

# CUMMINGS ECONOMICS

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## Statistical Note - JANUARY 2021 ECONOMIC IMPACT OF COVID-19 RESTRICTIONS

### JobSeeker

During January, the steady downward trend in JobSeeker numbers in the region since peaking in May, continued after a small upward “blip” in December.

The figures indicate that the 10,500 rise in numbers on JobSeeker at the beginning of the Covid restrictions had fallen back by 4,600, ie. by 44%. It still means however, that the numbers on JobSeeker are still 37% (5,900) above those of March 2020.

It can be expected that, as the JobKeeper employment support scheme phases out at end March, numbers on JobSeeker will tend to rise again.

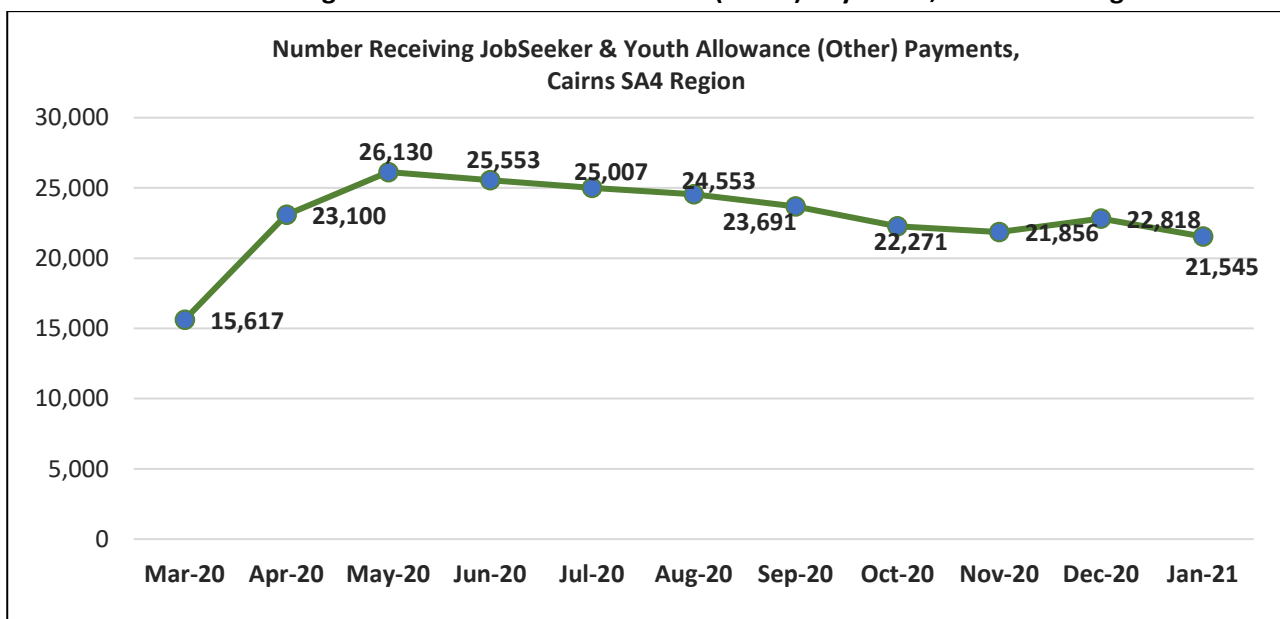
**Table – Numbers Receiving JobSeeker & Youth Allowance (Other)**

	Cairns <sup>(1)</sup>	Cairns SA4 Region <sup>(2)</sup>
March 2020	9,256	15,617
April 2020	15,427	23,100
May 2020	16,173	26,130
June 2020	15,855	25,553
July 2020	15,476	25,007
August 2020	15,234	24,553
September	14,651	23,691
October	14,365	22,660
November	13,651	21,856
December	14,153	22,818
January	13,380	21,545

Source: Cummings Economics from Australian Department of Social Services.

**Note** <sup>(1)</sup>: Cairns LGA excluding Babinda. **Note** <sup>(2)</sup>: Cairns, Cassowary Coast, Tablelands, Mareeba, Douglas.

**Chart – Numbers Receiving JobSeeker & Youth Allowance (Other) Payments, Cairns SA4 Region**



Source: Cummings Economics from Australian Department of Social Services.

**Note:** In March 2020, the Department of Social Services changed the definition of JobSeeker from being confined to those on a Newstart Allowance (NSA) with a “Job Search” requirement to include all those on a Newstart Allowance including a substantial number without a “Job Search” requirement, including those directed to training, temporarily sick or injured and undertaking voluntary work.

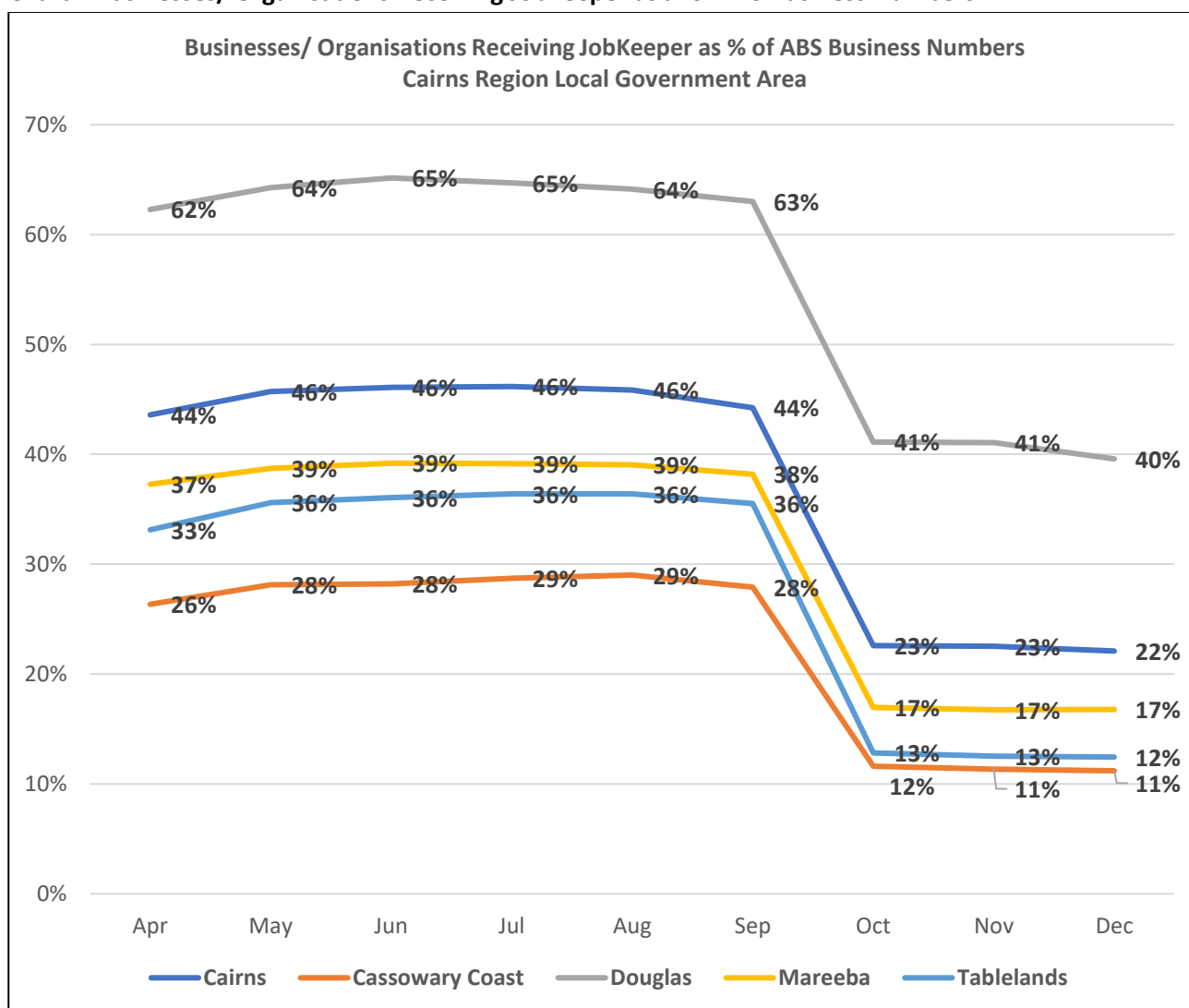
**JobKeeper**

The following chart shows the number of businesses/ organisations in the region claiming JobKeeper support to maintain employees as a percentage of the number of businesses recorded by the Australian Bureau of Statistics (ABS) in the region’s Local Government Areas.

It shows the dramatic fall off in December Quarter as rules tightened compared to the very generous rules in the June and September Quarters. However, when compared with the JobSeeker chart above, it can be seen that transfer of employees to JobSeeker was minimal.

The chart also illustrates the much higher percentage of businesses on JobKeeper assistance in tourism exposed Douglas Shire and Cairns Regional Council area.

**Chart – Businesses/ Organisations Receiving JobKeeper as % of ABS Business Numbers**



Source: Cummings Economics from Australian Treasury & ABS Business Numbers data.

### Single Touch Payroll – Jobs Index

A new Australian Bureau of Statistics (ABS) Index of Jobs recorded through the Single Touch Payroll reporting system to the Australian Taxation Office (ATO) records a sharp fall in the Cairns SA4 region in jobs reported from an Index 100 in week ending 14th March to an Index 89.5 in week ending 11th April (ie. a fall of about 11%).

However, the recovery evident up to September appears to have plateaued. This is a new series with comparative data from previous years not available. The strong fall over the Xmas period should be ignored at this stage as probably due to offices closing for the Xmas break and not submitting payroll information. Similar patterns are evident in other regions. However, levels reported during January rose again.

Chart – Single Touch Payroll – Jobs Index, Cairns SA4 Region



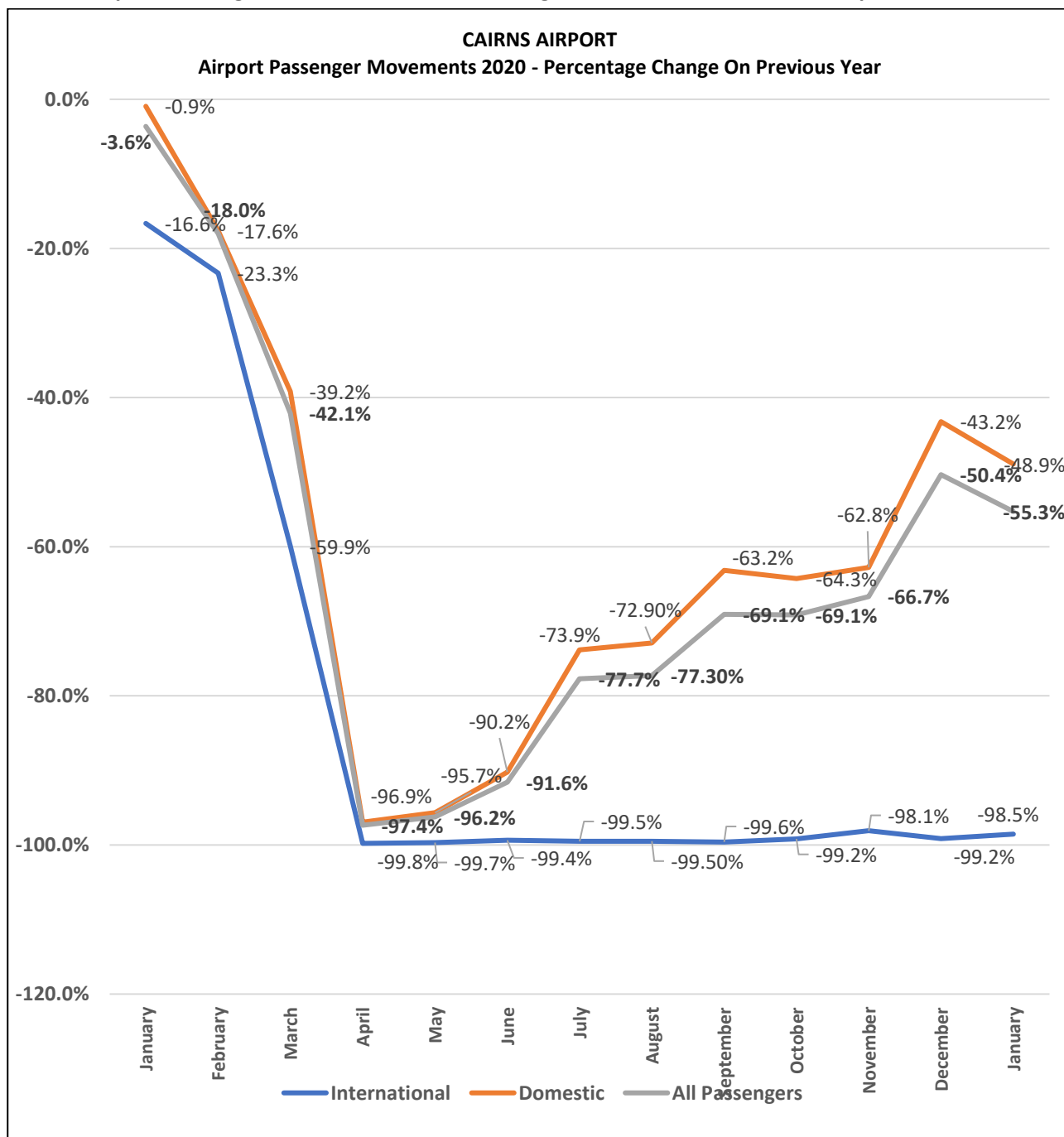
Source: Cummings Economics from Australian Bureau of Statistics Cat No. 6160.0.55.001.

Comparison with the foregoing chart on businesses receiving JobKeeper payments helps explain why Payroll levels plateaued in the December Quarter.

### Airport Passengers

The following chart compares passenger movements at Cairns Airport during 2020 with the same month in the previous year showing the percentage the 2020 figures were down on the previous year. They indicate the international terminal figures remain flat but that the domestic terminal in December has recovered to being about 45% down in December and 48% in January.

Chart – Airport Passenger Movements 2020 - % Change on Previous Year – Cairns Airport



Source: Cummings Economics from Cairns Airport.