Australian Business Economists

Dr Martin Parkinson
Secretary to the Treasury

Budget 2012-13 &
Macroeconomic Policy

Tuesday 15 May 2012, Sydney

Australian Government
The Treasury

Macroeconomic Policy for Changing Circumstances

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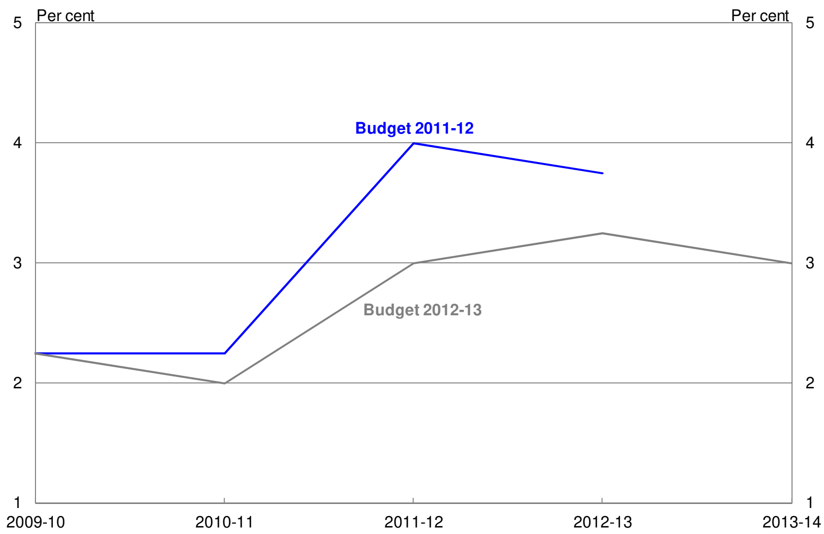
GDP estimates



Source: ABS Catalogue Number 5206.0 and Treasury.

Key economic forecasts

Key aggregates(a)

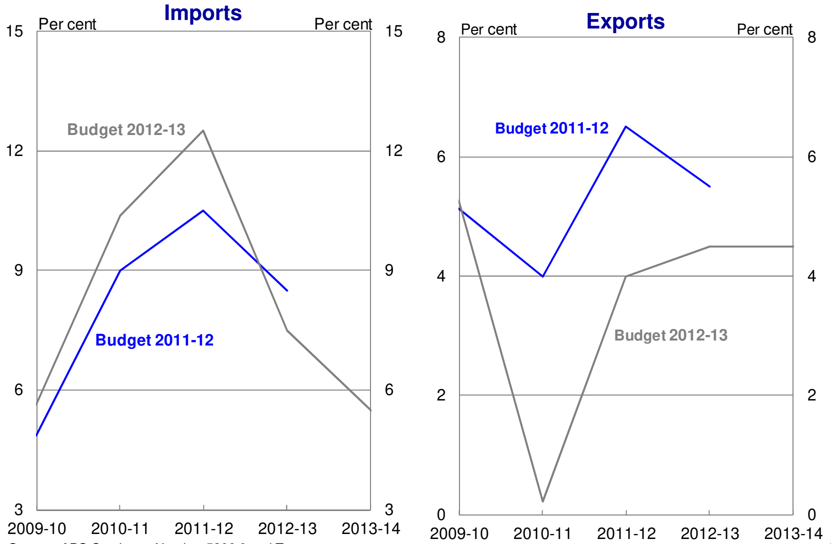
	2010-11		2011-12		2012-13	
	2011-12 Budget	Outcome	2011-12 Budget	2012-13 Budget	2011-12 Budget	2012-13 Budget
Private Final Demand (b)	3	3.3	6	6	6	5
Public Final Demand (b)	3 1/2	3.4	1 1/4	1 1/2	-1 1/4	- 1/2
Exports	4	0.2	6 1/2	4	5 1/2	4 1/2
Imports	9	10.4	10 1/2	12 1/2	8 1/2	7 1/2
Real GDP	2 1/4	2.0	4	3	3 3/4	3 1/4
Nominal GDP	8	8.3	6 1/4	5 1/2	5 3/4	5
Employment	2 3/4	2.2	1 3/4	1/2	1 3/4	1 1/4
Unemployment	5	4.9	4 3/4	5 1/4	4 1/2	5 1/2
CPI	3 1/4	3.6	2 3/4	1 1/4	3	3 1/4

(a) GDP, private final demand, public final demand, exports and imports are year-average growth. Employment and CPI are through-the-year growth to the June quarter. The unemployment rate is the rate for the June quarter.

(b) Excluding second-hand asset sales from the public sector to the private sector.

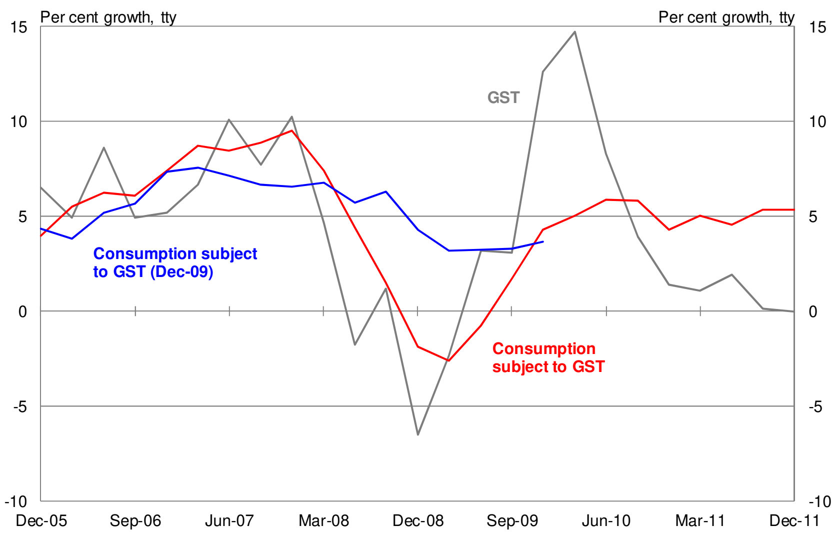
Source: ABS Catalogue Numbers 5206.0, 6202.0, 6401.0 and Treasury.

Estimates of export and import growth (year-average)



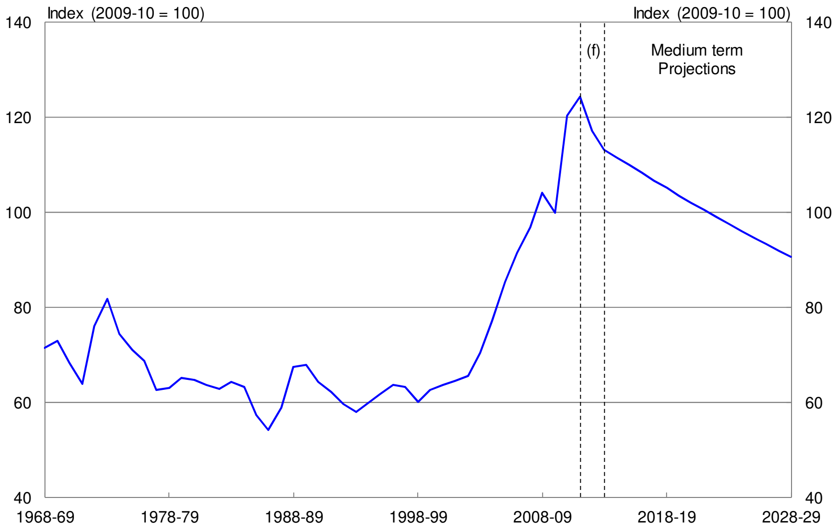
Source: ABS Catalogue Number 5206.0 and Treasury.

GST and consumption subject to GST



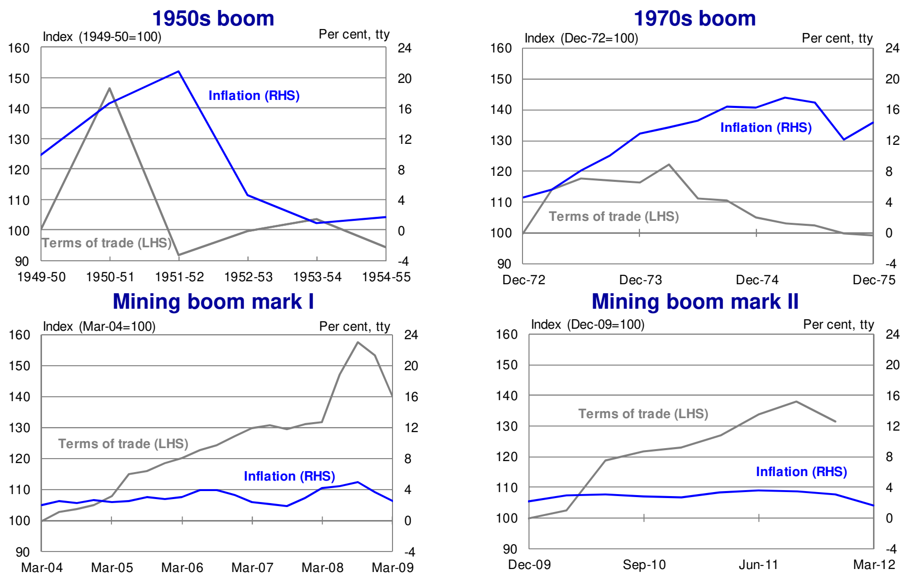
Source: Treasury.

Terms of trade



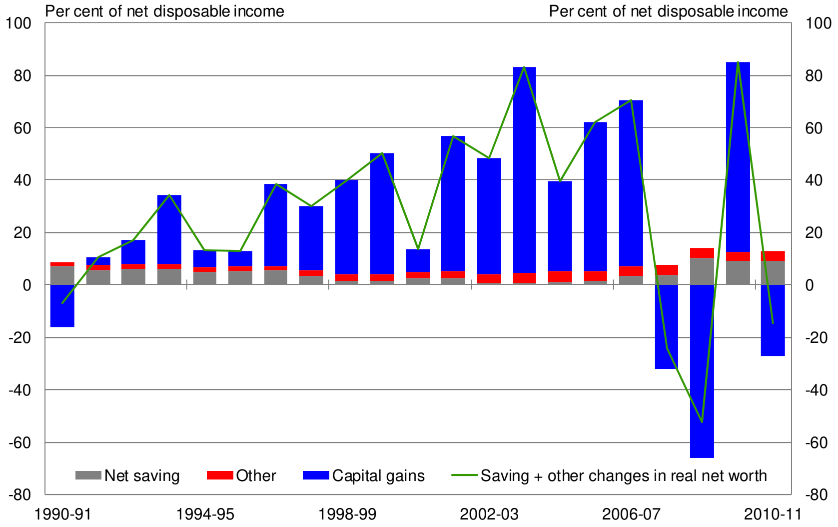
Source: ABS Catalogue Number 5206.0 and Treasury.

A comparison of terms of trade booms



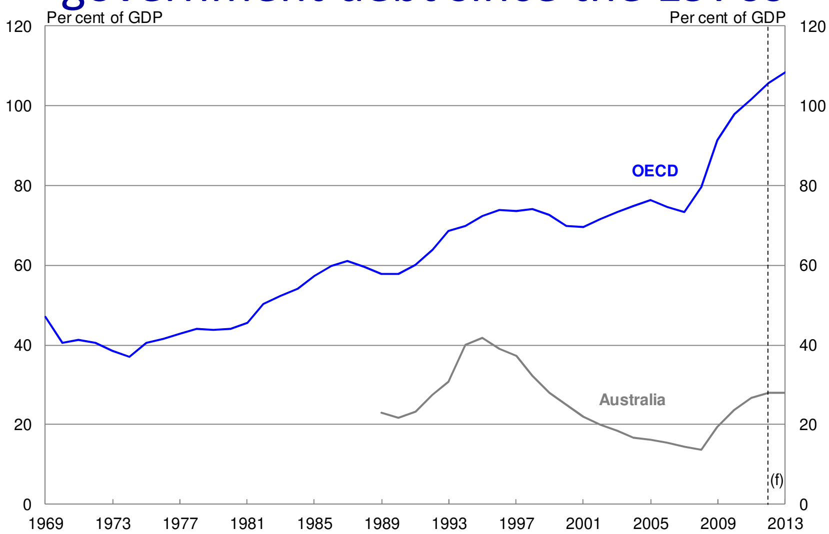
Source: ABS Catalogue Numbers 5206.0, 6401.0, RBA and Treasury.

Net saving plus capital gains and losses



Source: ABS Catalogue Number 5204.0 and Treasury.

Average OECD and Australian gross government debt since the 1970s



Note: Gross Government debt refers to all levels of government.
Source: OECD *Economic Outlook 90* database.

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Secretary to the Treasury
Tuesday, 15 May 2012

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Australian Business Economists

Mr Rob Nicholl
Chief Executive Officer, Australian Office of Financial Management

Government Debt 2012-13

Tuesday 22 May, Four Seasons Sydney

The Hon Mike Baird
Treasurer, New South Wales

Budget 2012-13

Wednesday 13 June, Four Seasons Sydney