

Overview of demand for professionals, associates and managers

Northern Territory – July 2008

The Northern Territory (NT) economy has performed very strongly over recent years with Gross State Product (GSP) growth averaging 5.5 per cent each year over the three years from 2004–05 to 2006–07. The estimate for 2007–08, however, is for a reduced growth rate of 2.8 per cent. In 2008–09, GSP is forecast to strengthen to 6.6 per cent (NT Treasury). The resource rich NT has been a beneficiary of the international commodities boom with significant investment now resulting in increased exports. The strong economic growth has led to strong jobs and population growth for the NT. In turn the value of construction work done, for both the residential and non-residential sectors, has continued to trend upwards over the year to March 2008. The Federal Government has committed \$1.3 billion (over four years from 2007–08) for the NT Intervention, providing further stimulus for the NT economy, particularly for remote areas.

The NT's growing economy has resulted in strong labour market results so far this year, with the size of the labour force and employment currently at record levels (ABS Labour Force Survey for June 2008). During the 2007–08 year, employment in the NT increased by 4.9 per cent with an extra 5200 people employed. Over the same period unemployment decreased by 1000 people and the unemployment rate fell back below the national rate to 3.6 per cent. The labour force participation rate has declined from a peak late in 2007, but remains strong at 72.8 per cent. Although participation has declined marginally, continued population growth has ensured the size of the labour force has also grown.

Small and medium enterprises in the NT have had strong performance results in 2007–08 and have the highest profit expectations nationally for the coming year (May 2008 Sensis Business Index). Although nationally business confidence has fallen to a seven year low, in the NT it has remained strong. Job vacancy advertisements in the NT have declined so far during 2008; however, strong growth has occurred since 2003 and advertised vacancies remain higher than a year ago (ANZ job advertisements series to June 2008). The number of advertised vacancies for professional occupations (Department of Education, Employment and Workplace Relations [DEEWR] skilled vacancy index) has remained stable so far during 2008 (and trade vacancies have grown).

The value of engineering construction work done in the NT increased in the March quarter this year. Before then, largely as a result of the Alcan refinery (G3) expansion project completion, work done had been in decline since September 2006 (ABS 8762.0). The March increase can be attributed to the beginning of the Montara oil field development; however, underlying engineering construction demand remains strong and engineering work yet to be done exceeded one billion dollars for the first time since 2005. The NT Government infrastructure program budget for 2008–09 is a record \$870 million and an increase of 22 per cent on the 2007–08 budget.

The NT economy is expected to continue to perform well in the coming year; however, high volatility is expected due to interim periods when major projects end and new ones begin. Individual major projects (such as the Alcan G3 expansion) have a large effect due to the relative small size of the total NT economy. The supply of skilled workers is also volatile due to a heavy reliance on transient

people. High volatility aside, the strong demand for skilled personnel is expected to remain over the next twelve months.

Specialist Managers

This occupational group includes resource, engineering, distribution, process, sales and marketing and miscellaneous specialist managers. Two occupations under this occupational group, engineering managers and childcare co-ordinators, were specifically assessed for the NT. A broad summary, covering more specialist manager occupations, is included as part of assessments undertaken at the national level.

Demand for specialist managers is expected to have increased in 2008 with the continued strong economic conditions in the NT beginning to have an impact on this occupational group. Turnover of people employed in this occupation group tends to be lower than for professional or trade occupations. Vacancies for both engineering managers and childcare co-ordinators were mainly driven by the creation of new roles (although turnover was also significant for childcare co-ordinators). A key supply source for these positions is via promotion of senior engineers and childcare workers; however, for both occupations there was a lack of suitable people looking for promotion. Both engineering managers and childcare co-ordinators were considered to be in shortage. Although vacancies do not arise frequently for these roles, when they do they are very difficult to fill and often remain vacant for extended periods.

Science, Building and Engineering Professionals

This occupational group includes natural and physical science, building and engineering professionals. Demand for this occupational group has been strong as a result of increased infrastructure investment, mining exploration and development and both residential and non-residential construction activity in the NT. Although engineering construction work done has recently been in decline as a result of the completion of the Alcan expansion, the future outlook is strong with potential new major projects (such as further gas and condensate processing facilities) in planning stages. The value of both residential and non-residential building work done has increased strongly over the past four years with an annual average growth rate of 10.4 per cent (ABS Building Activity - 8752.0; four years to March 2008; chain volume measures) and the value of building work done is at the highest level since the previous construction boom peak in 1998.

Charles Darwin University offers engineering degrees; however, historically enrolments have been low, leaving a high reliance on sourcing candidates from interstate for vacancies. Enrolments did increase strongly from 2004 but so far degree completions have remained less than ten per year. There are no local training courses that cover complete requirements for graduate entry into the science and building professions (such as geologists, agricultural scientists, surveyors and architects) and so there is a reliance on interstate recruitment for these roles.

The level of demand for work done by these professions has been such that businesses often have not been able to fully cater for it. It is common for professional work to be contracted out to interstate parties. Local employers face great difficulties attempting to attract professionals to relocate to the NT. Each occupation assessed for this group of professions was considered to be in shortage (namely civil, mechanical, mining and electrical engineers, geologists and agricultural scientists). Demand for geologists and engineering professionals is expected to remain strong with continued exploration and resource development growth. Engineering construction work is also expected to grow with potential major projects being underpinned by multiple smaller engineering projects. Additionally, the NT construction boom still has momentum. The shortages in building, engineering and physical science professionals are therefore expected to remain.

Business and Information Professionals

This occupational group includes accountants, auditors, corporate treasurers, sales, marketing and advertising professionals, computing professionals and miscellaneous business and information professionals. Two occupations under this group of professionals were specifically assessed for the NT, namely accountants and computing professionals. A broad summary, covering more business and information professional occupations, is included as part of assessments undertaken at the national level.

The strong NT economy and population growth have been drivers for increased accounting and information technology demand. Charles Darwin University offers both information and communications technology (ICT) and accounting degrees; however, supply of local graduates is considered limited. Although there is also a reliance on interstate supply, wage pressures make it hard for employers to attract interstate applicants. Vacancies for both accountants and ICT professionals have been due to both demand growth and staff turnover. Overseas and migrant applicants (from non-English speaking backgrounds) for accounting and ICT roles tend to be found unsuitable due to requirements for strong English communication skills, knowledge of Australian specific laws (e.g. Australian Taxation Law) or verifiable technical skills. However, more employers of ICT professionals are now resorting to overseas sponsorship.

There is a shortage of accountants in the NT and professional accounting practices experience the most difficulty recruiting. There are recruitment difficulties for ICT professionals with the level of difficulty increasing over the past year and shortages present for a number of specific ICT specializations.

Health Professionals

This occupational group includes medical practitioners, nursing, allied and miscellaneous health professionals. Within this occupational group, nursing professionals were specifically assessed for the NT. A broad summary, covering more health professional occupations, is included as part of assessments undertaken at the national level.

There has been growth in demand for health professional services in the NT as a result of the aging population, advances in technology and increased public expectations. The Northern Territory Emergency Response (NTER) has also generated more demand for health professionals. Patient demand across the NT's five public hospitals increased in 2006–07, with a 6.6 per cent increase in acute inpatient WIES (Weighted Inlier Equivalent Separations), a 4.8 per cent increase in outpatient appointments and a 1.0 per cent increase in Emergency Department attendances. The DEEWR skilled vacancy survey also indicates continued strong demand for health professionals with an increasing number of vacancies advertised each year for these roles over the past four years.

There is a higher local training rate for nursing professionals than typical for other professions in the NT; however, there remains a reliance on sourcing nurses from both interstate and overseas and some employers undertake international recruitment drives to attract people. There is limited local training available for other health professions in the NT and hence there is a strong reliance on supply from interstate.

Employers struggle with a high turnover rate for health professionals, particularly for nursing roles, in the NT. There is a reliance on short-term contracts and locum workers to fill some vacancies, due to employers being unable to attract people to relocate to fill permanent positions. Each nursing professional occupation assessed, namely registered nurses, midwives and mental health nurses, was

considered to be in shortage. The difficulty recruiting was heightened for senior nursing and remote roles.

Education Professionals

This occupational group includes school teachers, university and vocational education teachers and miscellaneous education professionals. Within this occupational group, school teachers were specifically assessed for the NT. The overall demand for teachers has remained stable in the NT, with total student enrolments in government schools (including pre-primary, primary and secondary) increasing just 0.1 per cent from 2004–05 to 2006–07. There has, however, been a much greater variation in demand between schools with the implementation of the middle school changes. Government schools account for 78 per cent of students.

There is a higher local training rate for teachers in the NT, compared to professional occupations generally and there has also been growth in student enrolments in teaching degrees over the past three years. However, both local and interstate teachers are relied upon for supply. A common supply source for schools when a vacancy does arise is relief teachers who have been working at the school.

The large majority of general teaching vacancies are able to be filled. There is not considered to be a shortage of teachers at the primary or pre-primary level. However, at the secondary level difficulties exist for science, mathematics and smaller specialist teaching areas. There are also much greater difficulties when recruiting for schools in regional and remote areas and special needs teachers are considered to be in shortage.

Social, Arts and Miscellaneous Professionals

This occupational group includes social welfare, miscellaneous social, artists and miscellaneous professionals. Six occupations under this group of professionals were specifically assessed for the NT, namely social workers, welfare workers, psychologists, solicitors, occupational health and safety officers and student counsellors. A broad summary, covering more social, arts and miscellaneous professional occupations, is included as part of assessments undertaken at the national level.

Over the past twelve months new Government initiatives, including the NTER and Closing the Gap on Indigenous Disadvantage, have generated additional demand for social welfare professionals. The DEEWR skilled vacancy survey has recorded increased advertised vacancies for social welfare professionals in both 2006 and 2007. There was considered to be a shortage of both social workers and psychologists and recruitment difficulties for welfare workers. Vacancies in the not-for-profit sector and in regional and remote locations were particularly difficult to fill.

The NT branch of the Law Society has issued more practising certificates in 2007–08 than 2006–07, but less than in 2004–05 and ABS Census data shows the number of legal professionals employed in 2006 was stable with 2001. Demand for solicitors has increased this year as a result of the NTER and increased funding available for legal aid providers. Vacancies arose due to both increased demand and staff turnover. A shortage of solicitors was identified, but was limited to experienced commercial, civil and family lawyers. Although there is a good local training rate, a high level of wastage occurs at the graduate level (with graduates working in alternative occupations) and the interstate market is a key supply source for experienced lawyers.

The labour market for student counsellors in the NT is small. There was a step change in demand in 2006 with the NT Government funding an extra 19 student counsellor positions. Since that increase there have been few vacancies; however, when vacancies do arise in regional areas they are hard to

fill. Demand is set to increase again as the NT Government has announced it will fund an additional ten school counsellors over the next five years.

Demand for occupational health and safety officers has been increasing and the mining and construction industries have been key drivers for this growth. Vacancies were commonly due to the creation of new roles. Although the occupation was not considered to be in shortage, demand growth has made recruitment more difficult and continued growth may soon push the occupation into shortage.

Science, Engineering and Related Associate Professionals

This occupational group includes medical and science technical officers and building and engineering associate professionals. Within this occupational group, building and civil engineering associates and agricultural technical officers were specifically assessed for the NT. Agricultural technical officers were not considered to be in shortage and demand for them had declined since 2001. However, greater agricultural investment and increased commercialisation in the private sector is expected to occur and lead to an increase in demand for agriculture technical officers.

Demand for building and engineering associate professionals is influenced by engineering construction, building activity and mining exploration and activity. Although engineering construction work done has declined significantly from the highs of 2005 and 2006, it remains at a historically high level and increased in the March quarter. Building activity is at its highest level (in chain volume measure terms) since the peak in 1998 and expenditure on mining activity has more than doubled in the past three years in the NT. This has led to an environment where businesses employing many building and engineering associate professionals can't secure sufficient human resources to cater for the demand. The majority of vacancies are new positions, but remained unfilled even after extended periods. Civil engineering associates were considered to be in shortage and, for building associates, estimators were also considered to be in shortage.

Diploma level courses are available at Charles Darwin University that are relevant for some occupations in this occupational group (such as in the building and architectural design areas). Employers for engineering associate roles sometimes recruit students from these courses and independently provide their own engineering focus. Employers often resort to recruiting people as trainees and provide in-house training and part-time course work by correspondence. For experienced technicians, parent company transfers tend to be a common supply source for vacancies.

Health and Welfare Associate Professionals

This occupational group includes enrolled nurses, welfare associate professionals and miscellaneous health and welfare associate professionals. Within this occupational group, enrolled nurses and dental technicians were specifically assessed for the NT. A broad summary, covering more health and welfare associate professional occupations, is included as part of assessments undertaken at the national level.

Demand for enrolled nurses was not as high as for registered nurses and when vacancies did arise they were easier to fill, so no shortage was recorded. The labour market for dental technicians in the NT is only small and some demand is catered for by interstate and overseas businesses. There are recruitment difficulties for private sector dental technician businesses looking to expand.