

Chapter 20

TRADE

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Chapter 20

TRADE

20.1 HISTORY

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 £4000 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 1820's 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 beefwood, salt, wool, horses and hides. Barley, potatoes, whalebone, cedar logs and fallow 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 1840's 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.

20.1 Value of Imports and Exports (£)

| Trading partner | 1824 | 1830 | 1835 | 1838 | 1842 | 1847 |
|------------------|--------|---------|---------|---------|---------|---------|
| Imports from — | | | | | | |
| Great Britain | 50 000 | 153 478 | 403 879 | 556 746 | 401 738 | 517 786 |
| British Colonies | 10 000 | 93 251 | 149 664 | 129 602 | 145 181 | 162 376 |
| United States | — | — | 3 368 | 2 661 | 5 287 | 5 840 |
| Foreign States | 2 000 | 8 569 | 26 735 | 13 947 | 35 247 | 38 591 |
| Total | 62 000 | 255 298 | 583 646 | 702 956 | 587 453 | 724 593 |
| Exports to — | | | | | | |
| Great Britain | 10 000 | 52 031 | 218 754 | 321 871 | 299 198 | 338 609 |
| British Colonies | 4 500 | 93 742 | 101 716 | 251 604 | 276 478 | 257 125 |
| United States | — | — | 61 | 8 000 | 4 158 | — |
| Foreign States | — | 207 | 148 | — | 2 675 | 5 142 |
| Total | 14 500 | 145 980 | 320 679 | 581 475 | 582 509 | 600 876 |

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.

20.2 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 |
| 1984-85 | +327 900 | +746.0 |

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.

20.3 Total Trade, Tasmania (\$'000)

| Year | Imports | Exports |
|---------|-----------|-----------|
| 1979-80 | 1 168 845 | 1 451 499 |
| 1980-81 | 1 207 063 | 1 540 226 |
| 1981-82 | 1 258 548 | 1 574 562 |
| 1982-83 | 1 339 113 | 1 728 949 |
| 1983-84 | 1 461 691 | 1 907 153 |
| 1984-85 | 1 895 269 | 2 093 077 |

20.2 TASMANIA'S TRADING PARTNERS

20.2.1 Market Changes

From the earliest days of Tasmania's settlement the United Kingdom has been the main overseas market for the State's exports. Over the last 20 years or so Tasmania's overseas markets have changed markedly.

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.

20.2.2 Main Trading Partners

Countries bordering the Pacific Ocean are now Tasmania's main trading partners. Japan, United States, Malaysia, China (excluding Taiwan Province), Indonesia, China (Taiwan Province) and Hong Kong now provide the markets for 77 per cent of Tasmania's exports.

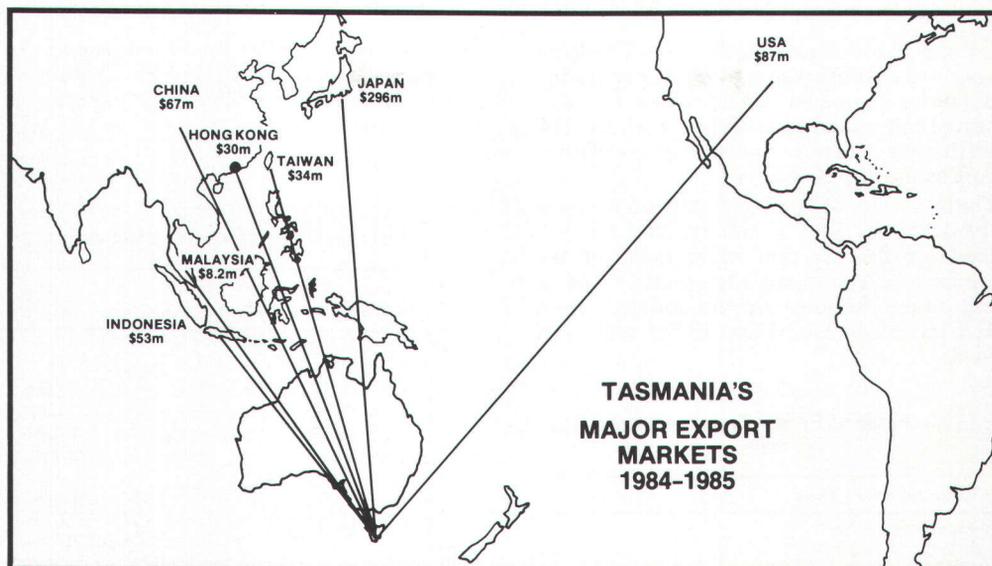
Japan

In 1984-85 Tasmania exported a total of \$295.6 million worth of goods to Japan. This represented 35 per cent of the total value of Tasmania's foreign exports.

20.4 Tasmanian Exports to Japan, 1984-85

| Commodity | Quantity (tonnes) | Value (\$'000) |
|-----------------------------|-------------------|----------------|
| Abalone | 985 | 12 516 |
| Cheese | 2 817 | 4 430 |
| Ferro-alloys | 3 000 | 1 740 |
| Meat — Beef and veal | 1 594 | 4 330 |
| — Lamb and mutton | 1 544 | 2 461 |
| — Other | 61 | 171 |
| Milk, dried | 1 362 | 1 596 |
| Onions, fresh | 1 050 | 320 |
| Ores — Copper | 87 744 | 35 659 |
| concentrates — Iron ('000t) | 2 252 | 72 279 |
| — Lead | 32 758 | 6 093 |
| Wool, greasy | 2 150 | 8 948 |
| Zinc | 5 745 | 6 677 |
| Restricted items (a) | — | 133 937 |
| Other | — | 4 491 |
| Total | — | 295 648 |

(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 ferro-alloys. In 1984-85 63 500 tonnes were exported, an increase of 240 per cent on the year before. Export of lead concentrates to the United States increased in quantity by four per cent over the same period, but with a world wide decline in metal prices the value of this commodity decreased by 40 per cent.

20.5 Tasmanian Exports to the United States of America, 1984-85

| Commodity | Quantity (tonnes) | Value (\$'000) |
|----------------------|-------------------|----------------|
| Abalone | 124 | 1 686 |
| Beef and veal | 4 547 | 9 909 |
| Cadmium | 237 | 665 |
| Casein | 513 | 1 153 |
| Cheese | 1 226 | 2 533 |
| Ferro-alloys | 63 500 | 9 304 |
| Lead concentrates | 28 279 | 18 568 |
| Machinery | — | 549 |
| Rock lobster | 92 | 2 595 |
| Wool, greasy | 1 013 | 4 415 |
| Zinc | 20 685 | 26 724 |
| Restricted items (a) | — | 2 590 |
| Other | — | 6 580 |
| Total | — | 87 271 |

(a) See footnote table 20.4.

Malaysia

Tasmania's most valuable export to Malaysia is tin concentrates. In 1984-85 the value of this commodity accounted for almost 78 per cent of the total value of Tasmania's exports to Malaysia.

20.6 Tasmanian Exports to Malaysia, 1984-85

| Commodity | Quantity (tonnes) | Value (\$'000) |
|---------------------------|-------------------|----------------|
| Apples, fresh and chilled | 1 062 | 632 |
| Meat, fresh or frozen | 158 | 152 |
| Paper | 1 410 | 1 255 |
| Tin concentrates | 8 800 | 63 815 |
| Zinc refined | 6 527 | 8 100 |
| Restricted items (a) | — | 5 825 |
| Other | — | 2 130 |
| Total | — | 81 909 |

(a) See footnote table 20.4.

20.3 VALUE OF OVERSEAS TRADE

Tasmania has a healthy balance of total trade. The value of exports in excess of imports has increased over recent years by more than 10 per cent. In 1984-85 it was \$746 per head of mean population, a decrease of 27 per cent from 1983-84. While the value of exports between 1983-84 and 1984-85 rose by 9.7 per cent, imports over the same period rose by 21 per cent. The rise in the value of imports was due mainly to an increase in the transport equipment, cars and petroleum.

20.7 Balance of Trade

| Year | Total (\$'000) | Per head of mean population (\$) |
|---------|----------------|----------------------------------|
| 1981-82 | 316 014 | 737 |
| 1982-83 | 389 836 | 905 |
| 1983-84 | 445 559 | 1 025 |
| 1984-85 | 327 900 | 746 |

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. The State thus plays an important role as an earner of export income for Australia.

The total value of Tasmania's exports overseas in 1984-85 was \$841.3 million. This was \$70 million, or 8.6 per cent more than for the previous year, continuing the upward trend of recent years. Imports almost doubled, from \$202.8 million in 1983-84 to \$389.3 million in 1984-85.

20.8 Value of Foreign Trade, 1984-85 (\$'000)

| Country or country group | Exports | Imports |
|---|---------|-------------|
| Association of South East Asian Nations (ASEAN) — | | |
| Indonesia | 52 785 | 113 |
| Malaysia | 81 909 | 1 063 |
| Philippines | 4 663 | 1 014 |
| Singapore | 16 803 | 17 238 |
| Thailand | 12 558 | 292 |
| European Economic Community (EEC) — | | |
| Belgium-Luxembourg | 7 449 | 758 |
| Denmark | 497 | 852 |
| France | 10 380 | 3 644 |
| Germany, Federal Republic | 21 270 | 12 293 |
| Greece | 2 882 | 8 130 |
| Ireland | 636 | 27 |
| Italy | 9 234 | 4 114 |
| Netherlands | 10 843 | 4 353 |
| United Kingdom | 13 805 | 13 007 |
| Other major trading partners — | | |
| Japan | 295 648 | 51 721 |
| United States of America | 87 271 | (a) 159 614 |
| Hong Kong | 30 338 | 1 652 |
| New Zealand | 18 319 | 23 832 |
| China-Excluding Taiwan Province | 67 287 | 1 363 |
| Taiwan Province | 34 074 | 11 353 |
| Canada | 3 565 | 23 270 |

(a) Includes equipment valued at \$130.1 million imported on a temporary basis and intended to be re-exported.

20.4 COMMODITIES TRADED

20.4.1 Commodities Exported

The once valuable export commodity of fresh apples has declined from 83 544 tonnes in 1964-65 to only 6 896 tonnes in 1984-85.

A rapid increase in the export of live sheep overseas has occurred in the past 30 years. In 1964-65 only 12 sheep were exported in contrast to 143 017 in 1984-85.

A lucrative market has been found for Tasmanian angora goats. In 1984-85, 1 179 angora goats valued at \$2.6 million were exported to New Zealand.

20.9 Tasmanian Exports, 1984-85

| Commodity | Unit | Quantity | Value (\$'000) |
|----------------------------------|-------|----------|----------------|
| Animal casings | — | — | 483 |
| Apples | t | 6 896 | 3 577 |
| Casein | t | 529 | 1 186 |
| Cheese | t | 5 219 | 9 490 |
| Ferro-alloys | t | 86 237 | 17 281 |
| Fish, crustaceans and molluscs — | | | |
| Abalone | t | 1 974 | 26 157 |
| Rock lobster | t | 117 | 2 798 |
| Scallops | t | 275 | 2 064 |
| Floor coverings | sq m | 45 215 | 858 |
| Food and beverages | t | 1 091 | 2 363 |
| Hides and skins — | | | |
| Cattle and calf | t | 2 429 | 5 030 |
| Sheep and lamb | t | 2 386 | 4 170 |
| Inorganic chemicals | — | — | 147 |
| Live animals — | | | |
| Cattle | no. | 26 | — |
| Sheep and lambs | no. | 143 017 | 3 085 |
| Machinery | — | — | 3 558 |
| Malt extract | t | 2 256 | 1 616 |
| Meat — | | | |
| Beef and veal | t | 7 381 | 17 517 |
| Lamb | t | 2 199 | 3 932 |
| Mutton | t | 1 789 | 2 872 |
| Offals, edible | t | 627 | 780 |
| Milk, dried | t | 4 673 | 4 466 |
| Onions, fresh | t | 16 823 | 7 042 |
| Ores and concentrates — | | | |
| Copper | t | 87 744 | 35 659 |
| Iron | '000t | 2 252 | 72 279 |
| Lead | t | 67 824 | 29 286 |
| Tin | t | 8 800 | 63 815 |
| Tungsten | t | 1 605 | 12 564 |
| Paper | — | — | 8 507 |
| Refined metals — | | | |
| Cadmium | t | 495 | 1 515 |
| Zinc | t | 158 192 | 192 825 |
| Other | t | — | 888 |
| Tallow | t | 6 772 | 3 706 |
| Textile fabrics | — | — | 1 794 |
| Timber | cu m | 5 568 | 2 506 |
| Wool, greasy | t | 12 277 | 49 501 |
| Restricted items (a) | — | — | 222 267 |
| Re-exports (b) | — | — | 2 180 |
| Other overseas exports | — | — | 21 546 |
| Total overseas exports | — | — | 841 316 |

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

(b) Re-exports are defined as goods, materials, or articles originally imported which are exported in the same condition in which they were imported.

By far Tasmania's most valuable export commodity is ores and concentrates. From 1975-76 to 1979-80 the value of ores and concentrates increased 169 per cent. In 1984-85 all ores and concentrates were worth \$213.6 million to the State. The value of refined zinc has also increased over recent years.

20.4.2 Commodities Imported

20.10 Tasmanian Imports, 1984-85

| Commodity | Unit | Quantity | Value (\$'000) |
|---|-------|----------|----------------|
| Antiques | — | — | 1 157 |
| Chemicals | — | — | 17 149 |
| Clay (Bentonite, Kaolin, etc.) | t | 8 896 | 1 953 |
| Fertilisers, crude | t | 79 053 | 4 428 |
| Machinery — | | | |
| Power generating | — | — | 9 123 |
| Specialised for particular Ind. | — | — | 18 566 |
| Metal working | — | — | 638 |
| General industrial equipment | — | — | 9 417 |
| Office and automatic data processing | — | — | 624 |
| Telecommunication, sound recording | — | — | 1 785 |
| Electrical apparatus and appliances | — | — | 4 318 |
| Other | — | — | 243 |
| Metal manufactures — | | | |
| Iron and steel | — | — | 5 422 |
| Non-ferrous | — | — | 1 261 |
| Other | — | — | 6 908 |
| Motor cars and commercial vehicles | no. | 5 244 | 28 600 |
| Motor cycles | no. | 836 | 880 |
| Nuts, edible | t | 347 | 1 017 |
| Paper and paper products | — | — | 2 197 |
| Petroleum products — | | | |
| Automotive gasoline (petrol) | '000L | 83 550 | 21 739 |
| Fuel oil | '000L | 12 882 | 3 284 |
| Petroleum coke | t | 40 011 | 6 072 |
| Professional and scientific instruments | — | — | 1 778 |
| Textile fibres — | | | |
| Sheep and lambs | t | 444 | 1 320 |
| Other | t | 474 | 1 312 |
| Textile yarns and fabrics | — | — | 23 117 |
| Tyres and tubes | — | — | 1 985 |
| Wood pulp for paper making | t | 69 818 | 35 064 |
| Other overseas imports | — | — | (a) 177 923 |
| Total overseas imports | — | — | 389 280 |

(a) Includes equipment valued at \$130.1 m imported on a temporary basis and intended to be re-exported.

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

| | |
|--------------------------------------|----------|
| ● woodpulp | \$35.1 m |
| ● motor cars and commercial vehicles | \$28.6 m |
| ● textile yarns and fabrics | \$23.1 m |
| ● petrol | \$21.7 m |
| ● specialised machinery | \$18.6 m |
| ● chemicals | \$17.1 m |

In 1984-85 these items comprised 55 per cent of the value of all goods imported for use in the State.

20.5 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 river Tamar 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).

20.5.1 Port of Hobart

The port at Hobart is situated on the Derwent River in the Sullivan's Cove and Macquarie Point area. The approach to the Derwent and the port is made through a very wide strait between Bruny Island and Tasman Peninsula, approximately 50 kilometres south-east of the city.

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 254-tonne fully mobile crane suitable for handling containers.

The most striking feature of the port is the ease with which large vessels can be brought to berth. Tides present no problem and dredging of approach channels has never been necessary.

1985 Operations

(The following information was extracted from the Annual Report of the Marine Board of Hobart for the year ended 30 September 1985.)

- A record of 3 272 774 tonnes of cargo moved through ports under the jurisdiction of the Board.

- Imports showed a substantial increase of 179 370 tonnes (13.13 per cent) on the previous year.
- Interstate cargo discharged increased by 184 926 tonnes.
- Export cargo decreased by 1.8 per cent over the previous 12 months mainly due to a decline in timber and woodchip exports.
- A five year contract between Australian Newsprint Mills and the Union Steamship Company for the transport of eastern seaboard newsprint was signed.
- The Hobart Marine Board has begun a capital works program which will involve an estimated expenditure of some \$13.48 million over the next three year period.
- The continuation of construction at the new Selfs Point oil terminal wharf, the first stage in providing a container handling Gantry Crane at Macquarie No. 4 and 5 berths and the planned commencement of a new \$2.4 million workshop/Port Operation Complex at Macquarie Point form the major works for the coming year.
- After full evaluation a cargo handling facility now known as the 'Hobart Speedy Loader' was successfully introduced.

The concept of the loader is to correctly and easily locate the container spreader on top of containers when loading lift-on lift-off ships. All sizes of containers can be accommodated.

Working trials have shown that the Speedy Loader improves the rate of loading containers with ship mounted or shore slewing cranes by at least 30 per cent.

20.11 Port of Hobart Trade Statistics, 1984-85

| Commodity | Cargo (tonnes) |
|--------------------|----------------|
| <i>Inward —</i> | |
| Motor vehicles | 113 199 |
| Coke and coal | 544 |
| Petroleum products | 289 930 |
| Wheat | 17 201 |
| Salt | 21 570 |
| Soda ash | 2 317 |
| Paper pulp | 44 798 |
| General | 1 055 413 |
| Total inward | 1 544 972 |
| <i>Outward —</i> | |
| Fruit | 50 503 |
| Wool | 7 016 |
| Newsprint | 202 427 |
| Timber | 40 131 |
| Woodpulp | 2 123 |
| Woodchips | 765 537 |
| General | 660 065 |
| Total outward | 1 727 802 |
| Total trade | 3 272 774 |

20.5.2 Port of Launceston

The Port of Launceston is situated on the River Tamar, which originates at the confluence of the North Esk and South Esk Rivers at the City of Launceston and flows 60 kilometres to Bass Strait. 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 scour eliminate the need for any maintenance dredging in the lower reaches of the river.

1984-85 Operations

(The following information is reproduced from the Port of Launceston Authority Annual Report 1984-85.)

- 1984-85 was the port's second-best year on record.
- Another all-time record for gross registered tonnes of shipping was established.
- Record trade passed through the ANL terminal for the second successive year.
- A dramatic increase was recorded in the number of direct overseas calls through common user facilities which are being extended at a cost of \$5.2 million.
- A big demand for ship repairs with work completed valued at \$2.7 million.
- Imports totalled 1 880 198 tonnes, an all-time record.
- Exports totalled 2 660 408 tonnes.
- Work reached half-way mark on the two-year study into silt deposits in the upper reaches of the Tamar River.
- The PLA completed civil construction works on jetties and wharves on Flinders Island.
- Total revenue exceeded \$10 million for the first time.

Commodities and Customers

General cargo

General cargo imports and exports increased by 7 per cent in the past year, due to increased inward ANL cargo and increased shipments to Europe.

Ferro manganese and sinter. BHP's ferro alloy producer TEMCO contributed 13 per cent of the total port tonnage.

As well as importing the raw materials used in making ferro alloys and sinter, TEMCO also imported coke, pitch, coal, quartzite and limestone.

The company has started its three-year uprate project which includes \$49.5 million worth of furnaces and associated works. Another \$15 million will be spent on capital works at the plant.

Aluminium. Aluminium producer Comalco contributed 7.5 per cent of total port tonnage with imports and exports of raw and processed materials.

In a growing Asian market, China has become more important to Comalco, buying 20 905 tonnes of aluminium in the past year out of the total output of 117 000 tonnes.

Each year Comalco imports about 240 000 tonnes of alumina plus large supplies of coke and coal-tar pitch.

Onions. The large growth in direct shipments to Europe by Polish Ocean Lines and Australia to Europe Shipping Conference vessels coincided with a big jump in exports of onions.

From a revenue tonnage of 7 026 last year, Bell Bay saw 21 501 tonnes of onions cross the wharves on their way to Europe, Japan and New South Wales.

This was a growth of 206 per cent on the previous year's trade.

Fresh fruit and vegetables. Overall imports of fresh fruit and vegetables totalled 26 639 tonnes, an increase of 9 per cent on the previous year. Exports of apples and pears were particularly good, with growth from 70 503 to 135 808 bushells in direct overseas shipments.

Frozen vegetable exports. Exports for the year totalled 59 118 tonnes which was an increase of just under 2 per cent.

Frozen and chilled cargo. Imports for the year exceeded last year's figures by 23 867 tonnes — a jump of 171.3 per cent.

Freight forwarders. In the past year two freight forwarders undertook significant developments at Bell Bay.

Tradex built a container-handling depot and is constructing offices and a transit shed which will form a valuable addition to the port's transport links.

Refrigerated Freight Lines centralised its Tasmanian operations through Bell Bay and has established itself at the Authority's cold stores.

Woodchips. The Forest Resources and APPM woodchip berths on the Tamar maintained their output, exporting 1 900 661 tonnes — a slight drop on the previous year's figures.

Steel. A 24.6 per cent jump to 34 702 tonnes in iron and steel imports during the past year underlines Bell Bay's importance as the iron and steel port for Tasmania.

Motor vehicles. Tonnage of imported new vehicles increased by 9.8 per cent.

Timber. Exports in this area increased by 3.4 per cent with softwood exports comprising the biggest tonnage increase.

Wheat. Wheat imports through Inspection Head remained at about the same level as last year, with 19 194 tonnes being imported.

Wool. Shipments of wool through Bell Bay were slightly down on the previous year. However, direct shipments of wool to Europe almost doubled to 12 419 bales.

20.5.3 Port of 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 Authority has assumed responsibility for the Devonport Airport under the Commonwealth Airport Local Ownership Plan. The airport has been reconstructed by the Authority from Commonwealth grants of \$7 million to medium jet standard.

1984-85 Operations

(The following information was extracted from the Port of Devonport Authority Annual Report 1985.)

- In October 1984 all ANL cargo services were withdrawn.
- On 20 June 1985 the *Abel Tasman* commenced service.
- The *Mary Holyman* began a Devonport based service to Melbourne and Adelaide in January 1985.
- The port seemed well positioned for a significant revival centred around the general cargo base offered by William Holyman Pty Ltd and the TT-Line.
- Despite early concerns that the PDA would finish 1984-85 in deficit, a surplus of \$597 944 was attained.
- The cold storage complex, Tasmania's largest, produced an operating surplus of \$325 000.
- Other significant developments included the \$2 million upgrading of the *Abel Tasman* berth and terminal, the impending sale of the PDA's Meat Meal Rendering Plant at Quoiba to Richardson's Meat Industries; the purchase of the Port Phillip pilot boat *Hawk II* and prospects of renewed live sheep shipments following channel deepening by the Board's dredge *Port Frederick*.

20.5.4 Port of 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.

20.12 Port of Burnie Trade Figures, 1985

| Commodity | Tonnes Mass |
|----------------------|----------------|
| <i>Inward —</i> | |
| Industrial machinery | 3 937 |
| Wheat | 1 480 |
| Ilmenite | 68 868 |
| Paper pulp | 23 719 |
| Salt (in bulk) | 5 842 |
| Fuel oil | 87 738 |
| White spirit | 27 409 |
| Acid | 73 857 |
| Vehicles | 2 949 |
| General cargo | 136 572 |
| Transshipment cargo | 1 779 |
| Empty returns | 33 911 |
| Coal | 12 721 |
| Total inward | 480 782 |
| <i>Outward —</i> | |
| Milk products (a) | 7 763 |
| Meat meal (a) | 1 802 |
| Paper | 164 542 |
| Particle board etc. | 19 714 |
| Meat and fish | 7 447 |
| Cheese | 8 489 |
| Butter | 2 448 |
| Timber | 22 215 |
| Vehicles | 203 |
| Tallow | 1 543 |
| Fruit and vegetables | 112 180 |
| Mineral concentrates | 351 455 |
| Refined metals | 38 703 |
| Wool and hides | 8 562 |
| General cargo | 56 522 |
| Transshipment cargo | 1 700 |
| Empty returns | 7 114 |
| Total outward | 812 402 |
| Total trade | 1 293 184 |

(a) Formerly included in 'General cargo'.

1984-85 Operation

(The following data was extracted from the *Marine Board of Burnie Annual Report 1984-85*.)

- The Board had a record tonnage of cargo through the Port (1 293 184 mass tonnes).
- The Australian National Line continued to expand its holding within the port and now

has a terminal in Burnie which is third in size in the Commonwealth. Only Melbourne and Sydney have larger installations.

- The commencement in June 1985 of the joint venture service by Brambles and the State Government has created a new concept for Tasmanian shippers with containers being shipped on MAFI trailers giving a door to door service by the one company.
- The introduction of a 65 tonne twin lift Portainer capable of handling all of Tasmania's overseas general cargo has boosted the State's ability to handle most container ships.
- A new Port Control Centre is being designed with the intention of having its construction completed early in the 1985-86 financial year.
- The expansion of trade through the port, particularly the ever increasing number of containers, creates an on-going requirement for additional land, and as a back-up for future requirements a foreshore reclamation project was completed during the year. This provided three hectares of industrial land in close proximity to the wharf area.

20.6 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.

20.6.1 History

The economic depression in the early 1930s imposed harsh conditions on all sectors of the economy. Unemployment was very high (although declining) until the Second World War and economic activity, including retailing, was at a relatively low level.

The Second World War reduced unemployment so rapidly that labour shortages were created. Stocks of some goods were extremely short which resulted in 'black markets' for some goods and the growth in trading in second-hand goods.

After the war consumer demand for goods such as furniture, electrical appliances and domestic hardware increased strongly and Department Stores became of increasing importance in the distribution of goods. They provided a full range of services such as a wide stock selection, free delivery, individual sales and attention and expertise and both long and short term credit facilities.

The distribution of retailers tended to fall into 4 main situations: the city centres dominated by

large department stores and speciality shops; the suburban centres with mostly foodshops, news-agents, and hotels and only some other shops such as clothiers; the local suburban grocery shop; and the rural general store.

Trends in the 1940s and 50s included a reduction in the number of suburban grocery stores, and with the increasing mobility of the rural population, the general stores tended to specialise into food stores.

Shopping Centres

There has been a continuing shift of retailing activities from the central city area to suburban locations. A number of shopping centres were built in various Tasmanian suburbs in the 1970s. Typically incorporating major department stores they included, smaller specialised retailers, as well as supermarkets with the aim of giving the maximum variety of goods at the one location.

Self-serve

Self-selection and self-service was given impetus during the Second World War with increasing labour shortages. The self-service grocery store provided the customer with easy access to the selection of goods which were well displayed. After the Second World War labour shortages continued and the cost of labour started to rise rapidly. This helped strengthen the self-service innovation as retailers sought to contain costs in a competitive field.

However while self-service retailing on an ever increasing scale has become the standard pattern, personalised service has begun a come-back. Smaller specialised shops offering better customer service are becoming more and more popular and companies utilizing varying forms of multi-level-marketing are expanding by retailing through networks of people operating on a part-time basis.

Technology

The computerised ordering of stock, scientific control of merchandise, electronic cash registers at point of sale and electronic bar code readers are examples of the technological change which has taken place in the retail industry over recent years.

Centralised Buying

Large stores and buying groups, because of their ability to buy in bulk, can often offer their customers goods at a lower price than a smaller store which is required to buy stock in much smaller amounts. In order to place smaller stores on a more competitive buying basis compared with their larger counterparts, a number of organisations have centralised buying and distribution functions for groups of individually

owned and managed stores, especially in grocery retailing.

Advertising

Advertising has been widely used in the retail industry especially to boost new products but also to increase demand for existing products. Prior to television, before 1960, most advertising used the print media and to a lesser extent, radio, to publicise the retailing message.

A more recent development has been the periodical use of the 'sales bill', a coloured, illustrated magazine type catalogue distributed door to door, sometimes by post, but more often by hand distribution contractors.

Shopping Hours

Tasmania's shop trading hours legislation prohibits stores employing more than 100 staff from open trading. Supermarkets are permitted trading to 9 p.m. on Thursday and Friday nights and till noon on Saturdays. These longer trading hours encourage family shopping and make shopping easier, particularly for working people.

Shopping hours are also extended prior to Christmas in many stores to cater for increased family shopping.

Finance

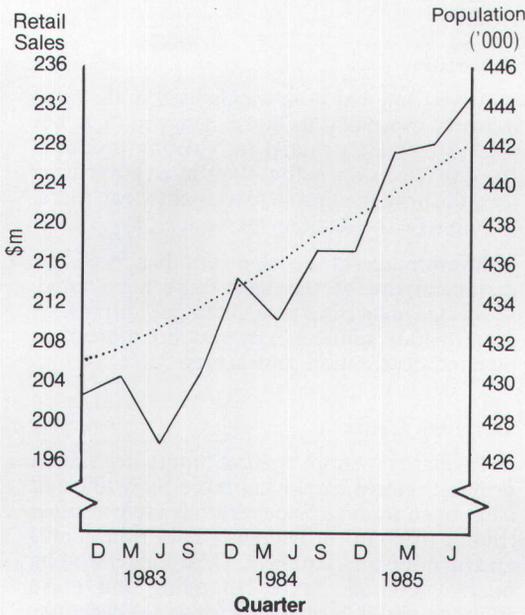
Many retail stores offer hire purchase schemes financed by companies set up for the purpose. However, hire purchase has declined in popularity in relation to time-payment, budget accounts and personal loans for retail purchases.

'Lay-by' is another method of purchase offered by many stores. It is relatively expensive to the retailer because of the storage, handling and clerical work it involves and many retailers charge a small fee for the service.

The advent of credit cards, especially Bankcard which was introduced in the early 1970s made short-term credit more widely and readily available and for the first time enabled small stores to compete, in providing credit, with the larger stores.

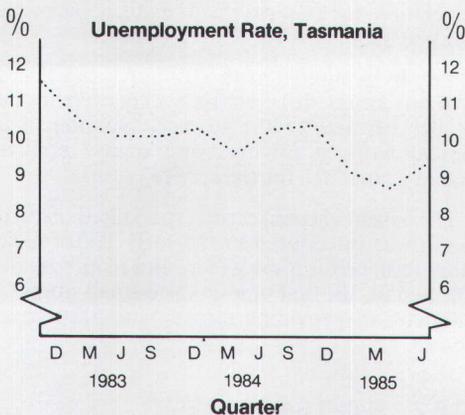
20.6.2 Retail Sales

The underlying movement in the value of retail sales over recent years is of overall growth despite a downturn lasting from June 1982 to June 1983. With prices adjusted to show constant values, the total value of retail sales in Tasmania increased by 9.2 per cent from July 1981 to June 1985. During this period the estimated resident population grew by 3.5 per cent.



Quarterly Retail Sales, Tasmania; Seasonally Adjusted and at Average 1979-80 Prices, and Population.

The downturn, lasting 12 months, corresponds to a period of higher unemployment, peaking at 11.6 per cent in December 1982. While per head of population, Tasmanians are spending more than four years ago, the level of sales is vulnerable to prolonged periods of increased unemployment.



Unemployment Rates, Tasmania

A 12 month period of retail sales shows, predictably, substantial increases for December. In 1985 sales for December increased by 32 per cent over November; a similar increase was recorded for the previous December. This was four per cent better than for Australia as a whole.

20.13 Value of Tasmanian Retail Sales (\$ million)

| Month | Department stores | Total |
|---------------|-------------------|-------|
| <i>1984 —</i> | | |
| October | 11.3 | 105.2 |
| November | 12.8 | 111.2 |
| December | 24.3 | 145.4 |
| <i>1985 —</i> | | |
| January | 11.5 | 106.7 |
| February | 10.4 | 99.9 |
| March | 11.7 | 106.7 |
| April | 14.6 | 108.7 |
| May | 14.8 | 116.6 |
| June | 12.8 | 105.7 |
| July | 13.2 | 109.4 |
| August | 13.7 | 110.6 |
| September | 12.1 | 106.6 |
| October | 14.7 | 118.4 |
| November | 16.6 | 121.8 |
| December | 29.6 | 161.3 |

Most of the increase occurred in department store sales, which in Tasmania was up by 78 per cent and for Australia as a whole, by 70 per cent.

20.14 Value of Australian Retail Sales (\$ million)

| Month | Department stores | Total |
|---------------|-------------------|---------|
| <i>1984 —</i> | | |
| October | 422.3 | 3 851.4 |
| November | 475.8 | 4 086.7 |
| December | 800.9 | 5 195.2 |
| <i>1985 —</i> | | |
| January | 393.3 | 3 802.0 |
| February | 342.8 | 3 517.2 |
| March | 401.9 | 3 847.1 |
| April | 448.3 | 3 846.5 |
| May | 536.9 | 4 246.2 |
| June | 428.0 | 3 809.3 |
| July | 452.8 | 4 074.2 |
| August | 445.2 | 4 135.8 |
| September | 442.6 | 4 020.7 |
| October | 494.5 | 4 401.7 |
| November | 536.0 | 4 580.8 |
| December | 911.5 | 5 874.0 |

Other retail businesses to record marked increases in retail sales in December were, clothing and fabric stores, 54 per cent; electrical goods stores, 50 per cent; newsagents, 47 per cent; and hotels, liquor stores and licensed clubs, 33 per cent.

The total value of retail sales for 1985 for Tasmania was \$1372 million compared to \$1224 million in 1984.

20.7 PRICES AND PRICE CHANGES

Another price rise! 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 \$8 in 1985 would have cost about 30¢ in 1901; an item costing 47¢ in 1901 would cost about \$12.57 bought in 1985. That's an increase of over 2500 per cent! Even since 1981 retail prices have risen by more than 35 per cent.

The value of price indexes is that they allow this kind of measurement. 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.

20.15 Retail Price Index Numbers Six State Capital Cities Combined

| Year | Index number |
|----------|--------------|
| 1901 | 47 |
| 1911 | 53 |
| 1921 | 90 |
| 1951 | 167 |
| 1981 | 926 |
| 1985 (a) | 1257 |

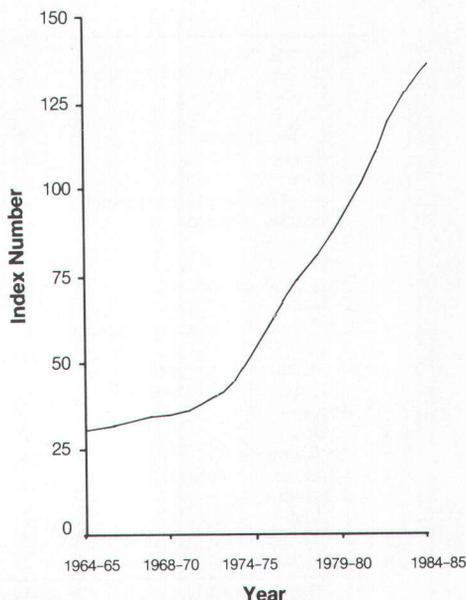
(a) Weighted average of eight capital cities.

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

20.7.1 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.



Consumer Price Index, All Groups, Hobart

20.16 Consumer Price Index, Hobart

| Group | 1980-81 | 1984-85 |
|-----------------------------------|---------|---------|
| Food | 100.0 | 136.1 |
| Clothing | 100.0 | 127.6 |
| Housing | 100.0 | 135.2 |
| Household equipment and operation | 100.0 | 139.5 |
| Transportation | 100.0 | 143.9 |
| Tobacco and alcohol | 100.0 | 151.3 |
| Health and personal care | 100.0 | 110.7 |
| All groups | 100.0 | 136.1 |

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. 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.

20.17 Average Retail Prices of Selected Food Items: Hobart (a) (b)
(Cents)

| Item | Unit | 1979 | 1985 | Percentage increase |
|------------------------------------|--------------|------|------|---------------------|
| Groceries, etc. — | | | | |
| Bread, ordinary white, sliced | 680 g | 57 | 93 | 63 |
| Flour, self-raising | 2 kg | 110 | 168 | 53 |
| Tea | 250 g | 80 | 157 | 96 |
| Coffee, instant | 150 g | 270 | 407 | 51 |
| Sugar | 2 kg | 85 | 140 | 65 |
| Rice | 1 kg | 78 | 88 | 13 |
| Breakfast cereal, corn based | 500 g | 82 | 154 | 88 |
| Peaches, canned | 825 g | 76 | 130 | 71 |
| Potatoes | 1 kg | 40 | 50 | 25 |
| Onions | 1 kg | 53 | 94 | 77 |
| Dairy produce, etc. — | | | | |
| Butter | 500 g | 95 | 176 | 85 |
| Margarine, table, poly-unsaturated | 500 g | 92 | 123 | 34 |
| Eggs | 1 doz (55 g) | 139 | 194 | 40 |
| Bacon, rashers, pre-pack | 250 g | 150 | 240 | 60 |
| Milk, fresh, bottled, delivered | 2—600 ml | 49 | 92 | 88 |
| Meat — | | | | |
| Beef — | | | | |
| Rump steak | 1 kg | 580 | 805 | 39 |
| Silverside, corned | 1 kg | 380 | 538 | 42 |
| Lamb — | | | | |
| Leg | 1 kg | 333 | 392 | 18 |
| Loin chops | 1 kg | 349 | 400 | 15 |
| Pork, leg | 1 kg | 415 | 575 | 39 |

(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.

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