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HONEYWELL CAPITAL

THE SHARE MARKET IS NOT THE ECONOMY

GENDERED JOBS IN THE AUSTRALIAN LABOUR MARKET

ARE WE HEALTHY, WEALTHY AND WISE?

TRENDS IN FRIENDSHIP

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Max is one of our associates here at Honeywell Capital and has developed a keen understanding of investment markets. He continues to develop his knowledge and understanding of the market in every way possible.

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Rebecca is our in house Marketing manager and has had experience across a number of work places in her career. As well as an article or two, Rebecca has created the look and feel of the magazine.

FROM THE DIRECTOR

To The Readers,

As we approach the Holiday period I wish to share the unbelievable result that we at Honeywell have achieved in this last quarter. We now have approximately 1150 clients and are looking towards an interesting next year where we will be focusing on internal training packages and up skilling staff to bring you even better services. We have 6 staff on their professional year and I hope that you can appreciate the work and effort from these young motivated individuals. We have also invested in putting university professors and ex teachers on the payroll to design and improve our training packages. We are excited for this development.

I can remember exactly two years ago to this date (the 22nd), on my birthday, when I decided to go to the movies for a bit of me time. Honeywell wasn't the booming business it is today; but once I exited the cinemas I had 7 referrals on my phone waiting to be contacted. Now 7 referrals wouldn't cause that much of stir around here but I can tell you it was a very motivating birthday present. Those 7 referrals still use our services today! That is what makes me more proud. I love having clients for a long time. It gives us the ability to show you all how well this organisation knows this industry.

Merry Christmas and I will hopefully make contact with you in the new year.

Christian Cramp

Director

REASONS FOR OPTIMISM

BY ROBERT MOORE

Shane Oliver, AMP chief economist, is feeling positive about the Australian economy.

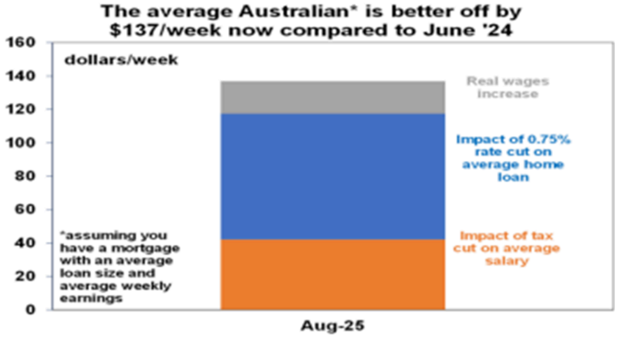
He offers a number of persuasive reasons to believe the Australian economy is travelling well.

‘Firstly, while real wages will take a long while to catch up with where they were in 2020, they are rising again (with wages growth at 3.4%yoy in the June quarter versus inflation of 2.1%yoy) and this is likely to continue, albeit with some narrowing of the gap.’

Secondly, Dr Oliver notes interest rate cuts, bosted household finances.

Thirdly, last July’s tax cuts have increased disposable income.

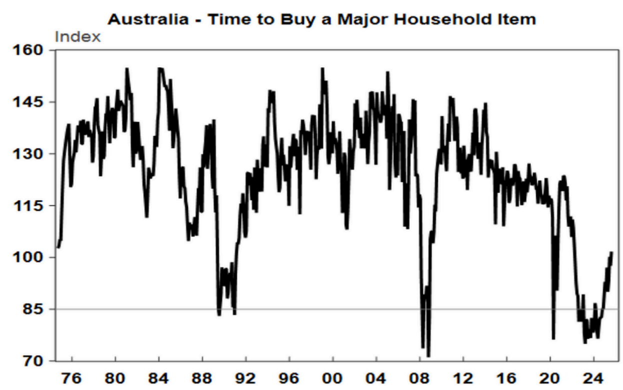
He notes the increase in real wages, the 3 mortgage rate cuts, along with tax cuts have provided a $137 boost to a person on average earnings with a mortgage- see below.



Source: RBA, ABS, AMP

Fourthly, ‘the rising trend in shares, strong super returns and the renewed upswing in property prices is driving a positive wealth effect.’

Fifthly, consumer confidence is up. More are seeing now as a good time to purchase a major household item- see below.



He concludes:

‘Finally, lower interest rates are helping to drive a rising trend in building approvals which points to a further rise in dwelling investment.

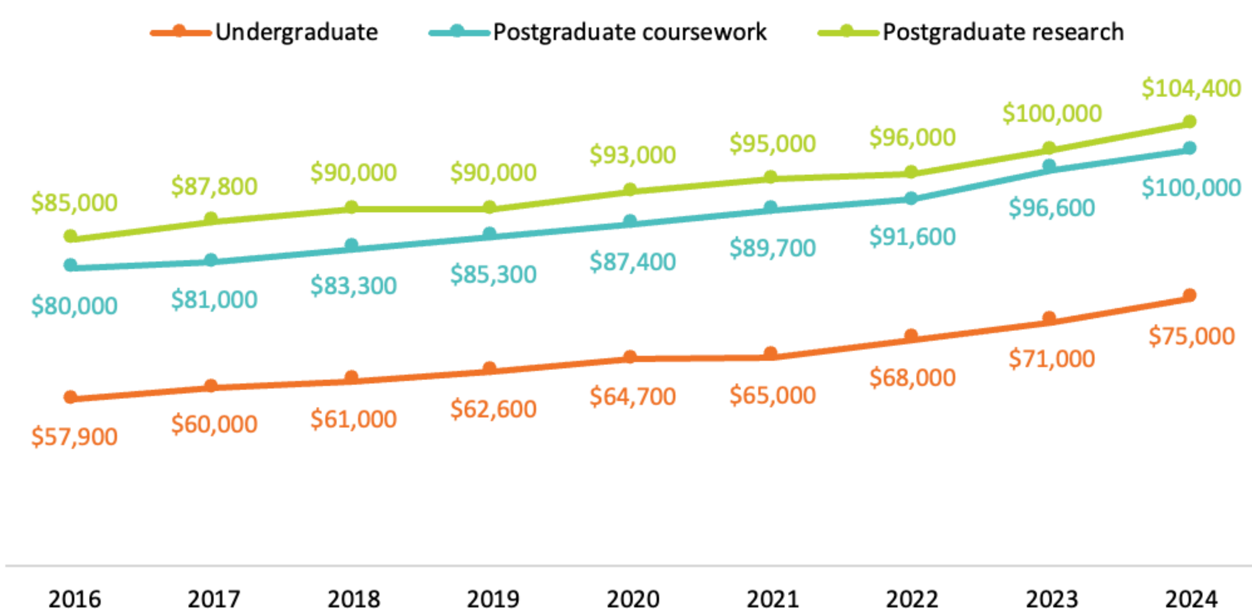
Overall, we see growth improving to around 2.5%yoy next year.’

Dr Oliver adds a further reason for optimism:

‘The gradual pick up in Australian economic growth is a positive sign that profits will continue to improve. All of which should be positive for share market returns, notwithstanding the risk of a short-term correction flowing mainly from US uncertainties around tariffs and jobs.’

Graduates: HIGHER PAY, HIGHER COST

By Robert Moore



Two recent reports have provided insights into work outcomes for graduates.

The Graduate Outcomes Survey found that higher-level qualifications generally lead to higher salaries, as well as improved employment outcomes.

For those working in the months after completing their course, the median salary of undergraduates employed full-time in 2024 was $75,000 per year. For postgraduate coursework graduates it was $100,000, and for postgraduate research graduates it was $104,400 – see above. This is an increase of 5.6% between 2023 and 2024 for graduates, and of 3.5% and 4.4% for postgraduate coursework and postgraduate research, respectively.

The full-time employment rates were similar for male and female graduates, but males earned $4,000 more in the short term, but $7,000 more three years later.

Table 7 Undergraduate median annual full-time salaries by study area, 2024 ($)

Study area	Female	Male	Total
Agriculture and environmental studies	70,800	73,200	71,500
Architecture and built environment	69,400	78,700	75,000
Business and management	72,000	72,000	72,000
Communications	66,500	63,400	65,200
Computing and information systems	75,000	76,000	75,300
Creative arts	62,000	65,500	62,600
Dentistry	97,300	n/a	103,300
Engineering	78,300	80,000	80,000
Health services and support	73,600	75,800	74,900
Humanities, culture and social sciences	72,400	74,000	73,100
Law and paralegal studies	75,000	80,000	76,000
Medicine	84,000	87,700	86,800
Nursing	71,400	74,000	72,000
Pharmacy	59,500	58,900	59,500
Psychology	75,000	77,800	75,100
Rehabilitation	75,000	75,000	75,000
Science and mathematics	70,000	75,000	72,400
Social work	81,500	82,300	82,000
Teacher education	78,300	81,000	78,800
Tourism, hospitality, personal services, sport and recreation	60,000	70,200	63,900
Veterinary science	70,000	n/a	70,000
All study areas	**73,400**	**76,000**	**75,000**

"

NEARLY HALF OF ALL 25–34-YEAR-OLDS FEEL UNIVERSITIES DO NOT PREPARE PEOPLE FOR THE REAL WORLD.

"

Undergraduate median salaries in 2024 varied among study areas - see above.

The Survey found:

'The study areas with the highest undergraduate median salaries were Dentistry at $103,300, Medicine $86,800, Social work $82,000, Engineering $80,000, and Teacher education $78,800. The areas with the lowest median salaries were Pharmacy at $59,500, Creative arts $62,600, Tourism, Hospitality, Personal Services, Sport, and Recreation $63,900, and Communications $65,200.'

A separate survey of 1000 Australians commissioned by Deakin University found:

- The increasing cost of getting a degree has become a significant barrier to enrolment.
- As reported by the AFR, nearly half of all 25–34-year-olds feel universities do not prepare people for the real world, that the quality of teaching falls short, and that course content is outdated.
- 40% of respondents felt university executives were more interested in revenue and rankings that the quality of the university experience.

AUSTRALIA'S YOUNG PEOPLE: PESSIMISTIC, DOING IT TOUGH

By Robert Moore

Key characteristics of young Australians

In August Deloitte Access Economics published 'Australia's Youth Agenda: Economic and policy imperatives'. It provides a snapshot of young Australians over time- see right, that provides a useful context for further discussion on the wellbeing of youth.

Of particular interest is the later marriage age, changes in households, and the reduced likelihood of home ownership.

How pessimistic are young people?

Recently, The Economist published 'The middle-aged are no longer the most miserable.' The newspaper noted:

'For decades, surveys have suggested that middle age is the low point of life. While young and old generally reported high levels of life satisfaction, those in mid-life endured a slump.

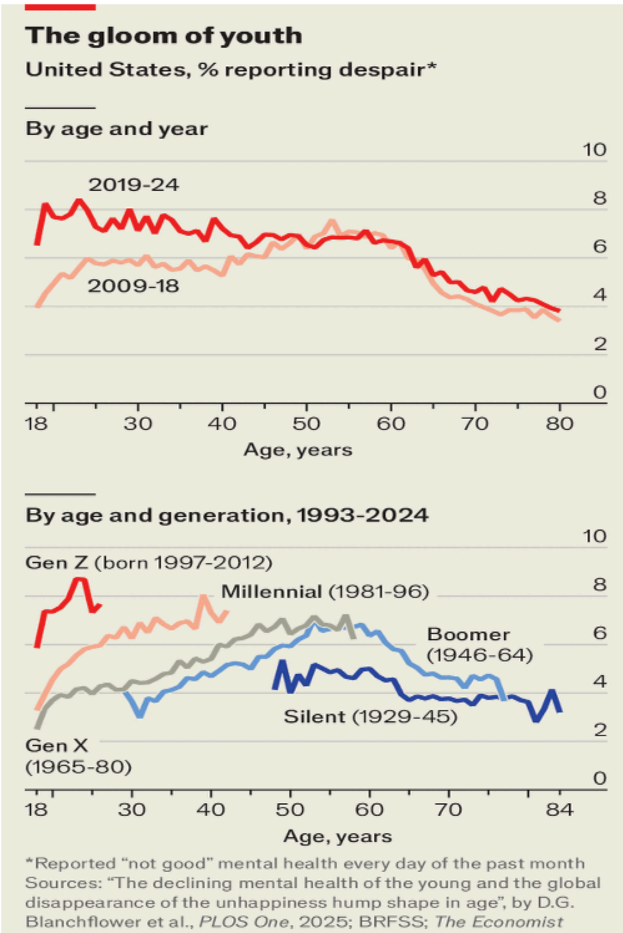
Recently, however, the curve seems to have become warped. A study published on August 27th by economists David Blanchflower, Alex Bryson and Xiaowei Xu finds that young people across the world are now reporting the highest levels of misery of any age group.'

This is shown on the next page.

Table 1: Young Australians (25- to 39-year-olds) are...

		Baby boomers – 1991 Census	Generation X – 2006 Census	Millennials – 2021 Census
Family and living arrangements	**Less likely to be married:** The share never married has risen ...	26%	43%	53%
	Getting married later: Half of young Australians were married at ...	Age 27	Age 32	Age 34
	Living in very different households: The share who live as a couple ...	52%	41%	21%
Studying and qualifications	**More educated:** The share with non-school qualifications has risen significantly ...	48%	64%	79%
	More women are studying: The share of females with Bachelor degrees or higher has tripled ...	1 in 8	1 in 4	1 in 2
Work	**Worked in different labour markets:** The unemployment rate for 25-39 year olds...	8.4%	3.8%	3.5%
	Linking income and qualifications: The proportion in the top 15% income ranges with Bachelor degree or above ...	38%	52%	65%
	More women are working: The female participation rate for 25-34 year olds...	66%	68%	76%
Housing	**Less likely to be homeowners:** The share who owned their home has fallen ...	66%	62%	55%
	Especially for owning homes outright: Millennials are three times less likely to own their home outright...	19%	8%	6%
	Interest rates were very different: The RBA cash rate on the night of the Census was ...	9.5%	6.0%	0.1% (3.85% as of Jul-25)
Society	**More diverse:** The share born overseas has risen ...	26%	23%	36%
	Technology has changed: According to the ABS	World Wide Web's first page went live on the internet	Facebook became available to anyone above the age of 13	Drones and Unmanned Vehicles were top trending tech
	In the news: According to the ABS	Australia was in a recession, USSR dissolved	Melbourne held the XVIII Commonwealth Games	COVID-19 vaccine became available

Source: Deloitte Access Economics based on ABS Census data.



The top graph shows the share of respondents of each age who reported poor mental health every day in the past month. Between 2009 and 2018, misery peaked in middle age. But from 2019 to 2024, the pattern changed. Levels of unhappiness in middle-aged and older adults were roughly stable while despair among younger people increased.

The second graph shows each generation has become unhappier as they have reached middle age. It also shows that Generation X and millennials have slid into mid-life malaise earlier than boomers did, and that Generation Z are starting their adult life more miserable than any generation before. These trends suggest older people now look progressively less downcast than younger groups.

As well as high levels of unhappiness, the Deloitte Access Economics report also shows that despite being the most digitally connected generation younger Australians are lonely and have poor mental health:

- In the past decade, Australians aged 15 to 24 have shifted from the least lonely to the loneliest age group, with one in four (24.9%) experiencing loneliness in 2022.79
- Over half of young people (57%) aged 12 to 25 feel their mental health is getting worse, with 42% citing social media as the main reason.

Other concerns were found in a 2023 Monash University publication: '2023 Australian Youth Barometer', which found the following:

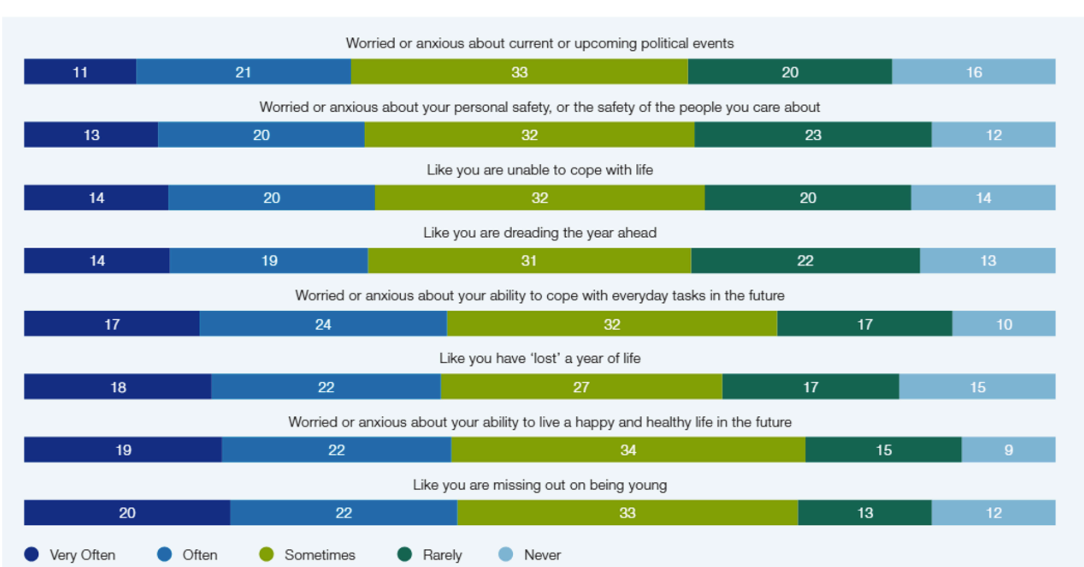
It should be noted, however, that while 26% of young Australians rated their mental health as poor or very poor, 36% rated it as good or excellent. Moreover, in an earlier report, published in March, there are signs of improvement in the mental health of youth, especially notable in those between 18–25-year-olds- see below.

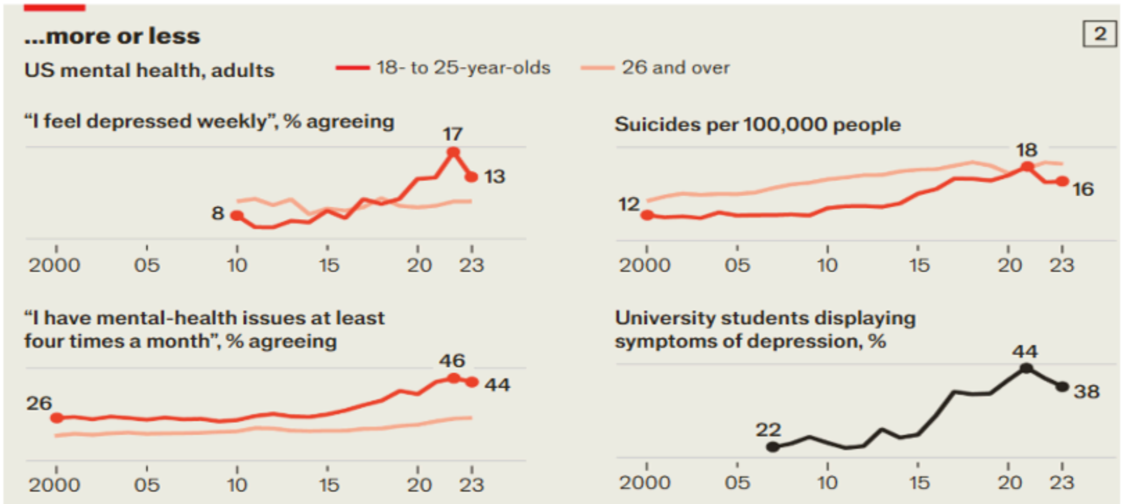
The Barometer is also provided in the data below.

What are the consequences of high levels of pessimism?

Deloitte notes:

'Loneliness is more than an emotional challenge—it is linked to





poorer mental and physical health outcomes, reduced workforce participation, and lower life satisfaction. If left unaddressed, rising loneliness may undermine community cohesion, increase demand on mental health services, and affect long-term productivity and wellbeing.'

Clearly, the unhappiness of young people can have significant economic implications, as well as profound psychological and social consequences.

These consequences are likely to have long-lasting implications. Indeed, the Hungarian sociologist Karl Mannheim has argued that the economic and social conditions of our youth leave a long-lasting imprint on their collective values, expectations and behaviour.

Reasons for youth's pessimism

Social media and modern technologies are often blamed for mental health issues. However, Millie Muroi, writing in the Sydney Morning Herald says:

'It's easy to blame the latter on young Australians being chronically online: nearly nine in 10 young people aged 18 to 34 are on social media, more than any other age group. And nearly two in five say it's easier to connect with people online than in person.

But delve into the research and the young people surveyed say social media is useful for maintaining existing connections, such as with friends or family, rather than developing new ones.'

The Economist is also sceptical:

'There is some support for a causal link, but the most rigorous studies, which track teenagers' mood and social-media use over long periods of time, do not find a strong relationship between such app use and subsequent mental ill-health.'

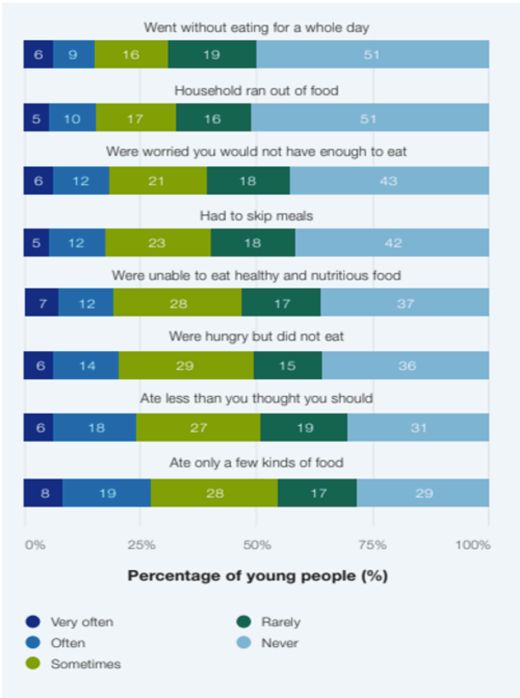
The labour market could be a factor. While, in the past, having a job provided a protective effect against poor mental health, this is less likely now. It seems, according to The Economist, job satisfaction and not just having a job is more important.

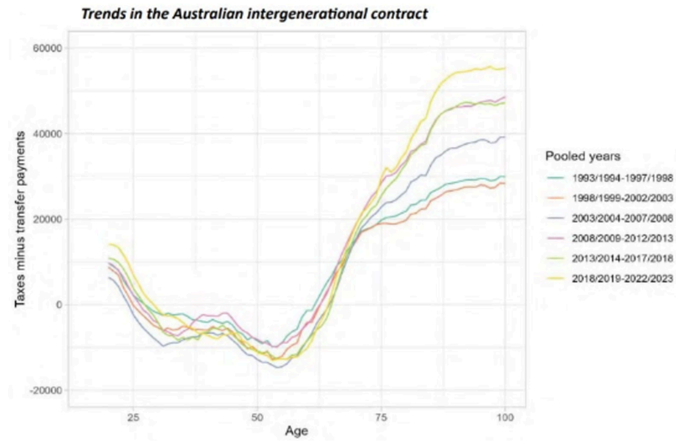
What are some other possible causes?

- **Cost of living pressures.** Deloitte reveals that around 2/3 of Gen Z Australians report living pay check to pay check despite cutting back spending more than any other age group (see chart on next page.) The high cost of living is also likely to contribute to the later marriage age and perhaps the surge in those who have never married. Monash University found 47% of young people think it is likely or extremely likely that they will have children in the future. It also reported that in the past 12 months, 21% experienced food insecurity, defined as being unable to access nutritious and culturally appropriate food.

Also, lack of money prevented 75% of young Australians from going out to eat with friends or family. Young First Nations peoples were more likely to experience food insecurity (37%), as were young people with long-term illness (27%), young people with a physical disability (28%) and young people with multiple conditions (53%) compared with young Australians without a disability (16%).

- **Maybe young people won't be richer than their parents.** Australia's economic prosperity over the long term has led to a significant increase in real incomes and material living standards over time: There is a general perception that young people will always have a higher standard of living than older cohorts. However, in 'Fairly Equal? Economic mobility in Australia', the Productivity Commission found slow growth in recent periods has meant people born in the 1990s have experienced almost no growth in incomes between the ages of 25–30 compared to those born in the 1980s- see below.





Mille Muroi argues:

'Young people today are the first generation at risk of being stuck with living standards below that of their parents and grandparents. For those who say they had it harder back in the day, too: we shouldn't be aspiring for that.'

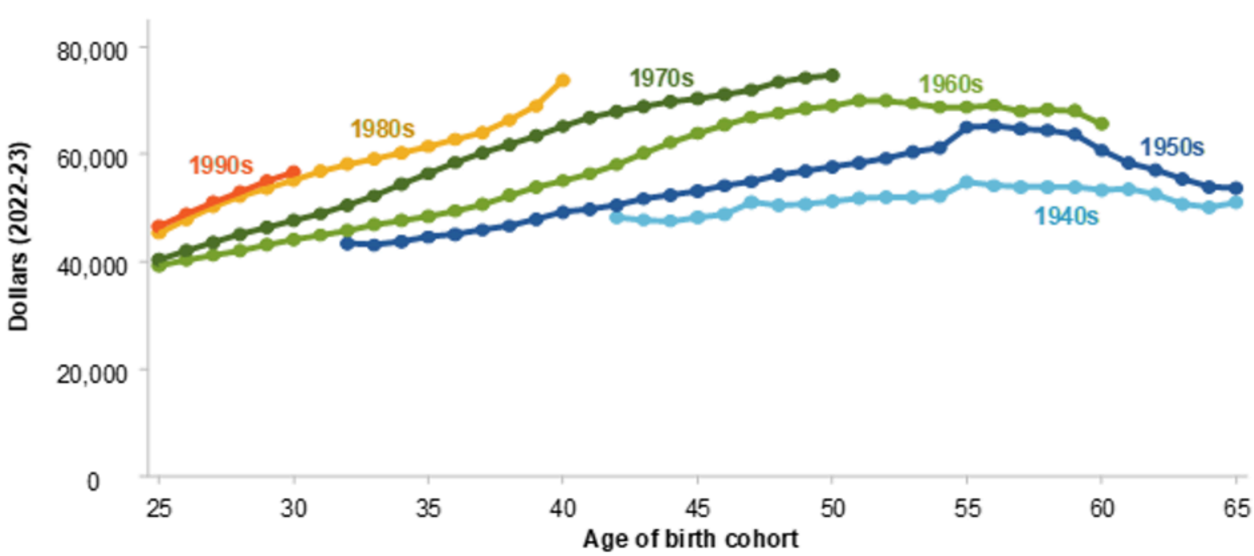
- **Intergenerational inequality, or as Ken Henry says- Intergenerational bastardry.** In a previous magazine we examined the graph below which shows our tax and transfer system has transferred money from people of working age to those of older ages in every period. But the net transfer to older Australians has increased most in real terms in recent years. And transfers to younger cohorts have not increased to the same degree. See chart at left.

Further, Hans Lee, from Livewire Markets, notes:

- Our home price-to-income ratio has increased from 3x in the mid-1980s to 9.6x today.
- It would take almost 11 years for the median income household to save a 20% deposit for the median dwelling value in Australia. This number has nearly tripled since 1984.

As well, in data released by the ABS on Tuesday:

- The average price of residential dwellings rose by another $14,100 in the June quarter.



- The average price of residential dwellings in NSW ($1,256,200) remains the highest in the country, followed by QLD ($977,300) and the ACT ($949,400). The median price for a house in Sydney is now $1,460,000.

Dan Woodman, Professor in Sociology at The University of Melbourne, highlights the significance of this along with the impact of high university fees:

- 'The things that really matter, including housing and education, cost more than ever before. And that means crucial life transitions to secure and happy adult lives are taking longer and feel less certain.'

The above factors provide a good starting point to understand causes of youth's pessimism. In further research done at Honeywell Capital other potential causes were explored, including:

- Negative and polarising media reporting.
- While a focus on mental health is valuable and important, on occasions, this could impact on levels on personal responsibility and resilience.
- Family breakdown, along with the rise of two income families, with parents working long hours, could lead to less-than-ideal outcomes for young people.
- A questioning of research that concludes social media has little to do with mental health issues for young people. Unrealistic representations and the promotion of materialism and individualism could lead to unrealistic aspirations and impaired social skills.
- Changes in parenting styles.
- The dislocation of the Covid pandemic.

Ross Gittins, writing the Sydney Morning Herald, in commenting on the Deloitte report offers a fitting concluding perspective:

'The report tells us how much a rapidly evolving labour market and financial instability are narrowing young people's opportunities for economic prosperity. The way they see it is that the system has persistently moved the goalposts: you stay longer in education, you take longer to earn good money and longer to afford to buy a home. You marry later and have kids later (and maybe don't have time to have as many as you'd have liked).

Little wonder the report tells us young Australians feel sidelined and unheard by political decision-makers, with only one in three trusting the federal government to do the right thing.

The way I'd put it is that, by our neglect, we've allowed our young people to suffer a bad case of arrested development.'

The Share Market is Not the Economy: J.P. Morgan

US bank, J.P Morgan, has noted the divergence between the US economy and US equities, with the total return over the past 25 years on the S&P up 632% while nominal GDP has grown only 200%.

The Bank offers three reasons for this disparity:

1) About two-thirds of US household spending is on services while the S&P 500 is weighted toward goods and technology.
'Overall, this greater technology/goods mix helps explain why stocks can rally even when Main Street feels soft: Large, listed firms tend to run with high margins and scale globally.'

2) The U.S. economy is mostly domestic- exports make up only 11% of GDP, but the S&P 500 generates around 30% of its sales overseas.
'This means foreign demand and currency movements can impact the index, even when U.S. economic data feels soft.'

3) The U.S. economy is largely impacted by wages, while the S&P 500 is driven by profits per share. While wages have been relatively stagnant profits have firmed. Indeed, profit margins are near historical highs- see below. This helps support earnings per share even as wage growth slows.

J.P. Morgan concludes:

'In all, there's been a lot of talk about the gap between the economy and the market—uncertainty on the ground alongside indexes near highs. It's uncomfortable, but it makes sense. Markets are profit oriented. They price in earnings, margins, and per-share growth, not the day-to-day of wages or sentiment. And in this cycle, our three drivers point the same way.'

It is important to remember that while there is evidence of market exuberance, a soaring share market and a relatively stagnant economy are not necessarily incompatible.

THE ABS:
A PRIMER ON LABOUR PRODUCTIVITY

BY ROBERT MOORE

The ABS has provided useful data and analysis of productivity in Australia, one of the key issues of 2025. See below.

The statistical agency notes that productivity growth is the most important determinant of both economic growth and living standards. When labour productivity increases, it means our workforce is producing more output for each hour spent at work. This makes it more likely our real wages will grow, and our living standards will rise.

Australia's recent subdued productivity growth is well known. In the June quarter of 2025, the level of Australia's labour productivity was roughly equivalent to where it was in December quarter 2019. See below.

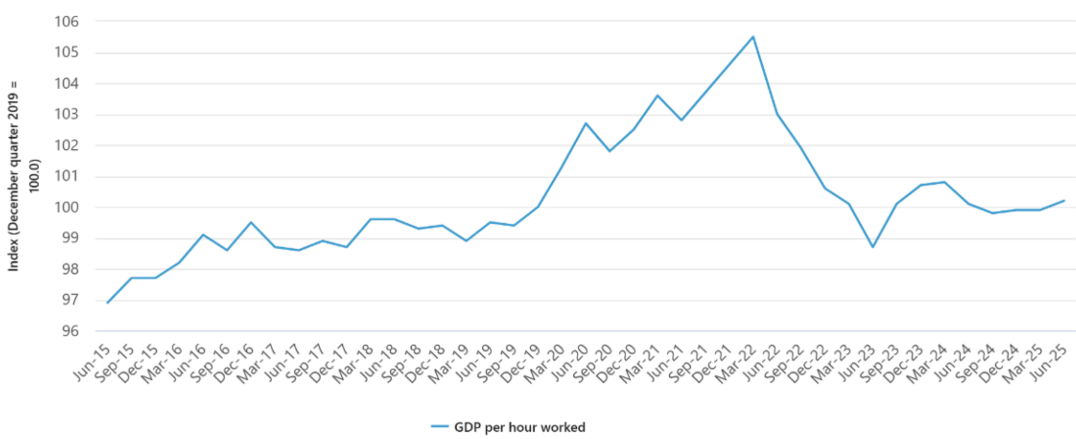
Further, the ABS commented that there are significant variations in labour productivity across industries (see below), which is to be expected given different levels of:

- capital intensity,
- use of technology,
- market structures, and
- competitive pressures.

There is an interesting examination of 3 of the 19 industries which are categorised as 'non-market sectors', i.e. they produce goods and services not sold at economically significant prices. These are:

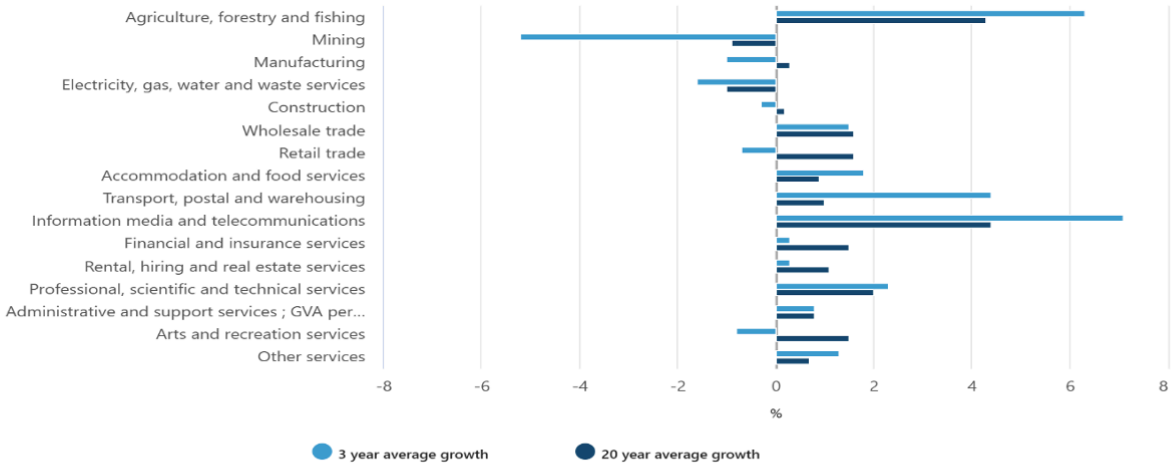
- Education and training (e.g., schools, universities),

Chart 1: Labour productivity



Source: Australian Bureau of Statistics, A primer on labour productivity 3/09/2025

Chart 2: Labour productivity, market sector industries



Source: Australian Bureau of Statistics, A primer on labour productivity 3/09/2025

- Health care & social assistance (e.g., hospitals, aged care & disability services),
- Public administration & safety (e.g., govt departments, policing & defence).

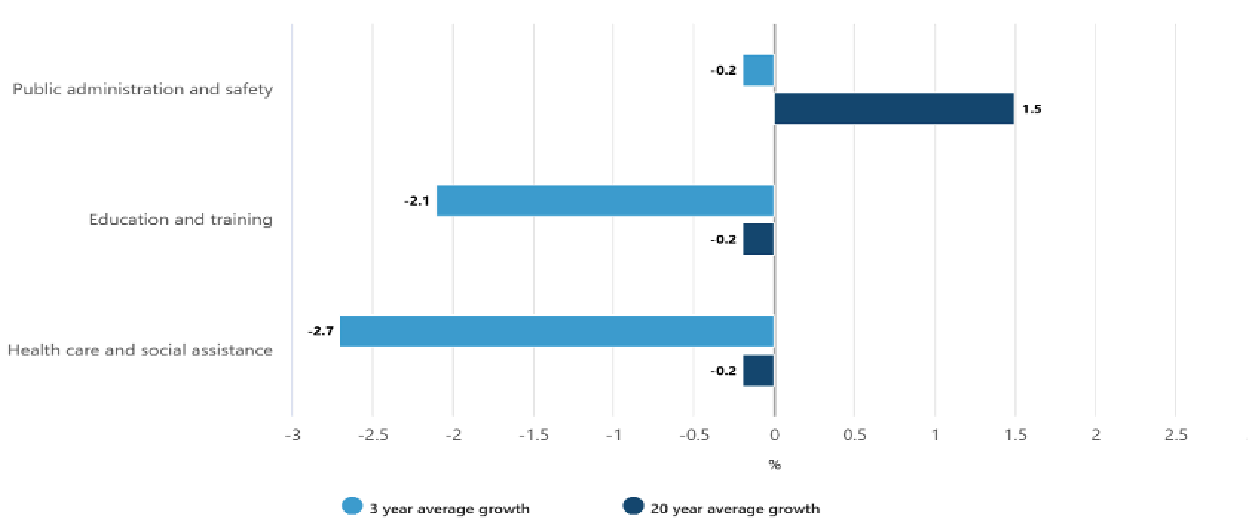
Given low levels of capital, lack of competitive pressure, and the pursuit of other social goals over maximising profit, low levels of productivity is to be expected.

However, it is of interest that in these industries average productivity growth in the past three years has been negative, and well below their 20-year averages. This has occurred alongside very strong employment growth (see above.)

If we are to increase living standards, consideration needs to be given to how best to improve productivity in non-market industries while continuing to support 'the pursuit of other social goals.' (See below.)

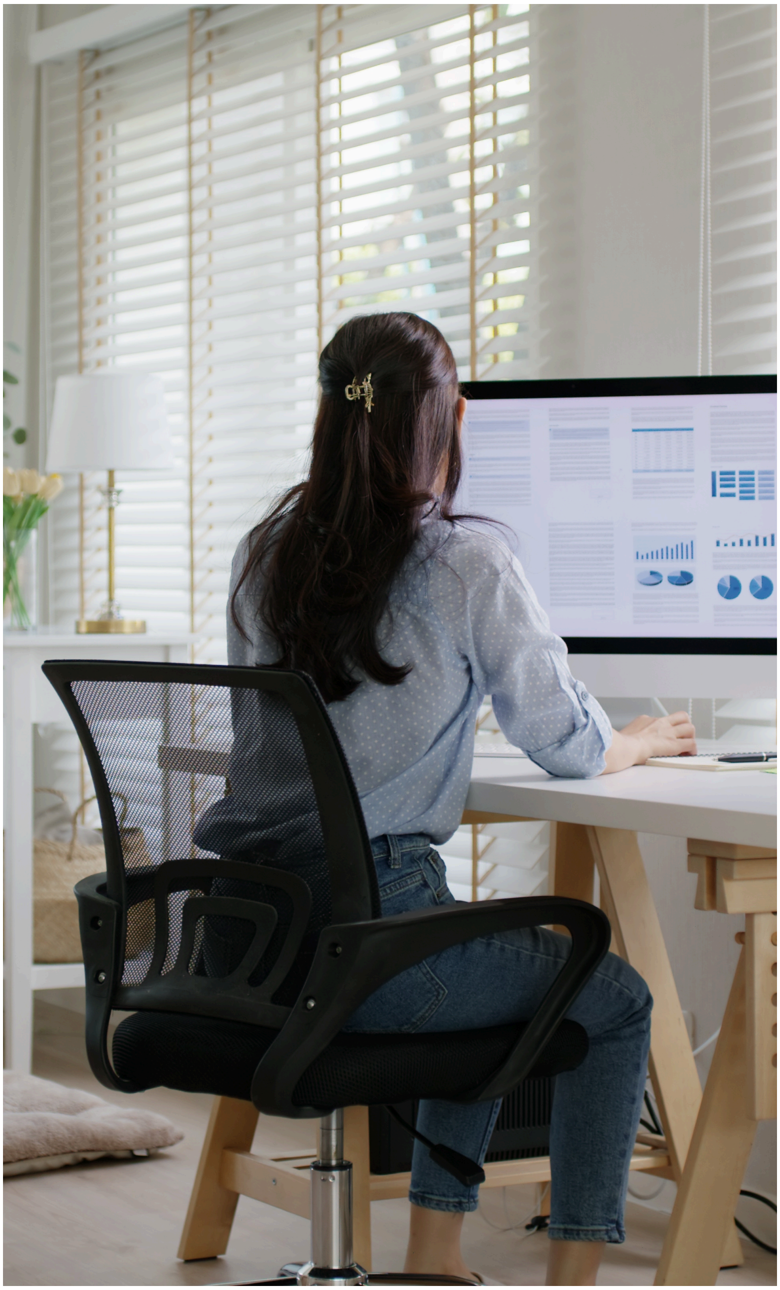
'OUR WORKFORCE IS PRODUCING MORE OUTPUT FOR EACH HOUR SPENT AT WORK'

Chart 3: Labour productivity, non-market sector industries



Source: Australian Bureau of Statistics, A primer on labour productivity 3/09/2025

WORKING FROM HOME- WHO'S DOING IT, POSITIVES AND NEGATIVES



By Robert Moore
Photography by Heyjin Kang

Roy Morgan recently revealed:

- 46% of employed Australians work from home at least some of the time, paid or unpaid. The remaining 54% work entirely in-person.
- Full time workers are more likely to work from home at least some of the time – 51% compared to 36%.
- Workers from Sydney (55%), Melbourne (52%), and Canberra (51%) are the most likely to work from home - see below.

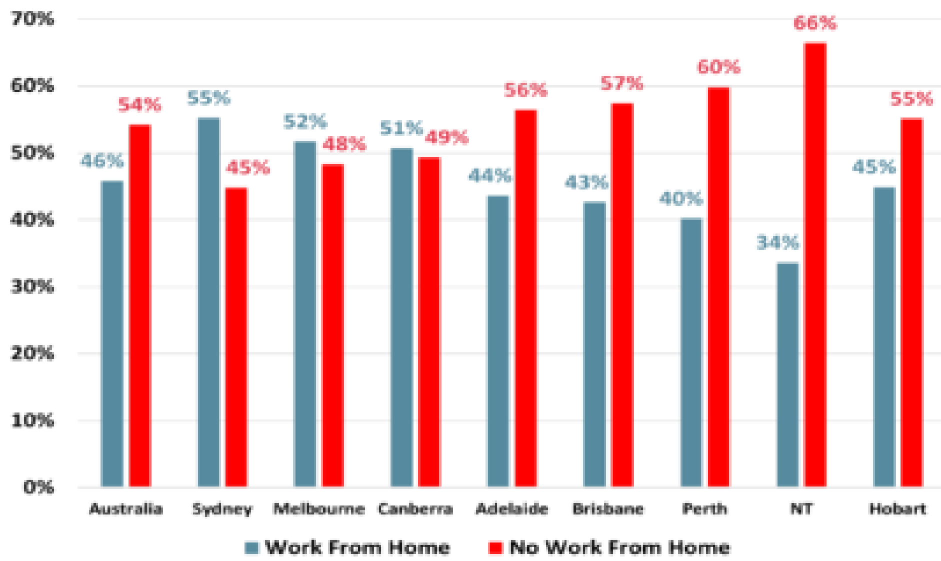
The Sydney CBD leads the nation with nearly 70% of these workers 'working from home', just ahead of Melbourne CBD which recorded 65%.

Workplace size

The size of the workplace is a big determinant of the rate of working from home. (See below.)

- Solo workers or the self-employed have the highest rate (55%).
- Workplaces of 5-9 and 10-24 have lower rates 'reflecting the more hands-on, client-facing, or operational nature of roles in these smaller businesses.'
- As firms grow, flexible working arrangements increase. For those with 25-49 employees 42% work from home, while those companies with 50 to 99 employees have a 44% rate.

As the researchers note:



'This pattern highlights a tipping point where larger organisations possess the resources and culture necessary to support 'working from home' on a broader scale. The data also indicates that while the smallest workplaces (solo workers) enjoy the greatest individual flexibility, it is the largest workplaces that lead majority working from work adoption ...'

Employment Sectors

There are significant differences in work-from-home rates across industries and employment sectors: (see below)

- Finance & Insurance leads with 66% of workers, with Communications (57%), and Property and Public Administration (56%) also having high rates.
- Retail, Recreation & Personal Services (37%), and Transport & Storage (38%) have a much lower adoption.

Earnings

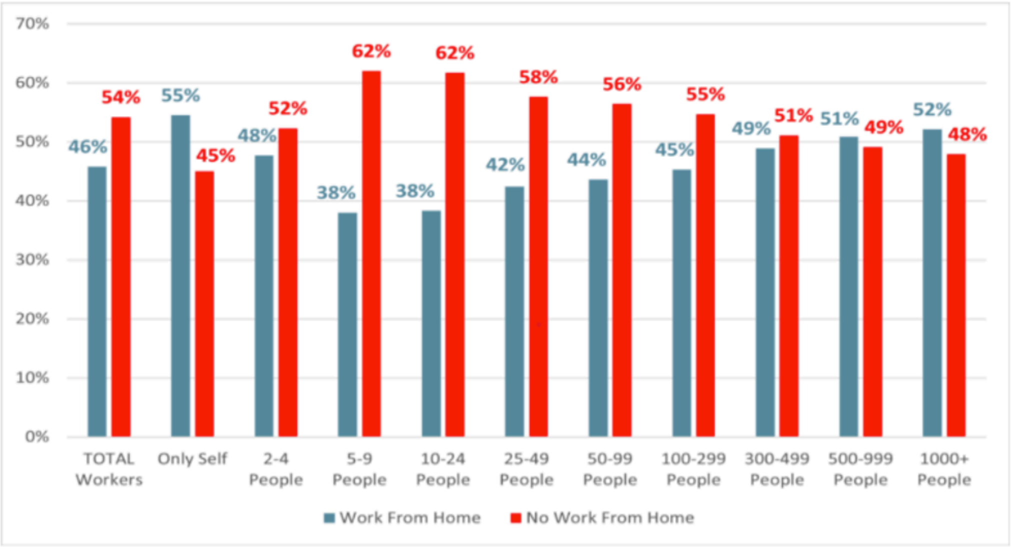
Below shows there is a clear positive correlation between working from home and earnings: (see below)

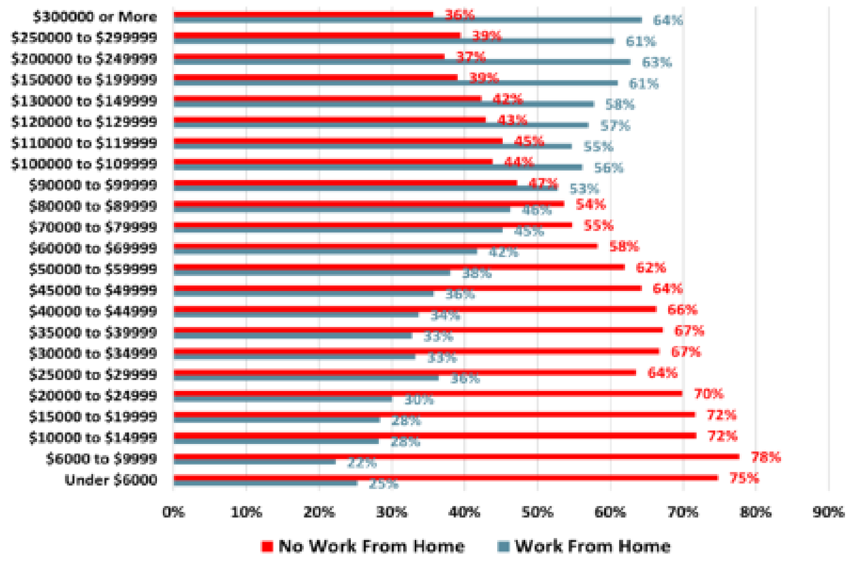
- Under $6,000pa, just 25% of employees work from home,
- At the highest levels, working from home peaks at 64% for those earning $300,000 or more, with only 36% working entirely in-person.

Roy Morgan's CEO Michele Levine concludes:

'These latest Roy Morgan findings clearly show that 'work-from-home' arrangements have become a permanent and distinct feature of Australia's employment sector.'

Further, she notes:





"IT NOW TAKES SOMEONE ON THE MEDIAN HOUSEHOLD INCOME ALMOST ELEVEN YEARS TO SAVE FOR A 20% DEPOSIT"

'Gaining an in-depth understanding of the nuances surrounding current 'working from home' trends across different cities, industries, workplace sizes and income bands is vital to understand as businesses, employees, and policymakers adapt to a rapidly changing workforce landscape.'

Economic Impact

Think Tank, CEDA, is positive about working from home, offering the title 'Working from Home is Saving Australians Time and Money.'

Their research had shown previously shown Australians value working from home and are willing to accept lower wages in return.

In research released in April CEDA also revealed:

- Since 2020, Australians who undertake hybrid or fully remote work earn 5.8% less than otherwise similar people who cannot or do not WFH.
- 36% of Australians still regularly work from home, including approximately 60% of professionals and managers.
- Australians who worked from home before the pandemic spent on average 14% less time commuting than those who didn't work from home, with less commuting bringing savings on public transport fares and fuel costs.
- There is also the time saved on commuting. CEDA values that at $110 per week or $5308 for a 48-week working year. 'This is 21 per cent higher than the approximately $4400 in wages lost by working from home. In other words, what workers might be losing in wages, they are gaining in reduced commute time.'

Interestingly, CEDA's data also showed people who work from home are working more (+19.7%):

'This can be due to now being able to add an extra day of work where previously unable to do so, or because people are using the time gained to get more work done.'

Finally, the reports states working from home has helped increase participation, enabling those who face barriers to onsite work – such as mothers of young children, primary carers of a family member or people with an impactful health condition – to organise more flexible working arrangements. The research confirms this with participation found to be 4.4% higher than it would have been if the pre-COVID participation trend had continued. This equates to around 615,407 more workers who have higher workforce participation because of the option of working from home.

The Economist has also looked at pros and cons of working from home, particularly in relation to company culture, a factor that can support of harm increasing productivity.

Their research is summarised in the Table below.

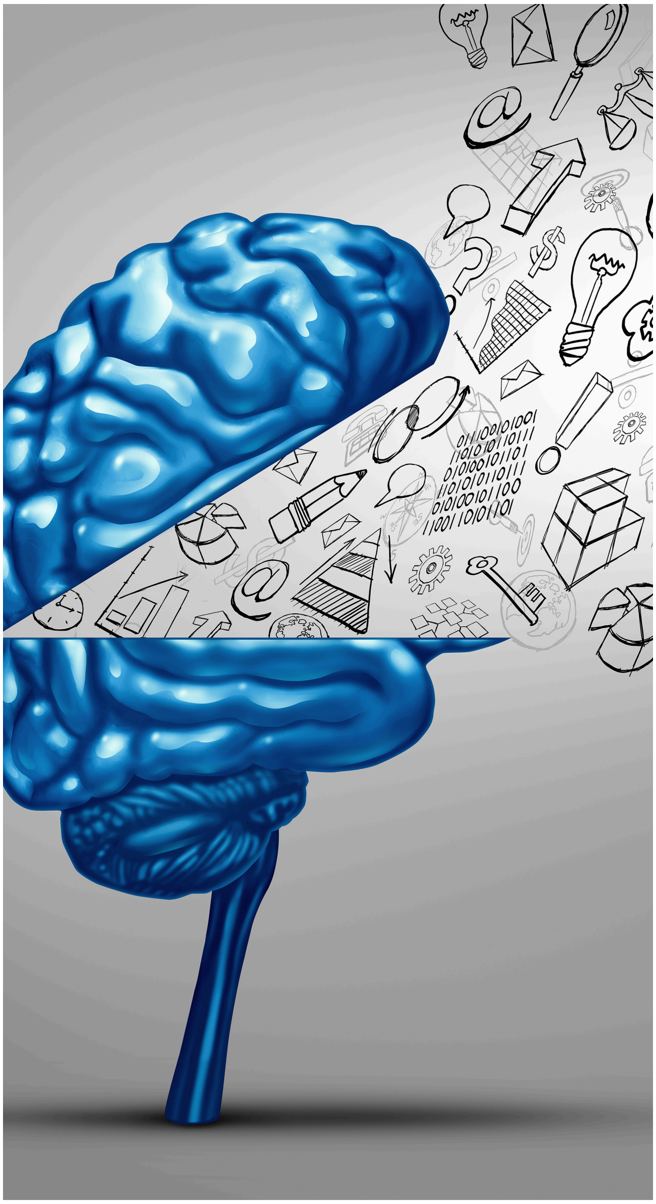
The Economist concludes: More than five years after the pandemic began, companies are still trying to find the right mix of in-person and remote work. As labour markets cool, shifting power from employees to employers, bosses may be tempted to demand more office time, claiming that it will help corporate culture. For firms that prize agility, this makes sense. But the data suggest it comes at a cost.

Firms with a Mandated 5-Day Week	Firms Less Strict on Office Time
* The spontaneity that often leads to innovative ideas is more likely when everyone is in the office. * Collaboration is higher. A study of 61,000 Microsoft employees found that remote working in the first half of 2020 made the tech giant more "siloed" and less "dynamic". * More effective in integrating new staff. * Companies are more agile, i.e. more likely to anticipate and respond quickly to changes in the marketplace.	* Workers are more likely to rate their employers highly for: - supportiveness -whether workers feel their bosses care about them, - quality of leadership, - an absence of toxicity-disrespectful behaviour is less tolerated in the workplace, - candour, and - work-life balance.

THOUGHTS ON PRODUCTIVITY

BY CHRISTIAN CRAMP

Upon reading many opinions on productivity, it is hard to know with any great detail even how to define productivity rather than improve it. The simplistic way that we define productivity is the ratio of output to hours worked. Multifactor productivity (MFP) is the ratio of output to the combination of all inputs, including labour and capital. We are concerned about labour productivity not productivity created from capital.



While I am happy with this measurement, I think we need to move to a more colloquially specific definition. Productivity, in my opinion, is the output of a worker that can be measured on an individual, industry or country level. However, the nuisance that is often left out is how productivity is directly affected. Moreover a passionate worker seems to be more productive than a lazy or uninspired. Productivity itself can directly spawn from five separate means:

- Individual workload and ethic – Worker satisfaction, job competency, Logical/pragmatic thinking, worker drive includes culture and social support
- Owner / Manager understanding and knowledge – Owner ethos, owner entitlement, owners logical/pragmatic thinking, corporate culture
- Government incentives, government benefits, government system/tax, Government culture and political issues –
- Government delegated legislation – tribunals, ASIC, ACCC, ombudsman etc...
- Government use of resources – Use of properties in a certain city/region or land for specific purposes.

It is not surprising that the points above all relate to the 4 factors of production: i.e. Land, Labor, Capital and Entrepreneurship. (All except for capital in this case).

With the five points laid out above we need to ask ourselves how or rather whether any recommendations that any group or individual has can improve the productivity of this nation.

If the measures don't affect any of the points above it is simple to conclude that the real rate of productivity won't be affected. Too many times is technology included as means to increase productivity, because of this we have seen a lack of accountability back on the workers end a lack of responsibility put on the owners and managers to improve the labour and the skill of labour within their business.

Individuals

The workload of individuals needs to be sufficiently full productivity to flourish. Also, the work ethic of the individual must also be of the right momentum to be able to effect productivity positively. If we have a group of workers who are constantly looking for how they can do less work, then this will drag down productivity.

Owners/Managers

The Owners and Managers need to understand how to inspire a group of individuals and moreover be inspired themselves. They also need to have a great logical brain that can organise and assign resources in the most 'productive' way possible.

An owner or managers patience are also important because without the ability for a senior in a business (or community) for that matter) should be sharing the intricate pieces of knowledge that can affect the output of the worker.

Government systems and issues

Government incentives, tax structures and over all systems of government can have a defining effect on productivity in this country. In any business or any situation, you can find the catalysts of production centred around the use of incentives. Incentives provide great purpose for an individual's output and great reward for the individual, so long as the incentive is linked to the individuals desires in the first place.

Typically however, we have seen the tax system another incentive based government activities miss the mark in terms of improving productivity which tells us one of two things; 1) we cannot rely of blunt instruments to effect individual productivity and output in this country; and 2) the government is out of touch with how individuals in Australia would like to be incentivised or rather the culture within Australia is one that looks to avoid work rather than be proud of their output. I would suggest it is hard to incentivise a group of uninspired individuals.

Government Delegated Legislation

the use of delegated legislation in Australia is quite strong. From tribunals to groups such as the ACCC, ASIC etc. The list of these government bodies seems to be endless in Australia. Too be clear I'm not against delegated legislation, however, it has seem to become such a normal activity for one of these bodies to bring out a new regulation almost without cheques and balances, especially within certain industries.

Whilst I can see that the rate of legislation and regulation output is that a high productivity the increasing rate in which legislation and regulation occurs seems to be directly relinked with the high level of red tape and over regulation in some industries. Which is linked to diminishing confidence in productivity or at least in a certain industry.

Government use of Resources

A key concept that governments at all levels don't seem to understand is that buildings and land are a finite resource that need to be taken advantage of to be able to increase productivity. Key buildings that can define an area need to be actively used with not only the highest and best use but with good ideas that is going to sustain that building and bring it into the current century.

The biggest opposition to this is the way investors seem to land bank or in this case building bank in populated areas. This means that the buildings end up remaining dormant while property prices increase around it and the so called 'investor' has made no capital improvements but still walked away with a healthy uplift. This alone is a dangerous situation that seems to be occurring all over Australia.

By these standards we can then look to evaluate each of the proposed ideas put forward right now and in the future by the productivity commission and the productivity roundtable. Moreover, it would be better to use this methodology to create the initiatives in the first place but that might be asking for too much?

Ideas for improving productivity so far:

- Company Tax rate 20% for companies below $1 billion.
- A net cashflow tax of 5% applied to profits of all companies

These ideas are spoken above fall into government incentives and tax structures. I believe that these are two blunt of an instrument to ever really increase productivity in any substantial way in Australia. It seems like you're just shifting tax from one hand to the other in the hope to incentivises the small business to make more tax write offs in the short term. This is OK but not particularly inspiring. It seems like the government is taking more of a blunt approach trying to drive the output end to manipulate productivity when simple common sense will tell you that there was no lasting change in blunt instruments. The interest rates have taught us this over many years.

Shane Wright AMP Economists has better ideas. His suggestion:

- Offer Cash Prizes for anyone who can develop major innovations.

This would work in principle, but the Government has to circulate and be very clear what money is given for what advancement is very important, similar to the millennium Prize Problems – I would also use one Cash Prizes for putting a satellite into space for the Australian Public, as there is no Australian Owned Satellites. We should use this method to bolster the infrastructure of Australia. Other Shane wright ideas:

- Pay the states to reform clogged bureaucracy
- A carbon price
- Fix terrible taxes

Payroll tax is a good example here of a terrible tax – This will directly work to not discourage companies to employ 'too many people'. The uplift in income tax should more than make up for the loss in payroll tax revenue.

- Don't give unions a veto on AI
- Audit airports to speed up travel
- Fix Australia's broken employment system for job seekers

I think Mr Wright has done a good job on most accounts here to move the productivity needle as at least some directly incentivise companies to employ more people and it removes ridiculous rules that may inspire individuals to take more of a risk and shoot for the stars in their allotted field of work.

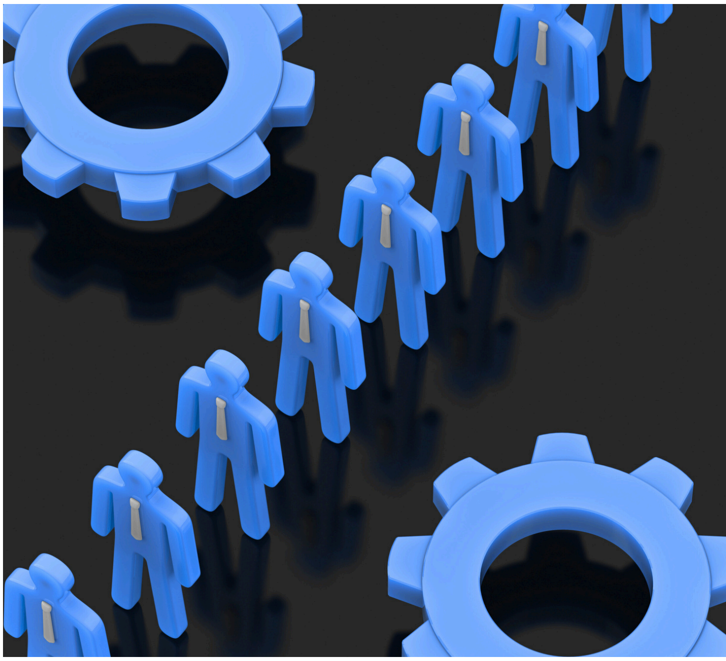
Some ideas that I think would change the productivity outcomes in Australia are:

- Removing Payroll tax for companies.
- Introducing a limit to tax payments on new employees for companies. Maybe a new business doesn't need to PAYG tax for any employee after their first 5 employees in their first year or after 10 employees in their second year of trade. This would incentivise small businesses to grow larger quicker with the use of Labour.
- Implement a dormant building tax – when a prominent building is not being used and it lay dormant for more that 2 years adda tax onto it.
- Education overhaul – improve the business and commerce degree to make it more competency based rather than performative or test system based.
- Implement a Commerce year 7 & 8 course like art, woodwork.
- Revenue growth pegged tax breaks
- Decrease government regulation

"MOREOVER A PASSIONATE WORKER SEEMS TO BE MORE PRODUCTIVE THAN A LAZY OR UNINSPIRED".

- Visibility over council approval housing process – like a dominoes delivery – So that all parties (builders, councils, third parties and homeowners can see the progress and who is responsible for the delay.

I Think that these ideas a far sharper and we'll get to the issue around productivity a lot quicker than any other blunt instrument will. We need to start attacking the culture around business in Australia. We are woefully ranked in terms of entrepreneurship against other countries and just by my own observations we have very muddled thinkers for business owners in Australia. This needs to change. Until this changes, until the business leadership in Australia shifts then it's my opinion that the productivity issues will stay the same. These are culture around business and productivity that holds us back not tax systems and rubbish incentives.



GENDERED JOBS IN THE AUSTRALIAN LABOUR MARKET

BY ROBERT MOORE

Segregation Intensity	Definition	Examples
Gender balanced	Less than 60%	**Journalists and Other Writers** (59.1% female) **Service Station Attendants** (50.7% male)
Moderately female or male dominated	Between 60-75%	**Sales Assistants** (66.1% female) **General Managers** (67.3% male)
Highly female or male dominated	Between 75-90%	**Accounting Clerks** (79.9% female) **Surgeons** (77.8% male)
Almost completely female or male dominated	90% and above	**Midwives** (98.7% female) **Truck Drivers** (95.7% male)

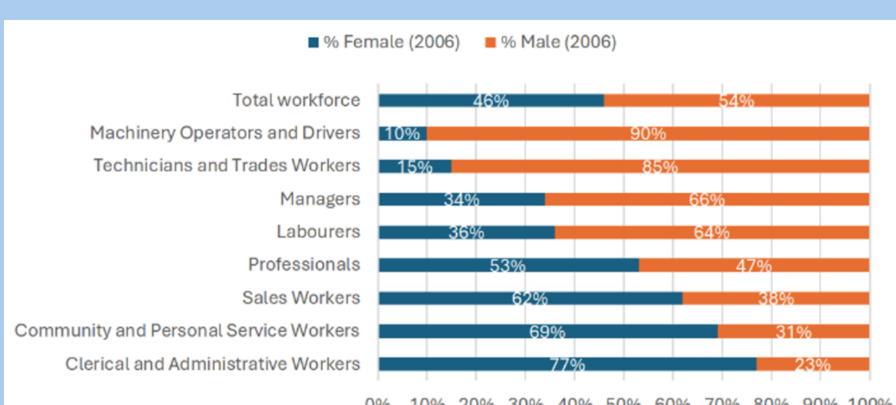
Last week Jobs and Skills Australia (JSA) published a paper, Gender Economic Equality Study.

The JSA states its key findings are: (see below.)

- Only 1 in 5 workers work are in gender-balanced occupations.
- Almost 70% of occupations have retained the same level of gender segregation over the last 15 years.
- Occupation shortages typically worsen as gender segregation intensifies, particularly in almost completely male dominated occupations.

Occupational trends show some movement towards gender balance:

- Roles such as Ambulance Officers, Dental Practitioners and Barristers have shifted from male-dominated to gender-balanced.
- Occupations including Veterinarians and School Principals have become more female-dominated.
- Males are shifting into selected female-dominated roles, such as Aged and Disabled Carers.



The second shows sectors according to the level of segregation intensity. This is explored further in the data below.

Australia's labour market was found to be more gendered than many others. For example, Australia has a more gendered labour market than Southeast Asian countries like the

Philippines, Malaysia and Thailand, but had a similar level of gendered labour market to other OECD countries like Norway and Denmark.

There were also a handful of countries that defied gender stereotypes for certain occupations. For example, the only country where the building trade was not male dominated was in Indonesia.

A World Bank study found that there were no jobs that were inherently or universally male or female and that several occupations are male dominated in some countries, gender balanced in some, and female dominated in others. For example, females dominated the services sector in every region of the world except South Asia.

Changes in Gender Segregation

However, in the survey years of 2006 to 2021 the JSA reports:

- In 31% of occupations there was a change in gender segregation.
- Most of these occupations (72%) were shifting from male dominated to gender balanced.
- Notable examples of gender balancing occupations are Ambulance Officers and Paramedics, which saw female representation climb from 26% to 44%, Dental Practitioners from 31% to 47% and Barristers from 22% to 38%.
- In 2006, 46% of Veterinarians were female, and this increased significantly to 67% in 2021.

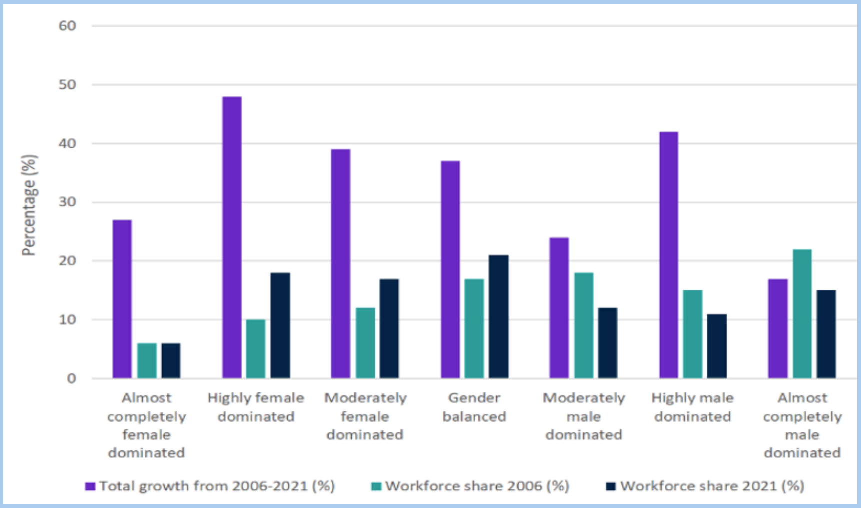
Almost completely male dominated occupations	Male share (%)	Almost completely female dominated occupations	Female share (%)
Bricklayers and Stonemasons	99.1%	Midwives	98.7%
Plumbers	99.0%	Early Childhood (Pre-primary School) teachers	97.6%
Carpenters and Joiners	98.9%	Dental Assistants	97.5%
Concreters	98.9%	Personal Assistants	97.1%
Roof Tilers	98.9%	Beauty Therapists	96.9%
Airconditioning and Refrigeration Mechanics	98.8%	Veterinary Nurses	96.2%
Structural Steel and Welding Trades Workers	98.8%	Child Carers	95.6%
Sheetmetal Trades Workers	98.8%	Secretaries	95.6%
Plasterers	98.8%	Nutrition Professionals	93.5%
Structural Steel Construction Workers	98.7%	Receptionists	93.5%
Panelbeaters	98.5%	Audiologists and Speech Pathologists/Therapists	93.2%
Glaziers	98.4%	Florists	93.1%
Motor Mechanics	98.1%	Child Care Centre Managers	91.8%
Metal Fitters and Machinists	98.0%	Occupational Therapists	91.0%
Electricians	97.9%	Bookkeepers	90.5%
Motor Vehicle Parts and Accessories Fitters	97.7%	Nurse Educators and Researchers	90.4%

- School Principals went from a 50/50 split of males and females to 65% female in 2021.

The figure below shows that highly female dominated occupations saw the strongest growth over the period.

This reflects that many of the fastest growing jobs were in health care and service occupations such as Aged and Disabled Carers, Occupational Therapists, and Speech Professionals, and in managerial occupations such as Health and Welfare Service Managers.

Men may need to reconsider their options if they wish to take advantage of changes in the Australian labour market.



THEFT REACHES 21-YEAR HIGH

By Robert Moore

Gary Becker was one of the giants of Economics, winning a Nobel Prize in 1968.

His work traversed at least a dozen separate areas of economics, and according to Alex Robson, included the economics of:

- marriage and divorce;
- 'irrational' or impulsive consumers;
- discrimination against minorities in the labour market;
- addiction;
- markets for illegal goods and services; and
- the economics of crime and punishment.

He believed the basic principles of Economics could and should be used to help us understand and predict almost any aspect of human behaviour and social interaction.

Becker argued, contrary to the usual approach of sociologists and criminologists, that criminals were rational and that they maximise expected utility subject to constraints. Becker assumed that criminals were just like the hypothetical consumer and producer we encounter in standard microeconomic theory.

Robson notes, for Becker:

'…the 'price' that a criminal faces is determined by the penalty he expects to face: the probability of being punished, multiplied by the subjective disutility of the punishment (which could include the disutility due to the imposition of a monetary fine, imprisonment term, or both).'

Consequently, if:

- the probability of being punished is low and/or
- there is a belief that the disutility of the punishment is small

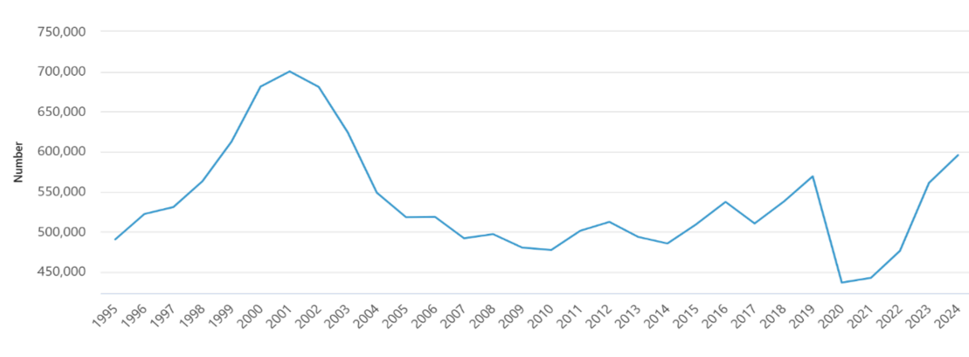
then the 'price' of crime is low, and crime is more likely.

Further, in a broader macroeconomic context, there appears to be a link between crime and the business cycle; in a downturn or recession there is an increase in certain types of crime, including theft.

Can we apply Becker's principle to the recent rise in crime in Australia? The ABS reported on Wednesday that victims of theft (excluding motor vehicles) recorded by police rose 6% in 2024 to reach the highest number since 2003 - see below.

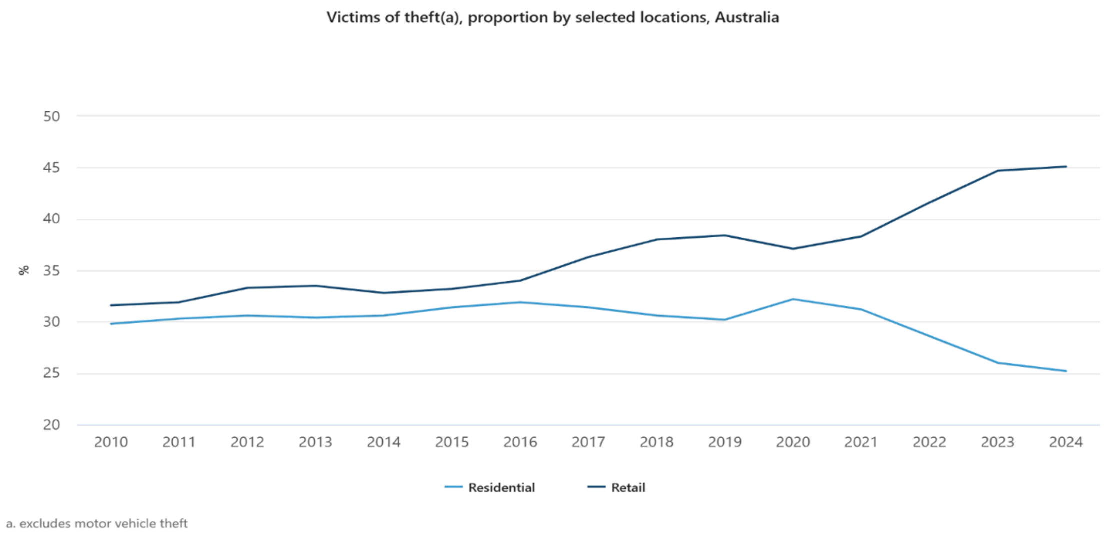
Samantha Hall, ABS head of crime and justice statistics, said:

Victims of theft(a), Australia



a. excludes motor vehicle theft

Source: Australian Bureau of Statistics, Theft reaches 21 year high 3/09/2025



There were 595,660 recorded victims of theft in 2024. These thefts, which includes things like shoplifting and pickpocketing, but not motor vehicle thefts, have been continually rising since a drop during 2020 when COVID-19 restrictions were introduced.'

She continued:

'The largest rise over the past year was in Victoria, up 29 per cent, followed by Tasmania, which rose by 11 per cent.'

'Thefts at retail locations rose from 32 per cent of all thefts in 2010 to 45 per cent in 2024. Meanwhile, thefts from residential locations have dropped from 30 to 25 per cent of all thefts over the same period.'

'There were 595,660 recorded victims of theft in 2024.'

The data has been borne out in recent media reports:

'Kmart and Bunnings operator the latest to raise retail theft alarm' - SMH 28/8/25

Also, in the SMH, this time on Monday, under the headline, 'Car-boot butcheries, 'showrooms' in homes: Where $9 billion of stolen goods end up':

'Stolen steaks are being sold out of car boots to struggling restaurants before being plated up for diners and makeshift clothes shops are popping up in private homes with a range of in-vogue styles in every size.

These are the bizarre points of sale appearing on suburban streets across Australia – a new black market that has exploded over the past 18 months in an intensifying retail theft crisis costing retailers more than $9 billion a year.

If Becker is right, perhaps criminals see a low probability of being caught for retail crime as opposed to residential crime, and/or there is a belief that the disutility of the punishment is small. Time for even more policing and tougher punishments?

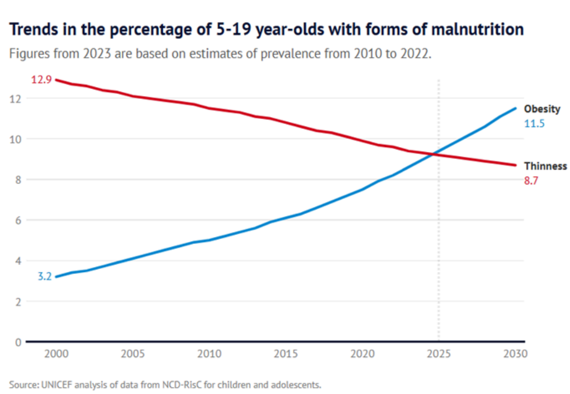
GLOBAL CHILD OBESITY RATES UP

BY ROBERT MOORE

Two recently released reports have highlighted changes in health and nutrition.

On Wednesday, UNICEF's '<u>Feeding Profit: How Food Environments are Failing Children</u>' revealed:

'In 2025, the global prevalence of obesity among school-age children and adolescents exceeded underweight for the first time (see below).



The report continues:

'This dramatic shift in the face of malnutrition jeopardizes the health and future potential of children, communities and nations.'

Malnutrition in our region- see below, is of particular concern. The top Chart shows the significant numbers of children who are overweight or obese along with the sizable increases in these categories in different age groups between 2000-2022.

The bottom Chart shows the 'crossover' rates of obesity and thinness occurred earlier than the global crossover revealed in the Chart above.

EAST ASIA AND THE PACIFIC

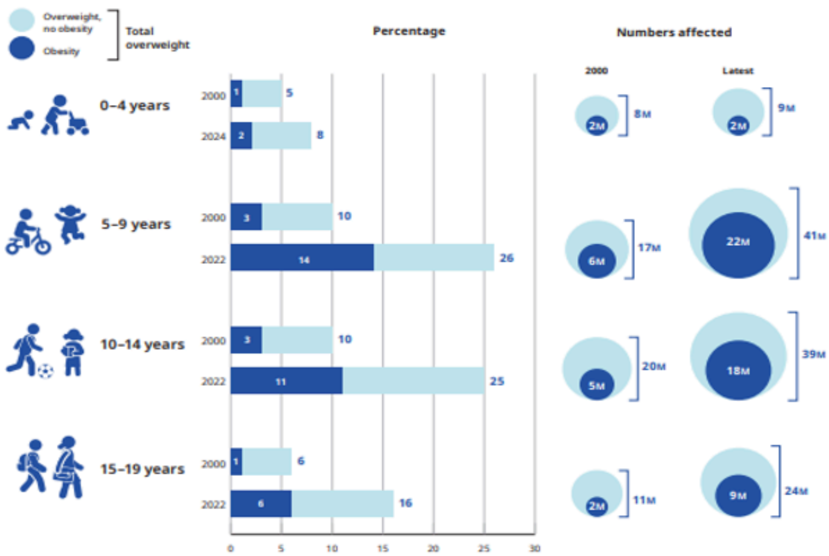


FIGURE A1: **Trend in the percentage and number (in millions) of children and adolescents living with overweight and obesity, by age group, East Asia and the Pacific, 2000 and latest**

Note: Latest estimates are from the year 2024 for children under 5 and from the year 2022 for children and adolescents 5–19 years. M = million.
Source: UNICEF, WHO and World Bank Joint Child Malnutrition Estimates for children under 5, and UNICEF analysis of data from NCD-RisC for children and adolescents 5–19 years.

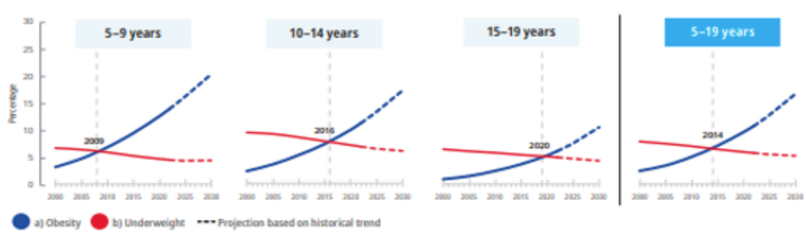


FIGURE A2: **Trends in the percentage of children and adolescents living with (a) obesity, (b) underweight, 2000-2022, and projections to 2030, by age group, East Asia and the Pacific**

Source: UNICEF analysis of data from NCD-RisC for children and adolescents 5–19 years.

UNICEF argues:

'Food environments expose children and adolescents to a constant supply of cheap and aggressively marketed ultra-processed foods and sugary drinks, while failing to make nutritious options available and affordable. It also explains how the lack of effective policies leaves countries unprepared to safeguard children and adolescents from these harmful food environments..

However, while far from ideal, there is evidence of improvement in the Australian diet.

The ABS has recently released 'Fewer Australians drinking sweetened beverages', providing the Chart below.

The data show the proportion of people who drank sweetened beverages fell from 49.2% in 1995 to 42.2% in 2011–12 and then to 28.9% in 2023. Nearly three-quarters of children drank sweetened beverages in 1995. This fell to one in four children in 2023.

The ABS reports:

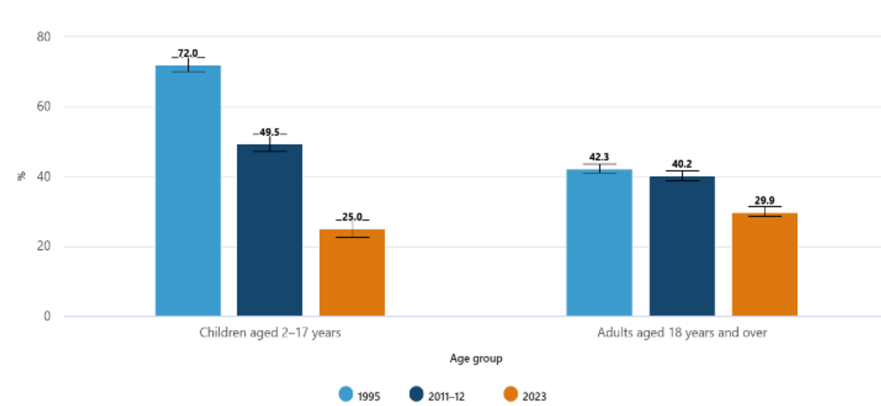
'Sweetened beverages are an example of 'discretionary choices' in our diets, which are food and drinks that are high in energy, saturated fat, salt or sugar and have low levels of essential nutrients. One third (31.3 per cent) of daily energy intake came from discretionary food and drinks in 2023, down from 35.4 per cent in 2011–12.

'The leading foods contributing to discretionary energy came from Cereal-based mixed dishes, which includes foods like takeaway burgers and pizza. This was also the most popular food group – eaten by more than half, or 52.0 per cent, of people on a typical day.'

Other ABS findings include:

- Over one in eight (13.2%) households experienced food insecurity in the last 12 months, including 34% of lone parent family households and 27.8% of group households.
- One in four (24.9%) people 15 years and over were following a diet. Males were most likely to follow an energy restriction diet (34.8%), and females were most likely to follow a food avoidance diet (47.1%).
- 7.1%t of people 2 years and older avoided food because of allergies and 5.3% of people 15 years and over were vegetarian or vegan.
- Caffeine for adults increased from 158 mg in 2011–12 to 186 mg in 2023.

Proportion of people who consumed sweetened beverages, by age, 1995, 2011–12 and 2023



Source: Australian Bureau of Statistics, Fewer Australians drinking sweetened beverages 5/09/2025

THE ECONOMICS OF PRISONS

By Robert Moore

On 6 October, The Institute of Public Affairs released 'The Cost of Prisons In 2025'. In its report The IPA lists its key findings as:

- Governments are now spending $6.8 billion each year on prisons, with spending having increased by 50% over the past decade, after adjusting for inflation.
- Incarceration costs Australian taxpayers $436 per prisoner per day, or $159,510 per prisoner per year. Costs have been increasing significantly over the past decade- see below.
- With 37% of offenders incarcerated for non-violent offences, governments spend up to $2.6 billion on imprisoning offenders who pose minimal risk to community safety. By way of comparison, we could build five large, specialized hospitals (300+ beds), or a large number of schools- around 170 primary schools or 85 high schools for an equivalent amount.
- The reliance on incarcerating non-violent offenders is straining prison capacity. In most states prisons are expected to reach their design capacity by 2029. Victoria is the exception. The IPA has suggested, as a short-term measure, Victoria could 'import' prisoners.

In 2023-24, the average daily number of adults held in Australian prisons was 43,002 - an incarceration rate of 202.9 per 100,000 of the adult population. More recently, the ABS reports in the June quarter 'there were 46,919 persons in custody, up 2% (838 persons) from March quarter 2025 and 7% (2,868 persons) from the June quarter 2024.' The ABS also reports 'there were 17,158 Aboriginal and Torres Strait Islander prisoners, up:

2% from 16,876 in the March quarter 2025
11% from 15,424 in the June quarter 2024.

Also, the ABS revealed Aboriginal and Torres Strait Islander prisoners accounted for 37% of all persons in custody.

- Over the past decade the Australian incarceration rate has grown by 12.5% and the total number of adult prisoners has grown by 32%. There are differences by state- see below.
- Prison capacity concerns can only be resolved by adding new capacity—at significant taxpayer expense—or by sentencing reform that uses alternatives to prison for non-violent, low-risk offenders.

Figure 1: Recurrent government expenditure on prisons in 2013-14 and 2023-24

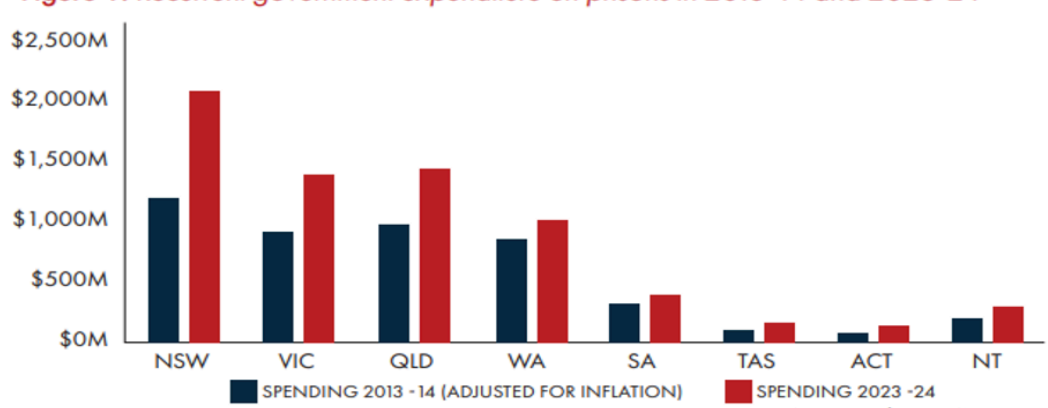


Table 3: Incarceration rate by state per 100,000 adults

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS
Adult incarceration rate (2013-14)	181	128	184	183	255	118	838	111	180
Adult incarceration rate (2023-24)	188	115	246	214	314	167	1,150	105	203
Growth	4%	-10%	34%	17%	23%	41%	37%	-5%	12%

Source: Productivity Commission

- Sentencing non-violent offenders to alternatives to incarceration would reduce taxpayer expenses and improve community safety by reallocating resources to crime prevention. Alternatives include:

1) Placing non-violent, low-risk offenders into full-time employment. 'Instead of being a cost to the taxpayer, these offenders should be contributing to the community by working, earning award wages, paying tax, and helping to alleviate widespread labour shortages.'

2) For financial crime a one-off reparation order equal to the amount wrongfully obtained, paid by the offender to the victim, and an extra fine equal to double the amount wrongfully obtained by the offence. 'Where the offender does not have the financial means to satisfy the debt, they would be required to work and pay a portion of their income until the entirety of the debt is repaid, with the restitution order being paid off first.'

3) Technological incarceration such as electronic monitoring. 'The advantage of this sanction is that the physical parameters and restrictions imposed on an offender can be tailored to the offence committed, so that it is proportionate and limits the ability of the offender to reengage in offending'

'The average daily number of adults held in Australian prisons was 43,002'

The IPA concludes:

'The taxpayer funds saved by reducing incarceration costs should be redirected to other criminal justice resources, to prevent crime from occurring in the first place and thus reduce the number of victims suffering at the hand of offenders. When contemplating an offence, offenders factor the possibility of apprehension into their decision making. If the likelihood of apprehension is high, they are less likely to commit an offence. Increasing the presence of police on the streets, thereby increasing the fear of apprehension, is the best deterrent of crime and would therefore reduce the incidence of crime.'

There is a huge opportunity cost posed by our high and increasing incarceration rates. The IPA's recommendations deserve our attention.

THE CARE ECONOMY IS CHANGING OUR LABOUR MARKET

By Robert Moore

Economics research organisation, e61, has released a report on how the labour market is changing because of increasing employment in the care economy.

The report reveals that care roles can provide a pathway to more stable and better-paid work from lower-paid, higher turnover sectors such as hospitality and retail. Further:

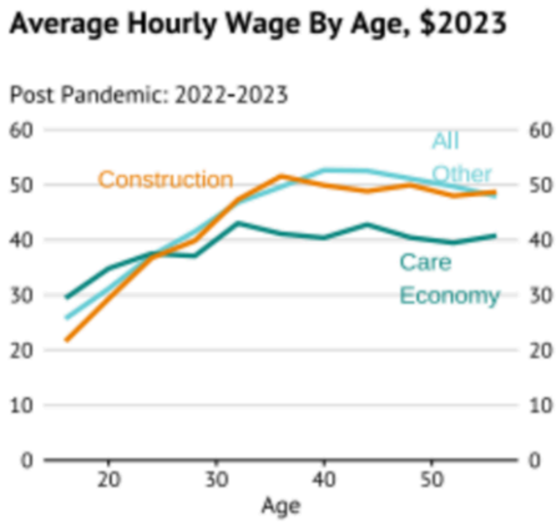
'... while care jobs typically pay less than the average job overall, the reverse is true for younger workers (see left panel below). Post-pandemic, the average hourly wage in care for 20–24-year-olds has been around $3.50 higher than the economy-wide average, and over $5 higher than in the male-dominated construction sector.'

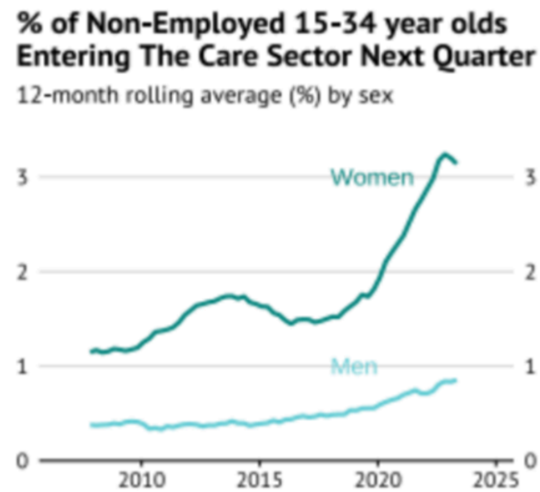
However, the response from male and female workers has differed- see above, right panel.

e61's Matthew Maltman notes:

'Since the pandemic, non-employed young women have moved into care roles at sharply higher rates making it their most common destination upon entering work. By contrast, the share of non-employed young men entering the sector has increased only marginally. While men face no formal barriers to working in care, and many already do, deep-seated gender norms and social factors have been slow to shift.'

In earlier research done by Honeywell Capital we noted the increasing participation rate of women relative to men. The increasing significance of the care economy is a key factor underpinning this.
e61 has also provided the Charts below.



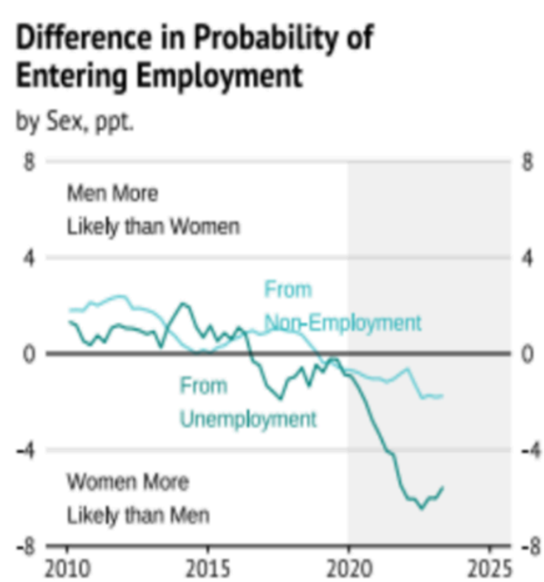


The left panel shows the gap in the unemployment rate for young men and for young women has diverged, with women having an even lower rate of unemployment compared to young men since the pandemic. This gap is the largest, in either direction, in 20 years for young workers.

Further, the report's authors note, it seems the rise of the care industry has contributed to a fall in the gender pay gap because:

- pay in care work is increasing above the economy-wide average, partly because wages in the sector are regulated by the Fair Work Commission,
- young women are more likely than young men to work in this sector, and
- the labour market is generally tighter for young women – see below, left panel.

*W*omen aged 15–24 now earn higher hourly wages than men of the same age, while those aged 25–34 are at parity- see below.



ARE WE HEALTHY, WEALTHY, AND WISE?

By Robert Moore

Recently, Treasury and the ABS released Measuring What Matters.

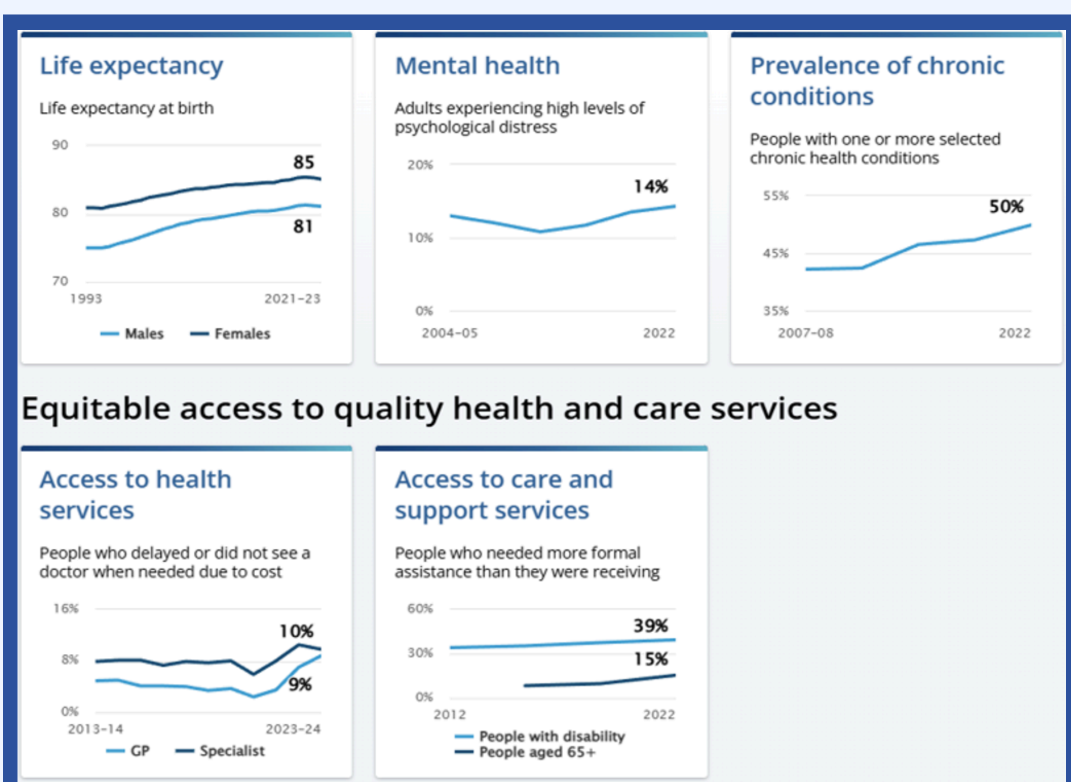
Its aim is to track progress towards a more healthy, secure, sustainable, cohesive, and prosperous Australia.

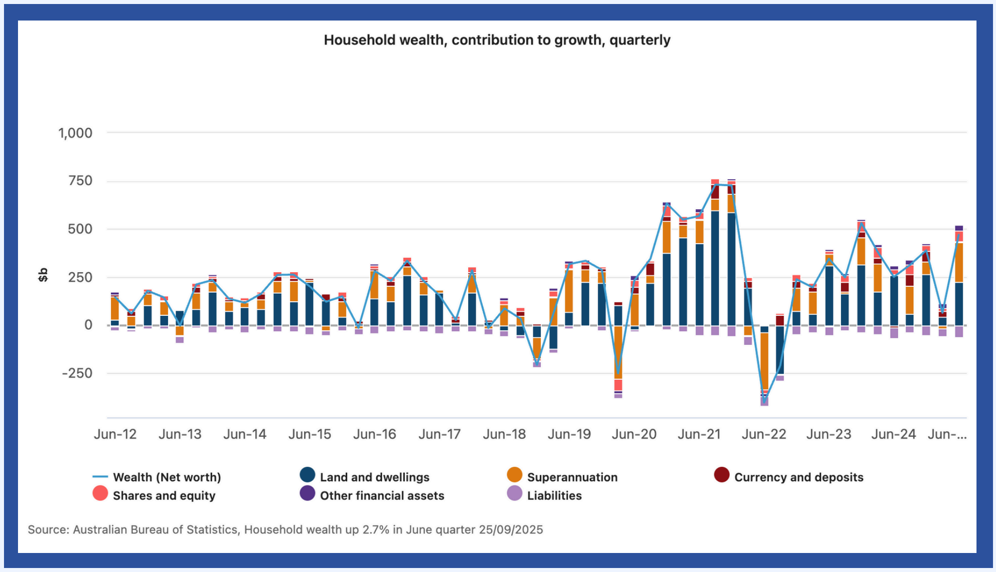
The government agencies note that wellbeing frameworks are used internationally to report on progress in an integrated way, moving 'beyond GDP.'

Are we Healthy?

The agencies state a society is healthy when:

'... people feel well, are in good physical and mental health, can access services when needed, and have the information they require to take action and improve their health.'
How do we go? The data below provides a helpful snapshot.





Source: Australian Bureau of Statistics, Household wealth up 2.7% in June quarter 25/09/2025

The increase in life expectancy is substantial and to be proud of. By some measures we are sixth in global rankings.
Other measures, however, raise concerns. While higher levels of reporting cannot be discounted, the data indicate significant health concerns and a need for more health services.

Are we Wealthy?

On Thursday, the ABS released data showing total household wealth had increased 2.7%, or $470b in the June quarter.

Findings include:

- The value of residential land and dwellings increased 1.9%, or $205.2 billion. This was the largest contributor.
- Superannuation assets rose 4.9%, or $201.6 billion- see below.

Earlier in the year UBS published its Global Wealth Report (see right). The Report includes a wealth of data about wealth, including the Table below. It shows Australia is ranked 8th globally in the number of USD millionaires, although if ranked by population size, we would be near the top.

Above shows considerable rises in income and wealth. Inequality, as measured by the Gini Coefficient is stable, although relatively high- we are mid table in global rankings.

In terms of future wealth, the lift in innovation is encouraging, but the fall in productivity is of concern.

Economics Explainer- Gini Coefficient

The Gini coefficient ranges from 0 to 1, with the higher the number the greater the inequality. If a nation were to have absolute income equality, with every person earning the same amount, its Gini score would be 0. However, if one person earned all the income in a nation and the rest earned zero, the Gini coefficient would be 1.

Are we Wise?

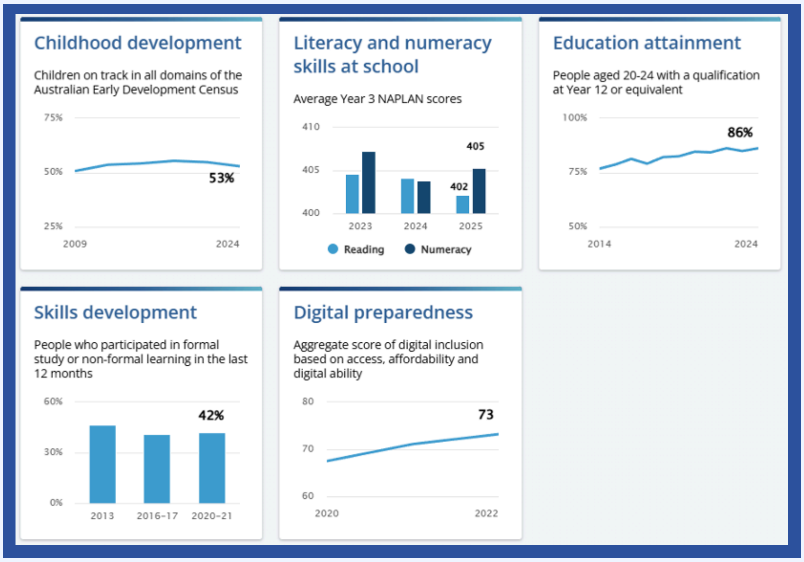
This is a difficult quality to measure. As a proxy, let's look at levels of education and happiness.

The Charts below, from Measuring What Matters, show higher levels of educational attainment and digital preparedness. Other measures, however, suggest more needs to be done to support childhood development, skills development, and in literacy and numeracy.

UBS Millionaire Index: distribution of USD millionaires around the world

Market	Number of USD millionaires, in thousands, selected markets
United States	23,831
Mainland China	6,327
France	2,897
Japan	2,732
Germany	2,675
United Kingdom	2,624
Canada	2,098
Australia	1,904
Italy	1,344
South Korea	1,301
Netherlands	1,267
Spain	1,202
Switzerland	1,119
India	917
Taiwan	759
Hong Kong SAR	647
Belgium	549
Sweden	490
Brazil	433
Russia	426
Mexico	399
Denmark	376
Norway	348
Saudi Arabia	339
Singapore	331

Source: Own calculation based on OECD data, complemented by International Monetary Fund (IMF), United Nations (UN), World Bank Group (WBG) data, and national statistics offices data.



Re our level of happiness, Australia is ranked highly. See below the 2025 World Population Review's list. This measure includes 6 categories- gross domestic product per capita, social support, healthy life expectancy, freedom to make your own life choices, generosity of the general population, and perceptions of internal and external corruption levels.

The HILDA (Household Income and Labour in Australia) Survey and the General Social Survey as part of Measuring What Matters have offered the data below related to Australian's levels of happiness. The rating is consistent over time and is relatively high.

It needs to be acknowledged there has been criticisms of the methodologies employed in the GSS and the data.

It needs to be acknowledged there has been criticisms of the methodologies employed in the GSS, and the data is 5 years old. There are plans to update this data soon, and in the future, to offer annual data sets.

Nevertheless, the authors report in 2020, overall life satisfaction out of 10, on average, was:

- highest for people aged 70 years and over and lowest for people aged 15-24 years (7.9 compared with 6.9).
- lower for people with a mental health condition than for people with no mental health condition (5.8 compared with 7.4).

COUNTRY	WORLD HAPPINESS SCORE 2024
Finland	7.74
Denmark	7.58
Iceland	7.53
Sweden	7.34
Israel	7.34
Netherlands	7.32
Norway	7.3
Luxembourg	7.12
Australia	7.06
Switzerland	7.06
New Zealand	7.03

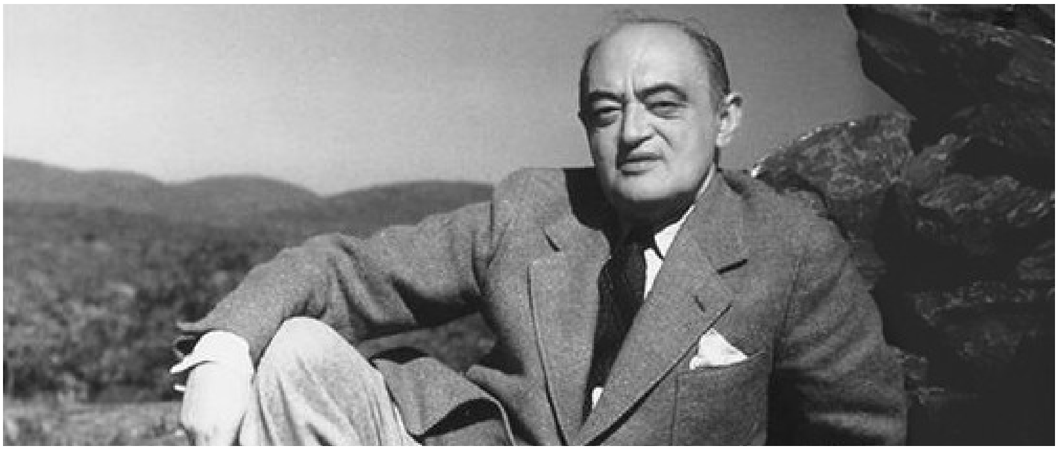
a. HILDA results are custom analysis of the Household, Income and Labour Dynamics in Australia (HILDA) survey funded by the Australian Government Department of Social Services and managed by the Melbourne Institute.

Source: Australian Bureau of Statistics, Overall life satisfaction

- lower for people with disability than people with no disability (6.7 compared with 7.4).
- lower for people with a long-term health condition than people with no long-term health conditions (6.9 compared with 7.4).
- lower for people who described themselves as gay, lesbian or bisexual than people who described themselves as heterosexual (6.3 compared with 7.2).

Creative Destruction: A MESSY WAY OF DELIVERING PROGRESS

By Robert Moore



Joseph Schumpeter, the famous Austrian economist, was the first to use the term 'creative destruction' to describe the free market's messy way of contributing to progress: He notes the opening of new markets:

'... incessantly revolutionises the economic structure from within, incessantly destroying the old one, incessantly creating a new one. This process of Creative Destruction is the essential fact about capitalism.'

According to economists Richard Alm and W. Michael Cox, creative destruction that includes lost jobs, ruined companies and vanishing industries are inherent features of economic growth and the associated rise in the standard of living. They argue:

'Over time, societies that allow creative destruction to operate grow more productive and richer; their citizens see the benefits of new and better products, shorter work weeks, better jobs, and higher living standards.'

Further:

'Herein lies the paradox of progress. A society cannot reap the rewards of creative destruction without accepting that some individuals might be worse off, not just in the short term, but perhaps forever. At the same time, attempts to soften the harsher aspects of creative destruction by trying to preserve jobs or protect industries will lead to stagnation and decline, short-circuiting the march of progress. Schumpeter's enduring term reminds us that capitalism's pain and gain are inextricably linked. The process of creating new industries does not go forward without sweeping away the preexisting order.

Because of the economic problem- unlimited wants but limited resources, we need to make choices about how best to use our scarce endowments of land, labour, capital, and enterprise. To maximise the provision of goods and services, and in so doing raising living standards, these resources need to move from inefficient companies to more productive firms.

In this vein, let's examine the extent of creative destruction in Australia's product markets (the market for goods and services) and then, in a factor market (a market in which resources are bought and sold) – the demand and supply of labour in Australia.

1. New Firms are the Biggest Contributors to Jobs and Growth

The e61 Institute recently released a report titled 'The Young and The Restless: The Contribution of Young Firms of The Economy'. Its key finding is that young firms play an outsized role in economic dynamism.

In their analysis, the authors focus on four groups:

1) Employing firm births: Firms in their first year of activity.

2) Infant firms: Firms aged five or less, excluding employing firm births.

3) Small old firms: Firms older than five years that have fewer than 15 employees.

4) Large old firms: Firms older than five years that have 15 or more employees.

They found that:
- While employing firm births account for just over 5% of employment, they generate 22% of job creation. See chart below.
- Infant firms account for nearly 40% of job creation and 45% of value-add creation, while making up 31% of jobs and 44% of firms.
- Large old firms contribute positively to job creation, though modestly relative to their share of employment.
- By contrast, small old firms account for only 15% of job and 28% of value-add creation, while accounting for 50% of all firms and over 20% of jobs outstanding. It is noted that 'Small old firms are also the largest source of job and value add destruction (i.e. the share of firm-level declines in headcount and value-add as firms shrink and/or exit), accounting for 41% and 40% respectively.'

Other key findings include:
- the largest increases in employment and value added occurred during the first two years of business. The authors note that 'This is when firms tend to be most dynamic and when their longer-term trajectory is largely established and … that young firms' positive economic contribution is concentrated (on average) in the first two years of a firm's life.
- Young firms are diverse. Not all young firms have high productivity. Only a select number of high-performing young firms drive economic growth through innovative ideas and innovation.
- Exit plays a key role in aggregate productivity. As less productive firms leave the market, they allow labour and capital to be reallocated to more productive and innovative firms. In Australia, business exit rates are declining meaning this allocative mechanism may be weakening, slowing the 'creative destruction' process, and having a negative impact on economic growth.

The report concludes with advice for policymakers:

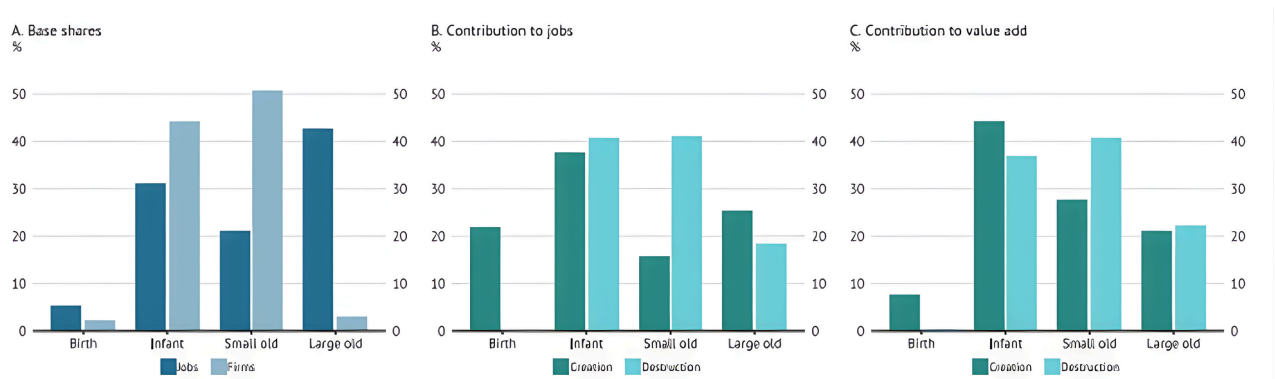
'… reconsider size-based business policies; better understand the vast differences in performance amongst young firms; and critically review policy-induced frictions to firm exit.'

2. Want to Boost Productivity? Increase Labour Mobility

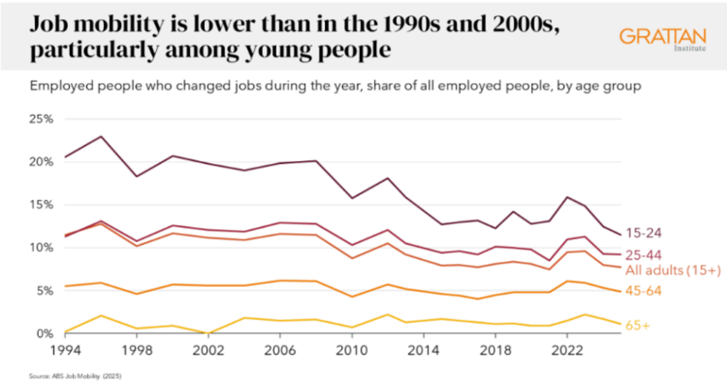
The Grattan Institute's Trent Wiltshire has published a report which argues limited job mobility, the movement of workers between jobs, has been a factor in Australia's weak productivity performance over the past decade. Moreover, he argues:

- We should enable more workers to move into more productive jobs and into more productive firms.
- Job mobility boosts productivity by contributing to knowledge spillovers, or the sharing of ideas.

Further, increased job mobility leads more people to have higher-paying, more-satisfying jobs.



* Analysis based on firm observations from FY08 onwards.
Source: ABS BLADE



As can be seen above, the percentage of workers who change jobs during the year is lower now than in the 1990s, particularly among younger people. Overall, the most recent data shows 7.7% of employed adults changed jobs, around half the proportion seen in the 1990s.

Most job changes are people moving to a better job – see below. A relatively small proportion left jobs for economic reasons such as redundancy, a lack of work, or because their employer went out of business.

Interestingly, Mr Wiltshire reports that the Productivity Commission found that around 70% of job changes and 80% of industry transitions were big changes, such as from manufacturing to professional services.

How do we boost job mobility?

Places to start are:

- **Increase housing** - Workers may be reluctant to move to Sydney and other cities with expensive housing even if attractive jobs are on offer. Higher stamp duty on expensive properties can also function as a deterrent. Increases in housing supply, perhaps aided by deregulation, would help. High speed rail which would enable people to work in cities but live in regional areas is also worth consideration.
- **Support innovation** - Australia ranks poorly in global rankings of entrepreneurship and innovation. We need to consider ways to spur both competition and new ways of thinking.
- **Reform occupational licensing** - Mr Wiltshire says this can be done by 'by expanding automatic mutual recognition, creating a national licensing regime for specific occupations (particularly in construction trades), expanding international mutual recognition schemes, and abolishing occupational licenses where the costs exceed the benefits. He quotes the Productivity Commission's estimate that 'removing unnecessary occupational licensing requirements would increase productivity and boost GDP by up to 0.4 per cent.
- **Ban non-compete clauses** - There has already been some action in this area with the federal government's plans to amend the Competition and Consumer Act to stop anti-competitive practices among businesses, such as 'no poach' agreements that stop workers from being hired by competitors.

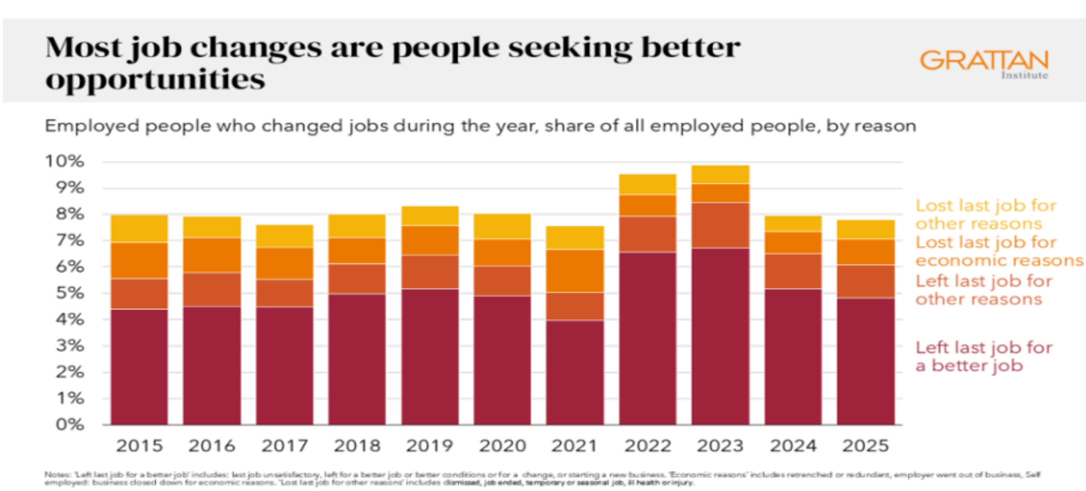
Mr Wiltshire concludes with:

'The Albanese government has put boosting productivity growth at the top of its second-term agenda. Removing barriers that stop workers moving to the most suitable jobs is a great place to start to make Australia more prosperous.'

Interestingly, in the RBA's statement released on Melbourne Cup Day, the Bank noted an increase in 'quit rates' - the number of people who are choosing to leave their job for another, usually a better paying one.

It stated that that this was a sign that 'perhaps that inter-firm competition to attract and retain staff has increased, indicating tighter labour market conditions.' This could be seen as a justification for delaying or halting cuts to interest rates.

It would seem advisable that Schumpeter's creative destruction could enhance productivity and, indirectly, raise our living standards. Let's support both our most productive new firms and our labour mobility!



RECENT RESEARCH ON ...

HOUSEHOLDS AND FAMILY LIFE

By Robert Moore

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The Household, Income and Labour Dynamics in Australia (HILDA) Survey is a household-based survey that collects information about economic and personal well-being, labour market dynamics, and family life.

The HILDA Survey follows the lives of more than 17,000 Australians each year. Participants are followed over the course of their lifetime. The 2025 HILDA survey results were published last week.

Below shows the importance of different factors couples in their 'fertility years' (18-49) contemplate when deciding on whether to have children.

Figure 2.9 shows that the issue that women consider most important is the general cost of raising children: 46% consider this factor to be very important, and another 39% consider it to be important. The second most important factor is the emotional value of children: 'Having someone to love' is considered very important by 38% of women and important by another 33% of women. The security of a woman's own or her partner's job, available and affordable good-quality child care, and the stress and worry of raising children are also important factors.

Figure 2.10 presents the importance of the same list for men. The report's authors note:

The overall pattern is very similar to that of women. The same 12 out of 14 factors are considered important or very important by at least 60% of men. Furthermore, the same issues make up the top four factors among both genders.'

However, there are differences when combining factors combining the shares of persons considering a factor to be 'important' and 'very important':

- The greatest gender gap exists with respect to age. A total of 70% of women consider this issue to be important or very important, compared to just 61% of men. This may be due to a greater awareness of the impact of ageing on women's fertility compared to men's.
- Women also place more importance on the stress and worries of raising children and on job security, with a 7-percentage-point difference for each, the general cost of raising children (6 percentage points) and the availability and affordability of good-quality child care (5 percentage points).
- Men place more value than women on children's role in providing more purpose in life (4 percentage points) and on giving their parents grandchildren (3 percentage points).

The authors also note:

... among both genders, costs and concerns relating to childbearing have become more important over time, whereas the social and emotional benefits of having children have become less important.'

Figure 2.9: Importance of different factors in deciding whether to have a child—Women aged 18-49, 2023

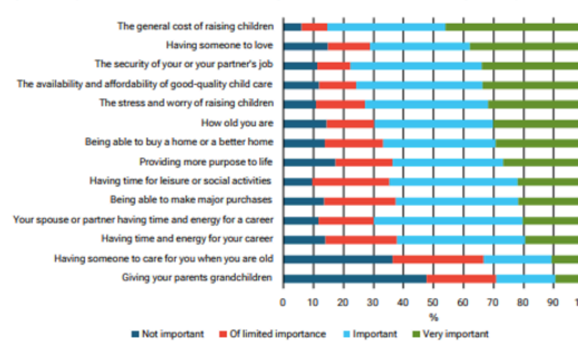
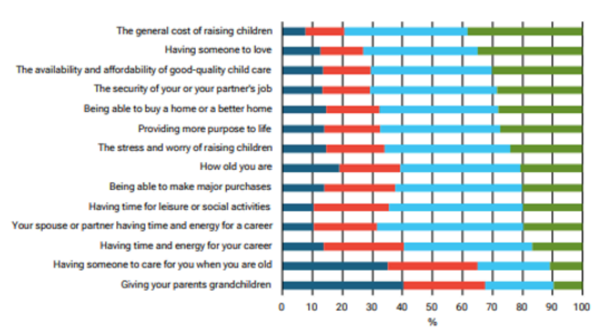


Figure 2.10: Importance of different factors in deciding whether to have a child—Men aged 18-49, 2023



TRENDS IN FRIENDSHIP

BY ROBERT MOORE

The 2025 Household, Income and Labour Dynamics in Australia (HILDA) Survey Report offers a wealth of information about economic pressures and social shifts. One focus of the social research is trends in friendship.

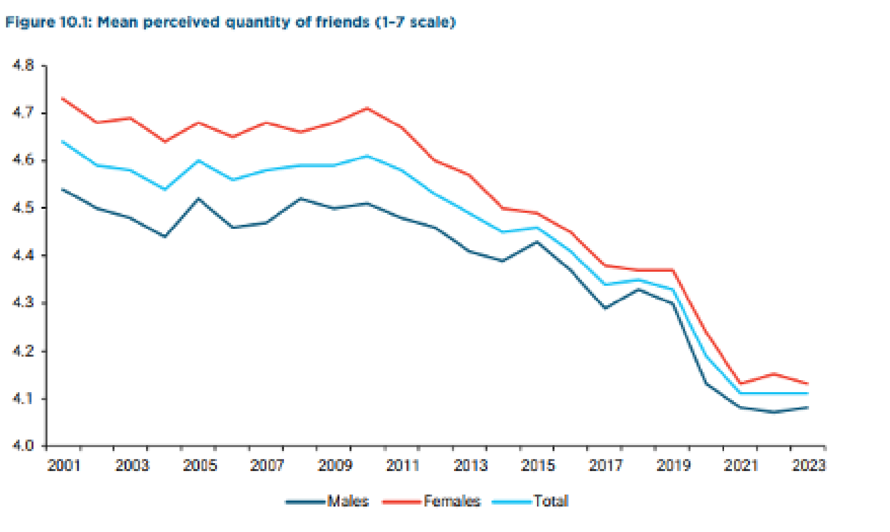
The authors state:

Friendships are an important part of many people's lives. However, our friendship networks and the way we connect with friends can change with our living circumstances and over time as societies change. Each year, the HILDA Survey asks respondents whether they believe they have many friends and how often they socialise with friends and relatives outside their own household.

Below shows Australian's level of agreement with 'I seem to have a lot of friends,' for all persons and separately for males and females. The top part of the scale shows that around one in 10 (9.9%) Australians score 7 points and thus strongly agree that they have many friends. Looking at hose who select between 5 and 7 points, we find that only a minority of Australians, about 42%, tends to agree that they have many friends. In contrast, more than a third (35%) score between 1 and 3 points, indicating that they do not believe they have many friends. The Table suggests that males are less likely than females to believe they have many friends.

Table 10.1: Agreement with the statement 'I seem to have a lot of friends', 2023 (%)

	← Disagreement			Neutral	Agreement →			
	1 Strongly disagree	2	3	4	5	6	7 Strongly agree	
Male	9.3	11.8	14.3	23.9	17.2	13.9	9.7	100.0
Female	9.8	11.2	13.7	22.8	16.8	15.7	10.1	100.0
Total	9.6	11.5	14.0	23.3	17.0	14.8	9.9	100.0



The chart above shows that the perceived quantity of friends was stable between 2001-2010 but has been declining since. Across the period, females showed a larger perceived quantity of friends than males. However, this gap was larger over the first 10 years than at the end of the period.

The HILDA data show life stage impacts on perceived quantity of friends. The author's note that for males, teenagers record the highest number with the quantity of perceived friends declining until a reversal in late middle age, before falling again late in life. For females, the quantity of friends reaches its lowest points between 25 and 30 years. After age 30, the quantity of friends grows until the 70s. From about age 35 onwards, women's perceived quantity of friends is greater than men's at all ages. The gap is particularly large in the early 50s – see below.

Finally, the Figure below shows significant age differences in socialising frequency, which roughly correlate with patterns of the perceived quantity of friends described earlier. Almost two thirds (64.7%) of the youngest cohort get together with friends or relatives at least on a weekly basis. About 5% of this age group does so daily. The group with the second highest frequency is people aged 65 and older, among whom about 55.2% socialise at least once per week and 3.3% daily. By contrast, people in mid-life show the lowest socialising frequencies. The authors suggest his group is often highly engaged in careers and/or caring for children and thus tends to have less leisure time.

Other findings on friendship include:

By employment status:

- Part-time workers have more friends than full-time workers.

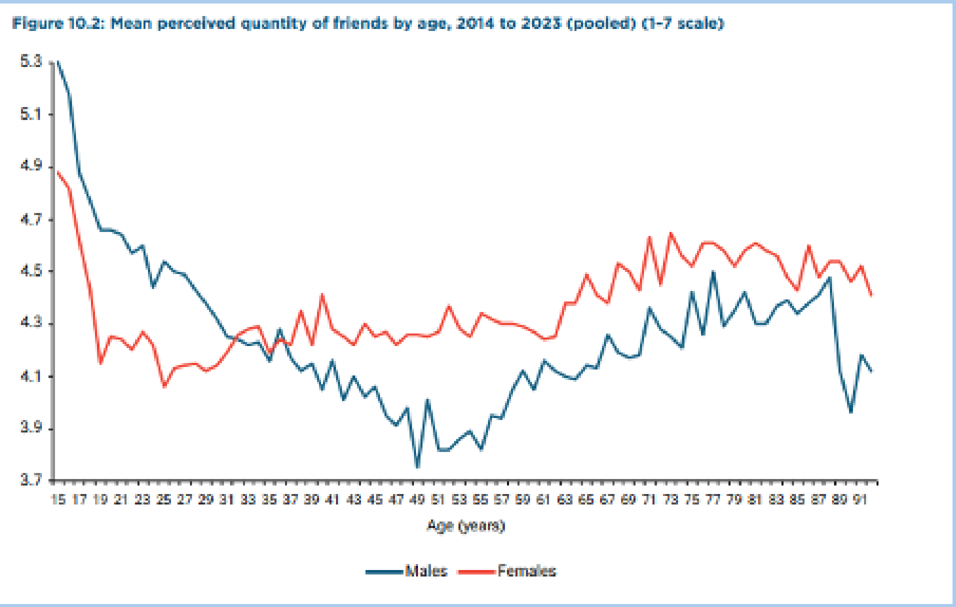
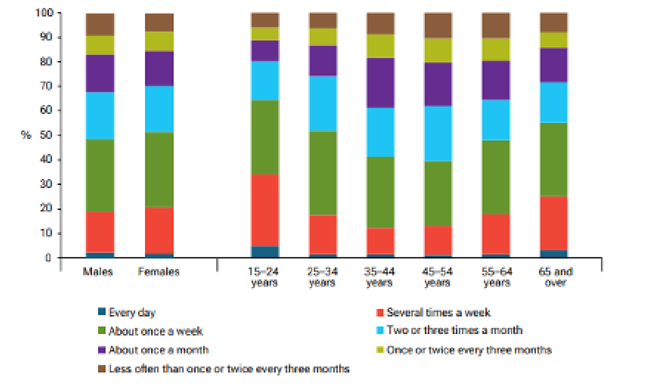


Figure 10.6: Frequency of getting together socially with friends and relatives living elsewhere, by gender and age group, 2023



- The unemployed and those not in the labour force have fewer friends.
- Full-time students tend to have significantly more friends than people who do not study full-time.

By family situation:

- Being married is associated with more friends than being single for males, but not for females.
- Migrants from the main English-speaking countries tend to have fewer friends than other migrants.
- People who are in better physical health tend to have more friends.

By education

- Males with a degree tend to have fewer friends than those who completed at a maximum Year 11.
- However, highly educated females tend to have more friends than their lower-educated counterparts.

Finally, the Table below shows that people who strongly disagree that they have many friends are most likely to be disadvantaged in the 4 stated areas.

Interestingly, the authors note:

'... while lack of friendships likely reduces mental wellbeing, mental health problems can also make it more difficult to maintain friendships. Overall, these figures suggest that the lack of friendships can pose a significant risk to people's wellbeing.'

They conclude:

'Overall, the clear relationship between the perceived quantity of friends and several indicators of wellbeing suggests that the declining trend in the quantity of friends observed since 2010, which accelerated during the COVID-19 pandemic, has worked towards decreasing people's wellbeing.

The report links the decline in friendships with findings of increasing psychological distress.

Table 10.3: Perceived quantity of friends and select indicators of wellbeing, 2001 to 2023 (pooled) (%)

	Social activities		Emotional support		Instrumental support	Mental wellbeing	
'I seem to have a lot of friends'	Socialises less than monthly	Would like more visits	Nobody to confide in	Nobody to cheer them up	Difficulties getting help	Feels lonely	Poor mental health
1 Strongly disagree	38.4	47.2	33.6	40.2	36.9	40.3	37.2
2	25.2	46.8	27.9	30.9	24.7	33.2	27.7
3	16.9	39.9	21.0	23.9	16.1	24.2	21.0
4	12.0	29.3	11.7	14.7	8.0	15.7	15.1
5	8.2	28.4	11.5	11.1	5.4	14.9	11.6
6	5.8	21.9	8.2	8.1	3.8	10.9	8.0
7 Strongly agree	6.4	20.0	8.7	7.3	3.8	12.3	8.3
Total	12.9	30.6	14.6	16.1	10.5	18.4	15.5

SHOULD TAXPAYERS BAILOUT STRUGGLING FACILITIES IN WHYALLA, MT. ISA, TOMAGO, ...?

BY ROBERT MOORE

Over the past year the government has announced subsidies to support struggling resource facilities, including $2.4b for Whyalla steelworks and $600m for Glencore's copper smelter in Mt Isa.

Further, Rio Tinto has approached the government for a $1b subsidy to support its aluminium smelter in Tomago. The smelter, which uses about 10% of NSW's electricity supply, has been hit by higher energy costs.

Is industrial policy, government-led support of specific strategic industries in the absence of sufficient private sector investment, a good idea? Let's look at key arguments for and against.

Arguments for industrial policy

Saving Jobs

The government estimates that assisting the Whyalla facility saved 2500 jobs. Industry minister, Tim Ayres, believes "thousands and thousands of direct and indirect jobs will be saved with the Mt Isa bailout." Indirect jobs are those provided by suppliers, as well as those in retail, hospitality, and other industries supported by directly employed workers.

Saving Communities

Many of these struggling facilities are central to the sustainability of communities. Whyalla and Mt Isa would be significantly impacted if the key employer closed. Sadly, Mount Mulligan, once a thriving coal mining town in Qld, is now a ghost town.

Geopolitical factors

In times of fraying ties between countries we can't always rely on others, even if they are lower-cost producers, to sell us essential commodities and products. National security and resilience mean some industries deserve support.

Arguments against industrial policy

It's expensive

The Australian Financial Review reports, the bailouts so far will cost taxpayers $3.1b over three years to save 3500 direct jobs, or nearly $1m per job. Grattan Institute's Alison Reeve believes '... we need to get a lot more clarity on why we are bailing out these smelters because if it is just about jobs, a million dollars per job is very expensive.'

Workers can be retrained

The success of the substantial retraining offered by BHP and government to former employees at the now-closed steelworks in Newcastle shows that workers and communities can thrive after a major facility closes. The successful retraining of workers in car manufacturing is also instructive.

Let the private sector accept the risk

Capital markets are becoming more sophisticated- there may be opportunities to obtain funding for struggling private firms and individuals from the private sector. As well, perhaps, more efficient operators could buyout the facilities. Further, a government handout could become the first of many or could help perpetuate continuing inefficiencies, or even lead to improper relationships between government and owners of struggling facilities.

MARKET WATCH WITH MAX

XERO

Code: XRO
Industry: Software and Services

It's not often that I think of accounting, frankly, I never do. I prefer to pay someone else good money to handle balancing books for me. However, recently I noticed the platform **Xero** sky-rocketing with users and subsequently revenue. The New Zealand-born software giant recently reported a FY25 revenue of NZ$2.1 billion, which is up a tidy 23%.

Their subscribers climbed to over 4.4 million globally, with their average revenue per user up 15%. This highlights their margin profile improving alongside brand loyalty within Australia and New Zealand. That's a lot of small businesses enjoying the automation, and maybe giving some accountants the opportunity to practice smiling for the first time.

The current macro climate is a little uncertain, with the recent inflation bump causing SMEs to consider potential business savings. This highlights Xero's position in the market, where they offer affordable and easy-to-use software.

The main opportunity for Xero is within their international expansion opportunities. Their penetration into the U.S. market could be the next leg of growth, provided that they can outmanoeuvre the incumbents. Xero is unlikely to move markets overnight, however, if you're seeking a dependable digital infrastructure business with steady profitable growth, Xero adds up neatly.

SEEK

Code: SEK
Industry: Media and Entertainment

If you're unfamiliar with **SEEK** you're one of the fortunate people who haven't spent hours doom scrolling job adverts. They are an online employment marketplace which connects job seekers with employers across Australia, New Zealand and parts of South East Asia.

Whilst some headlines warn of hiring freezes and "strategic pauses", Seek's numbers suggest otherwise. Their revenue now exceeds A$1.4 billion, and the company's pivot toward AI and data analytics is paying dividends (figuratively and literally). Their investment into international markets could be a potential for growth, as they currently have significant market share domestically. Seek's Asian operations are finally starting to pull their weight thanks to a successful freemium model, which has been successful across a number of industries.

Valuation-wise, analysts currently see Seek as a strong buy, in the current market however, it is hard to imagine an internet and information share that isn't. I am reluctant to provide my own opinion, but they stand to benefit from most economic conditions, as low & high unemployment can mean people are still looking for new roles.

Macquarie Group Limited

Code: MQG
Industry: Financial Services

It is often said that **Macquarie Group** doesn't weather the financial climate, rather, they own the forecast. The millionaires factory continues to make an absolute motsa ($3.715 Billion AUD is the technical definition of a motsa). It is worth noting that their position in the marketplace is particularly attractive, with more people than ever seeking investment advice.

The key behind their consistent growth is their diversification. MQG operates in areas from infrastructure and renewables to asset management and commodity trading. They are a business that is part investment bank, global operator and Swiss Army Knife. This approach has made Macquarie one of Australia's most consistent financial performers on the ASX. Their asset management arm continues to generate stable earnings from long-term infrastructure and renewable energy investments, while its commodities and trading divisions provide balance when market volatility rises. It's a mix that keeps the lights on, even when deal flow dims elsewhere.

That said, the company isn't immune to the cycle. Slower capital markets, tighter credit, or lower trading volumes will all be causes for concern . But with a solid balance sheet and a reputation for prudent risk management, Macquarie remains one of the more reliable names on the ASX.

My verdict is to maintain a positive outlook on MQG. Macquarie continues to demonstrate the kind of steady execution and adaptability that makes it a long-term core, rather than a short-term trade.

“Working” from home

Economics Trivia

1. What do you call a rise in the general price of goods and services?
2. Often attributed to a 1980 Virginia newspaper article as the source, the common acronym NIMBY holds what meaning related to local politics and anti-development tendencies?
3. Sequoia and Accel are both financial firms that are considered hallmark members of what sub-class of private equity investing?
4. According to FocusEconomics, which country, the only English speaking one in South America, will have the fastest growing economy in the world from 2022-2026?
5. "A Rogue Economist Explores the Hidden Side of Everything" is the subtitle of what 2005 book that spawned a public interest in behavioural economics and led to multiple sequels and a long-running podcast?
6. Increasingly popular as a way to attain exposure to a wider array of investments, the financial term ETF most often stands for what three words?
7. What is the term for a period of rising prices combined with economic stagnation?
8. Which monetary policy tool involves the central bank buying government securities from commercial banks?
9. What is the economic term for a good whose demand increases as its price increases?
10. What economic concept describes the extra satisfaction gained from consuming one more unit of a good?

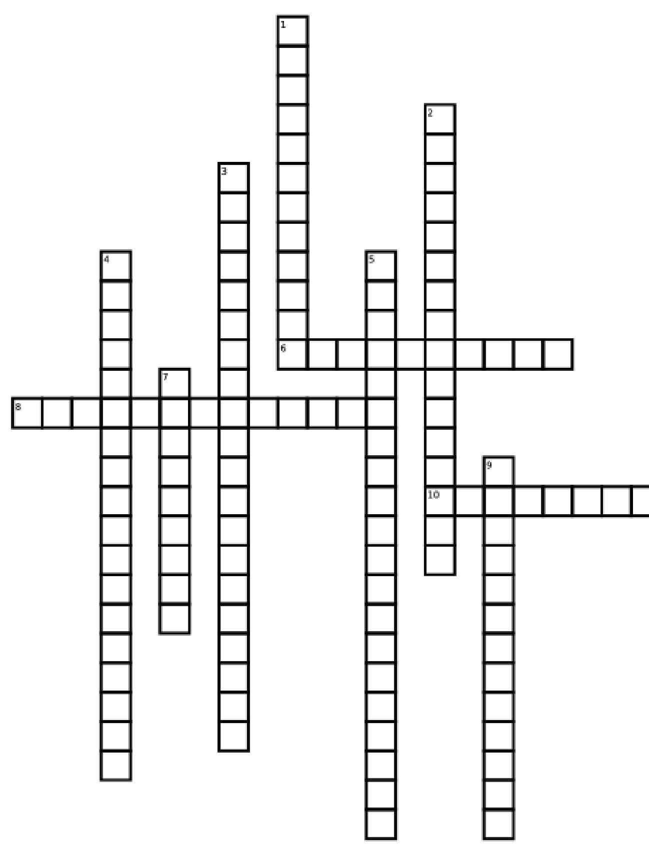
Crossword Corner

Down:

1. What is the term for the difference between a country's exports and imports?
2. What type of "T" costs are those incurred during the process of buying or selling, on top of the price of whatever is being exchanged?
3. What two word term refers to the total dollar market value of a company's outstanding shares?
4. The Gini coefficient is a measure of statistical dispersion most often used in economics and policy to measure what?
5. What is the term for the total market value of all finished goods and services produced within a country's borders in a year?
7. Although colloquially used as a term to

Across:

6. What is the term for the change in behavior by buyers or sellers in the market in response to a change in price for a good or service?
8. What economics term is used to refer to people who aren't quite unemployed, but are working in a lower capacity than what they are qualified for? This typically includes a lower-paid job or fewer hours than desired.
10. Also referred to as a "retrospective cost," what is the more common, four-letter name for a cost that has already been incurred and cannot be recovered?

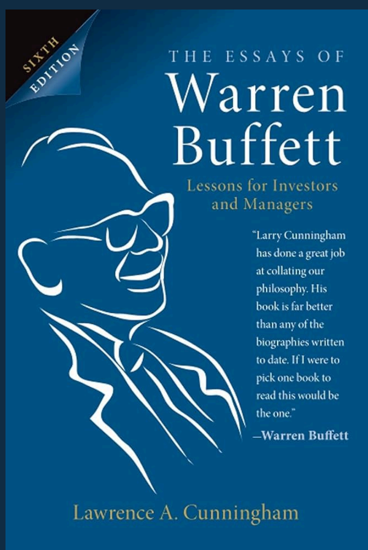


Shares In Focus

Shares Name	Code	Now	1 Month Ago	6 Months Ago	1 Year Ago	3 Years Ago	5 Years Ago
Whitehaven	ASX: WHC	7.03 AUD	7.04 AUD	5.37 AUD	6.73 AUD	8.19 AUD	1.29 AUD
New Hope	ASX: NHC	4.11 AUD	3.97 AUD	3.65 AUD	4.81 AUD	5.28 AUD	1.19 AUD
Woodside Energy Group	ASX: WDS	26.40 AUD	22.26 AUD	21.59 AUD	24.10 AUD	30.63 AUD	20.35 AUD
Rio Tinto	ASX: RIO	129.69 AUD	130.71 AUD	119.22 AUD	115.90 AUD	106.38 AUD	99.45 AUD
Commonwealth Bank of Australia	ASX: CBA	152.90 AUD	172.70 AUD	172.43 AUD	156.38 AUD	105.82 AUD	80.00 AUD
BHP Group LTD	ASX: BHP	41.24 AUD	43.14 AUD	38.60 AUD	40.08 AUD	43.94 AUD	32.18 AUD
Westpac Banking Corp	ASX: WBC	37.35 AUD	39.27 AUD	31.50 AUD	33.03 AUD	23.62 AUD	19.91 AUD
National Australia Bank LTD	ASX: NAB	40.38 AUD	43.75 AUD	37.21 AUD	39.32 AUD	30.66 AUD	22.73 AUD
Newmont Corporation	NYSE: NEM	88.15 USD	94.89 USD	50.93 USD	43.18 USD	45.13 USD	61.65 USD
Wesfarmers LTD	ASX: WES	80.27 AUD	89.69 AUD	83.53 AUD	70.66 AUD	47.57 AUD	49.16 AUD
ANZ Group Holdings LTD	ASX: ANZ	35.10 AUD	36.77 AUD	28.76 AUD	32.18 AUD	24.50 AUD	22.16 AUD
Goodman Group	ASX: GMG	29.49 AUD	33.92 AUD	32.20 AUD	37.45 AUD	18.36 AUD	18.51 AUD
Telstra Group	ASX: TLS	4.88 AUD	4.88 AUD	4.66 AUD	3.85 AUD	3.94 AUD	3.09 AUD
Resmed CDI	ASX: RMD	37.65 AUD	41.08 AUD	37.16 AUD	36.53 AUD	33.43 AUD	28.79 AUD
CSL LTD	ASX: CSL	180.00 AUD	217.66 AUD	281.18 AUD	274.30 AUD	294.40 AUD	313.53 AUD
Fortescue LTD	ASX: FMG	20.27 AUD	20.16 AUD	16.14 AUD	17.75 AUD	19.96 AUD	16.95 AUD
Transurban Group	ASX: TCL	15.06 AUD	14.85 AUD	14.30 AUD	12.56 AUD	13.92 AUD	14.85 AUD
Woolworthes Group LTD	ASX: WOW	27.86 AUD	26.79 AUD	31.87 AUD	30.14 AUD	34.66 AUD	32.25 AUD
QBE Insurance Group LTD	ASX: QBE	19.80 AUD	20.24 AUD	22.75 AUD	19.26 AUD	12.40 AUD	9.91 AUD
NIB Holdings Limited	ASX: NHF	7.37 AUD	7.26 AUD	6.86 AUD	5.64 AUD	7.12 AUD	5.17 AUD
Brambles LTD	ASX: BXB	23.44 AUD	25.08 AUD	22.02 AUD	18.92 AUD	11.52 AUD	10.89 AUD
Coles Group LTD	ASX: COL	22.10 AUD	23.18 AUD	21.75 AUD	18.16 AUD	16.94 AUD	17.98 AUD
News Corporation Class B Voting CDI	ASX: NWS	44.25 AUD	45.63 AUD	51.07 AUD	48.56 AUD	27.00 AUD	23.90 AUD
WiseTech Global LTD	ASX: WTC	64.50 AUD	82.98 AUD	102.07 AUD	138.48 AUD	58.80 AUD	30.63 AUD
REA Group LTD	ASX: REA	195.24 AUD	218.68 AUD	251.00 AUD	245.57 AUD	121.43 AUD	140.51 AUD
James Hardie Industries plc	ASX: JHX	27.68 AUD	33.39 AUD	38.49 AUD	54.81 AUD	29.55 AUD	38.96 AUD
Santos LTD	ASX: STO	6.60 AUD	6.33 AUD	6.37 AUD	6.79 AUD	7.38 AUD	5.92 AUD
Qantas Airways LTD	ASX: QAN	9.60 AUD	10.63 AUD	10.29 AUD	8.82 AUD	5.88 AUD	5.27 AUD
Stockland Corporation LTD	ASX: SGP	6.24 AUD	6.63 AUD	5.55 AUD	5.06 AUD	3.67 AUD	4.53 AUD
Xero LTD	ASX: XRO	123.49 AUD	154.59 AUD	182.30 AUD	173.91 AUD	68.92 AUD	127.39 AUD
Medibank Private LTD	ASX: MPL	4.77 AUD	4.70 AUD	4.75 AUD	3.73 AUD	2.83 AUD	2.93 AUD
BlueScope Steel LTD	ASX: BSL	22.44 AUD	20.89 AUD	23.74 AUD	20.92 AUD	16.62 AUD	17.23 AUD
Mirvac Group	ASX: MGR	2.26 AUD	2.44 AUD	2.29 AUD	2.11 AUD	2.12 AUD	2.68 AUD
JB-Hi FI LTD	ASX: JBH	96.00 AUD	14.44 AUD	105.54 AUD	88.61 AUD	42.74 AUD	46.02 AUD
Lottery Corporation LTD	ASX: TLC	5.32 AUD	5.74 AUD	5.34 AUD	5.07 AUD	4.50 AUD	4.80 AUD
A2 Milk Company LTD	ASX: A2M	9.39 AUD	9.16 AUD	8.24 AUD	4.86 AUD	5.95 AUD	13.90 AUD
HUB24 LTD	ASX: HUB	102.63 AUD	107.20 AUD	81.54 AUD	72.36 AUD	26.68 AUD	21.09 AUD
Ampol LTD	ASX: ALD	31.10 AUD	29.60 AUD	26.25 AUD	28.71 AUD	28.82 AUD	28.43 AUD
Harvey Norman Holdings LTD	ASX : HVN	7.23 AUD	7.32 AUD	5.33 AUD	4.61 AUD	4.11 AUD	4.61 AUD
Baby Bunting Group LTD	ASX: BBN	2.72 AUD	2.65 AUD	1.68 AUD	1.70 AUD	2.59 AUD	4.38 AUD
Netwealth Group LTD	ASX: NWL	27.66 AUD	32.34 AUD	30.95 AUD	29.57 AUD	14.09 AUD	16.75 AUD
AGL Energy Limited	ASX: AGL	9.21 AUD	8.84 AUD	10.29 AUD	10.96 AUD	7.56 AUD	13.09 AUD
Endeavour Group LTD	ASX: EDV	3.64 AUD	3.61 AUD	4.06 AUD	4.38 AUD	7.16 AUD	6.10 AUD
Ansell LTD	ASX ANN	35.74 AUD	34.15 AUD	32.02 AUD	32.44 AUD	28.04 AUD	38.24 AUD
Pilbara Minerals LTD	ASX: PLS	4.12 AUD	2.74 AUD	1.38 AUD	2.89 AUD	4.76 AUD	0.57 AUD
Genesis Minerals LTD	ASX: GMD	6.56 AUD	6.57 AUD	3.89 AUD	2.47 AUD	1.28 AUD	0.79 AUD
Domino's Pizza Enterprises LTD	ASX: DMP	21.70 AUD	15.03 AUD	25.51 AUD	30.40 AUD	64.06 AUD	76.08 AUD
Flight Centre Travel Group LTD	ASX: FLT	12.17 AUD	11.91 AUD	13.50 AUD	17.21 AUD	16.14 AUD	16.15 AUD
Pinnacle	ASX : PNI	16.62 AUD	19.29 AUD	20.31 AUD	22.12 AUD	9.23 AUD	5.84 AUD
Treasury WIne Estates LTD	ASX : TWE	5.72 AUD	6.28 AUD	8.54 AUD	11.14 AUD	13.32 AUD	9.79 AUD

BOOK CORNER:

THE ESSAYS OF WARREN BUFFETT



This book holds not only a collection of Buffett's letters to the shareholders of Berkshire Hathaway written over the past few decades., but also a definitive work of Buffetts intelligent investment philosophy.

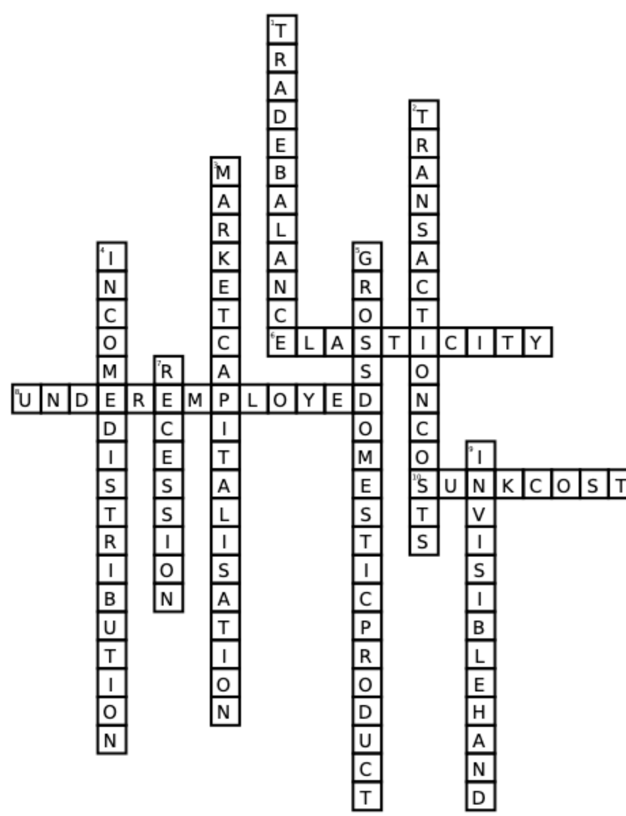
It can be foreboding, the prospect of reading 36 years worth of shareholder letters, but Buffett has collated his philosophy and acumen into a highly enjoyable and topically indexed book.

The Essays of Warren Buffet takes a view of what 50 years of company fundamentals can teach us about evaluating companies and potential investments. These letters have had a large impact on the way many people think about investing today.

Trivia Answers

1. Inflation
2. Not in my backyard
3. Venture Capital
4. Guyana
5. Freakonomics
6. Exchange Traded Fund
7. Stagflation
8. Open market operations
9. Veblen good
10. Marginal utility

Crossword Answers



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