0%	\$1 499
Average Weekly Full Time Adult Total Earnings	NT	↑ 2.0%	\$1 640
	Australia	↑ 0.7%	\$1 556

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 2015, ordinary earnings in the Territory increased by 2.9% to \$1554.50. Over the same period, average weekly total earnings (which includes overtime payments) increased by 2.0% to \$1640.10. At the national level, ordinary earnings increased by 1.0% to \$1499.30, and average weekly total earnings increased by 0.7% over the period to \$1556.30.
- Territory weekly total earnings are now \$83.80 higher than nationally, compared to being \$29.80 higher in November 2014.

Chart 10: Northern Territory Average Weekly Earnings



Source: ABS Cat No 6302.0

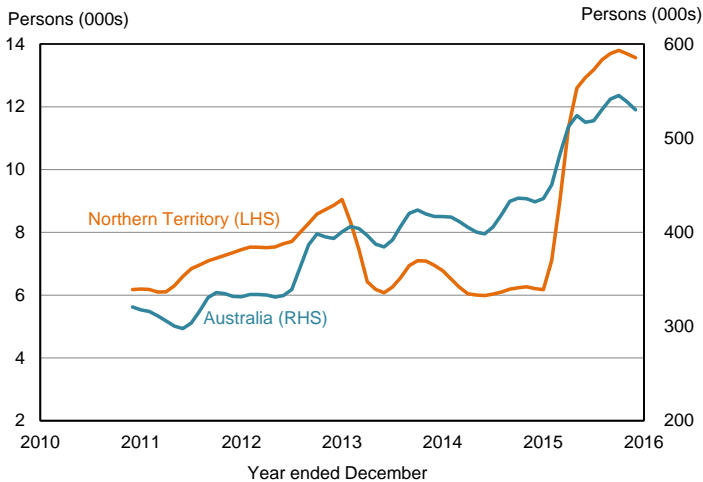
Newstart and Youth Allowance

		Quarterly Change	Persons
Newstart and Youth Allowance	NT	↓ 1.0%	13 562
	Australia	↓ 2.1%	530 207

Source: Department of Social Services, Australian Government.

- In the May quarter 2016, the number of Newstart and Youth Allowance recipients that are ready and available to work in the Territory decreased by 1.0% to 13 560.
- In the May quarter 2016, all jurisdictions recorded a decrease in the number of Newstart and Youth Allowance recipients, except for Queensland and Western Australia. Tasmania had the highest decrease (5.9%), followed by New South Wales (4.7%), and the Australian Capital Territory (3.9%).
- At the national level the number of recipients decreased by 2.1% to 530 200.

Chart 11: Newstart and Youth Allowance Recipients



Source: Department of Social Services, Australian Government

Job Vacancies

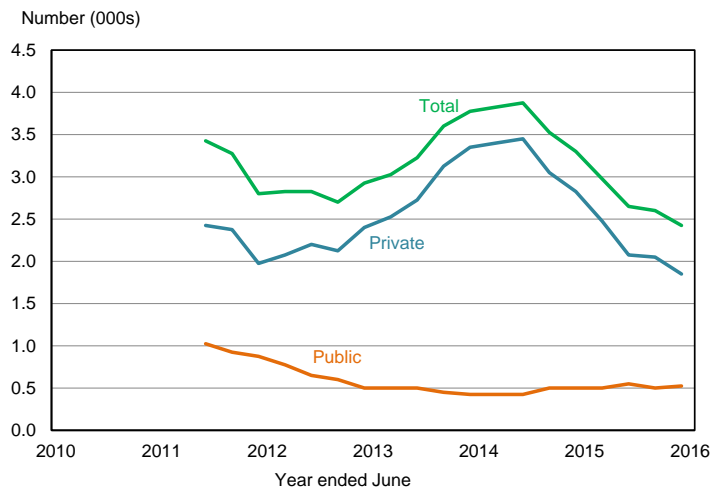
		Year on Year Change	Vacancies
Job Vacancies	NT	↓ 26.5%	2 425
	Australia	↑ 11.0%	167 950

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 26.5% to 2400 vacancies in the year to May 2016. This was primarily driven by a 34.5% decrease in the number of private sector job vacancies to 1800 vacancies.
- Public sector job vacancies in the Territory increased by 5.0% in the year with 500 vacancies.
- At the national level, job vacancies increased by 11.0% to 167 950 vacancies in the year to May 2016.
- The increase nationally was mainly the result of both private and public sector vacancies rising by 10.1% and 20.3% 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

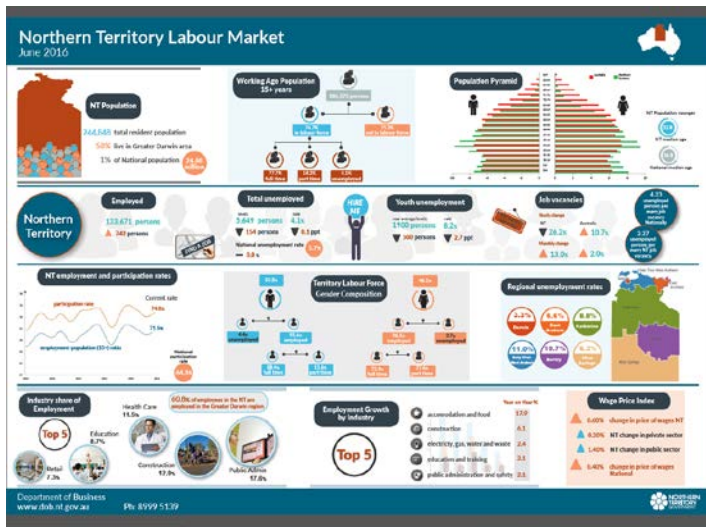
No single indicator can give a comprehensive view of the labour market. There are a number of economic indicators that can impact on or explain changes in the Northern Territory labour market that are not considered in this publication. These may include gross state product, inflation, retail sales,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

For consideration of broader economic indicators please see NT key business statistics: <http://www.dob.nt.gov.au/business/economics/key-statistics/Pages/default.aspx>.

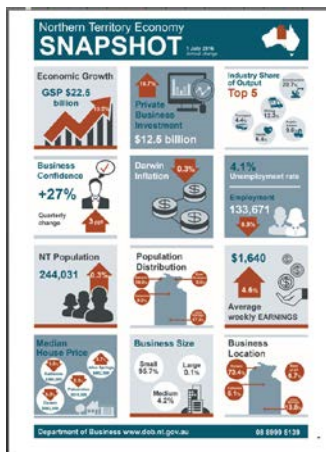
Labour Market, Business and Economic Data Published by the Department of Business

The Department of Business (the Department) publishes labour market briefs and business and economic data on: key business statistics, employment, housing market, labour, and retail sales.

The Department's most recently released economic publication is the NT Labour Market Infographic Data (see picture below). This publication provides a quick, at-a-glance, high level overview of the NT's labour market; population, employment by industry, wage price index, and job vacancies.



The Department's NT Economy Snapshot (below) provides an infographic of key business indicators including the NT's: economic growth; industry share of output; business confidence, size and location; employment; population; average weekly earnings; and median house prices.



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 Business (NT Government)
Department of Employment (Australian Government)
Department of Social Services (Australian Government)

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