



# Impacts vary from region to region

Number of cases

Service sector exposure

Export / tourism exposure

Population drivers



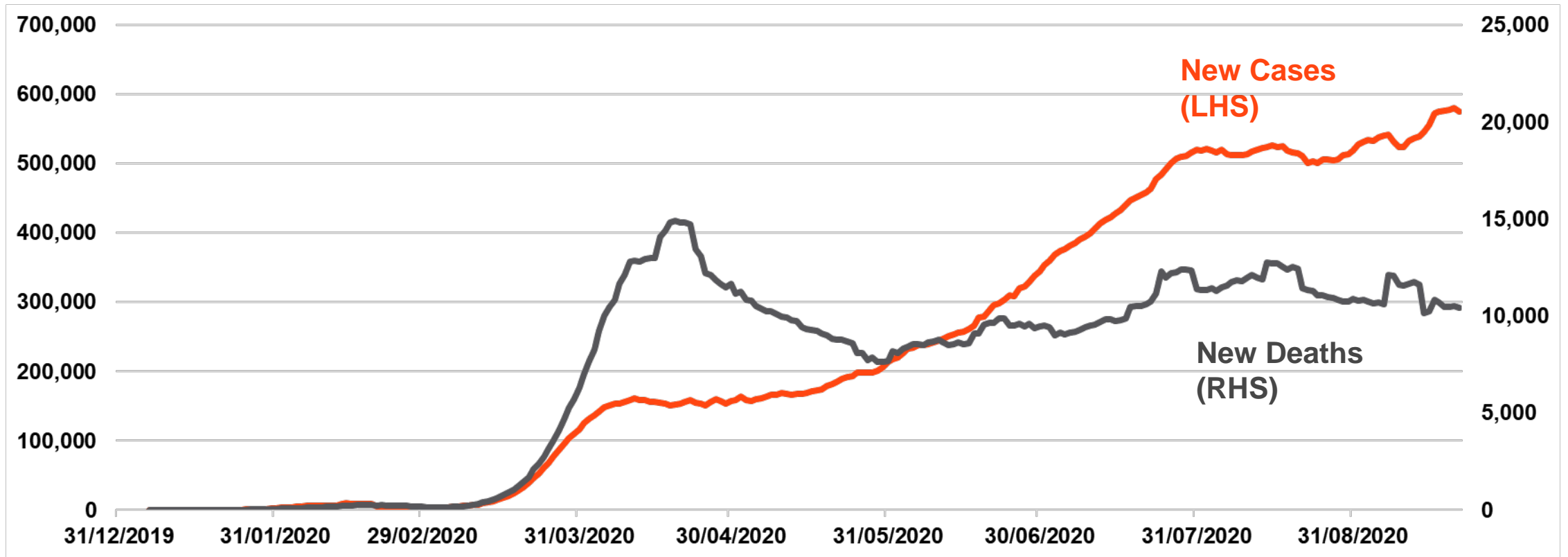
# The virus

Not yet under control...

# Globally, the virus is still uncontained

## Global COVID 19 Cases and Deaths

Reported cases/deaths, 7 day rolling average



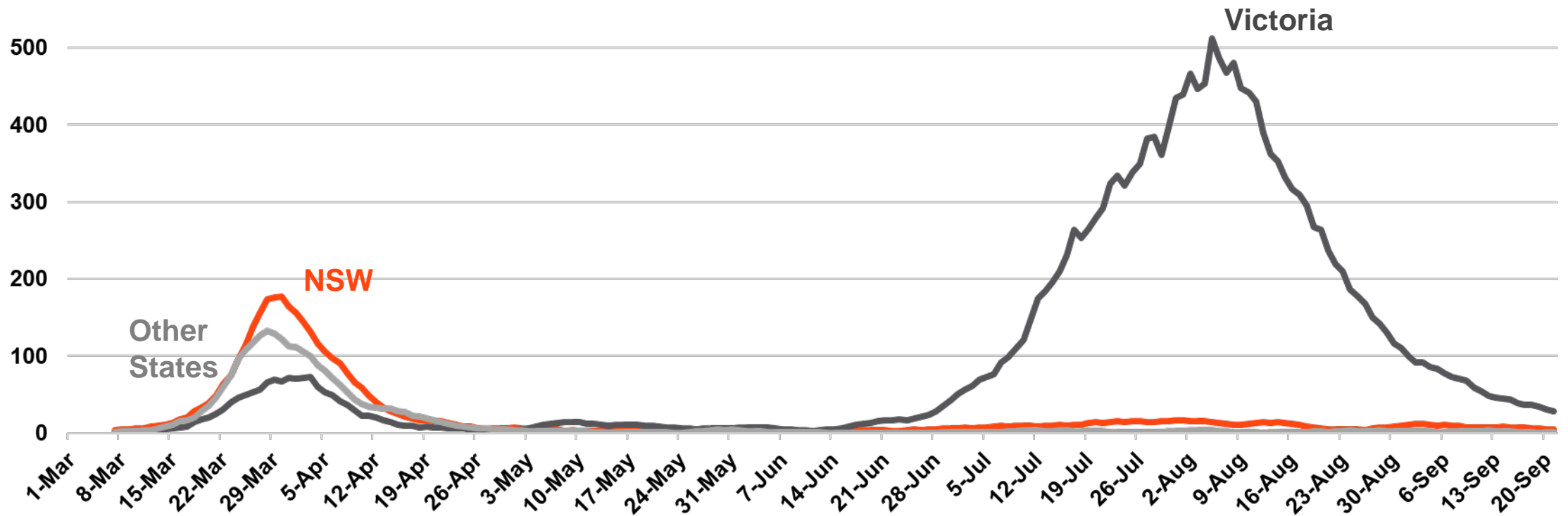
Source: University of Oxford, Our World in Data.



# Victoria towards the end of second wave

## Australian COVID 19 Cases

Reported new cases, 7 day rolling average



Source: COVID19Data.com.au



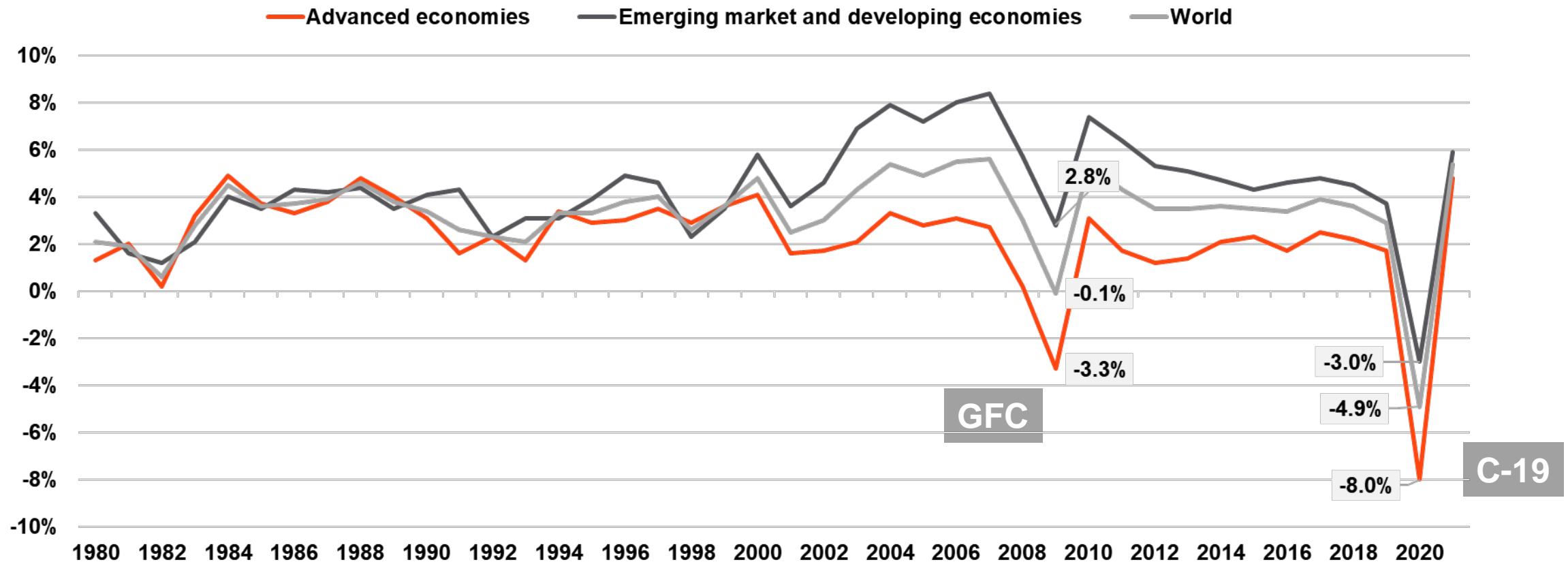
# Economic fall

When the world catches a cold

# Impacts worse than GFC as developing countries also impacted

## Real GDP Growth, actual and forecast

Annual % Change

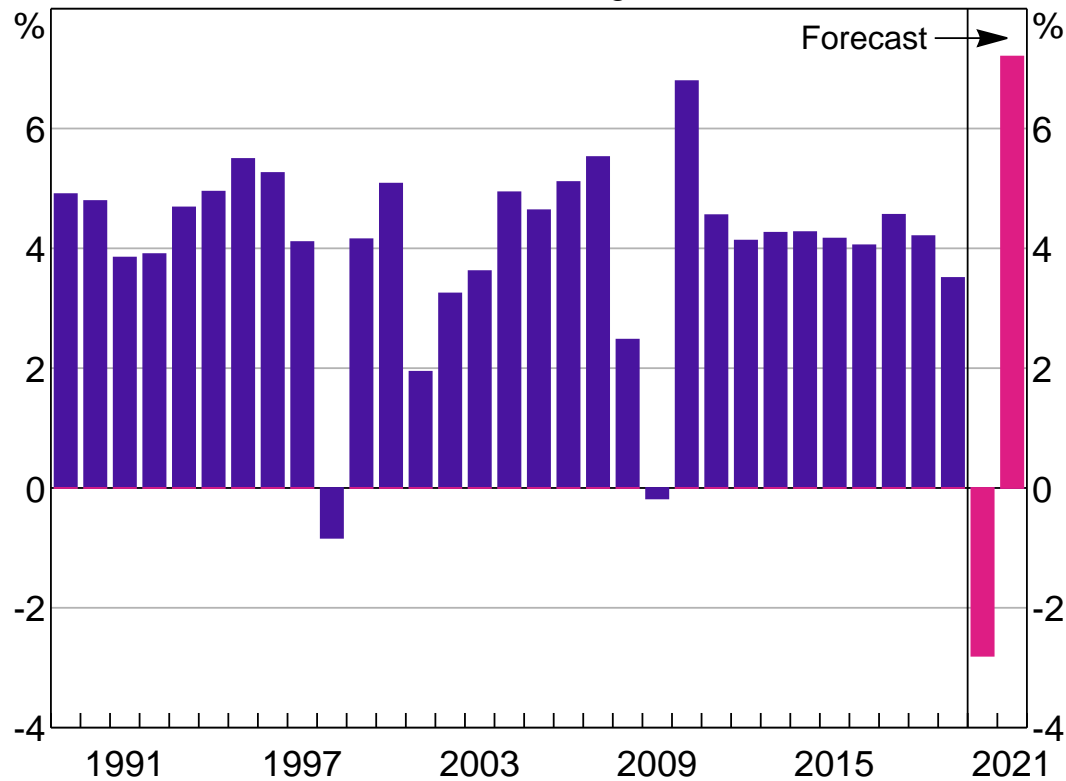


Source: IMF, June updated forecast, 2020

# Australia's major trading partners is expected to contract by around 3 per cent in 2020

## Australia's Major Trading Partner Growth

Year-average

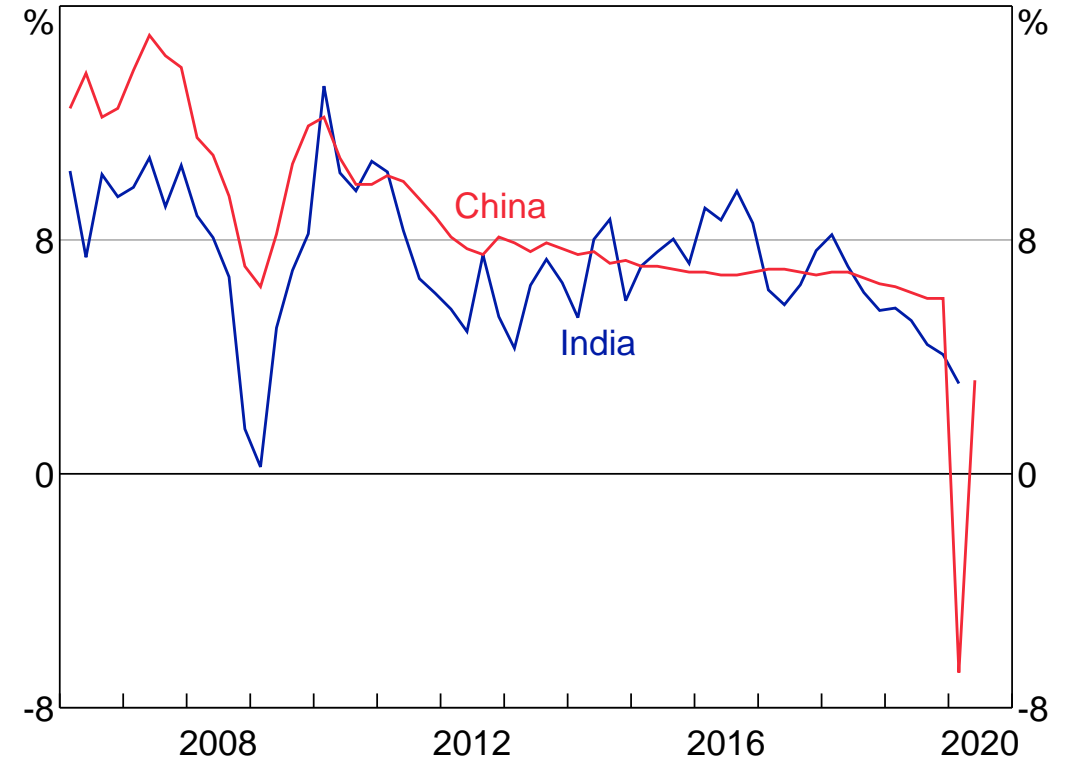


Sources: ABS; CEIC Data; Oxford Economics' Global Economic Model; RBA; Refinitiv

Source: RBA Monetary Statement

## GDP Growth – China and India

Year-ended

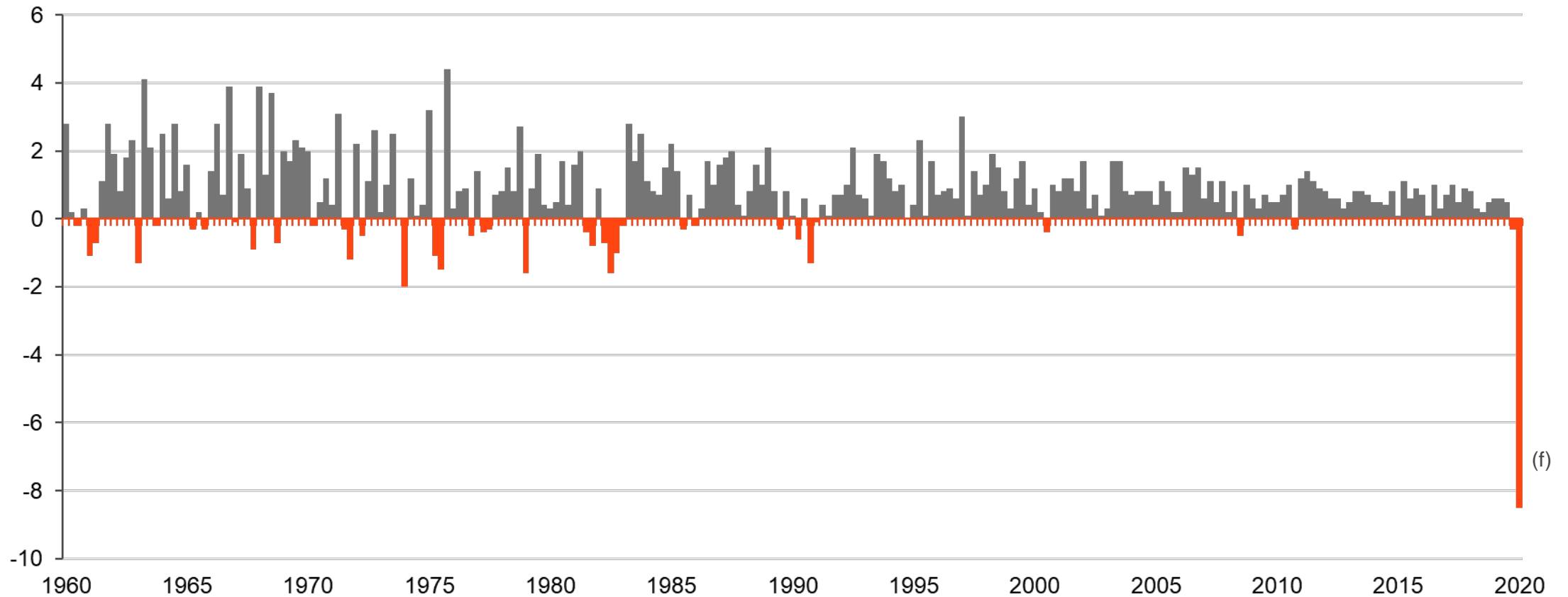


Sources: CEIC Data; RBA

# The record is over

## Quarterly Growth in Australian GDP

*% change from previous quarter*



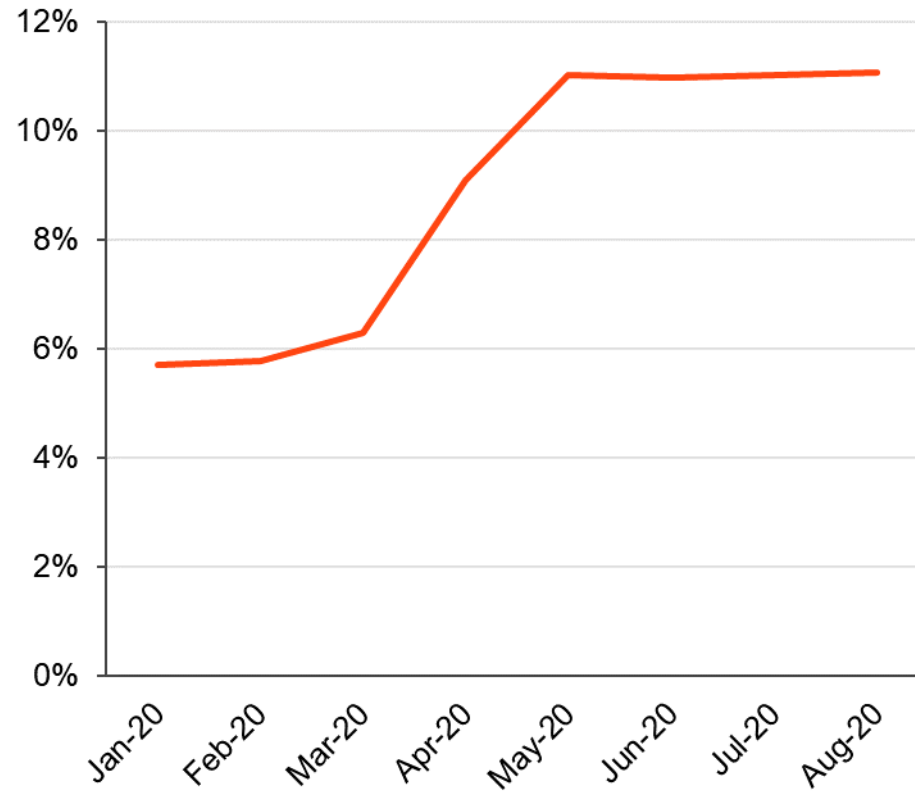
Source: ABS National Accounts



# People receiving Job Assistance payments has risen to 11% and has not fallen

## JobSeeker Payment and Youth Allowance recipients

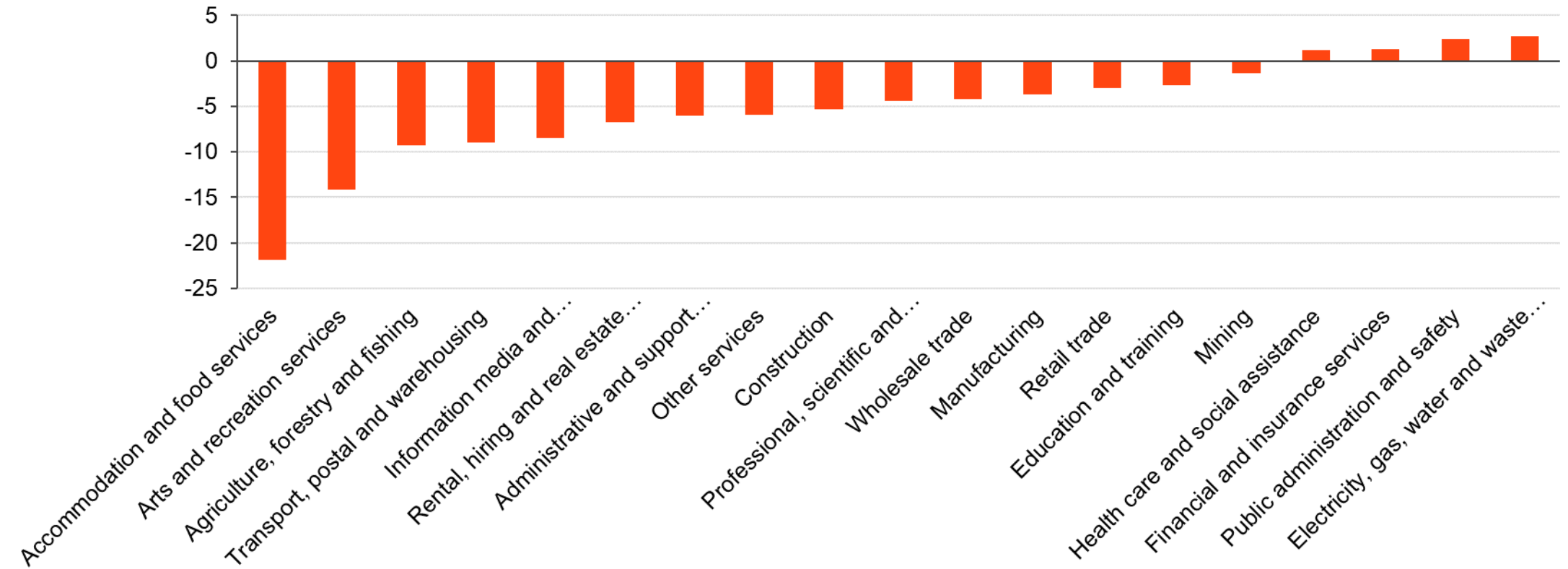
*% of 15 to 64 year olds*



# Hospitality sector hit the hardest

## Change in Payroll Jobs since March

% change in jobs





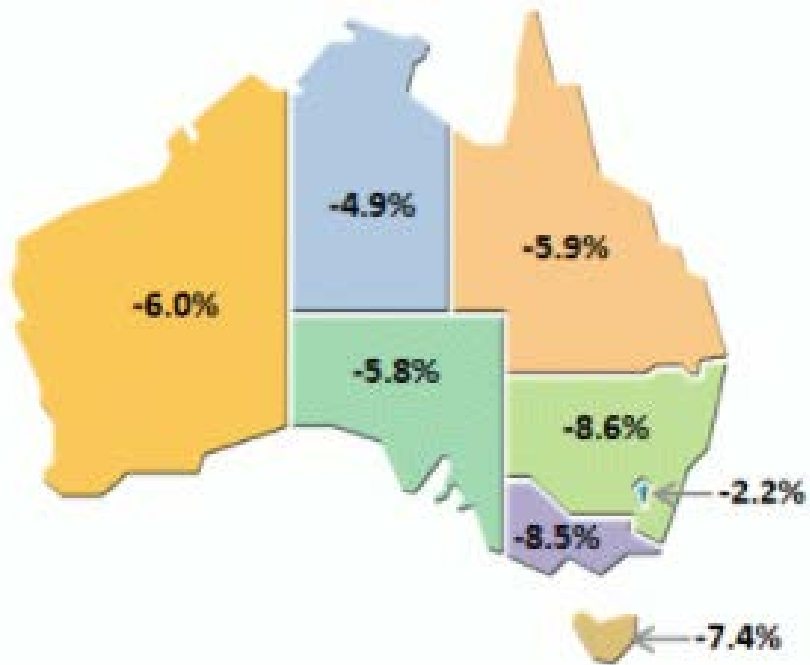
# The Sunshine State

Phases of impact and recovery

# Impacts vary from region to region

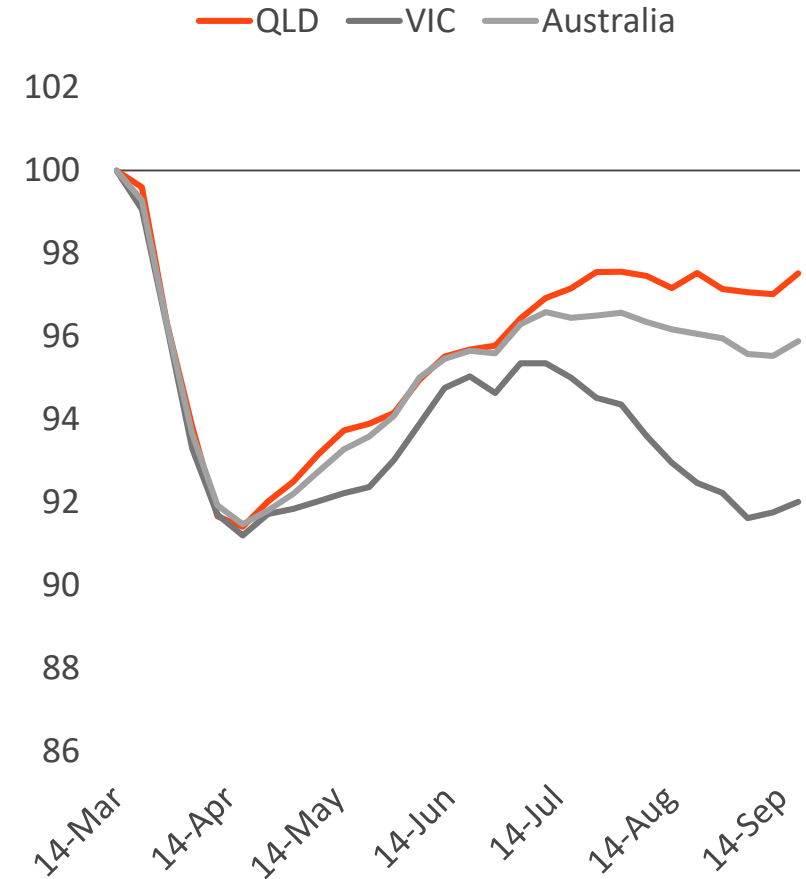
## State final demand, quarterly volume measures - seasonally adjusted

% change from Mar 20 to Jun 20



## Payroll Job Impacts

Index 100 = 14 March

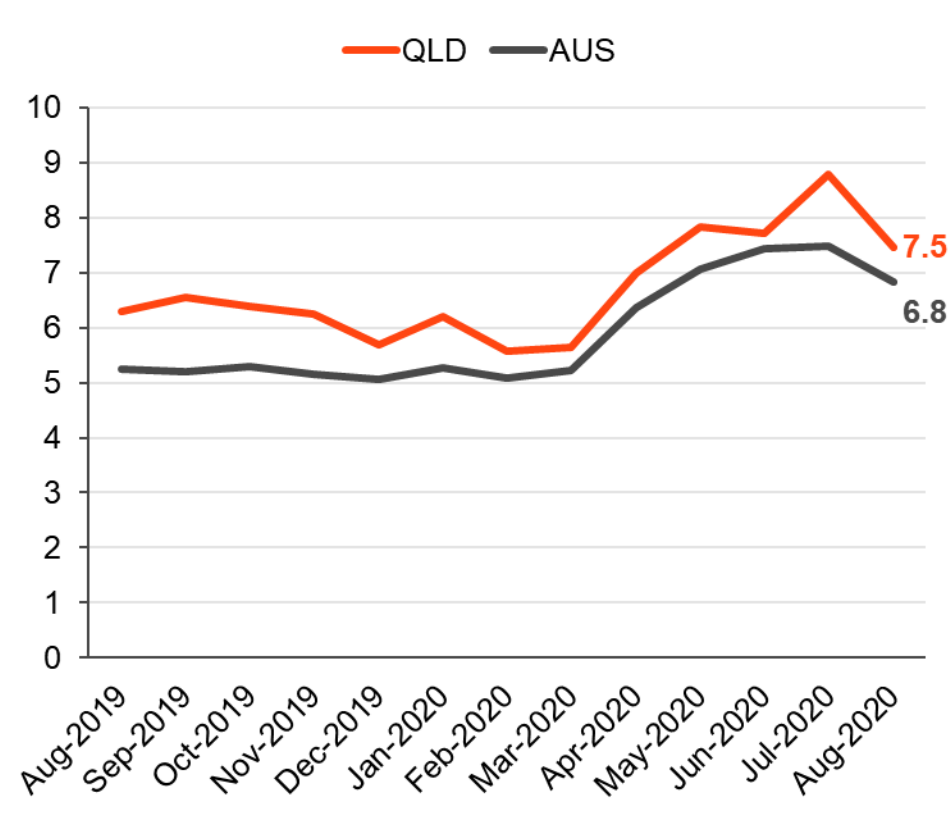




# But unemployment is higher than national average and more people have left the Labour Force

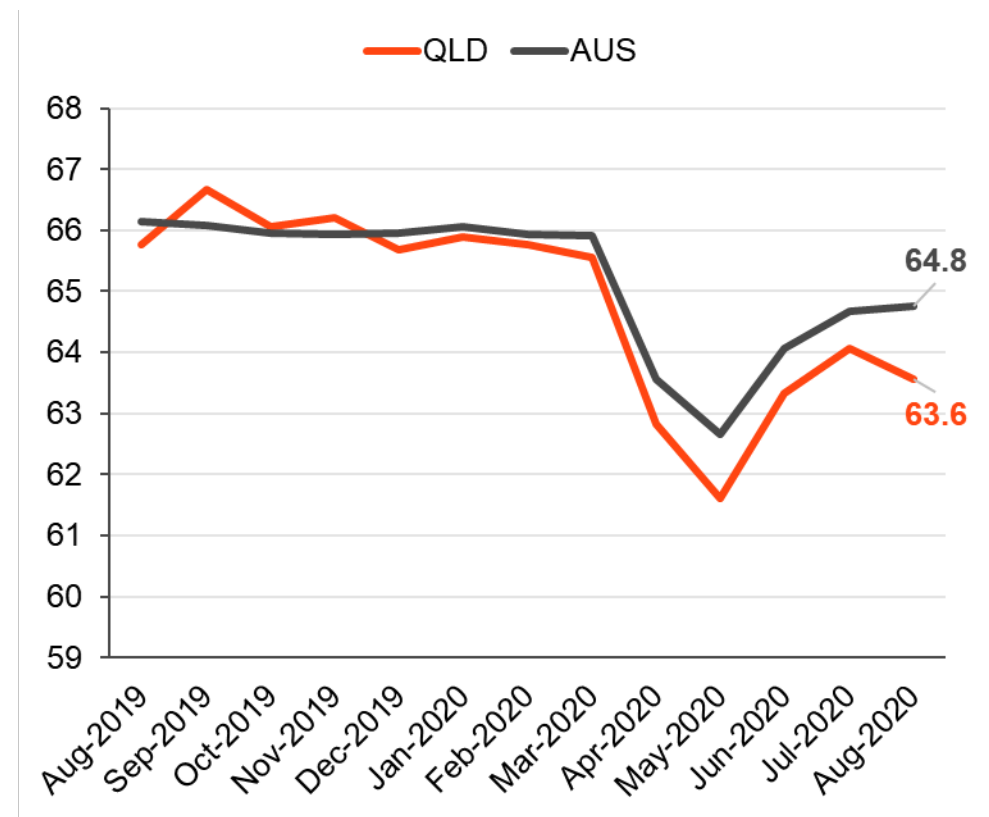
## Unemployment Rate

% of those in Labour Force looking for work



## Participation Rate

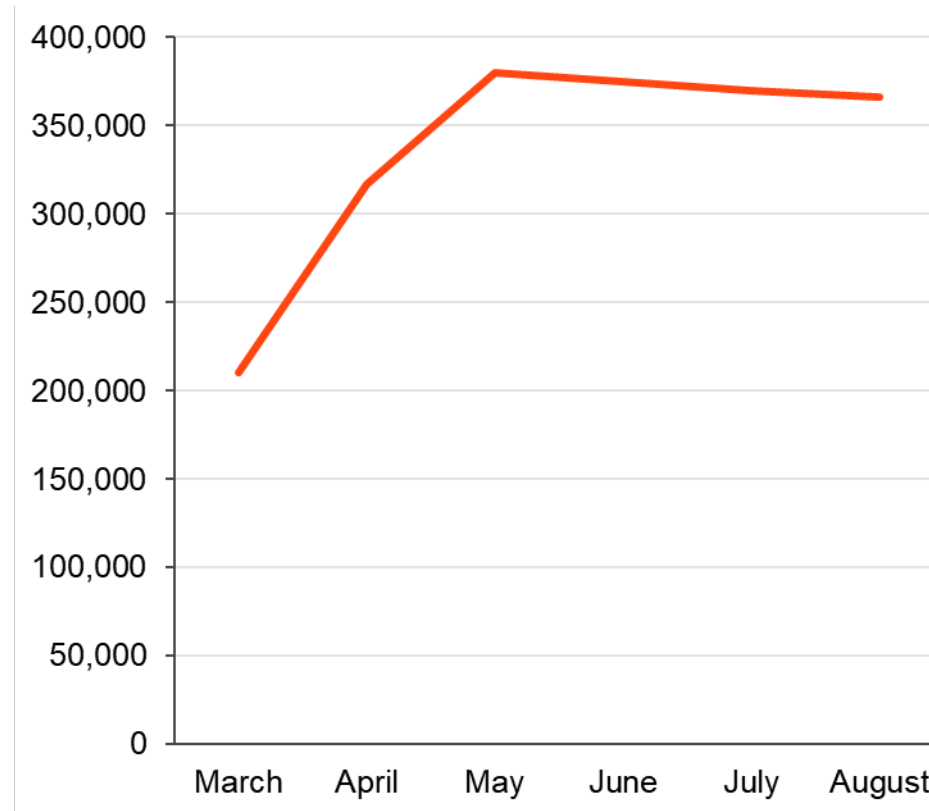
% of people >15years who are working or looking for work



# Jobs growth recovered to July; extra 150,000 people still on job assistance

## Jobseeker and Youth Allowance Recipients

QLD; Youth Allowance (other)



## Coastal tourism hotspots with international market reliance and inner Brisbane were hit the hardest

### Regions ranked in terms of greatest fall in Payroll Jobs March to April

% change from 14 March 2020

SA4 Region	18-Apr-20
309. Gold Coast	-10.8
306. Cairns	-10.5
316. Sunshine Coast	-10.3
305. Brisbane Inner City	-8.9
307. Darling Downs - Maranoa	-8.3
318. Townsville	-8.2
319. Wide Bay	-8.1
317. Toowoomba	-7.4
301. Brisbane - East	-7.3
303. Brisbane - South	-7.0
304. Brisbane - West	-7.0
312. Mackay - Isaac - Whitsunday	-7.0
302. Brisbane - North	-6.9
313. Moreton Bay - North	-6.7
308. Central Queensland	-6.6
311. Logan - Beaudesert	-6.6
314. Moreton Bay - South	-6.4
315. Queensland - Outback	-6.3
310. Ipswich	-6.3

### Regions ranked in terms of closest return to Payroll Jobs March figure

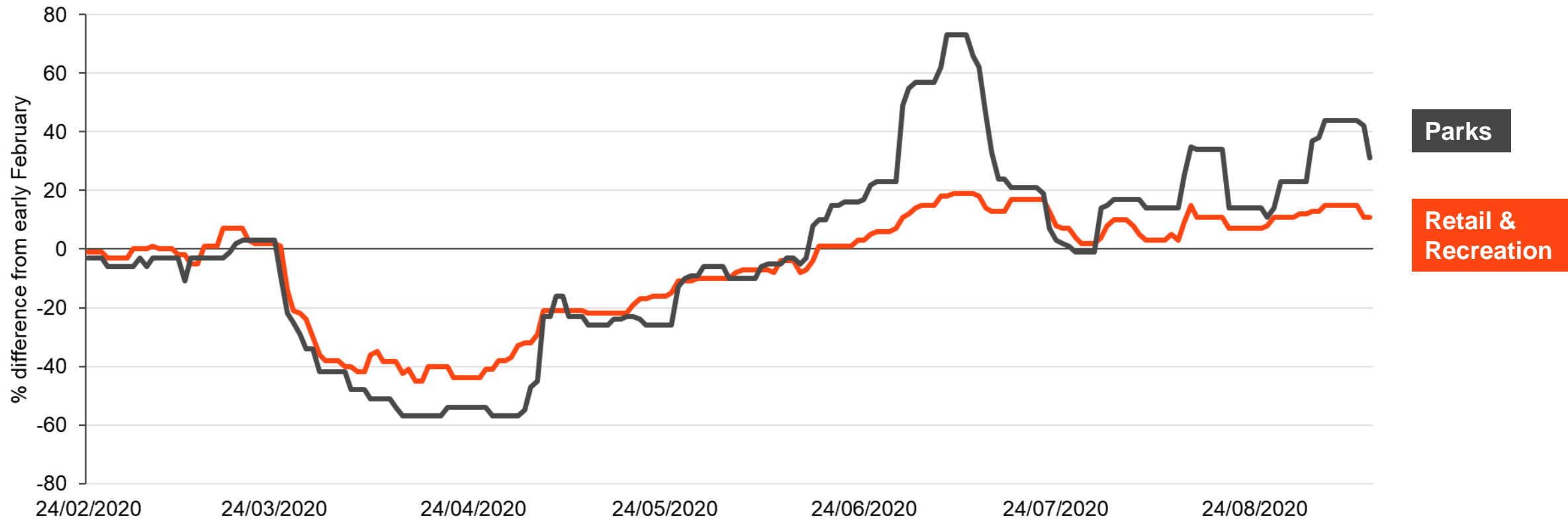
% change from 14 March 2020

SA4 Region	8-Aug-20
317. Toowoomba	-2.1
308. Central Queensland	-2.3
314. Moreton Bay - South	-2.9
301. Brisbane - East	-3.1
312. Mackay - Isaac - Whitsunday	-3.3
304. Brisbane - West	-3.5
313. Moreton Bay - North	-3.6
319. Wide Bay	-3.7
302. Brisbane - North	-3.7
318. Townsville	-3.8
310. Ipswich	-4.0
315. Queensland - Outback	-4.1
307. Darling Downs - Maranoa	-4.2
311. Logan - Beaudesert	-4.4
316. Sunshine Coast	-4.6
306. Cairns	-4.7
303. Brisbane - South	-4.7
305. Brisbane Inner City	-5.6
309. Gold Coast	-6.0

# Domestic visitation to regional areas has increased substantially

## Google Mobility Data - Scenic Rim

7 day median



Source: Google Community Mobility Reports



# QLD more vulnerable than other states to international flight restrictions on visitation, but less vulnerable in terms of international students

## Tourism and Education Exports

% of Gross State Product

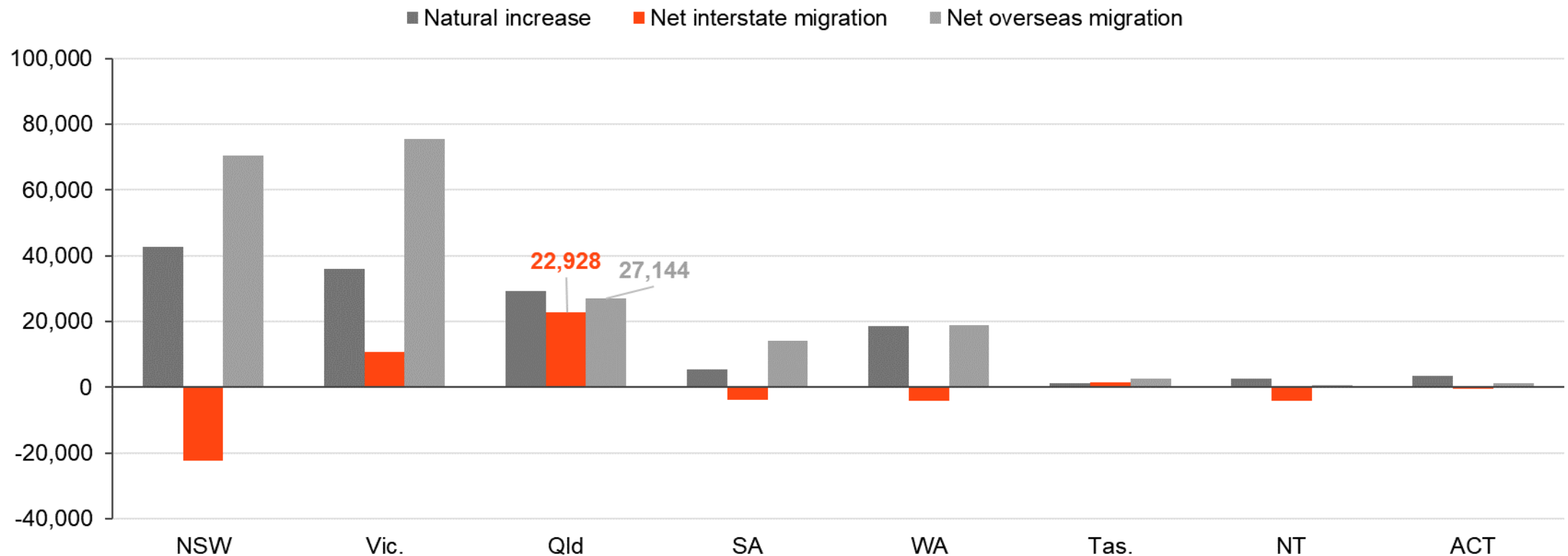


Source: ABS Cat: 6160.0.55.001, ABS Cat: 5220.0, DFAT Australia's Trade

# QLD will experience much slower population growth due to falls in overseas migration and less domestic movements; however once national restrictions ease the state may experience more domestic in-migration

## Components of Population Growth, 2019

Change in residents



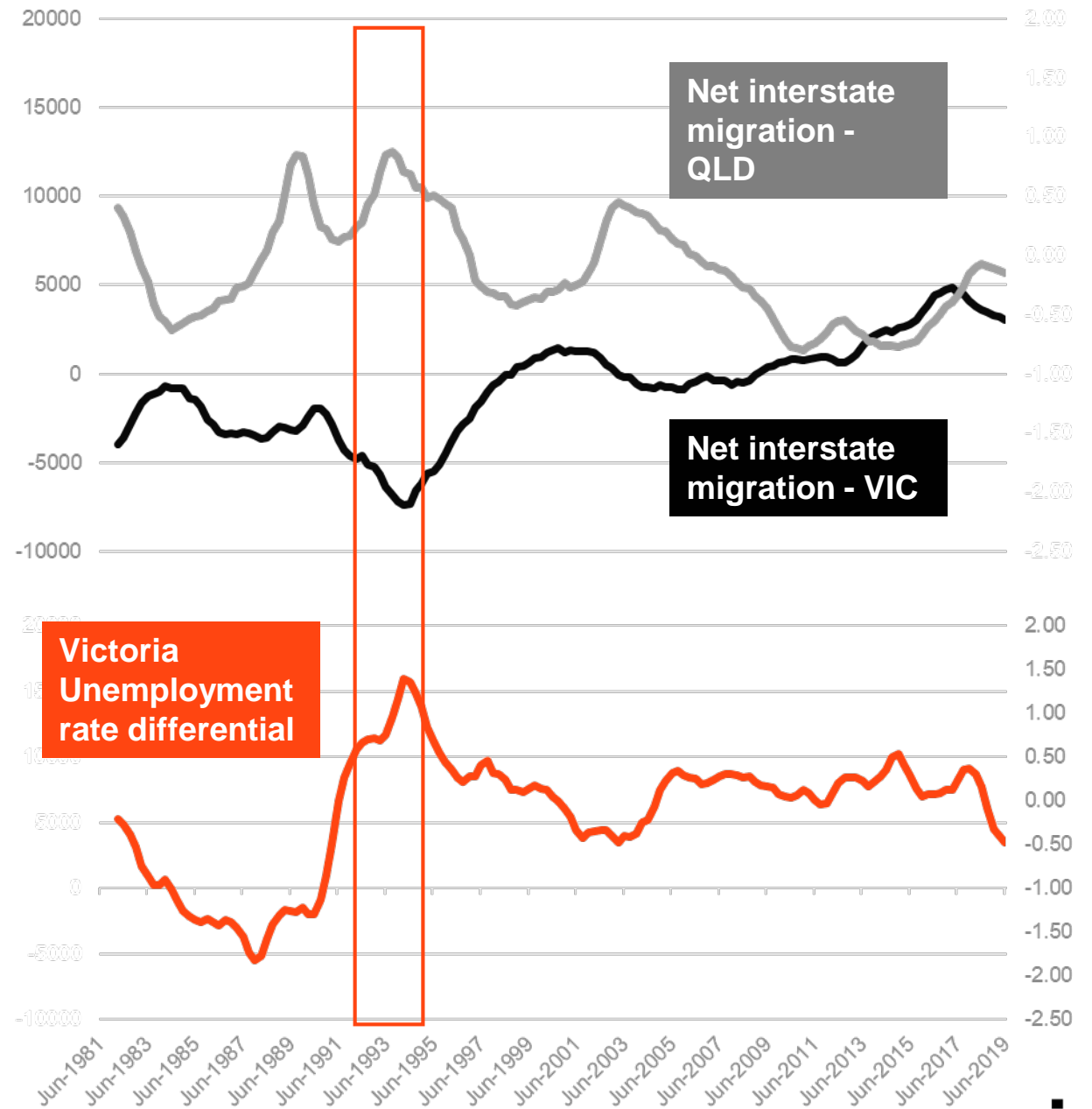
## Prepare for a possible Victorian influx if the state does not bounce back quick

In the last major recession (early 90s), Victoria was hit hard.

In 1993/94, the Unemployment Rate in Victoria was 1.5 percentage points above the national average.

Over 53,000 people left the state in the two years to the end of 1994.

At the same time, Queensland received over 90,000 interstate residents.





# Bumpy road to recovery

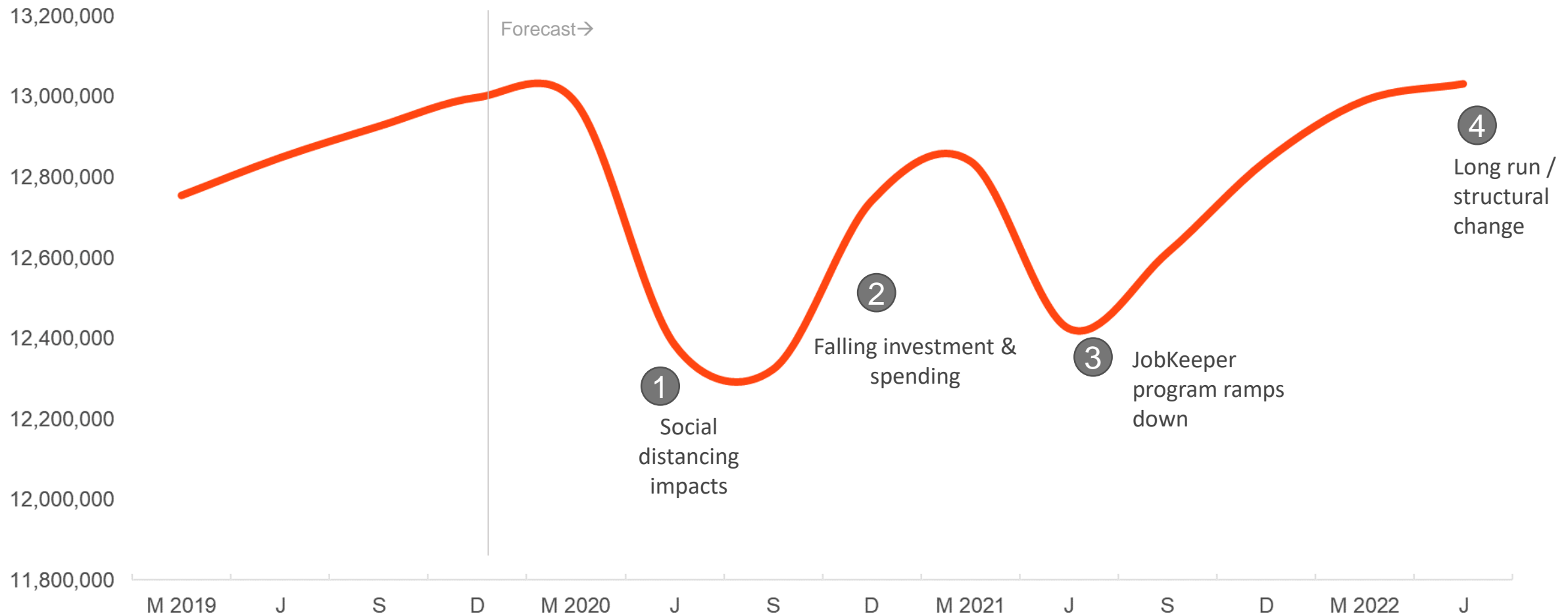
Phases of impact and recovery



# The bumpy road to recovery

## Australia's Employment Forecast

Number of jobs

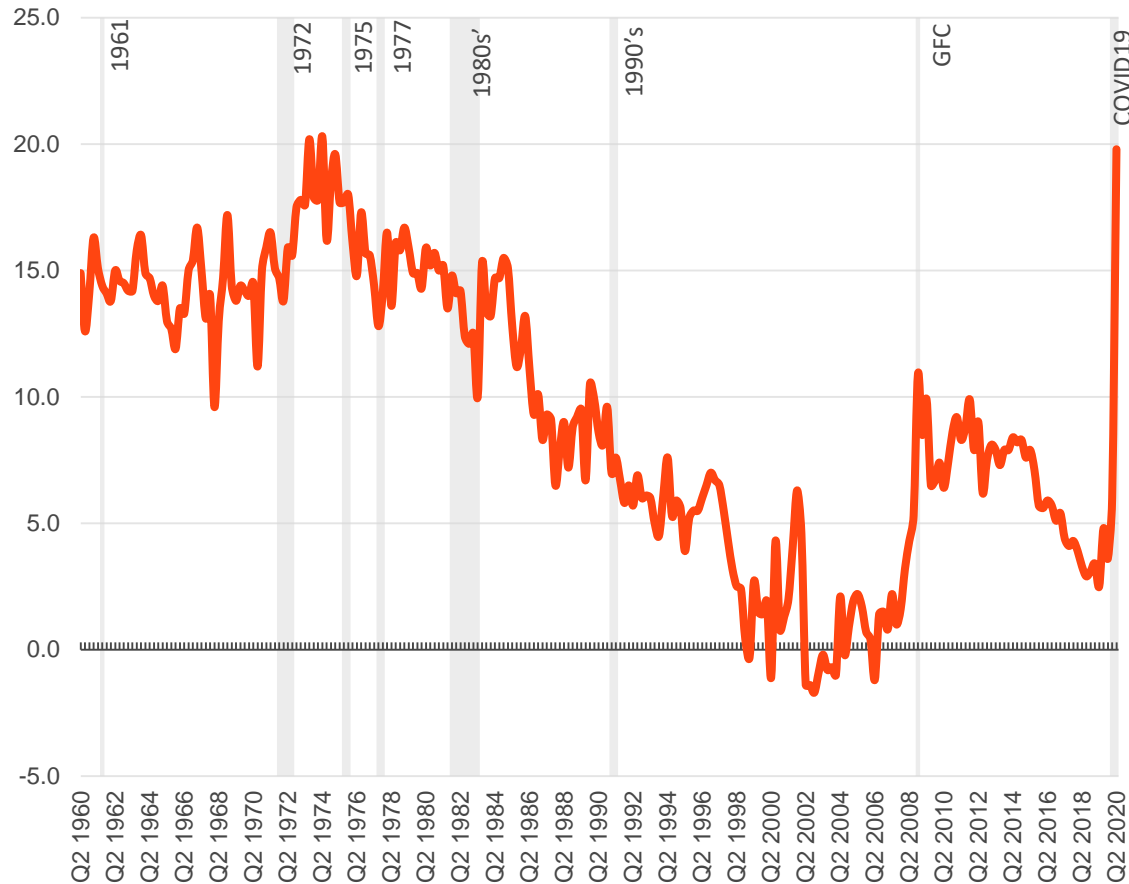


Source: NIEIR COVID-19 Economic Forecasts, August 2020

# Households and businesses have cut spending

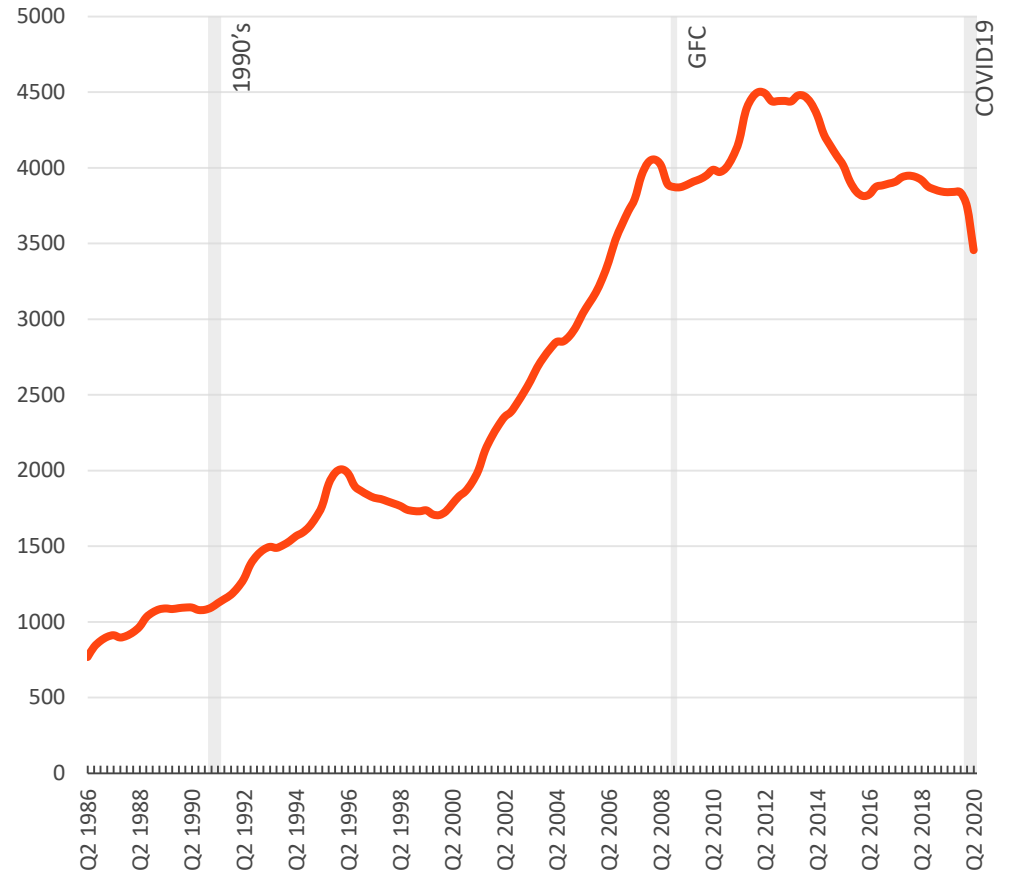
## Savings up as household confidence falls

Household savings ratio %



## Business spending on R&D back to 2006 levels

Gross fixed capital formation - Research and development, \$b



Source: ABS National Accounts

# Many jobs are vulnerable when JobKeeper is removed and will weigh on household spending and confidence

JobKeeper has kept many workers off the unemployment roll

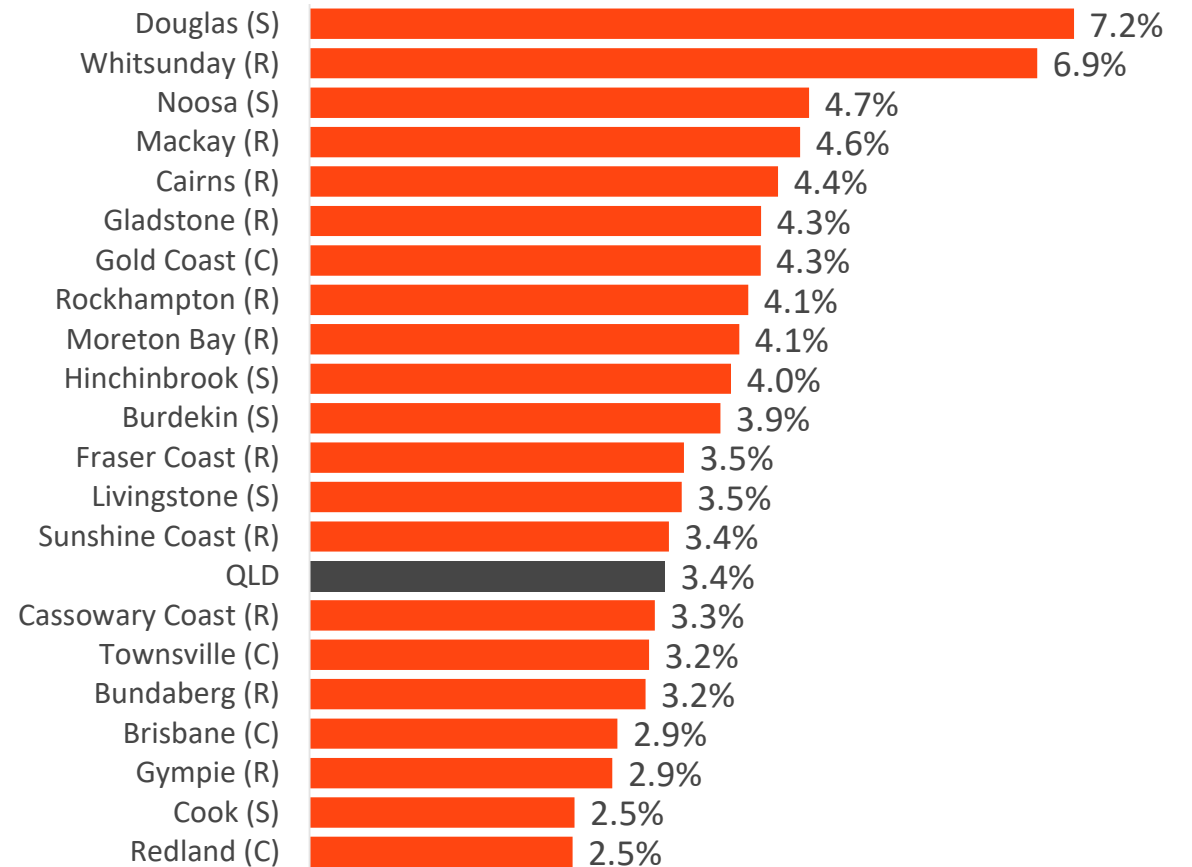
81K

QLDs receiving JobKeeper but working

0 hours

## Employed but not working

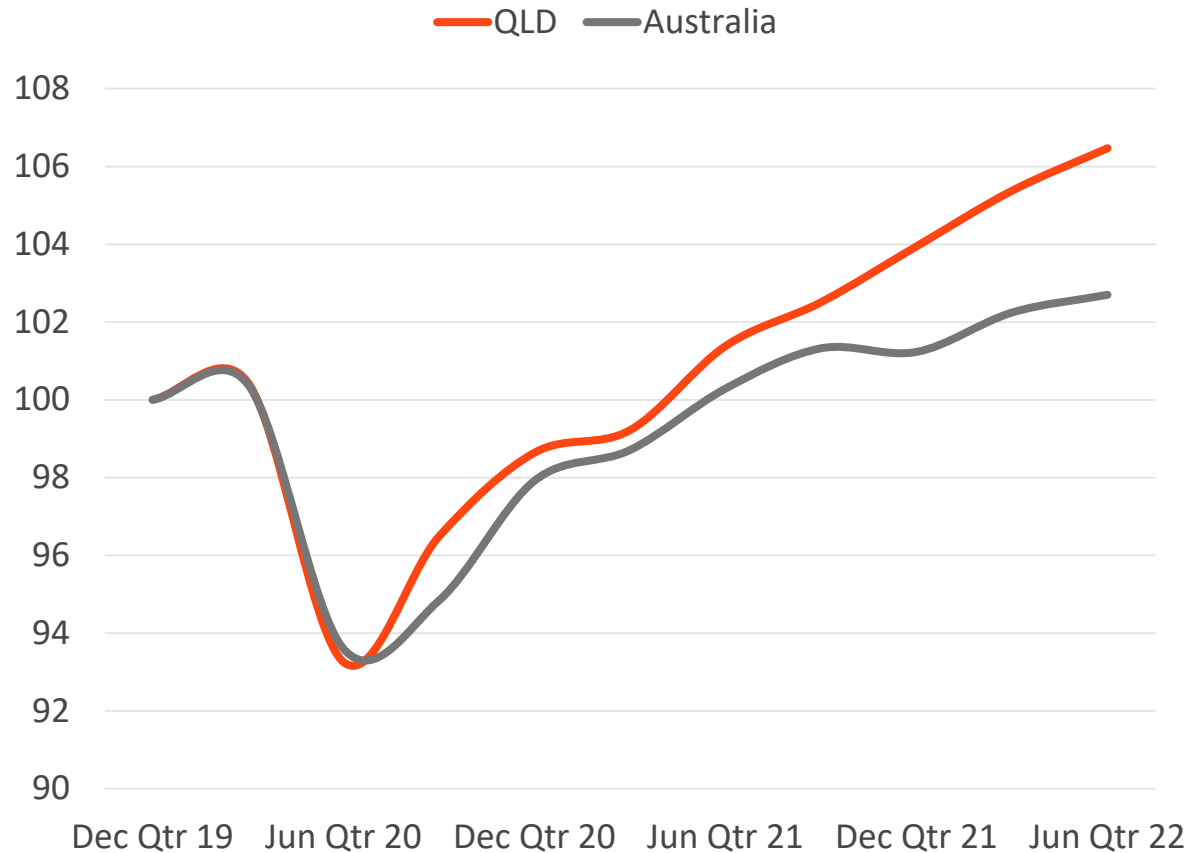
*% of jobs that would be unemployed without JobKeeper*



# QLD economy expected to outperform the nation

## QLD GDP impact relative to Australia forecast

Index March Quarter 2020 = 100



## GDP Growth

Calendar Year Average, %

	2020	2021
QLD	-2.6%	+4.7%
Australia	-3.2%	+3.8%



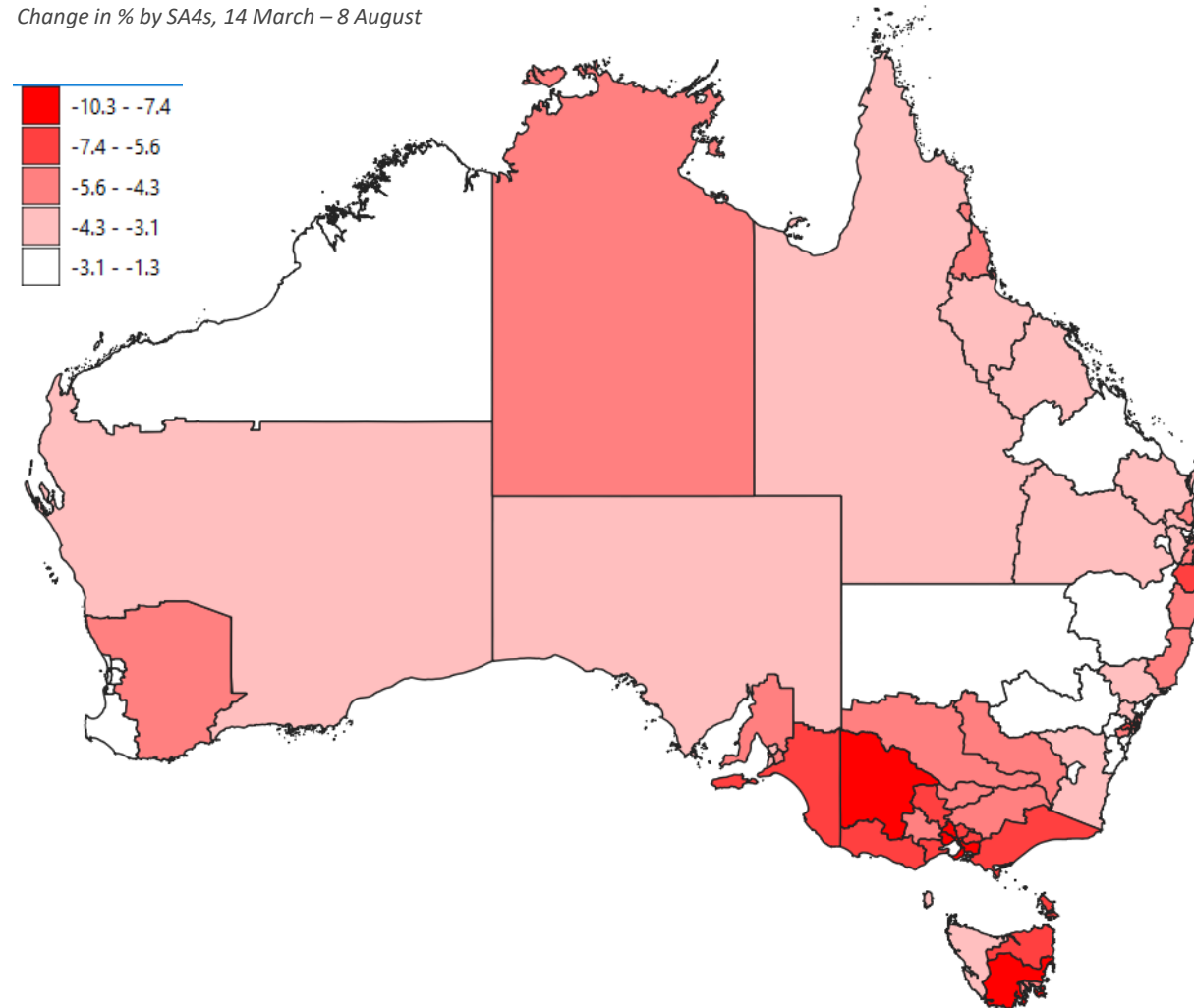
# Zooming in on the regional impacts

Understanding the local story to make informed decisions

# Initially, largest job impacts were in regional areas. This is starting to change as we move into the next phase

## Job changes by Region

Change in % by SA4s, 14 March – 8 August



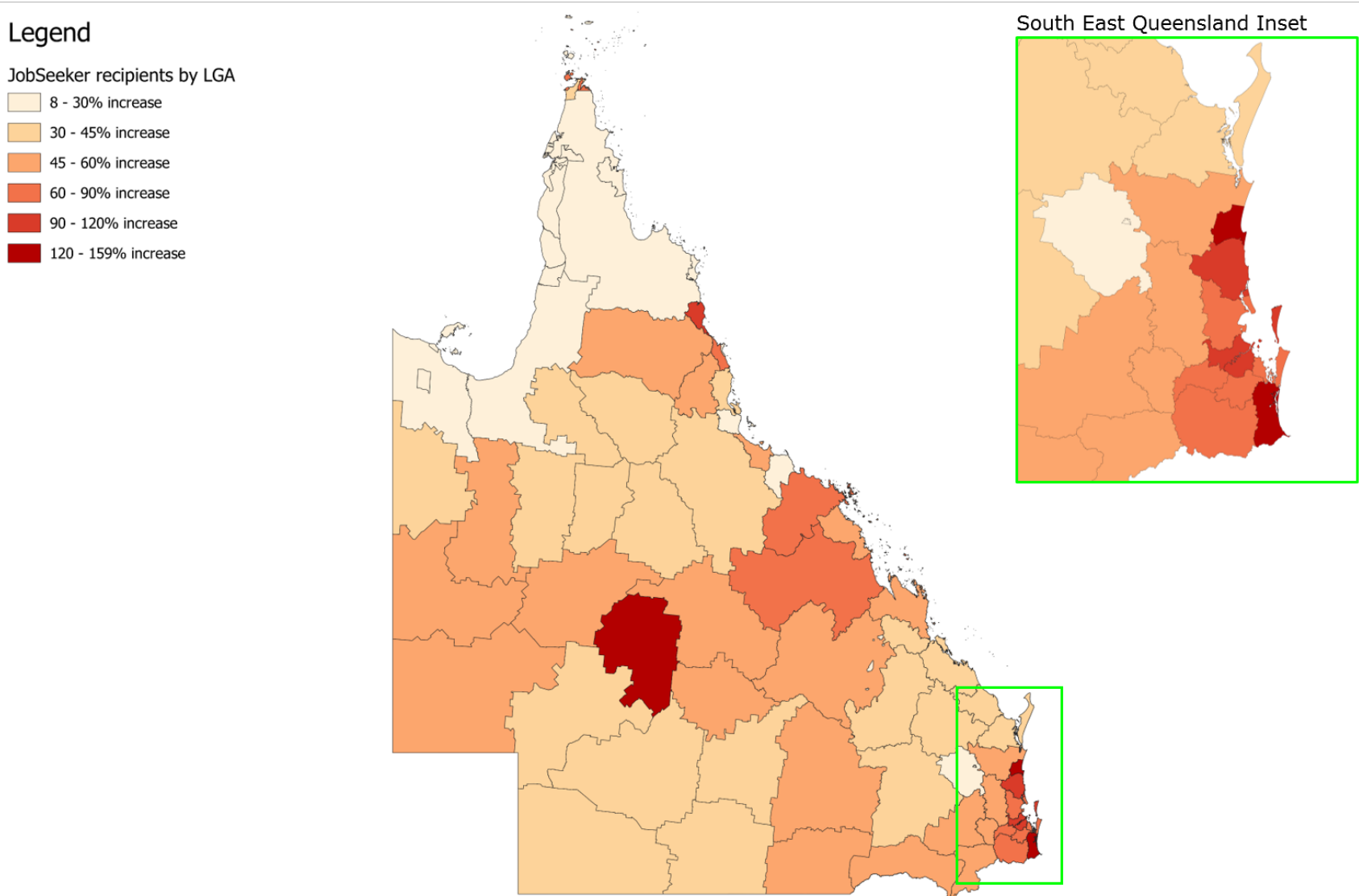
## Job Forecasts – Metro vs Regional

Annual % change

	2019/20	2020/21	2021/22	Return to Dec 2019 levels
Metro	-3.3%	0.3%	4.4%	Jun22+
Regional	-4.3%	0.5%	6.1%	Mar-22



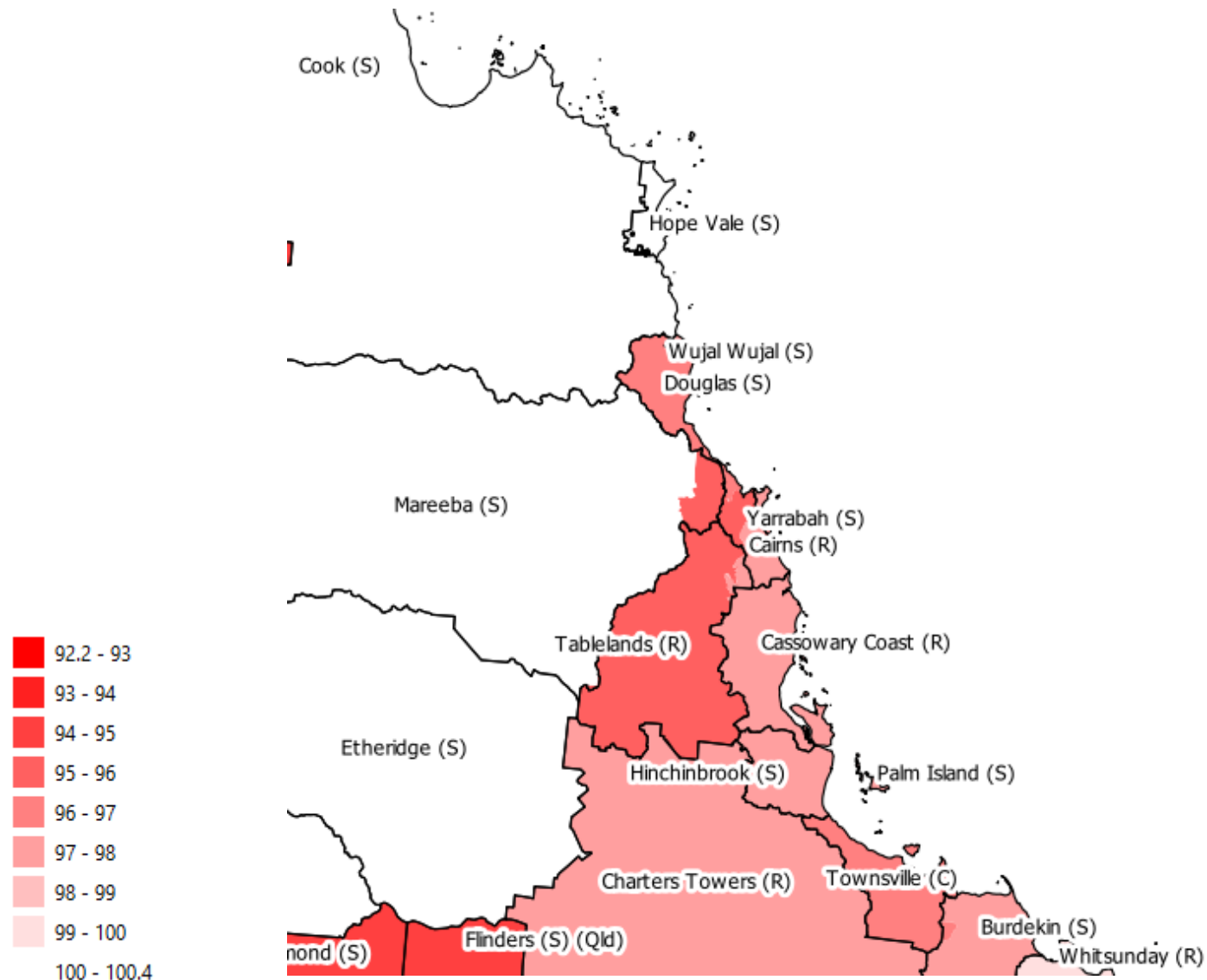
# LGA jobseeker changes QLD



Queensland JobSeeker figures (March - August 2020)

# Change in Payroll to Mid September

Index 100 = 14 March

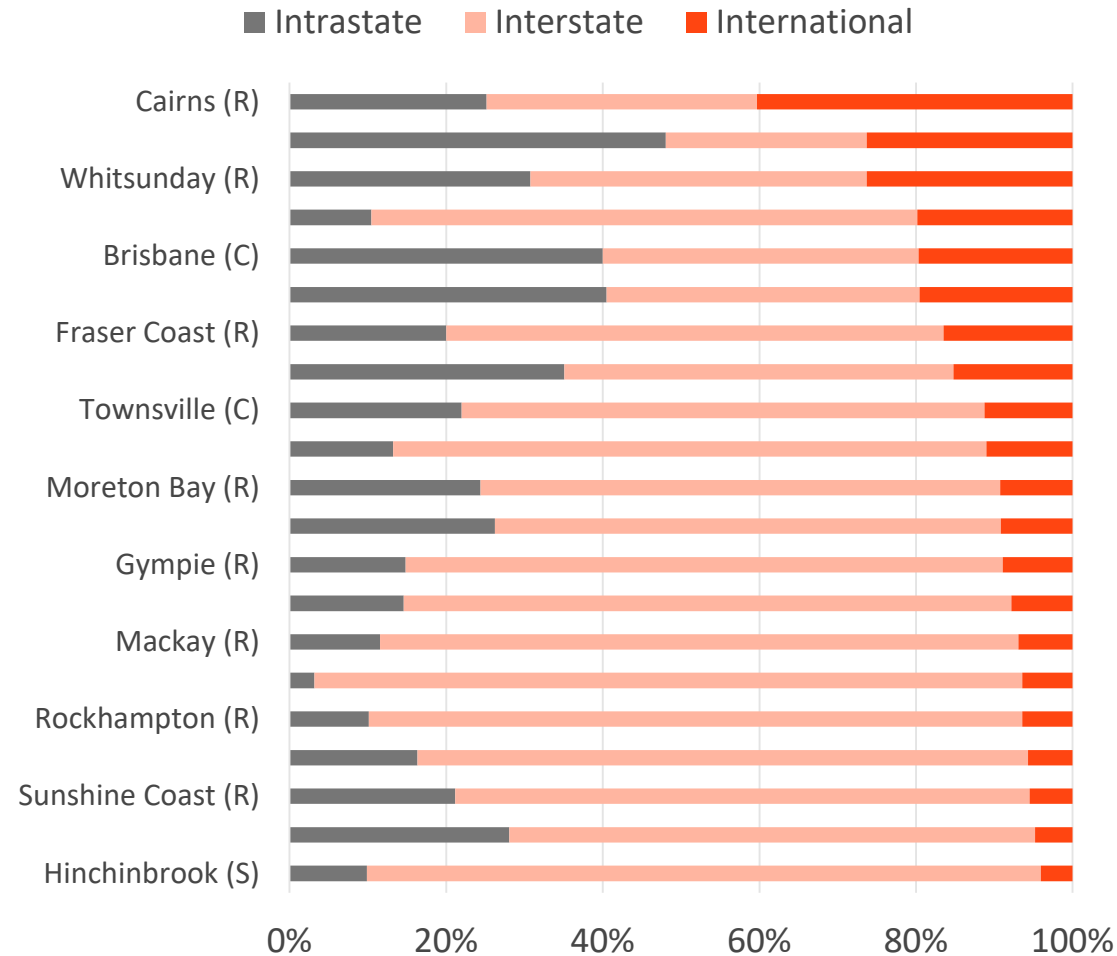


Source: ABS Weekly Payroll Jobs and Wages in Australia, Sept. 2020

# Significant impact on tourism destinations. Need to focus on domestic tourism to fill the gap

## Exposure to tourists

% of total visitation



## Opportunity to capture domestic market



International visitor spend

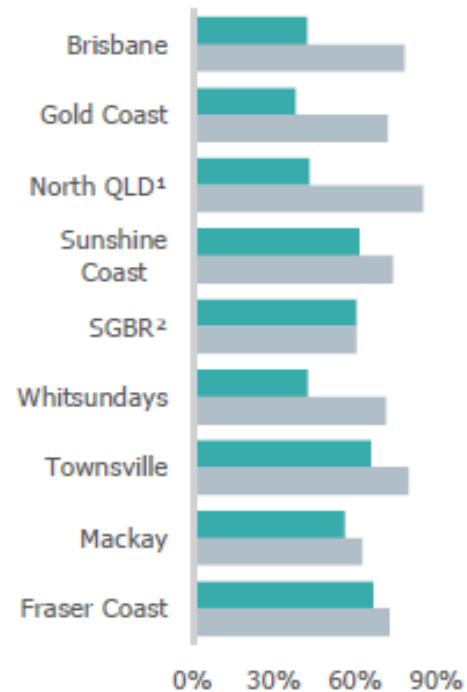
**\$42 billion**

Australian spend on overseas holidays

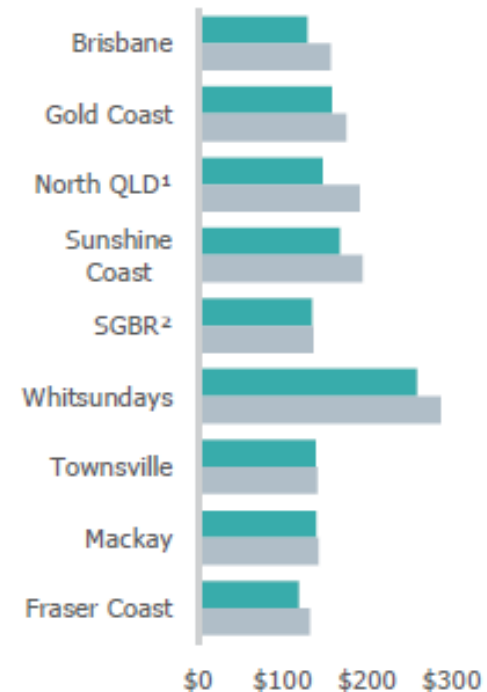
**\$43 billion**

# Accommodation occupancy down, Average Daily Rate down

## Occupancy by Region



## ADR by Region



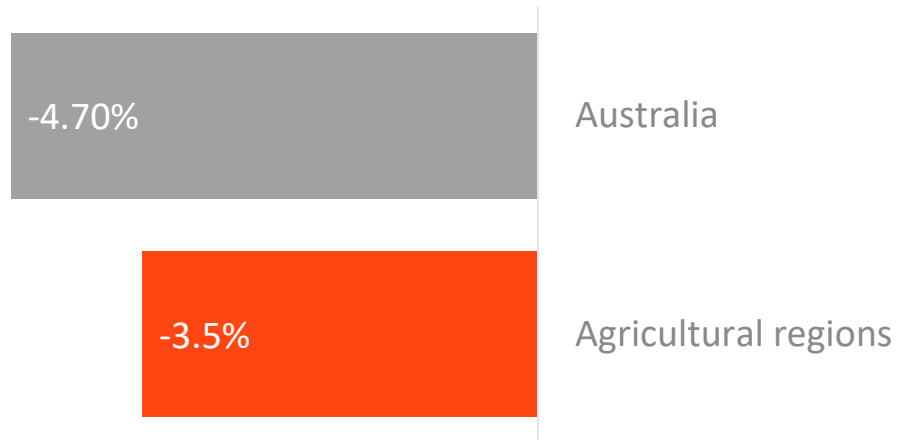
■ August 2019

■ August 2020

# Agricultural regions less exposed to initial COVID-19 impacts but challenges remain

## Employment impacts on agricultural regions

Forecast impact June 2019 vs June 2020



### Agricultural regions

Before:

- Bushfires
- Drought

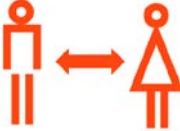


COVID-19 initial impacts:

- Demand from panic buying
- Export channels impacted
- Supply chain disruption

Next:

- Local demand softening
- Global economic growth weak
- Essential food demand remains high

# Framework to understand regional impacts

	Economic impacts	Industry impacts	Geographic & place impacts
<b>Social distancing impacts</b> 	<ul style="list-style-type: none"><li>● Business closure</li><li>● Industry constraints</li><li>● Border closures</li><li>▼ Visitation/customers, rebound from domestic market</li></ul>	<ul style="list-style-type: none"><li>- Food and Accom</li><li>- Art and Recreation</li></ul>	International tourism destinations CBDs / Activity Centres
<b>Falling investment and spending</b> 	<ul style="list-style-type: none"><li>▲ Unemployment</li><li>▼ Household spending</li><li>▼ Business investment</li><li>▼ Export demand</li><li>▼ Population change</li></ul>	<ul style="list-style-type: none"><li>- Construction</li><li>- Business services</li><li>- International education</li><li>- Discretionary retail/services</li><li>- Export sectors (e.g. mfg, ag)</li></ul>	Metropolitan areas Export focused economies Population reliant regions Agricultural regions (drought/bushfires)
<b>Long Run Damage and Opportunities</b> 	<ul style="list-style-type: none"><li>? Structural change</li><li>? Youth disengagement</li><li>? Export competitiveness</li><li>? Tourism markets disrupted</li><li>? Supply chains</li></ul>	<ul style="list-style-type: none"><li>- Retail, Education, Finance</li><li>- Office markets</li><li>+ Local manufacturing</li><li>+ Online shopping channels</li><li>+ High quality food offer</li></ul>	Uncertain, important attributes: <ul style="list-style-type: none"><li>• Skills and training</li><li>• Entrepreneurial</li><li>• Collaboration</li><li>• Networks</li><li>• Agile</li><li>• Local amenity</li></ul>





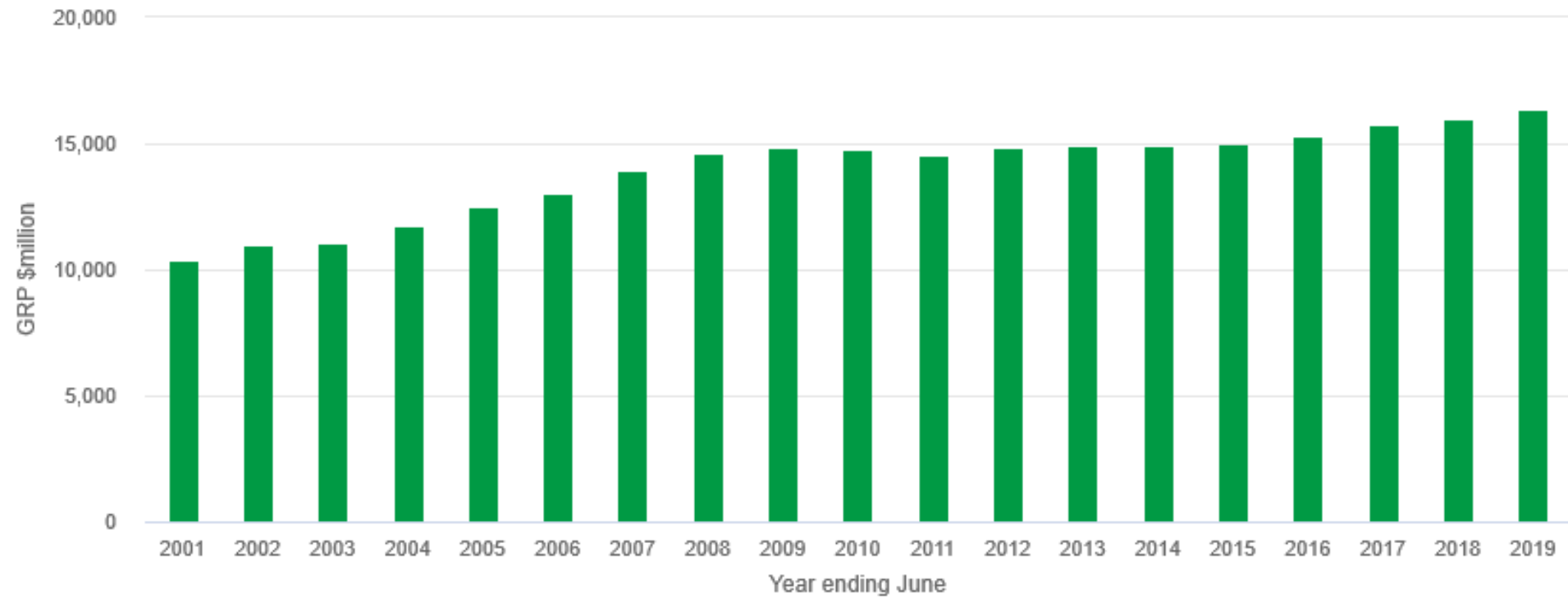
# Far North Queensland recovery

How is the FNQ Region performing?

## FNQ prior to Covid Health Crisis

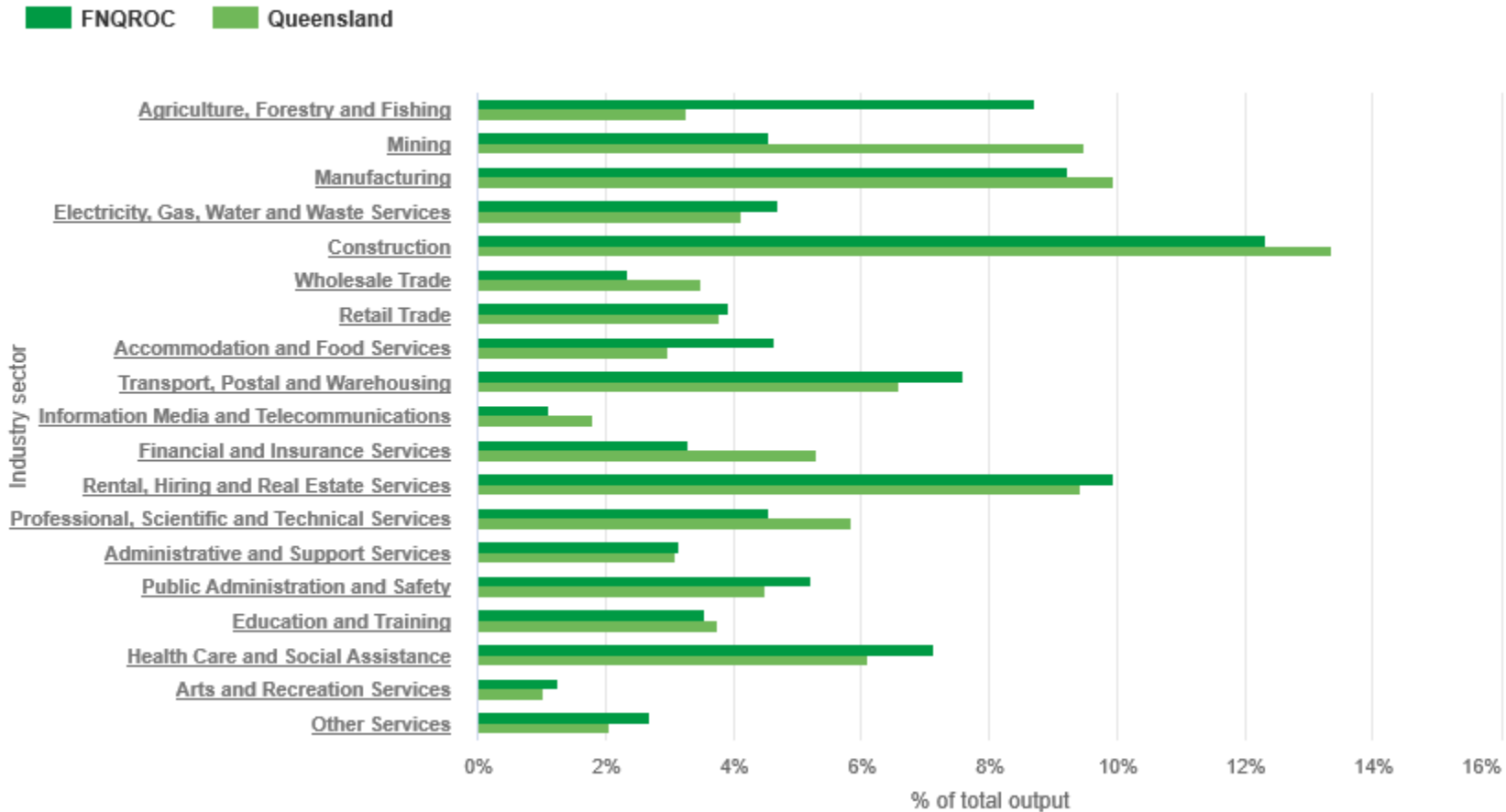
### Gross Regional Product

FNQROC



# FNQ industry profile more vulnerable to COVID 19

Output by industry sector 2018/19



# FNQ growth stronger than QLD; strength in the smaller regions

## Headline estimates - FNQROC

Impacts refer to September quarter 2020 compared to September quarter 2019

GRP change

**0.3%**

(Queensland: -3.1%)

Local job change

**-0.9%**

(-2.3% without the JobKeeper scheme)

Employed resident change

**1.8%**


(0.4% without the JobKeeper scheme)

### Sector impacts - Top 3 (without the JobKeeper scheme)

- Accommodation and Food Services (-4,775 local jobs)
- Transport, Postal and Warehousing (-847 local jobs)
- Arts and Recreation Services (-531 local jobs)

# FNQ growing stronger than QLD; varies region to region

COVID-19 Impacts by Region, Sept 2019 to Sept 2020

export 

■ FNQROC ■ Regional QLD ■ Queensland ■ Australia

with JobKeeper without JobKeeper



Source: National Institute of Economic and Industry Research (NIEIR) Version 2.1 (Sept 2020). ©2020 Compiled and presented in economy.id by .id the population experts.

# FNQ growth stronger than QLD; strength in the smaller regions

## Headline estimates - Hinchinbrook (S)

Impacts refer to September quarter 2020 compared to September quarter 2019

GRP change

**13.8%**

(Queensland: -3.1%)

Local job change

**2.5%**

(2.5% without the JobKeeper scheme)

Employed resident change

**0.6%**

(0.6% without the JobKeeper scheme)

## Headline estimates - Mareeba (S)

Impacts refer to September quarter 2020 compared to September quarter 2019

GRP change

**7.9%**

(Queensland: -3.1%)

Local job change

**3.5%**

(3.5% without the JobKeeper scheme)

Employed resident change

**6.0%**

(5.1% without the JobKeeper scheme)

## Headline estimates - Douglas (S)

Impacts refer to September quarter 2020 compared to September quarter 2019

GRP change

**-5.1%**

(Queensland: -3.1%)

Local job change

**-6.9%**

(-11.5% without the JobKeeper scheme)

Employed resident change

**0.7%**

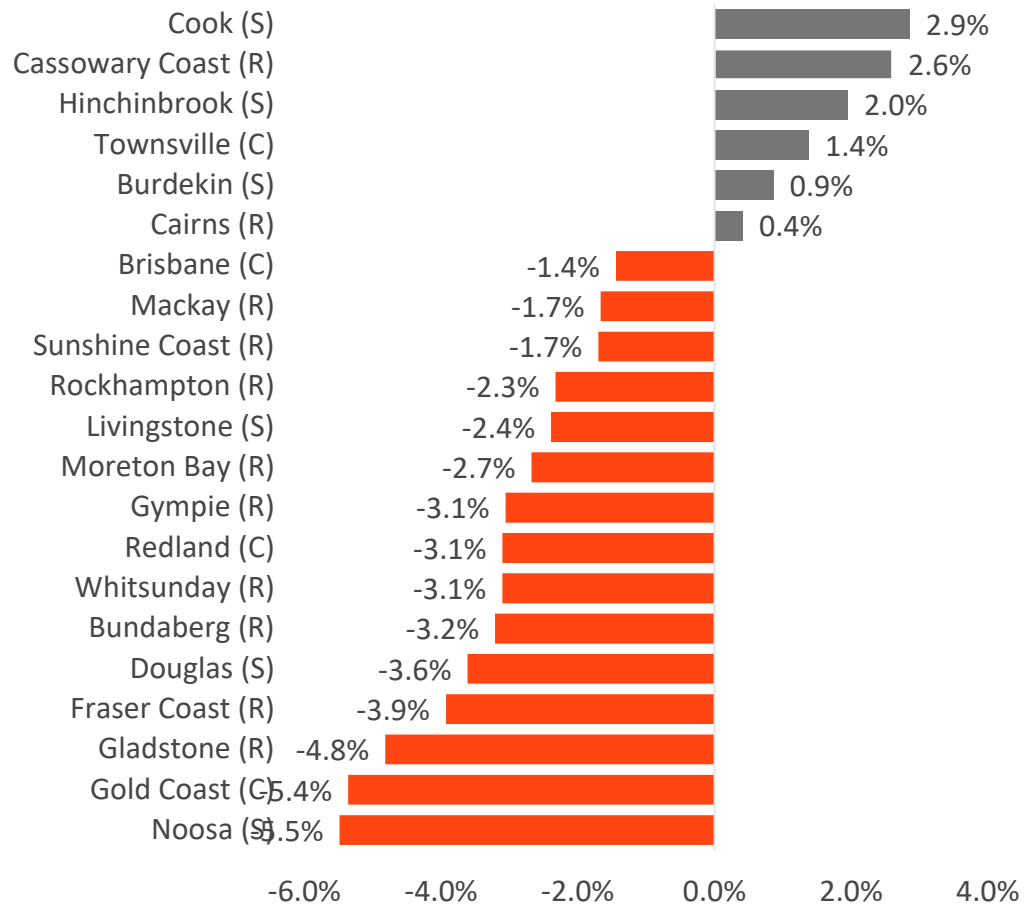
(-2.8% without the JobKeeper scheme)



# Economic Forecasts - Coastal QLD

## Local Job Forecast, 2020

2019 vs 2020 Calendar Year, % change

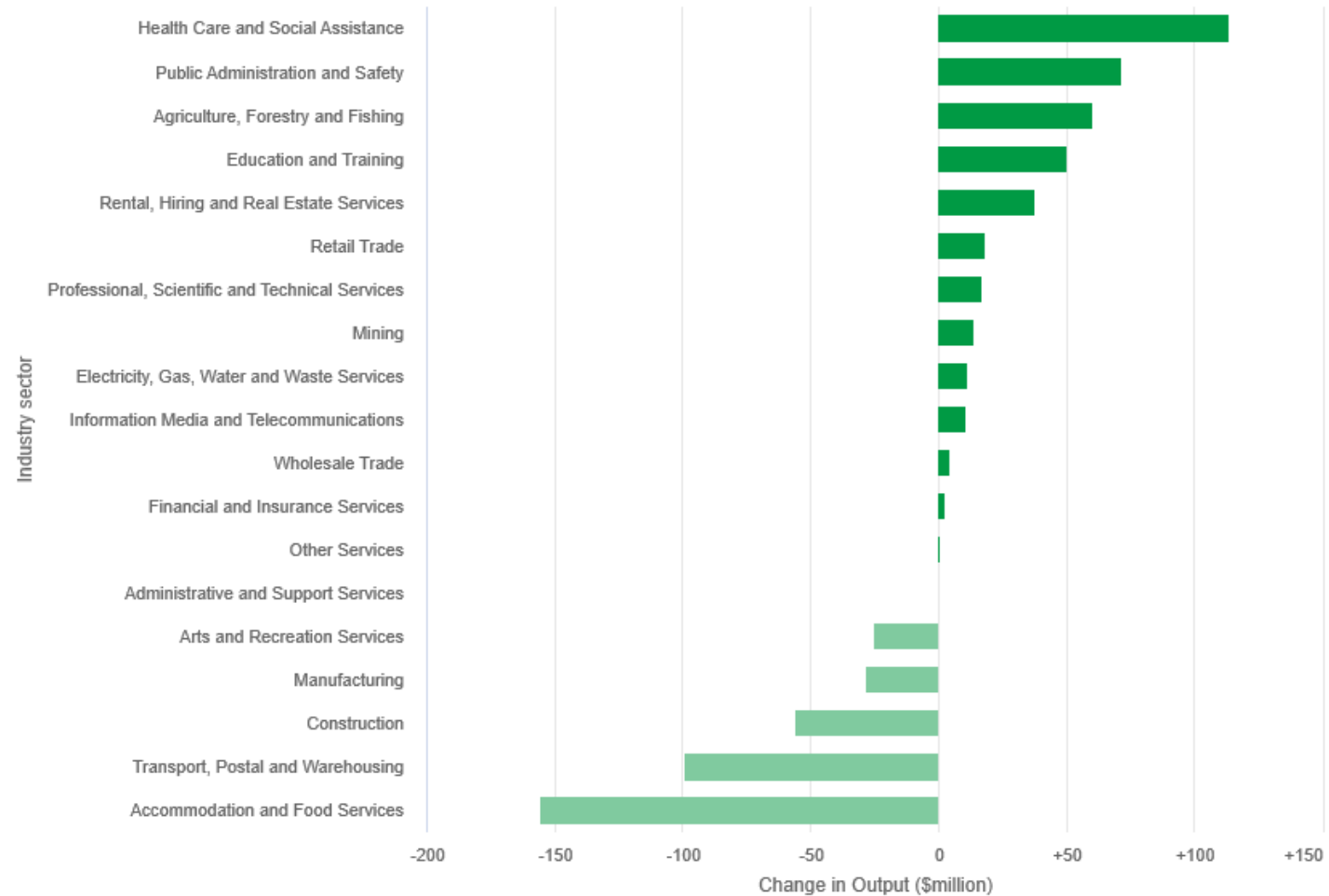


Source: NIEIR, COVID-19 Forecasts

# Some industries finding strength

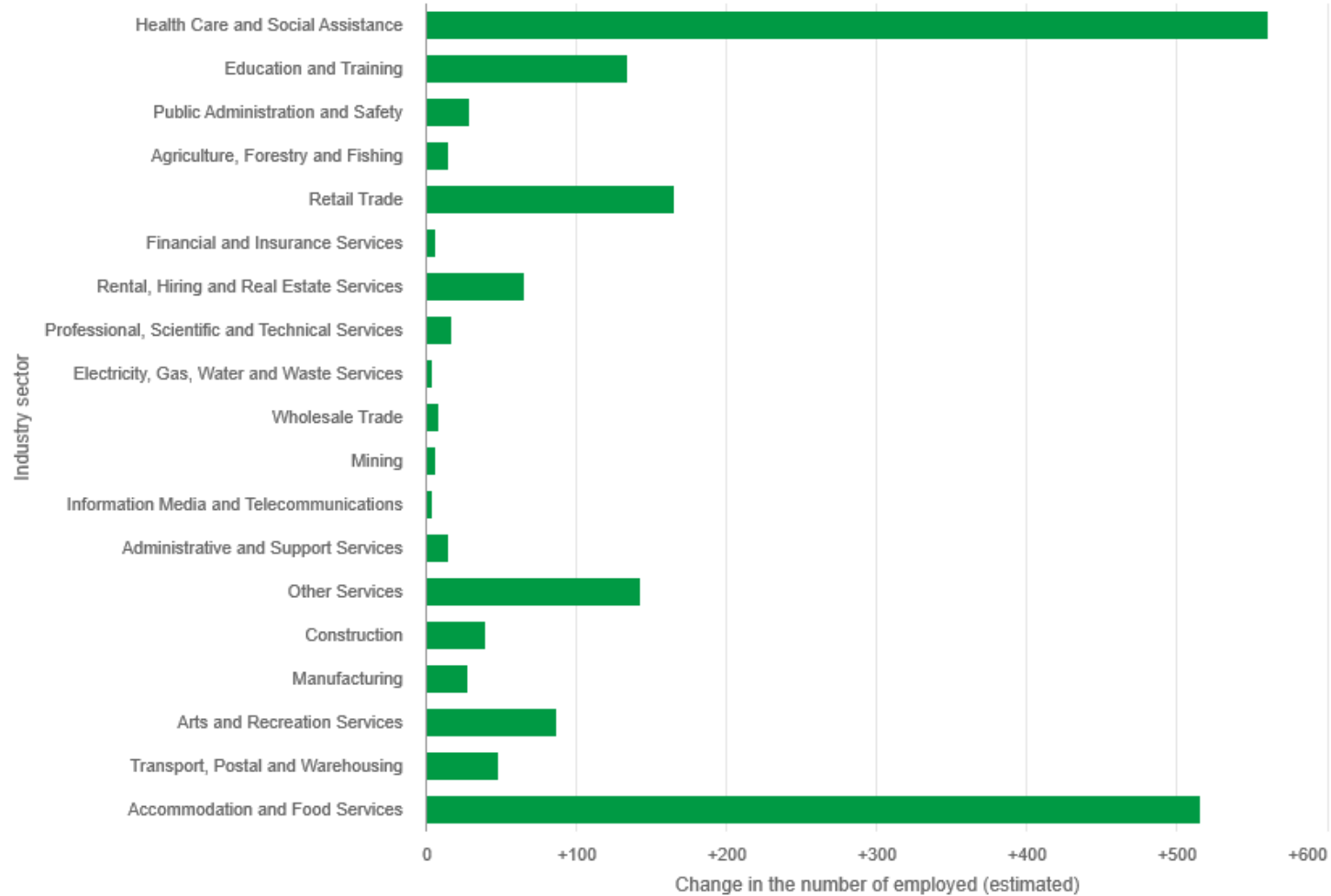
Output impact in Sept Quarter 2020 (compared to Sept quarter 2019)

FNQROC




# FNQ local jobs compensated by jobkeeper payments

Local Jobs Impact in Sept quarter 2020 (compared to Sept quarter 2019)



# Increased number of Jobseeker recipients, with some recovery since July

## JobSeeker March 2020 to September 2020, Far North Queensland Regional Organisation of Councils and benchmarks

export 

Total JobSeeker

■ September 2020   ■ March 2020



## JobSeeker July 2020 to September 2020, Far North Queensland Regional Organisation of Councils and benchmarks

export 

Total JobSeeker

■ September 2020   ■ July 2020



# Move to recovery

## Social distancing impacts



### Regional implications & challenges

- Tourism destinations
- Regional City CBDs / Activity Centres
- Border LGAs
- Access to skills

## Falling investment and spending



- Less exposed to service sector impacts (e.g. construction, business services)
- Less reliant on overseas migration to grow
- Export focussed regions impacted by falling local/global demand
- Weak capital cities growth will weigh on regional areas

## Long Run Damage and Opportunities



- Relatively low skill / education levels
- Online shopping impacts on retail / town centres
- Youth unemployment and disengagement
- Supply chains disrupted
- Holiday locations disrupted

## Opportunities

- **Tourism plans** to target return of domestic tourism
- **Activity Centres strategies** to deal with potential for higher vacancies
- **Infrastructure projects** / Grant Applications (highly competitive)
- Opportunities for **remote working** / knowledge outposts / coworking space
- **Agriculture / Food** – safe, high quality
- Grow **local manufacturing** and improve supply chain links with local industry (e.g. agriculture)
- **Transport/logistics** – growth in online shopping
- **Skills development** - changing demand, over-supply and shortages; training and development possible support avenue
- **Mental health programs** to support disadvantaged groups (e.g. youth, females, indigenous)
- Access new **JobTrainer** fund

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