

Labour market brief – December quarter 2017

Key Message

The Territory's labour market remains characterised by a low unemployment rate, high participation rate and low underemployment rate. Despite these positives, the level of employment has been declining in recent months (down 6183 persons over the past six months). However, increasing job vacancies may signal a rebound in 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 Markets¹

Region	Sep 2016	Jun 2017	Sep 2017
Alice Springs			
Unemployment (no.)	824	725	770
Labour Force (no.)	23 655	25 823	25 839
Unemployment Rate (%)	5.1%	4.2%	4.4%
Barkly			
Unemployment (no.)	214	167	181
Labour Force (no.)	3001	3273	3275
Unemployment Rate (%)	8.5%	6.1%	6.6%
Daly - Tiwi - West Arnhem			
Unemployment (no.)	626	542	563
Labour Force (no.)	8278	9058	9062
Unemployment Rate (%)	9.0%	7.1%	7.3%
East Arnhem			
Unemployment (no.)	381	329	350
Labour Force (no.)	6753	7382	7386
Unemployment Rate (%)	5.2%	4.1%	4.3%
Greater Darwin			
Unemployment (no.)	2836	2733	2812
Labour Force (no.)	83 398	81 969	81 808
Unemployment Rate (%)	3.7%	3.7%	3.8%
Katherine			
Unemployment (no.)	497	432	458
Labour Force (no.)	11 430	12 485	12 492
Unemployment Rate (%)	6.2%	4.8%	5.1%

Source: Department of Employment, Australian Government.

During the September 2017 quarter:

- All regions reported an increase in the unemployment rate compared to the June 2017 quarter.
- Outside the Greater Darwin region, East Arnhem experienced the lowest unemployment rate at 4.3%, an increase of 0.2 percentage points.

- 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.

1. *It should be noted that many Territory regions consist of a small population base, which can result in volatility in labour market data¹.*

Regional Apprentices and Trainees

Region	YTD Oct 2016	YTD Oct 2017
Alice Springs		
Commencements	375	410
Completions	188	151
Barkly		
Commencements	79	90
Completions	29	9
Daly - Tiwi - West Arnhem		
Commencements	27	16
Completions	16	8
East Arnhem		
Commencements	95	80
Completions	51	42
Darwin		
Commencements	1232	1010
Completions	466	455
Katherine		
Commencements	227	177
Completions	69	82

Source: Department of Trade, Business and Innovation

- Comparing the year to date to October 2017 to the same period a year ago, apprentice and trainee commencements decreased in all regions, except for Alice Springs and the Barkly, which increased by 35 and 11 respectively.
 - Completions also decreased in all regions in the year to date to October 2017, except for Katherine, which increased by 13.
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 October 2017)

Training Funding Group	2016	YTD 2016	YTD 2017	YTD Change
Arts, Entertainment, Sports and Recreation	48	45	47	▲ 4.4%
Automotive	143	124	133	▲ 7.3%
Building and Construction	251	212	166	▼ 21.7%
Business and Clerical	185	172	137	▼ 20.3%
Communications	11	8	8	- 0.0%
Community Services, Health and Education	239	222	240	▲ 8.1%
Computing	23	22	22	- 0.0%
Engineering and Mining	136	122	118	▼ 3.3%
Exceptions - Cookery	41	37	39	▲ 5.4%
Finance Banking and Insurance	23	17	24	▲ 41.2%
Food Processing	55	37	58	▲ 56.8%
Primary Industry	216	213	204	▼ 4.2%
Process Manufacturing	1	1	2	- 0.0%
Sales and Personal Service	284	235	157	▼ 33.2%
Science, Technical and Other	27	25	17	▼ 32.0%
Textiles, Clothing, Footwear and Furnishings	24	22	4	▼ 81.8%
Tourism and Hospitality	235	227	142	▼ 37.4%
Transport and Storage	92	83	63	▼ 24.1%
Utilities	219	202	182	▼ 9.9%
Total	2253	2026	1763	▼ 13.0%

Source: Department of Trade, Business and Innovation

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

Training Funding Group	2016	YTD 2016	YTD 2017	YTD Change
Arts, Entertainment, Sports and Recreation	24	3	7	▲ 133.3%
Automotive	61	50	69	▲ 38.0%
Building and Construction	102	89	76	▼ 14.6%
Business and Clerical	90	77	47	▼ 39.0%
Communications	9	5	6	▲ 0.0%
Community Services, Health and Education	140	117	64	▼ 45.3%
Computing	10	2	5	- 0.0%
Engineering and Mining	69	49	45	▼ 8.2%
Exceptions - Cookery	10	9	9	- 0.0%
Finance Banking and Insurance	19	17	10	▼ 41.2%
Food Processing	23	20	20	- 0.0%
Primary Industry	109	36	58	▲ 61.1%
Process Manufacturing	21	19	1	- 0.0%
Sales and Personal Service	113	99	102	▲ 3.0%
Science, Technical and Other	5	5	13	- 0.0%
Textiles, Clothing, Footwear and Furnishings	6	3	7	- 0.0%
Tourism and Hospitality	76	72	66	▼ 8.3%
Transport and Storage	46	32	43	▲ 34.4%
Utilities	141	115	98	▼ 14.8%
Total	1074	819	746	▼ 8.9%

Source: Department of Trade, Business and Innovation

Commencements

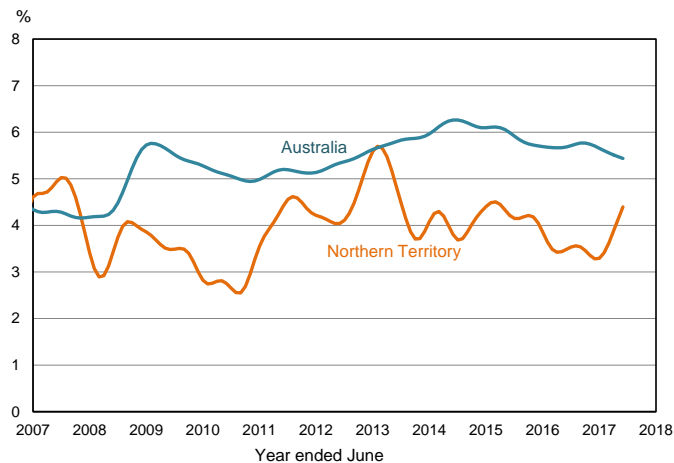
- In the year to date to October 2017, there were 1763 apprentice and trainee commencements in the Territory.
 - The training funding groups with the largest number of commencements were Community services, health and education (240), followed by Primary industry (204).
 - Compared to the same period last year, there has been a 13.0% decrease (263) in the number of commencements, with the largest decrease in Tourism and hospitality (227 to 142), followed by Sales and personal service (235 to 157), followed by Building and construction (212 to 166).
 - Outside Darwin, Alice Springs had the largest number of apprentice and trainee commencements (381), of which 80 being in Tourism and hospitality. Katherine had 167 apprentice and trainee commencements, followed by Barkly with 90, and East Arnhem had 77.
 - Over the same period, West Arnhem had the lowest commencements, with 15 in the year to date to October 2017.
3. *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 October 2017, there were 746 apprentice and trainee completions in the Territory, an 8.9% decrease (73) compared to the same period last year.
 - The decrease in apprentice and trainee completions was experienced by most training funding groups, with Community services, health and education having the largest decrease (117 to 64), followed by Business and clerical (77 to 47), and then followed by Process manufacturing (19 to 1).
 - Outside Darwin, Alice Springs had the largest number of apprentice and trainee completions (147), of which 44 was in Tourism and hospitality. Katherine had a total of 79 completions, followed by East Arnhem with 40, and Barkly with 9. West Arnhem had 8 completions.
4. *As with commencements, there are also lags in completions, as such the magnitude of the decline in completions is likely significantly less than at the time of publishing.*

Unemployment Rate

Chart 1: Unemployment Rate (quarterly average)

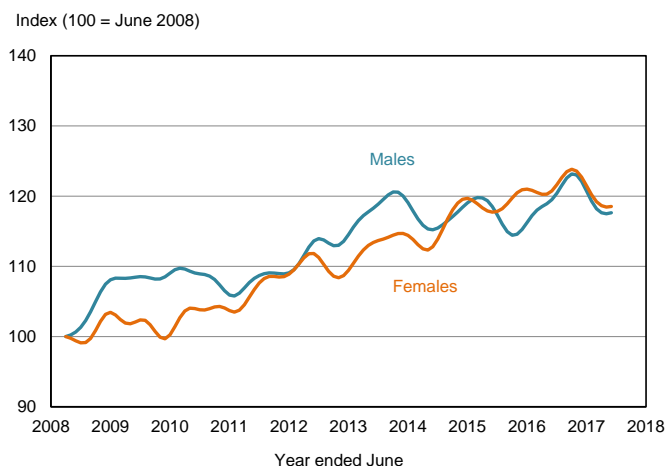


Source: ABS Cat No 6202.0

- In the November quarter 2017, the Territory unemployment rate increased by 0.8 percentage points to 4.4%, from the previous quarter's revised figure.
- There were 6197 unemployed persons in the Territory in the November quarter 2017, an increase of 1119 persons in the previous quarter.
- In the November quarter 2017, the male unemployment rate in the Territory increased by 0.9 percentage points to 4.6%, while the female unemployment rate also increased by 0.6 percentage points to 4.2%. Nationally, the male unemployment rate decreased by 0.1 of a percentage point to 5.4%, while the female unemployment rate also decreased by 0.1 of a percentage point to 5.5%.

Resident Employment

Chart 2: Northern Territory Resident Employment



Source: ABS Cat No 6202.0

- In the November quarter 2017, there were 134 608 Territorians that were employed, a decrease of 3451 from the previous quarter's revised figure.
- Full-time employment increased by 162 to 106 445 persons. Part-time employment decreased by 866 persons over the period to 28 163 persons.
- In the same quarter in the Territory, male full-time employment increased by 0.5% (62 733), and female full-time employment decreased by 0.3% (43 712).
- At the national level, male employment increased by 0.6% in the quarter, with part-time employment increasing 0.8%, and full-time increasing by 0.5%. Female employment increased by 0.9% over the same period, with part-time employment increasing by 0.4%, and full-time increasing by 1.3%.

Underemployment

		Quarterly Change	Level
Underemployment Rate	NT	↓ 0.2 ppt	4.3%
	Australia	↓ 0.2 ppt	8.4%

Source: ABS Cat No 6202.0

- In the November quarter 2017, the Territory underemployment rate is the lowest of the jurisdictions at 4.3% of total employed persons, signifying that compared to the rest of Australia (8.4%), there are more employed people in the Territory working their desired number of hours.
 - The number of underemployed persons in the Territory decreased to 6100 in the November quarter 2017, and has been generally falling over the past 18 months.
5. *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.*

Hours Worked

		Quarterly Change	Level (Hours)
Average Weekly Hours Worked Per Capita	NT	↑ 1.1%	37.1
	Australia	↑ 0.2%	35.0

Source: ABS Cat No 6202.0

- In the November quarter 2017, average weekly hours worked per capita in the NT increased by 1.1% to 37.1 hours per week on average.
 - Nationally, average weekly hours worked per capita increased by 0.2% to 35.0 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.
6. *Average weekly hours worked per capita refers to the number of hours each employed person works each week on average.*

Employment by Industry

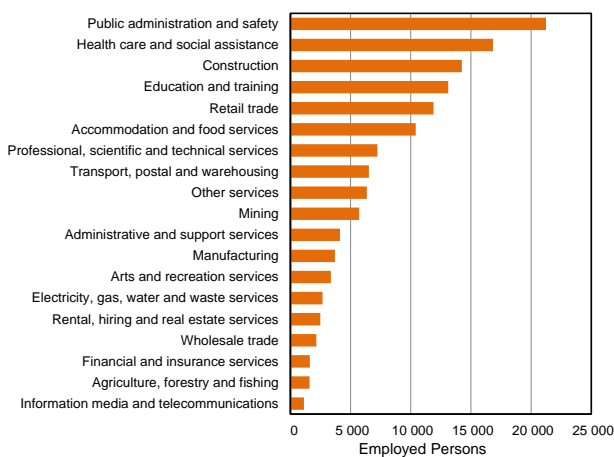
Top 5 Industries by Percentage Change	Year on Year Change
Agriculture, Forestry and Fishing	24.5%
Accommodation and Food Services	16.9%
Education and Training	15.8%
Retail Trade	14.4%
Information Media and Telecommunications	11.7%

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.

7. 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

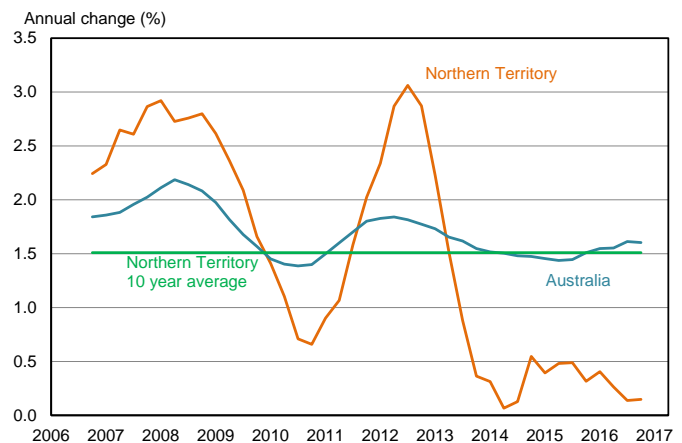
Resident Population

		Quarterly Change	Number of Persons
Population	NT	↑ 0.5%	246 110
	Australia	↑ 0.4%	24 598 900

Source: ABS Cat No 3101.0

- In the June quarter 2017, the Territory's estimated resident population (ERP) increased by 0.5% to 246 110 persons, while the national population increased by 0.4% to 24 598 900 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



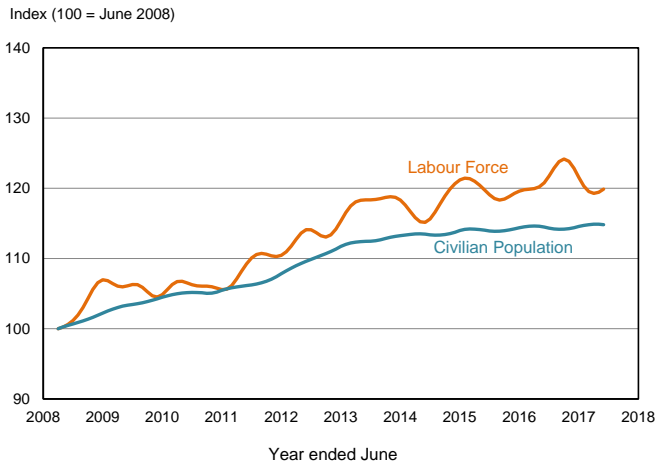
Source: ABS Cat No 3101.0

- 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 further deteriorated from a net outflow of 2804 persons in the year to September 2016, to a net outflow of 3490 persons in the year to June 2017.

Labour Force

- In the November quarter 2017, there were 187 790 persons in the civilian population (persons aged 15 years and over) and 140 805 persons in the labour force (employed persons and those actively pursuing employment). This is 415 persons more than in the August 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

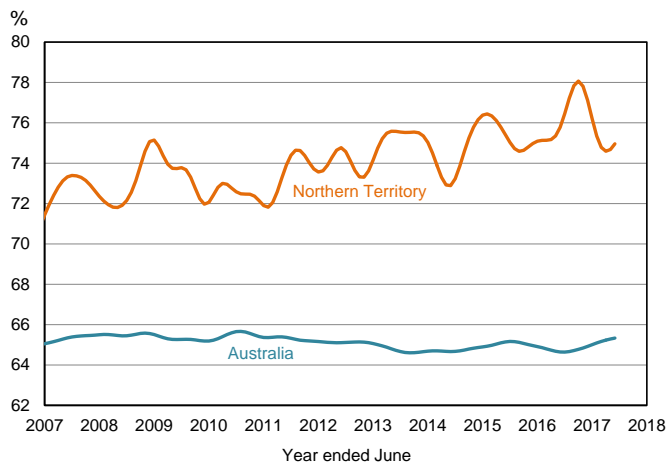


Source: ABS Cat No 6202.0

Labour Force Participation Rate

- In the November quarter 2017, the Territory labour force participation rate increased by 0.2 percentage points to 75.0% from the previous quarter's revised figure.
- The Territory continues to report the highest labour force participation rate for all jurisdictions and was 9.7 percentage points above the national rate of 65.3% in the November quarter 2017.

Chart 6: Participation Rate (quarterly average)



Source: ABS Cat No 6202.0

- The Territory male workforce participation rate increased by 0.3 percentage points to 79.1% in the November quarter 2017.
- The Territory female workforce participation rate remained unchanged at 70.7% 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 percentage points to 70.8% in the November quarter 2017, with the female workforce participation rate increased by 0.3 percentage points to 60.1%.
- Territory workforce participation rates for both males and females are significantly higher than nationally, reflecting greater confidence in the Territory economy and job prospects.

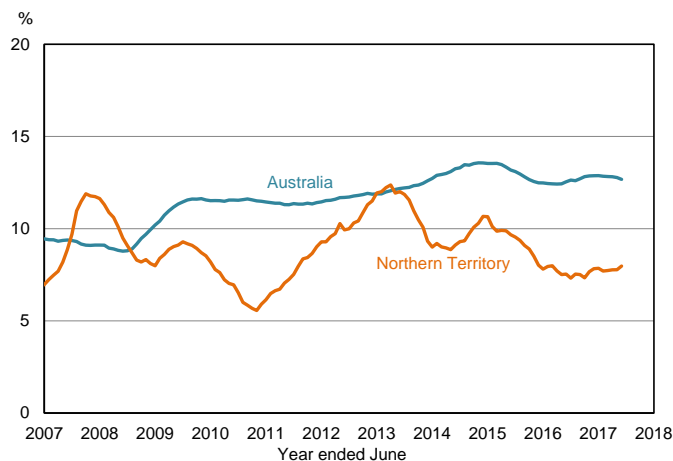
Youth Labour Market (15-24 years old)

		Year on Year Change	Annual Average Level
Civilian Population (15-24 years old)	NT	↓ 2.4%	31 100
	Australia	↑ 0.9%	3 190 600
Total Employed	NT	↓ 1.8%	19 500
	Australia	↑ 0.5%	1 860 200
Total Unemployed	NT	↑ 5.3%	1 700
	Australia	↑ 1.8%	270 200
Labour Force (15-24 years old)	NT	↓ 1.2%	21 200
	Australia	↑ 0.7%	2 130 400
Not In Labour Force	NT	↓ 22.1%	3 400
	Australia	↑ 1.9%	211 800
Unemployment Rate	NT	↑ 0.4 ppt	8.0%
	Australia	↑ 0.1 ppt	12.7%
Participation Rate	NT	↑ 0.8 ppt	68.3%
	Australia	↓ 0.1 ppt	66.8%
Civilian Population - Attending Full-time Education	NT	↑ 1.7%	12 300
	Australia	↑ 1.3%	1 701 400
Labour Force - Attending Full-time Education	NT	↑ 1.2%	5 900
	Australia	↑ 1.6%	853 100
Not In Labour Force - Attending Full-time Education	NT	↑ 7.6%	6 500
	Australia	↑ 1.0%	848 300

Source: ABS Cat No 6202.0

- In the year to November 2017 the number of youth (persons aged 15 to 24 years) employed in the Territory decreased by 1.8% to 19 500 persons.
 - Over the same period, national youth employment increased by 0.5% to 1 860 200 persons.
 - In the year to November 2017, 12 300 out of the 31 100 youths (39.5%) were undertaking full-time education in the Territory, an increase of 1.1 percentage points from the previous quarter. In comparison, 58.3% of the national youth population were undertaking full-time education.
8. 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.

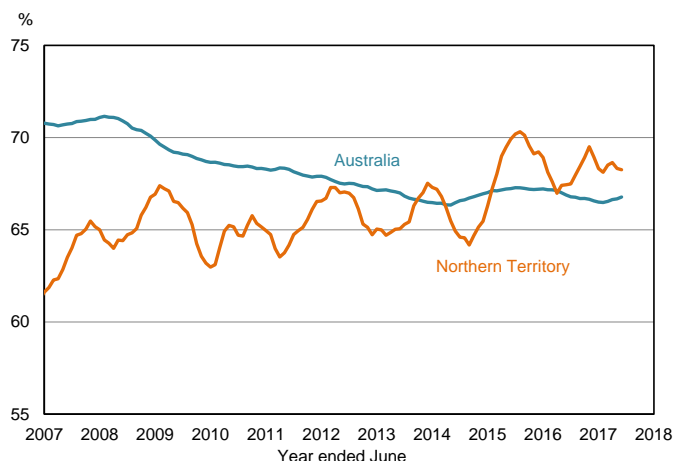
Chart 7: Youth Unemployment Rate (annual average)



Source: ABS Cat No 6202.0

- In the year to November 2017 the average youth unemployment rate in the Territory was 8.0%. This is below the corresponding national rate of 12.7%.
- The Territory youth unemployment rate has generally been stable over the past year.

Chart 8: Youth Participation Rate (annual average)



Source: ABS Cat No 6202.0

- In the year to November 2017, the average youth participation rate in the Territory was 68.3% and nationally was 66.8%.

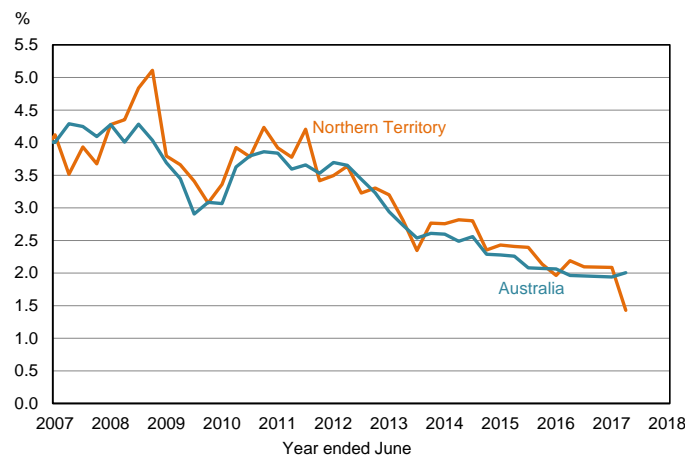
Wage Price Index

		Quarterly Change	Level
Wage Price Index	NT	↑ 0.5%	127.8
	Australia	↑ 0.8%	127.1

Source: ABS Cat No 6345.0

- In the September quarter 2017, the WPI increased by 0.5% in the Territory and increased by 0.8% nationally.
 - In annual terms, the Territory WPI increased by 1.4% in the year, with the national growth rate increasing by 2.0% over the same period.
9. *The Wage Price Index (WPI) measures changes in the price of wages and salaries and excludes changes in overtime and bonus payments.*

Chart 9: Wage Price Index (annual percentage change)



Source: ABS Cat No 6345.0

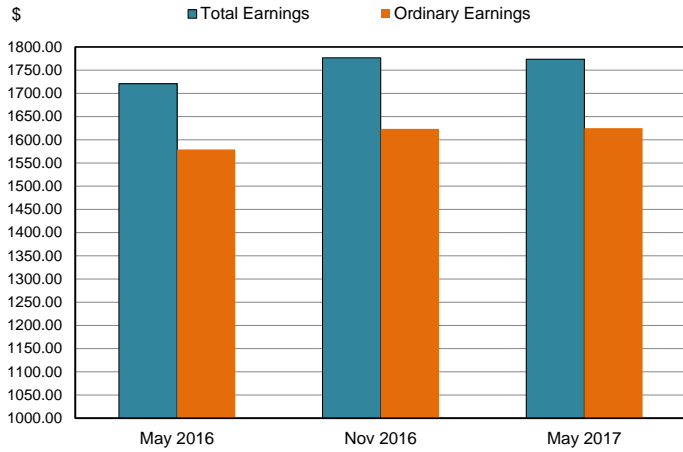
Average Weekly Earnings

		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

- 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.
10. *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.*

Chart 10: Northern Territory Average Weekly Earnings



Source: ABS Cat No 6302.0

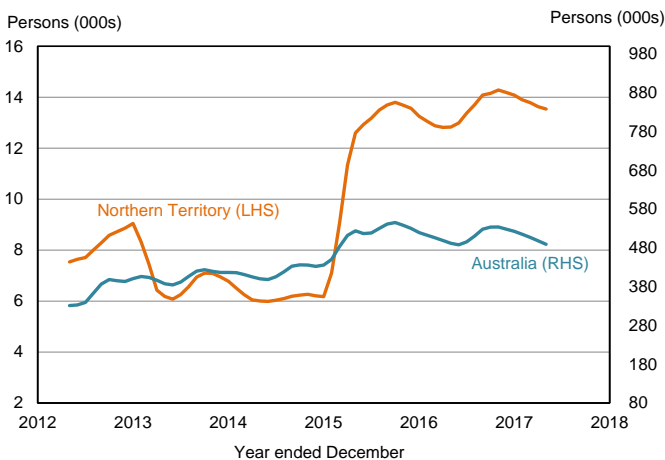
Newstart and Youth Allowance

		Quarterly Change	Persons
Newstart and Youth Allowance	NT	↓ 2.6%	13 538
	Australia	↓ 5.0%	489 395

Source: Department of Social Services, Australian Government.

- In the October quarter 2017, the number of Newstart and Youth Allowance recipients that are ready and available to work in the Territory decreased by 2.6% to 13 538.
- In the October quarter 2017, all jurisdictions recorded a decrease in the number of Newstart and Youth Allowance recipients. The Australian Capital Territory had the highest decrease (6.4%), followed by Queensland (6.0%) and then both South Australia and Victoria at 5.8%
- At the national level the number of recipients decreased by 5.0% to 489 395.

Chart 11: Newstart and Youth Allowance Recipients



Source: Department of Social Services, Australian Government

Job Vacancies

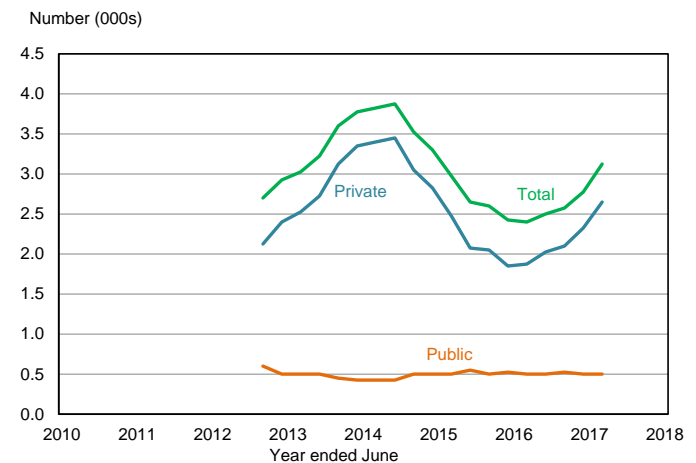
		Year on Year Change	Vacancies
Job Vacancies	NT	↑ 30.2%	3125
	Australia	↑ 11.0%	190 900

Source: ABS Cat No 6354.0

- 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.

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

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

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