

Labour Market and Wage Growth

FOI 3690
Document 1

KEY MESSAGE

- The labour market remains resilient with the unemployment rate at 4.0 per cent in May 2024, which is low by historical standards.
- Since the Albanese Government came to office, 877,800 jobs have been created.
- Wages have grown above 4 per cent for three consecutive quarters for the first time in 15 years and annual real wage growth is the strongest since September 2020.

KEY FACTS AND FIGURES

- While the labour market has shown resilience, the unemployment rate has begun to rise from recent lows as economic activity slows. At the 2024-25 Budget, Treasury forecasts the unemployment rate to reach 4½ per cent by the June quarter of 2025.
 - Broader measures of labour market slack such as average hours and the underemployment rate have moderated.
 - Job advertisements and vacancies continue to ease from 2022 peaks.
- Wage growth (as measured by the Wage Price Index) was 4.1 per cent in the March quarter 2024, and is forecast to grow by 4 per cent in 2023-24 before easing to 3¼ per cent in 2024-25.
 - Annual real wage growth has grown by 0.5 per cent in the March quarter 2024, which is the fastest growth since September 2020.
 - Recent wage growth has been supported by the Fair Work Commission's (FWC) annual wage review decision and the application of the Aged Care Work Value case.
- On 3 June 2024, the FWC announced that the National Minimum Wage and modern award wages would increase by 3.75 per cent effective from 1 July 2024. (See QB24-000111 – Annual Wage Review)

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Labour Market and Wage Growth

- The Government released the Employment White Paper on 25 September 2023. The White paper outlines the Government's vision for a dynamic and inclusive labour market. (See QB24-000053 – Employment White Paper.)

KEY LABOUR MARKET MEASURES	May 2024
Unemployment rate (%)	4.0
Male	4.1
Female	3.9
Estimated NAIRU	4 ¼
Unemployment (000s)	598.9
Employment (millions)	14.4
Monthly employment growth (000s)	39.7
Participation rate (%)	66.8
Male	71.0
Female	62.7
Underemployment rate (%)	6.7
Youth unemployment rate (%)	9.7
Weekly average hours worked	31.3

KEY WAGE MEASURES	Growth (%), QoQ	Growth (%), TTY
WPI – <i>March 2024</i>	0.8	4.1
Private	0.8	4.1
Public	0.5	3.8
AENA (hours) – <i>March 2024</i>	0.5	5.5
AWOTE – <i>November 2023 (biannual)</i>		4.5
Real Wages (WPI(%) – CPI(%)) – <i>March 2024</i>	-0.2	0.5

Leading indicators	Level (000s)	Growth (%)	Growth (%), TTY
ABS Job Vacancies (quarterly) – <i>May 2024</i>	352.6	-2.7	-17.7
JSA IVI Ads (monthly) – <i>May 2024</i>	239.6	0.2	-15.4
ANZ-Indeed Job Ads (Index, monthly) – <i>June 2024</i>	NA	-2.2	-17.6

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Labour Market and Wage Growth

Budget 24-25 forecasts	2022- 23	2023- 24(f)	2024- 25(f)	2025- 26(f)	2026- 27(f)	2027- 28 (f)
Employment	3.6	2 ¼	¾	1 ¼	1 ¾	1 ¾
Unemployment rate	3.6	4	4 ½	4 ½	4 ½	4 ¼
Participation rate	66.6	66 ½	66 ½	66 ¼	-	
Wage price index	3.7	4	3 ¼	3 ¼	3 ½	3 ½

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Superannuation Data Fact Sheet

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KEY FACTS AND FIGURES

- As at March 2024, superannuation assets totalled **\$3.9 trillion**.¹
- During 2022 Australia's superannuation pool was the **fourth-biggest in the world** behind the United States, Canada and the United Kingdom.²
- As at 30 June 2023, around **17 million Australians** had a super account.³
- Superannuation is the **second-largest savings vehicle** (18.5 per cent of assets held by Australian households) after owner-occupied housing.⁴
- In 2021-22, there were **\$114 billion in total payments** made from superannuation funds.⁵
 - About **\$88 billion** were benefit payments for **retirement purposes**. This compares to **\$55 billion in Age Pension payments** in that year.⁶
 - Non-retirement payments were higher in 2019-20 and 2020-21 due to COVID early release payments.
- In 2019-20, 1.3 million people aged 65 and over were receiving a superannuation income stream.⁷
- The **median account balance** of a person approaching retirement age (60 - 64 years old) is **\$178,000**.⁸ For women, the median account balance approaching retirement is \$153,700. For men, it is \$205,400.
- From 1 July 2024, the 0.5 percentage point rise in the SG rate from 11 per cent to 11.5 per cent will increase most employees' superannuation balances at retirement by around 4.0 per cent. For the median Australian worker, that means around **an extra \$18,000 at retirement**.⁹

¹ APRA quarterly superannuation statistics, March 2024 (KeyStats)

² OECD Pension markets in focus 2023

³ ATO Super data: multiple accounts, lost and unclaimed super, June 2023

⁴ ABS, Household Wealth and Wealth Distribution, 2019-20, Table 2.4 (issued 28 April 2022)

⁵ Income stream data sourced from: APRA Annual Superannuation Bulletin June 2023, table 3 and 8; ATO Self-managed superannuation funds: a statistical overview 2021-22, table 10, 10.1.

⁶ DSS Annual Report 2022-23

⁷ ABS Household Income And Wealth 2019-20, table 12.2

⁸ ATO 2021-22 Taxation Statistics, Snapshot 5 Chart 12

⁹ ATO administrative date; Treasury modelling.

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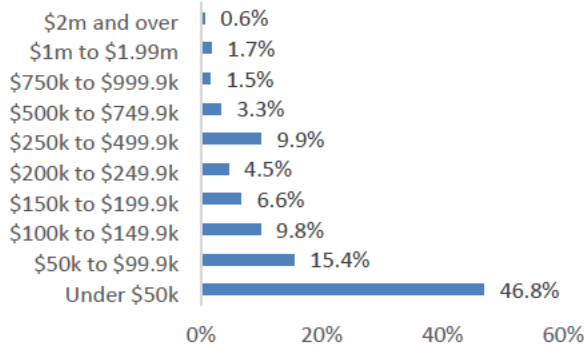
Superannuation Data Fact Sheet

BACKGROUND

Industry overview

- There are currently 105 APRA-regulated superannuation funds with more than 6 members operating in Australia.¹⁰
- As at March 2024, there are 616,400 self-managed superannuation funds.¹¹

Spread of super balances (2020-21)¹⁴



Industry Asset Allocation (entities with more than six members), March 2024 ¹²		
	Assets (\$ billion)	Assets as % of total assets (rounded)
Cash	218.2	8.6
Fixed income	503.6	19.8
Equity	1,447.2	56.8
Property	179.5	7.0
Infrastructure	210.7	8.3
Commodities	3.9	0.2
Other ¹³	-13.4	-0.5
Total	2,549.6	100

Largest 10 funds by total assets, June 2023			
	Fund	Type	Total assets (\$ million)
1	AustralianSuper	Industry	311,498
2	Australian Retirement Trust	Industry	264,428
3	Aware Super	Public Sector	163,848
4	Unisuper	Industry	127,416
5	Public Sector Superannuation Scheme	Public Sector	109,703
6	HOSTPLUS Superannuation Fund	Industry	97,039
7	Colonial First State FirstChoice Superannuation Trust	Retail	88,704
8	CONSTRUCTION AND BUILDING UNIONS SUPERANNUATION FUND	Industry	86,259
9	Military Superannuation & Benefits Fund No 1	Public Sector	84,647
10	MLC Super Fund	Retail	82,151

APRA Quarterly Superannuation Statistics, March 2024		
	Total assets (\$ billion)	Assets as % of Total assets
Corporate	46.7	1.21
Industry	1349.0	35.02
Public sector	542.1	14.07
Retail	752.7	19.54
Small APRA funds	1.8	0.05
SMSFs	932.9	24.22
Exempt Public Sector Schemes	169.6	4.40
Balance of life office statutory funds	57.0	1.48
Total*	3851.9	100.0

¹⁰ APRA quarterly superannuation statistics, March 2024

¹¹ APRA quarterly superannuation statistics, March 2024

¹² APRA Quarterly Superannuation Industry Publication, March 2024

¹³ Other includes foreign exchange derivative contracts, private debt and alternatives.

¹⁴ ATO 2021-22 Taxation Statistics, Table 22

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Superannuation Data Fact Sheet

MySuper Performance

- As of March 2024, 47 registrable superannuation entities offered 59 MySuper products. Total assets in MySuper products are worth around \$1 trillion.¹⁵
- In 2023 APRA released the results of the third annual performance test.
 - Out of the 64 products assessed 1 product failed, for the third consecutive time. The fund has announced plans to close down this product.
 - This is in contrast to the 80 MySuper products tested for the first time in 2021 which found that 13 failed.
 - Of the 14 MySuper products that have failed the test to date, 13 have exited the market or have announced their plans to do so and the remaining one has since improved its performance.
- Almost all MySuper superannuation members are now in a performing MySuper product.

MySuper Performance Test Outcomes – August 2023 ¹⁶			
	Number of products	Total assets (\$bn)	Member accounts (M)
MySuper Products	64	911	14.3
Products passed	63	910.5	14.2
Products 3rd fail	1	0.151	0.004

¹⁵ APRA Quarterly Superannuation Industry Publication, March 2024

¹⁶ Figures only include members with a 100% interest in the MySuper option. APRA website - The 2023 annual superannuation performance test – MySuper products, August 2023.

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Superannuation Data Fact Sheet

Trustee Directed Products Performance

- In 2023 APRA tested trustee directed products (TDPs) in the annual performance test for the first time. 805 products were tested which are worth around \$360 billion.
 - Out of the 500 non-platform TDPs assessed, 20 products failed.
 - Out of the 305 platform TDPs assessed, 76 products failed.

TDP Performance Test Outcomes – August 2023			
	Number of products	Total assets (\$bn)	Member accounts (M)
Non-platform TDPs	500	341	3.8
- Products passed	480	338.9	3.7
- Products 1st fail	20	1.7	0.036
Platform TDPs	305	19	0.196
- Products passed	229	17	0.172
- Products 1st fail	76	2.3	0.024

Fund Performance

Fund performance over a financial year (entities with more than four members. From June 2022 onwards, refers to entities with more than six members) ¹⁷			
	Year on year rate of return (%)	Five year average annualised rate of return (%)	Ten year average annualised rate of return (%)
2014-2015	8.9	8.5	5.7
2015-2016	2.9	7.4	4.6
2016-2017	9.1	9.2	4.1
2017-2018	8.5	8.2	5.8
2018-2019	7.1	7.3	7.9
2019-2020	-0.9	5.3	6.9
2020-2021	16.8	8.0	7.7
2021-2022	-4.0	5.2	7.2
2022-2023	8.5	5.3	6.7

¹⁷ APRA Annual superannuation bulletin

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Superannuation Data Fact Sheet

Account balances

Average Balances, 2020-21 (\$)¹⁸			
Age group	Male	Female	Gap
18-24	8,069	7,297	9.6%
25-29	25,407	23,273	8.4%
30-34	53,154	44,053	17.1%
35-39	90,822	71,686	21.1%
40-44	131,792	102,227	22.4%
45-49	180,958	136,667	24.5%
50-54	237,084	176,824	25.4%
55-59	301,922	228,259	24.4%
60-64	380,737	300,717	21.0%
65-69	428,533	379,483	11.4%
70-74	474,898	422,348	11.1%
75 or more	487,525	416,279	14.6%
Total¹⁹	182,667	146,146	20.0%

Median Balances, 2020-21 (\$)			
Age group	Male	Female	Gap
18-24	4,617	4,275	7.4%
25-29	17,545	17,840	-1.7%
30-34	39,796	34,327	13.7%
35-39	70,181	54,391	22.5%
40-44	101,231	74,066	26.8%
45-49	133,616	93,471	30.0%
50-54	162,146	111,063	31.5%
55-59	186,255	128,675	30.9%
60-64	205,385	153,685	25.2%
65-69	206,091	191,475	7.1%
70-74	200,349	198,005	1.2%
75 or more	166,185	161,201	3.0%
Total²⁰	66,159	52,075	21.3%

Age group	Proportion of persons with superannuation 2019-20 (%)²¹			
	Total	Male	Female	Gap
All 15+	74.4	78.0	70.9	9.1%
25-34	87.3	90.4	84.3	6.8%
55-64	82.3	86.0	78.7	8.5%

SG Gap²²

- The SG gap is an estimate of the difference between the value of SG contributions required to be paid under the law and actual SG contributions made.
- The ATO estimates this gap by using national accounts wage data to estimate the total amount of SG due in a year, and comparing this to the actual SG contributions received.

Year	Gross gap (%)	Gross gap (\$m)	Net gap²³ (%)	Net gap (\$m)
2015-16	6.7	3,872	5.7	3,293
2016-17	5.9	3,510	4.7	2,766
2017-18	6.3	3,957	5.0	3,096
2018-19	6.5	4,300	5.2	3,445
2019-20	6.2	4,318	5.2	3,609
2020-21	6.2	4,421	5.1	3,619

¹⁸ Account balance data drawn from ATO 2021-22 Taxation Statistics, Snapshot 5, Chart 12

¹⁹ Average across all age groups, including under 18s.

²⁰ Median across all age groups, including under 18s.

²¹ ABS Household Income and Wealth Australia, 2019-20, table 12.1

²² ATO website – Superannuation guarantee gap. Estimates last updated 30 October 2023

²³ Note: The net gap includes the impacts of ATO compliance activities, while the gross gap does not.

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Superannuation Data Fact Sheet

SG increase cameos²⁴

- Gregory is a recent school leaver and starts his career at a local grocery store where he works his whole career until Age Pension age of 67. His balance will be \$22,500 higher at retirement as a result of the permanent 0.5 ppt increase in the Super Guarantee, from 11 to 11.5 per cent.
- Jackie has just graduated university and taken up a graduate position as a professional lawyer at age 27. During her career, she takes an extended six year career break for birth and care of her two children. Her balance will be \$20,500 higher at retirement as a result of the permanent 0.5 percentage point increase in the Super Guarantee.
- Terri is 35 and has worked part-time as a shop assistant since the birth of her first child. Her balance will be \$5,000 higher at retirement as a result of the permanent 0.5 percentage point increase in the Super Guarantee.
- Vince is a 35 year old construction worker and due to physical demands of his job retires at age 60 and accesses his super until he is eligible for the Age Pension. His balance will be \$16,500 higher at retirement as a result of the permanent 0.5 percentage point increase in the Super Guarantee.
- Kacey is a 35-year-old medical professional, who started working full-time from the age of 35 until retiring at age 67. Her balance will be \$18,500 higher at retirement as a result of the permanent 0.5 percentage point increase in the Super Guarantee.
- Theresa is a 50-year-old consultant professional. She transitions to part-time work at age 60 until retiring at age 67. Her balance will be \$6,000 higher at retirement as a result of the permanent 0.5 percentage point increase in the Super Guarantee.
- Roger is a 50-year-old manager of a restaurant and works in his job until Age Pension age of 67. His balance will be \$6,500 higher at retirement as a result of the permanent 0.5 ppt increase in the Super Guarantee, from 11 per cent 11.5 per cent.

²⁴ Treasury modelling. Note: \$ increases are in real \$2023-24 and rounded to the nearest \$500.

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Superannuation Data Fact Sheet

Retirement

- Over the next 10 years, an estimated 2.5 million Australians will move from the accumulation to the retirement phase of superannuation, with \$820 billion in aggregate retirement savings or around \$190,000 for the average Australian.²⁵
- As at 30 June 2023, there are over 3.0 million people aged 55 to 64 years old; around 4.6 million people aged 65 and over.²⁶
 - There are approximately 5.3 million people aged between 50 and age pension age ('at or approaching retirement').
- Superannuation coverage of working age people (25-64 years) is 86 per cent. Coverage for those aged 65 and over is 49 per cent.²⁷

Age Pension

- Full-rate Age Pension is currently \$29,023.80 p.a. (\$1,116.30 per fortnight) for singles and \$43,752.80 p.a. (\$1,682.80 per fortnight) for couples.²⁸
- In 2022-23, 68.7 per cent of those of Age Pension eligibility age received an Age Pension or other income supports (e.g. Service Pension).²⁹
 - The Intergenerational Report projects the proportion of the eligible population on a pension payment will decline around 15 percentage points over the next 40 years to 2062-63; the proportion receiving a part-rate pension rising from 40 per cent currently to 60 per cent.³⁰
- Approximately **\$54.8 billion** was spent on the Age Pension in **2022-23**.³¹
- Base pensions are indexed twice a year, on 20 March and 20 September. Indexation takes account of increases to CPI and PBLCI and is benchmarked against MTAW.

²⁵ Treasury modelling. Note: \$ increases are in real \$2022-23.

²⁶ ABS National, state and territory population, September 2023.

²⁷ ABS Household Income and Wealth 2019-20, table 12.1.

²⁸ Includes max. pension and energy supplements, as at 20 March 2024.

²⁹ DSS 2022-23 Annual Report. Other income supports include Service and Partners' pensions, Carer Payment and DSP.

³⁰ 2023 Intergenerational Report p. 168, Treasury modelling.

³¹ DSS 2022-23 Annual Report.

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Superannuation Data Fact Sheet

SMSF

- As at March 2024, SMSF assets were worth **\$933 billion**, around 24.0 per cent of all superannuation assets.³² Net SMSF assets were worth \$896 billion.
- In 2022-23, there were over **1.1 million SMSF members**.
- In 2021-22, there was **\$16.3 billion in member contributions** to SMSFs and **\$5.7 billion in employer contributions**.
- Median assets per SMSF was \$826,299 (2021-22).
- Median assets per SMSF member was \$467,187 (2021-22).
- 68.3 per cent of SMSFs had two members, 24.8 per cent had one.
- 52.9 per cent of SMSF members were male and 86.7 per cent of SMSF members were over 45 years old.

Total SMSF asset allocation, March 2024		
	Assets (\$ billion)	Assets as % of SMSF assets
Cash and Term Deposits	145	15.5%
Listed Trusts	54	5.8%
Unlisted Trusts	123	13.1%
Other Managed Investments	56	6.0%
Listed Shares	271	29.0%
Real Property	142	15.2%
Limited Recourse Borrowing Arrangements	63	6.8%
Other	80	8.6%
Total (gross assets)*	933	100%

Proportion of SMSFs, by total asset range (2021-22)	
\$0 to \$200,000	13.9%
> \$200,000 to \$500,000	19.1%
>\$500,000 to \$1m	25.4%
> \$1m to \$5m	37.2%
> \$5m	4.4%

³² ATO SMSF quarterly superannuation statistics, March 2024
*may not match the sum of the components due to rounding.

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Petrol prices

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KEY MESSAGE

- The ACCC is watching to ensure motorists get a fair deal at the bowser.

KEY FACTS AND FIGURES

	SYD	MEL	BRI	PER	ADE	CBR	HOB	DAR
Daily average price (cpl)* 3/7/24	182	186	192	205	169	198	192	185
2024 Peak price (weekly cpl)**	220.4	-	230.6	-	-	-	-	-
Date of peak	21 Apr 2024	-	28 Apr 2024	-	-	-	-	-
Peak price 2022 (weekly cpl)**	216.4	229.3	219.3	211.0	217.7	222.0	218.8	209.8
Price if full excise rate^	238.5	251.4	241.4	233.1	239.8	244.1	240.9	231.9
Date of peak - 2022	26 June	10 July	26 June	3 July	10 July	3 July	3 July	10 July

All prices are for Unleaded 91 fuel

*Data from Fuel Price Australia - <https://fuelprice.io/> (3 July 2024 9:27 am; prices update on the website throughout the day)

**Data from Australian Institute of Petroleum - <https://www.aip.com.au/pricing>

^Excise cut March – July 2022 = 22.1cpl and August – September = 23.0cpl

Excise rate from 5 February 2024 – 49.6cpl.

- The Australian Institute of Petroleum (AIP) reports that the national average unleaded petrol price for the week ending 30 June 2024 was 190.2 cpl, down from 197.6 cpl for the week ending 23 June 2024.
- The AIP national average petrol price recently peaked at 212.1 cpl on 28 April 2024, before falling to current levels.
- In its latest petrol monitoring report released on 12 June 2024, the ACCC found that for the 5 largest cities average retail petrol prices in the March 2024 quarter were 193.2 cpl, a decrease of 1.7 cpl compared with the previous quarter.

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Division responsible	Market Conduct and Digital Division		
Date of Update	3 July 2024		

Petrol prices

- However, daily average retail petrol prices increased to relatively high levels in April 2024.
 - On 30 April 2024, 7-day rolling average retail petrol prices across the 5 largest cities reached a record high, in nominal terms, of 215.2 cpl.
 - The effects of international factors and geo-political events such as conflict and geo-political tension in the Middle East, a rise in attacks on energy facilities in Russia and Ukraine and threats to shipping lanes in the Red Sea continued to influence relatively high Australian retail petrol prices.
- The decrease in quarterly average retail petrol prices largely reflected lower average wholesale and retail costs and margins on a quarterly basis. However, average prices were also influenced by higher international refined petrol prices and higher taxes.
- Over the year to March 2024, annual average gross indicative retail differences were 15.1 cpl, which is around pre-pandemic levels in real terms. Gross indicative retail differences are the difference between average retail petrol prices and indicative wholesale prices across the 5 largest cities. They are a broad indicator of gross retail margins (including both retail operating costs and profits).
- Average petrol prices in regional locations in aggregate were 193.7 cpl in the March quarter 2024, 0.5 cpl higher than average prices in the 5 largest cities (193.2 cpl). Average regional petrol prices decreased by 5.2 cpl from the December quarter 2023, while average prices in the 5 largest cities decreased by 1.7 cpl.
- Quarterly average retail diesel prices decreased by more than 10 cpl in each of the capital cities following lower international diesel benchmark prices compared with the previous quarter.
 - Quarterly average retail diesel prices in the 5 largest cities were 195.7 cpl in the March quarter 2024, a decrease of 12.3 cpl from the December quarter 2023 (208.0 cpl).

BACKGROUND

- The ACCC monitors fuel prices pursuant to a direction made in December 2022 under s95ZE of the Competition and Consumer Act 2010.

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Competition aviation

KEY MESSAGE

- The Government is committed to a safe, competitive, sustainable, and efficient aviation sector that provides a high standard of service and better consumer protections for Australians.

KEY FACTS AND FIGURES

- On 2 July 2024, creditors of Bonza Aviation agreed with the administrators' recommendation to wind up the company due to insolvency. This is a commercial decision.
 - Bonza Aviation entered voluntary administration on 30 April 2024. It serviced around 2.0 per cent of the domestic market and had around 323 employees.
 - The Government is supporting Bonza workers who have been made redundant, including through employment services and the Fair Entitlements Guarantee.
 - The administrators have been providing appropriate information to ASIC.
- On 6 May 2024, the ACCC announced Qantas had admitted that it misled consumers by advertising tickets for flights that had already been cancelled, and the parties agreed to ask the Federal Court to impose a penalty of \$100 million on Qantas for breaching the Australian Consumer Law.
 - As this matter is before the Court, it is not appropriate to make further comments.
- On 21 February 2024, Minister Catherine King announced a package of reforms to the Sydney Airport Demand Management Scheme to boost efficiency, enhance competition, strengthen the compliance regime and deliver better consumer outcomes.
 - These reforms respond to the independent Harris Review (2021).
- On 21 May 2024, the ACCC released its latest report on domestic air passenger services. It found that the aviation industry appears to have recovered from the COVID-19 pandemic.
 - Domestic passenger numbers exceeded pre-pandemic levels for the first time in February 2024.

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Competition aviation

- Average revenue per passenger (a proxy for airfares) was 4.8 per cent lower in real terms in March 2024 compared with a year ago.
- The industry cancelled 2.8 per cent of flights in March 2024, an improvement from 5 per cent in December 2023.
- On-time performance across the industry was 77 per cent in March 2024, compared with 64 per cent in December.
- The Government has undertaken a comprehensive review of the industry and expects to release an Aviation White Paper in mid-2024.
 - The Government has been consulting on a range of matters as part of this process, including competition reforms needed to build a more robust and resilient airline industry, and consumer protections.

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Competition aviation

BACKGROUND

ACCC Qantas court action

- On 31 August 2023, the ACCC launched action in the Federal Court alleging Qantas engaged in false, misleading or deceptive conduct, by advertising tickets for more than 8,000 flights that had already been cancelled.
- The ACCC also alleged that, for more than 10,000 flights scheduled to depart, Qantas did not promptly notify existing ticket holders that their flights had been cancelled.
- On 6 May 2024, Qantas and the ACCC announced that they will ask the Federal Court to impose a penalty of \$100 million on Qantas for breaching the Australian Consumer Law.
- Qantas has also undertaken to the ACCC to pay about \$20 million to more than 86,000 customers who were sold tickets on these cancelled flights (\$225 to domestic ticket holders and \$450 to international ticket holders).
- Qantas has also undertaken to notify customers of cancelled flights as soon as practicable and no more than 48 hours from deciding to cancel the flight. It has also undertaken to stop selling cancelled flights as soon as practicable, and in any event within 24 hours of its decision to cancel. The undertaking also applies to Jetstar.

Sydney Airport Demand Management

- The independent Harris Review of the Sydney Airport Demand Management Scheme, prepared by Mr Peter Harris AO, was released in 2021.
 - The Harris Review was commissioned to determine if the Sydney Airport demand management objectives remained relevant and the scheme fit-for-purpose.
 - The Harris Review identified that the framework had not kept pace with international standards and made recommendations to incorporate updated standards, improve the efficiency of slot use and to strengthen governance and compliance arrangements.

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Competition aviation

ACCC Airline monitoring

- In June 2020, the ACCC was directed to monitor the prices, costs, and profits of Australia’s domestic airline industry. This direction concluded 30 June 2023.
 - The final report concluded a lack of effective competition in Australia’s domestic airline industry has resulted in higher airfares, more cancellations and delays and poorer service for consumers.
- The ACCC has continued to conduct its business-as-usual work to ensure compliance with competition and consumer law.
- On 30 September 2023, in an interview with the Guardian Australia, the ACCC Chair stated *“That original direction had a specific focus on the impact of Covid. We do see a case for reinstatement of a direction that would look to the status of competition, and survey prices, costs and the manner of operations... both to meet customer service expectations but also in terms of enabling the success of entry and expansion of recent entrants, including Rex and Bonza.”*
- On 18 October 2023, the Government announced the recommencement of ACCC monitoring of domestic air passenger services.
- On 7 November 2023 the Competition and Consumer (Price Monitoring – Domestic Air Passenger Transport) Direction 2023 came into effect. The direction is issued under section 95ZE of the Competition and Consumer Act 2010 and requires the ACCC to monitor prices, costs and profits.
 - Key matters covered are the level of capacity the airlines are putting on each route as well as industry performance, including on cancellations and delays. The ACCC will release reports at least quarterly.
 - The resumption of domestic air passenger services monitoring by the ACCC will complement its enforcement of competition and consumer law.
 - A competitive airline industry helps to put downward pressure on prices and deliver more choice for Australians dealing with cost-of-living pressures.

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Competition aviation

- If asked: Why the Government waited so long to recommence ACCC monitoring?
 - The previous direction was made at a time of severe disruption to the airline sector in the wake of COVID-19 border closures and Virgin Australia entering administration.
 - However, engagement with industry and stakeholders, including through consultation on the Aviation Green Paper, has highlighted a need to recommence monitoring of prices, costs, and profits by the ACCC.

Competition Taskforce

- As part of its contribution to the White Paper, the Competition Taskforce has been actively building the evidence base to better understand the link between competition and prices in Australia's aviation sector.
 - In general, airfares were found to be 5 to 10 per cent lower with an additional airline on a route after controlling for other factors (including underlying differences between routes), with further reductions in airfares for each additional airline.

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Global Economic Outlook

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KEY MESSAGE

- Global growth is forecast at 3¼ per cent in 2024 and then remain flat into 2025 and 2026. This is subdued by recent historical standards and would represent the longest stretch of below average growth since the early 1990s.
- Inflation in advanced economies has declined significantly since peaking in mid to late 2022 but remains elevated and in most cases is not expected to return to central bank targets until 2025.
- The global outlook remains complex and uncertain. Heightened geopolitical tensions remain a key risk to global inflation and growth. Tackling inflation remains the primary focus but, as inflationary pressures abate and labour markets soften, the global policy focus will increasingly shift to managing risks to growth.
- Most advanced economies recorded subdued growth during 2023 and around a third of OECD members recorded a technical recession.

KEY FACTS AND FIGURES

- The global economy is expected to grow at 3¼ per cent in 2024 and maintain that growth rate in 2025 and 2026.
 - Australia's major trading partners are expected to have grown by 3.5 per cent in 2023. Growth is forecast to slow to 3¼ per cent in 2024 and maintain that growth rate in 2025 and 2026.
- The most recent IMF and OECD forecasts for global growth in 2024 and 2025 are broadly in line with Budget.
 - In the IMF World Economic Outlook in April, global growth was forecast to remain at 3.2 in 2024 and 2025.
 - In May, the OECD forecast the global economy to grow by 3.1 per cent in 2024 before rising to 3.2 per cent in 2025.
- Inflation in advanced economies has declined significantly since peaking in mid to late 2022 but remains elevated and is not expected to return to central bank targets until 2025.

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Global Economic Outlook

- The global outlook remains complex and uncertain. Heightened geopolitical tensions in the Middle East have added to the significant risks associated with Russia's invasion of Ukraine. An escalation in geopolitical tensions remains a key risk to inflation and global growth as it has the potential to disrupt energy markets and increase shipping costs by compromising trade routes.
- The evolution of inflation and the timing of monetary policy easing remain key risks to the outlook. If inflation proves to be more persistent than expected, monetary policy settings will need to remain restrictive for longer, which will increase the cost of disinflation in terms of lower growth and increased unemployment.
- Developments in China present significant risks to global demand, particularly for key trading partners including Australia.
 - Persistent weakness in Chinese domestic demand associated with deleveraging in the residential property sector represents a downside risk to growth.
- Some governments, particularly in Europe, will be under pressure to repair public finances given the considerable expansion in debt and deficits to support growth during the pandemic and, more recently, to ease cost of living pressures.
- If fiscal consolidation is too rapid, it would prove harmful to global growth.
- Fiscal consolidation may also be made difficult by a deterioration in the outlook for fiscal revenues in some economies, presenting long-term challenges.

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Global Economic Outlook

BACKGROUND

- The US grew by 2.5 per cent in 2023. At Budget Treasury forecast the economy to grow by 2½ per cent in 2024, 1½ per cent in 2025 and 2 per cent in 2026.
 - The impact of monetary policy tightening on growth has been more muted than expected.
 - Stronger activity and persistent inflation in early 2024 have pushed out the expected timing and quantum of monetary policy easing. There is growing risk that persistence in inflation delays policy easing.
 - Growth is expected to slow in the second half of 2024 and into 2025 as an easing in the labour market, diminished household savings buffers and less accommodative fiscal policy weigh on activity.
 - In the IMF World Economic Outlook in April, the United States was forecast to grow by 2.7 per cent in 2024 and 1.9 per cent in 2025.
 - In the OECD Interim Economic Outlook, in March, the United States was forecast to grow by 2.6 per cent in 2024 and 1.8 per cent in 2025.
- China's economy grew by 5.2 per cent in 2023, in line with the government's target of 'around 5 per cent'. At Budget Treasury forecast its economy to grow by 4¾ per cent in 2024, and then slow to 4 ¼ per cent in 2025 and 2026.
 - If realised, this will represent the slowest period of economic growth since the Chinese economy began opening up in the late 1970s.
 - China faces structural challenges from slowing urbanisation, population ageing and lower productivity growth. Authorities are attempting to address these challenges through support for new industries, such as electric vehicles and green energy, while pivoting away from traditional growth drivers such as property development.
 - In the IMF's final Article IV report in May, China's economy was forecast to grow by 5 per cent in 2024 and 4.5 per cent in 2025.
 - In the OECD Interim Economic Outlook in March, China was forecast to grow by 4.9 per cent in 2024 and 4.5 per cent in 2025.

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Global Economic Outlook

Table 1: Through-the-year headline inflation comparison

	Latest data		Previous data		Peak	
	Result	Date	Result	Date	Result	Date
Australia	3.6	Mar-24	4.1	Dec-23	7.8	Nov-22
Canada	2.9	May-24	2.7	Apr-24	8.1	Jun-22
Euro area	2.5	Jun-24	2.6	May-24	10.6	Oct-22
France	2.1	Jun-24	2.3	May-24	6.3	Feb-23
Germany	2.2	Jun-24	2.4	May-24	8.8	Oct-22
Italy	0.8	Jun-24	0.8	May-24	11.8	Oct-22
Japan	2.8	May-24	2.5	Apr-24	4.3	Jan-23
New Zealand	4.0	Mar-24	4.7	Dec-23	7.3	May-22
United Kingdom	2.0	May-24	2.3	Apr-24	11.1	Oct-22
United States	3.3	May-24	3.4	Apr-24	9.1	Jun-22

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Global Economic Outlook

Table 2: Through-the-year core inflation comparison

	Latest data		Previous data		Peak	
	Result	Date	Result	Date	Result	Date
Australia^(a)	3.7	Mar-24	3.7	Dec-23	7.1	Dec-22
Canada^(a)	2.9	May-24	2.7	Apr-24	5.5	Jul-22
Euro area^(a)	2.9	Jun-24	2.9	May-24	5.7	Mar-23
France^(b)	1.7	May-24	1.9	Apr-24	6.2	Apr-23
Germany^(a)	2.9	Jun-24	3.0	May-24	5.8	Mar-23
Italy^(c)	2.0	Jun-24	2.0	May-24	6.3	Feb-23
Japan^(d)	2.1	May-24	2.4	Apr-24	4.3	May-23
New Zealand^(f)	4.1	Mar-24	4.1	Dec-23	6.7	Dec-22
United Kingdom^(e)	3.5	May-24	3.9	Apr-24	7.1	May-23
United States^(a)	3.4	May-24	3.6	Apr-24	6.6	Sep-22

a) Excluding food and energy

b) Excluding energy, tobacco, volatile seasonal items and tax impacts

c) Excluding energy and unprocessed food

d) Excluding fresh food and energy

e) Excluding energy, food, alcohol and tobacco

f) Excluding food, housing utilities and vehicle fuels

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ADDITIONAL TABLES

Table 3. World GDP growth

World GDP growth (a)(b)	2023	2024 (f)	2025 (f)	2026 (f)
Treasury - 2023-24 MYEFO	3.2	3 1/4	3 1/4	3 1/4
IMF		3.2	3.2	-
OECD		3.1	3.2	-
World Bank		2.9	3.1	-

Note:

(a) Percentage change on the preceding year.

(b) World growth rates calculated using GDP weights based on purchasing power parity.

(f) refers to forecast years.

Source: Treasury 2024-25 Budget forecasts; IMF World Economic Outlook, April 2024; OECD Economic Outlook May 2024; World Bank January 2024 Global Economic Prospects.

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Table 4. International Labour Market comparison

Country	Labour market
United States	4.0% unemployment (May 2024)
	62.5% participation (May 2024)
United Kingdom	4.4% unemployment (February 2024 - April 2024)
	62.6% participation (February 2024 - April 2024)
Euro area	6.4% unemployment (May 2024)
	57.9% participation (March quarter 2024)
Japan	2.6% unemployment (May 2024)
	63.1% participation (May 2024)
New Zealand	4.3% unemployment (March quarter 2023)
	71.5% participation (March quarter 2023)

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Forecast Comparisons

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FORECAST COMPARISON TABLES

GDP and Unemployment Rate

	Real GDP (a)				Nominal GDP (a)			
	2022-23	2023-24 (f)	2024-25 (f)	2025-26 (f)	2022-23	2023-24 (f)	2024-25 (f)	2025-26 (f)
Treasury - 2024-25 Budget	3.1	1 3/4	2	2 1/4	9.8	4 3/4	2 3/4	4
RBA - May		1.5	1.7	2.3		na	na	na
Deloitte Access Economics - Mar		1.5	1.7	2.2		4.3	3.8	4.5
CBA - June		1.4	1.5	na				
	2023	2024 (f)	2025 (f)	2026 (f)				
Treasury - 2024-25 Budget	2.0	1 3/4	2 1/4	2 1/4				
RBA - May		1.3	2.1	na				
IMF - Apr		1.5	2.0	2.2				
OECD - May		1.5	2.2	na				
Consensus (Mean) - June		1.3	2.3	na				
Consensus (Minimum) - June		0.9	1.9	na				
Consensus (Maximum) - June		2.0	2.9	na				
	2022-23	2023-24 (f)	2024-25 (f)	2025-26 (f)				
Treasury - 2024-25 Budget	3.6	4	4 1/2	4 1/2				
RBA - May		4.0	4.3	4.3				
Deloitte Access Economics - Mar		4.3	4.7	4.7				
ANZ - June		4.0	4.3	na				
CBA - June		4.0	4.5	na				
NAB - June		4.1	na	na				
WPC - June		4.0	4.5	na				

Prices and Wages

	Consumer Price Index (c)				Wage Price Index (c)			
	2022-23	2023-24 (f)	2024-25 (f)	2025-26 (f)	2022-23	2023-24 (f)	2024-25 (f)	2025-26 (f)
Treasury - 2024-25 Budget	6.0	3 1/2	2 3/4	2 3/4	3.7	4	3 1/4	3 1/4
RBA - May		3.8	3.2	2.6		4.2	3.6	3.3
Deloitte Access Economics - Mar		3.3	2.6	2.5		4.0	3.3	3.2
ANZ - June		4.0	2.4	na				
CBA - June		3.7	2.6	na				
NAB - June		3.7	na	na				
WPC - June		3.8	2.4	na				
	2023	2024 (f)	2025 (f)	2026 (f)				
Consensus (Mean) - June		3.4	2.8	na				
Consensus (Minimum) - June		3.1	2.3	na				
Consensus (Maximum) - June		3.7	3.2	na				

(a) Percentage change on the preceding year.

(b) Seasonally adjusted rate for the June quarter.

(c) Through-the-year growth rate to the June quarter.

Note: 2022-23 financial year and 2023 calendar year numbers are actuals.

Source: Treasury 2024-25 Budget forecasts; National Income, Expenditure and Product, March 2024; RBA Statement on Monetary Policy May 2024; Deloitte Access Economics March 2024 Business Outlook; IMF World Economic Outlook, April 2024; OECD Economic Outlook, May 2024; Consensus Forecasts, June 2024. Westpac, CBA and ANZ were updated on 28 June 2024. NAB was updated on 18 June 2024.

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Mortgage and Rental Stress

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KEY MESSAGE

- The Government recognises that many Australians are facing mortgage and rental stress.
 - For related policy responses, see QB24-000096 Housing Agenda, QB24-000056 Monetary Policy and QB24-000014 Inflation and Cost of Living.

KEY FACTS AND FIGURES

- Higher interest rates and rents are being felt unevenly, and some households are experiencing financial stress.
- In its October 2023 statement the Reserve Bank indicated that rent inflation was expected to remain high over the entire forecast period, maintaining pressure on renters and interest rates. The Reserve Bank has not yet indicated that rent inflation has subsided.

Housing (affordability) stress

- The State of the Housing System Report was released by the National Housing Supply and Affordability Council on Friday 3 May.
 - Over the Council's 6-year projection horizon, the market is projected to supply 1,040,000 dwellings after deducting demolitions. New demand is projected to total 1,079,000 households. This represents a total shortfall of new market supply relative to new demand of around 39,000 dwellings over the 6-year period.
 - These shortfalls in new supply relative to new demand will add to the already significant undersupply of housing in the system. As a result, the Council expects housing affordability to deteriorate further over the forecast horizon.
 - The report found that housing affordability deteriorated to its worst level on record in 2023, with the share of income that households spent on housing estimated to have reached 21 per cent.

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Mortgage and Rental Stress

- Lower-income, government-supported and younger households continued to face poor housing affordability, although government assistance has relieved some rises in housing costs.
- Renters have experienced poorer financial and psychological wellbeing than mortgage holders.
- The REIA Housing Affordability Report (March Quarter 2024) found housing affordability has improved for the first time since 2021.
 - Over the March quarter 2024, the proportion of income required to meet average loan repayments fell 1.0 percentage points to 46.7 per cent.

Mortgage stress

- To date, the vast majority of borrowers have continued to service their debts as required, including by adjusting their spending and saving patterns, and finding additional work.
 - Household finances have been supported by the strong labour market, which has underpinned growth in nominal income.
- A number of households are experiencing financial stress.
 - For Australians with an average variable rate loan, interest rate rises since May 2022 have increased the size of their monthly repayment by a little over 50 per cent. For homeowners owing \$420,000 (Treasury’s estimate of the average outstanding owner-occupier mortgage), this means having to find an extra \$1,037 each month for their mortgage repayments (see Table 1 for further details).
 - The Reserve Bank estimates that 5 per cent of owner-occupier borrowers have a cash flow deficit, meaning that they need to draw down on available savings buffers or find other margins of adjustment, such as additional work, to meet their essential expenses and scheduled mortgage repayments.
 - : This year is likely to remain challenging for households facing acute budget pressures. Assuming the Reserve Bank’s February forecasts and underlying assumptions, these pressures are expected to begin to ease from late 2024, with the share of households with a cash flow

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Mortgage and Rental Stress

deficit declining from 5 per cent to around 2½ per cent by the end of 2025.

- According to APRA data to the March quarter 2024, the share of loans that are non-performing has increased to 1.0 per cent, just above pre-pandemic levels.
- According to the IMF, Australians devote the greatest share of their income to mortgage repayments among major advanced economies.
- According to the Reserve Bank, most borrowers who are rolling off low-interest fixed rate loans onto higher interest rate loans are well-placed to manage the transition.
 - The Reserve Bank estimates 450,000 fixed rate loans will expire in 2024.
- Some existing borrowers have become unable to refinance with a new lender because they cannot meet the serviceability criteria, including an interest rate buffer of at least 300 basis points.
 - Banks are able to make exceptions to the serviceability buffer when assessing mortgage applications. The number of exceptions remain low, with APRA writing a letter to the banks in June 2023 reminding them to manage any exceptions prudently.

Rental stress

- Rising rental prices, cost of living pressures, and a tight rental market are making life difficult for some renters.

s 47(1)(b)

- CPI rents - which measure household out-of-pocket rental costs for existing rental contracts in capital cities - were 7.8 per cent higher in the twelve months to March 2024 (ABS Quarterly CPI March 2024).

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Mortgage and Rental Stress

- Although renters are more likely to experience financial stress compared to homeowners, they do not pose direct financial stability risks as they do not have material debts. However, they are acutely feeling the effects of a 7 per cent reduction in real disposable income since the start of 2022 (March 2024 Financial Stability Review).
 - Higher financial stress is because renters have lower incomes and savings buffers across all age groups compared to homeowners.

s 47(1)(b)

- In the September quarter 2023 NAB Consumer Insights Survey, 10 per cent of respondents reported they were unable to pay their rent on time, up from 8 per cent in the previous quarter (Financial Hardship Report Q3 2023).
- The 2024 Anglicare Rental Affordability Snapshot analysed affordability of advertised rents for fourteen low-income household types (such as households on Job Seeker, Age Pension or earning minimum wage). It concluded that finding an affordable and suitable home to rent in the private market was the worst it has ever been, “a crisis for people on the lowest incomes” (Anglicare Rental Affordability Snapshot – National Report April 2024).
 - The Snapshot was based on listings on realestate.com.au, captured on the weekend of 16-17 March. Of the 45,115 properties surveyed, only 450 properties (or 1 per cent), were affordable for rent by a couple on the age pension without dependants.
 - The Essential Workers Report from last year examined affordability of advertised rents for 16 categories of essential worker, at the same point in time as the Snapshot. It found the lowest paid workers examined (including retail workers, cleaners and early childhood educators) could only afford about 1 per cent of the nearly 46,000 properties surveyed (Anglicare Rental Affordability Snapshot Essential Workers Report August 2023).

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- The 2023 Shelter Rental Affordability Index analysed affordability of rents across income ranges, capital cities and regions. It concluded that rental affordability is worse than it was before the pandemic with all capital cities except Canberra and Hobart worsening in affordability in the past year (National Shelter-SGS Economics and Planning Rental Affordability Index – National Report November 2023).
 - Greater Sydney and greater Hobart are the least affordable, with the average renter in both cities spending 29 per cent of their income on rent.
- The REIA Housing Affordability Report (March Quarter 2024) found rental affordability continues to decline. Nationally, the proportion of income required to meet median rents increased 0.5 percentage points over the quarter to 24.4 per cent.
 - Over the March 2024 quarter, rental affordability declined in all states and territories ranging from 0.2 percentage points in Victoria to 0.7 percentage points in Tasmania.

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Mortgage and Rental Stress

BACKGROUND

Table 1: Mortgage repayments by mortgage size and interest rate

Outstanding Loan Balance (Existing borrowers)	Monthly Repayment at 18 June 2024 with 25 years remaining @ retail rate of 7.11%	Cumulative Increase in Monthly Repayment since 1 May 2022	Change in monthly repayment if rates change by:				Cumulative change in monthly repayment since 1 May 2022 if rates change by:			
			-25 basis points	-50 basis points	+25 basis points	+50 basis points	-25 basis points	-50 basis points	+25 basis points	+50 basis points
\$200,000	\$1,428	\$494	-\$32	-\$63	\$32	\$65	\$462	\$430	\$526	\$558
\$300,000	\$2,141	\$741	-\$48	-\$95	\$48	\$97	\$693	\$645	\$789	\$838
\$400,000	\$2,855	\$987	-\$64	-\$127	\$64	\$129	\$924	\$861	\$1,052	\$1,117
\$420,000	\$2,998	\$1,037	-\$67	-\$133	\$68	\$136	\$970	\$904	\$1,104	\$1,173
\$500,000	\$3,569	\$1,234	-\$80	-\$159	\$80	\$162	\$1,155	\$1,076	\$1,315	\$1,396
\$600,000	\$4,283	\$1,481	-\$96	-\$190	\$97	\$194	\$1,385	\$1,291	\$1,578	\$1,675
\$700,000	\$4,997	\$1,728	-\$112	-\$222	\$113	\$226	\$1,616	\$1,506	\$1,841	\$1,954
\$800,000	\$5,710	\$1,975	-\$128	-\$254	\$129	\$259	\$1,847	\$1,721	\$2,104	\$2,234
\$900,000	\$6,424	\$2,222	-\$143	-\$285	\$145	\$291	\$2,078	\$1,936	\$2,367	\$2,513

Note: Assumes 25 years left on mortgage, 100% of loan is on variable rates, retail banks pass through 100% of the cash rate change, and current mortgage rate as of 18 June 2024 is 7.11% (mean April 2022 retail variable rate of 2.86%, plus a 425-basis-point increase in the cash rate).
 We estimate that the average existing owner occupier loan is approximately \$420,000 (Treasury estimate from ABS and APRA data). The average new owner-occupier loan in April 2024 was \$625,791 (ABS).

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Mortgage and Rental Stress

Less frequent measures of housing affordability and housing stress

- The ABS produces two high-quality but infrequent housing affordability data sources – the Census and the Survey of Income and Housing. There is necessarily a substantial lag between data collection and publication.
- The most recent ABS Census of Population and Housing provides housing and homelessness data as at August 2021, including rental and mortgage affordability indicators.
 - At least 32.2 per cent of renter households had weekly rent payments exceeding 30 per cent of household income.
 - At least 14.5 per cent of mortgager households had monthly mortgage repayments exceeding 30 per cent of household income.
- The most recent ABS Survey of Income and Housing (SIH) is for the 2019-20 reference year. The SIH is normally collected every two years, but was not collected for the 2021-22 reference year due to COVID-19. The next public release of SIH data will be in late 2025 or early 2026 for the 2023-24 reference year.

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Future Made in Australia

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KEY MESSAGE

- A Future Made in Australia is about maximising the economic and industrial benefits of the move to net zero and securing Australia's place in a changing global economic and strategic landscape.

KEY FACTS AND FIGURES

- The Government is investing \$22.7 billion over the next decade to build a Future Made in Australia. It is supporting a Future Made in Australia, by:
 - attracting and enabling private investment
 - making Australia a renewable energy superpower
 - value adding to our resources and strengthening economic security
 - backing Australian ideas: innovation, digital and science
 - investing in people and places.
- The Government has introduced a ***Future Made in Australia Bill (the Bill)*** to promote and facilitate investment in the public interest.
 - The National Interest Framework defines criteria for identifying sectors that will be key to the net zero transformation and where Australia could have a genuine comparative advantage, or where there is an economic security or resilience imperative to invest in domestic capability.
 - The Bill also includes Community Benefit Principles, which will ensure public investment and the private investment it generates lead to strong returns and stronger communities.
 - The Community Benefit Principles focus on promoting safe, secure, well-paid jobs, developing skilled workforces, engaging local communities, strengthening domestic industrial capabilities and demonstrating transparency and compliance with Australia's tax system.
- The Government will also progress other reforms such as the creation of a new front door for investors.

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Contact Officer	§ 22	Contact Number	§ 22
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Future Made in Australia

BACKGROUND

Attracting and Enabling Private Investment

Attracting Investment in Key Industries

- A Future Made in Australia will include establishing a new front door for investors with major, transformational investment proposals. The front door will have the following core functions, subject to consultation; provide a single point of contact with Government for investors and companies with major investment proposals; deliver a joined-up approach to investment attraction and facilitation; identify priority projects related to the Future Made in Australia agenda, and support accelerated and coordinated approvals; and connect investors with the Government's special investment vehicles.
- This Budget includes \$11.4 million over four years from 2024-25 (and \$3.1 million per year ongoing from 2028-29) to establish and manage a domestic National Interest Account with Export Finance Australia, supporting domestic projects in the national interest, consistent with the Future Made in Australia National Interest Framework.
- The Government is providing \$1.9 million in 2024–25 to undertake an independent statutory review of the Northern Australia Infrastructure Facility.

Strengthening Approvals Processes

- The Government will provide \$200.8 million to 2034-35 to strengthen approval processes to support the delivery of the Government's Future Made in Australia agenda, including Australia's transition to a net zero economy. Funding includes:
 - \$96.6 million over four years from 2023–24 to support timely environmental approval decisions by providing more support for project assessments, better planning in priority regions and more funding for threatened species research.
 - \$20.7 million over seven years from 2024-25 (and \$0.4 million per year ongoing from 2031-32) to improve community engagement and social licence outcomes through permanent establishment of the Australian Energy Infrastructure Commissioner, and the development of voluntary national developer standards.

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- \$19.9 million over four years from 2024–25 to support assessment of priority renewable energy projects, to support the identification of national priority projects, working in collaboration with the states and territories.
- \$17.7 million over three years from 2024–25 to help reduce the backlog and support the administration of complex cultural heritage applications in the system.
- \$15.7 million over four years from 2024–25 (and \$4.1 million per year ongoing from 2028–29) to strengthen and streamline the Government’s approach to foreign investment, including to strengthen scrutiny of high-risk investment proposals, enhance monitoring and enforcement activities and support faster approval processes.

Promoting Sustainable Finance Markets

- The Government has committed \$17.3 million to progress key priorities identified in the Sustainable Finance Strategy. These reforms are essential to mobilise the volume of private capital needed for Australia to transition to net zero. This funding will support:
 - extending Australia’s sustainable finance taxonomy to the agricultural sector and the development of long-term governance arrangements.
 - development of a new labelling regime for investment products marked as sustainable.
 - a review of sustainability data challenges.
- Funding will also be allocated to the Australian Securities and Investments Commission (ASIC) to maintain the integrity of sustainable finance markets, including by increasing greenwashing compliance and enforcement activity.
- These measures complement the Government’s climate disclosure legislation and forthcoming issuance of Green Bonds.

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Future Made in Australia

Australia as a Renewable Energy Superpower

Innovation

- The Government will provide \$3.2 billion over the next decade through the Australian Renewable Energy Agency to support the commercialisation of technologies that are critical to net zero. This includes:
 - \$1.7 billion over ten years from 2024–25 to establish the Future Made in Australia Innovation Fund, to be administered by the Australian Renewable Energy Agency, to support innovation, commercialisation, pilot and demonstration projects and early-stage development in priority sectors, including renewable hydrogen, green metals, low carbon liquid fuels and clean energy technology manufacturing such as batteries.
 - \$1.5 billion over seven years from 2027–28 (and an average of \$125.0 million per year from 2034–35 to 2036–37) to the Australian Renewable Energy Agency, to supercharge ARENA’s core investments in renewable energy and related technologies.

Hydrogen

- A Hydrogen Production Tax Incentive for renewable hydrogen produced from 2027–28 to 2039-40, to support the growth of a competitive hydrogen industry and Australia’s decarbonisation, at an estimated cost to the budget of \$6.7 billion over the medium term.
- \$1.3 billion over ten years from 2024–25 (and an average of \$151.6 million per year from 2034-35 to 2038–39) for an additional round of the Hydrogen Headstart program, to bridge the green premium for early-mover renewable hydrogen projects.

Guarantee of origin

- \$32.3 million over the forward estimates to fast-track the initial phase of the Guarantee of Origin Scheme to measure and certify emissions intensity across the supply chain of key products, and support the expansion of the program to green metals and low-carbon liquid fuels, and consult on additional incentives to support the production in these industries.

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Green metals

- \$15.4 million over the forward estimates for foundational initiatives to expedite the emergence of Australia's green metals industry, including through enhanced industry and research collaboration, exploration of opportunities to improve the use of Australian scrap metal and undertaking of further consultation on incentives to support the production of green iron, steel, alumina and aluminium.

Harnessing the Energy Transition to Benefit Consumers

- \$27.7 million over four years from 2024–25 (and \$0.7 million per year ongoing) to establish a Consumer Energy Resources (CER) Taskforce, delivering reforms to allow consumers to utilise their rooftop solar, household batteries and electric vehicles to lower their energy costs and contribute to the grid during high demand periods.

Agriculture and Land Sectors

- \$63.8 million over ten years from 2024–25 (and \$0.9 million per year ongoing) to support emission reduction in the agriculture and land sectors as part of Australia's transition to net zero by 2050. Funding will help drive innovation, build capacity for on-ground action to reduce emissions and improve greenhouse gas accounting at national and farm levels.

Improving the Carbon Credit Unit Scheme

- \$48.0 million over four years from 2024–25 to strengthen community engagement in and benefits from the transition by investing an additional in the reforms to the Australian Carbon Credit Unit scheme.

Value adding to our resources and strengthening economic security

Processing and refining critical minerals

- Government support includes:
 - A Critical Minerals Production Tax Incentive for critical minerals processed and refined between 2027–28 to 2039–40, for up to ten years per project, to support downstream refining and processing of Australia's 31 critical minerals to improve supply chain resilience, at an estimated cost to the budget of \$7.0 billion over the decade.

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- \$1.2 billion in strategic investments in priority critical minerals projects including up to \$655.0 million under the Critical Minerals Facility and up to \$400.0 million through the Northern Australia Infrastructure Facility. This includes financing to support the Alpha HPA alumina project in Queensland and Arafura Rare Earth's Nolans Rare Earth project in the Northern Territory. The Government has also revised the terms of its support to Renascor Resources Limited. The financial implications of this support is not for publication (nfp) due to commercial sensitivities.
- \$10.2 million in 2024–25 for the Critical Minerals National Productivity Initiative as a 50:50 co-funding model with states and territories to develop pre-feasibility studies. The measure will provide a comparative analysis and potential funding envelope required to develop each critical minerals and strategic materials infrastructure precinct.

Clean energy manufacturing

- \$1 billion over 13 years from 2024–25 to establish the Solar Sunshot program administered by the Australian Renewable Energy Agency to promote the development of solar manufacturing capabilities, and improve the industry's supply chain resilience through production incentives and other forms of support.
- \$523.2 million over seven years from 2024–25 to establish the Battery Breakthrough Initiative, administered by the Australian Renewable Energy Agency, to promote the development of battery manufacturing capabilities through production incentives targeted at the highest value opportunities in the supply chain.
- \$20.3 million over five years from 2023–24 for the Powering Australia Industry Growth Centre and the Future Battery Industries Cooperative Research Centre to enhance industry and research collaboration, including workforce training for battery research, manufacturing, transport and recycling
- \$5.6 million in 2024–25 to support delivery of the Australian Made Battery Manufacturing Precinct to drive battery manufacturing in Australia.
- \$2.0 million over two years from 2024–25 for a techno-economic feasibility study to explore solar value chain opportunities that could be generated from developing a green polysilicon industry in Australia, including through export and cooperative international opportunities.

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Future Made in Australia

Backing Australian ideas: innovation, digital, science

Investing in Innovation, Science and Digital Capabilities

- \$466.4 million provided by Export Finance Australia on the National Interest Account into Psi Quantum to build a commercial scale quantum computer, as part of a joint investment with the Queensland Government. Quantum computers are the next major development in computing, delivering tremendous data processing power, to solve complex problems and drive advances in new medicines, artificial intelligence (AI) and the net zero transition. The profile of the financing package are not for publication (nfp) due to commercial sensitivities.
- \$566.1 million over ten years from 2024–25 (and an average of \$111.8 million per year from 2034–35 to 2058–59) for Geoscience Australia to map Australia’s national groundwater systems and resource endowments to increase industry investment and identify potential discoveries of all current critical minerals and strategic materials. This extends the terminating Exploring for the Future program, reshaping it as the Resourcing Australia’s Prosperity program.

Defence Industry Development Strategy

- \$165.7 million to establish the Defence Industry Development Grant program for the Australian defence industry, supporting Australian businesses to increase their scale and competitiveness in response to Defence’s capability requirements.

Investing in people and places

Workforce and Trade Partnerships for Renewable Energy Superpower Industries

- The Government is investing \$91.0 million over five years from 2023-24 (and an additional \$0.6 million over three years from 2028–29) to accelerate the development of the clean energy workforce through expanded access to the New Energy Apprenticeship Program and investments in VET clean energy courses.

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- This Budget also expands support for women training in male-dominated industries through \$55.6 million over four years for the Building Women's Careers program and \$38.2 million over eight years from 2023–24 (and \$1.3 million per year ongoing) to support diversity in science, technology, engineering, and maths.

Nuclear Powered Submarine Program – workforce investments

- \$64.8 million to attract and retain the skilled industrial workforce needed to support defence industrial priorities. This includes funding for 3,000 scholarships for students studying undergraduate STEM courses relevant to the nuclear-powered submarine enterprise. It also includes initiatives delivered through the new Skills and Training Academy to attract and retain the Australian industrial workforce required to support the delivery of Australia's conventionally-armed nuclear-powered submarines. This includes funding for a pilot apprenticeship program in trades, materials testing and welding programs, training for TAFE teaches, and the co design of new training programs with industry.

Net Zero Economy

- The Government has expanded the Net Zero Economy Authority to promote orderly and positive economic transformation as the global economy decarbonises, to ensure Australia, its regions and workers realise and share the benefits of the net zero economy:
 - The Government has committed \$209.3 million over the four years from 2024-25 (and \$53.3 million per year ongoing), or \$582.4 million over the decade to expand the Net Zero Economy Authority to coordinate policy and deliver across government, broker investments that create jobs in regions, and support workers affected by the net zero transition.
 - The Authority will invest \$44.4 million over the four years from 2024-25 in an Energy Industry Jobs Plan for those workers directly impacted by relevant closing coal-and gas-fired power stations to transition to new employment opportunities.

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- The Authority and the Department of Employment and Workplace Relations will receive \$134.2 million over the four years from 2024-25, \$377.8 million over the decade (and \$40.1 million per year ongoing from 2035-36), to provide workforce transition supports, including comprehensive employment and skills services for impacted workers, their families and the broader community in key regions.
- The Authority will also work bilaterally with states to identify transformational projects and initiatives for future investment.
- The Authority will invest \$10.0 million over two years from 2023-24 to deliver a public information campaign on the net zero transition and ensure affected workers and communities are aware of the support available.
- \$1.3 million over the four years from 2024-25 for Treasury to develop and issue best practice guidance for businesses disclosing net zero transition plans.

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KEY FACTS AND FORECASTS

FISCAL & BUDGET

	2022-23	2023-24 (f)	2024-25 (f)	2025-26 (f)	2026-27 (f)	2027-28 (f)
UCB (% of GDP)	22.1 (0.9%)	9.3 (0.3%)	-28.3 (-1.0%)	-42.8 (-1.5%)	-26.7 (-0.9%)	-24.3 (-0.8%)
Payments (% of GDP)	627.4 (24.5%)	683 (25.4%)	726.7 (26.4%)	762.2 (26.6%)	786.7 (26.0%)	826.2 (26.0%)
Tax Receipts (% of GDP)	601.3 (23.5%)	638.8 (23.8%)	642.5 (23.3%)	661.6 (23.1%)	702.3 (23.2%)	742.3 (23.3%)

Note: Forecasts (f) are from the 2024-25 Budget.

Debt (\$b)	At 30 Sep 2013	At 31 Jan 2020	Most recent	as at	2023-24 (f)	2027-28 (f)	Peak reported*
Net debt	174.6	430.2	486.1 [^]	31/05/2024	499.89	697.5	NA
Gross debt	280.3 ^{**}	568.1 ^{**}	906.9 ^{^^}	28/06/2024	904.00	1112.0	35.2% in 2026-27
Government Bond Interest Rate (as at 2024-25 Budget) <i>(weighted average borrowing cost for future issuances)</i>					4.2%		

[^]Reported monthly from the Australian Government General Government Sector Monthly Financial Statements

^{^^}Face value of Total Australian Govt Securities on Issue (updated weekly)

* The peaks cited here are the end-of-year peaks as at 30 June

** Reported on a dealt basis to include transactions (issuance and buybacks) according to the date the transaction occurred

Expenses (2024-25 Budget)	2023-24 (\$b)	2027-28 (\$b)
Social security and welfare	252.3	304.1
Education	49.1	56.9
Health	107.4	122.8
General public services	31.4	31.8
Defence	45.1	55.1
Total Expenses	691.1	829.8

Note: expenses (Fiscal balance) rather than payments (UCB) - % about the same. Defence is appropriations

Receipts (2024-25 Budget)	2023-24 (\$b)	2027-28 (\$b)
Individual and other withholding tax	334.6	392.8
Company tax	142.9	150.8
GST	85.8	103.4
Super fund taxes	11.7	23.1
Non-tax receipts	53.6	59.5
Total receipts	692.3	801.8

ECONOMY

Total size of economy (Nominal GDP) (2022-23): \$2.6 trillion

	Qtr	Tty	Year Avg to	2022-23	2023-24 (f)	2024-25 (f)	2025-26 (f)	2026-27 (f)	2027-28 (f)
	Mar-24 (%)	(Mar-24) (%)	Mar-24 (%)						
Real GDP	0.1	1.1	1.7	3.1	1 ¼	2	2 ¼	2 ½	2 ¾
Consumption	0.4	1.3		5.9	¼	2	2 ¾		
Business investment	-0.7	3.9		8.3	5 ½	1	2		
Terms of trade	0.2	-7.3		-0.5	-3 ¾	-7 ¾	-4		

Note: Forecasts (f) are from the 2024-25 Budget.

Population	Dec-23 (Q)	2023-24 (f)	2024-25 (f)	2025-26 (f)	2026-27 (f)	2027-28 (f)
Population (million)	27.0	27.2	27.6	28	28.4	28.7
Population growth (annual) (%)	2.5	2.0	1.5	1.5	1.4	1.3

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Productivity	Mar-24*		2019-20	2020-21	2021-22	2022-23	Productivity assumption**
	QoQ	TTY					
Labour productivity (whole of economy) (%)	0.0	0.0	1.4	1.9	1.6	-4.0	1.2
Multifactor Productivity (market sector) (%)			-0.4	0.9	2.6	-0.5	

Note: Treasury reports productivity metrics on a financial year basis rather than a calendar year basis. *Labour productivity on a quarterly basis is calculated as GDP per hour. This measure often experiences significant fluctuations and does not contain important information on multifactor productivity and contributions to economic growth of key factors. **Around the 20-year labour productivity growth average to 2021-22.

Labour Force	May-24	2022-23*	2023-24(f)	2024-25(f)	2025-26(f)	2026-27(f)	2027-28(f)
Number employed	14.4m						
Employment growth (tty, %)	2.5	3.6	2 ¼	¾	1 ¼	1 ¾	1 ¾
Unemployment rate (%)	4.0	3.6	4	4 ½	4 ½	4 ½	4 ¼
Unemployed	598,900						
Underemployed	1,003,200						
Underemployment rate (%)	6.7						
Underutilised (No. unemployed and underemployed)	1.6m						
Youth unemployment (%)	9.7						
Participation Rate (%)	66.8	66.6	66 ½	66 ½	66 ¼		
Employment to population ratio	64.1						

Note: Forecasts (f) are from the 2024-25 Budget.
*Employment growth is through-the-year growth rate to the June quarter. Unemployment rate and participation rate are seasonally adjusted rates for the June quarter.

Other Indicators	Qtr	Yr	2022-23	2023-24 (f)	2024-25 (f)	2025-26 (f)	2026-27 (f)	2027-28 (f)
WPI (%) (Mar-24)	0.8	4.1	3.7	4	3¼	3¼	3 ½	3 ½
CPI (headline) (%) (Mar-24)	1.0	3.6	6.0	3 ½	2 ¾	2 ¾	2 ½	2 ½
Real wages (%) (Mar-24)*	-0.2	0.5	-2.3	½	½	½	1	1
CPI (trimmed mean) (Mar-24)	1.0	4.0						
Monthly CPI indicator (%) (May-24)		4.0						

Note: Forecasts (f) are from the 2024-25 Budget and are through-the-year growth rates to the June quarter of each year.
*Real wages calculated as change in WPI (%) – change in CPI (%).

	Value	Change through the year
RBA Cash Rate Target (June-24)	4.35%	
Household debt (% disposable income) (Mar-24)	184.3%	
ABS Job Vacancies (May-24)	352,600 (-2.7%)	-17.7%

COST OF LIVING

Cost of Living	4-Jul-24
Wonder White Bread (700g) - Woolworths	\$4.40
Full Cream Milk 2L - Woolworths	\$3.10
Petrol (Unleaded, Average, Brisbane)*	\$1.90/L

*Based on Fuelprice.io prices

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Energy Prices	Value as of 2 July 2024	Q1 2024 vs Q1 2022	Q1 2024 vs Q4 2023	2024 YTD average vs 2023 YTD average	2024 YTD average vs 2023 CY average
Wholesale spot electricity (NEM) (\$/MWh)	\$184.32/MWh	6%	61%	13%	0%
Wholesale spot gas prices (\$/GJ)	\$17.13/GJ	-2%	7%	-4%	7%

Gas prices – AEMO. Wholesale spot gas prices comprise of the simple average daily ex-ante Short Term Trading Market prices in Sydney, Adelaide and Brisbane; 6 AM ex-ante price at the Victorian Declared Wholesale Gas Market; and volume weighted average price at the Wallumbilla Gas Supply Hub. YTD prices are updated as of 2 July 2024 and are the average price between 1 January to 2 July of each respective calendar year.

Electricity prices – AEMO. Wholesale spot prices are volume-weighted based on region 5-minute spot price and region 5-minute total dispatch demand over the relevant time period. YTD prices are updated as end 2 July 2024, and are the average price between 1 January to 2 July of each respective calendar year.

Expenditure Class CPI	Over Last Year to Mar-24 (%)
Electricity	2
Child care	-5.6
Medical and hospital services	4.5
Pharmaceutical products	2.9
Automotive fuel	5.2
Rents	7.8
Tertiary education	7
Gas and other household fuels	-2.3
International holiday travel and accommodation	-1.1

ESTIMATED MEDIAN HOUSEHOLDS' ELECTRICITY BILLS IN THE NATIONAL ELECTRICITY MARKET (NEM)

Region	Estimated median annual bill				Change Apr-22 to Aug-23		Change Oct-22 to Aug-23	
	Apr-22	Oct-22	Mar-23	Aug-23	\$	%	\$	%
NEM	\$1,295	\$1,589	\$1,515	\$1,730	\$435	34%	\$141	9%
NSW	\$1,460	\$1,848	\$1,830	\$2,053	\$593	41%	\$205	11%
SA	\$1,520	\$1,830	\$1,830	\$2,180	\$660	43%	\$350	19%
SEQ	\$1,290	\$1,620	\$1,603	\$1,860	\$570	44%	\$240	15%
VIC	\$1,186	\$1,390	\$1,323	\$1,590	\$404	34%	\$200	14%
TAS	\$2,125	\$2,500	\$2,430	\$2,525	\$400	19%	\$25	1%

Note: Estimates are based on preliminary data to 08 August 2023 covering new market offers published on government-run comparator websites.

Source: ACCC estimates

HOUSING & INTEREST RATES

Interest Rates	Current Value (%)	Change from previous month^	Change from previous year^
Weighted average new variable rate mortgage – owner occupied – all institutions (Apr-24)	6.27	-0.01	0.86
Weighted average outstanding variable rate mortgage – owner occupied – all institutions (Apr-24)	6.38	-0.01	0.56
Weighted average new variable rate small business loan – term (Apr-24)	7.13	-0.06	0.71
Average Credit Card Rate (Standard) (May-24)	20.16	0.00	0.34
Average Credit Card Rate (Low rate) (May-24)	13.69	0.36	1.12

^Percentage point difference

Mortgages	Current Value
Per cent of households owing owner occupied housing debt (2021 Census)	35%
Number of households (2021 Census)	9.8 million
Number of households with owner-occupier mortgages (Treasury estimate from ABS data, Sep-23)	3.6 million
Average owner-occupier mortgage debt outstanding (Treasury estimate from ABS data, Sep-23)	\$420,000

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Outstanding Loan Balance (Existing borrowers)	Monthly Repayment at 18 June 2024 with 25 years remaining @ retail rate of 7.11%	Cumulative Change in Monthly Repayments since 1 May 2022	Change in repayments if rates change by:	
			-25 basis points	+25 basis points
\$200,000	\$1,428	\$494	-\$32	\$32
\$300,000	\$2,141	\$741	-\$48	\$48
\$400,000	\$2,855	\$987	-\$64	\$64
\$420,000	\$2,998	\$1,037	-\$67	\$68
\$500,000	\$3,569	\$1,234	-\$80	\$80
\$600,000	\$4,283	\$1,481	-\$96	\$97
\$700,000	\$4,997	\$1,728	-\$112	\$113
\$800,000	\$5,710	\$1,975	-\$128	\$129
\$900,000	\$6,424	\$2,222	-\$143	\$145

Note: Assumes 100% of loan is on variable rates, retail banks pass through 100% of the cash rate change, and current mortgage rate as of 18 June 2024 is 7.11% (mean April 2022 retail variable rate of 2.86%, plus a 425-basis-point increase in the cash rate).

We estimate that the average existing owner occupier loan is approximately \$420,000 (Treasury estimate from ABS and RBA data). The average new owner-occupier loan in March 2024 was \$607,963 (ABS).

Impact on savers per year (25 basis points)	\$20,000	\$50,000	\$100,000	\$250,000
0.25%	\$50	\$125	\$250	\$625

Median Housing Price (CoreLogic) – Detached – June 2024

Australia	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra
\$860,454	\$1,466,475	\$948,879	\$953,028	\$824,669	\$791,926	\$691,339	\$589,166	\$986,414

WAGES

Wages	Annual	Weekly	Hourly	Through the year growth (%)
National Minimum Wage (Jul-24)	\$47,627	\$915.90	\$24.10	3.8
Average weekly total earnings (Nov-23)	\$74,495	\$1,432.60	-	3.9
Average weekly ordinary times earnings (Nov-23)	\$98,218	\$1,888.80	-	4.5
Median Weekly Earnings (Aug-23)	\$67,600	\$1,300.00	-	4.2

GOVERNMENT PAYMENTS

Australian Government Payments	Per Fortnight	Annual
Age Pension (Single – incl. supplements)	\$1,116.30	\$29,023.80
Age Pension (Couple – incl. supplements) (each)	\$841.40	\$21,876.40
	\$1,682.80	\$43,752.80
Disability Support Pension (Single, 21+, incl. supplements)	\$1,116.30	\$29,023.80
Youth Allowance – (under 18 living away from home - incl. energy supplement)	\$646.00	\$16,796.00
JobSeeker Payment (single - no children - over 22 - incl. energy supplement)	\$771.50	\$20,059.00
JobSeeker Payment (Partnered - over 22 - incl. energy supplement) (each)	\$706.20	\$18,361.20
Rent Assistance – (Single, no children, living alone, income support payment)	\$188.20	\$4,893.20
Rent Assistance – (Couple, no children income support payment) (combined)	\$177.20	\$4,607.20

Amounts payable depend on assessable income, number of dependents and whether single or in a couple.

Note: Rent Assistance figures are for the maximum rates for those on income support payments under the Social Security Act. Pension, JobSeeker and Commonwealth Rent Assistance figures reflects the 20 March 2024 indexation rate increase. JobSeeker Payment, Youth Allowance and Commonwealth Rent Assistance Payments also reflect the commencement of recent policy changes from 20 September 2023. Youth Allowance reflects the 1 January 2024 indexation rate increase.

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COMMODITIES AND EXCHANGE RATE

Exchange rates and Commodity spot prices	Updated on 4 July 2024	Assumption Start*	Assumption End*
Exchange Rate (AUD / USD)	0.67	0.65	0.65
Trade Weighted Index	63.9	62	62
Iron Ore (US\$/tonne)^	s 47(1)(b)	95	60
Metallurgical coal (US\$/tonne)^		240	140
Thermal coal (US\$/tonne)^		127	70
Tapis (US\$/barrel)**	87.7	94	94
North Asia LNG (US\$/MMBtu)^	s 47(1)(b)	10	10
Wheat (US\$/tonne)**	269.0	-	-
Sugar (US\$/LB)**	20.5	-	-

Note: Assumptions are from the 2024-25 Budget.

*Assumption start is the s 47(1)(b) Iron ore, coal and LNG prices are assumed to decline over four quarters to the end of the March quarter 2025. The Tapis oil price is assumed to remain around US\$94 per barrel.

^Provided by Argus Media (<https://www.argusmedia.com/en>). The price is for information purposes only (i.e., it is "read only").

**Provided by Bloomberg

Note: Iron ore is 62% Fe, FOB; Metallurgical coal is premium hard low-vol, FOB; Thermal coal is 6000k Cal, FOB; Oil is Malaysian Tapis; LNG is Northeast Asia (ANEA); Wheat is US HRW Gulf; and Sugar is raw sugar traded (ICE futures).

TAX

Taxable Income (\$)	Tax rates in 2023-24 (%)	Tax rates in 2024-25 under new tax cuts (%)	Tax rates in 2024-25 under Stage 3 (%)
0-18,200	Tax free	Tax free	Tax free
18,201-45,000	19	16	19
45,001-120,000	32.5	30	30
120,001-135,000	37	37	
135,001-180,000			
180,001-190,000			
190,001-200,000	45	45	45
>200,000			

Distribution of Personal Income Tax (2020-21)	% of Personal Income Taxpayers	# of Personal Income Taxpayers	% of Personal Income Tax Paid
Below \$18,201	0.5%	54000	0.0%
\$18,201-\$45,000	26.9%	3.1 million	3.2%
\$45,001-\$120,000	57.5%	6.7 million	41.5%
\$120,001-\$180,000	9.8%	1.1 million	19.9%
Over \$180,000	5.3%	625,000	35.4%

Company tax thresholds	Rate (%)
Base rate entities (turnover below \$50 million)	25
Entities with turnover above \$50 million	30

STATE ECONOMIC SUMMARY

Economic Activity									
	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS
Real GSP growth (2022-23) (%)	3.7	2.6	2.3	3.8	3.5	1.1	-5.3	4.3	3
GSP (2022-23) (\$billion)	777	569	503	142	445	41	33	51	2,561
GSP % of GDP	30	22	20	6	17	2	1	2	
Population (millions) (Dec-23)	8.4	6.9	5.5	1.9	2.9	0.6	0.3	0.5	27.0
% of Aus population (Dec-23)	31	26	21	7	11	2	1	2	
Real SFD Growth (Mar-24) (%)	0.5	0	0.6	0.2	-1	0.1	-1.8	1.1	
Labour Force (May 2024)									
	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS
Unemployment (%)	3.8	4.4	4.0	4.0	3.6	4.1	4.1	3.8	4.0
Employed people (million)	4.4	3.7	2.9	0.9	1.6	0.3	0.1	0.3	14.4
Underemployment (%)	6.3	7.1	6.9	7.5	5.8	7.8	3.9	4.8	6.7
Participation (%)	65.9	67.8	67.2	62.3	69.2	61.5	72.5	72.6	66.8
Prices & Wages*									
	SYD	MEL	BNE	ADL	PER	HOB	DAR	CBR	AUS
CPI (%) (Mar-24)	3.8	3.6	3.4	4.3	3.4	3.1	3.3	3.3	3.6
WPI (%) (Mar-24)	4.2	3.6	4.6	3.8	4.2	4.9	4.1	3.2	4.1
Real Wages (%) (Mar-24)	0.4	0	1.2	-0.5	0.8	1.8	0.8	-0.1	0.5

Note: WPI figures are for the state or territory corresponding to the capital city.

*Figures in this table are original

SUPPLEMENTARY INDICATORS

	Change from previous period (%)	Change through the year (%)
Household consumption		
Nominal retail sales (May-24) (m)	0.6	1.7
Motor vehicle sales (VFACTS, original) (Jun-24) (m)	7.7	-4.2
ANZ-Roy Morgan Weekly Consumer Confidence (w/e 30 June) (w)	0.9^^	7.2^^
Westpac-MI Consumer Sentiment (index) (Jun-24) (m)	1.4^^	4.4^^
Household saving ratio (per cent) (Mar-24) (q)	-0.7^	-1.7^
Dwelling investment		
Real dwelling investment (Mar-24) (q)	-0.5	-3.4
Dwelling finance (ex. refinancing) (Apr-24) (m)	4.8	24.6
Building approvals (total, number) (May-24) (m)	5.5	-8.5
CoreLogic Hedonic Home Value Index* (June-24) (m)	0.7	8.0
CoreLogic Hedonic Rental Value* (June-24) (m)	0.4	8.2
Business investment		
Capital expenditure survey (Mar-24) (q)	1.0	5.5
Nominal corporate GOS** (profits) (Mar-24) (q)	2.1	-4.7
Construction work done (Mar-24) (q)	-2.9	1.8
NAB business survey – Conditions (net balance) (May-24) (m)	-1^^	-5^^
NAB business survey – Confidence (net balance) (May-24) (m)	-4^^	0^^
Balance of payments and external sector		
Exports volumes (Mar-24) (q)	0.7	3.2
Import volumes (Mar-24) (q)	5.1	7.4
Goods trade balance (\$b) (May-24) (m)	-0.3^^	-5^^
Current account balance^ (% of GDP) (Mar-24) (q)	-1.1^	-1.9^

^ Percentage point difference; ^^ Level difference; *Includes detached houses and other dwelling units at the national level.

** This includes both public and private companies.