

**THE AUSTRALIAN  
ECONOMIC OUTLOOK  
& THE BUILT  
ENVIRONMENT**

**PIA CONGRESS  
MAY 2017**

**NICKI HUTLEY**



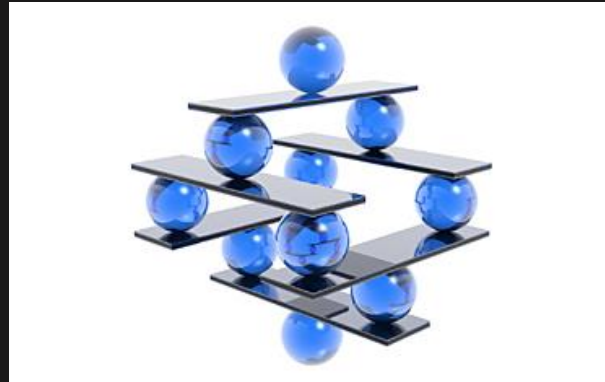
# ECONOMY AT THE CROSSROADS?



# THREE THEMES



**Short term view –**  
current economic  
performance and  
outlook



**Medium term view –**  
structure of Australian  
economy



**Longer term view –**  
policy challenges and  
the built environment



**GLOBAL AND  
DOMESTIC  
ECONOMIES**

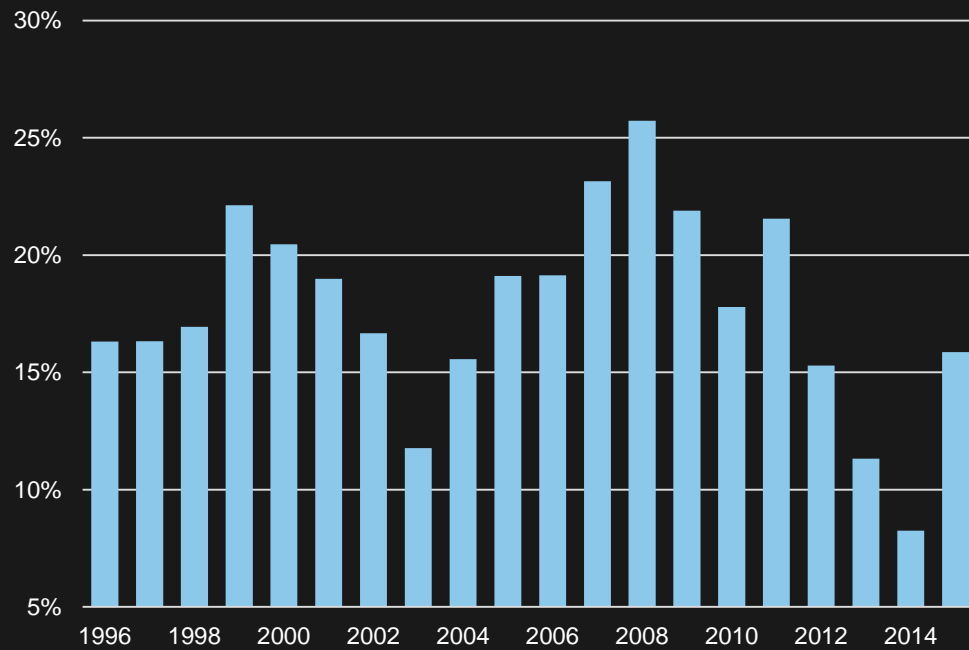
# GLOBAL PICTURE



# CHINA – THE DOOMSAYERS WERE WRONG.... SO FAR,

## BUT STILL CAUSE FOR CONCERN

National Government Expenditure (Annual % change)



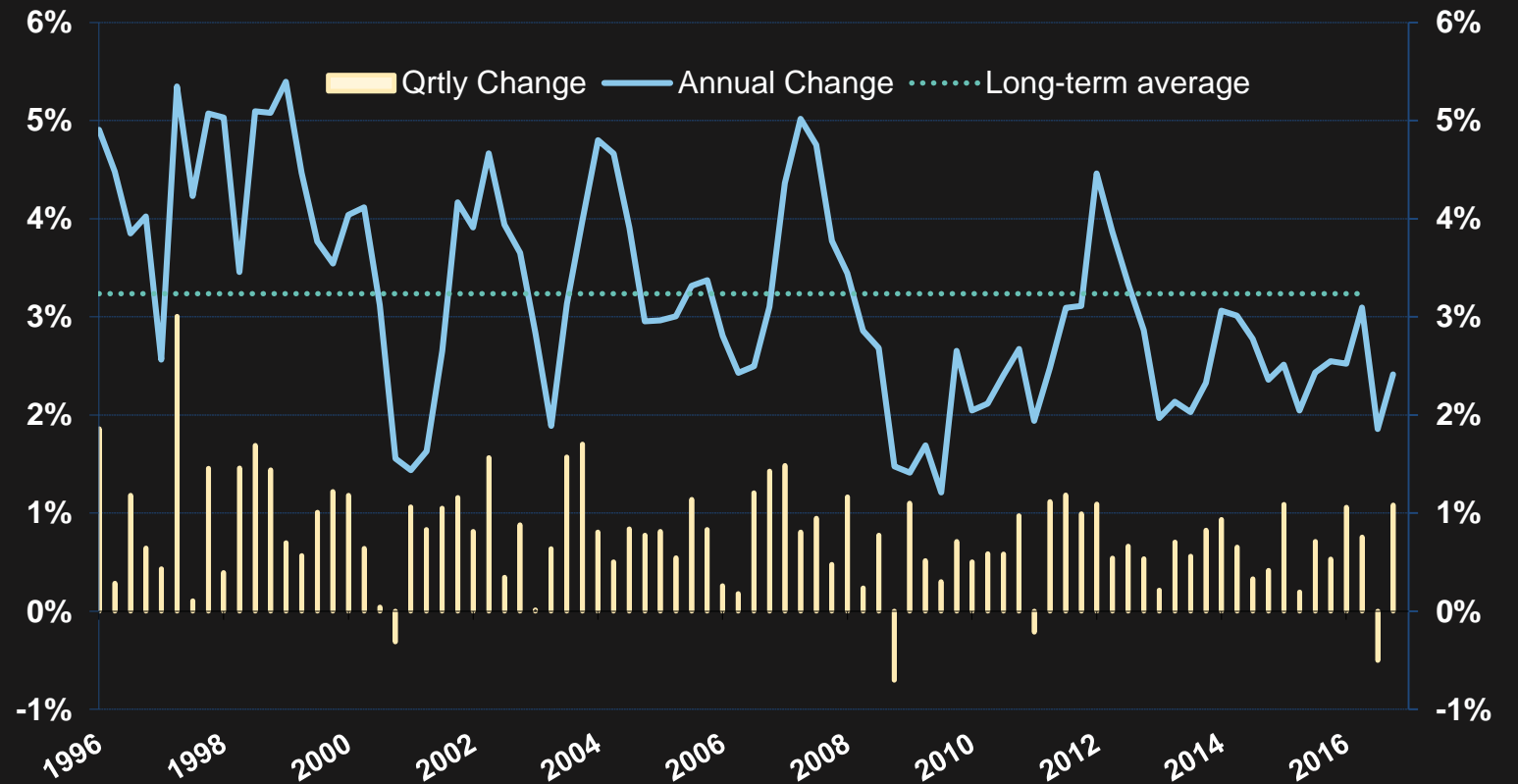
Source: National Bureau of Statistics, China

Total non-financial debt (% of GDP)



Source: St Louis Federal Reserve

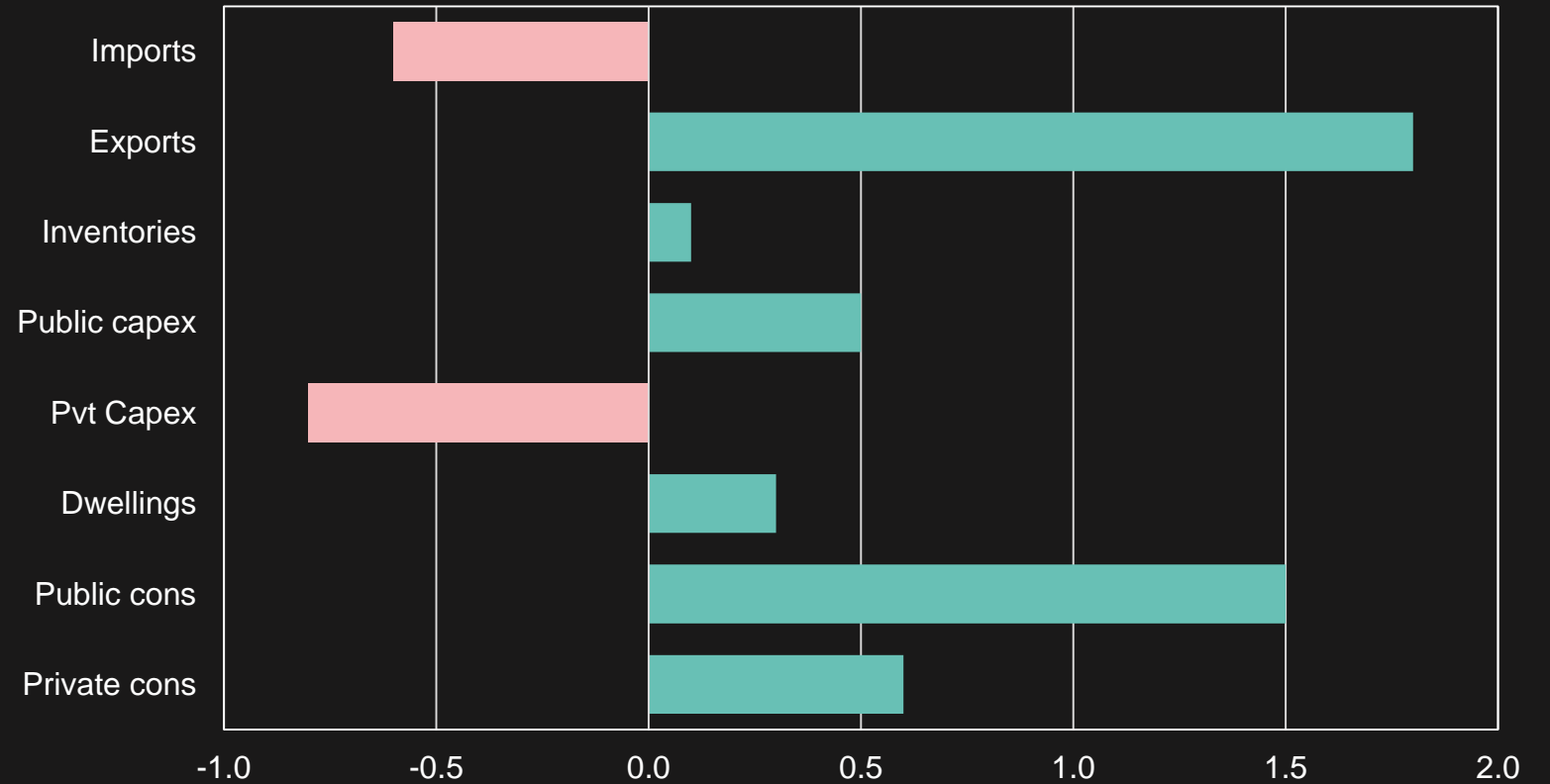
# DOMESTIC – THE HEADLINES LOOK GOOD



Source: Australian Bureau of Statistics

# BUT LOOK UNDER THE BONNET

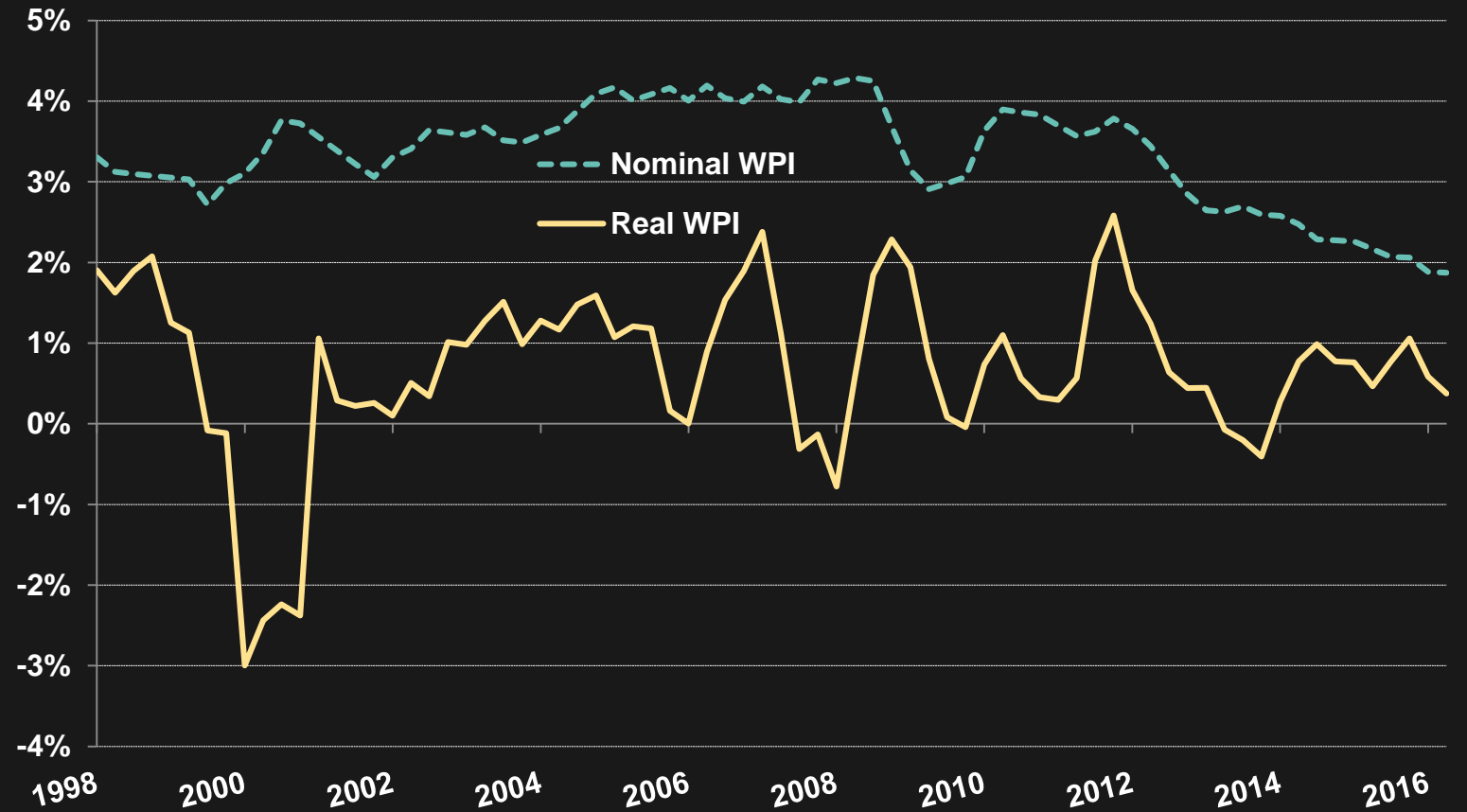
Percentage points contribution to GDP growth 2016



Source: Australian Bureau of Statistics



# SLOW WAGES GROWTH POSES A KEY RISK TO GROWTH



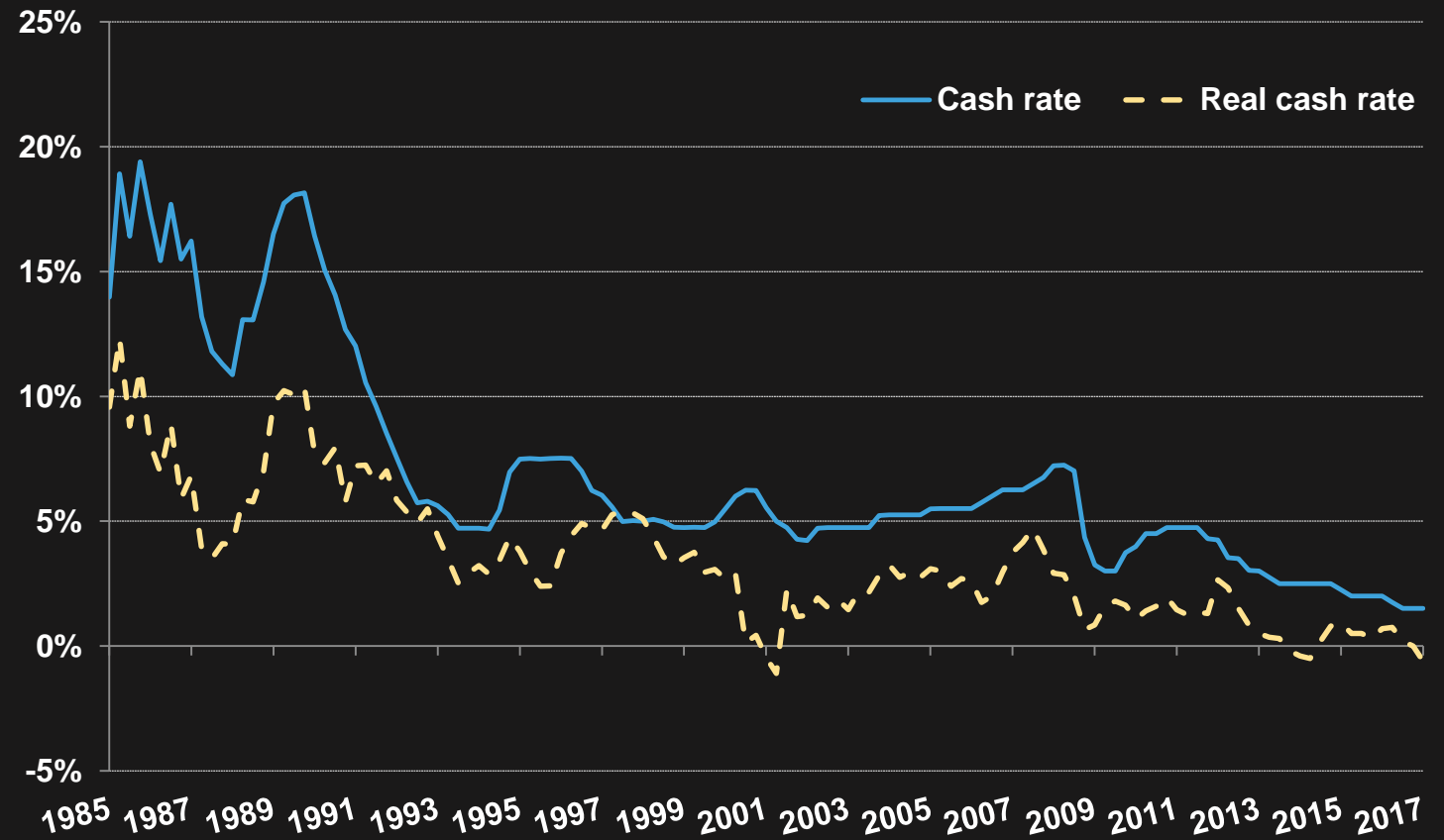
Source: Australian Bureau of Statistics

# THE UNCERTAINTY PRINCIPLE



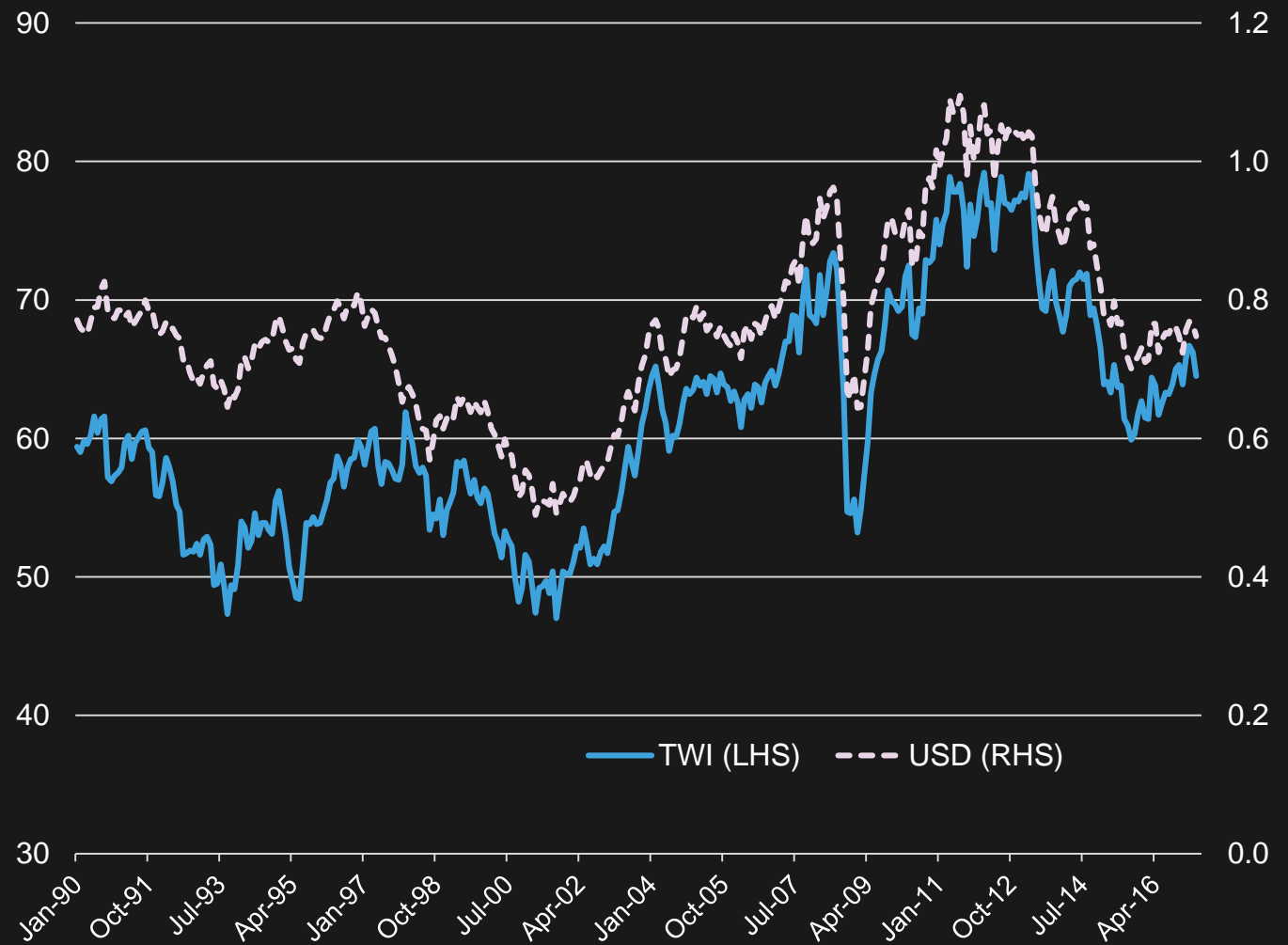
# MONETARY POLICY – THE FRONT LINE

RBA Cash rate: nominal and real



Source: Reserve Bank of Australia

# MONETARY POLICY – THE OTHER ARM



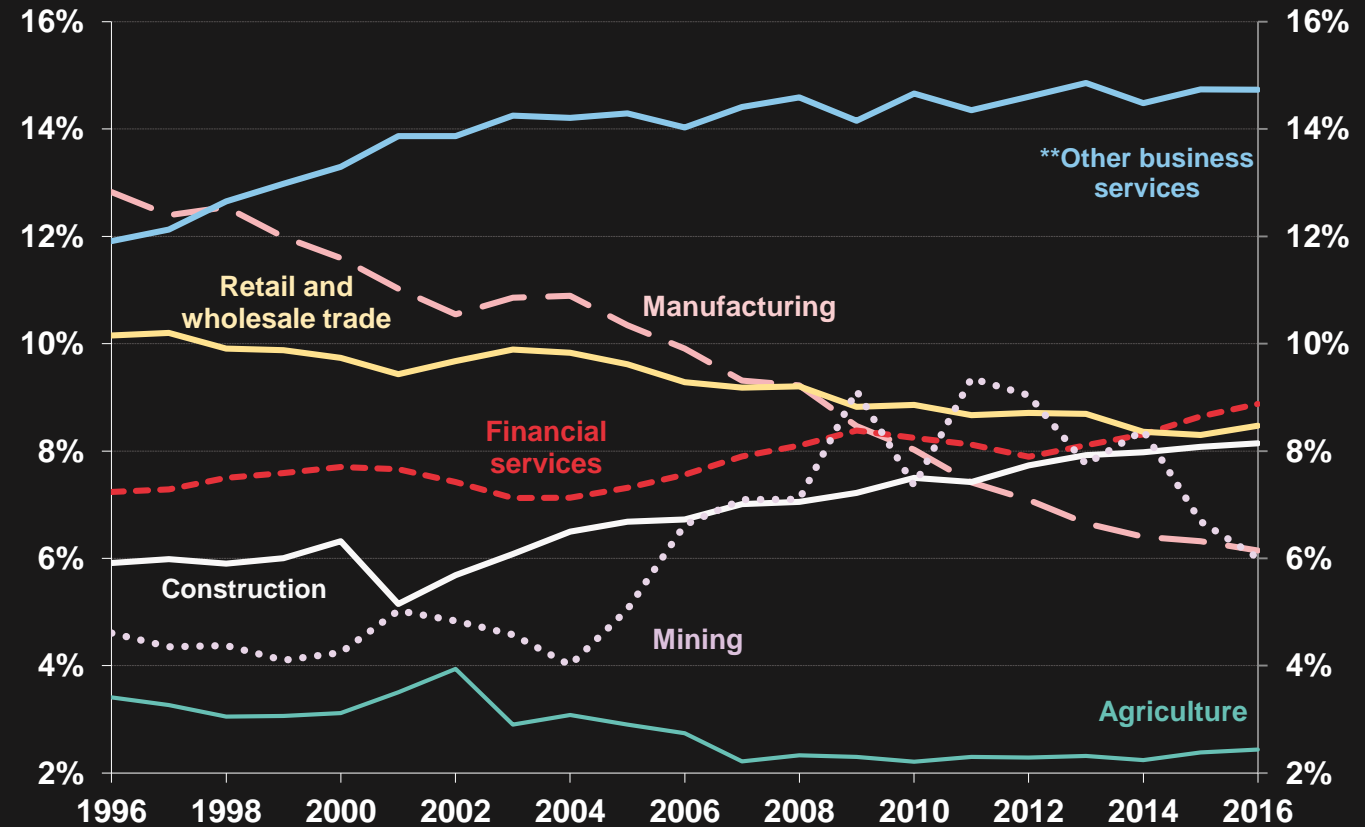
Source: Reserve Bank of Australia



**AUSTRALIA'S  
ECONOMIC  
STRUCTURE**

# WHERE TO FROM HERE...?

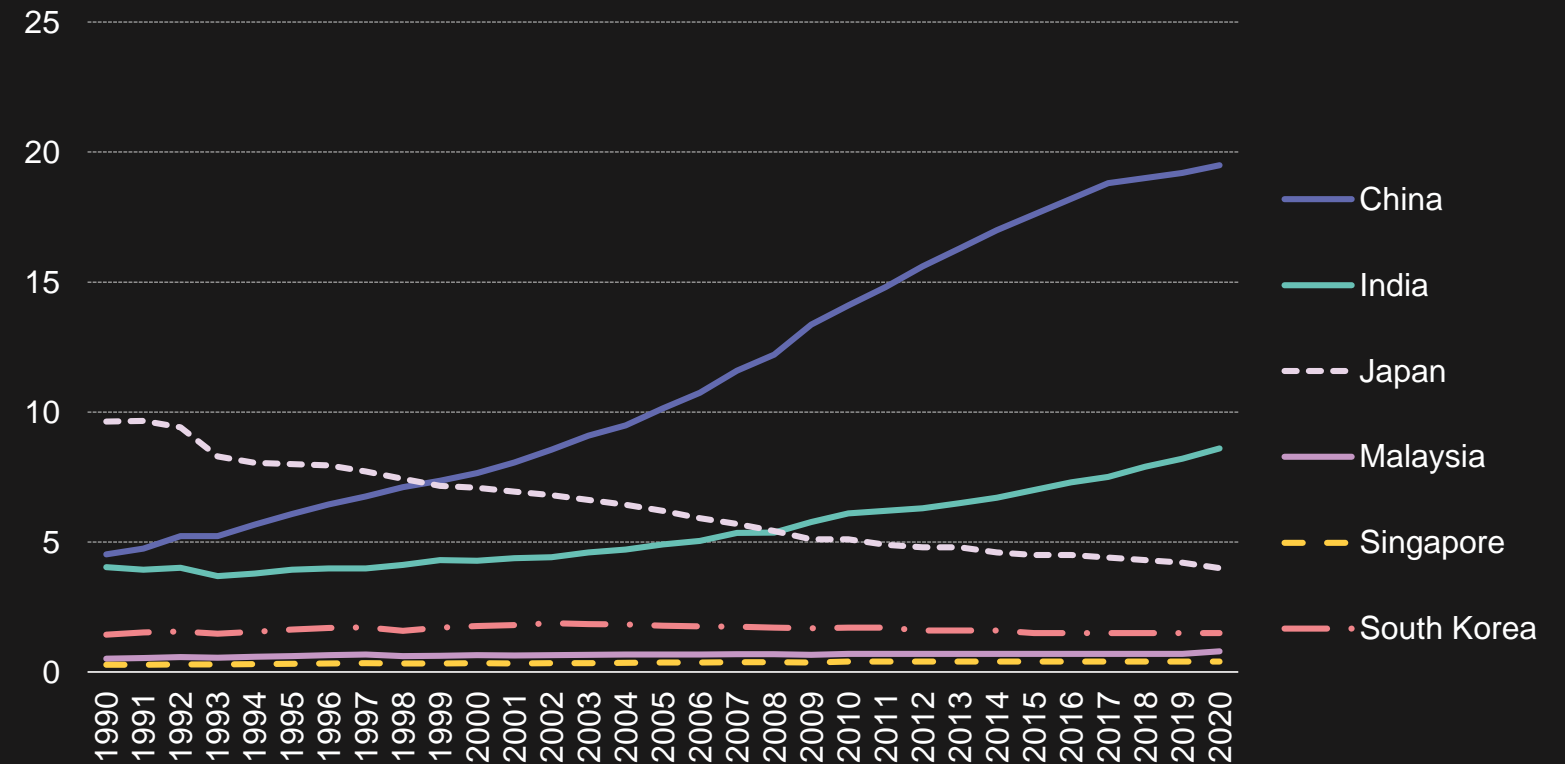
Industry Share of Output



Source: Australian Bureau of Statistics

**BY 2040,  
COUNTRIES IN  
ASIA ARE  
EXPECTED TO  
ACCOUNT FOR  
MORE THAN HALF  
OF THE WORLD'S  
OUTPUT**

Share of world GDP (% , at PPP)



Source: Economist Intelligence Unit

# GROWTH INDUSTRIES

- TOURISM
- EDUCATION
- HEALTH
- FINANCIAL SERVICES
- URBAN SERVICES
- AGRIBUSINESS
- KNOWLEDGE ECONOMY





# **HIGH TECH, SMART CITIES, HUBS – REALITY OR HYPERBOLE?**

Technology is the  
means, not the end





**POLICY CHALLENGES  
AND THE BUILT  
ENVIRONMENT**

# HOUSING AFFORDABILITY



# POPULATION GROWTH



# INFRASTRUCTURE



**CLIMATE CHANGE**



**CREATING A  
MEDIUM TERM  
NARRATIVE...  
WITH CERTAINTY**

