



Government of **Western Australia**
Department of **Treasury**

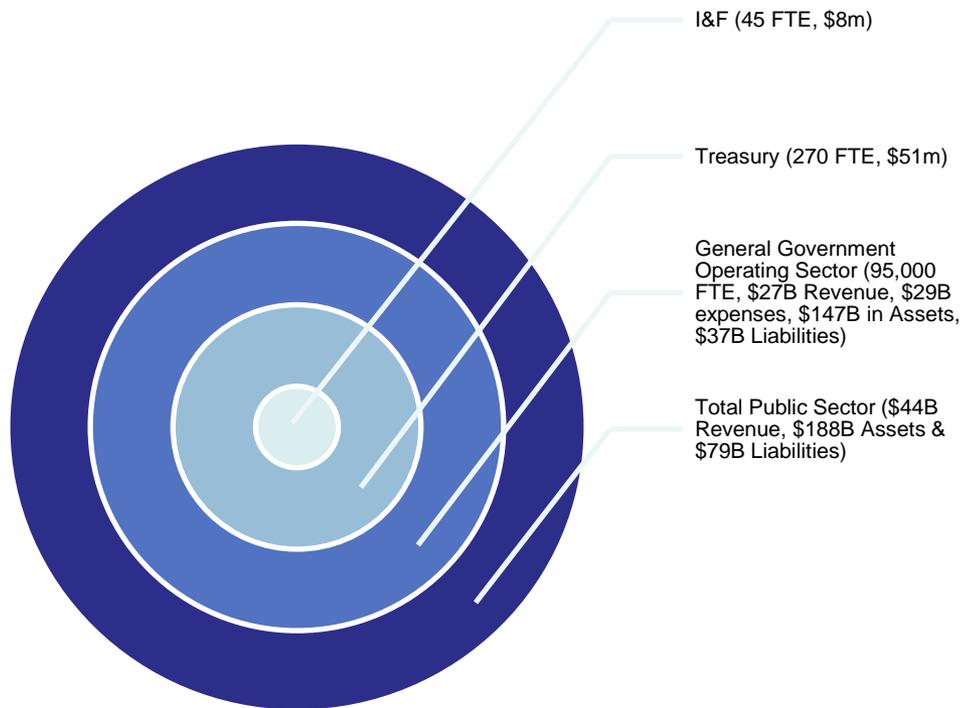
Is Economics and are Economists Contributing?

Richard Watson
Executive Director
Infrastructure & Finance



Snapshot Of The WA Public Sector

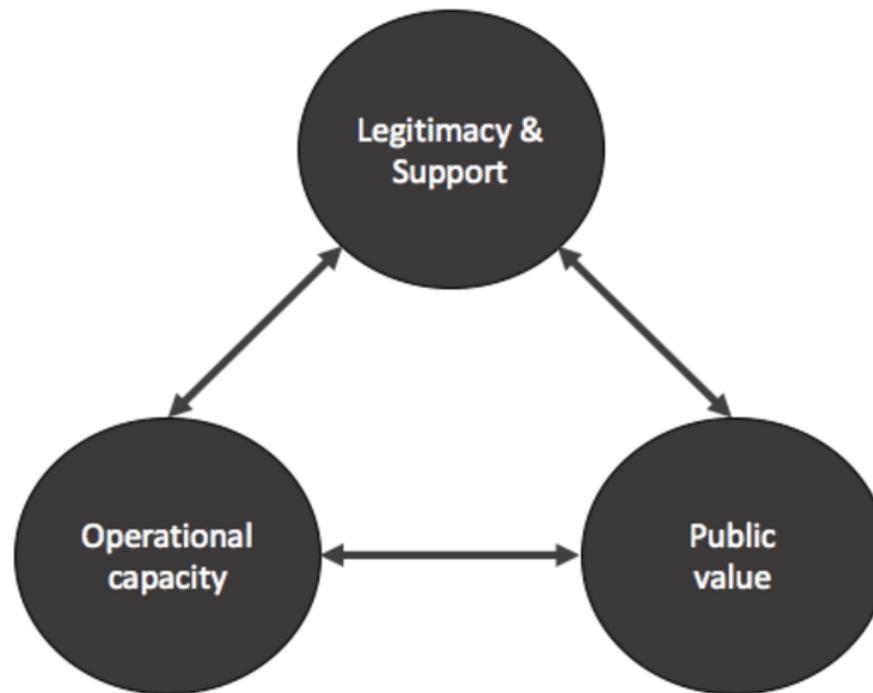
The pervasive influence of economics points to a fundamentally successful intellectual program



- **Treasury**
 - Forecasting
 - Microeconomic Reform
 - Public sector finance
 - Public policy
- **General Government**
 - Funding of hospitals and schools
 - Regulation
 - Policy design
 - Regional development
 - Economic development
- **Public Financial and Non-financial Corporations**
 - Public finance
 - Insurance & superannuation
 - Electricity & water
 - Ports, road, rail

Is Economics and are Economists Contributing?

Concern seems to reflect a loss of authority and legitimacy



Public Value

There is an apparent disconnect between economic performance & public attitudes

Who has gained from 26 years of uninterrupted economic growth?

5% of people believe they have personally gained a lot

31% of people are finding it difficult to live on their current income

74% of people believe large corporations have gained a lot

79% of people believe the gap between the richest and poorest Australians is not acceptable

Top five critical paths for Australia as a nation...

1. High quality and accessible **public hospitals**
2. Strong regulation to **limit foreign ownership** of Australian land/assets
3. High quality and choice of **aged care services**
4. Increased **pension payments**
5. Tough **criminal laws** and **criminal sentences**

Public Value

Perceived risks are increasingly existential in nature and expectations about the prospects of the next generation are not high

**Global
Risks
Report**

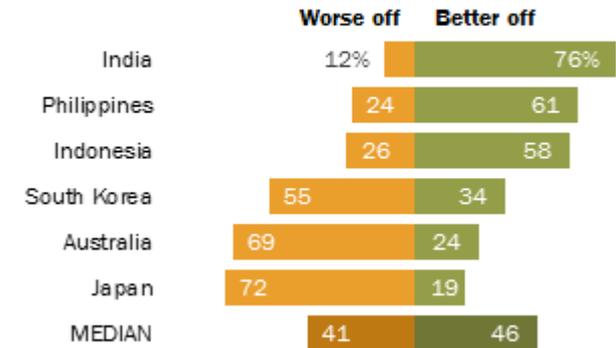
The 5 risks that will have the biggest impact in the next 10 years

	rank
Weapons of mass destruction	1
Extreme weather events	2
Natural disasters	3
Failure of climate change mitigation & adaptation	4
Water crises	5

Source: Global Risks Perception Survey 2017-2018, World Economic Forum

In Asia-Pacific, advanced economies less optimistic about next generation

When children today in our country grow up they will be ___ financially than their parents



Source: Spring 2017 Global Attitudes Survey, Q8.

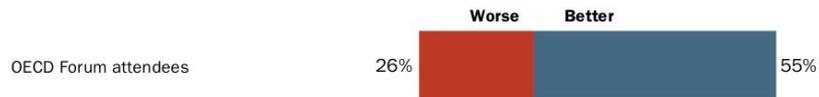
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Public Value

The community's pessimism about the future is shared by experts

Many Believe Life Has Improved, But Widespread Pessimism for Children's Financial Future

Life today is ___ than it was 20 years ago for people in your country



When children today in your country grow up, they will be ___ financially than their parents



Note: "About the same" responses not shown.

Source: 2018 Pew Research Center survey of OECD Forum attendees, Spring 2017 Global Attitudes Survey.

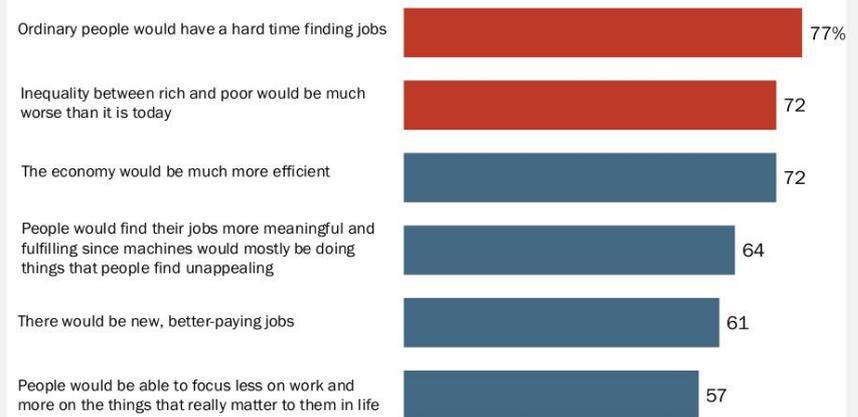
June 4, 2018

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Pew Research Center

Thought Leaders Think Workplace Changes Driven by Automation are Likely and Positive

If robots and computers were able to do much of the work currently being done by humans, the following is likely to happen



Source: 2018 Pew Research Center survey of OECD Forum attendees.

June 4, 2018

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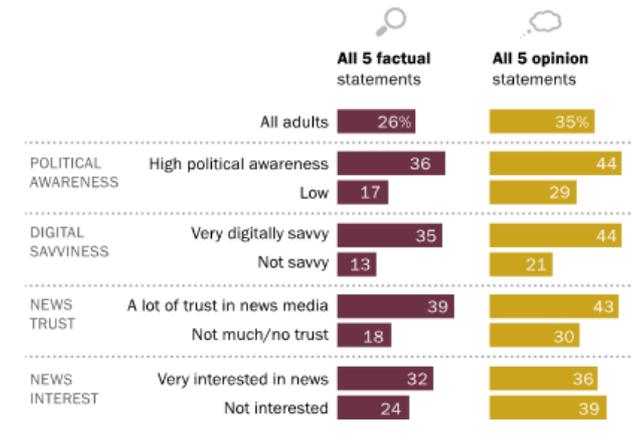
Rebuilding Legitimacy and Authority

Appeals to the evidence may not be particularly influential

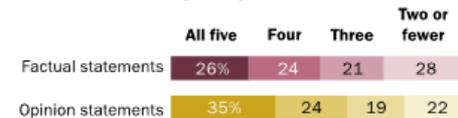
- Scepticism about expertise and experts generally
- Discriminating between fact and opinion
- Significant “noise”
- The statistics themselves may simply not be relevant

Political awareness, digital savviness and trust in the media all play large roles in the ability to distinguish between factual and opinion news statements

% of U.S. adults who correctly classified ...



% of U.S. adults who correctly classified ...



Note: Skipping a statement was counted as not correctly identifying it as factual or as opinion.

Source: Survey conducted Feb. 22-March 4, 2018.

"Distinguishing Between Factual and Opinion Statements in the News"

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