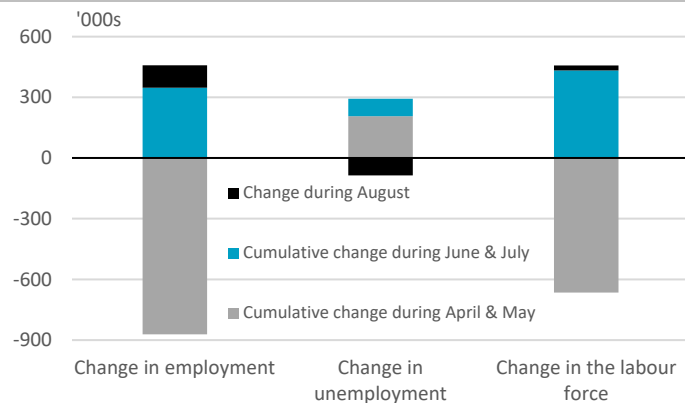


ASFA Economic Snapshot: week ending 18 September

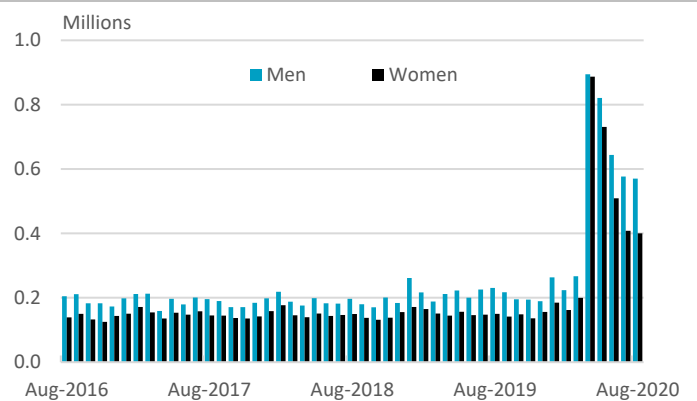
This is a weekly update on the impact of the COVID-19 pandemic on financial and economic conditions, in Australia and globally, and government policy measures to support economic activity and employment.

Employment increases slightly in August ...



The number of employed people rose by 111,000 in August, while the number of unemployed people fell by 87,000. In broad terms, the rise in employment was more than sufficient to soak-up the small increase in the labour force (up 24,000), which comprises the employed and those looking for work (the unemployed). The number of people in the labour force is still about 200,000 lower than in February.

... with those working reduced hours stable



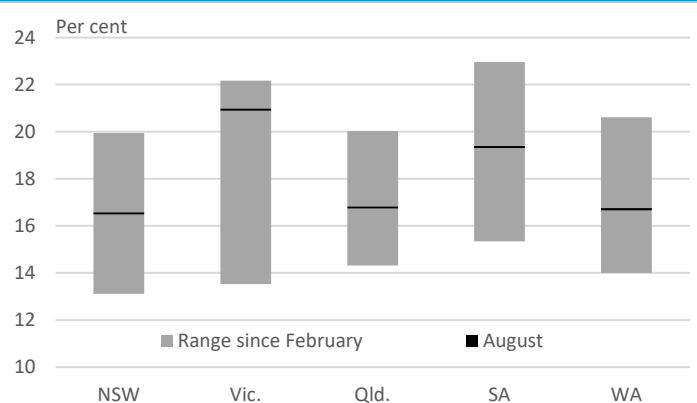
Of the people who were employed during August, about 1 million worked less hours than usual, which is broadly unchanged from the previous month. This is about 600,000 more than pre-crisis levels – which equates to around 5% of people who are currently employed. The number of workers who are on reduced hours due to the crisis is around half the peak level (about 1.4 million in April).

Spare capacity in the labour market is still elevated ...



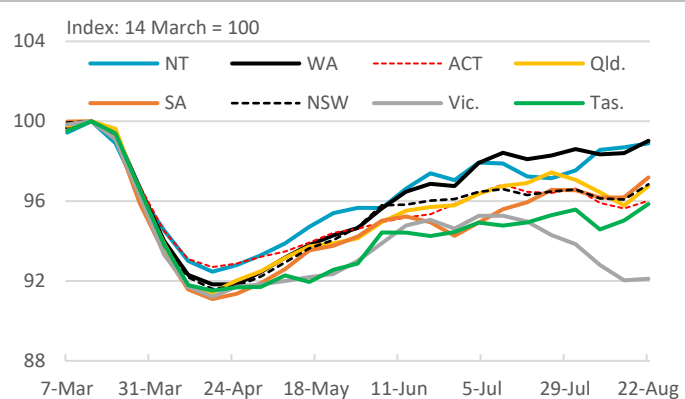
Unemployment comprises people who do not have a job but are looking for work, while under-employment comprises people who do have a job but want to work more hours. Together, the two metrics equal under-utilisation. Overall, the percentage of people in the labour force who are under-utilised has dropped 2 percentage points since the May peak, but the rate is still well above pre-crisis levels.

... particularly in Victoria



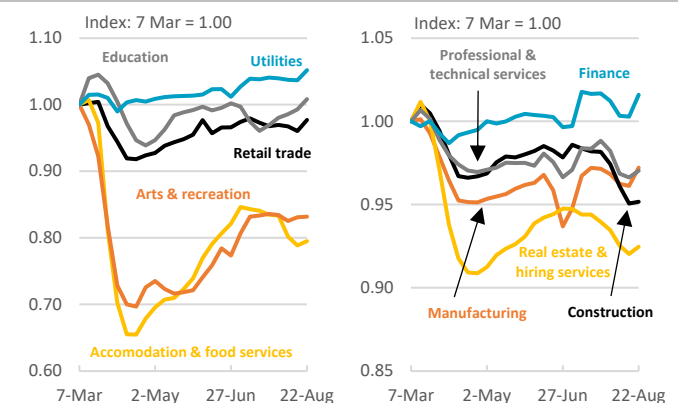
This chart shows the range for the under-utilisation rate since February, by (major) state, and the outcome for August. For all states, the under-utilisation rate for August is lower than the peak (which was either June or July in any particular state), but it is still well above pre-crisis levels (February). This is particularly the case for Victoria – where the rate is around 4 percentage points higher than for NSW.

In most states the number of jobs is still well down ...



Data for the number of payroll jobs show differing employment trends across the country. In Victoria, the number of jobs has fallen by about 3% since early July (reflecting tighter social restrictions). For all other jurisdictions, the number of jobs has risen by about 1% over the same period. For most states, employment is still well below pre-crisis levels.

... with divergent trends across sectors



The number of payroll jobs (for selected sectors) shows an increasing divergence in conditions across industries. While employment is rising in some industries (e.g. utilities), job-shedding is occurring in others (e.g. construction). Job growth in sectors hit hardest by the crisis (e.g. food services, accommodation and the arts) appears to have stalled.