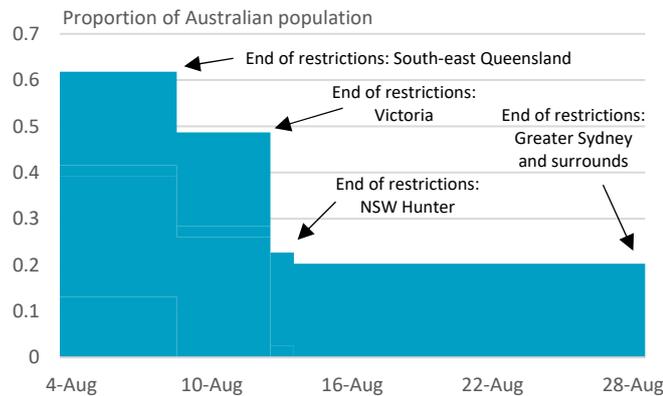


ASFA Economic Snapshot: week ending 6 August

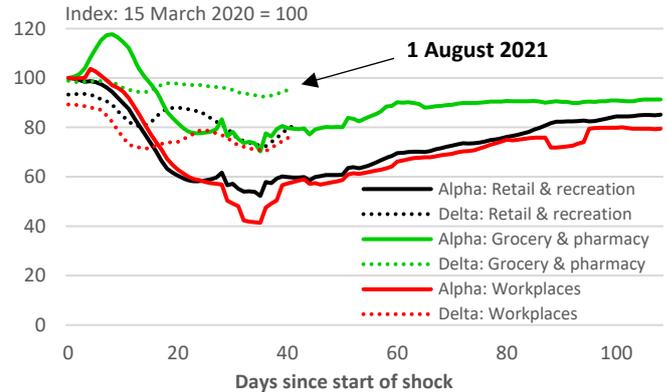
This is a weekly update on the impact of the COVID-19 pandemic on financial and economic conditions, in Australia and globally, and government policy measures to support economic activity and employment.

A large share of Australia now under lockdown



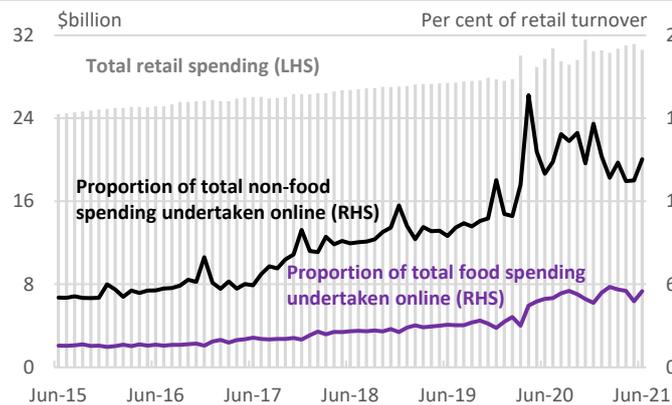
This shows the proportion of the Australian population who live in Local Government Areas that are subject to announced heightened restrictions: South-east Queensland (until 8 August), Victoria (until 12 August), NSW Hunter (until 13 August), and Greater Sydney and surrounds (28 August). The challenges in containing the Delta variant presents risks that lockdowns may be extended and/or broadened.

Individuals' activity likely to fall



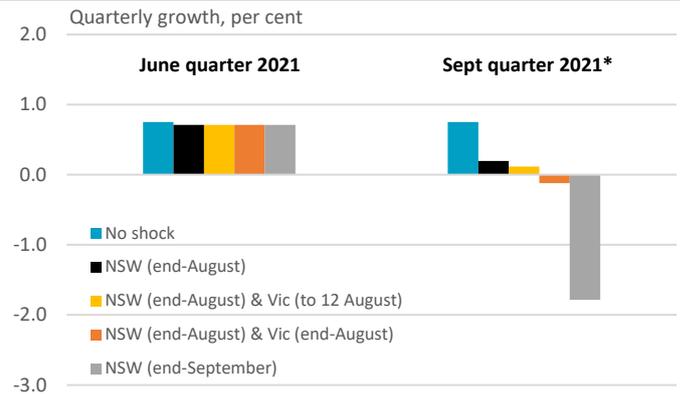
This shows aggregated metrics for Australia for visits/time-stayed by people in the days following the first March-2020 COVID shock (solid lines) and the current Delta COVID shock (dotted lines). The variation in current lockdowns across the nation (to 1 August) is reflected in a lower (average) impact compared with the initial shock. However, it's likely that newly-announced restrictions will push activity levels lower.

Consumers switching to online shopping



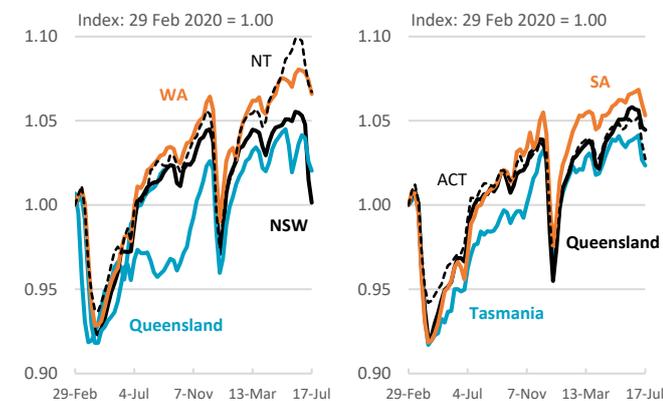
This shows total retail spending (grey bars), and the proportions of total food and total non-food spending undertaken online (purple and black lines respectively). Following heightened volatility in mid-2020, total spending has recovered and is now well above pre-crisis levels. In response to reduced access to retail locations, consumers switched to online for some purchases – amplifying the ongoing upward trend.

GDP will fall in September quarter – but by how much?



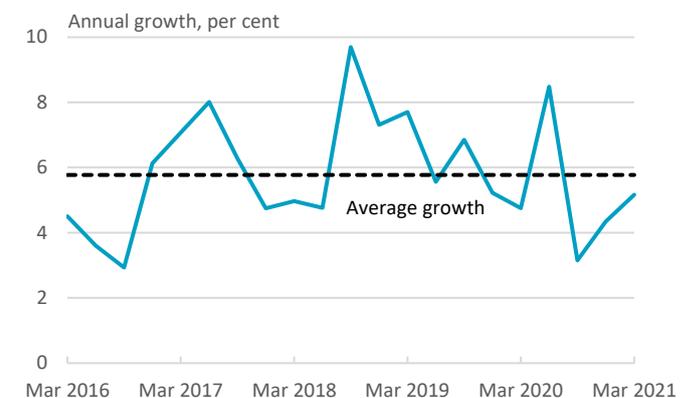
This shows estimates of the impact of lockdowns on GDP growth, relative to implied Treasury forecasts (blue). For NSW, it is estimated that lockdowns (from 26 June) will cut economic activity by about \$1 billion a week.[^] The lifting of lockdowns at the end of August will allow a bounce-back in activity prior to the end of the quarter. No in-quarter recovery would occur if lockdowns extend to the end of September.

Employment is falling, with the largest drop in NSW



This chart shows the number of jobs. While the initial March-2020 COVID shock (and consequent restrictions) had a fairly uniform impact on jobs, the impacts of the current Delta shock and restrictions have been more varied. For the 4 weeks to 17 July, jobs have fallen by 5% in NSW, 3% in the NT, 2% in Victoria and the ACT, and by 1% elsewhere.

Super contributions will take a hit



This chart shows annual growth in compulsory super contributions. For the year to the September quarter 2020, growth dropped sharply, – which reflected the fall in employment. While growth has since rebounded in line with the broader economic recovery, it is likely that the current Delta shock will see a fall in growth in coming quarters.

Sources for each panel: (1) ABS, *Regional Population*, 2019-20 and ASFA; (2) Google, *COVID-19 Community Mobility Reports* and ASFA; (3) ABS, *Retail Trade*, June 2021; (4) ABS, *National Accounts* March 2021; Australian Government, *Budget 2021-22* and ASFA; (5) ABS, *Weekly Payroll Jobs and Wages*, week ending 17 July 2021; (6) APRA, *Quarterly Superannuation Performance Statistics*, March 2021 and ASFA. [^] Based on Treasury estimates, which includes the cushioning impact of announced Commonwealth/state government support. *This assumes a (variable) bounce-back in GDP within the quarter where lockdowns finish at end of August.