

Chapter 19

TRADE

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Chapter 19

TRADE

Tasmania's first recorded trading activity occurred in 1808 when a cargo of sugar arrived at the colony from Bengal. Exports began in 1812 when the *Cyclops* sailed for Sydney with a cargo of locally grown wheat. In June 1813 ports were opened to commerce and trading began in Van Diemen's Land. 20 000 bushels of wheat were exported to Sydney in 1817. In 1819 wheat to the value of £4 000 was exported and in 1820, 43 917 pounds of salted meat which was produced at the settlement of Hobart, was exported to Sydney.

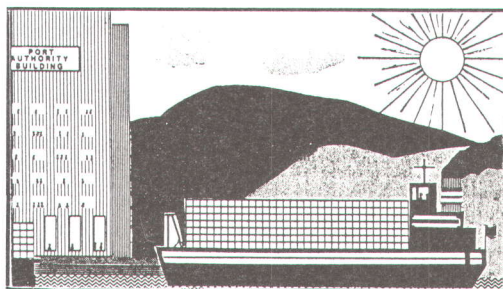
During the 1820s the economy of the colony was becoming diversified though it still remained very basic. Imports arrived from Britain, India, Mauritius and Batavia while exports were shipped to Britain and Sydney. In 1822 goods exported consisted of wheat, oil, whalefins, seal and kangaroo skins, logs of pine and beechwood, salt, wool, horses and hides. Barley, potatoes, whalebone, cedar logs and tallow were included in 1823.

In the *Statistical Returns of Van Diemen's Land 1835-38* compiled from official records in the Colonial Secretary's office, it was recorded 'that the imports for the three years have increased 20 per cent, and the very pleasing fact that the exports for the same period have increased at the astonishing rate of 81 per cent, or from £320 679, in 1835 to £581 475 in 1838.'

The most prominent item imported into Van Diemen's Land, during the very early years of settlement was livestock. By 1837 however, two years after the settlement of Port Phillip, livestock had become the major export line which, together with wool, dominated export trade.

During the 1840s there was a falling off of exports due to a slump in the price of the Colony's staple commodity, wool. There was also a decline in the export of oil and whalebone which were also main commodity export items. The largest increase in trade occurred with the British colonies during this period.

In 1842 the value of imports into Van Diemen's Land was a high £21 per head compared with only £2 10s per head in Britain. The value of exports for the same year, per head of population,



was £10 a head for Van Diemen's Land compared with only £2 for Great Britain and Ireland. By the mid 1800s the value of trade, especially exports, had grown dramatically.

As the colony developed and progressed through the late 1800s the exporting of locally produced commodities became increasingly important to the economy of the State.

19.1 BALANCE OF TRADE, TASMANIA

Year	Total (\$'000)	Per head of population (\$)
1850	-30	-0.4
1860	-212	-2.4
1870	-288	-2.8
1880	+286	+2.5
1890	-822	-5.7
1900	+1 074	+6.2
1930-31	-492	-2.2
1940-41	+2 932	+12.0
1950-51	+4 626	+15.9
1960-61	+9 918	+27.9
1970-71	+113 451	+290.7
1980-81	+333 163	+783.5

By 1880 the value of exports had exceeded the value of imports. This balance of trade (excess of exports over imports) see-sawed over the following five decades then stabilised over the period 1937-38 to 1948-49 with exports once again exceeding the value of imports. From 1949-50 to 1954-55 the balance fluctuated once again but from 1955-56 the value of exports has consistently exceeded the value of imports. As a result of this healthy balance of trade the State plays an important role as an earner of export income for Australia.

In 1985-86 the total value of exports from Tasmania was \$2 160 million of which 42 per cent resulted from foreign exports. By 1986-87 foreign exports had totalled \$1 099 million in value, an increase of 22 per cent on the previous year.

19.1 TASMANIA'S TRADING PARTNERS

From the earliest days of Tasmania's settlement the United Kingdom was the main overseas market for the State's exports. However, over the last 20 years or so Tasmania's overseas markets have changed markedly.

19.1.1 Market Changes

In 1957-58 Tasmania's seven major trading partners in terms of the value of goods exported were as follows:

- United Kingdom \$18.6 million
- United States of America \$4.0 million
- India \$3.7 million
- Italy \$2.8 million
- France \$2.8 million
- Japan \$2.8 million
- Federal Republic of Germany \$2.4 million

A decade later Thailand and the Philippines had also become predominant markets.

During the late 1960s Japan became the principal recipient of Tasmanian exports when it substantially increased its iron-ore requirements. In the twelve months to June 1968, Japanese importers spent a total of \$9 million on Tasmanian goods and the following year this had jumped to \$17 million, most of which was for iron-ore.

The new ranking of Japan, United Kingdom and the United States persisted until 1972-73 when the UK slipped behind the U.S. In 1975-76 the United Kingdom was replaced by Indonesia,

and Malaysia became an important market in 1976-77 when it increased its intake of tin concentrates from Tasmania.

More recently Belgium-Luxembourg has become an important market for Tasmanian lead concentrates and greasy wool. Between 1984-85 and 1986-87 exports to this market increased five fold, from \$7.4 million to \$39.6 million, making it one of Tasmania's top seven trading partners.

19.1.2 Main Trading Partners

Countries bordering the Pacific Ocean constitute Tasmania's main trading partners. Japan, United States, Malaysia, Indonesia, Taiwan and Hong Kong now provide the markets for 70 per cent of Tasmania's exports.

Japan

In 1986-87 Tasmania exported a total of \$432.1 million worth of goods to Japan. This represented 39 per cent of the total value of Tasmania's foreign exports.

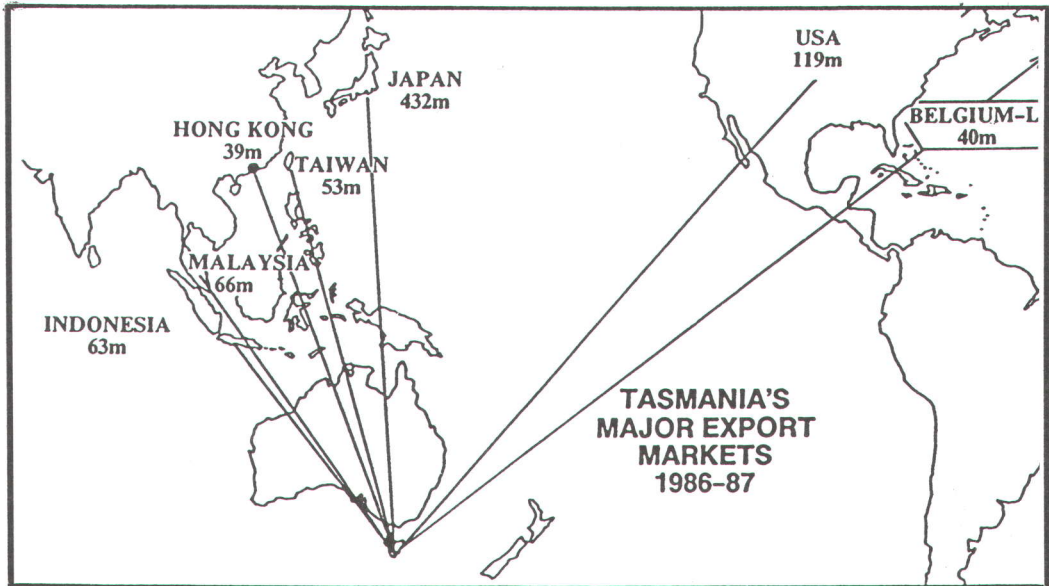
19.2 TASMANIAN EXPORTS TO JAPAN, 1986-87

Commodity	Quantity (tonnes)	Value (\$'000)
Abalone	960	29 906
Cheese	2 887	5 355
Ferro-alloys	6 539	4 516
Meat — Beef and veal	2 669	8 312
— Lamb and mutton	1 462	2 383
— Other	137	500
Milk, dried	990	1 160
Onions, fresh	384	182
Ores and concentrates — Copper	94 320	37 433
— Iron ('000t)	1 398	49 894
— Lead	31 852	12 145
Wool, greasy	2 112	10 730
Zinc	17 738	21 710
Restricted items (a)	—	229 655
Other	—	18 199
Total	—	432 080

(a) Comprises the value of items for which details are not publishable, mainly woodchips and aluminium.

United States of America

The major commodity exported to the United States of America is zinc. In 1986-87 31 336 tonnes were exported, compared with 27 544 tonnes the year before. In value, this represented nearly 37 per cent of total exports to this market. Over the three year period, 1984-85 to 1986-87, the total value of exports to the United States of America increased by almost 36 per cent, due mainly to demand for beef and veal, cheese and aluminium.



19.3 TASMANIAN EXPORTS TO THE UNITED STATES OF AMERICA, 1986-87

Commodity	Quantity (tonnes)	Value (\$'000)
Abalone	69	2 132
Beef and veal	5 488	13 785
Cadmium	239	772
Casein	256	914
Cheese	1 997	5 348
Ferro-alloys	23 600	7 883
Lamb & mutton	602	1 664
Lead concentrates	12 824	12 778
Machinery	-	674
Milk, dried	943	1 366
Oil seeds	2 137	1 606
Rock lobster	69	2 139
Textiles	-	571
Wool, greasy	1 108	5 100
Zinc	31 336	43 379
Restricted items (a)	-	15 271
Other	-	3 223
Total	-	118 605

(a) Comprises items for which details are not publishable.

19.4 TASMANIAN EXPORTS TO MALAYSIA, 1986-87

Commodity	Quantity (tonnes)	Value (\$'000)
Apples, fresh and chilled	2 083	1 656
Ferro-alloys	2 601	968
Meat, fresh or frozen	192	170
Paper	1 247	1 216
Tin concentrates	12 581	47 877
Zinc refined	4 765	6 139
Restricted items (a)	-	6 771
Other	-	958
Total	-	65 755

(a) Comprises items for which details are not publishable.

19.2 VALUE OF OVERSEAS TRADE

Tasmania has a healthy balance of overseas trade. The value of exports in excess of imports has increased over recent years by more than 30 per cent. In 1986-87 it was \$1 804 per head of mean population, an increase of 34 per cent from 1985-86. While the value of exports between 1985-86 and 1986-87 rose by 22 per cent, imports over the same period fell by over 3 per cent. This downturn in the value of imports is due mainly to decreases in the importation of motor cars, textiles, petroleum and power generating machinery.

Malaysia

Tasmania's most valuable export to Malaysia is tin concentrates. In 1986-87 the value of this commodity accounted for almost 73 per cent of the total value of Tasmania's exports to Malaysia.

19.5 BALANCE OF OVERSEAS TRADE

Year	Total (\$'000)	Per head of mean population (\$)
1984-85	451 699	1 028
1985-86	600 613	1 345
1986-87	810 283	1 804

Compared with the rest of Australia, Tasmania has performed more than creditably. Per head of population, Tasmania has imported less and exported more than Australia as a whole.

19.6 VALUE OF FOREIGN TRADE, 1986-87 (\$'000)

Country or country group	Exports	Imports
Association of South East Asian Nations (ASEAN) —		
Indonesia	63 383	147
Malaysia	65 755	142
Philippines	10 689	1 007
Singapore	26 663	29 934
Thailand	15 834	2 491
European Economic Community (EEC) —		
Belgium-Luxembourg	39 569	2 509
Denmark	644	863
France	12 219	5 231
Germany, Federal Republic	24 462	17 337
Greece	3 540	254
Ireland	879	233
Italy	10 364	8 636
Netherlands	13 626	5 225
Portugal	639	235
Spain	4 846	809
United Kingdom	23 909	14 525
Other major trading partners —		
Japan	432 080	40 124
United States of America	118 605	34 567
Hong Kong	38 791	1 192
New Zealand	20 039	24 696
China-Excluding Taiwan Province	32 515	2 287
Taiwan Province	52 946	6 957
Canada	9 381	43 251

19.3 COMMODITIES TRADED**19.3.1 Commodities Exported**

The once valuable export commodity of fresh apples has declined from 83 544 tonnes in 1964-65 to only 11 656 tonnes in 1986-87.

A rapid increase in the export of live sheep overseas has occurred in the past 20 years. In

1964-65 only 12 sheep were exported in contrast to 299 448 in 1986-87. Since 1984-85 alone, the number has more than doubled from 143 017, representing an increase in export value of \$3.6 million over the three year period.

A lucrative market has been found for Tasmanian angora goats. In 1986-87, 1 275 angora goats valued at \$2.2 million were exported to New Zealand. This market represents over 90 per cent of the total export market for Tasmanian goats.

19.7 TASMANIAN OVERSEAS EXPORTS, 1986-87

Commodity	Unit	Quantity	Value (\$'000)
Apples	t	11 656	7 810
Casein	t	256	914
Cheese	t	6 968	16 556
Ferro-alloys	t	71 579	28 793
Fish, crustaceans and molluscs —			
Abalone	t	1 751	52 991
Rock lobster	t	229	5 702
Scallops	t	344	4 417
Floor coverings	sq m	22 852	818
Food and beverages	t	2 053	4 075
Hides and skins —			
Cattle and calf	t	130 352	7 820
Sheep and lamb	t	973 268	8 006
Live animals —			
Cattle	no.	878	426
Sheep and lambs	no.	299 448	6 700
Goats	no.	1 410	2 334
Machinery	-	-	6 064
Malt extract	t	3 385	2 872
Meat	t	16 263	41 458
Milk, dried	t	3 606	4 294
Oil seeds and oleaginous fruit	t	3 491	2 848
Onions, fresh	t	25 234	10 178
Ores and concentrates —			
Copper	t	94 326	37 433
Iron	'000t	1 398	49 894
Lead	t	75 460	57 170
Tin	t	12 581	47 877
Paper	-	-	8 993
Refined metals —			
Cadmium	t	1 879	3 234
Zinc	t	164 211	208 516
Other	t	-	1 674
Tallow	t	5 701	2 100
Textile fabrics	-	-	2 572
Timber	cu m	8 919	4 868
Wool, greasy	t	12 177	56 156
Restricted items (a)	-	-	352 343
Other overseas exports	-	-	51 904
Total overseas exports	-	-	1 099 808

(a) Comprises the value of all export items for which details are not available for separate publication. This comprises mainly woodchips and aluminium.

One of Tasmania's most valuable export commodities is ores and concentrates. From 1975-76 to 1979-80 the value of ores and concentrates increased 169 per cent. In 1986-87 all ores and concentrates were worth \$192.4 million to the State. Refined zinc is also a big export earner for Tasmania. Between 1985-86 and 1986-87 the value of zinc exports increased 35 per cent to \$208.5 million.

19.3.2 Commodities Imported

19.8 TASMANIAN OVERSEAS IMPORTS, 1986-87

Commodity	Unit	Quantity	Value (\$'000)
Antiques	-	-	993
Chemicals	-	-	26 275
Clay (Bentonite, Kaolin, etc.)	t	18 341	3 081
Fertilisers, crude	t	56 179	3 376
Machinery —			
Power generating	-	-	5 325
Specialised	-	-	24 570
Metal working	-	-	2 665
General industrial equipment	-	-	21 399
Office and automatic data processing	-	-	571
Telecommunication and sound recording	-	-	1 434
Electrical apparatus and appliances	-	-	9 120
Other	-	-	174
Metal	-	-	12 173
Motor cars and commercial vehicles	no.	1 924	15 731
Motor cycles	no.	243	509
Non-metallic mineral manufacture	-	-	4 513
Nuts, edible	t	476	2 650
Paper and paper products	-	-	2 459
Petroleum products —			
Automotive gasoline (petrol)	'000L	25 433	5 366
Fuel oil	'000L	55 995	5 632
Petroleum coke	t	46 500	7 507
Professional and scientific instruments	-	-	2 285
Textile fibres	t	618	2 532
Textile yarns and fabrics	-	-	14 843
Tyres and tubes	-	-	3 397
Wood pulp for paper making	t	77 903	49 291
Other overseas imports	-	-	61 654
Total overseas imports	-	-	289 525

Tasmania's imports from overseas, while continuing to decrease in value, are largely dominated by six main items:

● woodpulp	\$49.3 m
● chemicals and related products	\$26.3 m
● specialised machinery	\$24.6 m
● general industrial machinery	\$21.4 m
● motor cars and commercial vehicles	\$15.7 m
● textile yarns and fabrics	\$14.8 m

In 1986-87 these items comprised 53 per cent of the value of all goods imported for use in the State.

19.4 TASMANIAN PORTS

Tasmania has a number of ports capable of accommodating overseas vessels; they are sited on the Derwent and Huon rivers in the south (Hobart and Port Huon); in Spring Bay on the east coast; on the Tamar River in the north (Inspection Head, Long Reach and Bell Bay); on the Mersey River (Devonport), in Emu Bay (Burnie) and at Port Latta, all in the north-west. All these ports provide depths of approximately nine metres or more of water at berths; Port Latta provides a depth of 16 metres nearly one and a half kilometres off-shore.

Interstate and intrastate trade passes through the main ports of Hobart, Launceston, Devonport and Burnie as well as through ports at Strahan, Stanley, Ulverstone, Currie (on King Island) and Lady Barron (on Flinders Island).

19.9 TASMANIAN PORT TRADE, 1986-87 (mass tonnes)

Port	Inwards	Outwards	Total
Hobart	1 098 551	1 570 806	2 669 357
Launceston	1 696 248	2 994 064	4 690 312
Devonport	422 166	459 028	881 194
Burnie	556 317	923 323	1 479 640

19.4.1 Hobart

The port at Hobart is situated on the Derwent River in the Sullivan's Cove and Macquarie Point area. Sullivan's Cove is u-shaped with 610 metres separating the southern and northern arms. The Macquarie Point area has become the major centre of port activity and has been provided with modern cargo handling equipment, including a new container handling gantry crane and a 254 tonne fully mobile crane.

The port of Hobart comes under the jurisdiction of the Marine Board of Hobart, an authority which manages several other Tasmanian ports including Self's Point on the Derwent, Port Huon, Spring Bay, St Helens and Strahan.

The Board has been responsible for many recent developments at the port including the completion of a workshop and port control tower complex. The tower provides a 360 degree view of the port area and enables shipping movements and cargo on the wharf to be kept under visual observation for 24 hours a day. In addition a new container-handling gantry crane began operation in March 1987 servicing the Macquarie Nos. 4 and 5 berths. The introduction of this facility has resulted in increased visits of overseas vessels and is backed up by over three hectares of wharf area for container stacking, and a rail track over 300 metres long.

In total the port provides three roll on-roll off berths, five general cargo berths, two container/general berths, a bulk wheat berth, a bulk petrol berth, two docks for the use of fishing vessels and small craft and slipyard facilities for vessels up to 1 200 tonnes.

The major Tasmanian users of the port are the Electrolytic Zinc Company and Australian Newsprint Mills, both of whom export much of their produce directly overseas. In 1986-87 205 443 tonnes of paper left ports under the jurisdiction of the Marine Board bound for interstate and overseas markets in South-East Asia and Europe, while 186 957 tonnes of non-ferrous metal were exported to east Asia, South-East Asia, America, Japan, west India and mainland Australia. Wood products were the main exports through Hobart Marine Board ports — with most of the 834 448 tonnes being shipped to Japan, South-East Asia and mainland Australia.

Major imports to Hobart in 1986-87 included 433 933 tonnes of metals and ores from interstate and North America, 271 982 tonnes of petroleum products from the mainland and the Middle East and 84 554 tonnes of crude fertiliser from the Pacific Islands, South-East Asia, North America and the mainland.

In total almost 2.7 million tonnes of cargo was moved through all ports under the jurisdiction of the Hobart Marine Board in 1986-87. 501 vessels visited the port of which 147 were roll on-roll off and 96 were dry bulk carriers.

19.4.2 Launceston

The Port of Launceston is situated on the River Tamar. At its mouth deep water and broad expanses of river provide a valuable natural harbour. In this area, encompassing Bell Bay,

Inspection Head and Long Reach, are located the major activities of the Port of Launceston. A tidal range of up to 3.6 metres creates strong tidal currents, which by natural scouring eliminate the need for any maintenance dredging in the lower reaches of the river.

The Port of Launceston Authority is responsible for all port activities on the River Tamar and handles a range of cargo and vessels, mainly at the Bell Bay berth in addition to shipbuilding and repair work.

In 1986-87 509 trading vessels visited the port and total cargo handled by the Authority's facilities was almost 4.7 million tonnes, up 360 000 tonnes on 1985-86. Major exports included ferro-manganese and sinter, woodchips, aluminium and onions. Onions are providing a valuable cargo asset for the port with a total of 40 139 tonnes exported, the majority with the Polish Ocean Line and European Conference vessels. A record amount of woodchips from Forest Resources and Associated Pulp and Paper Mills was also exported through Bell Bay in 1986-87. The total of 2.2 million tonnes was an increase of 19 per cent on the previous year.

Major imports included manganese ore, coke, pitch, quartzite and limestone for the Tasmanian Electro Metallurgical Company at Bell Bay, and wheat. During 1986-87 wheat imports rose by 14.3 per cent to 20 843 tonnes.

During 1986-87 redevelopment and reclamation work at Bell Bay multipurpose No. 5 berth was completed. The berth is now 314 metres long and can accommodate one large or two smaller vessels. The No. 5 berth is run by Bell Bay Cargo Services, an amalgamation of the Port of Launceston Authority and the Stevedoring Company Conaust (Tasmania) Pty Ltd, designed to increase efficiency and cost-effectiveness in the services provided.

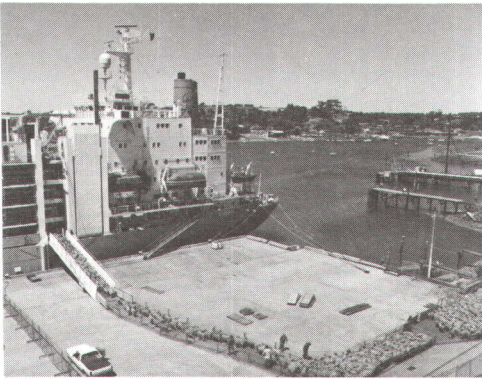
19.4.3 Devonport

The Port of Devonport is situated on the Mersey River within two kilometres of the coast. The entrance is sheltered by Mersey Bluff on the west and by a retaining wall extending over half a kilometre northward from the eastern shore of the river. The river was always a natural harbour for small craft and its development as a major port by extensive dredging and engineering works has resulted in a secure harbour for large ships.

The port is controlled by the Port of Devonport Authority which also manages the local airport. Over recent years the port's pattern of shipping has changed from a general cargo base to more specialised trading for which facilities

are provided such as 42 000 cubic metres of cold storage to accommodate its main export users, Associated Pulp and Paper Mills, Edgells, Goliath and the TT Line.

During 1986–87, 433 ships docked in the port and 881 194 tonnes of cargo were handled at the berths. Cement products were the major export item with 260 774 tonnes leaving the port for Melbourne and Sydney. Frozen food exports were also important, increasing 36 per cent to 31 133 tonnes, and exports of timber increased to 18 653 tonnes. Major imports included 163 137 tonnes of gas and fuels, 34 291 tonnes of wheat and 30 731 tonnes of fruit. In addition 27 056 tonnes of salt were unloaded for use at Associated Pulp and Paper Mills and over 18 000 tonnes of paper pulp were unloaded from Canada.



Sheep boarding the Mawashi Tabuk

Photo: Port of Devonport Authority

Devonport has also become the major port for live sheep exports from Tasmania with approximately 300 000 sheep boarding the *Mawashi Tabuk* in 1986–87 bound for the Middle East.

19.4.4 Burnie

The ports of Hobart, Launceston and Devonport all lie within the shelter of rivers but the Port of Burnie, on Emu Bay, was built out into the open sea in the lee of Blackman Point. Protection from the potentially rough seas of Bass Strait is afforded by two large breakwaters. Burnie is a deep-water port with no tidal restrictions, except occasionally for the larger vessels, and is virtually fog-free. It is in operation 24 hours every day, and vessels can be at full speed 20 minutes after departure. All wharves are connected to the state railway system.

The Burnie Port Authority completed a harbour deepening program in 1986–87 which has enabled safe accommodation of the world's largest containerships and facilitated larger

shipments of mineral concentrates. Jones Pier was dredged to 11.5 metres and the bulk berth to 11 metres.

Total cargo shipped through Burnie was 1 479 640 tonnes in 1986–87, an increase of 5.5 per cent on the previous year. 67 372 cargo containers passed through the port confirming its status as Tasmania's largest container handling port.

Regular users include Australian National Line, Union Bulkships, Brambles, Stateships, Malaysian International Shipping Corporation, and the Australian–Europe Shipping Conference which operates some of the largest containerships in the world.

In 1986–87 general cargo was the biggest import item through Burnie. The total of 214 332 tonnes unloaded was the biggest in the State and an increase of 8.5 per cent on 1985–86. Other major imports included 74 267 tonnes of ilmenite, 71 932 tonnes of acid for use by local industry, and 66 643 tonnes of fuel oil. Almost half of total imports (48 per cent) come from Victoria while other places included Western Australia, intra-state, New South Wales, North America and South-East Asia.

Mineral concentrates were the biggest export commodity in 1986–87 with 65 per cent of the total of 411 582 tonnes bound for markets such as Japan, South-East Asia and east Asia. Paper was also a significant item with 97 per cent of the total of 188 942 tonnes exported to the mainland. Other major items to leave through Burnie included 112 520 tonnes of fruit and vegetables and 60 638 tonnes of general cargo.

19.5 RETAIL TRADE

Retailing provides a distribution service to the public. The competitive nature of this service ensures that it adapts readily to changing technological, social and economic conditions. The history of retailing, over the past 55 years, illustrates the industry's ability to change according to conditions.

At 30 June 1986 there were 4 592 retail establishments operating in Tasmania — one for every 95 residents. One third were food stores and a further 23 per cent were motor vehicle and petrol retailers.

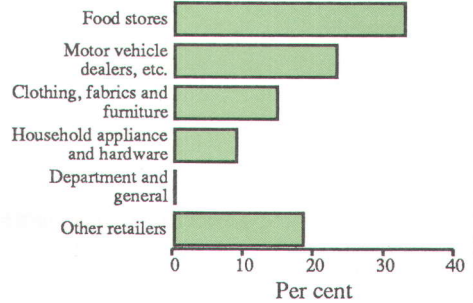
Compared with 1980, there were 396 additional retailers in the State with a particularly marked increase in the number of fish, take away food shops and milk bars. There was also an increase of 130 household appliance stores and 36 newsagents.

19.10 RETAIL ESTABLISHMENTS, TASMANIA

Description	June	
	1980	1986
Department stores	17	17
General stores	23	6
Total	40	23
Men's and boys' wear stores	96	82
Women's and girls' wear stores	301	319
Footwear stores	95	95
Fabrics and household textile stores	82	106
Floor coverings stores	32	20
Furniture stores	81	70
Total clothing, fabrics and furniture stores	687	692
Domestic hardware stores	58	72
Watchmakers and jewellers	79	79
Music stores	35	33
Household appliance stores	107	237
Total household appliance and hardware stores	279	421
New motor vehicle dealers	290	319
Used motor vehicle dealers	132	129
Service stations	360	355
Smash repairers	184	176
Motor cycle dealers	19	25
Boat and caravan dealers	43	34
Tyre and battery retailers	37	37
Total motor vehicle dealers, petrol and tyre retailers	1 065	1 075
Grocers, confectioners and tobacconists	669	629
Butchers	243	223
Fruit and vegetable stores	32	52
Liquor stores	20	22
Bread and cake stores	44	47
Fish shops, take away food and milk bars	366	549
Total food stores	1 374	1 522
Pharmacies	140	155
Photographic equipment stores	18	18
Sports and toy stores	100	107
Newsagents, stationers and booksellers	151	187
Second hand goods dealers	116	113
Nurserymen and florists	90	113
Retailing n.e.c.	136	166
Total other retailers	751	859
Total retail establishments	4 106	4 592

General stores declined by almost 74 per cent, down from 23 to 6. Other stores to decline in number included grocers, confectioners, tobacconists, butchers and men's and boys' wear.

TYPE OF RETAIL ESTABLISHMENTS TASMANIA, 30 JUNE 1986



In the six years from 1980, employment in the industry grew by 8 per cent to 23 213.

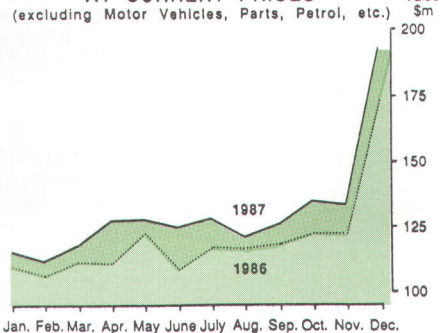
In June 1986, 37 per cent of those employed in retailing worked in food stores. Motor vehicle dealers and petrol retailers were also major employers.

In the same period Tasmania recorded the lowest increase in annual retail turnover of all the States. In terms of constant prices, turnover rose only 14 per cent compared with an average increase across Australia of 24 per cent.

Seasonal and Spatial Patterns in Retail Sales

Retail trading is demonstrably heavily subject to environmental influences such as the general level of disposable income of the community, perceptions about the economy, overseas exchange rates and changes in government imposts on the sale of goods and services.

VALUE OF TASMANIAN RETAIL SALES AT CURRENT PRICES



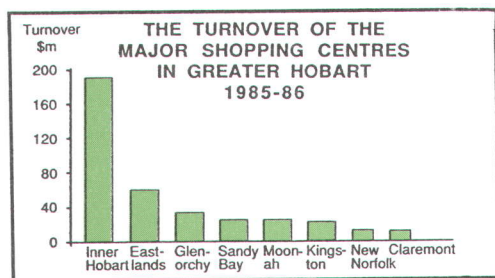
The largest of the short term effects result from seasonal factors. There are peaks in turnover before Easter and especially before Christmas and stores located near tourist attractions have a higher turnover during the summer months of the tourist season.

Most types of stores have their own seasonal patterns. For example, during the late autumn and early winter, with the onset of colder temperatures, sales at clothing and electrical goods stores increase.

In the longer term, some spatial trends have also become evident.

Despite retailing activity being concentrated in the centres of population, the central business District has become less important within the cities. In 1968-69 about 46 per cent of Greater Hobart retail turnover was in the inner city. By 1985-86 this had decreased to only 24 per cent.

This decline in retail turnover has been largely in response to the development and expansion of regional shopping centres, in particular at Rosny, Glenorchy, Kingston and Claremont, as well as a number of other smaller shopping centres. This trend is unlikely to stop with new shopping centres such as Northgate in Glenorchy and Mayfair in Sandy Bay having recently opened.



A similar range in turnover is evident among shopping centres in Launceston with 28 per cent of the total retail turnover of Greater Launceston coming from the inner city. The next largest centre, King's Meadows, has a turnover of \$27 million compared with a \$159 million turnover of the inner city.

19.6 PRICES AND PRICE CHANGES

Prices of most goods are always going up. Those who do the weekly shopping know that \$10 this week seemed to have bought less than \$10 last month. In some countries the change is much more dramatic, with price rises daily.

But even in Australia prices have risen enormously, depending on the time frame. For instance, a haircut for \$10 in 1987 would have

19.11 AVERAGE RETAIL PRICES OF SELECTED FOOD ITEMS: HOBART (a) (b) (Cents)

Item	Unit	1979	1987	% change
Groceries, etc. —				
Bread, ordinary white, sliced	680 g	57	106	86
Flour, self-raising	2 kg	110	185	68
Tea	250 g	80	154	90
Coffee, instant	150 g	270	532	97
Sugar	2 kg	85	164	93
Rice	1 kg	78	102	31
Breakfast cereal, corn based	500 g	82	205	150
Peaches, canned	825 g	76	155	104
Potatoes	1 kg	40	70	75
Onions	1 kg	53	123	132
Dairy produce, etc. —				
Butter	500 g	95	184	94
Margarine, table, poly-unsaturated	500 g	92	139	51
Eggs	1 doz (55 g)	139	195	40
Bacon, rashers, pre-pack	250 g	150	261	74
Milk, fresh, cartons, delivered	2-600 ml	49	106	116
Meat —				
Beef —				
Rump steak	1 kg	580	866	49
Silverside, corned	1 kg	380	577	52
Lamb —				
Leg	1 kg	333	435	31
Loin chops	1 kg	349	498	43
Pork, leg	1 kg	415	602	45

(a) The table units are not necessarily those for which the original price data were obtained; in such cases, prices have been calculated for the table unit.

(b) Prices are the averages of the recorded prices for the four quarters of each calendar year.

cost about 30c in 1901; an item costing 47c in 1901 would cost about \$14.87 bought in 1987. That's an increase of over 3000 per cent! Even since 1981 retail prices have risen by more than 60 per cent.

Nowhere are changing prices more evident than in the area of foodstuffs. For instance in the eight years to 1987 the price of milk delivered in cartons has more than doubled and corn-based breakfast cereals have increased in price by over 150 per cent.

However, these price changes cannot be looked at in isolation; factors such as increased wages and production costs also need to be considered. Price indexes are a means of achieving this, allowing a more accurate measure of changing prices.

The retail price index for example is often used by government and authorities such as the Conciliation and Arbitration Commission to measure price changes over time.

19.12 RETAIL PRICE INDEX NUMBERS SIX STATE CAPITAL CITIES COMBINED

Year	Index number
1901	47
1911	53
1921	90
1951	167
1981	926
1987 (a)	1 487

(a) Weighted average of eight capital cities.

The retail price index most commonly used is the Consumer Price Index.

19.6.1 Consumer Price Index

This is the householder's guide to price changes. It measures quarterly changes in the price of goods and services that account for a high proportion of expenditure by metropolitan wage and salary households. It is made up of eight main groups of expenditure items; food, clothing, housing, household equipment and operation, transportation, tobacco and alcohol, health and personal care, and recreation and education. Each of these groups is indexed separately for specific purposes, or as is the usual practice, grouped together as a summary of the changes in prices affecting the wage-earner's weekly expenditure.

Treated as a group the Index shows a steep rise commencing in the early 1970s, and continuing. But all groups of prices have risen considerably. Since 1980-81 the health and personal care group has risen least, while the tobacco and alcohol group has risen most.

The Consumer Price Index does not measure the 'cost of living'. It measures price changes in a 'basket of goods' that represent much of a wage and salary earner's expenditure. The actual mode of living will vary from household to household just as standards of living vary considerably.

19.13 CONSUMER PRICE INDEX, HOBART

Group	1980-81	1986-87
Food	100.0	158.9
Clothing	100.0	151.9
Housing	100.0	157.8
Household equipment and operation	100.0	160.9
Transportation	100.0	176.9
Tobacco and alcohol	100.0	188.6
Health and personal care	100.0	138.4
Recreation and education	100.0 (a)	146.3
All groups	100.0	162.5

(a) March quarter 1982 = 100.0.

However, it is the most accurate measure of inflation as meaning an upward trend in the general internal price structure of an economy. To be strictly correct though, no one index can be regarded as the correct measure of inflation. That is why a number of indexes have been constructed such as indexes of building materials and materials used in the manufacturing industry.

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