

External assessment 2021

Stimulus book

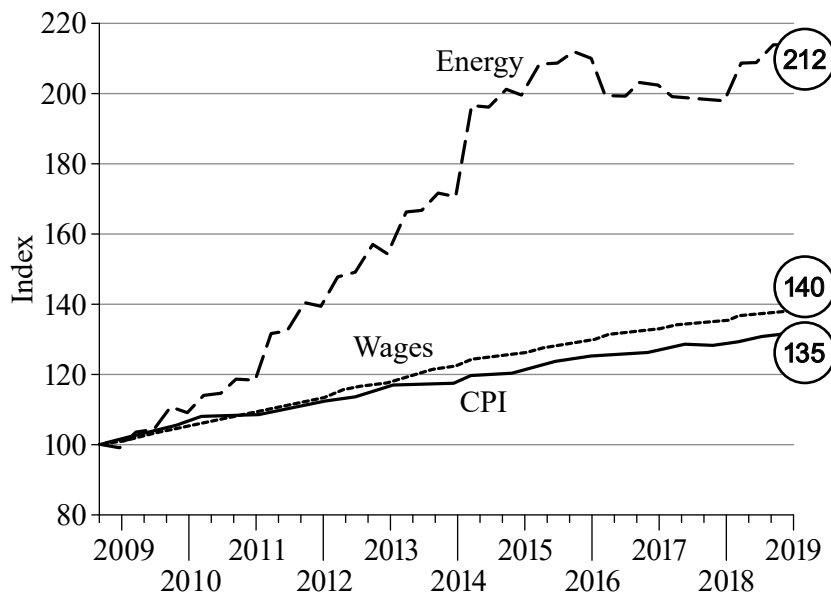
Economics

General instruction

- Work in this book will not be marked.

Source 1

Energy prices compared to CPI and wage growth in Australia



Source 2

Analysis of small business retail energy bills in Australia, 2019

Small and medium-sized enterprises (SMEs) contribute more than 60% of the industry value added in the Australian economy. For SMEs, the cost of electricity and gas has significant implications for both employment and economic growth.

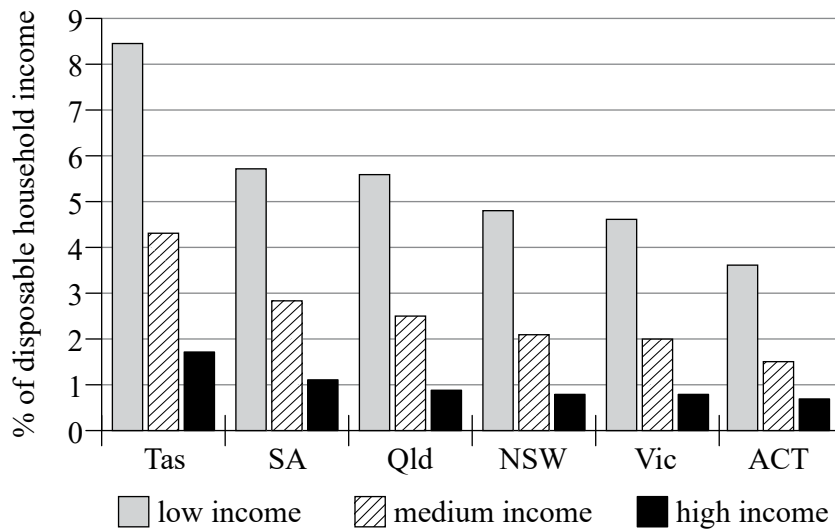
Source 3

Business in Australia by size, 2019 (estimated)

	Number of employees	Number of businesses in 2019		Employment % of total
		'000	% of total	
Small	0–19	2046	96	47
<i>of which</i>	0	1306	61	
	1–4	509	24	
	5–19	231	11	
Medium	20–199	81	4	23
Large	200+	6	0.3	30
Total		2133	100	100

Source 4

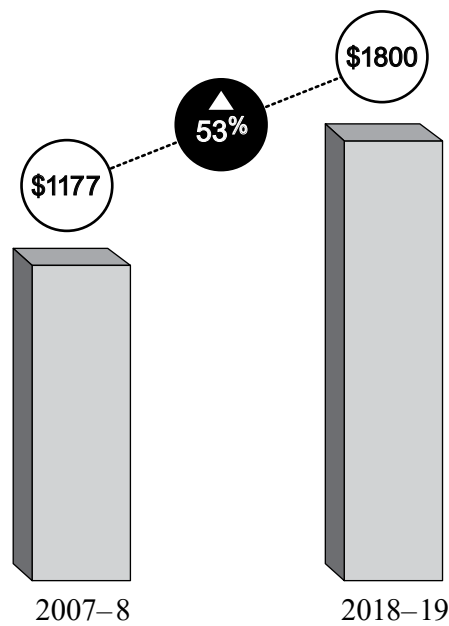
Percentage of disposable household income needed to pay the average electricity bill, 2019



Note: Not all states and territories are represented in the data.

Source 5

Average household electricity bills per annum in Australia



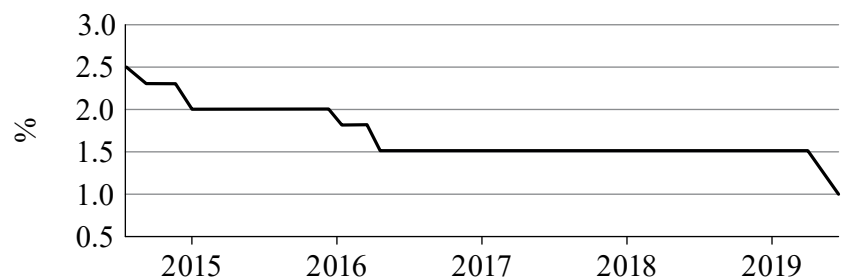
Source 6

Quote from Australia’s Federal Treasurer, 2019

It is the Government’s expectation, indeed it is the public’s expectation, that banks should pass on in-full to consumers the benefits of reduced funding costs as a result of the Reserve Bank’s decision.

Source 7

Australia’s cash rate



Source 8

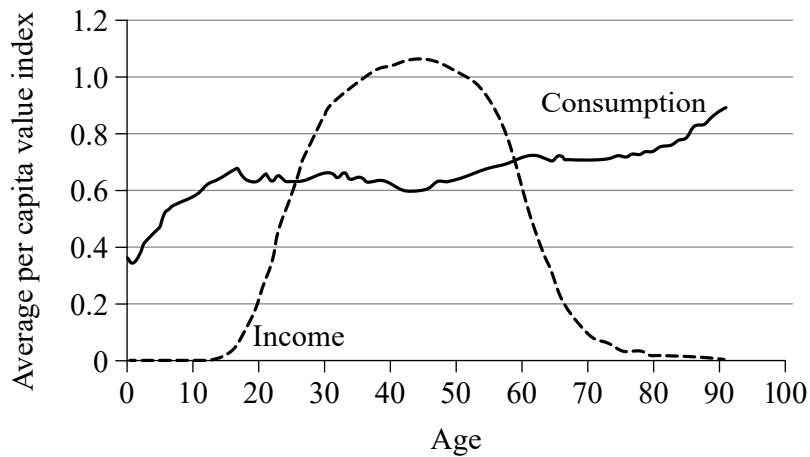
Australia's population projections: Percentage of total population

Age group	2015	2055
0–14	18.8	17.4
15–64	66.2	60
65–84	13	17.7
85 and over	2	4.9

Note: Assume Australians are eligible for the age pension from 65 years of age.

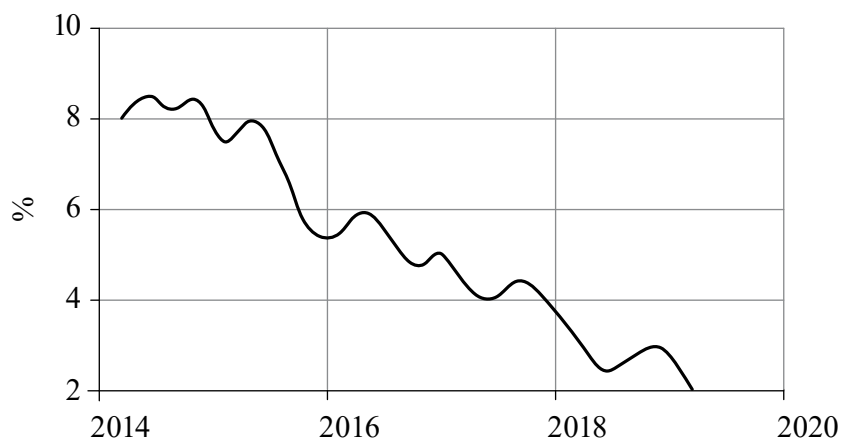
Source 9

Earning and eating across age groups



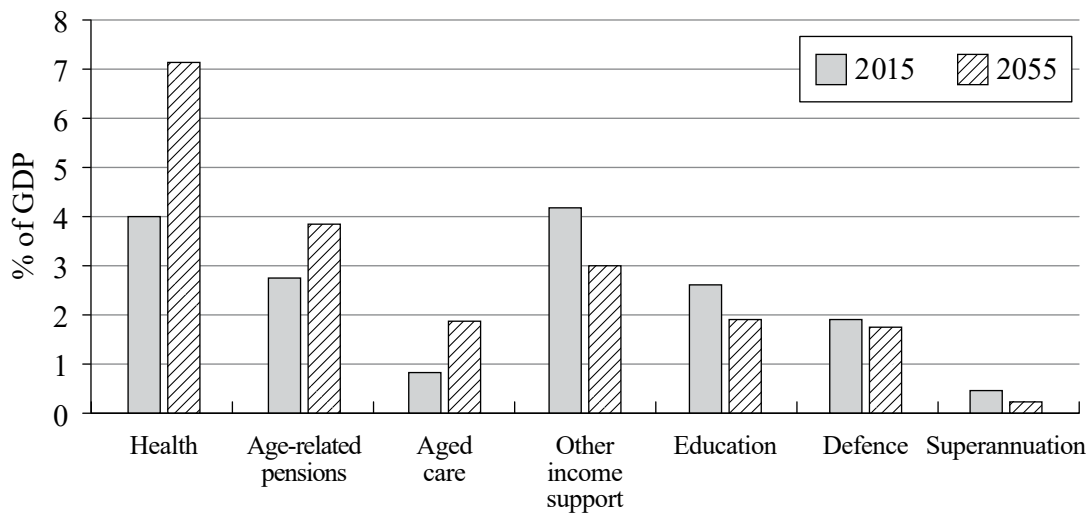
Source 10

Ratio of household income saved to household net disposable income in Australia



Source 11

Australian Budget spending projections



Source 12

Labour force participation rate, 2018

	25–54 years	55–64 years	65+ years
Australia	84.4	66.7	14.0
Canada	87.0	66.5	14.0
USA	82.1	65.0	19.6
Japan	87.4	77.0	24.7
New Zealand	87.4	79.9	24.2
Korea	79.3	68.8	32.2
OECD	82.4	63.9	15.3

Source 13

Information about the superannuation guarantee, 2020

In Australia, retirement income is funded by personal savings, government pensions (available to lower income households) and forced savings in the form of superannuation.

All workers have a superannuation guarantee of 9.5% of their wages paid into a superannuation fund to be used to support their households in retirement.

Commentators have stated that postponing an increase of the superannuation guarantee to 12% would put the burden of funding current workers’ retirement onto future taxpayers.

Source 14

Excerpt from *Turning Grey into Gold* report, 2019

The nature of work is changing. Australia has transformed from a manual-based to a knowledge-based economy. This move away from physically demanding work opens up more opportunities for older workers.

THIS PAGE IS INTENTIONALLY BLANK

References

Source 1

Modified from figure 1.3 in Australian Competition and Consumer Commission, 2017 “Retail Electricity Pricing Inquiry Preliminary report”, 22 September, p. 13 <https://www.accc.gov.au/system/files/Retail%20Electricity%20Inquiry%20-%20Preliminary%20report%20-%202013%20November%202017.pdf>
Licensed under Creative Commons Attribution 3.0 licence.

Source 2

Inspired by Alvis Consulting & Energy Consumers Australia 2017, *Analysis of Small Business Retail Energy Bills in Australia: Preliminary report*, October, p. 3,
<https://energyconsumersaustralia.com.au/wp-content/uploads/SME-Retail-Tariff-Tracker-Preliminary-Report-October-2017.pdf>.

Source 3

Extracted and modified* from Table 2: ‘Businesses in Australia by size’, in Connolly, E, Norman, D, & West, T 2012, *Small Business: An Economic Overview*, Reserve Bank Australia,
<https://www.rba.gov.au/publications/workshops/other/small-bus-fin-roundtable-2012/pdf/01-overview.pdf>.
Creative Commons Attribution 4.0 International License | *2011 data has been represented as 2019 data.

Source 4

Graph adapted from Figure 1.4 in Australian Competition and Consumer Commission, 2017 “Retail Electricity Pricing Inquiry Preliminary report”, 22 September, p. 15, <https://www.accc.gov.au/system/files/Retail%20Electricity%20Inquiry%20-%20Preliminary%20report%20-%202013%20November%202017.pdf>
Licensed under Creative Commons Attribution 3.0 Australia licence.

Source 5

Adapted from Australian Competition & Consumer Commission 2017, ‘Figure 2.5: Estimated change in average residential bill per customer from 2007–08 to 2016–17’ in *Retail Electricity Pricing Inquiry: Preliminary report*, 22 September, p. 38, www.accc.gov.au/system/files/Retail%20Electricity%20Inquiry%20-%20Preliminary%20report%20-%202013%20November%202017.pdf.

Source 6

Quote by Josh Frydenberg in Doorstop interview, CPO, Melbourne 4 June, 2019, The Treasury,
<http://ministers.treasury.gov.au/ministers/josh-frydenberg-2018/transcripts/doorstop-interview-cpo-melbourne>
Use under a Creative Commons (CC) BY Attribution 3.0 Australia licence.

Source 7

Graph modified from the Reserve Bank of Australia 2020.
<https://www.rba.gov.au/statistics/cash-rate/>
Licensed under a Creative Commons Attribution 4.0 International License

Source 8

Data sourced from Table 1.3 in Commonwealth of Australia, 2015 “2015 Intergenerational Report Australia in 2055”, March, p12. https://treasury.gov.au/sites/default/files/2019-03/2015_IGR.pdf

Source 9

Adapted from graph Lee, R & Mason, A, 2017 “Costs of Aging” in International Monetary Fund, Finance & Development, March 2017, Vol. 54, No. 1
<https://www.imf.org/external/pubs/ft/fandd/2017/03/lee.htm>

Source 10

Data sourced from ABS 5206.0 - Australian National Accounts: National Income, Expenditure and Product, Jun 2019 <https://www.abs.gov.au/ausstats/abs@.nsf/7d12b0f6763c78caca257061001cc588/6894c1c19e69ffeaca25768d0021e3a8!OpenDocument>

Source 11

Adapted from Commonwealth of Australia, “The 2010 intergenerational report, Chapter 4: Ageing pressures and spending”, chart 4.2 page 47, <https://treasury.gov.au/publication/2010-igr>, Licensed under Creative Commons CC BY Attribution 3.0 Australia licence.

Source 12

Data sourced from OECD Employment: labour force participation rate by sex and age group, 2018 <https://stats.oecd.org/index.aspx?queryid=54741>.

Source 14

Excerpt from *Realising the economic potential of senior Australians: turning grey into gold report*, 2019. The Australian Government the Treasury, p 21. https://treasury.gov.au/sites/default/files/2019-03/grey_gold.pdf. Used under a Creative Commons Attribution 3.0 Australia licence.



© State of Queensland (QCAA) 2021

Licence: <https://creativecommons.org/licenses/by/4.0> | Copyright notice: www.qcaa.qld.edu.au/copyright — lists the full terms and conditions, which specify certain exceptions to the licence. Third-party materials referenced above are excluded from this licence.

Attribution: © State of Queensland (QCAA) 2021