



Australian Government

The Treasury

Treasury Policy Perspectives

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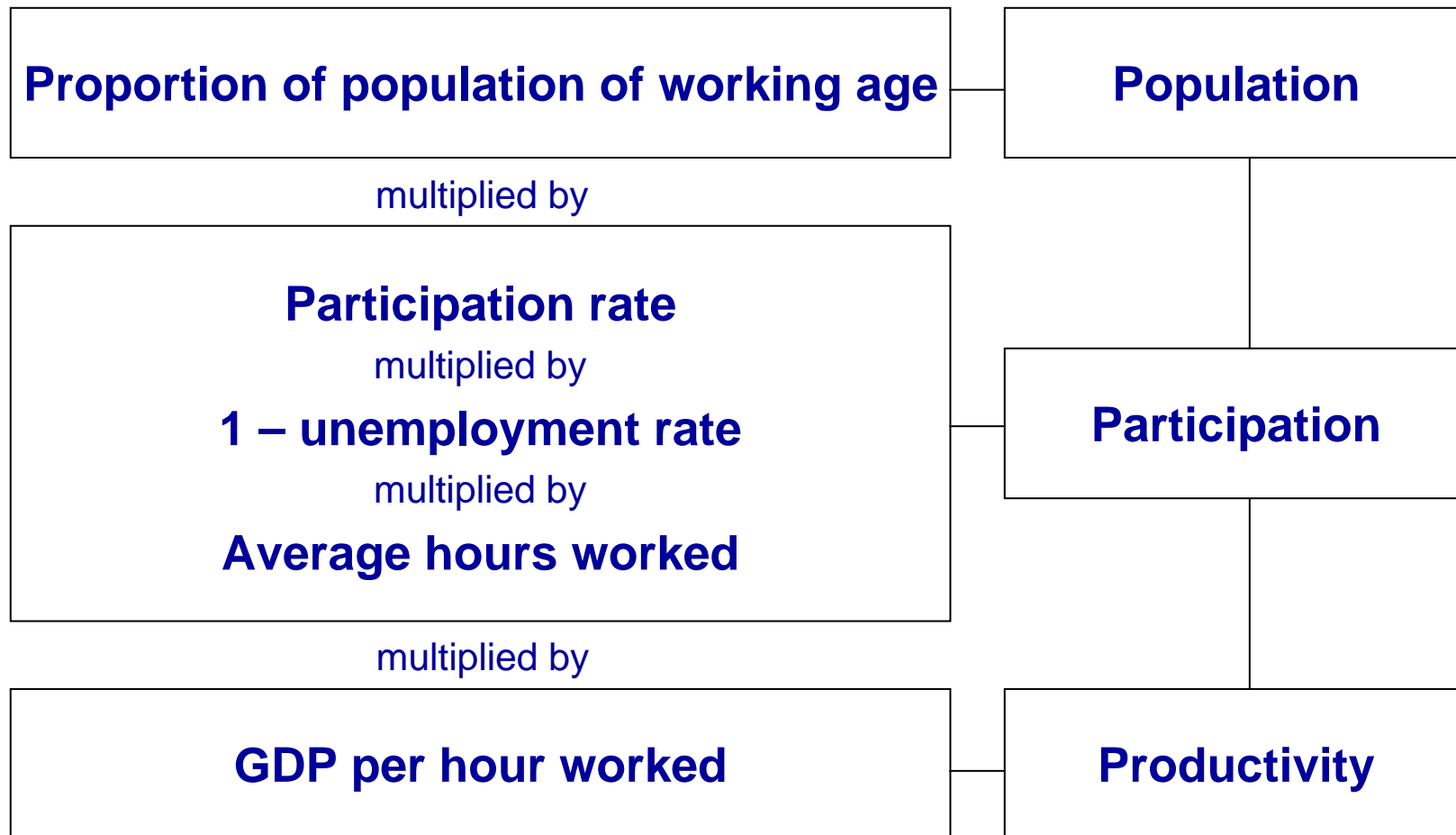


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Treasury's 3 Ps Framework

GDP per capita =



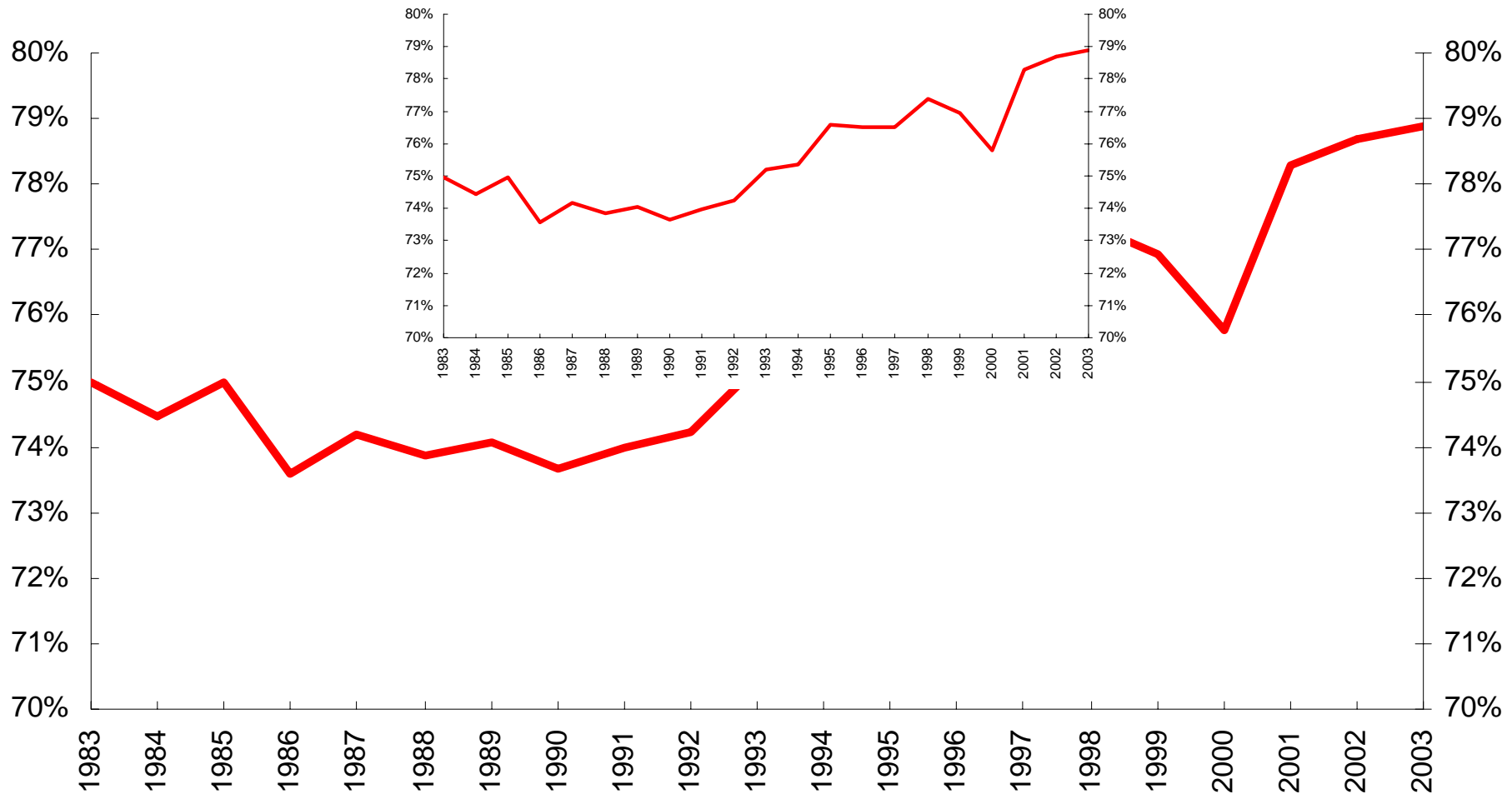


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Comparisons of Australia with the United States

Australian GDP per capita as a per cent of the



Source: Groningen Growth and Development Centre and The Conference Board (2004)

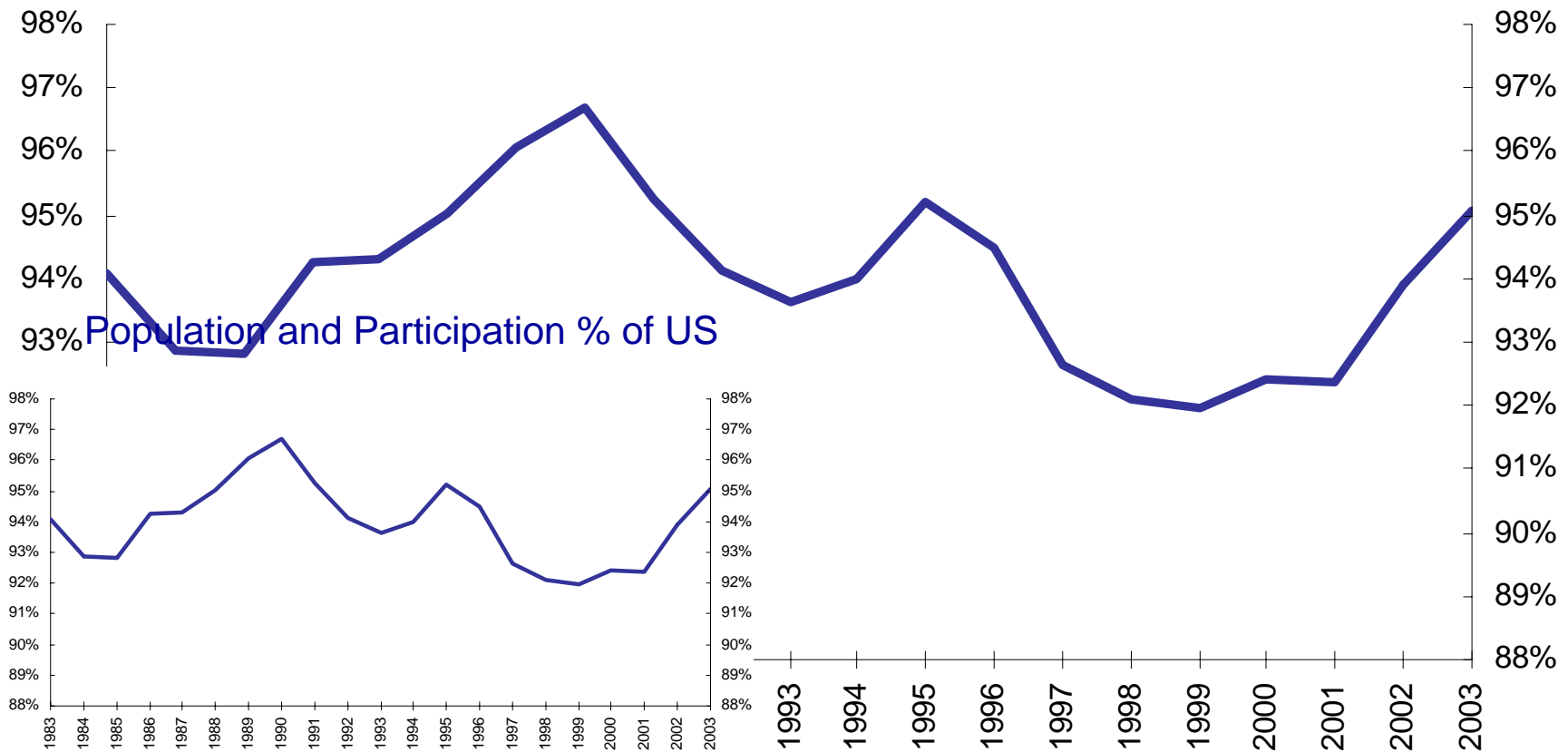


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Comparisons of Australia with the United States

Australian hours worked per capita as a per cent of the United States



Source: Groningen Growth and Development Centre and The Conference Board (2004)

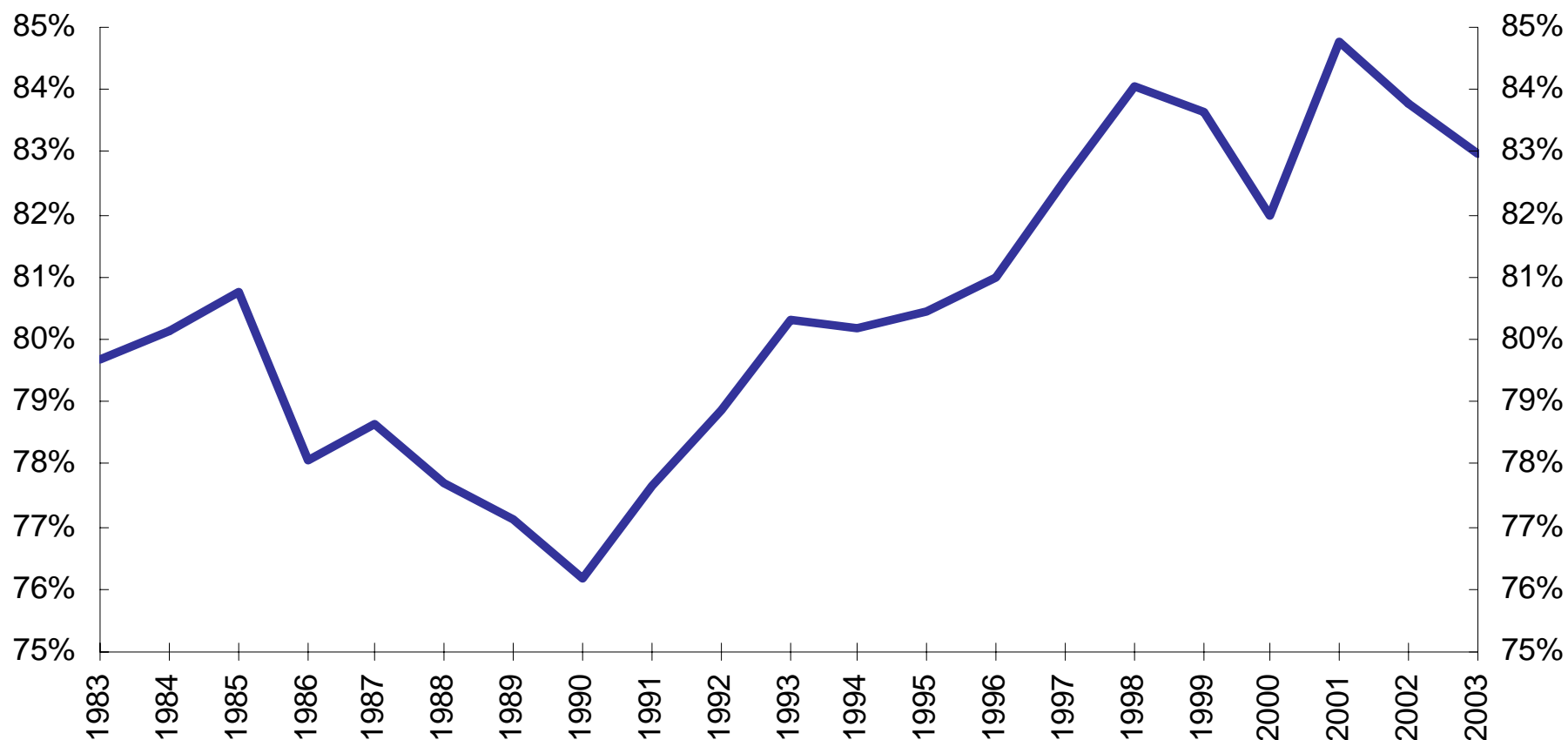


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Comparisons of Australia with the United States

Australian GDP per hour worked as a per cent of the United States



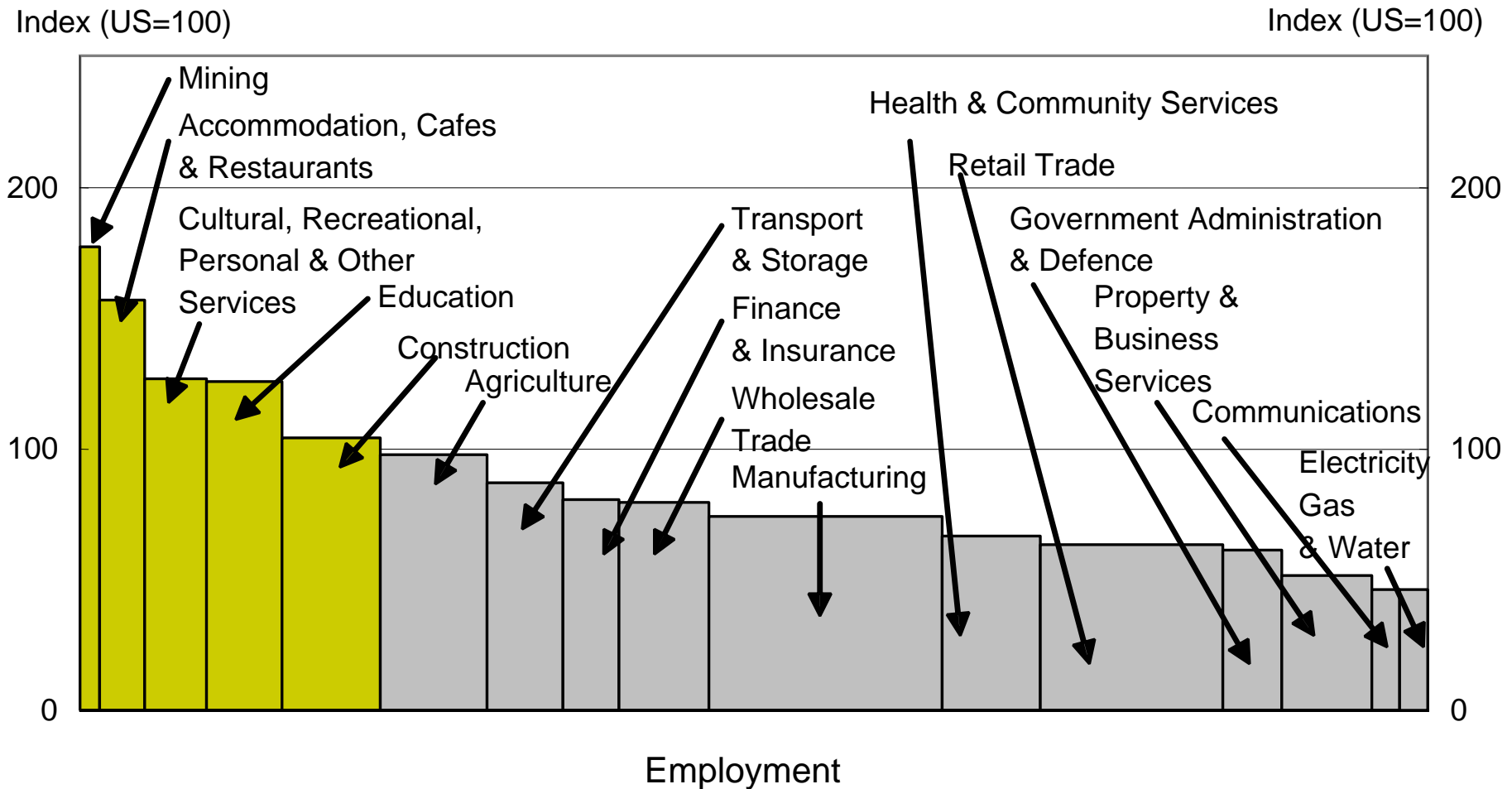
Source: Groningen Growth and Development Centre and The Conference Board (2004)



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Australian industry productivity levels relative to the United States (1985)

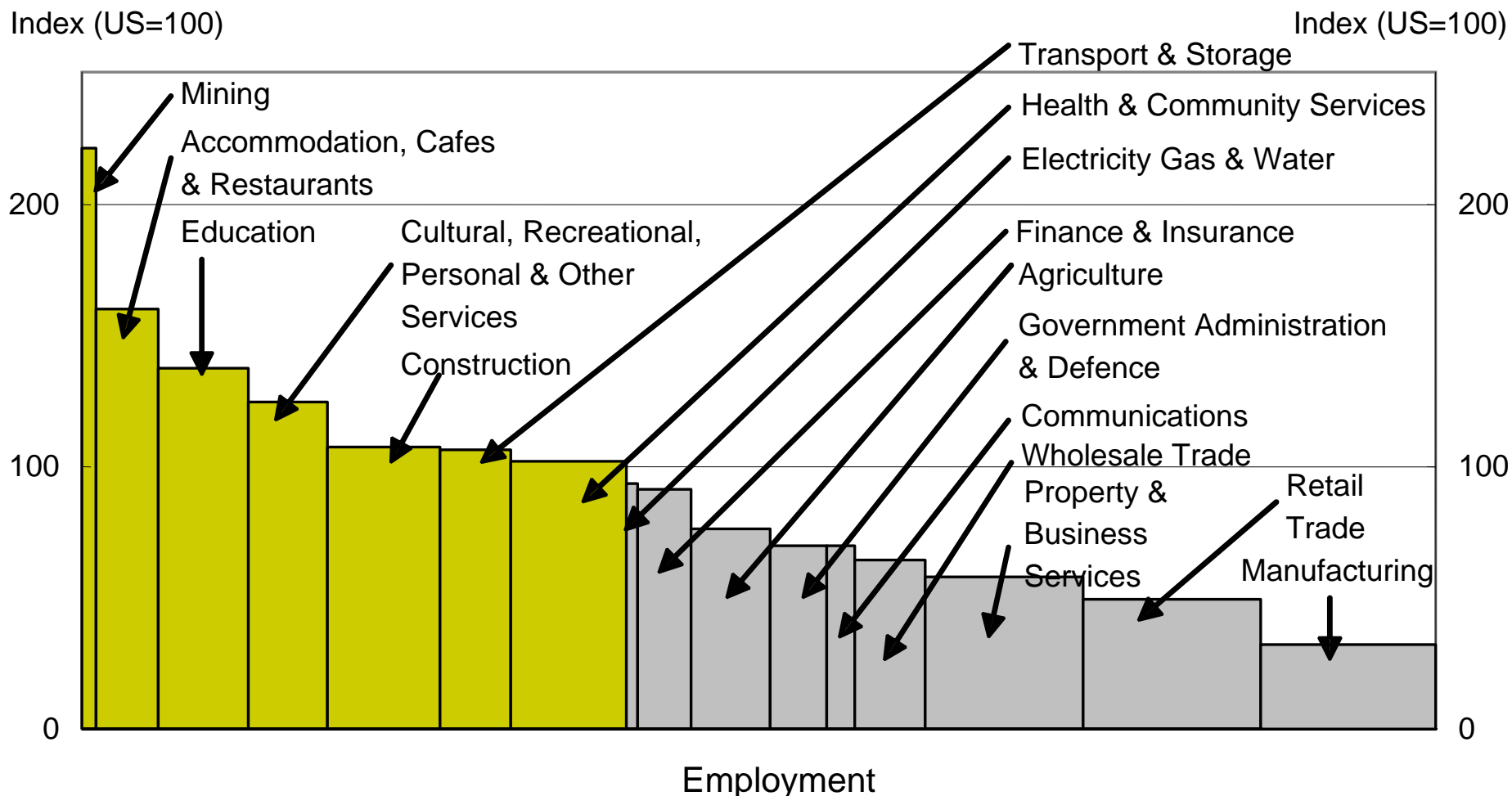




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Australian industry productivity levels relative to the United States (2001)





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Context affecting Australia

- Internal geography
- Location
- Population
- History and historical linkages
- Natural endowments

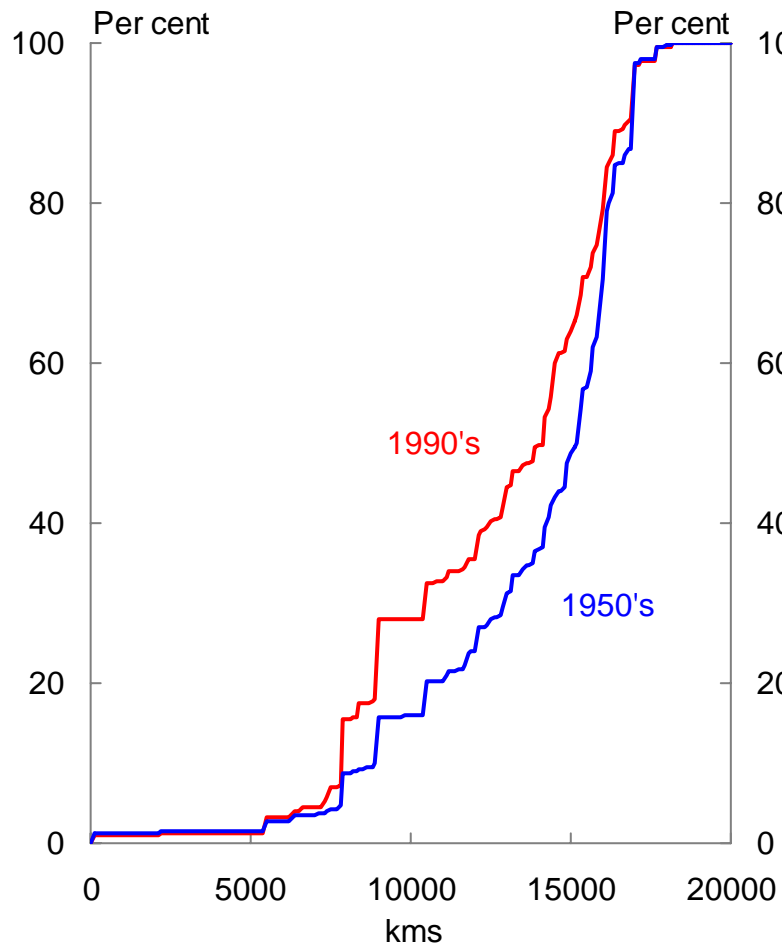


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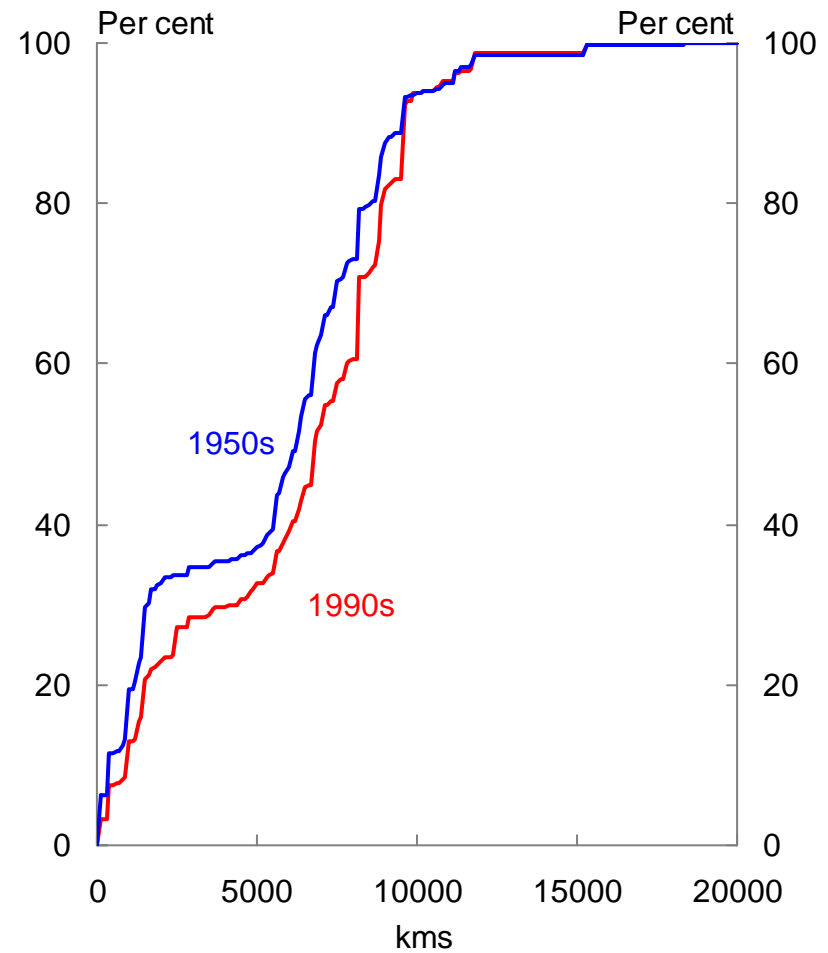
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Distance to World GDP

Australia



United Kingdom





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Summary

Current questions...

- Does Australia's context limit our ability to close the productivity gap?
- To what extent can policy be used to close the productivity gap?