



An introduction to economics for non-Economists

Who should attend?

This workshop is designed for people working in or with the public sector with no previous training in economics.

What the program offers:

This program will explore the role of economics in policy making and the contribution of the NSW Treasury. The course is a precursor to the two day **Cost-benefit analysis** workshop which goes into more specific details and requires an understanding in economics.

About the facilitator:

Dr Peter Abelson is a Director of Applied Economics P/L, a Visiting Scholar at the University of Sydney, and Adjunct Professor of the Australian and New Zealand School of Government. He is a principal economic advisor to NSW Treasury. In recent years he has run several workshops on cost-benefit analysis for the Victorian Department of Infrastructure as well as for the Economic Society of Australia (NSW branch). His consulting work in areas such as transport, urban and environmental issues, health, and education economics includes many cost-benefit studies. Peter re-drafted The Handbook of Cost-Benefit Analysis for the Department of Finance which was republished in January 2006. He is the author of *Public Economics: Principles and Practice* (2008), which is the leading text in this field in Australia.

Learning outcomes:

The workshop will help participants to understand the economy as a whole (macroeconomics) and the key role of markets in the economy (microeconomics). It will also introduce participants to the role of the government in developing budgets and macroeconomic policy and in public policy and project evaluation (microeconomic policy).

1. Macroeconomics: Understanding the economy

- Introduction to the economy: from resources to goods and services.
- National Income (GDP): measures and components.
- Gross state product.
- Employment concepts.
- Inflation and prices indices.
- International trade.
- Major drivers of economic output and growth.
- Major economic concepts.
- Class discussions.



2. Microeconomics: Understanding markets

- Advantages of markets: efficiency.
- Disadvantages of markets: market failures and inequity.
- Major economic concepts.
- Class discussions.

3. Macroeconomic policy: Understanding government budgets

- Commonwealth and state budgets.
- Cash and accrual concepts.
- Expenditure: recurrent and capital (infrastructure).
- Total asset management and the State Infrastructure Strategy (TPP 08-02).
- Sources of revenue.
- The net operating and overall fiscal (borrowing) balances.
- The public sector balance sheet.
- Assets and liabilities.
- Key financial ratios: net debt, net financial assets, net public worth.
- Credit rating.
- Fiscal and monetary policy.
- Major economic concepts.
- Class discussions.

4. Microeconomic policy: Understanding public policy and project evaluation

- The role of government.
- Identifying objectives and options.
- Identifying impacts: costs and benefits.
- Methods of economic evaluation: cost-benefit analysis, cost-effectiveness analysis, financial analysis, output analysis.
- Key concepts: base case, net social benefit, net present value, discounting, rate of return, benefit-cost ratio.
- NSW Treasury requirements for: Economic Appraisal (TPP 07-5), Financial Appraisal (TPP 07-4), Capital Business Cases (TPP 08/05).
- Major economic concepts.
- Class discussions.

PROGRAM DETAILS

DATES:	1 October 2009 (101PIE) 12 November 2009 (102PIE)	
CATERING:	Morning/afternoon tea and lunch	
VENUE:	UNSW CBD Campus Level 6, 1 O'Connell Street SYDNEY	
MAXIMUM NO.	22	
FEE (INCL. GST):	\$825.00	Non IPAA NSW member
	\$726.00	IPAA NSW member
	\$759.00	Group booking rate (3 or more bookings received at the same time from 1 agency into the same course code)
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