

# AUSTRALIAN ECONOMIC STATEMENT



**GROSS DEBT**  
**\$851.9**  
**BILLION**  
 OR **45%** OF GDP



**NET DEBT**  
**\$677.1**  
**BILLION**  
 OR **35.7%** OF GDP



**UNDERLYING CASH BALANCE**  
**\$184.5**  
**BILLION**  
 OR **9.7%** OF GDP

23 July 2020

COVID-19 has seen the Federal government switch from "back in surplus" mode to "whatever it takes" fiscal stimulus policies designed to help Australians and the business community survive the pandemic.

The government's strong balance sheet and record low interest rates are underwriting the stimulus measures given the substantial declines in revenue.

Here is the Treasurer Josh Frydenberg's snapshot of the current economic environment.

As you read this CA ANZ summary, ask yourself:

- How likely is the hoped-for economic growth under current policy settings?
- Should the government take tough policy decisions now?

Future generations of Australians may well look back on 2020 as the year when these questions deserved better answers.



**DEBT EQUALS**  
**REVENUE**  
**LESS**  
**PAYMENTS**



**ASSUMES**  
**QUICK RECOVERY**  
**BEGINNING**  
**SEPTEMBER**  
**2020**



**TAX DOWN**  
**(\$64B)**



**PAYMENTS UP**  
**\$187.5**  
**BILLION**



**REAL GDP**  
**DOWN**  
**3.75%**  
 IN DECEMBER 2020



**UNEMPLOYMENT**  
**PEAKS AT**  
**9.25%**  
 IN DECEMBER 2020



**BUSINESS**  
**INVESTMENT**  
**DOWN**  
**12.5%**