Navigating the economic recovery from COVID

Dr Sarah Hunter
Chief Economist
COVID-19 pandemic shook global economy in 2020
Economy experienced a rollercoaster ride in 2020

Australia: Quarterly GDP contributions

Source: BIS Oxford Economics/Haver Analytics
Controlling the pandemic necessary for recovery
Monetary support has laid the groundwork

Owner-occupier mortgage interest rates

Source: BIS Oxford Economics/RBA
Fiscal support has bolstered households…

**Household income**

<table>
<thead>
<tr>
<th>Change, $mn</th>
<th>2019 Q4</th>
<th>2020 Q1</th>
<th>2020 Q2</th>
<th>2020 Q3</th>
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</thead>
<tbody>
<tr>
<td>Employment income</td>
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<td>Income from self-employment</td>
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<td>Imputed value of owner-occupier housing</td>
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<td>Social security payments</td>
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<td>Property income</td>
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<td>Other</td>
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Source: BIS Oxford Economics/Haver Analytics
…with spending now pivoting towards ‘typical’ stimulus

Real government investment
AUD mn (2018/19 prices)

Forecast

Source: Oxford Economics/Haver Analytics
What will the vaccine rollout enable and when?

Domestic Overnight Travel in Australia - Jan-Sep 2020
Per cent and contribution of inter- & intra-state, relative to Jan-Sep 2019

Source: Tourism Economics; Tourism Research Australia
Economic scarring is inevitable

Source: Oxford Economics