

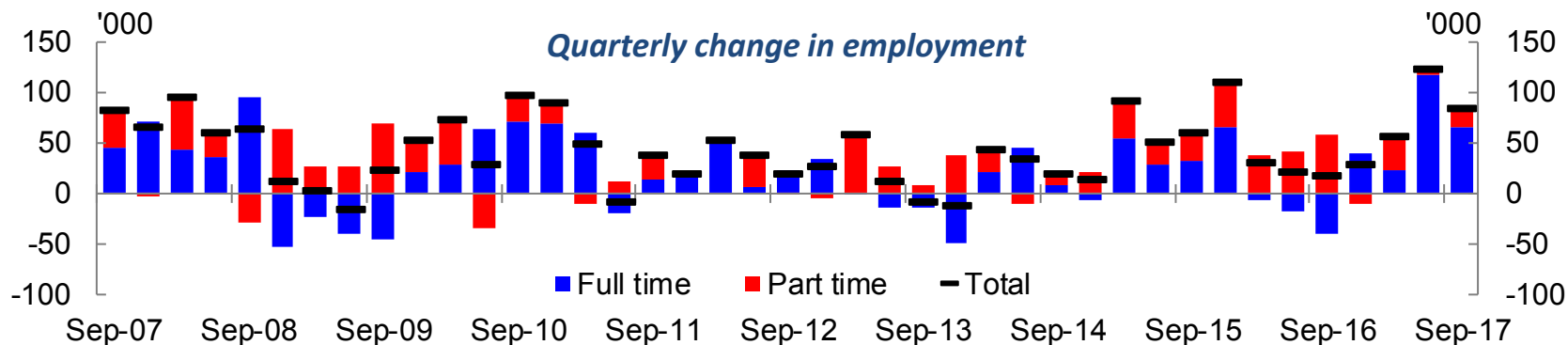


Address to Citigroup Better Days Ahead

12 October 2017

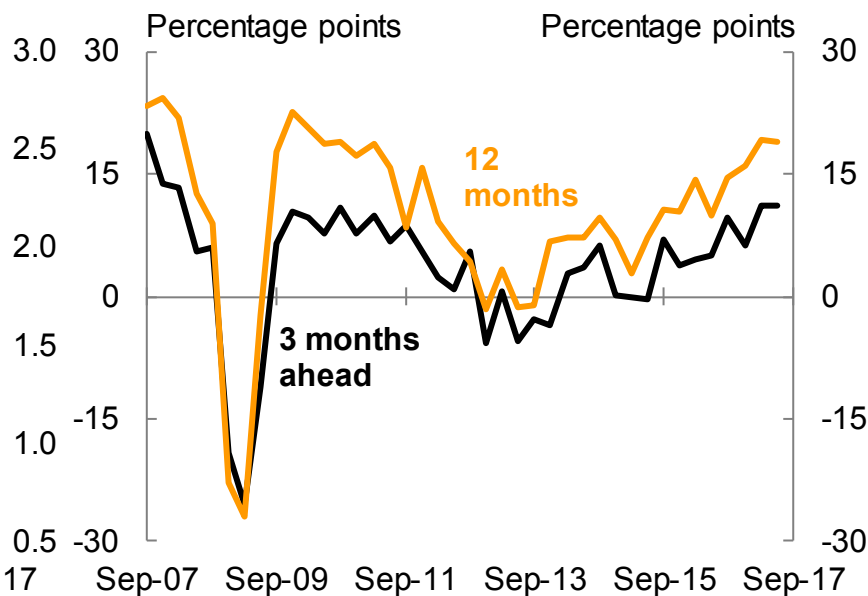
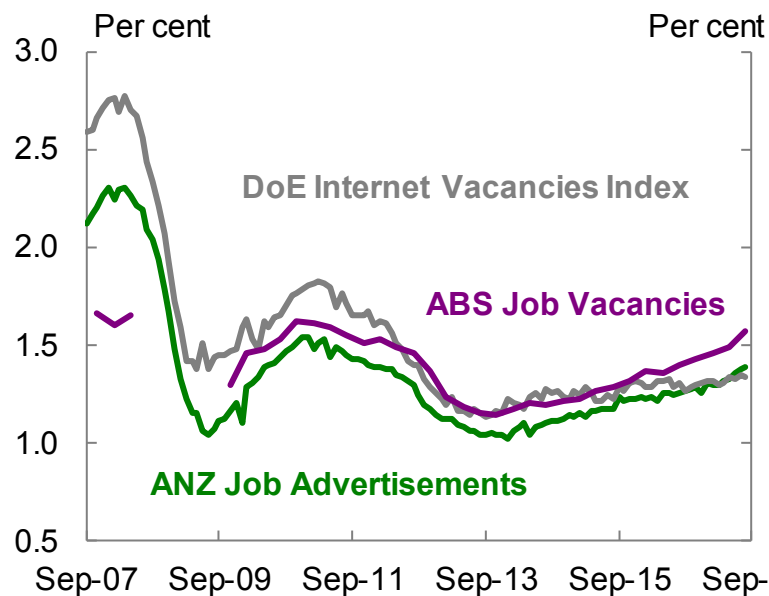
The Hon Scott Morrison MP
Treasurer

Employment



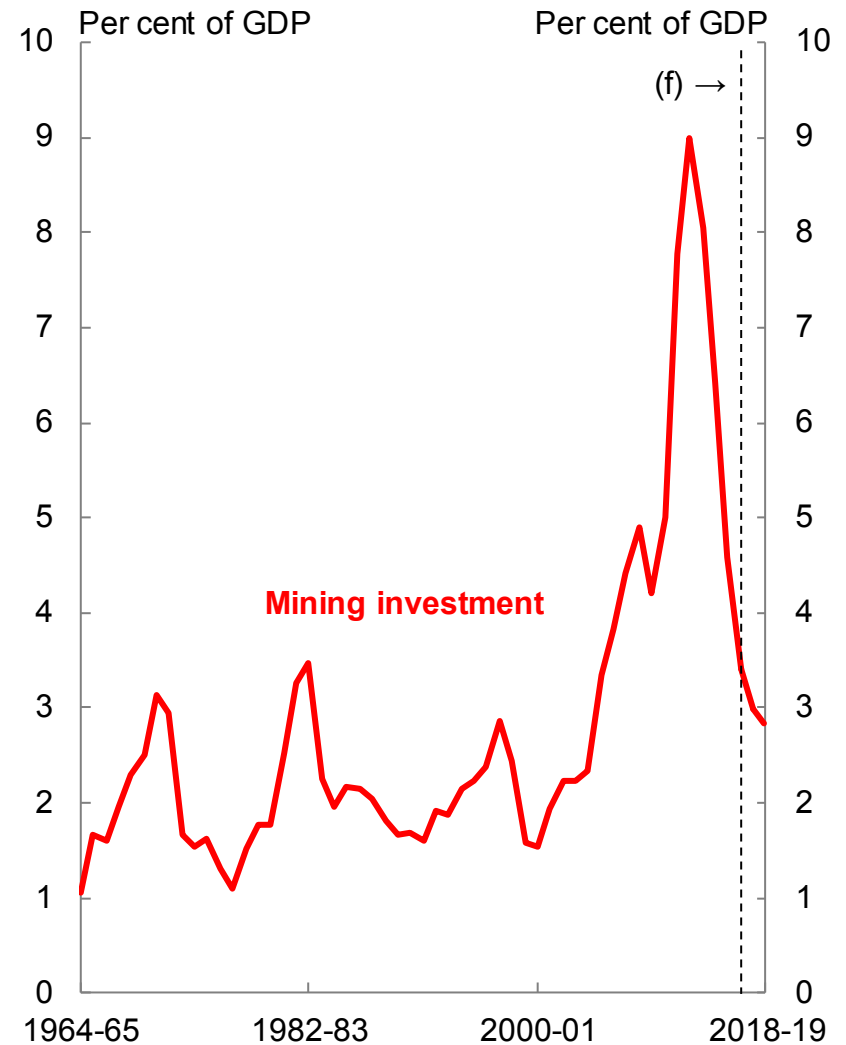
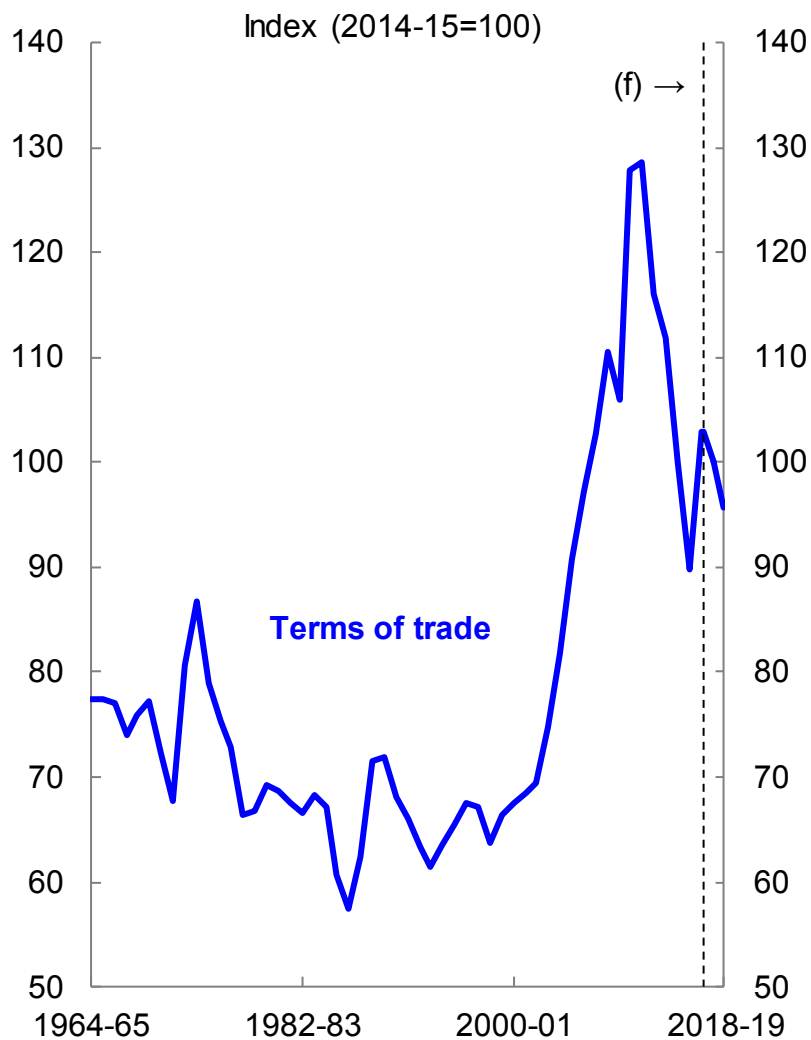
*Employment leading indicators
(per cent of labour force)*

Employment intentions



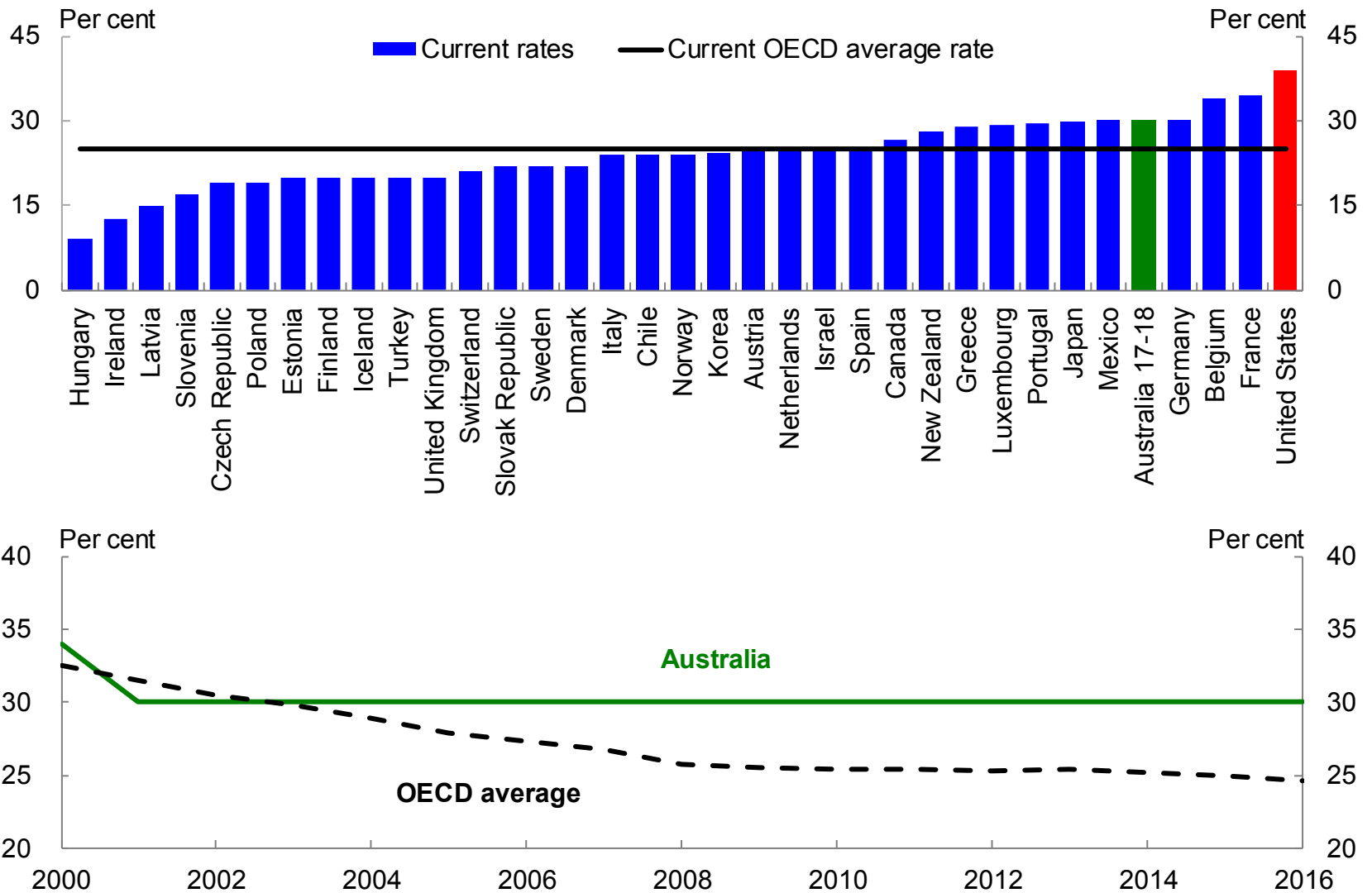
Note: The final column in the top chart is a partial result for the September 2017 quarter, based on monthly results for July and August 2017
 Source: ABS cat. no. 6202.0, 6354.0, Department of Employment, ANZ and NAB Monthly Business Survey

Terms of trade and mining investment



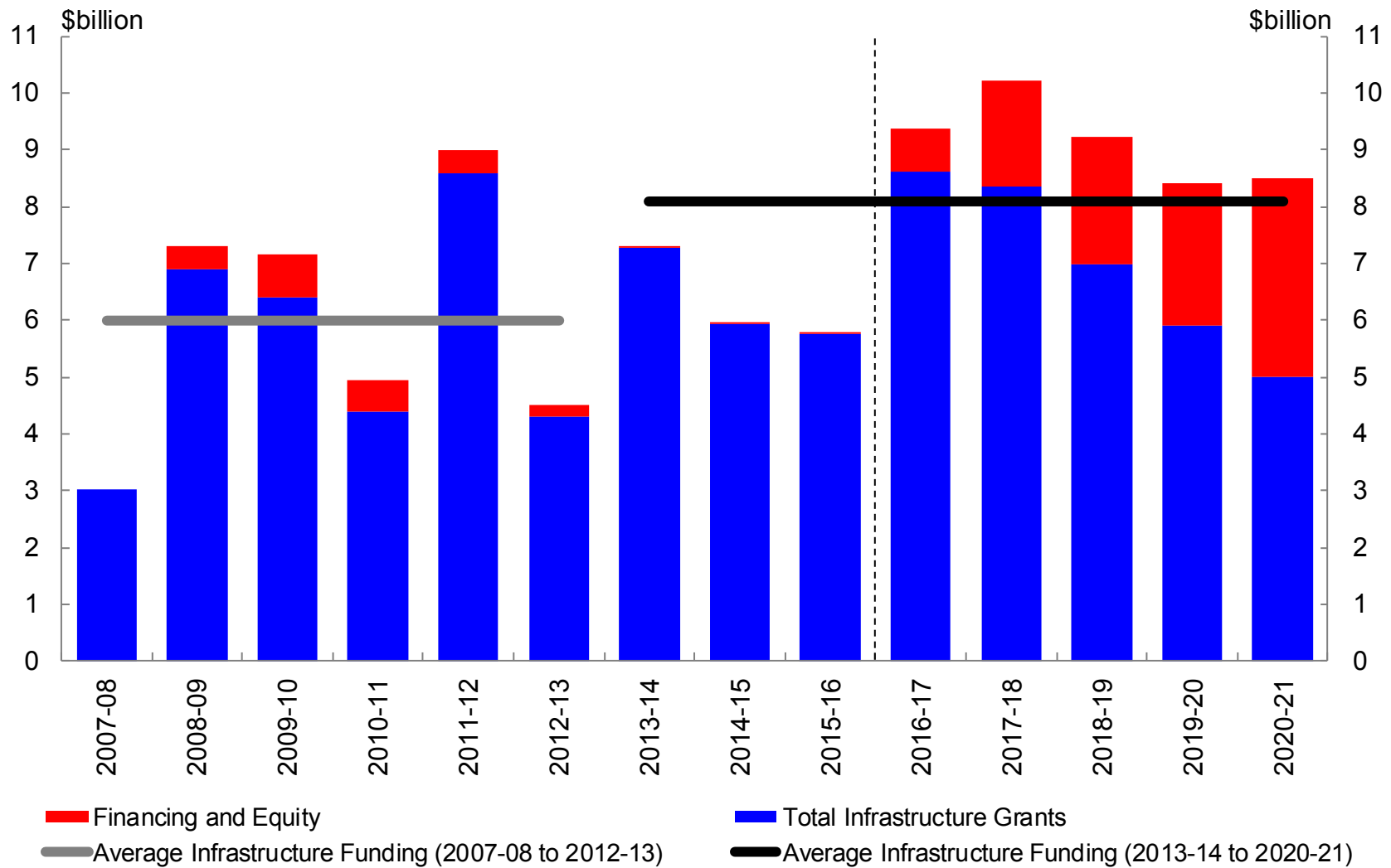
Source: ABS cat. no. 5204.0, 5206.0 and Treasury

International corporate tax rates



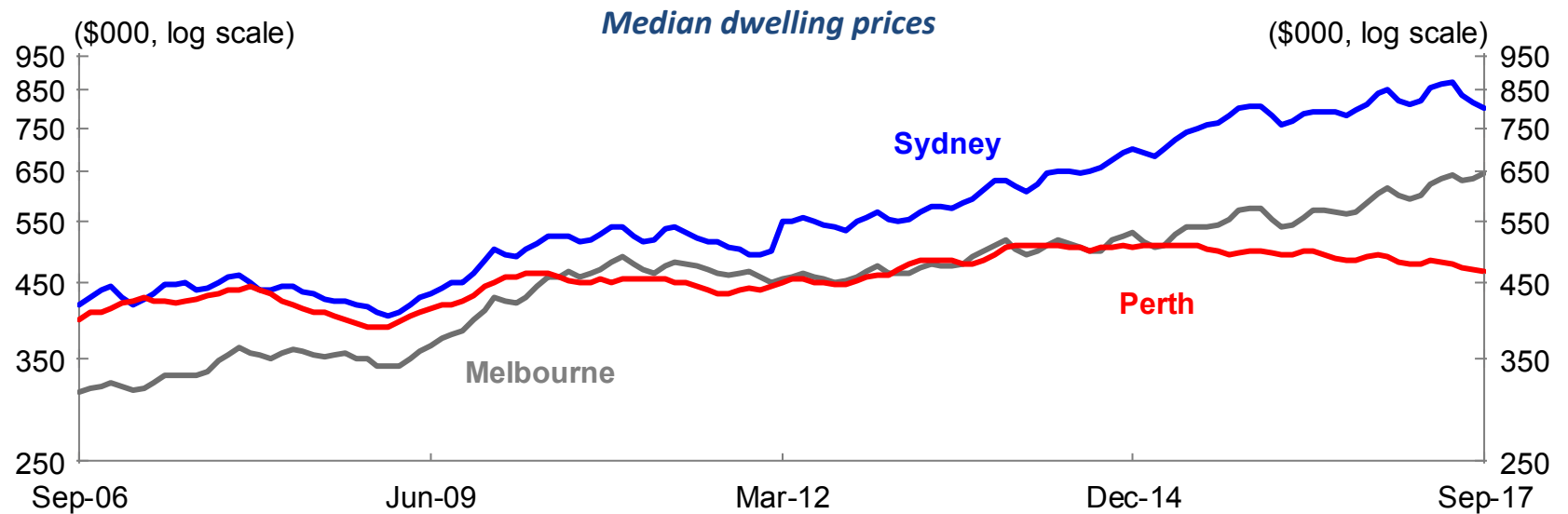
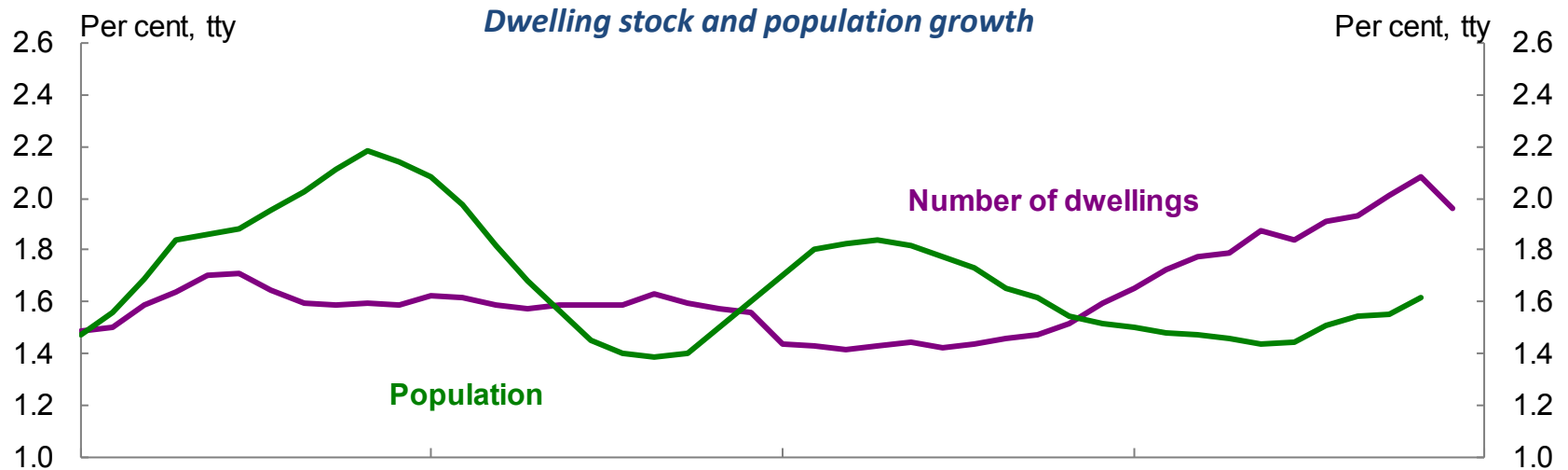
Note: All listed rates are combined central and provincial government company tax rates (inclusive of other surcharges)
 It remains the Australian Government's policy to reduce the overall company tax rate to 25 per cent for all businesses by 2026-27
 Source: OECD Revenue Statistics

Infrastructure funding



Source: Budget papers

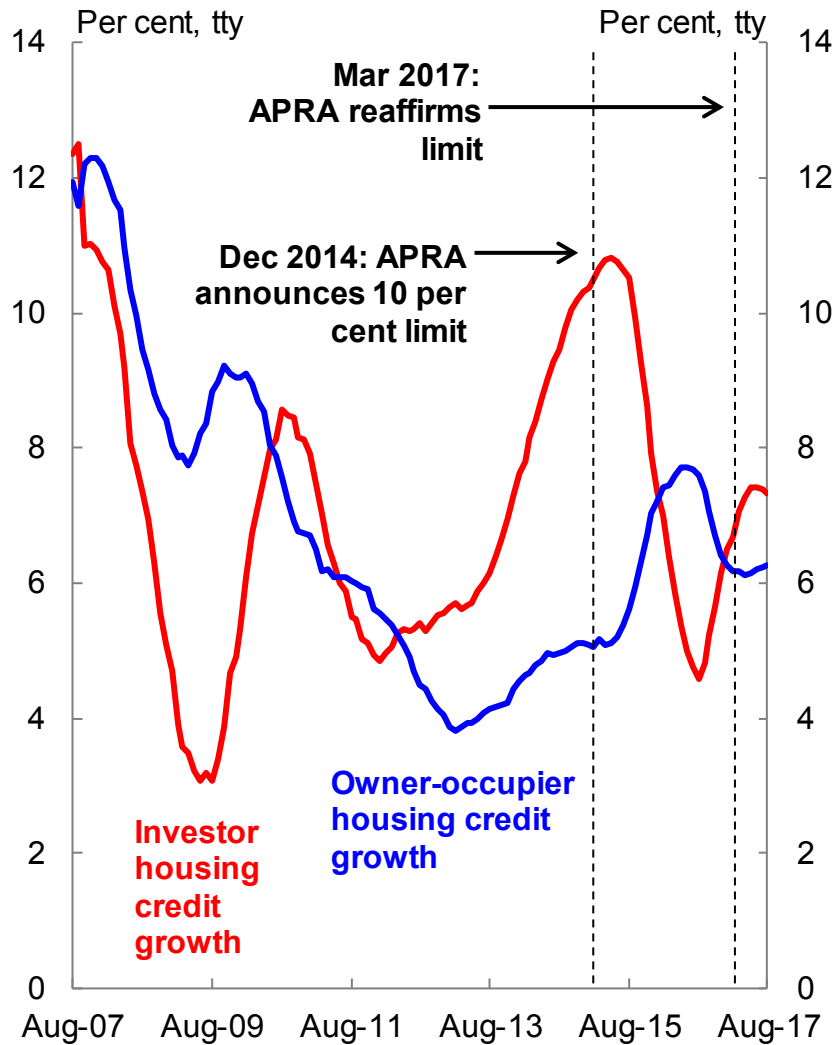
Housing market



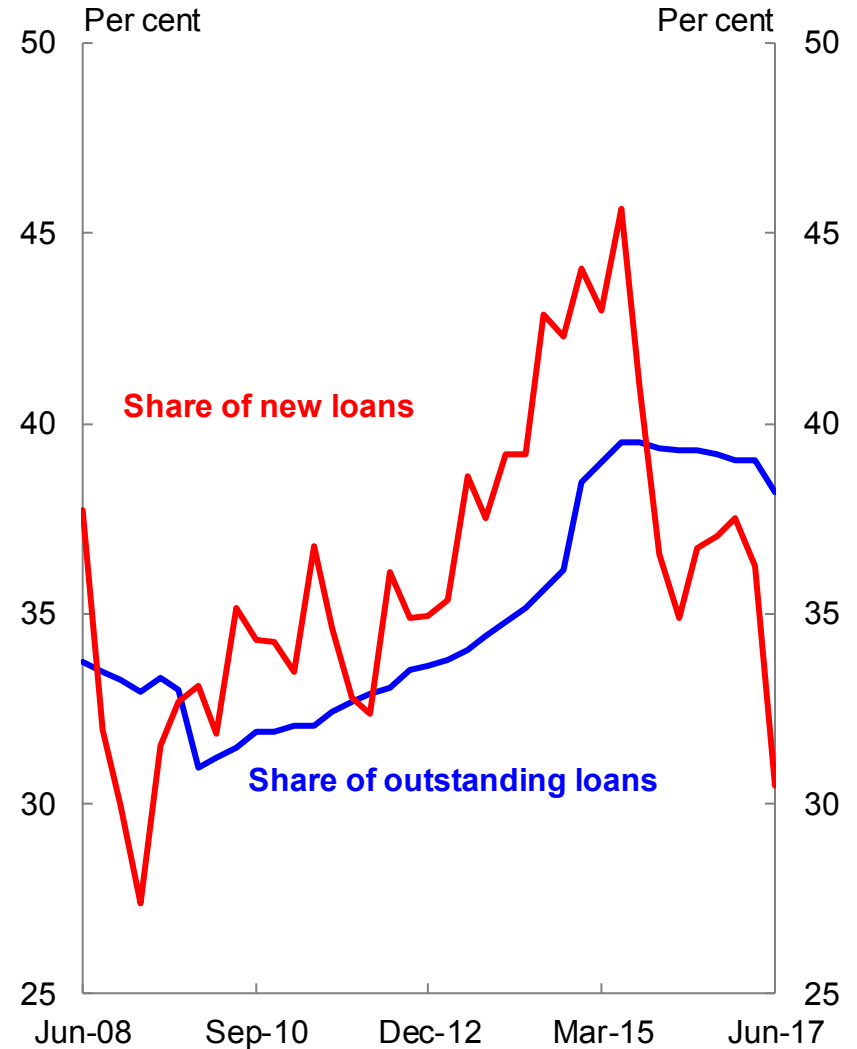
Source: ABS cat. no. 3101.0, RBA, CoreLogic and Treasury

Housing finance

Growth in housing credit

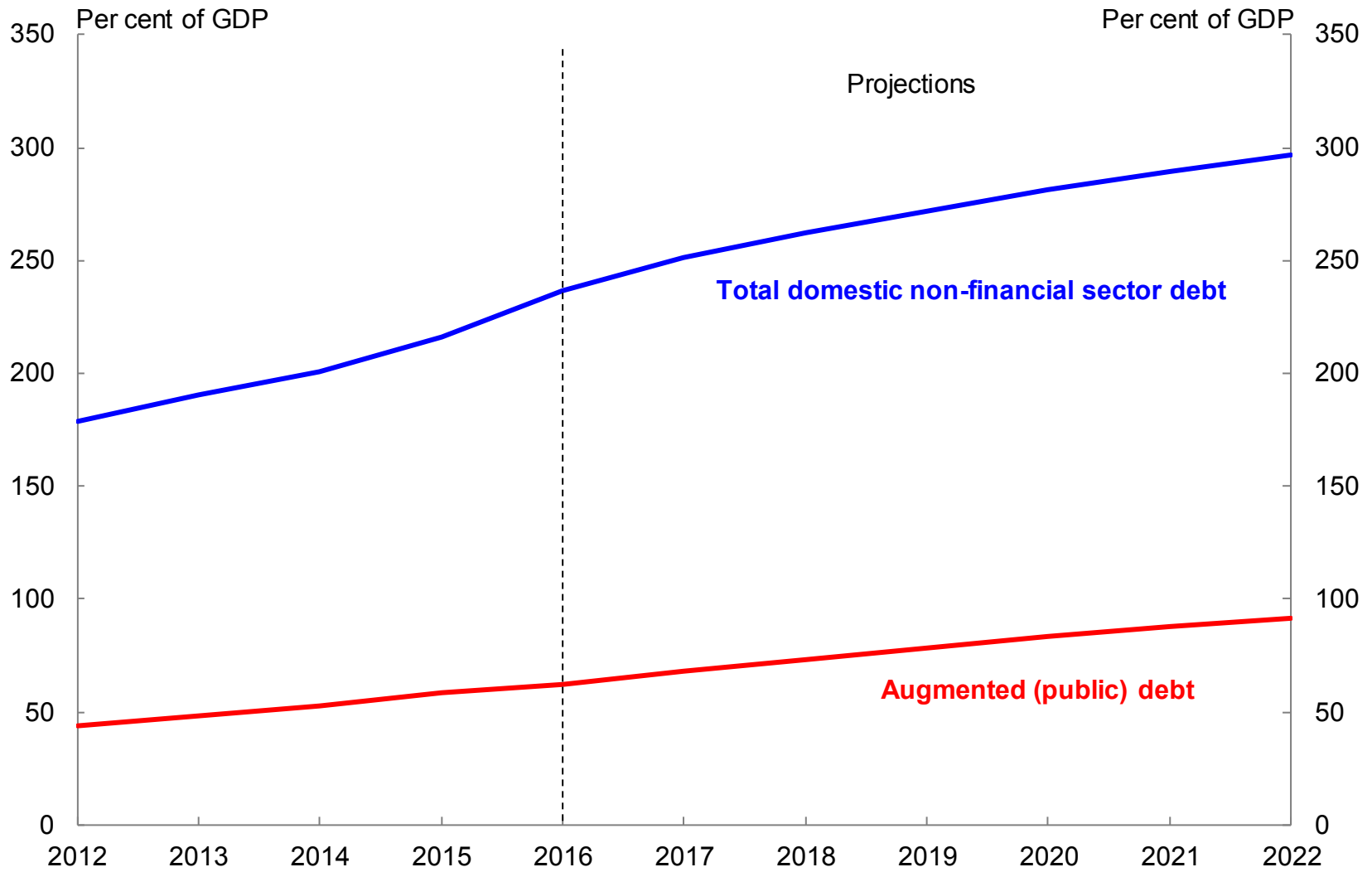


Interest-only lending



Note: For the right hand chart, figures are for ADIs with more than \$1 billion worth of term loans
 Source: RBA and APRA

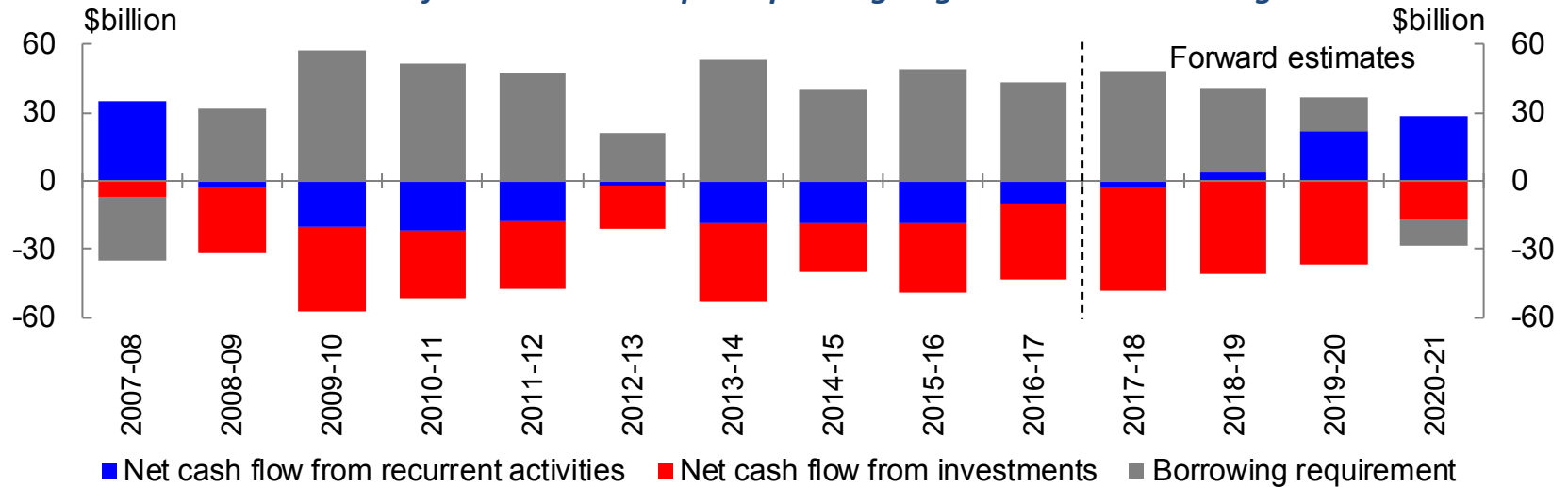
China's debt



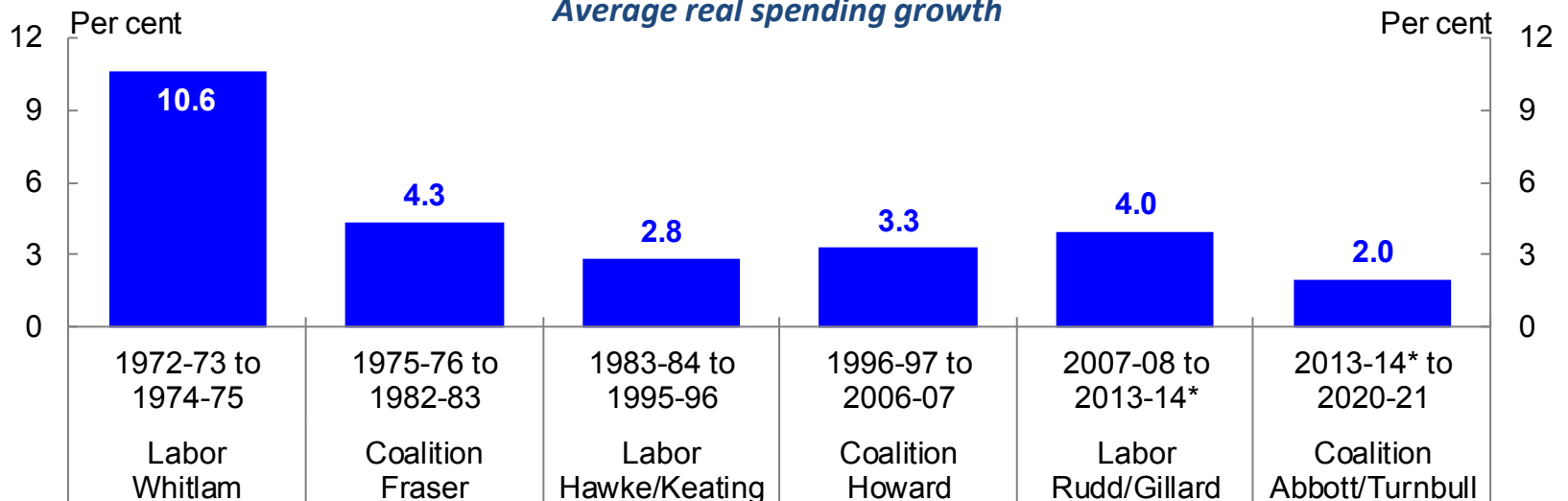
Note: Augmented debt expands the perimeter of government to include local government financing vehicles and other off-budget activity
Source: 2017 IMF China Article IV Report

Budget balance

Contributions of recurrent and capital spending to government borrowing needs



Average real spending growth



* First six months of 2013-14 attributed to previous government, last six months to the following government
 Source: 2017-18 Budget and 2016-17 Final Budget Outcome