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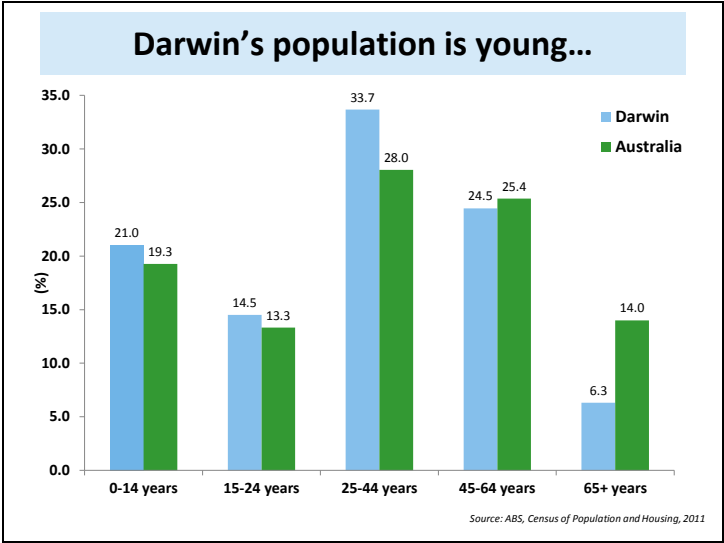


Australian Government  
Department of Employment

## **Overview of the Darwin Labour Market**

Ivan Neville  
Branch Manager  
Labour Market Research and Analysis Branch

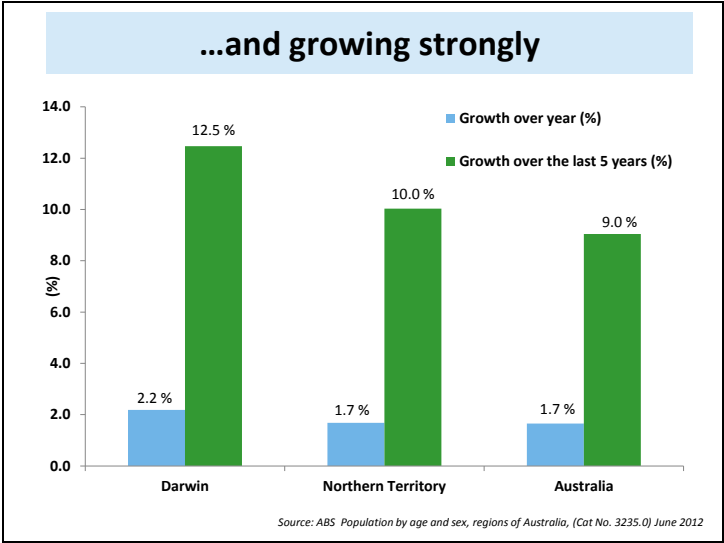




**Darwin's population is young...**

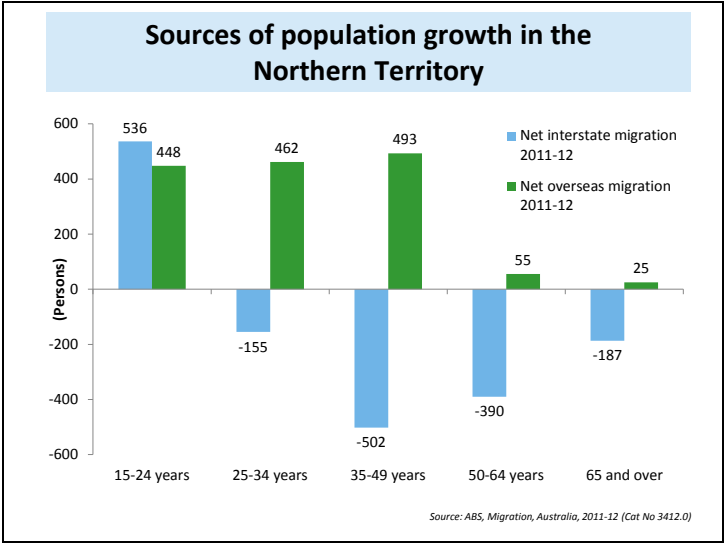
Source: ABS, Census of Population and Housing, 2011

The Northern Territory is the youngest State/Territory, with a median age of 31.5 years. By comparison, Tasmania is the oldest, with a median age of 40.8 years, just ahead of South Australia, at 39.6 years (ABS Cat No 3235.0, June 2012).



**...and growing strongly**

Source: ABS Population by age and sex, regions of Australia, (Cat No. 3235.0) June 2012



**Sources of population growth in the Northern Territory**

Source: ABS, Migration, Australia, 2011-12 (Cat No 3412.0)

In 2011-12, the Northern Territory actually recorded negative net interstate migration (698 people). However, net overseas migration remained strong (up by 1,483).

### Labour market conditions in the Territory

**Over the year to October 2013:**

- Unemployment rate up from 4.0 per cent to 5.3 per cent;
- Level of unemployment up by 1,900 or (35.9 per cent)

**Despite some softening, the Territory is outpacing the country:**

- Employment up by 1,800 (or 1.4 per cent), compared with 0.8 per cent nationally; and
- Participation rate in the Territory up by 0.5 percentage points to 75.0 per cent - highest in Australia

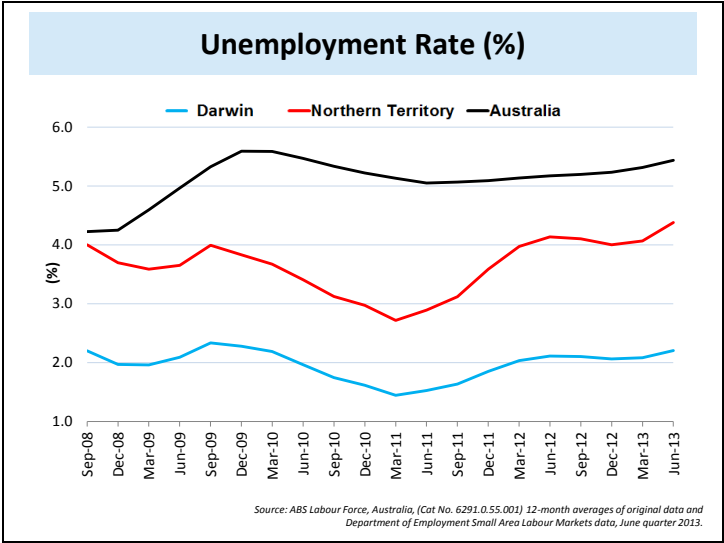
Source: ABS Labour Force, Australia, (Cat No. 6202.0)

### Labour market conditions in the Territory

*Source: ABS Labour Force, Australia, (Cat No. 6202.0)*

The unemployment rate in the NT averaged just 3.7 per cent over the five years to October 2012. By comparison, Australia averaged 5.0 per cent.

At 75.0 per cent, the Northern Territory's participation rate is the highest of any State or Territory and is more than 15 percentage points higher than Tasmania (60.0 per cent).



**Unemployment Rate (%)**

Source: ABS Labour Force, Australia, (Cat No. 6291.0.55.001) 12-month averages of original data and Department of Employment Small Area Labour Markets data, June quarter 2013.

Darwin’s unemployment rate has consistently been below the unemployment rate in Australia and the NT.

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<b>Labour market disparity in the Territory</b>			
<b>Comparable unemployment rates (%)</b>			
	<b>Jun-12</b>	<b>Jun-13</b>	<b>Change</b>
Darwin (C)	1.9	1.9	0.0 pts
Litchfield (S)	3.2	3.6	0.4 pts
Palmerston (C)	2.1	2.3	0.2 pts
<b>Greater Darwin</b>	<b>2.1</b>	<b>2.2</b>	<b>0.1 pts</b>
Jabiru (T)	2.8	3.3	0.5 pts
Katherine (T)	3.5	3.5	0.0 pts
Tennant Creek (T)	8.5	8.9	0.4 pts
Alice Springs (T)	2.8	2.7	-0.1 pts
Combined CGCs	14.3	15.6	1.3 pts
<b>Northern Territory - Remainder</b>	<b>7.5</b>	<b>8</b>	<b>0.5 pts</b>
<b>Northern Territory</b>	<b>4.1</b>	<b>4.4</b>	<b>0.3 pts</b>
<b>Australia</b>	<b>5.2</b>	<b>5.4</b>	<b>0.2 pts</b>

Source: Department of Employment Small Area Labour Markets data, June quarter 2013

**Labour market disparity in the Territory**

*Source: Department of Employment Small Area Labour Markets data, June quarter 2013*



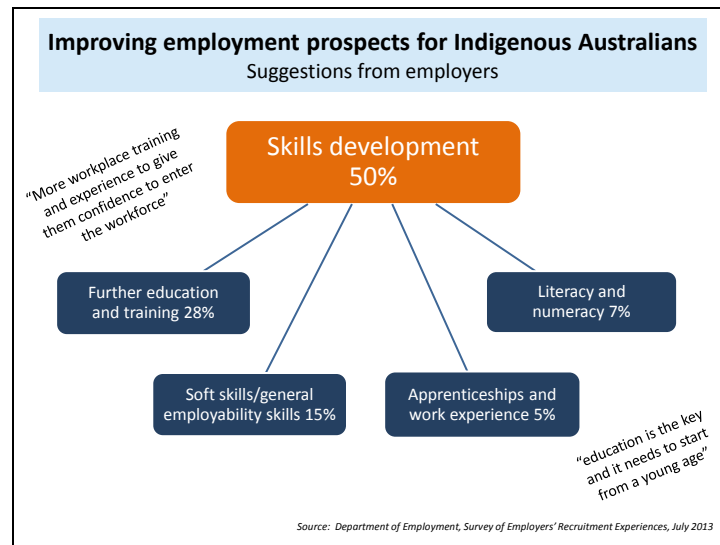
<b>Indigenous labour market outcomes - Darwin</b>				
	<b>Indigenous</b>		<b>Non-Indigenous</b>	
	<b>2006</b>	<b>2011</b>	<b>2006</b>	<b>2011</b>
Proportion of the civilian population (%)	7.9	7.8	82.4	82.1
Unemployment rate (%)	13.2	11.7	2.9	3.1
Participation rate (%)	48.2	51.8	77.8	78.1
Employment rate (%)	41.9	45.8	75.5	75.7

*Source: ABS, 2011 Census of Population and Housing*

**Indigenous labour market outcomes – Darwin**

*Source: ABS, 2011 Census of Population and Housing*

Note: The proportion of the population identified as Indigenous or non-Indigenous does not sum to 100 as a significant number do not state their Indigenous status.

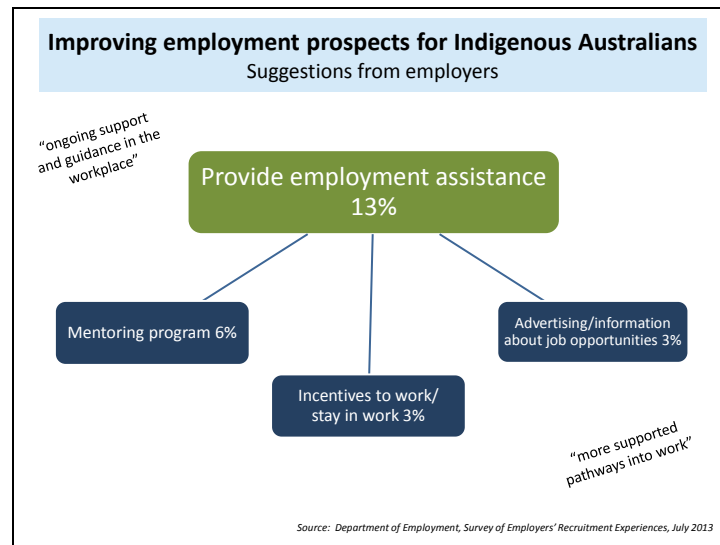


**Improving employment prospects for Indigenous Australians, suggestions from employers**

*Source: Department of Employment, Survey of Employers' Recruitment Experiences, July 2013*

As part of the Department of Employment's regional *Surveys of Employers' Recruitment Experiences*, more than 1000 employers have been asked what could be done to improve the employment prospects of Indigenous Australians. This question has been asked of employers in the Alice Springs Employment Service Area (ESA).

Half of responding employers in Alice Springs identified the importance of further developing the skills of Indigenous job seekers to improving employment outcomes. Most commonly mentioned suggestions outlined the need for further education and training, while a significant minority highlighted the benefits of Indigenous job seekers improving their soft skills or general employability skills.

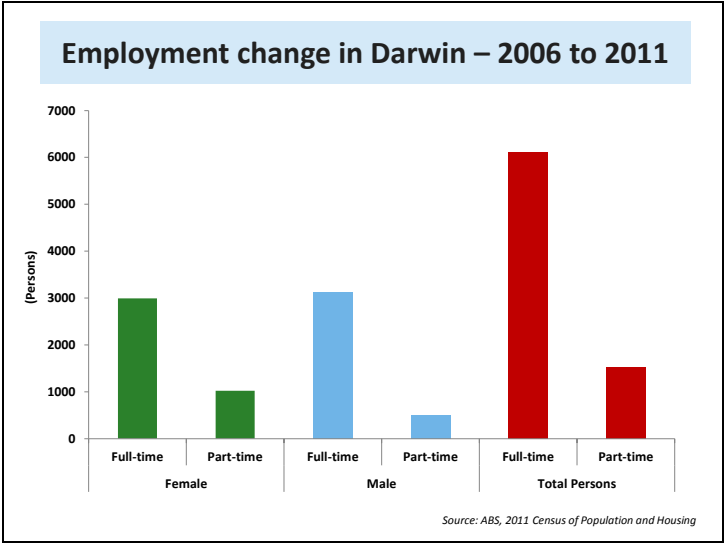


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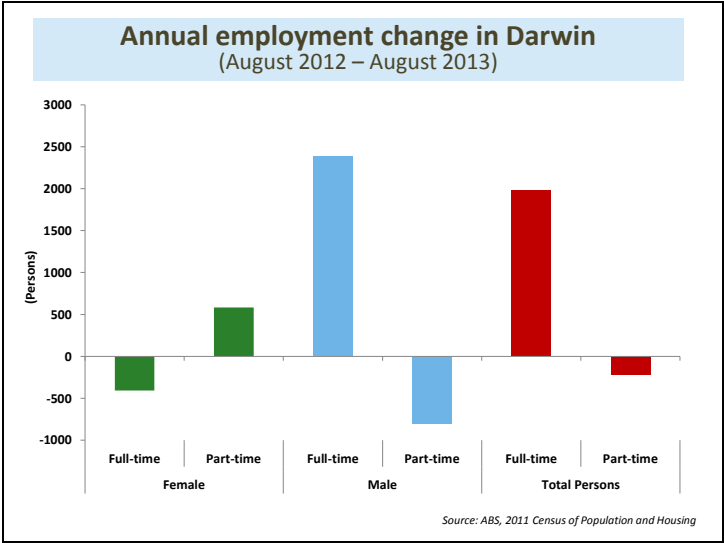
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Almost one in seven responding employers in Alice Springs suggested providing some additional assistance to improve Indigenous employment outcomes. Suggestions were wide-reaching and targeted at different stages of the recruitment and employment process. Employers highlighted the need to improve Indigenous awareness of job opportunities, use third parties to facilitate the recruitment process and provide incentives and mentoring to help Indigenous workers stay in employment.



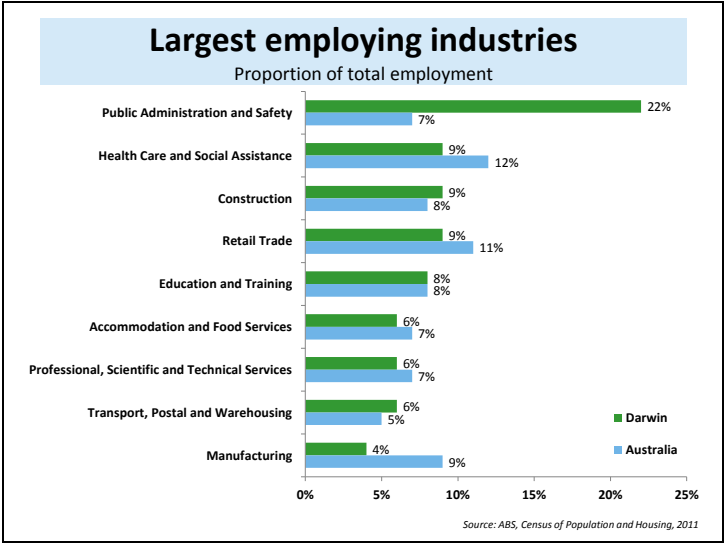
**Employment change in Darwin – 2006 to 2011**

*Source: ABS, 2011 Census of Population and Housing*



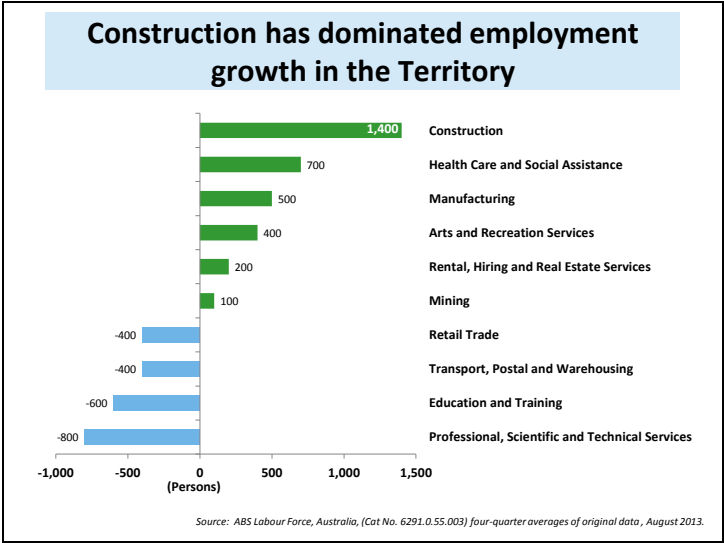
**Annual employment change in Darwin, (August 2012 – August 2013)**

*Source: ABS, 2011 Census of Population and Housing*



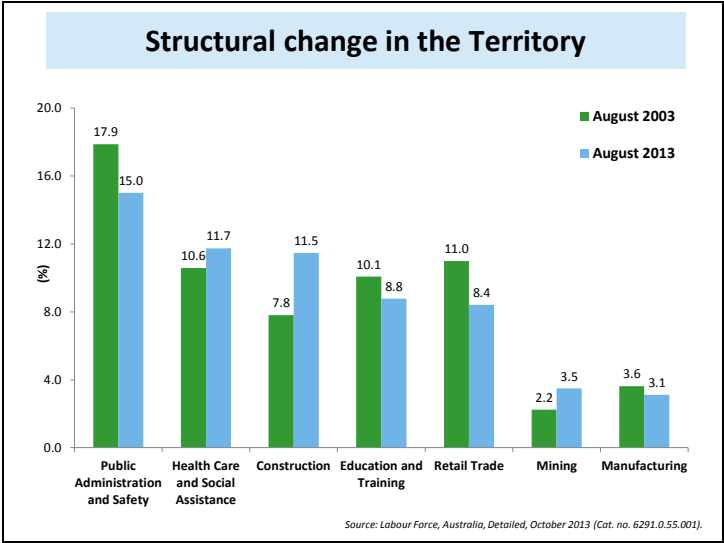
**Largest employing industries, Proportion of total employment**

*Source: ABS, Census of Population and Housing, 2011*



**Construction has dominated employment growth in the Territory**

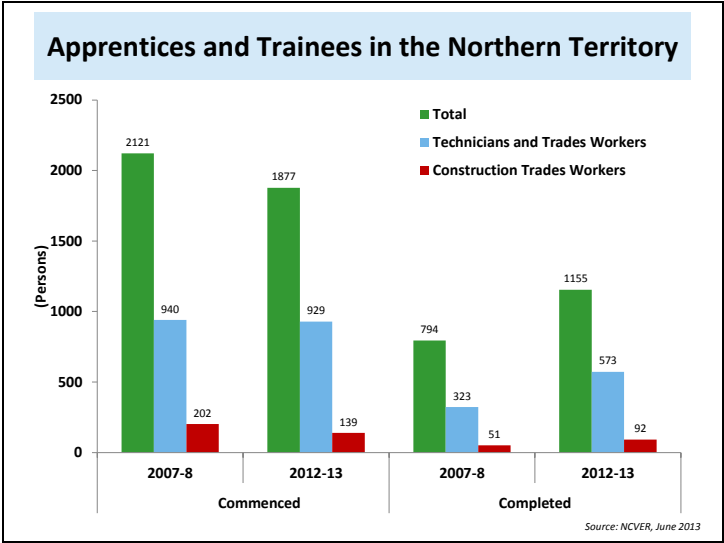
Source: ABS Labour Force, Australia, (Cat No. 6291.0.55.003) four-quarter averages of original data, August 2013.



**Structural change in the Territory**

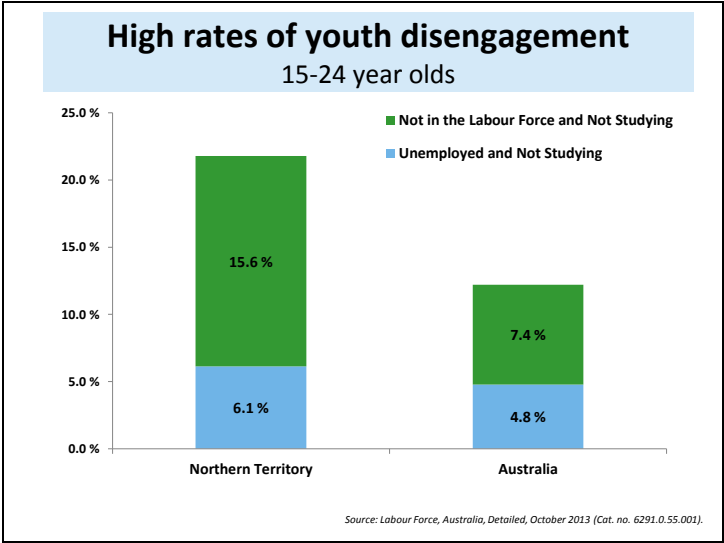
Source: Labour Force, Australia, Detailed, October 2013 (Cat. no. 6291.0.55.001).





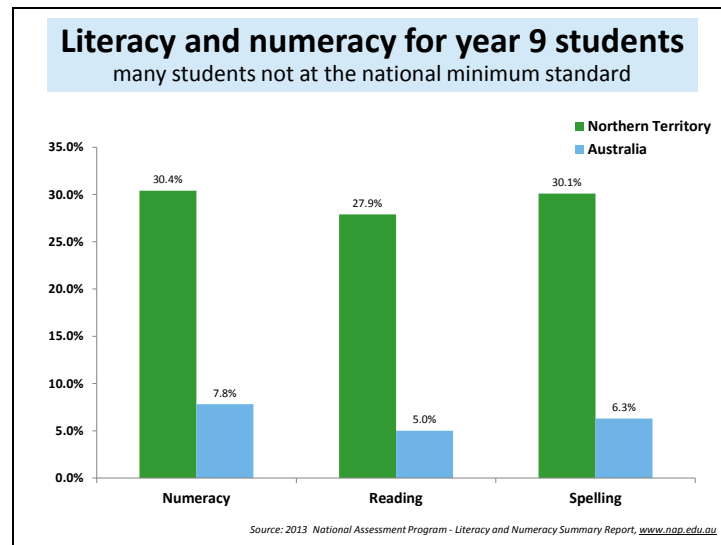
**Apprentices and Trainees in the Northern Territory**

Source: NCVET, June 2013



**High rates of youth disengagement 15-24 year olds**

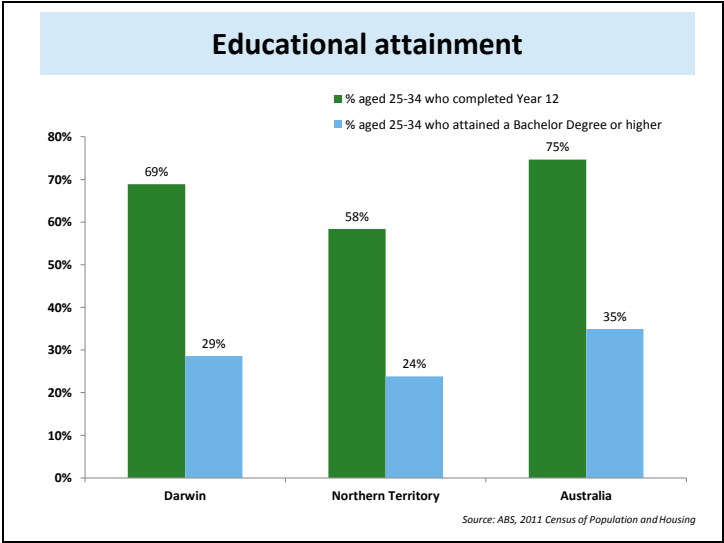
*Source: Labour Force, Australia, Detailed, October 2013 (Cat. no. 6291.0.55.001).*



**Literacy and Numeracy for Year 9, many students not at the national minimum standard**

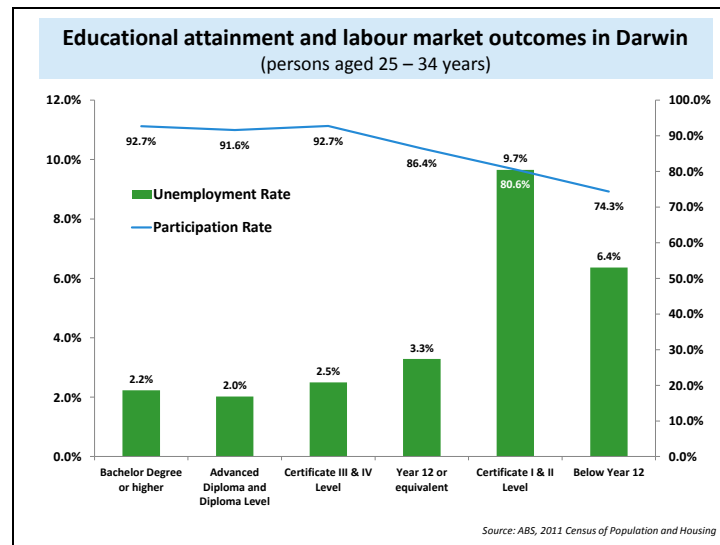
*Source: 2013 National Assessment Program - Literacy and Numeracy Summary Report, [www.nap.edu.au](http://www.nap.edu.au)*

The 2013 National Assessment Program - Literacy and Numeracy Summary Report results showed that 30.4 per cent of Year 9 students in the Northern Territory did not meet the national minimum standard for numeracy, reading and spelling, significantly higher compared with the results for Australia.



**Educational attainment**

*Source: ABS, 2011 Census of Population and Housing*

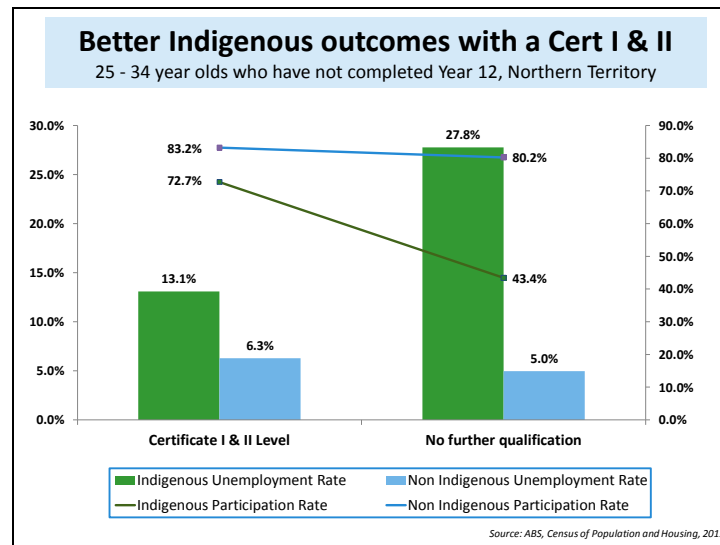


**Educational attainment and labour market outcomes in Darwin, (persons aged 25 – 34 years)**  
*Source: ABS, Census of Population and Housing, 2011*

There is a strong relationship between educational attainment and employment outcomes. For those aged 25 to 34 years in Darwin, there were high unemployment rates for those who had completed Certificate I & II but had not completed Year 12 (9.7 per cent) and those who did not complete Year 12 without any further post school qualification (6.4 per cent).

Unemployment rates were considerably lower for those who have completed a tertiary education at the Bachelor degree, Advanced Diploma and Diploma Level. It should also be noted that employment outcomes are better for those who have attained Certificate Levels III or IV. This emphasises the importance of post school education in ensuring success in gaining employment.

Despite the relationship between labour market outcomes and education, people in Darwin who hold Certificate I & II Levels still have a high participation rate.



**Better Indigenous outcomes with a Cert I & II, 25 - 34 year olds who have not completed Year 12, Northern Territory**

*Source: ABS, Census of Population and Housing, 2011*

The unemployment rate for Indigenous persons who had not completed year 12 with a Certificate I and II was much smaller than that for Indigenous persons who had no further qualifications. The participation rate for this group was also much higher for those with a Certificate I and II compared to those with no further qualifications.

**Recruitment activity remains strong with widespread recruitment difficulties**

- Recruitment activity remains the **highest** of any capital city
- Recruitment difficulty
  - Highest level of any capital city
  - 71 per cent of recruiting employers had difficulty recruiting in the past six months
  - 12.5 per cent of vacancies remained unfilled
  - Low applicant numbers

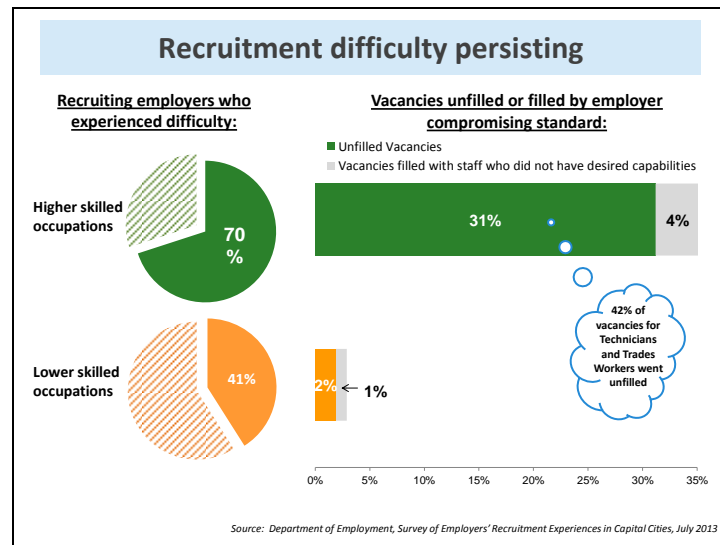
Source: Department of Employment, Survey of Employers' Recruitment Experiences in Capital Cities, July 2013

**Recruitment activity remains strong with widespread recruitment difficulties**

*Source: Department of Employment, Survey of Employers' Recruitment Experiences in Capital Cities, July 2013*

Recruitment activity in Darwin remains the highest of any capital city despite easing from 2012 levels.

The level of recruitment difficulty in Darwin is also the highest of any capital city with 71 per cent of recruiting employers had difficulty recruiting in the past 6 months, 12.5 per cent of vacancies remaining unfilled and low applicant numbers.



**Recruitment difficulty persisting**

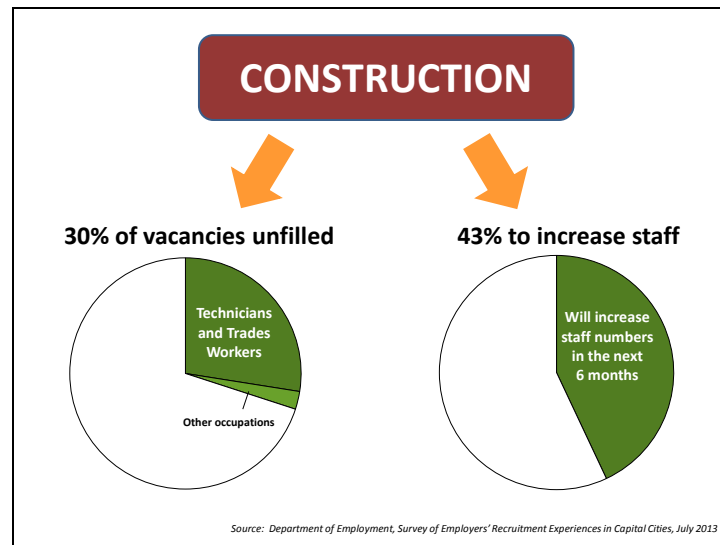
*Source: Department of Employment, Survey of Employers' Recruitment Experiences in Capital Cities, July 2013*

For employers recruiting for higher skilled occupations, some 70 per cent of employers experienced recruitment difficulty. Employers were least successful in filling higher skilled vacancies with 31 per cent of positions remaining unfilled. Of 31 per cent of unfilled vacancies, close to half (42 per cent) were for Technician and Trades Worker positions. Few higher skilled vacancies (4 per cent) were filled with staff who did not have the desired capabilities.

For employers recruiting for lower skilled occupations, while difficulty was less common, 41 per cent still experienced difficulty.

Employers were far more successful filling these positions with only 2 per cent of recent vacancies remaining unfilled and only 1 per cent of vacancies were filled with staff who did not have the desired capabilities.



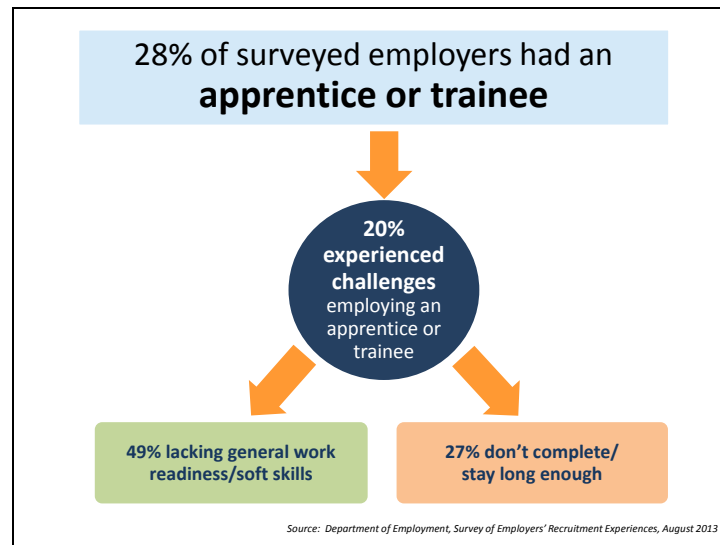


### **Construction**

*Source: Department of Employment, Survey of Employers' Recruitment Experiences in Capital Cities, July 2013*

Employers in the Construction industry were least successful in filling vacancies with 30 per cent of recent vacancies remaining unfilled. Of this 30 per cent, 92 per cent were for Technicians and Trades Worker positions.

In the 6 months following the survey, 43 per cent of employers in the Construction industry anticipated the need to increase staff numbers.



### **Apprentices and Trainees**

*Source: Department of Employment, Survey of Employers' Recruitment Experiences in Capital Cities, July 2013*

Of all employers surveyed through the Departments *Survey of Employers' Recruitment Experiences* in the six months to August 2013, 28 per cent employed an apprentice or trainee. Of these employers, 20 per cent reported experiencing challenges in employing an apprentice or trainee most commonly due to the employee lacking general work readiness/soft skills and/or the employee not staying long enough/completing their apprenticeship/traineeship.

**Basic employability skills essential**

Most importance placed on:

- 30% personal traits and qualities only
- 28% technical skills only
- 41% both equally important

Personal traits and qualities applicants lacked:

- Reliability
- Motivation
- Communication
- Confidence
- Teamwork

Source: DEEWR, Survey of Employers' Recruitment Experiences, All regions surveyed in the 12 months to December 2010

**Basic employability skills essential**

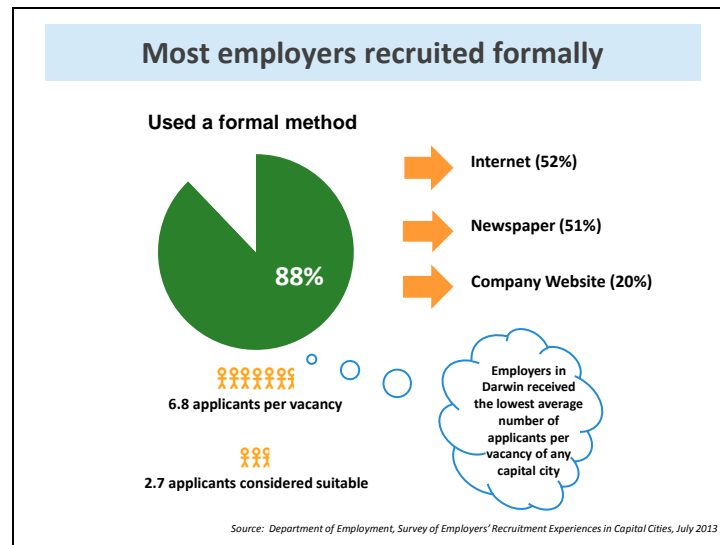
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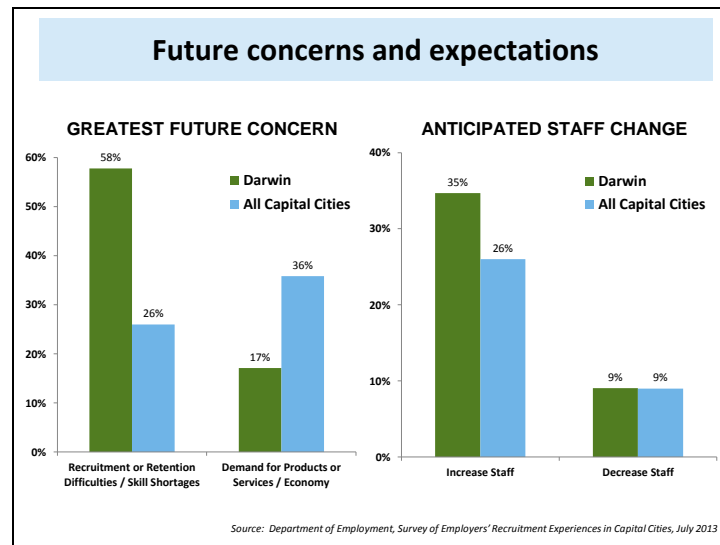
- Enthusiasm
- Motivation
- Communication
- Confidence
- Teamwork



**Most employers recruited formally**

*Source: Department of Employment, Survey of Employers' Recruitment Experiences in Capital Cities, July 2013*

Some 88% of vacancies in Darwin were recruited for through formal methods of recruitment (such as the Internet or Newspapers), receiving an average of 6.8 applicants per vacancy. Darwin employers received the lowest average number of applicants per vacancy of any capital city.



### **Future concerns and expectations**

*Source: Department of Employment, Survey of Employers' Recruitment Experiences in Capital Cities, July 2013*

By far, the greatest future concern for employers in Darwin was recruitment or retention difficulty/skill shortages (58 per cent of employers), compared with 26 per cent for all capital cities.

Demand for products or services and the economy was less of a concern for Darwin employers (17 per cent) compared to all capital cities (36 per cent).

Over one third (35 per cent) of employers anticipate increasing staff numbers in the 6 months following the survey, higher compared with the expectation for all capital cities (26 per cent). The proportion of employers in Darwin expecting to decrease staff numbers was in line with all capital cities (both 9 per cent).

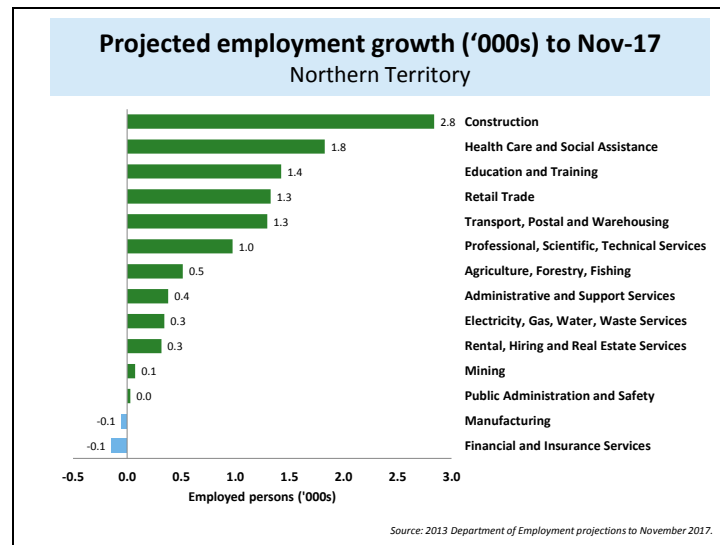
### Labour market outlook

- **Employment growth is forecast to increase by 3.0 per cent in 2013-14, before strengthening to 4.5 per cent in 2014-15.**
- **Against a stronger background, the unemployment rate is forecast to fall to 3.7 per cent in 2013-14, before declining further to 3.2 per cent in 2014-15.**

Source: Northern Territory Government Department of Treasury and Finance

### **Labour market outlook**

*Source: Northern Territory Government Department of Treasury and Finance*



**Projected employment growth ('000s) to Nov-17, Northern Territory**

*Source: 2013 Department of Employment projections to November 2017.*

While the national labour market outlook in the near-term is subdued, reasonably solid employment growth is expected to return over the next few years, with some industries expected to perform better than others.

Over the five years to November 2017, the Department of Employment projects total employment in the Northern Territory to grow by 13,200, which equates to a growth rate of 10.5 per cent, higher than the projected growth of 7.1 per cent for Australia as a whole. Most of the job growth is projected to be concentrated in five industries: Construction; Health Care and Social Assistance; Education and Training; Retail Trade; and Transport, Postal and Warehousing. Together, these industries are expected to provide around 8700 additional jobs, which is two thirds (66.0 per cent) of total projected employment growth to November 2017.

## Conclusion

### Labour market conditions strong

- Low unemployment rate
- High participation
- Significant recruitment activity
- Many unfilled vacancies

### Challenges

- Disadvantaged groups: Indigenous; disengaged youth; people with lower levels of education and/or literacy and numeracy
- Strengthening labour market in next few years
- Future labour supply

### Responding to challenges/opportunities

- Education/training
- Work experience
- Apprenticeships/traineeships
- Employability Skills
- Working with employers on their needs and expectations
- Collaboration with key stakeholders



### Further Information

- [www.employment.gov.au/lmip](http://www.employment.gov.au/lmip)
- [www.employment.gov.au/SkillShortages](http://www.employment.gov.au/SkillShortages)
- [www.employment.gov.au/regionalreports](http://www.employment.gov.au/regionalreports)
- [www.employment.gov.au/australianjobs](http://www.employment.gov.au/australianjobs)
- [www.skillsinfo.gov.au](http://www.skillsinfo.gov.au)
- [www.joboutlook.gov.au](http://www.joboutlook.gov.au)

