



- **Employment fell marginally to 239,900**
- **Unemployment rate increased to 4.6%**
- **Participation rate remained steady at 62.3%**

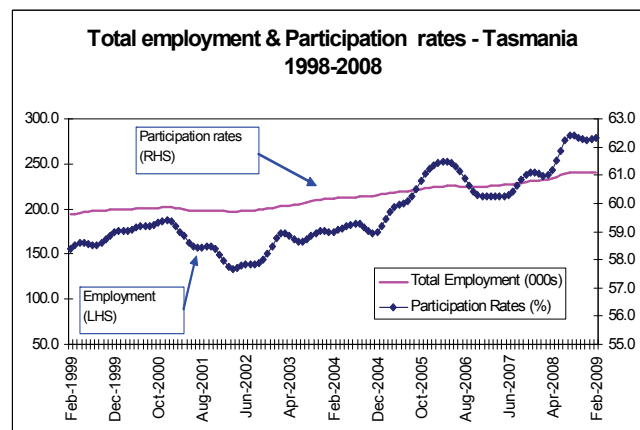
Note: All Labour Force estimates are from the Australian Bureau of Statistics' *Labour Force Survey* and are *Trend estimates* unless otherwise stated.

Employment

Total employment fell marginally in Tasmania in February. This was the fifth successive monthly fall in total employment, although the extent of each fall has been very small. Employment is still 3.4% higher than it was in February last year. Full-time employment fell slightly this month but was 1.7% higher than last February. Part-time employment was 7.2% higher than it was in February last year. Total male employment was 2.7% higher than it was last February. Male full-time employment had only grown by 0.4% over the year, while male part-time employment was 14.9% higher than it was last year. Total female employment increased by 4.3% over the year to February. This increase was made up of a 3.7% increase in full-time employment, and a 4.8% increase in part-time employment.

Unemployment

Total unemployment in Tasmania has increased slightly over the year, with a 0.9% increase on last February. Unemployment has also increased in each of the last five months. Male unemployment is now 9.8% higher than it was in February last year, but this has been off-set to some extent by female employment which is



actually 7.7% lower than last February. The unemployment rate for Tasmania in February this year was estimated to be 4.6%, compared to 4.8% recorded last February. The national unemployment rate has also increased to 4.9% in February. All other States recorded both monthly and annual increases in their unemployment rates, with NSW recording 5.6%, Vic 5.1%, Qld 4.4%, SA 5.7%, and WA 3.6%. The NT and the ACT recorded slight decreases at 3.9% and 2.4% respectively.

Labour Force & Participation Rates

The number of people in the labour force increased by 3.2% over the year, and the Tasmanian labour force currently stands at at 251,600, the highest figure recorded since the current series began in 1978. The male labour force increased by 3.0% over the year, while the female labour force increased by 3.6%. The participation rate in February was estimated to be 62.3%, which was unchanged for the last five months, but 1.3 percentage points higher than last February. The current national participation rate is 65.4%.

Labour Force Estimates - Tasmania (Trend data)

	Feb-2008	Jan-2009	Feb-2009
	000's	000's	000's
Employment			
Male	126.9	130.7	130.3
Female	105.2	109.2	109.7
Full-time	160.9	164.0	163.6
Part-time	71.2	76.0	76.4
Persons	232.1	240.0	239.9
Unemployment			
Male	5.1	5.4	5.6
Female	6.5	5.9	6.0
Persons	11.6	11.3	11.7
Labour Force			
Male	132.0	136.2	135.9
Female	111.7	115.1	115.7
Persons	243.7	251.3	251.6
Unemployment Rate %			
Male	3.9	4.0	4.1
Female	5.8	5.1	5.2
Persons	4.8	4.5	4.6
Full-time Teenage*	16.8	21.5	20.4
Participation Rate %			
Male	67.7	69.2	69.0
Female	54.6	55.7	56.0
Persons	61.0	62.3	62.3
*unadjusted data			

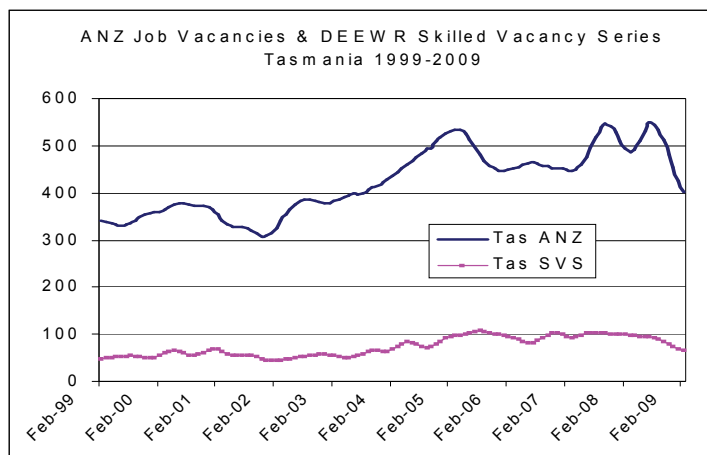
Job Vacancies

The ANZ Bank Job Advertisement series

(trend) for Tasmania fell by 5.6% in the month of February. The series was 18.5% below that recorded in February last year. Nationally, the series fell by 12.2% over the month, and by 51.1% over the year.

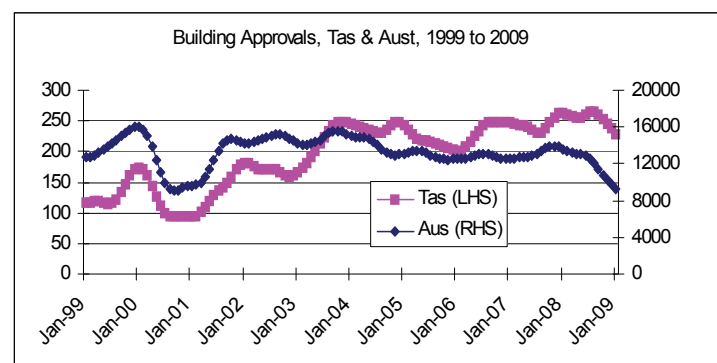
DEEWR's Skilled Vacancy Survey Index

(trend) for Tasmania decreased by 5.6% over the month of February and by 34.4% over the year. Nationally, the series decreased by 11% over the month and by 52.4% over the year.



Other Indicators

Building approvals in Tasmania fell by 5% in January and were down by 14% compared to January 2008. Nationally, building approvals were down 4.3% for the month and down 31.7% compared to January last year.



Average Weekly (Total) Earnings for adults working full-time in Tasmania were \$1,088.10 for the quarter ending November 2008. This was 10.4% less than the national average of \$1,214.50 for the same period.

Retail quarterly turnover (chain volume measure) increased by 1.5% in Tasmania in the December 2008 quarter, and by 5% over the year. This compares to a national quarterly increase of 0.3% for the December quarter and an annual increase of 0.7%.

Newstart & Youth Allowees

Benefit recipients (Newstart & Youth Allowances) Tasmania				
	<12 months	> 12 months	Total	% > 12 months
Jan-2008	4,192	7,555	11,747	64.3%
Jan-2009	5,129	6,380	11,509	55.4%
Number difference	937	-1,175	-238	
% difference	22.4%	-15.6%	-2.0%	

UNDEREMPLOYED WORKERS

Introduction

The Australian Bureau of Statistics (ABS) publishes a report each year on underemployed workers. Most of the data presented is national data, however it is possible to extract some State data, and to look at changes over time. For the purposes of this article, trends over the last five years, 2004 to 2008 inclusive, will be looked at. The Bureau defines an underemployed worker as a part-time worker, that is someone who works less than 35 hours a week, who wants and is available for, more hours of work than they currently have. In addition, they include full-time workers who have had their hours reduced for economic reasons. This group has been excluded from the discussion in this article due to its small size (approximately five per cent nationally), and also due to the fact that such reductions in hours are generally short-term.

Part-time workers who would prefer more hours

The following table shows the percentage of part-time workers who would prefer to work more hours. For example, in 2004 29.6 per cent of males who worked part-time, wanted more hours. By 2008, only 23.6 per cent of males who worked part-time wanted more hours.

	Males	Females	Persons
2004	29.6%	20.7%	23.1%
2005	32.5%	20.5%	24.1%
2006	29.0%	18.5%	21.5%
2007	21.9%	15.6%	17.2%
2008	23.6%	17.3%	19.2%

Between September 2004 and September 2008, total part-time employment in Tasmania grew by 11.7 per cent. However, during the same period the percentage of workers who wanted more hours fell from 23.1 per cent to 19.2 per cent. This cannot be explained in terms of different growth rates between full and part-time work, as overall numbers fell, not just percentages of the total. For example in 2004, there were an estimated 15,600 part-time workers who wanted more hours, but by 2008, this had fallen to 13,900. It is an interesting phenomenon that during a period of significant employment growth, the numbers of part-time workers who wanted more hours actually fell, given that there were seemingly more opportunities to work more hours than ever before.

Some of the possible reasons for this could be Tasmania's older age profile, which may mean a greater proportion of people are preferring to work part-time in their later years. It is also possible that when the labour market is buoyant, it provides part-time opportunities for those who are perhaps returning to the work force after an absence. Such opportunities may not be available when employment growth is not as high, causing these people to withdraw from the labour market altogether. It is also the case that 20 years ago in September 1988, part-time employment made up 21.9 per cent of total employment. By September 2008, this proportion had increased to 30.9 per cent. Again there are a number of factors contributing to the increased prevalence of part-time work. These include the desire on the part of employers to have a more flexible work force better able to respond to fluctuating demands, lifestyle factors on the part of employees who choose to

spend more time with their families or indeed other pursuits, and the growth in the size of the female labour market.

In September 1988 for example, females made up 38.9 per cent of the total labour market, but by 2008, this had increased to 44.5 per cent. In addition, female part-time workers in September 2008 made up 48.9 per cent of the total female work force. By contrast, in the same month, only 16.4 per cent of male workers were part-time. These figures strongly suggest that females with family responsibilities are a significant group in those part-time workers who do not want more hours.

Other characteristics of underemployed workers

The following data is only available at the national level, but should be regarded as a reasonable guide to the Tasmanian situation. Historically, Tasmania has a slightly higher level of part-time work than the national average, so the figures may be slightly understated.

Age profile of part-time workers who would prefer more hours

15-19	18.8%
20-24	15.4%
25-34	16.9%
35-44	20.3%
45-54	18.2%
55+	10.3%

It seems clear from the above table that workers over 55 have a low preference for additional hours, while the desire to work additional hours peaks between the ages of 35 and 44.

Education profile of part-time workers who would prefer more hours

Bachelor degree or higher	15.4%
Advanced diploma/diploma	7.8%
Certificate	13.6%
year 12	25.9%
year 11	10.1%
year 10	27.3%

There seems to be a slight correlation between levels of education and the desire to work more hours. Generally, the higher the level of education the lower the preference to work more hours, although the exceptions in the above table are those who have only completed year 11, and those with a bachelor degree or higher.

Preferred number of hours of part-time workers who would prefer more hours

Less than 30 hrs	34.1%
30-34	14.6%
35-39	30.0%
40+	21.4%

Bearing in mind that the ABS defines part-time work as 35 hours or less, it appears from the above table that just over 50 per cent of underemployed part-time workers would prefer to work full-time. The largest group in the above table at 34.1 per cent are those part-time workers who would like to increase their hours to less than 30 hours a week.

Summary

- The percentage of part-time workers who wanted additional hours has ranged between 17.2 per cent and 24.1 per cent of all part-time workers over the last five years. The reverse of this is that between around 75 and 80 per cent of part-time workers do not want to work additional hours.
- The percentage of male part-time workers who want to work more hours is significantly higher than the percentage of female part-time workers.
- The desire of part-time workers to work additional hours seems to decline in the older age groups.
- Of those part-time workers who wanted additional hours, just over half would prefer to work full-time.

ECONOMIC DEVELOPMENTS IN FEBRUARY 2009

- Feb 1st Work on Port Dalrymple High School's \$1.84 million redevelopment at George Town in the State's north began this week. Continental Builders won the tender and the project is expected to be completed by July 2009. (*The Examiner*)
- Feb 3rd The Premier of Tasmania, David Bartlett has announced an additional \$1 million State Government contribution to the construction of an iconic community building on the Burnie waterfront in north-west Tasmania. Mr Bartlett said the Makers Workshop Tourism Centre at West Park would create a new artistic and cultural focal point to mark the city's continuing transformation. The Makers Workshop will be a showcase for the local arts community and of the city's cultural heritage. It will include exhibition and display space and will also be home to Creative Paper Tasmania, the Pioneer Village Museum and the Visitor Information Centre. The facility will include paper-making activities, a commercial art gallery, café, a retail area and an exhibition space. The total cost of the Workshop is now expected to be \$5.35 million, with completion anticipated for September 2009. The Makers Workshop commitment is in addition to other recent State Government funding commitments to the North-West Coast, including \$100,000 to extend the Axeman's Hall of Fame at Latrobe and \$350,000 for an upgraded skate-park and children's all abilities play space at the Mersey Bluff, in conjunction with Devonport City Council. (www.media.tas.gov.au)
- Feb 3rd Tasmanian businesses have committed \$2.5 million to help secure the future of the Tasmanian devil, which is being decimated by a deadly tumour. The money has been donated to the Devils in Danger Foundation to build a new state-of-the-art captive breeding facility at a wildlife park near Launceston in the State's north. The centre will house 25 breeding pairs and the Foundation's Ray Green says the facility will boost the endangered population by 100 devils each year. (www.abc.net.au)
- Feb 6th Tasmania will secure more than \$500 million in Commonwealth funding under the Federal Government's \$42 billion stimulus package to help combat global financial conditions. The Premier said the package would support around 2000 jobs, and - with cash payments included - could pump more than \$1 billion into

the economy. He said almost every Tasmanian school is set to benefit from the additional funding in education infrastructure. Premier David Bartlett said Tasmania would receive:

\$370 million in education infrastructure and capital works

\$138 million to build up to 500 new public houses

\$9.2 million to repair and maintain existing public housing (*The Examiner*)

- Feb 10th George Town's emergency medical services in the State's north will receive a \$350,000 boost after private general practice Anne St Medical Services secured a Federal Government grant last week. It is hoped the cash injection will also help attract much-needed rural doctors. The \$351,784.44 grant was provided by the National Rural and Remote Health Infrastructure Program which aims to improve infrastructure, equipment and medico training in rural and remote communities. (*The Examiner*)
- Feb 11th Work has begun on the first of four pipelines that will spread water from the Meander Dam across 12,000ha of northern Tasmania. The first pipeline takes water from the Meander River near Deloraine to Quamby Brook and then on to Westbury, benefiting 30 farms. Premier David Bartlett said the scheme would result in more jobs in agribusiness. He said the pipeline development would sustain 16 jobs. "It will irrigate 12,000ha and deliver up to 150 jobs in the future," he said. "Productivity in the farm and agribusiness sector stands to rise significantly over coming years." (*The Mercury*)
- Feb 11th Tasmania's 140 timber harvesting contractors, who employ more than 1000 forest workers and log truck drivers, have been notified by major timber company, Gunns Ltd that there will be a scale-back of business. Gunns told contractors that shutdowns are needed because world markets have softened. The Bell Bay woodchip mill north of Launceston will be shut for the last week of February and the Triabunna mill on the State's east coast will be shut down for the first week of March. Also, the Tamar Valley woodchip mill in the State's north will be closed for an extra day in early March and another week in early April. The Triabunna mill will also be closed for an extra four days after the normal four-day Easter break. Forest contractors fear the shutdowns, which together mean five consecutive months of shortened business hours, will lead to layoffs for forest workers. (*The Mercury*)
- Feb 11th Tasmania's information and communication technology sector is contributing well over \$1 billion to the economy each year. The Tasmanian ICT Sector Assessment Report is the first industry update in five years and shows the sector employs 3500 Tasmanians and contributes \$1.4 billion to the economy. (www.abc.net.au)
- Feb 14th Work has started on a \$5.5 million upgrade of the Kingborough Sports Stadium at Kingston south of Hobart. The upgrade includes a new indoor gymnastics centre, a new two-court multi-use stadium, and two outdoor netball courts. The cost is being met jointly by the Kingborough Council, the State Government and the Federal Government. (*The Mercury*)
- Feb 14th The Federal Government's \$42 billion stimulus package was passed by the Senate with the support of independent and Green Senators. (*The Mercury*)
- Feb 17th Doubt has been cast over the future of Australian Papers' Burnie and Wesley Vale mills in the State's north-west. PaperlinX, the parent company of Australian Paper announced it had sold the business to Japanese company Nippon Pa-

per Group, but the two Tasmanian mills were excluded from the sale. PaperlinX has announced a review of its Tasmanian operations. Around 560 people are employed at the two mills. *(The Advocate)*

- Feb 18th Bell Bay aluminium producer Rio Tinto, formerly known as Comalco, has announced it will make 30 workers redundant. The cutbacks are in response to the current economic downturn and the fact that world aluminium prices had fallen by 70 per cent. In Hobart, Nyrstar general manager Francis Terwhinge confirmed 250 contractors usually employed regularly at the Hobart zinc smelter had been told in the past two months there was no more work. While none of the Lutana smelter's 510 employees has yet been laid off, Mr Terwhinge remains worried he may be ordered to cut production by up to 30 per cent in line with global trends. Nearby boat builder Incat reduced its casual workforce by 100 last November and has no new orders for its high-speed ferries. The Public Service is also bracing for tough times. The State Government Budget is already \$91 million in the red, with a further \$200 million black hole in government income predicted for 2009-10. Tasmanian government treasurer, Michael Aird said tough cuts in the next financial year were forcing all departments to look hard at staff numbers. *(The Mercury)*
- Feb 21st Launceston car parts manufacturer ACL Bearings has reduced working hours for its employees to 32 hours per week. The Chairman of the company announced that 267 of the 274 employees would take unpaid leave for one day a week until June 26th. The seven employees who did not elect to take unpaid leave will be stood down without pay. The action is in response to a 30 per cent drop in sales since last year. *(The Mercury)*
- Feb 21st The University of Tasmania has announced that it will waive HECs fees for workers made redundant as a result of the global financial crisis, giving workers who lose their jobs the chance to start a degree. *(The Examiner)*
- Feb 22nd A \$1 million upgrade of the Brooker Highway in Hobart will start at the end of February, creating 40 positions for disadvantaged jobseekers. *(The Sunday Tasmanian)*
- Feb 23rd Devonport engineering company Delta Hydraulics has announced it will reduce its workforce by 23 following a downturn of orders by 30 per cent, in recent months. *(The Advocate)*
- Feb 24th North-west coast mining equipment and heavy machinery manufacturer Caterpillar has held meetings with its employees, and sources have revealed that management have made it clear there will be redundancies but there is no decision about how many at this stage. The company has also laid off 50 contractors employed by Skilled Engineering. *(The Advocate)*
- Feb 24th Northern Tasmanian aluminium producer, Rio Tinto Alcan has axed a research program, resulting in the loss of a further 18 jobs, following the 30 redundancies announced last week. *(The Mercury)*
- Feb 26th Asciano, the company that owns Tasmania's only rail operator Pacific National, announced that they will take the company off the market after failing to find a suitable buyer. The State Government has set up a task force to look at options for the rail operation. State Government purchase of the railway is being considered but has been described by State

Infrastructure Minister Graeme Sturges as their "...least preferred option". (*The Mercury*)

- Feb 27th Meat Processor Swift Australia has told the Australian Lamb Company it will no longer slaughter its lambs at its Longford plant in northern Tasmania. Up to 2000 lambs a week will now have to be slaughtered elsewhere, and transporting them to Melbourne is being considered. (*Tasmanian Country*)
- Feb 28th Timber company Gunns Ltd announced yesterday it would cut 50 administrative jobs from its Auspine operation, which it claimed would save \$7.5m by June 30th. The job cuts are as a result of rationalising administration jobs in Gunns and Auspine. In a briefing to the Australian Securities Exchange, Gunns said it would also reduce operating sites on mainland Australia and rationalise production facilities. Gunns said it would have a "seamless administration network" for all timber products – saving 50 full-time equivalent positions. Gunns and Auspine would have corporate and administrative functions integrated with duplicate offices closed and surplus assets sold. (*The Mercury*)
- Feb 28th Tasmanian Premier David Bartlett has reassured Tasmania's 28,000 State public servants that they will not be sacked in response to the global financial crisis. However, he called upon public servants to exercise wage restraint, and to look for other ways to make savings. (*The Mercury*)
- Feb 28th Woolworths has announced that it would create up to 350 jobs in Tasmania over the next four months, as it looks to open an additional 120 new stores nationwide. (*The Examiner*)
- Feb 28th The State Government is calling for tenders for a skills program designed to boost business productivity and individual skills in Tasmania. than \$6 million had been committed this year to target skill shortages in Tasmania, including the Productivity Places Program Skills Tasmania will target training in industries with skill shortages. Industries in greatest need include automotive, agriculture. building and construction, community and health services, manufacturing. mining, business and finance, information technology and food processing. Tenders close at 2pm on March 20. (*The Mercury*)