

TASMANIA'S ECONOMY AND TRADE

PRESENTATION TO ASEAN HEADS OF MISSION IN AUSTRALIA

DINNER HOSTED BY THE AUSTRALIAN DEPARTMENT OF FOREIGN AFFAIRS AND TRADE

PEPPERS' SILO HOTEL, LAUNCESTON
3RD MARCH 2021

SAUL ESLAKE

CORINNA ECONOMIC ADVISORY PTY LTD

Selamat datang di Tasmania

Selamat datang ke Tasmania

ຍິນດີຕ້ອນຮັບສູ່ແທສເມເນີຍ

Maligayang pagdating sa Tasmania

Chào mừng đến với Tasmania

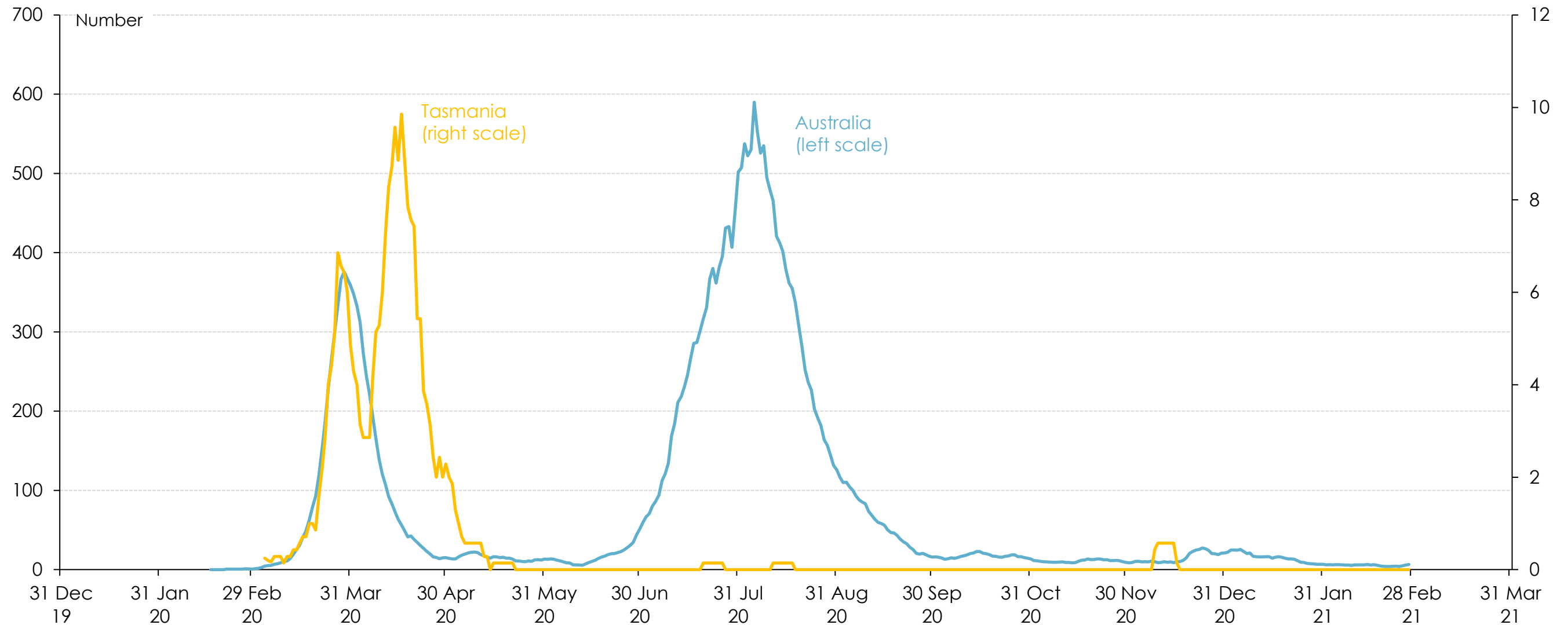
Tasmania ມຸ່ງໂກ້ສຸ່ມີວັດ

A snapshot of Tasmania

- ❑ **Tasmania has 541,000 people (2.1% of Australia's population – about the same as Riau has of Indonesia's) as at June 2020**
 - but that population grew 1.1% over the year to June 2020 – faster than New South Wales or South Australia
 - and Tasmania was one of only three states or territories to which people moved from other parts of Australia in FY 2019-20
- ❑ **Tasmania's gross product in FY 2019-20 was A\$32.9bn (1.7% of the Australian total – about the same as Bali is of Indonesia's GDP or Kelantan is of Malaysia's)**
 - but over the past five years Tasmania's economy has grown at an average annual rate of 2.0%, the fourth-fastest of all states and territories
 - or in per capita terms Tasmania's economy has grown at an average annual rate of 1.1%, behind only the ACT and the Northern Territory, and more than double the national average of 0.4%
- ❑ **Tasmania accounts for 7½% of the value of Australia's agricultural production**
 - Tasmanian agricultural land is valued at A\$10,430 per hectare, the highest of any state or territory and more than double the national average
- ❑ **In January this year Tasmania's unemployment rate of 5.9% was the lowest of any state (and below the national average of 6.4%)**
- ❑ **Tasmania has Australia's strongest residential property market**
 - Over the past five years residential property prices in Tasmania have risen by 47.2%, by far the most of any state or territory (next is the ACT with 30%), more than 3½ times the national average of 13.1%

Tasmania has managed the virus very effectively, in absolute terms ...

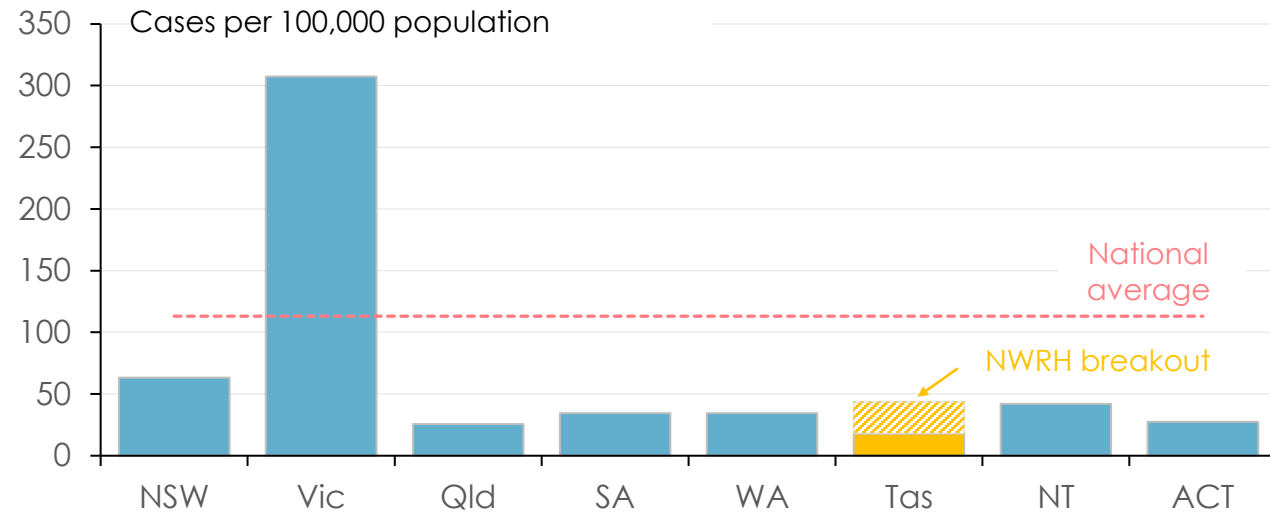
New confirmed Covid-19 cases, Tasmania and Australia



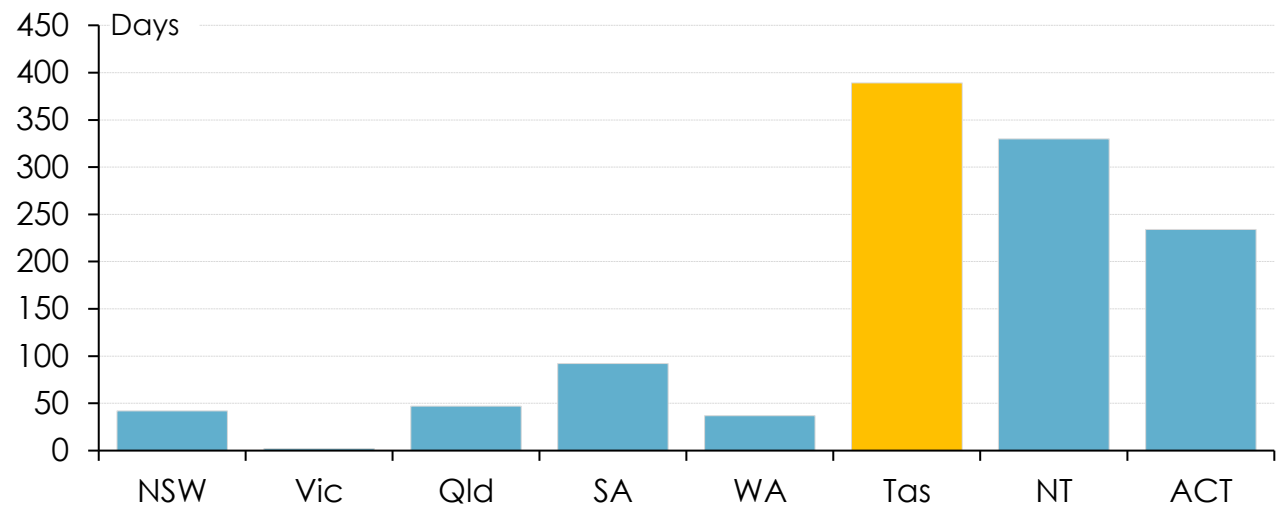
Note: Data up to 27th February. Source: covid19data.com.au.

... by comparison with other Australian states and territories ...

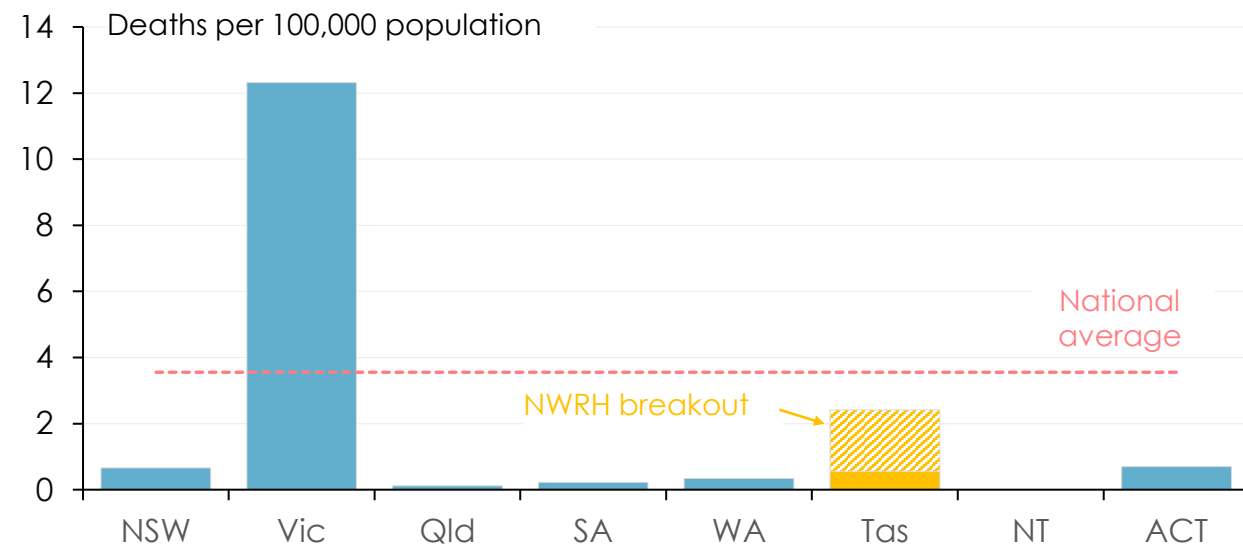
Confirmed cases per 100,000 population



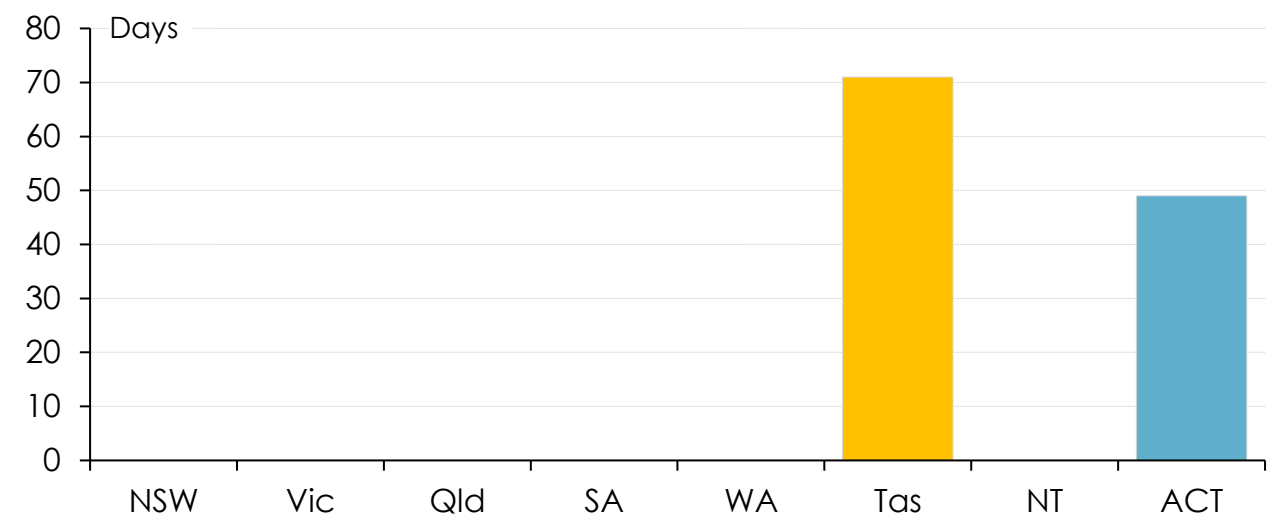
Days since last locally acquired case



Deaths per 100,000 population

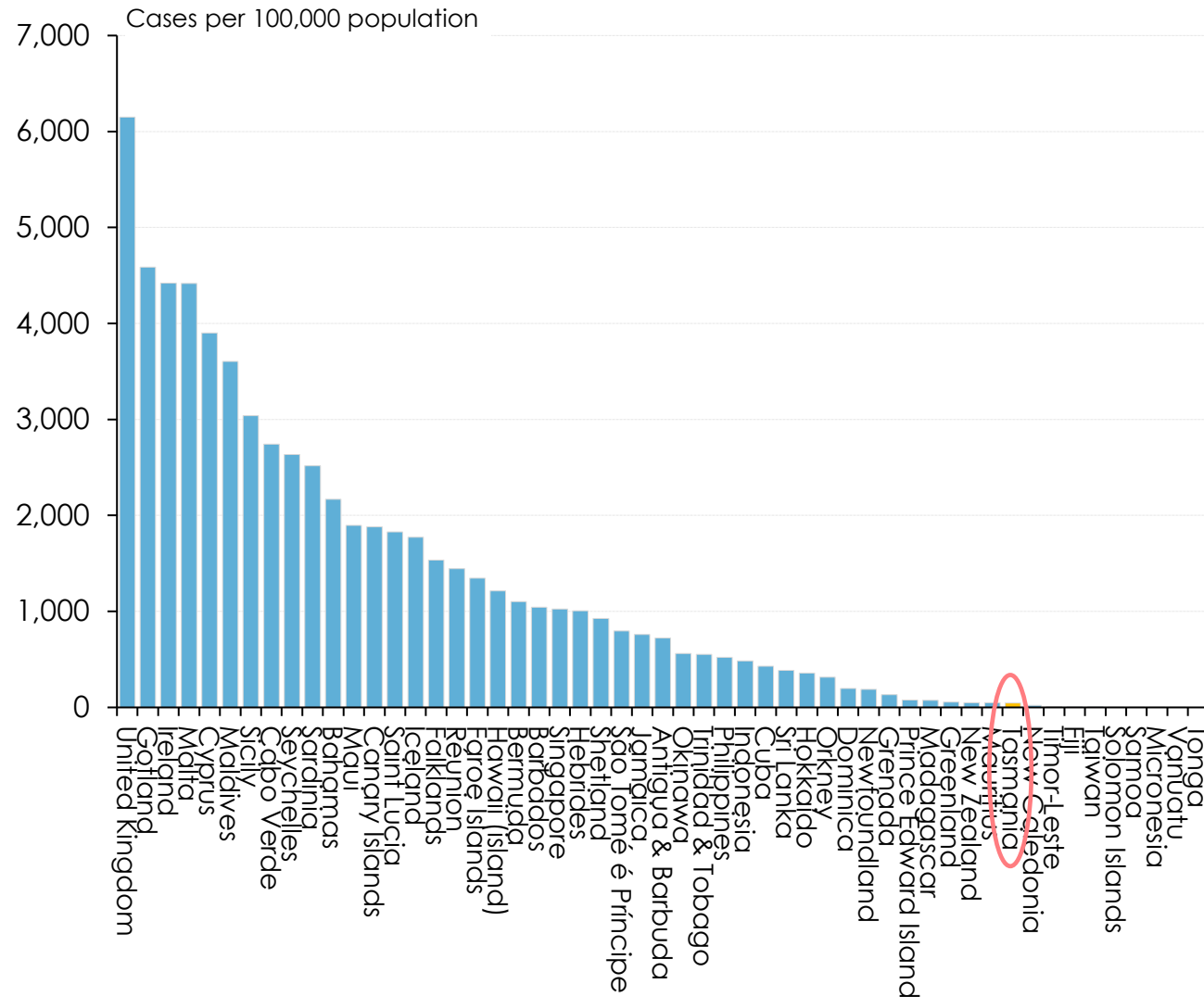


Days since last any active cases

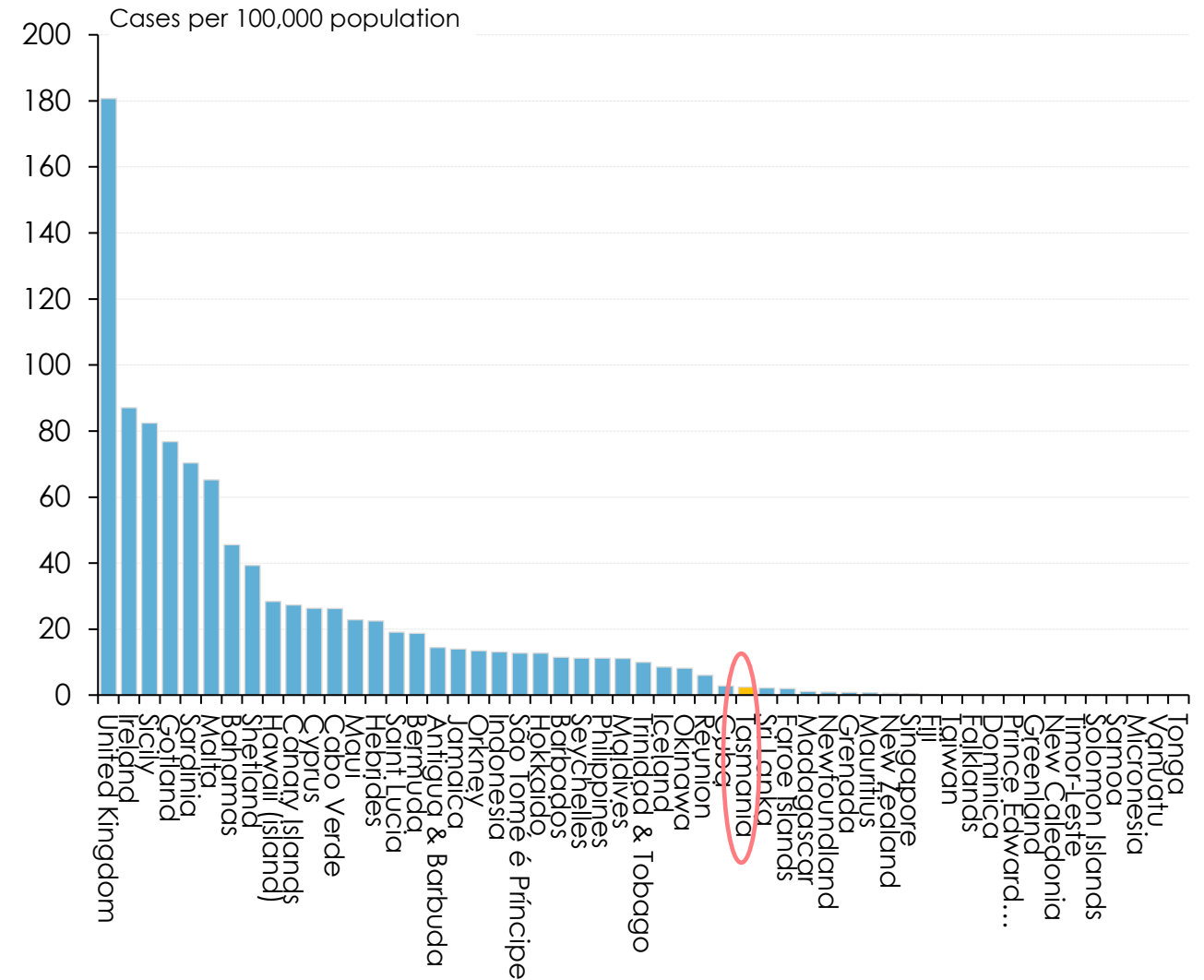


... and by comparison with other island nations, states and provinces

Confirmed Covid-19 cases per 100,000 population, selected islands



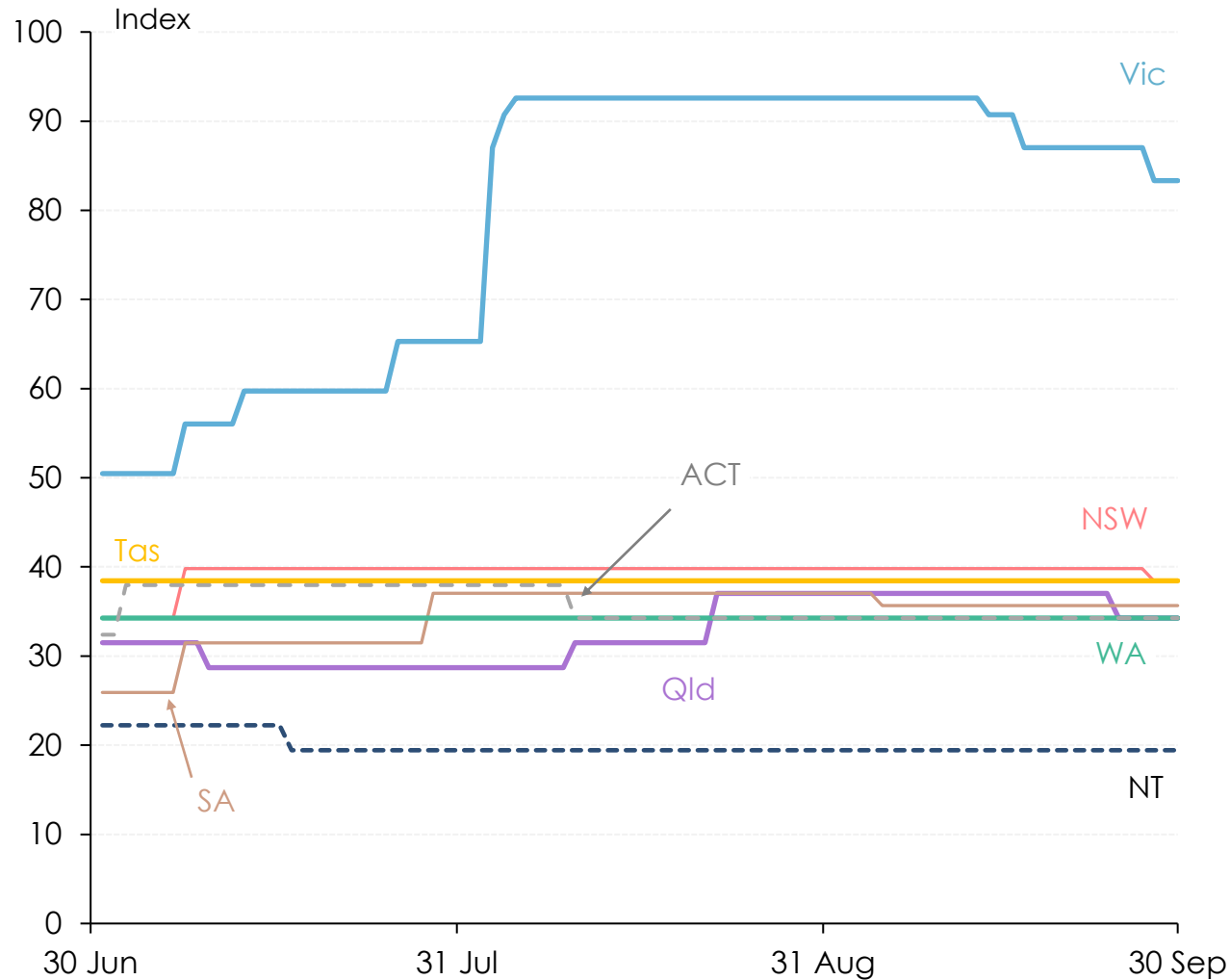
Covid-19 deaths per 100,000 population, selected islands



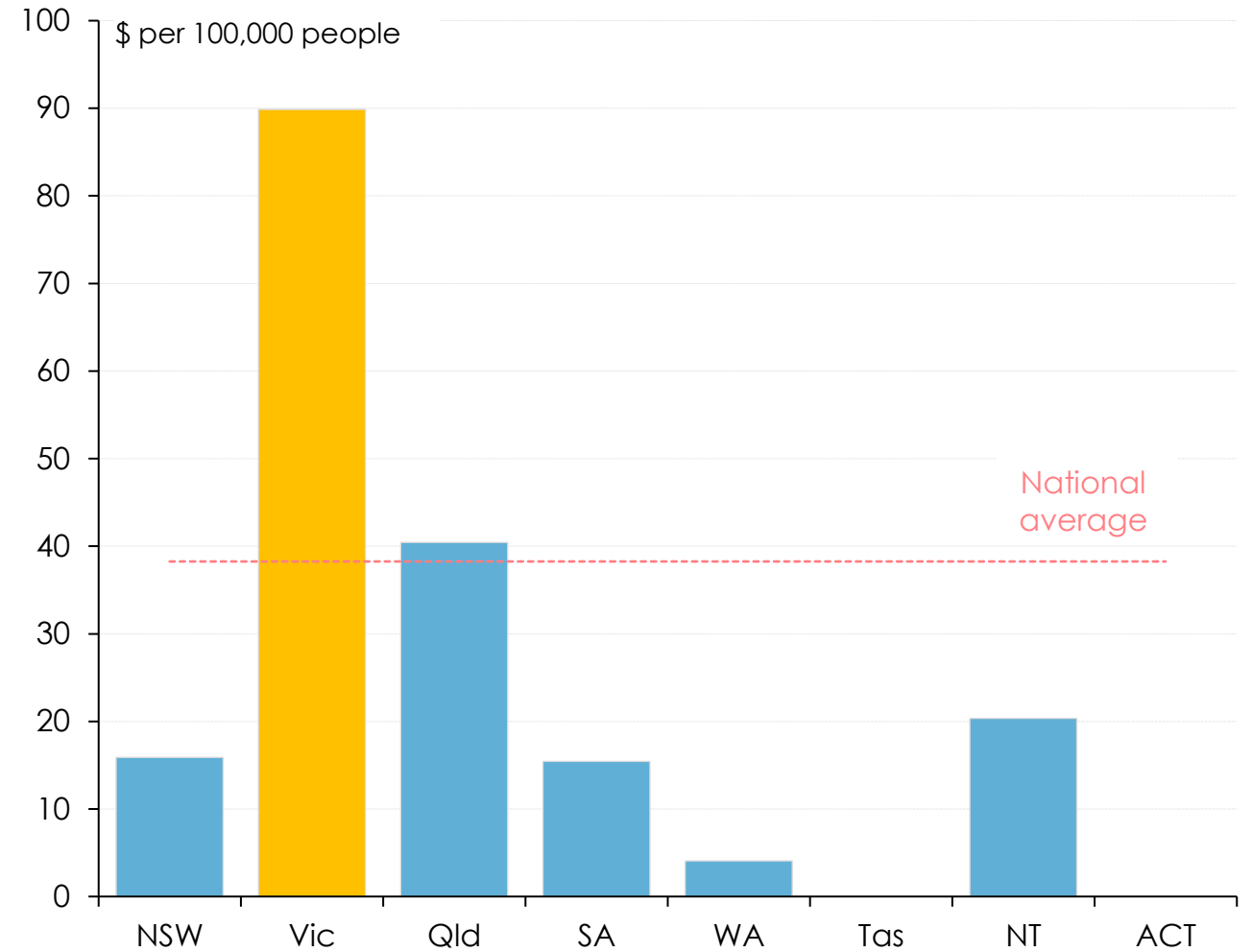
Note: Data up to 26th February. Sources: covid19data.com.au; [Our World in Data](https://ourworldindata.org); [Johns Hopkins University Coronavirus Resource Center](https://www.jhu.edu/coronavirus); [Public Health Scotland](https://www.phscotland.nhs.uk); [World Health Organization Western Pacific Region](https://www.who.int/western-pacific); [Worldometer](https://www.worldometer.info).

Tasmania achieved its results on the epidemiological front without having significantly stricter restrictions than other states, or over-zealous policing

ABS estimates of stringency of government restrictions during the September quarter



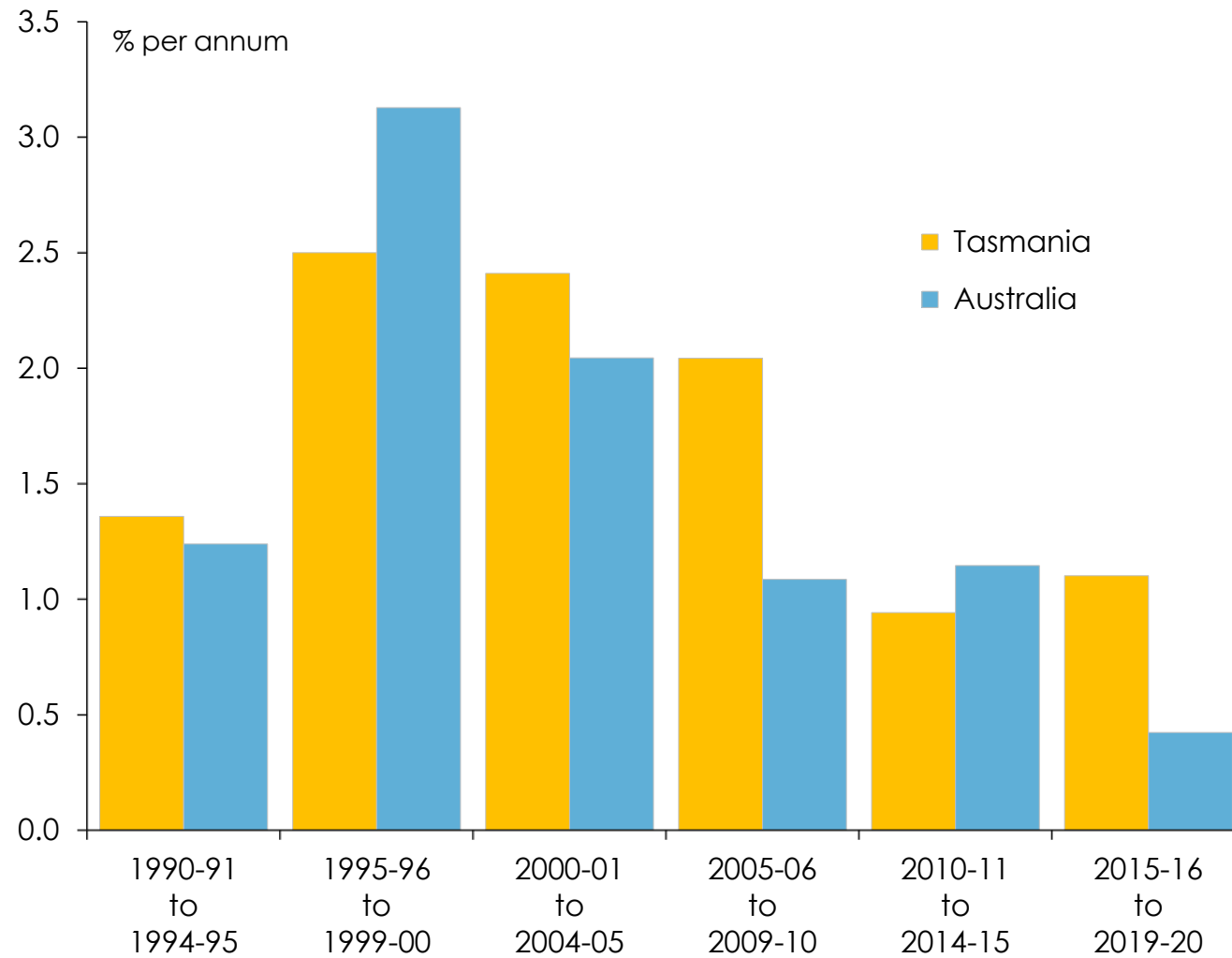
Revenue from fines for breaches of lockdown regulations, 23 Mar-25 May per 100,000 population



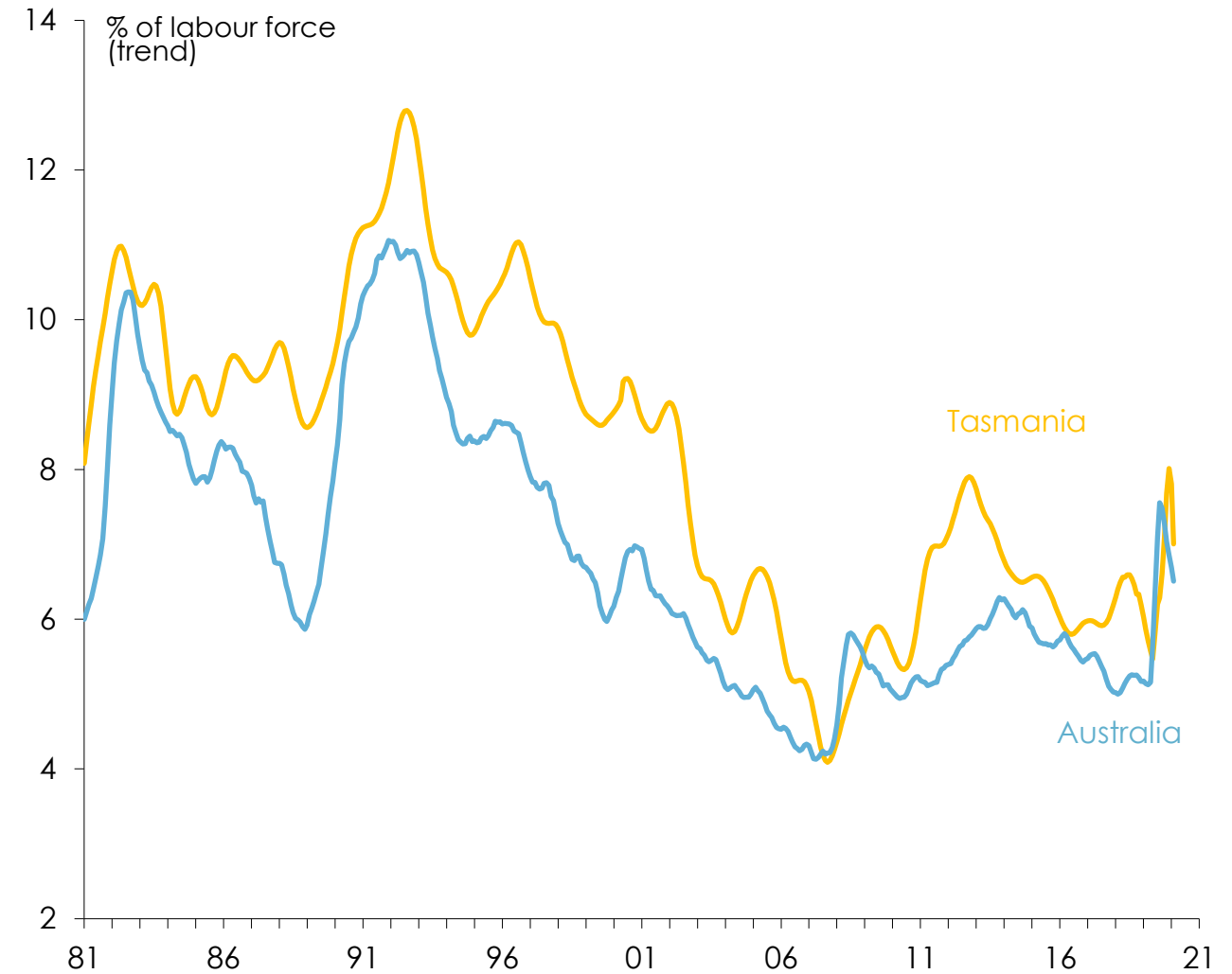
Note: the ABS estimates of the stringency of government restrictions on the movement and gathering of people, etc., are based on the methodology developed for the [Oxford COVID-19 Government Response Tracker](#) and published with September quarter [national accounts](#). Sources: ABS; Tammy Mills, "Victoria leads the nation in lockdown fines", *The Age*, 27th May 2020; Corinna.

Tasmania's economy was doing well in the years leading up to the onset of the Covid-19 pandemic

Growth in real gross product per capita, Tasmania and Australia, 1990-91 to 2019-20



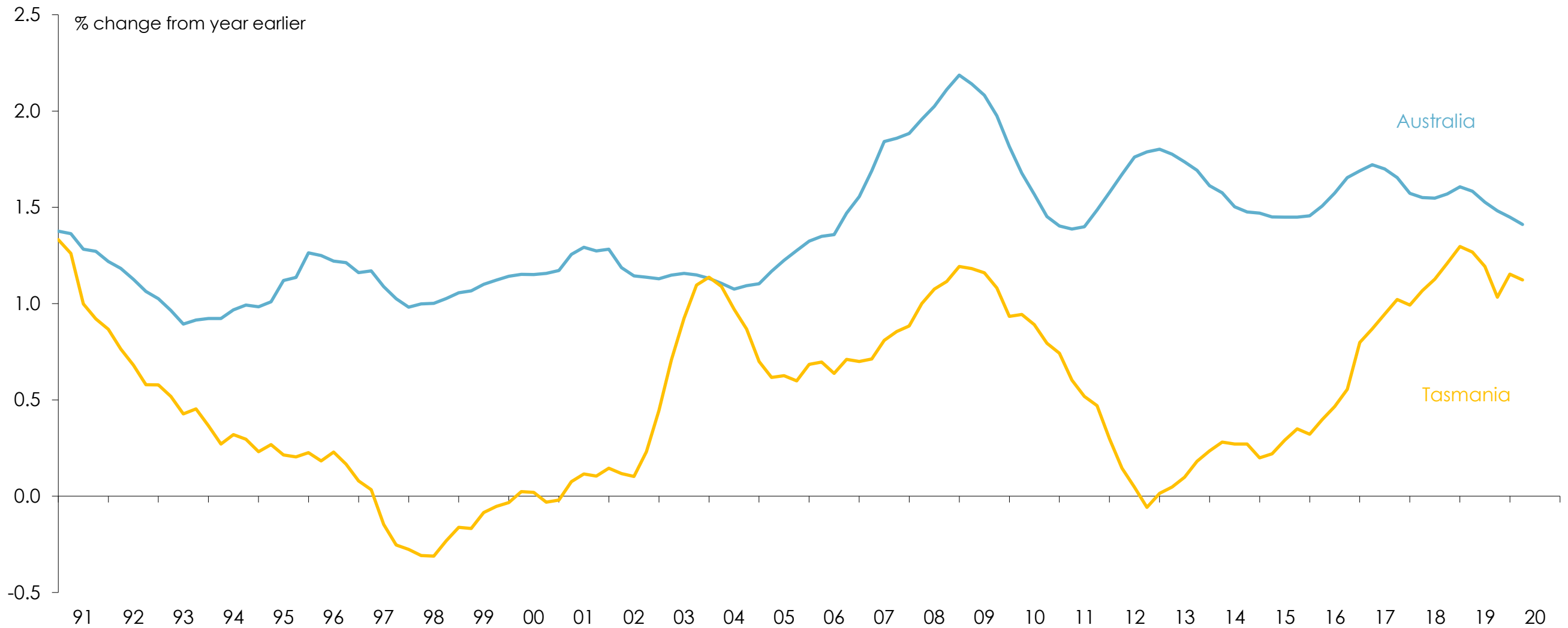
Unemployment rates, Tasmania and Australia, 1981-21



Source: ABS, [Australian National Accounts: State Accounts, 2019-20](#); [Labour Force, Australia](#).

Tasmania's population was growing at its fastest rate in nearly 30 years

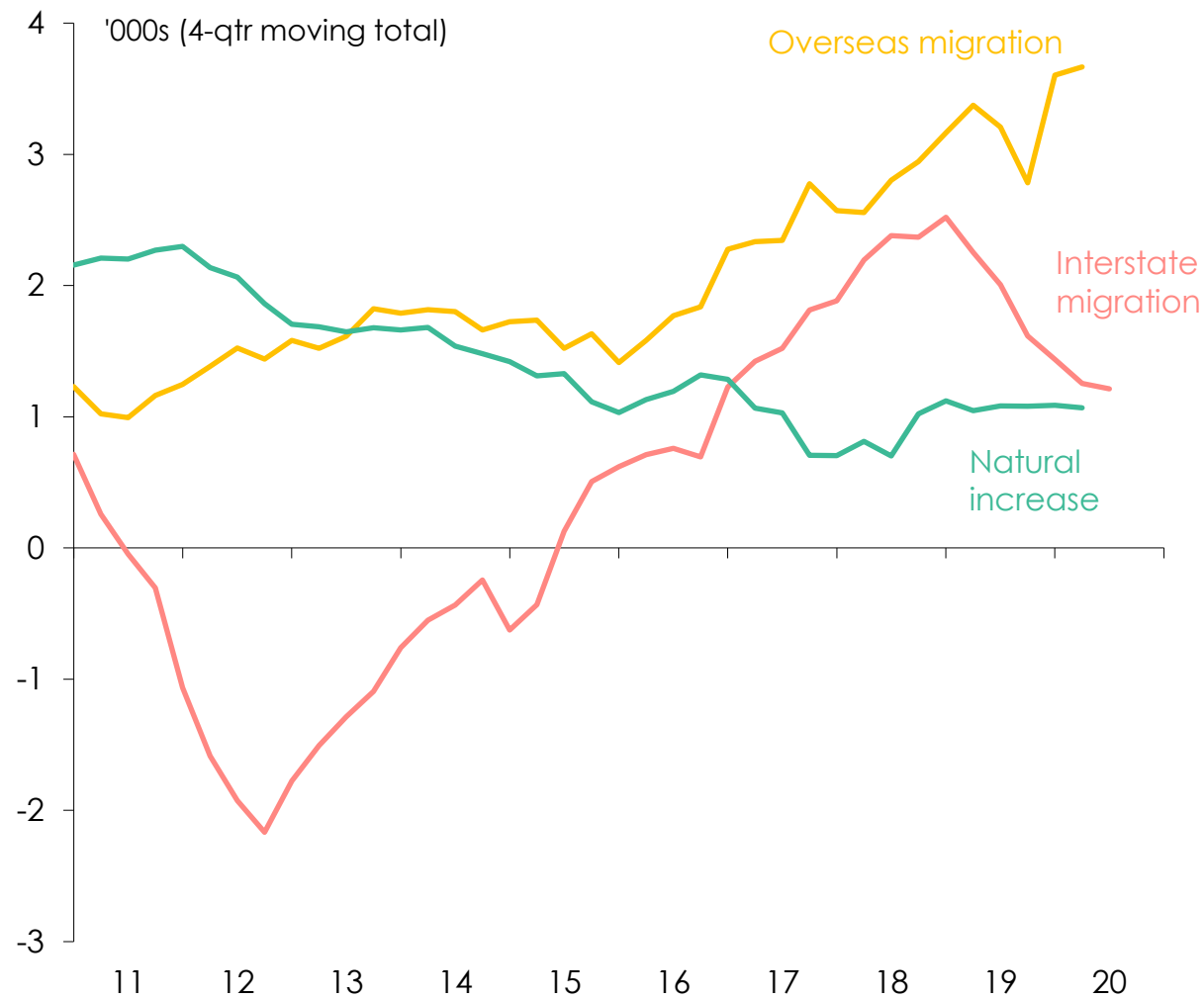
Population growth, Tasmania and Australia, 1991-2000



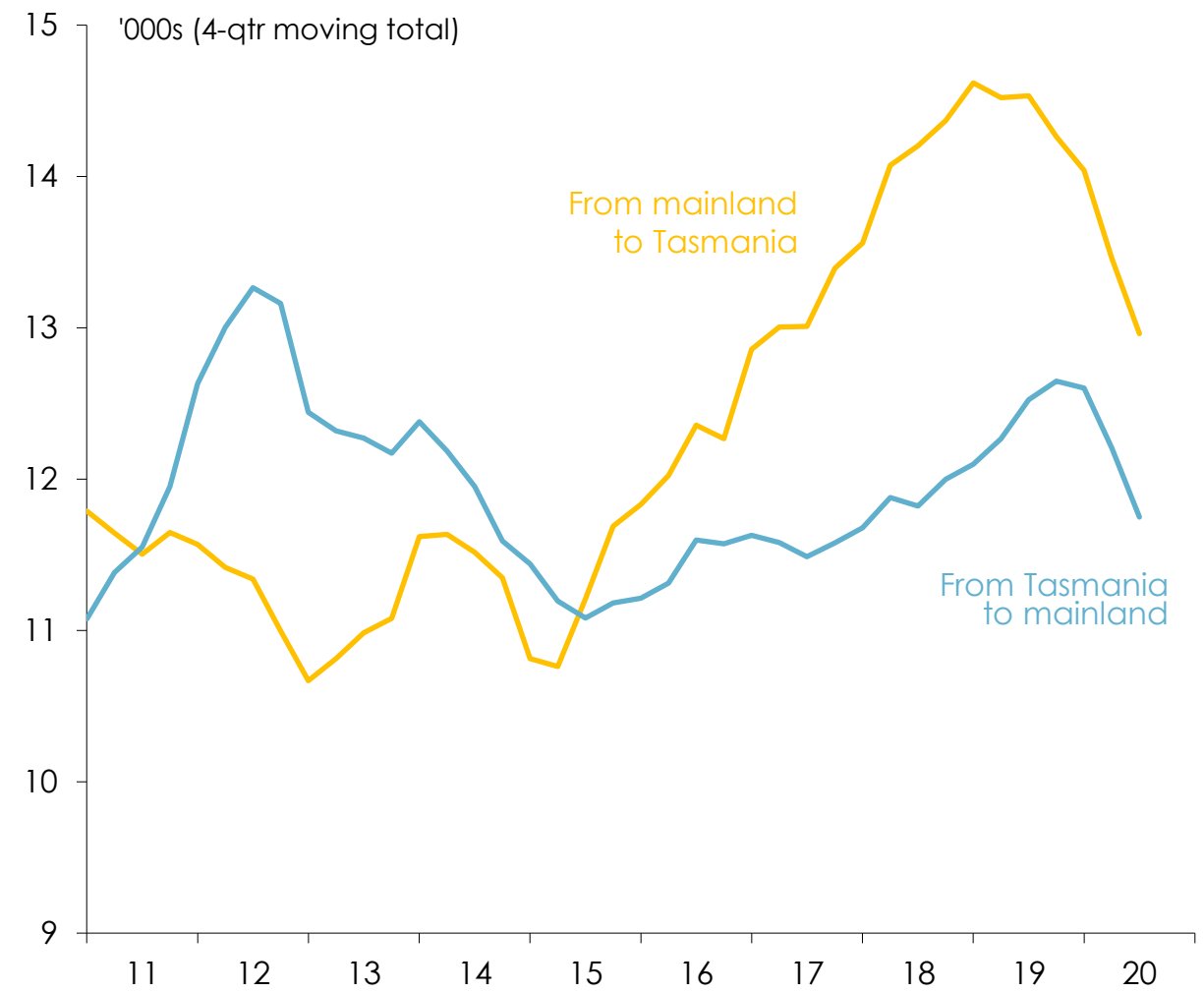
Source: ABS, [National, state and territory population](#).

More people were moving to Tasmania from both the mainland and overseas, and fewer Tasmanians were leaving

Sources of growth in Tasmania's population, 2011-2020



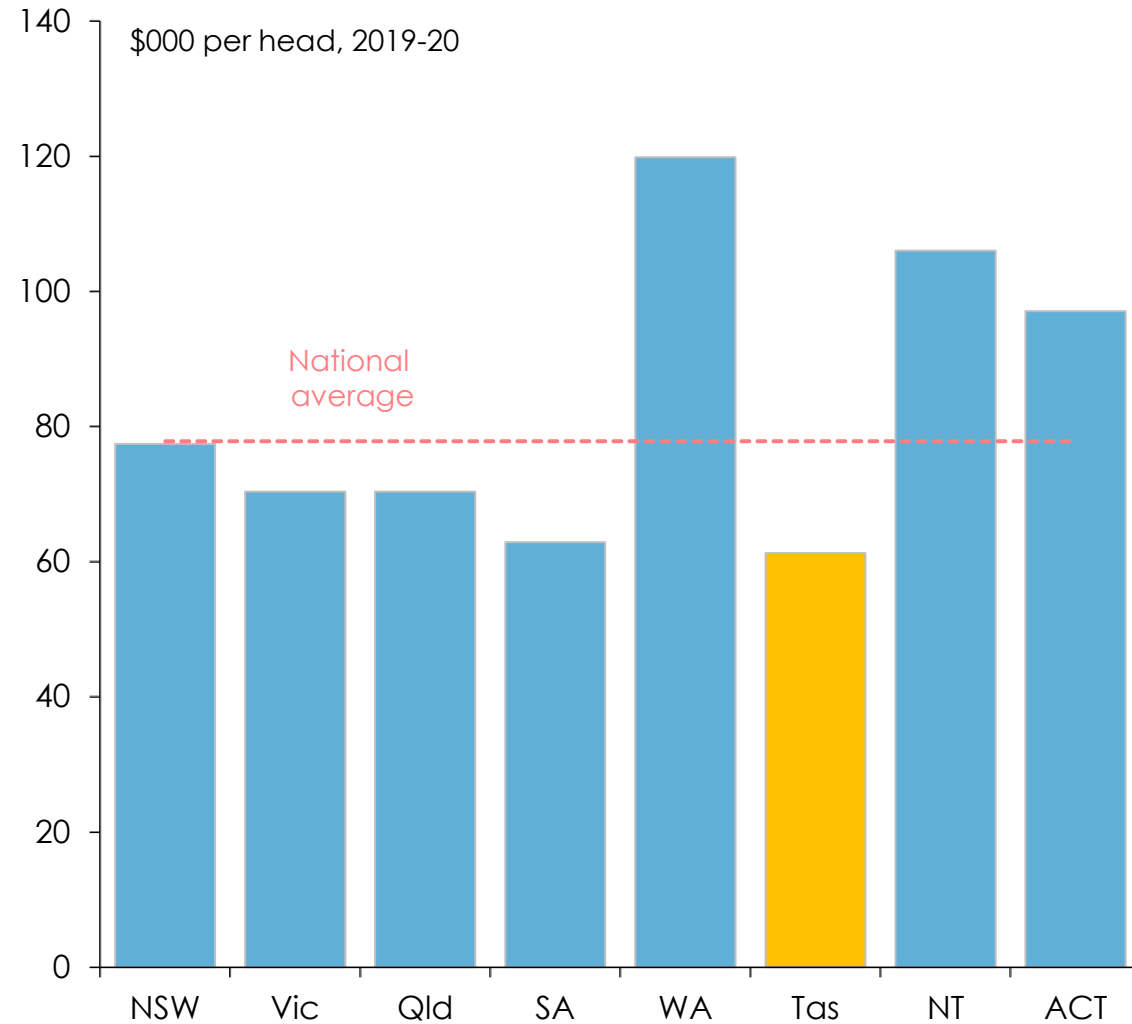
People movements across Bass Strait, 2011-2020



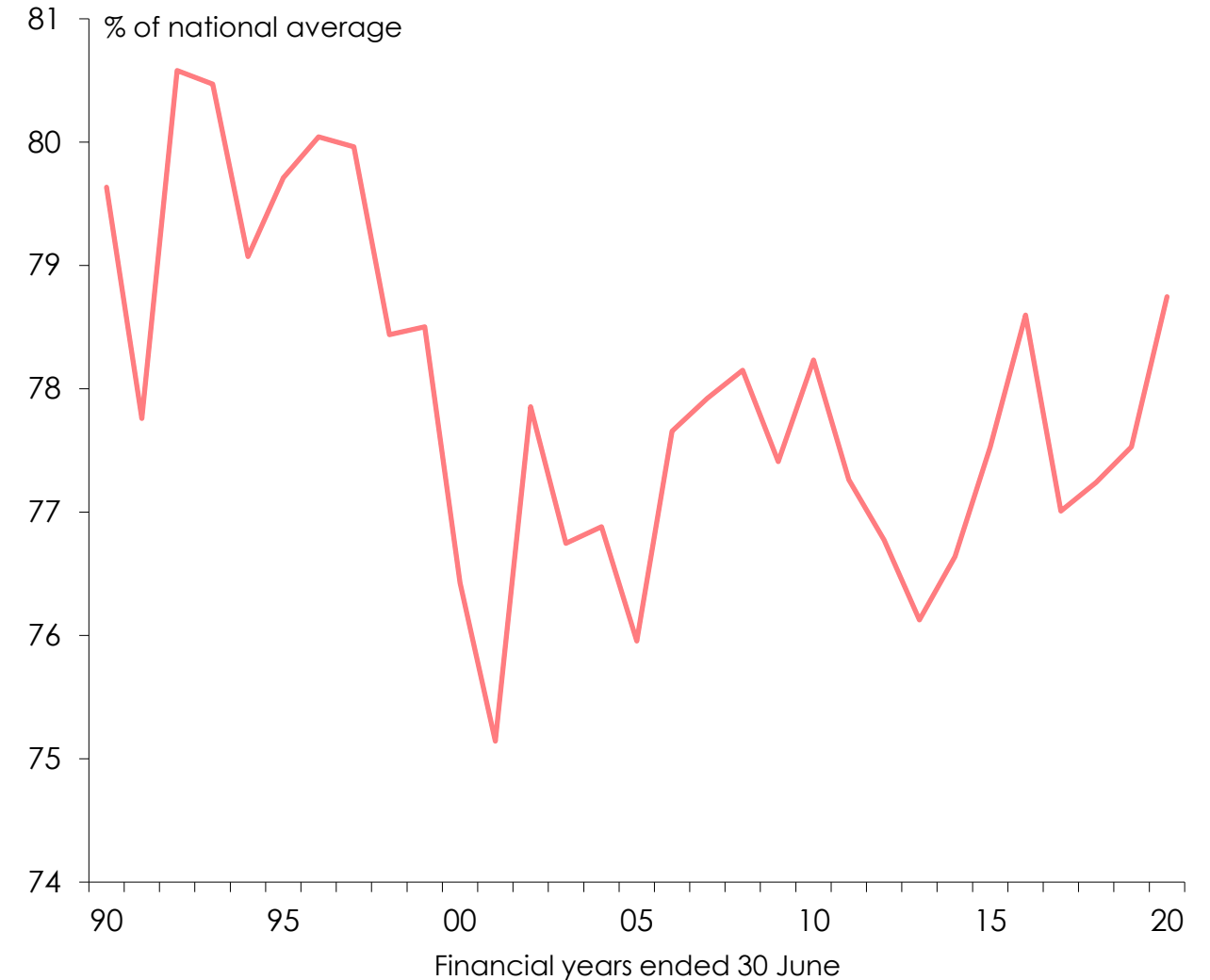
Source: ABS, [National, state and territory population](#).

Tasmania remains Australia's poorest state despite some gradual improvement since the turn of the century

Per capita gross state product, states and territories, 2019-20



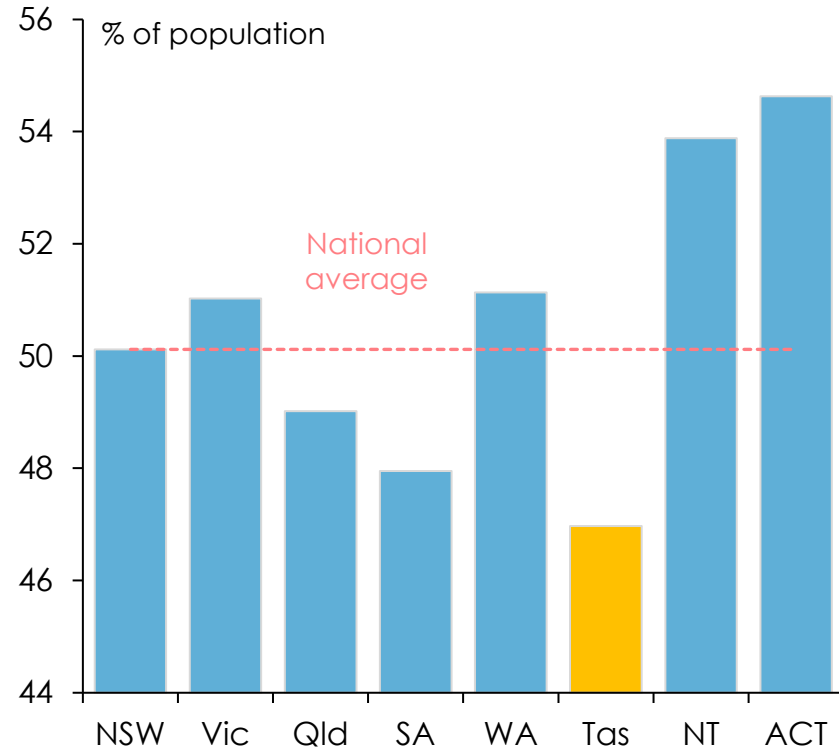
Tasmanian per capita gross state product as a pc of the national average, 1989-90 to 2019-20



Source: ABS, [Australian National Accounts: State Accounts, 2019-20](#).

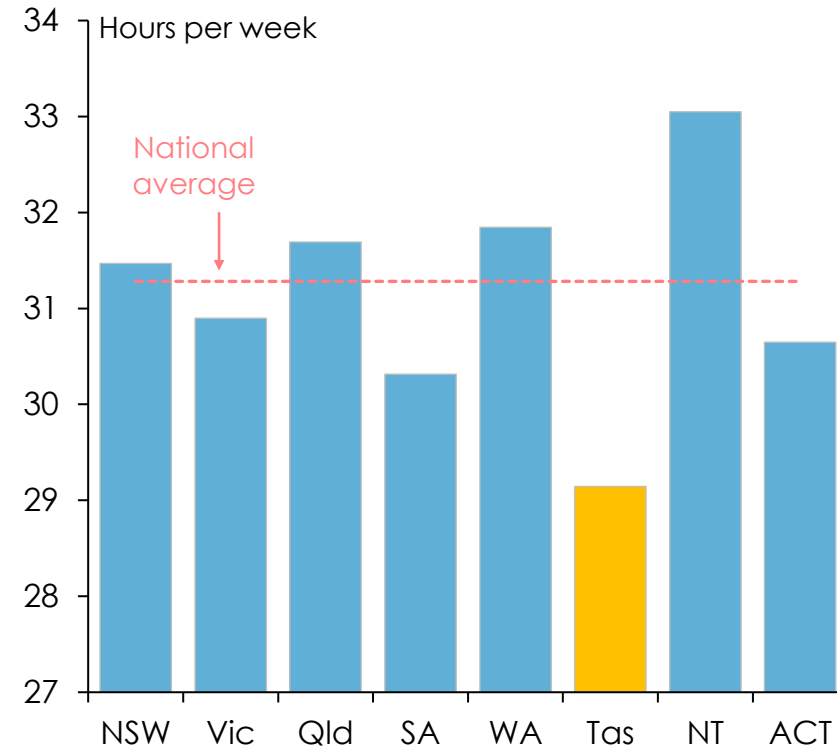
Tasmania's below-average per capita gross product reflects lower participation in employment, fewer hours worked and lower productivity

Participation in employment, 2019-20



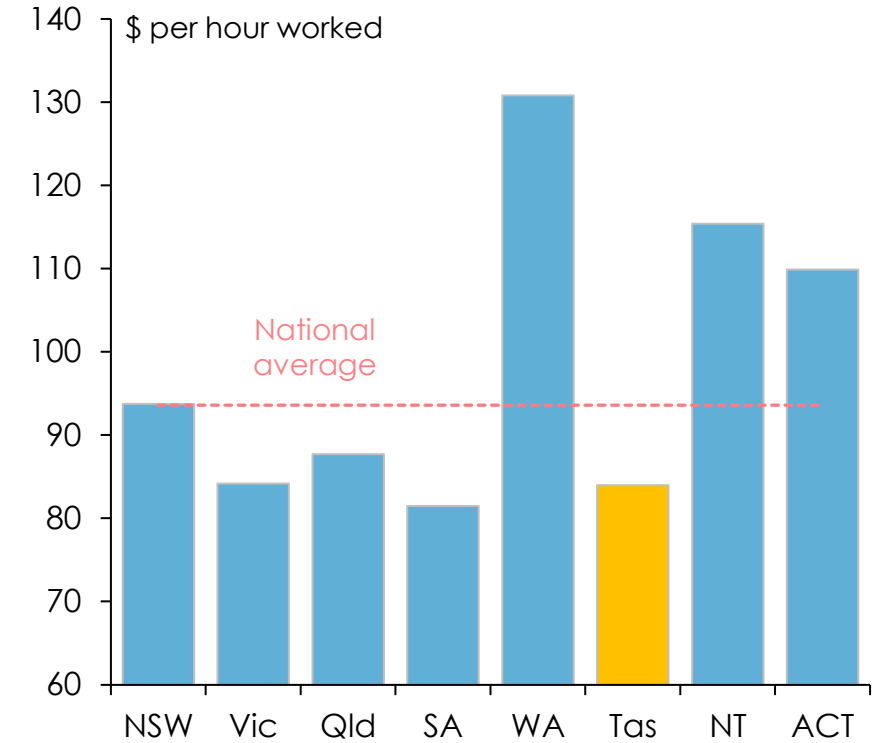
47% of Tasmanians have a job (cf. 50% of mainlanders) – which accounts for 36% of the difference between Tasmania's per capita GSP and the mainland's

Average hours worked, 2019-20



Tasmanians with jobs work 2.2 fewer hours per week than mainlanders – which accounts for 35% of the difference between Tasmania's per capita GSP and the mainland's

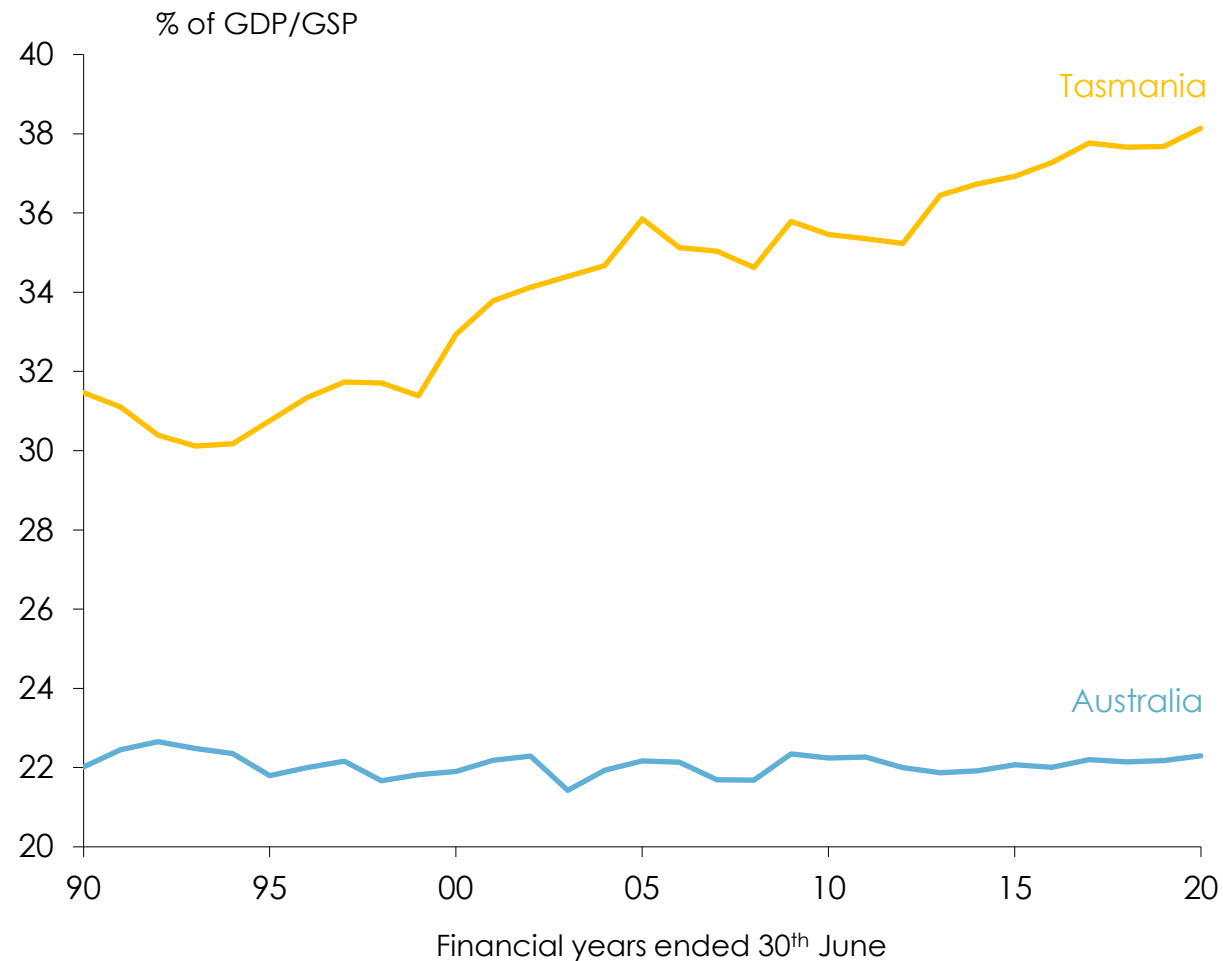
Output per hour worked (productivity), 2019-20



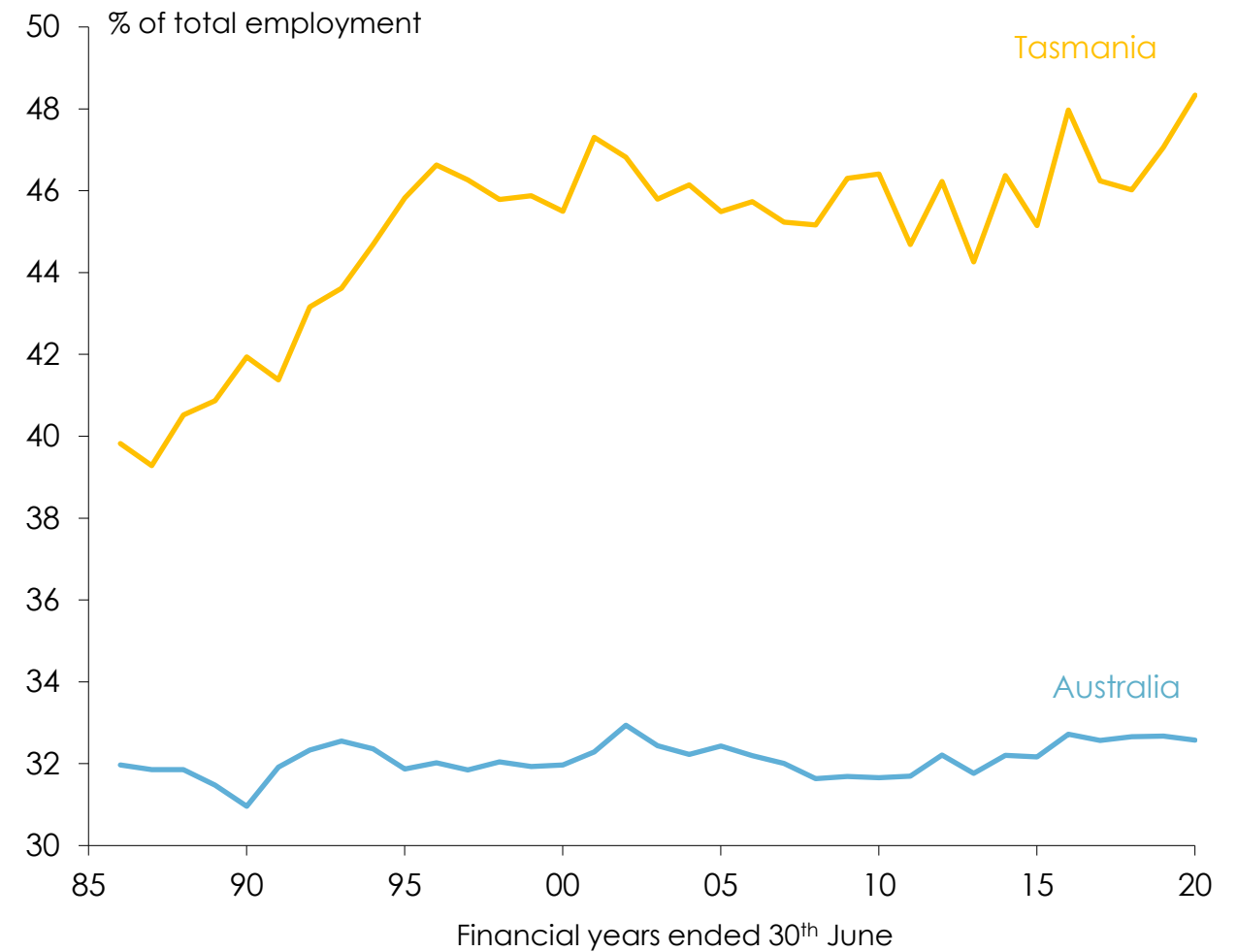
Tasmanians produce \$9.50 (10%) less for each hour they work than mainlanders – which accounts for 29% of the difference between Tasmania's per capita GSP and the mainland's

Tasmania's economy below-average productivity and living standards are in part the result of a less widely-based economy than the mainland

'Five sectors' shares of gross product



'Five sectors' shares of total employment

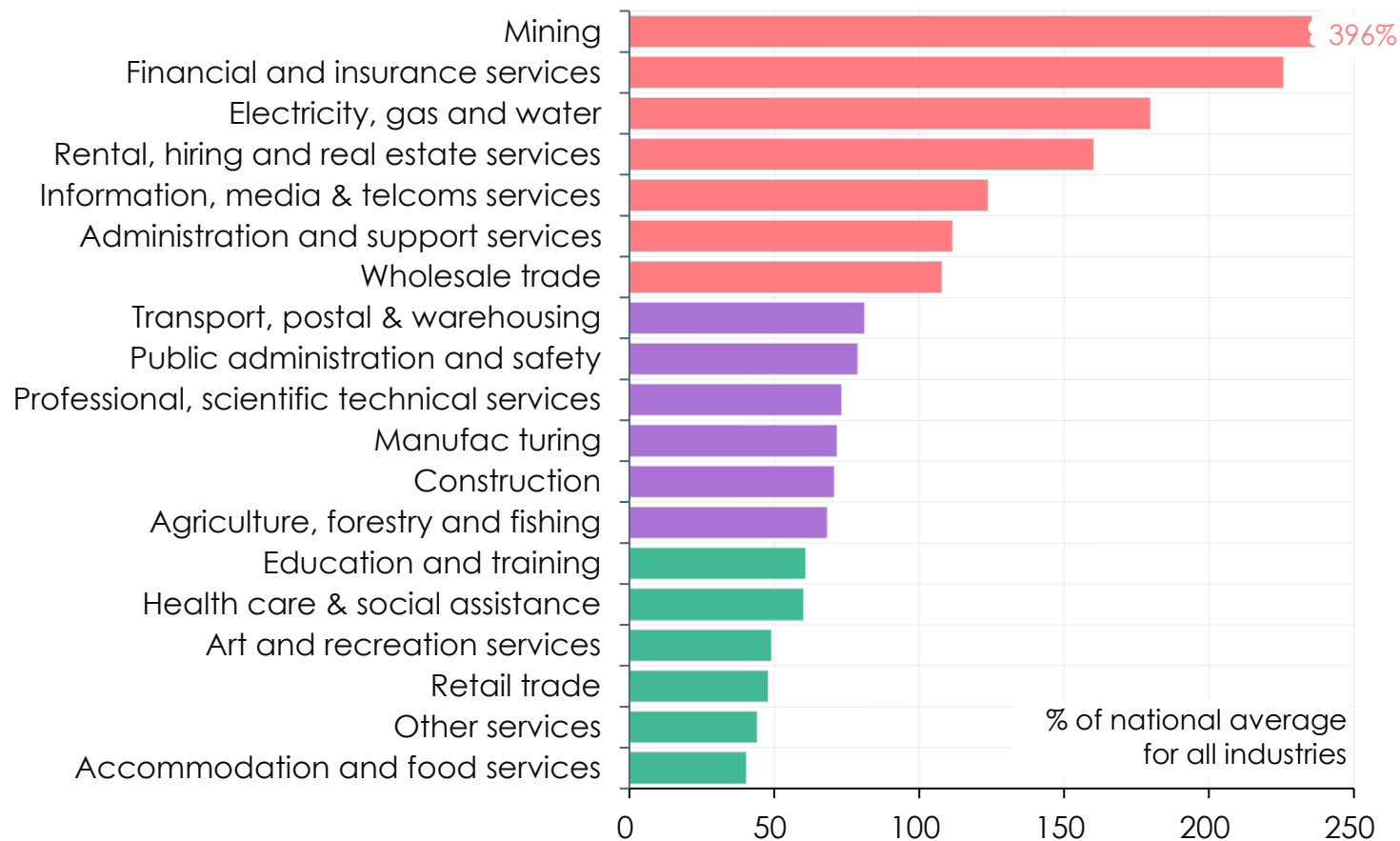


❑ The 'five sectors' are agriculture, forestry and fishing; retail trade; accommodation and food services; public administration and safety; and health care and social assistance

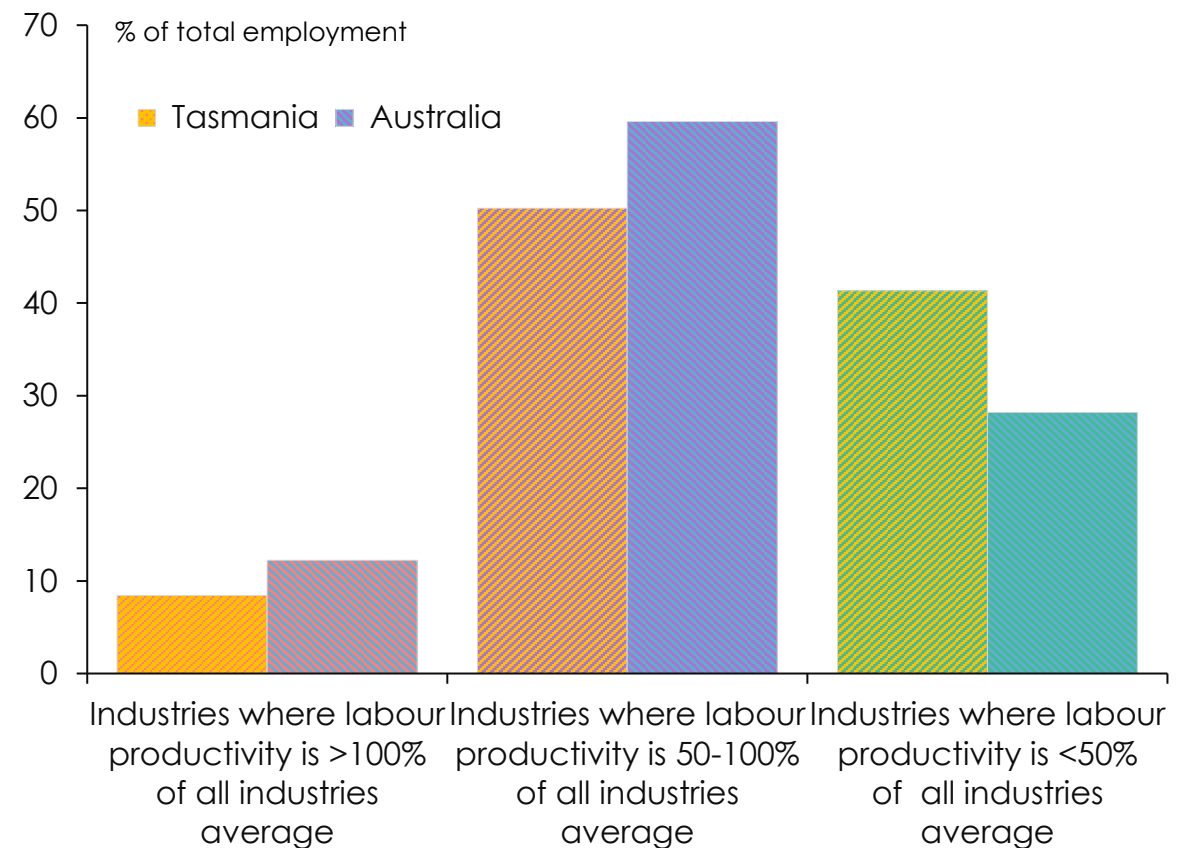
Source: ABS, [Australian National Accounts: State Accounts, 2019-20](#).

Relatively few Tasmanians work in intrinsically high-productivity industries, whereas a lot more work in low-productivity industries

Labour productivity by industry, Australia,



Shares of total employment by industry groups ranked by productivity, 2018-19

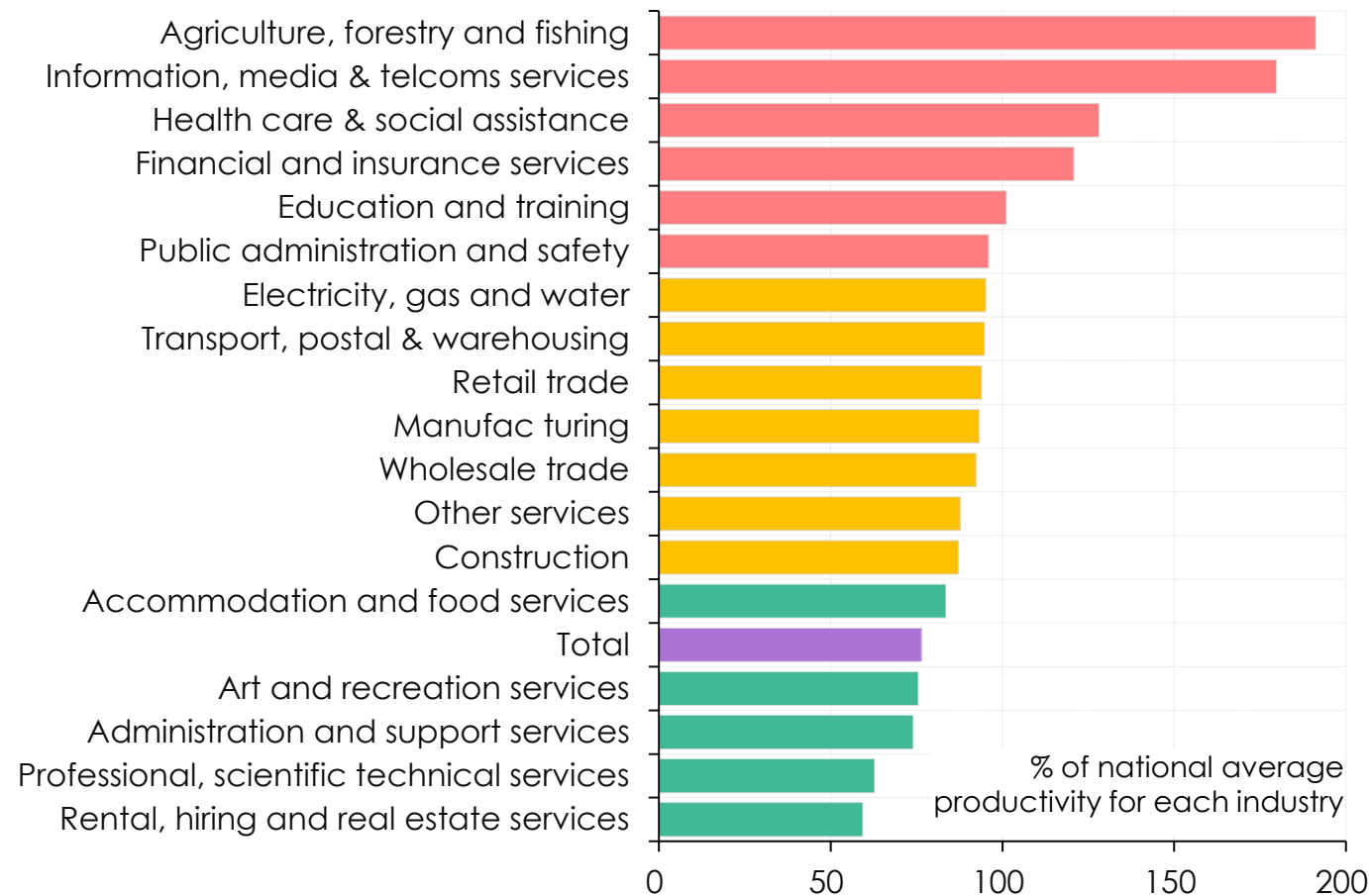


Only 8½% of Tasmanian workers are employed in industries where (nationally) labour productivity is higher than the all-industry average (cf. 12½¼% of Australian workers) – whereas 41% of Tasmanian workers are employed in industries where labour productivity is more than 50% below the all-industry average (cf. 28% of all Australian workers)

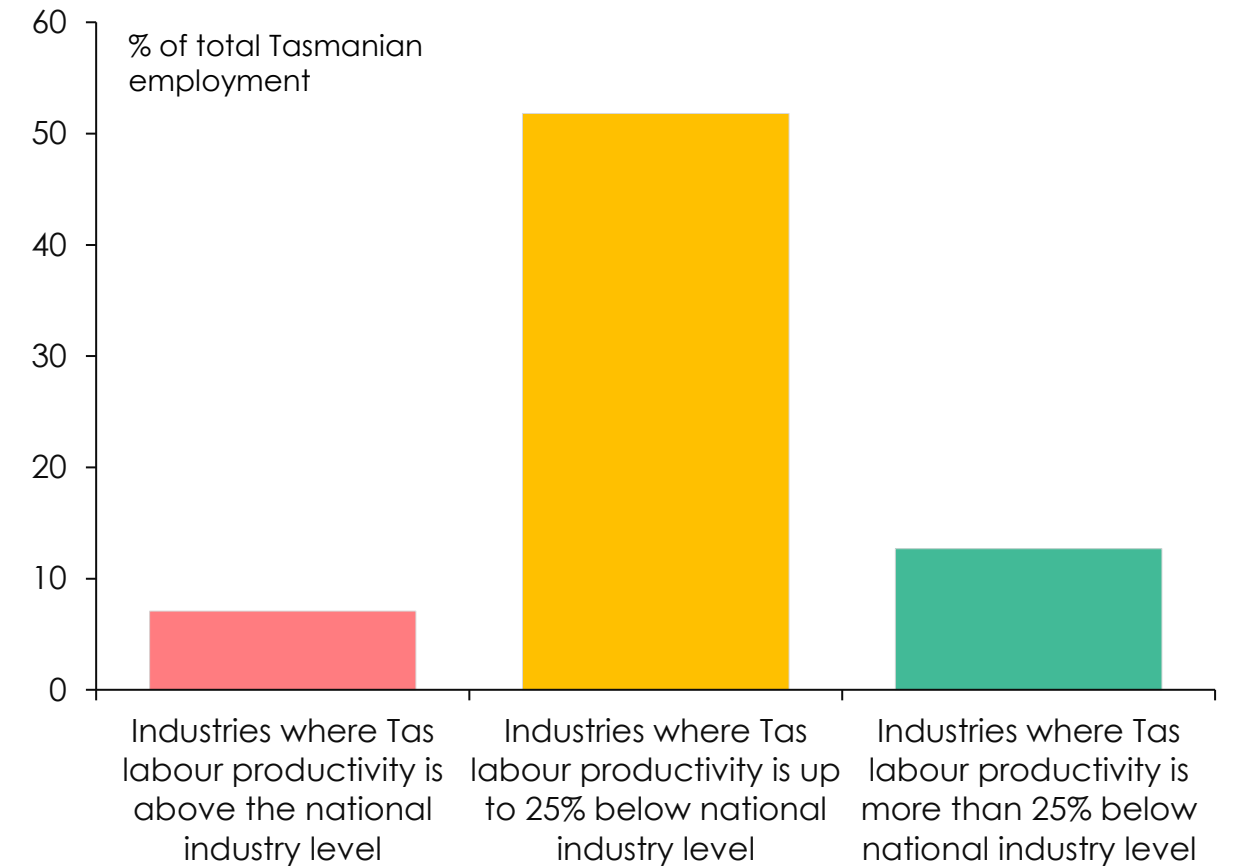
Note: 2018-19 data used in these charts because of Covid-19-related distortions to productivity measures in 2019-20.
 Source: ABS, [Australian National Accounts: State Accounts, 2019-20](#) and [Labour Force, Australia](#).

93% of Tasmanian workers are employed in industries where labour productivity is below the corresponding national industry average

Labour productivity in Tasmanian industries as a percentage of national average productivity in those industries, 2018-19



Shares of total employment in Tasmania by industries ranked by productivity as pc of national average, 2018-19

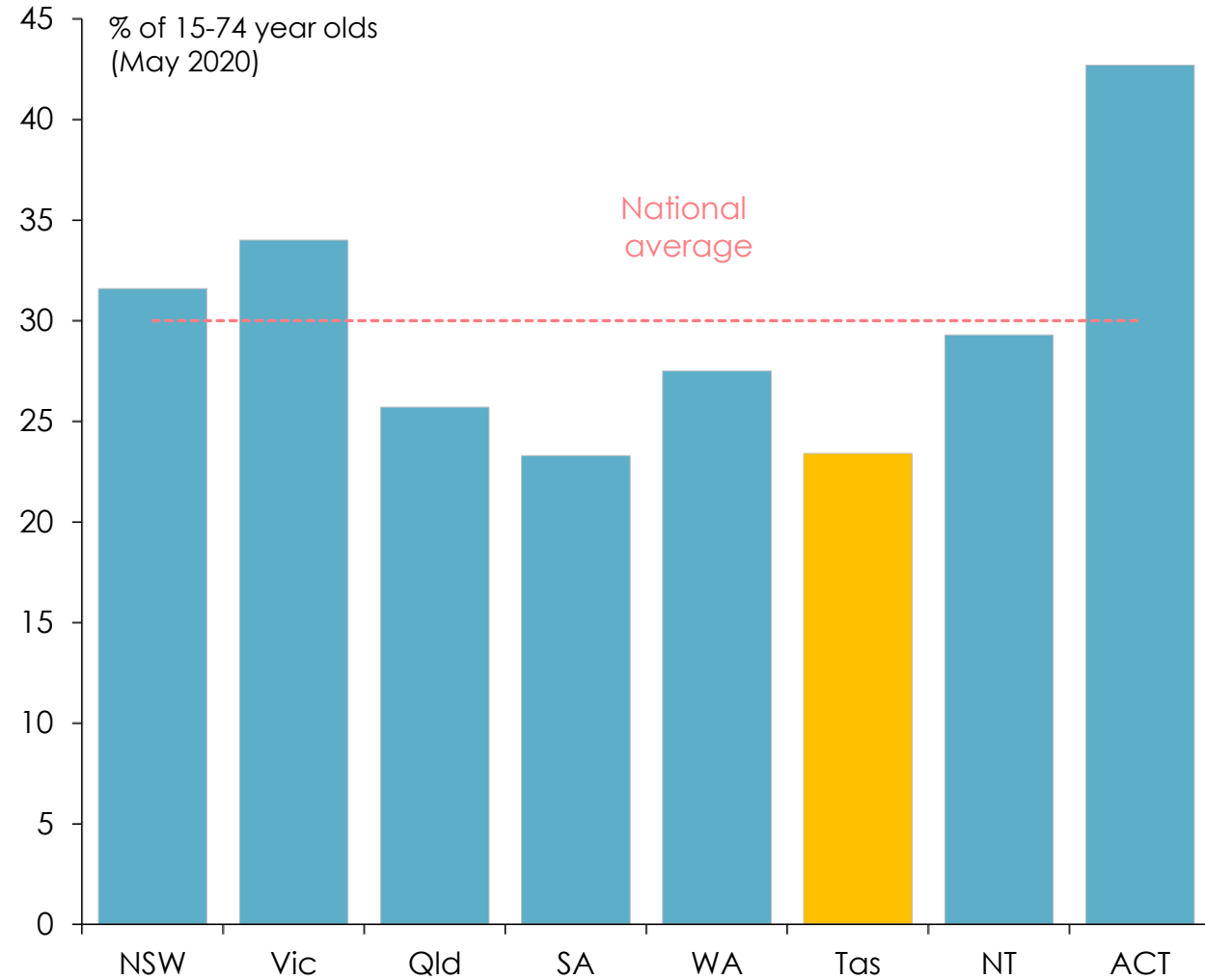


Only 7% of Tasmanian workers are employed in industries where their productivity is higher than the corresponding national averages for those industries – whereas 52% of Tasmanian workers work in industries where their productivity is up to 25% below the corresponding national average, and 13% where their productivity is more than 25% below the national average

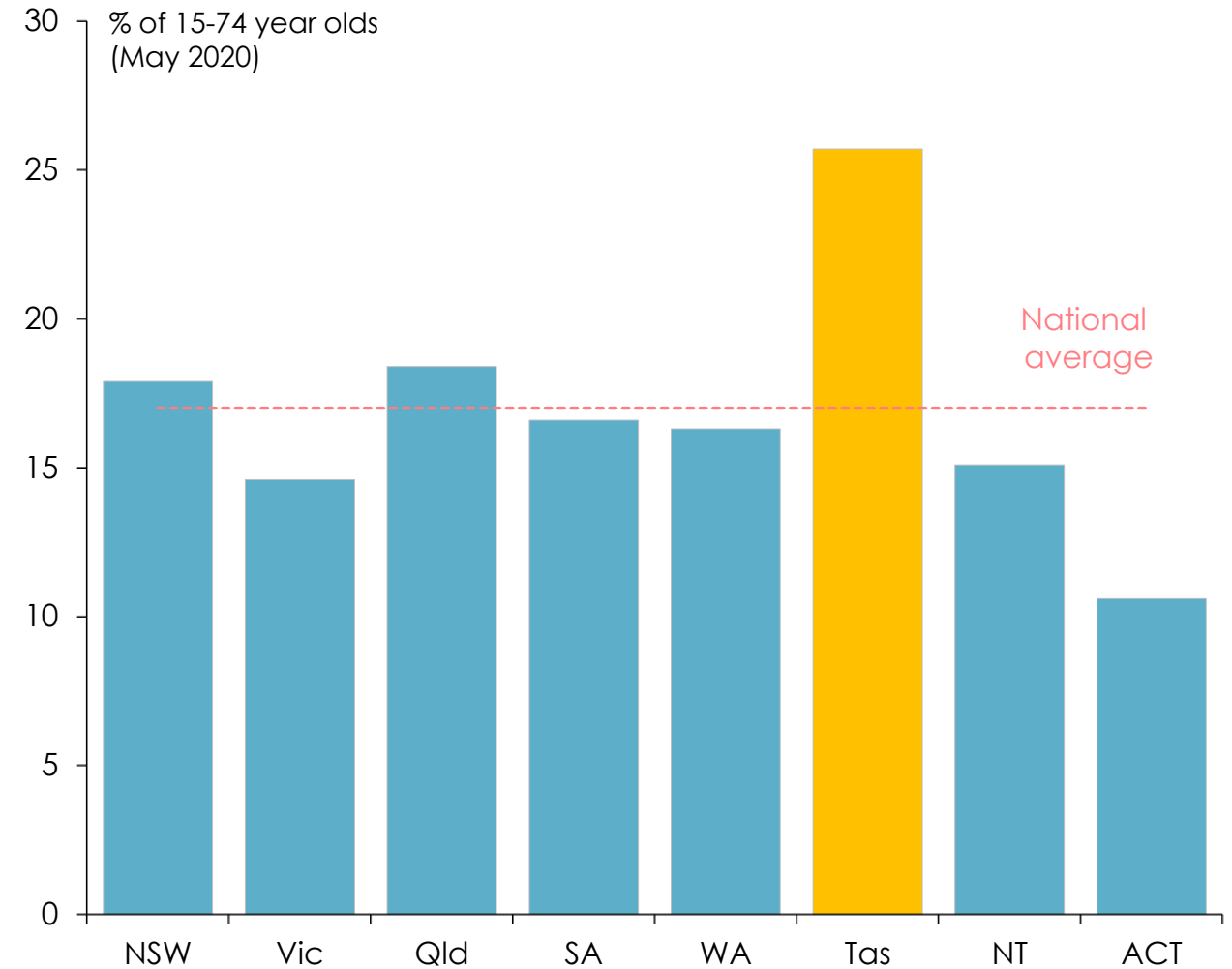
Note: 2018-19 data used in these charts because of Covid-19-related distortions to productivity measures in 2019-20.
Source: ABS, [Australian National Accounts: State Accounts, 2019-20](#) and [Labour Force, Australia](#).

Tasmania's below-average productivity and living standards are in part a legacy of below-average educational participation and attainment

Proportion of 15-74 year olds with a bachelor's degree or higher



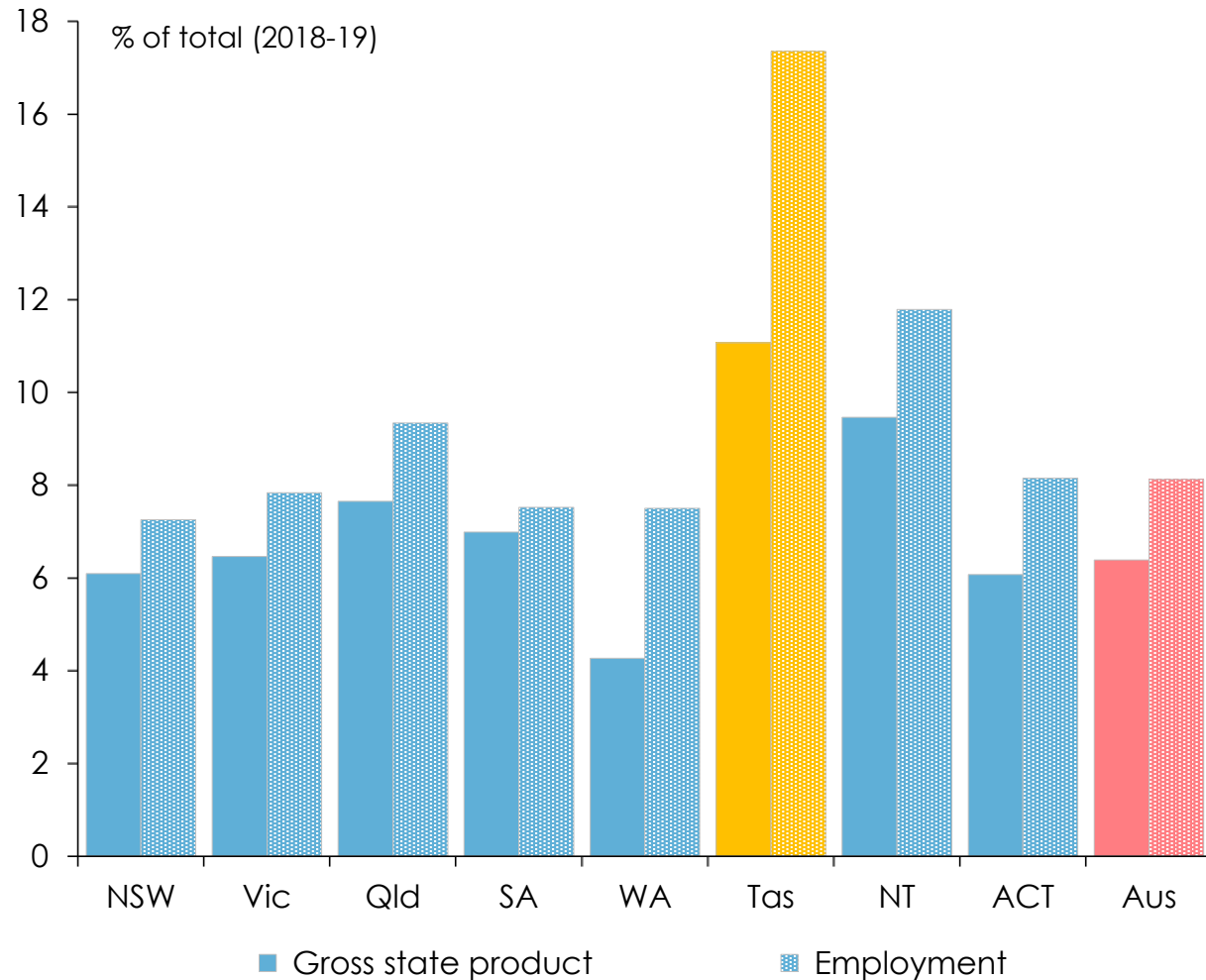
Proportion of 15-74 year olds with no qualifications beyond Year 10



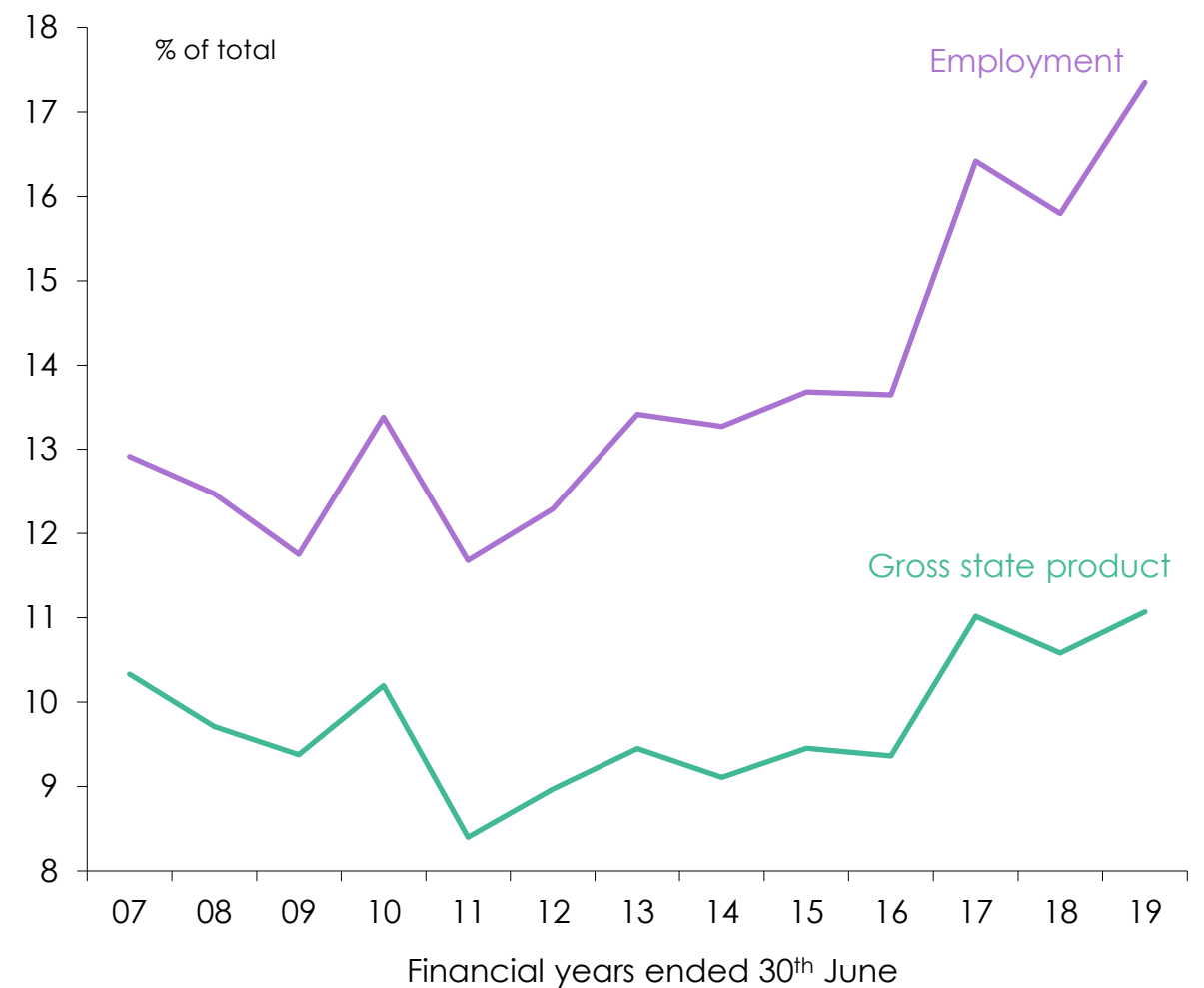
Source: ABS, [Education and Work, Australia](#).

Tasmania has probably become 'too dependent' on tourism for the post-Covid world

Tourism shares of gross state product and employment, states and territories, 2018-19



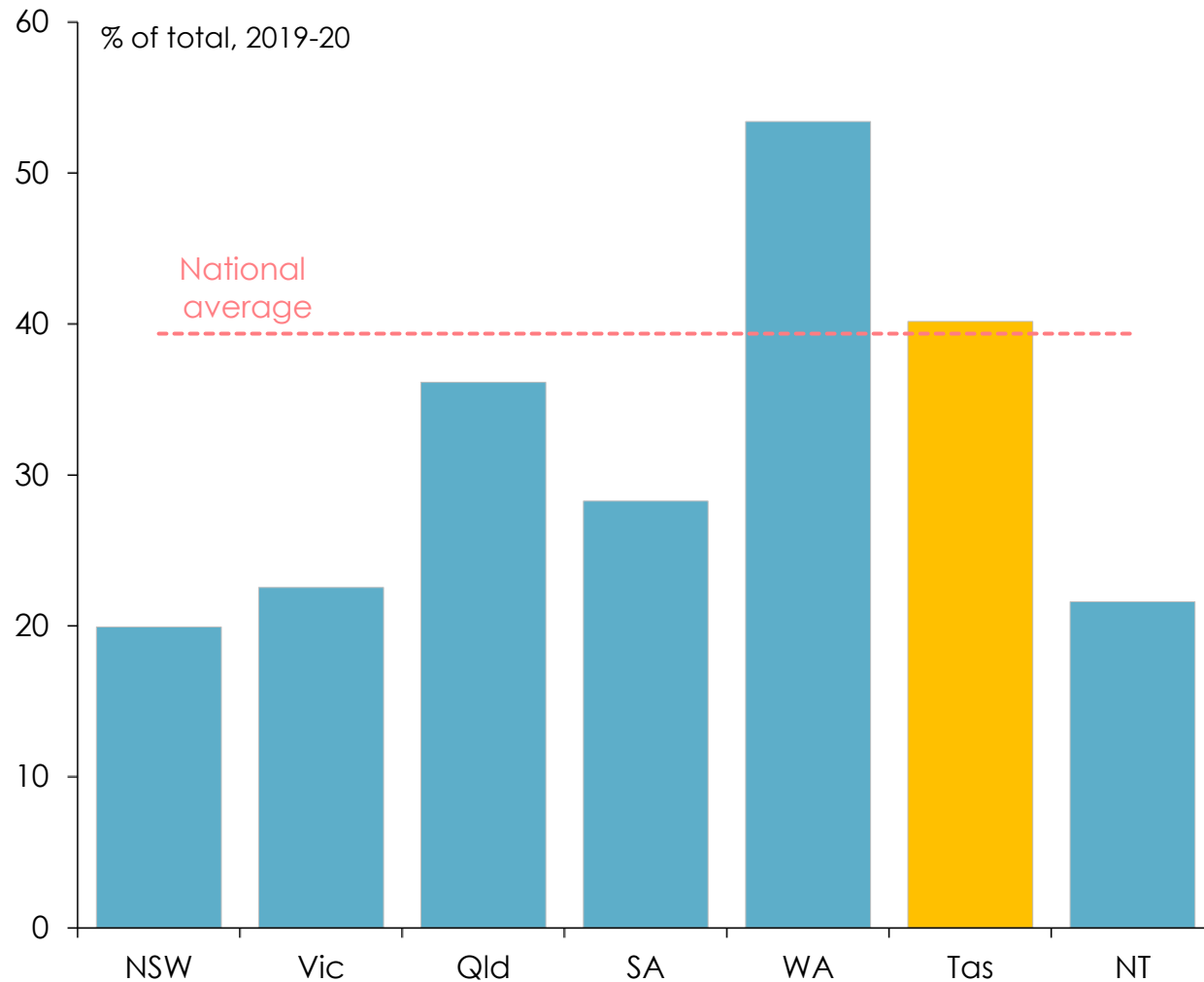
Tourism shares of Tasmanian gross state product and employment, 2006-07 to 2018-19



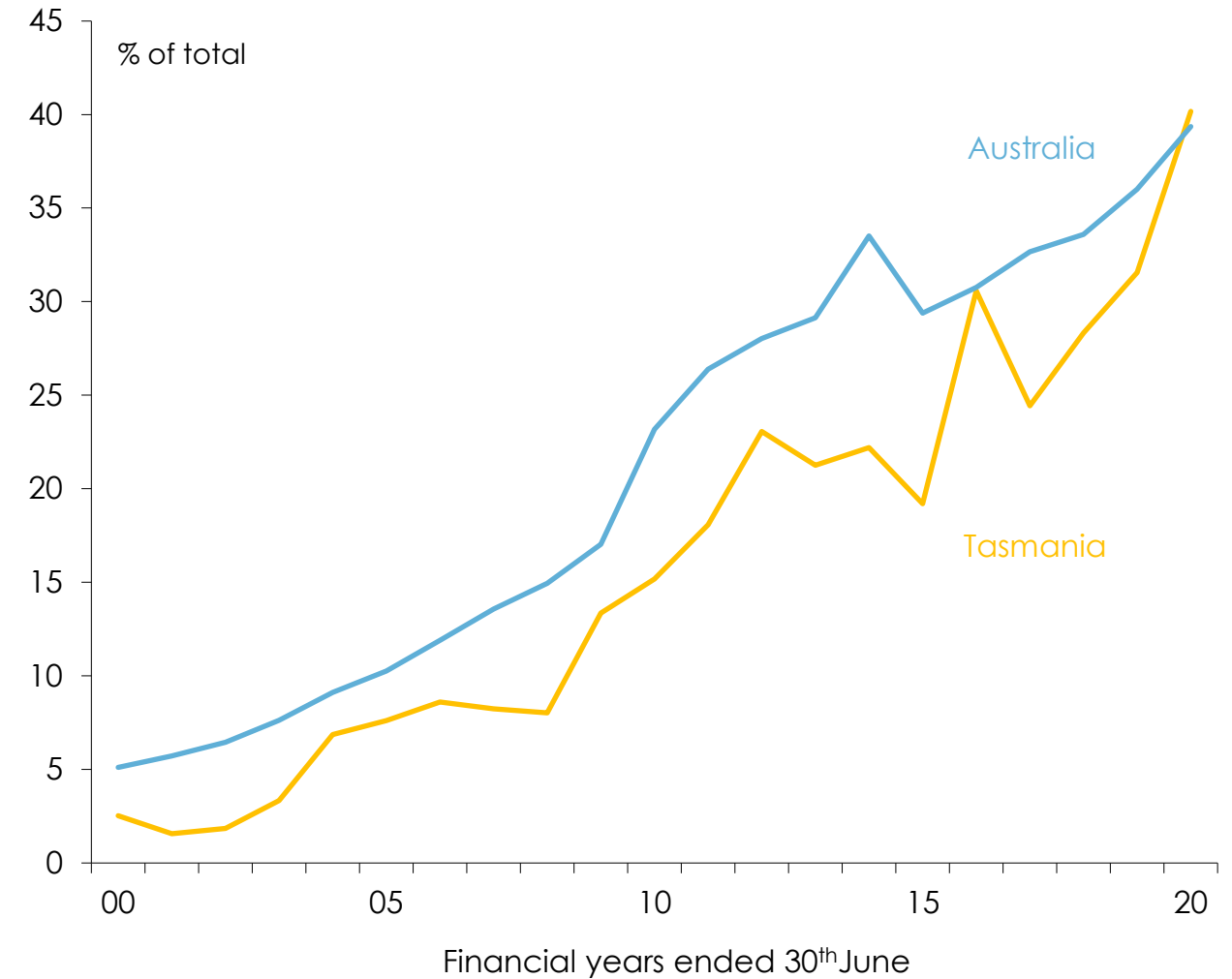
Source: Tourism Research Australia, [State Tourism Satellite Account 2018-19](#).

Tasmania has also arguably become 'too reliant' on China as an export market given the deterioration in bilateral political relations

Merchandise exports to China as a pc of total, states and territories, 2019-20



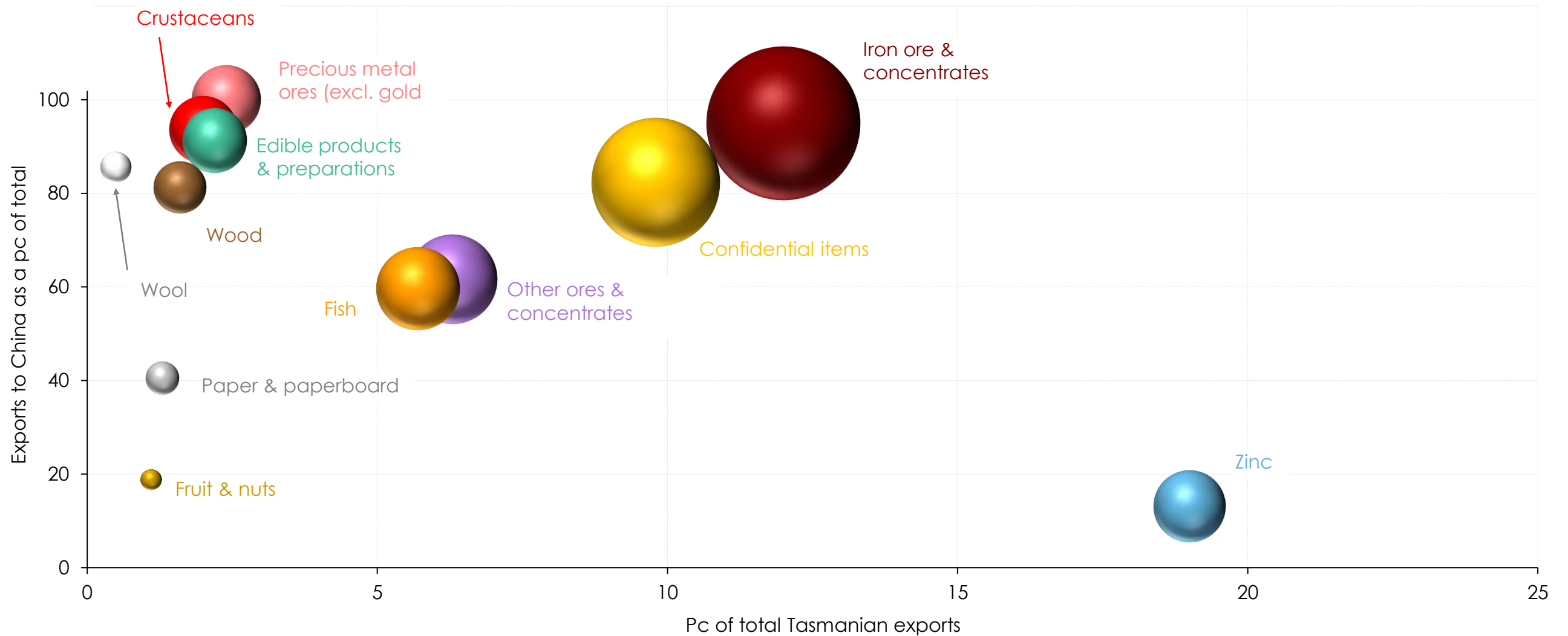
Merchandise exports to China as a pc of total, Tasmania and Australia, 1999-2000 to 2019-20



Source: ABS, [International Trade in Goods and Services, Australia](#).

Many of Tasmania's major exports are vulnerable to Chinese trade sanctions

Principal Tasmanian merchandise exports to China, 2019-20

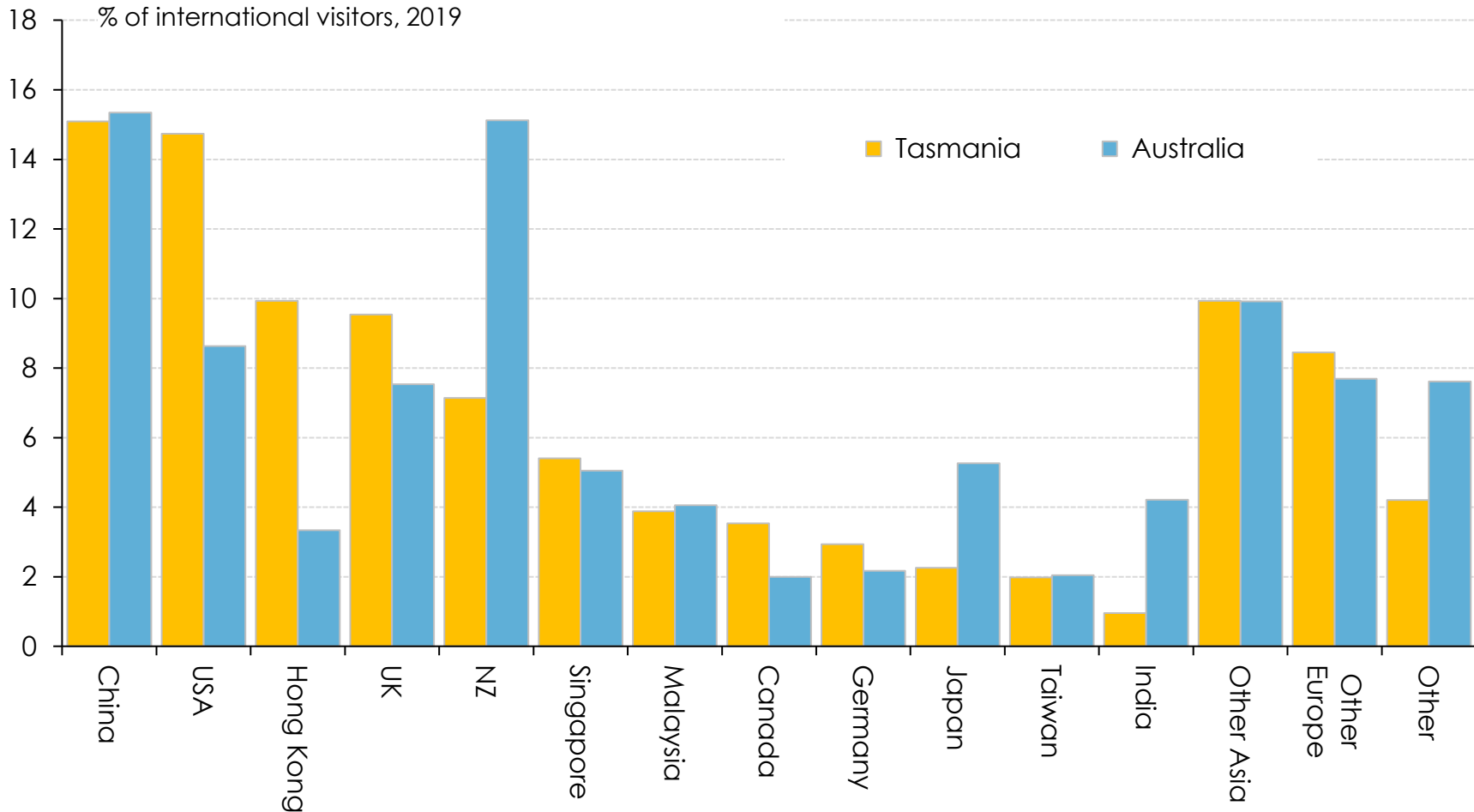


Note: The size of the 'bubbles' shown in this chart indicates the dollar value of exports of the items in 2019-20.

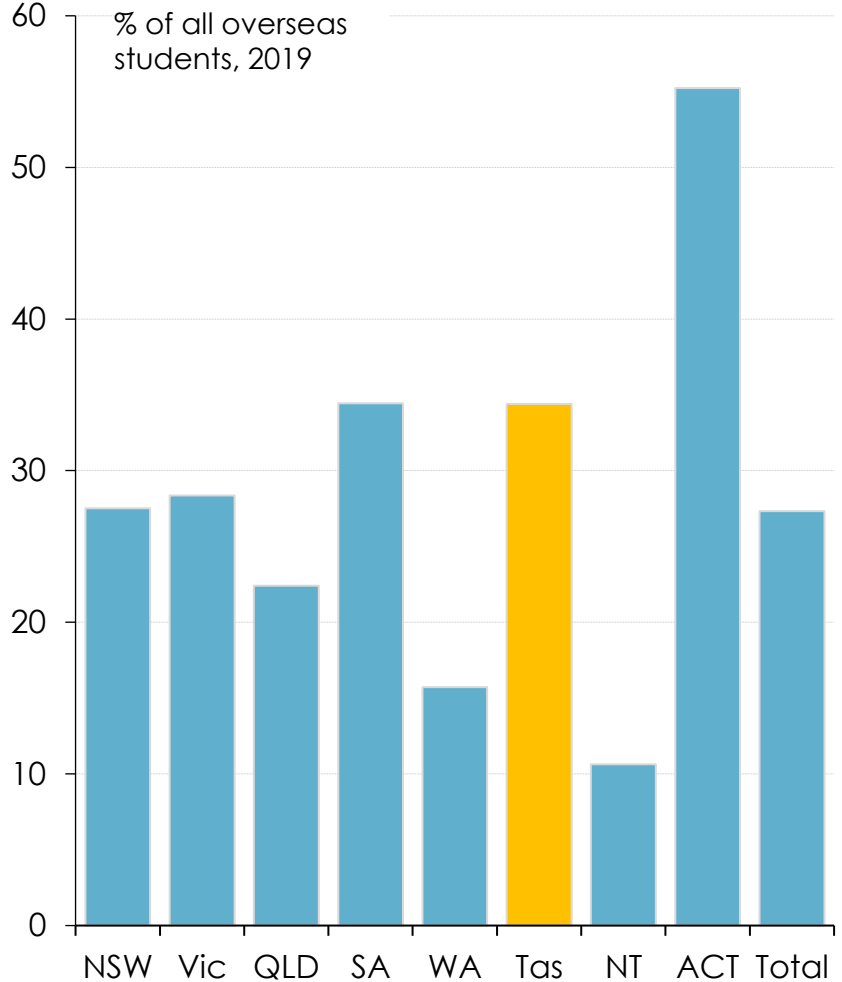
Source: Department of Foreign Affairs and Trade, [Trade statistical pivot tables](#).

Tasmania is no less dependent on China for overseas tourists than the national average, and more dependent on China for overseas students

Origin of international visitors, Tasmania and Australia, 2019



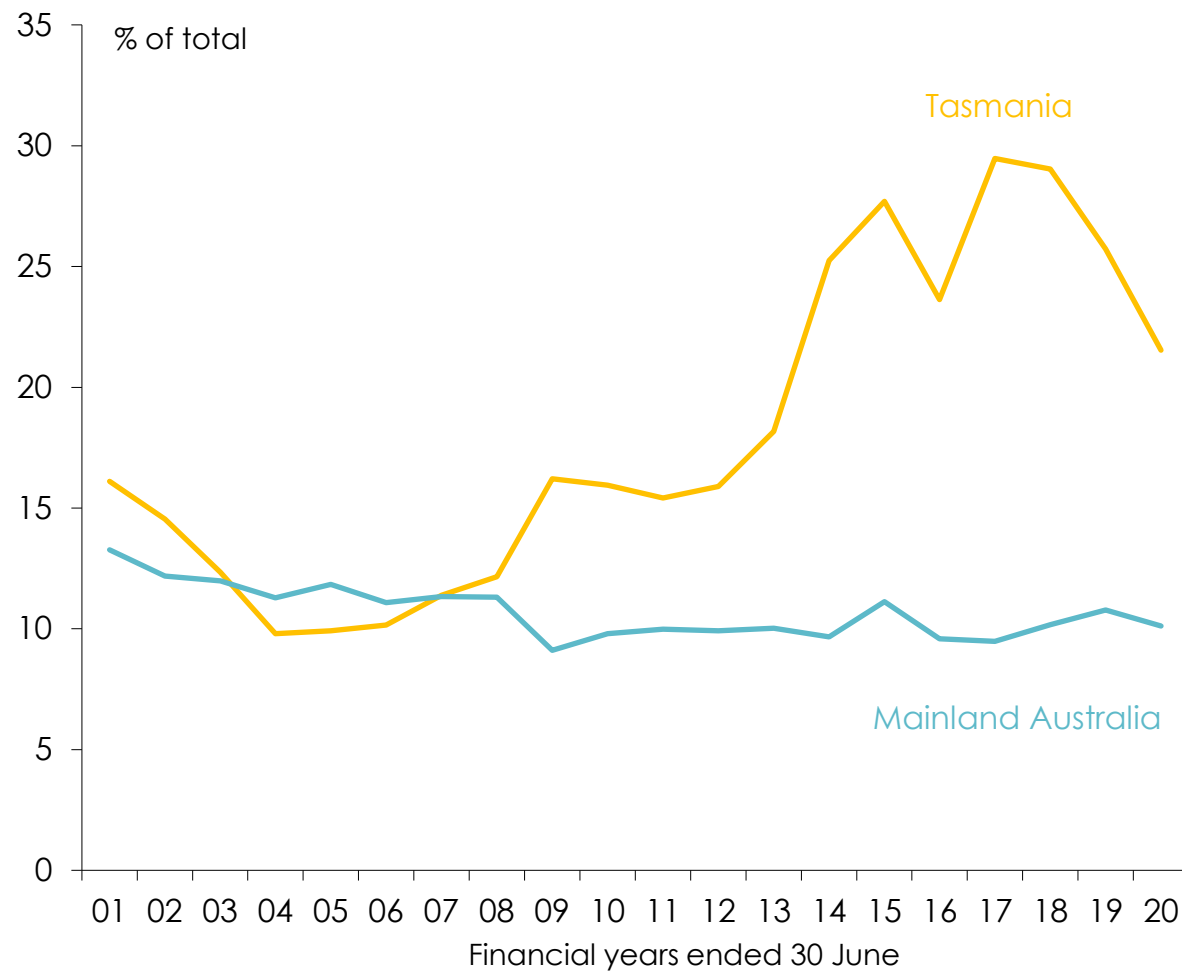
Chinese students as a pc of all overseas students, 2019



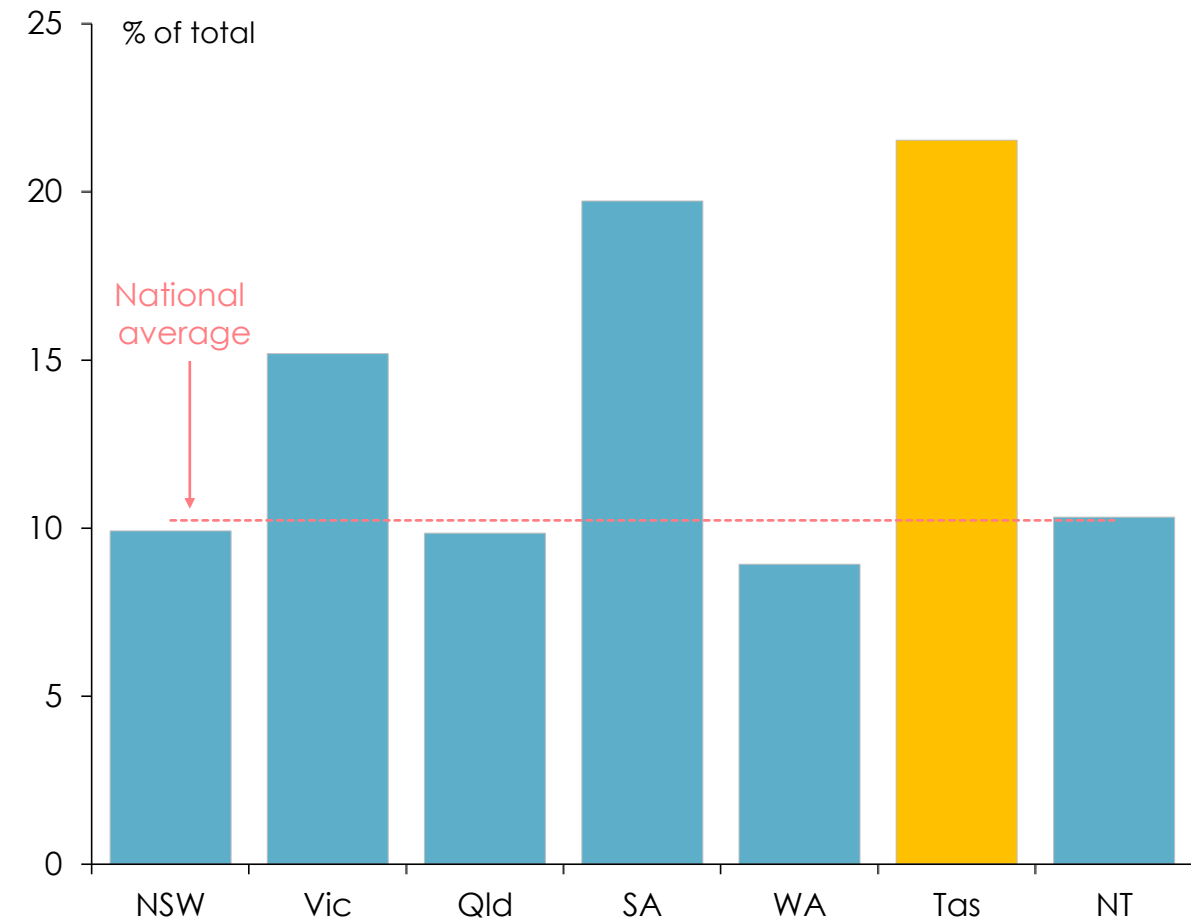
Note: 'Overseas students' includes higher education, VET, ELICOS (English Language Intensive Course of Study), school and non-award students.
 Sources: Tourism Tasmania, [Tourism Snapshot](#), December 2019; ABS, [Overseas Arrivals and Departures, Australia](#); (Australian) Department of Education, [uCube - Higher Education Data Cube](#).

Tasmania hasn't neglected ASEAN as much as other states and territories

Merchandise exports to ASEAN countries as a pc of total exports, Tasmania and Australia



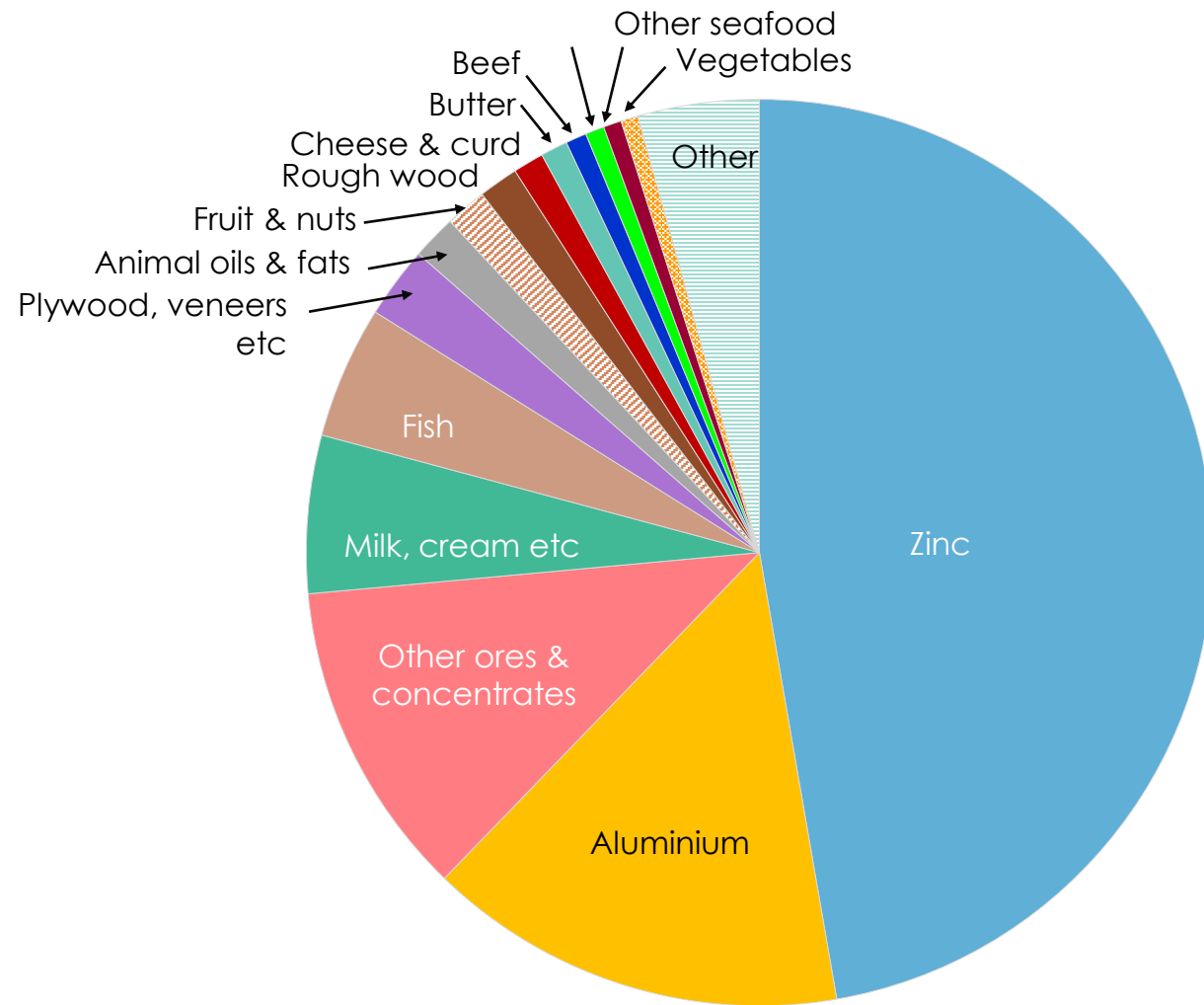
Merchandise exports to ASEAN countries as a pc of total, states and territories, 2019-20



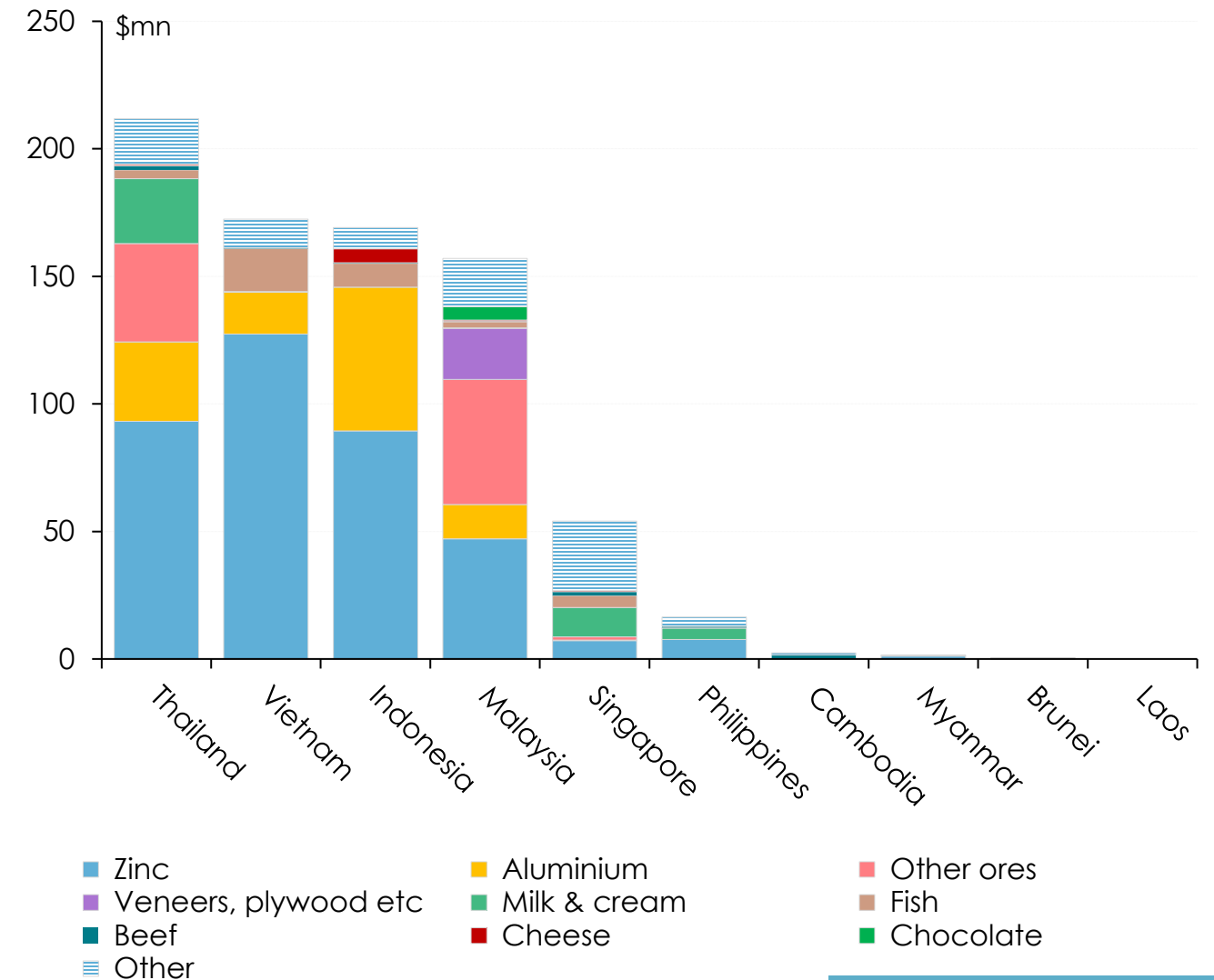
Source: ABS, [International Trade in Goods and Services, Australia](#).

Processed metals and mineral ores account for almost three-quarters of Tasmania's merchandise exports to ASEAN countries

Principal Tasmanian merchandise exports to ASEAN, 2019-20



Tasmanian merchandise exports to individual ASEAN countries, 2019-20

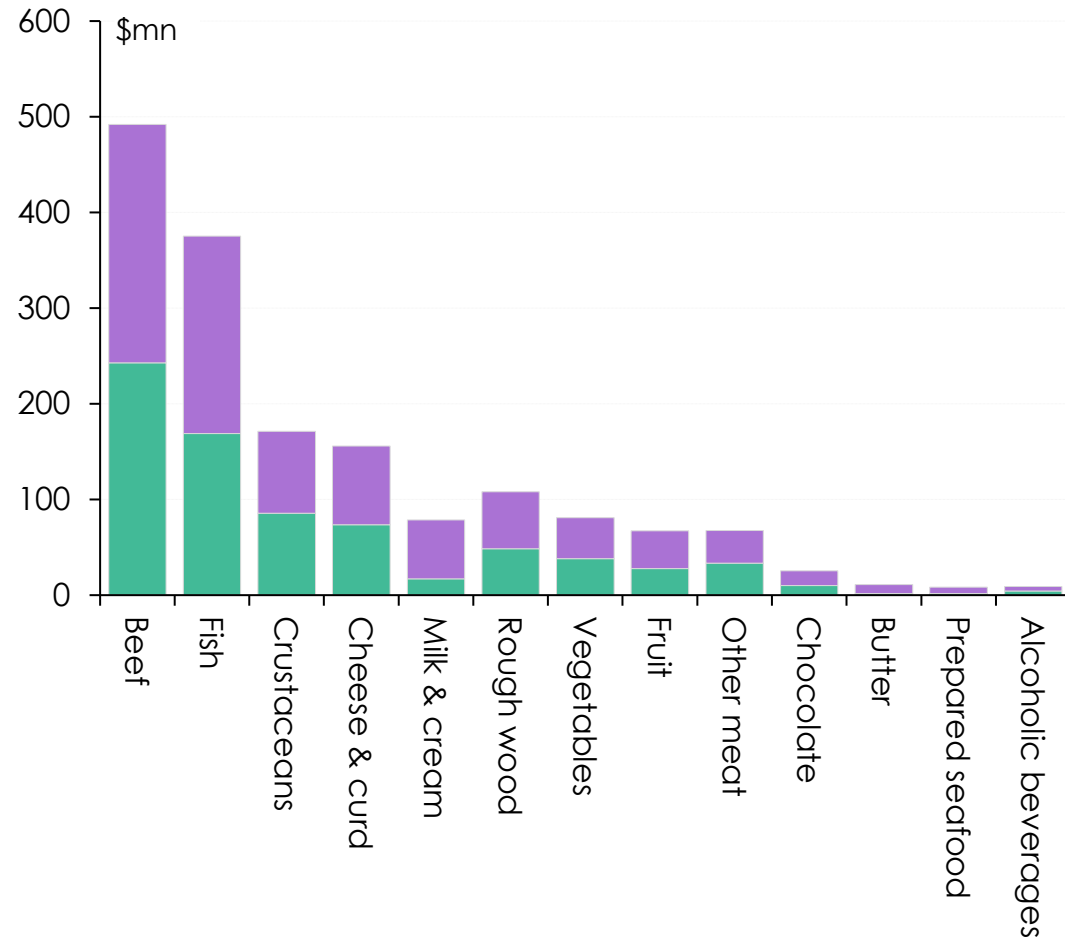


Source: Department of Foreign Affairs and Trade, [Trade statistical pivot tables](#).

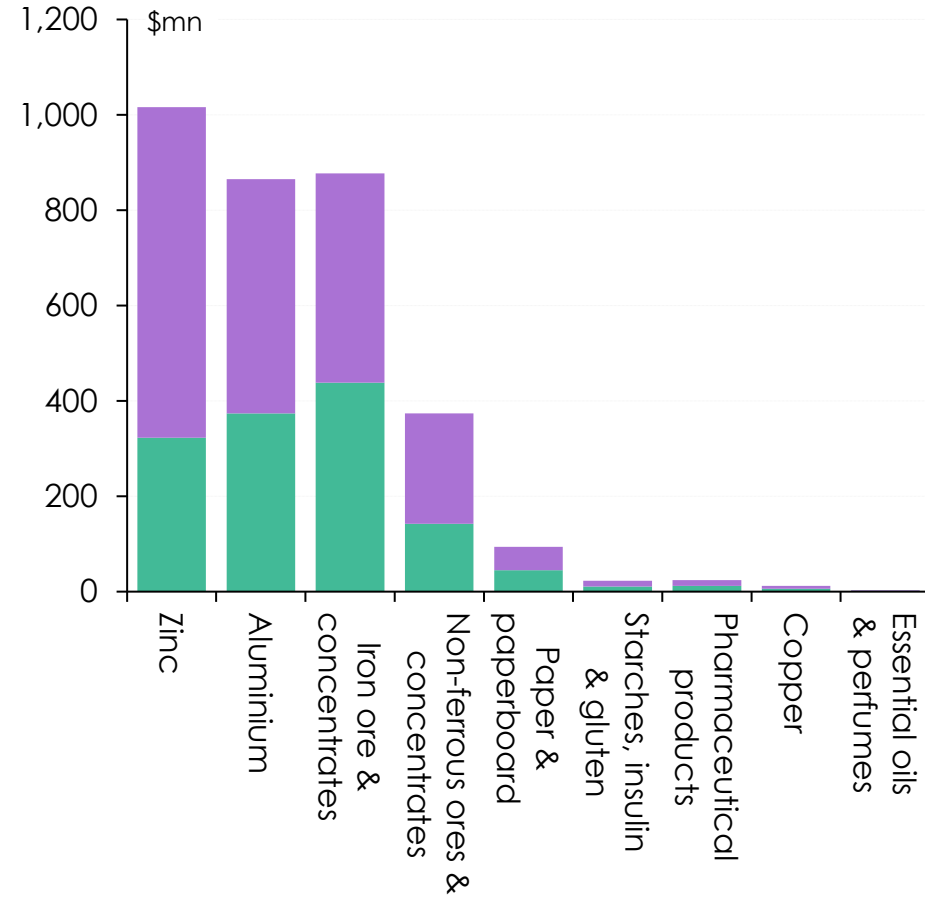
There's a wide range of products Tasmania already exports to other countries which it could also seek to export to ASEAN countries

Tasmania's principal merchandise exports – 2019-20

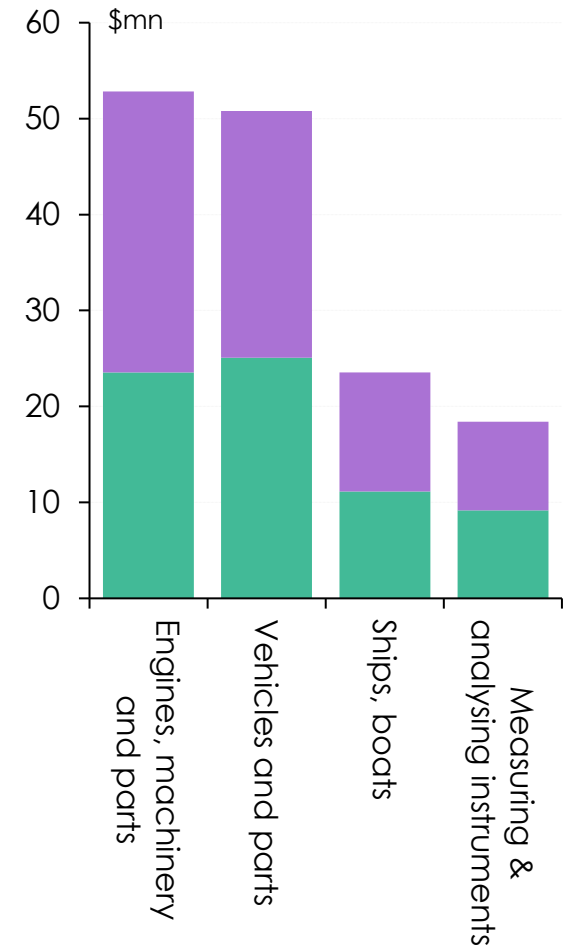
Primary products



Minerals and metals



Manufactures

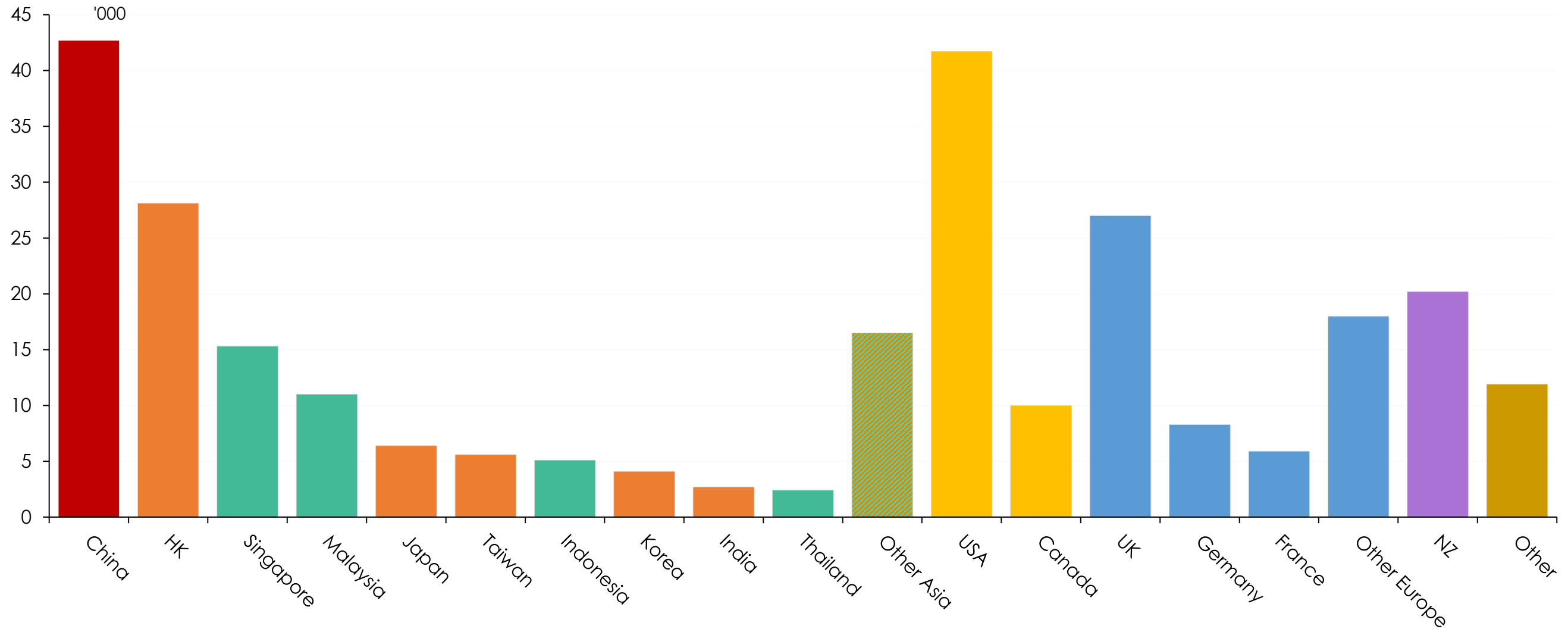


■ Exports to ASEAN member countries
 ■ Exports to all other countries

Source: Department of Foreign Affairs and Trade, [Trade statistical pivot tables](#).

And when the time comes, Tasmania will need to do a better job of attracting visitors from ASEAN countries

Origin of international visitors to Tasmania - 2019



Terima kasih untuk mendengarkan

Terima kasih kerana mendengar

ขอบคุณที่รับฟังกันนะ

Salamat sa pakikinig

Cám ơn vì đã lắng nghe

နားထောင်သည့်အတွက်ခင်ဗျားကိုကျေးဇူးတင်ပါတယ်