

Braddon lags behind

Economic boons have gone mostly to other parts of Tasmania

Discussion paper

Bill Browne

Leanne Minshull

February 2018

ABOUT THE AUSTRALIA INSTITUTE

The Australia Institute is an independent public policy think tank based in Canberra. It is funded by donations from philanthropic trusts and individuals and commissioned research. We barrack for ideas, not political parties or candidates. Since its launch in 1994, the Institute has carried out highly influential research on a broad range of economic, social and environmental issues.

OUR PHILOSOPHY

As we begin the 21st century, new dilemmas confront our society and our planet. Unprecedented levels of consumption co-exist with extreme poverty. Through new technology we are more connected than we have ever been, yet civic engagement is declining. Environmental neglect continues despite heightened ecological awareness. A better balance is urgently needed.

The Australia Institute's directors, staff and supporters represent a broad range of views and priorities. What unites us is a belief that through a combination of research and creativity we can promote new solutions and ways of thinking.

OUR PURPOSE - 'RESEARCH THAT MATTERS'

The Institute publishes research that contributes to a more just, sustainable and peaceful society. Our goal is to gather, interpret and communicate evidence in order to both diagnose the problems we face and propose new solutions to tackle them.

The Institute is wholly independent and not affiliated with any other organisation. Donations to its Research Fund are tax deductible for the donor. Anyone wishing to donate can do so via the website at <https://www.tai.org.au> or by calling the Institute on 02 6130 0530. Our secure and user-friendly website allows donors to make either one-off or regular monthly donations and we encourage everyone who can to donate in this way as it assists our research in the most significant manner.

Level 1, Endeavour House, 1 Franklin St

Canberra, ACT 2601

Tel: (02) 61300530

Email: mail@tai.org.au

Website: www.tai.org.au

ISSN: 1836-9014

Summary

In recent years, Tasmania has seen economic growth and development. However, the benefits have not been evenly distributed. Hobart has received the lion's share with less going to the regions.

This report focuses on the West & North West region of the state, an area that mostly overlaps with the electorate of Braddon. This electorate has been promised much in previous state elections, but has seen little improvement in many key measures. The West & North West has lost 452 mining jobs and 1,392 manufacturing jobs in the past five years, and there are 444 fewer businesses in the region than there were four years ago. On other indicators, like increasing the amount of agricultural land under cultivation or decreasing the number of insolvencies, the West & North West region also lags behind.

Introduction

The West & North West of Tasmania, a formal region under the Australian Bureau of Statistics scheme, overlaps significantly with the state and federal electorate of Braddon. Figure 1 shows the electorate of Braddon in solid blue. It overlaps with the West & North West region, but a part of the Lyons electorate is also in the West & North West region (solid red).

Figure 1: Map of the Braddon electorate (blue), and the remaining part of West & North West outside of Braddon (red)



Source: Adapted by The Australia Institute from ABS Maps,
<http://stat.abs.gov.au/itt/r.jsp?ABSMaps>

The region lags behind the state as a whole on a number of indicators.

Analysis of ABS data for Tasmania from the last three to five years shows that Hobart has performed well on many metrics. Braddon has been bypassed. Comparisons are given in percentage terms, as the Hobart ABS region is much larger in population than the West & North West region. West & North West has a population of 113,800, about half of Hobart's population of 221,000.¹

¹ ABS (2018) *West and North West (SA4) (604)*,
http://stat.abs.gov.au/itt/r.jsp?RegionSummary®ion=604&dataset=ABS_REGIONAL_ASGS&geocon

Where possible and pertinent, comparisons have been made between 2011 and 2016. These years were captured in the Census, meaning that there is often more data available. However, not all indicators are available for these years. In those cases, different time periods have been used where available.

METHODOLOGY

This report uses ABS data.

- Employment by Industry was exported from TableBuilder for the 2011 and 2016 censuses at “INDP – 1 Digital Level”,² cross tabulated against Usual Residence – Main Statistical Area Structure at “SA4”. The result is a table of industry of employment by region for 2011 and 2016.
- Labour Force Status was exported from TableBuilder for the 2011 and 2016 censuses, cross tabulated against Usual Residence – Main Statistical Area Structure at “SA4”. The result is a table of labour force status by region for 2011 and 2016.
- Regional data was exported from ABS.Stat, under “Snapshots of Australia” “Regional Statistics by ASGS2016”.³

http://stat.abs.gov.au/itt/r.jsp?RegionSummary®ion=601&dataset=ABS_REGIONAL_ASGS&geoconcept=REGION&datasetASGS=ABS_REGIONAL_ASGS&datasetLGA=ABS_NRP9_LGA®ionLGA=REGION®ionASGS=REGION; ABS (2018) *Hobart (SA4) (601)*,
<http://stat.data.abs.gov.au/>

² This is the broadest level; lower levels break up industries in more granularity.

³ ABS.Stat (2018) *Regional Statistics by ASGS2016 – Hobart and Regional Statistics by ASGS2016 – West and North West*, <http://stat.data.abs.gov.au/>

Employment, income and businesses

INCOMES

Total employee incomes went from \$4.6 billion in Hobart in 2011 to \$5.6 billion in 2015, an increase of 21.4%. By contrast, total employee incomes increased from \$2.0 billion to \$2.4 billion in the same period in West & North West. This is a smaller increase of 17.9%.⁴ Over the same period, the CPI has increased by 8.6%.⁵ Adjusting for CPI, total employee incomes in Hobart increased by 12.1% and in West & North West by 10.5%.

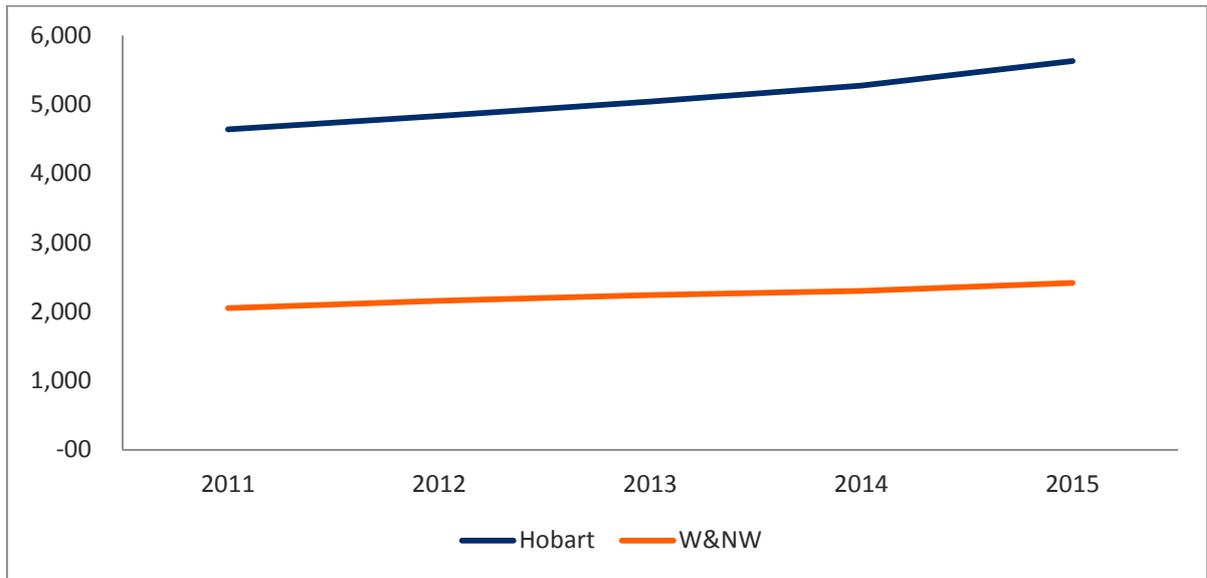
Most of the change is from more people becoming income earners in Hobart; mean income per employee actually increased by more in West & North West than in Hobart – 13.7% in Hobart (4.7% CPI adjusted) and 14.3% in West & North West (5.2% CPI adjusted) over the four years.⁶

⁴ ABS.Stat (2018) *Regional Statistics by ASGS2016 – Hobart and Regional Statistics by ASGS2016 – West and North West*, “Estimates of Personal Income”

⁵ ATO (2018) *Consumer price index (CPI) rates*, <https://www.ato.gov.au/Rates/Consumer-price-index/>

⁶ ABS.Stat (2018) *Regional Statistics by ASGS2016 – Hobart and Regional Statistics by ASGS2016 – West and North West*, “Estimates of Personal Income”

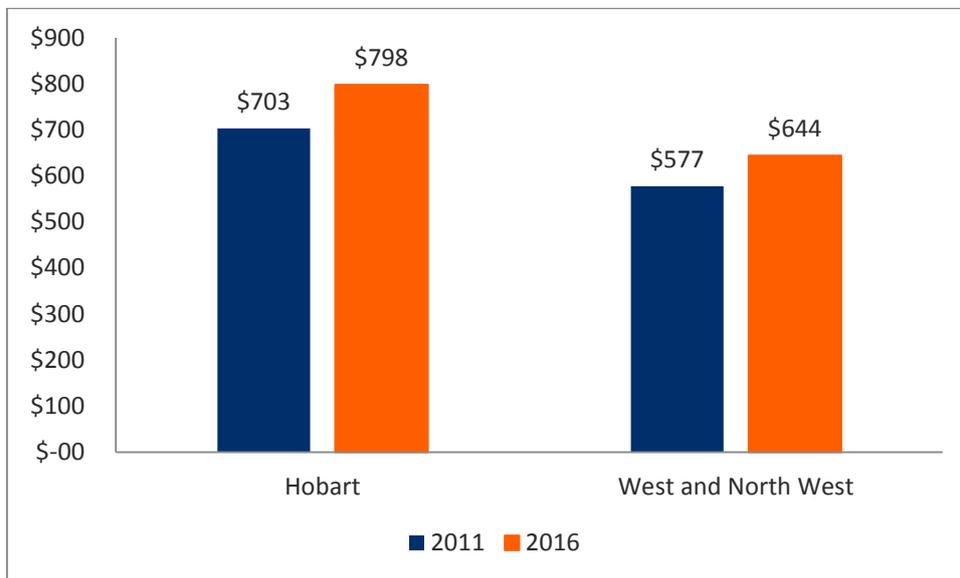
Figure 2: Total employee income, by region



Source: ABS.Stat (2018) *Regional Statistics by ASGS2016 – Hobart and Regional Statistics by ASGS2016 – West and North West*, “Estimates of Personal Income”

Weekly household incomes increased by 13.5% in Hobart and 11.6% in West & North West between 2011 and 2016, or 4.5% and 2.8% respectively when adjusted for CPI.⁷

Figure 3: Equivalised household income, by region (weekly)



Source: ABS.Stat (2018) *Regional Statistics by ASGS2016 – Hobart and Regional Statistics by ASGS2016 – West and North West*, “Equivalised Household Income”

⁷ ABS.Stat (2018) *Regional Statistics by ASGS2016 – Hobart and Regional Statistics by ASGS2016 – West and North West*, “Equivalised Household Income”

EMPLOYMENT

While Tasmania has seen modest decreases in employment and increases in unemployment, both trends are amplified in the West & North West region – partly because of steep declines in some of its traditionally-strong industries.

Tasmania as a whole has seen the number employed decrease between 2011 and 2016 from 217,300 to 216,500 – while the state’s population increased from 495,400 to 510,000. The number of unemployed went from 14,800 to 16,400. Most of the state’s population increase went into the “not stated” or “not in the labour force” categories.⁸ Note that being “not in the labour force” means you do not fit the definition of unemployment if, for example, you worked for an hour in the last fortnight or did not actively seek work or you are not immediately available to work. However, you may still be unemployed in the ordinary meaning of the word.

Employment trends have not been uniform across the state. Hobart’s number of employed increased from 96,900 to 98,900, while West & North West’s number of employed decreased from 45,800 to 44,300. Unemployment increased in both regions, from 5,900 to 6,800 in Hobart and from 3,400 to 3,700 in West & North West.⁹

As shown in Figure 4, this represents a fall in employment for West & North West, but that region’s number of unemployed has increased by much less than in Hobart. Overall, the result is that the unemployment rate went from 5.7% to 6.4% in Hobart, and from 7.0% to 7.6% in the West & North West.¹⁰

As of December 2017, the unemployment rate in Tasmania was 6.1%.¹¹ This suggests that unemployment will have fallen in both Hobart and West & North West regions, although the breakdown is not available at the region level at the point of writing.

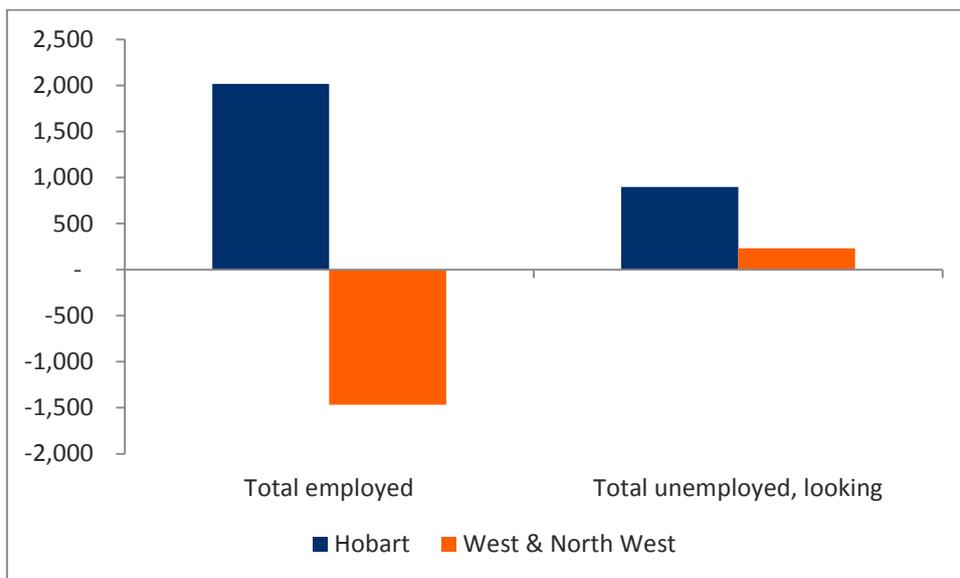
⁸ ABS TableBuilder (2018) *Labour Force Status (LFSP) by Usual Residence (SA4), 2011 and 2016*

⁹ ABS TableBuilder (2018) *Labour Force Status (LFSP) by Usual Residence (SA4), 2011 and 2016*

¹⁰ Calculated by dividing the number of employed and unemployed by the number of unemployed, as found in the Labour Force Status data. ABS TableBuilder (2018) *Labour Force Status (LFSP) by Usual Residence (SA4), 2011 and 2016*

¹¹ Department of Employment (2017) *Unemployment rates by state and territory, December 2017*, http://lmip.gov.au/default.aspx?LMIP/LFR_SAFOUR/LFR_UnemploymentRate

Figure 4: Changes in employment and unemployment, by region



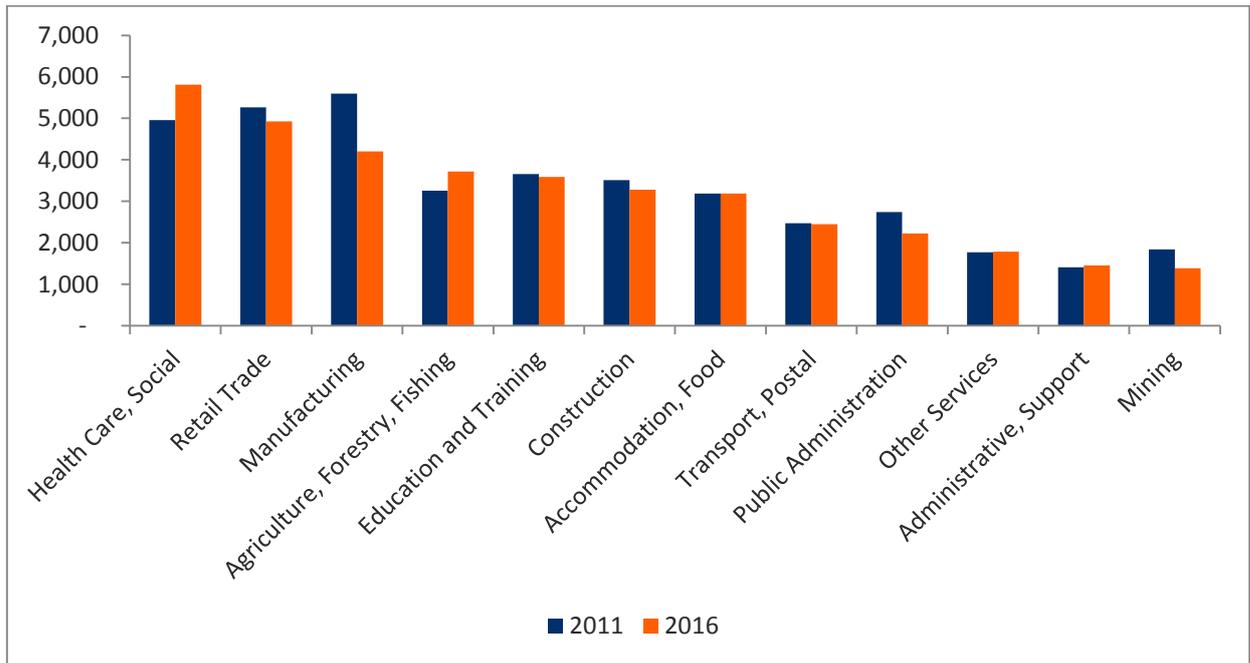
Source: ABS TableBuilder (2018) *Labour Force Status (LFSP) by Usual Residence (SA4), 2011 and 2016*

Part of the reason for West & North West’s decline in overall employment may be linked to the decline in its traditionally strong industries. As shown in Figure 5, employment in Mining and Manufacturing fell by 25% each in the five years between 2011 and 2016 in West & North West, greater than the overall fall of 20% for Mining and 22% for Manufacturing across the state.¹² This represents a loss of 452 mining and 1,392 manufacturing jobs. Hobart’s manufacturing employment fell by 16%, or 976 jobs. Mining is not a big employer in Hobart; it fell by 3%, or 10 jobs.

Agriculture, Forestry and Fishing grew in both regions: by 22% in Hobart and 14% in West & North West. This represents an additional 331 jobs in Hobart and 464 jobs in West & North West. Growth across the state for this industry was lower than in either region, at 10%.

¹² ABS TableBuilder (2018) *Industry of Employment (INDP 1) by Usual Residence (SA4), 2011 and 2016*

Figure 5: Employment by industry, West & North West region



Source: ABS TableBuilder (2018) *Industry of Employment (INDP 1) by Usual Residence (SA4), 2011 and 2016*

BUSINESS NUMBERS

The total number of businesses in West & North West has declined from 8,109 to 7,665 between 2012 and 2016, a decrease of 5.5% over the four years. This is a sharper decline than that seen in Hobart, which went from 15,246 to 14,871 in the same period (a fall of 2.5%).¹³

Industries where business numbers fell faster than the regional average include:

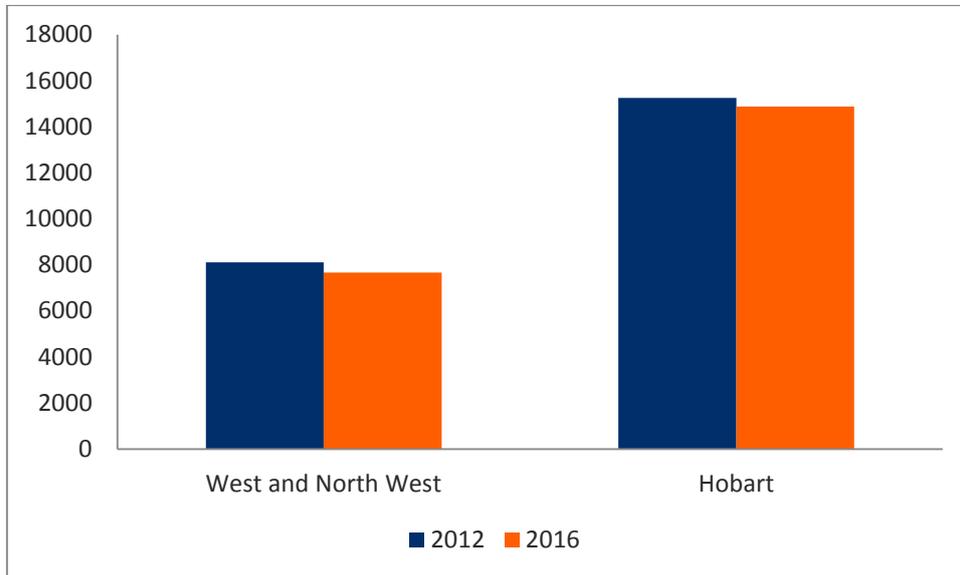
- Agriculture, which lost 105 businesses in Hobart and 128 in West & North West for overall declines of 12.6% and 6.5% respectively
- Mining, which lost three in Hobart and four in West & North West for overall declines of 7.9% and 8.5% respectively
- Construction, which lost 118 in Hobart and 109 in West & North West for overall declines of 4.6% and 9.3% respectively

By contrast, although Manufacturing businesses decreased in number, the decline in West & North West was lower than the overall business decline in that region.

¹³ ABS.Stat (2018) *Regional Statistics by ASGS2016 – Hobart and Regional Statistics by ASGS2016 – West and North West, “Number of Businesses”*

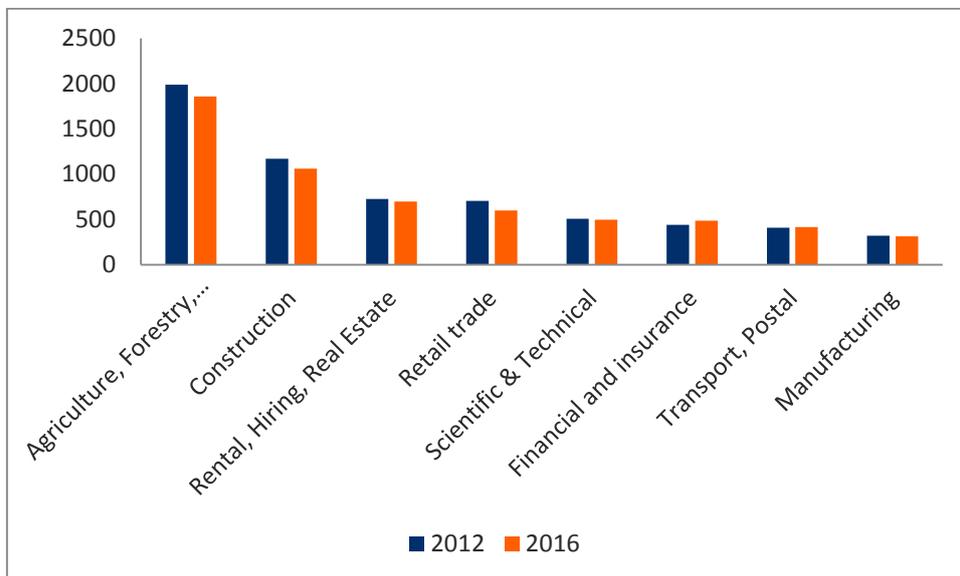
Manufacturing lost 23 in Hobart and seven in West & North West for overall declines of 3.3% and 2.2% respectively.

Figure 6: Overall business numbers, Hobart and West & North West regions



Source: ABS.Stat (2018) *Regional Statistics by ASGS2016 – Hobart and Regional Statistics by ASGS2016 – West and North West*, “Number of Businesses”

Figure 7: Business numbers in West & North West region, select industries



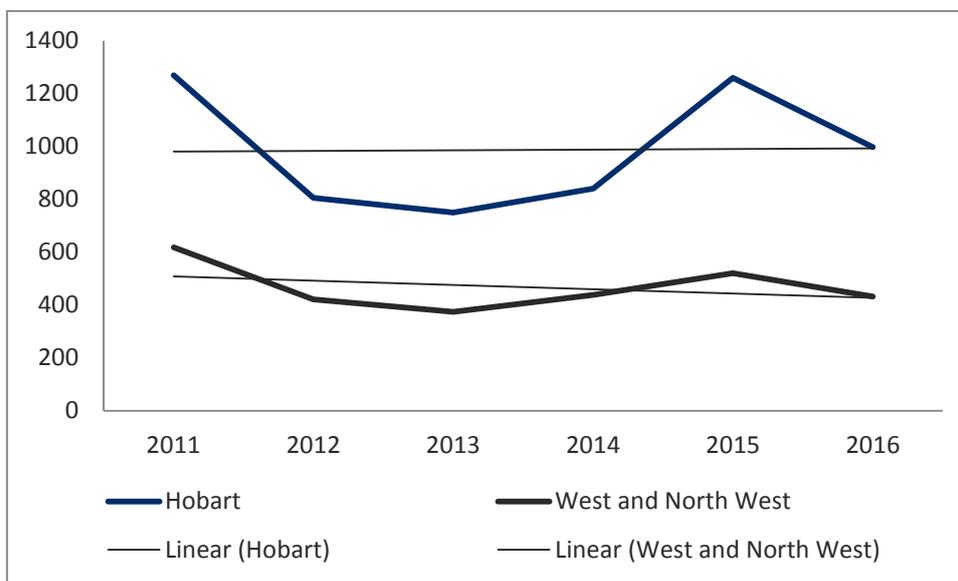
Source: ABS.Stat (2018) *Regional Statistics by ASGS2016 – Hobart and Regional Statistics by ASGS2016 – West and North West*, “Number of Businesses”

Other indicators

DWELLING APPROVALS

Private sector dwelling unit approvals declined in both regions, by 21.4% in Hobart and 30.0% in West & North West over the five years between 2011 and 2016. In both regions, house approvals declined more steeply than approvals for other dwellings.

Figure 8: Dwelling approvals by region

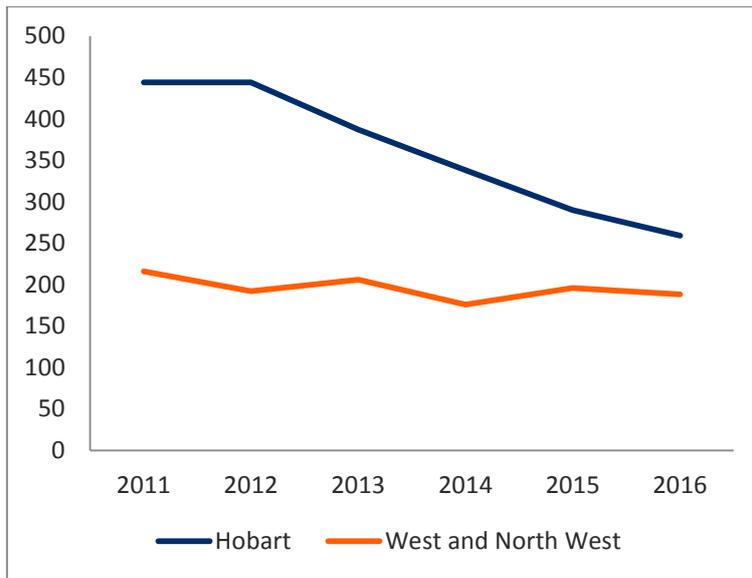


Source: ABS.Stat (2018) *Regional Statistics by ASGS2016 – Hobart and Regional Statistics by ASGS2016 – West and North West*, “Building Approvals”

INVOLVENCIES

Total personal insolvencies by year have decreased in both regions. In 2011, 444 people in Hobart entered personal insolvencies. In 2016, only 259 entered insolvencies. This represents a fall of 41.7%. Insolvencies by year fell in West & North West as well over that period, from 216 to 188. However, this is a smaller decline, of 13.0%.

Figure 9: Insolvencies, by region



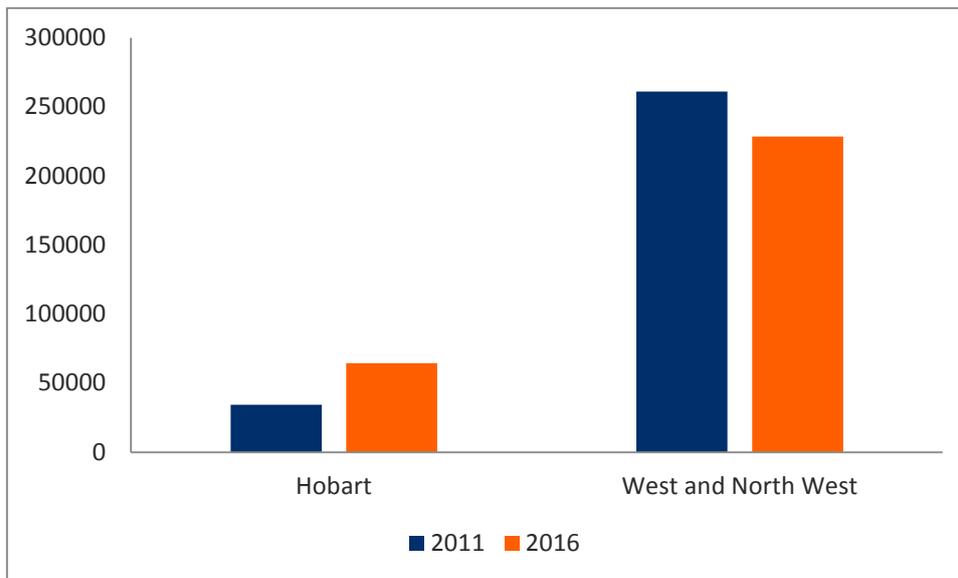
Source: ABS.Stat (2018) *Regional Statistics by ASGS2016 – Hobart and Regional Statistics by ASGS2016 – West and North West, “Insolvencies”*

AGRICULTURAL LAND

Agricultural land has increased sharply in Hobart between 2011 and 2016, from 34,300 hectares to 64,400 hectares. Agricultural land has declined in West & North West over the same period, from 261,200 hectares to 228,400 hectares. Overall, West & North West still has a far greater area under agricultural holding.

Holdings are the parcels of land on which agricultural establishments operate.

Figure 10: Agricultural area of holdings, by region

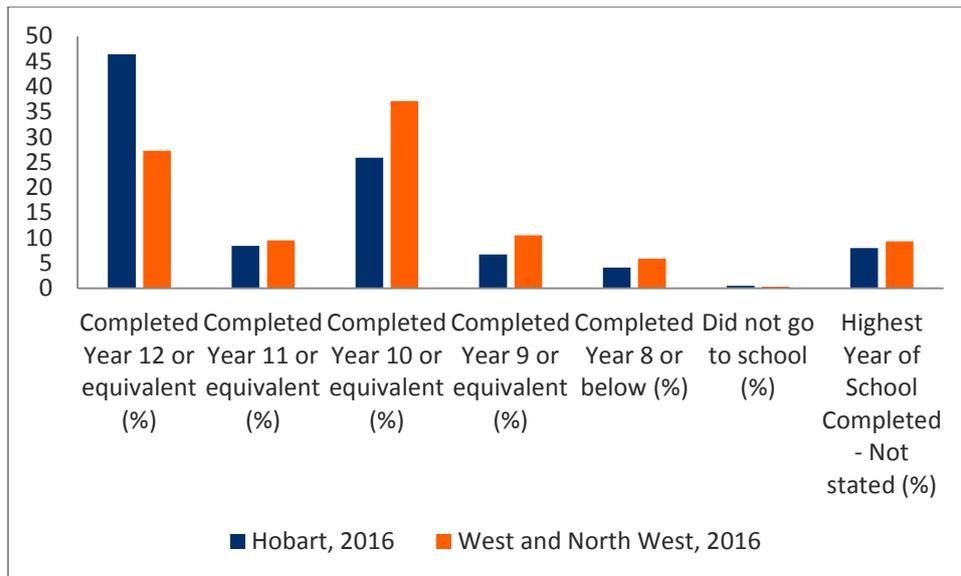


Source: ABS.Stat (2018) *Regional Statistics by ASGS2016 – Hobart and Regional Statistics by ASGS2016 – West and North West, “Agricultural Commodities”*

HIGH SCHOOL COMPLETIONS

The share of students aged 15 and above completing Year 12 increased from 43.1% to 46.4% in Hobart and from 24.6% to 27.3% in West & North West over the five years between 2011 and 2016. This represents an increase of 3.3 percentage points in Hobart and 2.7 percentage points in West & North West.

Figure 11: High school completions, by region



Source: ABS.Stat (2018) *Regional Statistics by ASGS2016 – Hobart and Regional Statistics by ASGS2016 – West and North West*, “Highest Year of School Completed”

Conclusion

Over the past five years, the West & North West region of Tasmania has improved in a number of measures, including high school completions, fewer insolvencies and higher mean incomes. However, these occurred in the context of a state that has experienced something of a revival. When compared to Hobart, the West & North West region has seen comparatively low growth, and has even slipped back in some of its key industries.

Some of the West & North West's traditional industries, like manufacturing and mining, have seen declines in number of people employed. The amount of agricultural land under development in the region has also fallen.

Braddon has not received its fair share over the past five years. If there is going to be a boom in Braddon, it will need support and planning that draws on the region's natural strengths.