

A contribution to
An analysis of medium to long-term impacts on the Australian Oceans

Lucy Robinson
CSIRO Ocean & Atmosphere, Australia

Australian GDP

Australian average annual growth in real GDP is projected to be 2.8% over the next 40 years compared to 3.1% over the previous 40 years (Treasury 2015). Similarly, average annual growth in real GDP per person is projected to be 1.5% in the coming 40 years compared to 1.7% over the past 40 years (Treasury 2015). Projections of real GDP growth per person were provided annually along with the projections of the key driving variables (Figure 1).

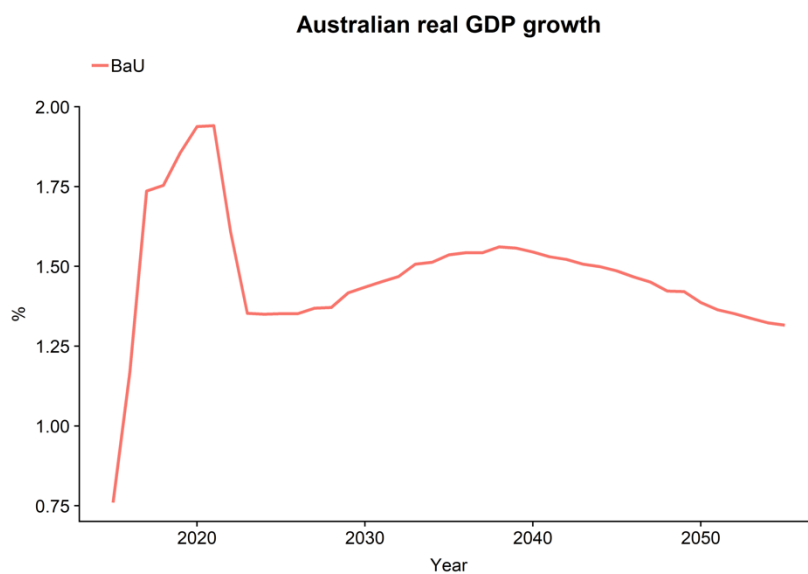


Figure 1 Population, productivity and participation combined to produce real GDP growth per person (sourced from Treasury 2015). Note “BaU” stands for “Business as usual” which is an assumption made by the author about this single projection scenario given no alternative scenario projections were provided.

Population, participation and productivity are what drives the annual real GDP growth per person projections (Treasury 2015). The population component included the proportion of the population over the age of 15, participation encompasses both participation and unemployment rates as well as the average hours worked and productivity included labour productivity. Labour productivity is expected to be the main driver of real GDP growth with compositional changes in the population and participation rates having a lesser affect (Treasury 2015).

Interactions among sectors include the Australian population sector. Technological advancements, public infrastructure and transport and training and education were also noted as interactions in terms of their impact on productivity and participation rates (Treasury 2015).

Several initiatives that will boost productivity and encourage higher workforce participation have been suggested to ensure the projected GDP growth is achieved (Treasury 2015). These include stabilising the federal budget, reducing debt levels to respond to any future economic

shocks, and a lower, simpler and fairer tax system (Treasury 2015). Additionally, it has been suggested that the roles and responsibilities of federal and state government need to be re-examined. New technologies could also be harnessed to improve efficiencies in service delivery to ensure government expenditure is sustainable and better targeted. A number of measures are also suggested to encourage entrepreneurship and innovation, to take advantage of the growing Asian middleclass and to be robust in the face of dynamic global economic conditions. Initiatives were also provided for encouraging higher workforce participation rates that included retaining older employees in the workforce, supporting prospective and existing parents, providing opportunities to those on welfare and to attract skilled migrants (Treasury 2015).

References

Treasury. 2015. 2015 Intergenerational Report, Australia in 2055. Canberra, Australia:
Treasury, The Australian Government