

## Key Message

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

## Introduction

The Northern Territory labour market is characterised by a relatively young and skilled workforce, high participation and low unemployment. However, there are also marked differences between certain cohorts and within different sub-Territory regions.

## Regional Labour Markets

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

Source: Department of Employment, Australian Government.

During the December quarter 2015:

- Alice Springs, East Arnhem, and Katherine reported an increase in the unemployment rate, while Barkly and the Daly, Tiwi and West Arnhem region decreased and Greater Darwin remained unchanged.
- Outside the Greater Darwin region, Alice Springs and East Arnhem both experienced the lowest unemployment rate at 6.3% and 6.6% respectively.
- The Daly, Tiwi and West Arnhem regions had the highest unemployment rate in the Territory at 11.0%. Generally this region experiences a higher level of unemployment compared to other Territory regions, largely due to the lower levels of economic activity and a less diverse local economy.
- All regions except Alice Springs and Greater Darwin reported increases in unemployment rates when compared to the September quarter 2014.

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

## Regional Apprentices and Trainees

Region	YTD Jan 2015	YTD Jan 2016
<b>Alice Springs</b>		
Commencements	29	33
Completions	12	7
<b>Barkly</b>		
Commencements	6	2
Completions	2	2
<b>West Arnhem</b>		
Commencements	0	3
Completions	2	1
<b>East Arnhem</b>		
Commencements	14	5
Completions	6	5
<b>Darwin</b>		
Commencements	198	123
Completions	43	27
<b>Katherine</b>		
Commencements	13	10
Completions	2	4

Source: Department of Business

- Comparing the year to date to January 2015 to the same period to January 2016, apprentice and trainee commencements decreased in all Territory regions, except for Alice Springs and West Arnhem.
- Completions also decreased in all regions, except for Katherine and Barkly.  
*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 January 2016)

Training Funding Group	2015	YTD 2015	YTD 2016		YTD Change
Arts, Entertainment, Sports and Recreation	51	3	2	↓	33.3%
Automotive	202	45	26	↓	42.2%
Building and Construction	240	34	20	↓	41.2%
Business and Clerical	192	19	10	↓	47.4%
Communications	1	0	0	-	N/A
Community Services, Health and Education	213	11	9	↓	18.2%
Computing	22	14	7	↓	50.0%
Engineering and Mining	95	15	18	↑	20.0%
Exceptions - Cookery	44	2	5	↑	150.0%
Finance Banking and Insurance	49	5	1	↓	80.0%
Food Processing	106	19	2	↓	89.5%
Primary Industry	221	12	2	↓	83.3%
Process Manufacturing	19	10	0	↓	100.0%
Sales and Personal Service	203	14	26	↑	85.7%
Science, Technical and Other	9	0	1	-	N/A
Textiles, Clothing, Footwear and Furnishings	9	0	1	-	N/A
Tourism and Hospitality	161	1	22	↑	2100.0%
Transport and Storage	69	8	1	↓	87.5%
Utilities	274	48	26	↓	45.8%
<b>Total</b>	<b>2 180</b>	<b>260</b>	<b>179</b>	<b>↓</b>	<b>31.2%</b>

Source: Department of Business

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

Training Funding Group	2015	YTD 2015	YTD 2016		YTD Change
Arts, Entertainment, Sports and Recreation	20	0	0	-	N/A
Automotive	88	9	3	↓	66.7%
Building and Construction	168	9	4	↓	55.6%
Business and Clerical	90	10	2	↓	80.0%
Communications	10	3	0	↓	100.0%
Community Services, Health and Education	84	4	4	-	N/A
Computing	19	1	0	↓	100.0%
Engineering and Mining	92	6	6	-	N/A
Exceptions - Cookery	11	2	1	↓	50.0%
Finance Banking and Insurance	14	1	2	↑	100.0%
Food Processing	78	1	0	↓	100.0%
Primary Industry	79	5	0	↓	100.0%
Process Manufacturing	4	0	0	-	N/A
Sales and Personal Service	85	5	7	↑	40.0%
Science, Technical and Other	9	1	0	↓	100.0%
Textiles, Clothing, Footwear and Furnishings	9	0	0	-	N/A
Tourism and Hospitality	90	0	0	-	N/A
Transport and Storage	14	1	3	↑	200.0%
Utilities	122	9	14	↑	55.6%
<b>Total</b>	<b>1 086</b>	<b>67</b>	<b>46</b>	<b>↓</b>	<b>31.3%</b>

Source: Department of Business

## Commencements

- In the year to date to January 2016, there were 179 apprentice and trainee commencements in the Territory.
- The training funding groups with the largest number of commencements were Automotive, Sales and personal service, and Utilities (26), followed by Tourism and hospitality (22), and Building and construction (20).
- In Alice Springs, the largest number of apprentice and trainee commencements was in Tourism and hospitality (16). Barkly had the lowest commencements with 2 in the year to date to January 2016. Over the same period, Katherine had 10 apprentice and trainee commencements with 6 of those in Sales and personal service.
- Compared to the same period last year, there has been a 31.2% decrease (81) in the number of commencements, with the largest decrease in Utilities (48 to 26), followed by Automotive (45 to 26), then Food processing (19 to 2).
- 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.*

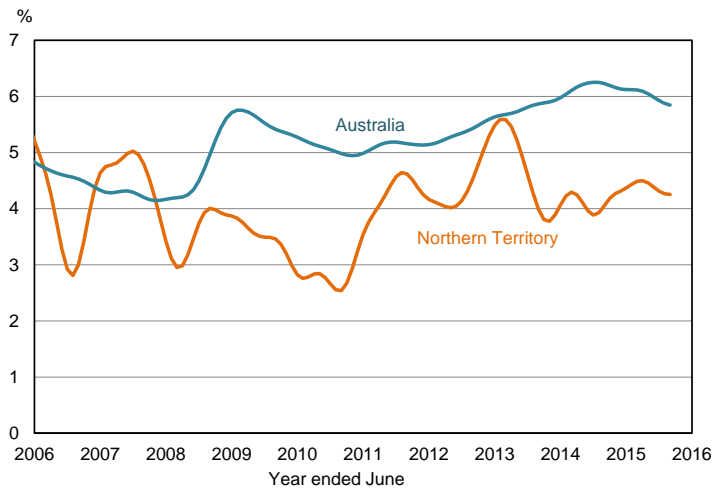
*Apprentice and trainee commencements are an indicator of employment demand and employer sentiment.*

## Completions

- In the year to date to January 2016, there were 46 apprentice and trainee completions in the Territory, a 31.3% decrease (21) compared to the same period last year.
- 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.*
- The decrease in apprentice and trainee completions has not been concentrated to any specific industry, with falls experienced by most training funding groups.
- Industries that experienced increases in completions in the year to date to January 2016 include Utilities (9 to 14), Sales and personal service ((5 to 7), and Transport and storage (1 to 3).
- Industries that experienced large decreases in the year to January 2016 were Business and clerical (10 to 2), Automotive (9 to 3), and Building and construction (9 to 4).
- In Alice Springs, the largest number of apprentice and trainee completions was in Utilities, accounting for 3 completions out of a total of 7. East Arnhem had a total of 5 completions, followed by Katherine with 4. Barkly had 2 completions, and the West Arnhem region had 1 completion.

## Unemployment Rate

Chart 1: Unemployment Rate (quarterly average)

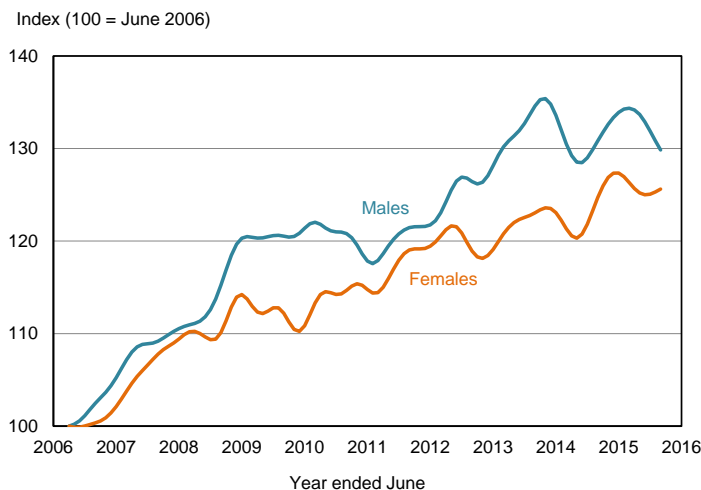


Source: ABS Cat No 6202.0

- In the February quarter 2016, the Territory unemployment rate decreased by 0.1 of a percentage point to 4.3%, from the previous quarter's revised figure.
- There were 5840 unemployed persons in the Territory in the February quarter 2016, a decrease from 6120 persons in the previous quarter.
- In the February quarter 2016, the male unemployment rate in the Territory remained unchanged at 4.2%, while the female unemployment rate decreased by 0.3 of a percentage point to 4.3%. Nationally, the male and female unemployment rate also decreased to 5.8% and 5.9% respectively.

## Resident Employment

Chart 2: Northern Territory Resident Employment



Source: ABS Cat No 6202.0

- In the February quarter 2016, there were 131 595 Territorians that were employed, a decrease of 1380 from the previous quarter's revised figure.
- Full-time employment decreased by 1200 to 106 500 persons. Part-time employment decreased by 170 persons over the period to 25 090 persons.
- In the February quarter 2016 in the Territory, male full-time employment decreased by 2.4%, and female full-time employment increased by 0.8%.
- At the national level, male employment increased by 0.4% in the quarter, with part-time employment increasing by 1.3%, and full-time by 0.2%. Female employment increased by 0.7% over the same period, with part-time employment increasing by 0.5%, and full-time by 0.8%.

## Underemployment

		Quarterly Change	Level
Underemployment Rate	NT	↑ 0.2 ppt	4.8%
	Australia	- 0.0 ppt	8.4%

Source: ABS Cat No 6202.0

An underemployed person is an employed person whose hours of work were less than 35 hours in a particular week, and they were willing and available to work additional hours if offered.

- The Territory underemployment rate is the lowest of the jurisdictions at 4.8% of total employed persons, signifying that compared to the rest of Australia, there are more employed people in the Territory working their desired number of hours.
- The number of underemployed persons in the Territory increased to 6600 in the February quarter 2016, and has been generally rising over the past two years.

## Hours Worked

		Quarterly Change	Level (Hours)
Average Weekly Hours Worked Per Capita	NT	↑ 0.7%	38.1
	Australia	↑ 0.2%	34.7

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 February quarter 2016, average weekly hours worked per capita in the Territory increased by 0.7% to 38.1 hours per week on average.
- Nationally, average weekly hours worked per capita increased by 0.2% to 34.7 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.

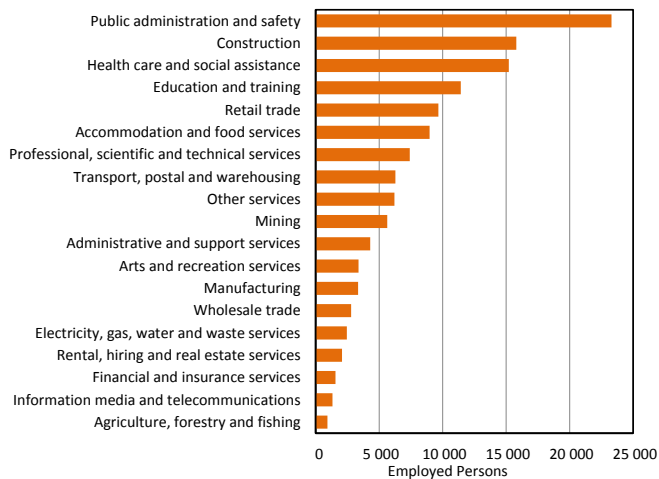
## Employment by Industry

Top 5 Industries by Percentage Change	Year on Year Change
Accommodation and Food Services	17.9%
Construction	6.1%
Electricity, Gas, Water and Waste Services	2.4%
Education and Training	2.1%
Public Administration and Safety	2.1%

Source: ABS Cat No 6291.0.55.003

- In the year to February 2016, Accommodation and food services had the highest percentage increase in employment of all industries (17.9%), followed by Construction (6.1%).
- Public administration and safety, the largest employing industry, which includes activities involving government legislation, emergency services and border control, had a year on year increase of 2.1%.
- Construction is the largest industry in the Territory by value of production, and is also a significant employer (12.0% of total employment). In the February quarter 2016, Construction employment decreased by 6.4% to 15 300 persons.
- Mining is the second largest industry in the Territory by value of production. However, Mining only employs approximately 4.3% of the Territory workforce as the industry is capital intensive, utilising machines instead of people to perform many tasks. In the year, Mining employment increased by 1.0% to 5600 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 February 2016)**



Source: ABS Cat No 6291.0.55.003

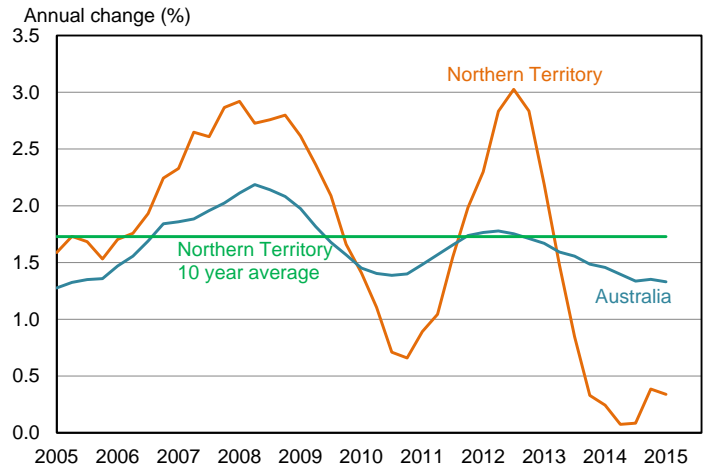
## Resident Population

		Quarterly Change	Number of Persons
Population	NT	↑ 0.1%	244 500
	Australia	↑ 0.3%	23 860 100

Source: ABS Cat No 3101.0

- In the September quarter 2015, the Territory's estimated resident population (ERP) increased by 0.1% to 244 500 persons, while the national population increased by 0.3% to 23 860 130 persons.
- In annual terms the Territory's ERP increased by 0.3%, the lowest of the jurisdictions and lower than the national annual growth rate of 1.3%.

**Chart 4: Annual Population Growth Rate**



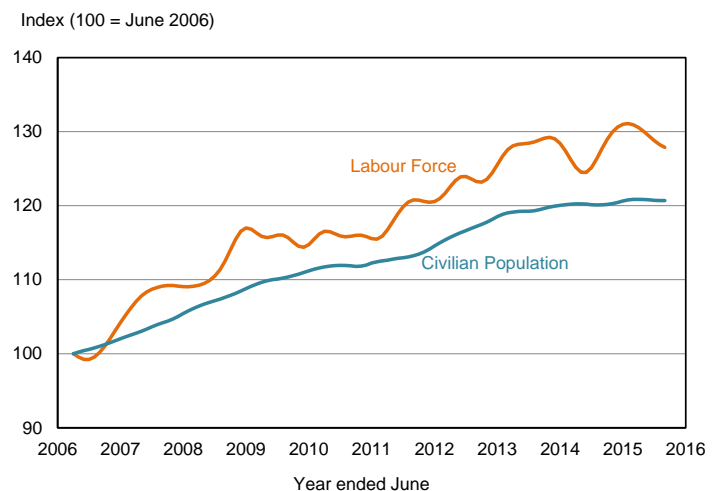
Source: ABS Cat No 3101.0

- Territory annual ERP growth has moderated over the past two years and is now below the Territory 10-year average growth rate.
- Net interstate migration has deteriorated from a net outflow of 1220 persons in 2012-13 to a net outflow of 3019 persons in the year to September 2015.

## Labour Force

- In the February quarter 2016, there were 185 480 persons in the civilian population (persons aged 15 years and over) and 137 240 persons in the labour force (employed persons and those actively pursuing employment). This is 1650 persons less than in the November quarter 2015.
- 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**

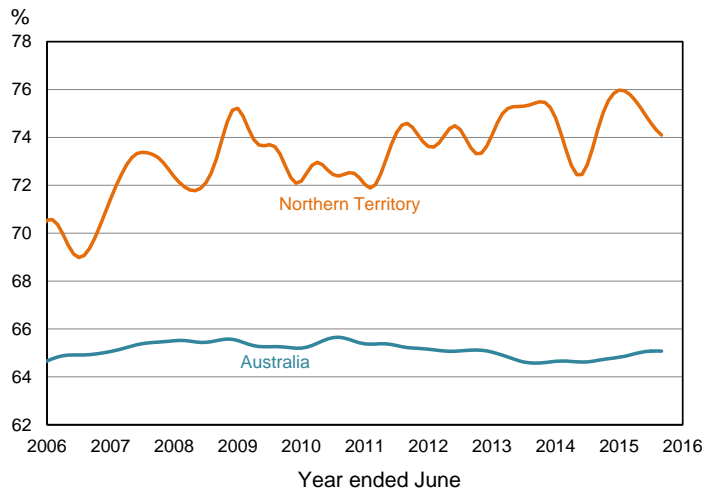


Source: ABS Cat No 6202.0

## Labour Force Participation Rate

- In the February quarter 2016, the Territory labour force participation rate decreased by 0.8 percentage points to 74.1% from the previous quarter's revised figure.
- The Territory continues to report the highest labour force participation rate for all jurisdictions and was 9.0 percentage points above the national rate of 65.1% in the February quarter 2016.

**Chart 6: Participation Rate (quarterly average)**



Source: ABS Cat No 6202.0

- The Territory male workforce participation rate decreased by 1.7 percentage points to 76.7% in the February quarter 2016.
- The Territory female workforce participation rate increased by 0.1 of a percentage point to 71.2% in the February quarter 2016.
- Historically, male participation in the workforce has been higher than female participation, in large part due to a relatively higher proportion of females leaving the workforce to care for family.
- At the national level, the male workforce participation rate decreased by 0.1 of a percentage point to 70.9% in the February quarter 2016, while the female workforce participation rate increased by 0.1 of a percentage point to 59.4%.
- 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)

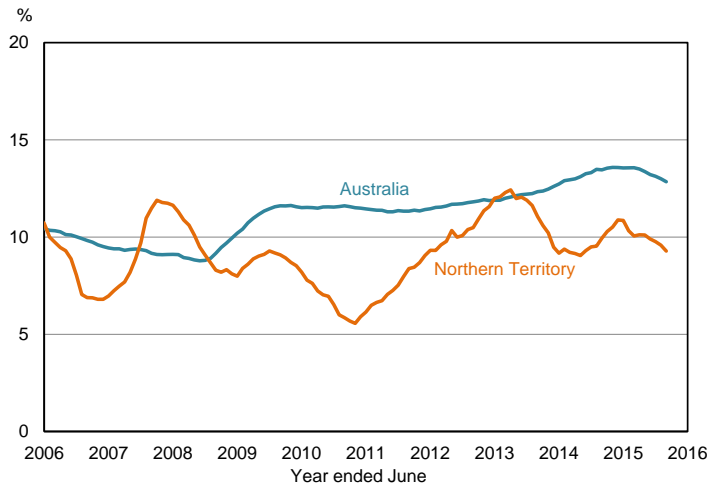
		Year on Year Change	Annual Average Level
Civilian Population (15-24 years old)	NT	↓ 2.1%	33 100
	Australia	↑ 0.4%	3 129 200
Total Employed	NT	↑ 7.6%	20 900
	Australia	↑ 1.9%	1 834 500
Total Unemployed	NT	↑ 0.5%	2 100
	Australia	↓ 3.4%	270 500
Labour Force (15-24 years old)	NT	↑ 6.9%	23 000
	Australia	↑ 1.2%	2 104 900
Not In Labour Force	NT	↓ 29.8%	3 500
	Australia	↓ 4.1%	207 500
Unemployment Rate	NT	↓ 0.7 ppt	9.3%
	Australia	↓ 0.6 ppt	12.8%
Participation Rate	NT	↑ 5.9 ppt	69.5%
	Australia	↑ 0.5 ppt	67.3%
Civilian Population - Attending Full-time Education	NT	↓ 0.2%	11 600
	Australia	↑ 0.9%	1 630 200
Labour Force - Attending Full-time Education	NT	↑ 0.5%	5 000
	Australia	↑ 2.3%	813 500
Not In Labour Force - Attending Full-time Education	NT	↓ 9.9%	6 600
	Australia	↓ 0.5%	816 700

Source: ABS Cat No 6202.0

- In the year to February 2016 the number of youth (persons aged 15 to 24 years) employed in the Territory increased by 7.6% to 20 900 persons.
- Over the same period, national youth employment increased by 1.9% to 1 834 500 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 February 2016, 11600 out of the 33 100 youths (3.5%) were undertaking full time education in the Territory, a decrease from 35.5% in the previous quarter. In comparison, 52.1% of the national youth population were undertaking full time education.



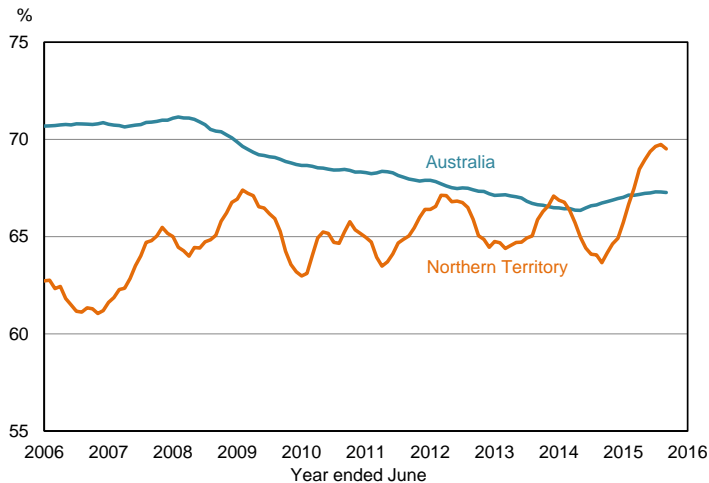
**Chart 7: Youth Unemployment Rate (annual average)**



Source: ABS Cat No 6202.0

- In the year to February 2016 the average youth unemployment rate in the Territory was 9.3%. This is below the corresponding national rate of 12.8%.
- The Territory youth unemployment rate has generally been decreasing over the past two months, similar to the national youth unemployment.

**Chart 8: Youth Participation Rate (annual average)**



Source: ABS Cat No 6202.0

- In the year to February 2016, the average youth participation rate in the Territory was 69.2% and 67.3% nationally.

**Wage Price Index**

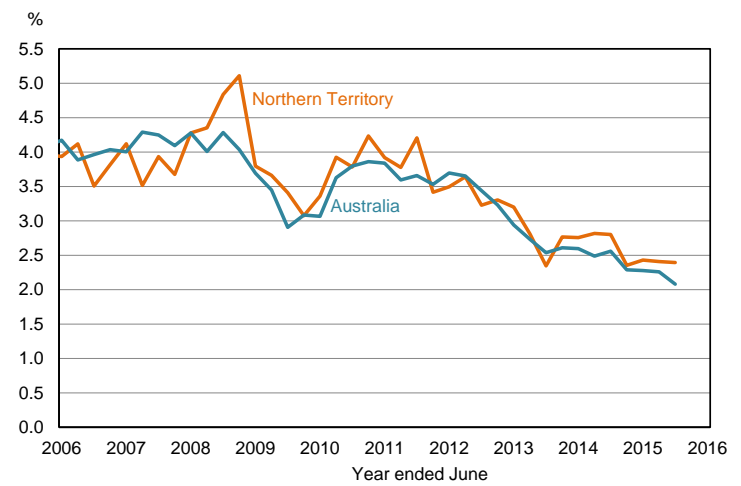
		Quarterly Change	Level
Wage Price Index	NT	↑ 0.6%	124.0
	Australia	↑ 0.4%	122.7

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 December quarter 2015, the WPI increased by 0.6% in the Territory and 0.4% nationally.
- In annual terms, the Territory WPI increased by 2.4% in the year, slightly above the nationally growth rate of 2.2% over the same period.

**Chart 9: Wage Price Index (annual percentage change)**



Source: ABS Cat No 6345.0

**Average Weekly Earnings**

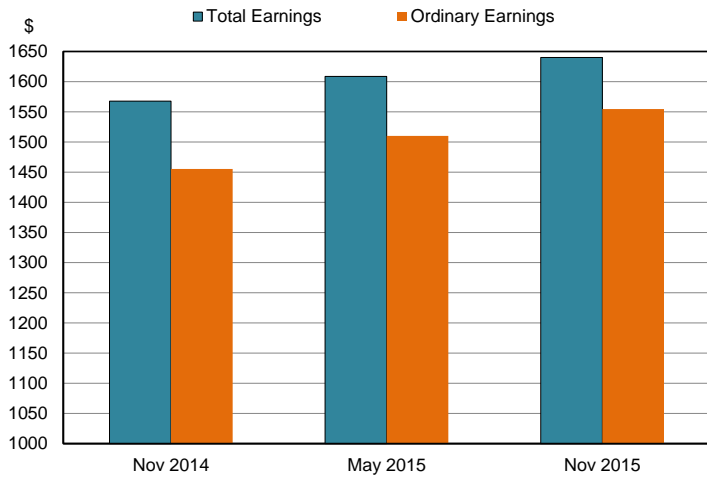
		6 Monthly Change	Level
Average Weekly Full Time Adult Ordinary Time Earnings	NT	↑ 2.9%	\$1 555
	Australia	↑ 1.0%	\$1 499
Average Weekly Full Time Adult Total Earnings	NT	↑ 2.0%	\$1 640
	Australia	↑ 0.7%	\$1 556

Source: ABS Cat No 6302.0

Average weekly full-time adult ordinary time earnings (ordinary earnings) and average weekly full-time adult total earnings (total earnings) includes earnings for all wage and salary earners, except some groups such as overseas consulates and Australian Defence personnel. For a full list see Labour Force Terms and Information.

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

**Chart 10: Northern Territory Average Weekly Earnings**



Source: ABS Cat No 6302.0

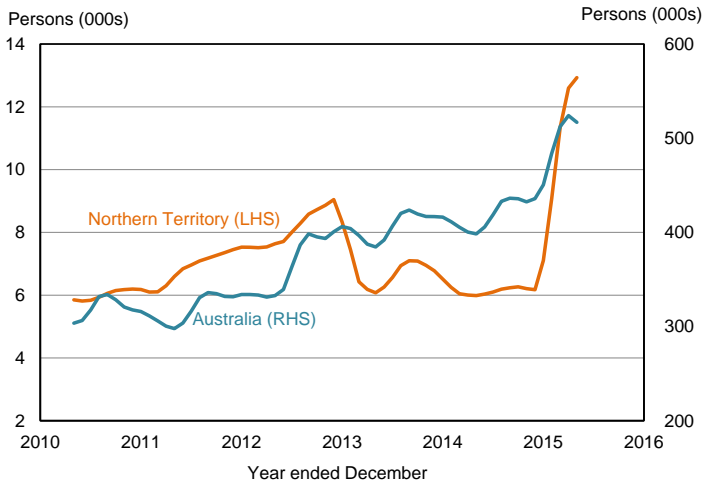
**Newstart and Youth Allowance**

		Quarterly Change	Persons
Newstart and Youth Allowance	NT	↑ 5.9%	13 697
	Australia	↑ 4.8%	541 564

Source: Department of Social Services, Australian Government.

- In the February quarter 2016, the number of Newstart and Youth Allowance recipients that are ready and available to work in the Territory increased by 5.9% to 13 697.
- In the February quarter 2016, all jurisdictions recorded an increase in the number of Newstart and Youth Allowance recipients. The Western Australia had the highest increase (8.2%), followed by the Northern Territory (5.9%), and South Australia (5.4%).
- At the national level the number of recipients increased by 4.8% to 541 564.

**Chart 11: Newstart and Youth Allowance Recipients**



Source: Department of Social Services, Australian Government

**Job Vacancies**

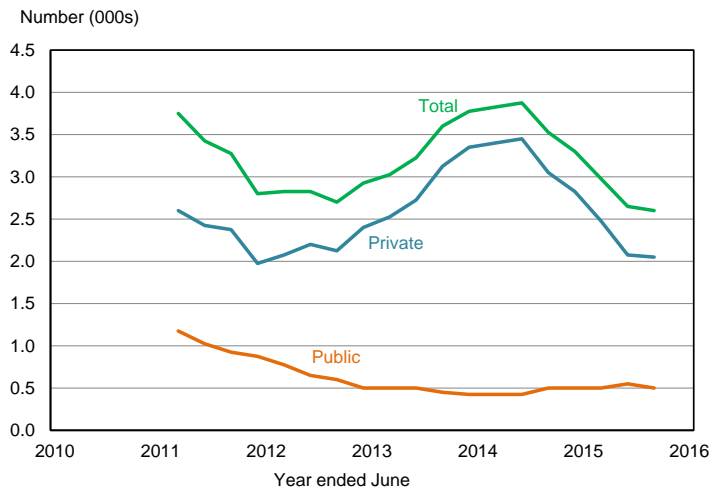
		Year on Year Change	Vacancies
Job Vacancies	NT	↓ 26.2%	2 600
	Australia	↑ 10.7%	164 925

Source: ABS Cat No 6354.0

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

- Territory job vacancies decreased by 26.2% to 2600 vacancies in the year to February 2016. This was primarily driven by a 32.8% decrease in the number of private sector job vacancies to 2100 vacancies.
- Public sector job vacancies in the Territory remained unchanged in the year with 500 vacancies.
- At the national level, job vacancies increased by 10.7% to 164 900 vacancies in the year to February 2016.
- The increase nationally was mainly the result of both private and public sector vacancies rising by 10.4% and 13.3% respectively in the year.
- The fall in job vacancies in the Territory may indicate that employment growth will decrease in the short term.

**Chart 12: Northern Territory Job Vacancies**



Source: ABS Cat No 6354.0

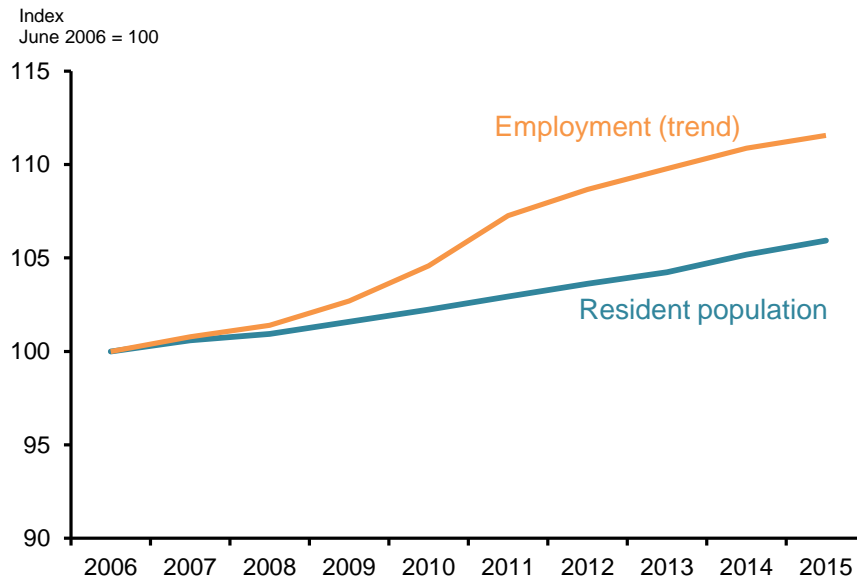
**Other Economic Indicators**

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

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

## 2016 Northern Territory Skilled Occupation Priority List

Chart 13: NT Resident Employment and Population Growth, June 2006 to June 2015



This chart illustrates employment in the NT continuing to grow faster than resident population. Softening activity in the civil construction sector has resulted in a number of occupations in this industry being removed from the 2016 Northern Territory Skilled Occupation Priority List (NTSOPL), but have been replaced by more service oriented occupations. The NT continues to maintain the highest participation rate and the lowest unemployment rate of the jurisdictions, demonstrating the NT's labour market is the tightest of jurisdictions.

The Strategic Services Division of the Department of Business has been undertaking labour market search since 2004. The NTSOPL, produced by the Division annually, is forward looking and lists skilled and semi-skilled occupations that are in high demand or considered critical by business and industry in the NT. It provides guidance to business, industry and government in workforce planning and occupation related decision-making, and informs government decisions around training funding allocations, employer/employee incentives and the targeting of skills under workforce attraction and skilled migration programs.

The 2016 NTSOPL was released at the end of March 2016. The Department works through Industry Training Advisory Councils to gain industry input into the NTSOPL. There are 235 priority occupations listed. For more information about the NTSOPL or to view the 2016 list please see:

<https://nt.gov.au/employ/for-employers-in-nt/hard-to-fill-jobs-in-the-nt>

### Notes

All data referred to are in original terms except for unemployment rate, participation rate, employment, labour force, and civilian population. For information on the data sources used and a glossary of labour market terms please see Labour Market Terms and Information.

### Data Sources

Australian Bureau of Statistics, catalogue numbers 3101.0, 6202.0, 6220.0, 6291.0.55.003, 6302.0, 6345.0, 6354.0  
Department of Business (NT Government)  
Department of Employment (Australian Government)  
Department of Social Services (Australian Government)

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