Edition 12: **H2 2021**

CFO Sentiment

The Leaders' Circle | Sharpening your edge

Resilient in the face of uncertainty

Contents

Deloitte has surveyed senior finance executives of major Australian listed companies since 2009. This CFO Sentiment survey covers the second half of 2021 and took place between 29 November 2021 and 20 December 2021.

Please note: where graphs do not add up to 100%, this is due to respondents being able to select multiple responses

Executive summary

A glass half full

2022 may not be off to the smooth start we were all longing for after almost two full years of pandemic mayhem, but Australian CFOs are still optimistic about the year ahead. Net optimism about the financial prospects of their companies going forward is currently 79% – a strong result. And at 23%, this edition's survey sees the highest share of CFOs having reported being 'highly optimistic' in the survey's history.

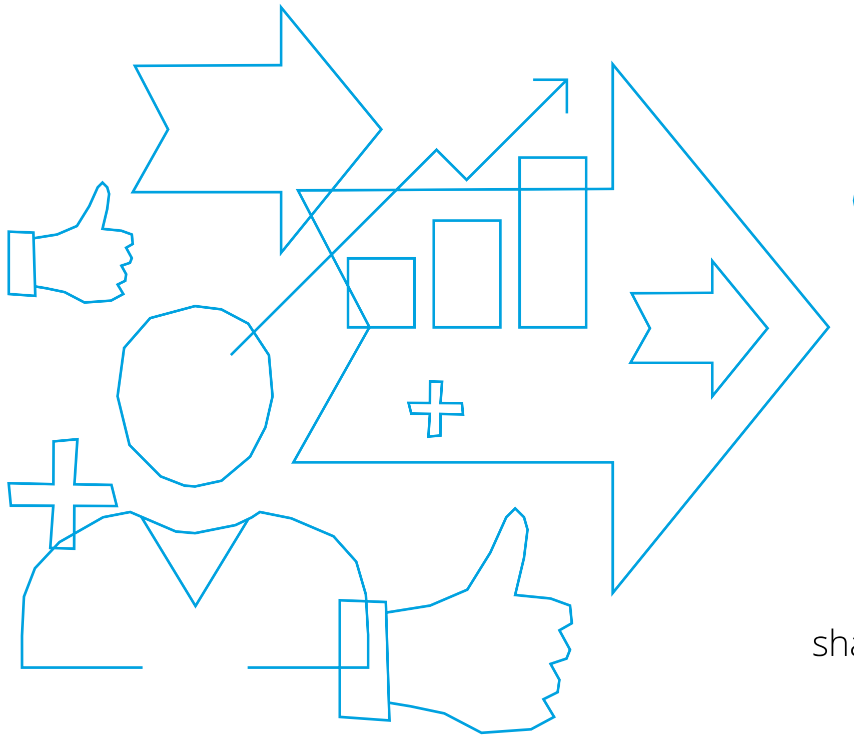
But CFOs are not under any illusions that 2022 will be smooth sailing. Uncertainty about economic and financial conditions has been rated by CFOs as being at an all-time high. Even more CFOs are rating uncertainty as being above normal now than back in mid-2020 when COVID-19 was taking its first bites out of Australia's economy.

One thing CFOs are certain about is that difficulties in securing and retaining key talent will pose a risk to their businesses through 2022.

93% of the CFOs we surveyed rated this as one of the top risks on their mind this year. A global economic slowdown and recession is still a concern, but to a comparatively smaller share (53%) of CFOs.

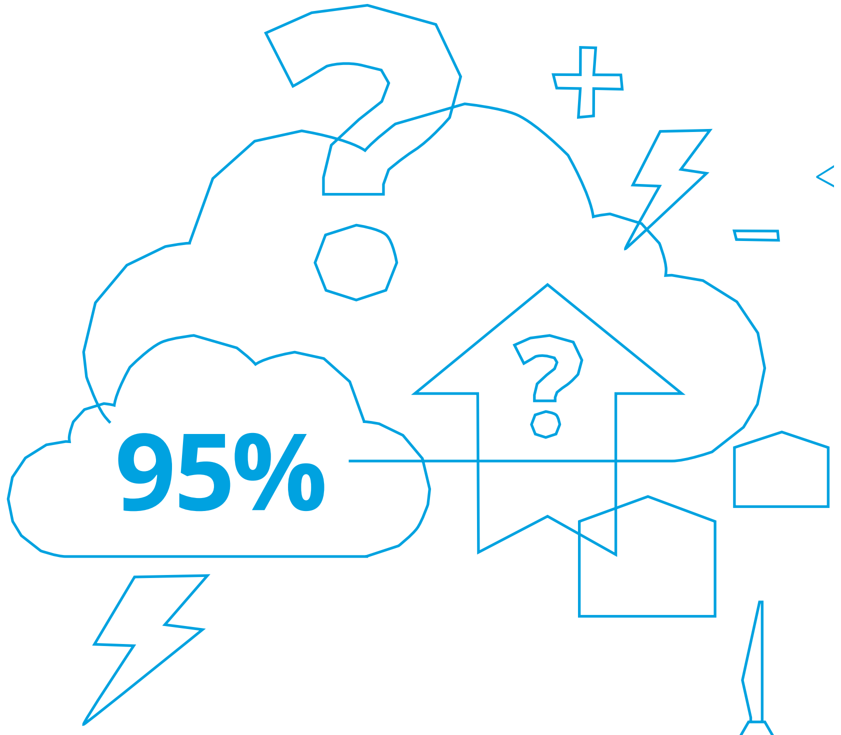
While pandemic-related concerns have been top of mind for so long, CFOs still have their eye on ESG action. They recognise that investors, customers and staff all want action on ESG and they are responding, but it's still a work in progress. Most businesses are still in the stages of planning and trying to move things forward, although not many CFOs are actually confident in their abilities to drive ESG action in their organisations. A lack of resources and having the relevant skills and knowledge available is seen as a key barrier to driving change.

Looking up & looking out for talent



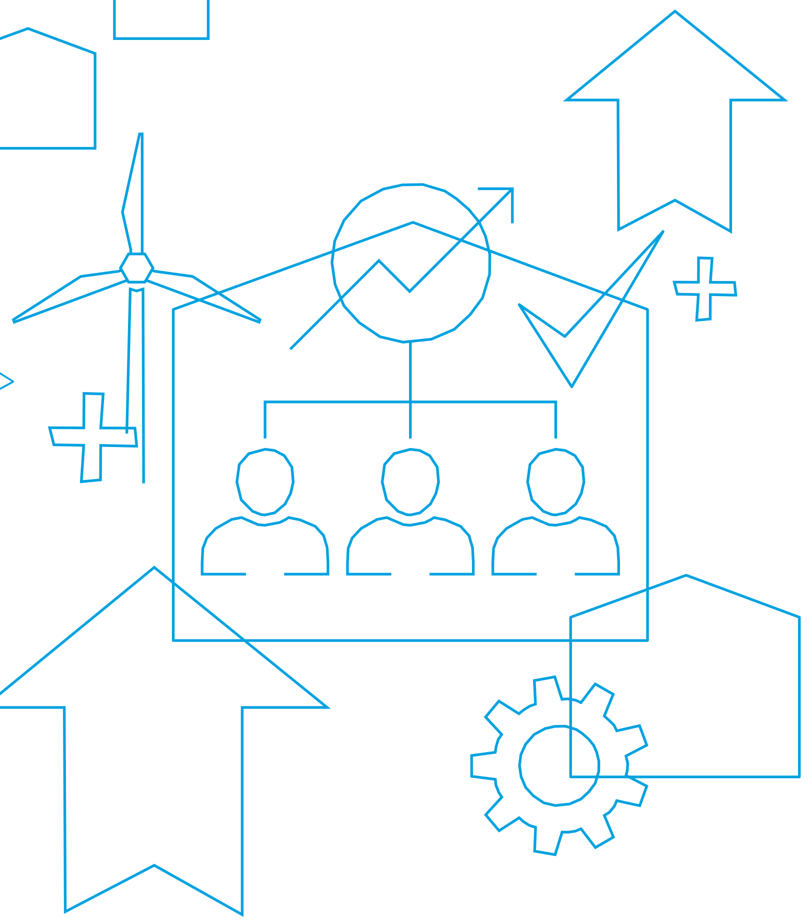
Looking up >

More CFOs are 'highly optimistic' about the year ahead than ever before.



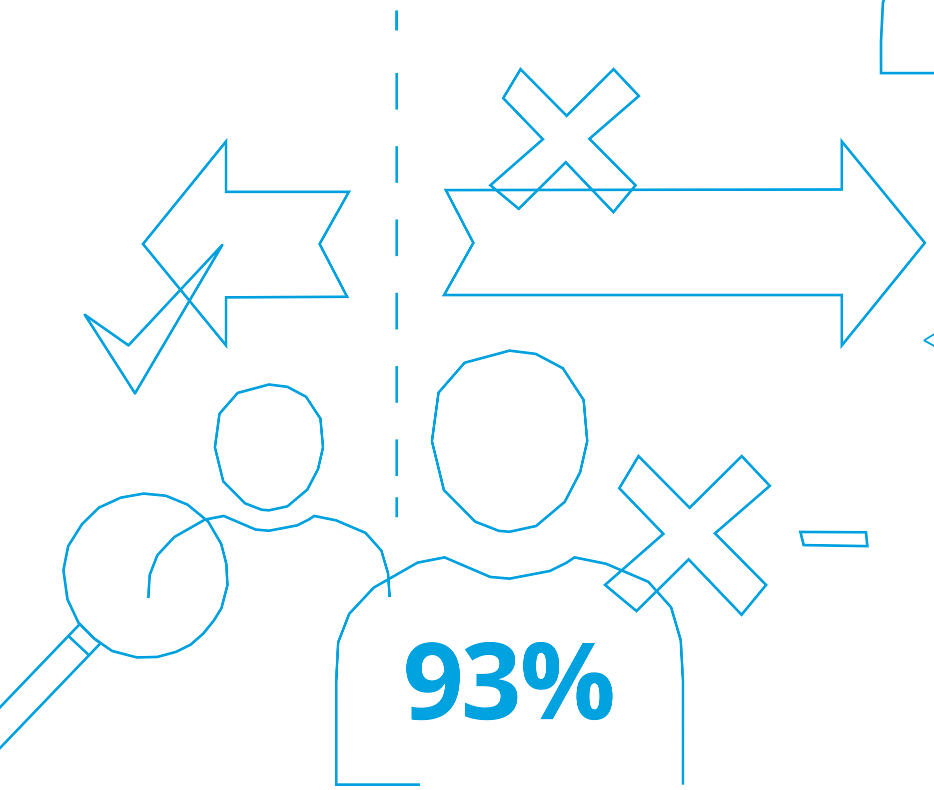
< Uncertainty hits new highs

95% of CFOs rated uncertainty levels as being higher than normal – an all-time high since this survey began.



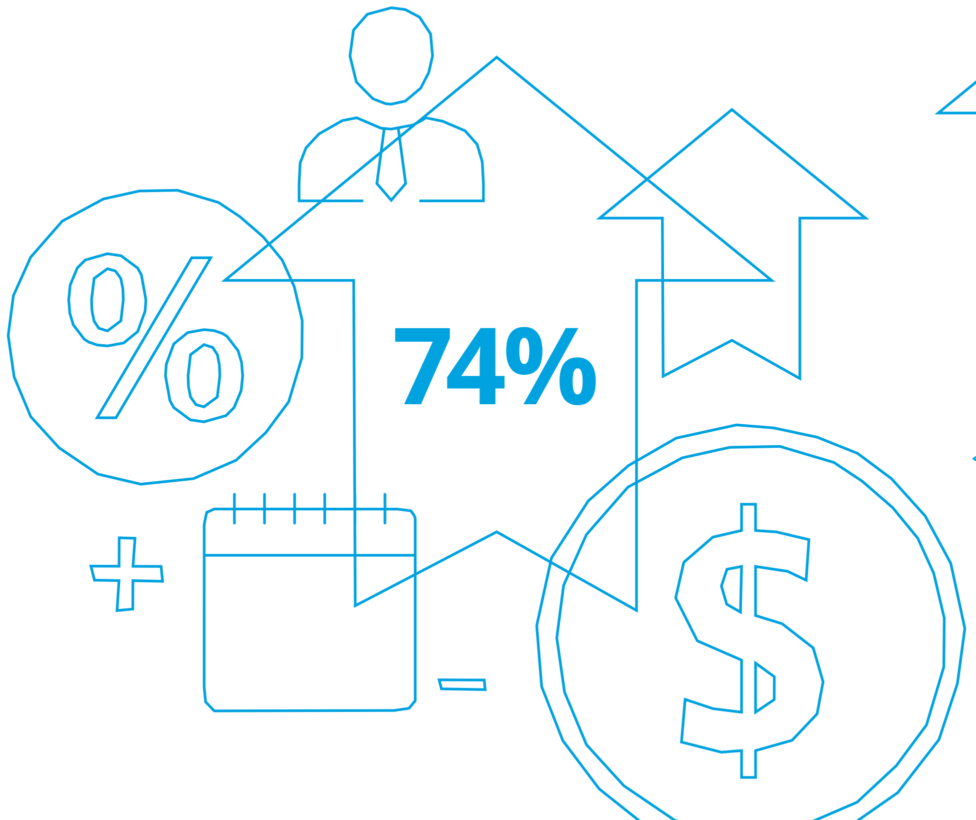
Investors want ESG action >

CFOs have rated investor and shareholder demands as the top driver of ESG action in their organisations.



< People shortage

Almost all CFOs (93%) said 'securing and retaining key talent' is among the risks of most concern to them in 2022.



< Readying for a rate rise

Almost three-quarters (74%) of CFOs expect interest rates to rise during 2022 – at odds with RBA messaging.

Economic update – Australia

The recovery rolls on

The Australian economy faced another year of COVID challenges in 2021, and appears to have now joined much of the rest of the world with a risk-management approach to COVID (living with the virus), rather than risk aversion (government imposed lockdowns). Vaccinations were the trigger to allow that transition to happen. With a high vaccination rate, and cashed-up from when the pandemic meant that money could not be readily spent, Australian families and businesses are ready for recovery.

However, the Omicron outbreak is impacting conditions in early 2022. Mobility and consumer confidence have fallen, and infections and isolation requirements have led to widespread staff absences. The Australian Retailers Association (ARA) estimated that 20% of retailers have up to half of their workers in COVID isolation.

In further bad news, China is also experiencing a sharp economic slowdown that may challenge Australia's economy. And financial markets have wrested control of the cost of money away from the RBA, notably raising the cost of two-and three-year fixed rate loans at a time when borrowings have leapt.

Despite these challenges, Australia's economic outlook remains positive. Last year saw the fastest growth in the Australian economy since 2007, and the second fastest in the last two decades. Deloitte Access Economics forecasts a similar outcome for 2022, with Australia's growth remaining above average as pandemic damage to the economy continues to be repaired.

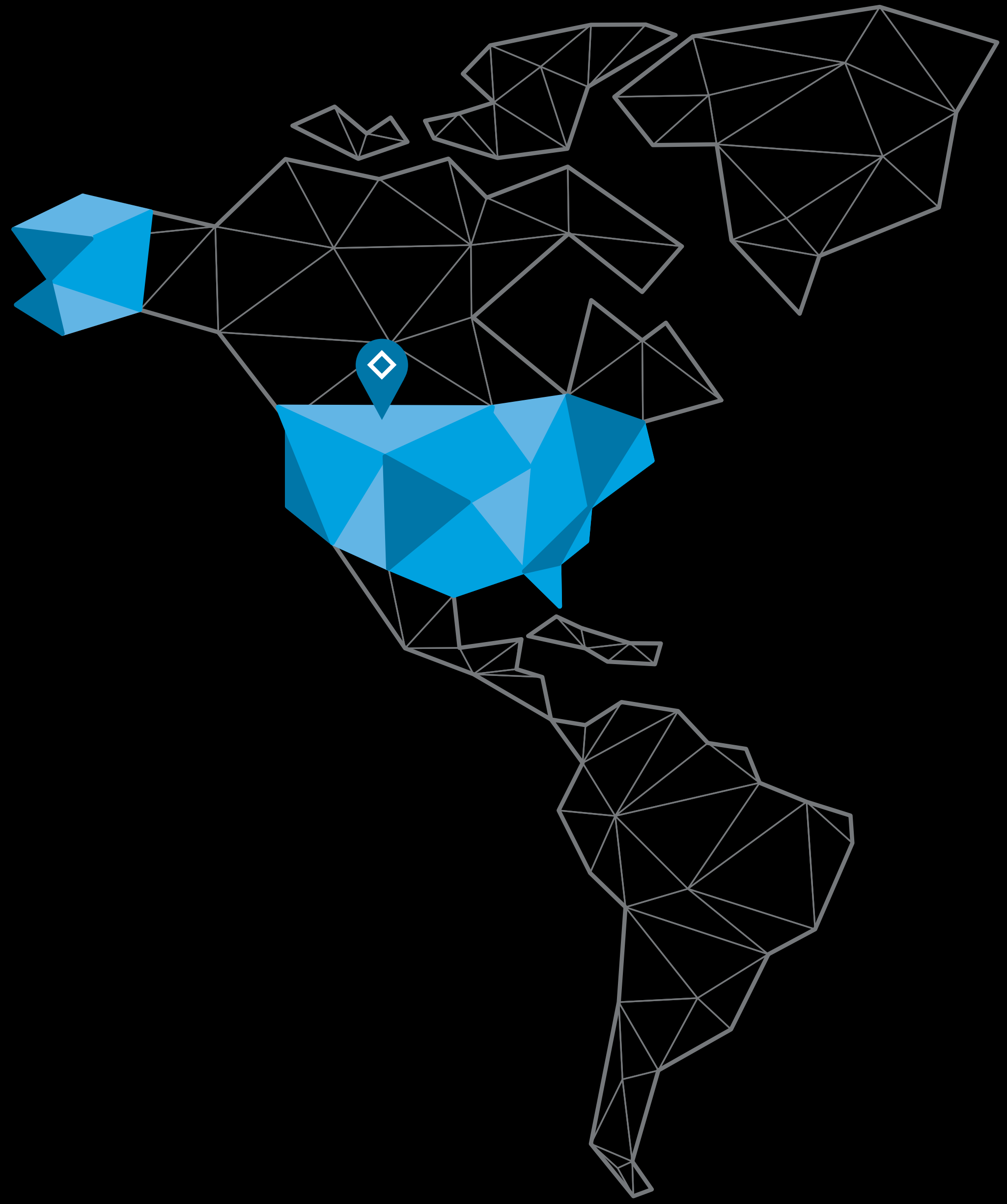
Australia's job performance has been a bright spot amidst uncertainty, with the job market demonstrating an exceptional recovery each time lockdowns are eased. Soaring job vacancies suggest this trend will continue. Labour shortages in some sectors are being driven by international border closures causing a lack of supply of immigrant and travelling workers. Significant economic support from governments and the RBA has also boosted the demand for labour.

Since the pandemic began, Australia's economy has largely splintered along state borders. As Australia moves from 'COVID zero' to 'living with the virus' in 2022, however, we will start to see the return of the nation, with the states hardest hit by COVID (NSW and Victoria) closing the gap with those more economically prosperous (Tasmania, Western Australia and South Australia).

"Australia has seen a strong economic bounce-back from previous waves of COVID-19, with the unemployment rate now much lower than it was pre-COVID – a remarkable achievement. So even though the current environment is just as uncertain as ever and risks remain front and centre, 2022 can still be a year of positive growth."

David Rumbens
Partner, Deloitte Access Economics
Deloitte Australia

Economic update – Global



Vaccinations have made significant progress in addressing COVID and allowing the global economy to normalise, with a global economic growth rate of 5.6% in 2021.

However, mutations continue to threaten this progress. Signs that global recovery has reached its limit as well as vaccination supply and distribution challenges in developing nations compound this risk. This will leave global growth uneven in 2022, with the greatest success likely to go to the nations whose populations are triple vaccinated. Meanwhile, China is experiencing a sharp slowdown, with a range of potentially significant impacts on Australia's economy. Global supply chain disruptions also remain a problem and threaten to slow the pace of global growth in 2022.

United States of America

The US economy is in a strong but precarious position. The job market has come full circle, from 2020 having the highest unemployment rate since the 1930s, to now having the fewest initial claims for unemployment benefits in over half a century. Although this constitutes a significant economic recovery, it remains a fragile one. Vaccine hesitancy has meant many people remain unvaccinated, leaving the economy vulnerable to new strains like Omicron. While the US joins other nations in rolling back COVID-specific relief, other government spending has seen a significant rise. In combination with the economy's natural bounce-back from restrictions, this has seen inflation spike to a 40-year high. While the duration of high inflation remains uncertain, it seems likely that the US Federal Reserve will hike interest rates at least once in 2022.

Economic update – Global

United Kingdom

The United Kingdom is experiencing strong growth despite inflationary pressures, supply chain disruptions and shortages in both materials and staff. In 2021, the UK economy grew almost 7%, which was one of the fastest growth rates among major economies. This is perhaps unsurprising, however, given the large initial hit to the economy in 2020 left significant ground to be regained. Demand remains strong while supply is constrained, but this, in combination with bureaucratic complications from Brexit, have put exports under pressure.
And despite the phasing out of the Coronavirus Job Retention Scheme – the UK's JobKeeper equivalent – the job market has performed well.

Europe

The European economy is performing surprisingly well given the recent surge in COVID cases. Lockdowns are less common, restrictions are more targeted, and families and business have adapted to better handle the restrictions that are enacted. It is likely 2022 will bring further economic recovery, although this depends largely on the European Central Bank (ECB) continuing its current supportive policies. But inflation is accelerating – recently reaching 30-year highs – due to supply chain disruptions, a spike in energy prices and renewed consumer spending. This puts pressure on the ECB to remove monetary stimulus earlier than planned, although they currently maintain that inflationary pressures are transitory. It is unlikely that interest rates will be raised any time soon.

Economic update – Global

China

China's economy is experiencing a sharp slowdown, largely led by a deceleration in the previously overheating property sector. While its 'zero COVID' policy proved economically successful at the start of the pandemic, the emergence of more infectious variants, namely Delta and now Omicron, have made it more costly. China may therefore be destined to a series of stops and starts as individual cities and regions enter lock downs. Export markets are helping the economy while domestic markets have slowed due to property sector falters, electricity rationing, and the disruption of lockdowns on factories and ports. Further risks to the economy are low birth rates and a growing older population, which have resulted in an insufficient labour force and, all else equal, will lead to a further deceleration of economic growth.

New Zealand

New Zealand is increasingly isolated in its zero tolerance management of COVID. While other countries, like Australia, abandoned elimination strategies as more highly infectious variants emerged, New Zealand stayed the course. This came at considerable cost to the economy, with lockdowns in place in Auckland and other major cities from August 2021 onwards. This increased the vaccination uptake however, with most of the country now fully vaccinated. When non-essential retail and international borders do reopen, the economy will transition from being reliant on government support and a well performing housing sector. But this may be impacted by the RNBZ's aggressive approach to normalising interest rates which has already hit housing.

Economic update – Global

India

India has experienced strong, broad-based economic growth in the last year. Trade has risen rapidly as the global economy recovers, mainly driven by goods exports as closed borders still weigh on services exports. In the medium term, growth in household consumption will ease as pent-up demand and government support wind down. Recovery will be patchy, with rural and unvaccinated areas struggling and poverty rates remaining above pre-COVID levels. A key risk remains the potential flight of capital from India if developed nations lift interest rates, causing growth to lose momentum. While recovery will likely continue, it seems that inflation, a weak job market and high government debt are risks to consumer demand.

Japan

Japan faced multiple increasingly harsh lockdowns in the second half of 2021 but has since found new momentum. Easing restrictions, government stimulus following the recent election, and a likely rebound in production and exports point to a much-needed economic recovery in 2022. Consumer spending should grow as a result, although inflationary pressures could threaten this. The ongoing chip shortage will weigh on the manufacturing sector, but a weak yen and stronger global demand should boost exports relative to imports. This additional spending will be funded through bond issuance, however, so will add to the already high national debt. The shrinking working age population also poses a risk to Japan's long-term economic outlook, but in the immediate term, it seems the economy is heading in the right direction.

Economic update – Global

East Asia – Malaysia, Indonesia & Thailand

A spike in demand for high-tech manufactured goods has boosted the manufacturing sectors in much of east Asia. In combination with trade tensions and COVID-induced factory shutdowns in countries like Malaysia, this has led to a global chip shortage. Although most restrictions eased as case numbers improved, demand continues to outweigh supply, with additional capacity not expected until the end of 2022. Tourism is gradually returning, with Indonesia and Thailand both working to introduce travel bubbles. But China's 'COVID zero' strategy as well as Omicron and other future mutations will remove a large portion of potential travellers. Other risks include China's economic slowdown, which will likely have flow on impacts to the rest of the region, and the possibility that early global interest rates rises will inhibit ongoing recovery.

Key policy measures

1
2
3
4
5
6
7

What now and what next?
The Australian economy continues to benefit from both fiscal and monetary policies put in place at the height of the COVID-19 pandemic. Expansionary policy settings have been central to Australia's economic recovery in 2021 and will continue to play a major role in the path ahead.

Spending on infrastructure remains a focus of Federal, State and Territory Government budgets. Infrastructure spending will benefit the construction sector in the short term and will also provide greater capacity for economic growth in the long term.

However, while funding has been secured, Australian contractors are facing several challenges in delivering a record pipeline of work, including backlogs from lockdowns, a tight labour market, high competition from residential construction and global materials supply shortages.

On the monetary policy front, Australia's record-low interest rates have come into question. In mid-2021, easing restrictions, deficit spending and global supply chain bottlenecks led to accelerated inflation growth. The RBA maintains it will not lift rates until wage growth experiences a sustained material improvement, which is estimated to occur in late 2023. However, many economists and indeed the market, disagree and expect rates to rise much earlier. Deloitte Access Economics forecasts that rates will not rise until 2023 due to current inflationary pressures being largely transitory and driven by temporary factors. These would have to significantly worsen to see sustained high inflation in Australia, especially as we have largely avoided the Great Resignation that the US has seen over 2021.

With vaccination policies largely successful, attention has turned to the reopening of Australia's borders. This will likely continue amid stops and starts, with migrant, student and tourist numbers rising throughout 2022 and approaching pre-pandemic rates by 2023 or 2024. This will provide a much-needed boost to the beleaguered tourism industry, with flow on benefits reaching hospitality and retail, and providing a significant boost to export receipts.

Reopening international borders will also ease pressures on labour supply in many sectors, especially those dependent on an international traveller workforce like farming, retail, IT and hospitality. Economic stimulus delivered by governments and the RBA has seen a rapid rebound in consumer demand, putting pressure on jobs from the demand side as well. The result has been skyrocketing job vacancies and reports of skills shortages affecting many businesses, which reopening borders will go a long way in addressing.

CFOs enter 2022 optimistically

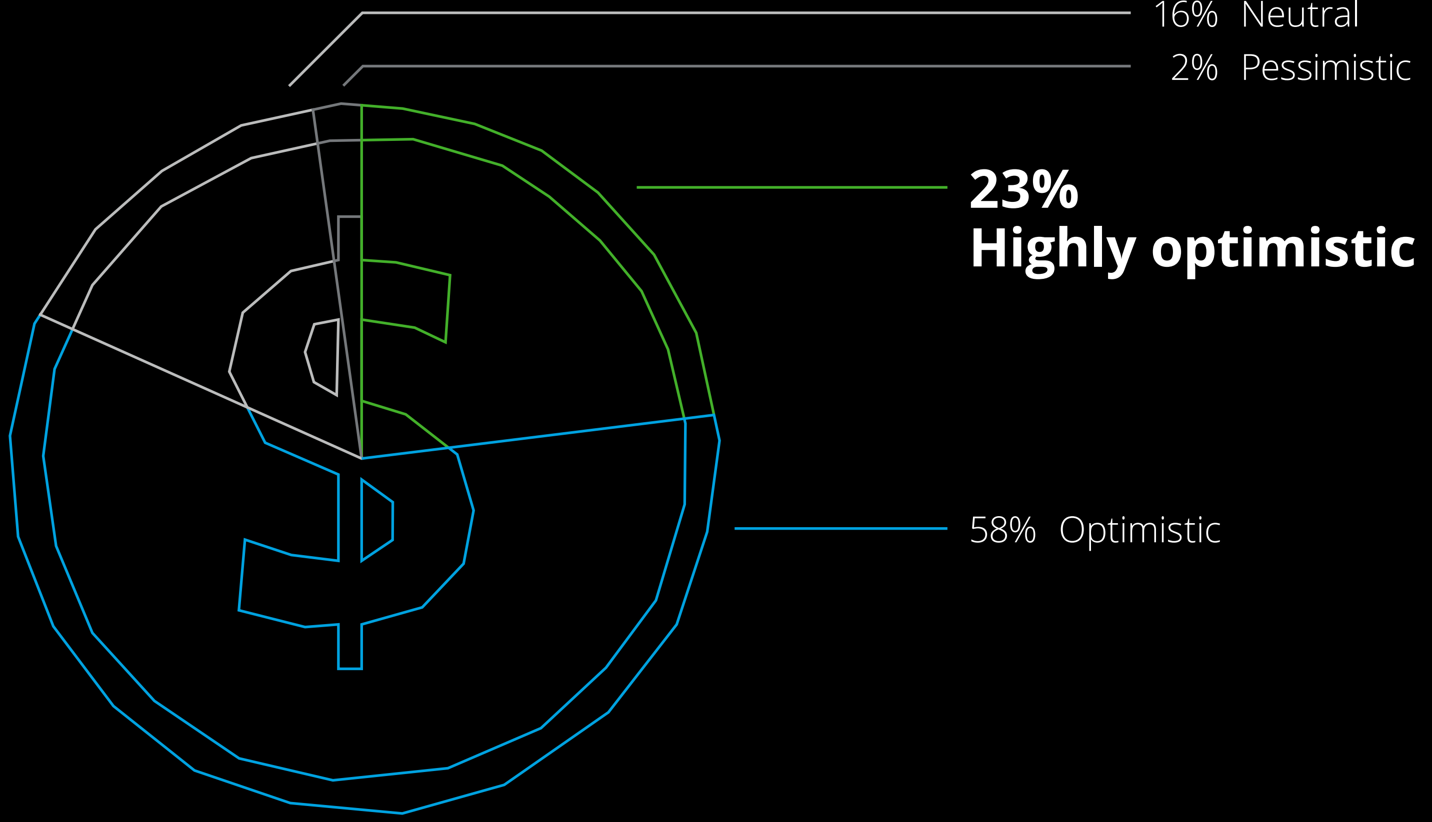
Confidence endures

CFOs are very optimistic as we enter 2022, with 81% of respondents to our survey feeling optimistic or highly optimistic about the financial prospects of their company going forward. There is very little pessimism going around with just 2% of CFOs feeling pessimistic and none reporting feeling highly pessimistic. This puts net optimism among Australian CFOs at 79% (just slightly down from the 82% net optimism result from 6 months earlier).

23% (almost 1 in 4) is the highest share of CFOs that have reported being 'highly optimistic' in the survey's history. This is likely down to the hopes from many that 2022 will see the end of major economic and financial tolls that the COVID-19 pandemic has taken. However, several CFOs responded to this survey in early December before the Omicron variant had proven to be as widespread as it now is.

How do you feel about the financial prospects of your company going forward?

Chart 1:
Business confidence



1
2
3
4
5
6
7

CFOs enter 2022 optimistically

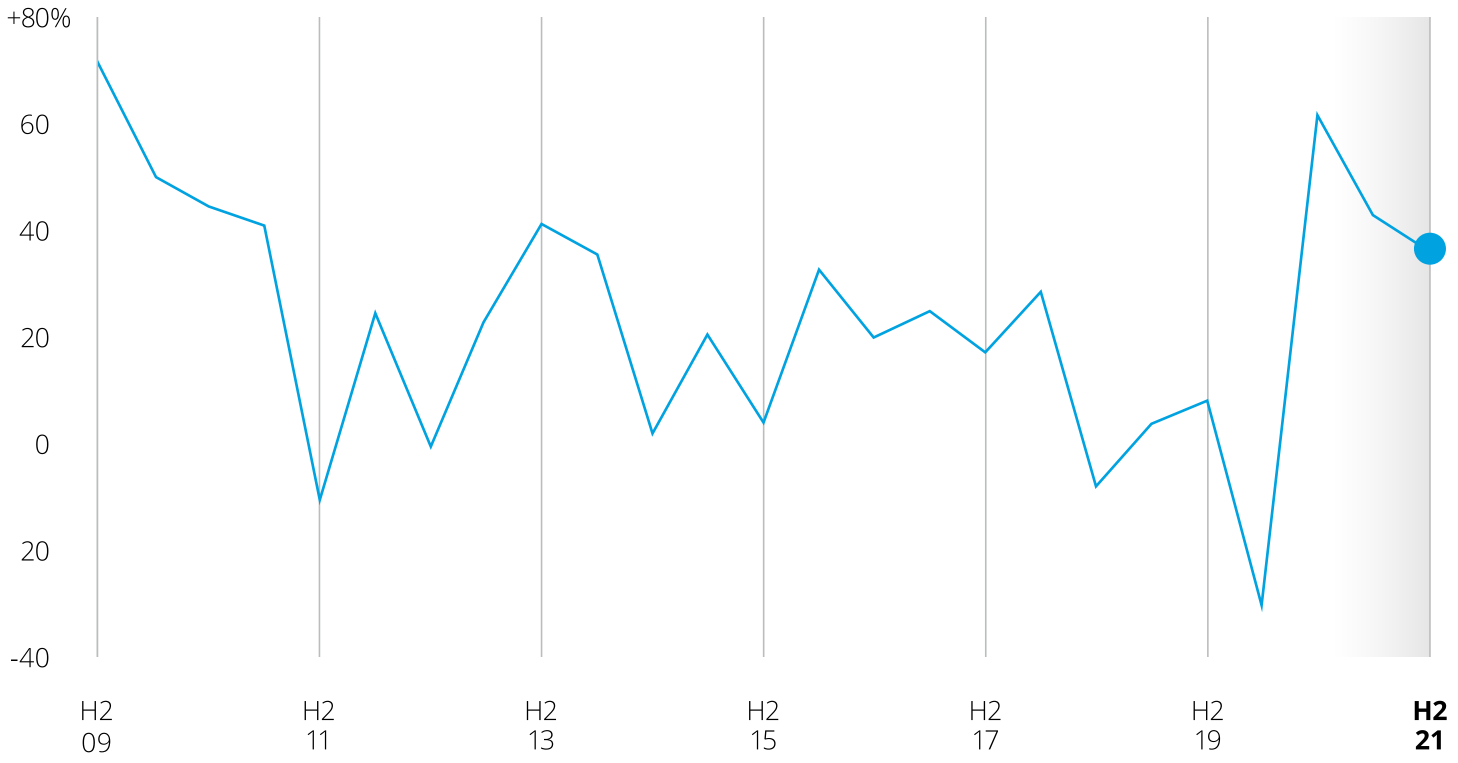
Building momentum
Confidence relative to recent history has also held high. Net optimism about financial prospects relative to six months prior is at 37%.

While this is slightly down on the results of this 'optimism in hindsight' measure from the two preceding surveys, such positive results over multiple surveys represents strong momentum in CFO sentiment.

CFOs have rated financial prospects as being better that 'six months ago' in three consecutive surveys. Hopes are high that this trend will continue in the next edition (mid-2022).

How do you feel about the financial prospects of your company compared to six months ago?

Chart 2:
Business confidence compared to 6 months ago (Net optimism)



1
2
3
4
5
6
7

CFOs enter 2022 optimistically

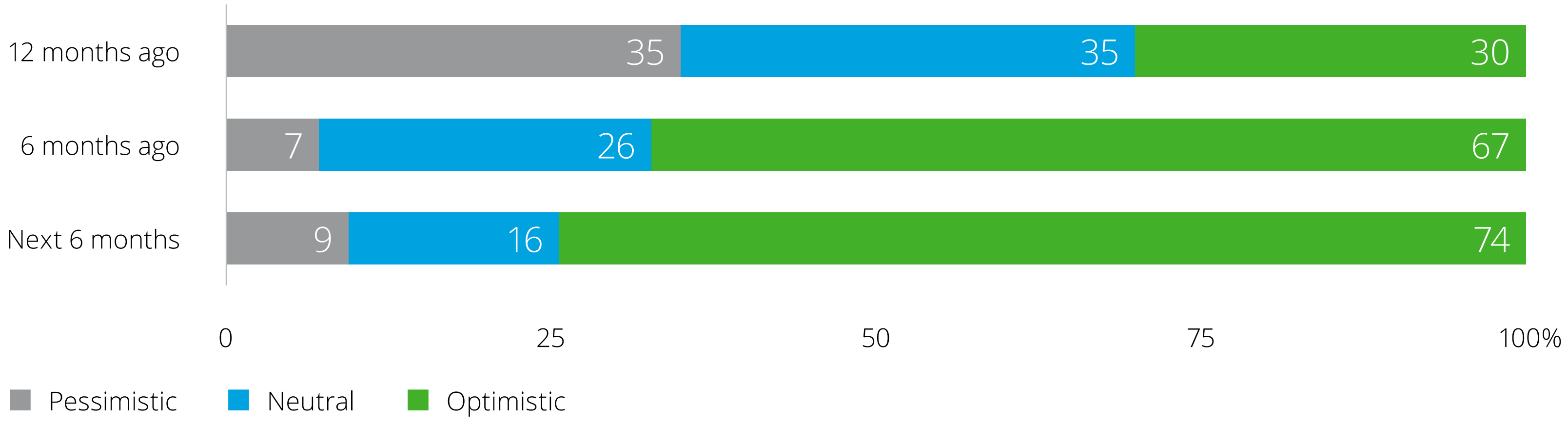
The benefit of hindsight

The ongoing rollercoaster of sentiment during the pandemic is also evident in Chart 3. CFOs perceive economic sentiment to have been significantly worse 12 months ago, and moderately worse 6 months ago compared to expectations looking forward.

A lot of this is driven by the extreme uncertainty surrounding vaccines a year ago, and governments committing to live with the virus now that high vaccination rates have been achieved.

What is your perspective towards economic sentiment at the following points in time?

Chart 3:
Business confidence about recent history



1
2
3
4
5
6
7

CFOs enter 2022 optimistically

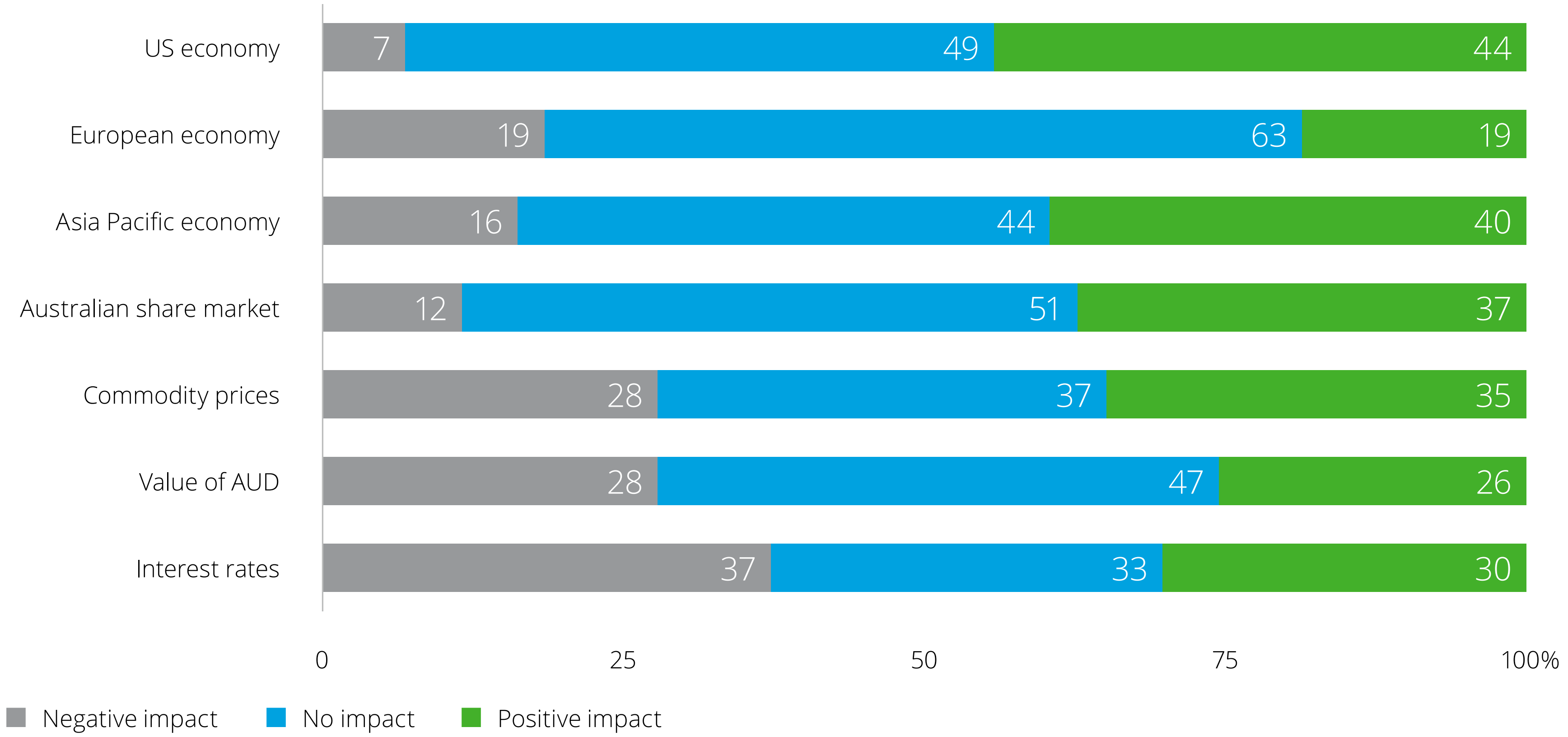
The continuation of record-low interest rates is also weighing on optimism (shown in Chart 4). Businesses that earn revenue from lending and investing are hurting from low rates, but there are also plenty of CFOs for whom low rates are a positive – particularly those looking to borrow funds.

CFOs are also quite polarised about the value of the Australian dollar. For 28%, the value of the AUD is a negative and for 26% it is a positive with the rest sitting in the middle. Elevated commodity prices are a positive factor for more than a third of CFOs, mostly those operating in the mining and resources sectors. But they are also weighing on optimism for 28% of CFOs, which may include those in construction and manufacturing where higher commodity prices can mean higher input costs.

The least polarising financial factor impacting the confidence of Australian CFOs is the share market which in late 2021 was boosting the optimism of more than a third of CFOs. Economic conditions in the Asia Pacific and the US are also contributing to confidence, while conditions in Europe have left most CFOs neutral.

How has your level of optimism been impacted by the following factors?

Chart 4:
Impacts on optimism



1
2
3
4
5
6
7

Widespread concern about talent

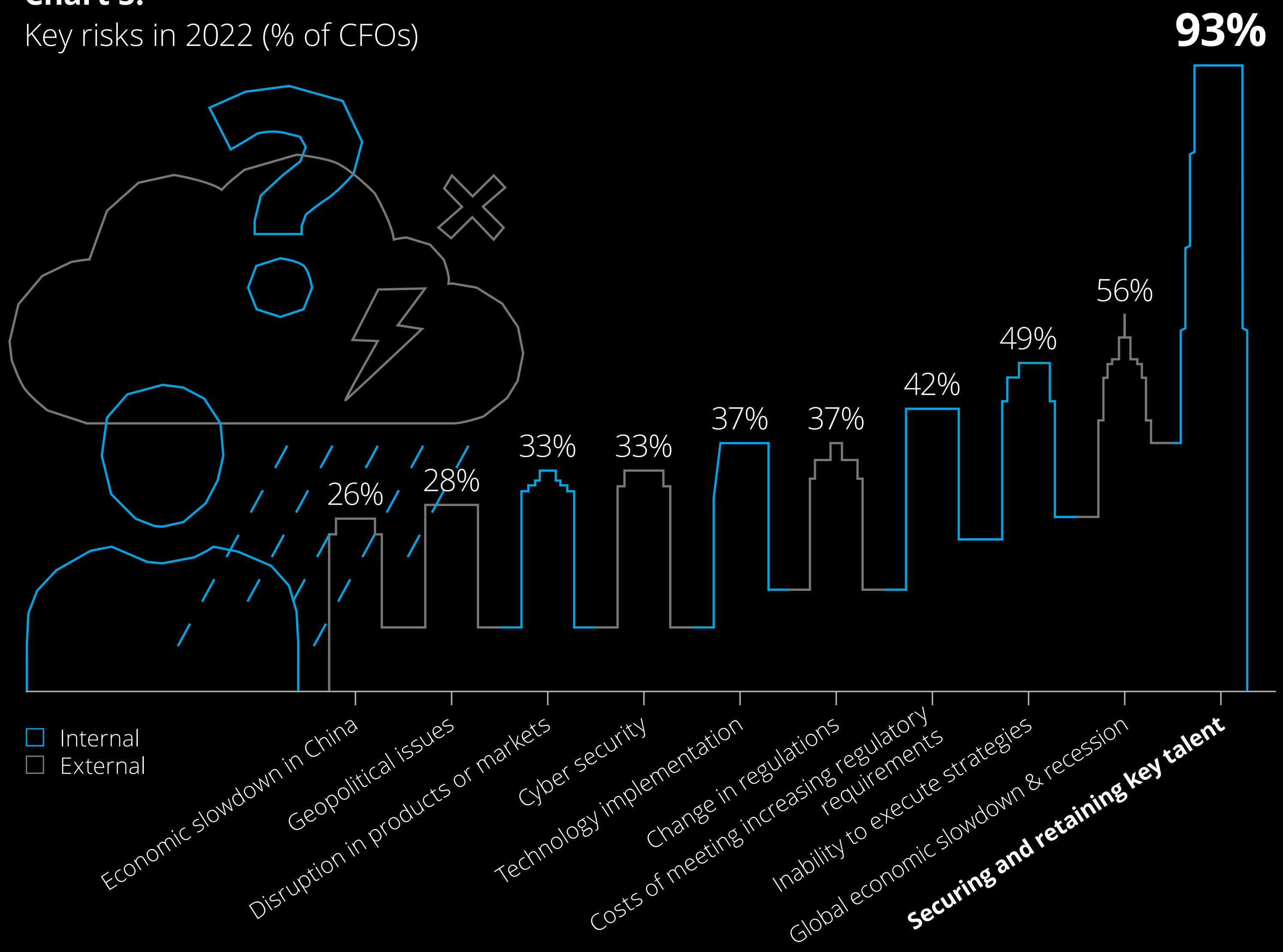
An extraordinarily high 93% of the CFOs we surveyed all agree that securing and retaining key talent will be a risk to their businesses in 2022. While talent shortages were on CFOs' radar 6 months ago, levels of concern have only grown and now dwarf concern about other risks including the risk of global economic slowdown and recession.

The extended closure of Australia's international borders has put pressure on the supply of workers available in many sectors, especially those dependent on an international traveller workforce like farming, retail, IT and hospitality. At the same time, economic stimulus delivered by governments (both Federal and State or Territory) and the RBA has seen consumer demand in many sectors rebound rapidly, putting pressure on jobs from the demand side as well. The result has been skyrocketing job vacancies and reports of skills shortages already hitting businesses.

It is a good sign, however, that risks in securing and retaining talent are firmly on the radar of Australian CFOs. Businesses will need to get innovative in 2022 as they seek new ways to attract and retain top talent.

Risks of most concern to CFOs over the next 12 months (internal and external)

Chart 5:
Key risks in 2022 (% of CFOs)



Widespread concern about talent

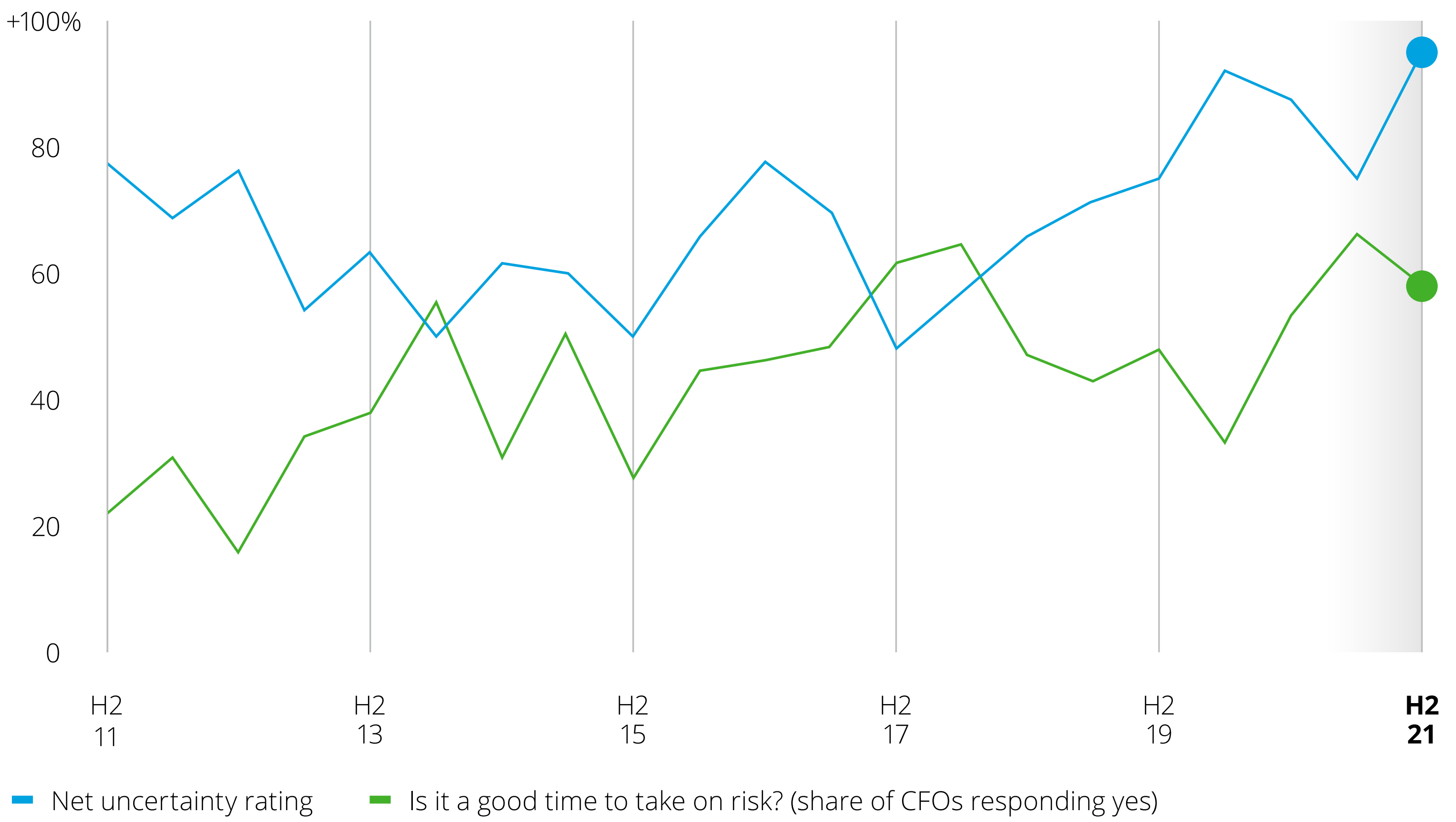
While not as dominant as the risks around talent, there are still plenty of other risks on the minds of CFOs in 2022. One of the largest movements in the past six months has been that of an economic slowdown in China which has moved from 15th spot up into the top 10 of risks of most concern to CFOs. And it won't be a surprise if the risks concerning CFOs change dramatically again over the coming six months, with uncertainty at an all-time high.

At the end of 2021, 95% of CFOs rated uncertainty levels as being higher than normal. This is a 20 percentage point jump up from mid-2021 and is an all-time high since this survey began. Even more CFOs are rating uncertainty as being above normal now than back in mid-2020 when COVID-19 was taking its first bites out of Australia's economy. This shows just how uncharted the path we are currently on is.

Despite record-high uncertainty, 58% of CFOs still think that now is a good time to take more risk onto their balance sheets. This is likely supported by Australia's record-low interest rates but also shows CFOs are adapting to the uncertain environment in which we now all live.

Balance sheet risk and uncertainty about economic and financial conditions

Chart 6:
Uncertainty and risk



"Australia's CFOs are proving to be resilient in the face of ongoing challenges. It's extremely encouraging to see such high confidence amongst CFOs at a time of such uncertainty and in the face of the challenges that lie ahead. Talent shortages are at the top of the list of concerns whilst higher interest rates are also expected in 2022. Our deep dive into ESG and the role of the CFO highlights the growing importance of this area and just how far advanced CFOs are."

Stephen Gustafson
CFO Program Leader
Deloitte Australia

ESG action on the rise

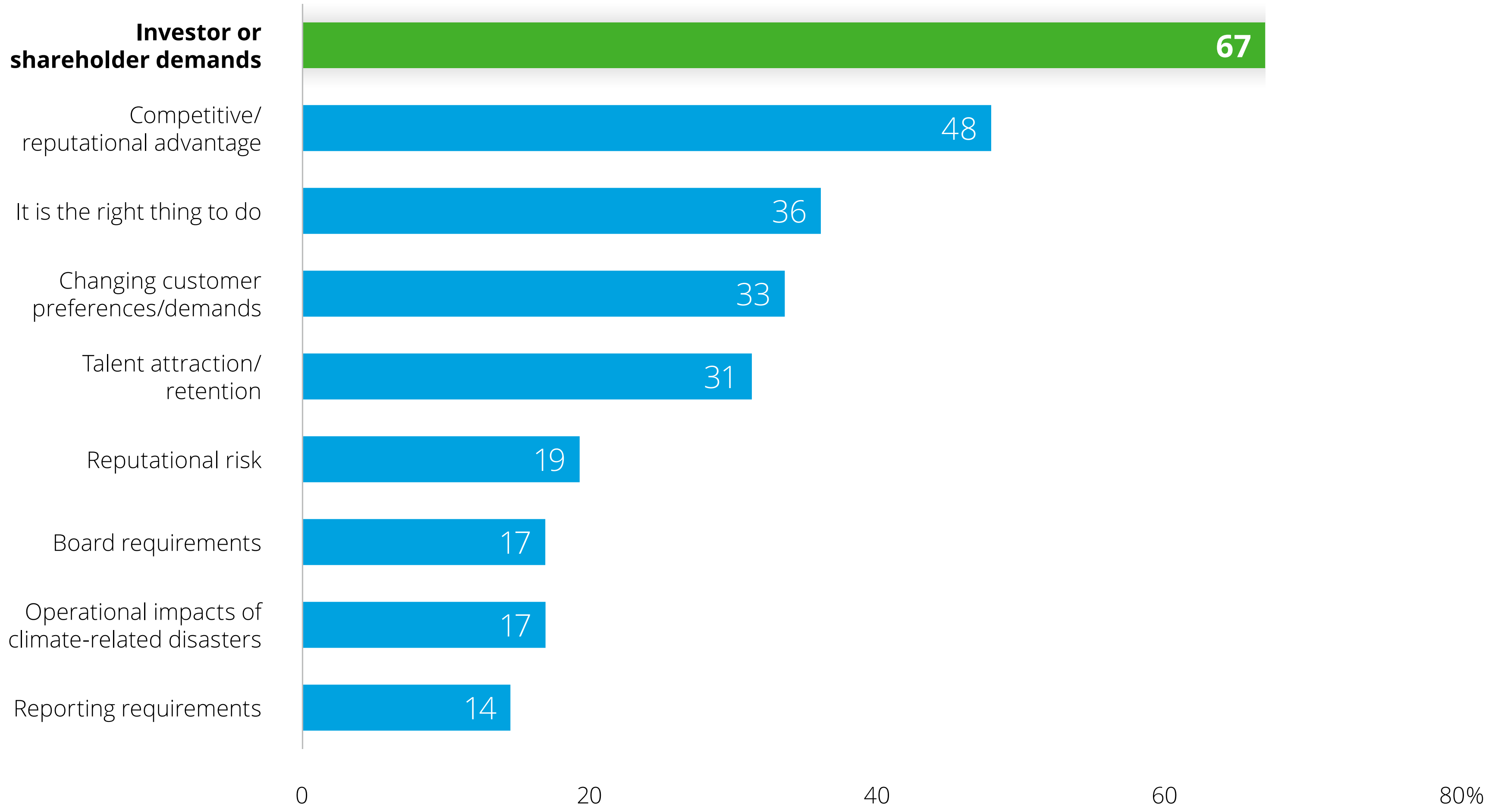
Growing demand brings new challenges
Australian CFOs recognise that investors, customers and staff want action on ESG and they are responding, but there is more to do and they require help to get there. While some CFOs believe they have already completed several ESG-related actions and have systems and processes in place, many are still progressing ESG action. But not many CFOs are actually confident in their abilities to drive ESG action in their organisations. A lack of resources and having the relevant skills and knowledge available is seen as a key barrier to driving change.

Environmental, social and governance (ESG) is growing in importance for Australian CFOs. Chart 7 shows investors are the largest single driver of this shift from CFOs' perspective. This suggests investors are becoming more ethically conscious about where they invest their funds, and businesses know they'll need to take action to stay in favour.

Attracting and retaining staff was also relevant for almost one third (31%) of CFOs as a top ESG action driver, highlighting that investors and customers are not the only stakeholder groups demanding a greater focus on ESG from business.

Select the top 3 drivers of ESG action in your organisation

Chart 7:
ESG action drivers (% of CFOs)



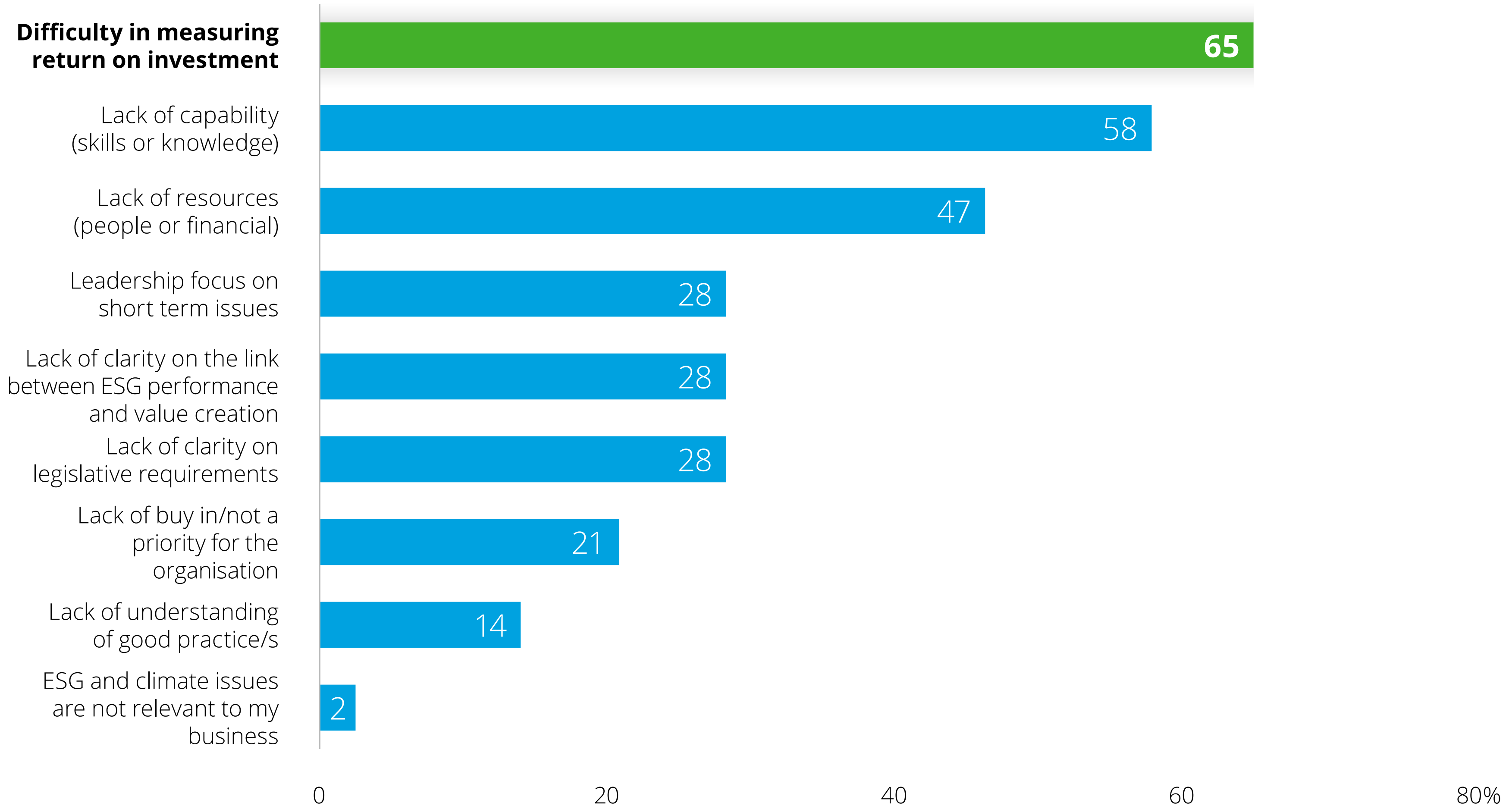
ESG action on the rise

While acknowledging its increasing urgency, CFOs feel they are having difficulty in measuring the return on investment of ESG action. Chart 8 shows that 65% of CFOs see this as a top barrier to their business doing more on ESG. This is followed not too far behind by lacking the capabilities (in the form of skills and knowledge) needed to take action on ESG. However, with ESG increasingly in the spotlight for Australian businesses, research and capabilities in this area are expected to grow substantially. This growth should lessen the degree to which these factors are barriers to ESG action over time.

Chart 8 also shows that just 2% of CFO respondents think ESG and climate issues are not relevant to their business, and no CFOs are concerned that taking action on ESG might alienate some of their customers or staff.

Select the top three barriers to ESG efforts in your organisation

Chart 8:
ESG action barriers (% of CFOs)



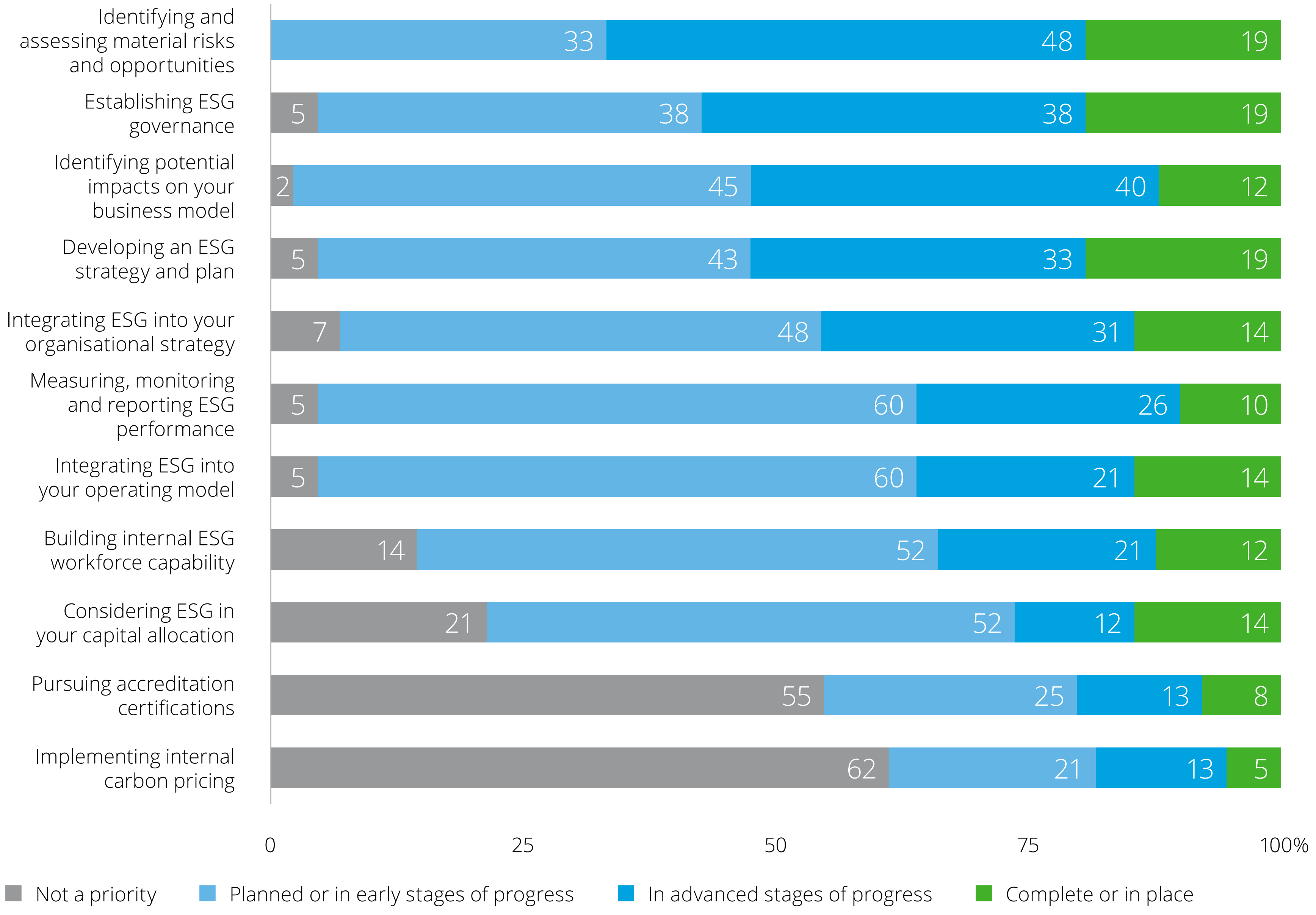
ESG action on the rise

Across the eleven ESG activities identified, 13% of CFOs (on average) believe they have completed them or that the activities are in place. CFOs see the status of most ESG activities as being planned or in the early stages of progress (43%), or in the advanced stages of progress (27%). While most of them aren't there just yet, the majority of the businesses captured by our CFO survey participants are at least working towards or planning on embedding ESG activities into their organisations.

Chart 9 shows that the activities perceived by the most CFOs as being completed within their organisations (19%) are identifying and assessing material risks and opportunities, establishing ESG governance, and developing an ESG strategy and plan. At the other end of the spectrum, most CFOs are not prioritising implementation of internal carbon pricing, nor pursuing ESG-related accreditation certification.

Select the description that best describes the status of each of the listed activities in relation to your organisation

Chart 9:
ESG activity status



ESG action on the rise

Where confidence is lacking

Almost one quarter of CFOs (23%) reported ESG as being a core part of their role, with an additional 37% saying it's not a core part of their role but they do have oversight of ESG. Yet, of the CFOs that either have oversight of ESG or are responsible for driving/co-driving it, only 22% are confident in doing so. More than half are working on actively learning, upskilling and driving ESG action in their organisations, but that leaves 22% who don't feel they have the skills, capability or support they need to contribute meaningfully on ESG, despite understanding the urgency of action.

23% of CFOs reported ESG as being a core part of their role, with an additional 37% saying it's not a core part of their role but they do have oversight of ESG.

CFOs' confidence about driving ESG differs a lot depending on the activities involved. Chart 10 shows a strong positive relationship between how confident CFOs are in progressing an ESG activity and how progressed or complete they believe these activities are.

While this relationship likely runs both ways (i.e. with confidence impacting an activity's progression and perceived progression also impacting confidence), a lack of CFO confidence surrounding some ESG activities is not great news for the extent these are likely to get progressed.

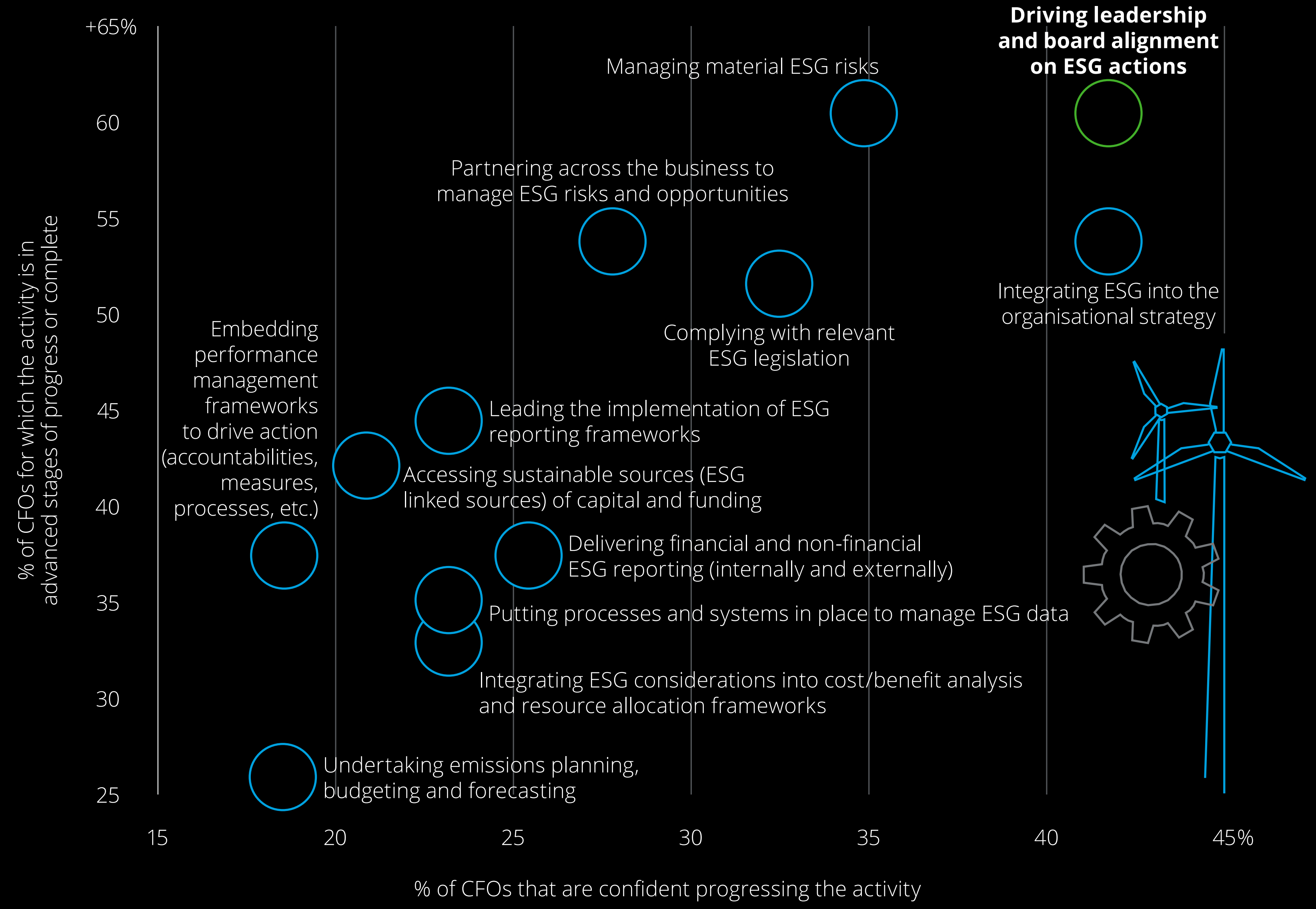
The ESG activities that the fewest CFOs are confident in progressing are undertaking emissions planning, budgeting and forecasting, as well as integrating ESG considerations into cost-benefit analysis and resource allocation frameworks. This suggests that modelling and analysis activities are CFOs' most common weak spots in relation to ESG. This may be impacted by the lack of capability noted as a common barrier to ESG efforts.

The two ESG activities that CFOs are the most commonly confident in progressing are managing material ESG risks and driving leadership and alignment on ESG actions. Integrating ESG into organisational strategy is highly ranked in terms of how commonly it is well progressed or completed, relative to other ESG activities.

ESG action on the rise

Select the description that best describes how each of the below activities are being progressed by the CFO of your organisation currently

Chart 10:
ESG activity progression and confidence



Looking ahead

A shift in outlook

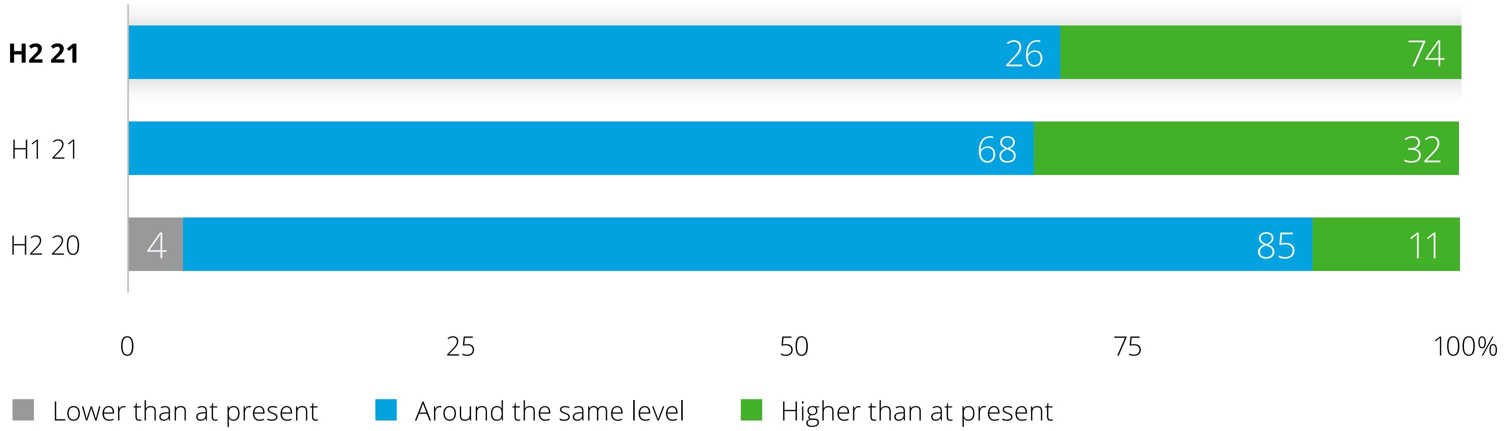
CFOs' interest rate expectations have changed dramatically over the past year. At the end of 2020, almost everyone expected interest rates to hold constant throughout 2021. That followed the Reserve Bank of Australia (RBA) slashing the official cash rate to a new record low of 0.1% and indicating they were unlikely to raise it again for at least three years.

But then Australia's economy, especially the jobs market, bounced back in early-2021 to an extent that surprised many including the RBA. CFOs' interest rate expectations then started to shift in mid-2021. While the majority still expected rates to hold constant, almost a third were anticipating a rate rise to occur by mid-2022.

Now at the start of 2022, almost three-quarters of the CFOs we surveyed expect rates will rise in 2022 (Chart 11). This is likely driven by the ability of Australia's economy and jobs to rapidly bounce back from pandemic impacts, along with the highest rates of price inflation seen in several years. Although there is some debate on how long increased inflation will be sustained for.

Where do you expect to see interest rates in 12 months' time?

Chart 11:
Interest rate expectations



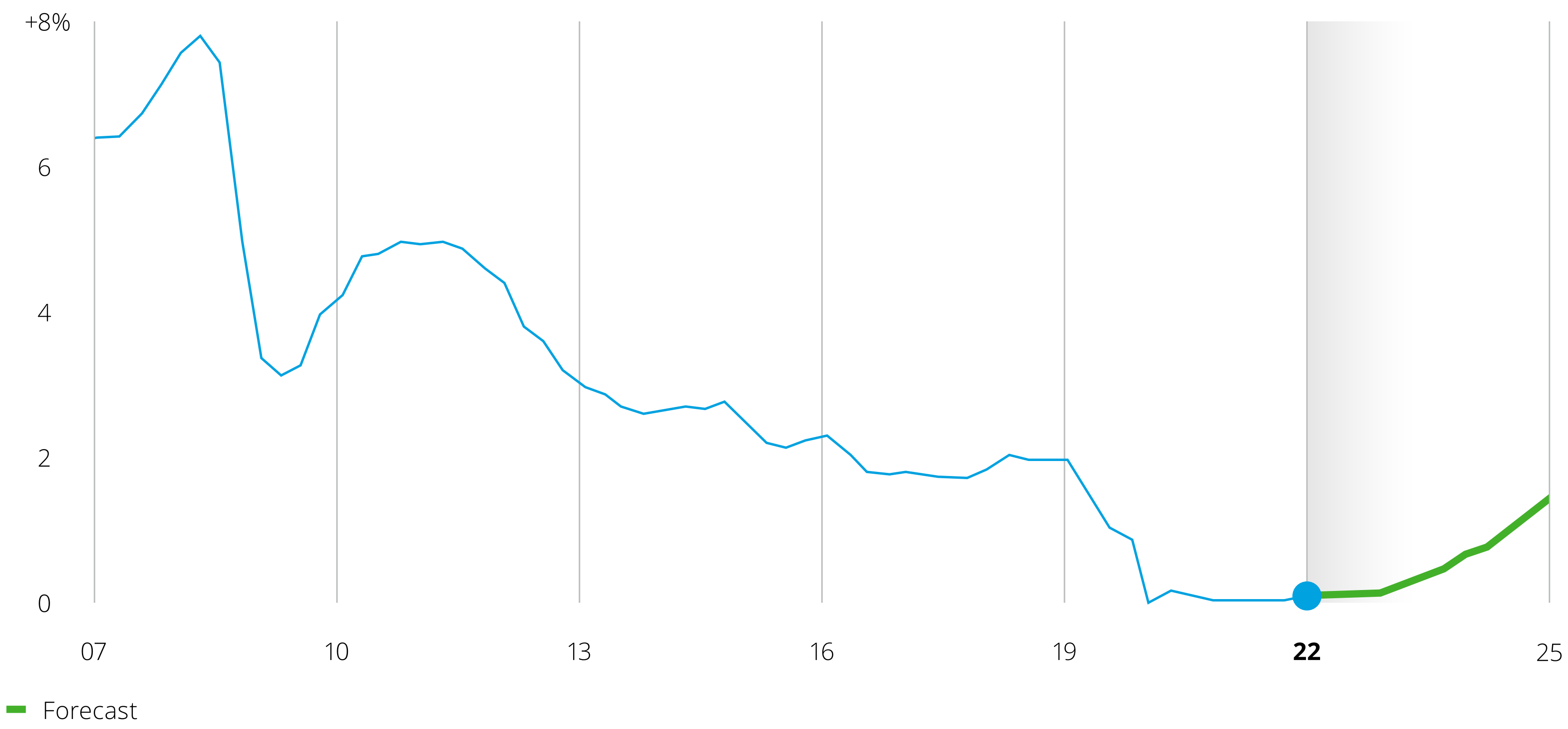
Looking ahead

In seeing the ability of the Australian economy to bounce-back, the RBA has wound back some of their messaging about how far away the next rate rise will be. But they are still suggesting it won't be anytime soon. Chart 12 shows Deloitte Access Economics' interest rate forecast for the 90-day bank bill rate. The forecast is for increases in interest rates throughout 2023 and continuing through 2024.

The market and many CFOs are expecting interest rate rises sooner rather than later, but the RBA will likely err on the cautious side waiting for signs of sustained wages growth before raising rates.

Deloitte Access Economics 90-day bank bill rate forecast (Quarterly average)

Chart 12:
Interest rate forecast



1
2
3
4
5
6
7

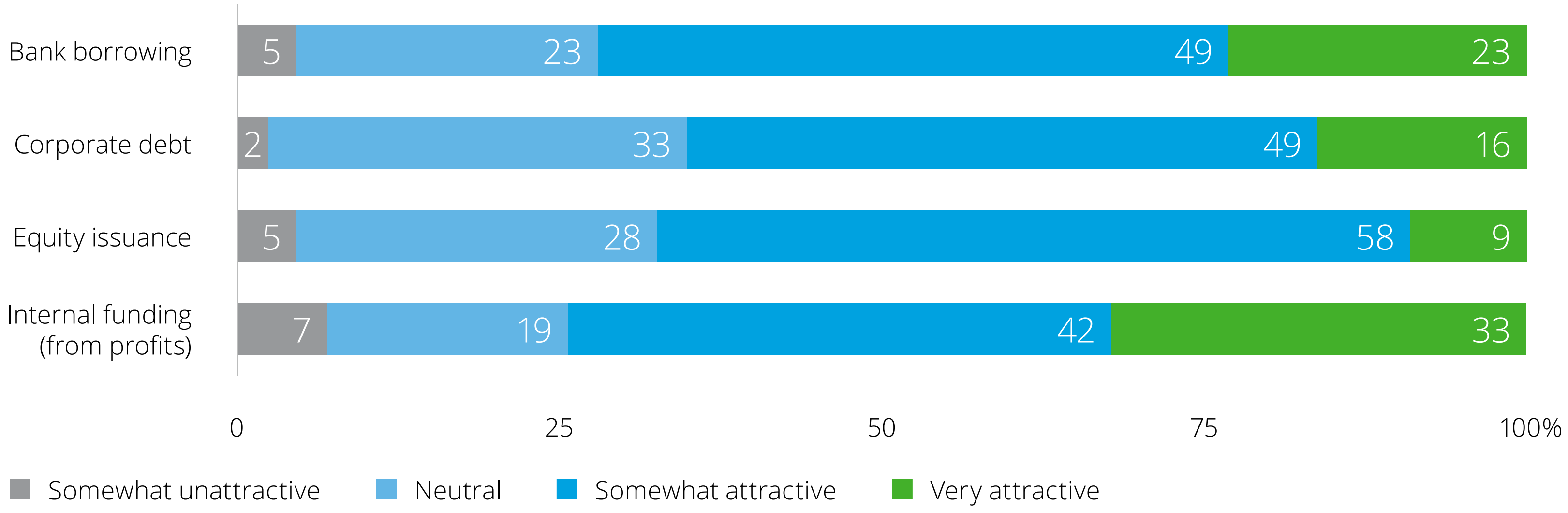
Looking ahead

CFOs' expectations of a rate rise in 2022 are likely impacting their current views on the relative attractiveness of different funding sources. Chart 13 shows that CFOs currently see internal funding (i.e. using profits) as the most attractive source of funding for Australian businesses. The attractiveness of internal funding has increased over the past six months, taking over the number one spot from bank borrowing. The attractiveness of bank borrowing may continue to deteriorate if CFOs' expectations of an interest rate rise are realised.

Equity issuance is currently a far more attractive source of funding for CFOs than in pre-COVID times when it was consistently rated as the least attractive option.

How do you currently rate the following sources of funding for Australian corporates?

Chart 13:
Funding source attractiveness

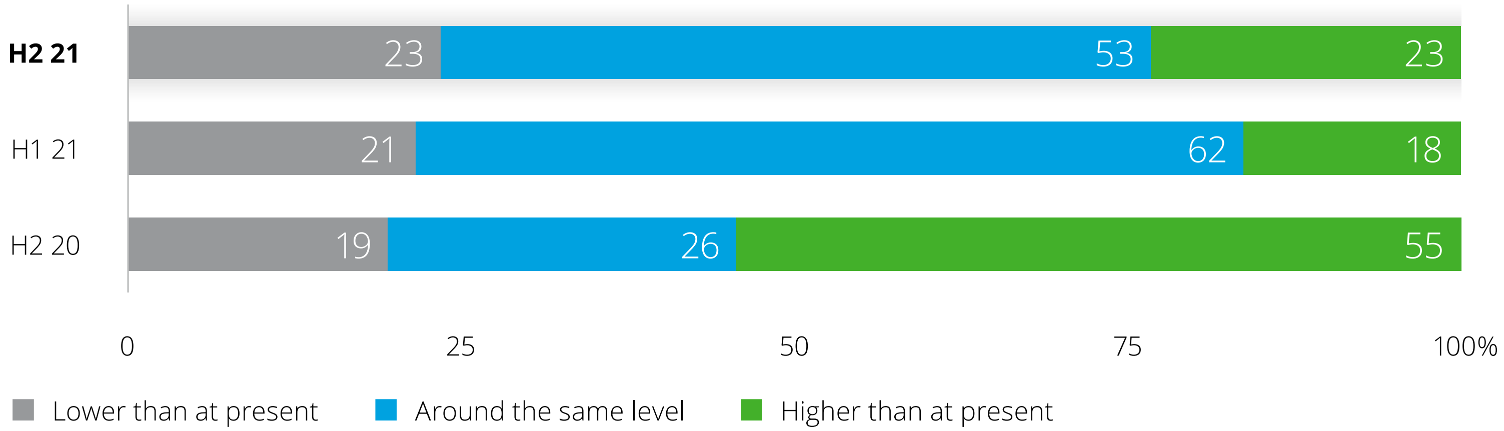


Looking ahead

CFOs aren't quite as certain about where the value of the Australian dollar will head, as they are about interest rates. Chart 14 shows that just over half of CFOs expect the value of the Australian dollar to remain around its current level in 12 months' time. The rest of CFOs are split equally between expecting an appreciation and a depreciation in value.

Where do you expect to see the value of the Australian dollar in 12 months' time?

Chart 14:
Australian dollar expectations

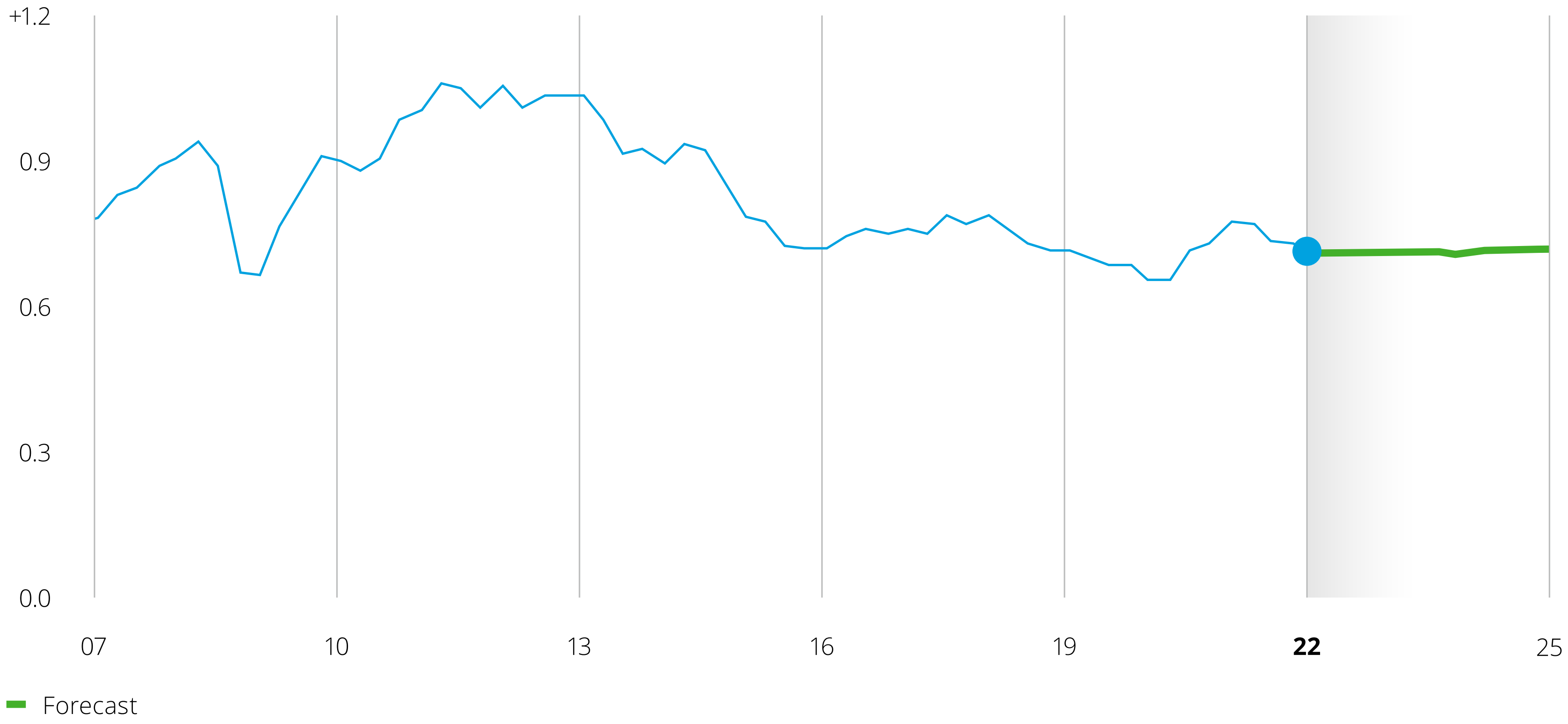


Looking ahead

Deloitte Access Economics forecasts that following a modest depreciation in value, the Australian dollar is expected to remain around the same level through 2022 and 2023, with the expected strength of Australia's economic recovery balanced against the downside pressure of lower interest rates domestically than in the US.

Deloitte Access Economics $US per $A forecast (Quarterly average)

Chart 15:
Australian dollar forecasts



More publications for Australian CFOs

Crunch time: Finance 2025 revisited

Change in the business world is nothing new, but today's realities do indeed feel different. What do current trends suggest about the future of Finance? Find out more in our new Crunch time report, Finance 2025 revisited.

Climate finance commitments aren't enough

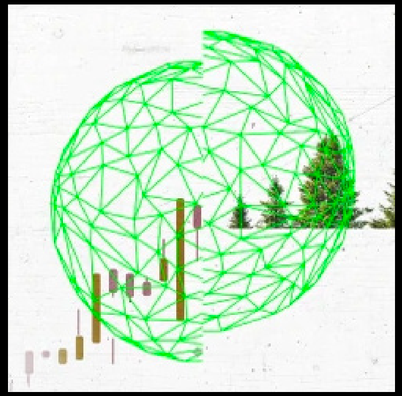
Climate finance commitments aren't enough. We need new tools to unlock investment. Even if we had the funds to solve the climate crisis, without structural changes to institutions and financial tools, we would likely struggle to spend them effectively.

Unlocking transformative M&A value with ESG

Macro trends like climate change, biodiversity loss, digitisation, rising social inequality, poor labour practices and cyber security are fundamentally changing the way we live our lives and driving a new business-as-usual.

Asia Pacific's turning point

Time is running out to act on climate change. But rather than climate action being a drain on our economy, our report shows it will significantly boost GDP and accelerate phenomenal growth in both Australia and Asia Pacific as a whole.



How ESG is changing business, moving markets, and driving regulations

Propelled by the planetary emergency and the drive for transparency, global sustainability reporting standards and ESG disclosure regulations are coming. Boards and C-suites should prepare now, and could find new opportunities to create value.

1
2
3
4
5
6
7

Contact us

CFO Program Leaders

Nicola Alcorn
Issues and Relationships
nalcorn@deloitte.com.au

Stephen Gustafson
CFO Program Leader
sgustafson@deloitte.com.au

Rachel Smith
Partner – Deloitte Private
rfsmith@deloitte.com.au

Paul Wensor
Partner – Consulting
pwensor@deloitte.com.au

Will Symons
Asia Pacific Climate &
Sustainability Leader
wsymons@deloitte.com.au

Paul Dobson
Partner – Risk Advisory
padobson@deloitte.com.au

Carlton Lamb
Partner – CI&M
calamb@deloitte.com.au

Program management

Leah Taylor
Head of CFO Program
leataylor@deloitte.com.au

Elise Gooda
CFO Program
egooda@deloitte.com.au

Media enquiries

Simon Rushton
Corporate Affairs
and Communications
srushton@deloitte.com.au

Deloitte Access Economics

David Rumbens
Partner – Deloitte
Access Economics
drumbens@deloitte.com.au

Emma Grey
Manager – Deloitte
Access Economics
emgray@deloitte.com.au

Deloitte.

Deloitte
Level 9, Grosvenor Place
225 George St
Sydney, NSW 2000
Australia
ACN: 149 633 116

698291712_Designed and produced by The Agency | Deloitte Australia_02/22