

# MATH2404 Assignment 1

Name

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Student number



## Assessment declaration checklist

Please carefully read the statements below and check each box if you agree with the declaration. If you do not check all boxes, your assignment will not be marked. If you make a false declaration on any of these points, you may be investigated for academic misconduct. Students found to have breached academic integrity may receive official warnings and/or serious academic penalties. Please read more about academic integrity [here](#). If you are unsure about any of these points or feel your assessment might breach academic integrity, please contact your course coordinator for support. It is important that you DO NOT submit any assessment until you can complete the declaration truthfully.

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- ☒ No part of this assessment has been written for me by any other person except where such collaboration has been authorised by the lecturer/teacher concerned.
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I understand that:

- ☒ Plagiarism is the presentation of the work, idea or creation of another person as though it is your own. It is a form of cheating and is a very serious academic offence that may lead to exclusion from the University. Plagiarised material can be drawn from, and presented in, written, graphic and visual form, including electronic data and oral presentations. Plagiarism occurs when the origin of the material used is not appropriately cited.
- ☒ Plagiarism includes the act of assisting or allowing another person to plagiarise or to copy my work.

I agree and acknowledge that:

- ☒ I have read and understood the Declaration and Statement of Authorship above.

- ☒ If I do not agree to the Declaration and Statement of Authorship in this context and all boxes are not checked, the assessment outcome is not valid for assessment purposes and will not be included in my final result for this course.

## URL to vodcast hosted on OneDrive

<https://rmit-arc.instructuremedia.com/embed/bd3d5195-9ebc-45c2-b728-afe247beaef4>

## Vodcast Transcript

You are searching for a new rental home in Australia or find that your \$20 dollars isn't getting you as much groceries as it used to? This isn't just a minor inconvenience – it is a daily struggle for millions. Australia faces rising inflation, with the rental market being hit particularly hard.

My name is Timm Rahrt and in this vodcast, we are putting Australia's inflation story into perspective to find out if these trends are truly spiraling beyond control.

This visualization published by RBA.gov.au shows the Australian inflation rate over recent decades, represented by the Consumer Price Index (CPI), which reflects how prices for everyday goods and services change. This graph is addressed towards the general public.

Historically, inflation stayed within the Reserve Bank of Australia's target range of 2-3%. The lowest inflation value is 0% in 2020 and the peak 5% in 2009. But Covid changed this massively.

In 2022, inflation increased to a staggering 8% and the prognosis looks like it could be worse.

This rise is especially evident in the housing market, where average rent has now reached \$600 per week. But wouldn't it be interesting to know how the renting market developed while inflation was within the target range? And how did the 8% inflation peak drive rents higher?

To answer this, we look at the following graph "Median weekly rent value", published by CoreLogic, which illustrates the median weekly rent value for Australians from April 2009 to almost January 2024, it is targeted towards the general public. You can see a steady increase of rent with a noticeable jump end of 2020, right when the inflation rate peaked.

While inflation has been kept within the target range of 2-3%, it took quite a while for the median weekly rent to jump from \$400 to \$450 - 7 years to be exact.

But once inflation hit 8%, this changed dramatically and the same \$50 per week increase took just 1 year.

So, what does this mean for us? Are we all going to spend a way larger portion of our salaries towards rent and food when inflation reaches 10, 12 or even 15%?

Luckily, there is more to this story when we look at the bigger picture. Here is the overall inflation trend from 1960 to September 2024, which shows the situation isn't as catastrophic. We can see, the actual inflation rate maximum sits at 17% in 1975, the actual minimum in a regression of -2% in 1963. The fluctuation used to be massively more dramatic before the introduction of the target range. Other good news are, after the recent spike, inflation has finally returned to the target range, currently sitting at an CPI of 2.8%.

So, things are looking way better than initially estimated after putting the data snippet in its actual data range. Australia's cost of living crisis is much lower when compared to other western economies. To conclude our insights, after putting the data into the correct perspective we saw while the cost-of-living crisis is real, Australia's inflation is under control for now, offering a bit of relief.

We also saw that data is really just a collection of numbers until you put it into the right perspective or like Hans Rosling once said "The world cannot be understood without numbers. But the world cannot be understood with numbers alone."

## References

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