

Labour market brief – June quarter 2018

Key Message

The Territory's labour market remains characterised by a low unemployment rate, high participation rate and low underemployment rate. The level of employment has rebound over the past quarter, and the continued increase in job vacancies may further support employment growth 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	Mar 2017	Dec 2017	Mar 2018
Alice Springs			
Unemployment (no.)	730	859	883
Labour Force (no.)	24 497	24 618	24 005
Unemployment Rate (%)	4.4%	5.1%	5.3%
Barkly			
Unemployment (no.)	170	200	207
Labour Force (no.)	3084	3097	3019
Unemployment Rate (%)	6.6%	7.5%	7.9%
Daly - Tiwi - West Arnhem			
Unemployment (no.)	529	606	627
Labour Force (no.)	8516	8551	8336
Unemployment Rate (%)	7.4%	8.2%	8.7%
East Arnhem			
Unemployment (no.)	328	373	374
Labour Force (no.)	6948	6978	6803
Unemployment Rate (%)	4.4%	4.8%	5.0%
Greater Darwin			
Unemployment (no.)	2855	2992	2941
Labour Force (no.)	86 115	85 786	86 145
Unemployment Rate (%)	3.6%	3.9%	3.8%
Katherine			
Unemployment (no.)	430	499	511
Labour Force (no.)	11 777	11 829	11 533
Unemployment Rate (%)	5.1%	5.8%	6.0%

Source: Department of Employment, Australian Government.

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

During the March 2018 quarter:

- All regions reported an increase in the unemployment rate compared to the December 2017 quarter, except for Greater Darwin.
- Outside the Greater Darwin region, East Arnhem experienced the lowest unemployment rate at 5.0%, an increase of 0.2 percentage points.

- Alice Springs unemployment rate was 5.3% in the quarter.
- The Daly, Tiwi and West Arnhem regions had the highest unemployment rate in the Territory at 8.7%. 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.

Regional Apprentices and Trainees²

Region	YTD May 2017	YTD May 2018
Alice Springs		
Commencements	209	226
Completions	82	95
Barkly		
Commencements	59	137
Completions	3	8
Daly - Tiwi - West Arnhem		
Commencements	12	21
Completions	1	3
East Arnhem		
Commencements	35	47
Completions	17	10
Darwin		
Commencements	588	559
Completions	267	207
Katherine		
Commencements	127	185
Completions	18	19

Source: Department of Trade, Business and Innovation

2. As there can be significant lags in reporting training data, the data may be revised in the future.
- Comparing the year to date to May 2018 to the same period a year ago, apprentice and trainee commencements increased in all regions, except for Darwin, which decreased by 29.
 - Completions increased in most regions in the year to date to May 2018, except for Darwin and East Arnhem, which decreased by 60 and 7 respectively.

Apprentice and Trainee Commencements by Training Funding Group (year to date to May 2018)³

Training Funding Group	2017	YTD 2017	YTD 2018	YTD Change
Arts, Entertainment, Sports and Recreation	47	44	63	↑ 43.2%
Automotive	151	77	75	↓ 2.6%
Building and Construction	185	90	114	↑ 26.7%
Business and Clerical	184	94	111	↑ 18.1%
Communications	9	5	0	↓ 100.0%
Community Services, Health and Education	258	117	113	↓ 3.4%
Computing	24	21	16	↓ 23.8%
Engineering and Mining	132	66	57	↓ 13.6%
Exceptions - Cookery	47	23	11	↓ 52.2%
Finance Banking and Insurance	28	14	4	↓ 71.4%
Food Processing	60	28	8	↓ 71.4%
Primary Industry	208	149	250	↑ 67.8%
Process Manufacturing	2	0	23	- N/A
Sales and Personal Service	224	83	117	↑ 41.0%
Science, Technical and Other	17	8	7	↓ 12.5%
Textiles, Clothing, Footwear and Furnishings	5	3	7	↑ 133.3%
Tourism and Hospitality	168	73	56	↓ 23.3%
Transport and Storage	73	29	14	↓ 51.7%
Utilities	217	106	129	↑ 21.7%
Total	2039	1030	1175	↑ 14.1%

Source: Department of Trade, Business and Innovation

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.

Apprentice and Trainee Completions by Training Funding Group (year to date to February 2018)⁴

Training Funding Group	2017	YTD 2017	YTD 2018	YTD Change
Arts, Entertainment, Sports and Recreation	36	6	1	↓ 83.3%
Automotive	84	39	14	↓ 64.1%
Building and Construction	106	51	36	↓ 29.4%
Business and Clerical	72	27	36	↑ 33.3%
Communications	8	3	1	↓ 66.7%
Community Services, Health and Education	86	30	30	- 0.0%
Computing	15	3	8	↑ 166.7%
Engineering and Mining	61	27	23	↓ 14.8%
Exceptions - Cookery	11	6	3	↓ 50.0%
Finance Banking and Insurance	15	6	1	↓ 83.3%
Food Processing	22	8	21	↑ 162.5%
Primary Industry	150	10	6	↓ 40.0%
Process Manufacturing	1	1	0	↓ 100.0%
Sales and Personal Service	118	45	21	↓ 53.3%
Science, Technical and Other	13	12	1	↓ 91.7%
Textiles, Clothing, Footwear and Furnishings	13	7	3	↓ 57.1%
Tourism and Hospitality	80	38	53	↑ 39.5%
Transport and Storage	48	15	12	↓ 20.0%
Utilities	119	54	72	↑ 33.3%
Total	1058	388	342	↓ 11.9%

Source: Department of Trade, Business and Innovation

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.

Commencements

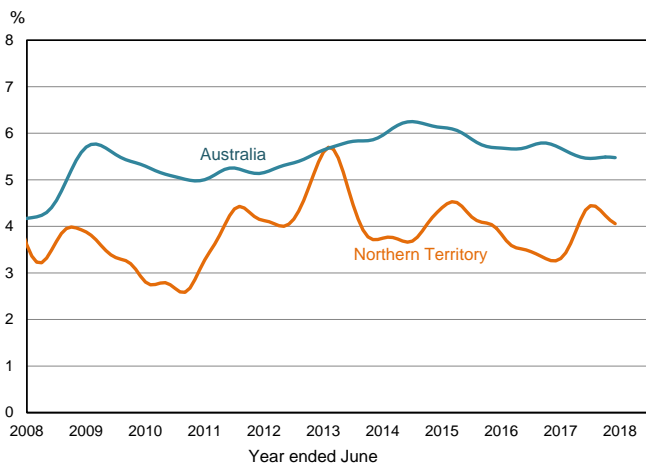
- In the year to date to May 2018, there were 1175 apprentice and trainee commencements in the Territory.
- The training funding groups with the largest number of commencements were Primary industry (250), followed by Utilities (129), then Sales and personal service (117).
- Compared to the same period last year, there has been a 14.1% increase (145) in the number of commencements, with the largest increase in Primary industry (149 to 250), followed by Sales and personal service (83 to 117).
- Outside Darwin, Alice Springs had the largest number of apprentice and trainee commencements (218), of which 35 equally being in Sales and personal service, and Business and clerical. Katherine had 183 apprentice and trainee commencements, followed by Barkly with 137, and East Arnhem had 46.
- Over the same period, West Arnhem had the lowest commencements, with 21 in the year to date to May 2018.

Completions

- In the year to date to May 2018, there were 342 apprentice and trainee completions in the Territory, a 11.9% decrease (46) compared to the same period last year.
- The decrease in apprentice and trainee completions was experienced by a number of training funding groups, with Automotive (39 to 14), Sales and personal service (45 to 21), and Building and construction (51 to 36).
- Outside Darwin, Alice Springs had the largest number of apprentice and trainee completions (92), of which 46 were in Tourism and hospitality. Katherine had a total of 18 completions, followed by East Arnhem with 10, and Barkly with 8. West Arnhem had 3 completions.

Unemployment Rate

Chart 1: Unemployment Rate (quarterly average)

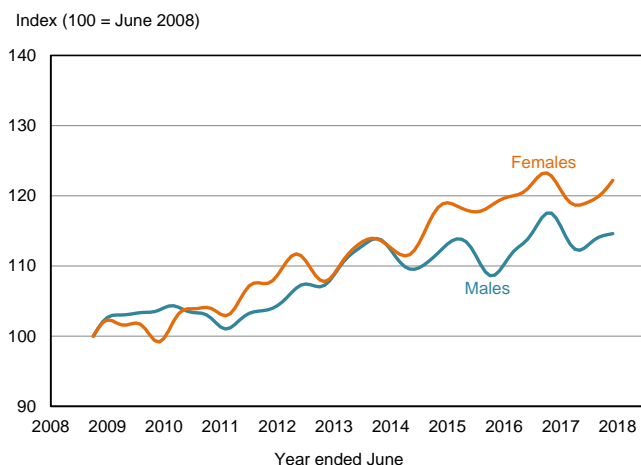


Source: ABS Cat No 6202.0

- In the May quarter 2018, the Territory unemployment rate decreased by 0.3 percentage points to 4.1%, from the previous quarter's revised figure.
- There were 5964 unemployed persons in the Territory in the May quarter 2018, a decrease of 185 persons in the previous quarter.
- In the May quarter 2018, the male unemployment rate in the Territory decreased by 0.2 percentage points to 4.2%, while the female unemployment rate decreased by 0.4 percentage points to 3.9%. Nationally, the male unemployment rate remained unchanged at 5.4%, while the female unemployment rate also remained unchanged at 5.5%.

Resident Employment

Chart 2: Northern Territory Resident Employment



Source: ABS Cat No 6202.0

- In the May quarter 2018, there were 138 725 Territorians that were employed, an increase of 1554 from the previous quarter's revised figure.
- Full-time employment increased by 1863 to 109 679 persons. Part-time employment decreased by 309 persons over the period to 29 046 persons.
- In the same quarter in the Territory, male full-time employment increased by 0.9% (64 290), and female full-time employment also increased by 2.9% (45 389).
- At the national level, male employment increased by 0.3% in the quarter (6 629 581), with male part-time employment increasing 0.6%, and male full-time increasing by 0.2%. Female employment increased by 0.5% (5 877 839) over the same period, with part-time female employment increasing by 1.2%, and female full-time decreasing by 0.2%.

Underemployment⁵

		Quarterly Change	Level
Underemployment Rate	NT	↓ 0.1 ppt	3.8%
	Australia	- 0.0 ppt	8.5%

Source: ABS Cat No 6202.0

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.
- In the May quarter 2018, the Territory underemployment rate is the lowest of the jurisdictions at 3.8% of total employed persons, signifying that compared to the rest of Australia (8.5%), there are more employed people in the Territory working their desired number of hours.
- The number of underemployed persons in the Territory remained unchanged at 5700 in the May quarter 2018, and has been generally falling over the past 18 months.

Hours Worked⁶

		Quarterly Change	Level (Hours)
Average Weekly Hours Worked Per Capita	NT	↑ 1.3%	37.7
	Australia	↑ 0.1%	34.9

Source: ABS Cat No 6202.0

6. Average weekly hours worked per capita refers to the number of hours each employed person works each week on average.
- In the May quarter 2018, average weekly hours worked per capita in the NT increased by 1.3% to 37.7 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.

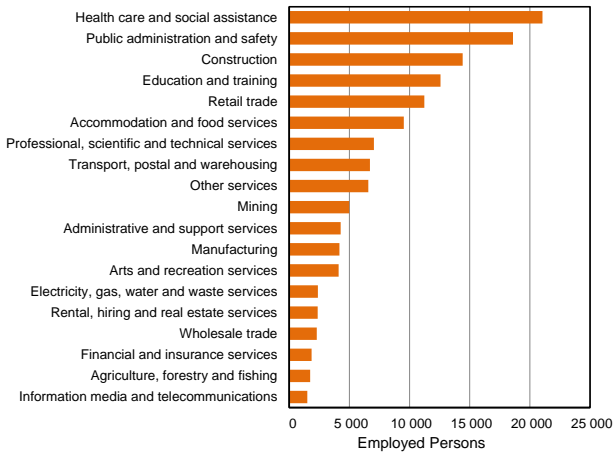
Employment by Industry⁷

Top 5 Industries by Percentage Change	Year on Year Change
Health Care and Social Assistance	23.9%
Arts and Recreation Services	20.6%
Information Media and Telecommunications	20.4%
Manufacturing	12.5%
Other Services	9.7%

Source: ABS Cat No 6291.0.55.003

7. Caution should be exercised when interpreting employment changes by industry due to data volatility in small jurisdictions such as the Northern Territory.
- In the year to May 2018, Health care and social assistance had the highest percentage increase in employment of all industries (23.9%), followed by Arts and recreation services (20.6%), then Information media and telecommunications (20.4%).
 - Health care and social assistance, the largest employing industry, which includes activities in the child care, aged care residential, dental, and general practice medical services, had a year on year increase of 23.9%.
 - Mining is the largest industry in the Territory by value of production, despite not being a significant employer (3.6% of total employment). In the year to May 2018, Mining employment decreased by 13.6% to 5000 persons.
 - Construction is the second largest industry in the Territory by value of production. Construction employs approximately 10.5% of the NT workforce. In the year, Construction employment increased by 2.9% to 14 400 persons.

Chart 3: Northern Territory Employment by Industry (year average to May 2018)



Source: ABS Cat No 6291.0.55.003

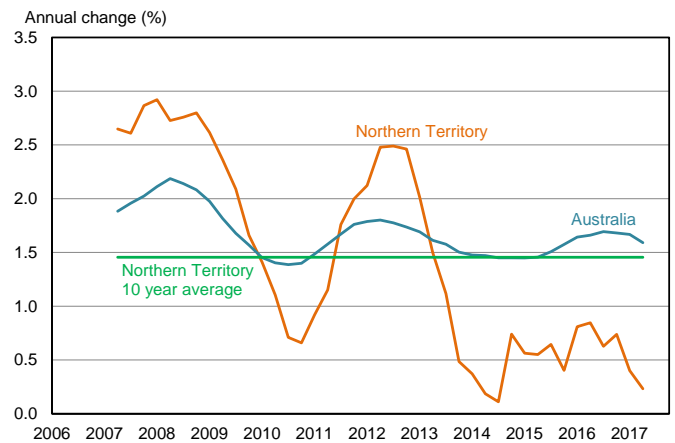
Resident Population

		Quarterly Change	Number of Persons
Population	NT	↓ 0.3%	246 726
	Australia	↑ 0.3%	24 770 709

Source: ABS Cat No 3101.0

- In the December quarter 2017, the Territory's estimated resident population (ERP) decreased by 0.3% to 246 726 persons, while the national population increased by 0.3% to 24 770 709 persons.
- In annual terms the Territory's ERP increased by 0.2%, the lowest of all jurisdictions. The national annual growth rate was 1.6%.

Chart 4: Annual Population Growth Rate



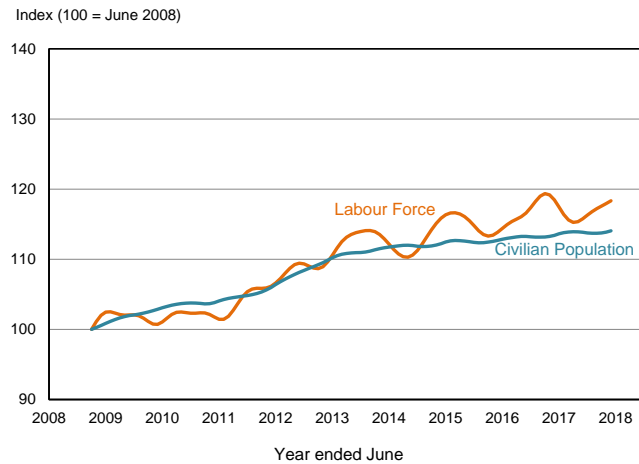
Source: ABS Cat No 3101.0

- 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 1797 persons in the year to March 2016, to a net outflow of 3710 persons in the year to December 2017.

Labour Force

- In the May quarter 2018, there were 189 076 persons in the civilian population (persons aged 15 years and over) and 144 689 persons in the labour force (employed persons and those actively pursuing employment). This is 1369 persons more 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

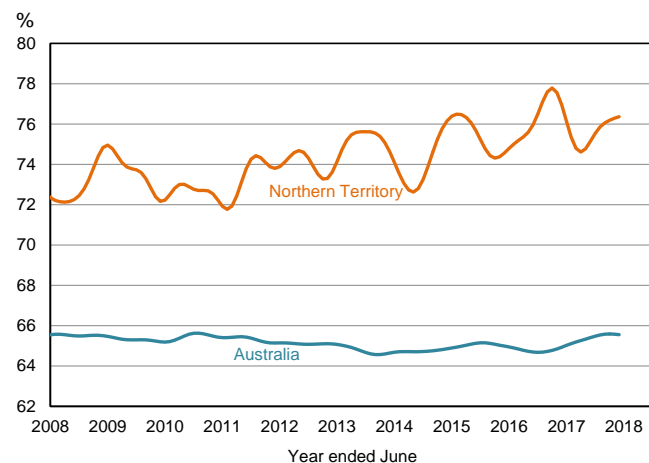


Source: ABS Cat No 6202.0

Labour Force Participation Rate

- In the May quarter 2018, the Territory labour force participation rate increased by 0.3 percentage points to 76.4% from the previous quarter's revised figure.
- The Territory continues to report the highest labour force participation rate for all jurisdictions and was 10.8 percentage points above the national rate of 65.6% in the March quarter 2018.

Chart 6: Participation Rate (quarterly average)



Source: ABS Cat No 6202.0

- The Territory male workforce participation rate decreased by 0.1 of a percentage point to 80.4% in the May quarter 2018.
- The Territory female workforce participation rate increased by 0.7 percentage points to 72.2% 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 decreased by 0.1 of a percentage point to 70.8% in the May quarter 2018, with the female workforce participation rate remaining unchanged at 60.6%.
- Territory workforce participation rates for both males and females are significantly higher than nationally, reflecting greater confidence in the Territory economy and job prospects.

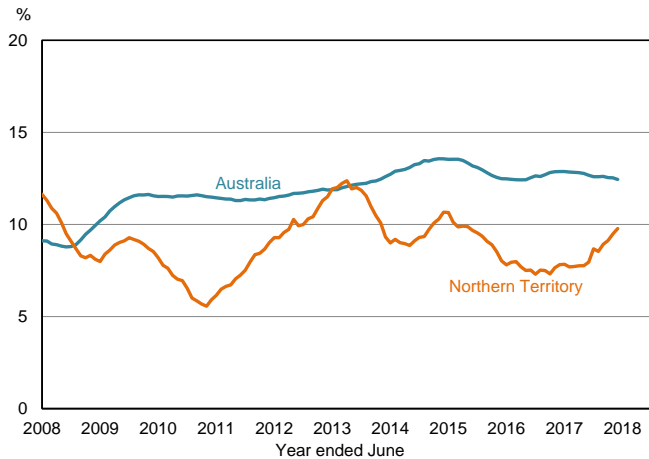
Youth Labour Market (15-24 years old)⁸

		Year on Year Change	Annual Average Level
Civilian Population (15-24 years old)	NT	↓ 1.2%	31 100
	Australia	↑ 0.9%	3 204 700
Total Employed	NT	↓ 8.1%	18 400
	Australia	↑ 2.7%	1 893 200
Total Unemployed	NT	↑ 16.9%	2 000
	Australia	↓ 1.1%	269 400
Labour Force (15-24 years old)	NT	↓ 6.2%	20 400
	Australia	↑ 2.2%	2 162 600
Not In Labour Force	NT	↑ 22.5%	4 500
	Australia	↓ 3.3%	206 000
Unemployment Rate	NT	↑ 2.0 ppt	9.8%
	Australia	↓ 0.4 ppt	12.4%
Participation Rate	NT	↓ 3.5 ppt	65.5%
	Australia	↑ 0.9 ppt	67.5%
Civilian Population - Attending Full-time Education	NT	↑ 0.7%	12 100
	Australia	↓ 0.2%	1 696 000
Labour Force - Attending Full-time Education	NT	↑ 0.5%	5 900
	Australia	↑ 1.2%	860 000
Not In Labour Force - Attending Full-time Education	NT	↑ 2.2%	6 200
	Australia	↓ 1.5%	836 000

Source: ABS Cat No 6202.0

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.
- In the year to May 2018 the number of youth (persons aged 15 to 24 years) employed in the Territory decreased by 8.1% to 18 400 persons.
 - Over the same period, national youth employment increased by 2.7% to 1 893 200 persons.
 - In the year to May 2018, 12 100 out of the 31 100 youths (38.9%) were undertaking full-time education in the Territory, an increase of 0.7 percentage points from the previous quarter. In comparison, 52.9% of the national youth population were undertaking full-time education.

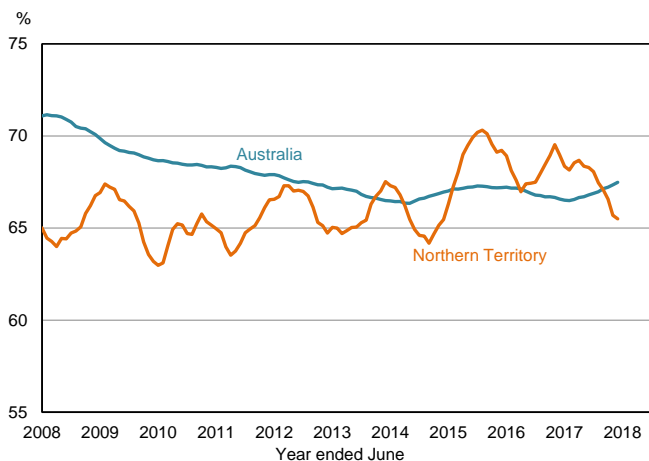
Chart 7: Youth Unemployment Rate (annual average)



Source: ABS Cat No 6202.0

- In the year to May 2018 the average youth unemployment rate in the Territory was 9.8%. This is below the corresponding national rate of 12.4%.
- The Territory youth unemployment rate has generally been decreasing over the past year.

Chart 8: Youth Participation Rate (annual average)



Source: ABS Cat No 6202.0

- In the year to May 2018, the average youth participation rate in the Territory was 65.5% and nationally was 67.5%.

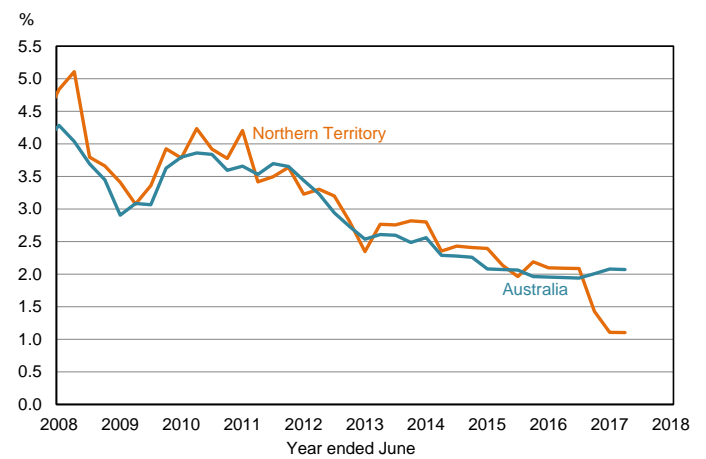
Wage Price Index⁹

		Quarterly Change	Level
Wage Price Index	NT	↑ 0.2%	128.3
	Australia	↑ 0.4%	128.2

Source: ABS Cat No 6345.0

9. 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 2018, the Wage Price Index (WPI) increased by 0.2% in the Territory and increased by 0.4% nationally.
- In annual terms, the Territory WPI increased by 1.1% in the year, with the national growth rate increasing by 2.1% over the same period.

Chart 9: Wage Price Index (annual percentage change)



Source: ABS Cat No 6345.0

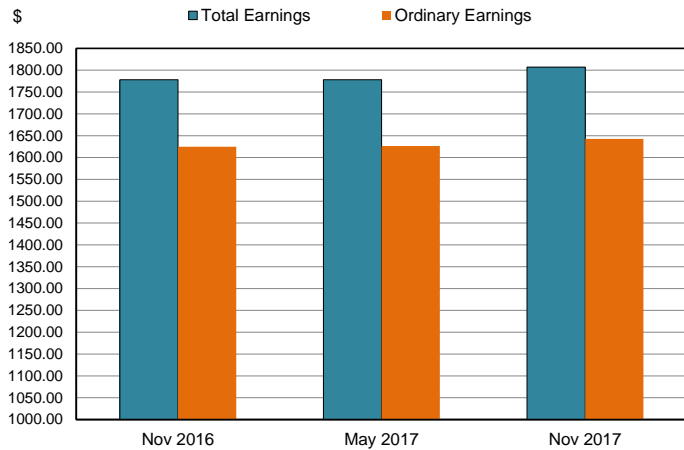
Average Weekly Earnings¹⁰

		6 Monthly Change	Level
Average Weekly Full Time Adult Ordinary Time Earnings	NT	↑ 1.0%	\$1642.70
	Australia	↑ 1.4%	\$1567.90
Average Weekly Full Time Adult Total Earnings	NT	↑ 1.6%	\$1807.20
	Australia	↑ 1.2%	\$1628.10

Source: ABS Cat No 6302.0

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.
- In the six months to November 2017, ordinary earnings in the Territory increased by 1.0% to \$1642.70. Over the same period, average weekly total earnings (which includes overtime payments) increased by 1.6% to \$1807.20. At the national level, ordinary earnings increased by 1.4% to \$1567.90, and average weekly total earnings increased by 1.2% over the period to \$1628.10.
- Territory weekly total earnings are now about \$179.10 higher than nationally, compared to being \$168.70 higher in May 2017.

Chart 10: Northern Territory Average Weekly Earnings



Source: ABS Cat No 6302.0

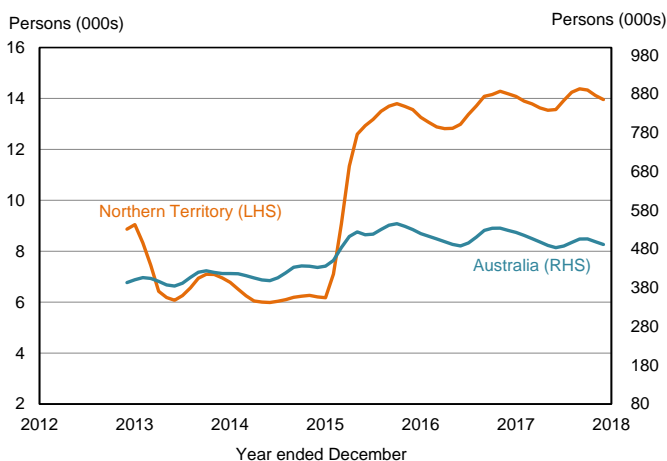
Newstart and Youth Allowance

		Quarterly Change	Persons
Newstart and Youth Allowance	NT	↓ 2.9%	13 955
	Australia	↓ 2.8%	491 664

Source: Department of Social Services, Australian Government.

- In the May quarter 2018, the number of Newstart and Youth Allowance recipients that are ready and available to work in the Territory decreased by 2.9% to 13 955.
- In the May quarter 2018, all jurisdictions recorded a decrease in the number of Newstart and Youth Allowance recipients. The Australian Capital Territory had the highest decrease (5.5%), followed by Victoria (4.3%) and South Australia (4.2%).
- At the national level the number of recipients decreased by 2.8% to 491 664.

Chart 11: Newstart and Youth Allowance Recipients



Source: Department of Social Services, Australian Government

Job Vacancies¹¹

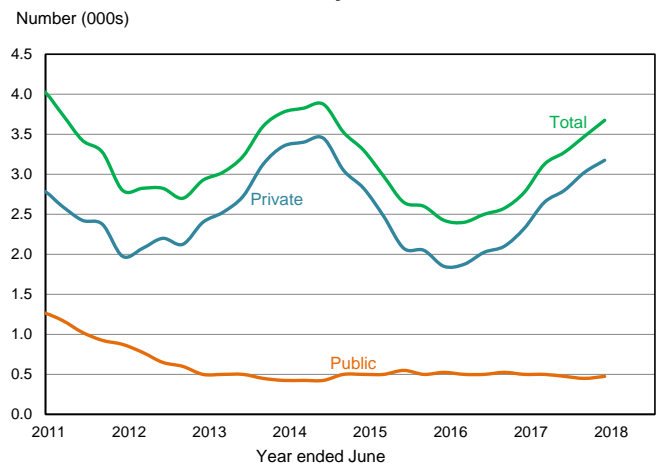
		Year on Year Change	Vacancies
Job Vacancies	NT	↑ 32.4%	3675
	Australia	↑ 19.0%	218 625

Source: ABS Cat No 6354.0

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

- Territory job vacancies increased by 32.4% to 3675 vacancies in the year to May 2018.
- Private sector job vacancies in the Territory increased in the year by 36.6% with 3175 vacancies.
- At the national level, job vacancies increased by 19.0% to 218 625 vacancies in the year to May 2018.
- The increase nationally was mainly the result of both private and public sector vacancies rising by 20.0% and 9.4% 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>

Notes

All data referred to are in original terms except for.
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
Department of Education, Employment, and Workplace Relations
Department of Business

Enquiries

Employment and Training NT, Department of Business
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