

Labour market brief – March 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	Dec 2016	Sep 2017	Dec 2017
Alice Springs			
Unemployment (no.)	760	739	860
Labour Force (no.)	23 417	24 800	24 638
Unemployment Rate (%)	4.8%	4.4%	5.1%
Barkly			
Unemployment (no.)	185	172	200
Labour Force (no.)	2947	3122	3100
Unemployment Rate (%)	7.5%	6.5%	7.5%
Daly - Tiwi - West Arnhem			
Unemployment (no.)	559	532	606
Labour Force (no.)	8136	8616	8558
Unemployment Rate (%)	8.1%	7.2%	8.2%
East Arnhem			
Unemployment (no.)	344	335	373
Labour Force (no.)	6638	7031	6983
Unemployment Rate (%)	4.8%	4.3%	4.8%
Greater Darwin			
Unemployment (no.)	2998	2888	2998
Labour Force (no.)	86 675	85 694	85 849
Unemployment Rate (%)	3.8%	3.7%	3.9%
Katherine			
Unemployment (no.)	448	435	500
Labour Force (no.)	11 255	11 920	11 839
Unemployment Rate (%)	5.6%	5.1%	5.8%

Source: Department of Employment, Australian Government.

During the December 2017 quarter:

- All regions reported an increase in the unemployment rate compared to the September 2017 quarter.
- Outside the Greater Darwin region, East Arnhem experienced the lowest unemployment rate at 4.8%, an increase of 0.5 percentage points.

- Alice Springs unemployment rate was 5.1% in the quarter.
- The Daly, Tiwi and West Arnhem regions had the highest unemployment rate in the Territory at 8.2%. 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 Trainees²

Region	YTD Feb 2017	YTD Feb 2018
Alice Springs		
Commencements	90	76
Completions	23	29
Barkly		
Commencements	17	28
Completions		2
Daly - Tiwi - West Arnhem		
Commencements	3	10
Completions	1	1
East Arnhem		
Commencements	16	7
Completions	4	9
Darwin		
Commencements	309	299
Completions	84	82
Katherine		
Commencements	24	49
Completions	9	5

Source: Department of Trade, Business and Innovation

- Comparing the year to date to February 2018 to the same period a year ago, apprentice and trainee commencements decreased in all regions, except for Barkly, West Arnhem and Katherine, which increased by 11, 7 and 25 respectively.
 - Completions increased in all regions in the year to date to February 2018, except for Darwin and Katherine, which decreased by 2 and 4 respectively. West Arnhem remains unchanged.
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 February 2018)³

Training Funding Group	2017	YTD 2017	YTD 2018	YTD Change
Arts, Entertainment, Sports and Recreation	47	34	51	▲ 50.0%
Automotive	151	47	37	▼ 21.3%
Building and Construction	185	35	47	▲ 34.3%
Business and Clerical	184	54	37	▼ 31.5%
Communications	9	3	0	▼ 100.0%
Community Services, Health and Education	258	49	37	▼ 24.5%
Computing	24	18	13	▼ 27.8%
Engineering and Mining	132	33	32	▼ 3.0%
Exceptions - Cookery	47	11	7	▼ 36.4%
Finance Banking and Insurance	28	11	1	▼ 90.9%
Food Processing	60	7	2	▼ 71.4%
Primary Industry	208	28	45	▲ 60.7%
Process Manufacturing	2	0	0	- N/A
Sales and Personal Service	220	28	40	▲ 42.9%
Science, Technical and Other	17	2	2	- 0.0%
Textiles, Clothing, Footwear and Furnishings	5	2	2	- 0.0%
Tourism and Hospitality	168	26	26	- 0.0%
Transport and Storage	73	11	11	- 0.0%
Utilities	217	60	79	▲ 31.7%
Total	2035	459	469	▲ 2.2%

Source: Department of Trade, Business and Innovation

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	35	1	1	- 0.0%
Automotive	82	17	10	▼ 41.2%
Building and Construction	105	17	15	▼ 11.8%
Business and Clerical	71	15	21	▲ 40.0%
Communications	8	2	0	▼ 100.0%
Community Services, Health and Education	84	14	11	▼ 21.4%
Computing	15	2	5	▲ 150.0%
Engineering and Mining	61	8	9	▲ 12.5%
Exceptions - Cookery	11	1	2	▲ 100.0%
Finance Banking and Insurance	15	4	0	▼ 100.0%
Food Processing	22	1	3	▲ 200.0%
Primary Industry	148	3	3	- 0.0%
Process Manufacturing	1	1	0	▼ 100.0%
Sales and Personal Service	118	4	10	▲ 150.0%
Science, Technical and Other	13	2	1	▼ 50.0%
Textiles, Clothing, Footwear and Furnishings	9	1	1	- 0.0%
Tourism and Hospitality	80	12	15	▲ 25.0%
Transport and Storage	48	4	4	- 0.0%
Utilities	119	12	17	▲ 41.7%
Total	1045	121	128	▲ 5.8%

Source: Department of Trade, Business and Innovation

Commencements

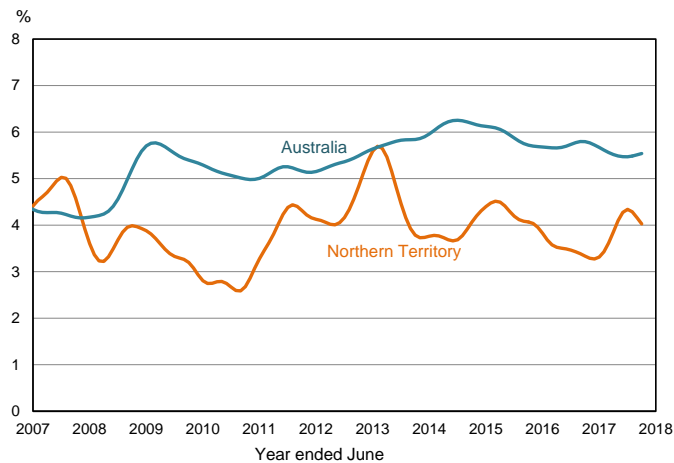
- In the year to date to February 2018, there were 469 apprentice and trainee commencements in the Territory.
 - The training funding groups with the largest number of commencements were Utilities (79), followed by Arts, entertainment, sports and recreation (51).
 - Compared to the same period last year, there has been a 2.2% increase (10) in the number of commencements, with the largest increase in Primary industry (28 to 45), followed by Arts, entertainment, sports and recreation (34 to 51).
 - Outside Darwin, Alice Springs had the largest number of apprentice and trainee commencements (74), of which 16 being in Tourism and hospitality. Katherine had 48 apprentice and trainee commencements, followed by Barkly with 28, and West Arnhem had 10.
 - Over the same period, East Arnhem had the lowest commencements, with 7 in the year to date to February 2018.
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 February 2018, there were 128 apprentice and trainee completions in the Territory, a 5.8% increase (7) compared to the same period last year.
 - The increase in apprentice and trainee completions was experienced by a number of training funding groups, with Business and clerical (15 to 21), sales and personal service (4 to 10), and Utilities (12 to 17).
 - Outside Darwin, Alice Springs had the largest number of apprentice and trainee completions (27), of which 13 was in Tourism and hospitality. East Arnhem had a total of 9 completions, followed by Katherine with 4, and Barkly with 2. West Arnhem had 1 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)

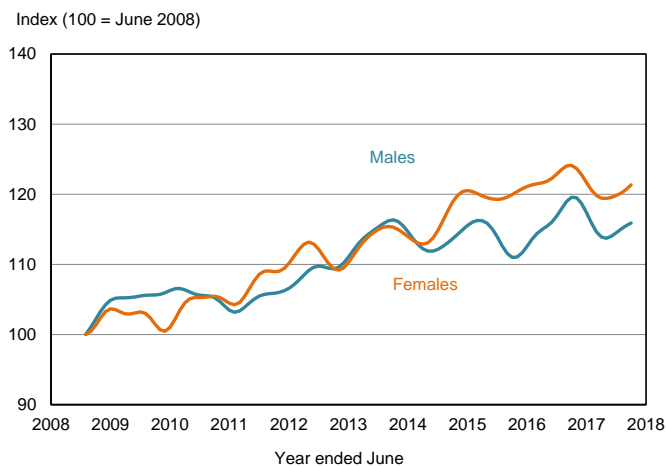


Source: ABS Cat No 6202.0

- In the March quarter 2018, the Territory unemployment rate decreased by 0.3 percentage points to 4.0%, from the previous quarter's revised figure.
- There were 5821 unemployed persons in the Territory in the March quarter 2018, a decrease of 122 persons in the previous quarter.
- In the March quarter 2018, the male unemployment rate in the Territory decreased by 0.4 percentage points to 3.9%, while the female unemployment rate also decreased by 0.2 percentage points to 4.2%. Nationally, the male unemployment rate increased by 0.1 of a percentage point to 5.5%, while the female unemployment rate remained unchanged at 5.6%.

Resident Employment

Chart 2: Northern Territory Resident Employment



Source: ABS Cat No 6202.0

- In the March quarter 2018, there were 136 691 Territorians that were employed, an increase of 1677 from the previous quarter's revised figure.
- Full-time employment increased by 607 to 106 994 persons. Part-time employment also increased by 1070 persons over the period to 29 698 persons.
- In the same quarter in the Territory, male full-time employment increased by 0.8% (63 176), and female full-time employment also increased by 0.3% (43 818).
- At the national level, male employment increased by 0.4% in the quarter (6 617 447), with part-time employment increasing 1.2%, and full-time increasing by 0.2%. Female employment increased by 0.7% (5 853 168) over the same period, with part-time employment increasing by 1.0%, and full-time increasing by 0.5%.

Underemployment⁵

		Quarterly Change	Level
Underemployment Rate	NT	- 0.0 ppt	4.4%
	Australia	↓ 0.1 ppt	8.3%

Source: ABS Cat No 6202.0

- In the March quarter 2018, the Territory underemployment rate is the lowest of the jurisdictions at 4.4% of total employed persons, signifying that compared to the rest of Australia (8.3%), there are more employed people in the Territory working their desired number of hours.
 - The number of underemployed persons in the Territory increased to 6200 in the March quarter 2018, 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 Worked⁶

		Quarterly Change	Level (Hours)
Average Weekly Hours Worked Per Capita	NT	↑ 0.1%	37.1
	Australia	↓ 0.4%	34.8

Source: ABS Cat No 6202.0

- In the March quarter 2018, average weekly hours worked per capita in the NT increased by 0.1% to 37.1 hours per week on average.
 - Nationally, average weekly hours worked per capita decreased by 0.4% to 34.8 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 Industry⁷

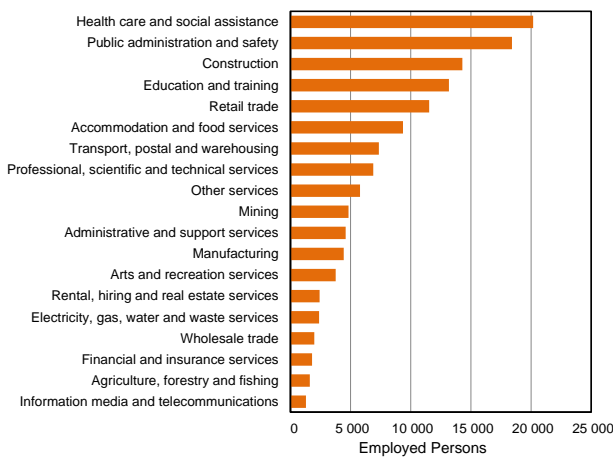
Top 5 Industries by Percentage Change	Year on Year Change
Manufacturing	25.0%
Administrative and Support Services	20.7%
Health Care and Social Assistance	18.7%
Arts and Recreation Services	12.3%
Education and Training	12.1%

Source: ABS Cat No 6291.0.55.003

- In the year to February 2018, Manufacturing had the highest percentage increase in employment of all industries (25.0%), followed by Administrative and support services (20.7%), then Health care and social assistance (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 decrease of 21.1%.
- 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 February 2018, Construction employment increased by 1.9% to 14 200 persons.
- Mining is the second largest industry in the Territory by value of production. However, Mining only employs approximately 3.5% of the NT workforce as the industry is capital intensive, utilising machines instead of people to perform many tasks. In the year, Mining employment decreased by 23.0% to 4800 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 February 2018)



Source: ABS Cat No 6291.0.55.003

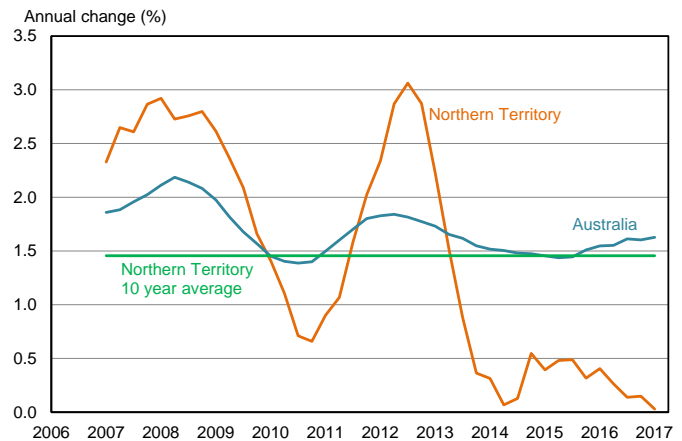
Resident Population

		Quarterly Change	Number of Persons
Population	NT	- 0.0%	246 065
	Australia	↑ 0.4%	24 702 851

Source: ABS Cat No 3101.0

- In the September quarter 2017, the Territory's estimated resident population (ERP) remained unchanged at 246 065 persons, while the national population increased by 0.4% to 24 702 851 persons.
- In annual terms the Territory's ERP was unchanged, the lowest of all jurisdictions. The national annual growth rate was 1.6%.

Chart 4: Annual Population Growth Rate

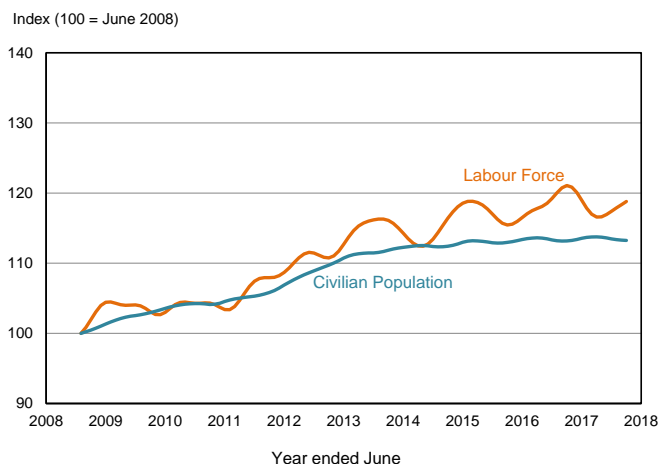


Source: ABS Cat No 3101.0

- 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 3710 persons in the year to September 2017.

Labour Force

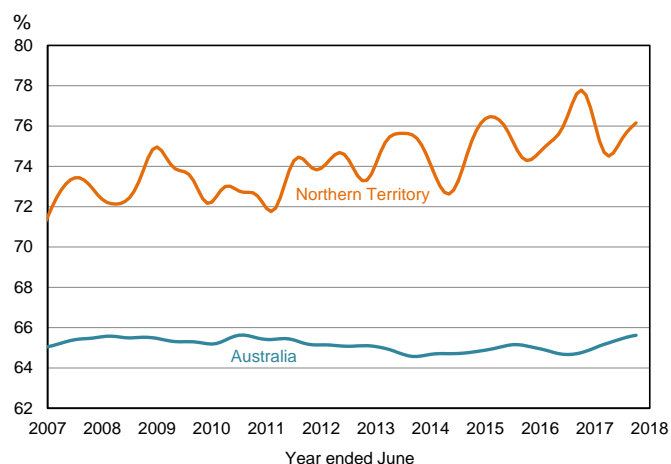
- In the March quarter 2018, there were 186 863 persons in the civilian population (persons aged 15 years and over) and 142 513 persons in the labour force (employed persons and those actively pursuing employment). This is 1676 persons more than in the December quarter 2017.
- Since 2006, the Territory 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 March quarter 2018, the Territory labour force participation rate increased by 0.8 percentage points to 76.2% from the previous quarter's revised figure.
- The Territory continues to report the highest labour force participation rate for all jurisdictions and was 10.6 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 increased by 1.0 percentage points to 80.7% in the March quarter 2018.
- The Territory female workforce participation rate increased by 0.5 percentage points to 71.6% 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 70.9% in the March quarter 2018, with the female workforce participation rate increased by 0.2 percentage points to 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.

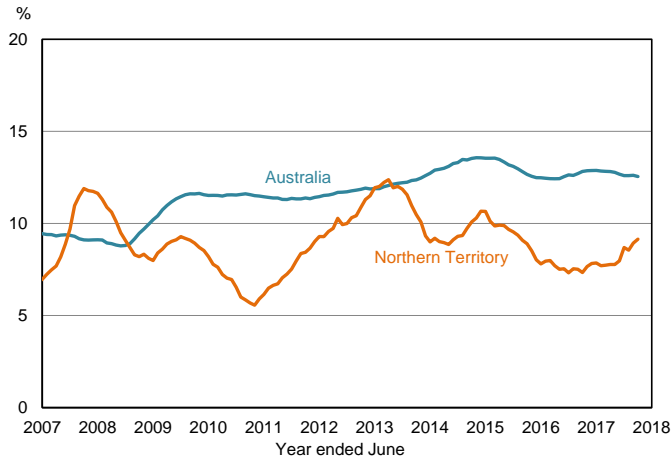
Youth Labour Market (15-24 years old)⁸

		Year on Year Change	Annual Average Level
Civilian Population (15-24 years old)	NT	↓ 2.2%	30 800
Total Employed	Australia	↑ 0.9%	3 199 800
	NT	↓ 7.4%	18 600
Total Unemployed	Australia	↑ 1.9%	1 880 000
	NT	↑ 18.0%	1 900
Labour Force (15-24 years old)	Australia	↓ 0.5%	270 100
	NT	↓ 5.6%	20 500
Not In Labour Force	Australia	↑ 1.6%	2 150 000
	NT	↑ 5.3%	4 000
Unemployment Rate	Australia	↓ 3.3%	205 200
	NT	↑ 1.8 ppt	9.1%
Participation Rate	Australia	↓ 0.3 ppt	12.5%
	NT	↓ 2.4 ppt	66.5%
Civilian Population - Attending Full-time Education	Australia	↑ 0.5 ppt	67.2%
	NT	↑ 1.0%	12 200
Labour Force - Attending Full-time Education	Australia	↑ 0.2%	1 697 800
	NT	↑ 0.7%	5 900
Not In Labour Force - Attending Full-time Education	Australia	↑ 0.4%	853 200
	NT	↑ 5.4%	6 300
	Australia	↑ 0.1%	844 600

Source: ABS Cat No 6202.0

- In the year to March 2018 the number of youth (persons aged 15 to 24 years) employed in the Territory decreased by 7.4% to 18 600 persons.
 - Over the same period, national youth employment increased by 1.9% to 1 880 000 persons.
 - In the year to March 2018, 12 200 out of the 30 800 youths (39.6%) were undertaking full-time education in the Territory, an increase of 1.0 of a percentage point from the previous quarter. In comparison, 53.0% 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.

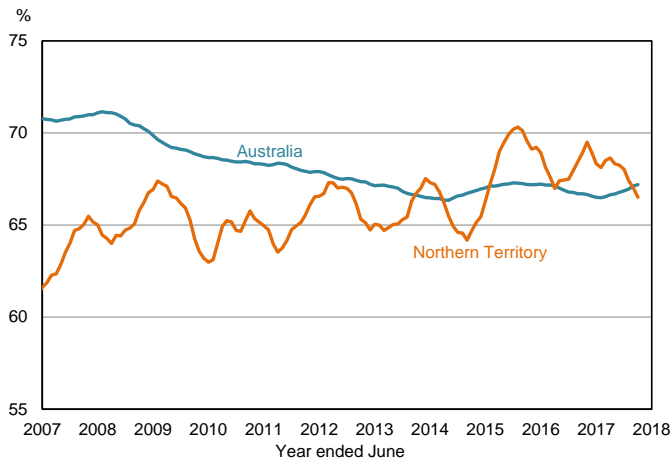
Chart 7: Youth Unemployment Rate (annual average)



Source: ABS Cat No 6202.0

- In the year to March 2018 the average youth unemployment rate in the Territory was 9.1%. This is below the corresponding national rate of 12.5%.
- 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 March 2018, the average youth participation rate in the Territory was 66.5% and nationally was 67.2%.

Wage Price Index⁹

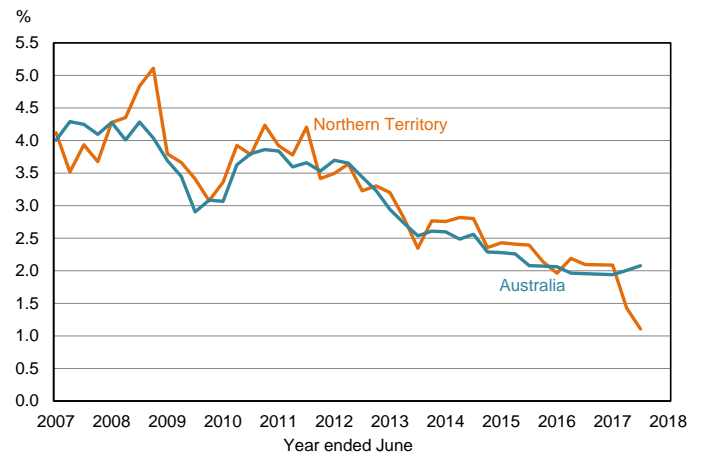
		Quarterly Change	Level
Wage Price Index	NT	↑ 0.2%	128.0
	Australia	↑ 0.5%	127.7

Source: ABS Cat No 6345.0

- In the December quarter 2017, the WPI increased by 0.2% in the Territory and increased by 0.5% 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.

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

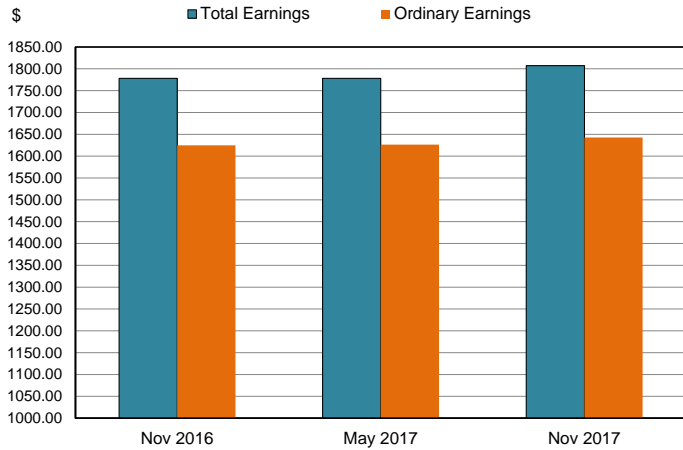
Average Weekly Earnings¹⁰

		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

- 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.
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

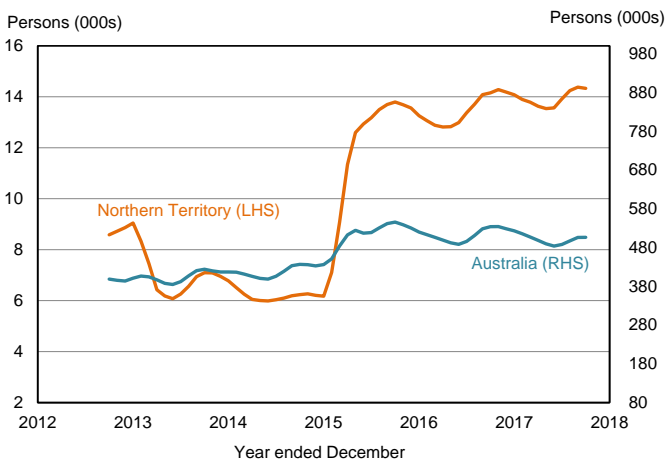
Newstart and Youth Allowance

		Quarterly Change	Persons
Newstart and Youth Allowance	NT	↑ 2.9%	14 328
	Australia	↑ 3.8%	506 103

Source: Department of Social Services, Australian Government.

- In the March quarter 2018, the number of Newstart and Youth Allowance recipients that are ready and available to work in the Territory increased by 2.9% to 14 328.
- In the March quarter 2018, all jurisdictions recorded an increase in the number of Newstart and Youth Allowance recipients. The Australian Capital Territory had the highest increase (6.7%), followed equally by Queensland and Western Australia (4.2%).
- At the national level the number of recipients increased by 3.8% to 500 103.

Chart 11: Newstart and Youth Allowance Recipients



Source: Department of Social Services, Australian Government

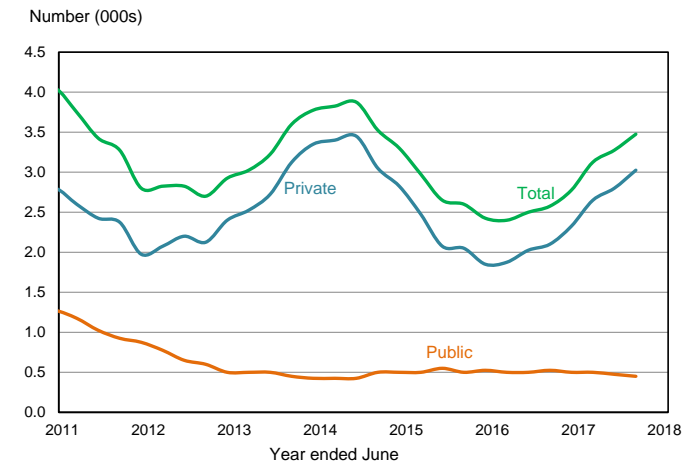
Job Vacancies¹¹

		Year on Year Change	Vacancies
Job Vacancies	NT	↑ 35.0%	3475
	Australia	↑ 15.9%	207 650

Source: ABS Cat No 6354.0

- Territory job vacancies increased by 35.0% to 3475 vacancies in the year to February 2018.
 - Private sector job vacancies in the Territory increased in the year by 44.0% with 3000 vacancies.
 - At the national level, job vacancies increased by 15.9% to 207 700 vacancies in the year to February 2018.
 - The increase nationally was mainly the result of both private and public sector vacancies rising by 16.5% and 10.7% 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>