

CUMMINGS ECONOMICS

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“The Northern Professionals”

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Statistical Note OCTOBER 2020 - ECONOMIC IMPACT OF COVID-19 RESTRICTIONS

JobSeeker

During October, the numbers receiving JobSeeker payments continued to come down in the Cairns SA4 region but only very slowly (see chart). The COVID restrictions saw numbers peak in May at over 26,000, over 10,000 up on March. Since then, they have come down by about 3500, but still have a substantial distance to go to be back to the pre-COVID level.

Numbers on JobSeeker and Youth Allowance (Other) payments now equate to about 17% of the workforce.

Table – Numbers Receiving JobSeeker & Youth Allowance (Other)

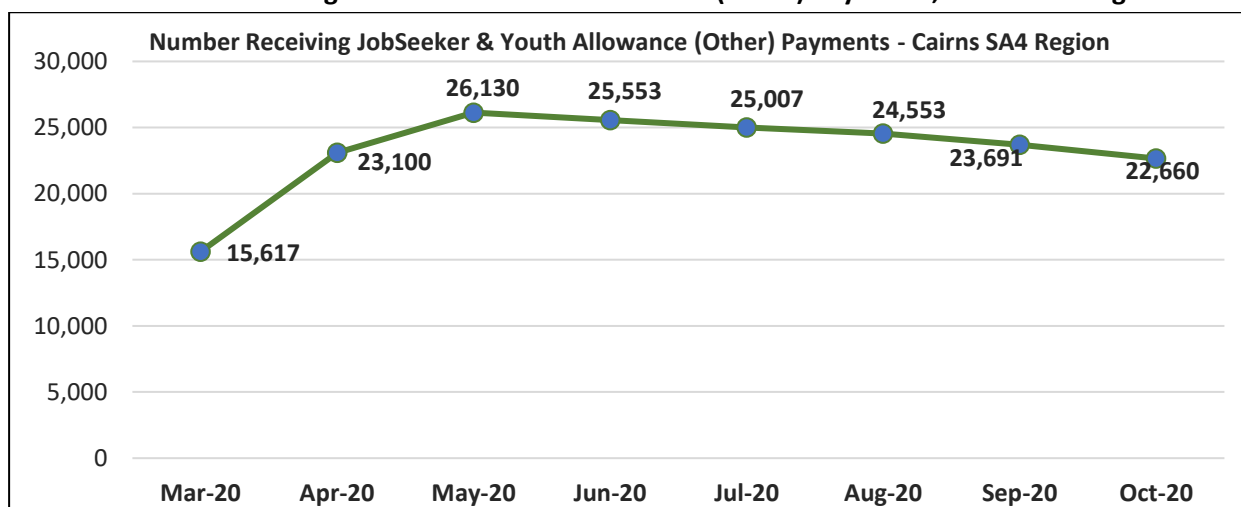
	Cairns ⁽¹⁾	Cairns SA4 Region ⁽²⁾
March 2020	9,256	15,617
April 2020	15,427	23,100
May 2020	16,173	26,130
June 2020	15,855	25,553
July 2020	15,476	25,007
August 2020	15,234	24,553
September	14,651	23,691
October	14,365	22,660

Source: Cummings Economics from Australian Department of Social Services.

Note ⁽¹⁾: Cairns Local Government Area excluding Babinda.

Note ⁽²⁾: Cairns, Cassowary Coast, Tablelands, Mareeba, Douglas.

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



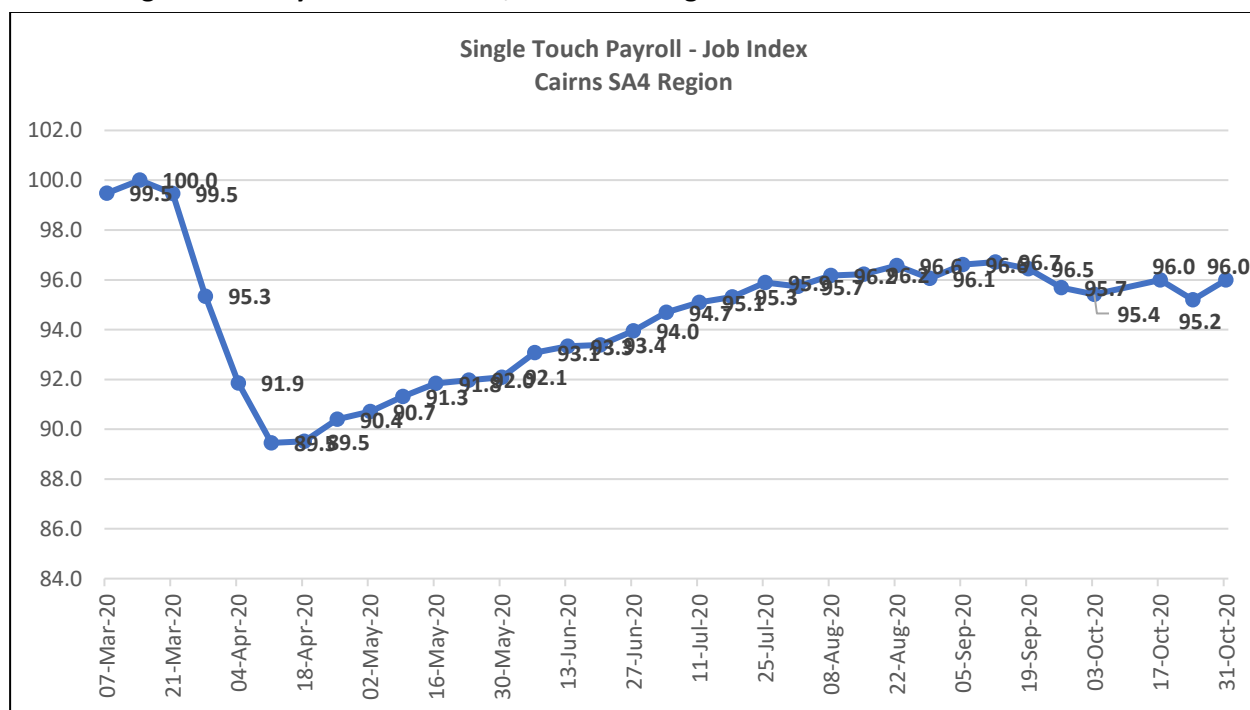
Source: Cummings Economics from Australian Department of Social Services.

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.

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 indications are that the recovery evident up to about September may have stalled in October. This would be consistent with the mild scaling back of Government JobKeeper support after end of September.

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



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

Note: Part of the recovery from April could be due to seasonal upswing and due to more firms entering the STP Tax System.