

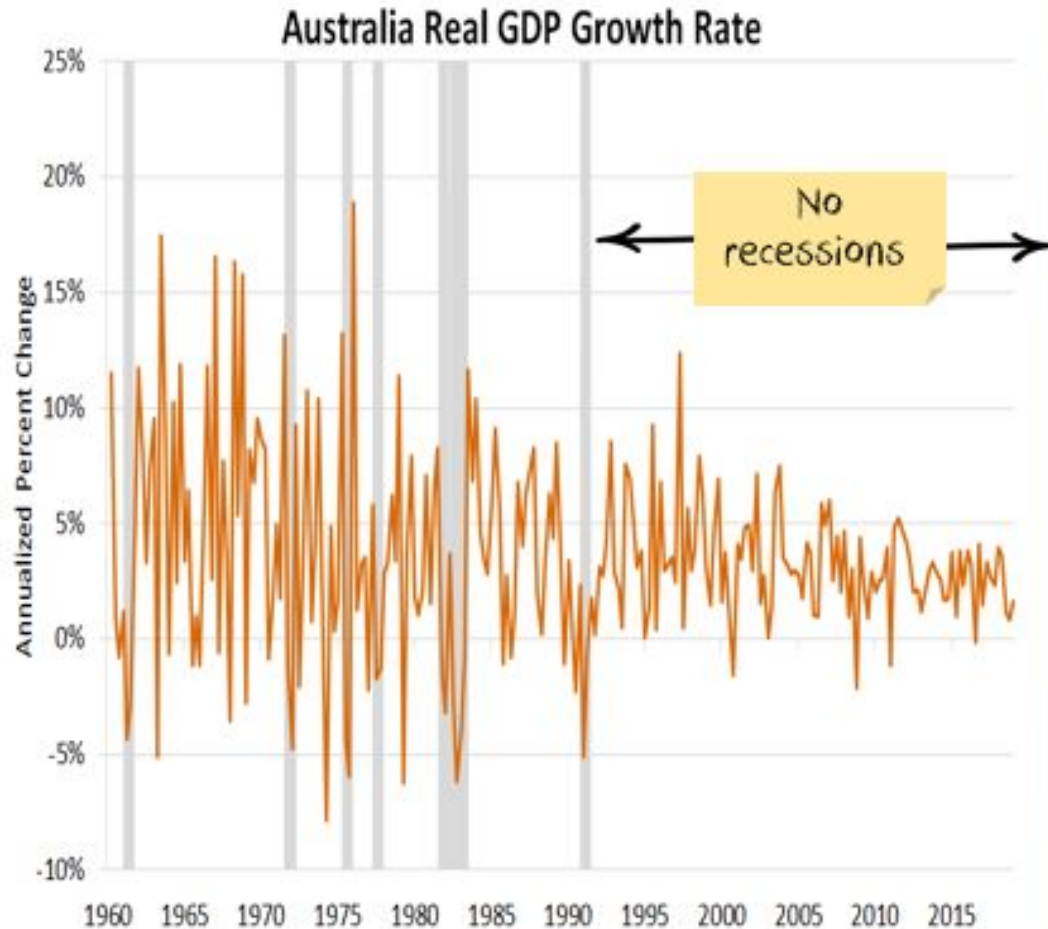


SCOMO VS ALBO - THE INVESTMENT IMPACT OF ELECTION 2022

Agenda

- A history of the Australian economy up to 2019
- Policy platforms
- The soft side of economics
- Tax arbitrage
- Investment outlook

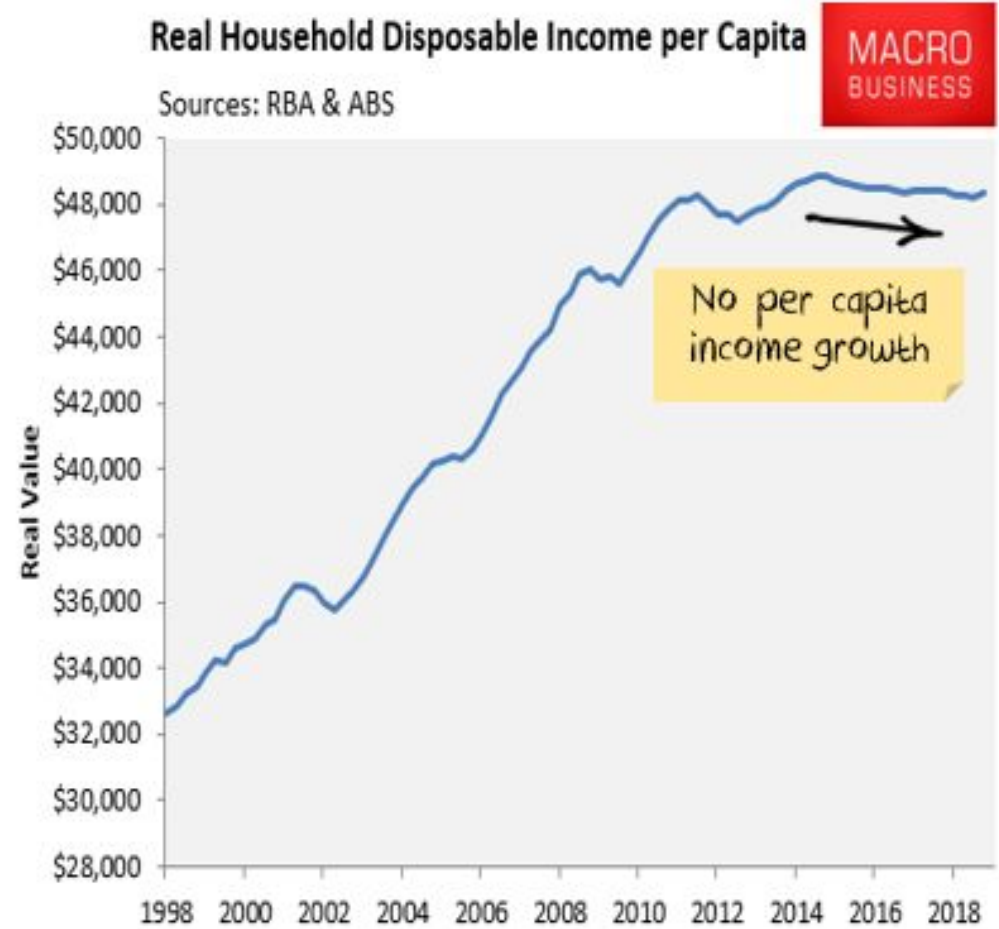
History of the Australian economy up to 2019



NOTE: The gray bars indicate recessions, which are defined here as two or more consecutive quarters of negative growth.

SOURCES: Organization for Economic Cooperation and Development, Haver Analytics and authors' calculations.

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History of the Australian economy up to 2019

Real household gross disposable income per capita growth

2009-2014

2014-2019

Past year

Past decade

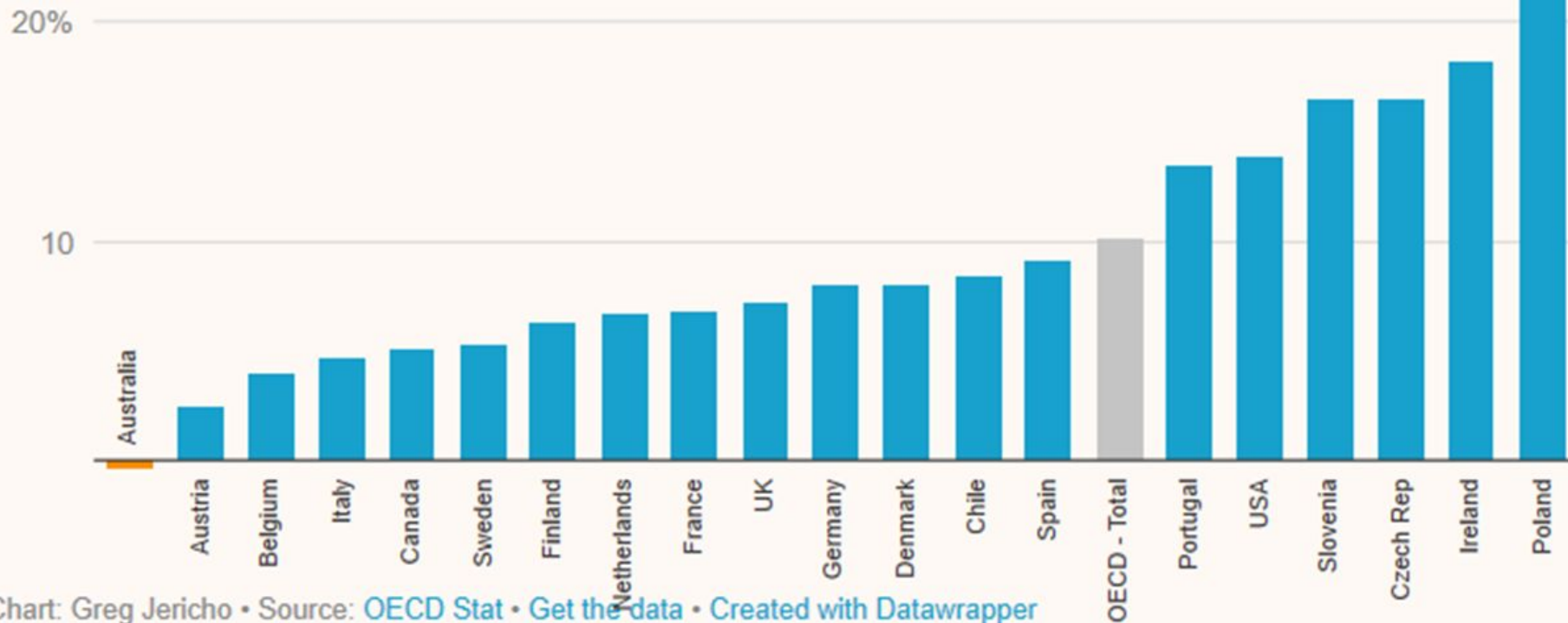
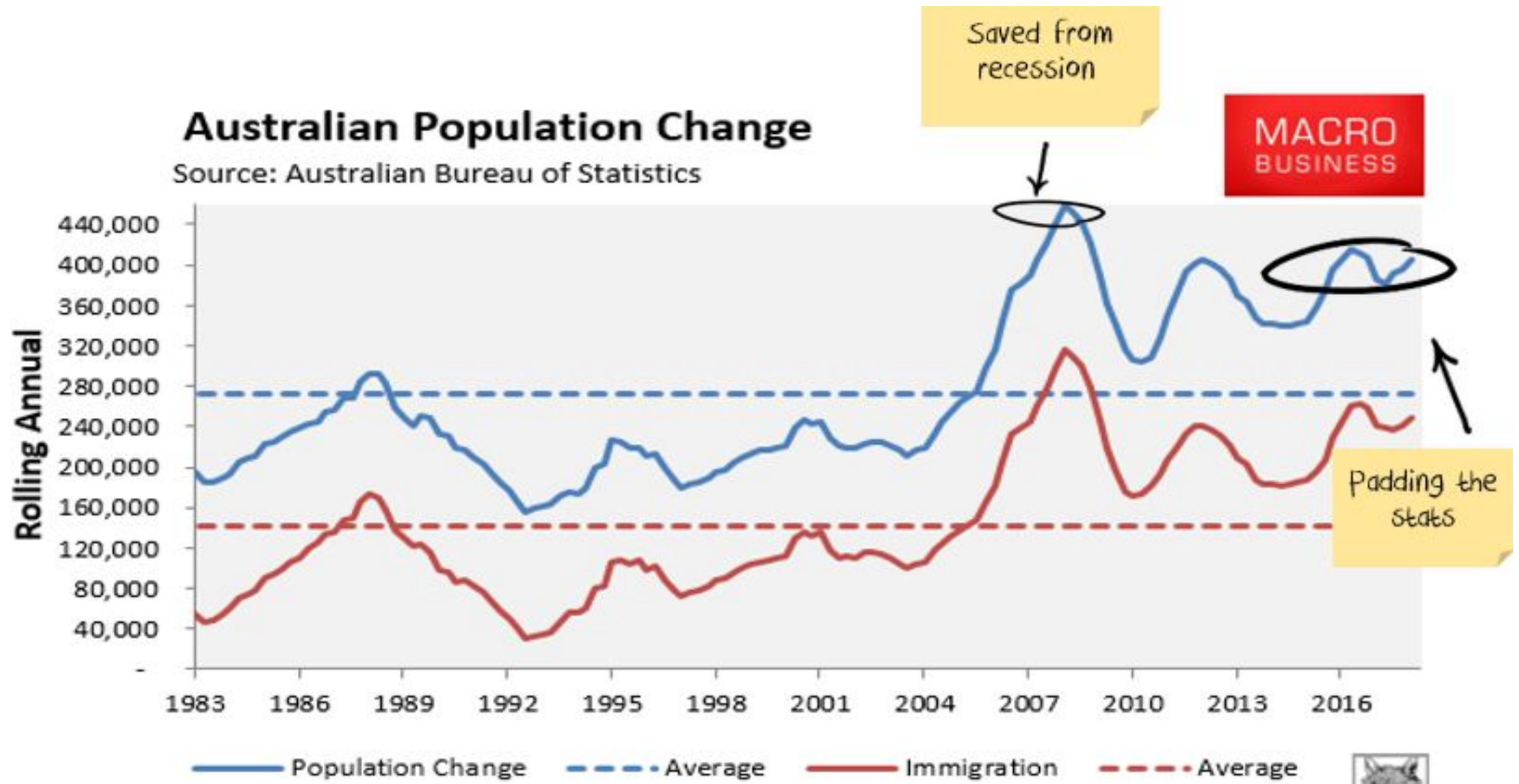
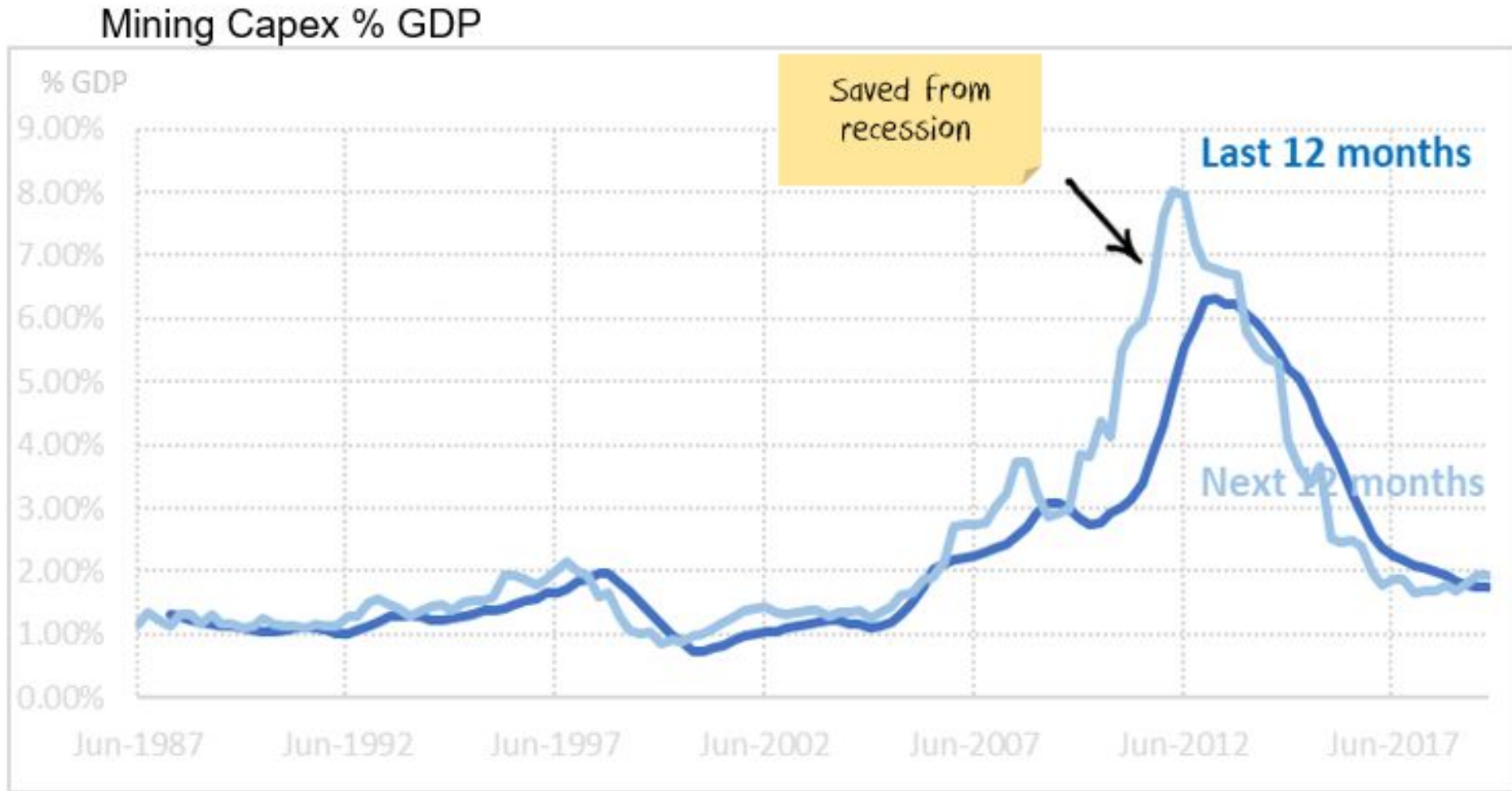


Chart: Greg Jericho • Source: [OECD Stat](#) • [Get the data](#) • Created with [Datawrapper](#)

History of the Australian economy up to 2019



History of the Australian economy up to 2019

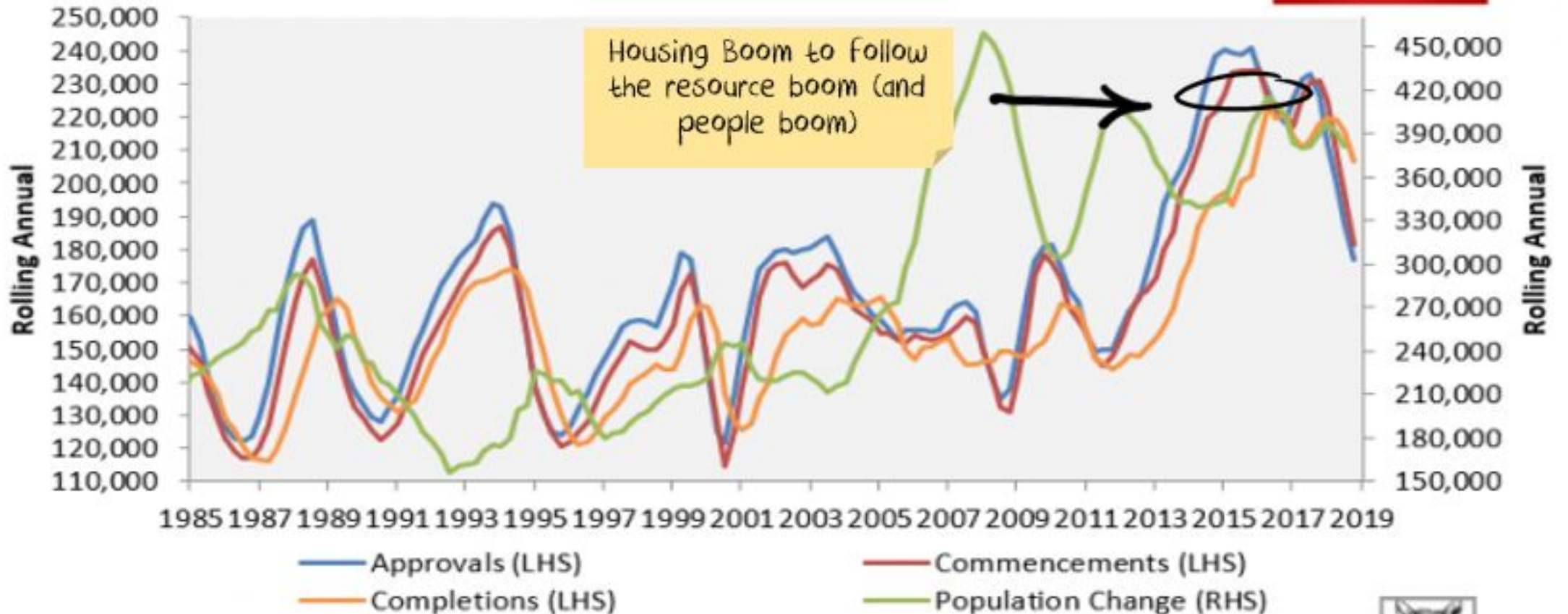


Source: ABS

History of the Australian economy up to 2019

Dwelling Construction vs Population Change

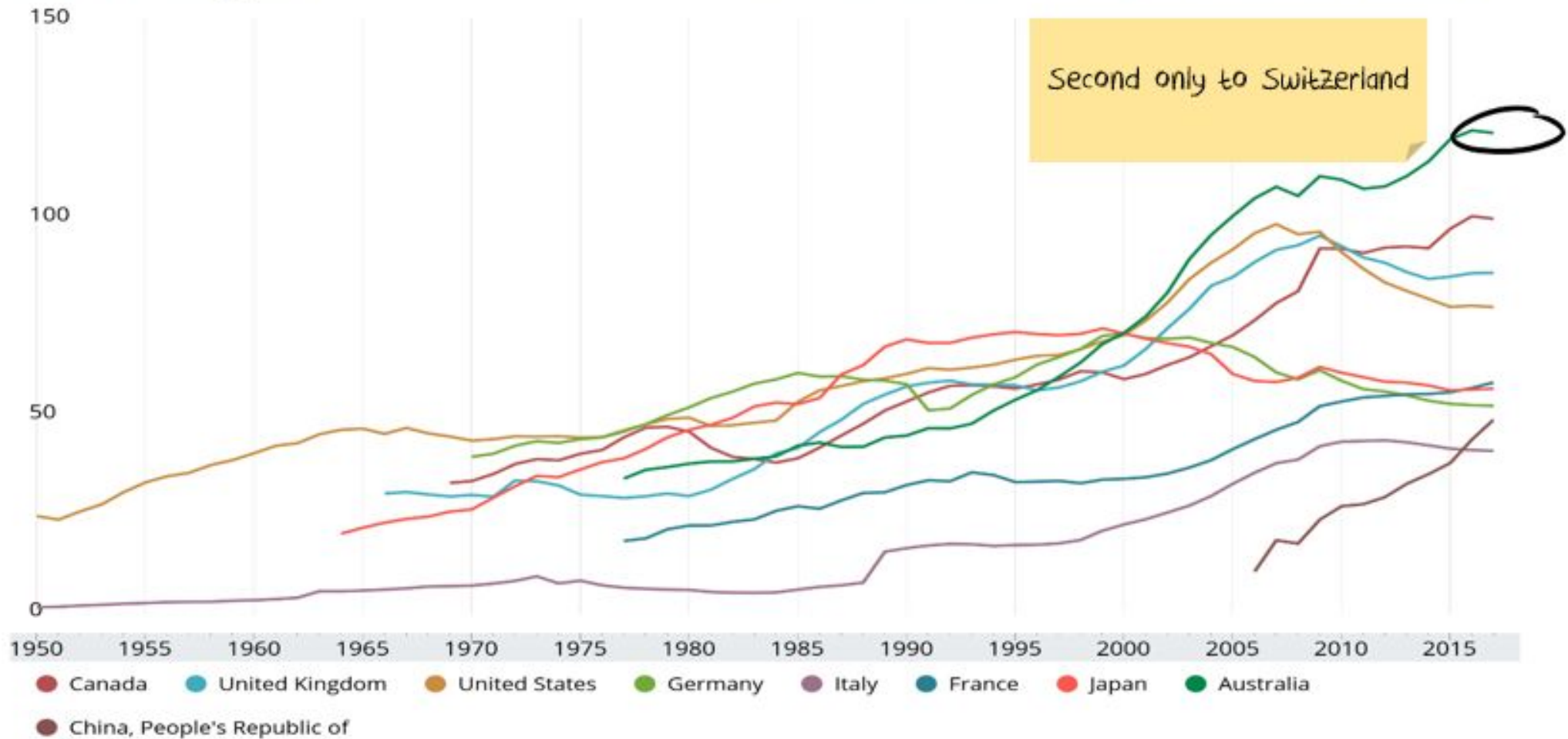
Source: Australian Bureau of Statistics



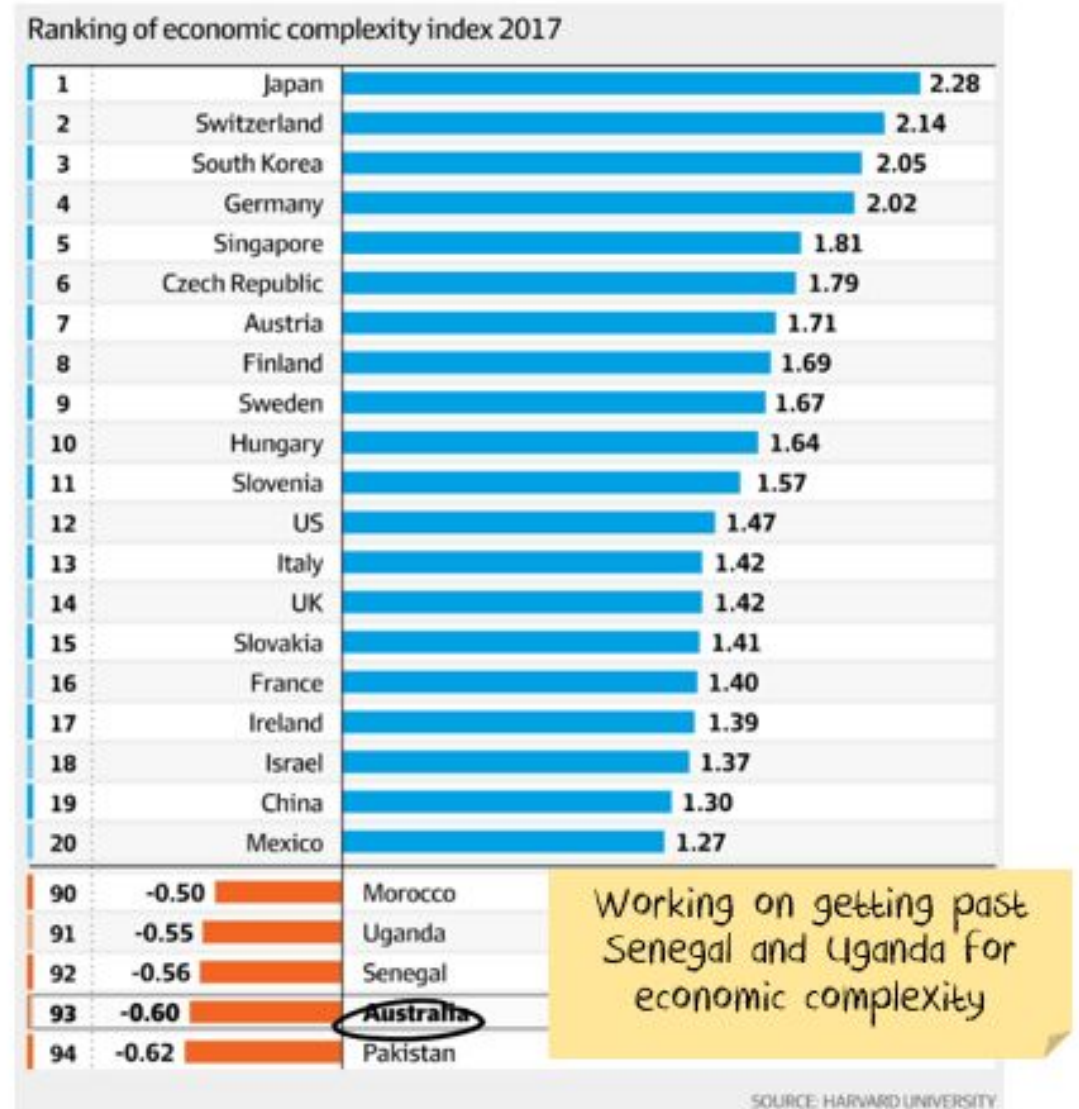
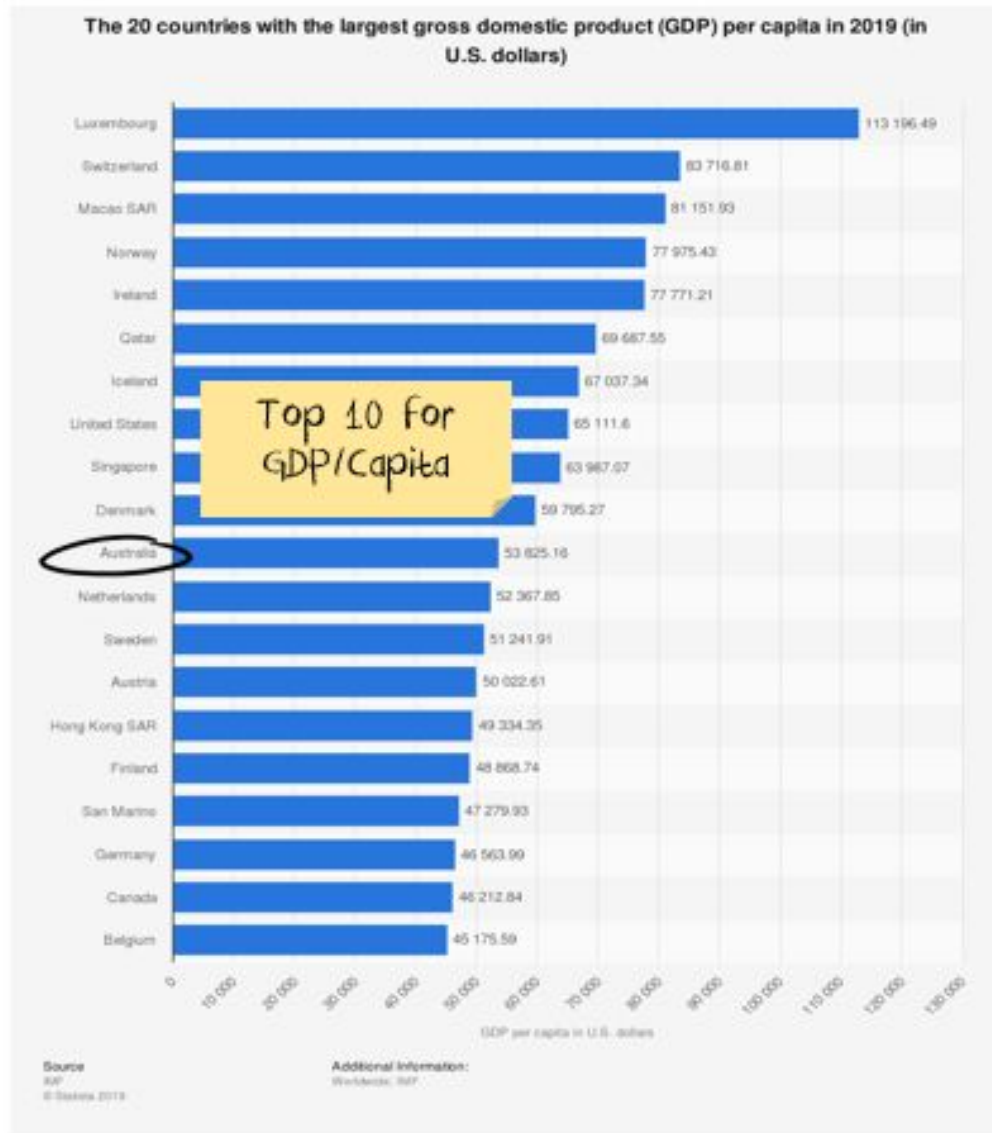
History of the Australian economy up to 2019

IMF DataMapper

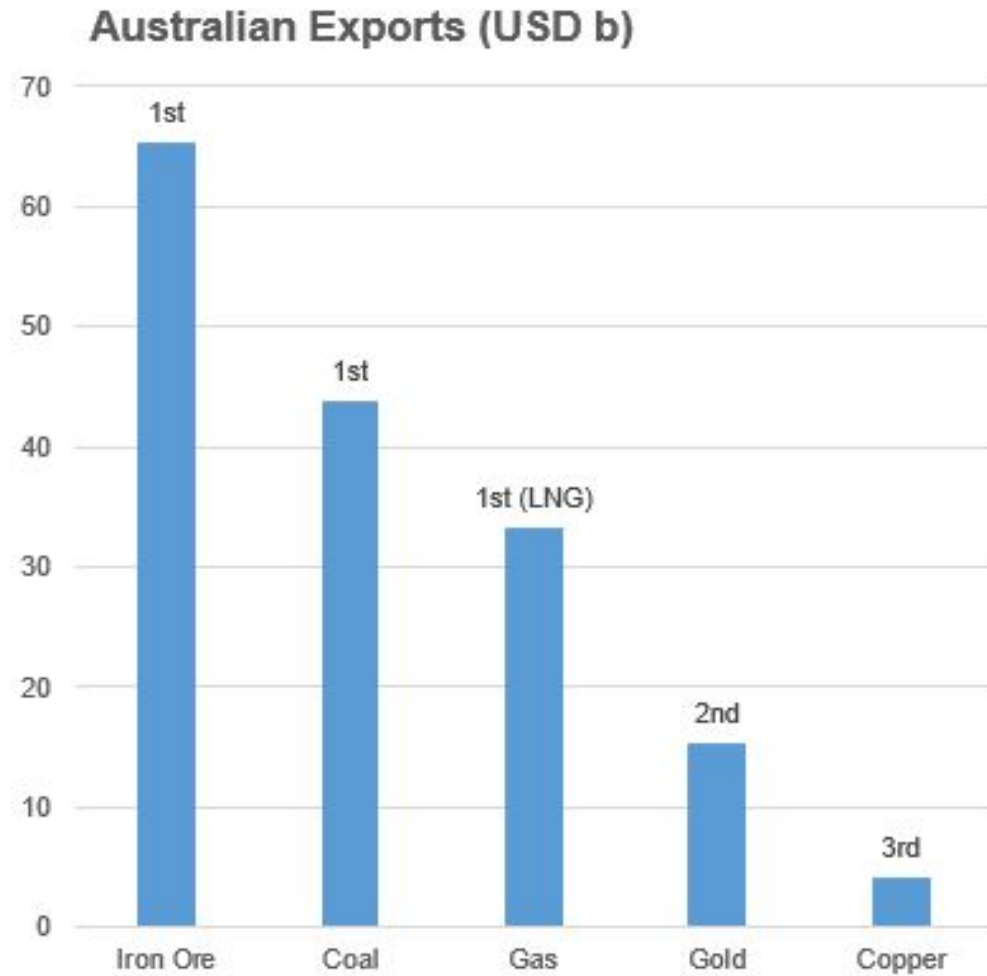
Household debt, loans and debt securities (Percent of GDP)



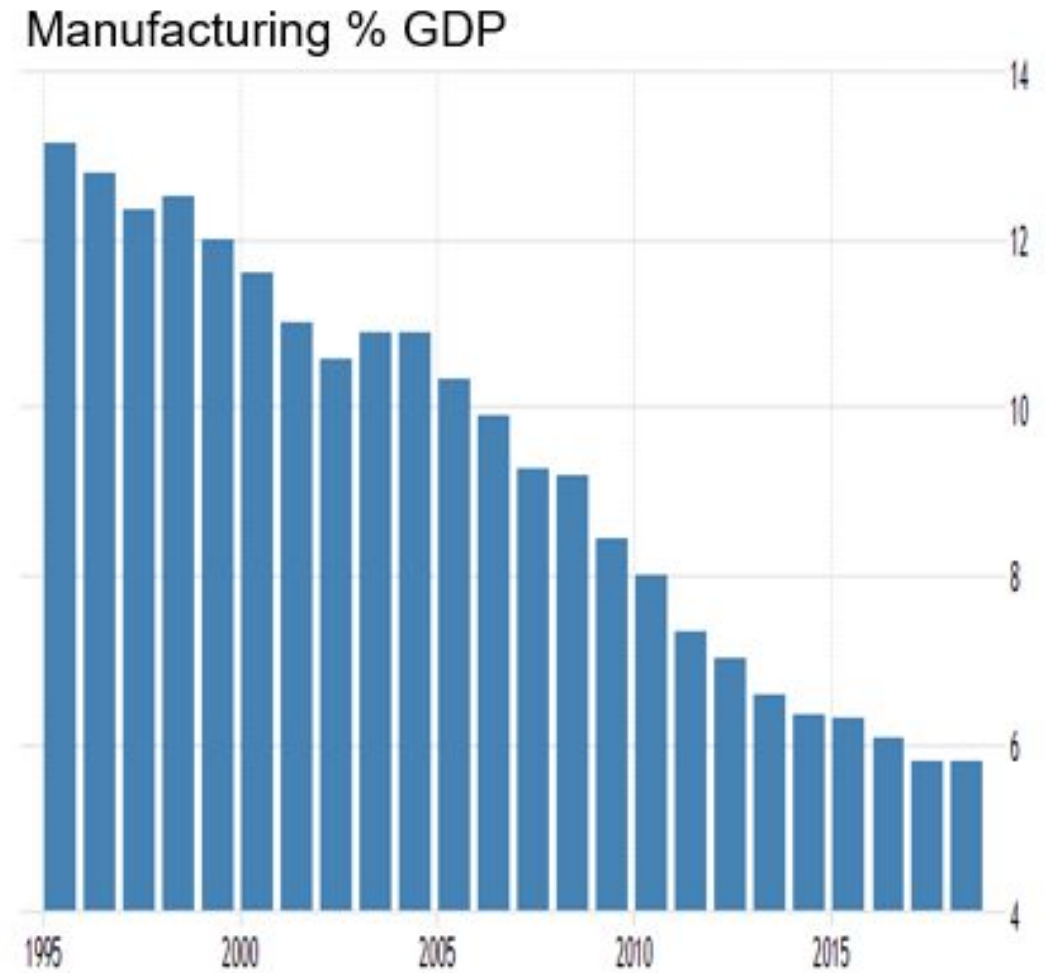
History of the Australian economy up to 2019



History of the Australian economy up to 2019



Source: ABS

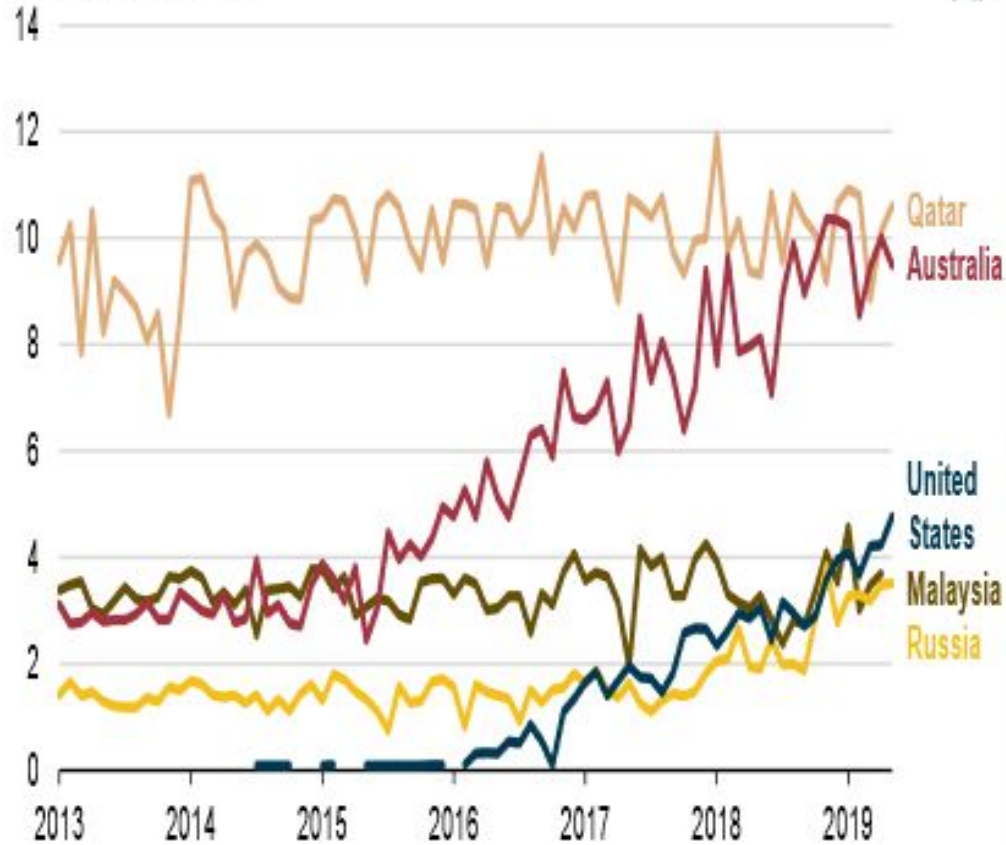


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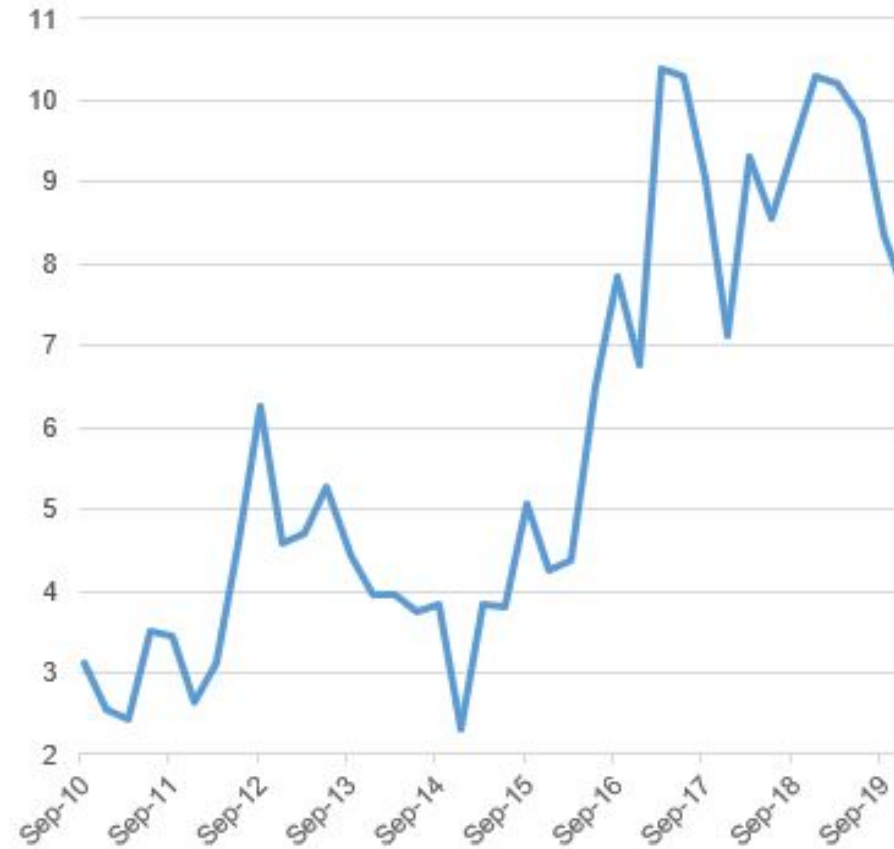
History of the Australian economy up to 2019

Liquefied natural gas exports from selected countries (Jan 2013-May 2019)

billion cubic feet per day



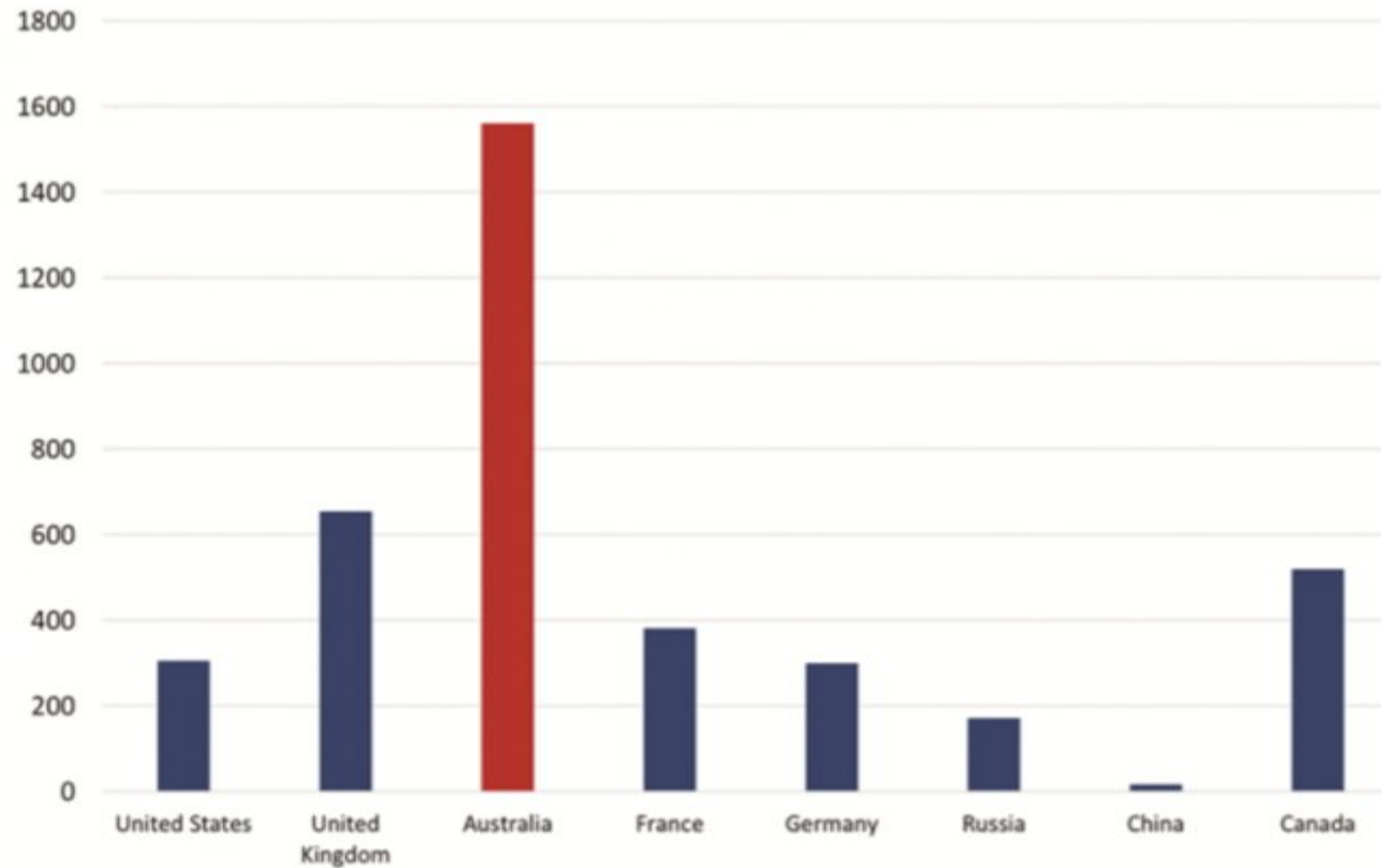
Sydney Gas Price (\$ per gigajoule)



Source: AER

History of the Australian economy up to 2019

International Students per 100,000 Population



History of the Australian economy up to 2019

- Lots of reform in the 80s and 90s
- GST reform in early 2000s
- Spending the China boom in middle class tax cuts, hollowing out manufacturing sector in mid 2000s
- People boom in late 2000s
- Resources capex boom in early 2010s
- Housing and people boom in late 2010s
- Early 2020s all about spending
- Current overarching policy objective = don't let the bubbles pop

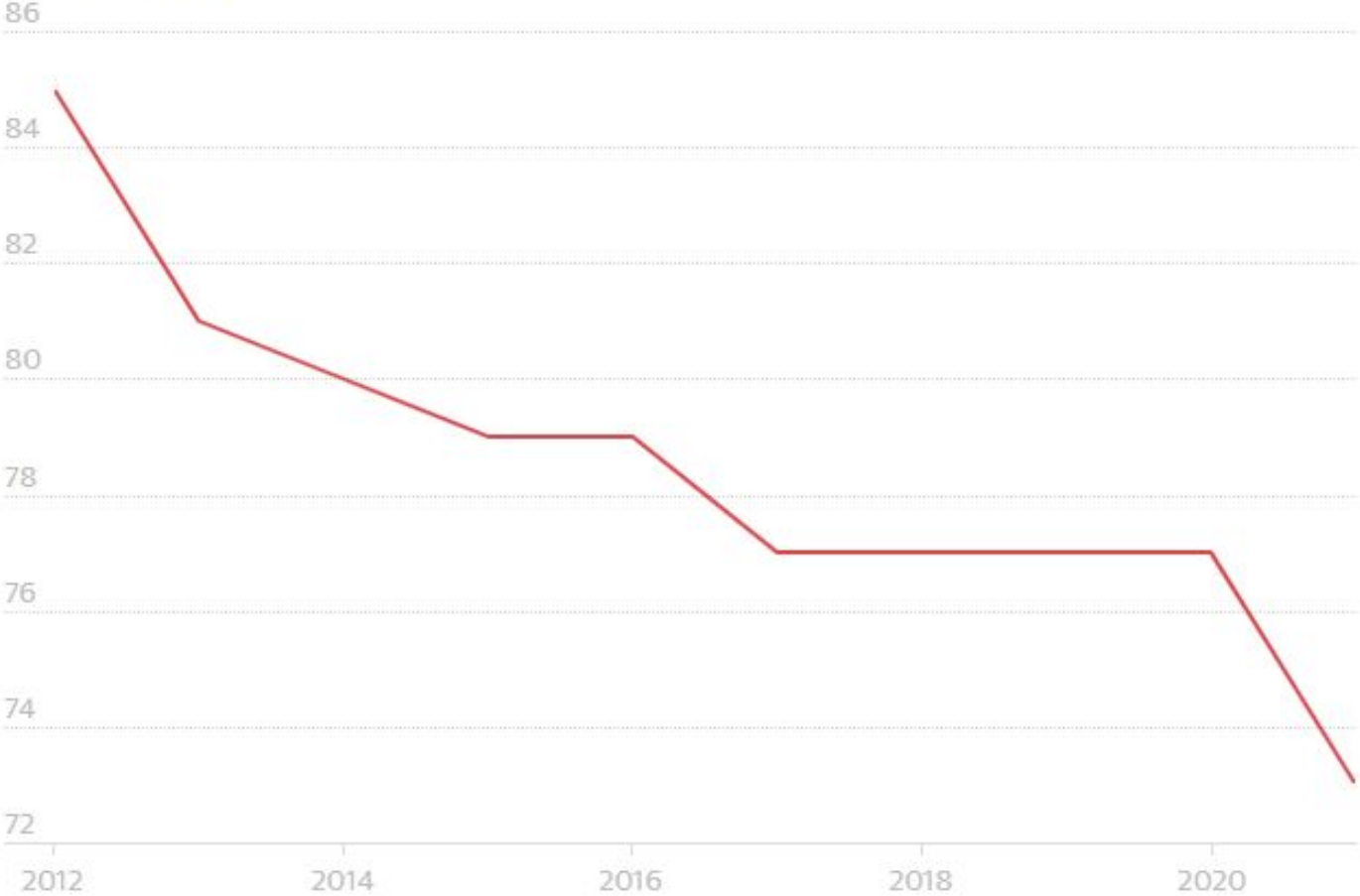
Policy Platforms

- **Debt/Government Spending:** No real difference
- **RBA:** No real difference
- **Foreign Affairs:** No real difference. Labor slightly China friendly
- **Health/Aged Care/Education:** Different spending, no reform
- **Childcare:** No real difference. Labor targeting low earners.
- **Tax reform:** Nothing significant
- **Immigration:** No real difference
- **Inequality:** Drift towards inequality to continue
- **Corruption:** Labor to do more, hard to say how much more
- **Climate Change:** Labor to stop blocking states

The soft side of economics

Australian CPI score 2012-2021

Corruption perceptions index



Guardian graphic | Source: Transparency International

The soft side of economics

Trust in government Total, Percentage, 2010

Source: How's Life? Well-Being



The soft side of economics



Tax arbitrage

- If you are depending on trusts, probably doesn't matter. Maybe vote Libs just in case
- Property tax shields, negative gearing, franking credits doesn't matter
- If you have kids, there might be a childcare arbitrage.

Viewer question of the week:

What would be the investment impact of a Labor Govt?

Drop your answers in the comments

Investment Implications

- Very little!
- Australia is a small open economy dependent on world economic growth
- If you think it is return to 2015-2020? Buy bonds, buy international
- If you think it is the dawn of a golden era?

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