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To: Kennedy, Steven; Rayner, Karla; Yeaman, Luke; Wilkinson, Jenny; Power, Trevor; Goldsworthy, Brenton; Di Marco, Katrina; Wilkinson, Vicki; Swieringa, John; s 22

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- **Disaster Payments also appear to be more targeted towards the lower end of the income distribution**

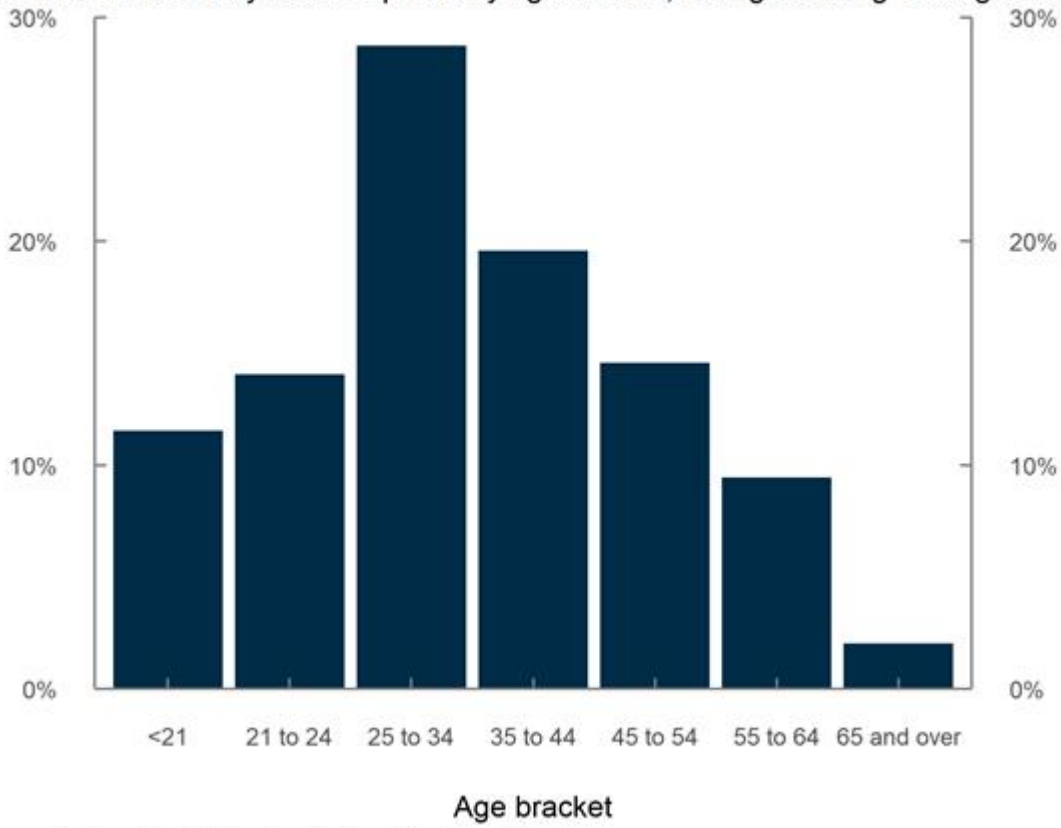
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- **Younger workers are receiving the majority of Disaster Payments, with 54 per cent of recipients being under 35 years of age (Figure 3)**
- **Between June and mid-August, females have received a lower share of Disaster Payments compared to males**
 - Females received around 45 per cent of the total value of Disaster Payments in this period

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Figure 3: 54 per cent of Disaster Payment recipients are under 35

Share of Disaster Payment recipients by age bracket, fortnight ending 17 August 2021



Source: Labour Market Tracker. Data subject to revisions.

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How have COVID-19 Disaster Payments supported incomes across the distribution?

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- CDPs have been particularly effective at supporting people in hard-hit industries such as Accommodation and food services, and Arts and recreation services, with these industries making up a higher share of payments compared to JobKeeper.
- Taken together, this suggests that CDPs have been well-targeted towards the most-vulnerable cohorts.
 - Still, these results are aggregates for broad groups and some individuals are likely to be worse off or under financial distress.

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Despite greater falls in employment income, CDPs boosted aggregate incomes for low-income earners

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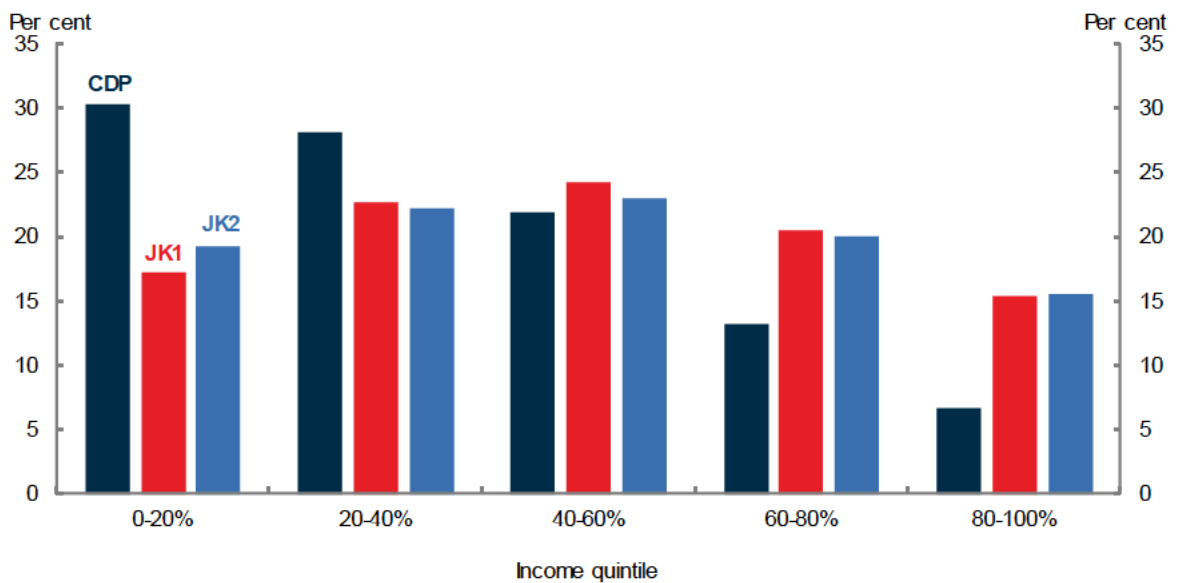


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³ The note utilises integrated administrative data from the Labour Market Tracker (LMT). The LMT allows linkage of Single-Touch Payroll microdata on employment income to DSS DOMINO data on welfare support payments, and 2019 individual tax returns.

Figure 3: Share of CDP, JobKeeper 1 and JobKeeper 2 going to each income quintile



Note: Income quintiles defined via 2018/19 personal income tax returns. CDP payments in the fortnight ending 19 August 2021 used.

Disaster payments are making up a large share of lost income for industries impacted by health restrictions

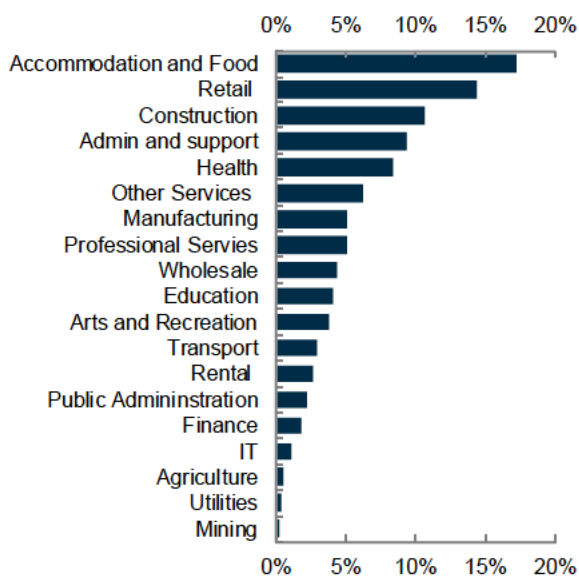
- CDPs have been well targeted to industries heavily affected by restrictions, with 42 per cent of total payments going to workers in Accommodation and food services, Retail trade and Construction (Figure 4, LHS)

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- Younger earners have also received a large share of the payments compared to JobKeeper, with 57 per cent of CDP recipients being under 35 years of age, compared to 32 per cent of JobKeeper recipients.
- Both of these results are consistent with the fact that shorter-term casual earners are eligible for CDPs but were not eligible for JobKeeper.

Figure 4: Industry share of August CDP (LHS)



Note: Disaster payment income defined as disaster payments in fortnight ending 19 August.

⁴ Australian Bureau of Statistics, Weekly Payroll Jobs and Wages in Australia Week ending 14 August 2021.

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- Around 21 per cent of CDP recipients come from industries assessed as being highly vulnerable to slow reopening (this includes creative/performing arts, air transport, accommodation, food & beverage services and store-based retailing).
 - Around 36 per cent are in industries moderately vulnerable industries.

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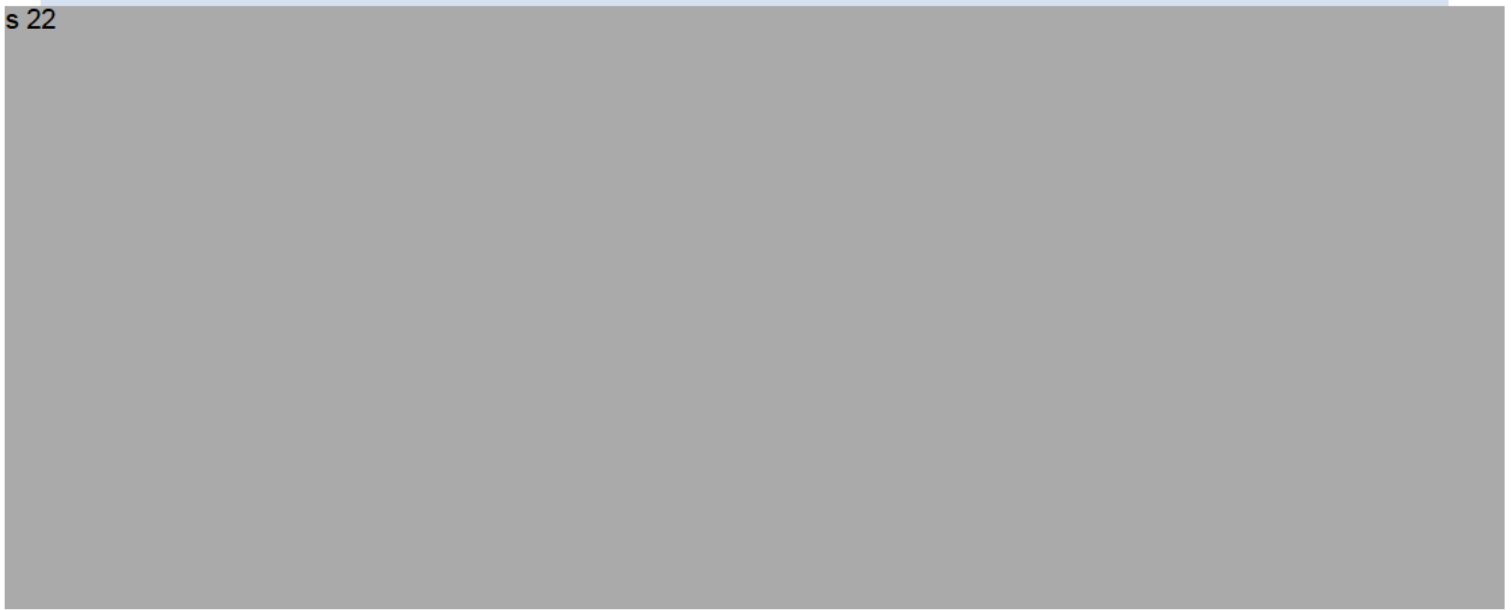


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Labour Market

Tracker data from August shows that younger workers were receiving the majority of Disaster Payments, with 57 per cent of recipients being under 35 years of age (Figure 4).

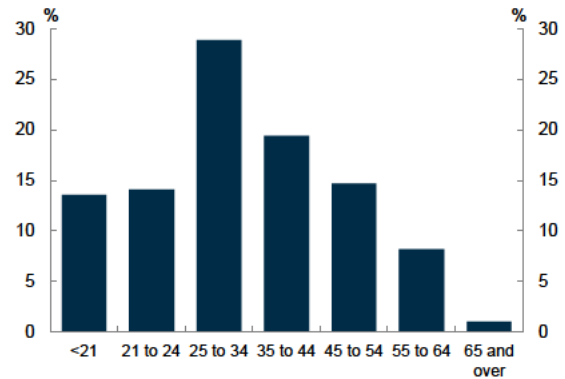
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Figure 4: Disaster Payment recipients, by age



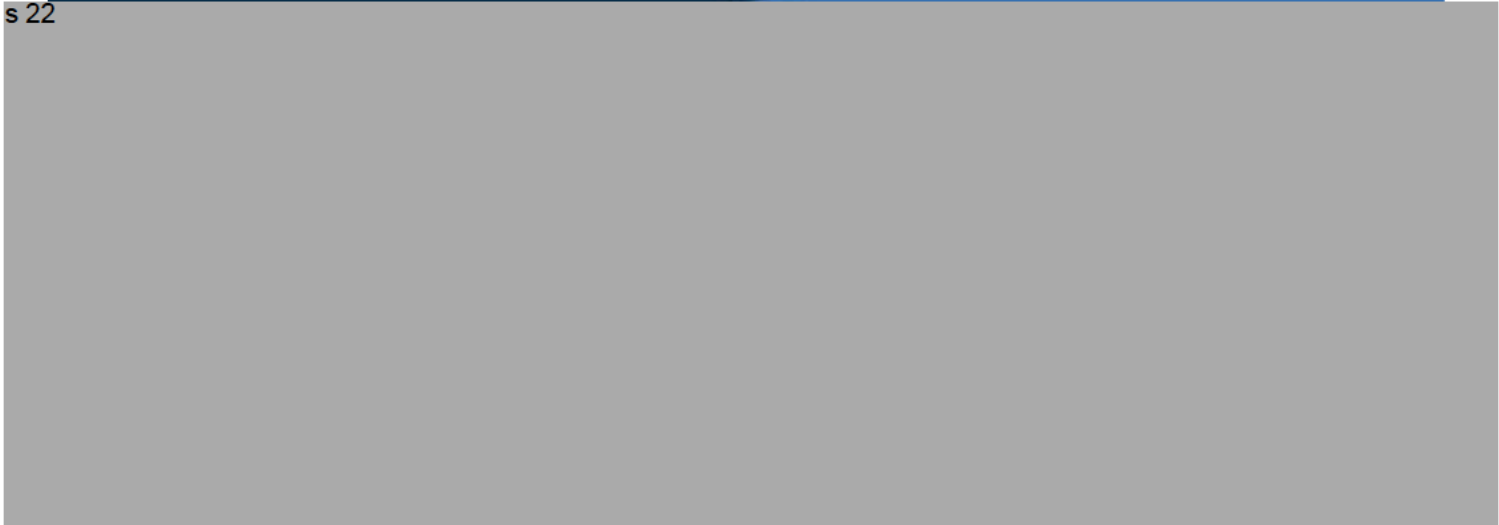
Note: Data is from the Labour Market Tracker and is current to the fortnight ending 19 August.

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Labour Market Tracker data from August shows that the accommodation and food services and retail sectors accounted for the largest shares of Disaster Payments, respectively accounting for 17% and 14% of total payments.

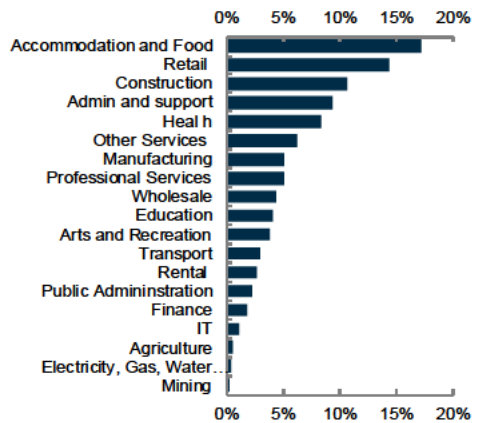
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Figure 4: Disaster Payment recipients, fortnight ending 31 August 2021, by industry



Note: Data is from the Labour Market Tracker and is current to the fortnight ending 19 August.

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Insights from Treasury research – Insights on Disaster Payment

- Early Treasury analysis shows that Disaster Payments are supporting incomes, particularly at the lower end of the income distribution. Younger workers and males are overrepresented as Disaster Payment recipients compared to their shares of overall employment. This outcome is potentially linked to recent pause on construction activity (which has a large male share of employment), as well as the standing down of workers in customer-facing roles (which employ younger workers).

Industry	Industry employment	Industry impact level*	# Disaster Payments	% Disaster Payments
Agriculture (01)	393	1	4,971	0%
Aquaculture (02)	6	1	541	0%
Forestry & logging	11	1	1,050	0%
Fishing, hunting & trapping (04)	10	1	580	0%
Agriculture, forestry & fishing support	47	1	1,915	0%
Coal mining (06)	38	1	705	0%
Oil & gas extraction	20	1	270	0%
Metal ore mining (08)	78	1	913	0%
Non-metallic mineral mining & quarrying	13	1	1,111	0%
Exploration & other support services (10)	35	1	1,233	0%
Food product manufacturing (11)	228	2	12,206	1%
Beverage & tobacco product	35	1	3,094	0%
Textile, leather, clothing & footwear manufacturing (13)	26	1	4,780	0%
Wood product manufacturing (14)	55	1	4,111	0%
Pulp, paper & converted paper product	17	1	973	0%
Printing (including the reproduction of recorded media) (16)	31	1	3,400	0%
Petroleum & coal product	5	1	597	0%
Basic chemical & chemical product	49	1	2,360	0%
Polymer product & rubber product	36	1	2,382	0%
Non-metallic mineral product	42	1	3,172	0%
Primary metal & metal product	43	1	1,457	0%
Fabricated metal product	115	1	7,044	1%
Transport equipment manufacturing (23)	74	1	2,798	0%
Machinery & equipment	117	1	4,878	0%
Furniture & other manufacturing (25)	38	1	4,155	0%
Electricity supply (26)	49	1	945	0%
Gas supply (27)	3	1	240	0%
Water supply, sewerage & drainage	32	1	692	0%
Waste collection, treatment & disposal	38	1	3,152	0%
Building construction	225	2	18,810	2%

Heavy & civil engineering	122	2	5,635	1%
Construction services	843	2	71,317	7%
Basic material wholesaling (33)	114	2	7,699	1%
Machinery & equipment	184	2	7,640	1%
Motor vehicle & parts wholesaling (35)	50	2	3,282	0%
Grocery, liquor & tobacco product	93	1	9,108	1%
Other goods wholesaling (37)	112	2	15,196	1%
Commission-based wholesaling (38)	30	2	2,734	0%
Motor vehicle & parts retailing (39)	102	2	16,288	2%
Fuel retailing (40)	47	1	3,652	0%
Food retailing (41)	471	1	21,709	2%
Other store-based retailing (42)	728	2	102,135	10%
Non-store retailing & retail commission-based buying and/or	35	1	5,510	1%
Accommodation (44)	110	3	20,029	2%
Food & beverage services (45)	976	3	161,764	16%
Road transport (46)	311	2	11,719	1%
Rail transport (47)	36	1	813	0%
Water transport (48)	10	1	807	0%
Air & space transport	46	3	3,272	0%
Other transport (50)	16	1	2,143	0%
Postal & courier pick-up & delivery services	77	1	3,817	0%
Transport support services (52)	135	1	4,448	0%
Warehousing & storage services (53)	25	1	2,048	0%
Publishing (except internet & music) (54)	26	1	1,399	0%
Motion picture & sound recording	39	1	6,099	1%
Broadcasting (except internet) (56)	26	1	1,428	0%
Internet publishing & broadcasting (57)	10	1	802	0%
Telecommunications services (58)	55	1	2,001	0%
Internet service providers, web search portals & data	18	1	1,020	0%
Library & other information services	3	1	500	0%
Finance (62)	242	1	10,379	1%
Insurance & superannuation funds	55	1	1,293	0%

Auxiliary finance & insurance services	175	1	7,159	1%
Rental & hiring services (except real estate services)	81	2	8,635	1%
Property operators & real estate services	213	2	18,332	2%
Professional, scientific & technical services (except computer design & related)	1018	1	41,612	4%
Computer system design & related	241	1	4,740	0%
Administrative	727	1	75,312	7%
Building cleaning, pest control & other support services (73)	220	1	19,666	2%
Public administration	472	1	12,108	1%
Defence (76)	79	1	1,087	0%
Public order, safety & regulatory services	217	1	9,999	1%
Preschool & school education (80)	687	1	18,656	2%
Tertiary education	282	1	11,052	1%
Adult, community & other education (82)	107	1	13,224	1%
Hospitals (84)	626	1	6,509	1%
Medical & other health care services	471	1	32,639	3%
Residential care services (86)	346	1	10,471	1%
Social assistance services (87)	464	1	31,784	3%
Heritage activities	17	2	1,618	0%
Creative & performing arts activities (90)	42	3	4,100	0%
Sports & recreation activities (91)	124	3	23,960	2%
Gambling activities	34	2	7,725	1%
Repair & maintenance	245	2	11,956	1%
Personal & other services (95)	298	2	42,540	4%
Private households employing staff (96)	5	1	190	0%
Other			28,160	
Total			1,045,455	
Total excl. Other			1,017,295	100%

* 1: Low, 2: Moderate, 3: High

Share in low impact industries	43%
Share in moderate impact industries	36%
Share in high impact industries	21%
	100%

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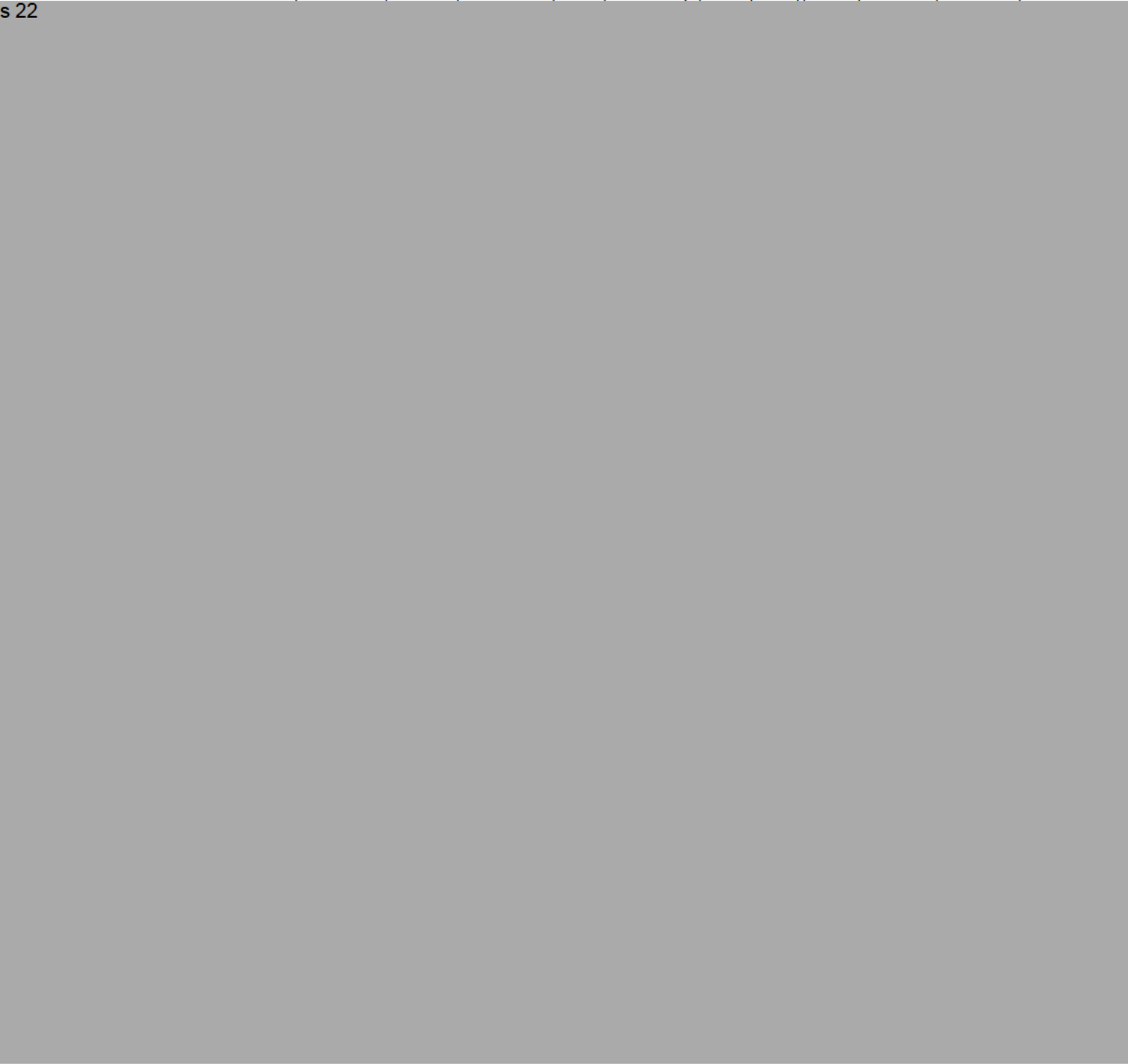
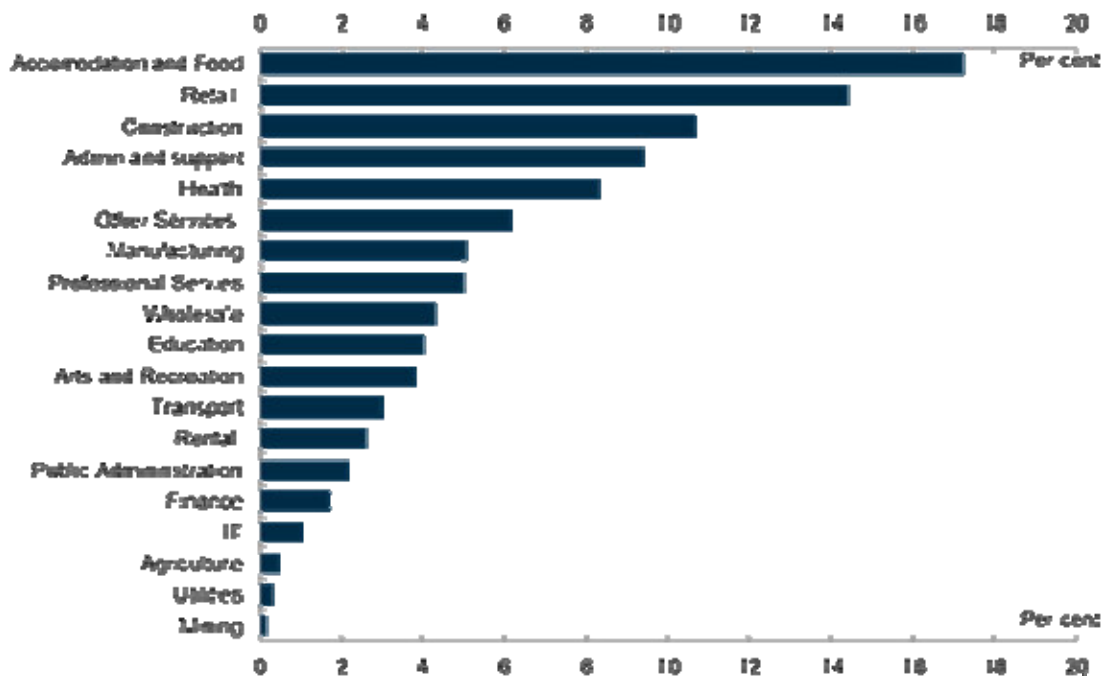


Figure: Breakdown of disaster payments by industry of workers



Source: Labour Market Tracker

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