



**FAR** lane

# COVID-19 and the Main Street Economy - Data Pack

The Main St Co-Op  
August 2020



# Introduction and disclaimer

This data pack is intended to accompany a presentation developed by FAR Lane for the Main Street Co-op, as part of a suite of services delivered over 2019 and 2020.

The information included within this data pack is intended to provide an understanding of how the Main Street economy may have been and continue to be impacted by COVID-19 and the shut-down restrictions imposed by Federal and State governments.

The following information is based on survey data collected by the ABS at various stages of the COVID-19 shutdown, starting from March and going through to June 2020.

National results were localised to City of Stirling and Main Street business and job statistics in order to estimate the impact of COVID-19.

When reading this data, it is important to recognise that:

- The current situation is incredibly fluid, and therefore the nature of these impacts is likely to change significantly over time, with developments in the level of restrictions and overall progression of the pandemic.
- With the current easing of restrictions these numbers are likely to have changed as more businesses can open, however there is a lack of data available to support this given how fast these changes are happening.
- The survey was taken at a national level and extrapolation will not completely consider localised business impacts that are specific to each area. This instead provides a high-level overview of potential areas of most impact.
- ABS statistical areas (SA2's) were used to extrapolate data for Main St. Areas included the portion of Main Street located within the City of Stirling as well as areas in close proximity to the street. This was intended to capture the most relevant employment and business information of relevance to Main Street.

# Business Operations - Australia

90% of Australian businesses reported that they were operating in the week commencing 30 March. By employment size, the proportion of businesses trading were:

- 90% of small businesses (i.e. 0-19 persons employed);
- 93% of medium businesses (i.e. 20-199 persons employed);
- 95% of large businesses (i.e. 200 or more persons employed).



Of the 10% of businesses which reported that they were not trading, 70% reported that this was due to COVID-19

Three quarters (74%) of actively trading Australian businesses reported that they were operating under modified conditions due to COVID-19. For some businesses this included temporarily reducing or increasing staff working hours, changing the location where staff worked (including working from home) or staff being placed on leave.

By employment size, the proportion of actively trading Australian businesses operating under modified conditions in May 2020 were:

- 73% of small businesses (i.e. 0-19 persons employed);
- 82% of medium sized businesses (i.e. 20-199 persons employed);
- 87% of large businesses (i.e. 200 or more persons employed).

The largest proportions of Australian businesses that reported operating under modified conditions were in the Information media and telecommunications (96%), Health care and social assistance (93%), Accommodation and food services (92%) and Education and training (91%) industries.

# Business Operations - City of Stirling

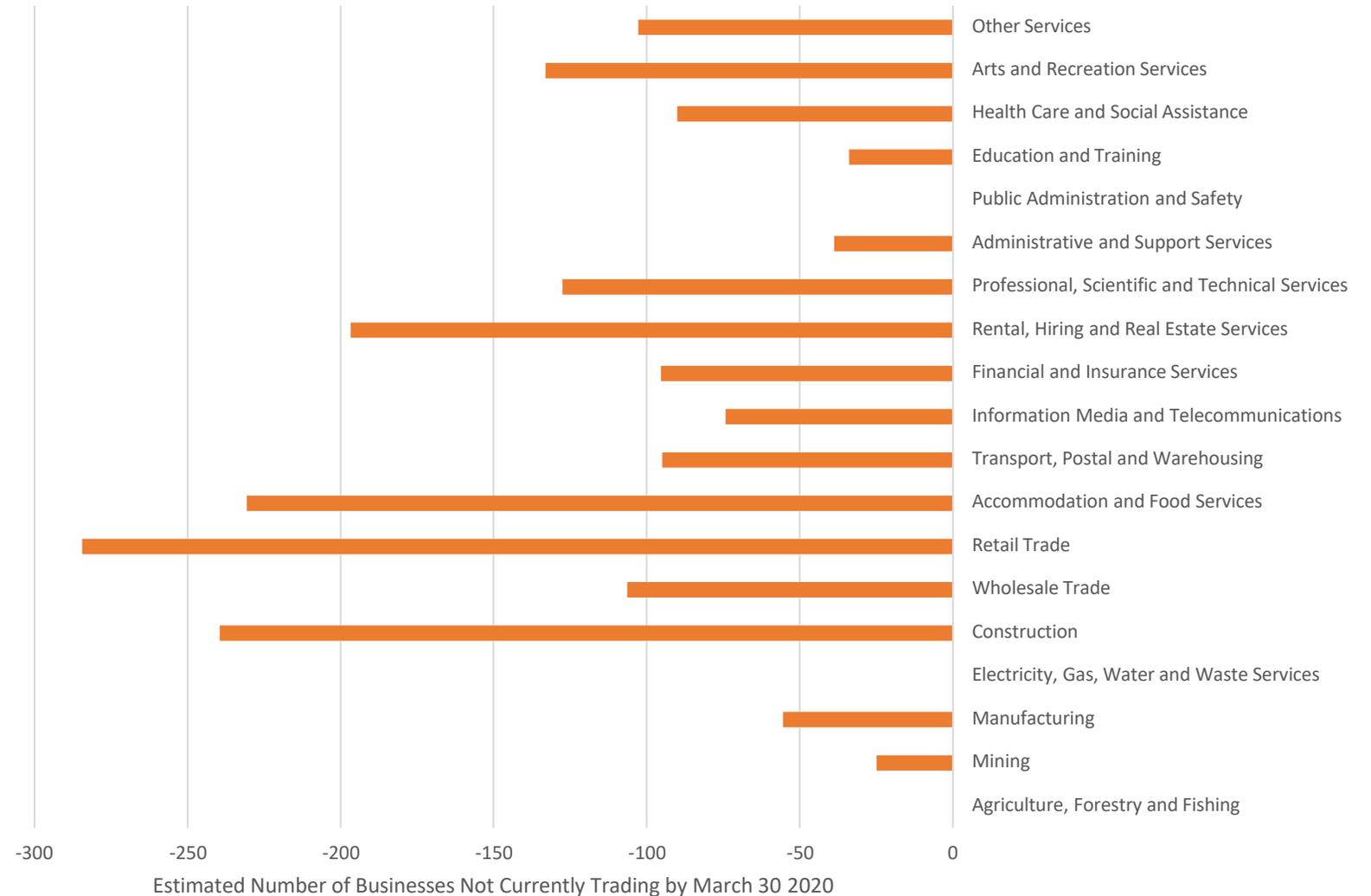
Figure 1: Stirling Estimated change in local businesses operating as of the week commencing the 30<sup>th</sup> of March

Based on the extrapolation of ABS Covid-19 statistics, approximately 8.57% or 1,928 businesses within Stirling may not have been trading by March 30<sup>th</sup>.

The implications are not evenly distributed – with impact would primarily have been felt in Arts, Recreation, Accommodation and Food Services, and Retail Trade. This is demonstrated in figure 1.

It is important to recognise as restrictions eased, these numbers are likely to have changed as more businesses could re-open. In addition, the business survey that this data is based on was taken at a national level and extrapolation will not completely consider localised business impacts that are specific to each area.

This instead provides a high-level overview of potential areas of most impact.



# Business Operations - Main Street

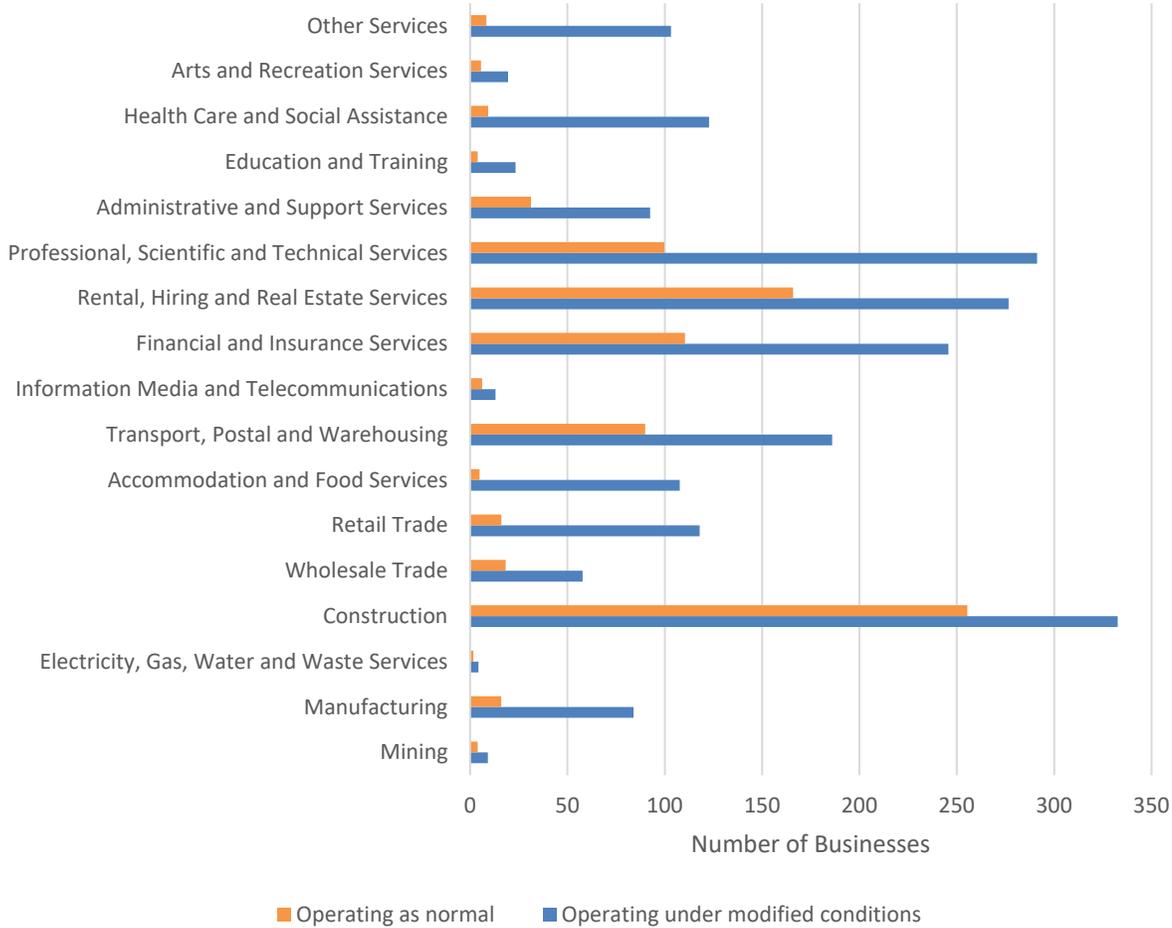
Based on national figures, approximately 73% of all businesses surveyed by the ABS were operating under modified conditions at the national level by June 2020.

Across all industries, a majority are estimated to operating under modified conditionals although there are variations between industries.

As demonstrated in figure 2, when this data is extrapolated to the Main Street level, construction has a comparatively high number of businesses operating under normal conditions with 250 in the Main Street area. Transport, Postal and Warehousing, Professional Services, Financial services also may have had a comparatively high number of businesses operating as normal.

This is contrast with industries such as Health Care and Social Assistance, Arts and Receptions Services, Food Services which are likely to have had a comparatively small number of businesses operating as normal by June 2020.

Figure 2: Estimated Operating Status of Businesses June 2020



Source: ABS Business Impacts of COVID-19 June 2020, FAR lane 2020

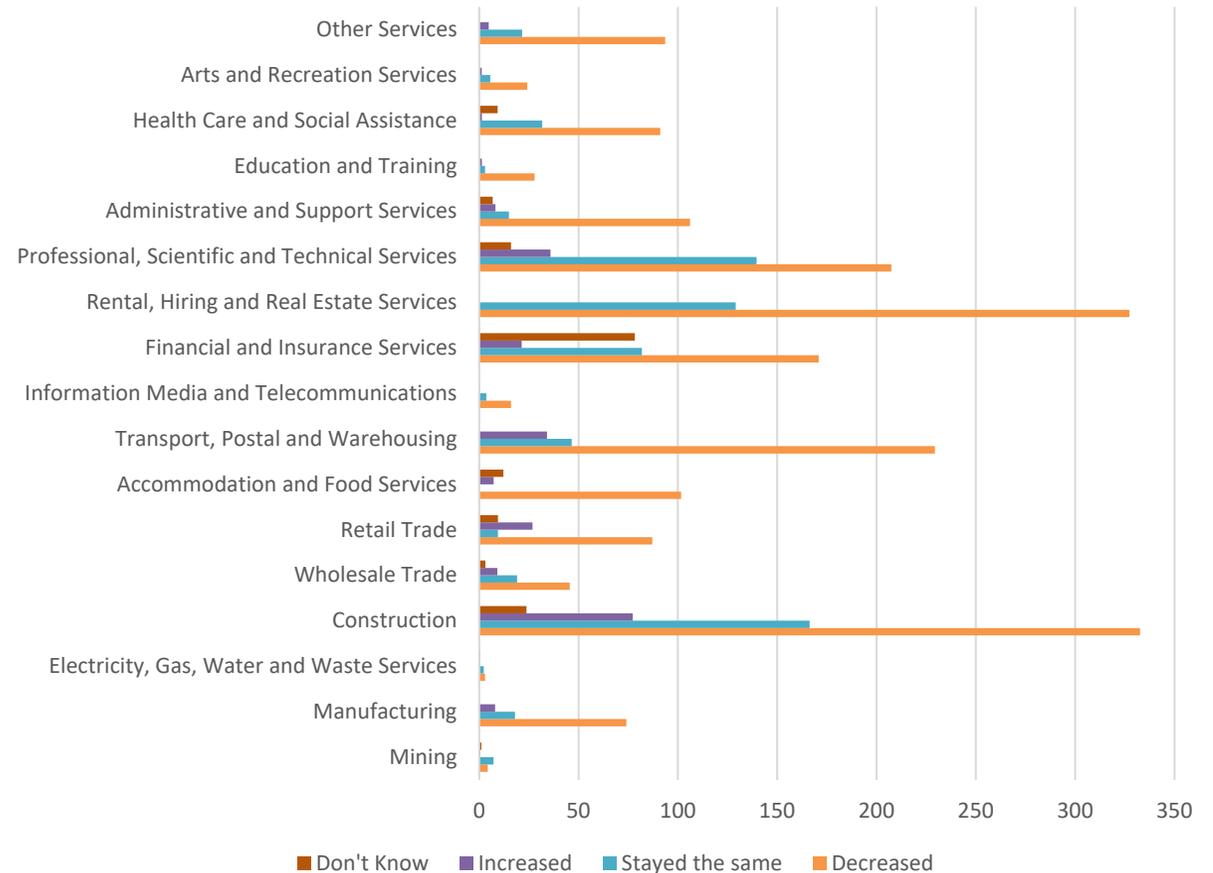
# Revenue Changes of Businesses Main Street

Based on national figures, in June 2020, approximately 66% of businesses surveyed reported declines in revenue from the previous year, whilst 22% reported that revenue stayed the same and 8% reported an increase.

It is likely that the majority of Main Street area businesses reported declines in revenue (see figure 3) with the largest number of businesses reporting loss being within Construction, Rental, Hiring and Real estate, which is likely due to the large number of businesses in these industries. These industries also have relatively high proportions in businesses that reported no change in revenue.

Other industries which are likely to have large proportions of businesses reporting a decrease in revenue are Accommodation and Food Services, Professional, Scientific and Technical Services, Transport, Postal and Warehousing, and Retail Trade.

**Figure 3: Estimated Revenue Changes of Businesses Main Street and Surrounds June 2020**



# Cash On Hand of Businesses Main Street and Surrounds

At the national level across all businesses:

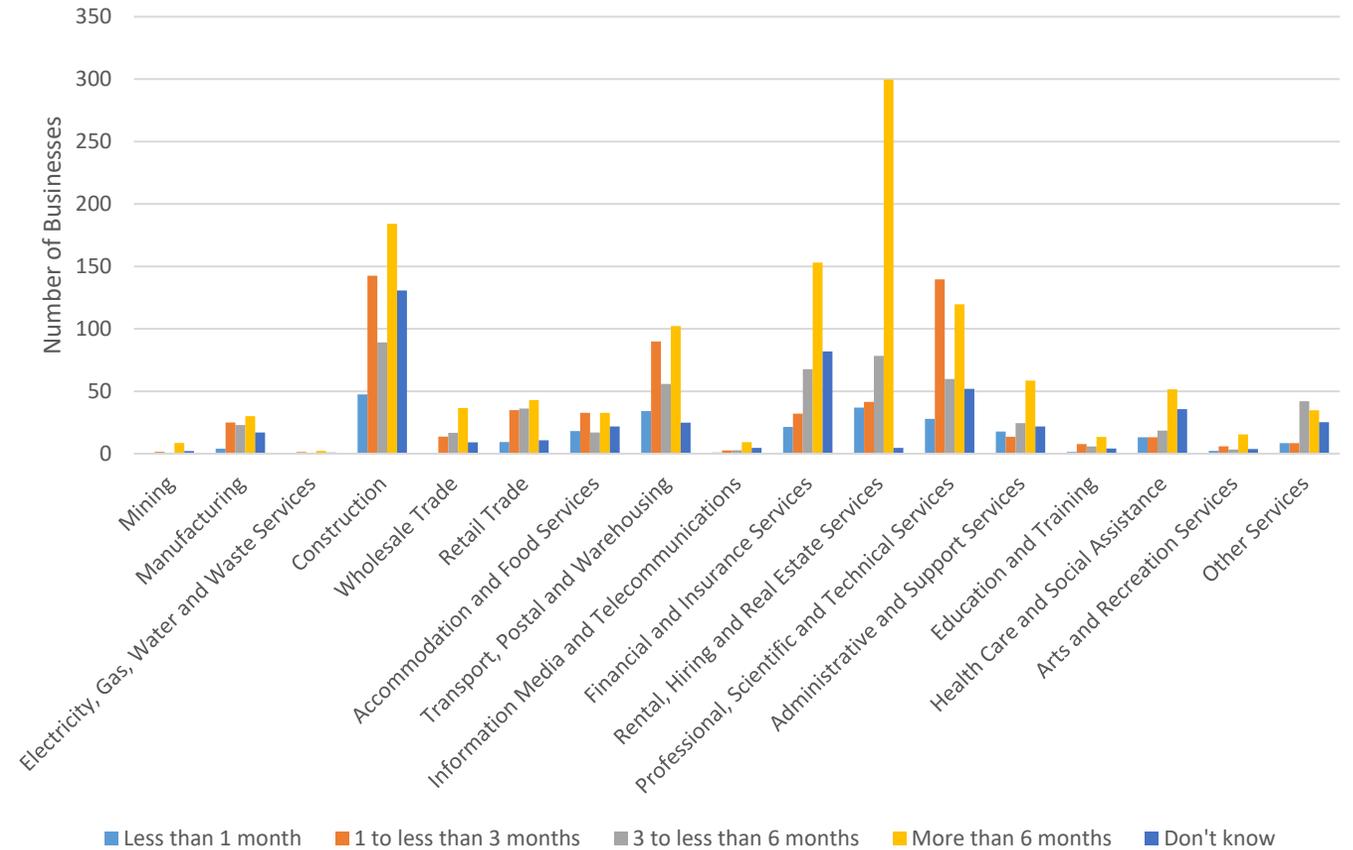
- 8% reported operations could be supported by cash on hand for less than 1 month
- 21% for 1-3 months
- 19% 3-6 months
- 36% more than 6 months

As demonstrated in figure 4, industries such as Retail, Accommodation and Food Services, Arts and Recreation Services have generally lower amounts of time that businesses could be supported by cash on hand.

Rental, Hiring and Real Estate Services, and Financial and Insurance Services have cash on hand to support longer periods of operations.

This likely reflects inherent differences in the nature of these industries, as well as differing impacts of COVID 19. It is also likely that these figures vary significantly amongst individual businesses.

**Figure 4: Estimated length of time operations could be supported by cash on hand businesses Main Street June 2020**



# Jobs and wages - National

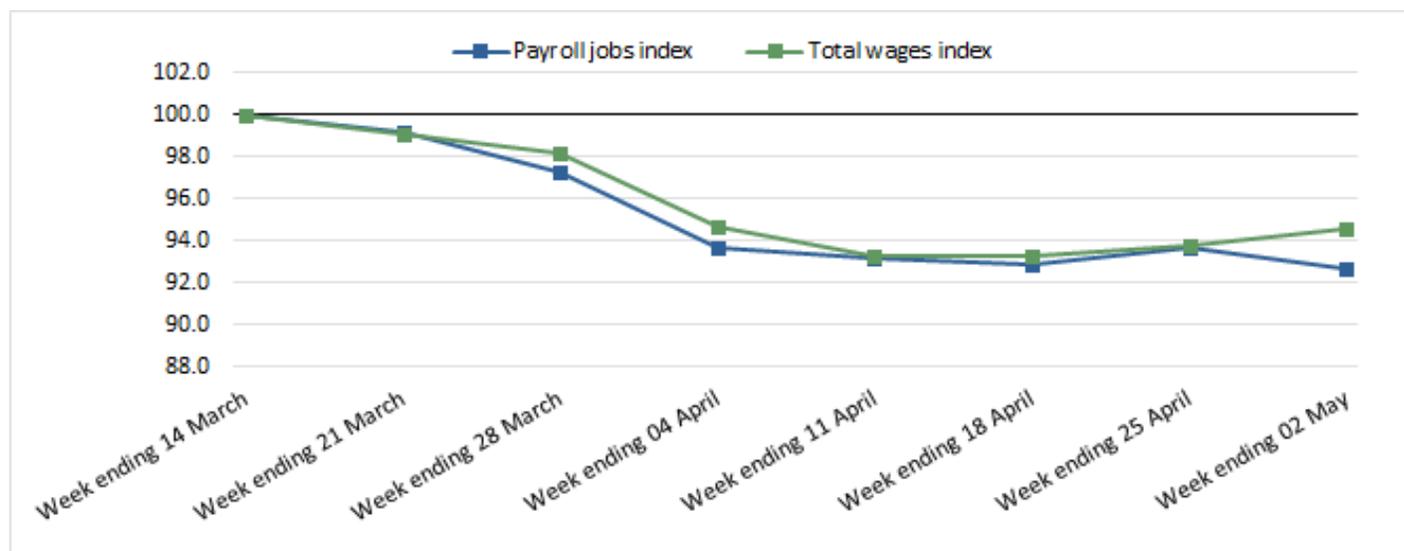
Between the week ending 14 March 2020 (the week Australia recorded its 100th confirmed COVID-19 case) and the week ending 2 May:

- Payroll jobs decreased by 7.0%
- Total wages paid decreased by 5.4%

Figure 5 shows the declines in jobs and wages between 14 March and 2 May, which includes the below key dates:

- 22 March: Prime Minister announces Stage 2 lock down changes, which are progressively implemented
- 30 March: Prime Minister announces JobKeeper program
- 8 May: Initial payroll deadline for the JobKeeper program

**Figure 5: Changes in payroll jobs and total wages indexed to the week ending 14 March 2020.**



# Jobs within the City of Stirling

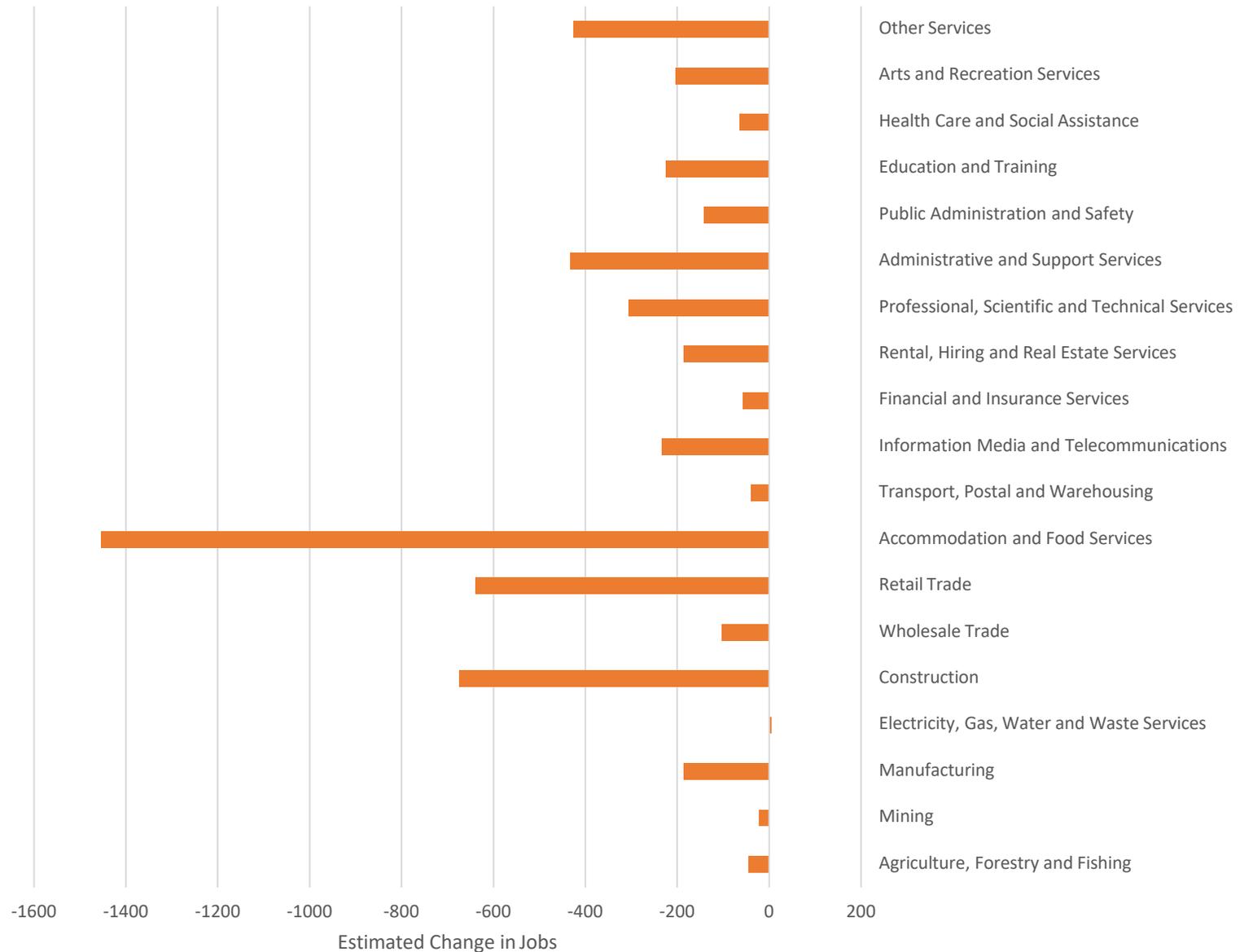
Based on the extrapolation of national statistics, we can roughly estimate that the number people employed within the City of Stirling declined by approximately 5,431, or 6.8% between 14<sup>th</sup> March and 18<sup>th</sup> April.

As demonstrated in figure 6. The industries with the most significant declines in employment between the 14th March and 18th of April (since the 100th COVID case) are likely to have been:

- Accommodation and Food Services (31.5%)
- Arts and Recreation Services (14.7%) and
- Administrative and Support Services (12.8%)

The impact of this suggests a decrease in wages and therefore consumption of goods and services. This may lead to challenges in future workforce engagement, particularly in areas where jobs do not come back.

Figure 6: Stirling Estimated change in local based employment between the 14<sup>th</sup> March and 18<sup>th</sup> April 2020.



# Workers living in the City of Stirling

Based on national statistics, approximately 6,665 or (6.5%) employed residents potentially lost their job between the 14<sup>th</sup> of March and the 18<sup>th</sup> April. The most significant changes, as demonstrated in figure 7, were likely in:

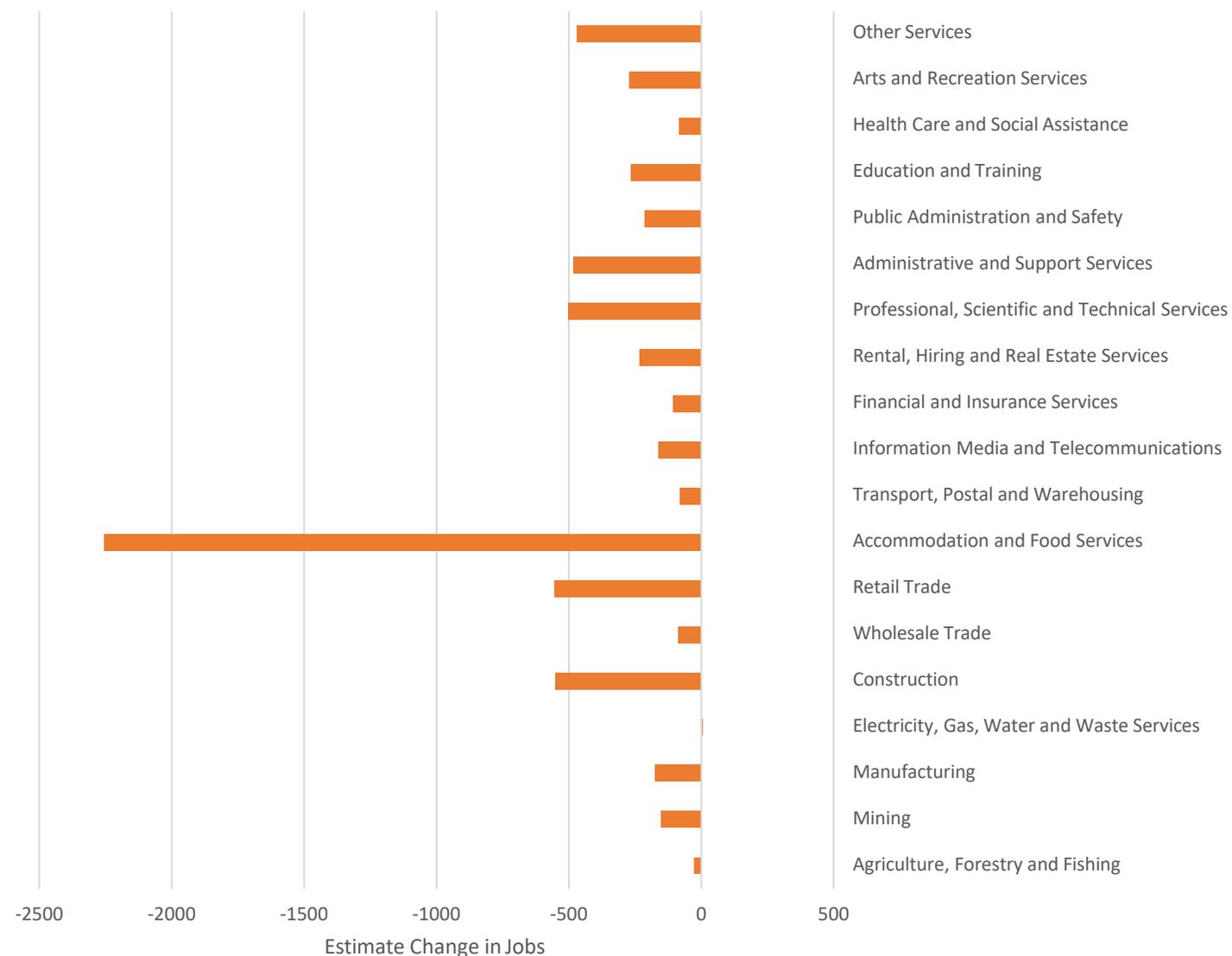
- Accommodation and Food Services (2,254),
- Retail Trade (555), construction (552),
- Professional, Scientific and Technical Services (503), and
- Administrative and Support Services (484).

These figures take into account the proportional loss of jobs, but is also reflective of the total size of the workforce for these industries who live in the City of Stirling.

Decrease in employment alongside wage decreases suggest a contraction in the resident expenditure pool for goods and services.

This environment presents challenges for all retail goods and services as there will likely be less money to be spent (capacity) and consumers may have a decreased propensity to consume do to uncertainty.

Figure 7: Estimated Stirling change in resident employment between the 14<sup>th</sup> March and 18<sup>th</sup> April 2020



# Jobs within the Main St Area

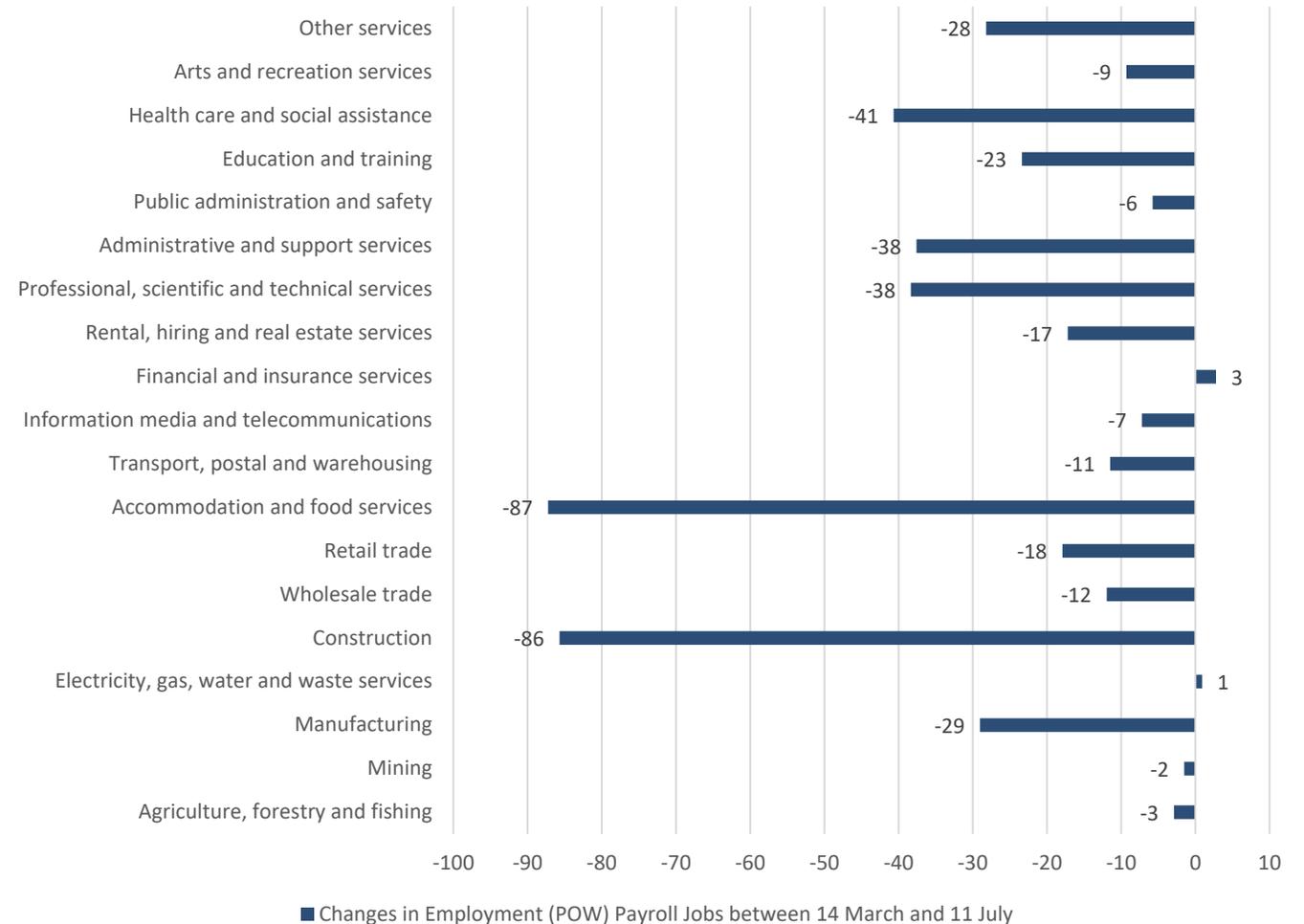
ABS weekly payroll data provides an overview of changes in employment at national level by industry, which is then extrapolated across local employment figures. These figures reflect potential employment impacts within the Main Street area regardless of worker place of residence (figure 8).

These figures indicate that across most industries there has likely been a decline in employment, with Utilities and Financial and Insurance Services showing small levels of growth.

Accommodation and Food Services may have large declines in employment as a result of restrictions. Whilst the large decline in Construction is influenced to an extent by the size of the industry.

These figures are high level, and provide broad indicative observations of employment trends, however these may vary significantly at the local level.

**Figure 8 – Estimated Changes in Employment (POW) Payroll Jobs between 14 March and 11 July 2020**



# Workers living in the Main Street Area

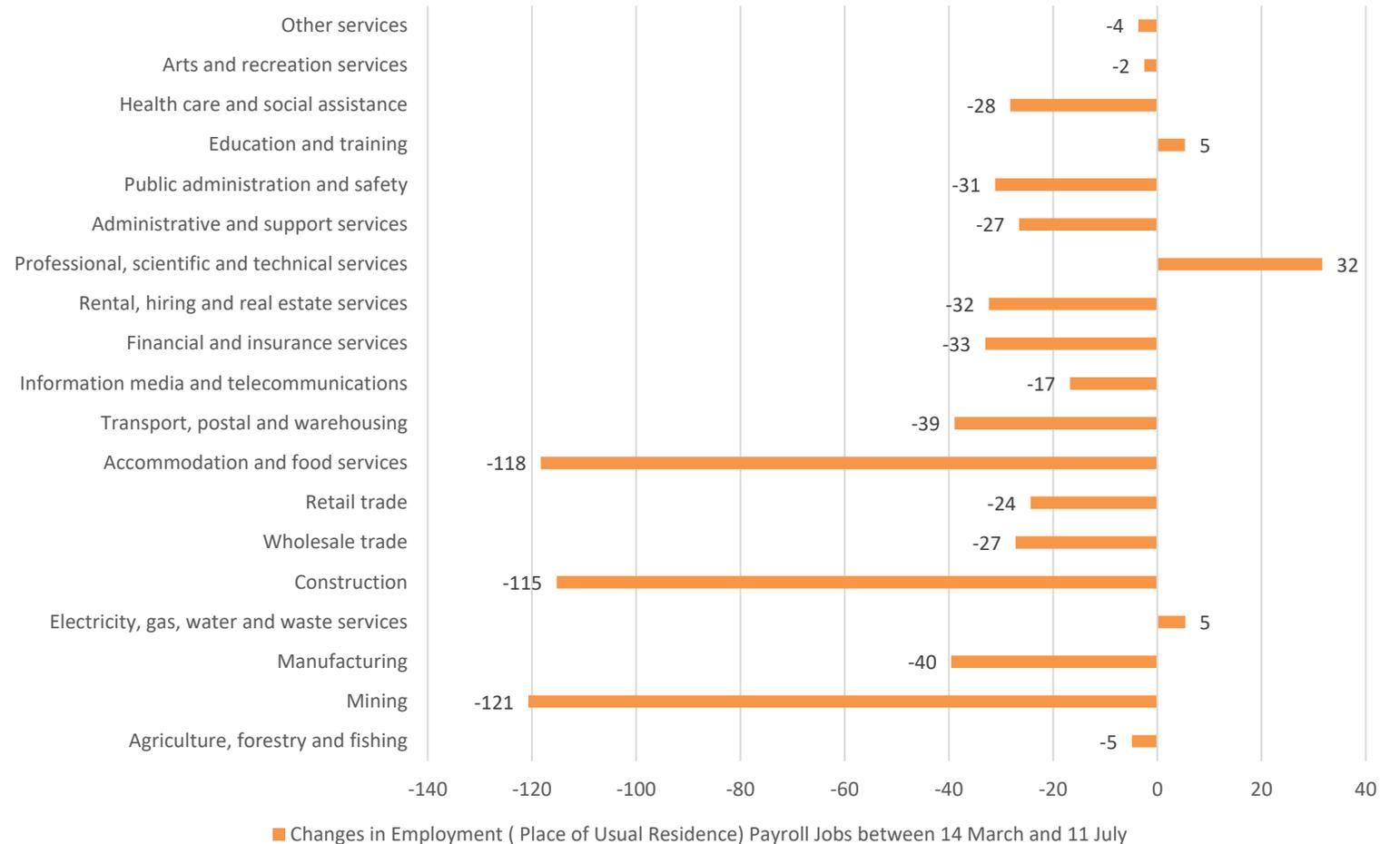
ABS weekly payroll data provides an overview of changes in employment at national level by industry, which is then extrapolated across local employment figures. These figures reflect employment of residents who live in the Main Street, but may work anywhere.

These figures (figure 9) show that across most industries there has likely been a decline in employment, with Education and Training and Utilities showing potential marginal gains, and Professional Services showing potential moderate growth.

Accommodation and Food Services may have experienced large declines in employment as a result of restrictions. Whilst the large decline in Construction is influenced to an extent by the size of the industry.

These figures are high level, and provide broad indicative observations of employment trends, however these may vary significantly at the local level.

Figure 9 – Estimated Changes in Employment ( Place of Usual Residence) Payroll Jobs between 14 March and 11 July 2020



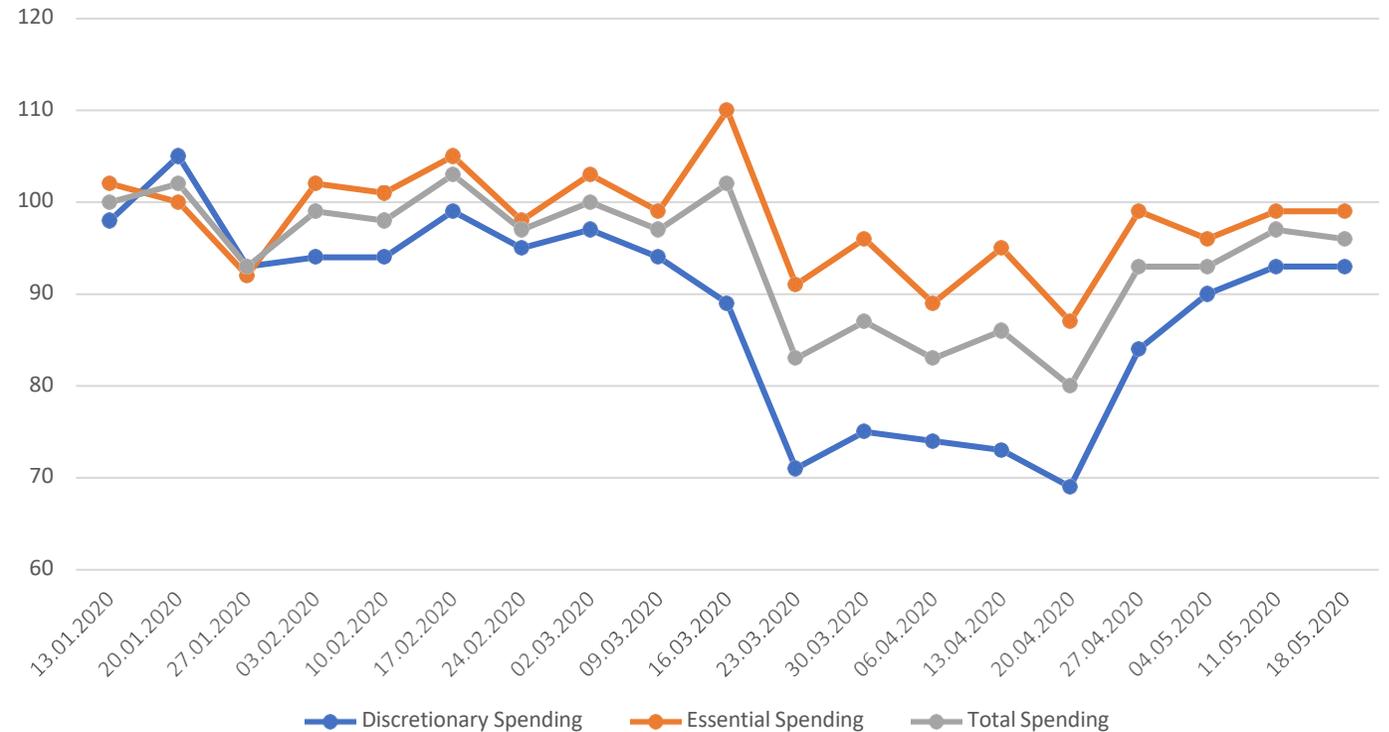
# Consumer behaviour

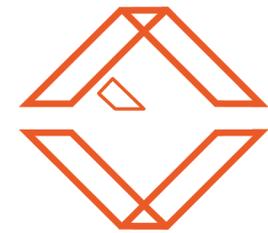
Alpha Beta Australia and Illion have provided live economic data based on the transaction details of 250,000 Australian consumers. Figure 10 demonstrates the significant impact of the COVID-19 pandemic and shut down on consumer behaviour in terms of discretionary and essential spending.

As at May 24, total spending per person now 4% below normal levels. "Normal" in this case has been calculated as the Weekly index of consumption per person, with 100 = normal weekly base, excluding Xmas.

Spending was boosted in the week leading up to 24 May by the Coronavirus supplement (doubling of unemployment benefit and youth allowance) as well as the easing of restrictions.

Figure 10. Consumer Spending - January to May 2020





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