

References

Sources 1 and 3

Australian Bureau of Statistics 2026, *National, state and territory population, March 2026*; Australian Bureau of Statistics 2025, *Overseas Migration, 2024–25*, www.abs.gov.au.

Source 2

ABS, as for Source 1; Armstrong, C 2026, ‘Coalition promises deep cuts as it enters migration fight with One Nation and Labor’, *ABC News*, 6 October; Armstrong, C 2026, ‘Angus Taylor concedes aged care workers would be hit by migration plan’, *ABC News*, 7 October, www.abc.net.au.

Source 4

Hunter, S 2024, *Housing Market Cycles and Fundamentals*, speech, Reserve Bank of Australia, 16 May; Australian Bureau of Statistics, *Consumer Price Index, Australia*, March quarter 2024 and August 2026; National Housing Supply and Affordability Council 2026, *Quarterly Report – August 2026*, nhsac.gov.au.

Source 5

Australian Bureau of Statistics 2025, *Australian System of National Accounts, 2024–25*; Australian Bureau of Statistics 2026, *Australian National Accounts, June 2026*, www.abs.gov.au.

Source 6

ABS, as for Source 3; Treasury 2023, *2023 Intergenerational Report*, fact sheet; Jobs and Skills Australia 2025, *2025 Occupation Shortage List*.

Source 7

ABS, as for Sources 1 and 3; Norman, J 2026, ‘Coalition unveils policy to cut net overseas migration to 100,000 a year’, *ABC News*, 6 October; Government targets as reported by *ABC News*, 6 October 2026.

Source 8

2026–27 Migration Program planning levels as summarised by BDO Australia, 2026; Study Australia 2026, *Australia confirms international education settings for 2027*, 15 July; Varela, P et al. 2021, *The lifetime fiscal impact of the Australian permanent migration program*, Treasury; Parliamentary Budget Office estimate as reported by *ABC News*, 7 October 2026; table data from Australian Bureau of Statistics 2026, *Migrant settlement outcomes, 2026*, released 22 September, www.abs.gov.au.

This is a mock paper prepared for practice. It is not a QCAA publication and has not been reviewed or endorsed by the QCAA. Data is drawn from the published sources referenced above and is current to early October 2026. Source extracts were written for this paper from those figures. Approach 1 holds migration near its current level; Approach 2 is based on the Opposition’s announced policy. Neither approach is endorsed by this paper.

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Prepared as a practice paper for QCE Economics Unit 4. The layout follows the format of QCAA external assessment papers so that students can practise under exam conditions.

Mock external assessment 2026 · Paper 2

Stimulus book

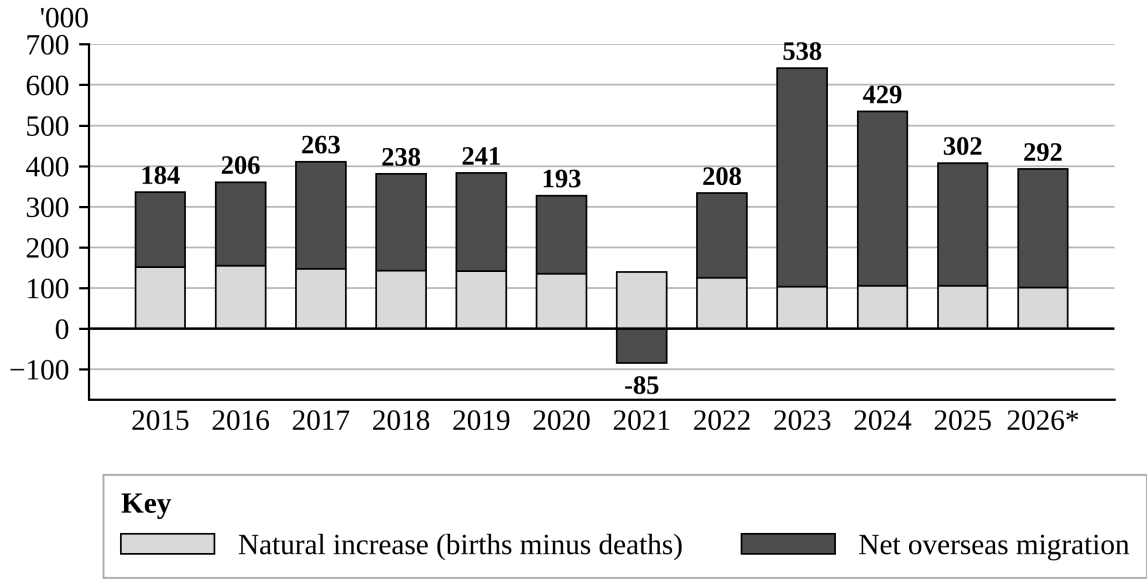
Economics

General instruction

- Work in this book will not be marked.

Source 1: Components of population growth, Australia

Thousands of people, years ending 30 June



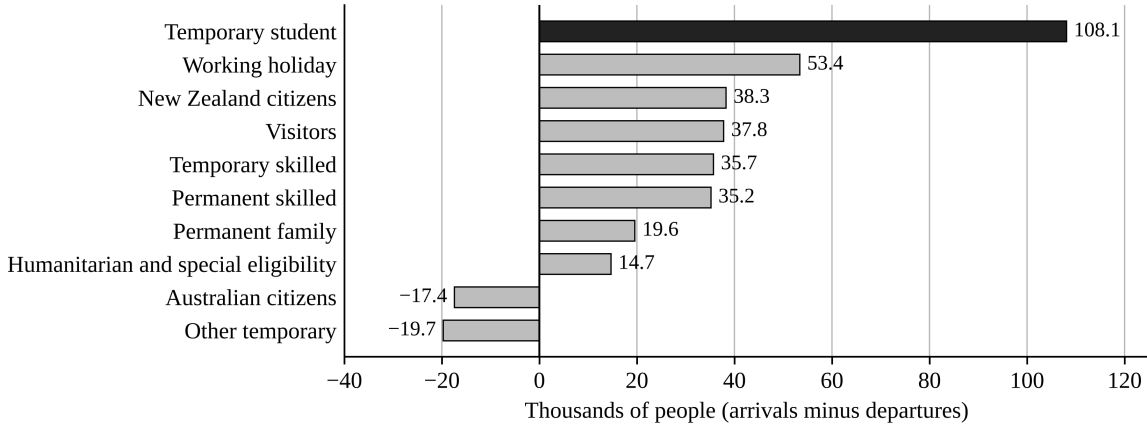
Labels show net overseas migration. *2026 is the year ending 31 March 2026.

Source 2: Economic commentary, 2026

Australia’s population grew by 392,700 people (1.4%) in the year to March 2026 to reach 27.9 million. After the borders reopened following the pandemic, net overseas migration rose to a record level in 2022–23 and has fallen in each year since. In October 2026 the Opposition promised “the biggest cut to immigration in Australian history”, saying the country needs “breathing space” after several years of record migration. It argues that population growth has been used to prop up national prosperity. Business groups warn that deep cuts would deliver a “significant hit” to the economy and workforce.

Source 3: Net overseas migration by visa group, 2024–25

Thousands of people, arrivals minus departures



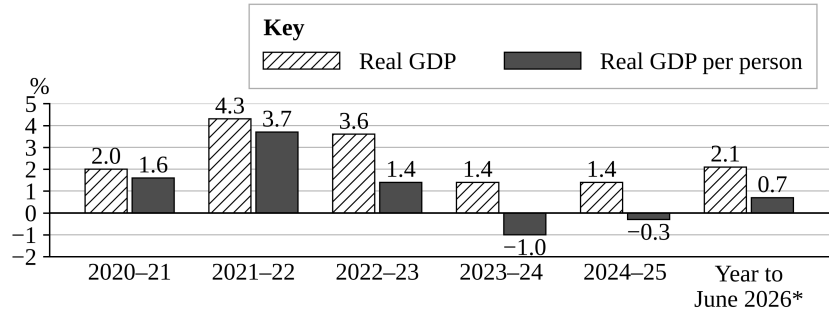
Total net overseas migration was 305,600 (preliminary estimate). Groups may not sum to the total due to rounding.

Source 4: Housing market report, 2026

The Reserve Bank of Australia has explained that underlying demand for housing “is fundamentally determined by the size of our population” and by the number of people in each dwelling, currently about 2.5. Rents rose 7.8% in the year to March 2024, the strongest rise since 2009, before slowing to 3.6% in the year to August 2026. Under the National Housing Accord, governments aim to build 1.2 million homes in five years from mid-2024. After seven of the 20 quarters, 308,000 homes (26% of the target) had been completed. A record 244,000 dwellings were under construction in March 2026, and building costs were 51% higher than before the pandemic.

Source 5: Real GDP and real GDP per person, Australia

Annual percentage change, financial years



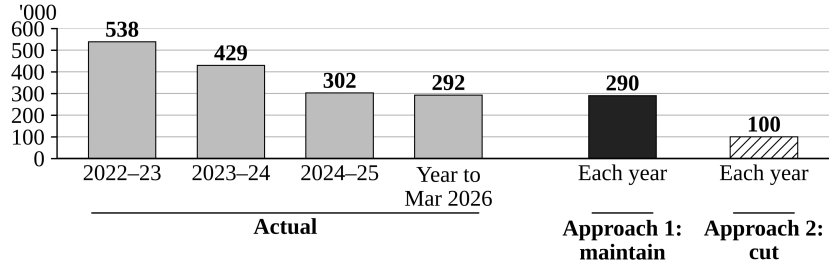
*Change from June quarter 2025 to June quarter 2026. Other years are annual averages.

Source 6: Ageing and the workforce, 2026

The median age of migrants arriving in Australia in 2024–25 was 26 years. Treasury’s 2023 Intergenerational Report projects that over the next 40 years the number of Australians aged 65 and over will more than double, the labour force participation rate will fall from 66.6% to 63.8%, and real GDP growth will slow to an average of 2.2% a year. Ageing accounts for around 40% of a projected rise in government spending of 3.8 percentage points of GDP. Jobs and Skills Australia found that 29% of occupations were in national shortage in 2025, including nearly half of all trade occupations.

Source 7: Net overseas migration, actual and under each approach

Thousands of people a year



For comparison, the Australian Government’s targets are 245,000 in 2026–27 and 225,000 in 2027–28. Approach 2 is based on the Opposition’s October 2026 policy: 100,000 a year for two years, rising to 160,000 by year four.

Source 8: Government data, 2026

The 2026–27 permanent Migration Program has 185,000 places. Of these, 132,240 (71%) are in the Skill stream. New international student commencements are planned at 295,000 a year in 2026 and 2027. Treasury research found that skilled migrants make the most positive lifetime contribution to the budget, because they arrive young and have strong employment outcomes. The Parliamentary Budget Office estimated that 40,000 fewer migrants a year would worsen the federal budget by \$79.1 billion over the following decade, mainly through lower income tax revenue. The Opposition says its plan would be budget neutral.

Outcomes of permanent migrants compared with the total population

	Skilled	Family	Humani-tarian	All permanent migrants	Total population
Employed (2021)	81.8%	68.2%	46.0%	74.3%	74%
Unemployed (2021)	3.8%	5.0%	8.0%	4.5%	4.0%
Received unemployment payments (2023–24)	1.7%	4.6%	20.6%	4.3%	6.2%
Median total income (2023–24)	\$83,466	\$58,926	\$43,910	\$70,762	\$64,897
Dwelling needs an extra bedroom (2021)	7.6%	10.6%	33.7%	11.0%	6.8%

Employment and unemployment are shares of people aged 15–64. Permanent migrants who arrived from 2000. Temporary visa holders, such as international students, are not included. The total population includes migrants.