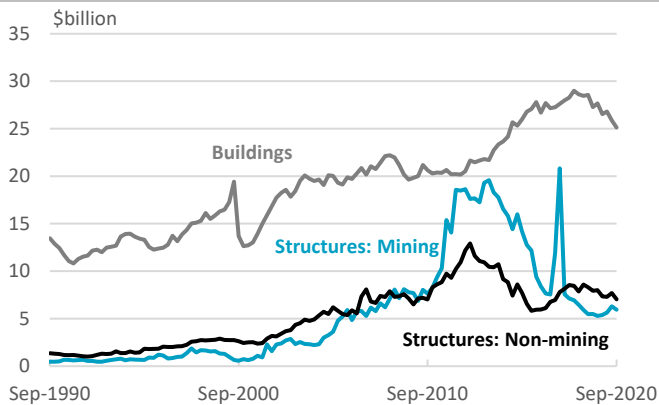


ASFA Economic Snapshot: week ending 27 November

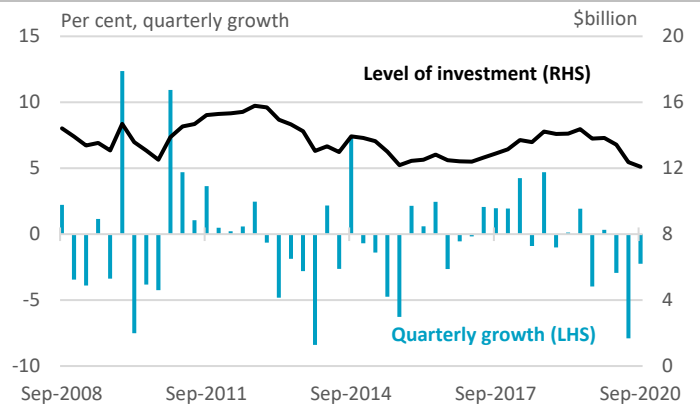
This is a weekly update on the impact of the COVID-19 pandemic on financial and economic conditions, in Australia and globally, and government policy measures to support economic activity and employment.

Construction work is declining ...



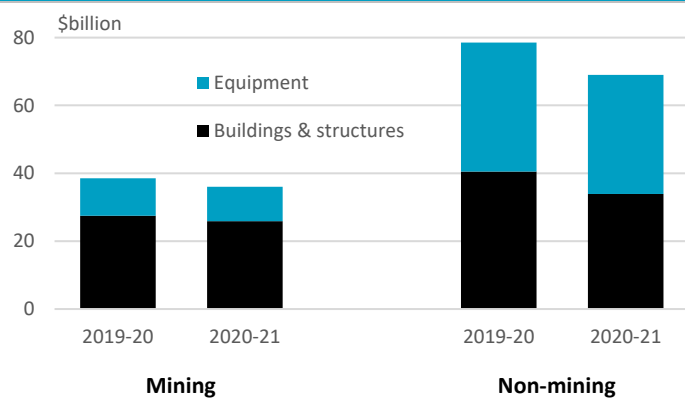
Private-sector investment includes construction work undertaken on structures (such as roads) and buildings (residential and non-residential). Declining levels of work suggest a shortage of new projects required to support activity. This chart shows that work on structures in the (aggregated) non-mining sector is trending down, while work on buildings has fallen by 6% since the March quarter.

... and so is investment in new equipment



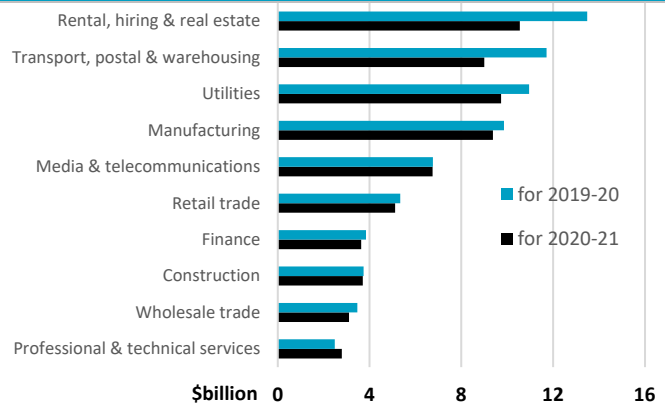
Private-sector investment also includes firms' purchases of new equipment. In the September quarter, investment in new equipment fell by 2% (to be 12% lower than the corresponding quarter last year). Together with the outcome for construction work (previous panel), total private-sector investment fell by about 3% in the September quarter, to be 14% lower than the corresponding quarter last year.

Firms expect investment to be lower this year ...



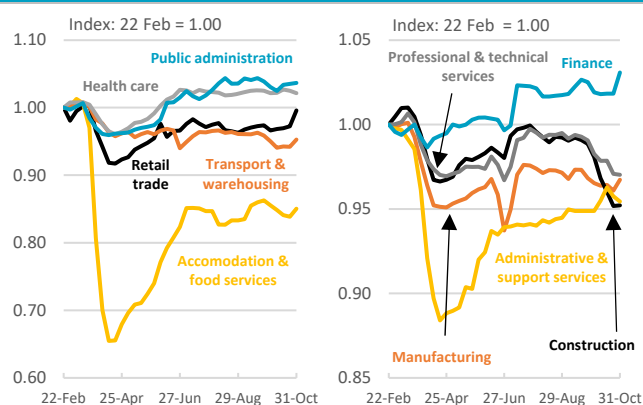
This chart shows firms' expectations for investment spending in 2020-21 (compared with the equivalent metric for 2019-20). For both the mining and the (aggregated) non-mining sectors, investment (unadjusted for inflation) is expected to be lower in 2020-21 – down by 6% and 12% respectively. In each case, the falls reflect anticipated declines in spending on both equipment, and buildings and structures.

... across most industries



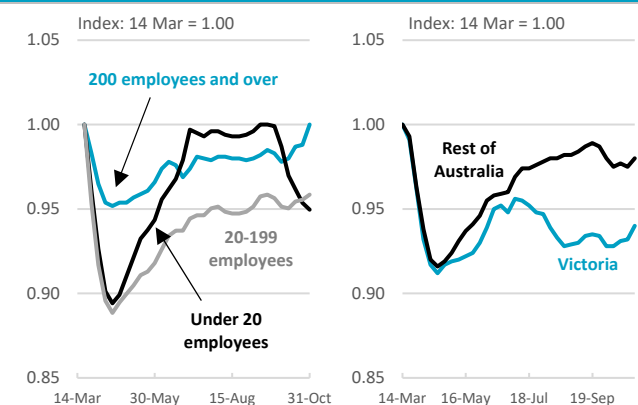
For the (aggregated) non-mining sector, investment spending (unadjusted for inflation) is expected to be lower in 2020-21 for 9 of the 10 largest industries. The expected falls range from a slight 0.2% decrease for the Media & telecommunications industry to a 23% decrease for the Transport, postal and warehousing industry. Only the Professional & technical services industry shows an expected increase.

Divergent job trends across industries ...



Data for the number of jobs are showing divergent trends. The ongoing easing of social restrictions will aid continued recovery in certain industries – for food services, the easing of restrictions in Victoria will boost job numbers. Conversely, the diminishing pipeline of investment projects is driving a fall in construction (and associated service) jobs.

... and by firm size and state



Payroll data also shows marked differences in job numbers by firm size and state. Small business is over-represented in some industries particularly affected by the current crisis – such as construction and associated service professions. In Victoria, the recent easing of social restrictions should lead to a sharp pick-up in total job numbers.