



Towards improved local government in southern Tasmania -

The Southern Tasmanian Economy and Local Government reform



The Tasmanian Economy

Eighty-five years ago, an inquiry commissioned by the Federal Government reported that 'Tasmania ... not only has been unable to share in the remarkable prosperity which has been so marked a feature in regard to Australia generally during the period covered by Federation but to an increasing extent each year she lags behind her more fortunate sister States'¹. Thirty-four years ago, another inquiry commissioned by the Federal Government began with the observation that 'Tasmania is economically vulnerable'². Fourteen years ago yet another inquiry, this one jointly commissioned by the then Federal and State Governments, concluded that Tasmania 'had an economy with serious problems and an overwhelming inertia against taking the actions needed to achieve the opportunities which would turn the State around'³.

In some respects, Tasmania's economic situation *has* improved since the last of these reports was written. Tasmania had the highest (trend) unemployment rate of any State or Territory for all but five months between September 1992 and March 2008: it has only held that position in 14 of the 41 months since then, and between June 2008 and November 2009 Tasmania's trend unemployment rate was actually below the national average (for the first time since 1980). Between 2000-01 and 2008-09 Tasmania's economy grew at a faster rate than any other part of Australia except for the 'resource-rich' jurisdictions of Queensland, Western Australia and the Northern Territory; indeed in per capita terms Tasmania's economic growth rate over this interval was second only to Western Australia's. Tasmania's public finances are also in much better shape than they were throughout the 1990s, notwithstanding the deterioration which has occurred over the past couple of years.

Yet the improvements in Tasmania's relative economic performance during the past decade appear to have had unsustainable foundations. Tasmania's economy was harder-hit by the global financial crisis than that of the rest of Australia. It is the only State or Territory where the job losses sustained after the onset of the financial crisis have yet to be regained; and the proportion of adult Tasmanians who are in employment is more than 5 percentage points below the corresponding figure for the rest of Australia.

Tasmania will gain little from the 'resources boom': its mining sector contributes just 2.2% of the State's gross product, less than in any other State and compared with 10% for Australia as a whole. On the other hand, industries which are likely to be adversely affected by some of the 'side effects' of the resources boom (a stronger A\$ and higher interest rates), or by the greater hesitancy in borrowing and spending now being exhibited by Australian households – industries such as agriculture, forestry and fishing; manufacturing; accommodation and food services; and retailing – account for almost 10 percentage points more of Tasmania's economy than they do of the mainland's.

And the improvement in Tasmania's public finances in the years prior to the onset of the global financial crisis owed much to buoyancy in revenues from the GST which has since faded away: growth in those revenues is slowing, in line with the slowdown in the growth of consumer spending, while Tasmania's

¹ Report by Sir Nicholas Lockyer, reprinted in *The Mercury*, 20th April 1926, p. 12.

² Report by Sir Bede Callaghan, *Inquiry into the Structure of Industry and the Employment Situation in Tasmania*, June 1977, p. 3.

³ Report by Peter Nixon AO, *The Nixon Report: Tasmania into the 21st Century*, July 1997, p. v.

share of those revenues is declining, and may decline further as a result of the review of the way in which the GST revenues are divided up among the States and Territories commissioned by the Federal Government (whose membership suggests that its recommendations are unlikely to be favourable to Tasmania⁴). Thus the Tasmanian Government is seeking to reverse the acceleration in State spending which occurred between 2004-05 and 2009-10.

Hence the *fundamental* weaknesses of the Tasmanian economy, which have not changed significantly over the past few decades, are once again coming to the fore.

Those weaknesses are encapsulated in the observation that Tasmania's per capita gross State product is almost \$12,000 (or nearly 21%) below the national average⁵. This 'wealth creation gap' is smaller than it was in the second half of the 1990s or early 2000s, but larger than it was in the late 1970s or through the 1980s.

Analytically, this 'wealth creation gap' can be sourced to three principal causes:

- \$4,000 (or 33%) of the gap is attributable to the fact that only 46.4% of working age Tasmanians (that is, people aged 15 and over) have a job, compared with 51% of mainland Australians. Of this difference, about half is due to a larger proportion of Tasmanians being past the normal retirement age, and the balance is due to other factors such as lower levels of educational attainment, and a higher incidence of work-inhibiting disabilities.
- \$4,500 (or 37%) of the gap is attributable to the fact that Tasmanians in employment work an average of 1.8 fewer hours per week than people in employment on the mainland.
- \$3,300 (or 27%) of the gap is attributable to the fact that Tasmanians in employment produce \$6.50 less by value of goods and services for each hour that they work than people in employment on the mainland (that is, Tasmanian labour *productivity* is 9.5% lower than mainland labour productivity). Some of this difference is the result of some intrinsically high-productivity industries (such as mining and financial services) being 'under-represented' in the Tasmanian economy: but much of it stems from labour productivity in most sectors of the Tasmanian economy being lower than in the corresponding industries on the mainland.

Many of the consequences of this 'wealth creation gap' are not immediately evident to Tasmanians, because they are mitigated by the operation of the income tax and social security systems and, as noted above, by the 'horizontal fiscal equalization' principles according to which revenues from the GST are shared among State and Territory Governments.

Thus, Tasmanians pay (on average) \$1,800 (or 30%) less per head in personal income tax to the Commonwealth Government than mainland Australians, and receive \$1,200 (or 27%) more per head by way of pensions and benefits from the Commonwealth Government than mainland Australians. They (and businesses operating in Tasmania) also pay \$733 (or 30%) less per head in State taxes than the national average.

⁴ The Review comprises former Premiers of New South Wales and Victoria, both of whom are on the record as favouring a larger share of the GST revenue for their respective States, and an accountant from South Australia.

⁵ These figures, and those in the following paragraphs, are for 2009-10 and are taken from ABS, *State Accounts 2009-10* (catalogue no. 5220.0); *The Labour Force* (catalogue 6202.0); and *Government Finance Statistics 2009-10* (catalogue no. 5512.0).

Largely as a result of these mitigating factors, average per capita household disposable income is 'only' \$1,650 (or about 4½%) below the mainland average. But these 'mitigating factors' are hardly a source of comparative advantage, let alone a reason for satisfaction or pride.

Official forecasts suggest Tasmania's economy will continue to lag behind that of the rest of Australia over the medium term. The most recent State Budget is predicated on economic growth averaging just under 2% per annum over the four years to 2014-15⁶, compared with the Commonwealth Treasury's most recent Budget projection of economic growth for Australia as a whole averaging just under 3½% per annum over the same period. Based on Commonwealth Treasury projections of population growth, this would imply Tasmania's per capita gross product falling a further 2½ percentage points below the national average over the next four years.

The Economy of Southern Tasmanian

Relative to Tasmania as a whole, the economy of Southern Tasmania is much more dependent on government – with government administration and defence accounting for around 11% of total employment compared with about 6½% for the State as a whole, and the government-dominated education and health and community services sectors together accounting for nearly 23% of employment in Southern Tasmania compared with 19% in the State as a whole⁷. Retailing is also more important to the Southern Tasmanian economy than in the rest of the State, employing over 16% of the region's workforce compared with 14½% of the State's as a whole. Conversely, primary industries (agriculture, forestry and fishing), mining, construction and especially manufacturing are less important contributors to the Southern Tasmanian economy than they are to that of Tasmania as a whole, accounting for 2¾, 1, 2 and 5 percentage points less respectively of total employment in the Southern region than of total Tasmanian employment.

This pattern of economic activity has advantages and disadvantages. The southern Tasmanian region is less likely (than other parts of Tasmania) to be affected by continuing strength of the Australian dollar (although that will pose problems for locally important industries such as shipbuilding). On the other hand, southern Tasmania stands to be more seriously affected (than the northern or north-western regions of Tasmania) by continuing caution about household spending, and by any moves towards greater fiscal restraint on the part of either the Commonwealth or State Governments, including in particular any reductions in government employment (although reductions in government spending matched by reductions in taxation could be at least partially offset by increases in household or business expenditures).

The forestry industry, which is currently experiencing particularly severe structural adjustment pressures, accounts for a smaller proportion of the economy of southern Tasmania than the other two major regions of the State, but is particularly important in the Huon Valley region. In that context, it is interesting to recall that the 1926 Lockyer Report received a submission from the Hobart Chamber of

⁶ Hon. Lara Giddings MP, Treasurer, *Budget Paper No. 1 – The Budget*, 2011-12, p. 2.5.

⁷ The figures in this and the following paragraph are based on 2006 Census data.

Commerce which asserted that 'the sawmilling industry has been in a very bad state' and that 'the position is really desperate'⁸.

Tourism and transport accounted for a slightly smaller proportion of employment in the southern region than in the rest of Tasmania in 2006, although it seems probable that the opening of MONA in January this year has been a larger drawcard for interstate tourists to Southern Tasmania than to other parts of the State. There would also appear to have been greater growth in the wine industry in the southern part of Tasmania than in the north in recent years.

Compared with other parts of Tasmania, residents of Southern Tasmania are more likely to have completed their secondary education up to Year 12, and considerably more likely to possess post-secondary qualifications⁹, although there is a significant gap between residents of Hobart and Kingborough and other areas of Southern Tasmania in this regard. This partly reflects differences in the age structure across the region: Glamorgan Spring Bay, Tasman and Central Highlands have substantially higher median ages than the rest of the southern region, while (reflecting its relative high concentration of public housing and the groups it caters for) the median age in Brighton is well below that for the region as a whole.

Largely reflecting its higher levels of educational attainment, and the different structure of employment, the labour force participation rate in Greater Hobart is (at 62.0% in 2010-11), substantially higher than that for the rest of Southern Tasmania (55.4%) – although the participation rate in Northern Tasmania is slightly higher (at 62.7%) than in Hobart. Greater Hobart's unemployment rate (averaging 4.7% in 2010-11) is actually lower than for any other State capital except Perth, and well below that for the rest of Southern Tasmania (6.2%), in addition to being lower than that for Northern Tasmania (6.2%) and North-Western Tasmania (7.3%). Unemployment rose by much less in Southern Tasmania in the aftermath of the financial crisis (between ½ and ¾ of one percentage point) than in the North (where it rose by 2¼ percentage points)¹⁰.

Again reflecting their higher levels of educational attainment and participation in employment, residents of Greater Hobart typically have higher incomes than residents of other parts of Tasmania. Median household disposable income in 2007-08 was \$1,071 per week in Greater Hobart, lower than in any other capital city (and some 24% below the average for all capital cities), but 14% higher than for households in the rest of Tasmania (where median household disposable income was almost 13% lower than for households in non-metropolitan regions Australia-wide). 28% of Greater Hobart residents derive more than half their income from government pensions and benefits, a substantially higher proportion than in any other capital city (and compared with the average for all capital cities of 19%); while almost 38% of Tasmanian households outside of Hobart derive more than half their income from pensions and benefits, some 9 percentage points higher than the Australia-wide average for households in non-metropolitan areas¹¹.

⁸ Report by Sir Nicholas Lockyer, reprinted in *The Mercury*, 20th April 1926, p. 9.

⁹ Southern Tasmania Regional Land Use Strategy, *Background Report No. 2: The Regional Profile*, March 2011, pp. 33-34.

¹⁰ Figures in this paragraph are from ABS, *The Labour Force, Detailed – Electronic Delivery*, June 2011 (catalogue no. 6291.0.55.001).

¹¹ Figures in this paragraph are from ABS, *Household Income and Income Distribution, Australia – Detailed Tables*, 2007-08 (catalogue no. 6523.0).

Potential economic growth opportunities for the Southern Tasmanian economy in the years ahead could lie in areas such as health and aged care (given that the region will have one of the fastest-ageing populations of any region in Australia); tourism, including through capitalizing on the drawing power of MONA and other arts tourism ventures, and potentially if public liability insurance issues can be worked through, 'adventure tourism' along the lines which have flourished in New Zealand); horticulture and viticulture (partly depending on the extent to which irrigation schemes are developed); information technology and communications (based on the National Broadband Network); marine engineering and the exploitation of other sea- and fresh-water expertise already located in southern Tasmania; Antarctic and meteorological sciences; and design and other 'creative' industries.

Depending on the extent to which temperatures continue to rise as a result of climate change, Southern Tasmania's climate may become a source of 'comparative advantage' in attracting people and investment – but only over the longer term.

Local Government in the Tasmanian Economy

Local government appears to have a slightly larger presence in the Tasmanian economy than in that of most other States. In 2009-10, local government 'operating' expenses were the equivalent of 2.8% of Tasmania's gross State product (GSP), higher than in any other State except Queensland, and compared with an average for local government across Australia as a whole of 2.2%¹².

The difference was largely attributable to relatively higher levels of expenditure by local governments in Tasmania on housing and community amenities and on transport and communications: which in turn appears to reflect (at least in part) Tasmanian councils' greater responsibility for water and sewerage (until 2009-10) and for roads than in most other States and Territories.

Local government fixed capital expenditure was also higher in Tasmania, at 1.0% of GSP in 2009-10, than in any other State except Queensland (where local governments are responsible for urban public transport), and about 0.1 percentage point above the national average. This also reflects differences in the division of responsibilities between State and local government in different jurisdictions.

Tasmanian local governments have traditionally employed relatively more people than their counterparts in other States. Between 2004-05 and 2008-09, 2.2% of the employed Tasmanian workforce worked for local government, compared with 1.7% of the national workforce. In 2009-10, local government employment in Tasmania (as measured by the ABS) dropped by 2,100, while State government employment rose by 2,800: this presumably reflects the transfer of responsibility for water and sewerage operations (and the persons employed in those functions) from Councils to the three new corporations. As a result, local government employment in Tasmania dropped to 1.7% of the employed labour force in 2009-10, in line with the national average.

Tasmanian local governments are smaller, on average, than anywhere else in Australia except Western Australia and the Northern Territory. Tasmania's 29 councils have an average of almost 17,500 residents apiece, ranging from over 65,000 in the City of Launceston to fewer than 900 on Flinders Island.

¹² Figures in this section are from ABS, *Government Finance Statistics*, 2009-10 (catalogue no. 5512.0) and *Employment and Earnings, Public Sector, Australia*, 2009-10 (catalogue no. 6248.0.55.002).

In Southern Tasmania, the population of local government areas ranges from over 52,000 in Clarence to just over 2,300 in both Tasman and Central Highlands. On the mainland, local government areas have an average of just under 40,000 residents each.

There are, inevitably, 'economies of scale' in local government, as there are in State government and indeed in almost any type of business activity. At the most simple level, each Council typically has one mayor, and one CEO or General Manager, and (even allowing for the likelihood that they will be paid less by small Councils than by large ones), the per capita cost of these officials will typically be higher at small Councils than at large ones. This is, of course, a relatively trite example; as we argue in other papers, there are considerably more significant economies of scale to be obtained in, for example, procurement or in the management of capital assets in larger local government entities relative to smaller ones.

Table 1 below shows the population of each local government area in Southern Tasmania together with their operating expenditures and employment for the 2007-08 financial year (the latest available).

Table 1: Local government areas by population, Council operating expenses and employment, 2007-08

<i>Council</i>	<i>Population</i>	<i>Operating expenses (\$000)</i>	<i>Employment (FTEs)</i>	<i>Operating expenses per capita (\$000)</i>	<i>FTE employment per capita</i>
Clarence	51,546	53,253	240	1,033	4.7
Hobart	49,650	98,138	584	1,977	11.8
Glenorchy	44,468	61,908	324	1,392	7.3
Kingborough	32,813	33,236	181	1,013	5.5
Brighton	15,210	11,555	61	760	4.0
Huon Valley	14,870	16,470	152	1,108	10.2
Sorell	12,805	15,365	86	1,200	6.7
Derwent Valley	9,927	10,190	54	1,026	5.4
Southern Midlands	5,939	7,997	45	1,347	7.6
Glamorgan-Spring Bay	4,468	9,813	43	2,196	9.6
Tasman	2,319	6,812	20	2,937	8.6
Central Highlands	2,341	6,664	37	2,847	15.8
Total	246,356	331,401	1,827	1,345	7.4

Sources: Local Government Division, Tasmanian Department of Premier & Cabinet, Measuring Council Performance in Tasmania 2007-08; State Grants Commission, Annual Report 2009-10.

The data in table 1 suggest that, broadly speaking, smaller councils (that is, councils serving smaller populations) are 'more expensive' to operate in the sense that they have higher operating expenses and more staff per resident than councils serving larger populations. This is consistent with previous research suggesting that costs increase steeply in municipalities of fewer than 10,000 people¹³.

There are nonetheless some exceptions to this generalization:

- Hobart City Council has higher operating expenses and higher staff numbers per head than the other large (urban) councils, at least in part because of the expenditures it incurs on cultural and recreational facilities and on roads and footpaths that are used by citizens from across the metropolitan area and beyond;
- Huon Valley Council has relatively high staffing levels for a medium-sized council, although this is not reflected in relatively high operating expenses per capita; and
- Brighton Council has very low staffing and operating expenses per capita, reflecting particularly low levels of spending on social and community services, recreation and community amenities, and roads (and which is in turn reflected in much lower rates than at other councils).

Local government taxation revenue (overwhelmingly in the form of rates) was equivalent to \$548 per head of population in Tasmania in 2009-10, higher than in any State except South Australia, and about 5% above the national average.

This partly reflects the fact that Tasmanian councils raise about 22% less per head from user charges for goods and services than the Australia-wide average (although they collect relatively more than councils in Western Australia, Victoria and especially South Australia). On the other hand, Tasmanian local governments received an average of \$210 per head in grants and subsidies from other levels of government in 2009-10, more than in any other State (except the Northern Territory), and some 60% above the national average.

The property rates and charges component of the consumer price index has risen at an average annual rate of 7.1% in Hobart (that is to say, the Hobart metropolitan area) over the past five years, faster than in any other capital city, and compared with the weighted average for all eight capital cities of 5.6% per annum over the same period¹⁴.

Table 2 (on page 8) indicates that, broadly speaking, smaller councils are more reliant on rates for their revenue, and, partly in consequence, have higher rates per head of population than larger councils. As with expenditures, there are some exceptions to this generalization:

- Hobart City Council has higher rates per capita than the other city councils, reflecting the fact that (as noted earlier) it has higher operating expenses per capita, and also that it has a larger concentration of more valuable commercial property within its jurisdiction;

¹³ Marcus Haward and Ivan Zwart, 'Local Government in Tasmania: Reform and Restructuring', *Australian Journal of Public Administration*, Volume 59, No. 3 (September 2000), pp. 34-48.

¹⁴ Figures in this paragraph are from ABS, *Consumer Price Index*, June Quarter 2011 (catalogue no. 6401.0), Table 13.

- Brighton Council has very low rates per capita, reflecting its parsimonious operating expenses and the fact that it has an above-average proportion of lower-valued residential properties within its boundaries; and
- Glamorgan-Spring Bay Council is less reliant on rates than other small councils (although its per capita rates are the second highest in Southern Tasmania), in large part because it generates more revenue from user fees and charges than any other small council in Tasmania except Circular Head.

But they are exceptions. The inverse relationship between per capita rate revenue and population size is consistent with the proposition that smaller councils are – within defined ranges - relatively more expensive to run than larger ones.

Table 2: Local government areas by population, rates and total revenues, 2007-08

<i>Council</i>	<i>Population</i>	<i>Rates revenue (\$000)</i>	<i>Total revenue excl. water & sewerage rates (\$000)</i>	<i>Rates revenue per capita (\$)</i>	<i>Rates revenue as a % of total</i>
Clarence	51,546	25,762	43,951	500	58.6
Hobart	49,650	39,122	64,951	788	60.2
Glenorchy	44,468	15,942	41,138	359	38.8
Kingborough	32,813	14,022	25,124	427	55.8
Brighton	15,210	4,576	8,202	301	55.8
Huon Valley	14,870	6,547	9,896	440	66.2
Sorell	12,805	7,060	9,087	551	77.7
Derwent Valley	9,927	4,006	6,708	404	59.7
Southern Midlands	5,939	2,750	3,543	463	77.6
Glamorgan-Spring Bay	4,468	4,535	6,720	1,015	67.5
Tasman	2,319	2,718	2,838	1,172	95.8
Central Highlands	2,341	2,146	2,685	917	79.9
Total	246,356	129,186	224,843	524	57.5

Note: Rates revenue includes general, special and garbage rates. Water and sewerage rates are excluded because of the subsequent transfer of water and sewerage operations to the three Corporations.

Sources: Local Government Division, Tasmanian Department of Premier & Cabinet, *Measuring Council Performance in Tasmania 2007-08*; State Grants Commission, *Annual Report 2009-10*.

Local Government Reform & the Tasmanian Economy

Some of the factors contributing to Tasmania's economic underperformance are inherently unalterable. Tasmania is unlikely ever to become a 'resources State'. There will never be a land bridge to the mainland. It is difficult to conceive of Tasmania ever having a population as large as, say, South Australia – let alone Victoria or New South Wales – and hence it is always likely to have a less diversified and more narrowly based economy than the mainland States.

However, many of Tasmania's long-standing economic disadvantages could be addressed by sufficiently determined government strategies, enjoying wide-spread support from Tasmania's business community and its citizenry more broadly.

Together, State and local governments, businesses, employees and communities could lift the proportion of the State's population who participate in employment, and improve the productivity of those who have jobs. They could enhance Tasmania's attractiveness as a desirable place to live (retaining more of its young people, and drawing people from other places) and as a destination for investment. They could provide Tasmania with a more authentic, a more audible, and a more credible voice in national and international fora, heightening awareness of the State's strengths and the ways in which it was working to overcome its weaknesses.

A combined and concerted effort towards these goals would include a determined push to lift both the amount and quality of education received by Tasmanian students, and the skills possessed by Tasmanian workers; to upgrade and extend Tasmania's infrastructure, particularly in the areas of health care, transport and water supply; to improve the efficiency with which government services are provided, and lower the costs of providing them; and to create an attractive environment for business investment – which doesn't mean simply having the lowest taxes and least regulation of any State, but which does mean having taxes and charges which are below the national average, and regulations which are logically related to meaningful economic or social goals, and which are administered consistently and with an eye to minimizing unnecessary costs.

Local government reform could make an important contribution to achieving outcomes such as these for Southern Tasmania. Cost savings arising from the formation of stronger and larger local government units are a part of that, but only a part. Cost savings could arise from 'economies of scale' in administration and governance, in the use of capital equipment, and in financing, and from a much more strategic approach to management. Those savings could be passed on in the form of lower rates; or, alternatively, they could be used to employ people with skills that are beyond the resources of individual Councils as presently structured.

It is highly likely that more unified local government for the Greater Hobart region (in particular) would result in more efficient and effective strategic and land-use planning, more effective co-ordination and promotion of economic and community development strategies, better co-ordination of infrastructure usage and planning, and more effective tourism promotion and marketing efforts.

Local government reform would complement the efforts now being made by the State Government to bring greater efficiency and effectiveness to its service delivery functions. As is the case with those efforts now being made by the State Government, it is inevitable that local government reform will be associated with some reduction in employment. In that context, it is worth noting that over the period

2003-04 through 2007-08, approximately one in eight local government employees across Tasmania left voluntarily or retired; in some smaller Southern Tasmanian councils this ratio has been as high as one in six. This proportion is likely to increase over time as the age profile of local government staff, like that of the Tasmanian population as a whole, increases. Additionally, in 2007-08 some 14% of local government staff across Tasmania had their employment terminated¹⁵. Hence, it seems likely that any job losses associated with local government restructuring on the scale envisaged by the Panel could be readily absorbed within ordinary levels of turnover, with due allowance for appropriate transitional periods.

Assertions sometimes made in the context of proposed reductions in public sector employment that they have 'flow on' effects leading to the further loss of more than twice as many jobs in the private sector¹⁶ are based on an inappropriate use of input-output multipliers which, according to the Australian Bureau of Statistics 'are likely to significantly over-state the impacts of projects or events', and which are 'not appropriate for use in economic impact analysis of projects in small regions'¹⁷.

These assertions also typically ignore the potentially offsetting impact on private sector economic activity and employment of reductions in taxation, or increases in the efficiency of government service delivery, associated with public sector restructuring.

Hence, while it is to be expected that suggestions for local government reform will prompt concern about the possible consequences of job losses, the Panel believes that these are likely to be both small and, more importantly, transitory and manageable.

Saul Eslake

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¹⁵ Figures in this paragraph are from Local Government Division, Tasmanian Department of Premier & Cabinet, *Measuring Council Performance in Tasmania 2007-08*, p. 41 and p. 85.

¹⁶ For example, Beth Cook and William Mitchell, *The Economic and Social Impact of Staff Reductions in the South Australian Public Sector*, Report prepared for the Public Service Association of South Australia, University Centre of Full Employment and Equity, University of Newcastle, June 2009.

¹⁷ See Australian Bureau of Statistics, *Australian National Accounts – Input-Output Tables - Electronic Publication, Final release 2006-07 tables* (catalogue no. 5209.0.55.001), December 2010.