City Pulse | Quarterly Report | January 2023

SYDNEY

ADELAIDE

MELBOURNE

BRISBANE

DARWIN

PERTH

HOBART

CANBERRA

COUNCIL OF CAPITAL CITY
LORD MAYORS

Ingenium Research

Contents

▌ Denotes that new data **has** been published since the October 2022 report

🔖 Denotes that new data **has not** been published since the October 2022 report

Summary

Personal insolvencies continue to trend downwards
- There were 155 personal insolvencies in Australia's capital cities in the July to September 2022 quarter, down from 164 in the previous quarter

Payroll jobs are higher than pre-pandemic in all but one capital city
- Sydney remains -5% below pre-pandemic levels, while Adelaide is (+16%) has the highest levels since pre-pandemic

Unemployment rates remain at historic lows
- Perth Inner has the highest unemployment rate (4.7%), while Australian Capital Territory has the lowest (2.2%)

Inbound airport passenger numbers continue to recover but remain lower than pre-pandemic
- In September 2022 there were -37% international and -10% fewer regional and domestic inbound passengers compared to September 2019

The number of international students in Australia is -22% lower than pre-pandemic
- Victoria has -28% fewer international students in October 2022 than in October 2019
- New South Wales has -20% fewer international students in October 2022 than in October 2019

The lingering impact of the pandemic on people's behaviours continues to be highlighted in mobility data
- In October 2022 , visits to retail & recreation, transit station and work locations remained lower than the pre-pandemic baseline
- At the same time, a higher number of people can be found in residential locations than pre-pandemic

City Pulse – POPULATION

Total Population by Capital City Local Government Area
Australian Bureau of Statistics, Regional Population: Accessed 4 January 2023
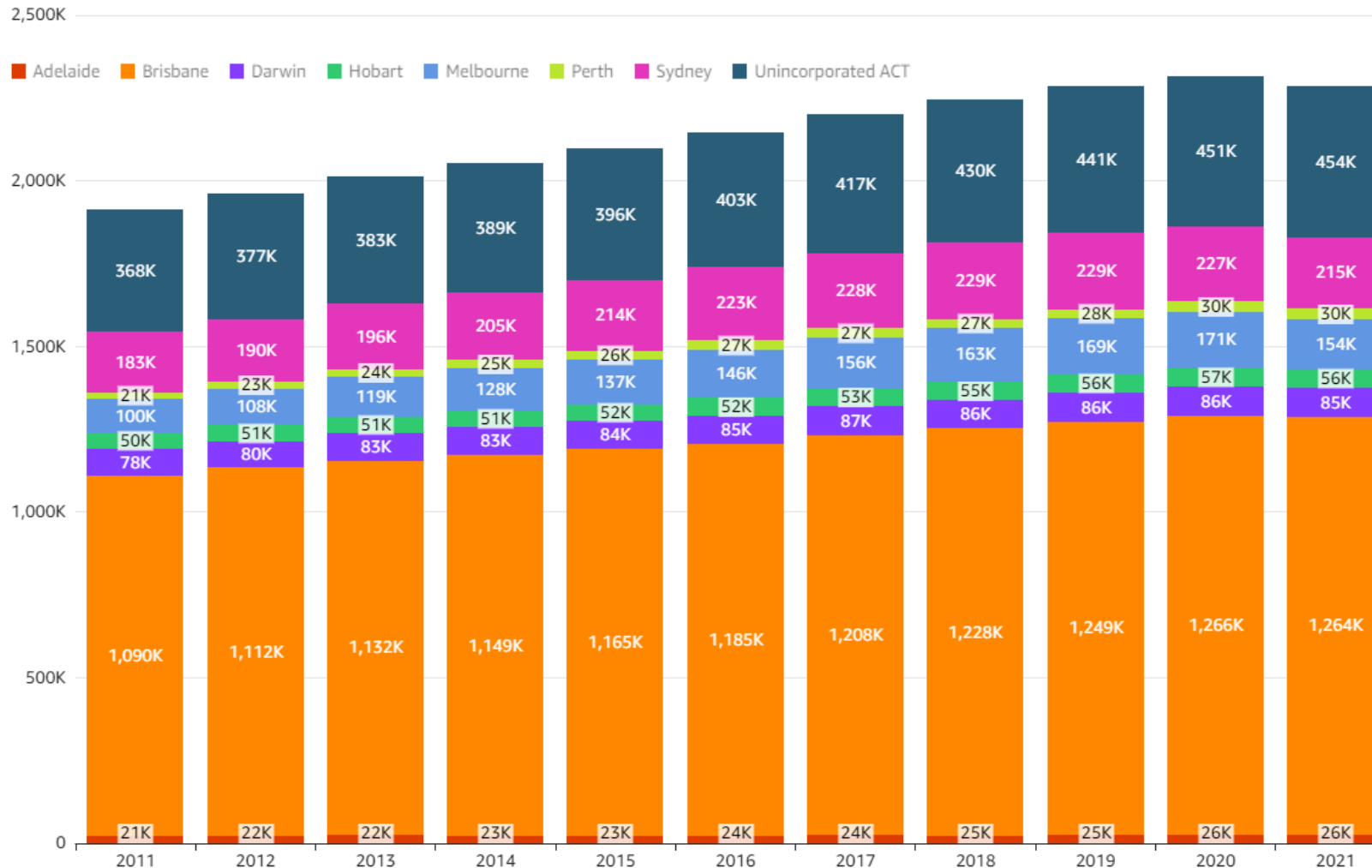
An important consideration when comparing aggregated data in Australia's capital city Local Government Areas (LGAs) is the wide variation in the population and geographic size of each council area. For example, as of 30 June 2021, Brisbane's population was estimated to be 1.3 million, representing 55% of the total capital city population and covering a much larger geographic area than the other capital city LGAs, while Adelaide's 2021 population was 26,000.

In the ten years from 2011 and 2021, the total population residing in Australia's capital city LGAs rose by 19%, growing from 1.9 million to 2.3 million. Melbourne experienced the greatest percentage growth in population across this time period (+53%), followed by Perth (+39%), the ACT (+23%) and Adelaide (+22%).

Following the onset of the pandemic, the population in Australia's capital cities fell by 1.3% between 2020 and 2021. The cities with the with greatest falls in residential population between 2020 and 2021 were Melbourne (-10% / -17,000), Sydney (-5% / -12,000) and Hobart (-1.8% / -500). During the same period, the ACT experienced a small increase (+0.6% / +3,000).

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City Pulse – ECONOMIC – Establishments

Employing Establishments by Capital City Local Government Area

Australian Bureau of Statistics, Counts of Australian Businesses, including Entries and Exits: Accessed 4 January 2023
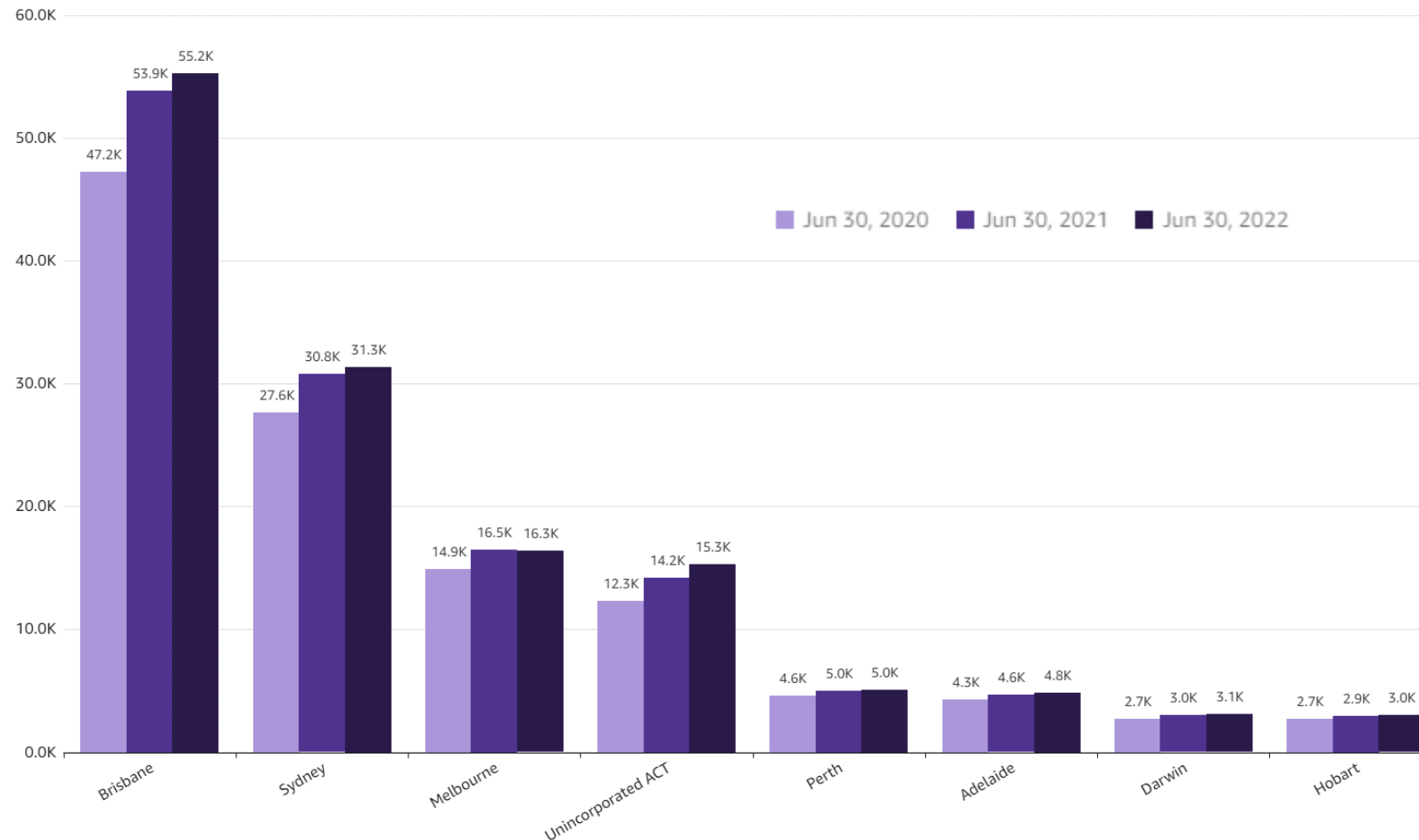
On 30 June 2022 there were 330,319 actively trading businesses within Australia's capital city LGAs. Of these, only 41% had employees. Between 2021 and 2022, the number of employing business increased by 2.5% (+3,318), while the number of non-employing businesses increased by 7% (+12,000). The growth in employing business was driven by the 1-19 employee business size band (+2.5% / +2,979).

The sector with the greatest growth in employing business between 2021 and 2022 was *Professional, Scientific and Technical Services* (+847/+3%). This sector accounts for 25% of all employing business within Australia's capital cities, followed by *Construction* (10%) and *Accommodation and Food Services* (10%). With the exception of Perth and Melbourne, all capital cities experienced growth in these three sectors between 2021 and 2022, with Melbourne being the only city to decline overall.

The capital city with the greatest numeric growth in employing business between 2021 and 2023 was Brisbane (+2,785/+3%).
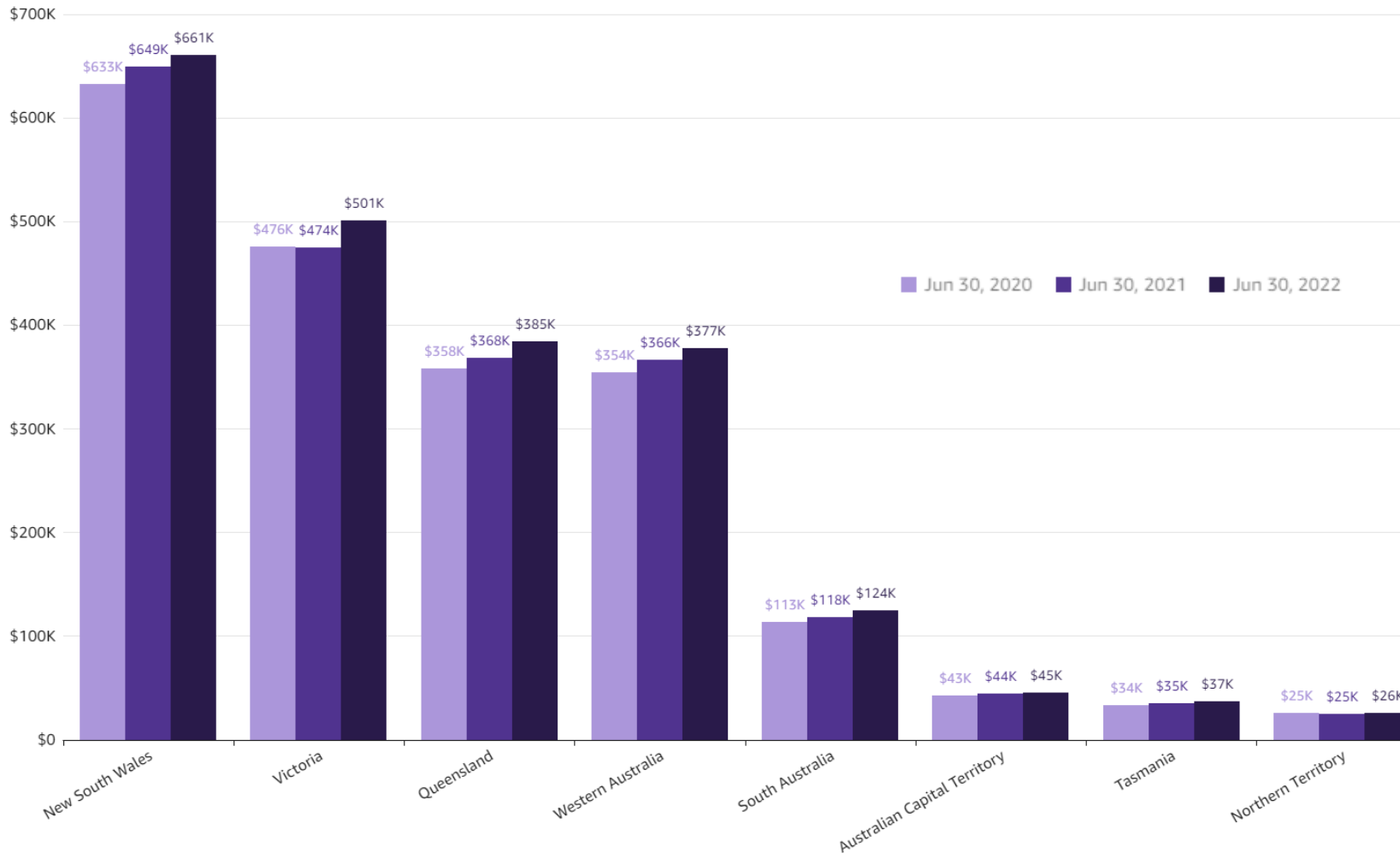
The capital city with the greatest percentage growth in employing business between 2020 and 2021 was the ACT (+2,162/+8%).

City Pulse – ECONOMIC – Gross State Product

Gross State Product ($m) – Chain Volume Measures by State / Territory

Australian Bureau of Statistics, Australian National Accounts: State Accounts: Accessed 4 January 2023

Australia's economy grew by 3.5% between 2021 and 2022 – a faster rate than in between 2020 and 2021 (+2.2%). The states and territories experienced the following change in GSP between 2021 and 2022:

- Victoria +5.6%
- South Australia +5.1%
- Northern Territory +4.7%
- Queensland +4.4%
- Tasmania +4.3%
- Western Australia +3.1%
- Australian Capital Territory +1.9%
- New South Wales +1.8%

The strong growth in Victoria was driven by Construction, Health and Transport activities.

The growth in South Australia was driven by Agriculture, Construction and Manufacturing.

In the Northern Territory Mining was the driver behind growth in GSP, following a contraction in the previous year.
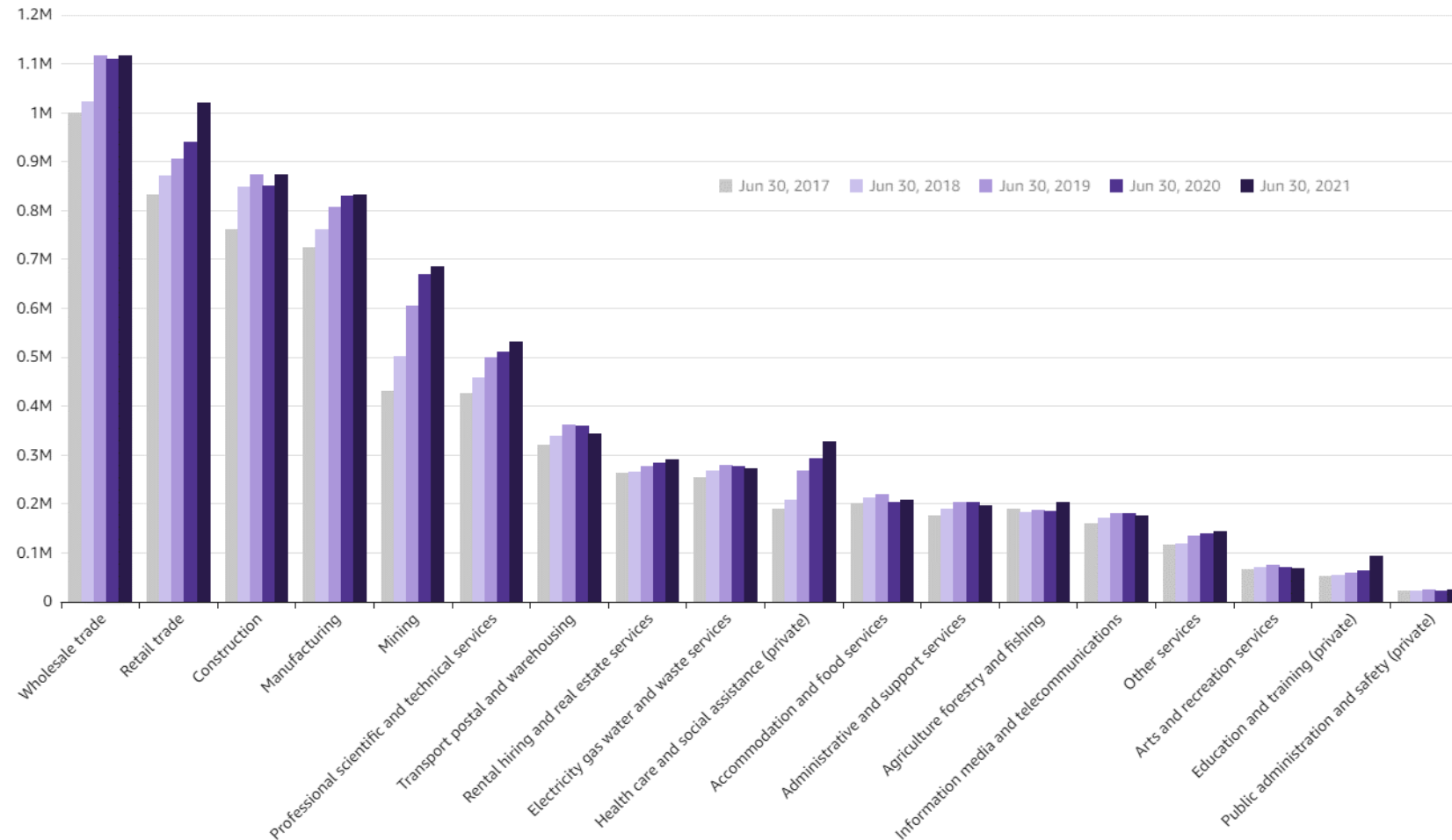
The smaller lower in New South Wales has been attributed to less spend on retail, Food and Accommodation during the Delta pandemic lockdowns and border closures.

City Pulse – ECONOMIC – Sales & Service Income

Sales and Service Income ($m) – Australia

In the ten years leading up to June 2021, the three sectors which experienced the greatest increase in sales and service income in Australia have been:

- *Mining,*
- *Retail Trade, and*
- *Construction.*

During the same period, the three sectors with the greatest percentage increase were

- *Education and Training (Private),*
- *Health and Social Assistance (Private), and*
- *Mining.*

Between 2018/19 and 2019/20, *Arts and Recreation Services'* sales and service income was the sector impacted the hardest by the pandemic, with a loss of -8.8%, this was followed by a further decline of -1.9% in the 2020/21 financial year.

Accommodation and Food Services had a similar decline between June 2019 and June 2020, followed by an increase of 2.8% in the 2020/2021 financial year.

City Pulse – ECONOMIC – Personal Insolvencies

Personal Insolvencies by Local Government Area
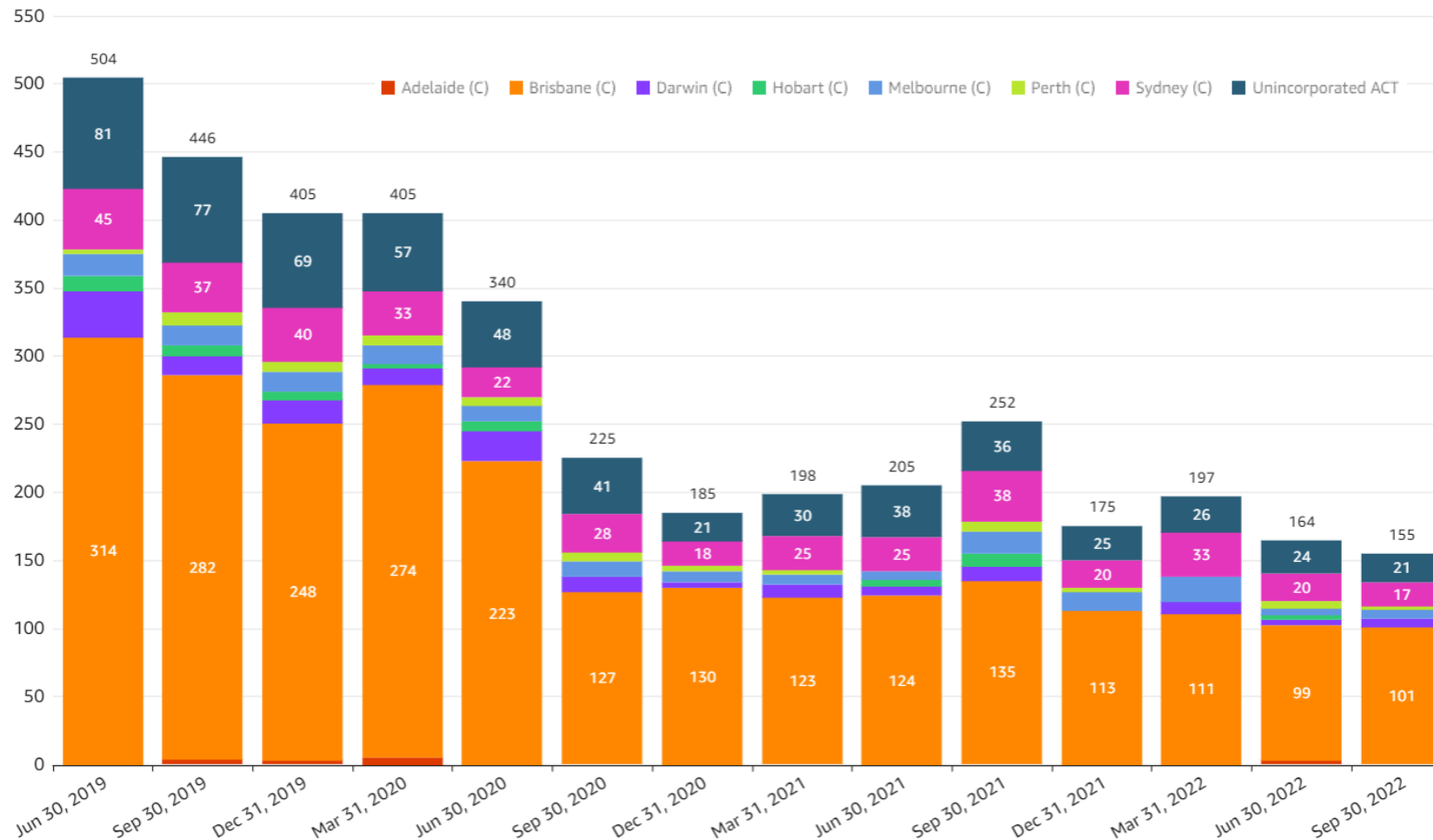
Personal insolvencies are defined as debtors who become bankrupt or enter into a debt agreement or personal insolvency agreement.

The number of personal insolvencies in Australia's capital cities have been on a downward trajectory since the start of the COVID-19 pandemic.

In the latest quarter for which data is available (July to September 2022) there were 155 personal insolvencies registered. This is lower than the previous quarter (164).

In the July to September quarter 2022, the majority of personal insolvencies were recorded in Brisbane (101), followed by the ACT (21) and Sydney (17).

There were 7 personal insolvencies recorded in Melbourne, 6 in Darwin, and 3 in Perth. No personal insolvencies were recorded in Hobart and Adelaide in the most recent quarter.
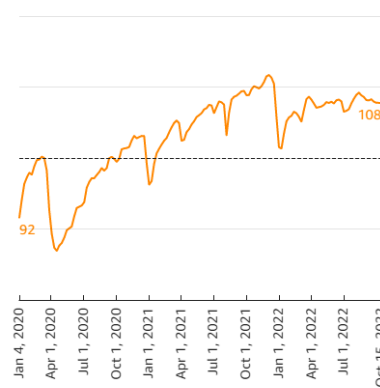
Indexed Payroll Employment by Statistical Area 3 (SA3)

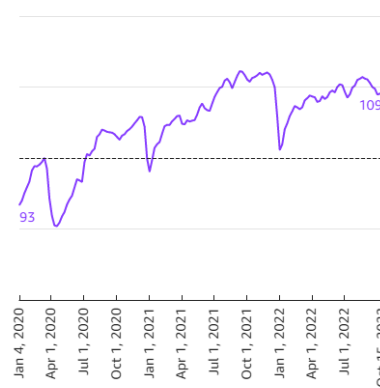Australian Bureau of Statistics, Weekly Payroll Jobs and Wages in Australia: Accessed 4 January 2023

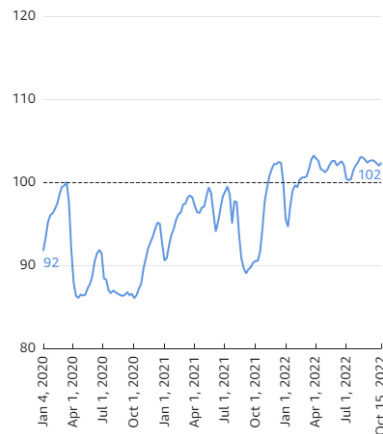Payroll jobs as reported via Single Touch Payroll to the Australian Taxation Office. All jobholders regardless of age or residency status are included. Data is indexed to the week ending 14 March 2020.

On 15 October 2022, the capital city SA3 with the greatest percentage increase in payroll jobs recovery since the pre-pandemic baseline week was Adelaide (+16%), followed by Darwin and Hobart (both +9%).

Sydney (-5%) is the only capital city continuing to record payroll jobs below the pre-pandemic baseline, while Melbourne's payroll jobs are just above pre-pandemic levels (+2%).

Across Australia, *Health Care & Social Assistance* and *Administrative & Support Services* are the industries with the greatest rise payroll jobs since the pre-pandemic baseline (both +16%, as of 12 November 2022).

Following a challenging few years for the sector, *Accommodation and Food Services* employment is +7% higher than pre-pandemic levels.

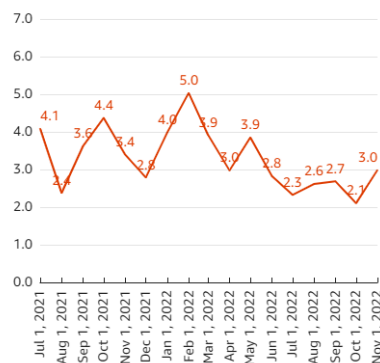*Manufacturing* is the only sector with employment below the pre-pandemic baseline (-2%).
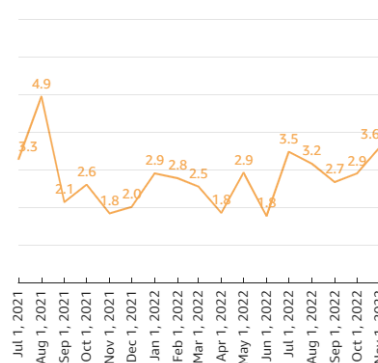
City Pulse – LABOUR FORCE – Unemployment

Unemployment Rate by Statistical Area 4 (SA4)

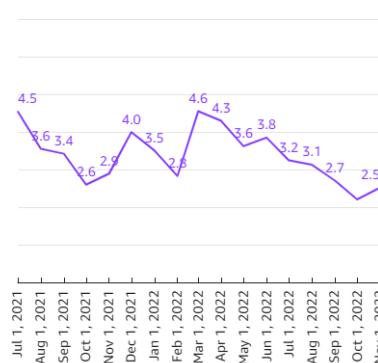Australian Bureau of Statistics, Labour Force, Australia, Detailed: Accessed 4 January 2023
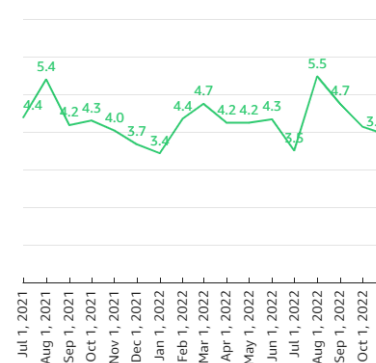
Adelaide Central and Hills

Brisbane Inner City

Darwin

Greater Hobart (GCCSA)

Melbourne Inner

Perth Inner

Sydney - City and Inner South
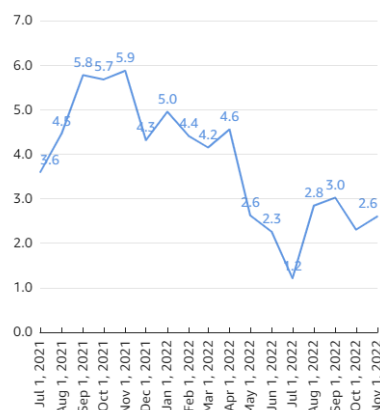
Australian Capital Territory

During the pandemic, Australia's unemployment rate reached a peak of 7.4% in July 2020. Since that date, it has been on a steady decline and, as of November 2022, the unemployment rate across Australia was just 3.5%.

The most recent data shows that the Australian Capital Territory is the capital city SA4 with the lowest employment rate (2.2%), followed closely by Darwin (2.5%).
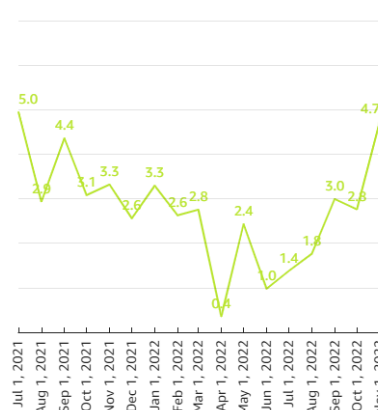
Perth Inner (4.7%) has the highest unemployment rate; an increase from 2.8% in October 2022.

In five out of the eight capital cities, there has been a slight increase in the unemployment rate between October and November 2022.
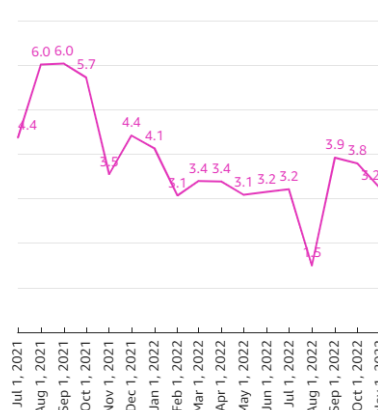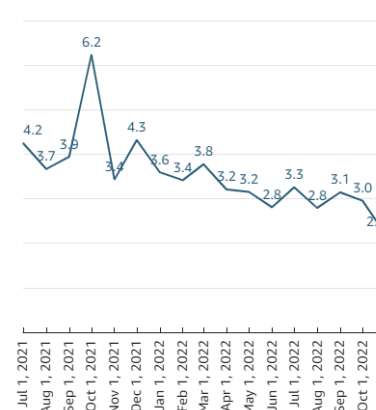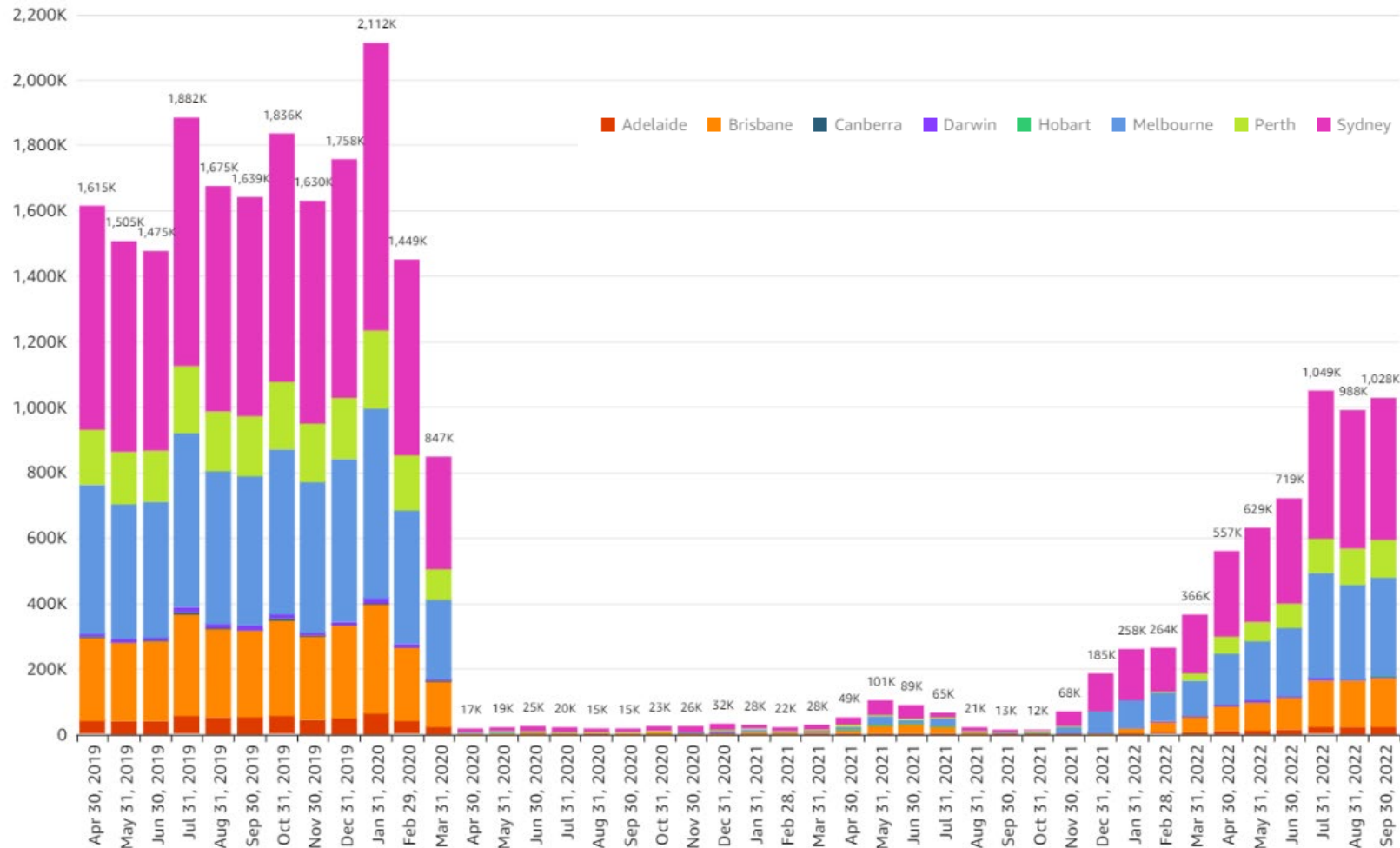
*The ABS do not publish Hobart SA3 unemployment data and so Greater Hobart Greater Capital City Statistical Area (GCCSA) is shown instead.

City Pulse – MOBILITY – Airport Passengers

Inbound International Airlines Revenue Passengers by City

The latest airport traffic data shows that while inbound **international** passenger numbers are increasing, they remain well below pre-pandemic levels. In September 2022, there were 1,028k inbound passengers; -37% fewer than in September 2019 (1,639k).

In September 2022, most international passengers to the capitals arrived in Sydney (42%), followed by Melbourne (29%) and Brisbane (14%). This compared to 41%, 28% and 16% respectively in September 2019.

The number of international passenger arrivals in Adelaide was 56% lower in September 2022 compared to September 2019, while international arrivals to Darwin (-46%), Brisbane (-44%), Perth (-36%), Melbourne (-35%), and Sydney (-35%) also remained lower than in September 2019.

International inbound flights from New Zealand to Hobart recommenced in July 2022, while international inbound flights to Canberra remained paused.

Domestic and regional inbound passengers have continued to make more gains towards recovery. In September 2022, there were 3.5m inbound domestic and regional passengers, compared to 3.9m in September 2019 (-10%). In July 2022, 74% of domestic and regional passengers to the capitals arrived in Sydney (28%) followed by Melbourne (27%) and Brisbane (19%).

International Student Enrolments by State / Territory

Australian Trade and Investment Commission, Education Data: Accessed 4 January 2023
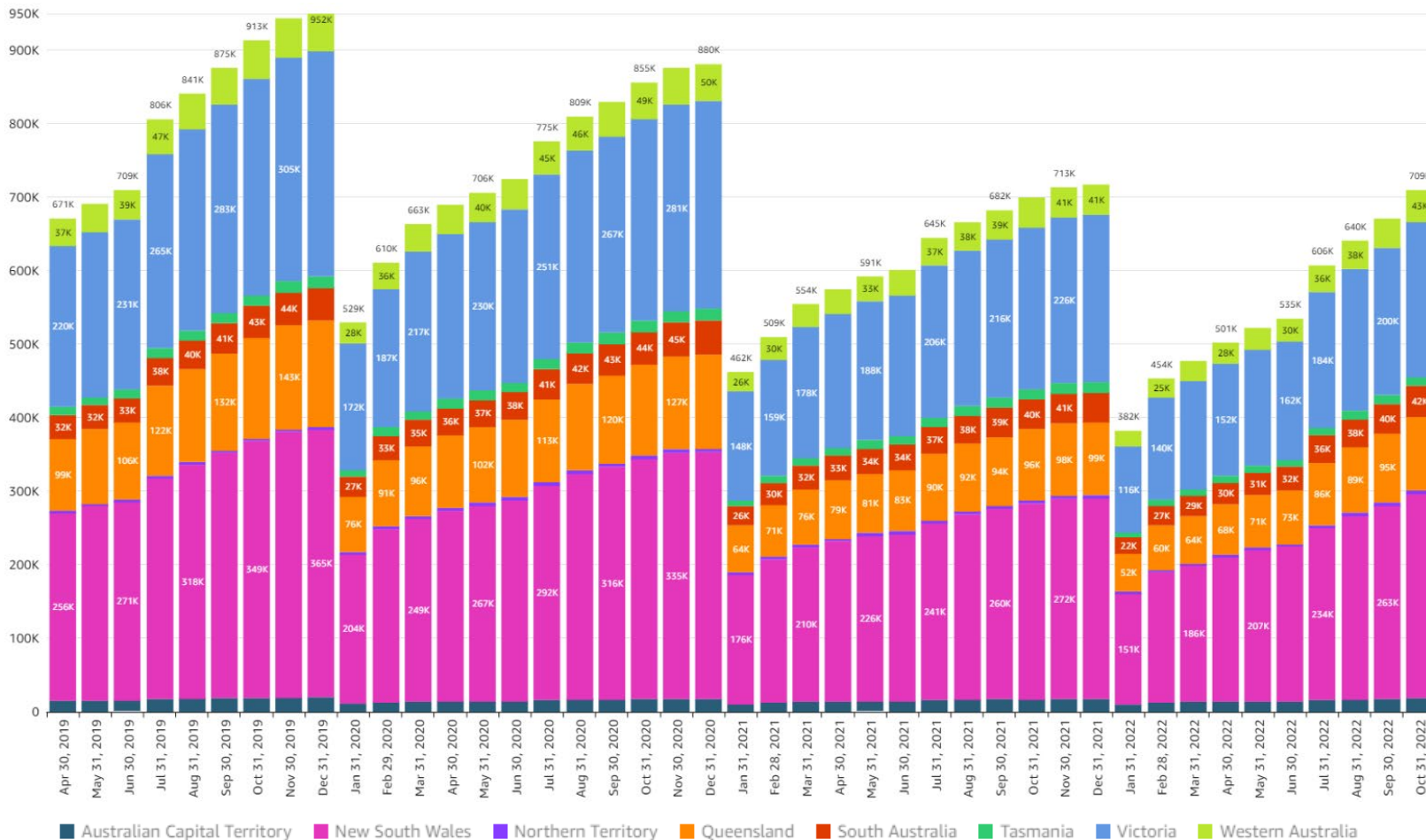
At the height of the pandemic, international borders were closed, and international students were unable to travel to Australia, impacting the number of student enrolments (including students from schools, vocational education, higher education and ELICOS).

Most Australian international students enrolled in courses in October 2022 were in higher education (50%) or vocational education and training (37%).

In October 2022, there were 709k international students enrolled in Australian courses. This compares to 913k in October 2019; a fall of -204k / -22%.

New South Wales (39%) and Victoria (30%) host the largest share of international students. The number of international students in these states fell by -20% and -28% respectively, between October 2019 and October 2022.

Most international students in Australia are from China (24%), followed by India (17%). Between October 2019 and October 2022, the number of international students from China studying in Australia fell by -32% (-80k), while the number from India fell by -10% (-13k).
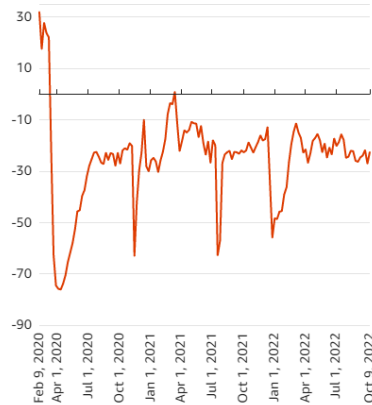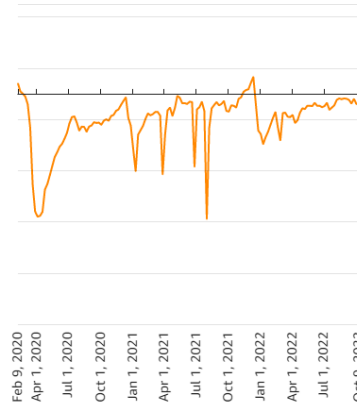
City Pulse – MOBILITY – Retail/Recreation Visits

Indexed Retail and Recreation Mobility by Local Government Area
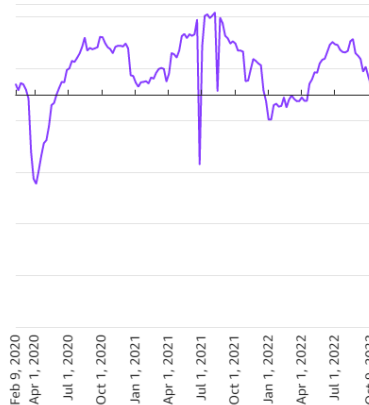
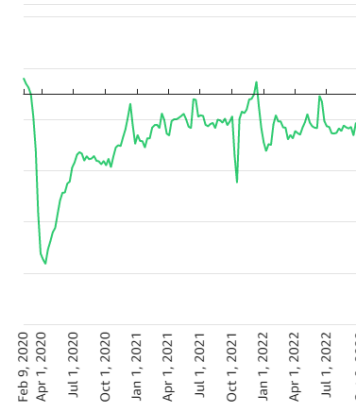Google, Global Mobility Reports: Accessed 4 January 2023

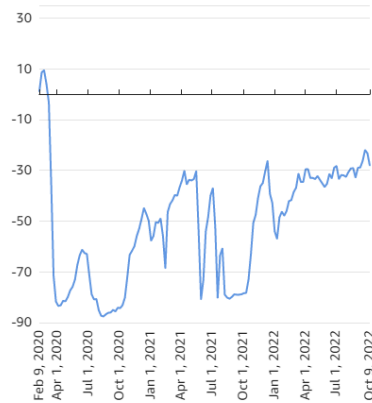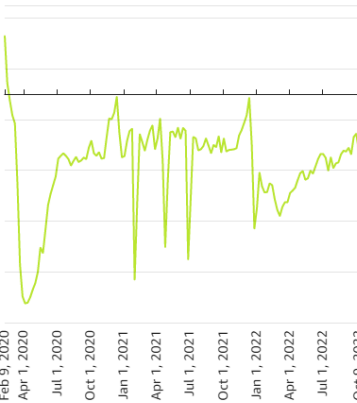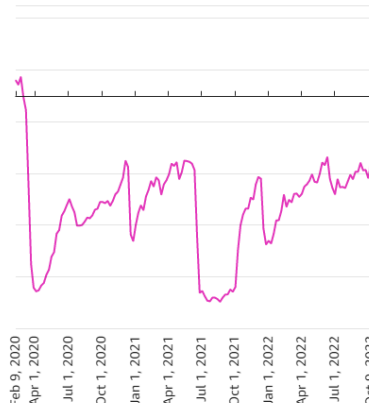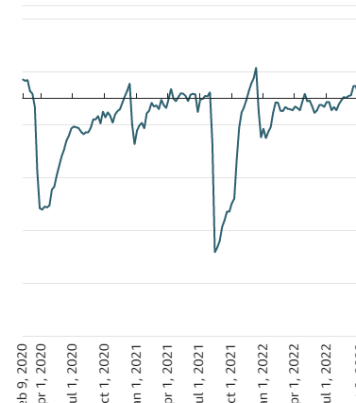From the beginning of the pandemic to 15 October 2022, Google* provided data on the number of people visiting retail and recreation sites around the world. These sites were particularly hard-hit during the pandemic, with large falls in visitor numbers. In Australia, the greatest drops were was experienced in Melbourne (-88% in August 2020), followed by Perth in April 2020 (-82%) and Sydney in August 2021 (-80%).

The latest data shows that Darwin continued to show the greatest recovery within these spaces (+4%), followed by the ACT (+2%) and Brisbane (-4%).

The data suggests that fewer people were using public transport, although the numbers were trending upwards. Perth (-1%) and Darwin (-13%) were showing the greatest recovery around transit stations, while Melbourne (-37%) and Hobart (-33%) were the lowest.

Many people continued to work from home. More people were identified in residential areas in Melbourne (+9%), Sydney (+8%), Adelaide (+7%)and Perth (+6%), for example, when compared to the pre-pandemic baseline. At the same time, fewer people were identified in work-based locations, such as in Sydney (-26%), Melbourne (-13%), Brisbane (-8%), and Hobart (-5%).

* Google is no longer updating mobility data, so the January 2023 report will be the last time this dataset is updated
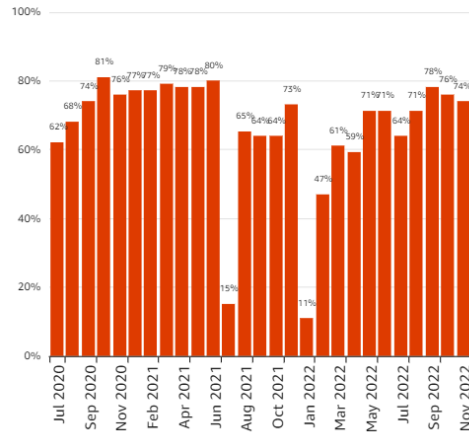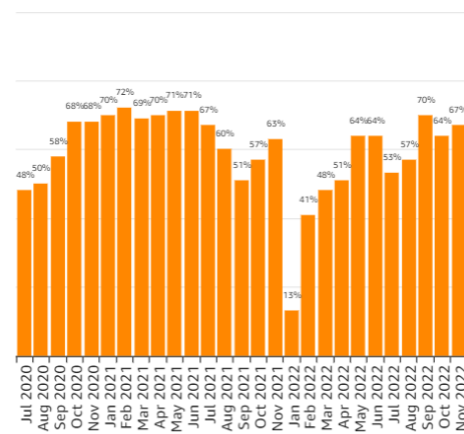
City Pulse – ECONOMIC – Office Occupancy

Levels of occupancy in office buildings as a percentage of the pre-pandemic rate by city

Property Council of Australia: Accessed 10 January 2023

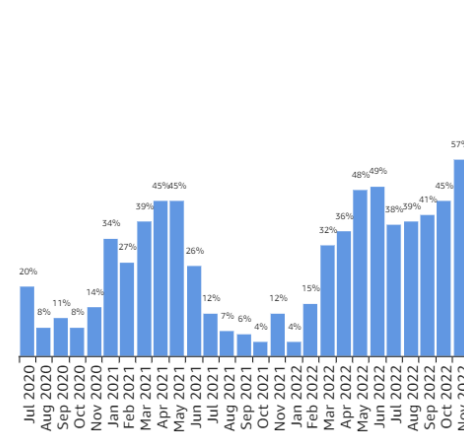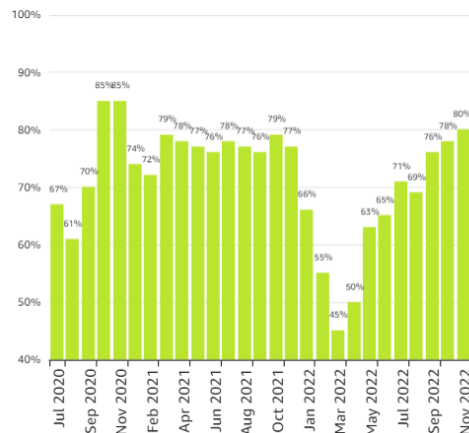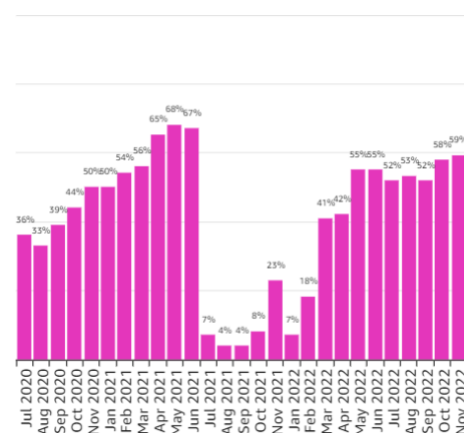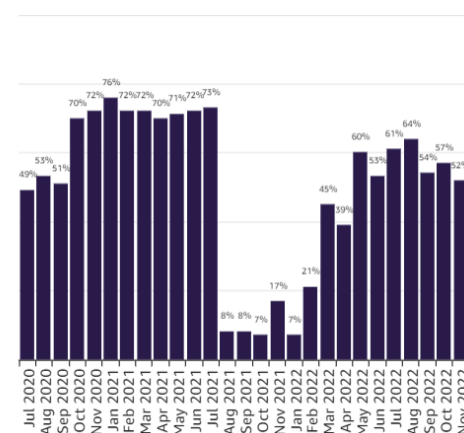Pandemic lockdowns and restrictions led to more people working from home. This resulted in lower office occupancy rates across Australia's capital cities*.

In November 2022, the Property Council of Australia's occupancy survey showed that the city with the highest post-pandemic occupancy rate was Perth (80%). This achievement has in part been attributed to the Western Australia Premier urging public servants to work from the office. The city also experienced fewer lockdown restrictions at the height of the pandemic.

The latest data shows that Canberra (52%) has the lowest office occupancy. The city experienced a period of particularly low occupancy from mid-2021. Melbourne, which was also badly impacted by the pandemic has shown strong recovery in occupancy in recent months – with a particularly large increase in occupancy in November 2022.

On 6 December 2022, the Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022 received royal assent. Part 11 of the Act, which comes into effect on 6 June 2023, strengthens the right for employees to request flexible working arrangements.

*Data for Hobart and Darwin was not available for this report

City Pulse – APPENDIX

About this report

In response to a query from the Capital City Lord Mayors in late 2020 about tracking the economic impact of the pandemic, the Council of Capital City Lord Mayors (CCCLM) and its Economic Development Working Group collaborated to initiate the City Pulse project. The aim of the project is to inform decision making that supports Australian people and businesses during the COVID-19 economic response and recovery.

From April 2021, a selection of key datasets have been acquired, prepared, and shared via the CCCLM City Pulse AWS S3 Bucket and City Pulse SharePoint site, in a format that can be easily read by data visualisation software. These datasets are updated on a regular basis and available for use by all capital city council until at least March 2023. The City Pulse data can be used to track recovery and provides cities with an opportunity to benchmark against each other across key metrics.

This report draws on some of the data contained within the City Pulse portals. Quarterly updates of this report will be provided to the capital cities in July 2022, October 2022, January 2023 and April 2023.

Notes on the data and sources

- Charts in this report have been created in AWS QuickSight using the CCCLM City Pulse AWS S3 Bucket

- Links to the original source datasets are provided on each slide

- Where possible, data has been provided at a Local Government Area (LGA) geographic level. In many cases, data is not published for this geography and so the federal, state/territory, Statistical Area 3 (SA3) or Statistical Area 4 (SA4) level data has been provided in its place. To view maps that show the geographic coverage of the locations selected for each city, please see the Australian Bureau of Statistics' Maps webpage: https://maps.abs.gov.au/

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