

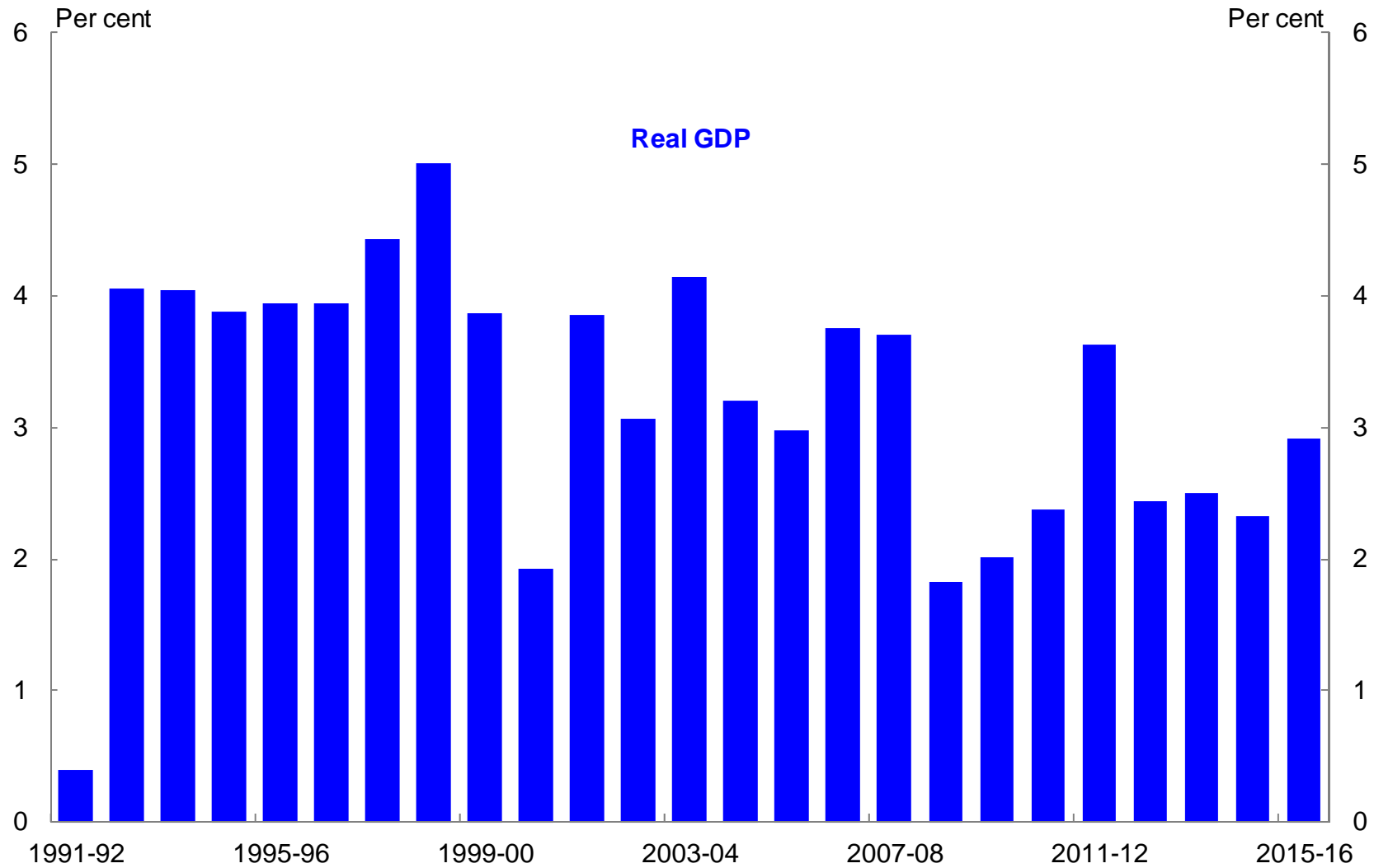


# Staying the course of economic reform – increasing what we earn

16 September 2016

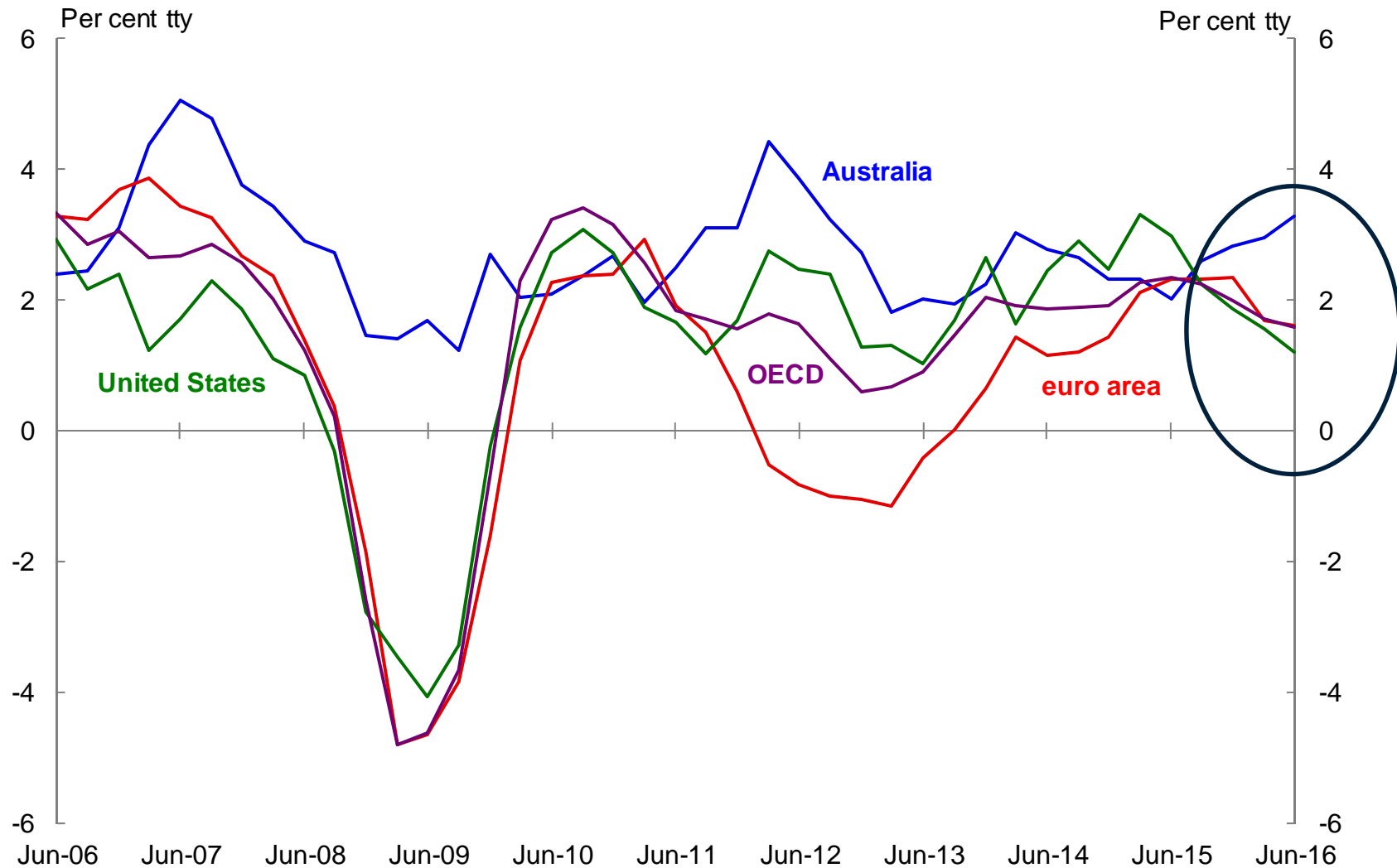
The Hon Scott Morrison MP  
Treasurer

# 25 years of growth



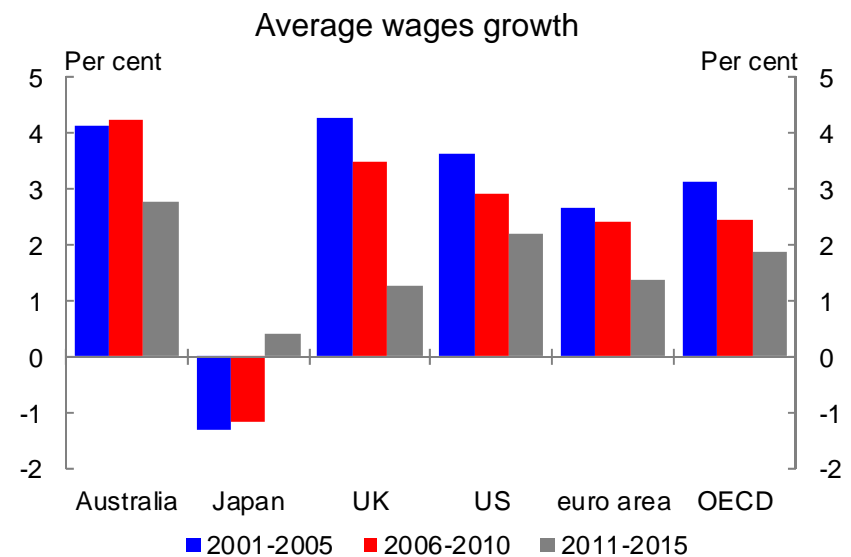
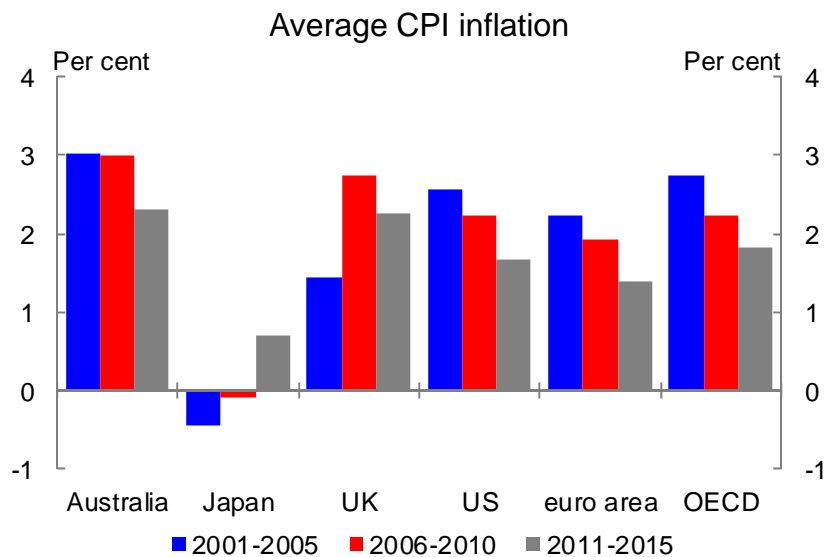
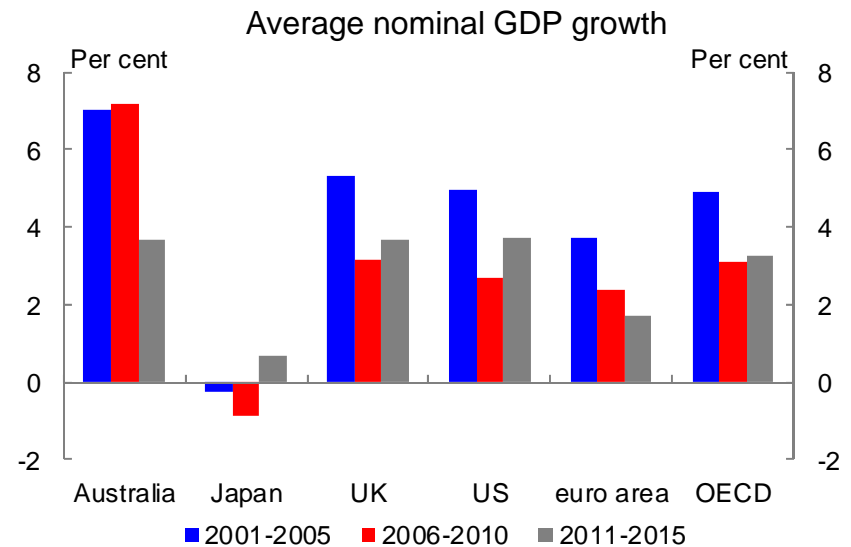
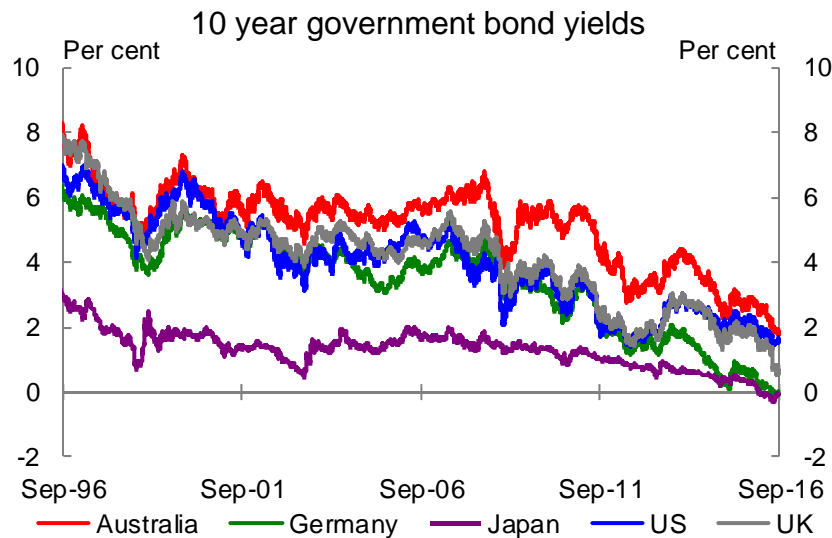
Source: ABS cat. no. 5206.0.

# Performing better than the G7 and OECD



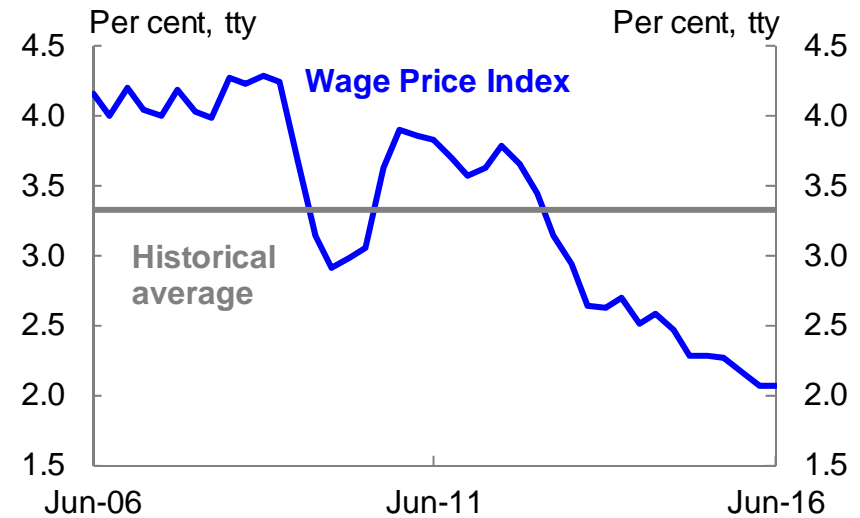
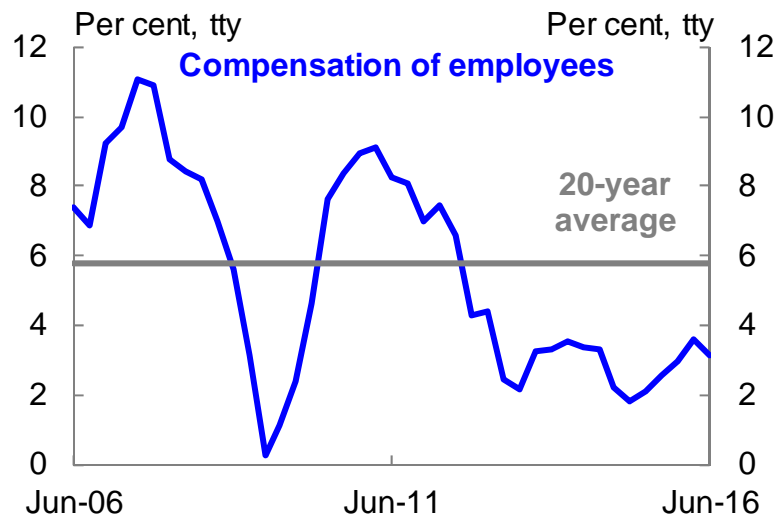
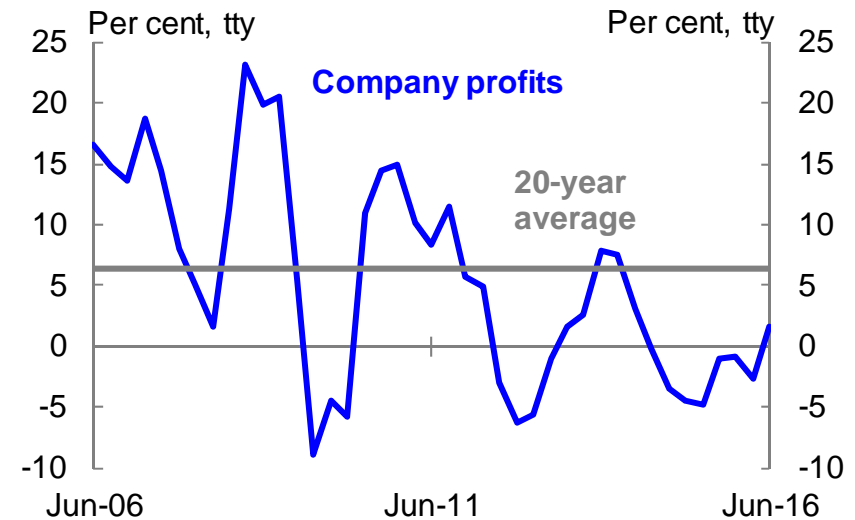
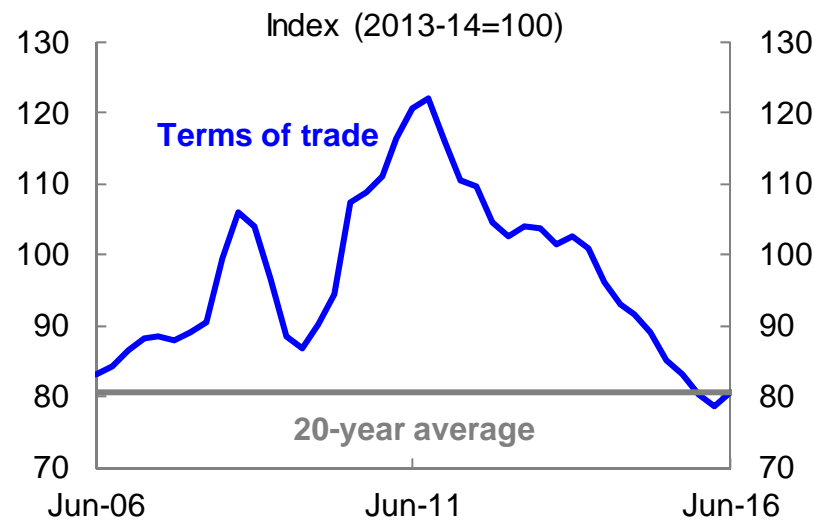
Note: Growth rates are through the year to June 2016.  
Source: National Statistical Agencies, OECD and Thomson Reuters Datastream.

# Advanced economies



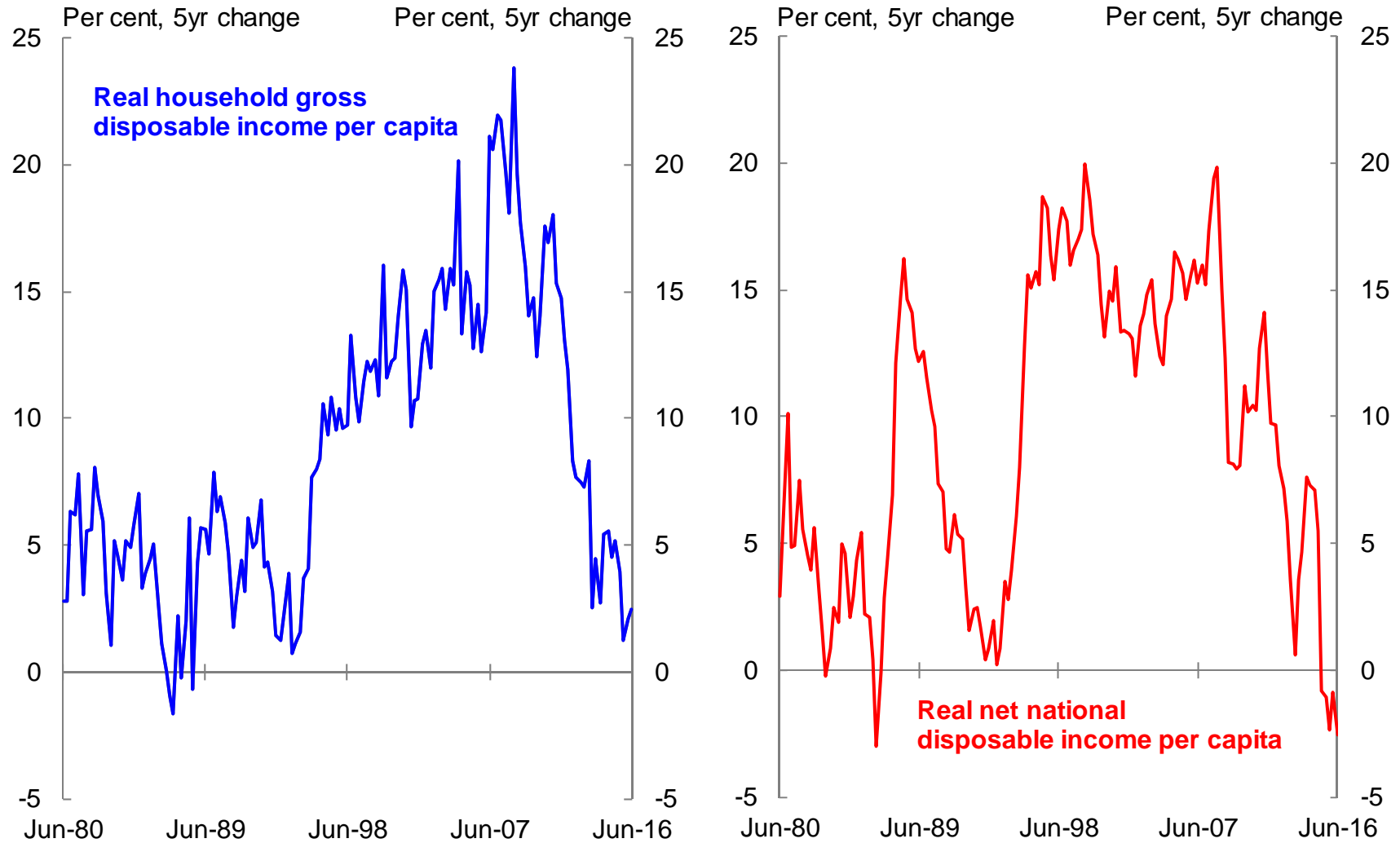
Note: Measure used for wages growth is 'Compensation per employee', which is defined as total remuneration, in cash or in kind, payable by an enterprise to an employee in return for work done by the latter during the accounting period, divided by the number of employed people.  
Source: OECD Economic Outlook (June 2016) and Bloomberg.

# Prices, profits and wages



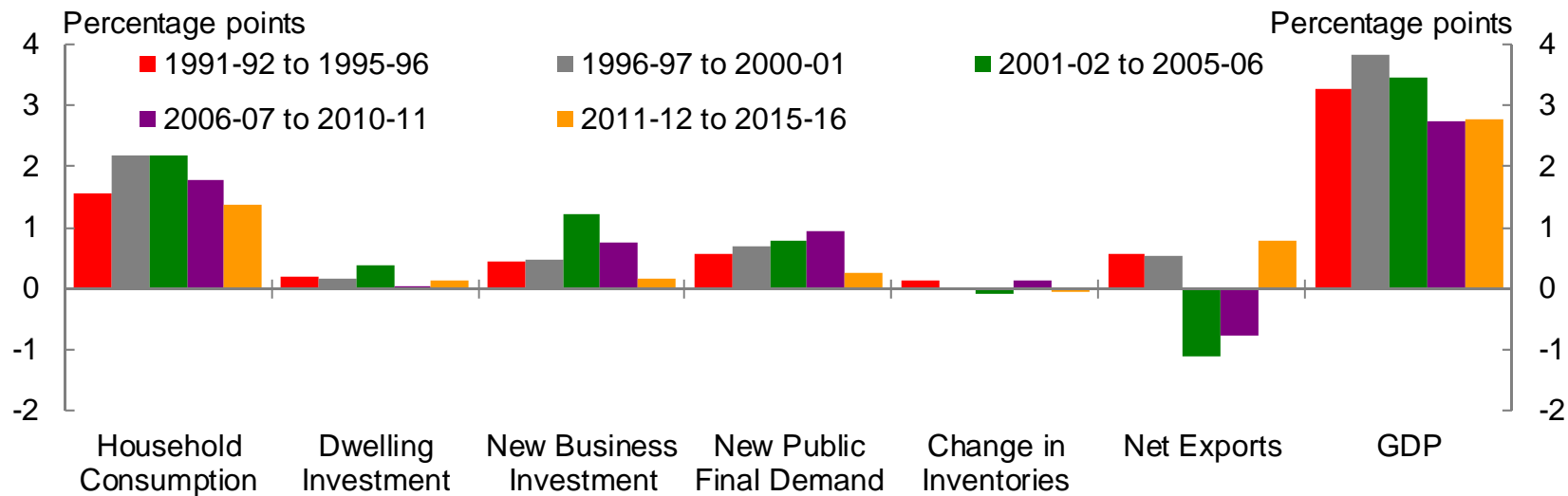
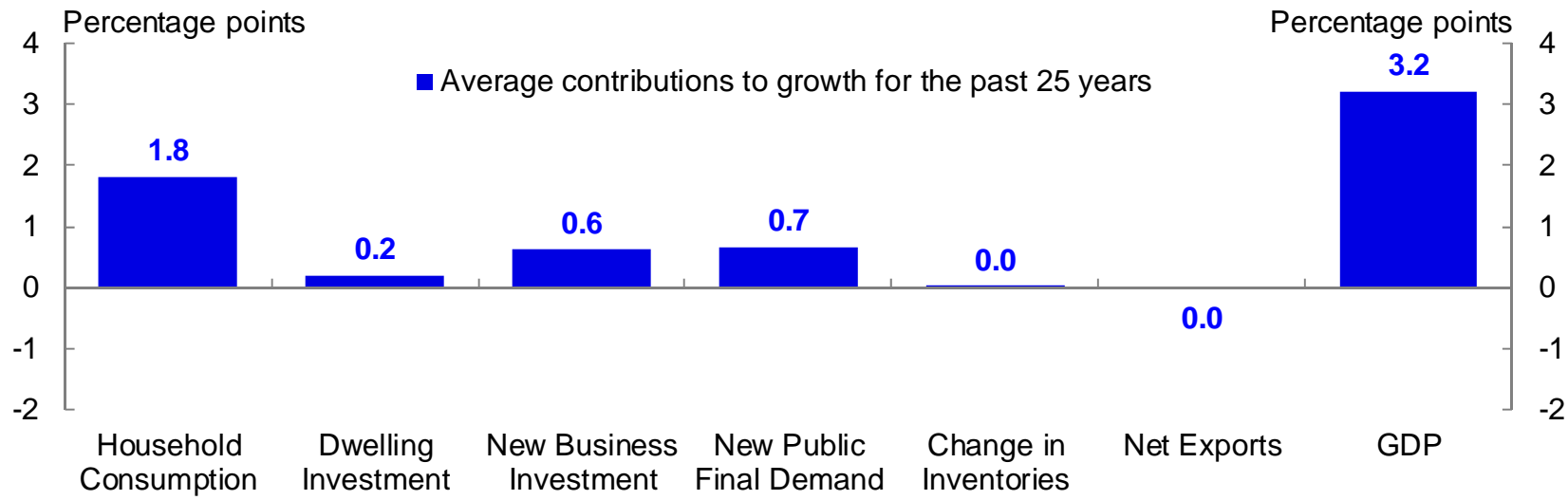
Note: Profit is the gross operating surplus (GOS) for private non-financial and financial corporations. GOS only includes the income derived from the production of goods and services and does not include depreciation, foreign exchange or other revaluation gains and losses.  
Source: ABS cat no. 5206.0 and 6345.0.

# Income



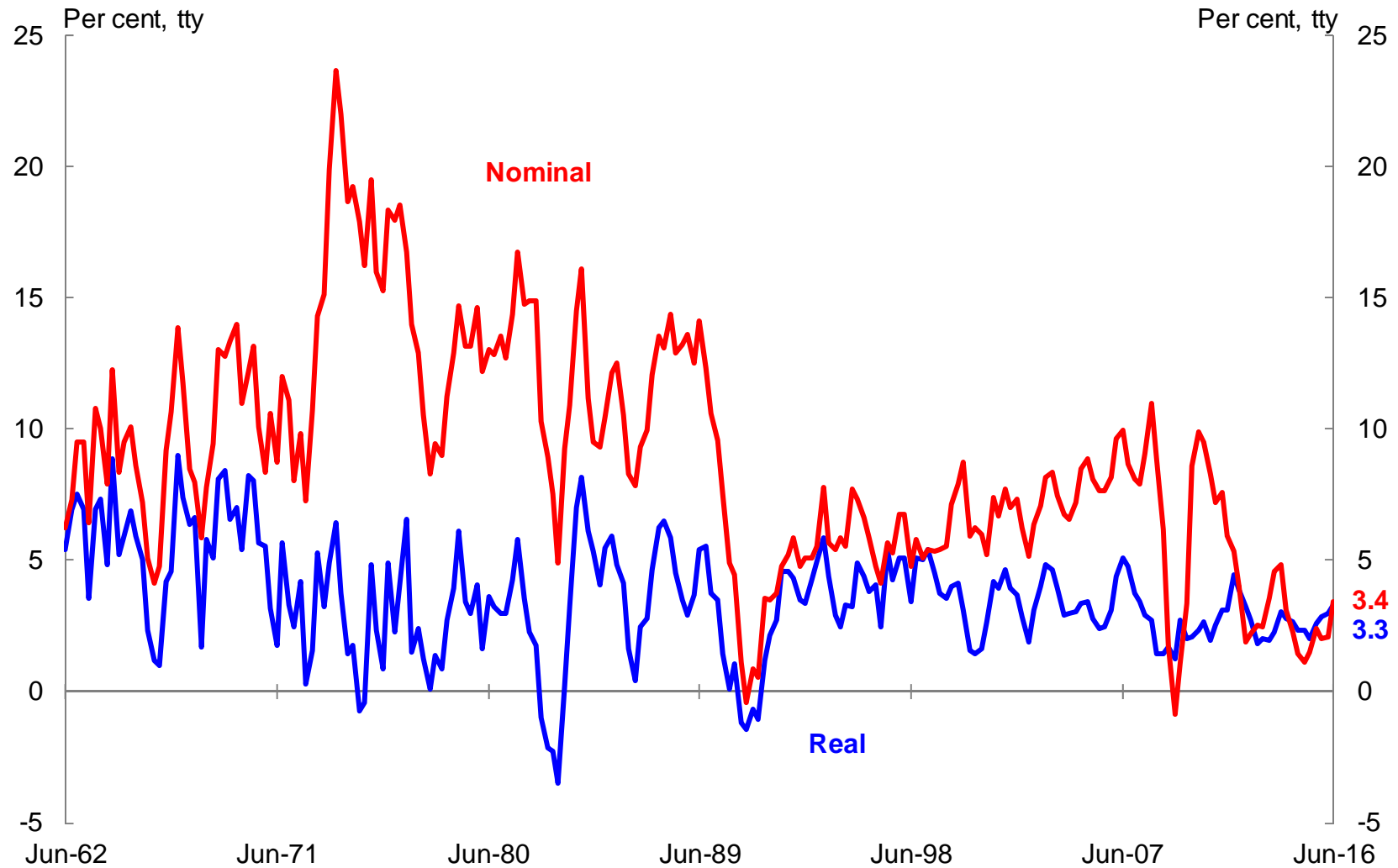
Source: ABS cat no. 5206.0.

# Drivers of growth over the past 25 years



Note: These charts show the average annual contributions to growth. The sum of individual components may not add to the aggregate due to rounding.  
 Source: ABS cat. no. 5206.0.

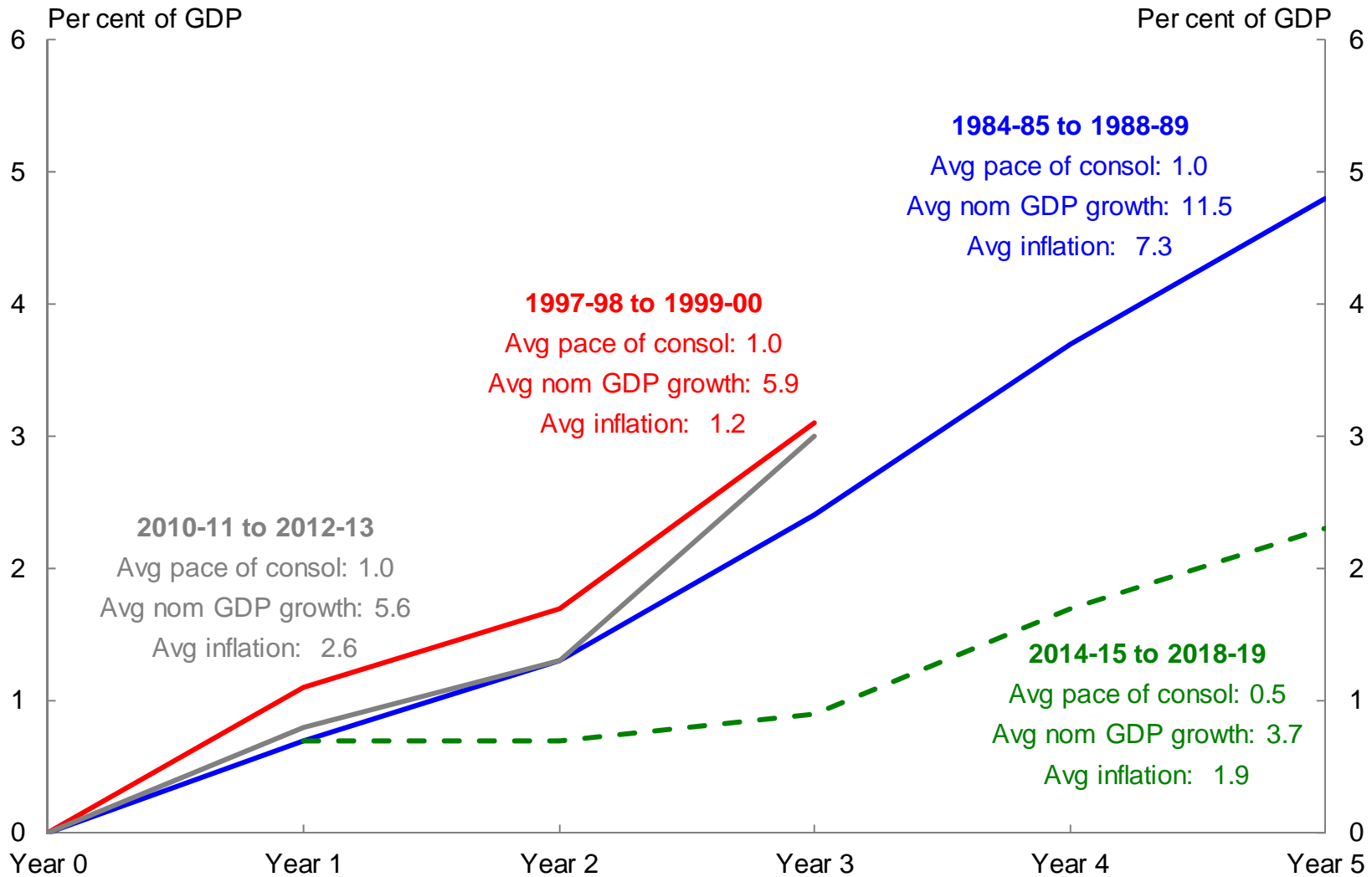
# Real and nominal GDP



Source: ABS cat no. 5206.0.



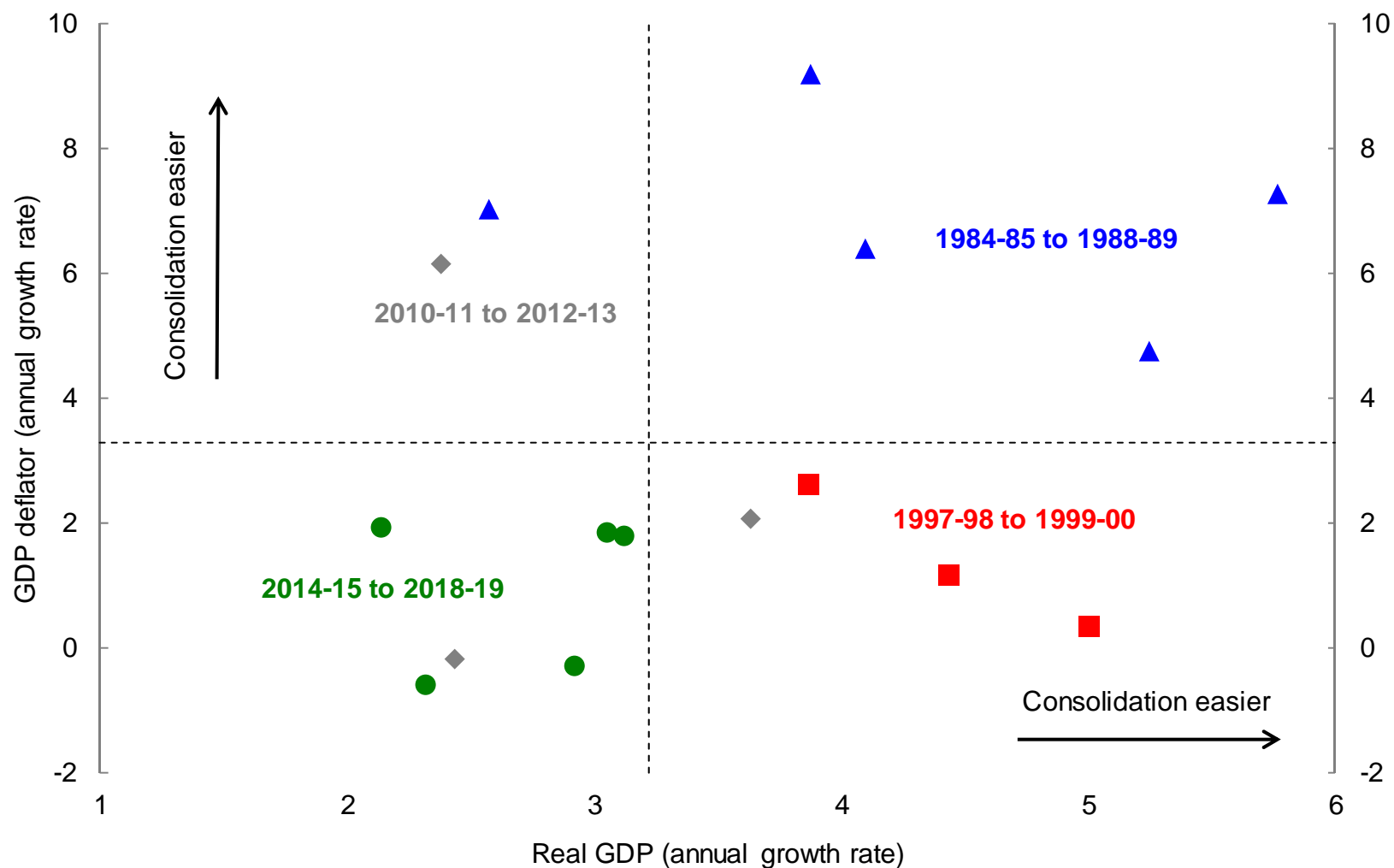
# Cumulative pace of consolidation



Note: The pace of consolidation is the improvement in the UCB in each financial year. Year 0 is the year preceding the beginning of each reference period. Dashes denote forecasts.

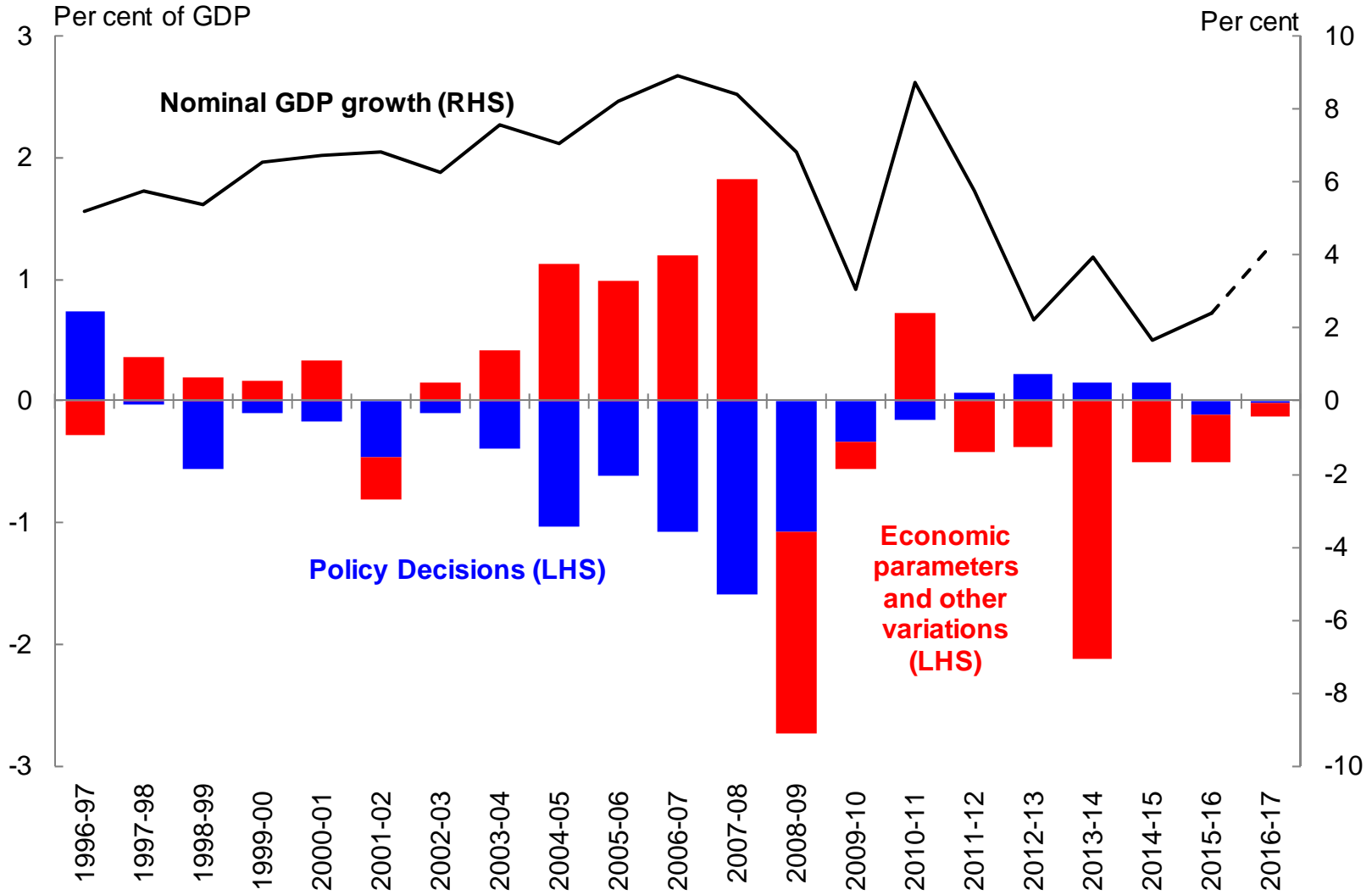
Source: 2016-17 Budget.

# Comparison to previous periods of consolidation



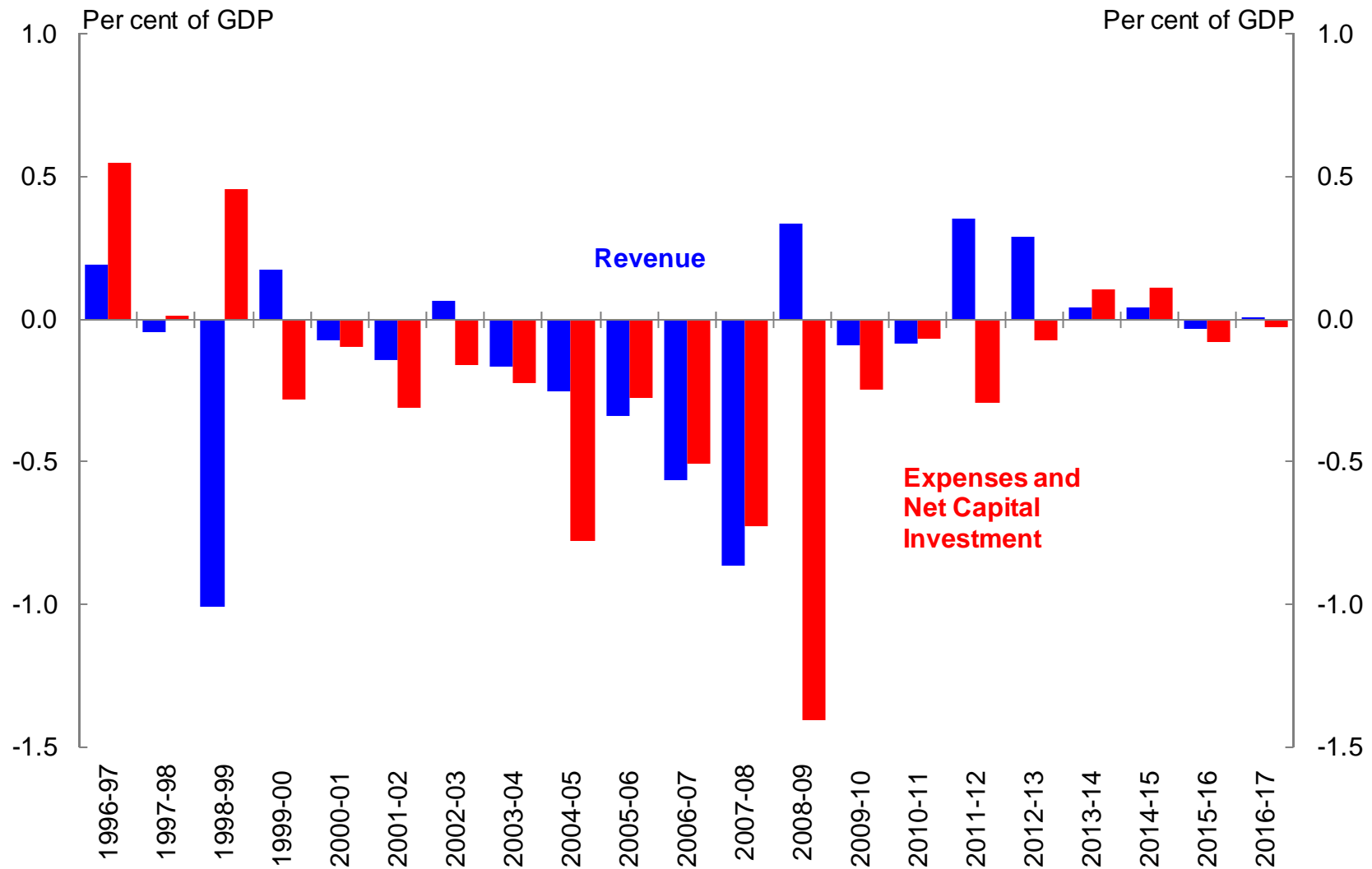
Note: Dashed lines defining quadrants are averages since 1984-85.  
 Source: 2016-17 Budget and ABS cat. no. 5206.0.

# Policy Decisions vs Parameter Variations

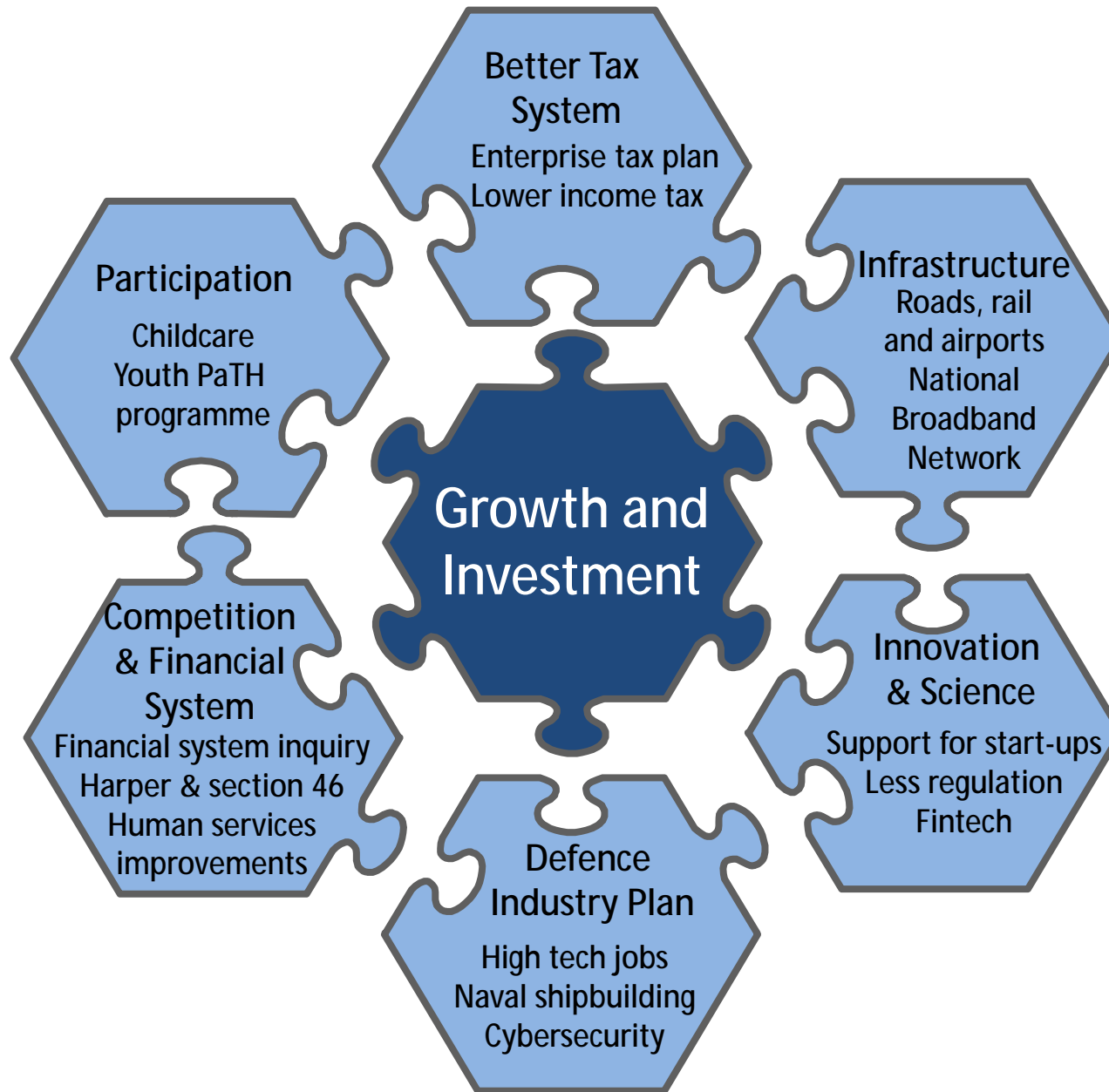


Source: Budget publications and ABS Cat. No. 5206.0 Note: Based on fiscal balance reconciliation data. Fiscal data was not published before 2000-01, so UCB reconciliation data is used instead. Figures reflect the average annual change in the relevant variable over the relevant forward estimates. Fiscal updates (Budget, MYEFO etc) in the relevant year are aggregated. GDP proportions are based on nominal GDP in the relevant forward estimates year as reported at the 2016-17 Budget. Dashes denote forecasts.

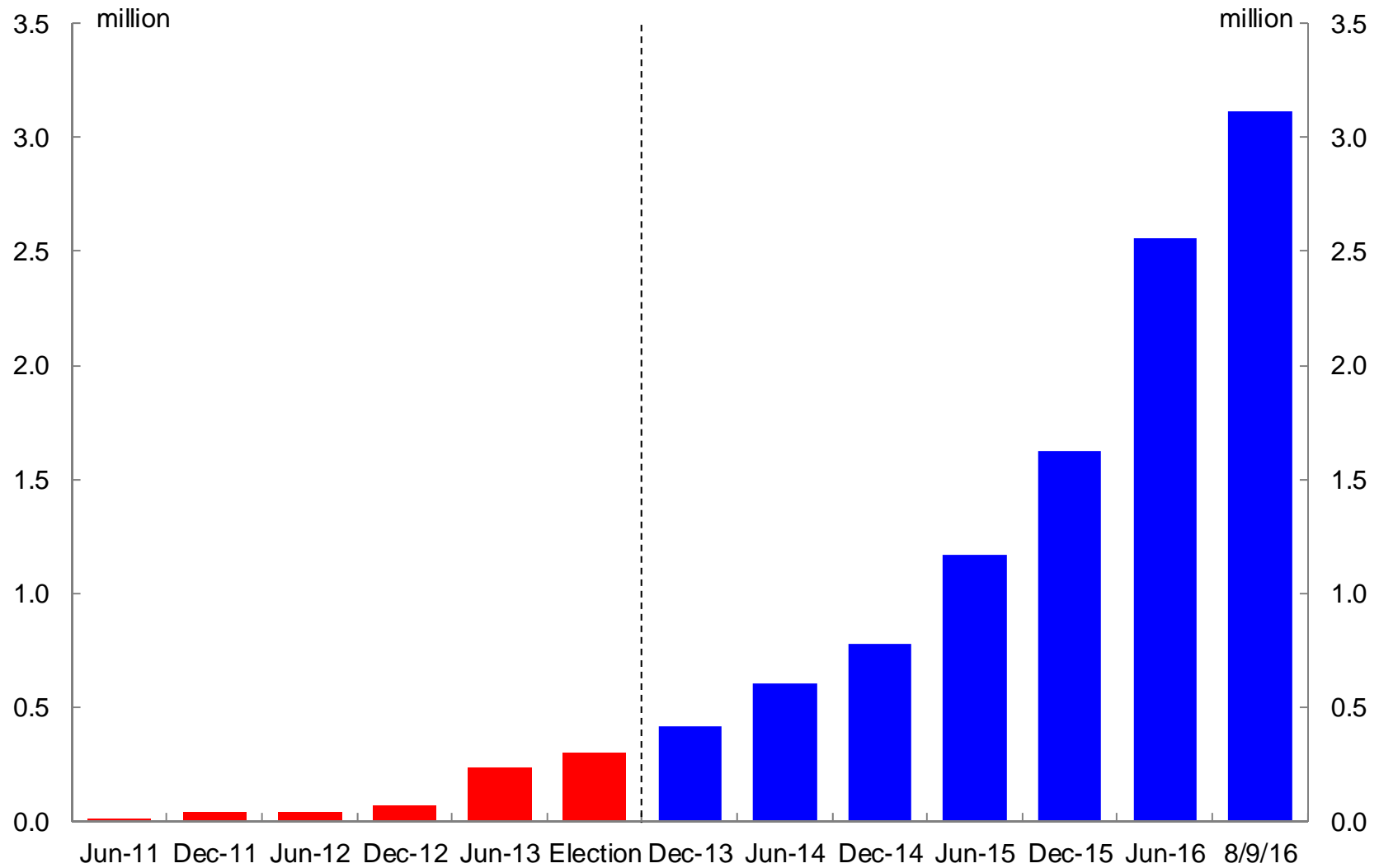
# Policy Decisions – Spending and Revenue



Source: Budget publications. Note: Based on fiscal balance reconciliation data. Fiscal data was not published before 2000-01, so UCB reconciliation data is used instead. Figures reflect the average annual change in the relevant variable over the relevant forward estimates. Fiscal updates (Budget, MYEFO etc) in the relevant year are aggregated. GDP proportions are based on nominal GDP in the relevant forward estimates year as reported at the 2016-17 Budget. Dashes denote forecasts.



# Premises ready for nbn service



Source: nbn

