1 Background

The Australian Bureau of Statistics Labour Force Series is based on a sample survey and can be unreliable as an indicator of what is happening in the labour market, especially in regional areas where sample sizes are low.

Another indicator of trends in unemployment are statistics on numbers registered to receive unemployment benefits, i.e. on Newstart and Youth Allowance (other).

The following analyses these statistics over the four years, 2012 to 2016, for Queensland from the Fitzroy region north designated as Queensland Northern Service Zone.

The figures analysed, are for the four months August to November compared with the same period each year.

They are given by labour force districts and grouped into the Cairns region, Townsville region, Mackay region and Fitzroy region down the coast with a separate Western region and a separate Indigenous (or mainly indigenous) region.

2 Economic Conditions

The period 2012 to 2016 represents the period following the peaking of mineral prices about 2012 and a major reduction in the value of the Australian dollar, especially after about mid-2014.

3 Limitations

It should be noted that changes in numbers on Newstart and Youth Allowance (other) while probably mainly due to labour market conditions, can be marginally subject to other influences such as moving onto other support programs such as education and training.
People can also move when facing unemployment to other more favoured locations.

There was a major change, especially for indigenous communities, with the CDEP scheme (Community Development Employment Scheme) ceasing at end June 2015.

4 Origin of the Statistics
The statistics are taken from a monthly profile published by the Australian Department of Social Services entitled “Labour Market and Related Payments”. The tables record number of persons receiving Newstart Allowance and Youth Allowance (other) in that month.

5 Preliminary Analysis Only
This is an initial preliminary indicative analysis. A full analysis would involve further inquiry into any non-labour market factors affecting the figures.

6 The Results
Table #1 sets out numbers for August, September, October and November over the four years 2012 to 2014. Charts #2 to #8 set out the average August to November figures for the different regions/categories.

In interpreting the overall results, it is important to look at Chart #8 “Indigenous Centres and Communities” where the numbers were heavily affected by the cessation of CDEP at end June 2015. This caused an abnormal leap in job seekers of close to 2,000 between September 2014 and September 2015.

Chart #2 indicates that throughout the Northern Service Zone, numbers of job seekers were rising steadily in 2013 and 2014 but leapt up in 2015, partly due to the CDEP effect but also due to strong underlying rises in all regions.

However over the 12 months to the August to November period 2016, the overall rising trend has moderated but with variability between regions.

The numbers have kept rising strongly in the Fitzroy region.

In the Mackay region, the figures for Mackay itself have kept rising but dropped marginally in the Whitsunday and Bowen areas.

The pattern in the Western region was obviously heavily affected in the years 2012 to 2015 by the CDEP situation. However in 2016, the numbers fell slightly in Mt Isa in 2016 and in the Western area, overall the rise moderated.

In the Townsville region, after very strong rises since 2012, numbers fell marginally by about 3% in 2016.

In the Cairns region, after rising 2012 to 2015, numbers fell in 2016 in all districts except Mareeba and moved back down overall by about 4%.
Discussion

Mineral prices peaked about 2011 and started coming down, impacting on employment including on new mine related construction from about 2012 onwards.

Work on the LNG facilities at Gladstone wound down in 2015-16.

The indications are that these events are still impacting on the total Northern Service Zone overall, but especially in the Rockhampton/Gladstone/Fitzroy areas and Mackay that are heavily mining oriented.

However, the Australian dollar has been falling under the influence of reduced commodity prices and of lower Australian interest rates compared with the rest of the world. This has seen tourism flows bouncing back to former 2006 peaks by 2015 and passing through in 2016 to new record levels.

While the registered job seeker numbers in the Cairns region and Whitsundays/Bowen continued to rise up to 2015, the 2016 figures indicate that they are now on the way back down again, presumably mainly due to the improvement in tourism earnings.

However, the numbers in Townsville moving marginally back down again in 2016, seems more likely to be related to factors other than tourism that are not clear to us at this stage.
Table 1: Job Seekers Receiving New Start Allowance and Youth Allowance (Other) by Service Zone & Service Centre – Northern Queensland Service Zone – Aug & Nov, 2012 to 2016–

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<thead>
<tr>
<th>Service Zone &amp; Service Centre</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
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<tbody>
<tr>
<td>TSV Ross Rd</td>
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<td>Mareeba</td>
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<td>TSV Ross Rd</td>
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<td>Whitsunday</td>
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<td>Bowen</td>
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<td>Yarrabah</td>
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<td>Total</td>
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Chart #2: Job Seekers Receiving Newstart Allowance and Youth Allowance (Other) – Northern Queensland Service Zone – Av Aug-Nov, 2012 to 2016

Chart #3: Job Seekers Receiving New Start Allowance and Youth Allowance (Other) by Service Zone & Service Centre – Cairns Region – Av Aug-Nov, 2012 to 2016

Chart #4: Job Seekers Receiving New Start Allowance and Youth Allowance (Other) by Service Zone & Service Centre – Townsville Region – Av Aug-Nov, 2012 to 2016

Chart #5: Job Seekers Receiving New Start Allowance and Youth Allowance (Other) by Service Zone & Service Centre – Mackay Region – Av Aug-Nov, 2012 to 2016

Chart #6: Job Seekers Receiving New Start Allowance and Youth Allowance (Other) by Service Zone & Service Centre – Fitzroy Region – Av Aug-Nov, 2012 to 2016

Chart #7: Job Seekers Receiving New Start Allowance and Youth Allowance (Other) by Service Zone & Service Centre – Western Region – Av Aug-Nov, 2012 to 2016

Chart #8: Job Seekers Receiving New Start Allowance and Youth Allowance (Other) by Service Zone & Service Centre – Indigenous Centres & Communities – Av Aug-Nov, 2012 to 2016