

Mock external assessment 2026

Stimulus book

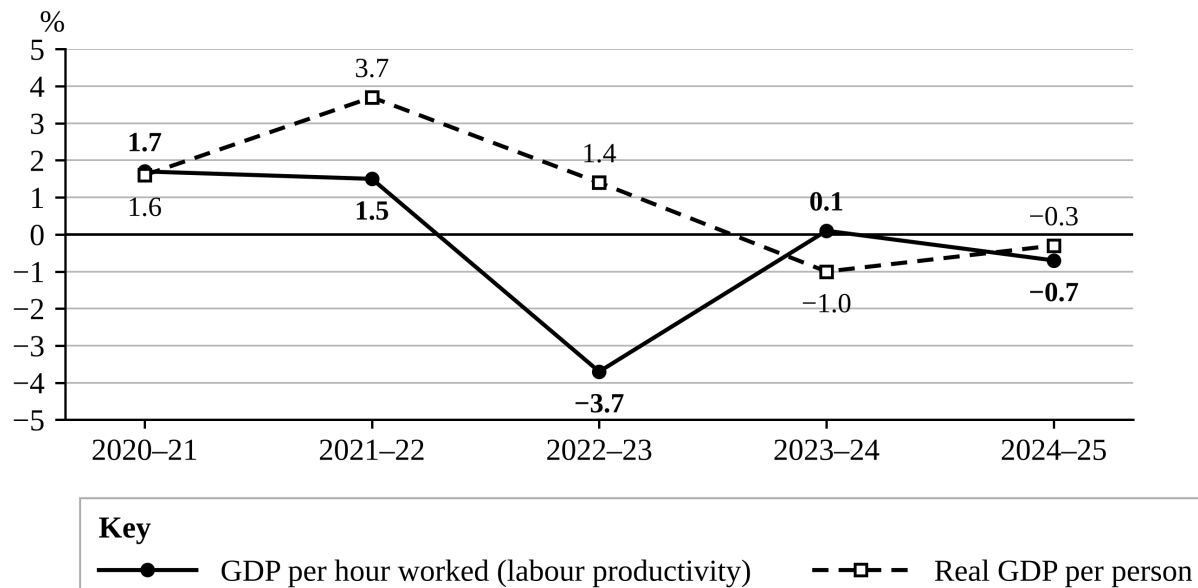
Economics

General instruction

- Work in this book will not be marked.

Source 1: Labour productivity and GDP per person, Australia

Annual percentage change

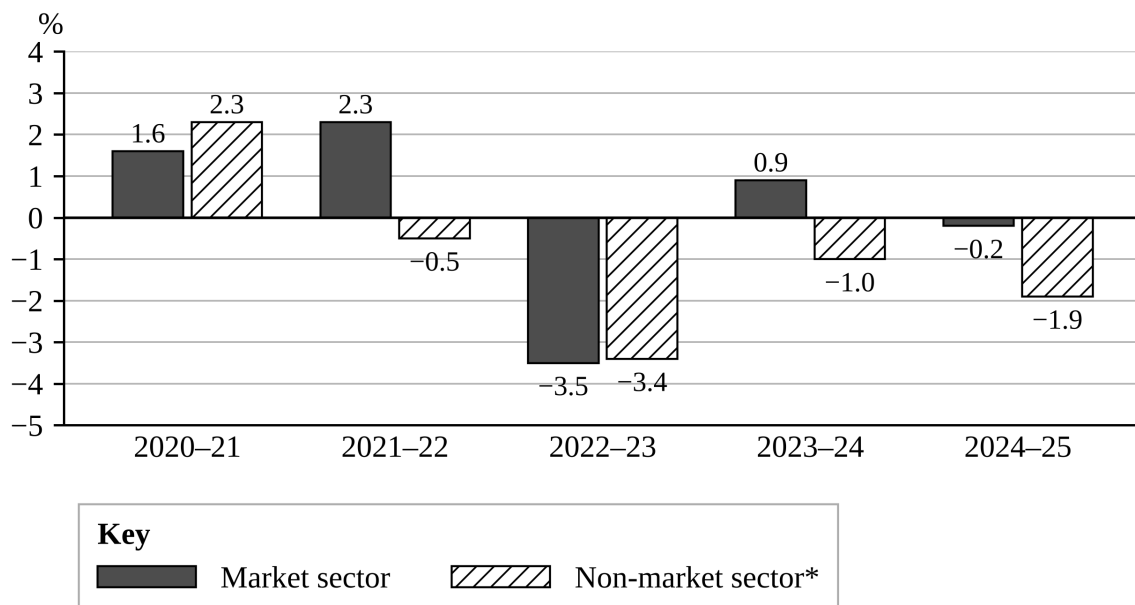


Source 2: Economic commentary, 2026

Labour productivity is the value of goods and services produced for each hour worked. The Productivity Commission has reported that Australia's productivity growth has stalled since 2016. Over the decade to 2020, labour productivity grew by an average of 1.1% a year, the slowest rate in 60 years and below the 60-year average of 1.8%. In the year to June 2026, GDP per hour worked fell by 0.2%.

Source 3: Labour productivity growth by sector, Australia

Gross value added per hour worked, annual percentage change



*Non-market sector: public administration and safety, education and training, health care and social assistance.

Source 4: Government program data, 2026

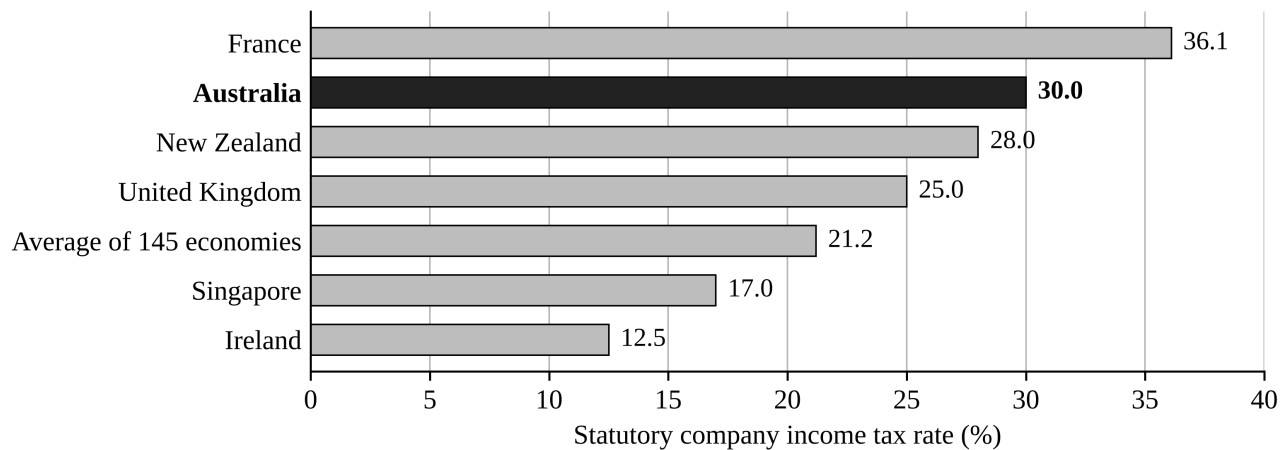
Under the Fee-Free TAFE program, the Australian Government and the states and territories committed more than \$1.5 billion to remove tuition fees for over 500,000 TAFE and vocational training places between 2023 and 2026. Places are directed to priority sectors of the economy. Between January 2023 and June 2026, there were more than 851,000 enrolments.

Source 5: Market analysis, 2025

Australia’s company tax rate is 30% for large companies and 25% for small companies with turnover below \$50 million. In December 2025 the Productivity Commission recommended lowering the rate to 20% for companies with revenue under \$1 billion and to 28% for larger companies, together with a new 5% tax on companies’ net cashflow*.

*Under the cashflow tax, spending on new equipment could be deducted immediately, which is intended to encourage businesses to invest.

Source 6: Company tax rates, selected economies, 2025



Source 7: Research findings, 2025

Productivity Commission modelling estimates that its company tax proposal would increase business investment by about \$10 billion (around 2%), GDP by just over \$13 billion (0.7%) and labour productivity by 0.5%, without reducing government revenue. Business groups oppose the new cashflow tax. They argue it would add complexity and uncertainty, and that the largest companies would face a combined tax rate of 33%.

Source 8: Program outcomes, 2026

By June 2026, 276,990 Fee-Free TAFE courses had been completed, compared with more than 851,000 enrolments since January 2023. Jobs and Skills Australia reported that the share of occupations in national shortage fell from 36% in 2023 to 29% in 2025. Nearly half of all trade occupations were still in shortage in 2025.

References

Sources 1 and 3

Data from Australian Bureau of Statistics 2025, *Australian System of National Accounts, 2024–25*, released 24 October 2025, www.abs.gov.au.

Source 2

Productivity Commission 2025, *Meeting the productivity challenge*, 19 December, www.pc.gov.au; Productivity Commission 2023, *Advancing Prosperity: 5-year Productivity Inquiry report*; Australian Bureau of Statistics 2026, *Australian National Accounts: National Income, Expenditure and Product, June 2026*, www.abs.gov.au.

Sources 4 and 8

Department of Employment and Workplace Relations 2026, *Fee-Free TAFE Program Snapshot – Quarter 2, 2026*, www.dewr.gov.au; Jobs and Skills Australia 2025, *2025 Occupation Shortage List: Key Findings Report*, www.jobsandskills.gov.au.

Sources 5 and 7

Productivity Commission 2025, *Creating a more dynamic and resilient economy*, inquiry report, 19 December, www.pc.gov.au. Modelling results and industry responses as reported by Australian Associated Press and *Accounting Times*, December 2025.

Source 6

Data from OECD 2025, *Corporate Tax Statistics 2025*, OECD Publishing, Paris, <https://doi.org/10.1787/6a915941-en>. Rates are combined statutory rates; France's 2025 rate includes a temporary surcharge.

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 September 2026. Source extracts were written for this paper from those figures.

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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.