

CUMMINGS ECONOMICS

38 Grafton St (PO Box 2148) CAIRNS Q 4870 ABN 99 734 489 175

Phone: 07 4031 2888 / Mobile: 0418871011

Email: cummings@cummings.net.au

Website: www.cummings.net.au



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Statistical Note

APRIL 2021 - ECONOMIC IMPACT OF COVID-19 RESTRICTIONS

Summary

The following statistical data for April 2021 indicates that the end of JobKeeper government support for employment at end March has resulted in only a minor fall in the number recorded as being on payrolls in April compared with March. The decline was not enough to change the steady downward drift in the numbers recorded as being on JobSeeker unemployment benefits.

Airport passenger figures are indicating that in April, domestic visitor numbers by air are probably back to pre-Covid levels but not yet making up for the loss of international visitors.

Dwelling approvals are continuing to run at levels well over twice those of 2020.

JobSeeker

During April, the steady downward trend in JobSeeker numbers in the region, since peaking in May 2020, continued, despite the end of JobKeeper at end March. While over 7,000 down on peak of 26,000, at 19,000 they are still over 3,000 higher than pre-Covid levels.

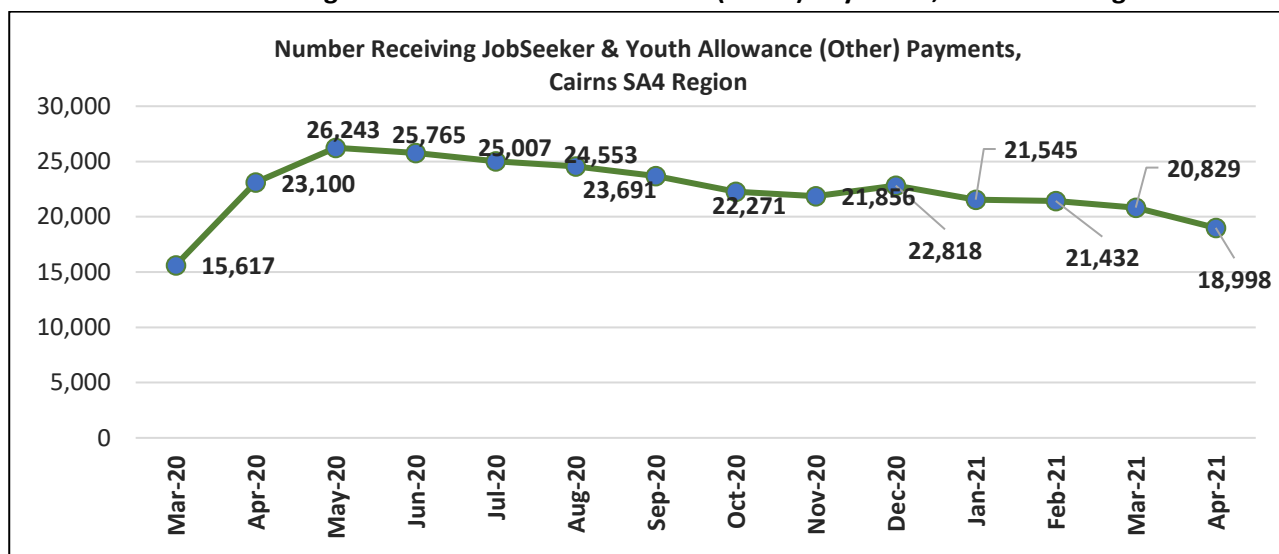
Table – Numbers Receiving JobSeeker & Youth Allowance (Other)

	Cairns ⁽¹⁾	Cairns SA4 Region ⁽²⁾
March 2020	9,256	15,617
April 2020	14,433	23,100
May 2020	16,181	26,243
June 2020	15,871	25,765
July 2020	15,476	25,007
August 2020	15,234	24,553
September 2020	14,651	23,691
October 2020	14,042	22,271
November 2020	13,661	21,856
December 2020	14,153	22,818
January 2021	13,380	21,545
February 2021	13,235	21,432
March 2021	12,824	20,829
April 2021	11,526	18,998

Source: Cummings Economics from Australian Department of Social Services.

Note ⁽¹⁾: Cairns LGA excluding Babinda. Note ⁽²⁾: Cairns, Cassowary Coast, Tablelands, Mareeba, Douglas.

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

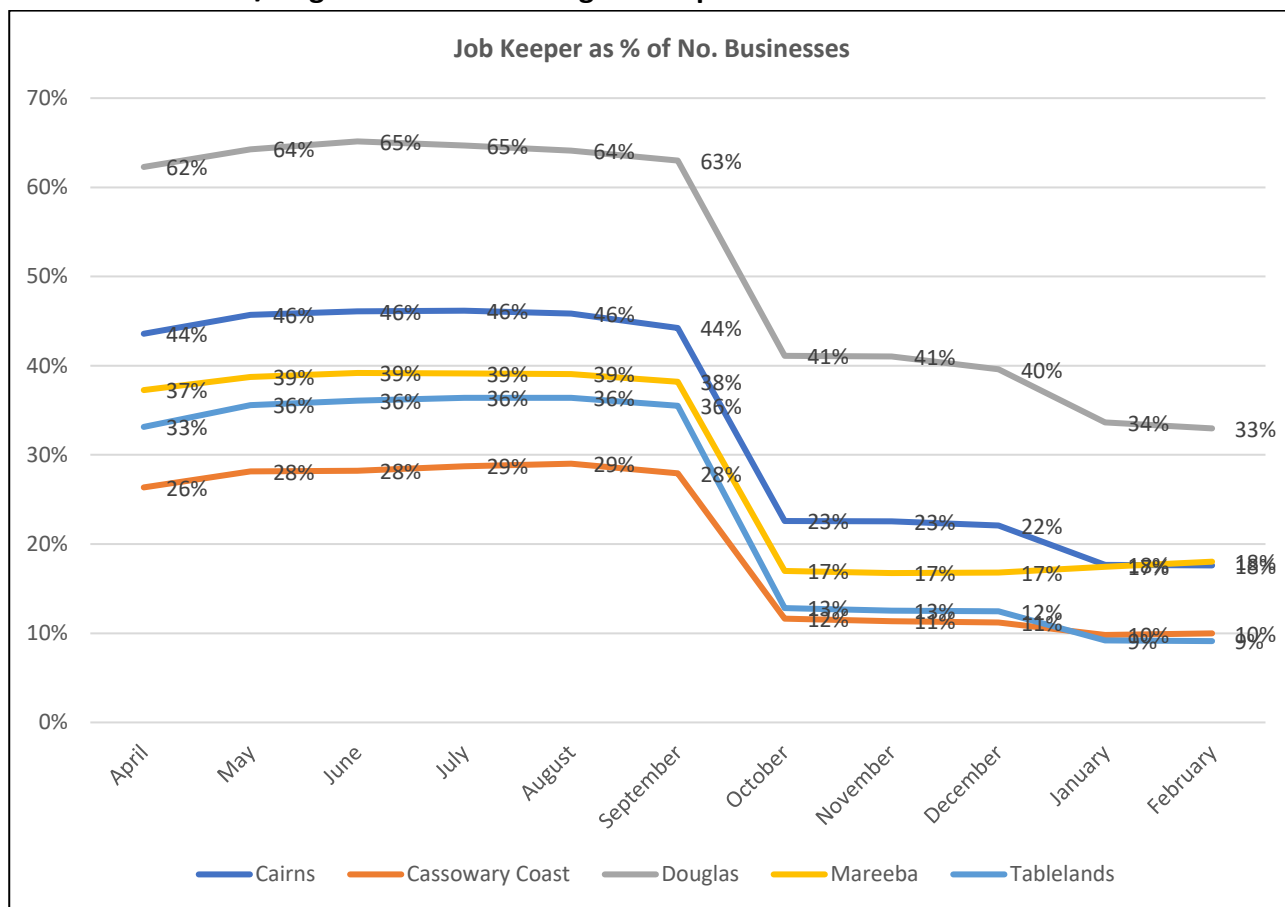


Source: Cummings Economics from Australian Department of Social Services.

JobKeeper

The following chart gives estimated proportion of businesses on JobKeeper up to February prior to the scheme’s cessation at end March.

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

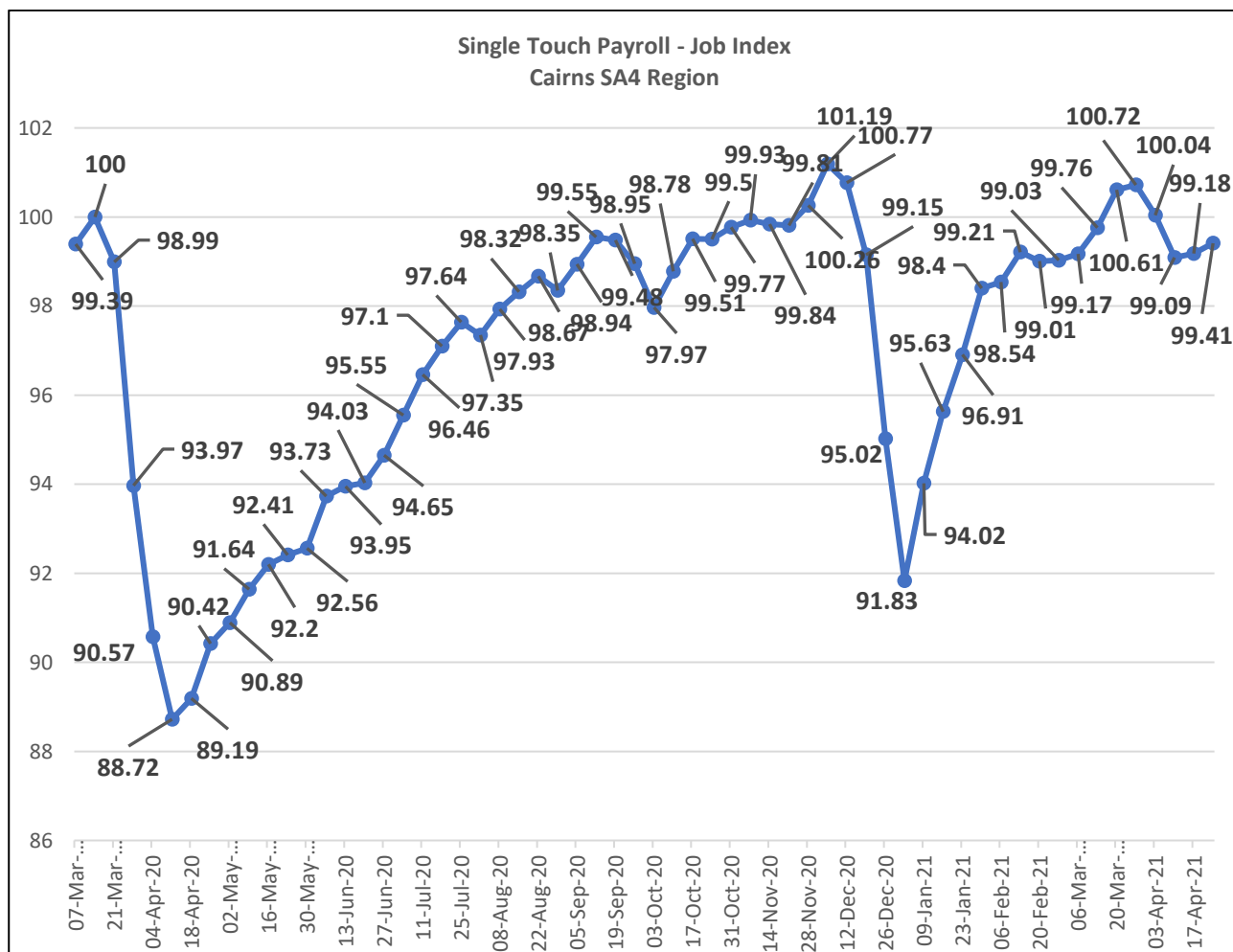
A new Australian Bureau of Statistics (ABS) Index of Jobs recorded through the Single Touch Payroll reporting system to the Australian Taxation Office (ATO) records a sharp fall in the Cairns SA4 region in jobs reported from an Index 100 in week ending 14th March to an Index 89.5 in week ending 11th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

However, the recovery evident up to September plateaued. Comparison with the foregoing chart on businesses receiving JobKeeper payments helps explain why Payroll Employment Index levels plateaued in the December Quarter.

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 it could be due to offices closing for the Xmas break and not submitting payroll information. Similar patterns are evident in other regions.

However, by March 2021, the Index had risen again to almost equal the pre-Covid level in March 2020. The chart indicates that the end of JobKeeper payments at end March had only a small effect on the index showing a fall of only about 1.5%.

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



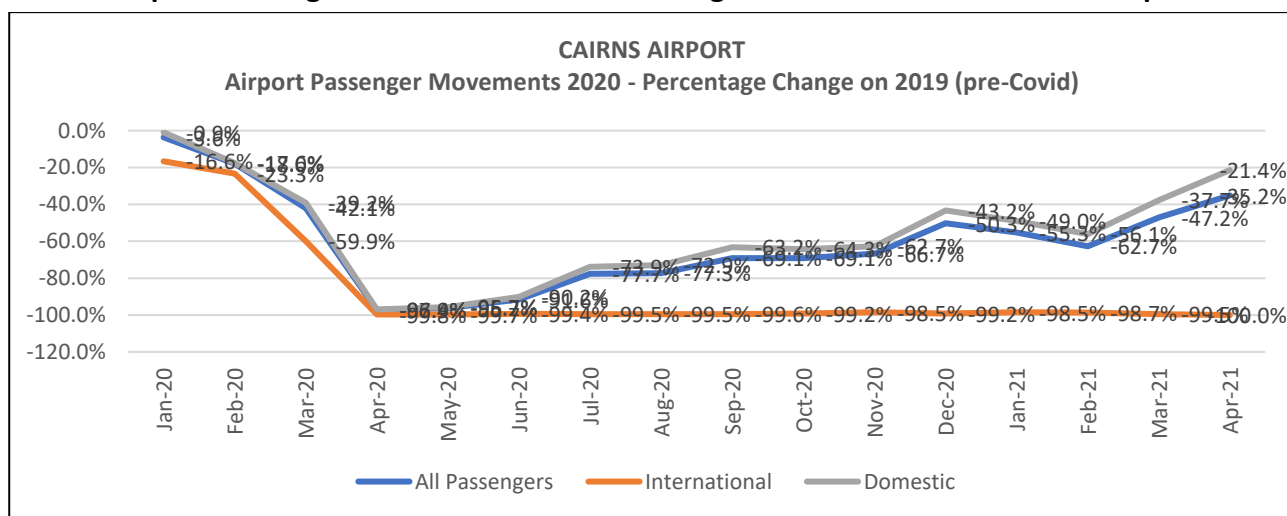
Source: Cummings Economics from Australian Bureau of Statistics Cat No. 6160.0.55.001.

Airport Passengers

The following chart compares passenger movements at Cairns Airport during 2020 and up to April 2021, with the same month pre-Covid in 2019. They indicate the international terminal figures remain flat but that the domestic terminal recovered to being down in April only 21% on April 2019. Taking into account that in April 2019, part of the traffic through the domestic terminal was international travelers, the figures indicate that domestic air travel in April was back to about pre-Covid levels.

Information from Cairns Airport indicates that capacity on the main routes to Cairns from Brisbane, Sydney and Melbourne is expected to increase to above pre-Covid capacity levels in the coming months.

Chart – Airport Passenger Movements 2021 - % Change on Previous Years – Cairns Airport

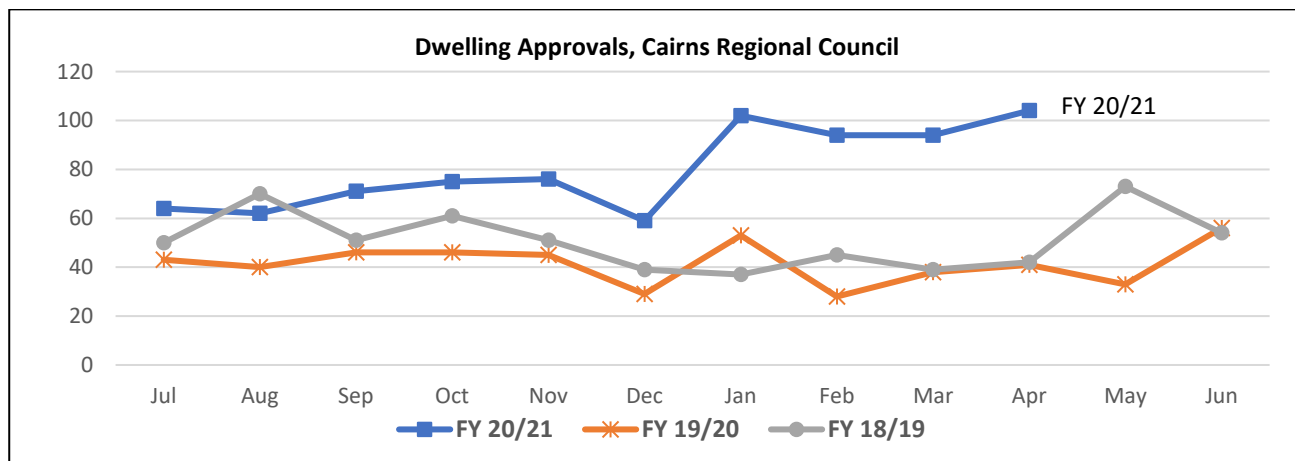


Source: Cummings Economics from Cairns Airport.

Construction

The following chart illustrates the impact of the Commonwealth Government’s HomeBuilder stimulus measures and very low interest rates. Dwelling approvals in the Cairns Regional Council area in April 2021 were about 2½ times the number in April 2020.

Chart – Dwelling Approvals, Cairns Regional Council



Source: Cummings Economics from Cairns Regional Council.

