

Labour market brief – June quarter 2017

Key Message

The Territory's labour market remains characterised by a low unemployment rate, high participation rate and low underemployment rate. 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	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.)	3,240	3,263	3,425
Unemployment Rate (%)	10.0%	7.0%	6.1%
Daly - Tiwi - West Arnhem			
Unemployment (no.)	757	598	565
Labour Force (no.)	8,698	8,770	9,212
Unemployment Rate (%)	10.5%	8.1%	7.3%
East Arnhem			
Unemployment (no.)	498	364	345
Labour Force (no.)	6,211	6,263	6,581
Unemployment Rate (%)	6.4%	4.7%	4.2%
Greater Darwin			
Unemployment (no.)	2,941	2,900	2,781
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 and Alice Springs region, East Arnhem experienced the lowest unemployment rate at 4.2%, a decrease of 0.5 of a percentage point.

- 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 May 2016	YTD May 2017
Alice Springs		
Commencements	211	202
Completions	84	70
Barkly		
Commencements	52	42
Completions	8	3
Daly - Tiwi - West Arnhem		
Commencements	17	11
Completions	4	1
East Arnhem		
Commencements	56	33
Completions	28	17
Darwin		
Commencements	700	567
Completions	250	235
Katherine		
Commencements	170	61
Completions	24	18

Source: Department of Trade, Business and Innovation

- Comparing the year to date to May 2017 to the same period a year ago, apprentice and trainee commencements decreased in all regions, with the Darwin recording the highest decrease (700 to 567).
- Completions also decreased in all regions in the year to date May 2017, with the Darwin region also recording the highest decrease (250 to 235).

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 2017)

Training Funding Group	2016	YTD 2016	YTD 2017	YTD Change
Arts, Entertainment, Sports and Recreation	48	34	42	↑ 23.5%
Automotive	143	78	69	↓ 11.5%
Building and Construction	251	109	86	↓ 21.1%
Business and Clerical	174	101	78	↓ 22.8%
Communications	11	6	3	- 0.0%
Community Services, Health and Education	239	108	112	↑ 3.7%
Computing	23	17	21	↑ 23.5%
Engineering and Mining	136	67	61	↓ 9.0%
Exceptions - Cookery	15	10	0	↓ 100.0%
Finance Banking and Insurance	23	11	13	↑ 18.2%
Food Processing	55	14	28	↑ 100.0%
Primary Industry	216	163	60	↓ 63.2%
Process Manufacturing	1	1	0	- 0.0%
Sales and Personal Service	284	159	75	↓ 52.8%
Science, Technical and Other	27	4	8	↑ 100.0%
Textiles, Clothing, Footwear and Furnishings	24	11	3	↓ 72.7%
Tourism and Hospitality	261	123	104	↓ 15.4%
Transport and Storage	92	36	27	↓ 25.0%
Utilities	219	137	106	↓ 22.6%
Total	2,242	1,189	896	↓ 24.6%

Source: Department of Trade, Business and Innovation

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

Training Funding Group	2016	YTD 2016	YTD 2017	YTD Change
Arts, Entertainment, Sports and Recreation	24	2	5	↑ 150.0%
Automotive	60	29	33	↑ 13.8%
Building and Construction	97	48	44	↓ 8.3%
Business and Clerical	83	48	22	↓ 54.2%
Communications	9	2	3	- 0.0%
Community Services, Health and Education	138	49	27	↓ 44.9%
Computing	10	1	3	- 0.0%
Engineering and Mining	67	27	25	↓ 7.4%
Exceptions - Cookery	10	4	6	- 50.0%
Finance Banking and Insurance	19	5	6	↑ 20.0%
Food Processing	23	8	8	- 0.0%
Primary Industry	107	9	6	↓ 33.3%
Process Manufacturing	21	0	1	- 0.0%
Sales and Personal Service	112	60	39	↓ 35.0%
Science, Technical and Other	5	1	12	- 0.0%
Textiles, Clothing, Footwear and Furnishings	5	2	3	- 0.0%
Tourism and Hospitality	75	33	36	↑ 9.1%
Transport and Storage	46	16	12	↓ 25.0%
Utilities	142	54	50	↓ 7.4%
Total	1,053	398	341	↓ 14.3%

Source: Department of Trade, Business and Innovation

Commencements

- In the year to date to May 2017, there were 896 apprentice and trainee commencements in the Territory.
- The training funding groups with the largest number of commencements were Community services, health and education (112), followed by Tourism and hospitality (104).
- Compared to the same period last year, there has been a 24.6% decrease (293) in the number of commencements, with the largest decrease in Primary industry (163 to 60), followed by Sales and personal service (159 to 75), followed by Utilities (137 to 106).
- Outside Darwin, Alice Springs had the largest number of apprentice and trainee commencements (187), of which 62 being in Tourism and hospitality. Katherine had 59 apprentice and trainee commencements, followed by Barkly with 42, and East Arnhem had 33.
- Over the same period, West Arnhem had the lowest commencements, with 11 in the year to date to May 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.

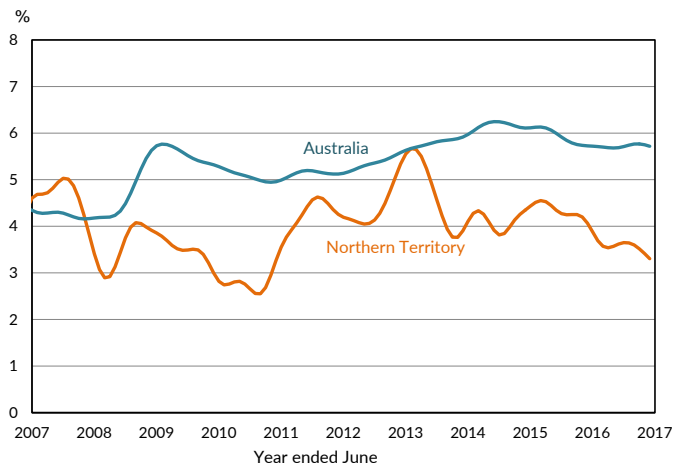
Apprentice and trainee commencements are an indicator of employment demand and employer sentiment.

Completions

- In the year to date to May 2017, there were 341 apprentice and trainee completions in the Territory, a 14.3% decrease (57) compared to the same period last year.
- The decrease in apprentice and trainee completions was experienced by most training funding groups, with Business and clerical having the largest decrease (48 to 22), followed by Community services, health and education (49 to 27), and then followed by Sales and personal service (60 to 39).
- In the same period, the remaining industries either recorded small increases in completions, or year to date to May 2017 remained unchanged.
- Outside Darwin, Alice Springs had the largest number of apprentice and trainee completions (65), of which 25 was in Tourism and hospitality. Katherine had a total of 17 completions, followed by East Arnhem with 15, and Barkly with 3. West Arnhem 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)

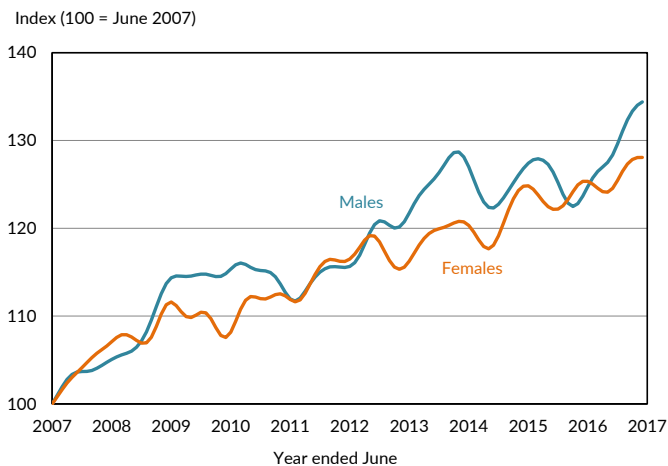


Source: ABS Cat No 6202.0

- In the May quarter 2017, the Territory unemployment rate decreased by 0.3 of a percentage point to 3.3%, from the previous quarter's revised figure.
- There were 4,806 unemployed persons in the Territory in the May quarter 2017, a decrease from 5,185 persons in the previous quarter.
- In the May quarter 2017, the male unemployment rate in the Territory decreased by 0.6 percentage points to 2.9%, while the female unemployment rate remained unchanged at 3.8%. Nationally, the male unemployment rate decreased by 0.1 of a percentage point to 5.6%, while the female unemployment rate remained unchanged at 5.9.

Resident Employment

Chart 2: Northern Territory Resident Employment



Source: ABS Cat No 6202.0

- In the May quarter 2017, there were 140,457 Territorians that were employed, an increase of 1,549 from the previous quarter's revised figure.
- Full-time employment decreased by 1,150 to 108,867 persons. Part-time employment increased by 2,699 persons over the period to 31,590 persons.
- In the same quarter in the Territory, male full-time employment decreased by 0.7%, and female full-time employment also decreased by 1.6%.
- At the national level, male employment increased by 0.7% in the quarter, with part-time employment increasing 0.5%, and full-time increasing by 0.8%. Female employment increased by 0.7% over the same period, with part-time employment increasing by 0.6%, and full-time increasing by 0.8%.

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 May 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 May 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	↓ 2.2%	36.4
	Australia	↓ 0.3%	34.6

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 2017, average weekly hours worked per capita in the Territory decreased by 2.2% to 36.4 hours per week on average.
- Nationally, average weekly hours worked per capita decreased by 0.3% to 34.6 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

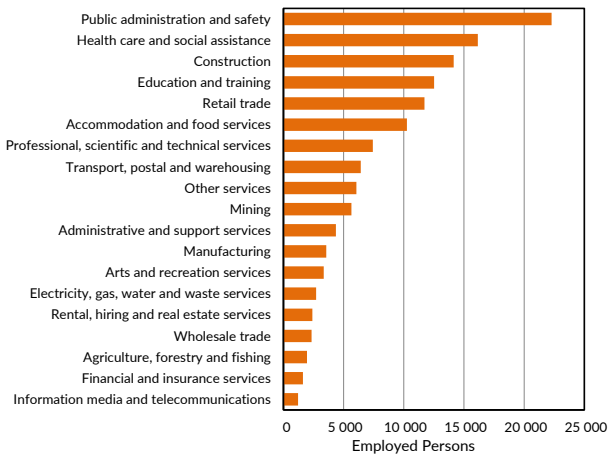
Top 5 Industries by Percentage Change	Year on Year Change
Agriculture, Forestry and Fishing	115.0%
Retail Trade	16.8%
Electricity, Gas, Water and Waste Services	15.9%
Professional, Scientific and Technical Services	14.1%
Information Media and Telecommunications	12.7%

Source: ABS Cat No 6291.0.55.003

- In the year to May 2017, Agriculture, forestry and fishing had the highest percentage increase in employment of all industries (115.0%), followed by Retail trade (16.8%), then Electricity, gas, water and waste services (15.9%).
- 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 6.1%.
- Construction is the largest industry in the Territory by value of production, and is also a significant employer (10.4% of total employment). In the year to May 2017, Construction employment decreased by 8.8% to 14,100 persons.
- Mining is the second largest industry in the Territory by value of production. However, Mining only employs approximately 4.1% of the Territory workforce as the industry is capital intensive, utilising machines instead of people to perform many tasks. In the year, Mining employment decreased by 8.2% to 5,600 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 2017)



Source: ABS Cat No 6291.0.55.003

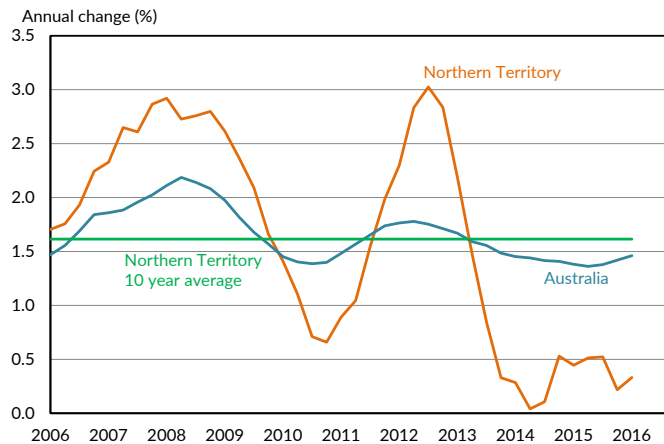
Resident Population

		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



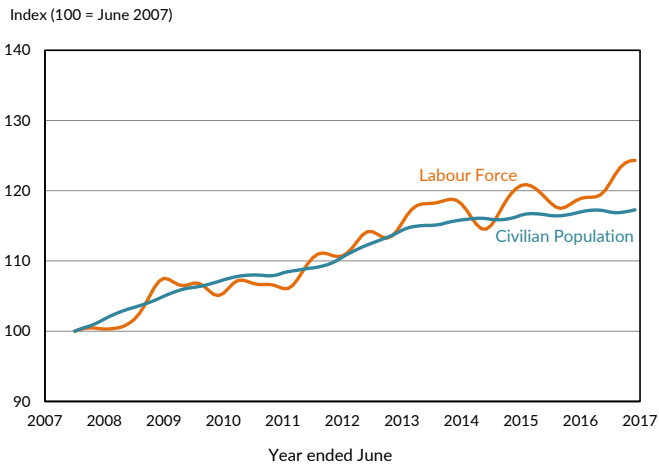
Source: ABS Cat No 3101.0

- 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 3,019 persons in the year to September 2015, to a net outflow of 2,804 persons in the year to September 2016.

Labour Force

- In the May quarter 2017, there were 186,781 persons in the civilian population (persons aged 15 years and over) and 145,263 persons in the labour force (employed persons and those actively pursuing employment). This is 1,170 persons more than in the February 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

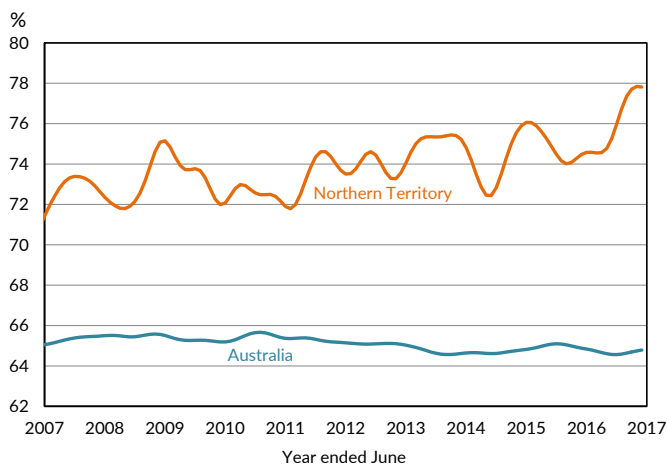


Source: ABS Cat No 6202.0

Labour Force Participation Rate

- In the May quarter 2017, the Territory labour force participation rate increased by 0.5 percentage points to 77.8% from the previous quarter’s revised figure.
- The Territory continues to report the highest labour force participation rate for all jurisdictions and was 13.0 percentage points above the national rate of 64.8% in the May quarter 2017.

Chart 6: Participation Rate (quarterly average)



Source: ABS Cat No 6202.0

- The Territory male workforce participation rate increased by 0.6 percentage points to 82.1% in the May quarter 2017.
- The Territory female workforce participation rate increased by 0.3 percentage points to 73.1% 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 0.1 of a percentage point to 70.4% in the May quarter 2017, with the female workforce participation rate increased by 0.2 of a percentage point to 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.

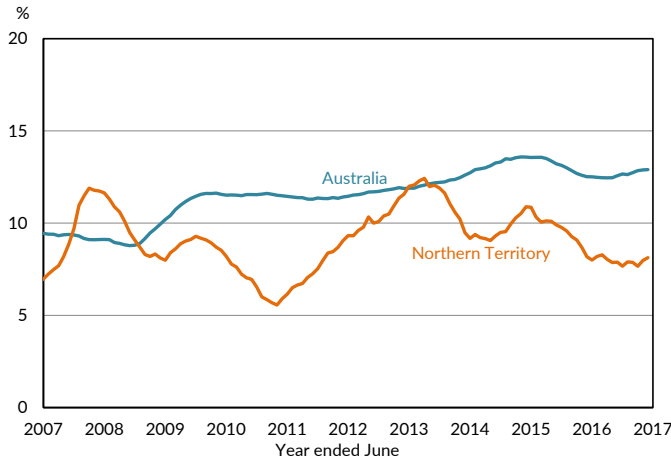
Youth Labour Market (15-24 years old)

		Year on Year Change	Annual Average Level
Civilian Population (15-24 years old)	NT	↓ 0.9%	32,900.0
	Australia	↑ 0.9%	3,170,500.0
Total Employed	NT	↓ 0.6%	20,800.0
	Australia	↓ 0.4%	1,840,800.0
Total Unemployed	NT	↓ 1.1%	1,800.0
	Australia	↑ 3.2%	272,800.0
Labour Force (15-24 years old)	NT	↓ 0.7%	22,600.0
	Australia	↑ 0.1%	2,113,600.0
Not In Labour Force	NT	↓ 1.4%	3,800.0
	Australia	↑ 3.7%	213,500.0
Unemployment Rate	NT	↓ 0.1 ppt	8.1%
	Australia	↑ 0.4 ppt	12.9%
Participation Rate	NT	↑ 0.2 ppt	68.8%
	Australia	↓ 0.6 ppt	66.7%
Civilian Population - Attending Full-time Education	NT	↑ 0.7%	12,200.0
	Australia	↑ 2.9%	1,690,400.0
Labour Force - Attending Full-time Education	NT	↑ 0.8%	5,700.0
	Australia	↑ 3.3%	847,100.0
Not In Labour Force - Attending Full-time Education	NT	↓ 1.1%	6,500.0
	Australia	↑ 2.5%	843,300.0

Source: ABS Cat No 6202.0

- In the year to May 2017 the number of youth (persons aged 15 to 24 years) employed in the Territory decreased by 0.6% to 20,800 persons.
 - Over the same period, national youth employment decreased by 0.4% to 1,840,800 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 May 2017, 12,200 out of the 32,900 youths (37.0%) were undertaking full-time education in the Territory, an increase of 1.1 percentage points from the previous quarter. In comparison, 53.3% of the national youth population were undertaking full-time education.

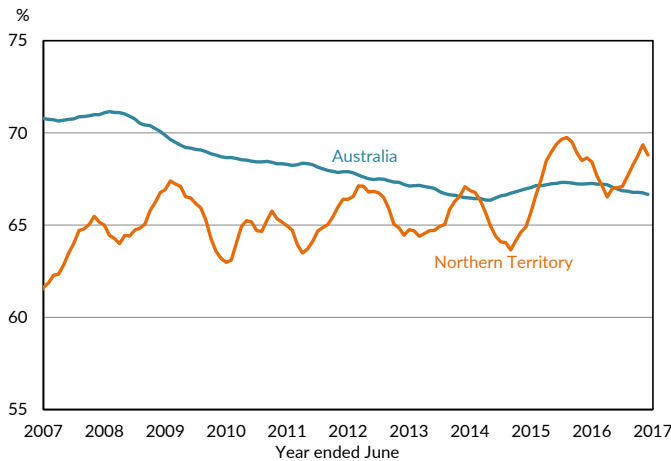
Chart 7: Youth Unemployment Rate (annual average)



Source: ABS Cat No 6202.0

- In the year to May 2017 the average youth unemployment rate in the Territory was 8.2%. 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 May 2017, the average youth participation rate in the Territory was 68.8% and nationally was 66.7%.

Wage Price Index

		Quarterly Change	Level
Wage Price Index	NT	↑ 0.2%	126.9
	Australia	↑ 0.4%	125.6

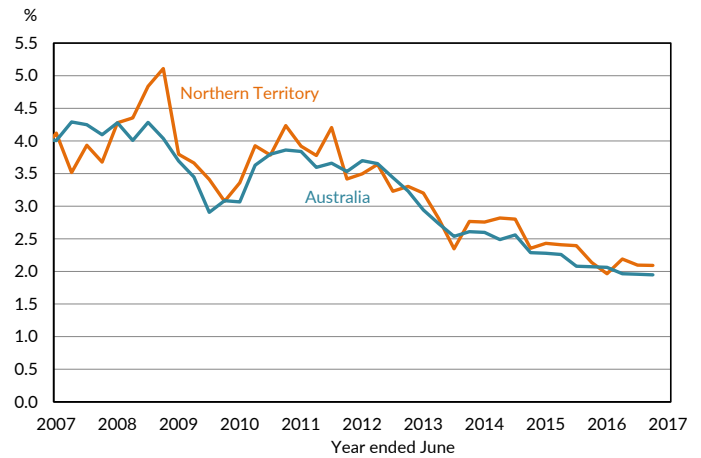
Source: ABS Cat No 6345.0

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

- In the March 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 decreasing by 1.9% over the same period.

Chart 9: Wage Price Index (annual percentage change)



Source: ABS Cat No 6345.0

Average Weekly Earnings

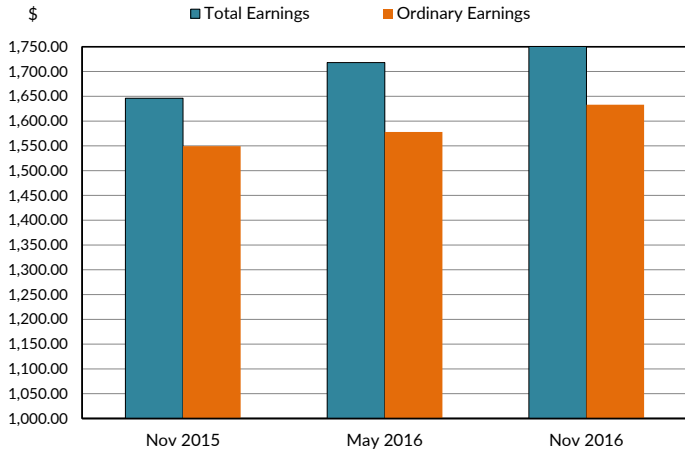
		6 Monthly Change	Level
Average Weekly Full Time Adult Ordinary Time Earnings	NT	↑ 3.5%	\$1,633.10
	Australia	↑ 1.1%	\$1,533.10
Average Weekly Full Time Adult Total Earnings	NT	↑ 4.3%	\$1,791.90
	Australia	↑ 1.0%	\$1,592.40

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 \$200.00 higher than nationally, compared to being \$142.10 higher in May 2016.

Chart 10: Northern Territory Average Weekly Earnings



Source: ABS Cat No 6302.0

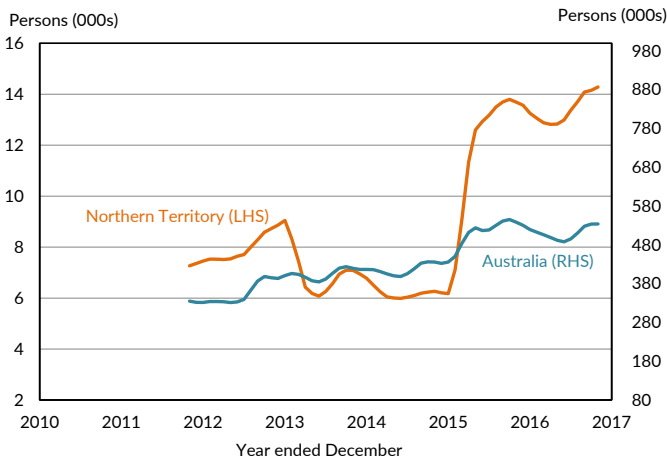
Newstart and Youth Allowance

		Quarterly Change	Persons
Newstart and Youth Allowance	NT	↑ 4.2%	14,282
	Australia	↑ 4.6%	533,996

Source: Department of Social Services, Australian Government.

- In the April quarter 2017, the number of Newstart and Youth Allowance recipients that are ready and available to work in the Territory increased by 4.2% to 14,282.
- In the April quarter 2017, all jurisdictions recorded an increase in the number of Newstart and Youth Allowance recipients. Western Australia had the highest increase (6.6%), followed by Queensland (6.1%) and then both the Australian Capital Territory and the Territory at 4.2%.
- At the national level the number of recipients increased by 4.6% to 533,996.

Chart 11: Newstart and Youth Allowance Recipients



Source: Department of Social Services, Australian Government

Job Vacancies

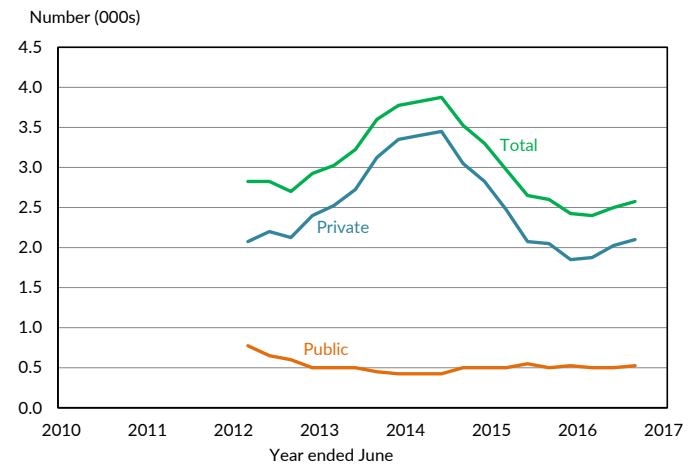
		Year on Year Change	Vacancies
Job Vacancies	NT	↓ 1.0%	2,575
	Australia	↑ 8.6%	179,125

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 179,125 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>

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 at web link: at web link: <https://business.nt.gov.au/business/business-and-economic-data/nt-labour-market-information>

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