

Chapter 1
Executive Summary

WorkForce*NT*

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The current potential for growth in the Northern Territory (NT), as well as the risk of slowing world economic conditions, highlight the importance of understanding employment and workforce issues and their effect on business. This understanding will enable the government to respond to future employment and workforce challenges in the NT.

This Report brings together detailed information about the Territory's labour force, the sectors of the population which are employed, where and in what industries. It also provides regional profiles and information about the training and employment outcomes for disadvantaged groups within the NT. Workforce NT Report 2008 will be a useful tool in assisting government and business to formulate employment policy and strategies.

MACROECONOMIC CONDITIONS - IMPACT ON EMPLOYMENT

Labour is critical to the production of goods and services. Employment levels generally increase during periods of strengthening economic activity and contract during periods of low growth. The strong demand for labour in the NT has been driven by high levels of construction, work associated with resource projects, tourism and population growth. High levels of economic activity in both the NT and Australia, in recent years, have increased pressure on the NT labour market and created skills and labour shortages that have seen the NT unemployment rate decline towards record lows. In these circumstances the labour market is described as 'tight'.

The economic base of the NT is expected to continue to expand over the next decade as favourable conditions continue to attract investment and boost population growth. It is expected that for the five years to June 2012 the NT will have some of the highest economic and job growth rates in the country.

NORTHERN TERRITORY PROFILE

The NT has experienced relatively strong population growth over the ten years to 2007, growing at an average 1.4% per annum, higher than Australia's growth over the same period. The resident population of the NT was estimated to be 214 975 people at June 2007. The Indigenous population accounts for a third of the NT population and is forecast to grow at an average of 1.6% per annum for the next five years. The population of NT has a median age of 31 years, which is younger than that of Australia.

Level of employment, by industry, in the NT, appears to be consistent with the national pattern, with two exceptions. Public administration and safety (excluding defence) represents 16% of employment in the NT, compared to 6% nationally. Retail trade, on the other hand, provides 11% of jobs in Australia but only 9% in the NT.

The announcement of Darwin as the location for INPEX's proposed liquefied natural gas project (worth \$23 billion) will be a catalyst for development; driving economic and social growth. It is estimated that up to 2 000 people will be employed at the peak of construction and about 300 new, ongoing jobs will be created. The INPEX gas project will be the largest single private sector investment in Australia. For the NT, the project means jobs, growth, economic sustainability and the impetus for new industrial development.

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NORTHERN TERRITORY REGIONAL PROFILES

Darwin Region

The Darwin region is characterised by a relatively highly-qualified population. There is a clear link between school education levels, engagement with the labour market and further education and training. This is illustrated in those sub-regions where a base level of education has been established in their populations, be it Year 10 or Year 12. These base levels of education have been used as a springboard to lead to higher levels of qualifications and employment.

As unemployment, and the supply of readily available labour, decrease in the region, the growing demand for skills at all levels must be met by groups such as Indigenous jobseekers, people with a disability, rural jobseekers and mature age jobseekers.

East Arnhem Region

The East Arnhem region has a relatively low number of Year 12 students moving into the labour market. VET student numbers have been growing strongly since 2002, supplying skills to the labour market, although many of the enrolments have been in enabling and bridging courses. There is an opportunity to increase Certificate III level training, which is the main level of qualification for many workers in the region.

The number of jobseekers in the region has increased since 2006, especially among those experiencing short-term unemployment. The region can take advantage of this to increase employment as short-term jobseekers experience fewer barriers to employment compared to long-term jobseekers.

Katherine Region

The supply of skills to the region through the VET system has increased strongly over the five years to 2007. The region has had the second strongest growth in student numbers of all regions in the NT over this period. Training is occurring in areas linked to the major industries in the region.

While the supply of skills is increasing, so is the number of jobseekers. Unemployment growth is concentrated in the Indigenous population because there has been a strong decline in the overall number of non-Indigenous jobseekers in the Katherine region over the period 2004 to 2007.

Barkly Region

The Barkly region is characterised by low levels of education and engagement with the labour market when compared to other areas in the NT. Engagement with school education is limited, with students enrolled in Year 12 in the region representing only 1.0% of NT enrolments. However, the VET system is providing skills for the labour market, with 4.6% of all NT VET students training in the region.

The areas of study in the VET system are closely aligned to the major employment and economic drivers in the region. Commencements for apprenticeships/traineeships and student enrolments, in primary industry, have fallen in recent years, but there has been an increase in the number of business and clerical students.

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Central Region

The Central region has a relatively low supply of skills to the labour market when compared to the NT overall. VET students in the region represented 22% of all VET students in the NT in 2007, down from 25% in 2003 indicating a slowing of supply of VET skills in the region. In 2006, the region had approximately 20% of Territorians aged 15-19, but only 15% of Year 12 graduates. The number of Indigenous Year 12 students was disproportionately low as well.

Notwithstanding a relatively slow rate of supply, the skills that are being developed in the region align well with the industries of employment and skill shortage, including tourism/hospitality, construction, automotive and health.

INDIGENOUS EMPLOYMENT PROFILE

The Indigenous population comprises nearly a third of all Territorians and is growing at a faster rate than the non-Indigenous population. Like the overall population, the Indigenous population is aging; but from a more youthful base. This means the working age population (those aged 15 and over), will increase in number and as a proportion of the total population.

There is a clear link between education and training levels and employment outcomes. About 10% of the Indigenous population has a non-school qualification. Of the Indigenous students who have completed Year 12 in 2006, about 65% were employed in 2007. The Indigenous population has a lower education level than the NT population overall with nearly half of the population aged 15 and over having not attended school or having left before Year 10.

Employment is low among Indigenous people in the NT. CDEP projects are a significant component of Indigenous employment and regional NT is characterised by low participation in the labour force. However, Indigenous employment is growing, and from 2001 to 2006 there was a 16% increase in employment for Indigenous Territorians.

With over 60% of the Indigenous population living in very remote areas, the opportunities for economic development and engagement in the mainstream labour market can be limited. To ensure that the NT can meet the demands of a growing economy, links must be made between Indigenous jobseekers and employment opportunities. There are a number of strategies and programs that are in place to facilitate the creation of these links, including Jobs Plan, Indigenous Economic Development Strategy, Closing the Gap and the Strategic Indigenous Housing and Infrastructure Program.

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DISADVANTAGED GROUPS EMPLOYMENT PROFILE

People with a Disability

The number of people with a disability in the NT is increasing, with those accessing support through the Disability Support Pension and Commonwealth State/Territory Disability Agreement (CSTDA) increasing at a faster rate than the population overall.

The labour force participation rate of people who have disability continues to be much lower than that of people without a disability. However there has been an increase in the number of people accessing services funded under the CSTDA who are in employment.

Culturally and Linguistically Diverse

The Culturally and Linguistically Diverse (CALD) population of the NT has a higher labour force participation rate and lower unemployment rate, than the Australian CALD population. The largest NT CALD populations, by country of birth, are the Philippines, East Timor, Greece, Germany and Indonesia.

There has been a general growth in permanent additions, in particular skilled migrants and employer-sponsored migrants, who have contributed in filling some of the gaps where skills shortages have been identified.

Youth (15-24 Years of Age)

Over the long-term, the youth population in the NT has grown at a slower rate than that of Australian youth. Notwithstanding recent strong population growth in the NT, which was higher than Australia's, long-term projections based on historical patterns suggest that NT youth will have a growth rate that is lower than the national rate.

There are a number of factors that affect the youth labour market in the NT. One important factor is that nearly 40% of NT youth are Indigenous, with a large proportion living outside the major centres of Darwin and Alice Springs. Many in this age group are still in school, or are undertaking further study and may not be participating in the labour market.

Mature Age Population (45+ Years of Age)

The mature age cohort has been growing faster than the total population, in both the NT and Australia, and it is estimated that this cohort will make up 30% of the NT population by 2017. The strongest growth in the mature age cohort is among those aged 60 years and above. The Territory's population, although aging from a younger base, is aging more rapidly than Australia's.

The main industries of employment for the mature aged population are public administration and safety, education and training and health care and social assistance. Employment is concentrated in higher skilled occupations, with professionals and managers the top two occupation categories.

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SKILL SHORTAGES AND LABOUR DEMAND

With strong economic conditions being experienced over a sustained period, demand for both skilled and unskilled workers continues to pose a challenge for business and industry in the NT and Australia. Job vacancy statistics suggest that the labour market is tighter in the NT than nationally. Labour force participation rates in the NT are amongst the highest in Australia and unemployment rates are low, so while training the local workforce is an important factor in addressing skill shortages, the NT will continue to need to attract workers from interstate and overseas to alleviate skill shortages and meet labour demand.

In such a tight labour market employers will need to implement other strategies for overcoming difficulties in recruiting, retaining, transferring and up-skilling. These may include changes to working conditions to encourage the current workforce to remain and to attract people with required skills who are not currently using them, restructuring of tasks, up-skilling of the current workforce and introducing technological changes to increase productivity.