



August 2021 / CE-Ref-J3324

Statistical Note

JULY 2021 - ECONOMIC IMPACT OF COVID-19 RESTRICTIONS

RECOVERY TREND 'TAKES A HIT'

The impacts of the third wave of Covid restrictions in NSW, VIC and SE-QLD in July impacted the Cairns region with airport domestic passenger numbers contracting and a fall in the Single Touch Payroll Employment Index in the Cairns region. However, this did not affect the downward trend in numbers on JobSeeker support that was almost back to pre-Covid levels. The absence of international backpacker workers was possibly a contributing factor.

The July figures confirm that the massive increase in Cairns dwelling approvals is over but they remain substantially above pre-Covid levels.

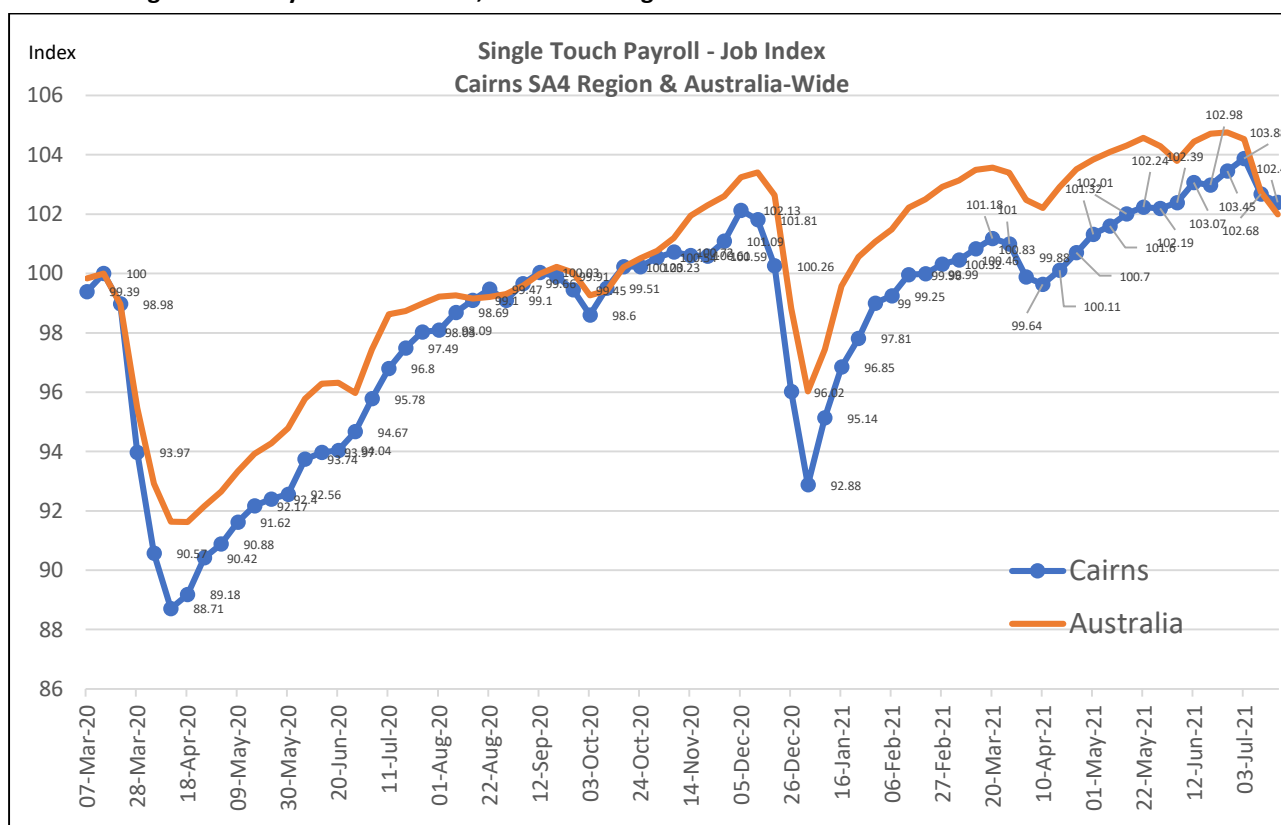
SINGLE TOUCH PAYROLL – JOBS INDEX – BACK DOWN AGAIN

The sharp contraction of domestic tourist visitation by air in July (see Chart 3), due to the third wave Delta strain COVID-19 infection and lockdowns in NSW, VIC and QLD during July, has seen a sharp drop in the Australian Bureau of Statistics Single Touch Payroll Job Index for the region.

The chart below shows the Index for Australia as well as for the Cairns SA4 region. The chart illustrates that on this measure, the impact in 2020 of the COVID-19 restrictions were not as severe Australia-wide as for the Cairns region, and the Australia-wide recovery performance was stronger.

However, in July 2021, the heavy impacts of restrictions in NSW, VIC and SE QLD saw the Index dive for both the Cairns region and nationally.

Chart 1 – Single Touch Payroll – Jobs Index, Cairns SA4 Region & Australia-Wide



Source: Australian Bureau of Statistics.

JOBSEEKER NUMBERS ALMOST BACK TO PRE-COVID LEVELS

During July, the steady downward trend in numbers receiving JobSeeker unemployment benefits in the region continued. Numbers on JobSeeker at 16,500 are only 900 above pre-Covid levels of 15,600 in March 2020. On trends of recent months, it can be expected that JobSeeker numbers will have reached pre-Covid (March 2020) levels this month (August). However, the deteriorating tourism employment situation could change this.

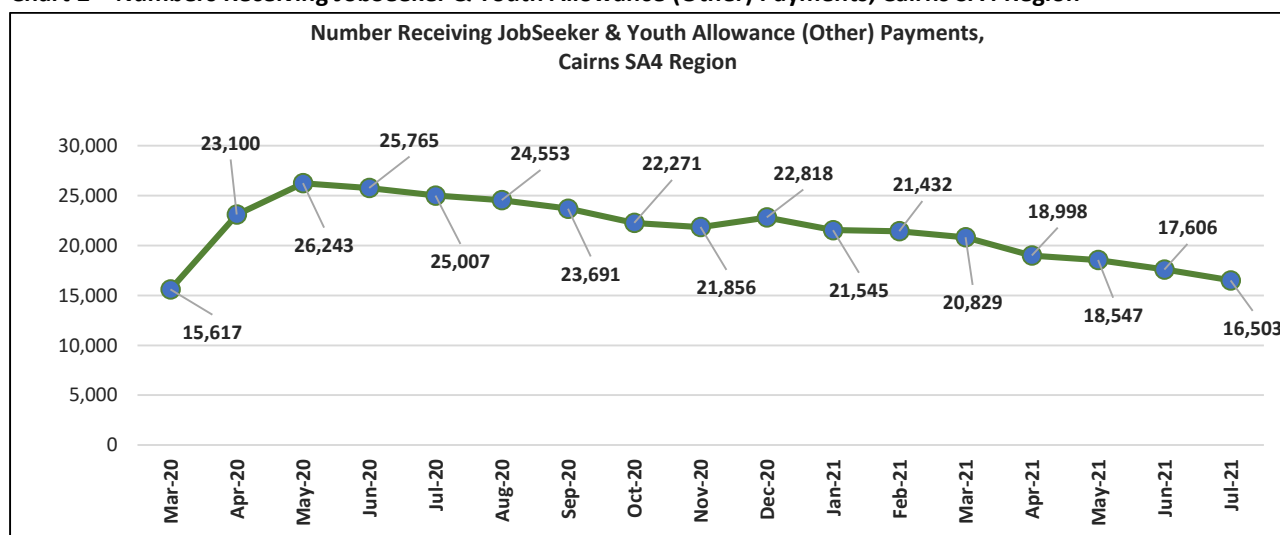
Table 1 – Numbers Receiving JobSeeker & Youth Allowance (Other)

Period	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
May 2021	11,258	18,547
June 2021	10,588	17,606
July 2021	9,851	16,503

Source: Cummings Economics from Australian Department of Social Services.

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

Chart 2 – Numbers Receiving JobSeeker & Youth Allowance (Other) Payments, Cairns SA4 Region



INTERNATIONAL WORKERS MISSING

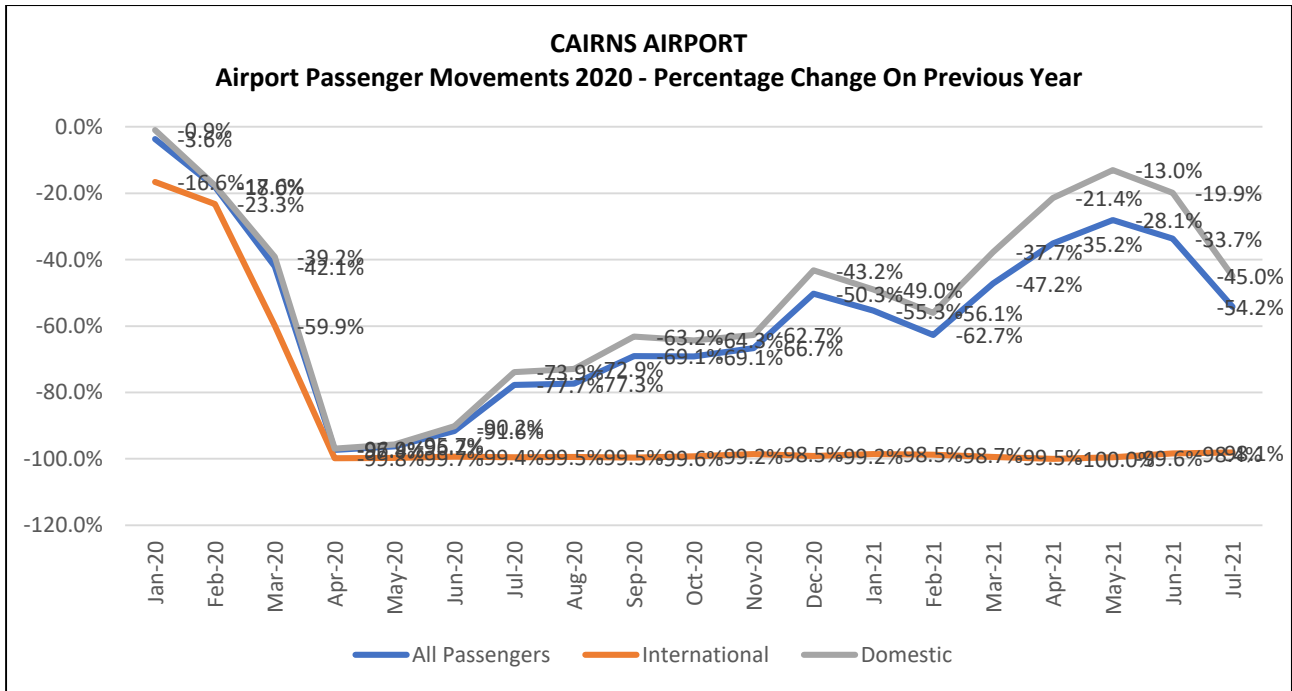
Contributing to the continuing fall in JobSeeker numbers would be the absence of international workers.

Examination of Tourism Research Australia statistics indicate that in 2019 (pre-Covid), average daily visitor population on working visas was 6,500 (backpackers 4,500 and non-backpackers 2,000). While not all of these international visitors were actually working on any given day, the figure indicates that backpackers and others on working visas made a substantial contribution to the employed workforce in the region – a contribution that is not recorded in official workforce statistics.

AIRPORT PASSENGERS – VIC, NSW & SE QLD LOCK DOWNS CAUSE A DIVE IN DOMESTIC NUMBERS

New July lockdowns in VIC, NSW and SE QLD saw the recovery in domestic passengers evident in May (but moderating in June), fall back down again. In July, numbers through the domestic terminal were down 45.0% on pre-Covid levels.

Chart 3 – Airport Passenger Movements 2021 - Percentage Change on Previous Year – Cairns Airport

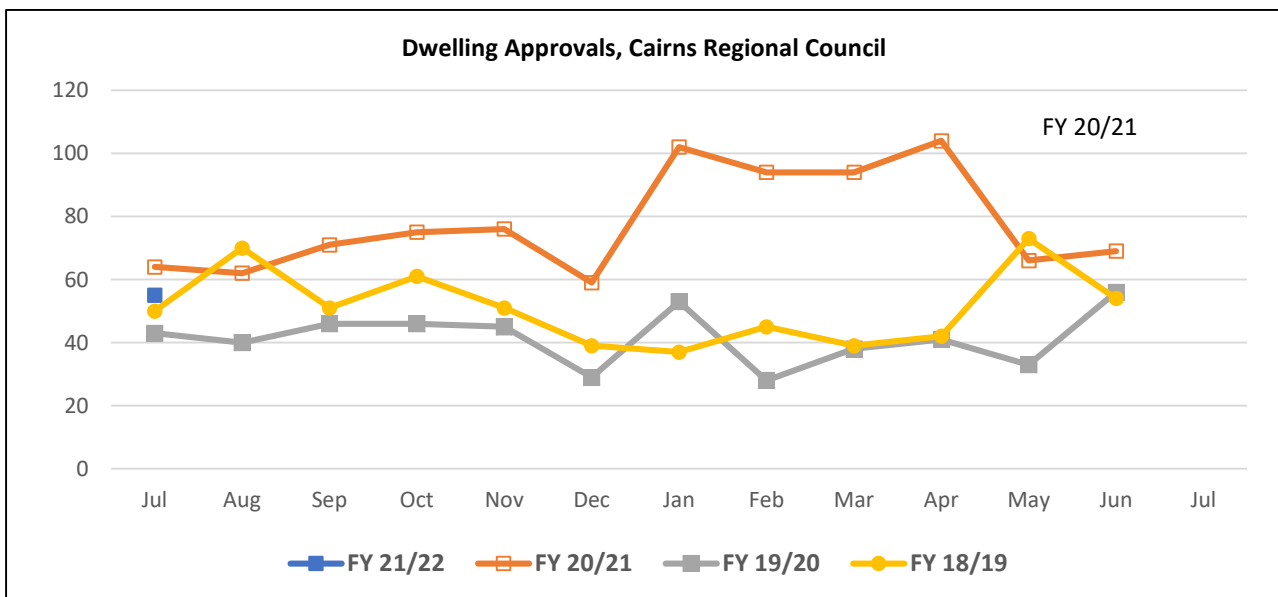


Source: Cummings Economics from Cairns Airport.

CONSTRUCTION – APPROVALS BOOM HAS MODERATED

The following chart illustrates that in July, the boom in dwelling approvals registered by Cairns Regional Council continued to moderate but new approvals remained well above pre-Covid levels.

Chart 4 – Dwelling Approvals, Cairns Regional Council



Source: Cummings Economics from Cairns Regional Council.