



- **Employment fell to 237,300**
- **Unemployment rate increased to 4.5%**
- **Participation rate fell to 61.7%**

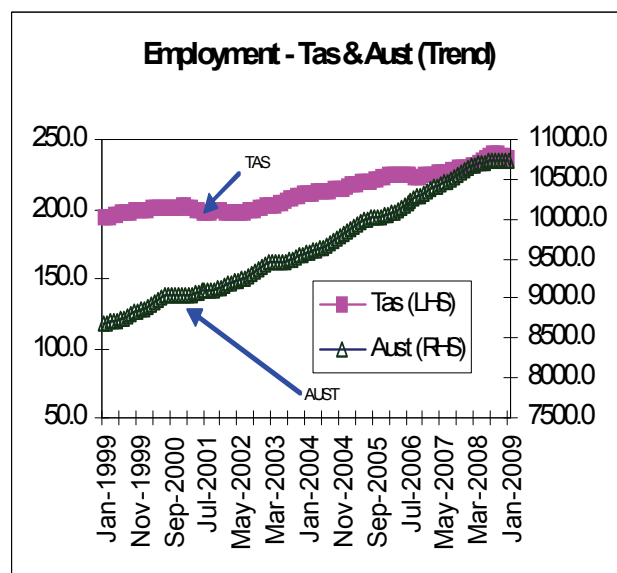
Note: All Labour Force estimates are from the Australian Bureau of Statistics' *Labour Force Survey* and are *Trend estimates* unless otherwise stated.

Employment

Total employment fell for the fourth successive month in Tasmania in January, but was still 3.0% higher than it was in January last year. Full-time employment increased by 2.4% over the year, while part-time employment was up by 4.4%. Total male employment increased by 2.9% compared to January last year. This increase was made up of a 2.0% increase in full-time work and an 8.1% increase in part-time work. Total female employment grew by 3.2% over the year, which includes an increase in full-time employment of 3.4% and an increase in part-time employment of 2.9%.

Unemployment

The number of unemployed people in Tasmania has also started to increase, and has grown, albeit slowly at present, over the last four months. At 11,100 the estimated number of unemployed in January was still 7.5% lower than in the same month last year. Male unemployment fell by 1.9% over the year, while female unemployment was 10.6% below the figure recorded in January last year. The unemployment rate in Tasmania was estimated at 4.5% this month, a slight increase on the December



figure, but still below the 5.0% recorded in January last year. In other States and Territories the unemployment rate was 5.3% in NSW, 4.6% in Vic, 4.1% in Qld, 5.6% in SA, 3.0% in WA, 4.2% in the NT and 2.6% in the ACT. The National unemployment rate is currently 4.6%.

Labour Force & Participation Rates

The number of people in the labour force has also fallen over the last four months, but at 248,400, was still 2.5% higher, or just over 6,000 people more than the number recorded a year ago. The male labour force increased by around 3,500 over the year, compared to an increase of approximately 2,600 females. The participation rate in January in Tasmania was 61.7%, an increase on the 60.9% recorded in January last year. The national participation rate is currently 65.0%.

Labour Force Estimates - Tasmania (Trend data)

	Jan-2008	Dec-2008	Jan-2009
	000's	000's	000's
Employment			
Male	126.3	130.9	130.0
Female	104.0	107.2	107.3
Full-time	159.3	164.0	163.2
Part-time	71.0	74.0	74.1
Persons	230.3	238.1	237.3
Unemployment			
Male	5.4	5.1	5.3
Female	6.6	5.8	5.9
Persons	12.0	10.8	11.1
Labour Force			
Male	131.7	135.9	135.2
Female	110.6	113.0	113.2
Persons	242.3	248.9	248.4
Unemployment Rate %			
Male	4.1	3.7	3.9
Female	6.0	5.1	5.2
Persons	5.0	4.4	4.5
Full-time Teenage*	23.9	28.0	21.5
Participation Rate %			
Male	67.7	69.1	68.7
Female	54.4	55.0	55.0
Persons	60.9	61.9	61.7
*unadjusted data			

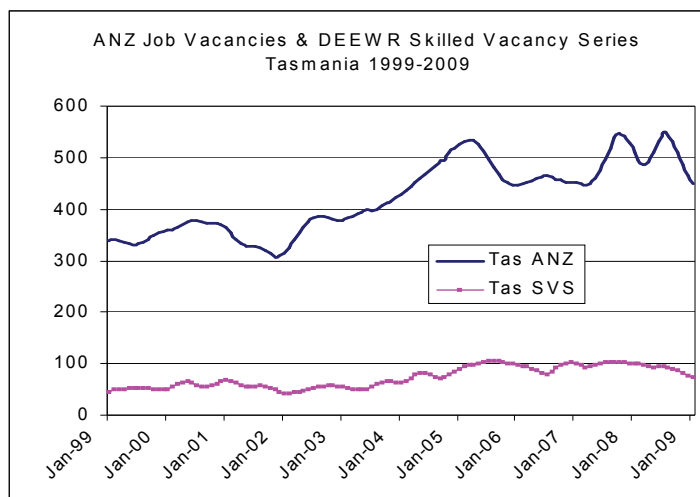
Job Vacancies

The ANZ Bank Job Advertisement series

(trend) for Tasmania fell by 3.6% in the month of January. The series was 12.0% below that recorded in January 2008. Nationally, the series fell by 6.0% over the month, and by 45.7% over the year.

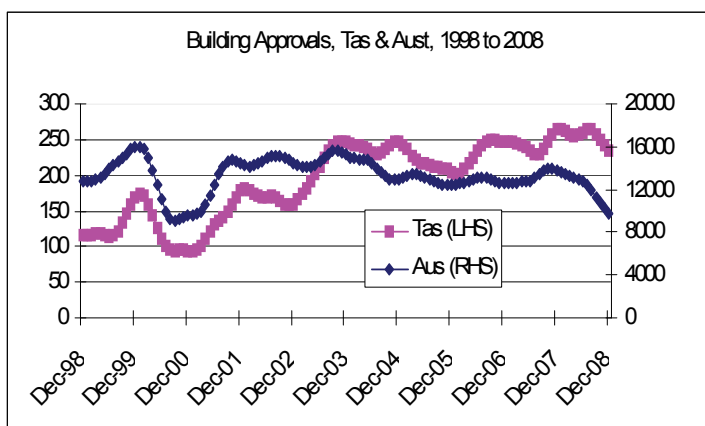
DEEWR's Skilled Vacancy Survey Index

(trend) for Tasmania decreased by 4.6% over the month of January and by 26.7% over the year. Nationally, the series decreased by 7.7% over the month and by 43.4% over the year.



Other Indicators

Building approvals in Tasmania fell by 2.9% in the month of December and were down by 11.4% compared to December 2007. Nationally, building approvals were down 4.9% for the month and down 30.1% compared to the previous year.



The Consumer Price Index for Hobart in December decreased by 0.2% over the quarter, but was up by 3.3% over the year. Nationally the index fell by 0.3% over the quarter but had increased by 3.7% over the year.

Newstart & Youth Allowees

Benefit recipients (Newstart & Youth Allowances) Tasmania

	<12 months	> 12 months	Total	% > 12 months
Dec-2007	3,996	7,427	11,423	65.0%
Dec-2008	4,681	6,180	10,861	56.9%
Number difference	685	-1,247	-562	
% difference	17.1%	-16.8%	-4.9%	

THE TASMANIAN LABOUR MARKET – A REVIEW OF THE LAST FIVE YEARS

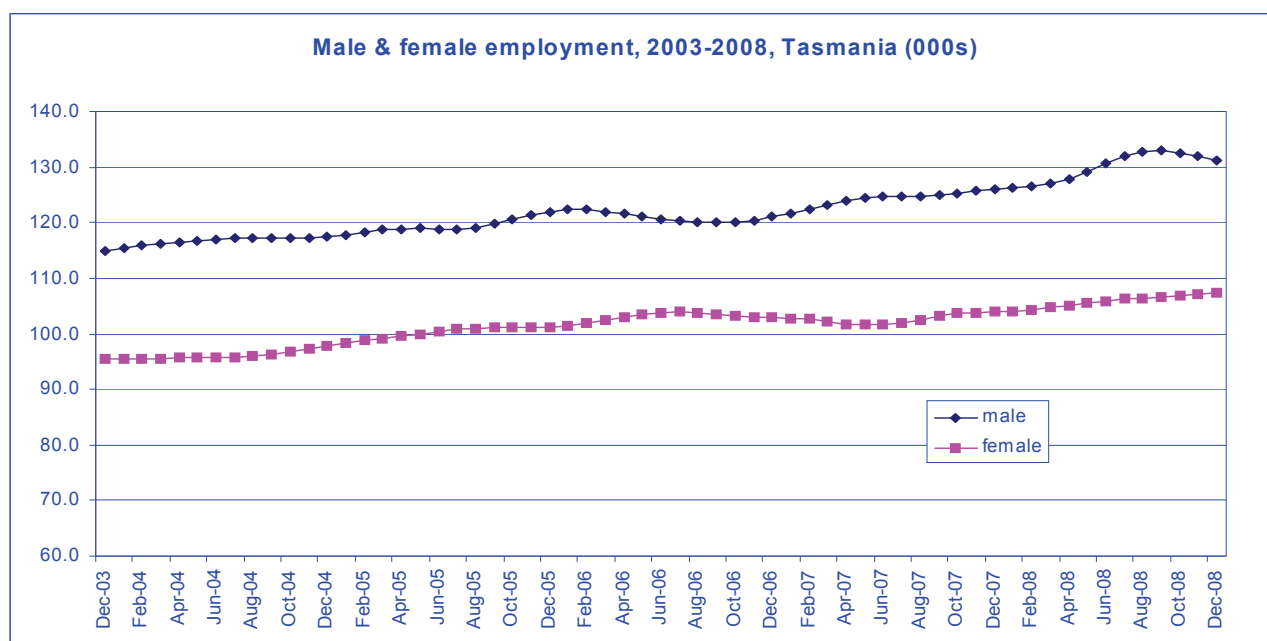
Introduction

The labour market throughout the 1990s in Tasmania was characterised by slow employment growth, persistently high unemployment rates, and low participation rates. From late 2001 onwards, the State experienced rates of employment growth that were unprecedented in recent times, resulting in historically low unemployment rates and rising participation rates. As the global financial crisis is widely expected to impact on the health of economies in Australia at both national and State level over 2009 to 2010, it is perhaps timely to review changes in the Tasmanian labour market over the last five years. The period December 2003 to December 2008 will be examined, and trend data from the ABS monthly labour force survey will be used.

Employment

Between December 2003 and December 2008, employment increased by a total of 28,000, or 13.3 per cent, in Tasmania. During this same period employment for the whole of Australia increased by 12.6 per cent. Also during this period employment in Tasmania peaked at 239,600 in September 2008, the highest level since the current series commenced in 1978. The increases in employment were fairly even across full-time and part-time jobs, with full-time employment increasing by 12.7 per cent, and part-time increasing by 14.7 per cent. The following graph shows increases in male and female employment over the last five years.

Male employment increased by 16,100, or 14.0 per cent, while female employment grew by 11,900 or 12.4 per cent. Male employment reached a record peak of 132,900 in September 2008, while female employment reached its peak in December 2008 at 107,300. It



should be noted however, that trend data less than six months old is subject to revision each month, so both these figures may change over the next few months.

Unemployment

Total unemployment fell by around 4,400 or 29.0 per cent over the last five years, largely

as a consequence of the rapid employment growth described above. However there have been significant differences in the experiences of the male labour force, compared to the female labour force over this time. Male unemployment fell by 4,200 or 45.0 per cent over the last five years, compared to much more modest falls in female unemployment of around 200 or 0.2 per cent. One of the major reasons for this is likely to be related to the industries that have experienced most growth over the last few years. For example, mining and construction have both experienced significant growth in recent times, and both these industries have traditionally been male dominated. By comparison, the retail trade industry where around 60 per cent of the workforce is female, has only grown by 0.6 per cent between November 2003 and November 2008.

Unemployment rates have dropped from 6.7 per cent in December 2003, to 4.3 per cent in December 2008 in Tasmania. Over the same period the national unemployment rate fell from 5.7 per cent to 4.4 per cent, a fall of 1.3 percentage points, compared to the fall in Tasmania of 3.4 percentage points. Again, the differences in the unemployment rates for males and females in Tasmania are significantly different. Male unemployment rates fell by 3.7 percentage points, from 7.4 per cent to 3.7 per cent, while female unemployment rates fell by 0.7 percentage points, from 5.8 per cent to 5.1 per cent.

Labour Force and participation rates

The Tasmanian labour force increased to its highest level since the current statistical series began in September last year, when it reached 249,700. Over the last five years, the labour force in Tasmania has grown by 10.5 per cent in total, compared to growth in the labour force nationally of 11.1 per cent. The male labour force in Tasmania grew by 9.6 per cent over that same period, while the female labour force grew by 11.5 per cent. While the male labour force has shown some signs of decline in the last few months of 2008, the female labour force reached a record high in December 2008. However, as discussed above, trend data is subject to revision as each month's new figures are released, so it is possible that these figures will change.

Tasmania has had lower participation rates compared to the national figure for many years, and despite the increases in employment and decreases in unemployment, participation rates have not improved to the same extent. In December 2003 the participation rate in Tasmania was 58.9 per cent, and by December 2008 it had improved to 61.9 per cent, an improvement of two percentage points. Over the same period the national participation rate increased from 63.3 per cent to 65.0 per cent.

Summary

- Employment in Tasmania reached record levels in the last five years, and achieved overall growth of 13.3 per cent, compared to national growth of 12.6 per cent.
- Unemployment in Tasmania fell by 29.0 per cent over the last five years, compared to a fall in unemployment nationally of 12.9 per cent.
- Participation rates in Tasmania increased from 58.9 per cent to 61.9 per cent over the last five years, while nationally the participation rate rose from 63.3 per cent to 65.0 per cent over the same period.

ECONOMIC DEVELOPMENTS IN JANUARY 2009

- Jan 1st The Nyrstar zinc smelter in Hobart's northern suburbs is seeking to reduce costs by about \$12m this year due to a 60 per cent fall in the price of zinc. (*The Mercury*)
- Jan 3rd A study commissioned by the State Government shows that the Tasmanian Government's sponsorship of the Hawthorn Football Club provided a net economic benefit of \$15m in 2008. (*The Mercury*)
- Jan 6th Environment Minister Peter Garrett has approved nine environmental permits for the proposed Gunns' pulp mill, but refused three permits relating to effluent in the Bass Strait. The company has been given 26 months to satisfy the requirements of the remaining three permits. Gunns' public relations spokesman claims this means the construction of the mill could start immediately. (*The Mercury*)
- Jan 8th The Federal Government has approved changes to the route of the pipeline leading to the proposed pulp mill in the Tamar valley in the north of the State. The new route has not been made available to the public, but Environment Minister Peter Garrett stated that the changes were necessary as a result of changes to a new bypass on the East Tamar Highway. (*The Mercury*)
- Jan 13th Vacancy rates in rental properties in southern Tasmania are at just 1 per cent. Secondary and university students from interstate and overseas were fuelling demand, said John Soundy, branch president of the Real Estate Institute of Tasmania. Mr Soundy went on to say that "With the Tasmanian property market continuing to hold firm and bucking the downwards trends interstate, this demand creates a perfect opportunity for investors to purchase property and realise good returns." (*The Mercury*)
- Jan 13th Tasmania's mining industry has been hit hard by the global economic crisis. The price of some metals, such as nickel, has fallen dramatically over the past six months. However analysts say while there will be more consolidation and suspended projects in the resource sector this year a looming supply issue could help metal prices recover by 2010 and shelved projects and mines like the Avebury nickel project near Zeehan in the State's west could fire up again. ANZ's resources analyst says if producers can hold out through the next six to nine months, 2010 will revive encouraging mining conditions. (*The Mercury*)
- Jan 26th Premier and Minister for Education and Skills, David Bartlett, said today that 80 Southern Tasmanian Government schools received a total of \$1.214 million under the Department of Education's 2008-09 minor works and essential maintenance program. Under the same program 45 Northern Tasmanian Government schools received a total of \$683,540 and 29 North-West Government schools will benefit from improvements worth more than \$578,000. The program allows schools to apply for grants up to \$50,000. Schools also contribute towards the cost of their projects. The funding now also provides for projects which support the State Government's Greenhouse Action Plan. Some of the major project works include: administration office upgrade at Richmond Primary School (\$50,000); grounds improvements and tile maintenance at Waimea Heights Pri-

mary (\$45,500); window maintenance at Goulburn Street Primary School (\$46,620); Building alterations to install sound-proofing at Deloraine High School (\$42,000); maintenance work at Queechey High School (\$50,000); building alterations including wheelchair access, grounds improvements to the driveway and parking areas at King Island District High School (\$45,620); roof maintenance at Forest Primary School (\$50,000); and building alterations to office space at Ulverstone High School (\$50,000) (*www.media.tas.gov.au & the Examiner*)

Jan 26th Premier David Bartlett today announced a \$100,000 State Government funding boost for the Axeman's Hall of Fame at Latrobe in the State's north-west. Mr Bartlett said the funds would assist the continuing development of the hall into an important local multi-purpose facility for the Latrobe community that celebrated the region's wood-chopping heritage. (*www.media.tas.gov.au*)