Yesterday, Today and Tomorrow
A trip down memory lane, then back to the future
1853, 1953, today and 2053

Phil Ruthven AM
Founder
East Melbourne in historical context
In 2017, East Melbourne has around 5000 residents, or 0.02% of Australia.

1853: 610,000, or over 1 million including aboriginals

1953: 8.8 million, or over 9 million including aboriginals

2053: 44 million

Australia's Population Growth
Millions 1788-2017 & beyond
Living Longer And Working Longer

Life Expectancy And The Retirement Age of Male Australians

Who would want to be retired for 30+ years in 2100; and could the nation afford it?

Female life expectancy

Rising Retirement Age

Rising Formal Education

Source: ABS, Australian Historical Statistics, IBISWorld
A Flying Start to Riches

- East Melbourne was being settled when Australia was undergoing its first and most spectacular gold mining boom in its history in 1853.

- The nation’s standard of living had already nearly doubled from $6,100 in 1850 per person to $11,300 in today’s money terms by 1853 with a gold boom that took it to 18% of our economy in 1855.

- By 1953, when the East Melbourne suburb had its first house (Cooke’s), our standard of living had risen to $18,500 or 64% higher than in 1853.

- Today, in 2017, our standard of living is $69,000 or nearly 4 times that of our first centenary.

- In 2053? At least $117,000 or 70% higher than today.
Australia’s Standard Of Living Growth

GDP /capita @ F2016 constant prices 1788-2016

Year, ended June
A changing world
World’s 30 Largest Economies
2017 (F)

Purchasing Parity Price (PPP) Terms

World’s 230 nations
US$ 126 trillion

- **19.9%** China*
- **15.4%** USA
- **7.6%** India
- Rest of World (200 nations) 14.8%
- 11th – 20th Nations 14.2%
- 21 - 30th 8.0%

**Nations**

- China*
- USA
- India
- Rest of World (200 nations)
- 11th – 20th Nations
- 21 - 30th

* Includes Hong Kong, excludes Taiwan
Just how happy or miserable are some countries?
Australian Index of Consumer Sentiment

2 months progressive to June 2017

Recession Level

Happy 66% of last 40 years
74% of last 20 years

Source: Westpac-Melbourne Institute (IAESR, IBIS estimates 19/06/17)
USA Index of Consumer Sentiment

2 months progressive to March 2017

Year commencing June

Source: Conference Board Consumer Confidence Index, 24/4/17 2017
NZ Index of Consumer Sentiment
2 months progressive to April 2017

Year commencing June

Happy 73% of last 40 years
95% of last 20 years

Recession Level

Source: Roy Morgan Research / IBIS estimates 24/4/2017
UK Index of Consumer Sentiment
2 months progressive to April 2017

Happy 11% of last 40 years
15% of last 20 years

Recession Level
The World’s Economic Regions in 2017
Share of World GDP (PPP basis)

2017 World GDP, $126 trillion

- North America: 18.7%
  - Growth: 1.8%

- C&S America: 6.2%
  - Growth: 1.4%

- North America: 18.7%
  - Growth: 3.7%

- W&C Europe: 17.2%
  - Growth: 1.7%

- Eastern Europe: 4.3%
  - Growth: 1.6%

- Indian S-C: 9.3%
  - Growth: 7.1%

- ME: 6.6%
  - Growth: 2.6%

- Africa: 4.9%

- Asia Pacific: 32.8%
  - Growth: 4.9%
Asia Mega-Region
GDP ppp terms 2017 (F)

Vietnam 1.2%
Singapore 0.8%
Myanmar 0.6%
NZ 0.3%
Macau 0.2%
Others 0.6%

Pakistan 2.0%
Bangladesh 1.3%
Sr Lanka 0.2%
Nepal 0.1%
Bhutan 0.1%
Maldives 0.7%

India 18.1%
China 44.5% (includes Hong Kong 0.9%)
Japan 9.6%
Korea* 3.8%
Indonesia 6.2%
Taiwan 2.2%

Others 3.7%
Philippines 1.6%
Malaysia 1.7%
Thailand 2.3%
Australia 2.3%

38 nations
$US 53 trillion GDP (ppp terms)
42.1% of World GDP

* North Korea < 0.1%
South Korea 3.8%
Asia Growth 2017 (F)
Major Asia Pacific and Indian S-C nations (ppp ranking)

- Myanmar: 7.7%
- Laos: 7.5%
- India: 7.2%
- Cambodia: 7.0%
- Bangladesh: 6.9%
- S. Korea: 6.9%
- Philippines: 6.9%
- China: 6.4%
- Vietnam: 6.2%
- Asia: 5.4%
- Pakistan: 5.3%
- Indonesia: 5.2%
- Malaysia: 5.0%
- Sri Lanka: 5.0%
- Nepal: 4.5%
- Thailand: 3.5%
- New Zealand: 3.1%
- Australia: 2.6%
- S. Korea: 2.5%
- Hong Kong: 2.4%
- Singapore: 2.6%
- Taiwan: 2.3%
- Japan: 1.4%

Growth % (GDP)

IMF/IBISWorld: 13/06/17
Asia, the place to be

➢ Australia has integrated its economy and society into Asia at large and China in particular.

➢ Asia is a mega-region consisting of the Asia Pacific and Indian sub-continent. It is the most powerful region (41% of world GDP) and the fastest growing (5.4% pa, over twice the rest of the world average).

➢ Over 75% of our export of goods & services now go to Asia, and two-thirds of our inbound tourists and immigrants come from Asia.

➢ Our population has moved from aboriginal (60,000 years), to British & European (200 years), to Eurasian (by 2100), and to Asian in the 22nd Century.
Our Changing Society
## Our Changing Society

**In the Post-Industrial Age, post 1965**

- Living longer
- More generations co-existing
- Living with more leisure
- Smaller/different households
- Moving to coast and equator
- Changing ethnic mix (Eurasian)
- New tribalism (less local)
- A stabilising divorce rate
- Rising incomes & wealth
- Apartment living rising
- Home leasing on the rise
- More spending on services
- Outsourcing tasks and chores

- Rise of virtual shopping
- Living with digital disruption
- The Internet/Information age
- Increasing knowledge
- Increasing financial literacy
- New entertainment & sports
- Electronic “guardian angels”
- Working differently
- New industries/occupations
- Changing spirituality
- Outlawing discrimination
- Changing politics (ideologies)
- Ecological sensitivity
Changing Household Spending

% of total basis

Source: ABS 5206/IBISWorld 23/05/17

Note: 1 Durables includes cars, furniture, electrical, electronics etc.
Australian Household Expenditure
Year to March 2017

Capital Related 13.9%
Rent¹ 14.0%
Fin. & Ins. Serv 8.4%
Savings 4.0%
Non-durables 16.3%
Health 4.3%
Food 6.3%
Entertainment (Gambling 1.9%) 6.5%
Mobility 3.5%
Hospitality 4.3%
Transfers 1.3%
Other 0.9%

Notes:
¹ includes imputed rent
(home ownership), 9.7 of the 13.9
² 9.6 million in 2017 (ABS). Reduces to $140.400 without imputed rent of $150 billion

$ 1501 billion
($156,000 per household ²)

Source: ABS5206/IBISWorld 09/06/17
Industries into the future
Australia’s Ages Of Economic Progress

GDP @ Constant F2017 Prices  1788-2017 and onwards

<table>
<thead>
<tr>
<th>Year, ended June</th>
<th>Hunting Age</th>
<th>Agrarian Age</th>
<th>Industrial Age</th>
<th>Infotronics Age</th>
<th>Enlightenment Age ?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1780</td>
<td>Hunting, trapping, fishing, crafts, religion</td>
<td>Agriculture, Mining, Banking, Commerce</td>
<td>Manufacturing &amp; Construction dominate the economy (c. 30-50%+ of GDP)</td>
<td>Quaternary service industries</td>
<td>Quinary service industries</td>
</tr>
<tr>
<td>1790</td>
<td>Transport the major utility</td>
<td>Power the major utility (water/steam, then electricity) and telephony</td>
<td>IC&amp;T (analogue then digital &amp; AI)</td>
<td>Imbedded intelligence, neural network programs/analytics.</td>
<td>More electronic “guardian angels” and other new technologies</td>
</tr>
</tbody>
</table>

There was no “industry” and no significant utility.

IBISWorld 06/06/17
Changing Importance of Industry Divisions
Shares of GDP by Industry Division, 1800-2050

Note: At market prices to 1940, at factor cost thereafter
Source: N.G Butlin, ABS & IBISWorld 8.01.15
Outsourcing Creates Most Industries & Jobs

❖ We outsourced the growing and mining of things to create the agriculture and mining industries, aided by a new utility (transport)

❖ We outsourced the making and building of things to create the Industrial Age industries of manufacturing and construction, with new utilities (power/electricity & communications)

❖ We are outsourcing services (household services and business functions) to create the current Infotronics Age from 1965-2040s, aided by yet another new utility (ICT, now the digital era)

❖ Outsourcing by households, businesses, government and overseas nations (to us) have created new services of over $1.4 billion in extra revenue pa by 2016.
Household Outsourcing In The New Age\textsuperscript{1}

F2016 (E)

Note: \textsuperscript{1} Spending on services, new since 1965. Includes new government-provided services with our taxes

Note: \textsuperscript{2} Baby sitting, Foxtel, Netflix, M/V hire, gardening and many others

$410 billion
$42,700 per Household
($818 per week)

Source: IBISWorld 12/12/16
Australia's Industry Mix

Shares of GDP, in F201 price terms  Year to March 2017

Agriculture 6.9%
Mining 2.4%

Health 6.9%
Finance & Insurance 8.9%
Transport 4.7%
W'Saling 4.0%
Retailing 4.3%
Construction 7.7%
Manufacturing 5.8%
Info Media & Communications

GDP $1685 billion

Note 1: Less subsidies, but includes stat. discrepancy (0.3%)
**East Melbourne icons and activities**
We are essentially a unique dormitory suburb, but . . . .

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>Fitzroy Gardens Conservatory and Nursery</td>
</tr>
<tr>
<td>Mining</td>
<td>Can’t find any</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>Brewery, not operating these days</td>
</tr>
<tr>
<td>Utilities</td>
<td>Electricity substation</td>
</tr>
<tr>
<td>Construction</td>
<td>Always something (eg. Dallas Brooks Hall redevelopment)</td>
</tr>
<tr>
<td>W’Sale Trade</td>
<td>No</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>Eastbourne, Pyman pharmacy, Laurent, liquor store</td>
</tr>
<tr>
<td>Transport, Postal</td>
<td>Trams, rail, bus, cabs, uber</td>
</tr>
<tr>
<td>Media &amp; Telecom</td>
<td>No</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>Bank, ATMs</td>
</tr>
<tr>
<td>Rental, Hiring, Real Estate</td>
<td>Realtors</td>
</tr>
<tr>
<td>Prof &amp; Tech Services</td>
<td>Architects,</td>
</tr>
<tr>
<td>Admin &amp; Support Services</td>
<td>Probably none</td>
</tr>
<tr>
<td>Public Admin/Safety</td>
<td>Parliament House, public service operations</td>
</tr>
<tr>
<td>Education</td>
<td>Schools (kindergarten)</td>
</tr>
<tr>
<td>Hospitality</td>
<td>Restaurants, hotel, motels</td>
</tr>
<tr>
<td>Health &amp; Social Assistance</td>
<td>Epworth, St. Vincents, Mercy</td>
</tr>
<tr>
<td>Arts &amp; Recreation</td>
<td>MCG, Fitzroy Gardens, Tennis</td>
</tr>
<tr>
<td>Personal &amp; Other Services</td>
<td>St Patricks Cathedral, Bishopscourt, Fire Station</td>
</tr>
</tbody>
</table>
Work and jobs in the future
Part time vs full time labourforce as % of total population, 1901-2017

Equivalent full-time participation 42%
(constant over a century)

In the 2010s, Australia is having highest participation rate (c. 52.5% of population) since the end of the Convict Era in the middle of the 19th Century.

Part-time/full-time split not available from 1901-1964. Estimated range, 7-10%

Source: IBISWorld 24/02/17
Unemployment in Australia
Annual, 1890-2016

Full employment prevails for
60% of each century

Full Employment defined as < 5%

Elongated “depression”

Depression

Forecast

Source: ABS 13/02/17
Work And Leisure Over Time

<table>
<thead>
<tr>
<th>Year born</th>
<th>Life Expectancy (thousands of hours)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1788</td>
<td>23%</td>
</tr>
<tr>
<td>1838</td>
<td>27%</td>
</tr>
<tr>
<td>1888</td>
<td>29%</td>
</tr>
<tr>
<td>1938</td>
<td>32%</td>
</tr>
<tr>
<td>1988</td>
<td>44%</td>
</tr>
<tr>
<td>2038</td>
<td>44%</td>
</tr>
<tr>
<td>2088</td>
<td>46%</td>
</tr>
</tbody>
</table>

- Leisure Time
- Education
- Sleep
- Unpaid work
- Travel to work
- Paid work
Australia’s New & Lost Jobs
By Industry   5 years to March 2017   Share of total basis

The nation created over 7 times more new jobs than it lost

New jobs 957,500
Net new jobs 825,500
Lost jobs 132,000

Health & Social Assistance 20.1%
Hospitality 13.8%
Education 13.0%
Prof. & Tech Services 13.5%
Govt. Admin & Support 9.3%
Transport/Postal 5.7%
Finance & Insurance 2.8%
Retail 4.9%
Construction 10.5%
Arts & Recn, Pers & Other Serv 1.3%

Sources: ABS. IBISWorld, 09/06/17
## Where The Money Is By Industry

**Full-Time Total Adult Earnings  December 2016 ($’000)**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Percentage</th>
<th>Earnings ($’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining</td>
<td>2.0%</td>
<td>141.2</td>
</tr>
<tr>
<td>Utilities</td>
<td>1.1%</td>
<td>101.5</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>3.7%</td>
<td>97.2</td>
</tr>
<tr>
<td>Info Media &amp; Telcos</td>
<td>1.7%</td>
<td>97.1</td>
</tr>
<tr>
<td>Prof &amp; Tech Serv</td>
<td>8.4%</td>
<td>94.6</td>
</tr>
<tr>
<td>Construction</td>
<td>9.3%</td>
<td>87.8</td>
</tr>
<tr>
<td>Transport &amp; Postal</td>
<td>4.9%</td>
<td>87.7</td>
</tr>
<tr>
<td>Education</td>
<td>8.0%</td>
<td>86.9</td>
</tr>
<tr>
<td>Public Adm &amp; Safety</td>
<td>6.8%</td>
<td>86</td>
</tr>
<tr>
<td>ALL INDUSTRIES</td>
<td></td>
<td>83.2</td>
</tr>
<tr>
<td>Health</td>
<td>12.8%</td>
<td>80.2</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>3.2%</td>
<td>78.9</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>7.5%</td>
<td>75.0</td>
</tr>
<tr>
<td>Arts &amp; Recreation</td>
<td>1.7%</td>
<td>74.7</td>
</tr>
<tr>
<td>Rental &amp; Real Est</td>
<td>1.8%</td>
<td>73.9</td>
</tr>
<tr>
<td>Adm &amp; Support Serv</td>
<td>3.5%</td>
<td>70.7</td>
</tr>
<tr>
<td>Personal &amp; Other</td>
<td>4.0%</td>
<td>66.1</td>
</tr>
<tr>
<td>Retail</td>
<td>10.2%</td>
<td>60.1</td>
</tr>
<tr>
<td>Agriculture</td>
<td>2.5%</td>
<td>59.0</td>
</tr>
<tr>
<td>Hospitality</td>
<td>7.0%</td>
<td>58.4</td>
</tr>
</tbody>
</table>

### Wages ($’000)

- Total employed 12 million end 2016

### Annualised earnings $’000

- 2.0% of workforce 
- Declining
- 1.1%
- Declining
- 3.7%
- 1.7%
- Growing
- 8.4%
- Growing
- 9.3%
- Growing
- 4.9%
- Growing
- 8.0%
- Growing
- 6.8%
- Growing
- 12.8%
- Declining
- 3.2%
- Growing
- 7.5%
- Declining
- 1.7%
- Growing
- 1.8%
- Growing
- 3.5%
- Growing
- 4.0%
- Growing
- 10.2%
- Growing
- 2.5%
- Declining
- 7.0%

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ABS 6302-10: 13/06/17
More worker freedom in the 21st Century

- No “bondage” by businesses, bosses or unions . . .
- . . . replaced by opportunity and empowerment
- The gradual demise of the concept of an “employee”
- Rise of contractual relationships (a worker being a business)
- Rise of business ownership (workers owning a business)
- Payment for outputs, not inputs (hours of work)
- Emergence of advisers and mentors for worker contracts
- No discrimination on any basis (gender/race/age/religion etc)
- More part-time and casual work
- Partial or total working from home, where practicable
- More working seasons in a life
- New industries & occupations
- Working in a borderless world
- Knowledge worker concept
- Lifetime education & training
- Rising wages & salaries
Our changing politics
# Australia’s Best Leaders

Those who made Australia very prosperous. 
Those who were change agents & reformers

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Position</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Cptn. Arthur Phillip</td>
<td>(Govnr.)</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Cptn. Philip King</td>
<td>(Govnr.)</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Maj. Gen. Macquarie</td>
<td>(Govnr.)</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Maj. Gen. R. Darling</td>
<td>(Govnr.)</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Maj. Gen. Bourke</td>
<td>(Govnr.)</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Sir Charles Fitz Roy</td>
<td>(Govnr.)</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Sir William Denison</td>
<td>(Govnr.)</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Sir J McCulloch</td>
<td>(Prem. Vic.)</td>
<td>Sir Henry Parkes</td>
</tr>
<tr>
<td>9</td>
<td>James Service</td>
<td>(Prem. Vic.)</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>George Reid</td>
<td>(Prem. NSW)</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Sir George Turner</td>
<td>(Prem. Vic.)</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Alfred Deakin</td>
<td>(P/M)</td>
<td>Edmund Barton</td>
</tr>
<tr>
<td>13</td>
<td>Andrew Fisher</td>
<td>(P/M)</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>William Hughes</td>
<td>(P/M)</td>
<td>Joseph Lyons</td>
</tr>
<tr>
<td>15</td>
<td>Robert Menzies</td>
<td>(P/M)</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>John Curtin</td>
<td>(P/M)</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>J. Ben Chifley</td>
<td>(P/M)</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>John Gorton</td>
<td>(P/M)</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>John Howard</td>
<td>(P/M)</td>
<td></td>
</tr>
</tbody>
</table>
IBIS’ Economic Health Index
BASE INDEX (=100)

GDP Growth (Real) 2.5% p.a.
Inflation 2.5%
Productivity 2.0% p.a.
Unemployment 5.0%
Current Account zero (balanced)
Interest Rates (Real) 5.0%
Exchange Rates (TWI) 100.0

The index is weighted (threefold) to the GDP component.
At an EHI of 100 points, an economy is termed “healthy”.
Why didn’t Keating (or Hawke) make the list?

In assessing the 76 leaders from Captain Arthur Phillip to the present day, we used an “Economic Health Index” as in previous slide.

In short, did the leader ensure: full employment (being under 5% unemployed); fair interest rates (between retirees and first-home buyers); good economic growth; a rising standard of living (via productivity); etc.

In the case of both Hawke and Keating, they didn’t make the list of best leaders due to high unemployment levels (worst since the Great Depression, earlier slide), scary interest rates (see overleaf); a trashed exchange rate at one stage; and they only balanced the books for two years out of 13; and built up the worst national debt the nation had for decades.

All that said, Hawke and Keating did a huge amount of reform, a lot of which had been rejected by their own party, the ALP, for decades, not just the Coalition.

The best of these reforms included: freeing the exchange rate; dismantling the protection of industries; introduction of foreign banks; the superannuation levy in 1993; and more.

Great reformers, not so good economic managers; in fact terrible economic managers. I had hoped that Keating would come back after losing in 1996, as had Menzies in 1941.

He could have become the best leader in our history. Not to be.
Indicator Lending Rates
Australia  F1975 -2016

Year, ended June

Interest Rate (%)

Overdraft
(small business, variable)

Mortgage
(standard bank variable)
Characteristics of Successful Heads Of State

1. They were mostly elected in the last one-sixth of their then life expectancy at birth (a legacy to be left rather than self-aggrandizement)

2. They were mostly civics, few were idealists and no ideologues

3. They were mostly conservatives using platforms to win office, then running the country pragmatically

4. They came from the middle or working class (silver-tails unable to relate)

5. They were mostly professionals or tradesmen rather than businessmen

6. They were mostly born in second-string states (something to prove?)

7. Most had been blooded beforehand (militarily or psychologically).

8. They were tough, resolute and even ruthless when necessary, but often lonely, aloof, moody and unsure.

9. They had a loyal aide who supported the leader.

10. They fashioned the economy rather than managed it

11. They ran balanced budgets, avoiding debt build-up

12. They were all males (but there will be some great female leaders in this Century).
Changing Political Ideologies

**Rationality**
-the “head”, logic, facts, proof, what works-

**Socialism**
-the “left”, the “workers”, nationalisation, share the output equally-

- It’s the workers stupid!

**Capitalism**
-the “right”, capital, expand the economy, reward enterprise-

- It’s the owners stupid!

**Emotionality**
-gut-feel, the “heart”, “ideologies”, post-Truth, “everybody knows” “alternative facts”-

- The Greens, Family First, Hanson’s, One Nation

- 1967-1983
  - Gorton LNP: Rational
  - McMahon LNP: Emotional
  - Whitlam ALP: Emotional
  - Fraser LNP: Emotional

- 1964 to 2040s
  - Hawke/Keating Government: Rational
  - Howard/Costello Governments: Emotional
  - Abbott & Turnbull Governments: Emotional
  - Gillard & Rudd Governments: Rational

- 1964 to 1983
  - Howard/Costello Governments: Emotional
  - Whitlam ALP: Emotional
  - Fraser LNP: Emotional
  - Gorton LNP: Rational
## Rational Vs Emotional Government

<table>
<thead>
<tr>
<th>Government</th>
<th>Party</th>
<th>Term (years)</th>
<th>Type</th>
<th>GDP Growth (average pa)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gorton</td>
<td>Coalition</td>
<td>3.3</td>
<td>Rational</td>
<td>4.8%</td>
</tr>
<tr>
<td>McMahon</td>
<td>Coalition</td>
<td>2.0</td>
<td>Emotional</td>
<td>2.8%</td>
</tr>
<tr>
<td>Whitlam</td>
<td>Labor</td>
<td>3.0</td>
<td>Emotional</td>
<td>3.3%</td>
</tr>
<tr>
<td>Fraser</td>
<td>Coalition</td>
<td>7.0</td>
<td>Emotional</td>
<td>2.4%</td>
</tr>
<tr>
<td>Hawke</td>
<td>Labor</td>
<td>8.8</td>
<td>Rational</td>
<td>3.1%</td>
</tr>
<tr>
<td>Keating</td>
<td>Labor</td>
<td>4.3</td>
<td>Rational</td>
<td>3.6%</td>
</tr>
<tr>
<td>Howard</td>
<td>Coalition</td>
<td>11.0</td>
<td>Rational</td>
<td>3.7%</td>
</tr>
<tr>
<td>Rudd</td>
<td>Labor</td>
<td>2.8</td>
<td>Emotional</td>
<td>2.1%</td>
</tr>
<tr>
<td>Gillard</td>
<td>Labor</td>
<td>3.0</td>
<td>Emotional</td>
<td>2.8%</td>
</tr>
<tr>
<td>Abbott</td>
<td>Coalition</td>
<td>2.0</td>
<td>Emotional</td>
<td>2.5%</td>
</tr>
<tr>
<td>Turnbull</td>
<td>Coalition</td>
<td>1.0</td>
<td>Emotional</td>
<td>2.9%</td>
</tr>
</tbody>
</table>

GDP growth over the past 50 years: **Rationalists 3.7% pa**  **Emotionalists 2.6% pa**
Our economic outlook?
Australia’s Economic Growth

Annual real GDP growth (%) progressed in quarters to **March 2017** (and forecast to June 2021)

- **Averages**
  - 3.5% pa (52 years)
  - 3.2% pa (since 1987)

Source: IBISWorld: 07/06/17
Why Australia can smile in 2017 
. . . but not be complacent

❖ We have one of the highest standards of living in the world
❖ We have the world’s most livable city (Melbourne)
❖ And four others in the Top 10; how good is that.
❖ We are mostly a confident nation (Consumer Sentiment)
❖ We are part of the world’s fastest growing region: the Asia Pacific
❖ Our population growth (1.5% pa) is faster than the world’s 1.3% pa
❖ We have virtually no serious racial tensions or terrorism
❖ Our unemployment, while not “full” is among the OECD’s lowest
❖ We are creating over 7 times more jobs than we are losing each 5 years
❖ Our national debt is the lowest in the OECD as % of GDP
❖ We are one of the lowest taxed nation among the OECD rich countries.
❖ Our deficits are chronic but low within the OECD, and fixable.
❖ Our interest rates are low
❖ Sadly, four inadequate governments in Canberra over past 10 years.
Finishing with fun:

things that seem true, but are they?
Some urban myths

❖ Marriages don’t last as long as they used to
❖ Eating too many eggs raises your cholesterol level
❖ We will run out of jobs due to robots, AI and technology
❖ We will run out of workers due to ageing
❖ We are working longer hours and harder than ever
❖ Immigrants take our jobs, causing high unemployment
❖ Australia cannot take a much greater population
❖ We need a big population to compete in the world
❖ We need to make things to pay our way and prosper
❖ The rich are getting richer and the poor poorer
❖ The rich don’t pay a big enough share of taxes
❖ We could become the food bowl of Asia