

# Pay attention, number nerds: this is important

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**HERE is my list of essential reading if you want to stay abreast of the business implications of the global financial crisis.**

But you won't find these publications in any catalogue of bestsellers.

I am referring, of course, to some of the most riveting statistical bulletins produced by the Australian Bureau of Statistics.

If you are not a numbers person then I suggest you stop reading now.

Perhaps there's a novel or, better still, some poetry or a collection of sonnets that you might like.

If you are a numbers person, then don't you think non-numbers people are, you know, a little nerdy?

Now, where was I? That's right: riveting statistical bulletins produced by the ABS.

I have their website ([www.abs.gov.au](http://www.abs.gov.au)) bookmarked on my PC and I just know you do too. Most of this data can be downloaded from the net and it should form part of a dashboard of indicators that you consult throughout the year.

\* Labour Force -- includes unemployment, which is perhaps the highest-profile recession indicator. In January this figure jumped 0.3 percentage points to 4.5 per cent, up from a record low of 4.1 per cent in February 2008. At the height of the last recession, December 1992, unemployment reached 10.7 per cent. Figures for each month are published around the middle of the following month.

The unemployment rate for February (which I think will have a 5 in front of it) will be published March 13. At 4.5 per cent, there are 521,000 people unemployed in Australia.

If this recession equals the last in terms of unemployment rates, the number without a job would top 1.2 million -- a further 685,000.

If unemployment tops out at, say, 7 per cent, then the unemployed will settle at about 790,000 -- an extra 269,000.

\* Retail Trade -- cuts to the core of consumer sentiment by measuring monthly movements in retail spending.

More spending generally means more shopping centre sales, which translates into more rent and better valuations.

It's a simple equation.

The most recent retail sales data relates to December 2008, where spending was up 5.6 per cent on the same month the previous year.

But recall this was the month that captured the government's \$10 billion stimulus package. A breakdown of the figures shows double-digit sales growth in liquor, takeaway food and domestic appliance retailing.

On the other hand, turnover at cafes and restaurants contracted and, in fact, had been on the decline since March.

The same more or less goes for furniture retailing.

The point of all this is that consumers are directing their spending to some retail categories and away from others.

Probably a good idea to keep an eye on these figures each month.

\* Demographic Statistics -- now we're getting into the juicy material. The ABS tracks population growth and migration every quarter, but the problem is that the data is not particularly timely.

For example, there are no monthly estimates of population growth.

And data relating to the quarter ended September 2008 will be released on March 18 - almost nine months later.

The problem is that the recession is unlikely to bite to the extent that it forces people to relocate for lifestyle or employment reasons until at least September 2009. Therefore, it won't be until March 2010 that the first snapshot capturing recession-inspired social change is published. And if you want to capture locational shifts by municipality, then data reflecting that movement will not be released until April 2011.

And then, of course, there's the 2011 census, but that data won't be released until mid-2012.

Meanwhile, back in the business world, management must make decisions now about their expectations for the period 2009 to 2012, based on imperfect trend evidence from information published prior to the downturn.

\* Overseas Arrivals and Departures -- measures the inflow and outflow of tourists, backpackers and business visitors to Australia. This vital information for the tourism industry is published monthly. During last December there were 454,100 visitors to

Australia, down 3.1 per cent on the same month the previous year.

Interestingly, the reduced inflow included a 26 per cent drop in visitors from Korea and a 22 per cent decrease in visitors from Japan. Here is a real and targeted effect of the recession in international economies. And, to some extent, it also signals the sort of pressures that may eventually find their way to Australia. January figures will be released on March 6 and I'll be looking for further falls in the inflow and the start of a drop-off in outbound traffic.

There are other bulletins that I look at from time to time, including new motor vehicle sales, which were 45,300 for December, down 17 per cent on the same number the previous year. In fact, when you look at all these figures there are few bright spots. And where the figures aren't heading south it's most likely because the publication has yet to capture the post-September slide that marked the beginning of the downturn.

The reason you should monitor these publications is not to ghoulishly watch our descent into the recession's abyss. Rather, it is to become familiar with the figures so that when the numbers do start to bottom out -- I think in the latter part of this year -- it will instil confidence that there is both life and prosperity beyond the recession.

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