

| Demographic Indicator | Central | North | South | East | West | Rural | Total |
|---|---------|-------|-------|-------|-------|-------|--------------|
| <u>Occupation</u> | | | | | | | |
| Intermediate Clerical, Sales, Service Workers | 17.8% | 18.8% | 20.6% | 15.2% | 19.0% | 14.6% | 18.4% |
| Professionals | 26.3% | 10.8% | 14.9% | 6.2% | 22.3% | 16.8% | 17.9% |
| Tradespersons & Related Workers | 8.8% | 13.6% | 12.9% | 14.9% | 12.2% | 14.4% | 12.1% |
| Elementary Clerical, Sales, Service Workers | 10.3% | 14.9% | 13.1% | 14.0% | 11.1% | 7.0% | 11.9% |
| Associate Professionals | 13.5% | 8.6% | 11.4% | 6.9% | 11.8% | 8.9% | 10.6% |
| Labourers & Related Workers | 5.8% | 12.8% | 7.5% | 18.7% | 6.5% | 10.5% | 9.2% |
| Intermediate Production & Transport Workers | 5.6% | 11.9% | 8.5% | 15.4% | 6.7% | 10.9% | 9.0% |
| Managers & Administrators | 7.2% | 3.7% | 5.8% | 3.7% | 6.2% | 11.9% | 6.1% |
| Advanced Clerical & Service Workers | 2.9% | 2.0% | 3.9% | 1.7% | 2.8% | 3.2% | 2.8% |

Source: ABS 2001 Census, AECgroup

2.4 Economic Trends

A number of measures of economic activity may be used to assess the relative buoyancy of the Launceston Statistical Regional economy, including:

- Population trends (see **Section 2.2**);
- Changing structure of the regional economy;
- Labour market;
- Building investment;
- Property market;
- Tourism market; and
- Major projects.

The measures of economic activity suggest that the Launceston City and regional economy is in its best position for the past 5-10 years, characterised by the following:

- Diversifying industry base;
- Declining unemployment;
- Increasing building investment;
- Increasing property prices and sales;
- Increasing visitor numbers and expenditure; and
- Prospect for a number of major projects.

2.4.1 Structure of the Regional Economy

Retail trade is the largest industry sector in Launceston City in terms of employment, accounting for 17.0% of the total (see **Table 2.5**). Other major industry sectors include health and community services (13.0%), manufacturing (12.3%), education (9.3%) and property and business services (7.8%).

In general, Launceston City employs a larger number of persons in service type industries when compared to the regional total, reflecting the administrative, commercial and industrial role played by Launceston City to the broader Launceston Statistical Region and Northern Tasmania.

The Launceston Statistical Region records a relatively larger proportion of employment in agriculture, forestry and fishing, reflecting the significance of primary industries in the outlying rural areas of the region.

Table 2.5: Structure of Regional Economy

| Industry | % of Total Launceston City Employment | | | % of Total Launceston Region Employment | | | Tasmania | | | Australia | | |
|----------------------------------|---------------------------------------|---------------|---------------|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 1991 | 1996 | 2001 | 1991 | 1996 | 2001 | 1991 | 1996 | 2001 | 1991 | 1996 | 2001 |
| Retail Trade | 15.2% | 16.0% | 17.0% | 14.2% | 14.9% | 16.2% | 13.1% | 13.7% | 15.0% | 13.2% | 13.6% | 14.6% |
| Health and Community Services | 11.3% | 12.8% | 13.0% | 10.2% | 11.8% | 12.1% | 10.0% | 10.9% | 11.6% | 8.4% | 9.5% | 9.7% |
| Manufacturing | 13.8% | 13.7% | 12.3% | 14.5% | 14.1% | 12.8% | 12.5% | 12.2% | 11.6% | 12.8% | 12.6% | 12.2% |
| Education | 7.8% | 8.1% | 9.3% | 7.2% | 7.6% | 8.6% | 7.0% | 7.9% | 8.2% | 6.7% | 7.1% | 7.2% |
| Property and Business Services | 5.2% | 6.8% | 7.8% | 4.7% | 6.3% | 7.2% | 4.8% | 6.6% | 7.7% | 7.3% | 9.8% | 11.1% |
| Wholesale Trade | 6.5% | 6.0% | 5.7% | 5.9% | 5.9% | 5.6% | 4.9% | 4.6% | 4.6% | 5.9% | 5.8% | 5.3% |
| Accom, Cafes & Restaurants | 4.7% | 4.8% | 5.5% | 4.3% | 4.4% | 5.0% | 4.3% | 4.6% | 5.2% | 4.0% | 4.7% | 4.9% |
| Transport and Storage | 5.2% | 4.3% | 5.2% | 4.9% | 4.2% | 5.1% | 4.0% | 3.9% | 4.3% | 4.5% | 4.3% | 4.3% |
| Construction | 4.9% | 5.0% | 4.5% | 5.1% | 5.6% | 4.9% | 5.3% | 5.9% | 5.1% | 5.9% | 6.3% | 6.7% |
| Personal and Other Services | 2.9% | 3.6% | 3.5% | 2.8% | 3.4% | 3.4% | 3.1% | 3.8% | 3.8% | 3.3% | 3.6% | 3.6% |
| Finance and Insurance | 3.5% | 2.9% | 3.2% | 3.2% | 2.7% | 2.8% | 3.5% | 2.9% | 2.4% | 4.4% | 3.9% | 3.8% |
| Government Admin & Defence | 3.1% | 3.5% | 3.2% | 3.3% | 3.5% | 3.1% | 5.7% | 6.6% | 5.3% | 5.7% | 4.9% | 4.5% |
| Cultural & Recreational Services | 2.7% | 4.3% | 2.6% | 2.3% | 3.6% | 2.3% | 2.1% | 2.6% | 2.4% | 1.8% | 2.3% | 2.4% |
| Agriculture, Forestry & Fishing | 2.0% | 2.2% | 2.6% | 5.7% | 5.7% | 6.0% | 6.3% | 6.6% | 6.7% | 4.5% | 4.2% | 4.0% |
| Communication Services | 1.4% | 1.3% | 1.3% | 1.2% | 1.2% | 1.3% | 1.4% | 1.5% | 1.5% | 1.7% | 2.0% | 1.8% |
| Electricity, Gas & Water Supply | 0.7% | 0.3% | 0.6% | 1.0% | 0.3% | 0.7% | 1.7% | 0.5% | 1.0% | 1.3% | 0.8% | 0.7% |
| Mining | 0.2% | 0.2% | 0.2% | 0.3% | 0.4% | 0.4% | 1.3% | 1.0% | 0.8% | 1.2% | 1.1% | 0.9% |
| Not stated | 8.3% | 3.3% | 1.8% | 8.6% | 3.5% | 1.9% | 8.4% | 3.5% | 1.8% | 7.0% | 2.0% | 1.7% |
| Non-classifiable economic units | 0.7% | 1.0% | 0.9% | 0.6% | 0.9% | 0.8% | 0.6% | 0.8% | 0.8% | 0.4% | 1.4% | 0.6% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

Source: ABS 1991, 1996 and 2001 Census

2.4.2 Labour Market

The unemployment rate in both Launceston City and the Launceston Statistical Region has trended lower over the past year, with the sharpest falls in the rate occurring in the two most recent quarters, which is consistent with the overall Tasmanian experience (see **Table 2.6**). Overall, Launceston City still records a trend unemployment rate exceeding the Statistical Region and State average, though unemployment is now well below that recorded in the 1991, 1996 and 2001 Censuses and much closer to the national average of 5.8% in the June Quarter 2004.

Table 2.6: Trend Unemployment Rate

| Quarter | Launceston City | Launceston Statistical Region | Tasmania | Australia |
|------------|-----------------|-------------------------------|----------|-----------|
| Jun Q 2003 | 9.2% | 8.7% | 8.8% | 6.2% |
| Sep Q 2003 | 9.3% | 8.8% | 8.3% | 6.2% |
| Dec Q 2003 | 9.2% | 8.8% | 7.9% | 6.1% |
| Mar Q 2004 | 8.5% | 8.1% | 7.3% | 5.9% |
| Jun Q 2004 | 8.2% | 7.7% | 6.9% | 5.8% |

Source: DEWRSB Small Area Labour Market Analysis

2.4.3 Building Investment

The higher number of new residential approvals in the Launceston Statistical Region over the past three financial years (see **Table 2.7**) reflects the positive population growth in the region. It is evident a growing share of residential investment in Launceston City is being directed toward units, apartments and flats, based on the increasing value of residential development concentrated in other dwellings. However, due to an increasing average value of each new house approval, the total value of residential development continues to rise in Launceston City despite a lower number of approvals in the past two years.

New house approvals have been particularly strong outside Launceston City, though Launceston City continues to contribute the majority of unit and mixed-residential approvals. The total value of residential investment in the Launceston Statistical Region increased by a sharp 51.1% in 2003-04 despite only a 25.0% increase in the number of approvals, which reflected a sizeable increase in the average value of dwelling approvals.

Commercial building activity has been relatively weak in Launceston City over the past three years, with neighbouring Council areas in the Launceston Statistical Region attracting the majority of commercial investment activity.

Table 2.7: Building Investment, Launceston City and Launceston Statistical Region

| | Launceston City | | | | | Launceston Statistical Region | | | | |
|---|-----------------|---------------|---------------|---------------|---------------|-------------------------------|---------------|---------------|---------------|----------------|
| | 1999-00 | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 1999-00 | 2000-01 | 2001-02 | 2002-03 | 2003-04 |
| New Residential Building Approvals | | | | | | | | | | |
| New house approvals (No.) | 115 | 86 | 211 | 131 | 150 | 389 | 278 | 464 | 402 | 545 |
| Other dwelling approvals (No.) | 36 | 9 | 86 | 97 | 63 | 60 | 18 | 90 | 97 | 79 |
| Total dwelling approvals (No.) | 151 | 95 | 297 | 228 | 213 | 449 | 296 | 554 | 499 | 624 |
| New house approvals (\$'000) | 12,956 | 10,479 | 24,582 | 18,842 | 26,113 | 41,932 | 31,989 | 53,638 | 53,630 | 82,733 |
| Other dwelling approvals (\$'000) | 2,931 | 540 | 7,670 | 6,762 | 7,104 | 4,731 | 1,240 | 7,948 | 6,762 | 8,543 |
| Total dwelling approvals (\$'000) | 15,887 | 11,019 | 32,252 | 25,604 | 33,217 | 46,663 | 33,229 | 61,586 | 60,392 | 91,276 |
| New Non-Residential Building Approvals | | | | | | | | | | |
| New commercial approvals (\$'000) | 32,233 | 27,185 | 12,400 | 18,954 | 11,613 | 43,339 | 41,230 | 20,297 | 26,549 | 31,111 |
| Total New Residential and Commercial Building Approvals (\$'000) | 48,120 | 38,204 | 44,652 | 44,558 | 44,830 | 90,002 | 74,459 | 81,883 | 86,941 | 122,387 |

Source: ABS 8731.0

2.4.4 Property Market

Like the rest of the nation, Launceston City has recorded a strengthening property market and higher property prices in recent years (see **Table 2.8**). Despite continued strong price increases, the median house sales price in Launceston City remains well below national averages at around \$195,000 in the June Quarter 2004, ensuring the region remains an affordable residential living area.

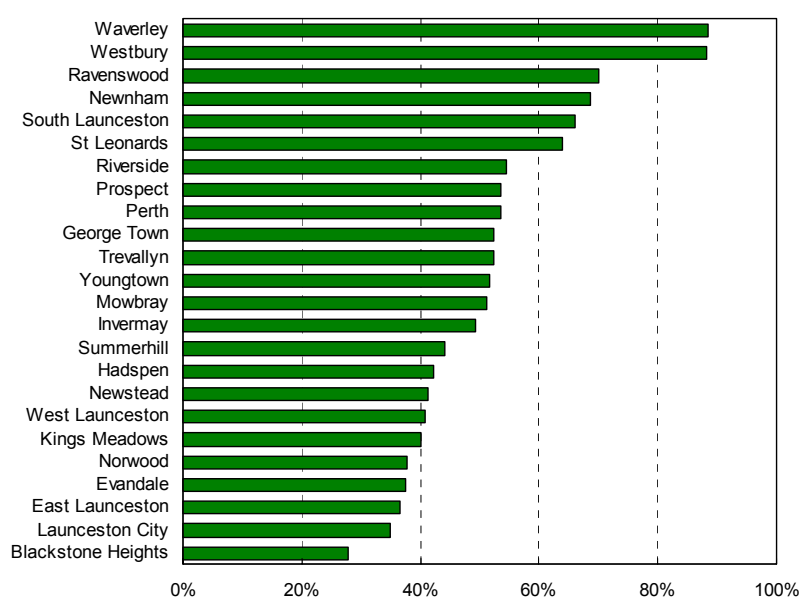
Table 2.8: Median House Sale Price, Launceston City LGA

| Period | Median Price | Annual % Growth |
|------------|--------------|-----------------|
| Jun Q 2002 | \$104,000 | N/a |
| Sep Q 2002 | \$100,000 | N/a |
| Dec Q 2002 | \$114,250 | N/a |
| Mar Q 2003 | \$150,000 | N/a |
| Jun Q 2003 | \$122,000 | 17.3% |
| Sep Q 2003 | \$159,500 | 59.5% |
| Dec Q 2003 | \$180,250 | 57.8% |
| Mar Q 2004 | \$184,500 | 23.0% |
| Jun Q 2004 | \$194,250 | 59.2% |

Source: Real Estate Institute of Tasmania

The Launceston City suburbs of Waverley (88.5%), Ravenswood (70.1%) and Newnham (68.5%) recorded the strongest annual price growth in 2003-04 (see **Figure 2.4**). Localities outside Launceston City also recorded strong price growth including Westbury, Riverside, Perth and George Town.

Figure 2.4: Growth in Median House Sale Price by Suburb, 2002-03 to 2003-04



Source: Real Estate Institute of Tasmania, AECgroup

2.4.5 Tourism Trends

An additional 148,000 people visited Launceston City in the year ended March Quarter 2004 when compared with the year ended March Quarter 2003 (see **Table 2.9**). This followed a 52,800 visitor increase between 2002 and 2003. The entire Tasmanian visitor market has grown over the past couple of years at a similar rate to Launceston City, with Launceston maintaining a market share of around 11-12% of total visitor nights. Launceston City's market share of total visitor nights is fairly low due to a lower average length of stay (2-3 nights) of visitors staying overnight when compared with Tasmanian averages (10-11 nights).

Table 2.9: Total Visitors to Launceston City

| | Year Ended March Qtr 2002 | Year Ended March Qtr 2003 | Year Ended March Qtr 2004 |
|----------------------------|------------------------------|------------------------------|------------------------------|
| Just passed through | 25,300 | 27,000 | 34,300 |
| Stopped and looked around | 70,000 | 94,400 | 116,600 |
| Stayed overnight | 195,300 | 234,600 | 259,000 |
| Total visitors | 290,600 | 356,100 | 409,900 |
| Growth in visitors (%) | N/a | 22.5% | 15.1% |
| Total nights | 586,100 | 638,900 | 786,900 |
| Growth in nights (%) | N/a | 9.0% | 23.2% |
| Average stay (nights) | 3.0 | 2.7 | 3.0 |
| % share of Tasmania nights | 12.3% | 11.0% | 12.4% |

Source: Tasmanian Visitors Survey (Tourism Tasmania)

In line with the increasing number of visitors, total visitor expenditure in Tasmania increased by 19.5% to \$1.06 billion in the year ended March Quarter 2004 (see **Table 2.10**). There was strong growth in spending on each expenditure grouping, particularly "Other Items", of which an estimated 46% is spent on retail goods and services, which equates to 19.0% of total visitor expenditure.

Table 2.10: Total Expenditure by Visitors to Tasmania (\$m)

| Expenditure Type | Year Ended March Qtr 2002 | Year Ended March Qtr 2003 | Year Ended March Qtr 2004 |
|---------------------------|------------------------------|------------------------------|------------------------------|
| Transport | \$141.8 | \$171.9 | \$202.5 |
| Accommodation | \$281.6 | \$352.6 | \$420.2 |
| Other Items | \$291.4 | \$359.7 | \$434.0 |
| Total Expenditure | \$714.8 | \$884.3 | \$1,056.7 |
| Growth in Expenditure (%) | N/a | 23.7% | 19.5% |

Source: Tasmanian Visitors Survey (Tourism Tasmania)

2.4.6 Major Projects

There are some major projects currently under study or development in the Launceston Statistical Region which could impact future population, economic and tourism growth. The major projects are briefly summarised below. Launceston City has recorded over \$100 million in commercial business investment over the past five years, which is reflected by the strong take-up of development opportunities advertised in Council's Development Sites Register.

Inveresk Precinct

Council has completed a draft masterplan for the significant Inveresk Precinct, which is located across the North Esk River just to the north of the CBD along Invermay Road. The draft masterplan for the Precinct, which is already home to the Academy of the Arts and the Queen Victoria Museum and Art Gallery, aims to make Inveresk a major cultural, tourism and entertainment attraction within Tasmania. The key features of the draft masterplan include:

- Release of four development sites, with the preferred uses being a mix of public and private uses, including residential, commercial, entertainment and leisure functions;
- Construction of a footbridge across the North Esk River, enhancing access to the CBD by providing an alternative river crossing to the Victoria Bridge;
- Additional car parking adjacent to the river providing allowing existing parking to be replaced by open space; and
- Establishment of a coordinated pedestrian network linking all Inveresk attractions with the proposed footbridge.

Mixed Use Development at the C.H. Smith Site in Central Launceston

A \$100 million mixed-use development is planned for the C.H. Smith site on the north-west fringe of the Launceston CBD by developer Serge de Kantzow. Council is yet to provide approval to the development, which is scheduled to begin in the second half of 2005. In its current proposed form, the project will include the following elements:

- 320m pedestrian skybridge;
- 87 suite five star hotel;
- 149 apartments;
- Art Gallery;
- Innovation Centre;
- Public plaza; and
- 530 space basement car park.