

Super Activity 2 Where does super money come from?

Years 11-12

TASK 2 SUPERANNUATION POLICY

Worksheet

Focus: Economics

YOU WILL:

- ▶ research a government policy on superannuation
- ▶ analyse the effectiveness of this policy in improving the equity of income and wealth distribution
- ▶ identify the arguments for and against the policy
- ▶ construct and interpret economic data

YOU WILL NEED:

- ▶ *Fact sheet: Where does super money come from?*
- ▶ Access to the internet

According to the 2016-17 budget, "the objective of superannuation is to provide income in retirement to substitute or supplement the Age Pension". Superannuation policies are also a measure that can be used to address inequality in the distribution of income and wealth.

INVESTIGATE

Your task is to research a superannuation policy and provide an assessment about whether it has been or will be successful in improving equity in the distribution of income and wealth.

Possible policy options include:

- ▶ The superannuation guarantee in 1992
- ▶ Changes to superannuation in the 2016-17 budget, or the 2017-18 budget.

Present your material to your class as a five-minute presentation. Include visuals.

When planning your answer use the following steps:

1. Identify the difference between equity in the distribution of income and equality in the distribution of income.
2. Identify the policy.
3. Provide an overview of the policy.
4. Give reasons why the policy was introduced.
5. Analyse the impact of the policy on income and wealth distribution (actual or expected).
6. Analyse the advantages of the policy or arguments in favour of the policy.
7. Analyse the disadvantages of the policy or arguments against the policy.
8. Provide evidence of the impact of the policy on the distribution of income and wealth.
9. Make an overall assessment on the effectiveness of the policy in promoting equity in the distribution of income and wealth.
10. Discuss how the policy may affect or have affected the components of aggregate demand and supply. Identify the implications for economic activity.