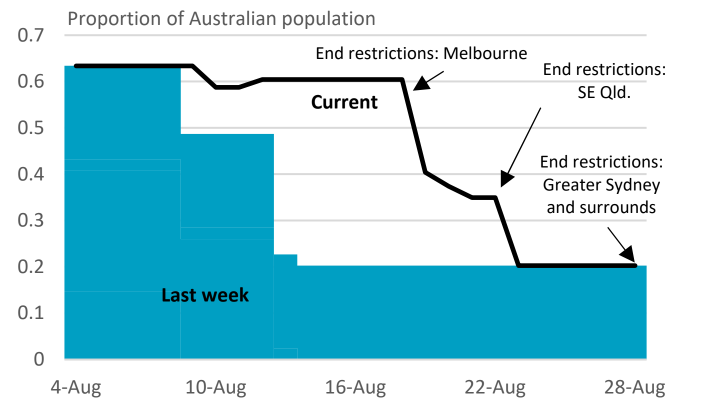
ASFA Economic Snapshot: week ending 13 August 2021

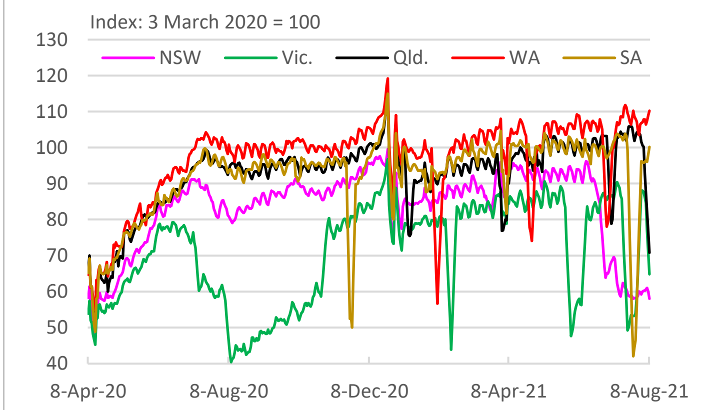
This is a weekly update on the impact of the COVID-19 pandemic on financial and economic conditions, in Australia and globally, and government policy measures to support economic activity and employment.

A larger share of Australia now under lockdown



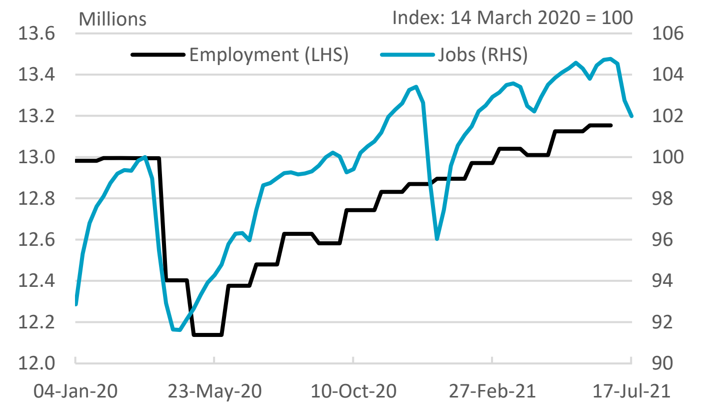
This chart shows the proportion of the Australian population who live in Local Government Areas that are subject to announced heightened restrictions. Since last week, lockdowns have been extended (Melbourne until 19 August, South-east Queensland until 22 August) and broadened (north/west regional NSW until 19 August, ACT until 19 August). Risks of further extensions/broadening remain elevated.

Individual activity falls along eastern Australia



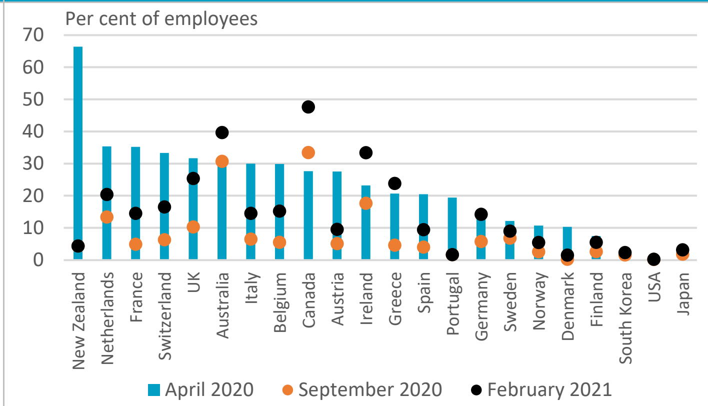
This chart shows aggregated metrics for visits/time-stayed by people at retail/recreation facilities (excluding supermarkets). As at 8 August, restrictions have led to significant drops in aggregate activity (compared with recent peaks) in NSW (down 40%), Victoria (down 28%) and Queensland (down 32%). However, activity in SA has bounced back sharply following the end of the recent snap lock-down.

Impacts yet to be fully reflected in job figures



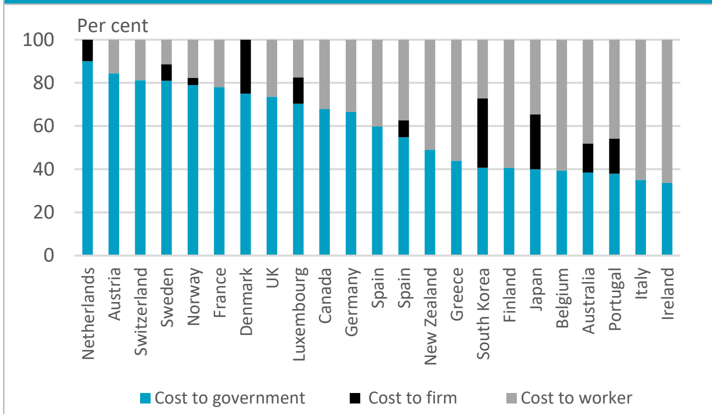
For the labour market, the ATO provides near real-time raw data for the number of jobs (3-week lag). From mid-June to mid-July, the number of jobs fell by 2.6% (largest fall in NSW). The next release will show a further drop, given ongoing/broader lock-downs (Panel 1). The impacts are yet to be reflected in the ABS's employment data (adjusted for regular seasonal employment patterns, such as Xmas).*

The 2020 jobs recovery was supported by policy



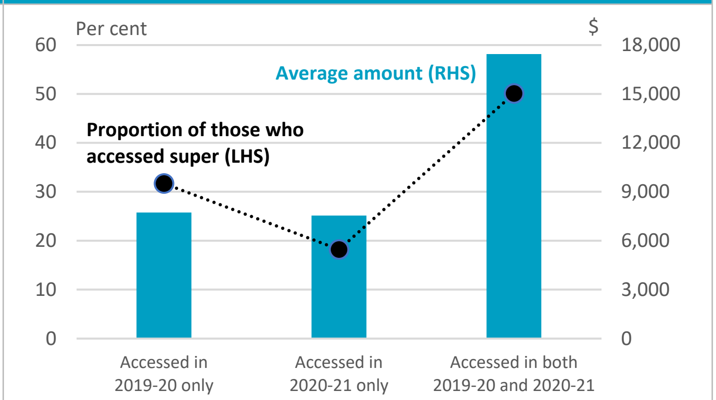
For advanced economies, this chart shows the take-up of job retention schemes during the COVID crisis. Australia's JobKeeper scheme had a relatively high take-up rate from business (affecting a large proportion of employees), and the scheme remained in place for a relatively long period. These settings facilitated the strong bounce back in labour market conditions from the initial COVID shock in 2020 (Panel 3).

Workers still bore a large share of costs …



For the early part of the crisis (May/June 2020), this shows the incidence of the cost of the fall in total hours worked in the economy. While JobKeeper was broadly targeted (Panel 4), its relatively low replacement rate meant workers bore a large share of the cost of lower hours – reflected in the draw-down of savings, including super.^

… and accessed super under early release



Under the COVID early release scheme funds made around 4.5 million separate payments. Of those who accessed their super, more than half did so in both financial years. For those people, the average total amount was $17,440, or $8,720 per year. This was about $1,000 more than for those who accessed super in one year only (average $7,660).

Sources for each panel: (1) ABS, *Regional Population*, 2019-20 and ASFA; (2) Google, *COVID-19 Community Mobility Reports* and ASFA; (3) ABS, *Weekly Payroll Jobs and Wages*, week ending 17 July 2021; ABS, *Labour Force*, June 2021; (4 & 5) OECD, *Employment Outlook 2021*; (6) ABS, *Household Financial Resources*, September 2020. * The number of jobs fell faster and recovered quicker than the number of employed people because some people work multiple jobs. ^ The scheme allowed eligible applicants to withdraw up to $10,000 from 20 April to 30 June 2020, and up to $10,000 in the next 6 months.