

01 07 2020

Mr Tim Wilson MP
Chair
House of Representatives Standing Committee on Economics
Parliament House
Canberra ACT 2600

Westpac Place
275 Kent St
Sydney NSW 2000
westpac.com.au

Dear Mr Wilson

The ongoing low rates of COVID-19 in Australia, and substantial steps that have been taken to lift restrictions on industries and the community, continue to support a more positive outlook for the economy in Australia.

In the last month we have seen further recovery in consumer sentiment. In June, the Westpac-Melbourne Institute Index of Consumer Sentiment recovered a further 6.4%, following the record increase of 16.4% in May. This means consumer sentiment is now back at pre-COVID levels. However, the index remains weak by historical standards and is down 7% on a year ago.

Westpac Economics has also recently revised its forecast for economic growth. With the earlier than expected easing of some restrictions they have brought forward the timing of the forecast recovery but still expect the economy to contract by 4% (down from 5%) in 2020.

The support for customers affected by COVID-10 outlined in our April 2020 response to the Committee continues to be available. As at 26 June 2020, we have supported our customers by:

- Providing home loan repayment deferrals for over 130,000 customers;
- Approving over 45,000 COVID-19 relief packages for business customers;
- Lending \$190 million through over 1,500 businesses loans backed by the National SME Guarantee Scheme;
- Paying \$934 million to 117,000 customers under the early access to superannuation scheme; and
- Continuing to provide access to banking services with over 92% of our branches open. We continue to see customers making greater use of digital banking and reducing their use of in-branch services.

We continue to work with the Australian Banking Association and member banks, and engage with regulators, on support for customers who will end their current six-month loan deferral period starting from September 2020. We know that this will be an important period for our customers and the economy, with changes to Government support measures, in particular JobKeeper, also to occur at that time. We are committed to working with our customers as they adapt to these changes.

On 10 June, we commenced a pilot program involving 500 people returning to work in our corporate sites in Adelaide, Perth and Sydney. The outcome of this pilot will provide valuable insights as we plan the next phase of a safe return to the workplace for our people.

Yours sincerely,

Peter King
Chief Executive Officer