

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

2016 - 2017

Department/Agency: Treasury

Question: BET307

Topic: GDP Growth

Reference: Hansard page no. 30 and 31 - 6 May 2016

Senator: David Bushby

Question:

"Senator BUSHBY: What was the average nominal GDP growth over the past 50 years?"

Mr Ray: Over the past 50 years?

Senator BUSHBY: Fifty years, yes.

Mr Ray: I think I would need to take that on notice.

Mr Fraser: It was skewed very much in the eighties because we had very high inflation rates. You got quite large, double-digit nominal GDP rates married with quite modest real GDP rates. I will take it on notice. My memory is going.

Mr Ray: I have done a chart which suggests it is considerably above five, closer to 10.

Senator BUSHBY: My advisers pulled up a number, which they have sent to me, that says that over the last 55 years it is 8.7 per cent.

Mr Ray: Looking at this chart, it is plausible."

Answer:

Average nominal GDP growth over the 50 years from 1966-67 to 2015-16 was 8.9 per cent.

Average nominal GDP growth over the 55 years from 1961-62 to 2015-16 was 8.7 per cent.