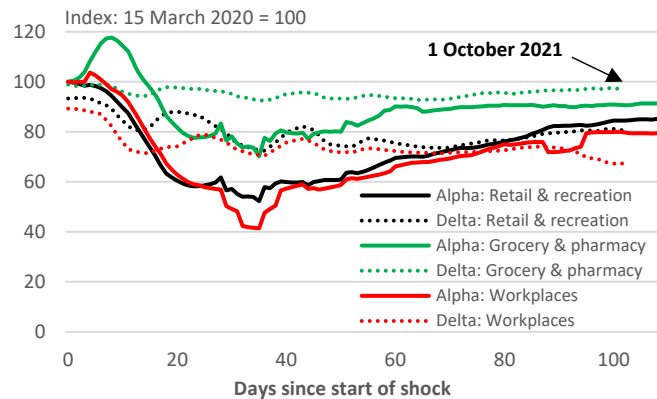


ASFA Economic Snapshot: week ending 8 October

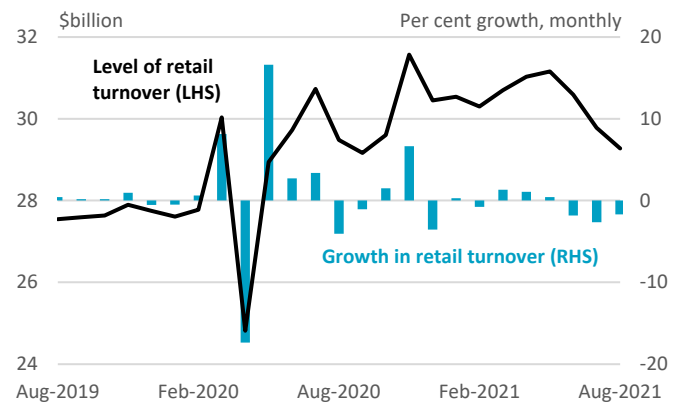
This is a weekly update on the impact of the COVID-19 pandemic on financial and economic conditions, in Australia and globally, and government policy measures to support economic activity and employment.

Aggregate activity levels rising slowly



This shows metrics for Australia for visits/time-stayed by people following the March-2020 COVID shock (solid lines) and the Delta-COVID shock to 1 October (dot lines). Across the nation, the variation in restrictions is reflected in a lower (average) impact compared to the 2020 shock. For NSW, restrictions and their impact are dissipating, while in Victoria restrictions are likely to remain in place for longer.

Retail spending has fallen in the South-East ...



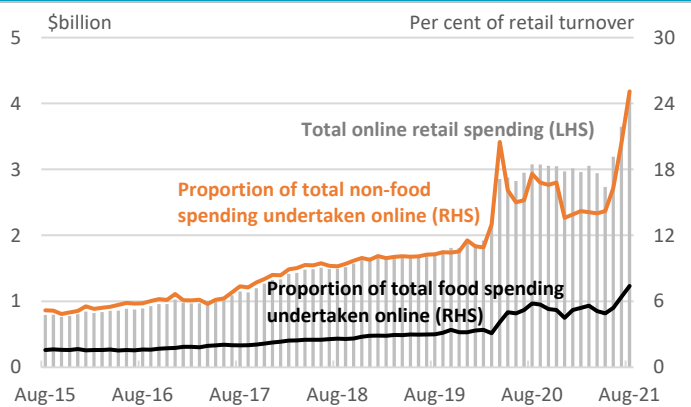
Consistent with lower individual activity (Panel 1), total retail spending declined over the three months to the end of August, by a total of 6%. Reflecting the varied conditions across the nation, spending is down by 14% and 6% in NSW and Victoria respectively (over those three months), but up by 4% in both SA and WA. Looking ahead, retail spending will eventually rebound in NSW and Victoria (Panel 3).

... though spending will rebound

	Growth for the 3 months to end-August 2021		Average 3-month growth over the last 10 years
	Per cent	Per cent	
Food (supermarkets etc)	10.2	0.9	
Cafes, restaurants and takeaway	-35.6	1.0	
Furniture, floor coverings & textiles	-28.2	0.9	
Electrical goods	-8.4	0.6	
Hardware & garden supplies	-4.0	1.4	
Clothing, footwear & accessories	-48.4	0.9	
Pharmaceuticals, cosmetics & toiletries	-2.4	1.2	

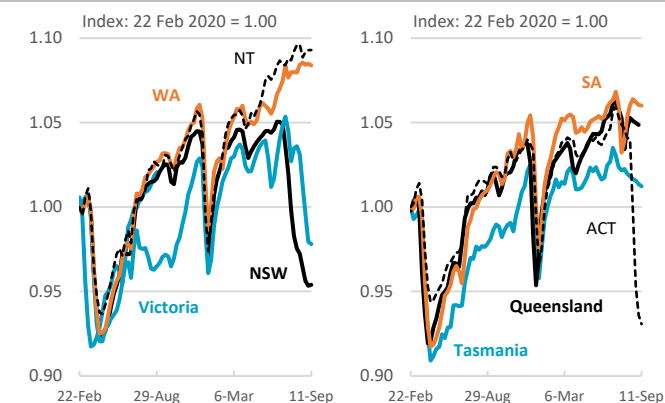
For NSW and Victoria combined, this table shows growth for major retail components – over the three months to August, compared with average (quarterly) growth for the last 10 years. In these states (that have been most affected by Delta-COVID), falls for some categories, such as clothing and various household and housing-related items, in large part represent a delay of consumer spending that will rebound.

Online retailing has surged, and will only partly unwind



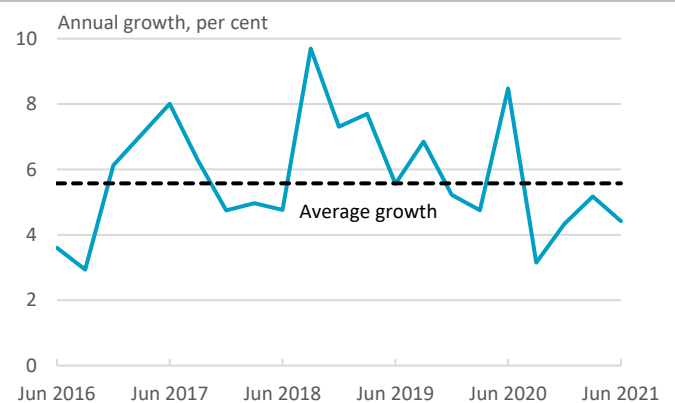
While total retail spending fell over the three months to the end of August (Panel 2), total *online* retail spending (grey bars) continued to climb – as consumers switched to online for some types of purchases and so amplified the pre-existing upward trend. As a proportion of total retail spending, online spending (non-food in particular) has risen sharply. A higher online share will likely persist after restrictions ease.

Big job losses in the South-East, ahead of a rebound



This chart shows the number of jobs. While the March-2020 COVID shock (and consequent restrictions) had a fairly uniform impact on jobs, the impacts of the Delta-COVID shock have been more varied. For the 12 weeks to 11 September, jobs were down by 11% in the ACT, 9% in NSW, 5% in Victoria, 1% in Tasmania, while flat or up elsewhere.

Aggregate 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 economic recovery, it is likely that the Delta-COVID shock will see a softening of growth in coming quarters.