

# **COVID-19's Impact on WA's Local Economies**

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Tailored information pack for Bridgetown-Greenbushes (S)

# What information is contained within this report and how can it be used?



This report contains information on the economic impact of COVID-19 on Western Australia's local economies, with economic analysis undertaken for each Local Government Area in WA. The analysis provided in this report outlines:

- How employment in different industries has been impacted in your Local Government Area since the start of the pandemic.
- The proportion of your Local Government Area's labour force that were accessing the JobSeeker subsidy in March, April, May and June.
- The proportion of organisations within your Local Government Area that were accessing the JobKeeper subsidy in April and May.
- The overall economic impact of COVID-19 on your Local Government Area, relative to other Local Governments Areas and regions.

The above information can be used as an input into your Local Government's operational and strategic planning and decision making. Some of the key areas where this data may be used include:

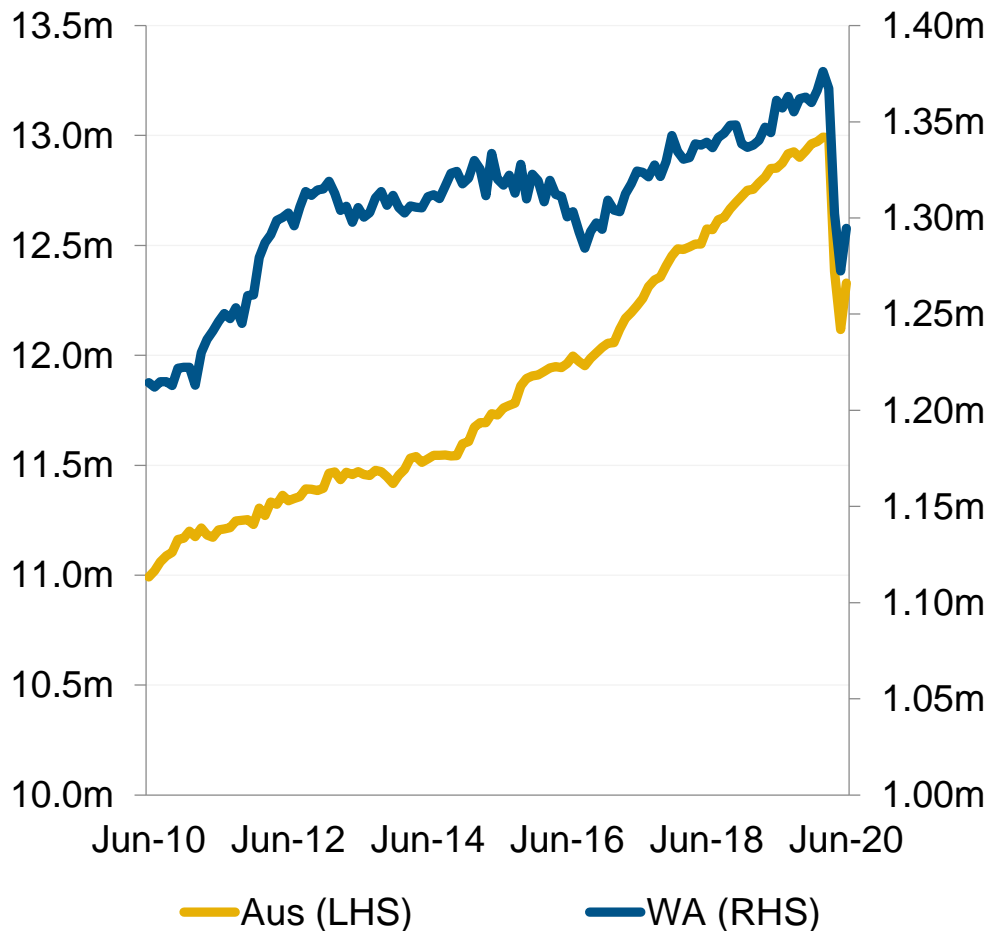
- For estimating the percentage of ratepayers (residents and businesses) in your Local Government Area who may be under added financial stress and will subsequently require access to hardship measures for their rates notices.
- For estimating potential changes in your Local Government's fees and services revenue, based on the percentage of residents and businesses who may be under added financial stress.
- To support your Local Government's applications for grant funding or other forms of support from State and Federal Governments.
- To support the appropriateness of, and to inform, your Local Government response and recovery activities and stimulus measures.
- For sharing with key stakeholders in your Local Government Area, such as regional Chambers of Commerce, businesses, community groups and not-for-profits and other key bodies and institutions, so that these organisations can use the information within this report as an input into their own decision making and planning.

WALGA will update the information contained within this report as new data becomes available.

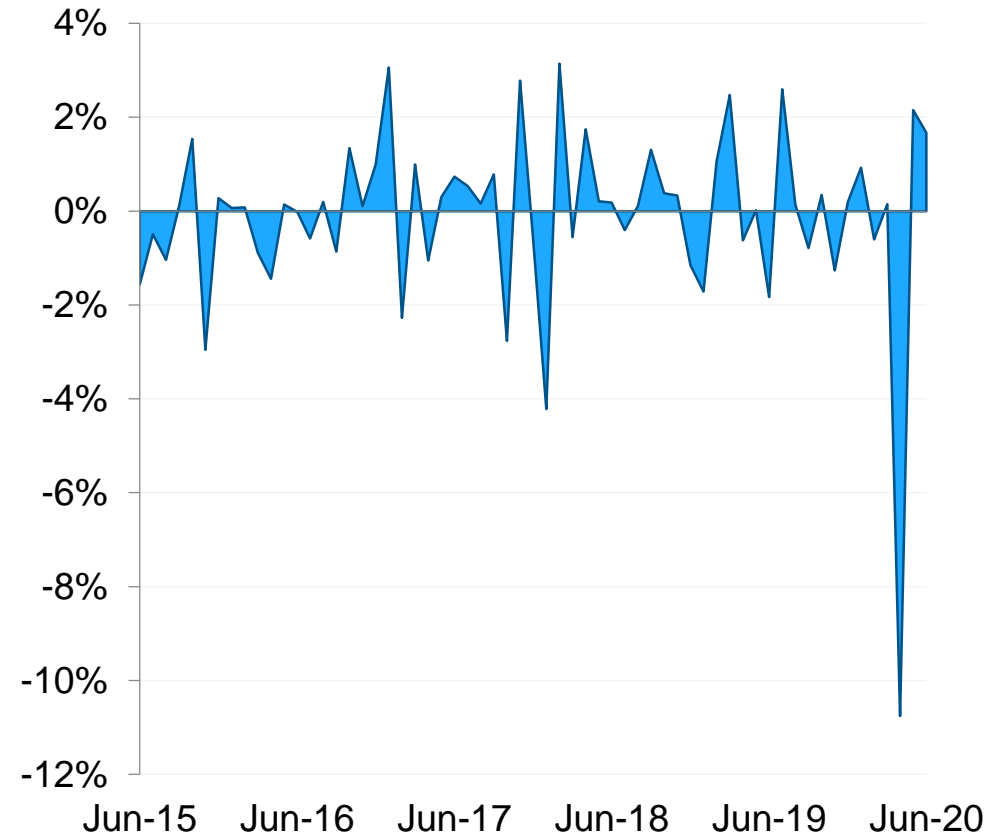
# COVID-19 has brought on unprecedented unemployment & reduced working hours...



### Total employment, Australia and WA



### Monthly % change in total hours worked across WA

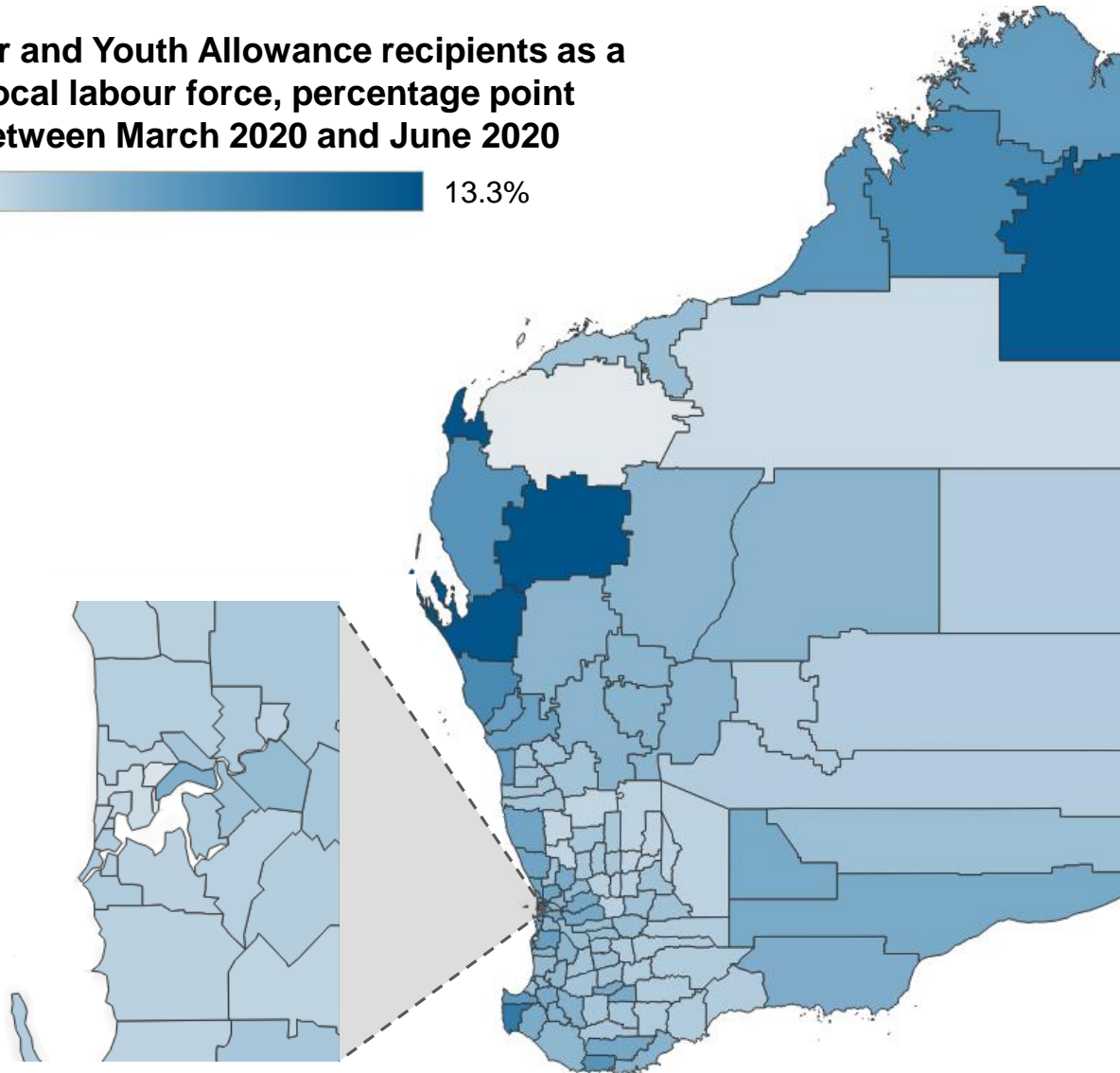


# And employees across WA in every Local Government Area have been impacted



**JobSeeker and Youth Allowance recipients as a % of the local labour force, percentage point change between March 2020 and June 2020**

0%  13.3%



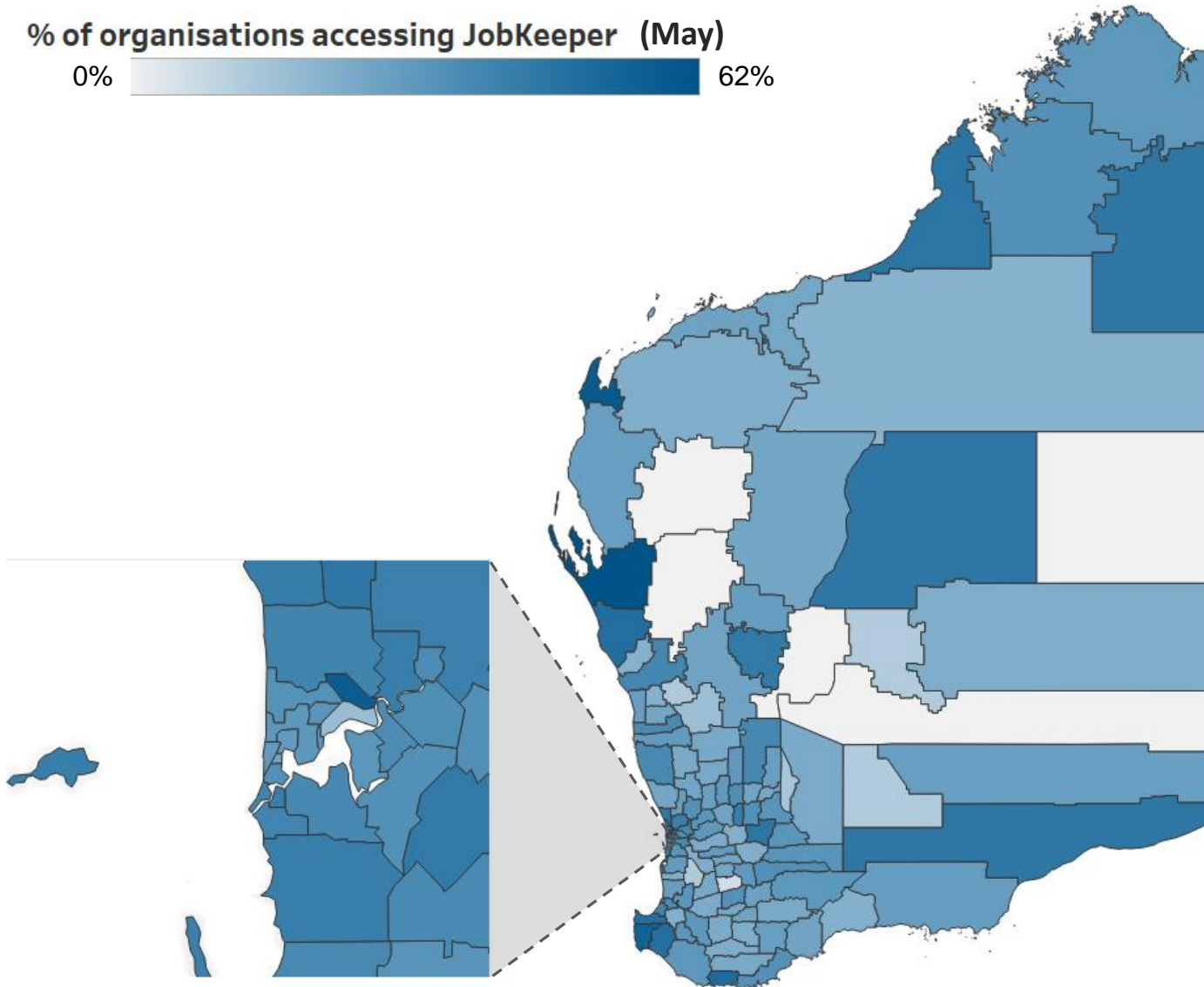
- The JobSeeker payment is a form of financial assistance for people who are unemployed and aged between 22 and the pension age, while youth allowance is available for unemployed people aged between 16 and 21. In late March, the Commonwealth Government expanded and waived existing eligibility criteria for these payments so that people whose employment had been impacted by COVID-19 could quickly receive support.
- Based on data provided by the Department of Social Services, WALGA estimates that **the proportion of the WA labour force accessing either JobSeeker or youth allowance payments increased by 5.1 percentage points between March and June 2020, from 7.3% of the WA labour force in March to 12.4% in June.**
- It is estimated that between March and June, each Local Government Area experienced at least a 0.6 percentage point increase in the proportion of their local labour force accessing JobSeeker or youth allowance payments. There are 22 individual Local Government Areas estimated to have experienced an increase of above 6 percentage points over this period.

# The business level impacts have, however, been more industry & location specific...



% of organisations accessing JobKeeper (May)

0% 62%

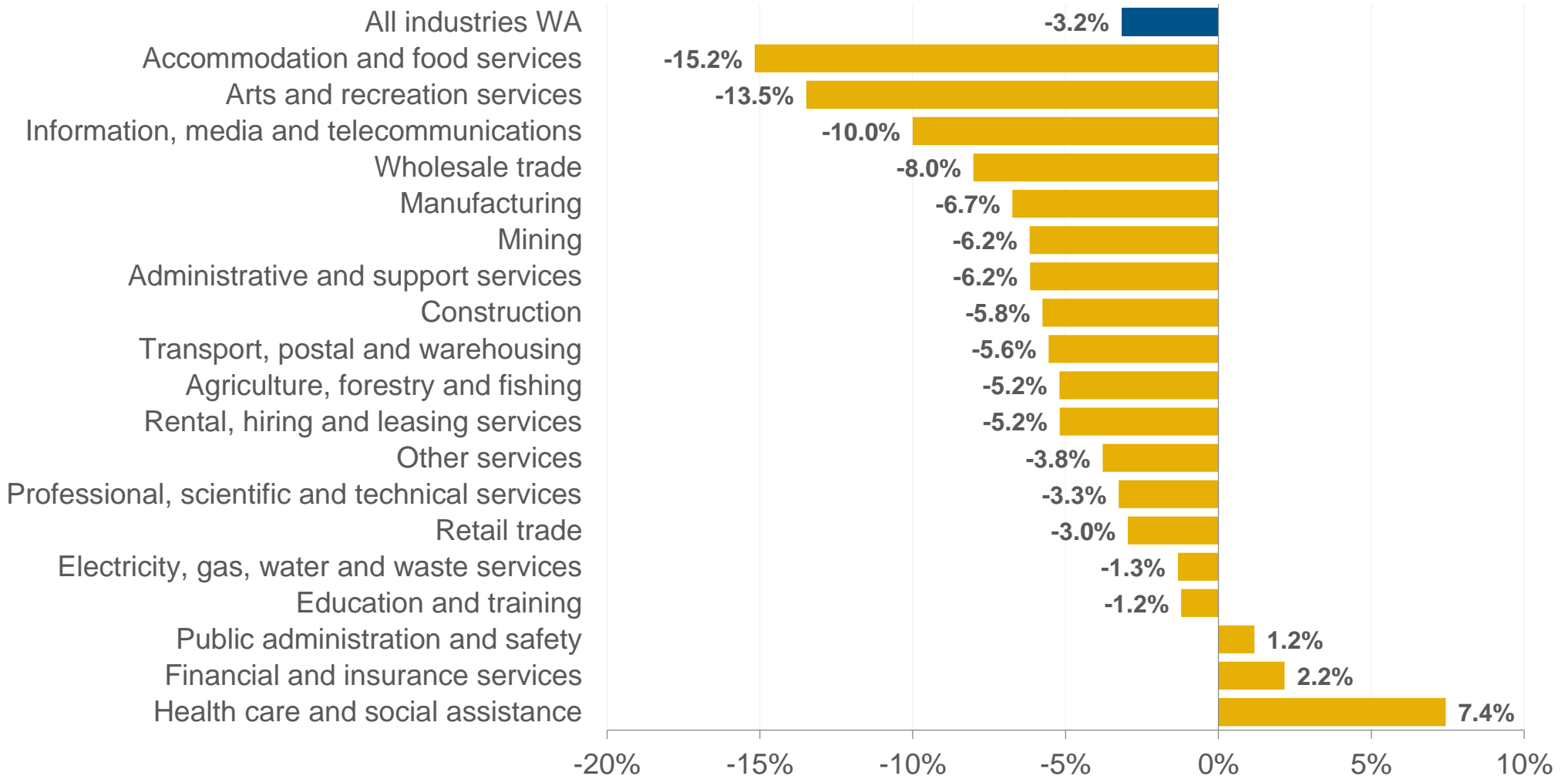


- The JobKeeper subsidy is available for organisations that have had their revenue significantly impacted by COVID-19. Through the subsidy, organisations currently receive \$1,500 per eligible employee, per fortnight, which they must pass on to the employee.
- Based on postcode level JobKeeper recipient data provided by the Commonwealth Department of Treasury, **WALGA has estimated that 37% of all organisations within WA were claiming the JobKeeper Subsidy in May.**
- **The proportion of organisations within each Local Government Area claiming the subsidy ranges significantly,** from 0% of organisations located within 5 individual Local Government Areas to 62% of organisations within the most impacted Local Government Area. There are 24 individual Local Governments estimated to have over 40% of organisations located within their boundaries accessing JobKeeper payments.

# Hospitality & other service based industries have been hit particularly hard...



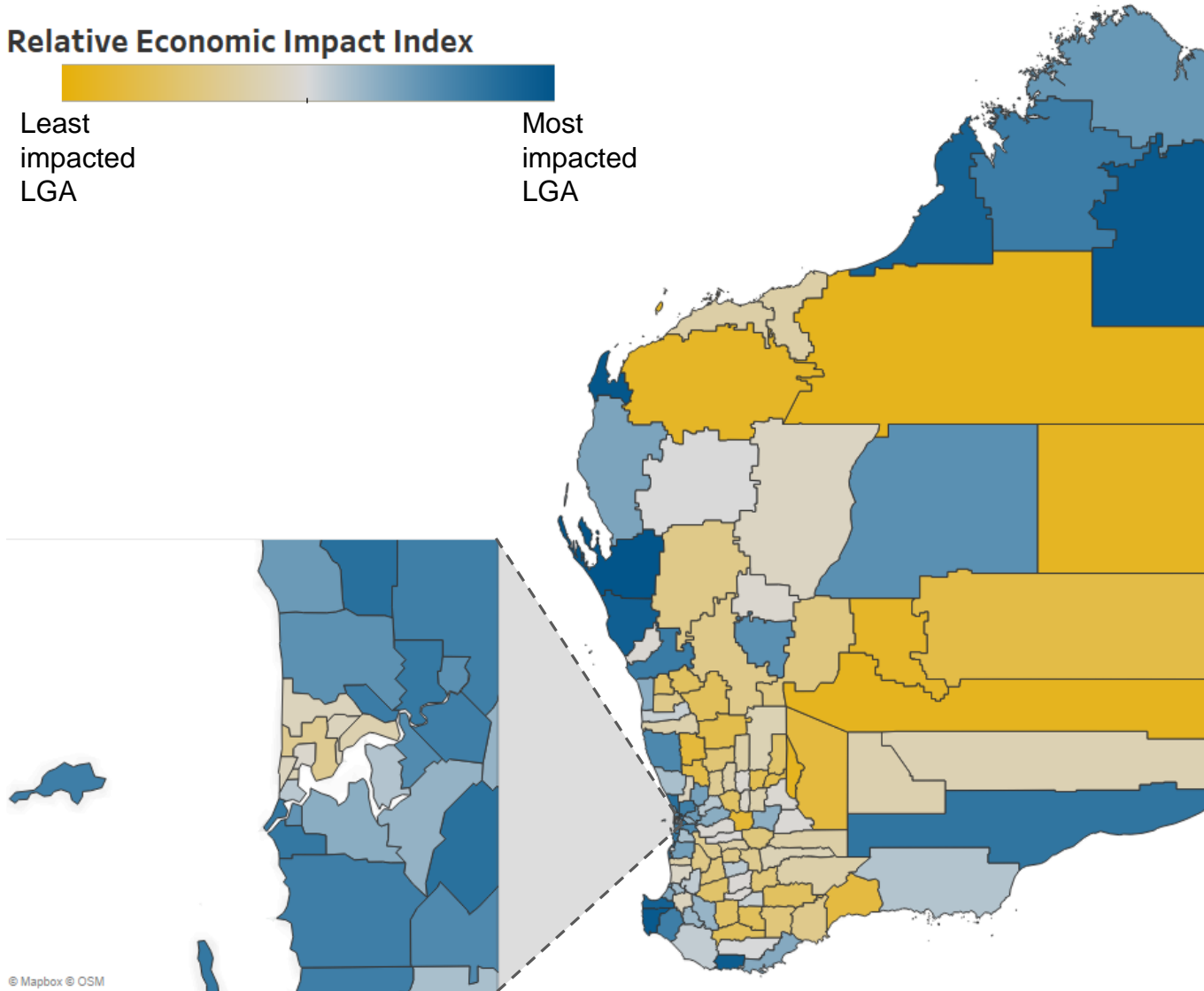
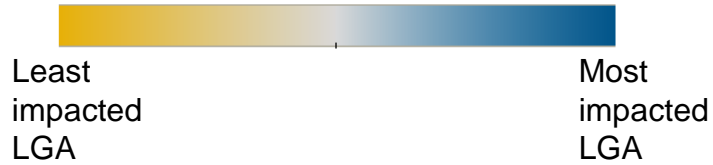
Change in total payroll jobs in WA since March 14 by Industry (as at 27-Jun)



# This means that highly populated areas & tourism regions are feeling it most



## Relative Economic Impact Index



- The heat map shows the relative economic impact of COVID-19 by Local Government Area, based on analysis undertaken by WALGA on the JobSeeker/youth allowance and JobKeeper recipient data shown in the previous slides. Those Local Government Areas that are highlighted in shades of orange have been impacted least from an economic sense, when compared to other Local Government Areas, while those highlighted in shades of blue have been impacted most.
- **The local economies that have been impacted most severely by COVID-19 are those that are highly populated and have larger service based industries, particularly hospitality, or are more dependent on tourism income.** This includes:
  - LGAs with highly populated hospitality centres
  - LGAs in tourism hotspots along WA's coast line.
  - Regional capitals that service rural and remote towns.

© Mapbox © OSM



# **Economic impact data specific to your Local Government Area**

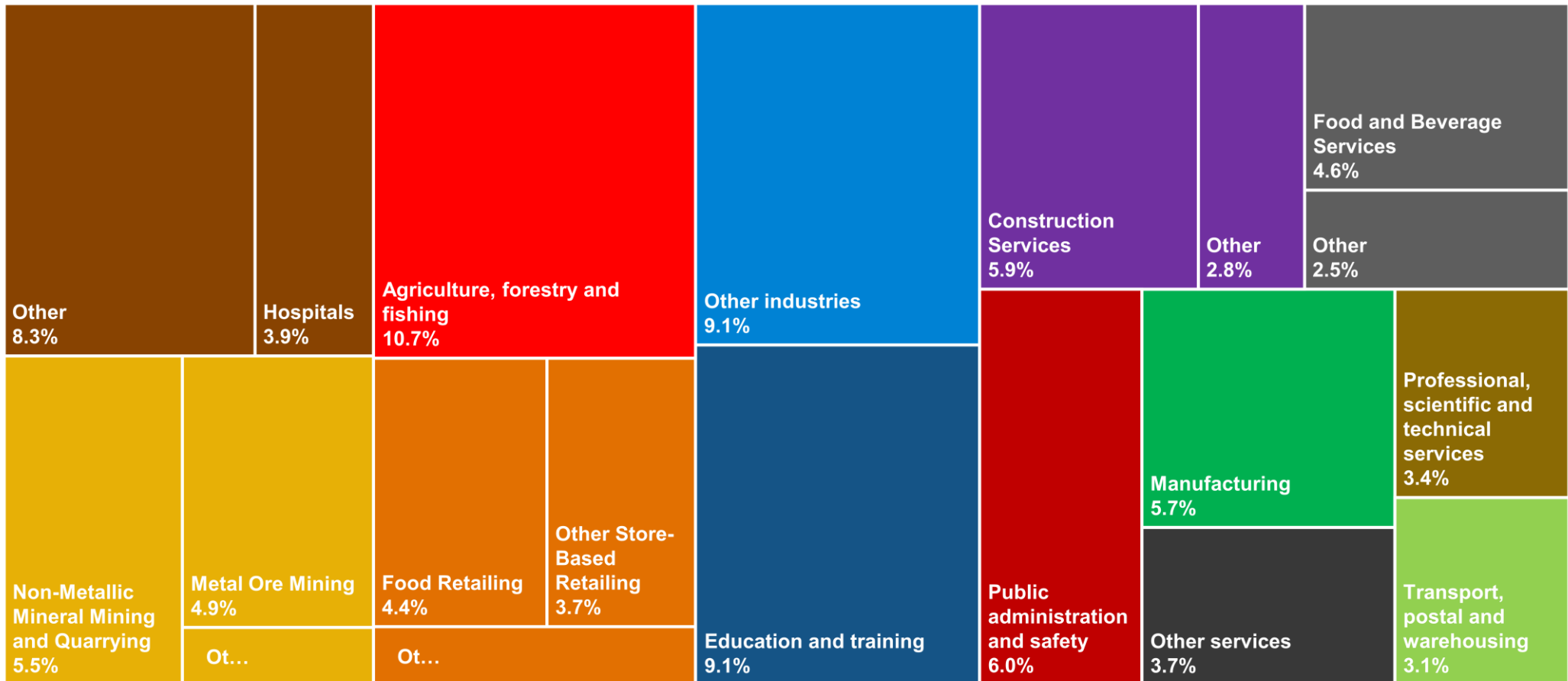
## **Bridgetown-Greenbushes (S)**



# Industry composition in employment terms Bridgetown-Greenbushes (S)



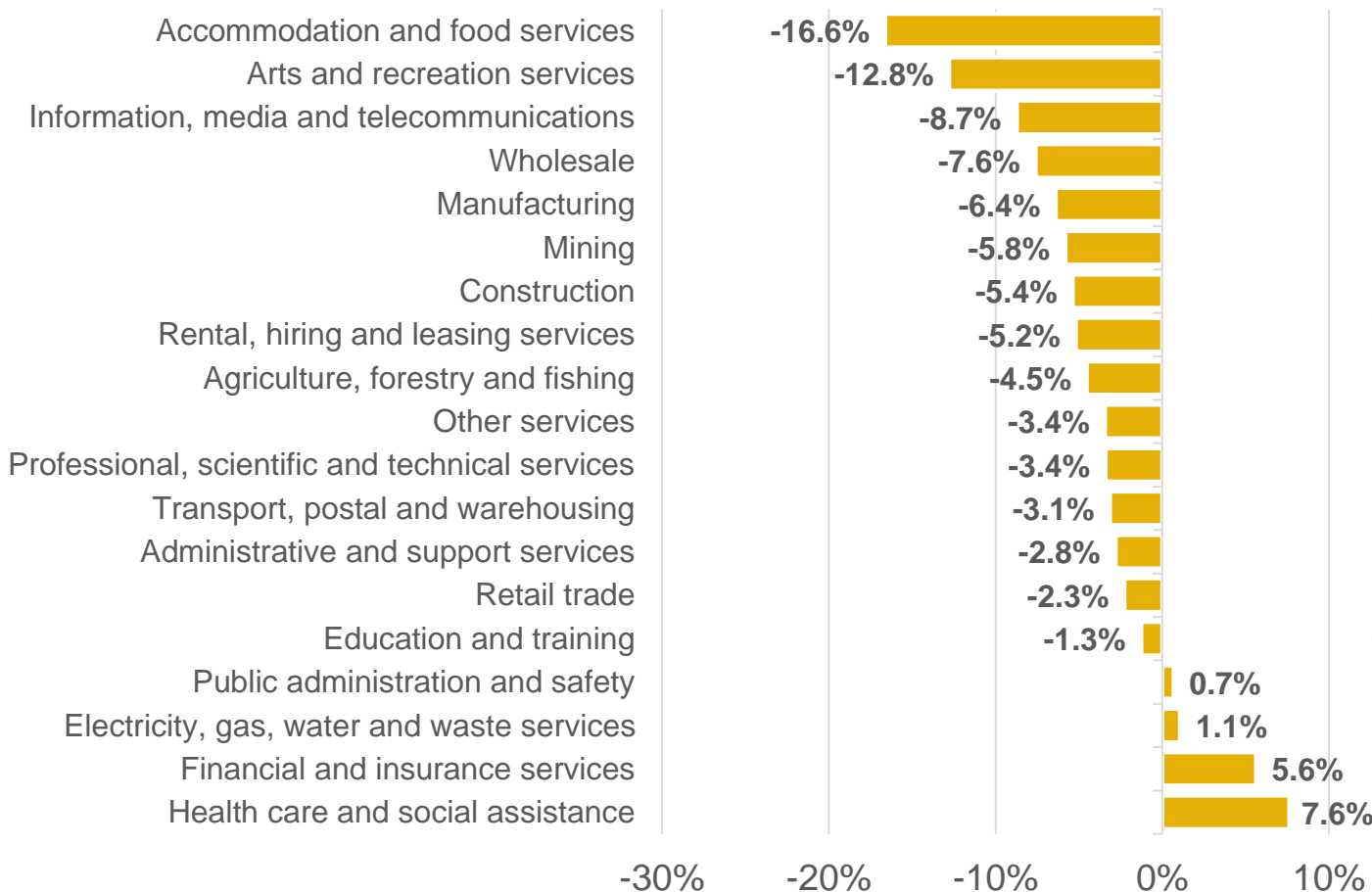
- Agriculture, forestry and fishing
- Construction
- Transport, postal and warehousing
- Education and training
- Other industries
- Mining
- Retail trade
- Professional, scientific and technical services
- Health care and social assistance
- Manufacturing
- Accommodation and food services
- Public administration and safety
- Other services



# How employment by industry has been impacted in Bridgetown-Greenbushes (S)



## Estimated changes in payroll jobs by industry since March 14, Bridgetown-Greenbushes (S) as at 27-Jun

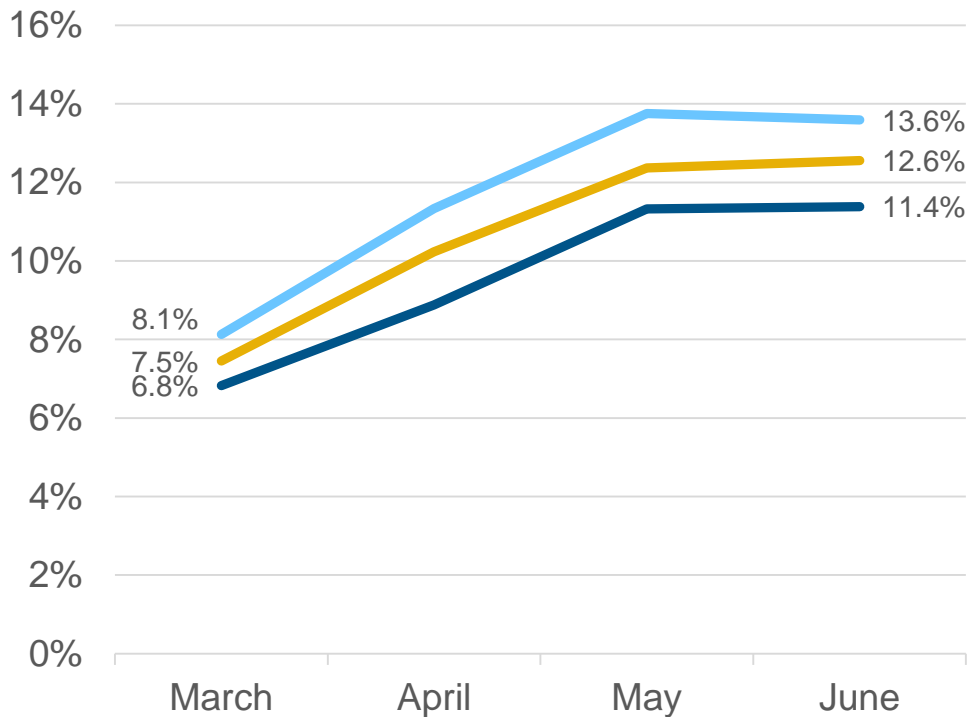


- Payroll jobs include any job where an employee has been paid through single touch enabled payroll or accounting software that reports payroll information to the Australian Taxation Office. Approximately 99% of employers with 20 or more staff use this software, while over 80% of smaller employers use it.
- The payroll jobs data provided by the Australian Bureau of Statistics indicates that **since the 100<sup>th</sup> case of COVID-19 in Australia on 14 March, the total number of payroll jobs across WA has fallen by 3.2%** (as at 27 June).
- The estimated change in payroll jobs by industry since March 14 (as at 27 June) in your Local Government Area is shown in the chart on the left. The assumptions underpinning these estimates are provided on page 14.

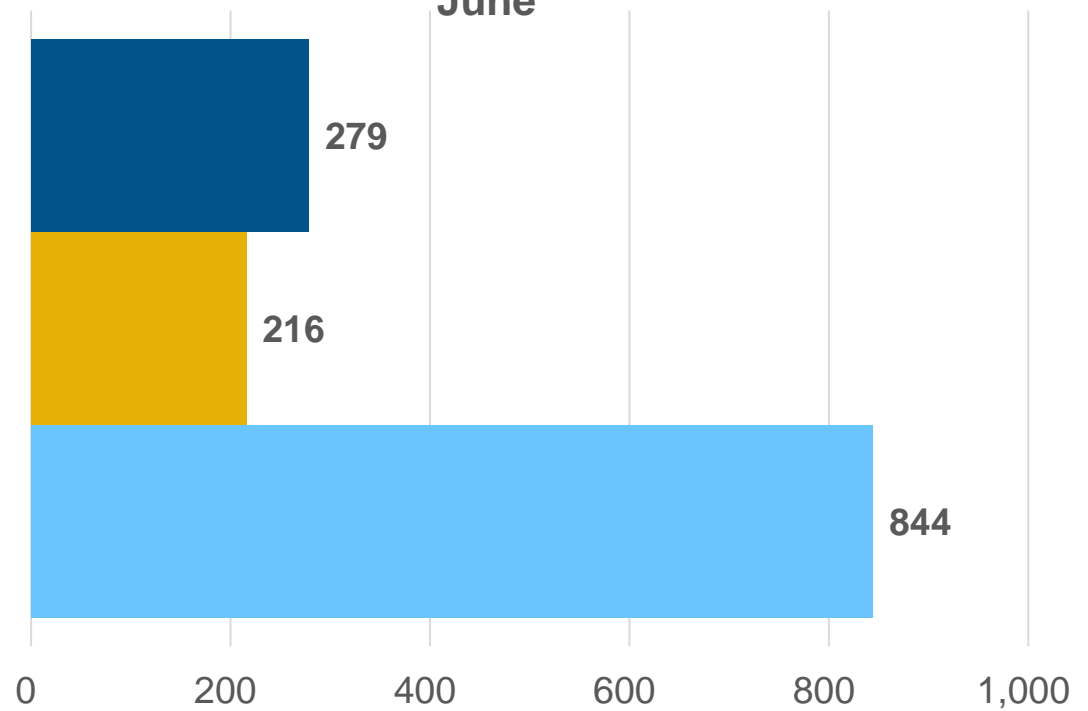
# People claiming welfare payments in Bridgetown-Greenbushes (S)



Estimated JobSeeker & youth allowance recipients as a % of the labour force, by location



Estimated number of people claiming JobSeeker & youth allowance by location, June



— Bridgetown-Greenbushes (S)

— Median across all WA Local Governments

— South West Regional Development Area

■ Bridgetown-Greenbushes (S)

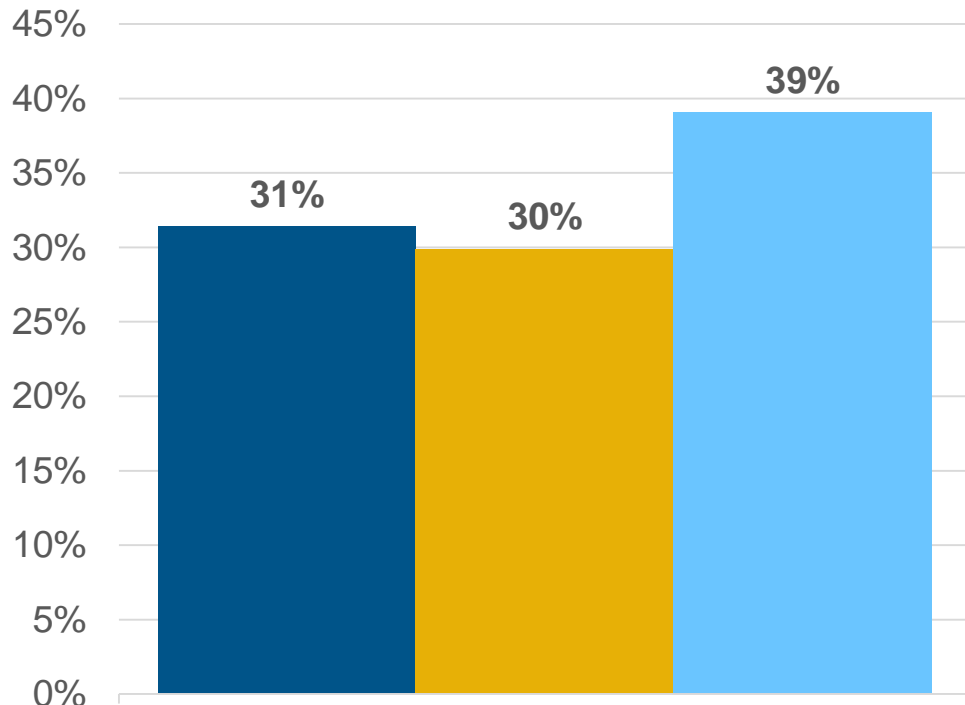
■ Median across all WA Local Governments

■ Median across South West Regional Development Area Local Governments

# Businesses accessing JobKeeper in Bridgetown-Greenbushes (S)

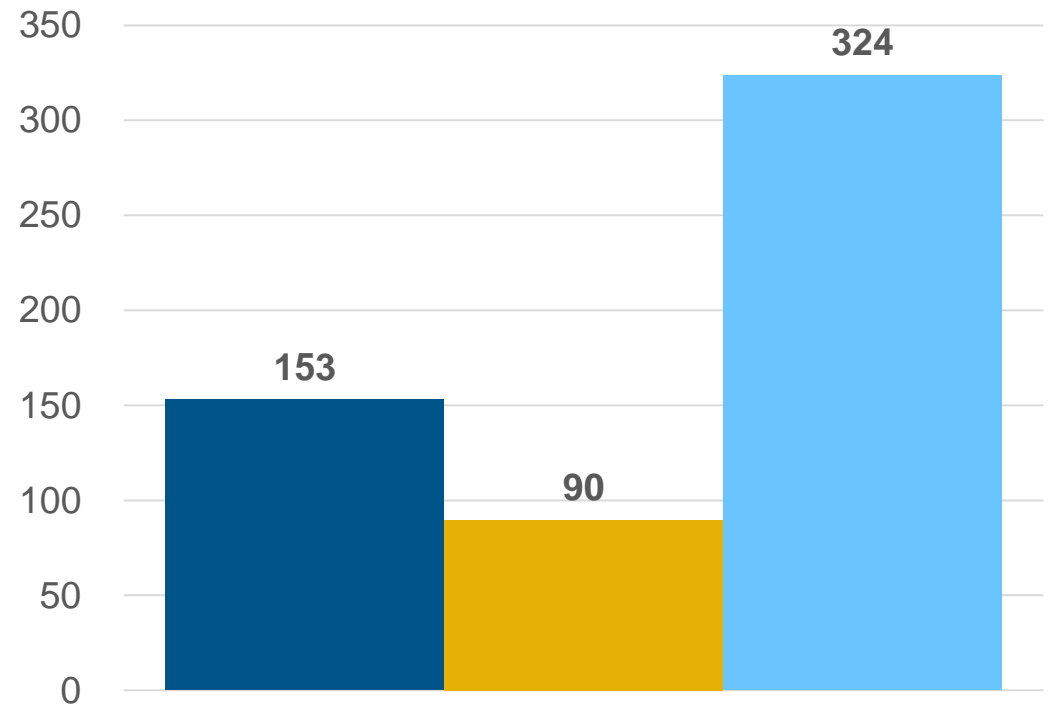


Estimated proportion of all businesses accessing JobKeeper payments by location, May



- % of all organisations in LGA
- Bridgetown-Greenbushes (S)
- Median across all WA Local Governments
- South West Regional Development Area

Estimated number of businesses accessing JobKeeper payments by location, May



- Estimated number of businesses accessing JobKeeper payments by location, May
- Bridgetown-Greenbushes (S)
- Median across all WA Local Governments
- Median across South West Regional Development Area Local Governments

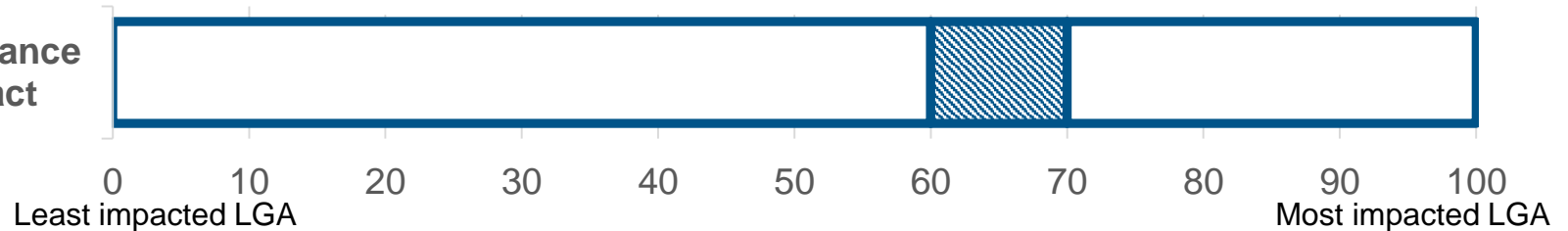
# Relative economic impact of COVID-19 in Bridgetown-Greenbushes...



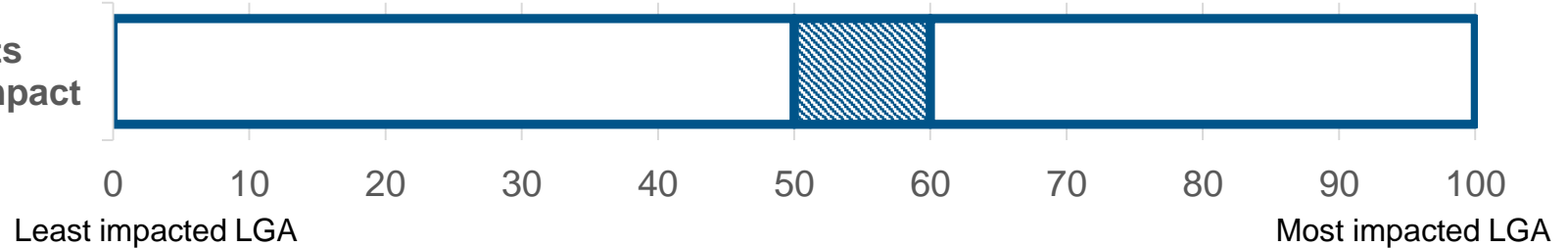
Percentile rankings for payroll job changes, JobKeeper recipients and relative economic impact for Bridgetown-Greenbushes (S),  
0 = lowest relative impact and 100 = highest relative impact

 Percentile range for Bridgetown-Greenbushes...

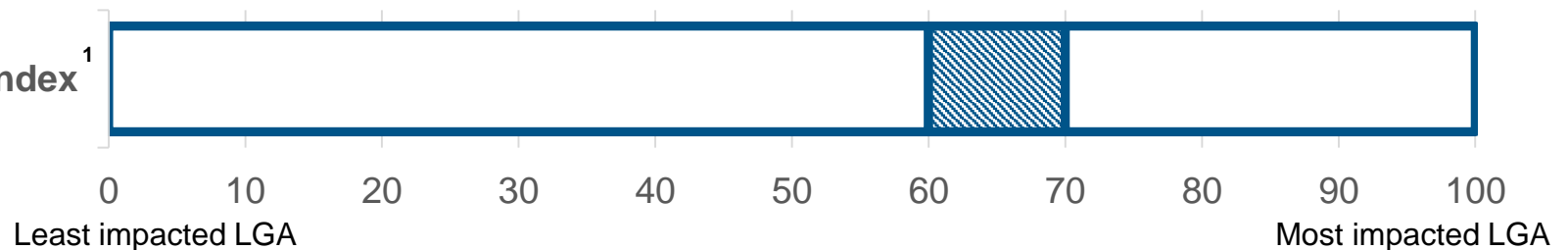
JobSeeker & Youth Allowance recipients relative impact



JobKeeper recipients (businesses) relative impact



Relative Economic Impact Index<sup>1</sup>



SOURCE: WALGA ANALYSIS BASED ON ABS CAT 6160.0.55.001, COMMONWEALTH TREASURY JOBKEEPER DATA, LGA TO POSTCODE 2011 CORRESPONDANCE, ABS CAT 8165.0 ABS 2016 CENSUS

<sup>1</sup> Based on the relative JobSeeker & youth allowance impact and the relative JobKeeper impact

# Data limitations and further questions



WALGA notes that there are limitations to the data contained within this report, including the analysis undertaken by WALGA. Some limitations of the data are outlined below.

- The JobSeeker and Youth Allowance recipient estimated on slides 4 and 11 are made with the following assumptions and provisions.
  - The ABS's 2016 SA2 to 2020 LGA correspondence is appropriate to use as a basis for determining the percentage of JobSeeker and Youth Allowance recipients at the SA2 level who access the payments within each Local Government Area in WA.
- The JobKeeper recipient (businesses) estimates on slides 5 and 12 are made with the following assumptions and provisions.
  - The ABS's 2019 postcode to 2020 LGA correspondence is appropriate to use as a basis for determining the percentage of JobKeeper recipients (businesses) at the postcode level who access the subsidy within each Local Government Area in WA.
  - The ABS's 2018-19 Counts of Business data at the Local Government level is an appropriate measure of the number of businesses located within each Local Government Area in WA
  - Given that the JobKeeper recipient location data is based on the primary business addresses held by the ATO, this data is not necessarily a true representation of the trading locations of businesses that are claiming the JobKeeper subsidy. In addition, organisations that have multiple trading locations will only be captured as one organisation in this data set (based on their primary business address), while organisations that reported claiming the subsidy in a postcode that had fewer than 5 organisations claiming the subsidy are not captured for anonymity reasons.
- The payroll jobs (employment by industry) change estimates on slide 10 are made with the following assumptions and provisions.
  - Your Local Government Area's industry composition of payroll jobs is the same as reported for employment in the 2016 ABS Census
  - The percentage change in payroll jobs at the sub-industry level (85 sub-industries in total) since March 14 across Australia reflects the change in payroll jobs at the sub-industry level across each Local Government Area in WA, with an adjustment applied for differences in payroll job changes at the WA State level when compared to Australia as a whole. WALGA notes that there are certain sub-industries that are highly sensitive and can be prone to revisions in future data releases. WALGA will let Local Governments know of the key instances when this occurs, as new data becomes available and future updates are provided to the sector.
  - Given that the ABS do not adjust the payroll jobs data for seasonality trends, this data is not necessarily a true representation of the jobs by industry that have been lost due to COVID-19. There may be some jobs that would have been lost anyway since March 14 in the absence of COVID-19, such as agricultural jobs that are dependent on agricultural seasons (e.g. harvest).

Local Governments should consider these limitations, among others, when interpreting and using the data in this report. For more information on the data that underpins the analysis contained within this report (including their limitations), please visit:

<https://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/6160.055.001Main+Features1Week%20ending%2027%20June%202020?OpenDocument>

<https://treasury.gov.au/coronavirus/jobkeeper/data>

<https://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/8165.0Main+Features2June%202015%20to%20June%202019?OpenDocument>

<https://www.abs.gov.au/websitedbs/censushome.nsf/home/2016>

For any questions on the contents of this report, please contact WALGA's Policy Manager – Economics, Nebojsa Franich, on [nfranich@walga.asn.au](mailto:nfranich@walga.asn.au) or 0417 917 748.