

Economics subject report

2025 cohort

January 2026





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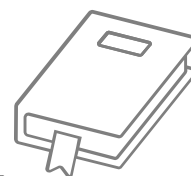
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Introduction



The annual subject reports seek to identify strengths and opportunities for improvement of internal and external assessment processes for all Queensland schools. The 2025 subject report is the culmination of the partnership between schools and the QCAA. It addresses school-based assessment design and judgments, and student responses to external assessment for General and General (Extension) subjects. In acknowledging effective practices and areas for refinement, it offers schools timely and evidence-based guidance to further develop student learning and assessment experiences for 2026.

The report also includes information about:

- how schools have applied syllabus objectives in the design and marking of internal assessments
- how syllabus objectives have been applied in the marking of external assessments
- patterns of student achievement
- important considerations to note related to the revised 2025 syllabus (where relevant).

The report promotes continuous improvement by:

- identifying effective practices in the design and marking of valid, accessible and reliable assessments
- recommending where and how to enhance the design and marking of valid, accessible and reliable assessment instruments
- providing examples that demonstrate best practice.

Schools are encouraged to reflect on the effective practices identified for each assessment, consider the recommendations to strengthen assessment design and explore the authentic student work samples provided.

Audience and use

This report should be read by school leaders, subject leaders, and teachers to:

- inform teaching and learning and assessment preparation
- assist in assessment design practice
- assist in making assessment decisions
- help prepare students for internal and external assessment.

The report is publicly available to promote transparency and accountability. Students, parents, community members and other education stakeholders can use it to learn about the assessment practices and outcomes for senior subjects.

Subject highlights

12.94%
increase in
enrolment
since 2024



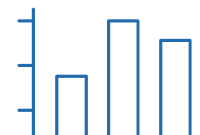
91.78%
of students
completed
4 units



99.34%
of students
received a
C or higher



Subject data summary



Unit completion

The following data shows students who completed the General subject.

Note: All data is correct as at January 2026. Where percentages are provided, these are rounded to two decimal places and, therefore, may not add up to 100%.

Number of schools that offered Economics: 130.

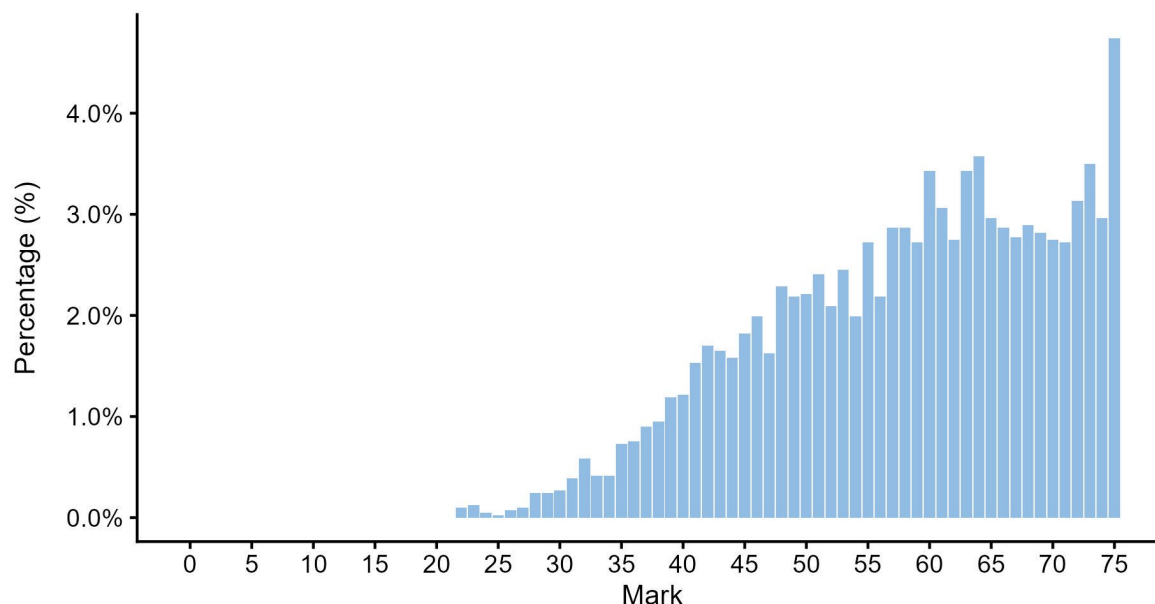
Completion of units	Unit 1	Unit 2	Units 3 and 4
Number of students completed	4,455	4,349	4,089

Units 1 and 2 results

Number of students	Unit 1	Unit 2
Satisfactory	4,293	4,204
Unsatisfactory	162	145

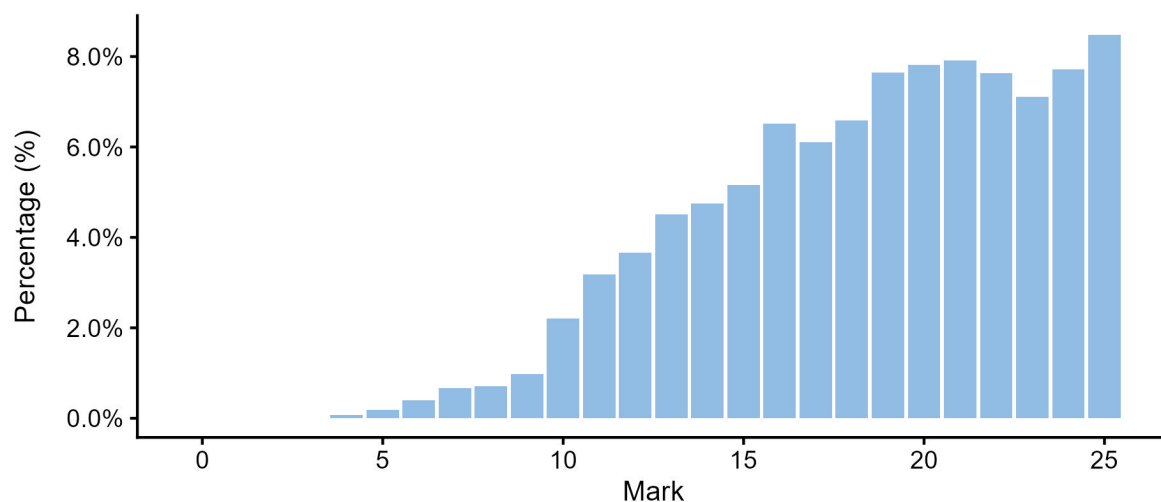
Units 3 and 4 internal assessment (IA) results

Total marks for IA

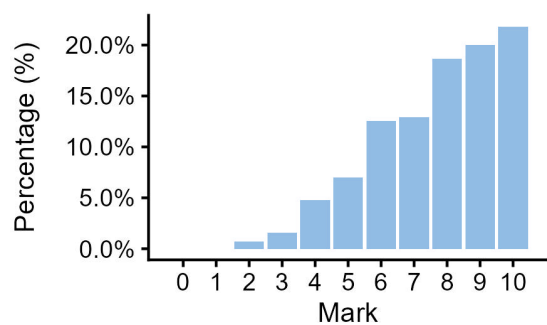


IA1 marks

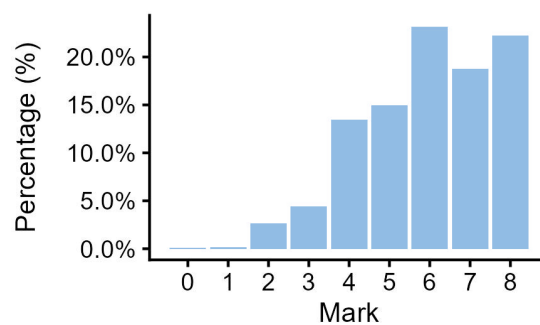
IA1 total



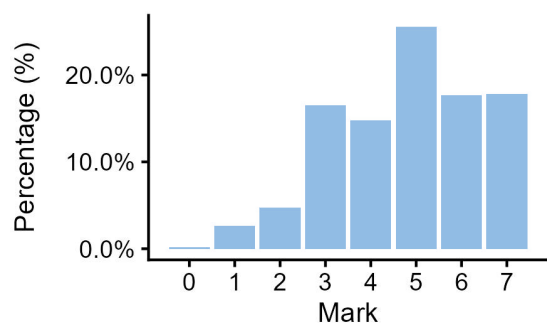
IA1 Criterion: Comprehending



IA1 Criterion: Analysing

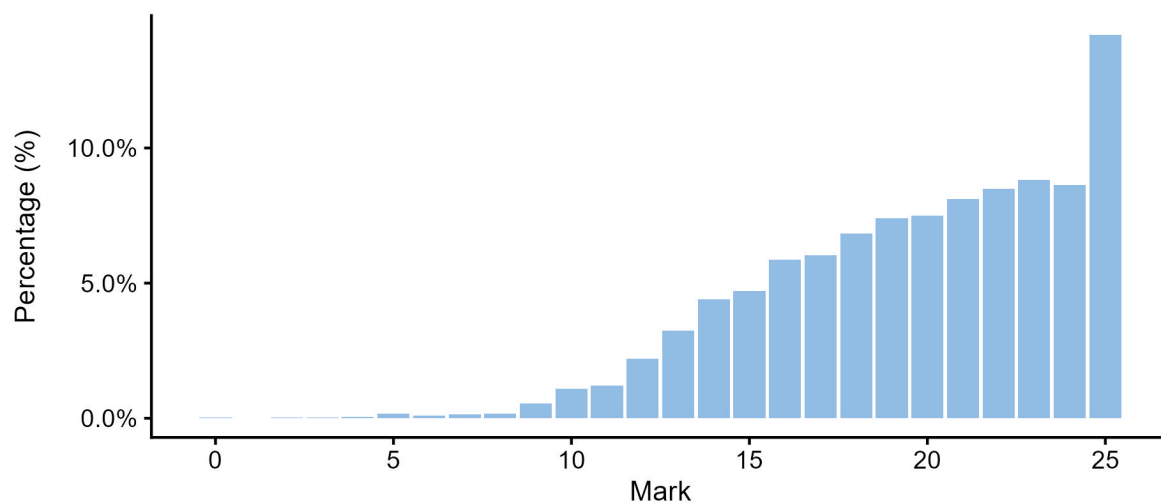


IA1 Criterion: Evaluating

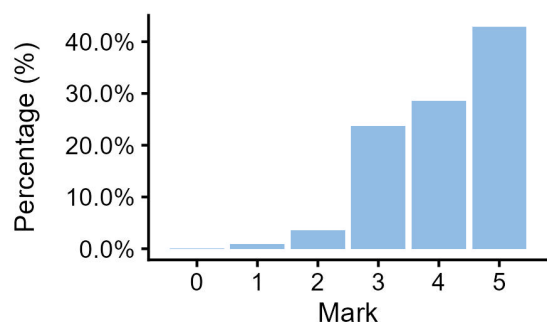


IA2 marks

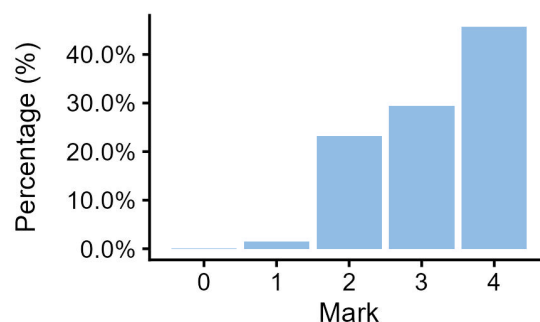
IA2 total



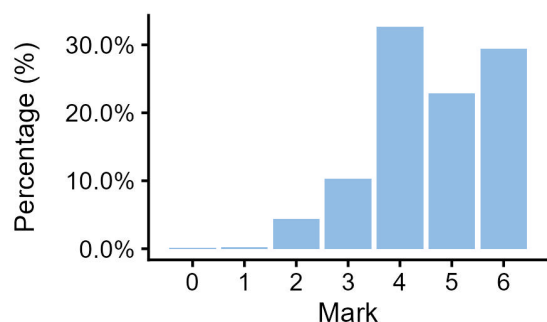
IA2 Criterion: Comprehending



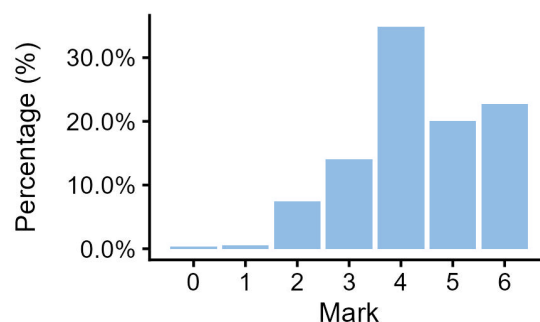
IA2 Criterion: Selecting



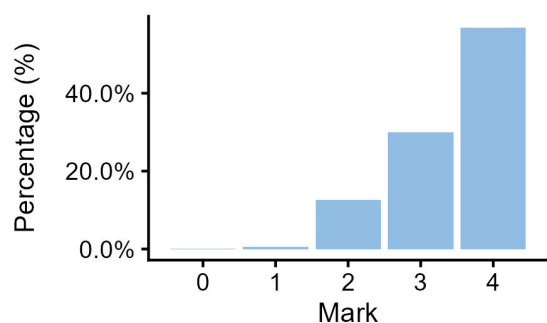
IA2 Criterion: Analysing



IA2 Criterion: Evaluating

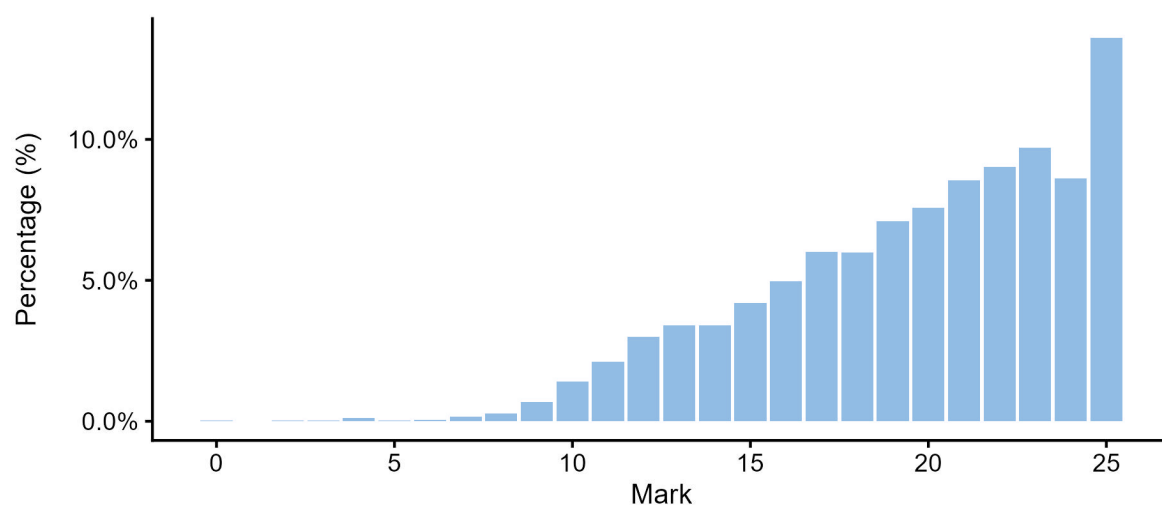


IA2 Criterion: Creating a response

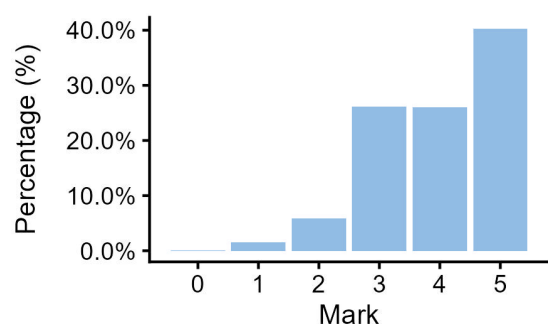


IA3 marks

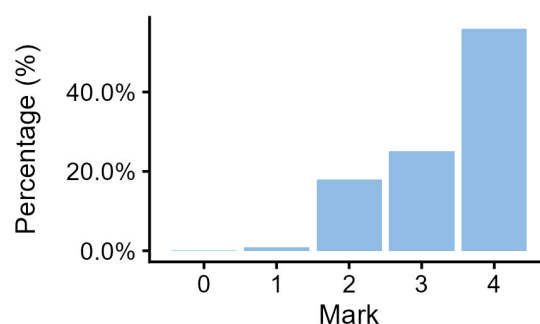
IA3 total



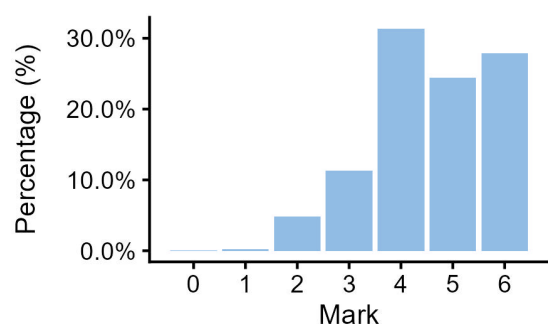
IA3 Criterion: Comprehending



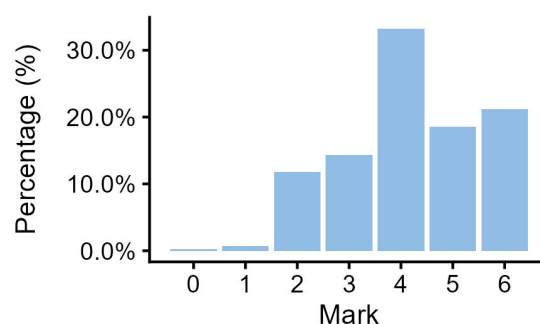
IA3 Criterion: Selecting



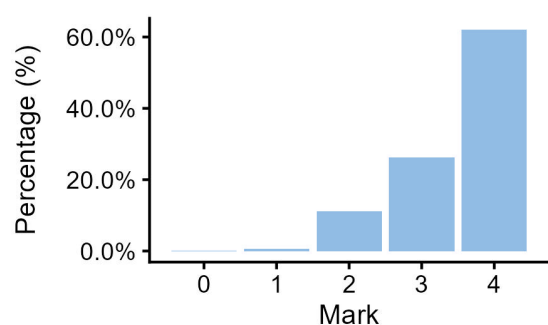
IA3 Criterion: Analysing



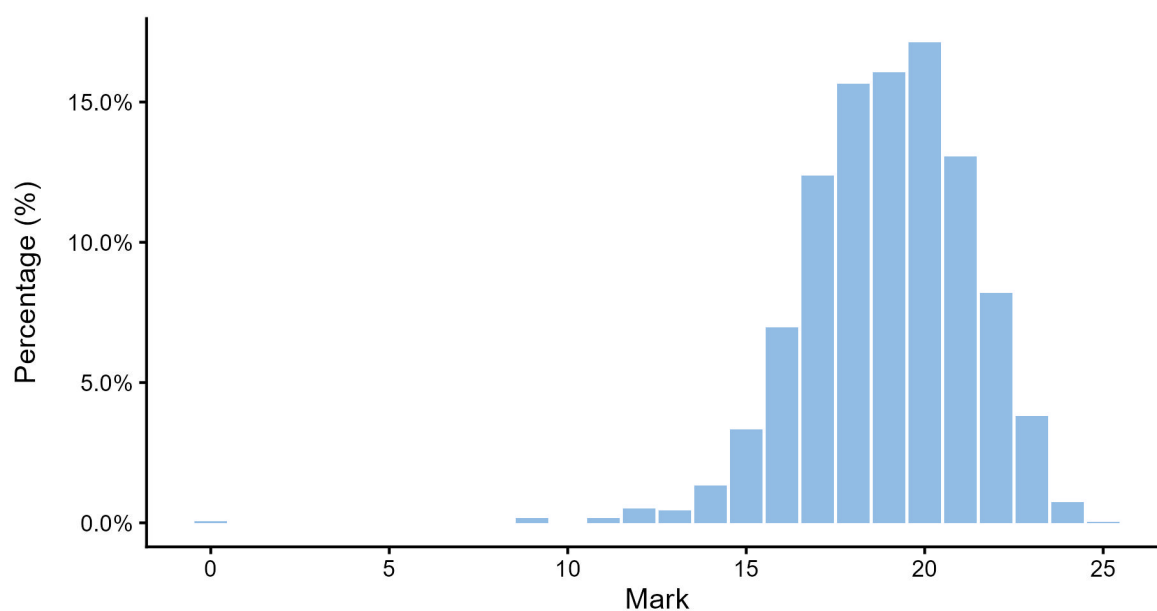
IA3 Criterion: Evaluating



IA3 Criterion: Creating a response

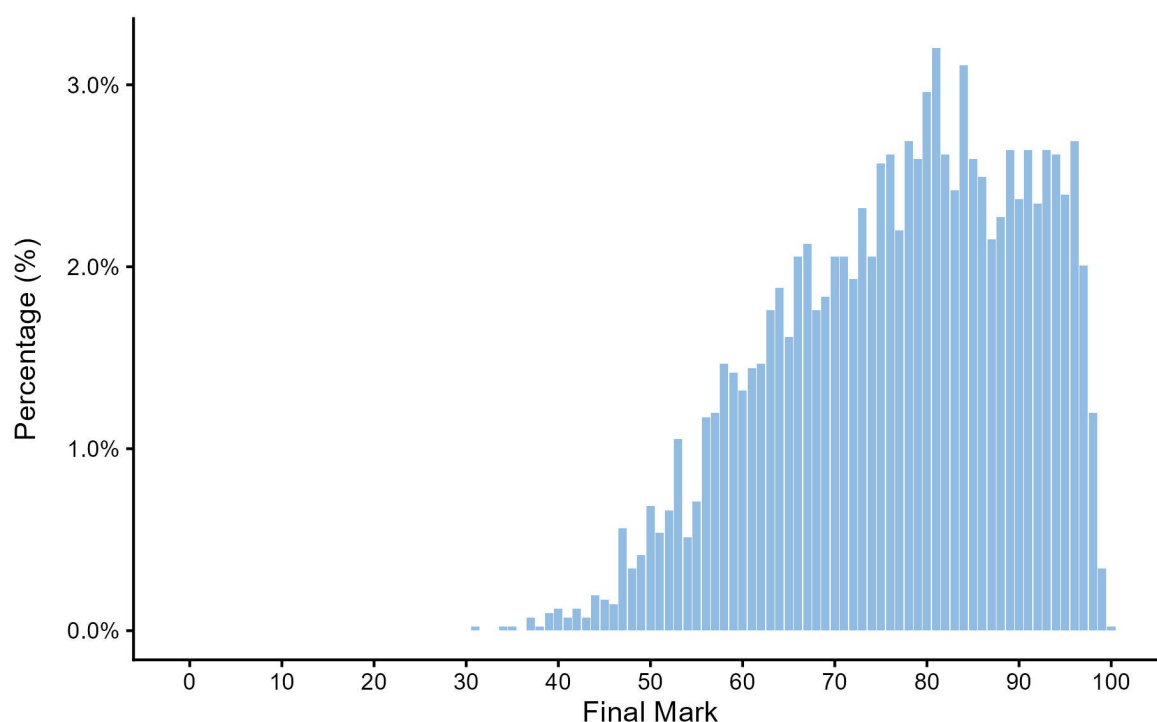


External assessment (EA) marks



Final subject results

Final marks for IA and EA



Grade boundaries

The grade boundaries are determined using a process to compare results on a numeric scale to the reporting standards.

Standard	A	B	C	D	E
Marks achieved	100–85	84–66	65–44	43–20	19–0

Distribution of standards

Number of students who achieved each standard across the state.

Standard	A	B	C	D	E
Number of students	1,367	1,847	848	27	0
Percentage of students	33.43	45.17	20.74	0.66	0.00

Internal assessment



This information and advice relate to the assessment design and assessment decisions for each IA in Units 3 and 4. These instruments have undergone quality assurance processes informed by the attributes of quality assessment (validity, accessibility and reliability).

Endorsement

Endorsement is the quality assurance process based on the attributes of validity and accessibility. These attributes are categorised further as priorities for assessment, and each priority can be further broken down into assessment practices.

Data presented in the Assessment design section identifies the reasons why IA instruments were not endorsed at Application 1, by the priority for assessment. An IA may have been identified more than once for a priority for assessment, e.g. it may have demonstrated a misalignment to both the subject matter and the assessment objective/s.

Refer to *QCE and QCIA policy and procedures handbook v7.0*, Section 9.5.

Percentage of instruments endorsed in Application 1

Internal assessment	IA1	IA2	IA3
Number of instruments	129	129	128
Percentage endorsed in Application 1	73	69	45

Confirmation

Confirmation is the quality assurance process based on the attribute of reliability. The QCAA uses provisional criterion marks determined by teachers to identify the samples of student responses that schools are required to submit for confirmation.

Confirmation samples are representative of the school's decisions about the quality of student work in relation to the instrument-specific marking guide (ISMG) and are used to make decisions about the cohort's results.

Refer to *QCE and QCIA policy and procedures handbook v7.0*, Section 9.6.

The following table includes the percentage agreement between the provisional marks and confirmed marks by assessment instrument. The Assessment decisions section for each assessment instrument identifies the agreement trends between provisional and confirmed marks by criterion.

Number of samples reviewed and percentage agreement

IA	Number of schools	Number of samples requested	Number of additional samples requested	Percentage agreement with provisional marks
1	130	1,051	26	79.23
2	130	1,041	5	60.77
3	130	1,034	0	82.31

Internal assessment 1 (IA1)



Examination — combination response (25%)

The examination assesses the application of a range of cognitions to multiple provided items: questions, scenarios and problems.

Student responses must be completed individually, under supervised conditions, and in a set timeframe.

Assessment design

Validity

Validity in assessment design considers the extent to which an assessment item accurately measures what it is intended to measure and that the evidence of student learning collected from an assessment can be legitimately used for the purpose specified in the syllabus.

Reasons for non-endorsement by priority of assessment

Validity priority	Number of times priority was identified in decisions
Alignment	35
Authentication	0
Authenticity	4
Item construction	9
Scope and scale	4

Effective practices

Validity priorities were effectively demonstrated in assessment instruments that:

- assessed a variety and balance of subject matter from the syllabus, i.e. avoided over assessing a particular element of subject matter
- avoided scaffolding questions or providing cues, particularly in the questions assessing comprehension, e.g. questions did not list specific information to be provided within the intended response
- used specific contexts or scenarios when assessing both the identification of essential features of the comprehending assessment objective *and* the application of economic concepts, principles and models. This approach avoided definitional types of questions that can restrict the demonstration of nuanced and more detailed understandings and allowed students to achieve the higher performance levels of the Comprehending criterion.

Practices to strengthen

It is recommended that assessment instruments:

- are aligned to the assessment objectives and ISMG
- require students to analyse one economic issue and evaluate one economic outcome to make one conclusion or decision. The conclusion or decision may be to make a recommendation

(singular), but not to evaluate *and* make a recommendation. A decision is inherent within a recommendation; it is not in addition to the evaluation

- provide unseen sources that do not contain economic reasoning or answers to other questions in the examination, e.g. statements that refer to flow-on effects specifically or lists of effects, costs or benefits
- provide stimulus materials that include a sufficient variety of sources to elicit both analysis *and* evaluation, e.g. avoid stimulus materials containing only text-based sources or graphical data. The syllabus identifies a wide variety of sources that can be used, e.g. from government and other institutional websites, published reports, media articles and expert commentaries.

Accessibility

Accessibility in assessment design ensures that no student or group of students is disadvantaged in their capacity to access an assessment.

Reasons for non-endorsement by priority of assessment

Accessibility priority	Number of times priority was identified in decisions
Bias avoidance	7
Language	2
Layout	9
Transparency	7

Effective practices

Accessibility priorities were effectively demonstrated in assessment instruments that:

- presented clear questions without ambiguity, e.g. contained only the required information, used direct language aligned to the syllabus
- modelled correct grammar, punctuation and spelling.

Practices to strengthen

It is recommended that assessment instruments:

- contain legible, visually clear sources with appropriate labels, titles, axis labels and units of measurement. Items that are blurred or have elements that are too small should be avoided
- provide sufficient line spaces for the intended response. The preview function in the Endorsement application (app) can be used to ensure page breaks are appropriate and not distracting.

Additional advice

When developing an assessment instrument for this IA, it is essential to consider the following key differences between the 2019 and 2025 syllabuses:

- The reorganisation of subject matter between Unit 3 Topic 1 and Topic 2 means that questions that assess student knowledge of globalisation factors, including multinational companies and world trade institutions, cannot be assessed in IA1. Further, the assessment objectives specifically require that comprehension of the balance of payments is assessed.

- The revised Evaluating ISMG requires one economic criterion to make the decision in the extended response question. It is a school choice whether the economic criterion is identified in the question.
- The specifications have been revised to
 - remove the division of the examination into Part A and Part B. Schools may find it useful to number questions in the IA1 sequentially, similar to the external assessment
 - require a minimum of six unseen sources over one side of an A3 page or its equivalent, two sides of one A4 page, so all students across the state receive a similar amount of stimulus.
- The syllabus conditions no longer include word length for examinations. The *QCE and QCIA policy and procedures handbook v7.0* (Section 8.2.6) provides guidance about managing response length. This guidance applies to more open-ended assessment techniques, such as essays, reports and presentations. By specifying a maximum length for student generated work for these techniques, the expected scope of the task is appropriately limited. Managing response length does not apply to examinations. For examinations, the syllabus assessment conditions specify the time allocated, including any perusal or planning time. Schools should design examinations with an appropriate number of questions, and provide suitable space or lines for responses, to guide students in completing the examination within the allowed time. A required or recommended word length must not appear on IA1 instruments.

Schools should also:

- design the task to have sufficient rigour to validly assess what students know and can do, e.g. items should be contextualised to assess the application of familiar economic concepts, principles and models in both familiar and unfamiliar situations
 - in the extended response, the stimulus must be unfamiliar, and the question must not be a very close replica of teaching and learning activities experienced in class.

Assessment decisions

Reliability

Reliability refers to the extent to which the results of assessments are consistent, replicable and free from error.

Agreement trends between provisional and confirmed marks

Criterion number	Criterion name	Percentage agreement with provisional	Percentage less than provisional	Percentage greater than provisional	Percentage both less and greater than provisional
1	Comprehending	93.08	6.92	0.00	0.00
2	Analysing	90.77	8.46	0.77	0.00
3	Evaluating	90.00	10.00	0.00	0.00

Effective practices

Reliable judgments were made using the ISMG for this IA when:

- in Part A, for the Comprehending criterion, evidence of the
 - identification of features of exchange rates, international trade patterns and trade theories was matched to the 7–8 mark range, typified by the ‘effective’ descriptor, and the 5–6 mark range, typified by the ‘adequate’ descriptor
 - application of economic concepts, principles and models to exchange rates, international trade patterns and trade theories was matched to the 5–6-mark range, typified by the ‘adequate’ descriptor, and the 3–4 mark range, typified by the ‘partial’ descriptor. The highest performance level (9–10 mark range) requires clear evidence that draws on the question’s context to demonstrate knowledge and understanding of a concept at the ‘perceptive’ performance level. The strongest student responses weave accurate and detailed knowledge of exchange rates, international trade and trade patterns into the question’s context to show insight and perception
 - use of economic terminology was matched at all performance levels.

Practices to strengthen

To further ensure reliable judgments are made using the ISMG for this IA, it is recommended that:

- in part A, decisions about performance levels should consider evidence in all questions, and not use an approach of one mark per question across the multiple choice and short responses. The identification of essential features must be accurate and detailed at the 9–10 mark range. The application of economic concepts, principles and models should contain a depth of information to match to a perceptive application at the 9–10 mark range. The number of lines provided when the task is designed guides students toward the scope and scale of the required response
- in Part B, for the Analysing criterion, high level responses provide evidence of
 - skill in handling data confidently to create further meaning from patterns and trends. These responses typically include the calculation of quantitative measures and correct interpretation of data provided, e.g. drawing a distinction between significant and insignificant trade patterns and trends in a clearly specified data range using dates
 - thoughtful selection of points or ideas that are relevant and purposeful given the economic issue when explaining economic relationships. These responses typically have evidence of complexity shown by connecting and relating economic concepts and the features of the economic issue and explanations of both the cause-and-effect relationships of multiple economic ideas
- in Part B, for the Evaluating criterion
 - the synthesis of economic ideas and/or perspectives must flow from the analytical findings. The synthesis should not be incongruous, i.e. be based on new ideas or points that are not connected to the patterns, trends and relationships analysed
 - economic criteria must be explained with details and be more than a basic statement. A criterion is the standard, principle or benchmark that is used to make the decision
 - critical economic reasoning and justification must be evident in the student’s work at the highest performance level. Responses need to show comprehensive judgments that justify the conclusion or decision, e.g. anticipated or unanticipated impacts of a decision or the relative likelihood of an economic outcome and how these are linked in flow-on connections. Reasoning is different from providing reasons. Reasoning involves forming

judgments in a way that shows economic logic and connections in a logical chain where one point or idea leads to the next.

Additional advice

It is essential to consider the following key differences between the 2019 and 2025 syllabuses:

- For the Comprehending criterion, responses at the 9–10 mark range and 7–8 mark range must contain a comprehensive or significant range, respectively, of essential features of exchange rates, international trade patterns and theories, *and* the balance of payments.
- For the Analysing criterion, responses at the 1–2 mark range use irrelevant data *and* information, or use data *or* information.
- For the Evaluating criterion, the
 - decision must be made based on the use of one economic criterion
 - synthesis must be derived from the analysis. Note that at the 6–7 mark range there must be economic ideas *and* perspectives within the synthesis
 - economic reasoning must use evidence from unseen sources when justifying the decision.

Schools should also:

- remind students there is no need to repeat the question back in the first few lines; they should save themselves time and concentrate on answering the question
- encourage students to focus on developing analytical chains of meaning of both cause and effect, using data and information from the unseen sources when analysing. Without sufficient analysis, there are fewer opportunities to synthesise economic ideas and perspectives at the discerning or effective level
- continue to allow students opportunities to practise time management. The solution is not to complete the higher mark questions first. Students who provide concise answers to Part A questions generally give themselves sufficient time for the thinking and planning needed to support a higher-quality Part B response. Strategies to consider are
 - providing multiple opportunities for students to effectively plan and practise writing under timed conditions during teaching and learning activities
 - when designing the assessment, using clear and concise question cues, potentially including diagram and/or calculation-based questions, and planning the numbers of lines thoughtfully to communicate the scope and scale of the expected response
- avoid expectations of narrow or highly defined structured responses, as these can limit opportunities to achieve higher performance levels. Note that while the extended response is not an essay, paragraphing is still important to separate the main points within a response.

Samples

The following excerpts illustrate high-level short responses for the Comprehending criterion.

Excerpt 1 demonstrates:

- accurate and detailed identification of the essential features of the patterns of international trade, answering the question asked within the available space indicated. It concisely (but not briefly) explains the benefits and costs of international trade. The use of specific and relevant examples is aligned to the Comprehend syllabus objective that refers to the application of knowledge using real-world examples (syllabus p. 3)

- precise use of economic terminology, e.g. exports, specialisation, high demand goods, trade policies.

Excerpt 2 demonstrates:

- perceptive application of the demand and supply economic model (the diagram is not shown) with perceptive explanations of the movement from Dd_1 to Dd_2 and where supply exceeds demand at Q_3 . Specific reference to diagram points is critical in a models-based subject such as Economics, and this response shows how well integrated the diagram drawn is to the written component of the response. The price mechanism is explained in terms of the shift of the demand curve that causes the exchange rate (price) to fall. The elaboration of flow-on effects from the depreciation in the exchange rate on exports is perceptive, as is the additional detail of how imports will be negatively impacted
- relevant details that match the depth of the intended response
- precise use of economic terminology, e.g. the shift in demand (not movement), the demand of \$AUD, demand for currency, demand for exports.

Note: The characteristic/s identified may not be the only time the characteristic/s occurred throughout a response.

Excerpt 1

One advantage of international trade is the overall economic growth that occurs through exports. Like other countries that specialise in certain materials, Australia focuses on profiting off natural resources (such as iron ore) & exporting these high demand goods/materials globally. Through this, Australia is able to raise profits, improve unemployment rates, & strengthen certain industries (like agriculture). On the other hand, one disadvantage of international trade is the reliance it causes on foreign markets. For example, with China being Australia's largest trading partner, any changes in their government regulations & trade policies can impact Australian industries as they rely on those foreign markets (imports & exports) for majority of their profits.

Excerpt 2

As Australia utilises a floating exchange rate regime, a decrease in the demand for \$AUD will negatively impact the exchange rate. Tourists require reserves of the domestic currency, hence a depreciation in the demand ^{for the currency will decrease} from D_1 to D_2 (Fig 1). ~~At the original demand~~ ^{At the original demand} supply will exceed demand ⁽⁰²⁾ and hence to maintain a stable exchange rate the price will shift downwards from p_1 to p_2 causing a decrease in the exchange rate. As floating exchange rates encourage self correcting economies, this depreciation in the exchange rate will cause increased demand for exports in other areas as exports are cheaper for other countries.

The following excerpt illustrates a high-level response for the Analysing and Evaluating criteria in Part B by demonstrating the interplay between analysing and evaluating.

- In the analysis, the explanation of the economic effect of a depreciating dollar on export-based industries is specific and supported by the discussion of the impact on the tourism industry. This purposeful explanation has discarded superfluous points to focus on the main ideas. Data is used perceptively to support the interpretation of tourism arrivals. Dates and the range of values are quantified specifically, with a number calculated to create meaning. The interpretation is a nuanced point that the same AUD appears to be cheaper compared to other countries.
- In the evaluation, the synthesis of economic ideas involves the circular flow of income model, and information about the consequent injection of tourism dollars into local tourism businesses, i.e. perspectives. The economic idea was derived from the analysis. Economic reasoning about the impact of incentivisation uses evidence from unseen sources to justify the decision about the impact of a depreciating Australian Dollar on GDP.

Note: The characteristic/s identified may not be the only time the characteristic/s occurred throughout a response.

~~demand for Australian exports increase.~~ As
 Australian goods appear cheaper to foreigners,
 Australia may have a competitive ^{advantage} ~~edge~~ in
 the global market. ~~as exporters can~~
 Exporters can ~~get~~ obtain the same amount of
 AUD, but it appears cheaper to other
 countries. Thus, ^{local} export-based industries will
 have increased demand ~~due to this~~ and there
 will be more injections from other countries
 going into the Australian economy. The
 cheaper costs for foreigners can also attract
 tourists, ~~which~~ ~~from~~ Tourist arrivals
 increased from ~~111k~~ ^{25k} to 873k in 3 years, which
 is a 3392% increase (source 5). Increased
 tourism results in more demand from foreigners
 into local Australian businesses, and this
 increase in injections into the economy can
 lead to a rise in ~~the~~ Australian GDP. As
 well as the 390,000 tourist arrivals, there were
 120,000 international student arrivals ~~from~~
 over three years (source 6). This suggests
 that, as the Australian dollar appears
 cheaper to foreigners, foreigners are
 more incentivised to seek education and
 housing in Australia. ~~Therefore~~

The following excerpt illustrates a high-level response for the Evaluating criterion. The sample makes a clear decision in the last sentence. The economic reasoning uses evidence from the sources and considers both short- and long-term implications in the justification.

Note that the response refers to what 'should' or 'may' be expected to happen, rather than expressing a certainty. When referring to future events or what may happen based on the stimulus material provided, it is correct to use vocabulary that expresses an expectation rather than a certainty.

Note: The characteristic/s identified may not be the only time the characteristic/s occurred throughout a response.

Therefore, the ^{significant increase} ~~changes~~ in demand for power generation in both China and India, has lead to high sustained Australian exports of thermal coal. This should lead to an appreciation of the AUD, where AD ~~increase~~ ~~short-term fluctuations~~ and subsequent economic growth increase short-term but dampens long term, with the benefit of low inflation long-term.

~~The~~ Standard of living may see a decrease ~~due~~ due to short-term unemployment, but the increase in variety and quantity of goods, as well as employment ^{may} ~~should~~ see. Thus, on net benefit for economic growth and std of living.

Internal assessment 2 (IA2)



Investigation — research report (25%)

The assessment requires students to research a current economic issue through collection, analysis and synthesis of primary and secondary data, information and sources. A research report uses research practices to assess a range of cognitions in a particular context. Research practices include locating and using information beyond students' own knowledge and the data they have been given.

Students are encouraged to use technology, for example word processors, spreadsheet programs and economic databases, to increase their productivity during the investigation:

- as a means of locating data and information
- as an aid in recording sources and notes
- assisting analytical processes, for example graphing and/or exposing patterns or trends
- assisting with the drafting process and production of the final response.

Assessment design

Validity

Validity in assessment design considers the extent to which an assessment item accurately measures what it is intended to measure and that the evidence of student learning collected from an assessment can be legitimately used for the purpose specified in the syllabus.

Reasons for non-endorsement by priority of assessment

Validity priority	Number of times priority was identified in decisions
Alignment	9
Authentication	1
Authenticity	11
Item construction	21
Scope and scale	3

Effective practices

Validity priorities were effectively demonstrated in assessment instruments that:

- aligned the task to the subject matter, so students could demonstrate their understanding of Topic 2: International economic issues
- followed the conventions of item construction for an extended response in examination conditions, e.g. task instruction stated in 2–3 sentences that identified the analysis, evaluation and genre required; context statement was clear, succinct and relevant to situate investigation
- contained instructions to manage the scale of the task, e.g. two key industries chosen to focus the analysis and allow students to develop responses of sufficient depth.

Practices to strengthen

It is recommended that assessment instruments:

- identify the type of economic issue being analysed, without using the word 'and' to join two economic issues. The economic issue and economic outcome should each be singular, to ensure alignment with the assessment objectives for analyse and evaluate that refer to *an* economic issue and *an* economic outcome. Note that an economic outcome is the result or outcome of the analysis of an economic issue (syllabus p. 57)
- communicate clearly that one decision is required, e.g. 'to evaluate' or 'to evaluate to make a decision', but not 'to evaluate to make a decision *and* make a recommendation'
- allow for unique responses by avoiding the inclusion of scaffolding in the task, e.g. avoid identifying economic criteria or providing a choice in the form of a list. Note that costs and benefits are not two economic criteria, and instead are both sides of a discussion using a single economic criterion
- provide opportunity for the report genre be assessed in the Creating a response criterion. This is achieved by removing any task instructions about the use of a standard report structure, specific headings or identification of a number of words in any section. This type of scaffolding is appropriate for a formative assessment. Note that an appendix is not required in a research report in the Economics syllabus.

Accessibility

Accessibility in assessment design ensures that no student or group of students is disadvantaged in their capacity to access an assessment.

Reasons for non-endorsement by priority of assessment

Accessibility priority	Number of times priority was identified in decisions
Bias avoidance	0
Language	1
Layout	0
Transparency	20

Effective practices

Accessibility priorities were effectively demonstrated in assessment instruments that:

- contained relevant context that did not bias students toward a particular economic outcome in the evaluation.

Practices to strengthen

It is recommended that assessment instruments:

- clearly communicate the task instructions without repeating or restating information. Repetition or rephrasing introduces ambiguity and increases the amount of information students need to engage with to understand the task, e.g.
 - multiple instructions about what to analyse and what to evaluate infer that more than one economic issue is being analysed, and more than one economic outcome is being evaluated

- instruments should not include a list of requirements in the ‘the response must’ section that overlaps with a list provided under the scaffolding subheading of the task.

Additional advice

When developing an assessment instrument for this IA, it is essential to consider the following key differences between the 2019 and 2025 syllabuses:

- The revised assessment specifications require
 - a maximum of three economic criteria. It is the school’s choice whether to specify a particular number of economic criteria (either two or three) or to allow students to choose between two and three
 - students to choose their own economic criteria, which does not mean from a list provided in the task or in class
 - the purpose of the evaluation to be clear, which does not necessarily require a specific statement in a separate sentence. Examples of a concise purpose include
 - ‘analyse and evaluate ... to decide on the net benefits to the Australian economy’
 - ‘analyse and evaluate ... to decide on an appropriate aspect of trade policy that supports sustainable economic growth in Australia’.
- Resources identified in the task can refer students to the Additional subject-specific information in the syllabus, e.g. use of data, choice and documentation of data, research report, economic inquiry cycle. Refer to the IA2 sample response in the Syllabuses app in the QCAA Portal for one example of how to include this information.

Schools should also:

- check that there is sufficient data and information available to be found by students when researching, e.g. that a particular industry chosen has actually been impacted by the trade agreement being investigated
- avoid focusing the task on very recent trade agreements that may not yet have had sufficient time to release data or information other than projections or that cover a short run
- recognise that trade protection and tariffs have a degree of uncertainty until there is published data and information available, so may be more challenging to research. This does not mean this is not a suitable focus. Students will require class activities to support them when researching to select current, accurate and relevant information during more volatile economic situations. For instance, students should understand that while demand can change quickly, supply takes more time to change due to contractual arrangements and the lead time to establish capital resources (e.g. build factories and purchase machinery), find suitable land and locate a suitable labour force.

Assessment decisions

Reliability

Reliability refers to the extent to which the results of assessments are consistent, replicable and free from error.

Agreement trends between provisional and confirmed marks

Criterion number	Criterion name	Percentage agreement with provisional	Percentage less than provisional	Percentage greater than provisional	Percentage both less and greater than provisional
1	Comprehending	92.31	7.69	0.00	0.00
2	Selecting	86.15	13.85	0.00	0.00
3	Analysing	88.46	11.54	0.00	0.00
4	Evaluating	77.69	22.31	0.00	0.00
5	Creating a response	93.08	6.92	0.00	0.00

Effective practices

Reliable judgments were made using the ISMG for this IA when:

- matching to the Comprehending criterion at the 2–3 mark range. That is, the features of trade protection, trade agreements and/or the balance of payments effectively demonstrated comprehension. Further, the application of economic concepts, principles and models was effective, typically with some accuracy and depth, with adequate economic terminology used across the report
- matching to the Creating a response criterion at the 2-mark range. This was evident through the adequate development and expression of ideas that conveyed economic meaning and some use of graphs, diagrams, or statistics.

Practices to strengthen

To further ensure reliable judgments are made using the ISMG for this IA, it is recommended that:

- in the Selecting criterion
 - the choice of data includes the most current, i.e. the most up to date available. Without the use of current data and information, the characteristics cannot be supported at either the 2-mark range or the 3–4 mark range
 - the use of data is not considered perceptive if students refer to an appendix, as an appendix cannot be directly used when marking the response
 - the use of documentation of data and economic information promotes academic integrity, i.e. all required elements are referenced and cited, including graphs, tables and diagrams
- in the Analysing criterion
 - the qualifier ‘discerning’ be distinguished from ‘effective’. To be discerning refers to demonstrating depth and complexity when interpreting, and when providing thoughtful explanations of economic relationships that illuminate the causes and the effects, e.g. the choice of analytical points because they enhance the analysis. This understanding of

discernment is especially important in IA2, where students have ample opportunity to show that the data and economic information they interpret and explain has been specifically selected for its significance and relevance

- if data is only used infrequently, the evidence cannot be matched to perceptive or effective use of data and economic information
- in the Evaluating criterion
 - perceptive decisions demonstrate a deep understanding of the international trade issue being addressed, particularly when specific economic criteria are intentionally applied to guide the decision-making process. These economic criteria are not limited to traditional measures such as economic growth and employment and may also encompass factors such as efficiency, comparative advantage, the promotion of freer trade, strengthening sustainable supply chains and enhancing international competitiveness
 - economic ideas and perspectives drawn together from the analytical findings show good judgment and intellectual perception, e.g. details indicating value or relevance. It is better to avoid many economic ideas or many perspectives and instead discuss a couple in depth
 - teachers look for evidence of evaluating across the response. Evidence of these descriptors may be in any order or sequence within the response
- schools ensure that their use of scaffolding aligns with the *QCE and QCIA policy and procedures handbook v7.0*, Section 8.2.3: Scaffolding. While scaffolding can be an effective instructional tool in teaching and learning activities, in summative tasks it must be applied in a professional and measured way. If scaffolding leads students to adopt the same approach to economic analysis, rely on similar statistics, use identical economic models, or apply the same economic criteria, then student responses may become too similar. In such cases, scaffolding undermines students' opportunities to produce authentic, individual work.

Additional advice

It is essential to consider the following key differences between the 2019 and 2025 syllabuses:

- For the Comprehending criterion, the mark allocation has increased from 5 marks to 6 marks. In addition, the:
 - two lowest performance levels require economic concepts, principles *and/or* models
 - lowest performance level is now a band of 1–2 marks with three descriptors.
- The Selecting criterion has been removed.
- For the Analysing criterion, the mark allocation has increased from 6 marks to 8 marks; consequently, a new performance level exists. In addition, the
 - top two performance levels require
 - explanations of relevant economic relationships that contain complexity
 - use of current, accurate and relevant data and information to support the analysis. Current, accurate and relevant information is described in the 2025 syllabus (p. 8)
 - descriptors at the 1–2 mark range have been refined.
- For the Evaluating criterion, the mark allocation has increased from 6 marks to 7 marks; consequently, a new performance level exists. In addition, the
 - synthesis must be derived from the analysis. Note that at the 6–7 mark range there must be economic ideas *and* perspectives within the synthesis

- economic reasoning must use evidence when justifying the decision.
- For the Creating a response criterion, the same mark allocation is now over two performance levels. In addition, the
 - first descriptor is refined and includes a reference to visual representations (e.g. graphs and diagrams) appropriate to a research report
 - second descriptor combines a formatted report, vocabulary choices and the use of language conventions. The research report is described in the 2025 syllabus (p. 9)
 - third descriptor is the documentation of sources in a reference list and citations.

Schools should also:

- encourage students to select and draw attention to only the relevant parts of charts or tables that relate to their work, rather than include very large tables where large sections are not relevant. This year the use of annotations or highlighting specific parts of charts or tables was a strategy that students used well and helped show evidence of discernment when considering the Selecting and Analysing criteria. However, there is a balance that needs to be struck between too many annotations that can interfere with the visual representation and/or what is interpretation that should be in the text of the report
- choose to create explicit and intentional opportunities to develop literacy skills, including how to use conjunctions and transition words when analysing and evaluating (syllabus p. 6). These are used to signpost when either a cause or effect is being explained and to differentiate cause from effect when analysing. Conjunctions and transition words also demonstrate connective threads that are used in logical chains of economic reasoning when evaluating
- discourage the use of an appendix because supplementary material should not be used as evidence when marking the response (see *QCE and QCIA policy and procedures handbook v7.0*, Section 8.2.6: Managing response length — Determining length of a response)
- note there is no syllabus requirement for a recommendation/s in the Evaluating criterion. Avoiding cues to make recommendations and instead focusing on making a decision at the task design phase will support students to focus their thinking on the relevant aspects of evaluation. This should improve both the quality of their evaluation and the marks awarded
- support the development and use of internal and external communities of practice.

Samples

The following excerpts illustrate a high-level response for the Analysing and Evaluating criteria. They weave discerning explanations of economic relationships and use, as support, economic data and information available to them through extensive research. The excerpts show astute choices, with each source/reference/use of data included offering a different lens on the state of Australia's liquified natural gas (LNG) exports, the level of investment and short- and long-term impact.

Excerpt 1:

- shows a clear explanation of economic relationships relating to the LNG industry, with causes (profitable returns) and effects (incentives to finance the industry by increasing productive capacity). Data is used to support the analysis, e.g. the 10% of Japan's LNG volume
- links Japan's demand and productive capacity to Australia's liquefaction capacity and production in Figure 4 (a graph showing data at a point in time)
- demonstrates evaluation in the final sentence, i.e. a judgment of benefits that provides evidence based on long-term growth and (the flow-on effect to) consumerism.

Excerpt 2:

- reveals critical economic reasoning by countering the economic potential of the free trade agreement (FTA) with the bureaucratic/administrative reality of the foreign investment review board acting as a barrier potentially dampening the benefits of the FTA. This reasoning shows complexity and sophistication
- demonstrates obvious reasoning with logical chains of connective threads (not a discrete list of reasons). The response identifies the links of the chain focused on the impact of the Foreign Investment Review Board in the FTA generally and then specifically on the LNG industry. The chain is signposted by the use of conjunctions and transition words, demonstrating the advanced literacy that is inherent when analysing and evaluating. This shows evidence of literacy as a complementary skill developed by the syllabus.

Note: The characteristic/s identified may not be the only time the characteristic/s occurred throughout a response.

Excerpt 1

As one of the largest LNG producers, approximately 70% of the LNG produced in this facility is shipped directly to Japanese buyers (INPEX, n.d.). With high levels of guaranteed profitable return into the Japanese market, investors are highly incentivised to finance Australia's industry leading to exponential growth in the production capabilities of the sector. This can be seen in Ichthys' current LNG production capacity which sits at 8.9 million tonnes/year (Ichthys Project, n.d.), approximately 10% of Japan's annual LNG import volume. This project contributes greatly to Australia's total liquefaction capacity and has dramatically increased the industry's production since its implementation in 2018 (Figure 4). As a result of JAEPA and its subsequent reduction of investment barriers, the LNG industry has grown massively with developing opportunities to strengthen Australia and Japan's LNG partnership and guarantee long-term growth and consumerism. ✓

Excerpt 2

Whilst JAEPA effectively propelled investment in the LNG industry forward, the FTA failed to increase the Foreign Investment Review Board (FIRB) threshold for LNG. The threshold is a monetary amount that, when bypassed by a foreign investment, triggers a review by the FIRB to determine whether the investment is beneficial to national interest and security (Department of the Treasury, 2025). FIRB approval can take up to 12 weeks after the application fee has been paid to the board (Carlton et al., 2023) which is then accepted or rejected. JAEPA successfully liberalised the screening threshold in non-sensitive sectors from \$252 million to \$1,134 million (Department of Foreign Affairs and Trade, 2018) meaning that investments less than \$1,134 million are not required to have FIRB approval. However, this adjustment does not cover the LNG industry with the threshold remaining at \$0 (Department of the Treasury, n.d.) meaning that all potential investments from Japan must be approved by FIRB. Due to this, investors are forced to delay projects until they receive approval as well as paying an extra fee on top of their investment. This forms a considerable barrier to investment as Japanese businesses are disincentivised to purchase into Australia's market which is largely damaging to the LNG industry. ✓

The following excerpts illustrate high-level responses for the Selecting, Analysing, Evaluating and Creating a response criteria.

Excerpt 1 demonstrates the:

- Selecting criterion by including the citation for the data. It is just as important to reference graphs and other visual representations as it is to use citations within the text of the response
- Analysing criterion by interpreting a trend and then describing and quantifying the trend with data *and* dates. This sequence of the interpretation first is not common and shows there are multiple ways that students can respond to the criteria: there is no 'one right way'. The word 'could' is used to communicate that the response is dealing with future and potential causes and likely effects, instead of indicating the cause or effect is definite (i.e. stating the cause or effect *will* happen) as this would be incorrect
- Creating a response criterion as the annotation on the graph is effective. It refers to one of the two periods discussed, so it is relevant and not distracting. The expression of ideas enhances economic meaning as it is concise.

Excerpt 2 is the conclusion of the report. It demonstrates a clear summary of:

- the Evaluating criterion, where the synthesis of economic ideas draws on the analysis to make a concise and clear series of economic points (about the significance of trade liberalisation) to support the decision. Perspectives are chosen to offer a contrast. The decision made uses relevant economic criteria — in this case, external stability and economic growth. The critical economic reasoning includes a consideration of short- and long-term aspects of the most significant economic impact
- Creating a response, where the precise and concise expression and development of ideas enhance economic meaning. While the conclusion is more than one paragraph, the main ideas have been thoughtfully separated into paragraphs.

Note: The characteristic/s identified may not be the only time the characteristic/s occurred throughout a response.

Excerpt 1

Australia's external stability is significantly risked due to overreliance on China for coal exports, which consequently influences the balance of payments (BOP). As coal exports majorly contribute to Australia's current account surplus, decline in Chinese demand could reduce the net goods balance as export earnings fall and weaken the current account (Read, 2022). This could lead to a deficit if other exports don't offset the loss (RBA, 2023).

Figure 4 supports this, where the CAB mimics the movement of net goods and services. During China's coal-ban peak in March 2022, net goods and services fell 29.32% from \$36.5B (September 2021) to \$25.8B. Similarly, within the same 6 months, the CAB dropped 87.1% from \$21.7B to \$2.8B (RBA, 2023).

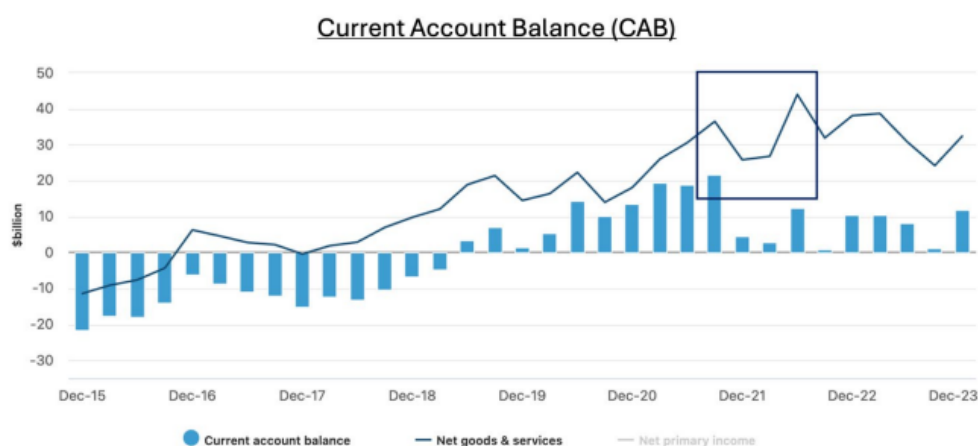


Figure 4: CAB 2018-2023 (RBA, 2023).

Attribution for sources quotes in Excerpt 1: RBA. (2023). Trends in Australia's Balance of Payments. Retrieved from RBA: <https://www.rba.gov.au/education/resources/explainers/trends-in-australiasbalance-of-payments.html>

Excerpt 2

For the net benefit of Australia's economy, trade liberalisation should be prioritised over protectionism in the coal industry. While protectionist policies may offer short-term support by shielding domestic producers and preserving jobs, they often lead to inefficient resource allocation, reduced productivity, and long-term stagnation. Additionally, protectionism can strain international trade relationships and undermine external stability by deteriorating TOT. Additionally, the growing shift towards renewable energy further reduces the need to protect the coal industry, as global demand continues to decline.

Conversely, trade liberalisation enhances both external stability and economic growth. By reducing reliance on a single export market like China and pursuing agreements with diverse trading partners, Australia can buffer its BOP against global shocks and stabilise its current account. It also promotes dynamic efficiency through increased competition, innovation, and access to global markets – stimulating GDP growth, business investment, and employment.

Despite this, the transition toward liberalisation must be managed carefully. Short-term disruptions such as job losses in less competitive firms and adjustments costs for regional economies should be addressed through supportive government policies.

Ultimately, a well-executed strategy of trade liberalisation, complemented by targeted support for affected stakeholders, offers the most sustainable path forward for Australia's coal industry and broader economy.

The following excerpt illustrates a high-level response demonstrating the:

- Selecting criterion by the perceptive use of data and economic information, including the data being quantified (e.g. the proportion and dates stated) and specific information (e.g. Port Hedland as a top shipping terminal, green steel initiatives). There are consistent and accurate citations of data and information. Note that while there is a missing source in Paragraph 1, a top performance-level response does not have to be flawless: there is ample evidence in the second paragraph and across the response as a whole
- Evaluating criterion by economic analysis that is drawn on to make a series of clear economic arguments regarding the role of ChAFTA in driving export competitiveness. There is a clear decision that uses the appropriate economic criterion of export competitiveness with detail. The economic reasoning critically considers short- and long-term aspects of the most significant economic impact. The work shows perception and insight contextualised for the wine industry
- Creating a response criterion, as the response is precise and concise, and the expression and development of ideas enhances economic meaning.

Note: The characteristic/s identified may not be the only time the characteristic/s occurred throughout a response.

In the resource sector, iron ore continues to dominate Australia's exports to China, accounting for over 70% of total export value between 2022 and 2024 (Figure 1). The certainty provided by ChAFTA, enabled Australian exporters to benefit long-term through uninterrupted access to China's iron ore market, even as global conditions fluctuated, holding a significant market share between 65% and 71% across 2022 to 2024. In fact, in 2024, exports from Port Hedland - Australia's top shipping terminal - hit a record 569 million tonnes, despite a slowdown in China's steel output, encouraging infrastructure investment and supply chain improvements, further reducing per-unit costs and improving Australia's global price competitiveness (Supply Chain Brain, 2024). However, the sector faces long-term sustainability challenges as China increasingly invests in green steel initiatives to decarbonise its industrial sector, potentially leading to a decline in demand for traditional iron ore, shifting to alternatives like scrap steel and direct reduced iron (DRI) (woodmac, 2025). Without direct tariff advantages under ChAFTA, Australia's ongoing competitiveness will increasingly depend on innovation and investment, such as foreign-funded hydrogen-based steel production projects that leverage Australia's abundant renewable energy resources and iron ore reserves (Mine, 2024). While this transition could create positive long-term economic opportunities, it introduces price volatility and risks to traditional iron ore exports, highlighting the need for market diversification.

Conversely, accounting for just 0.5 to 0.6% of Australian export value between 2022 and 2024, wine has a limited impact on the total competitiveness of Australian exports (Figure 1; Figure 4). However, within the agricultural sector, wine remains a key premium export and strong indicator of how FTAs like ChAFTA affect value-added industries. In the short term, ChAFTA's progressive tariff eliminations - removing tariffs of 14–20% by 2019, improved price competitiveness against global producers still subject to China's MFN tariff of 14% (DFAT, 2015; University of Adelaide, 2022). This enabled a 188% surge in export value from A\$274 million in 2013 to A\$790 million by 2019 (Figure 1) aided by "improved Chinese consumer awareness and knowledge of wine recent years" according to Eric Zhai, the general manager at Mega Wines which shifted consumer preferences to Australian premium wine (Go Global Toolkit, 2024). However, these competitive gains were severely undermined in the short term by China's imposition of punitive anti-dumping tariffs of up to 218% in late 2020, collapsing to A\$9 million by 2021 (98.6% drop). This fall reflects the overreliance and high price elasticity of demand for Australian wine in the Chinese market, where tariff-induced price increases led to disproportionately large reductions in quantity demanded as Chinese importers quickly pivoted to alternative suppliers, forcing Australia to stay competitive. This demonstrates a major short and long-term vulnerability of the wine industry to political risks even within the agreement of an FTA. While Australian wine exports rebounded, reclaiming over 40% of market share following tariff removal in March, likely boosted by the high competitiveness of Australia wine, negative long-term implications remain as the market has more than halved from 3.3 billion in 2019 to 1.5 billion in 2024, negatively impacting sustainability of demand (UNSW, 2024).

Internal assessment 3 (IA3)



Examination — extended response to stimulus (25%)

The assessment is a supervised test that assesses the application of a range of cognitions to a provided problem, question or issue.

Student responses must be completed individually, under supervised conditions, and in a set timeframe.

Assessment design

Validity

Validity in assessment design considers the extent to which an assessment item accurately measures what it is intended to measure and that the evidence of student learning collected from an assessment can be legitimately used for the purpose specified in the syllabus.

Reasons for non-endorsement by priority of assessment

Validity priority	Number of times priority was identified in decisions
Alignment	71
Authentication	0
Authenticity	15
Item construction	8
Scope and scale	2

Effective practices

Validity priorities were effectively demonstrated in assessment instruments that:

- aligned the task to the subject matter, so students could demonstrate their understanding of Topic 1: Macroeconomic objectives and theory
- followed the conventions of item construction for an extended response in examination conditions, e.g. the task clearly and concisely identified what students were required to analyse and evaluate, using clear cognitive verbs, and without a context statement.

Practices to strengthen

It is recommended that assessment instruments:

- direct students to analyse one economic issue, evaluate one economic outcome and make one decision, e.g. the stated economic issue and economic outcome should be clearly identifiable and singular
- provide stimulus materials organised to fit on both sides of two A3 pages or equivalent. The scale and scope of seen and/or unseen sources should not be less than the specifications require, as this may limit the opportunity for student responses to address the upper performance levels of the Analysing and Evaluating criteria. Note that there is no word limit for text included in any sources in IA3

- include unseen stimulus materials that are
 - succinct enough for students to engage with during the examination, e.g. do not contain overly long information sources and/or too many graphs that require interpretation
 - critical to the item so students cannot pre-prepare responses, e.g. stimulus materials should not be overly focused on a single macroeconomic objective (such as inflation or employment) as this may lead students to prepare for a specific unseen question
- allow for unique responses by not over-scaffolding the task or specifying the economic criteria to be used. Stimulus materials must not include economic reasoning, analytical findings or theoretical knowledge as these could limit unique or authentic responses.

Accessibility

Accessibility in assessment design ensures that no student or group of students is disadvantaged in their capacity to access an assessment.

Reasons for non-endorsement by priority of assessment

Accessibility priority	Number of times priority was identified in decisions
Bias avoidance	8
Language	0
Layout	1
Transparency	14

Effective practices

Accessibility priorities were effectively demonstrated in assessment instruments that:

- modelled appropriate language conventions and avoided unnecessary jargon.

Practices to strengthen

It is recommended that assessment instruments:

- use direct and clear task instructions so students can understand the requirements, e.g.
 - include a clear timeframe for analysis if the stimulus materials are from a wide range of dates over different time periods
 - clarify the number of economic criteria to be used when evaluating
- contain stimulus materials that include
 - a time period, a title, axis labels and units of measurement for each source
 - sequential numbering of sources, without duplication
 - images that have a legible resolution and appropriate size.

Additional advice

When developing an assessment instrument for this IA, it is essential to consider the following key differences between the 2019 and 2025 syllabuses:

- Subject matter has been reorganised within Unit 4 across Topics 1, 2 and 3. Consequently

- only subject matter in Topics 1 and 2 is assessed in IA3. This is clearly demonstrated in the assessment objectives that require the analysis and evaluation of economic outcomes and budget stances
- the description of Topic 2 has changed and places the context of the subject matter as the annual federal budget of the government of the day.
- The revised assessment objectives for analyse and evaluate refer to economic indicators and budget stances. This means that stimulus materials must contain data and information about economic indicators and budget stances. This does not mean that the IA3 task must focus on a budget stance. There is a range of potential focuses based on the analysis and evaluation components of subject matter in Topic 2.
- The revised specifications require
 - student choice of two economic criteria
 - seen and unseen stimulus with information in visual and written forms that fit on both sides of four A4 pages or equivalent, so all students across the state receive a similar amount of stimulus. The specification is not 'up to' this page amount
 - unseen stimulus materials that are one quarter of the total stimulus materials.
- The *QCE and QCIA policy and procedures handbook v7.0* (Section 8.2.6) provides guidance about managing response length. This guidance applies to more open-ended assessment techniques, such as essays, reports and presentations. By specifying a maximum length for student generated work for these techniques, the expected scope of the task is appropriately limited. Managing response length does not apply to examinations. For examinations, the syllabus assessment conditions specify the time allocated, including any perusal or planning time. Schools should design examinations with an appropriate number of questions, and provide suitable space or lines for responses, to guide students in completing the examination within the allowed time. A required or recommended word length must not appear on IA1 instruments.

Schools should also:

- include a range of well-considered and engaging stimulus materials at the assessment design phase to help students identify multiple lines of thinking and make critical, discerning choices, thereby enhancing the quality of their responses
- choose the stimulus that will enable students to focus on economic issues related to actual contemporary economic events in Australia (syllabus pp. 39, 44). For instance, economic criteria could consider current factors impacting the economy, such as the implications of the cost of living, high housing costs and the tightness of the labour market when considering standard of living outcomes. Monetary policy decision statements released by the Reserve Bank of Australia (RBA) provide information about current factors impacting macroeconomic objectives and are recommended student reading. Monetary policy meetings minutes are useful teacher resources as they provide fuller details of current economic factors.

Assessment decisions

Reliability

Reliability refers to the extent to which the results of assessments are consistent, replicable and free from error.

Agreement trends between provisional and confirmed marks

Criterion number	Criterion name	Percentage agreement with provisional	Percentage less than provisional	Percentage greater than provisional	Percentage both less and greater than provisional
1	Comprehending	96.15	3.85	0.00	0.00
2	Selecting	99.23	0.77	0.00	0.00
3	Analysing	93.85	6.15	0.00	0.00
4	Evaluating	90.00	10.00	0.00	0.00
5	Creating a response	97.69	1.54	0.77	0.00

Effective practices

Reliable judgments were made using the ISMG for this IA when:

- the Selecting criterion was matched to the 2-mark range, e.g.
 - evidence in student work showed an adequate choice of current, accurate and/or reliable data and economic information. Typically, the most current data and information available was not used
 - the use of data and economic information was based on satisfactory choices from both seen and unseen sources
 - there was some documentation of data and economic information in the form of citations
- the Creating a response criterion was matched to the 2-mark range, e.g.
 - evidence in student work showed an adequate expression and development of ideas that conveyed economic meaning rather than enhanced economic meaning. Responses that showed relevant criteria introduced at the outset of their essay and then systematically assembled their analytical essay to progress their work logically and toward an intentional conclusion were able to be supported at the highest performance level
 - the features of an analytical essay were demonstrated, typically with an introduction and conclusion separated by one or two paragraphs
 - there are some errors in spelling, grammar and punctuation as appropriate for an examination assessment produced in time-limited conditions.

Practices to strengthen

To further ensure reliable judgments are made using the ISMG for this IA, it is recommended that:

- in the Comprehending criterion
 - judgments regarding the identification of the essential features of macroeconomic objectives and the application of economic concepts, principles and models should be made on evidence throughout the analytical essay, rather than being confined to the

opening body paragraphs. These features do not need to be introduced through formal definitions, which can disrupt the essay's flow and coherence. Instead, students should ensure that their evidence is detailed and comprehensive to thoroughly address the macroeconomic objectives discussed

- diagrams that are used when applying economic models should be properly labelled and explained. Diagrams are used most effectively when integrated into the analysis or evaluation, and particular points on the diagram are explicitly referenced or drawn on within the response
- in the Analysing criterion
 - there is evidence of students explaining cause and effects in analytical chains that include direct, indirect and/or flow-on effects enhances an analysis by providing details and more than obvious points. Without sufficient analysis, there are fewer opportunities to synthesise economic ideas and perspectives at the discerning level when students are evaluating
 - the use of data refers to the quantification of data involved with a trend or pattern, which is typically the range, dates or proportion at a specific date, and may include the change over time. Qualitative descriptions of trends match to the narrow or inconsistent use of data and do not match to the adequate use of data *and* information at the 3–4 mark range. This is an example of where the complementary skill of numeracy (syllabus p. 6) is required
- in the Evaluating criterion
 - at the highest performance level, the economic ideas and perspectives drawn together for synthesis must be linked to the analytical findings made within the essay, and be chosen for their value or relevance to support the decision made or conclusions reached
 - the conclusions drawn or decisions made must show insight and understanding of the macroeconomic objectives under consideration for IA3 to be supported at the perceptive level. This was best seen where relevant economic criteria were explicitly used as a lens through which decisions were made or conclusions were reached
 - there must be distinction between economic reasoning (required at the 3–4 mark range and the 5–6 mark range) and reasons (at the 1–2 mark range) when making judgments. A reason is a specific point that explains why something is the case, whereas reasoning is the logical chain that connects those points. For reasoning and justification to be supported at the critical performance level, there should be evidence used to support the statements made, e.g. economic reasoning might involve weighing up costs and benefits. Where only benefits, positives or strengths are considered, there is less evidence to support a justification that the decision is right and/or reasonable to justify the decision made.

Additional advice

It is essential to consider the following key differences between the 2019 and 2025 syllabuses:

- For the Comprehending criterion, the mark allocation has increased from 5 marks to 6 marks. In addition, the:
 - two lowest performance levels require economic concepts, principles and/or models
 - lowest performance level is now a band of 1–2 marks with three descriptors.
- The Selecting criterion has been removed.
- For the Analysing criterion, the mark allocation has increased from 6 marks to 8 marks; consequently, a new performance level exists. In addition, the:
 - top two performance levels require

- explanations that contain complexity
- selection and use of relevant seen *and* unseen data *and* information to support the analysis
- 1–2 mark range requires an identification of patterns or trends, identification of a cause *or* an effect relationship and limited use of data *or* information.
- For the Evaluating criterion, the mark allocation has increased from 6 marks to 7 marks; consequently, a new performance level exists. In addition, the:
 - synthesis must be derived from the analysis. Note that at the 6–7 mark range there must be economic ideas *and* perspectives within the synthesis
 - economic reasoning must use evidence from seen *and* unseen sources when justifying the decision.
- For the Creating a response criterion, the same mark allocation is now over two performance levels. In addition, the:
 - first descriptor is refined and includes an economic model/s
 - second descriptor has combined the analytical essay, vocabulary choices and the use of language conventions. The analytical essay is described in the 2025 syllabus (p. 10)
 - third descriptor is the documentation of sources within the analytical essay.

Schools should also:

- provide feedback to students to avoid a linear discussion of each source in the order presented in the stimulus. Instead, students should look for ways to connect sources — finding relationships between them — and drawing on the ideas presented in the stimulus that will support and enhance the evidence of their analytical and evaluative thinking
- continue to provide opportunities for students to practise time management. Strategies include providing teaching and learning activities focused on
 - effectively planning analytical essays, including paragraphing and the use of peer and self-feedback to consider more useful planning approaches. Paragraphing must be more than an introduction, conclusion and one paragraph each for analysis and evaluation. Note that not every plan needs to be written up in full — planning can be a valuable activity by itself
 - practising writing under timed conditions using the plan created. Practising planning and writing during all of Unit 4 teaching and learning activities will strengthen students' ability to effectively plan and write responses during the external assessment
 - deconstructing a written essay back into a plan form to check the main ideas and secondary points were the strongest points
- model how to express citations, identifying that the source is not the subject of the sentence, e.g. the expression is not correct in the phrase 'source 3 says economic growth has risen to 0.6% in the June quarter 2025 ...' Instead, the phrase should be expressed as 'economic growth has risen to 0.6% in the June quarter 2025 (source 3) ...'

Samples

The following excerpts illustrate a high-level response for the Comprehending, Analysing, Evaluating and Creating a response criteria. The response:

- thoughtfully integrates and draws on seven sources (including unseen) to make a complex, well-reasoned analysis and evaluation of whether or not the Australian Government has achieved its internal stability objective

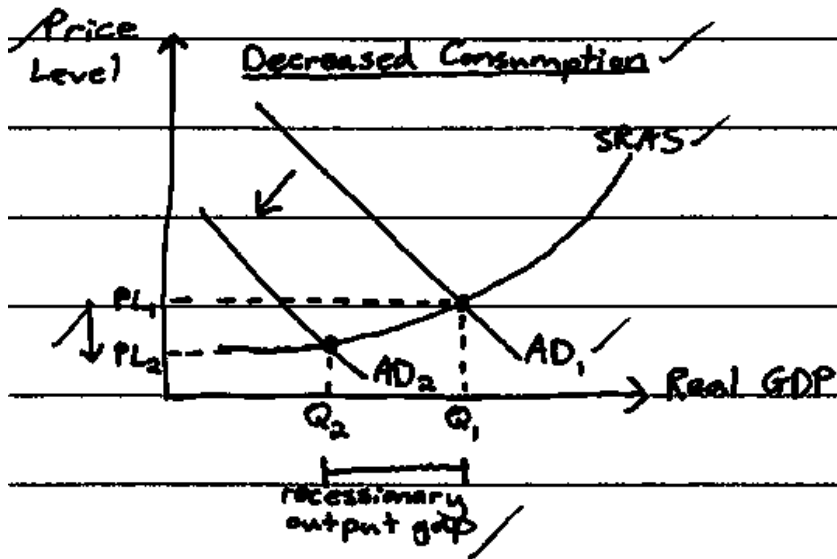
- showcases economic analysis with discerning choices about what data and economic information to interpret and then to explain the inherent economic relationships with precision and perception
- demonstrates concise writing and expression, displaying a comprehensive understanding with no superfluous words, enhancing the economic meaning evident in their response
- knowledgeably applies the AD/AS model accurately with all labels. The diagram is used twice within the text to make points about the economic effects.

Note: The characteristic/s identified may not be the only time the characteristic/s occurred throughout a response.

Excerpt 1

Although ~~the~~ the unemployment rate decreased from 6% in 2020 to 4.1% in 2024 (Source 6B), the previously mentioned uncertainty in the economy has resulted in little growth in consumption (Source 2). This indicates a ^{decreased} demand, from AD_1 to AD_2 , for goods with injections into businesses reduced. In an attempt to deplete a growing surplus of inventory, businesses will lower their prices from P_1 to P_2 and try to incentivise consumers to spend. With negative supply shocks, such as rental prices (Source 1C), increasing production costs, the profit margins for businesses will rapidly decrease! ^(as production decreases from Q_1 to Q_2 creating a recessionary output gap) If these show no signs of improvement, businesses will be forced to negate wages or fire workers to reduce their production costs. This is apparent in the recent uptick of underutilisation rate from 1% in 2021 to ~~10.5%~~ 10.5% in 2024 (Source 1B) showing reduction in working hours for the employed and the increase in unemployment. This is not sustainable for consumers who are struggling with cost of living as job vacancies are rapidly decreasing ~~from~~ by 1.2% from 2021 to 2024 (Source 6A) signalling a decline in demand for labour. The underemployment rate of 6.5% (Source 6B) shows that consumers are forced to work multiple jobs to support themselves (Source 5).

Excerpt 2



The following excerpts illustrate a high-level response for the Evaluating criterion.

- The suggestion that the low rates of unemployment have not lifted consumer sentiment demonstrates a complexity of thinking and a discerning synthesis of ideas.
- The conclusion that the cost of living pressures may wipe out any gains in living standards is perceptive. This is a clear demonstration of how the criteria chosen by a student can be different from the objective being evaluated. These points show real economic insight.
- The writing and expression are concise, demonstrating comprehensive understanding without superfluous words and enhancing the economic meaning evident in the work.

Note: The characteristic/s identified may not be the only time the characteristic/s occurred throughout a response.

Excerpt 1

In addition, the recent ~~houses~~ highest levels of housing debt (closely correlated to housing prices f Source 5C) adds inflation pressures to those households of high debt, forced to reduce consumption. Corroboration of a reduction in Aggregate Demand and, in turn, decline in living standards can be extrapolated in both source 5A and 5B, with a rapid decline in both consumption and disposable income over the last decade. Unsurprisingly, consumer sentiment ~~has~~ "fallen off a cliff" since 2020, and only just recovering ~~slightly~~ slightly in 2024, ~~this pessimism~~ this pessimism will likely lead to a decline in AD going forward.

The failure of government to ensure employment growth is reflected in an unemployment rate, which has largely tracked above the upper band of 4.5 percent over a decade (Source 2A). Interestingly the spike in inflation around 2023 was closely aligned with a decline in unemployment. ~~unemployment~~ (Source 2A and B).

Excerpt 2

Interestingly, as one would expect that a ~~low~~ low (within target) unemployment rate (post 2023), would suggest a secure employment and household optimism, yet it has done little to support consumer sentiment (Source 5B). This suggests low GDP per capita growth, decline in declining disposable income and real wages, driven by high inflation have put massive pressure on household budgets, creating a cost of living crises, as households are under immense pressure, making it impossible to make ends meet (Source 3). Based on GDP growth and inflation, the government has failed at improving living standards since 2016, particularly ~~the~~ ^{over} the last 2-3 years.

The following excerpt illustrates a high-level response for the Evaluating criterion.

In this extract, the student discerningly chooses data and economic information provided in the stimulus material and develops points raised in their analysis. The synthesis of economic ideas and critical economic reasoning is evident in the response. The conclusion is relevant and perceptive, based on strong economic thinking and economic criteria.

Note: The characteristic/s identified may not be the only time the characteristic/s occurred throughout a response.

To stimulate economic growth, the Government implemented the expansionary fiscal policy. However, sustainable economic growth was not achieved. As consumption was falling from December 2022 onwards by 13% (source 2) due to the rise in cash rates. The government ~~As~~ expansionary fiscal policy was applied to relieve cost of living pressures and help Australians battling the cost of living crisis (source 4). The government spending hit almost 28% (source 6) which positively affected disposable income as seen in the increase by 7% from March 2023 onwards. In the short term, Government support would increase consumption and aggregate demand, boosting ~~the~~ economic growth. This is seen as in source 7a, GDP begins to increase from September 2024. ~~This~~ ~~a~~ Thus, government funding prevented the economy from falling into a trough. However, in the long term, ~~this~~ economic growth is not sustainable as fiscal policy is strongly influencing the economy and consumer's consumption. The continuous use of fiscal policy will cause the Government to fall into debt which ~~can~~ ~~cause~~ causes burdens for future tax payers. Thus, although Government spending does increase aggregate demand and assists in expanding the economy, it is not sustainable.

External assessment



External assessment (EA) is developed and marked by the QCAA. The external assessment for a subject is common to all schools and administered under the same conditions, at the same time, on the same day. The external assessment papers and the EAMG are published in the year after they are administered.

Examination — combination response (25%)

Assessment design

The assessment instrument was designed using the specifications, conditions and assessment objectives described in the summative external assessment section of the syllabus.

The examination consisted of 15 questions (61 marks).

The assessment required students to complete:

- 10 multiple choice questions
- 4 short response questions, both with and without stimulus provided
- an extended response to stimulus.

The stimulus for the short response items included a text-based source about an inflation scenario, and a graphical representation of national inflation and national and regional unemployment. The stimulus for the extended response involved the authentic economic situation of rental accommodation from the perspective of living standards, with a range of visual representations and texts.

Assessment decisions

Assessment decisions are made by markers by matching student responses to the external assessment marking guide (EAMG).

Multiple choice question responses

There were 10 multiple choice questions.

Percentage of student responses to each option

Note:

- The correct answer is **bold** and in a **blue** shaded table cell.
- Some students may not have responded to every question.

Question	A	B	C	D
1	11.95	65.87	8.90	12.80
2	13.59	31.77	15.40	38.84
3	39.53	46.85	10.84	2.41
4	11.73	26.64	47.12	14.26
5	76.31	10.96	4.27	8.06
6	8.63	12.92	25.27	52.60

Question	A	B	C	D
7	6.23	33.09	42.11	18.06
8	47.45	22.52	13.69	15.85
9	17.41	11.68	34.38	35.89
10	18.92	40.80	24.90	14.91

Effective practices

Overall, students responded well when they:

- showed comprehension of a range of economic concepts, principles and models, including drawing the basic demand and supply model in Question 15a
- analysed trends in data provided by using data and dates to draw meaning about the trends
- analysed economic relationships, including the type of inflation present in Question 13
- evaluated using the provided economic criterion, drawing on the analytical findings.

Practices to strengthen

When preparing students for external assessment, it is recommended that:

- teachers focus on examination technique. In time-limited conditions, responses must answer the question asked and avoid being long-winded. This can be improved by practising
 - deconstructing the question. Strategies include using highlighting or underlining to identify the key elements of the question and any context within the question. For instance, Question 11 assessed knowledge of reducing cash rates in recessionary periods within a particular context of extremely low cash rates. Responses that did not recognise the context of very low cash rates earned partial marks
 - using planning time effectively to read over the questions and stimulus, noting down initial points. This thinking time allows students to go back to extend and refine their initial thoughts. The time should be used to connect familiar concepts, principles and models to the unfamiliar economic issues and scenarios presented
 - organising and planning the main points prior to writing. This helps to focus the response and avoid overly long responses that respond in general responses rather than addressing the specific context and question. For instance, in Question 12 some students did not respond to the reference to 'per capita' when asked about GDP per capita
 - writing relevant information and avoiding repeating the question in the first few lines
- teachers expect the quantification of data and dates when trends and patterns are being interpreted, as this is critical in the Economics discipline. Students should see very early in this developmental course that analysis of trends requires quantification to earn marks
- students know to make an explicit decision when evaluating. For Question 15b, students had to make a distinct choice between the two policies presented. Further, sources in the stimulus material should be used to elaborate and support explanations — rather than repeating the stimulus material without adding meaning or justification
- current affairs and recent economic events should be used to develop understanding in Unit 4 (syllabus p. 39). For instance, Question 11 linked to the recent extremely low cash rate period, which is remarkable in Australia's economic history. Students should be aware of recent

inflation, unemployment, GDP and cash rate ranges, and understand if a value is relatively high or very low or if a movement is significant, based on recent economic Australian data.

Additional advice

When preparing students for the external assessment using the 2025 syllabus, schools should be aware that the subject matter in Unit 4 has been structured into three topics. The external assessment will consist of a number of different questions relating to Unit 4 Topic 1 and Unit 4 Topic 3.

Schools should consider:

- that while communication is not assessed in the external assessment for Economics, writing in paragraphs is still important. This helps students make better decisions of how and where to strengthen their main points and to communicate with clarity in longer short responses and the extended response. Targeted and timely feedback can be used to specifically identify where paragraphs may be missing: clear topic sentences; further details and possible examples; quantification of data; and concluding or linking sentences. Feedback may be provided by self and through peer reflection activities
- providing opportunities for students to
 - become comfortable with unfamiliar economic issues that require analysis and evaluation. Past examination papers have covered a wide range of unfamiliar economic issues, so these plus other examples can be used in class activities. These can emphasise economic concepts, principles and models, and the skills of analysis and evaluation developed over time. The focus on unfamiliar economic issues allows students to practise the key skills involved with economic thinking
 - practise past papers to notice that the use of stimulus material should not be linear in an extended response. Annotations during planning time should help students to make connections between sources, and to identify which data and information they will use for analysis and/or evaluation, and the order in which the sources are used
- that students should be able to apply the four main models used in the course in a wide range of familiar and unfamiliar economic situations. The teaching of these models in diagrammatic form (demand and supply, circular flow of income, the economic cycle and the production possibility curve) should be a feature of most economic classes across all four units. Note that the aggregate demand and supply curve is an aggregate of the microeconomic version of demand and supply, and the same basic laws of demand and supply operate. Students should be familiar with shortages and surpluses, and how the 'invisible hand' works to move markets toward equilibrium using prices as a signal. This price mechanism operates unless there is a barrier that prevents equilibrium being reached, either at an individual market level or in aggregate.
- how the ISMGs can be used to form heuristic questions in class activities to prepare students for analysis and evaluation in the external assessment. For example, actively thinking
 - when analysing
 - What are the trends most relevant to the economic issue being analysed? What is the range of data and over what period is relevant to this issue? What meaning can be drawn from the patterns and trends? Writing practice responses and then highlighting the quantification of data and meaning in different colours can develop habits of thinking about these two elements when interpreting trends

- What are the causes and the effects and are these causally related or coincident? Teaching and learning activities can help students normalise the use of conjunctions in their responses that represent causes and those that signal effects
- How have both data and information been used to support the analysis? The use of data can enhance an analysis by communicating proportion, scale and/or significance. The calculation of change over time can be used to support the analysis when it is used to show details. The use of information involves specific examples and details to support relationships
- when evaluating
 - What are economic ideas and perspectives that emerge from the analysis? Self and peer feedback can purposefully check how ideas and perspectives are derived from the analysis and synthesised to form support for the decision
 - What is the decision that was made? Was this made based on the use of appropriate economic criteria? Students can search within their response to make sure the criteria were used in detail as a benchmark for a successful economic outcome
 - What are reasons that justify the decision made? Once the list of reasons is formed, the final response can consciously connect these into a chain of reasoning
- providing feedback to students over the two-year course of study to improve the legibility of their handwriting in examination conditions.

Samples

Short response

Question 13

This question required students to interpret economic information about a specific type of inflation being experienced in Australia. It also required an explanation of why the RBA may not be able to effectively manage this type of inflation. The economic situation is authentic as it broadly replicated the recent cost–push inflation that Australia experienced post-COVID.

Effective student responses:

- identified the situation as a cost–push or supply-side inflation scenario with national and international forces acting to reduce aggregate supply
- explained how cost–push inflation works, by businesses responding to the rising costs by increasing prices, and identified that wages were not a main contributor to inflation
- explained that cash rate rises would add to inflation pressures, while identifying that demand pressures of inflation were absent
- described that the RBA's main economic tool, the cash rate, is not as effective when inflation is primarily cost–push inflation. Another common suitable response was when inflation is driven by international forces.

Excerpt 1 demonstrates both the identification of cost–push inflation and a description of how disasters and disruptions reducing aggregate supply and trigger inflation.

Excerpt 2 demonstrates a clear decision about the RBA's effectiveness and an explanation that cash rate rises add to inflation pressures.

Note: The characteristic/s identified may not be the only time the characteristic/s occurred throughout a response.

Excerpt 1

The economy is undergoing inflationary pressures, caused mostly by cost push (supply side) inflation. This resulted from events such as natural disasters, political, and health events ^{and profiteering} that ~~fe~~ triggered supply chain shortages, shifting supply in, increasing price levels and decreasing output, thus triggering inflation.

Excerpt 2

Thus, this scenario may not be able to be effectively managed by the RBA as the inflationary pressures stem from supply-side shocks, and typical contractionary monetary policies ~~may~~ (increased cash rate) are demand side policies, and will decelerise consumption and investment, reducing company revenue and leading to lay offs (which won't reduce cost of production significantly as it only accounts for 10% of inflation above target).

Question 14

This question required students to analyse data about inflation and unemployment to decide on a government initiative to improve the equity of employment opportunities. The unemployment graph showed the national unemployment rate compared to unemployment on the highest and lowest regions in Australia.

Effective student responses:

- quantified the trend in national unemployment and inflation, using data and a date, then drew meaning from these trends
- interpreted a period when the unemployment rate was stationary
- identified a valid reason for targeting regional unemployment either from a high or low unemployment rate regional perspective
- decided on a valid employment policy that was directed toward either high or low regional unemployment, using equity as the economic criterion
- used economic reasoning to support the chosen policy.

These excerpts have been included to illustrate different aspects of high-level performances. Both responses are concise and focus on the question.

Excerpt 1 demonstrates:

- the quantification of trends using data and dates at appropriate places to specifically identify how high or low the rates were, and over what dates
- meaning drawn in the suggestion that the 'highest regional unemployment rate arises from significant imbalances in regional ... labour force and regional employment opportunities ... rather than significant shortages in aggregate demand'. Further interpretation was provided in the statement that the region with the highest unemployment rate 'remained above 14% despite the changes in inflation 2020–2023'.

Excerpt 2 demonstrates:

- a valid employment policy of providing new infrastructure targeted to the region with the highest employment as this would improve equity of employment opportunities in this region
- economic reasoning is that the proposed initiative would not be sufficient economic stimulus to have a significant effect on the national inflation rate.

Note: The characteristic/s identified may not be the only time the characteristic/s occurred throughout a response.

Excerpt 1

The figures show that there exists an unequitable distribution of unemployment across regions, with the national ~~unemployment~~ rate at $\sim 5\%$ in 2023, but regional ~~unemployment~~ rates ranging from $\sim 4.5\%$ at highest to $\sim 1.5\%$ at the lowest. Furthermore, ~~the~~ the highest regional unemployment rate remained at all time highs despite the decrease in inflation from $\sim 5\%$ in 2021 to $\sim 2.5\%$ in 2023, and did not see any major changes, unlike national and lowest regional unemployment rate amidst the inflation waves of mid 2020s due to the global pandemic. This suggests that the highest regional unemployment rate arises from significant imbalance in regional ~~pop~~ households and labour force than regional employment opportunities provided by firms, ~~rather than~~ rather the significant shortages in aggregate demand (as it remained above 14% despite significant changes in ~~the~~ inflation from 2020–2023, which is usually indicative of changing aggregate demand).

Excerpt 2

To improve the equity of employment opportunities in 2023 the government could have introduced new infrastructure investment in the region with the highest unemployment rate. This microeconomic policy can specifically target and stimulate job growth in the targeted regional area without ~~of~~ significantly affecting the inflation rate throughout Australia through economic stimulus, ceteris paribus.

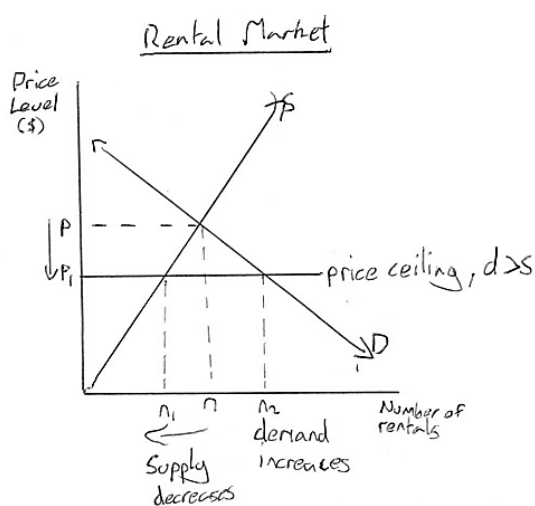
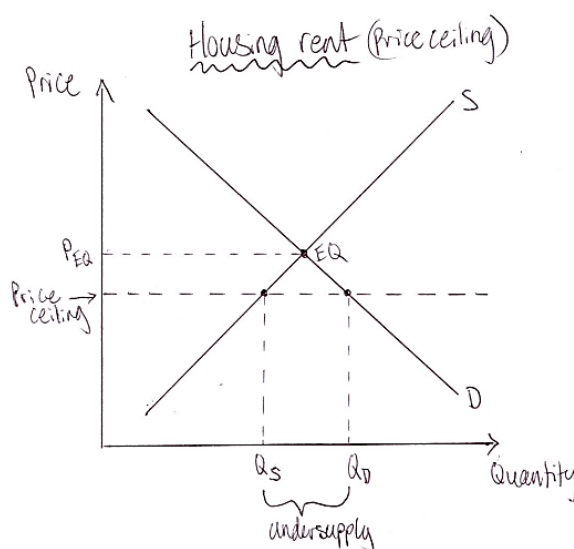
The following excerpt is from Question 15a. It required students to apply a situation where the government has limited housing rent rises, using a supply and demand diagram. This context is a price ceiling situation.

Effective student responses:

- drew a demand and supply diagram accurately with an informative title and correct labels
- identified the shortage created by the price ceiling.

These excerpts have been included to demonstrate all elements of the EAMG. Note that annotations are brief and aim to draw attention to crucial points of the diagram.

Note: The characteristic/s identified may not be the only time the characteristic/s occurred throughout a response.

Excerpt 1**Excerpt 2**

Extended response

The following excerpt is from Question 15b. It required students to use all sources to analyse the economic issue of rental housing and, using the criterion of living standards, recommend the most appropriate government policy response from two options provided. Students were asked to refer to their demand and supply diagram from Question 15a.

Effective student responses:

- described the economic problem and which group/s were primarily impacted by this problem in Australia
- calculated a number to make meaning at any point within the response
- quantified rental data information and explained how falling vacancies are causing rental prices to rise
- quantified housing occupancy and drew meaning from the data, including a comparison of lowest and highest wealth quintiles
- used the demand and supply diagram drawn in Question 15a to explain how one policy option would create a price ceiling, with accurate economic terminology
- explained the policy option that housing rents be controlled, using evidence from the sources
- explained the policy option that limits holiday accommodation nights, using evidence from the sources
- made a decision about which option should improve living standards, considering different perspectives, with economic reasoning.

Excerpt 1 demonstrates:

- an explanation of why the supply of holiday accommodation has increased and how this market force has contributed to the economic problem of rental housing
- connections to the housing occupancy patterns experienced by different age groups, using specific data
- links to the wealth quintiles data to further introduce different perspectives and to foreshadow a later connection to living standards.

Excerpt 2 demonstrates:

- an explanation of the policy option that controls housing rent prices, correctly identifying it as creating a price ceiling in the market. Both short- and long-term impacts are explored using evidence from the sources
- the use of the demand and supply diagram drawn in Question 15a to explain the shortage that would be created by the rent control policy.

Both excerpts model literacy and the use of correct economic terminology. They suggest that the main points have been organised prior to writing so that the points are clearly, concisely and directly expressed.

Note: The characteristic/s identified may not be the only time the characteristic/s occurred throughout a response.

Excerpt 1

Supply

of holiday accommodation has risen significantly to 3% of the nation's existing 11 million homes due to an average annual premium of 40% above annual residential housing rates (source 4). This directly decreases the supply of homes in the rental market contributing to the issue of a shortage of homes. This disproportionately affects middle aged people with 25-44 years old making up 50% of household renters in 2024 and 45-64 year olds making up nearly 30% in 2024 (source 3). This trend has remained unchanged since 2008. This may make it difficult for these people to save for retirement and represents intergenerational inequality between older and younger people. It also disproportionately affects poorest people with the 85% of the lowest ~~income~~ ^{wealth} quintile renting privately and 48% of the second wealth quintile privately renting (source 6).

Excerpt 2

A policy solution impacting rental supply is a rent control in the form of a price ceiling. This policy would improve rental affordability in the short term by introducing a limit to rent increases (\$5), which would ensure low cost access to housing for low income earners as seen in (15, a) where price levels fall from $p - p_1$. However, this strategy does not address the supply factors ~~add~~ causing the rental crisis. With a price ceiling, demand is greater than supply, (graph 15, a) worsening the shortage of rental properties. Furthermore, reduced prices ($p - p_1$) reduce profit which will disincentivise the use of land for rent in favour of the already profitable holiday accommodation. This was highlighted by The Economic Review Journal which saw a 30% withdrawal of rent control housing within 6 years of new maintenance laws, many of which became holiday accommodation (57). Thus this policy is ineffective as it ^{which} does reduce short term prices, in the long term it will reduce supply of rentals, thus worsening access.