



- **Employment fell to 234,300**
- **Unemployment rate fell to 4.8%**
- **Participation rate fell to 60.7%**

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

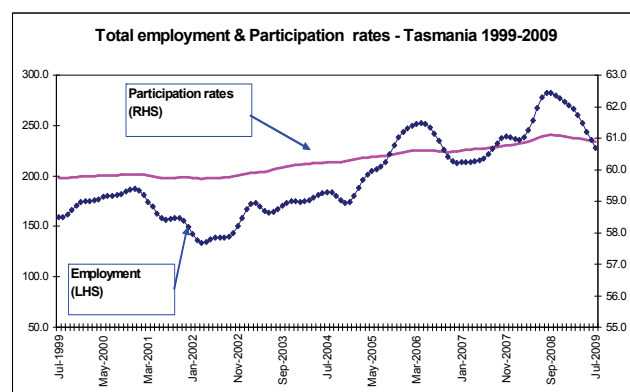
Employment

The total number of employed people in Tasmania fell for the 10th consecutive month in July, and was 2.2% lower than it was in July last year. Full-time employment fell by 5.1% over the year, while part-time employment actually increased by 4.5%. Total male employment fell by 6.3% over the year and consisted of a 7.5% fall in full-time employment and a 0.1% fall in part-time employment. Total female employment, by contrast, grew by 3.0% over the same period. Female full-time employment fell over the year by 0.3%, but this was off-set by a 6.4% rise in part-time employment. Female part-time employment has increased now for 10 consecutive months.

Unemployment

Total unemployment in Tasmania in July was 11,800, which was approximately 1,500 or 14.9% higher than in July last year. Unemployment has actually fallen marginally for the last three months but this appears to be as a result of people leaving the labour force, rather than as a result of them obtaining work. All of the growth in unemployment over the year has occurred among males, while unemployment among females

declined marginally over the year. As female participation rates are higher in July this year than last, the decline in female unemployment appears to be as a result of job growth. The unemployment rate for Tasmania was 4.8% in July compared to a rate of 4.1% last July. Nationally the unemployment rate in July was 5.9%, while in other States it was 6.3% in NSW, 6.0% in Vic, 5.6% in Qld, 5.5% in SA, 5.5% in WA, 4.2% in the NT, and 3.8% in the ACT.



Labour Force & Participation Rates

The number of people in the Tasmanian labour force is currently estimated at 246,100, 1.5% lower than in July last year. All of the falls have been among males, but these were partially off-set by increases in the female labour force. The participation rate for Tasmania in July was estimated to be 60.7%, down from the 62.3% recorded in July last year. It is largely as a result of fewer people participating in the labour force that Tasmania's unemployment rate has fallen. As people lose their jobs they appear to be choosing to leave the labour force altogether rather than join the ranks of the unemployed.

Labour Force Estimates - Tasmania (Trend data)

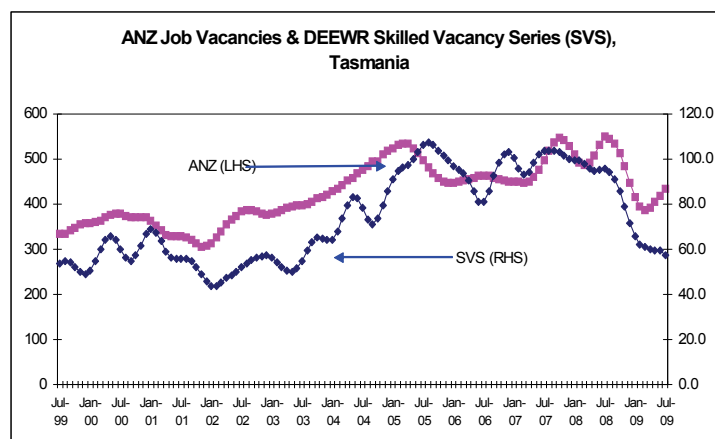
	Jul-2008	Jun-2009	Jul-2009
	000's	000's	000's
Employment			
Male	132.6	125.0	124.2
Female	107.0	109.8	110.2
Full-time	165.8	157.6	157.2
Part-time	73.8	77.2	77.1
Persons	239.6	234.8	234.3
Unemployment			
Male	4.4	6.5	6.2
Female	5.8	5.7	5.5
Persons	10.2	12.1	11.8
Labour Force			
Male	137.0	131.4	130.4
Female	112.8	115.5	115.7
Persons	249.8	246.9	246.1
Unemployment Rate %			
Male	3.2	4.9	4.8
Female	5.2	4.9	4.8
Persons	4.1	4.9	4.8
Full-time Teenage*	20.4	20.7	12.4
Participation Rate %			
Male	70.0	66.5	65.9
Female	54.9	55.7	55.7
Persons	62.3	60.9	60.7
*unadjusted data			

Job Vacancies

The ANZ Bank Job Advertisement series

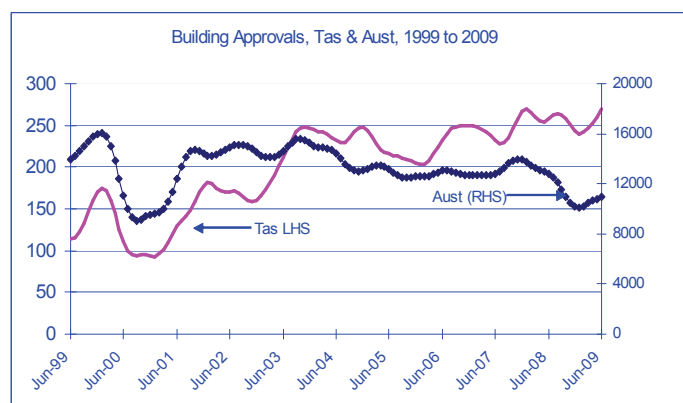
(trend) Increased in July in Tasmania, for the fourth consecutive month, although the figure is still 21.1 % below what it was in July last year. Nationally, the series fell by 1.2 % over the month, and by 51.4 % over the year.

DEEWR's Skilled Vacancy Survey Index (trend) for has fallen for 12 consecutive months, and is now 39.8 per cent lower than in July last year. Nationally, the series declined by 1.7% over the month and by 60.0% over the year.



Other Indicators

Building approvals in Tasmania increased for the fifth consecutive month in June. They grew by 3.5% over the month and by 4.3% over the year. Nationally, building approvals increased by 1.3% over the month of June, but fell by 14.2% over the year.



The Consumer Price Index for Hobart increased by 0.5% in Tasmania in the June 2009 quarter, and by 1.7% over the year, the smallest annual increase since June 1999. This compares to a national quarterly increase of 0.5% for the June 2009 quarter and an annual increase of 1.5%.

Newstart Recipients & Youth Allowees

Benefit recipients (Newstart & Youth Allowances) Tasmania				
	<12 months	>12 months	Total	% > 12 months
Jun-2008	3,849	6,195	10,044	61.7%
Jun-2009	5,823	5,922	11,745	50.4%
Number difference	1,974	-273	1,701	
% difference	51.3%	-4.4%	16.9%	

SOME COMMONLY USED ECONOMIC INDICATORS

Introduction

The following article will look at some of the more commonly used economic indicators published by the Australian Bureau of Statistics (ABS), and used regularly in Trends. They are also of course, used by economic commentators and policy makers in a wide range of contexts. The explanation of each one is designed simply as a non-technical overview, and if more detail is required it is available from the ABS web site.

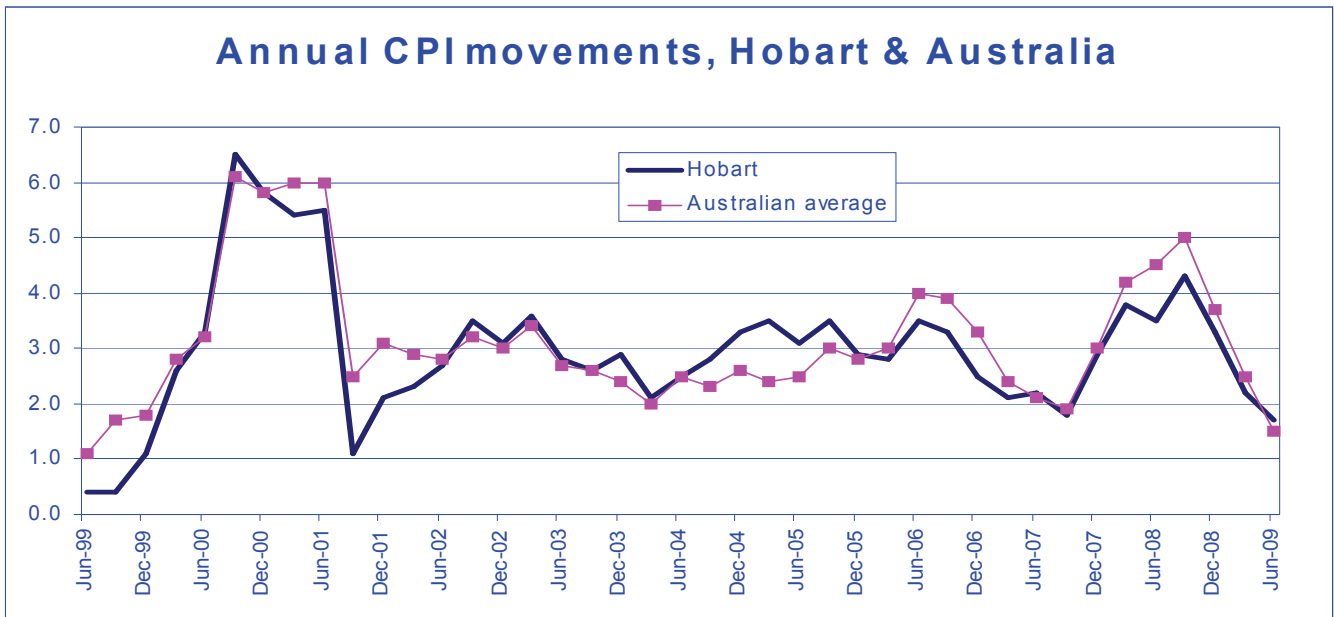
The Consumer Price Index (CPI)

The CPI is designed to measure price changes in goods and services bought by Australians who live in state and territory capitals. It is usually what is referred to when people use terms like the “cost of living,” or the “rate of inflation.” It serves a range of purposes, but some of the main ones are related to the government of the day’s approach to monetary policy, and also to determine increases to some government benefits and pensions, through indexation. For example, prior to the impact of the global financial crisis, and before the introduction of the Rudd Government’s first Budget in May 2008, there was widespread speculation that cuts in government spending and increases in interest rates would be necessary to fight rising inflation. In the event, the impact of the global financial crisis actually had the reverse effect in both cases, but it was the movement in the CPI that provoked the Government’s initial policy responses.

The CPI consists of changes to the price of a notional “basket” of goods and services. The “basket” contains 11 groups of goods and services. They are food, alcohol and tobacco, clothing and footwear, housing, household contents and services, health, transportation, communication, recreation, education, and financial and insurance services. The CPI measures the percentage increase of the price of this “basket” over time, not the actual price increase. Prices are collected more frequently during any quarter for some items compared to others. For example, the price of goods such as milk, bread, or fresh fruit and vegetables can be quite volatile in that they change quite frequently over a quarter. They are collected on a monthly basis and averaged over the quarter. Other items such as education fees for example, tend to be set on an annual basis, and therefore do not need to be collected monthly.

Resource constraints dictate that the ABS is not able to survey all Australian households, which is why it is restricted to a sample population in the state and territory capitals. Other ABS research shows that while price levels may vary from city to country areas, the price movements tend to be broadly similar.

The following graph shows the annual CPI movements for Hobart and for Australia over the last 10 years. Possibly the most notable aspect of the graph is how closely price movements in Hobart reflect the national average. Again though, it is important to note that this does not mean that prices in Hobart are similar to the national average. It means that increases or decreases in prices in Hobart are broadly similar to movements in the national average.



Building Approvals

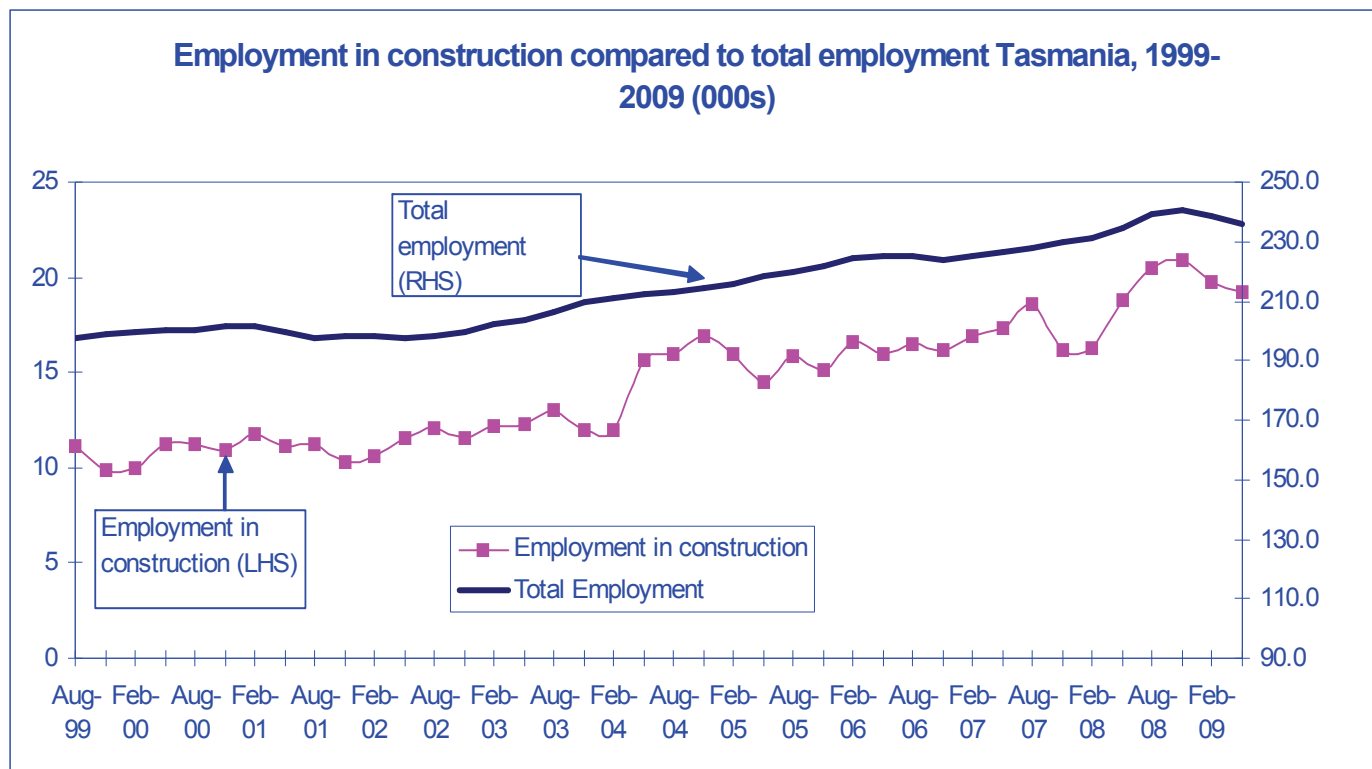
The ABS release details of building approvals on a monthly basis. Many ABS surveys are conducted through interviewing a random sample of people or organisations on specific issues. However, the ABS also collects information through what they refer to as administrative data. This is the collection of information from other local state or federal government agencies. For example, all births in Australia are required by law to be registered with the relevant state or territory authority, and this forms the basis for the numbers of births published by the ABS.

Similarly, the building of new houses and alterations or additions to existing ones over a certain value, are generally required by law to have local government approval. In some cases, building work will require state, territory or federal government approval, and this information is also collected by those authorities. In some parts of Australia, some major building approvals are not subject to normal administrative approval, such as building on remote mining sites, for example in the Northern Territory or Western Australia. The ABS also uses a range of sources to obtain that data, including media reports, industry journals, and direct contact with the companies concerned. By collecting the data on building approvals from all the relevant local, state and federal authorities, as well as the other sources for remote approvals, the ABS is able to build a picture of how much building activity is being undertaken around Australia.

The Building Approval survey covers construction of new buildings valued at over \$10,000 for residential purposes, and over \$50,000 for non-residential purposes. It also includes alterations and additions to a residential building of over \$10,000. It is not only the number of building approvals that is collected by the ABS but also the value of the building work. This data is also collected by the ABS from the local councils, or other building approval authorities.

The ABS collects and publishes statistics on building approvals for a variety of purposes. The data is very useful for the construction industry around Australia for future planning purposes. But activity in the building industry also influences activities in other industries. The manufacturing industry for example may need to increase production of supplies to the building industry. Given that most houses have timber frames, for example, activity in the building industry will often influ-

ence demand for timber products. Even those products required by the building industry that are not produced locally can increase activity in the transport industry as a result of imported materials coming into the State. The construction industry is also a significant employer of Tasmanians and therefore a significant generator of wealth for communities within the State. Employment in the construction industry can fluctuate considerably, but at the 2006 Census it was the sixth highest employing industry in the State. However, by November 2008, it had become the third highest employing industry in Tasmania. The following graph compares employment in the construction industry to total employment over the last 10 years.



Total employment in Tasmania grew by 19.5 per cent over the last 10 years, while employment in the construction industry increased by 73.0 per cent over the same period.

ECONOMIC DEVELOPMENTS IN JULY 2009

- July 1st The Federal Government will spend \$43 million upgrading science and language facilities in 30 Tasmanian schools. The first stage of the Science and Language Centres for the 21st Century secondary-schools funding was announced yesterday. A total of 537 science laboratories and language learning centres around the nation will be built or refurbished under the program to boost employment as the global financial crisis bites. The latest funding is part of \$369 million being spent in Tasmania over three years. (*The Mercury*)
- July 1st The MyState Financial Tasmanian Economic Index shows that confidence amongst Tasmanians regarding economic conditions increased slightly for the June quarter, to be at its highest level since the Index commenced in May 2008. The financial impact of lower interest rates and positive sentiment relating to it being a good time to make significant purchases were the main contributors to the increase in the Index. According to Tasmanian Deputy Premier, Lara Giddings, data released by the ABS shows that in the four quarters to March 2009, \$988.5 million worth of engineering work was done in Tasma-

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nia, 13.2 per cent above the level of the previous year. Additionally the number of dwelling approvals (trend data) increased by 2.0 per cent while the retail trade eased by 0.1 per cent in May 2009. (www.media.tas.gov.au)

- July 3rd The Tasmanian State Government is calling for tenders for specialist architectural services for the design of the new Child and Family Centres across Tasmania. Tasmanian Premier and Minister for Education and Skills, David Bartlett, said today that the first allocation of \$27.4 million in 2009-10 would support the establishment of eight Child and Family Centres at East Devonport, Beaconsfield, Queenstown, George Town, Ravenswood, Clarendon Vale, Chigwell and Risdon Cove. "Work will start on all eight centres by the end of this year," Mr Bartlett said. Tasmania has also received \$8 million through the Council of Australian Governments (COAG) partnership for Indigenous Early Childhood Development to establish an integrated Child and Family Centre at Bridgewater with an annexe at Geeveston. (www.media.tas.gov.au)
- July 4th The latest Tasmanian Chamber of Commerce and Industry (TCCI) survey shows that Tasmanian businesses have a renewed optimism in the economy but the cost of doing business in the state needs to be addressed. Confidence in the economy increased from 29.5 to 33.6 index points while the state's business confidence in the national economy over the next 12 months increased from 28.1 to 35 index points. The survey showed that for the first time in five years the availability of skilled labour was no longer the biggest constraint on business growth – with non-wage labour costs such as superannuation, workers compensation and payroll tax the biggest impediments. (*The Examiner*)
- July 6th The Tasmanian Aboriginal Land Council is undertaking an economic feasibility study for an indigenous tourism venture in North-East Tasmania. The venture will offer accommodation, food and other cultural experiences to the wider community. Aboriginal Land Council chairman Clyde Mansell says the council has a 40-year lease over Eddystone Point, the Aboriginal name for which is Larapuna. Three historic cottages on the site have already been extensively renovated and were ready to be hired out to holiday-makers. Mr Mansell said that Aboriginal-managed tourism would help educate the community about the culturally rich area. (*The Mercury*)
- July 7th The Henty Gold Mine near Rosebery in the State's west has been sold to Australian company Bendigo Mining Ltd. The new owner plans to ramp up exploration with a view to extending mine life. Bendigo CEO Rod Hanson says the company's directors believe there is considerable scope to continue mining and extend operations into the future. Bendigo said it planned to keep the 92-strong workforce. (*The Advocate*)
- July 7th The State and Federal Governments look to be close to signing off on the start of the \$43 billion national broadband network in Tasmania. Tasmanian Premier, David Bartlett anticipates the four-year Tasmanian roll-out will create hundreds of jobs in everything from trench digging to cable splicing to the very high end technical side. (*The Advocate*)
- July 7th The Federal Government has agreed to redistribute more than \$70 million of its rail rescue package to help smooth a State takeover of the Tasmanian rail network. The rest of the \$195 million will not be used to fund the \$32 million purchase of rail assets from current owner Asciano. Federal Infrastructure Minister Anthony Albanese said the funds would help restore the viability of rail in Tasmania. The funding shift will raise the amounts dedicated to several projects including \$31.6 million for the main north-south line, \$24 million for improvements at Rhyndaston and \$61.13 million for general maintenance. All of these projects will begin this year. More than \$15 million also will be spent on the profitable Melba Flats-Burnie mining route. Those projects come at the expense of the proposed reopening of the Wiltshire line in the North-West and the Boyer-

Maydena route in the South, which have been deferred for a total saving of \$60 million. Plans to spend \$11.7 million on the Hellyer Mine and Zeehan rail spurs also have been abandoned, at least for now. The State Government is yet to announce how it will fund the rail takeover. (*The Mercury*)

- July 9th Tasmanian dairy farmers say they are likely to be forced out of the industry by low milk prices. A conference in Burnie in north west Tasmania has heard the industry is facing a crisis after milk processors announced dramatic price cuts. Only a year ago dairy farmers were enjoying record high prices for milk. But the state's largest milk buyer, Fonterra, said last week its opening milk price would be 40 per cent lower than last financial year. Agricultural consultant Basil Doonan told the meeting that farmers have gone into protection mode and some will not survive the downturn. Many have been left exposed after making large capital investments during the good times. However, the conference also heard Tasmania is holding up better than other states because of lower feed costs and good recent rainfall. (www.foodweek.com.au)
- July 14th EcoEnergy Solutions, a renewable energy business based in Hobart, has signed an exclusive agency agreement with German manufacturing company Nordwind with contracts worth more than \$212 million. EcoEnergy Solution's managing director Garry Yost says that a \$23 million plant would be built so that the company could manufacture Norwind's complete range of wind turbines and blades for major projects in Australia, New Zealand, South-East Asia and the Pacific Ocean. Mr Yost said that Bell Bay in the state's north is likely to be the location for the development because the port had access to a weekly shipping service into Singapore. Mr Yost also said that initially the business would employ 42 new workers, including electrical, software and hydraulic technicians and that employment would expand to about 400 by 2011 when the manufacturing plant comes on line. (*The Examiner*)
- July 15th A \$150 million liquid natural gas (LNG) plant will be built at Westbury in the state's north in August after it was approved by the Meander Valley Council yesterday. Industrial gas company BOC's general manager Alex Dronoff said the Westbury LNG plant and delivery infrastructure would be the first pipeline-to-truck supply in Australia and would enable trucks to cut reliance on diesel and reduce greenhouse emissions. The micro LNG plant would supply 120 trucks owned by seven transport operators who comprise the LNG Refuellers consortium. BOC will construct the entire supply chain infrastructure including LNG road tankers and six refuelling stations around the state. (*The Mercury*)
- July 15th Job numbers increased slightly in the Tasmanian accommodation sector, bucking the national trend, Australia's Tourism and Transport Forum (TTF) says. Its survey showed while 5602 jobs were lost in accommodation nationwide in the six months to the end of March, 13 new jobs were created in Tasmania. TTF managing director Christopher Brown said Tasmania was performing "remarkably well" but he was concerned budget cuts would impact. (*The Mercury*)
- July 15th Launceston's Waverley Woollen Mills in the state's north has introduced a new Tasmanian merino wool collection featuring silk alpaca, cotton and mohair fibres. The new blanket and throw collection, named Elphin, was released last week in Victoria. The new line aims to assist turn Waverley's fortunes around, following the company's uncertain future last year when it lost a contract with its major supplier, Qantas, costing 14 jobs. The company, which now employs about 50 people, entered into a strategic alliance with Melbourne's Merino Company soon after in a bid to improve its business outlook. Earlier this year it launched nationwide a new baby blanket range. (*The Examiner*)
- July 16th Tassal is spending \$10million to upgrade its processing plant at Huonville, south of Tasmania. The salmon producing company is adding a new smoke house, chillers and a

slicing area to increase smoked salmon production from 1600 to 2300t per annum. Tassal is also improving the facility's environmental credentials by reducing smoke emissions and adding a waste water plant to control the release of salt water. The construction phase will provide 30 jobs, while the upgraded plant will employ 35 workers. The company expects its upgrade to be finished by the end of 2009.

www.factorymaintenance.com.au

- July 19th Australia's black truffle harvest is in full swing with growers tipping a bumper crop of the fungus this winter. Peter Cooper from Perigord Truffles located in the Derwent Valley north-west of Hobart is predicting a best-ever national harvest for 2009 of about 1.5 tonnes. Mr Cooper said prices for Australian truffles have so far withstood an impact on demand caused by the global financial crisis. www.theepochtimes.com
- July 24th Australia's oldest foundry, Retlas in Hobart has closed after more than 100 years of operation. The company was bought by Vos Constructions 19 months ago, but high equipment costs and leasing issues have made the business unviable. *(The Mercury)*