

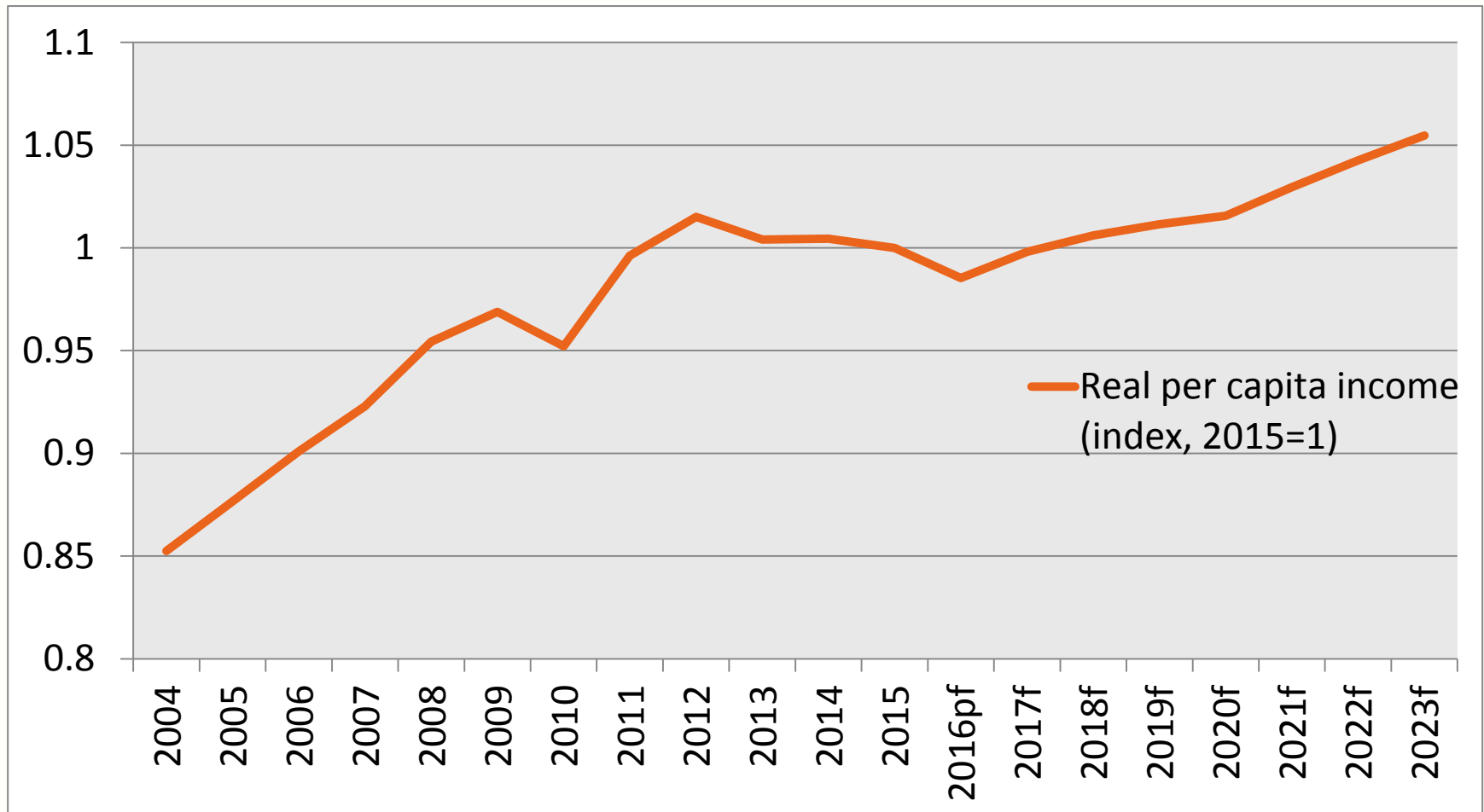


Medium term scenarios for the Australian economy

Janine Dixon
Centre of Policy Studies, Victoria University
Melbourne Economic Forum
July 26, 2016

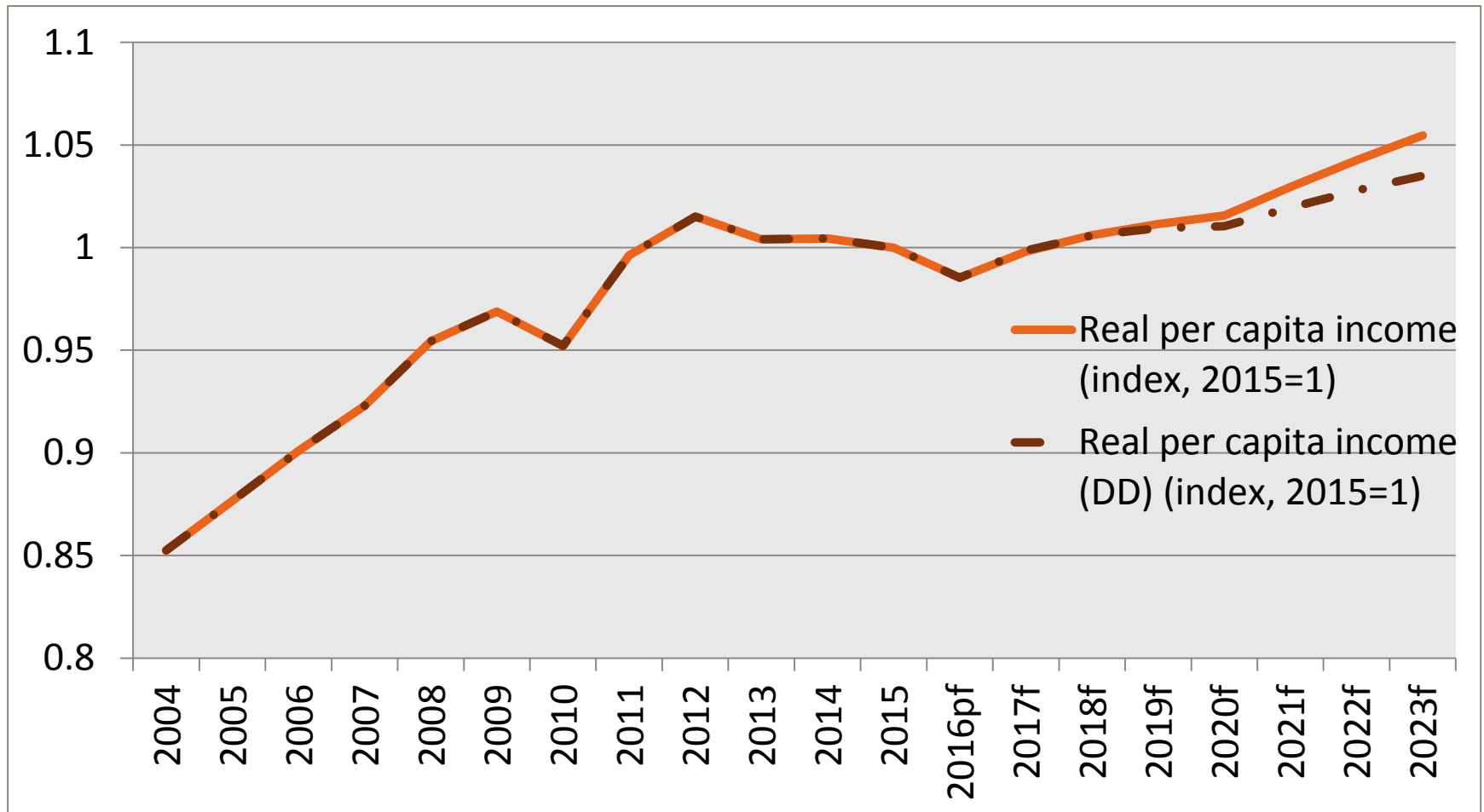


Standards of living



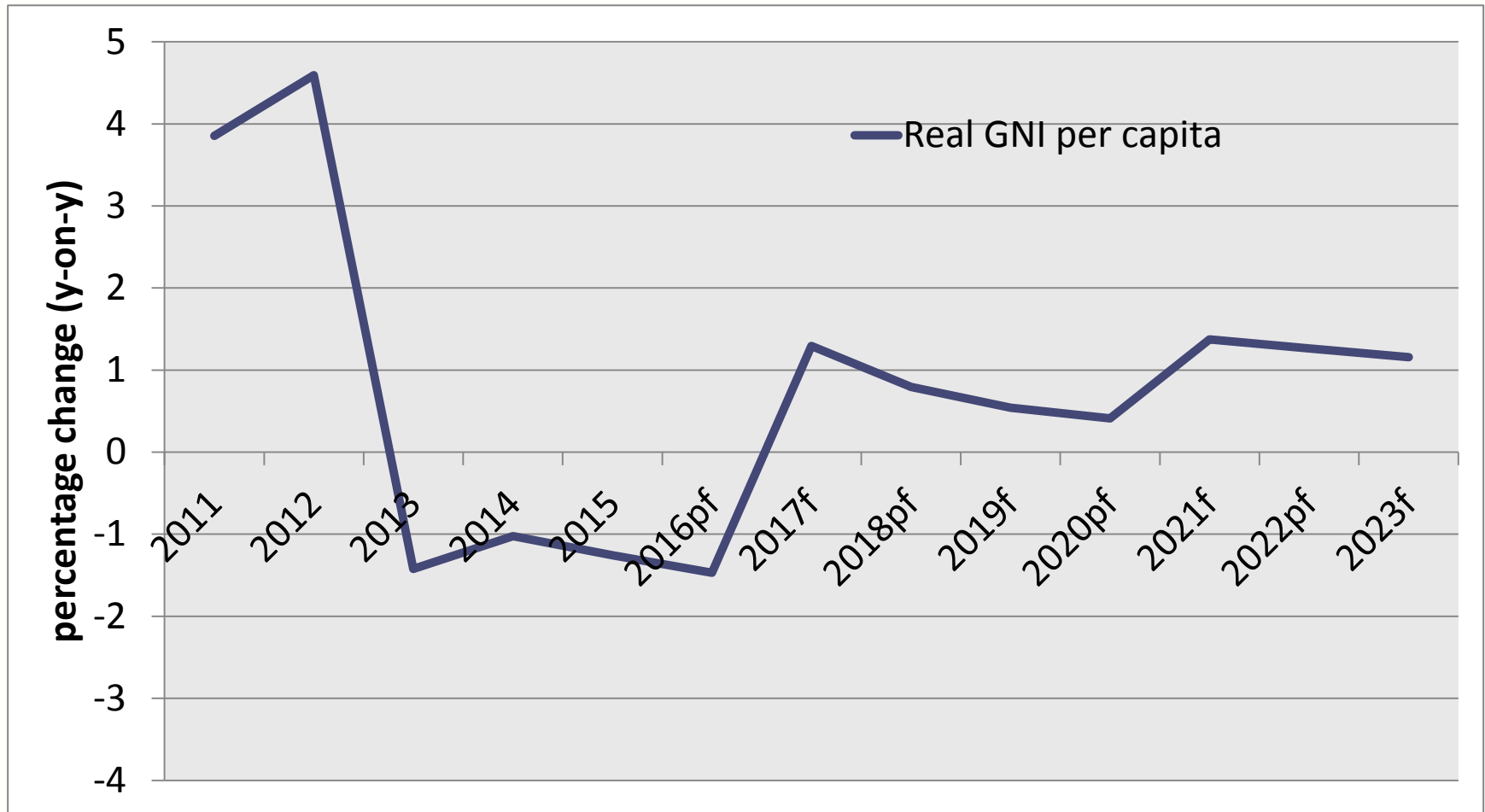
Source: ABS and Vic-Uni model

Standards of living



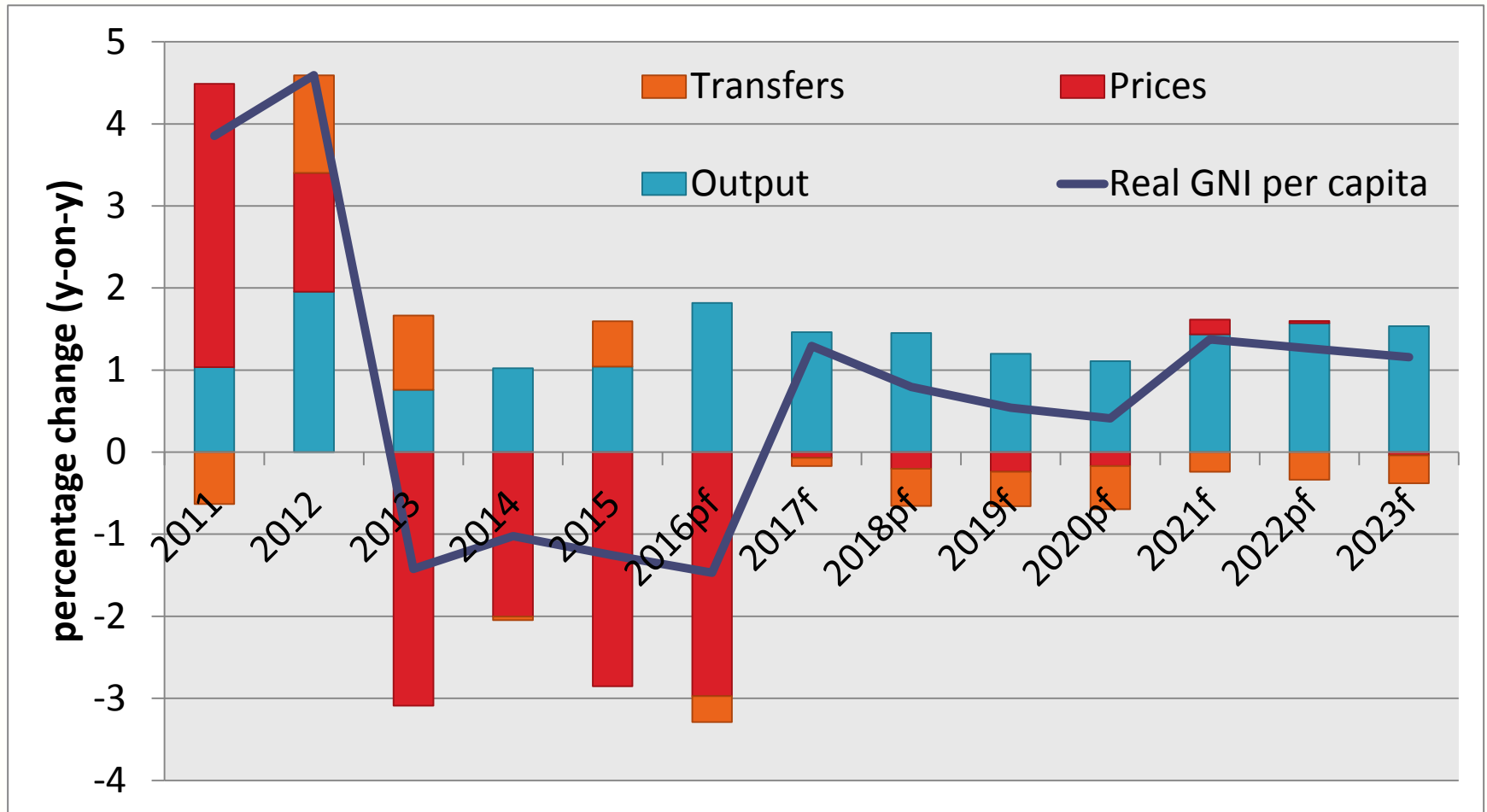
Source: ABS and Vic-Uni model

Standards of living



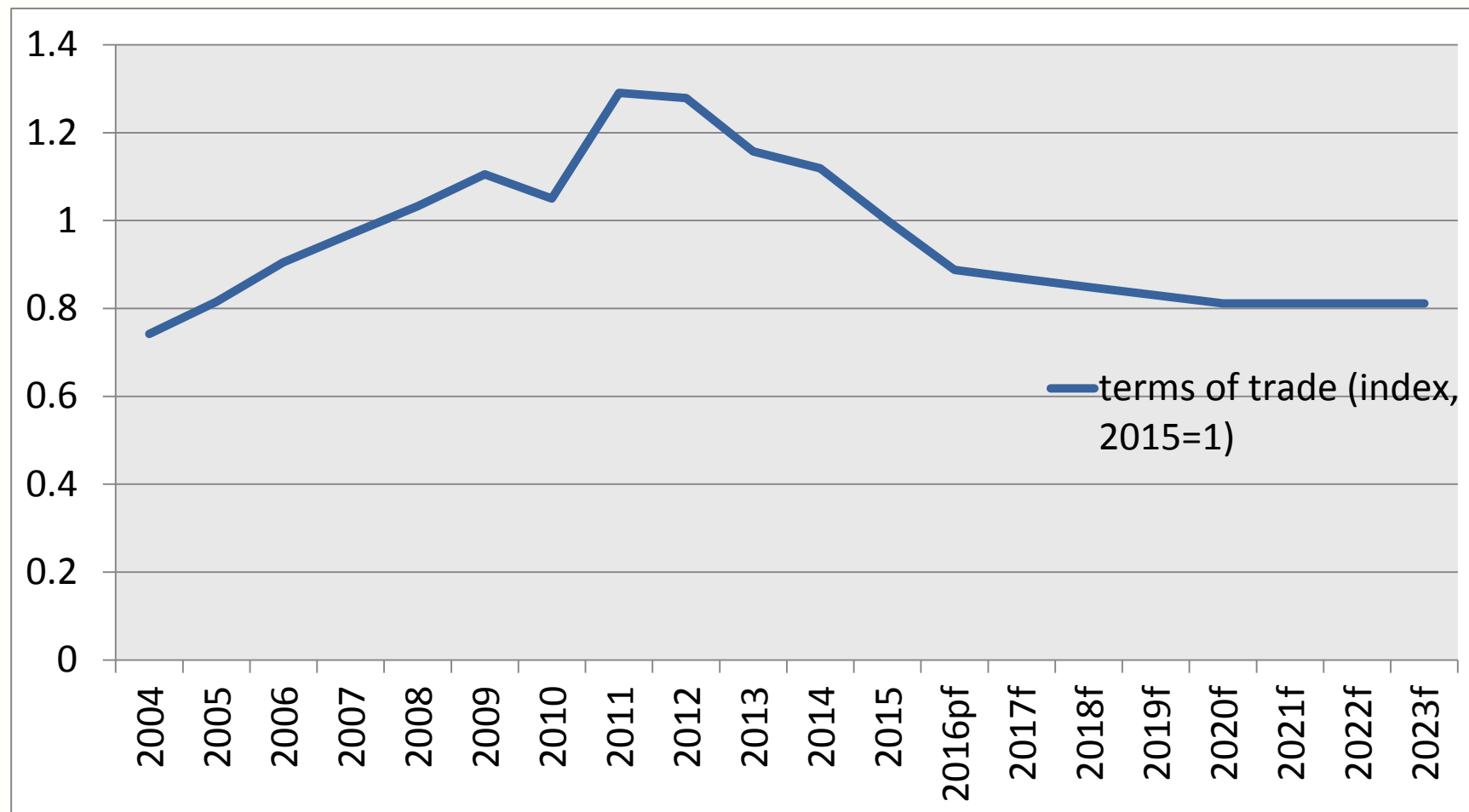
Source: ABS and Vic-Uni model

Standards of living



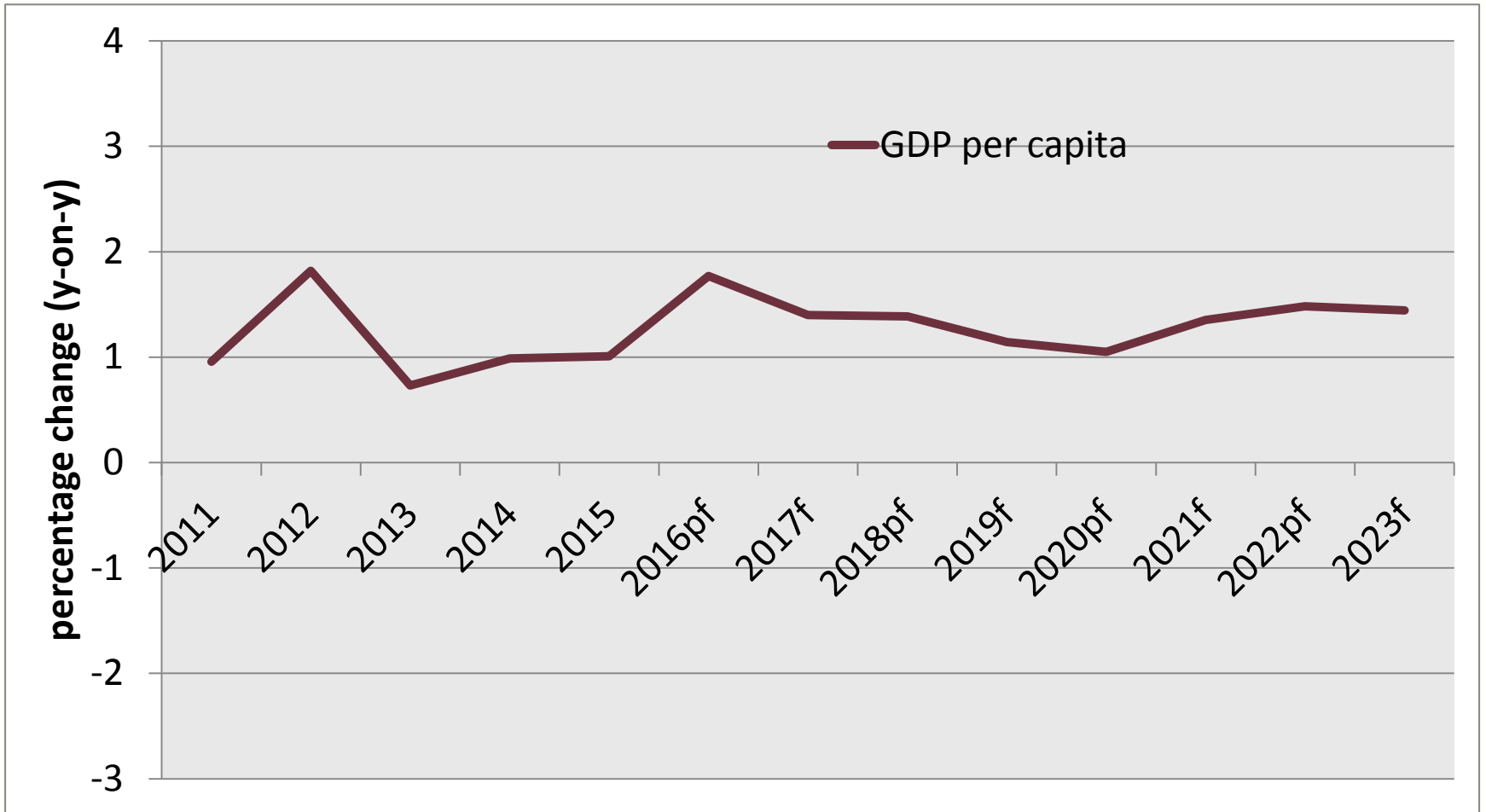
Source: ABS and Vic-Uni model

Terms of trade



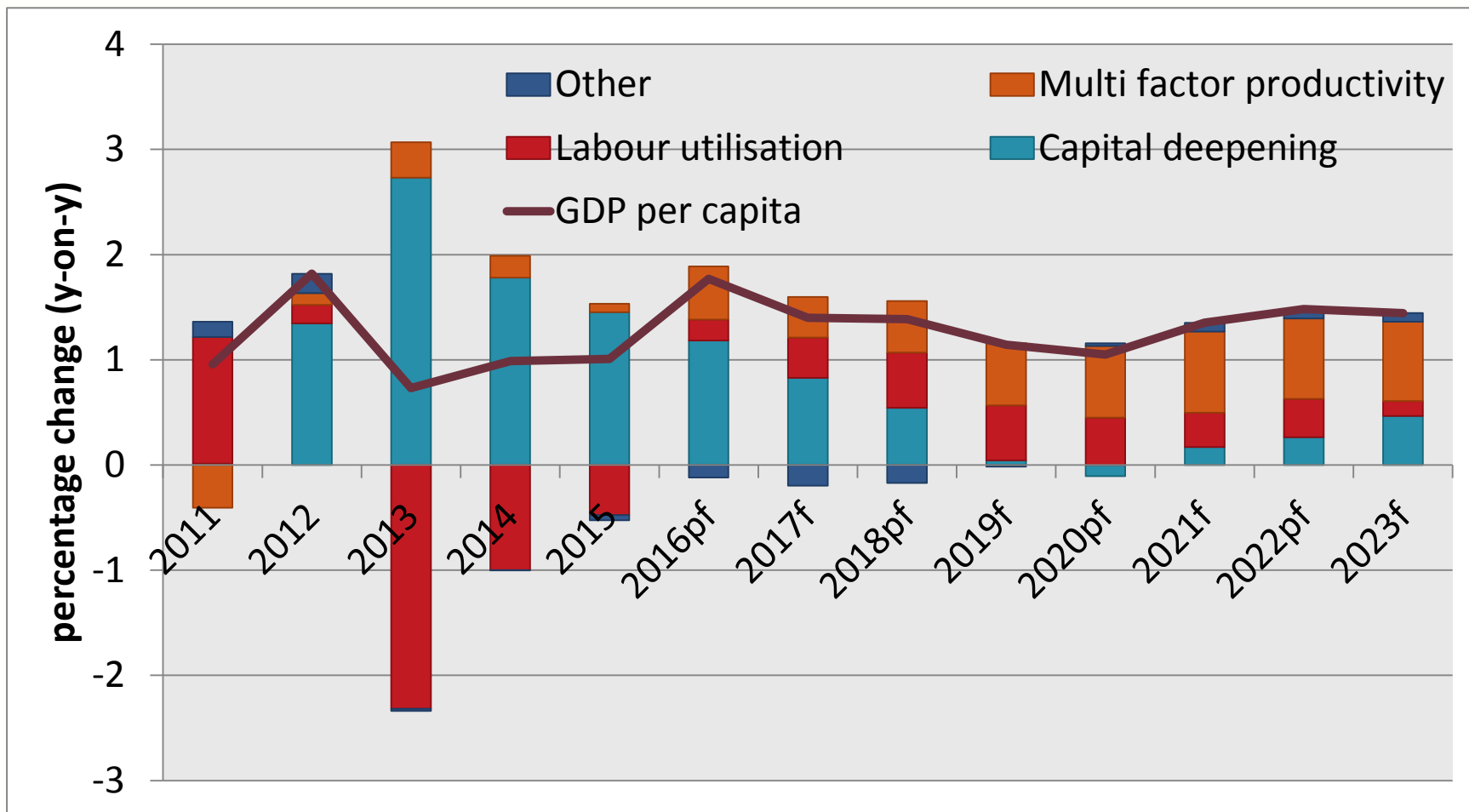
Source: ABS and Vic-Uni model

GDP growth



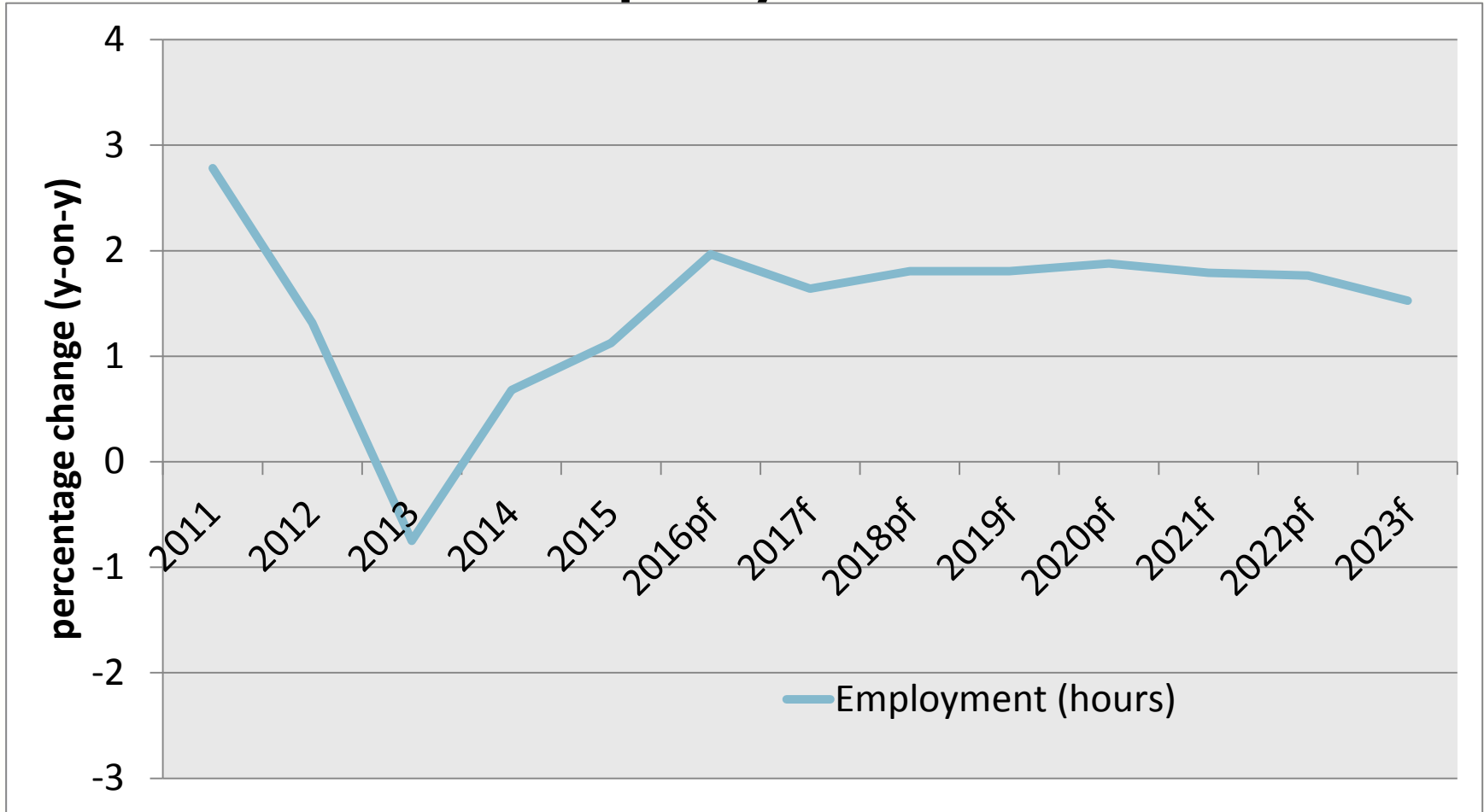
Source: ABS and Vic-Uni model

GDP growth



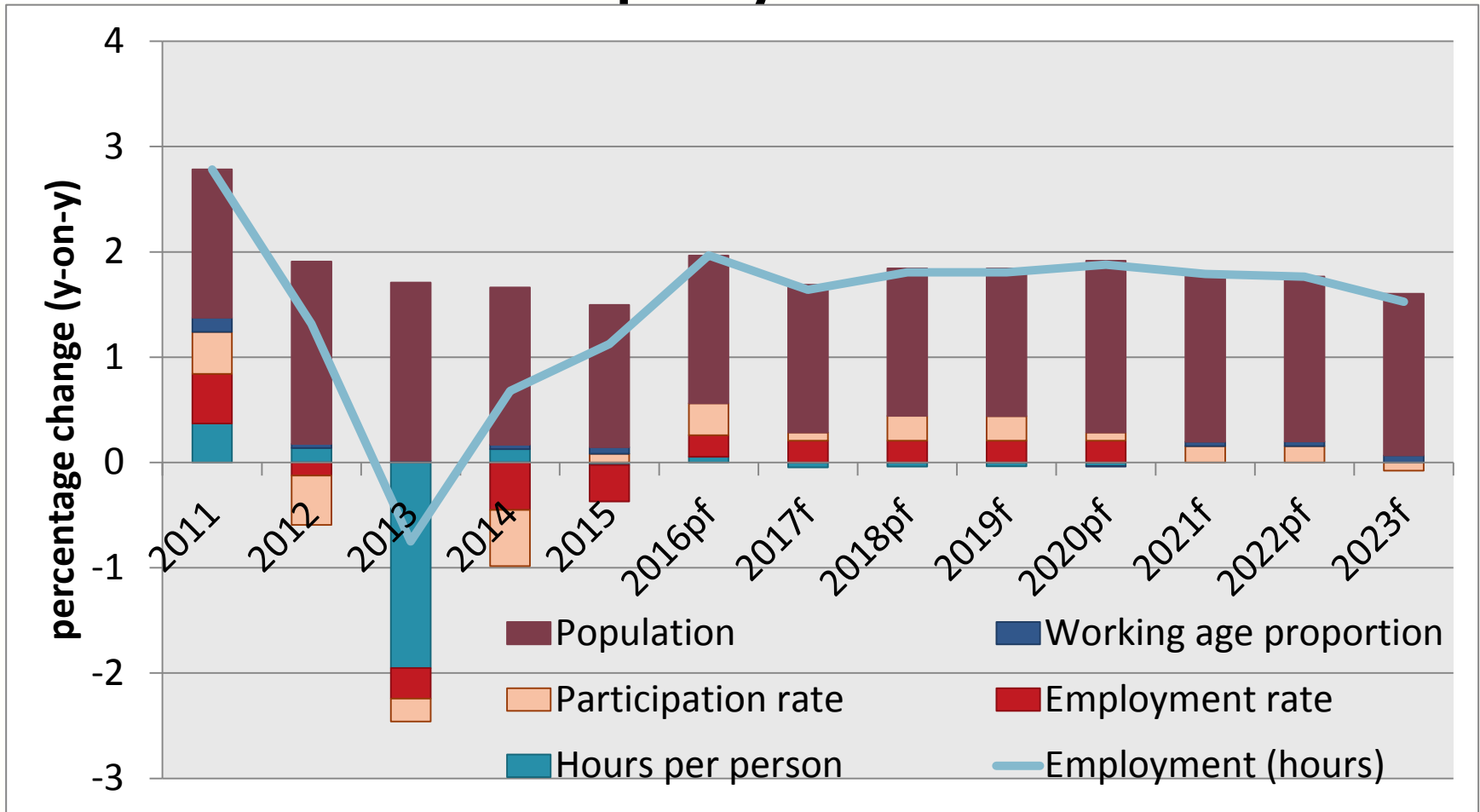
Source: ABS and Vic-Uni model

Employment



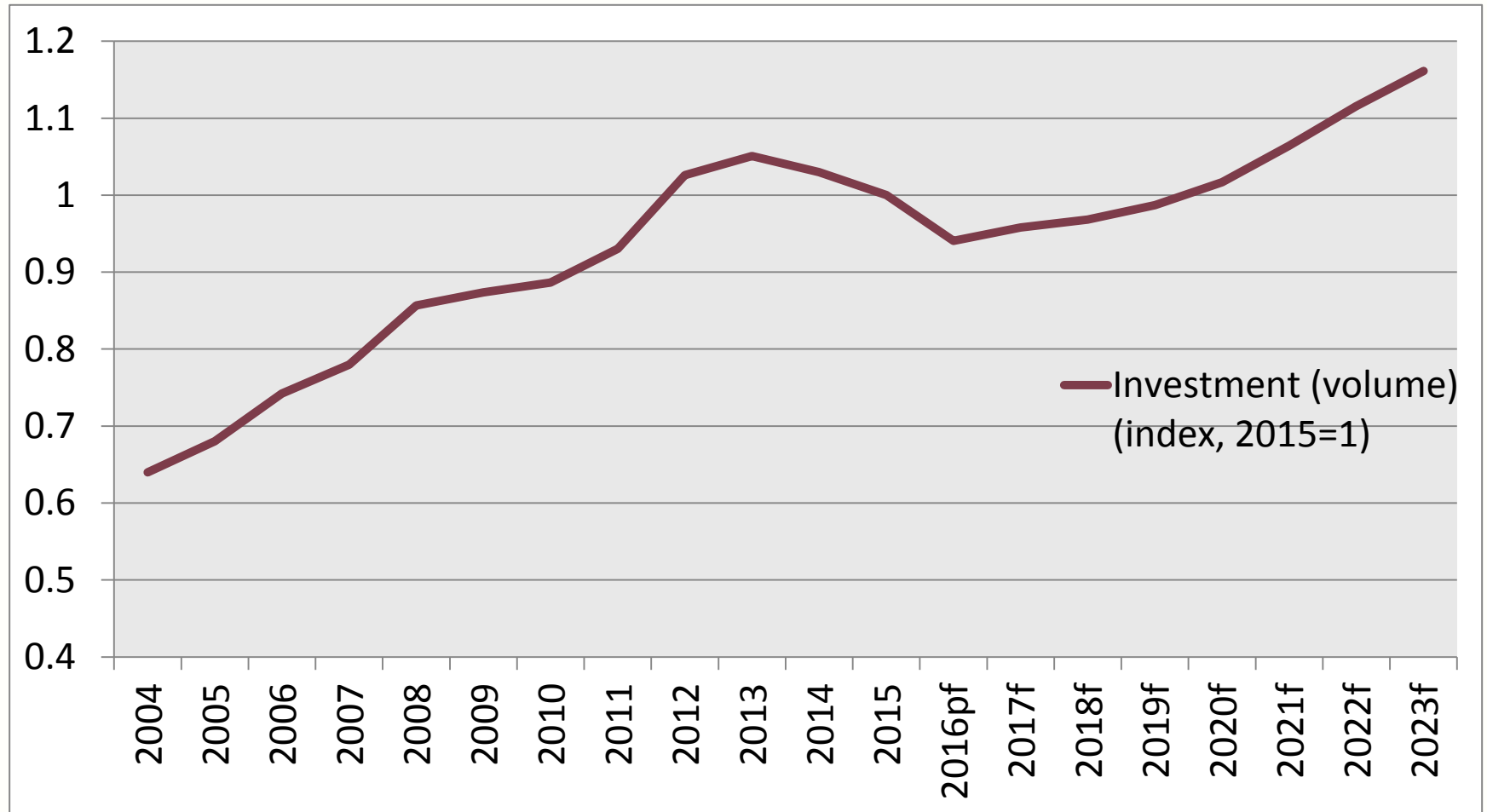
Source: ABS and Vic-Uni model

Employment



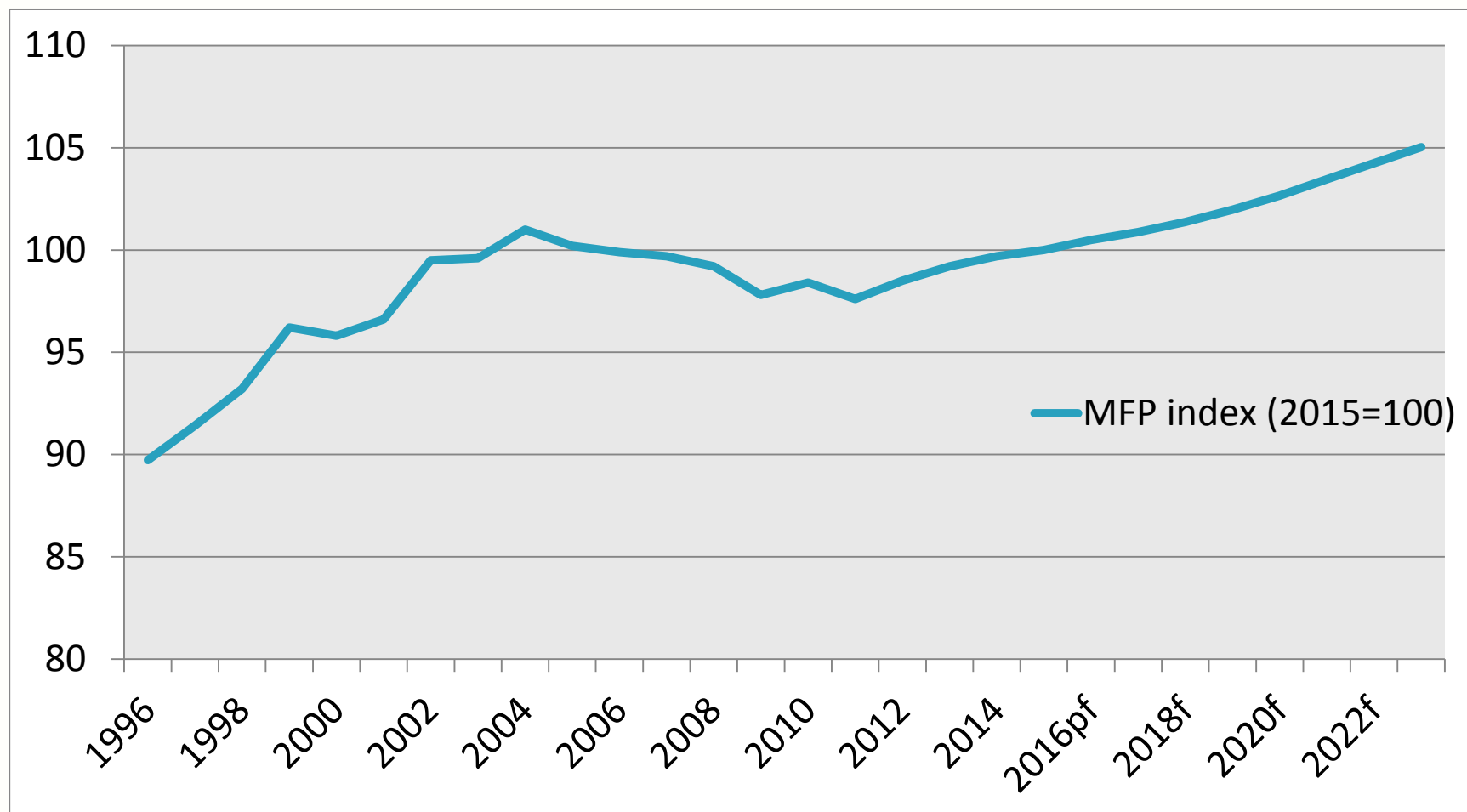
Source: ABS and Vic-Uni model

Investment



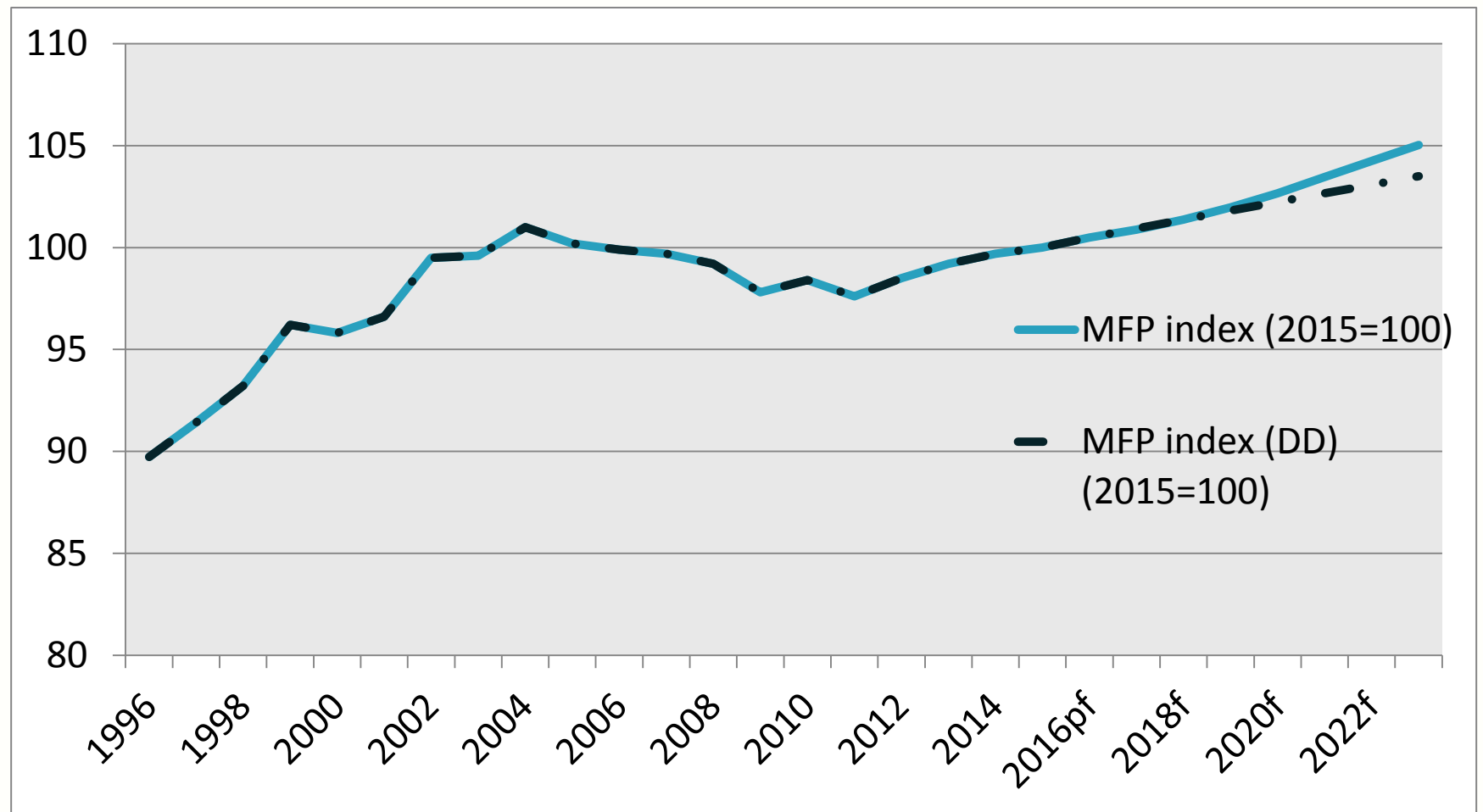
Source: ABS and Vic-Uni model

Multi-factor productivity



Source: ABS and Vic-Uni model

Multi-factor productivity



Source: ABS and Vic-Uni model

Key points

- Material living standards now 3% below peak of 2011-12
- Could return to this level by 2017-18 if conditions are right, i.e. if
 - Terms of trade stabilise
 - Unemployment falls
 - Productivity improves
- Growth rates will be slower than in 2000's