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Statistical Note

AUGUST 2021 - ECONOMIC IMPACT OF COVID-19 RESTRICTIONS

'HIT' TO RECOVERY CONTINUES

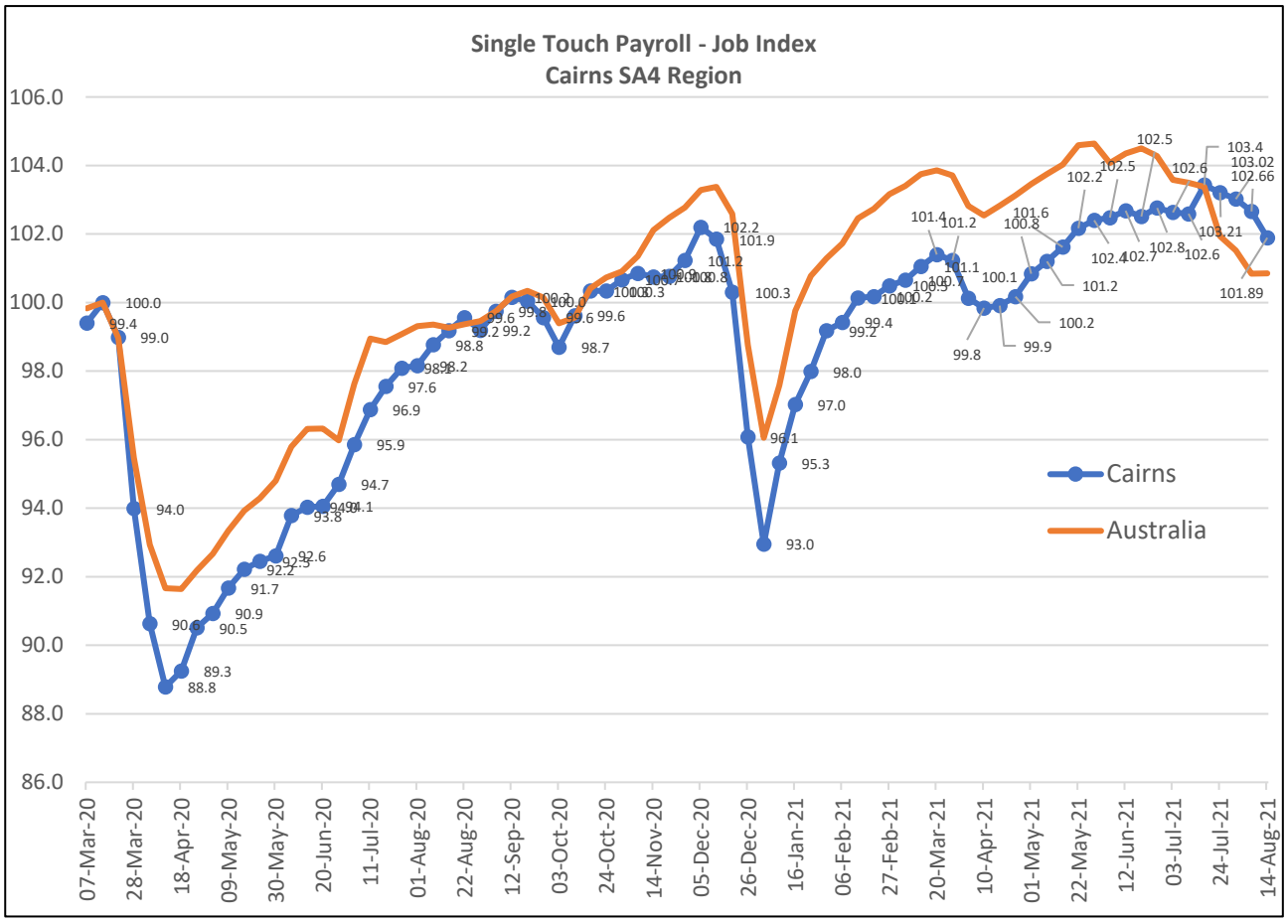
The impacts of the third wave of Covid restrictions in NSW, VIC and SE-QLD continued into August and impacted the Cairns region with airport domestic passenger numbers continuing to contract and a fall continuing in the Single Touch Payroll Employment Index in the Cairns region. However, this did not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

The August figures confirm again that the massive increase in Cairns dwelling approvals is over but they remain substantially above pre-Covid levels. With SE-QLD out of lockdown, the September airport figures are likely to show a small improvement but still be down.

SINGLE TOUCH PAYROLL – JOBS INDEX – BACK DOWN AGAIN

The sharp contraction of domestic tourist visitation by air in July and August (see Chart 3), due to the third wave Delta strain COVID-19 infection and lockdowns in NSW, VIC and QLD, has seen a sharp drop in the Australian Bureau of Statistics Single Touch Payroll Job Index for Australia overall with the Cairns Region Index also being affected but not as much.

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



Source: Australian Bureau of Statistics.

JOBSEEKER NUMBERS BACK TO PRE-COVID LEVELS

During August, the steady downward trend in numbers receiving JobSeeker unemployment benefits in the region continued and finally returned to pre-Covid (March 2020) levels. Lack of international (mainly backpacker workers), and usual seasonal upswing would have helped reach this point.

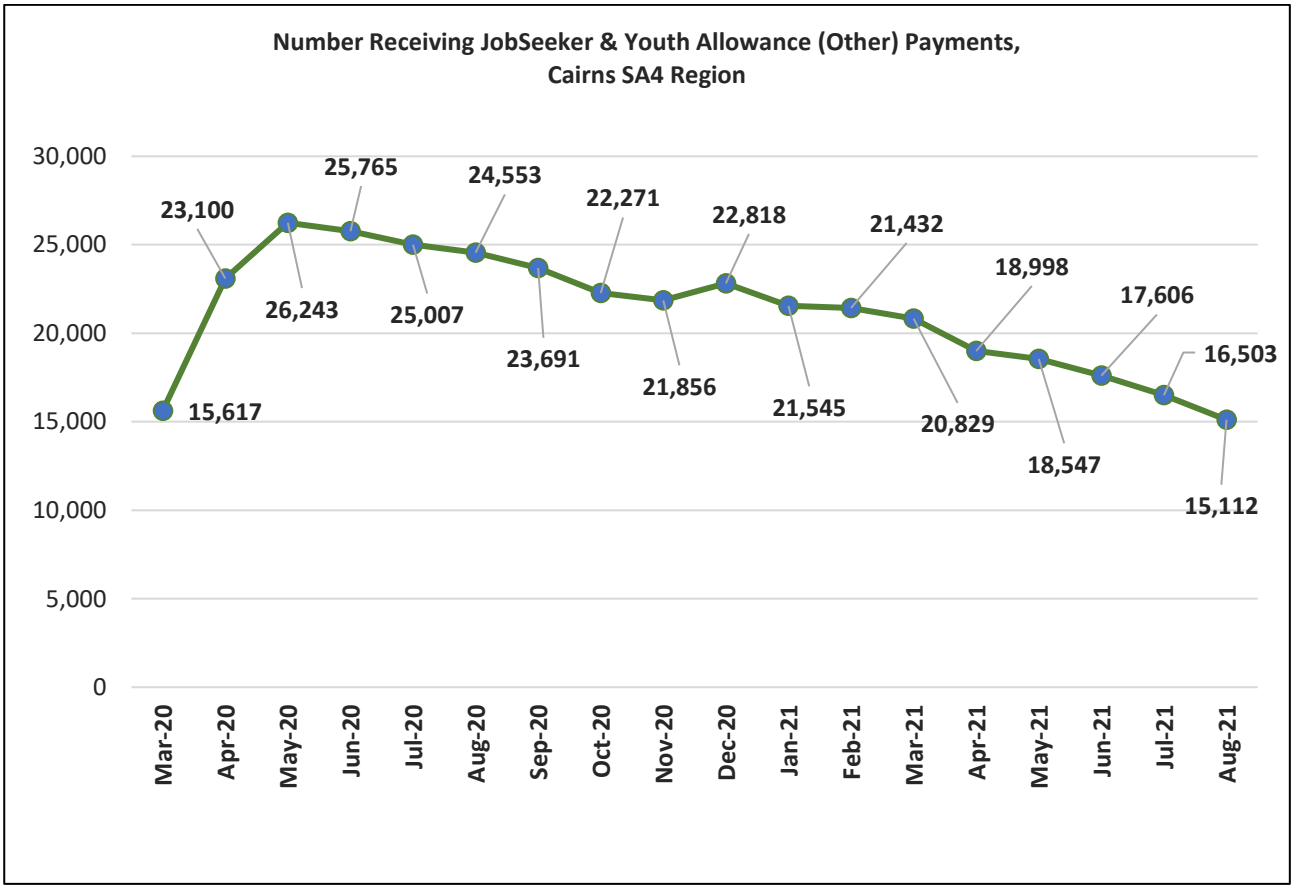
Table 1 – Numbers Receiving JobSeeker & Youth Allowance (Other)

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
August 2021	9,092	15,112

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

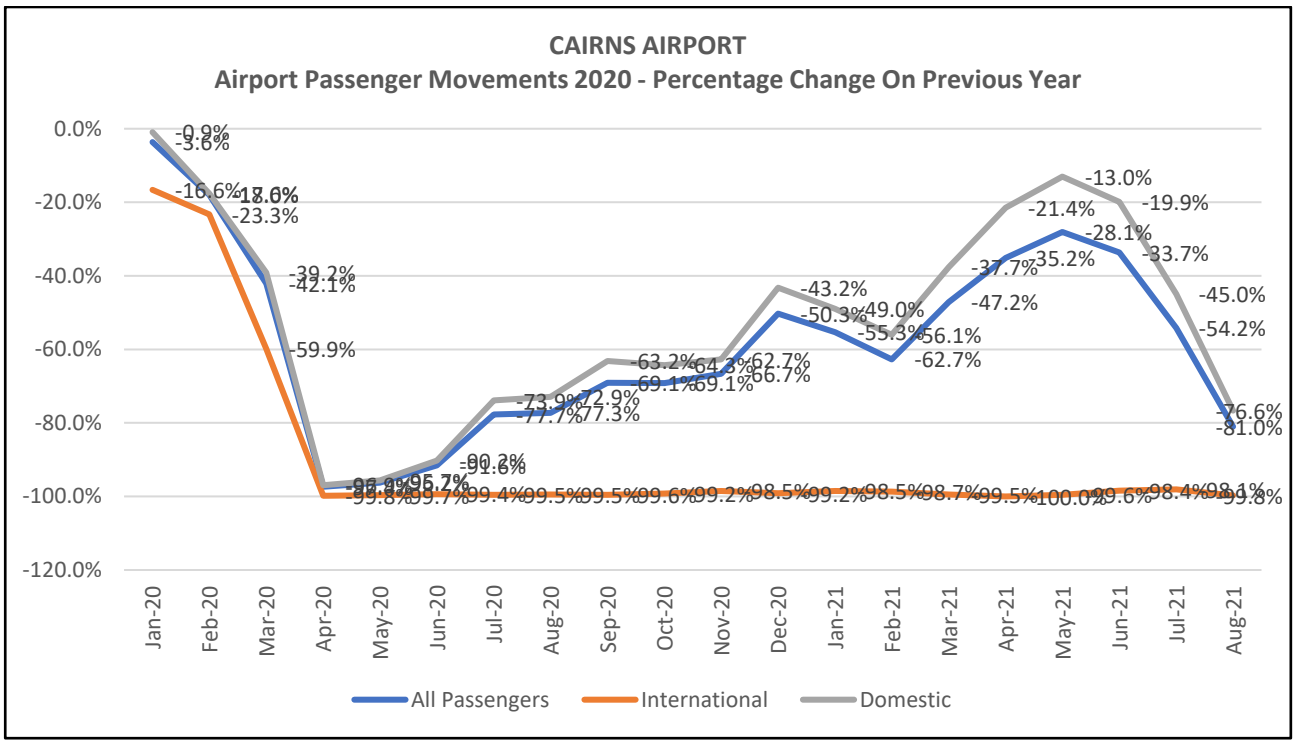


Source: Cummings Economics from Australian Department of Social Services.

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

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 August, numbers through the domestic terminal were down almost to levels at their worst in May/ June 2020. However, with lockdown in SE QLD lifted, September figures will probably show an improvement but still be down heavily.

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

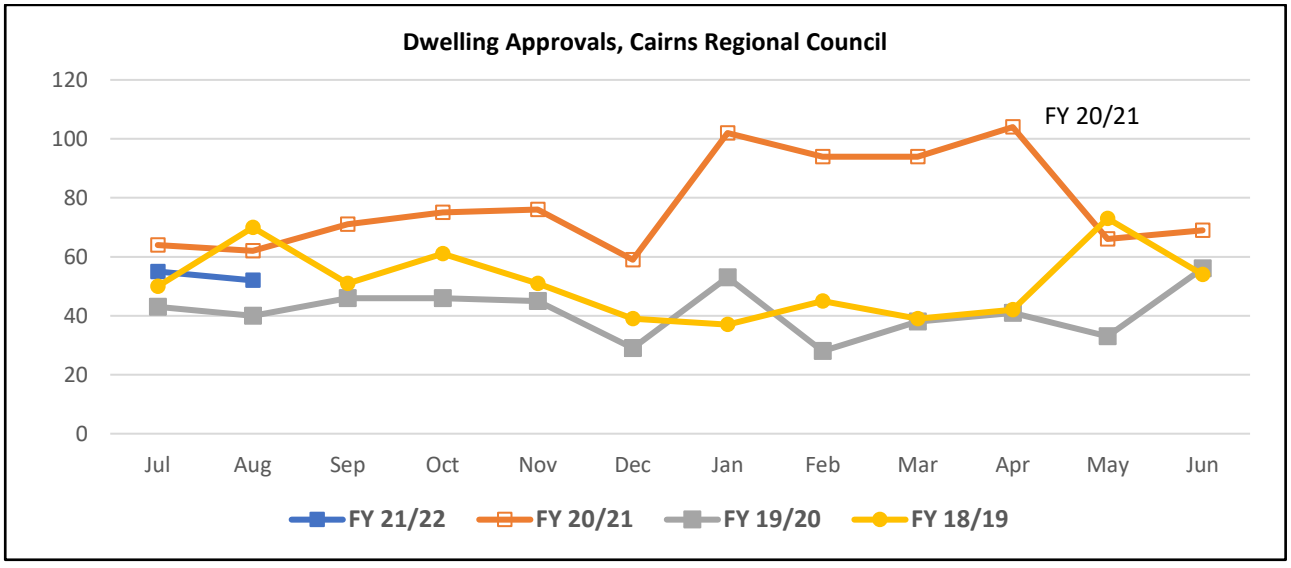


Source: Cummings Economics from Cairns Airport.

CONSTRUCTION – APPROVALS BOOM HAS MODERATED

The following chart illustrates that in August, 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.