

Economics and Business Level 10

Chapter 4 — Skills: evaluating, deciding and communicating

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From issue to judgement: evaluating with cost-benefit analysis or criteria

Curriculum trace. Content description VC2HE10S05. Elaborations: VC2HE10S05.E01, VC2HE10S05.E02, VC2HE10S05.E03. Achievement standard: Levels 9 and 10.

Every economics and business issue ends with the same question: *so what should we do about it?* Data on its own never answers that — a business can know its profits are falling and still have ten different things it could try. This section gives you the two standard tools for turning evidence into a defended decision: **cost-benefit analysis** (weighing a decision’s costs and benefits, in dollars where possible, to see whether the benefits outweigh the costs) and **criteria** (judging each option against a list of standards you state up front). You will practise both on three real Australian cases: a Perth-based retailer deciding what to do about its loss-making divisions, the changing shape of Australia’s trade with the world, and a personal decision about where to put money you save. All figures are real and sourced; retrieval dates are given with each one.

Theory

From issue to response (VC2HE10S05)

An **issue** is a situation where something is not working well, or could work better, and more than one response is possible. A **response** is a proposed way to deal with it — a recommendation a business could act on, a policy a government could adopt, or a choice a person could make.

Developing and evaluating a response is a two-part skill:

1. **Develop:** use evidence to put forward one response (or compare a small number of options) and give reasons for it.
2. **Evaluate:** test that response — find its costs, its risks, and the points where honest people could disagree — before you commit to it.

At Levels 7 and 8 you analysed responses by naming the likely costs and benefits (VC2HE8S05). Here you go further: you reach a conclusion, recommend a decision, and defend the reasoning. The achievement standard for this band expects you to build a response to an economics or business issue and judge how good it is — by cost-benefit analysis, or by a set of criteria. Both tools follow the same five-step shape in Figure 1.

Developing and evaluating a response: the five-step method



The steps repeat: when new evidence arrives, a good decision-maker loops back and re-runs the analysis.

A flow chart of five numbered steps for making and testing a decision. Step 1 “Define the issue and the options”: what exactly is the problem, and what are the realistic responses, including doing nothing? Step 2 “List all costs and all benefits”: for each option, who gains and who loses, in money and beyond money. Step 3 “Put values on them”: use market prices where they exist, best estimates where they do not, and name anything you cannot value. Step 4 “Compare”: total benefits minus total costs for each option; or score each option against your criteria. Step 5 “Decide and test”: choose, then ask what would change your mind if the estimates were wrong. A footer notes the steps repeat — a good decision-maker loops back when new evidence arrives.

Figure 1: The decision method used in this section, in five steps (ClassBasics model).

What counts as a cost, and what counts as a benefit?

Before using cost-benefit analysis, the two words in its name need a definition. The Victorian Curriculum uses the term *cost-benefit analysis* but does not define *cost* or *benefit*, so this section states the working definition and uses it throughout:

Working definition. A **cost** is any loss or sacrifice that falls on someone because of the decision; a **benefit** is any gain that comes to someone because of it. Where a market price exists, use it; where it does not, use a clearly labelled best estimate; and list what cannot be valued rather than silently leaving it out. Every cost-benefit analysis should also state *whose* costs and benefits it is counting — the business's, the person's, or the community's.

Costs and benefits are not only about money. Figure 2 sorts them into the four kinds you will meet in this section.

Costs and benefits come in four kinds — only two carry market prices			
		Financial — has a market price	Non-financial — no market price
COSTS (losses and sacrifices)			
		Wages and materials Interest on loans Fees Lost sales revenue	Time given up Stress Skills not used Damage to the environment or to a brand's good name
BENEFITS (gains)			
		Sales revenue Profit Interest earned Wages received	Convenience Skills learned Health and safety Jobs in a town A cleaner environment

Market items can be priced in dollars. Non-market items cannot — list them and argue them in words, rather than pretending they are not there.

A four-by-two classification table of costs and benefits. Columns: “Financial (has a market price)” and “Non-financial (no market price)”. Rows, top pair “Costs”: financial costs listed as wages, materials, loan interest, fees, lost sales revenue; non-financial costs listed as time given up, stress, skills not used, damage to the environment or to a brand’s good name. Rows, bottom pair “Benefits”: financial benefits listed as sales revenue, profit, interest earned, wages received; non-financial benefits listed as convenience, skills learned, health, safety, jobs in a town, a cleaner environment. A footer note reads: market items can be priced; non-market items must be listed and argued in words, not pretended away.

Figure 2: Costs and benefits come in four kinds; only two of them carry market prices (ClassBasics table).

This is where reasonable disagreement lives. Some analysts argue that everything should be given a dollar value so all options can be compared on one scale — if clean air has no price, they say, decisions will treat it as worthless. Others argue that some things — safety, health, a community’s character — are wrongly treated as if they had a price at all. Both positions have force, and a good cost-benefit analysis can respect both: price what can be priced, and for the rest, state plainly what it is and let it weigh in the judgement. Marking in this subject is on the quality of your reasoning, not on which side of that argument you land.

Tool 1 — cost-benefit analysis

Cost-benefit analysis (CBA) is the method of listing, valuing and comparing all the costs and all the benefits of each option, then choosing the option with the greatest net benefit (total benefits minus total costs). Read the worked table in Figure 3 for the shape of it; the personal investment case later in the section runs the full method on real numbers.

A completed cost-benefit analysis for an everyday decision

	Option A: Saturday job at a cafe (10 hours a week)	Option B: no job
COSTS	- 10 hours of weekend time given up each week (no market price — the main cost) - Travel: about \$18 per fortnight - Less time for study and sport	None in money. (Time is kept, not spent.)
BENEFITS	- Pay at the junior rate, about \$16 an hour = about 160 a week (320 a fortnight) - Skills and references for later jobs - A reason to save	- All weekend time kept - Study and sport time kept
NET JUDGEMENT	The money benefit is easy to price: about \$320 a fortnight. The time cost is not for sale at any price — so the decision turns on how this student values their weekends. That value must be stated openly, not hidden.	

A completed cost-benefit analysis table for a small decision — a student choosing between a Saturday job at a cafe and no job. Two columns, one per option. Costs of the job: 10 hours of weekend time given up each week (no market price — listed as the main cost); travel \$18 per fortnight; less time for study and sport. Benefits of the job: about \$160 a week at the junior rate of roughly \$16 an hour, so about \$320 a fortnight; skills and references for later jobs; a reason to save. Costs of no job: none in money. Benefits of no job: all weekend time kept; study time kept. Net judgement row: the money benefit is easy to price at about \$320 a fortnight; the time cost is not for sale at any price, so the decision turns on how the student values their weekends — a stated value, not a hidden one.

Figure 3: A completed cost-benefit analysis for an everyday decision (ClassBasics model text).

Two habits separate a strong CBA from a weak one:

- **Count costs and benefits for everyone the decision touches, and say so.** A business closing a store counts its own saved costs — but the lost jobs are costs too, borne by staff and the town. Name whose analysis it is.
- **Test your estimates.** Every CBA is built on guesses about the future. Ask: *would my answer change if this number were half as big, or twice as big?* If yes, say the decision rests on that estimate.

Tool 2 — criteria

Sometimes the thing you most care about cannot be turned into dollars — how risky an investment feels, how much a job teaches, whether a choice fits your plans. Then use **criteria**: a stated list of standards, each option scored against each standard. Figure 4 is a worked scorecard.

A criteria scorecard with weights: the first-car decision

Criterion (chosen before scoring)	Weight	Used car, \$6,000		New small car, \$14,000	
		score (1-5)	weighted	score (1-5)	weighted
Purchase price	3	5	$5 \times 3 = 15$	2	$2 \times 3 = 6$
Running and repair costs	2	2	$2 \times 2 = 4$	4	$4 \times 2 = 8$
Safety features	2	2	$2 \times 2 = 4$	5	$5 \times 2 = 10$
Fit with the driver's budget	3	4	$4 \times 3 = 12$	2	$2 \times 3 = 6$
TOTAL	10		35		30

The used car wins this scorecard, 35 to 30 — but the new car wins on safety and running costs, so a driver who gives safety a higher weight could reasonably choose it. Criteria and weights must be chosen before scoring, and stated openly.

A criteria scorecard comparing two options for a first car: a \$6,000 used car and a \$14,000 new small car, scored from 1 (poor) to 5 (strong) on four criteria with weights. Criteria and weights: purchase price (weight 3), running and repair costs (weight 2), safety features (weight 2), fit with the driver's budget (weight 3). Used car scores: price 5, running costs 2, safety 2, budget fit 4; weighted total = $15 + 4 + 4 + 12 = 35$. New car scores: price 2, running costs 4, safety 5, budget fit 2; weighted total = $6 + 8 + 10 + 6 = 30$. Bottom row: the used car wins this scorecard 35 to 30 — but the table also shows the new car winning on safety and running costs, so a driver who weights safety higher could reasonably choose it. Footer: criteria and weights must be chosen before scoring, and stated openly.

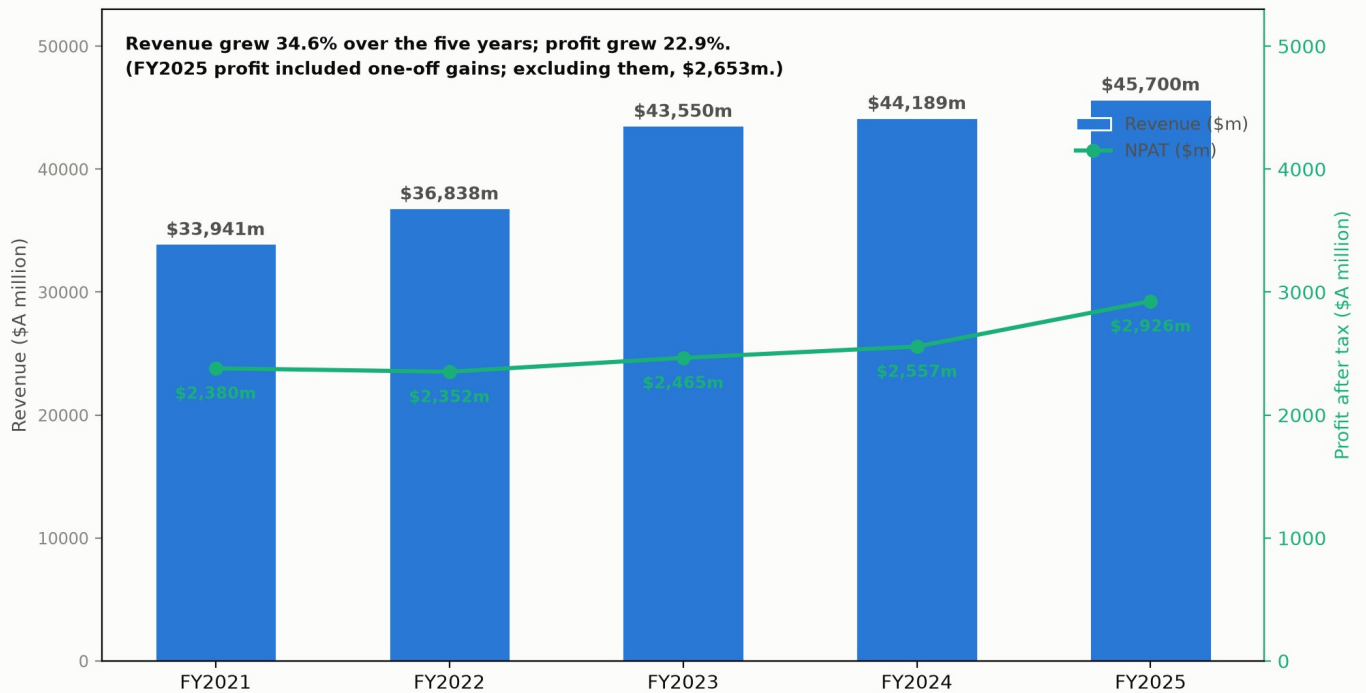
Figure 4: A criteria scorecard with weights — the first-car decision (ClassBasics model text).

Choosing between the two tools is itself a decision: use CBA when money values carry most of the weight; use criteria when the standards that matter resist prices. Often the best answer uses both — a CBA for the money, a criteria check for everything the CBA could not price.

Practising on a business: reading Wesfarmers' profits (VC2HE10S05.E01)

Wesfarmers Limited, based in Perth, is one of Australia's largest companies: its businesses include Bunnings (hardware), the Kmart Group (discount retail), Officeworks, a chemicals and fertiliser arm, and a health arm. Its five-year record to June 2025 is in Figures 5 and 6, from the company's own published results.

Wesfarmers group results, FY2021-FY2025

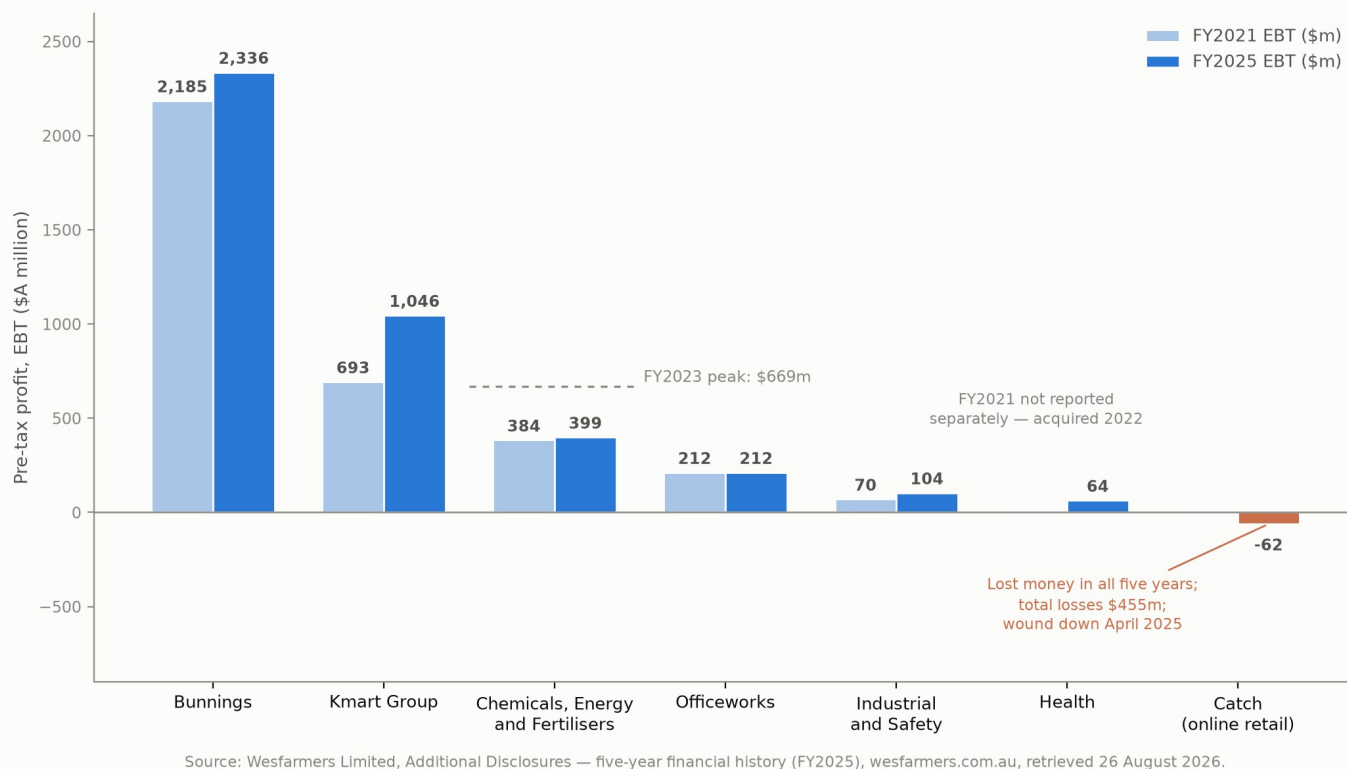


Source: Wesfarmers Limited, Additional Disclosures — five-year financial history (FY2025), wesfarmers.com.au, retrieved 26 August 2026.

A combined bar and line chart of Wesfarmers group results, financial years 2021 to 2025. Blue bars show revenue rising from \$33,941 million in FY2021 to \$36,838m, \$43,550m, \$44,189m and \$45,700m in FY2025. A green line with markers shows NPAT (profit after tax): \$2,380m, \$2,352m, \$2,465m, \$2,557m and \$2,926m. A callout notes revenue grew 34.6% over the five years while profit grew 22.9%. Source line: Wesfarmers Limited, FY2025 five-year financial history, retrieved 26 August 2026.

Figure 5: Wesfarmers group revenue and profit after tax, FY2021–FY2025. Source: Wesfarmers Limited, Additional Disclosures, FY2025 five-year financial history, wesfarmers.com.au, retrieved 26 August 2026.

Wesfarmers divisional pre-tax profit: FY2021 versus FY2025



A grouped bar chart of Wesfarmers divisional pre-tax profit (EBT) for FY2021 (light bars) and FY2025 (dark bars), in \$ millions. Bunnings: 2,185 then 2,336. Kmart Group: 693 then 1,046. Chemicals, Energy and Fertilisers: 384 then 399, with a peak marker at 669 in FY2023. Officeworks: 212 then 212. Industrial and Safety: 70 then 104. Health: FY2025 bar at 64 with no FY2021 bar, annotated “FY2021 not reported separately — acquired 2022”. Catch (online retail): FY2025 bar at -62, annotated “lost money in all five years; total losses \$455m; wound down April 2025”. Source line as for Figure 5.

Figure 6: Wesfarmers divisional pre-tax profit, FY2021 versus FY2025. Source: Wesfarmers Limited, Additional Disclosures, FY2025 five-year financial history, wesfarmers.com.au, retrieved 26 August 2026.

Read Figures 5 and 6 the way a decision-maker would:

- **The group grew steadily.** Revenue rose from \$33,941 million to \$45,700 million (+34.6%) over five years, and profit after tax rose from \$2,380 million to \$2,926 million (+22.9%). (FY2025 profit included one-off gains; excluding one-off items it was \$2,653 million.)
- **The growth is uneven across divisions.** Bunnings is the engine room: its \$2,336 million pre-tax profit in FY2025 was 56 per cent of the group’s divisional profit. Kmart Group was the fast improver — pre-tax profit up from \$693 million to \$1,046 million (+50.9%) as it fixed its product range and its stores. The chemicals and fertiliser arm peaked at \$669 million in FY2023 when world prices were high, then slid back to \$399 million as prices fell.
- **One business never made money.** The online retailer Catch lost money in every one of the five years — about \$455 million of losses in total — and Wesfarmers wound it down in April 2025.

From data like this, E01 asks you to recommend a decision: should the business change the products it makes or the way it markets them? The recommendation must follow from the numbers, and the evaluation must test it. Figure 7 shows the full reasoning for the Catch decision — both sides at full strength, because that is what a real board would weigh.

Was winding down Catch the right call? — five years of losses, then closed April 2025

- Lost \$455 million over five years — money taken from divisions that employ people and pay suppliers.

- The group's job is to earn returns: money moved out of Catch into Bunnings or Kmart Group earned about \$3 of pre-tax profit per dollar, at those divisions' FY2025 profit rates.

- Closing stopped the losses in April 2025.

- Online retail keeps growing as a share of all shopping; leaving the market meant handing customers to rivals.

- Catch's losses were already shrinking: from \$163m in FY2023 to \$62m in FY2025 — a path toward breaking even was visible.

- An online arm gives the group customer data and delivery skills its store-only rivals do not have.

Judgement: the numbers supported closing — five straight years of losses against a proven alternative use of the money. But the case against is real: if online margins had kept improving, the answer could have flipped. Reasoning on both sides can earn full marks.

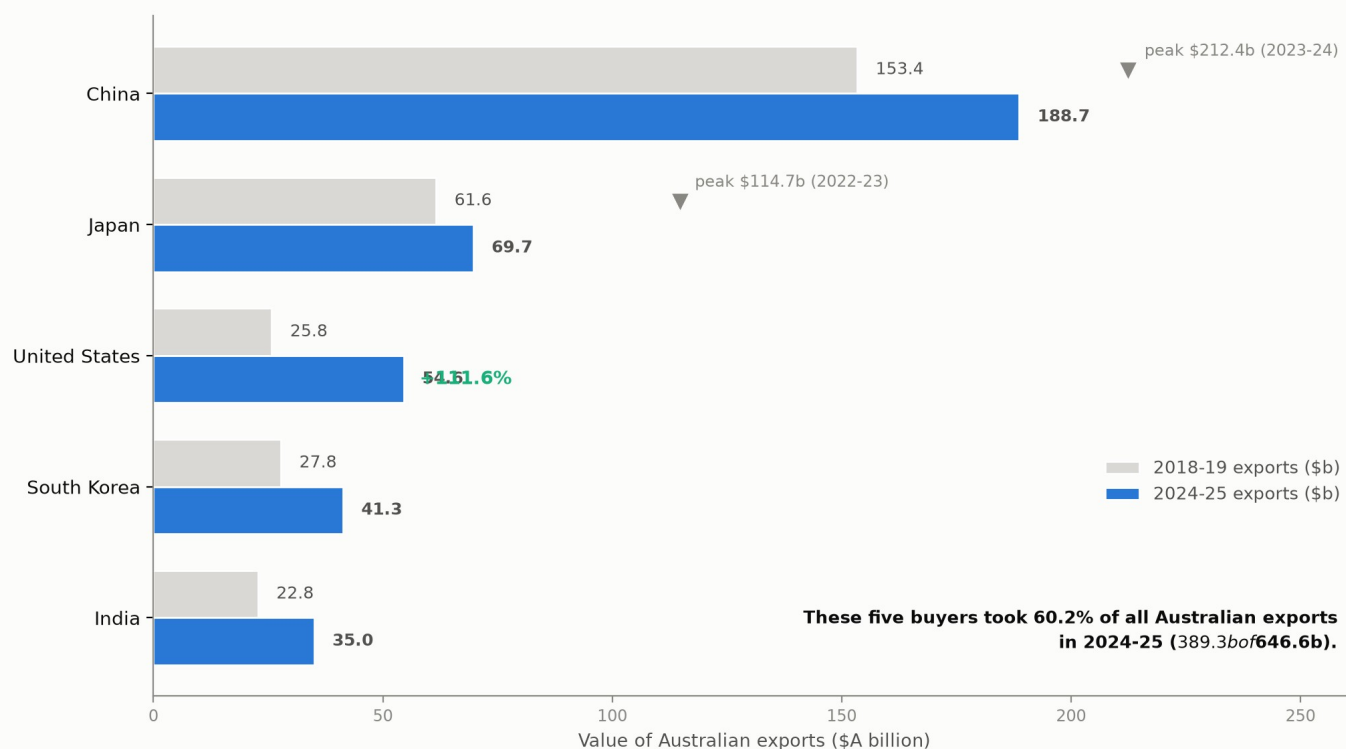
A two-column steelman table for the question “Was winding down Catch the right call?”, after five years of losses. Column one, “The strongest case for closing”: losses of \$455 million over five years; every dollar lost was profit taken from divisions that employ people and pay suppliers; the group’s job is to earn returns, and money moved from Catch to Bunnings or Kmart would have earned about \$3 of pre-tax profit for each dollar, based on those divisions’ profit rates; closing stopped the losses in April 2025. Column two, “The strongest case against closing”: online retail kept growing as a share of all shopping, so leaving the market meant handing customers to rivals; Catch’s losses were already shrinking, from \$163 million in FY2023 to \$62 million in FY2025; an online arm gives the group data and skills its store-only rivals do not have. Bottom row, judgement line: the numbers supported closing — losses against a proven alternative use of the money — but the case against is real, and if online margins had kept improving the answer could have flipped.

Figure 7: Both sides of a business decision, argued at full strength (ClassBasics model).

Practising on the economy: trade’s changing shape (VC2HE10S05.E02)

Australia’s trade has changed both in **direction** (who we trade with) and **composition** (what we sell). Figures 8 and 9 carry the ABS data; reading several series together is what “interpreting multi-variable data” means.

Where Australia's exports go: the top five destinations

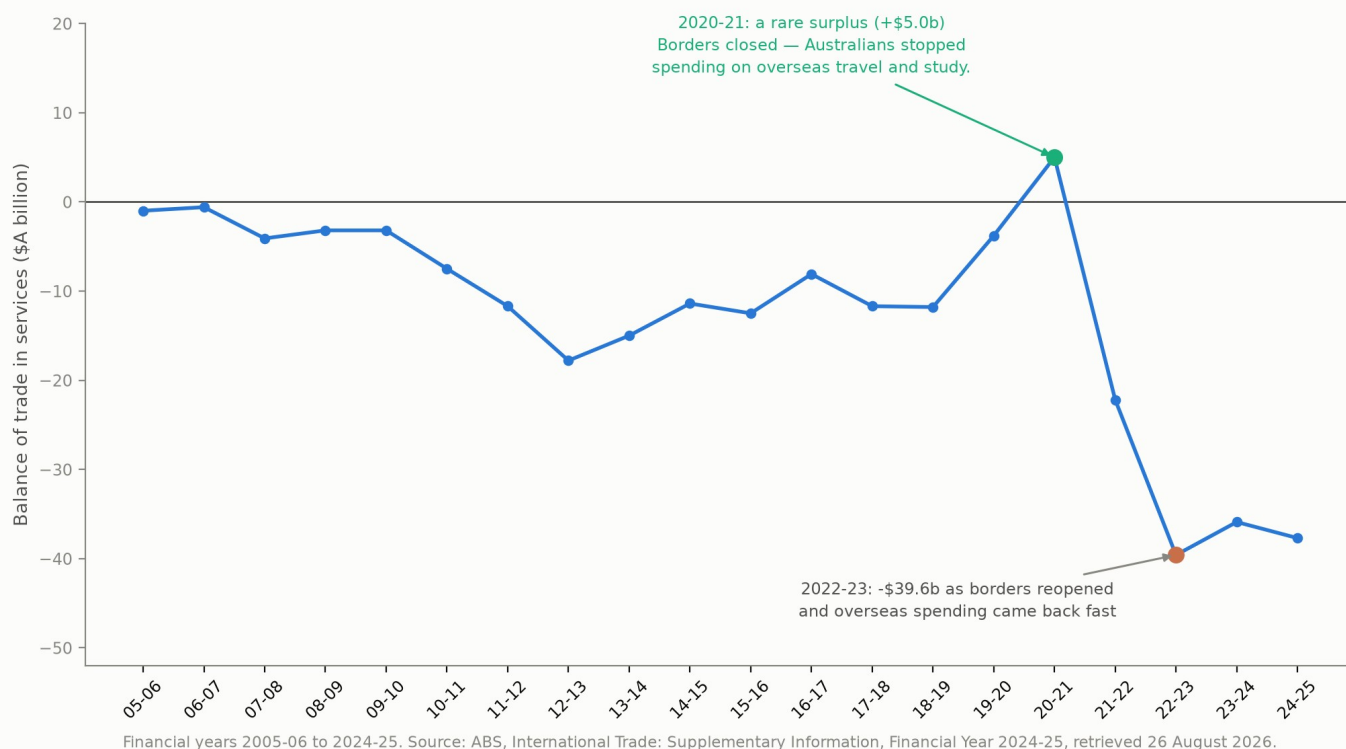


A grouped bar chart of Australia's exports to its five largest customers in 2018-19 (light bars) and 2024-25 (dark bars), in \$ billions. China: 153.4 then 188.7, with a peak marker at 212.4 in 2023-24. Japan: 61.6 then 69.7, peak marker at 114.7 in 2022-23. United States: 25.8 then 54.6, labelled +111.6%. South Korea: 27.8 then 41.3. India: 22.8 then 35.0. A caption note: these five buyers took 60.2% of all Australian exports in 2024-25. Source: ABS International Trade: Supplementary Information, 2024-25.

Figure 8: Where Australia's exports go — the top five destinations, 2018-19 versus 2024-25. Source: ABS, International Trade: Supplementary Information, Financial Year 2024-25, released 17 December 2025, retrieved 26 August 2026.

Figure 8 shows the direction change: China stayed the biggest buyer (\$188.7 billion in 2024-25, up 23.0 per cent from 2018-19, after peaking at \$212.4 billion in 2023-24), but exports to the United States more than doubled (+111.6 per cent), and India and South Korea grew strongly. The big swings in Japan's numbers — up to \$114.7 billion in 2022-23, then down 39.2 per cent by 2024-25 — track the world price of the energy exports Japan buys. That is the multi-variable lesson: five lines move at once, and each one needs its own explanation (demand, prices, exchange rates), not one shared story.

Australia's balance of trade in services, twenty years



A line chart of Australia's balance of trade in services, 2005-06 to 2024-25, in \$ billions, with the zero line drawn. The line runs small and negative from -1.0 in 2005-06, deepening to -17.8 by 2012-13, then hovering near -11 to -15 through the late 2010s. In 2019-20 it narrows to -3.8, crosses into surplus at +5.0 in 2020-21 (annotated "pandemic: borders closed — Australians stopped spending on overseas travel and education"), then plunges to -39.6 in 2022-23 as borders reopened, and settles at -37.7 in 2024-25. Source: ABS International Trade: Supplementary Information, 2024-25.

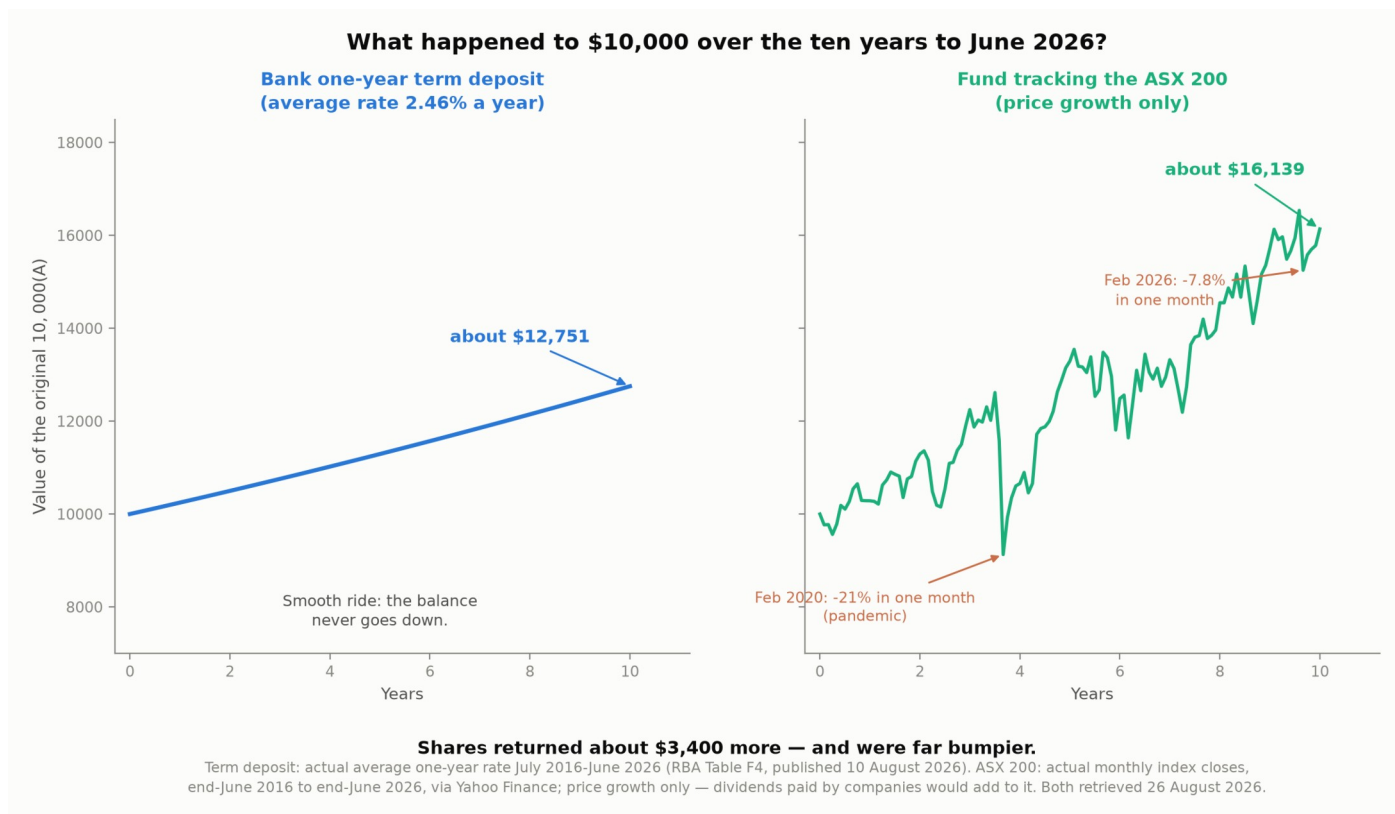
Figure 9: Australia's balance of trade in services, twenty years. Source: ABS, International Trade: Supplementary Information, Financial Year 2024-25, released 17 December 2025, retrieved 26 August 2026.

Figure 9 shows a composition change. Australia usually runs a deficit in services — buying more services from the world (overseas travel, freight, foreign expertise) than it sells — but services exports matter: they reached \$134.3 billion in 2024-25, and 60.9 per cent of them were **travel services**, which is mostly international students and tourists spending here. Watch the pandemic kink: in 2020-21 the balance flipped to a \$5.0 billion surplus because borders closed and Australians could not spend on overseas travel or study, then swung hard back as borders reopened. An economy that exports this much education and tourism is structurally different from one that only digs and ships.

These shifts are **structural change** — a lasting change in what an economy produces and sells, rather than a temporary up or down. Structural change moves jobs and investment between industries and between regions: mining booms have drawn workers and equipment to Western Australia and Queensland, and education and tourism services employ people in the big cities. People follow the work, which is why trade data and migration patterns are often read together. The response skill from this section applies directly: when an industry grows or shrinks, someone must decide what to do about it, and that decision has costs and benefits that land on different people — the classic case for a careful CBA that says who is counting.

Practising on your own money (VC2HE10S05.E03)

The third context is a personal financial decision. Suppose you have \$10,000 you will not need for ten years. Two plain options: a one-year **term deposit** (money locked with a bank for a fixed interest rate) or a fund that tracks the **ASX 200** share index (the 200 largest companies listed on the Australian Securities Exchange). Figure 10 compares what the last ten real years did to each.



A comparison chart, “What happened to \$10,000 over the ten years to June 2026?”. Left panel, blue: a bank one-year term deposit grows the \$10,000 to about \$12,751, an average rate of 2.46% a year, drawn as a smooth gently rising line. Right panel, green but jagged: the ASX 200 price index grows the same \$10,000 to about \$16,139, equal to 4.9% a year, drawn as a rising but bumpy line with dips labelled “Feb 2020: -21% in one month (pandemic)” and “Feb 2026: -7.8% in one month”. A banner reads: shares returned about \$3,400 more — and were far bumpier. Footnote: the ASX 200 figure is price growth only; dividends paid by companies would add to it. Term deposit average from RBA data, July 2016 to June 2026; ASX 200 monthly closes, end June 2016 to end June 2026.

Figure 10: Two ways \$10,000 could have grown, using the real results of the last ten years. Sources: RBA Table F4 (average one-year term deposit rate, July 2016–June 2026, published 10 August 2026); S&P/ASX 200 price index monthly closes via Yahoo Finance (end-June 2016 to end-June 2026); both retrieved 26 August 2026.

The numbers say shares won on return: +61.4 per cent over the decade (equal to 4.9 per cent a year, in price growth alone) against +27.5 per cent for the term deposit — about \$3,400 more on \$10,000. But a CBA does not end at returns. Figure 11 is the full analysis, and notice what the “highest return” option costs.

A personal cost-benefit analysis, built on real returns

\$10,000 for ten years:	Option A: one-year term deposit	Option B: low-fee fund tracking the ASX 200 share index	Option C: leave it in a transaction account
BENEFITS	- Steady interest: averaged 2.46% a year over 2016-26 (RBA data) - Balance guaranteed — never falls	- Bigger expected growth: +61.4% price growth over the same decade - Dividends on top (not counted here)	- Money always available
COSTS	- Low return - Money locked until each term ends	- Big swings: -21% in one month (Feb 2020) and -7.8% (Feb 2026) - Fund fees, about 0.1-0.3% a year	- Near-zero interest, so the money buys less whenever prices rise
MONEY RESULT	about \$12,751	about \$16,139 (on price growth alone)	about \$10,000
JUDGEMENT	Over this exact decade, the ASX 200 fund had the highest return. But the answer for any person depends on whether they could keep the money untouched for ten years — and keep their nerve through the dips. That ability is the benefit with no market price, and it belongs in the analysis.		

Past returns do not promise future ones — every projected number is an estimate, so test it. This is a classroom exercise, not financial advice.

A completed cost-benefit analysis table for investing \$10,000 for ten years, three columns: term deposit; ASX 200 index fund; and “keep it in a transaction account” as the do-little option. Rows: benefits — term deposit: steady interest, average 2.46% a year over 2016-26, balance guaranteed; ASX 200: bigger expected growth, 61.4% price growth over the same decade, plus dividends not counted; transaction account: money always available. Costs — term deposit: low return; money locked for each term; ASX 200: big swings, e.g. -7.8% in February 2026 alone and -21% in February 2020; fund fees about 0.1-0.3% a year; transaction account: near-zero interest, so the value shrinks in real terms whenever prices rise. Money result row: term deposit about \$12,751; ASX 200 about \$16,139 on price growth; transaction account about \$10,000. Judgement row: over this exact decade the ASX 200 fund had the highest return; but the answer for any person depends on whether they could keep the money untouched for ten years and keep their nerve through the dips — the benefit with no market price. Footer: past returns do not promise future ones; this is a classroom exercise, not financial advice.

Figure 11: A personal cost-benefit analysis on real returns (ClassBasics model text).

A third, criteria-shaped point matters at your age: housing is Australia’s biggest asset — worth \$12.4 trillion across 11.5 million homes, 56.8 per cent of household wealth — and over long stretches its value growth has competed with shares. But buying a home needs a large deposit, so for a student the realistic comparison is usually between deposits, share funds and **superannuation** (the retirement saving you met in section 2E), which trades access for tax advantages: your money is locked until retirement age, and that lock is a cost that must sit in the analysis beside the benefit.

Two honesty rules for every personal CBA: **past returns do not promise future ones**, and any number you project is an estimate — test it the way step 5 of Figure 1 says.

Judging any response: the limits to name

Whichever tool you use, a strong evaluation says where the analysis is weak:

- **Missing prices.** Non-market costs and benefits (time, safety, the environment, a town's jobs) were listed, not priced — say how much weight they carried.
- **Uncertain estimates.** Every forward number is a guess; name the estimates your conclusion leans on.
- **Who wins and who loses.** A net benefit can hide real losses for some people; say whose costs and benefits you counted.
- **Time.** Benefits and costs arrive in different years; long-run effects are the hardest to value.

And remember the rule of the section: two students can reach opposite conclusions from the same numbers and both reason well. The marks sit in the defined terms, the complete list of costs and benefits, the checked estimates, and the stated limits — not in the side you choose.

Worked examples (scaffolded)

WE1 (VC2HE10S05.E01) — Read Wesfarmers' divisions. Using Figure 6: (a) calculate how much Bunnings' pre-tax profit grew in dollars from FY2021 to FY2025, and Kmart Group's; (b) say which division's pre-tax profit grew the most in dollars over those five years; (c) give one recommendation for the group that follows from your answers. *Scaffold — one step at a time:* Growth in \$ = FY2025 profit – FY2021 profit. Do this for each division, then compare the differences. A recommendation should name the division and the action, and follow from the number you just computed. *Model working:* (a) Bunnings: \$2,336m – \$2,185m = +\$151m. Kmart Group: \$1,046m – \$693m = +\$353m. (b) Kmart Group grew the most in dollars (+\$353m), and the fastest in percentage terms (+50.9%). (c) Example recommendation: keep investing in Kmart Group's product range and store updates, since it turned the largest profit improvement of any division; the numbers behind it are the profit growth shown in the figure.

WE2 (VC2HE10S05.E02) — Read the trade direction change. Using Figure 8: (a) calculate the dollar change and percentage change in exports to the United States between 2018-19 and 2024-25; (b) calculate the combined value of exports to the five countries shown in 2024-25 and their share of total exports of \$646.6 billion; (c) name one reason a buyer country's total might swing sharply in one year. *Scaffold — use the two formulas:* Percentage change = (new – old) ÷ old × 100. Share = part ÷ total × 100. For (c), think about what could change in a buyer country in twelve months — prices of what it buys, or how much of it the world wants. *Model working:* (a) \$54.6b – \$25.8b = +\$28.8b; (28.8 ÷ 25.8) × 100 = +111.6%. (b) 188.7 + 69.7 + 54.6 + 41.3 + 35.0 = \$389.3b; share = 389.3 ÷ 646.6 = 60.2%. (c) A swing in the world price of what that country buys from Australia — Japan's imports of Australian energy fell as prices came down after 2022-23, taking its total down 39.2 per cent by 2024-25.

WE3 (VC2HE10S05.E03) — Build the term deposit number. A one-year term deposit averaged 2.46 per cent a year from July 2016 to June 2026 (RBA data). Show what \$10,000 grows to over ten years if each year's interest is added and earns interest too, and compare it with \$10,000 that grew at the ASX 200's 61.4 per cent price growth over the same decade. *Scaffold — multiply by 1.0246, ten times:* year 1: \$10,000 × 1.0246 = \$10,246; year 2: \$10,246 × 1.0246 = ...; keep going to year 10, or use \$10,000 × 1.0246¹⁰. *Model working:* \$10,000 × 1.0246¹⁰ = \$10,000 × 1.2751 = **\$12,751** (a gain of \$2,751). The ASX 200 track: \$10,000 × 1.614 = **\$16,139** (a gain of \$6,139). The share index returned about **\$3,388 more** — with the catch shown in Figure 10: the path to \$16,139 went through sharp falls along the way, while the term deposit path never went down.

Worked examples (unscaffolded)

WE4 (achievement standard) — Evaluate a business response. Wesfarmers wound down Catch in April 2025 after five years of losses. Evaluate that response using cost-benefit analysis: identify the main costs and benefits of closing and of keeping, and reach a reasoned judgement. *Model answer:* **Issue:** whether to keep funding an online retailer that had not made a profit in five years. **Costs of closing:** leaving a growing online market to rivals; giving up the customer data and delivery skills Catch had built; redundancy costs in the short run. **Benefits of closing:** end losses of \$62 million a year (FY2025) after \$455 million over five years; free management and money for divisions that earn — Bunnings earned 56 per cent of group divisional profit in FY2025, and Kmart Group's profit grew 50.9 per cent over the period. **Costs of keeping:** losses continuing while the group's other arms need money to grow; **benefits of keeping:** Catch's losses were already shrinking (\$163m in FY2023 to \$62m in FY2025), so a path to break-even was visible. **Judgement (reasoned, either side can earn full marks):** closing was the stronger call on the numbers — five straight years of losses against a proven alternative use of the money — but a student who argues for keeping, resting on the shrinking-loss trend and the value of an online presence, reasons well if they name what evidence would

change their mind (e.g. losses reaching zero within two years). **Limits:** the group's internal forecasts are not public, so any estimate of Catch's future path is uncertain.

WE5 (VC2HE10S05.E02 / achievement standard) — Evaluate a response to structural change. “Because China buys so much of what Australia sells, Australia should act to rely less on any single export market.” Use the data in Figure 8 and cost-benefit or criteria reasoning to evaluate this response. State whose costs and benefits you count. *Model answer:* **Evidence:** in 2024-25 China took \$188.7 billion of exports — 29.2 per cent of all exports (\$188.7b ÷ \$646.6b) — down from a peak of \$212.4 billion in 2023-24, a fall that alone shows how fast one buyer's demand can move; exports to the US, India and South Korea grew strongly over the same period, showing other buyers exist. **Benefits of acting (for Australian producers and workers):** steadier export income if one market slows; more bargaining strength; regions that depend on one buyer's demand face less risk. **Costs of acting:** trade missions, marketing and new logistics cost money that could go to productivity; new buyers may pay less or want different products; trade relationships take years, so benefits arrive slowly. **A criteria reading** (standards: risk reduction, cost, speed of results) would score diversification well on risk, badly on speed. **Judgement:** a reasoned case either way earns full marks; a strong one cites the China peak-and-fall from Figure 8 as the reason risk matters, and names the slow payoff as the honest cost. **Whose costs counted:** stated as producers, workers in export regions and taxpayers who fund the effort.

Practice questions — scaffolded

Q1. Complete the sentences: A cost-benefit analysis lists all the _____ and all the _____ of each option, values them where possible, and chooses the option with the greatest _____. When values cannot be put on what matters, the better tool is a list of _____.

Q2. Copy and complete the table for a council deciding whether to build a new swimming pool: give one financial cost, one financial benefit, one non-financial cost and one non-financial benefit.

Cost	Benefit
Financial (has a market price)	
Non-financial (no market price)	

Q3. Put the five steps from Figure 1 in order: (a) put values on costs and benefits; (b) define the issue and the options; (c) decide and test; (d) list all costs and all benefits; (e) compare options.

Q4. From Figure 6: what was Wesfarmers' total group revenue in FY2025, and how much bigger was it than FY2021's revenue?

Q5. From Figure 8: how much did Australia export to China in 2024-25, and what share of total exports (\$646.6 billion) was that?

Q6. From Figure 9: (a) in which year did the services trade balance show a surplus? (b) what happened to the balance in the two years after that? (c) give the explanation printed on the figure.

Q7. True or false — correct the false ones. (a) A strong cost-benefit analysis only counts costs and benefits that have market prices. (b) In a weighted criteria scorecard, the weights should be chosen after scoring, to make the answer look right. (c) Two students can reach opposite conclusions from the same data and both reason well.

Q8. From Figure 10: (a) what did \$10,000 in a term deposit grow to over the decade? (b) what did the same money tracking the ASX 200 price index grow to? (c) name one dip in the share path shown on the figure.

Practice questions — unscaffolded

Q9 (E01). Wesfarmers' chemicals and fertiliser division earned \$669 million pre-tax in FY2023 but only \$399 million in FY2025 (Figure 6). (a) Calculate the dollar fall. (b) Using one sentence, explain why falling world prices for its products would cause this without any change in how well the division is run. (c) Recommend whether the group should keep investing in the division, and give the one number your recommendation leans on. (3 marks)

Q10 (E01). “Wesfarmers should keep Bunnings’ profits growing rather than chase new product lines.” Identify the main cost and the main benefit of that response using Figure 6, then state whose costs and benefits you counted. (3 marks)

Q11 (E02). Using Figure 8, calculate the percentage change in exports to India from 2018-19 to 2024-25, and the percentage change for China over the same period. Which of the five destinations grew fastest in percentage terms, and what does that suggest about where Australia’s export growth is spreading? (4 marks)

Q12 (E02). Figure 9 shows the services balance swinging from a \$5.0 billion surplus in 2020-21 to a \$39.6 billion deficit in 2022-23. Explain this swing using the words *travel services*, *border* and *structural*, and say whether the 2022-23 deficit shows the economy got weaker. (3 marks)

Q13 (E03). Using the average term deposit rate of 2.46 per cent a year, calculate what \$5,000 grows to over five years (multiply by 1.0246 five times, or use $1.0246^5 = 1.129$). Then state one benefit and one cost of choosing the term deposit over a share fund. (3 marks)

Q14 (E03). Build your own criteria scorecard for the decision “take a weekend job or use the time for study and sport”: choose three criteria, give each a weight from 1 to 3, score both options from 1 to 5, and calculate the weighted totals. State which option wins your scorecard — and one thing your scorecard cannot capture. (4 marks)

Q15 (achievement standard). Evaluate the response in WE5’s issue statement — Australia relying less on any single export market — using cost-benefit analysis. You must include at least two benefits, at least two costs, a reasoned judgement, and one limit of your analysis. Marks are awarded for the reasoning, not the conclusion. (4 marks)

Q16 (achievement standard). A friend says: “Shares went up 61.4 per cent in ten years and term deposits only 27.5 per cent, so shares are obviously the better place for your money.” Using Figure 10, Figure 11 and the limits list from Theory, evaluate that claim. Your answer must present the strongest version of your friend’s case before you respond to it. (4 marks)

Answers

WE1. (a) Bunnings +\$151m; Kmart Group +\$353m. (b) Kmart Group grew most in dollars and in percentage terms (+50.9%). (c) Any recommendation tied to those numbers, e.g. keep investing in Kmart's range and stores. **WE2.** (a) +\$28.8b, +111.6%. (b) \$389.3b combined; 60.2 per cent of exports. (c) E.g. a swing in the world price of what the buyer buys (Japan's energy bill after 2022-23). **WE3.** Term deposit: $\$10,000 \times 1.0246^{10} = \$12,751$ (+\$2,751). ASX 200 track: $\$10,000 \times 1.614 = \$16,139$ (+\$6,139). Shares about \$3,388 more, but through sharp dips. **WE4.** See Fully-worked solutions. **WE5.** See Fully-worked solutions. **Q1.** costs; benefits; net benefit; criteria. **Q2.** Any sensible entries, e.g. financial cost: construction bill; financial benefit: entry fees; non-financial cost: loss of the land's current use or extra traffic; non-financial benefit: residents' health and a place for the community. **Q3.** (b) → (d) → (a) → (e) → (c). **Q4.** \$45,700m; \$11,759m bigger than FY2021's \$33,941m. **Q5.** \$188.7b; 29.2 per cent. **Q6.** (a) 2020-21 (+\$5.0b). (b) It swung hard back into deficit: -\$22.2b in 2021-22 and -\$39.6b in 2022-23. (c) Borders reopened, and Australians resumed spending on overseas travel and study while international visitors and students returned more slowly. **Q7.** (a) False — it must also list non-market costs and benefits and say they were not priced. (b) False — weights are chosen before scoring and stated openly. (c) True. **Q8.** (a) About \$12,751. (b) About \$16,139. (c) February 2020 (-21%, pandemic) or February 2026 (-7.8%). **Q9.** (a) -\$270m. (b) The same tonnes sold at lower world prices earn less revenue, so profit falls even with costs unchanged. (c) Either keep investing (earnings recovered to near FY2021 levels; the slide is price-driven, so profit should recover with prices) or hold back (FY2025's \$399m is well under the FY2023 peak, and Bunnings/Kmart earn steadier money) — the named number carries the mark. **Q10.** Benefit: Bunnings is the group's profit engine (56 per cent of divisional profit in FY2025; +\$151m over five years). Cost: growth money spent only there is not spent where Kmart grew fastest (+\$353m, +50.9 per cent). Counted for: the group and its shareholders. **Q11.** India: $(35.0 - 22.8) \div 22.8 = +53.5$ per cent. China: $(188.7 - 153.4) \div 153.4 = +23.0$ per cent. The US grew fastest (+111.6 per cent); growth is spreading across Asia and beyond China. **Q12.** Travel services (international students and tourists spending here) collapsed when borders closed in the pandemic, then returned when borders reopened — Australian spending overseas came back faster than visitor spending here, so the deficit widened. It does not show the economy got weaker; it shows a swing back toward the normal pattern after an unusual two years, in a services export base that is now a lasting (structural) part of the economy. **Q13.** $\$5,000 \times 1.129 = \$5,645$. Benefit: steady interest with no falls. Cost: lower growth than shares over this decade, and the money is locked for each term. **Q14.** Any three criteria with stated weights, honest scores, correct weighted totals; the limit is usually something like "how tired I feel" or "how much I enjoy the job" — things with no price. **Q15.** Marks for: ≥ 2 benefits and ≥ 2 costs drawn from the section's evidence (e.g. China peak \$212.4b → \$188.7b shows the risk; US/India growth shows alternatives; costs of building new markets are slow to pay back), a reasoned judgement, and one named limit (e.g. future demand is uncertain). **Q16.** Friend's case at full strength: over the exact decade shown, shares out-earned deposits by about \$3,400 per \$10,000, so for money you will not touch, the evidence points their way. Response: returns are not guaranteed forward; the share path included a fall of -7.8 per cent in one month (February 2026) and a -21 per cent pandemic plunge (February 2020), so the benefit with no market price is being able to ride those out; deposits suit money needed sooner or by someone who cannot take the dips. Judgement: the word "obviously" is where the claim fails — the right answer depends on time, need and tolerance for falls, which is why the evaluation lists costs and benefits rather than reading one number.

Fully-worked solutions

Q9 (3 marks). (a) $\$399\text{m} - \$669\text{m} = -\$270\text{m}$. (1 mark) (b) The division sells into world markets; when the world price of what it sells falls, each tonne earns less, so revenue and profit fall even if the division runs exactly as before. (1 mark) (c) Any recommendation that names the leaning number, e.g. "keep investing — the FY2025 result (\$399m) is back near the FY2021 level (\$384m), so the slide looks price-driven, not a failure of the business" or "hold back — at \$399m the division earns less than Bunnings' \$2,336m and swings with prices we cannot control". (1 mark)

Q11 (4 marks). India: $(35.0 - 22.8) \div 22.8 \times 100 = +53.5$ per cent. (1 mark) China: $(188.7 - 153.4) \div 153.4 \times 100 = +23.0$ per cent. (1 mark) Fastest: the United States at +111.6 per cent (Figure 8 and WE2). (1 mark) What it suggests: Australia's export growth is spreading — rising across the US, India and South Korea at once — so the "direction" of trade is becoming less concentrated on a single buyer even while China stays the largest. (1 mark)

Q13 (3 marks). $\$5,000 \times 1.0246^5 = \$5,000 \times 1.129 = \$5,645$ (a gain of \$645). (1 mark) Benefit of the term deposit: the balance only ever goes up — no dips like the share index's -7.8 per cent month in February 2026. (1 mark) Cost: lower growth (here about \$645 on \$5,000 over five years, against the much larger decade-long share gains in Figure 10), and the money is locked until each term ends. (1 mark)

Q15 (4 marks). Benefits (any two, 1 mark each): steadier export income when one buyer slows — China’s purchases fell from a peak of \$212.4b (2023-24) to \$188.7b (2024-25), showing how fast a single market can move; and evidence other markets can grow — US exports +111.6 per cent, India +53.5 per cent over six years. Costs (any two, 1 mark each): building new markets takes years of trade missions, marketing and logistics before the payoff; and new buyers may want different products or pay lower prices, so the switch has real setup costs for producers. Judgement (1 mark): either side earns the mark if it follows from the points above, e.g. “worth doing gradually, because the China peak-and-fall shows the risk is real” or “not urgent, because the top five already take 60.2 per cent across five different buyers”. Limit (embedded in judgement or stated): future demand and prices cannot be known, so any estimate of the payoff is uncertain.

Q16 (4 marks). Steelman of the friend’s case (1 mark): over the exact decade shown, \$10,000 in an ASX 200 tracker reached about \$16,139 against \$12,751 in a term deposit — about \$3,388 more, and that is before counting dividends, which the price index leaves out. For money genuinely not needed for ten years, the evidence points to shares. Evaluation (2 marks): the comparison rests on one past decade — past returns do not promise future ones; the share path was not smooth, with the –21 per cent pandemic fall in February 2020 and a –7.8 per cent month in February 2026; a person who needed the money during a dip, or could not keep the money untouched, would not have received the 61.4 per cent. The term deposit’s benefit — no falls, and money available at each term’s end — has value for exactly those people. Judgement (1 mark): a reasoned conclusion, e.g. “the word ‘obviously’ fails: shares had the higher return over this period, but ‘better’ depends on how long the money can stay, and on whether the owner can sit through the dips — that is what the cost-benefit analysis adds on top of the return number”.

Sources

All sources retrieved 26 August 2026 unless stated.

- Wesfarmers Limited, *Additional Disclosures — Five-year financial performance and key metrics* (FY2025 five-year financial history), wesfarmers.com.au.
- Australian Bureau of Statistics, *International Trade: Supplementary Information, Financial Year, 2024-25* (released 17 December 2025), abs.gov.au.
- Reserve Bank of Australia, Table F4 *Retail deposit and investment rates* (published 10 August 2026), rba.gov.au/statistics.
- Yahoo Finance, S&P/ASX 200 index (^AXJO) monthly closing prices, end-June 2016 to end-June 2026.
- Cotality (formerly CoreLogic), *Monthly Housing Chart Pack*, August 2026 (article page: housing valued at \$12.4 trillion across 11.5 million dwellings, 56.8 per cent of household wealth; Home Value Index –0.7 per cent in July 2026), corelogic.com.au.
- Victorian Curriculum F-10 Version 2.0, Economics and Business, Levels 9 and 10 (VC2HE10S05 and elaborations).

Testing sources: are they authentic and valid?

Curriculum trace. Content description VC2HE10S06. Elaboration: VC2HE10S06.E01. Achievement standard (Levels 9 and 10): this section trains the source-evaluation half — authenticity and validity; the rest of that sentence (explaining and presenting arguments) is trained in section 4C.

Every week, numbers about money, prices, jobs and scams reach you through texts, feeds, news sites and group chats. Some are solid ABS figures; some are real numbers used badly; some are fakes built to steal from you. This section teaches the skill of judging the **source** — the person or organisation a fact comes from — before you decide what to believe. You will learn two questions every source must answer (is it **authentic**, and is it **valid** for your purpose?), a **source ladder** that tells you where to start checking, and **six checks** you can run on anything. Then you will practise them on real Australian cases: fake tax-office texts, out-of-date inflation numbers, two opposite jobs headlines from the one release, and a social media post about super. Section 3D uses good sources to draw conclusions; this section judges the sources themselves. All real figures in this section are sourced, with retrieval dates at the end.

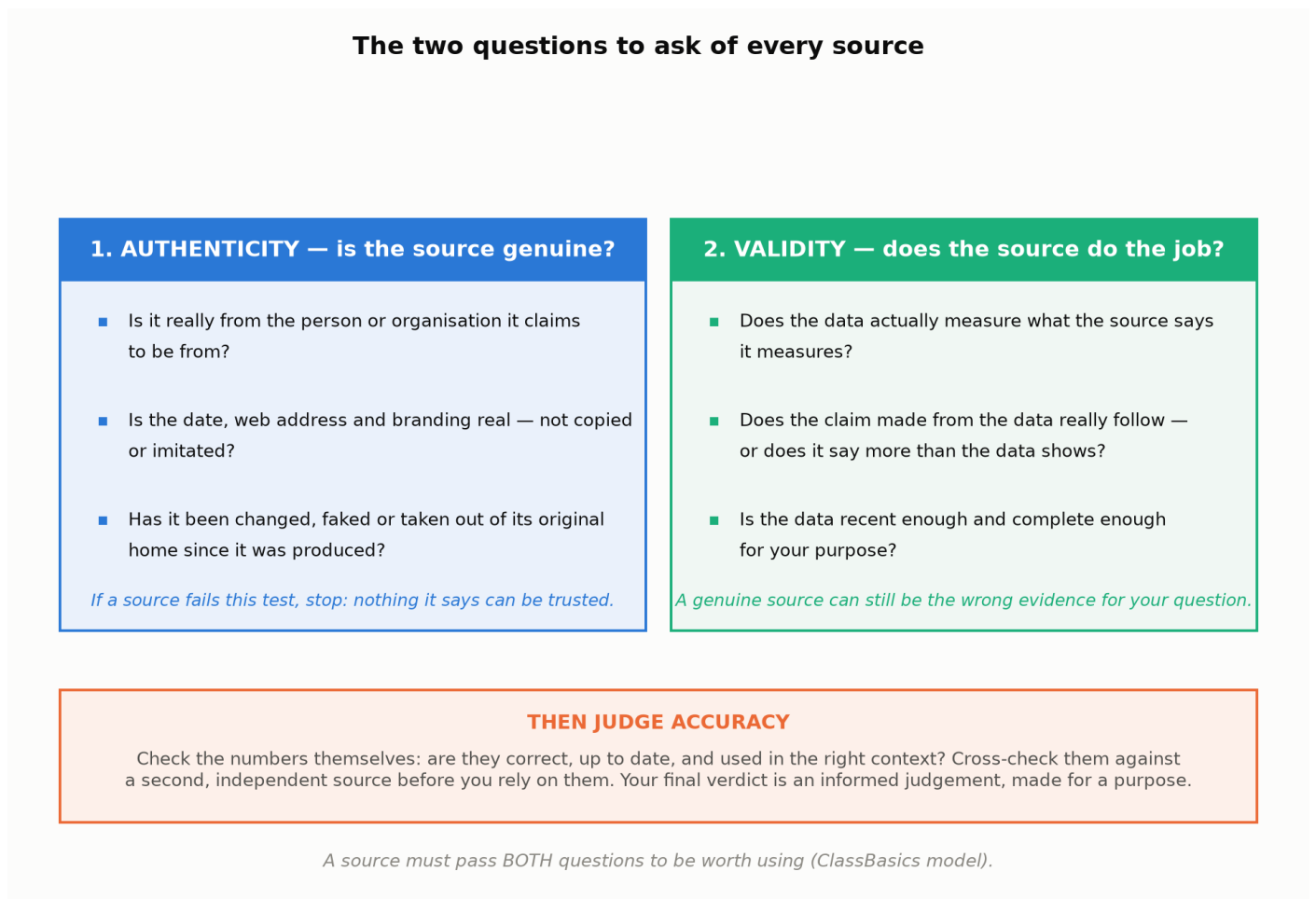
Theory

Two questions every source must answer (VC2HE10S06)

At Levels 7 and 8 you learnt to check sources of data and information for reliability (VC2HE8S04). This band raises the bar from *verify* to *evaluate*: not just “did I check it?” but “how good is this source for my purpose, and what is my reasoned judgement about it?” The curriculum names three words for that judgement, so this section states working definitions and uses them throughout:

Working definitions. **Authenticity** — the source is what it claims to be: really made by the person or organisation named, not faked, copied or changed since it was produced. **Validity** — the source does the job you need it to do: the data measures what your question is about, is recent and complete enough for your purpose, and the claim drawn from it really follows from it. **Accuracy** — the numbers themselves are correct, and can be confirmed against an independent source. Validity is always validity *for a purpose*: the same source can be valid for one question and useless for another.

Figure 1 turns the three words into two questions and a final check.



Two panels side by side. Left panel, blue, “1. AUTHENTICITY — is the source genuine?” with three bullets: Is it really from the person or organisation it claims to be from? Is the date, web address and branding real — not copied or imitated? Has it been changed, faked or taken out of its original home since it was produced? A note adds: if a source fails this test, stop — nothing it says can be trusted. Right panel, green, “2. VALIDITY — does the source do the job?” with three bullets: Does the data actually measure what the source says it measures? Does the claim made from the data really follow — or does it say more than the data shows? Is the data recent enough and complete enough for your purpose? A note adds: a genuine source can still be the wrong evidence for your question. A band below reads: THEN JUDGE ACCURACY — check the numbers themselves: correct, up to date, used in the right context, and cross-checked against a second, independent source. A footer says a source must pass BOTH questions to be worth using.

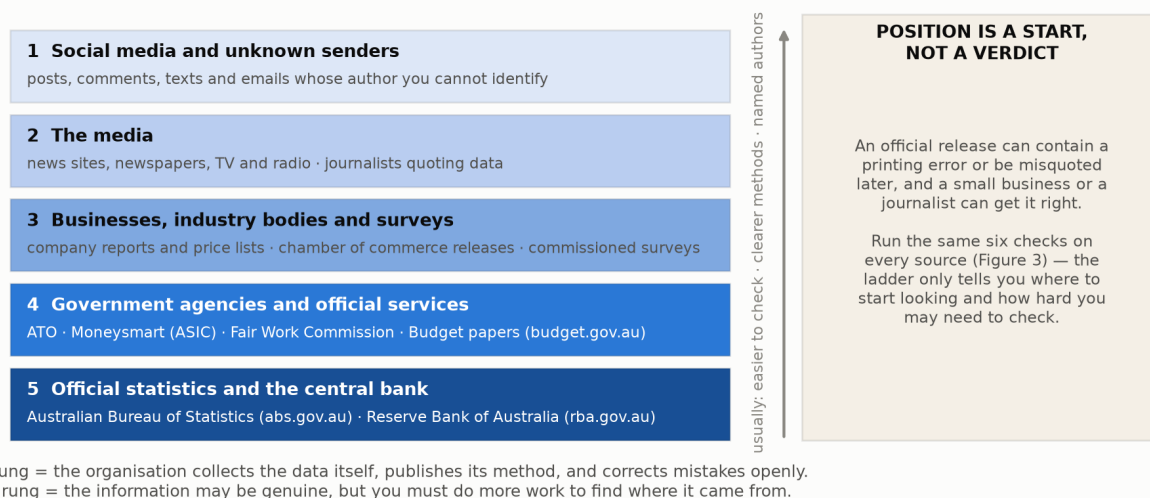
Figure 1: The two questions to ask of every source, then the accuracy check (ClassBasics model).

The order matters. Authenticity comes first, because a fake source can say anything — true, false or half-true — and there is no point weighing up words from a sender who does not exist. Validity comes second, because **a perfectly genuine source can still be the wrong evidence for your question**: a real 2019 statistic is not evidence about 2026, and a real survey of Melbourne shoppers is not evidence about all of Australia.

The source ladder: where to start, not what to believe

Sources of economics and business information sit on a ladder of five rungs, shown in Figure 2. The higher the rung, the more usually the organisation collects the data itself, publishes its method, and corrects its mistakes openly.

The source ladder for economics and business information (ClassBasics model)



Record where your source sits on this ladder BEFORE you evaluate it — the position is part of your evidence.

A ladder of five horizontal rungs, lowest to highest. Rung 1, palest blue: “Social media and unknown senders — posts, comments, texts and emails whose author you cannot identify”. Rung 2: “The media — news sites, newspapers, TV and radio; journalists quoting data”. Rung 3: “Businesses, industry bodies and surveys — company reports and price lists; chamber of commerce releases; commissioned surveys”. Rung 4: “Government agencies and official services — ATO; Moneysmart (ASIC); Fair Work Commission; Budget papers (budget.gov.au)”. Rung 5, darkest blue: “Official statistics and the central bank — Australian Bureau of Statistics (abs.gov.au); Reserve Bank of Australia (rba.gov.au)”. An upward arrow beside the ladder is labelled “usually: easier to check, clearer methods, named authors”. A side panel titled “POSITION IS A START, NOT A VERDICT” says an official release can contain a printing error or be misquoted later, and a small business or a journalist can get it right; run the same six checks on every source — the ladder only tells you where to start looking and how hard you may need to check. A footer says: record where your source sits on this ladder BEFORE you evaluate it — the position is part of your evidence.

Figure 2: The source ladder for economics and business information (ClassBasics model).

The ladder’s side panel is the honest centre of this section, so argue both sides of it. The case for trusting the top rungs: the ABS and the RBA collect their own data, publish their methods, and issue corrections when they find errors, so checking them is quick and cheap. The case against simply trusting position: an official release can carry a printing error or be misquoted for years after it is corrected, and an unknown sender — a worker inside a company, a trader who saw something, a journalist doing their job — can be exactly right. Both sides have force, which is why the ladder is a starting point, not a verdict: it tells you how hard you should have to work to check a source, not whether to believe it. Marking in this subject is on the quality of your checking and your reasoning, not on which rung you trust.

The six checks (VC2HE10S06.E01)

Elaboration E01 asks you to note and check the source of data and information and make an informed judgement about its accuracy. “Informed” means your judgement rests on checks you can name. Use the same six checks on every source, in the order in Figure 3.

Six checks for any source of data or information (ClassBasics model)

1 WHO made it? Name the person or organisation that produced it. If you cannot find an author or publisher, treat it as a claim with no source.	2 WHEN was it produced? Find the date. Economic data changes — a true figure from 2019 can be the wrong evidence in 2026.	3 WHY was it made? Official reporting, news, advertising or persuasion? A source selling something has a reason to flatter its own numbers.
4 HOW was the data collected? Survey or register? How many people or firms, and which ones? Small or selected samples weaken any claim built on them.	5 Does the claim fit the data? Check the numbers and the wording: right units, right period, no jump from “these move together” to “this caused that”.	6 Can you check it anywhere else? Find the same fact in at least one independent source. If only one source reports it, record that.

Checks 1–3 test **AUTHENTICITY** (is the source genuine?) • checks 4–5 test **VALIDITY** (does the data support the claim?) • check 6 tests **ACCURACY** (can the numbers be confirmed?).

Write your answers down as you go — the record of your checks IS your evaluation.

Six numbered cards in two rows of three. Card 1, blue: “WHO made it? — Name the person or organisation that produced it. If you cannot find an author or publisher, treat it as a claim with no source.” Card 2, green: “WHEN was it produced? — Find the date. Economic data changes — a true figure from 2019 can be the wrong evidence in 2026.” Card 3, orange: “WHY was it made? — Official reporting, news, advertising or persuasion? A source selling something has a reason to flatter its own numbers.” Card 4, violet: “HOW was the data collected? — Survey or register? How many people or firms, and which ones? Small or selected samples weaken any claim built on them.” Card 5, red: “Does the claim fit the data? — Check the numbers and the wording: right units, right period, no jump from ‘these move together’ to ‘this caused that’.” Card 6, yellow: “Can you check it anywhere else? — Find the same fact in at least one independent source. If only one source reports it, record that.” A footer maps the checks: 1–3 test **AUTHENTICITY** (is the source genuine?), 4–5 test **VALIDITY** (does the data support the claim?), 6 tests **ACCURACY** (can the numbers be confirmed?), and adds: write your answers down as you go — the record of your checks IS your evaluation.

Figure 3: The six checks, and which of the three judgements each one feeds (ClassBasics model).

Checks 1–3 feed authenticity (who, when, why), checks 4–5 feed validity (how collected, and whether the claim fits), and check 6 feeds accuracy (can the number be confirmed anywhere else?). One habit separates a real evaluation from a shrug: **write the checks down**. A completed set of six answers is your evaluation — it is exactly the “noting and checking” E01 describes, and it is what a marker can read and reward.

When authenticity fails: scams and copycats

Failed authenticity is not a classroom game. In 2025, Australians reported 481,523 scams and lost \$2.18 billion to them — 7.8 per cent more than in 2024 — and the costliest type by far was investment scams, where a fake opportunity is dressed up to look like a real one (Figure 5). Scammers win by failing your authenticity checks on purpose: copied branding, fake sender names, invented urgency.

Authenticity in action: a fake message, and how you know

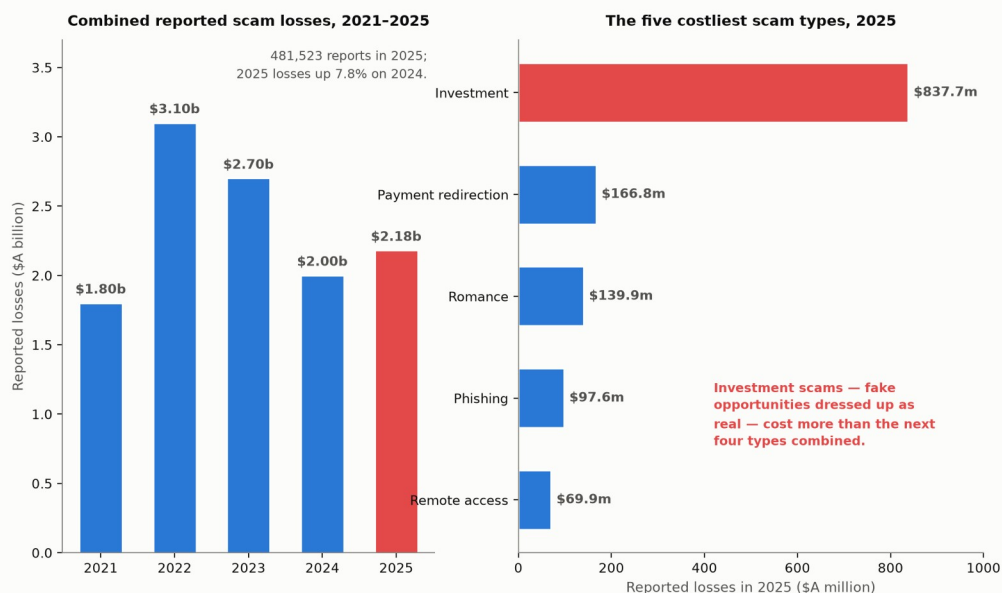
THE MESSAGE (model example — made up)	WHAT THE REAL ATO SAYS (ato.gov.au)
ATO Refund Notice A tax refund of \$1,847.50 has been approved for you. To receive it, confirm your TFN and bank account at ato-refund-claim.info within 24 hours or the refund will be forfeited. Five red flags ■ No author you can check — just “ATO Refund Notice”. ■ Asks for your TFN and bank details in one message. ■ The web address is NOT ato.gov.au. ■ Urgency: “24 hours or the refund is forfeited”. ■ Dangles money to make you act before you think. Fails check 1 (WHO) and check 3 (WHY): not genuine, made to steal personal details. Do not click. Do not reply.	■ Real ATO emails come from addresses ending in ato.gov.au. ■ The ATO will never send unsolicited links or QR codes. ■ The ATO will never ask for your TFN, bank details or myGov login by email. ■ The ATO will never threaten arrest, or demand payment by gift cards or crypto. ■ Real ATO phone calls show as No Caller ID. ■ Not sure? Do not respond — call 1800 008 540 to check. <i>Checks like these work on any message claiming to be a bank, a government agency or a known company.</i>

Source: Australian Taxation Office, Verify or report an ATO scam, last updated 23 March 2026, ato.gov.au. Message invented for teaching, from the ATO's published scam patterns.

Two panels. Left: a phone screen modelled as a fake “ATO Refund Notice” text message, invented for teaching, offering a refund and asking the reader to tap a link and enter bank details, with five red flags marked: the sender is an ordinary phone number, not the ATO; the message arrived out of the blue; the link address does not end in ato.gov.au; it asks for bank details by message, which the real ATO never does; and it threatens that the refund will expire in 24 hours to force a quick click. Right panel, blue: the real ATO’s published rules — genuine ATO emails end in ato.gov.au and never contain unsolicited links or QR codes; the ATO never asks for your TFN, bank details or myGov login by email; it never threatens arrest or demands payment in gift cards or crypto; and scam calls often show No Caller ID. It advises: if in doubt, do not tap — call the ATO on 1800 008 540 or check ato.gov.au yourself.

Figure 4: A modelled fake ATO text with its flags, beside the real ATO’s published rules. The message is a ClassBasics model text; the rules are the ATO’s. Source: Australian Taxation Office, “Verify or report an ATO scam”, last updated 23 March 2026, ato.gov.au, retrieved 26 August 2026.

What failed authenticity costs: scams reported in Australia



Two panels of bar charts. Left: combined reported scam losses in Australia, 2021 to 2025: \$1.80 billion, \$3.10b, \$2.70b, \$2.00b and \$2.18b, with a note that there were 481,523 reports in 2025 and 2025 losses were up 7.8 per cent on 2024. Right: the five costliest scam types in 2025 — investment \$837.7 million, payment redirection \$166.8m, romance \$139.9m, phishing \$97.6m, remote access \$69.9m — with a note that investment scams cost more than the next four types combined.

Figure 5: Reported scam losses in Australia. Source: Scamwatch (National Anti-Scam Centre, ACCC), Targeting scams report 2025, published 30 March 2026, scamwatch.gov.au, retrieved 26 August 2026.

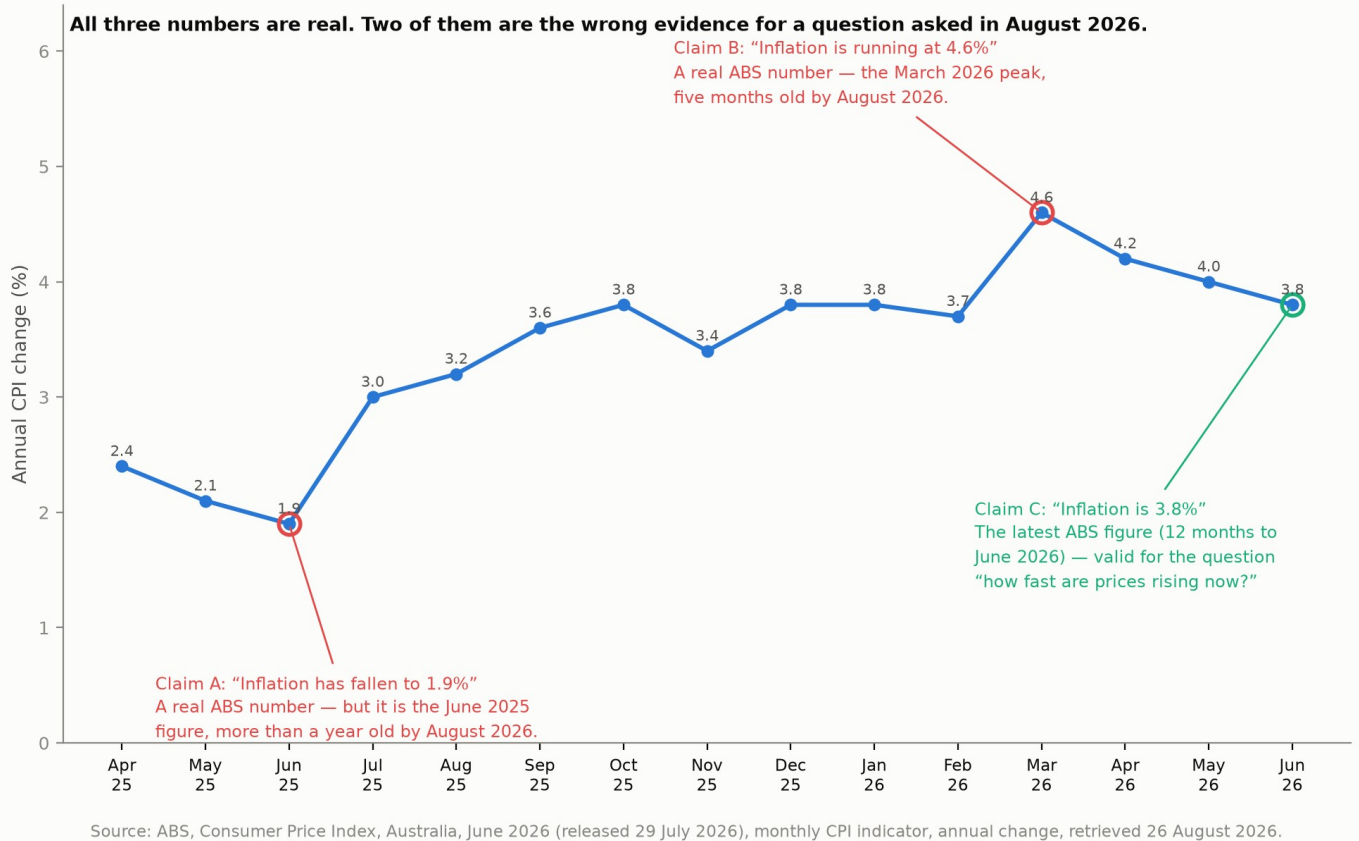
Figure 4 works one fake through the checks. The message *claims* to be the ATO (check 1: who says so? the sender is a phone number, not an organisation you can check). It arrives uninvited and pressures you with a 24-hour deadline (check 3: why was it made? to make you act before you think). And every one of its moves breaks the real ATO's published rules: genuine ATO emails end in ato.gov.au, never carry unsolicited links or QR codes, and never ask for your TFN, bank details or myGov login by email or text. The authenticity verdict is immediate — fail, stop, do not tap — and the accurate next step is to go to the real source yourself: ato.gov.au, or the phone line 1800 008 540.

When validity fails: real numbers, wrong evidence

Authenticity passed is only half the job. The three figures below show the three common ways a genuine source, or a real number, still fails validity.

Trap 1 — the wrong date. Figure 6 plots one real ABS series: the annual change in the consumer price index, month by month from April 2025 to June 2026. Three claims are lifted from it, and all three numbers are real — but in August 2026 only one of them answers the question “how fast are prices rising now?”

Australia's annual inflation rate, and three claims made from it



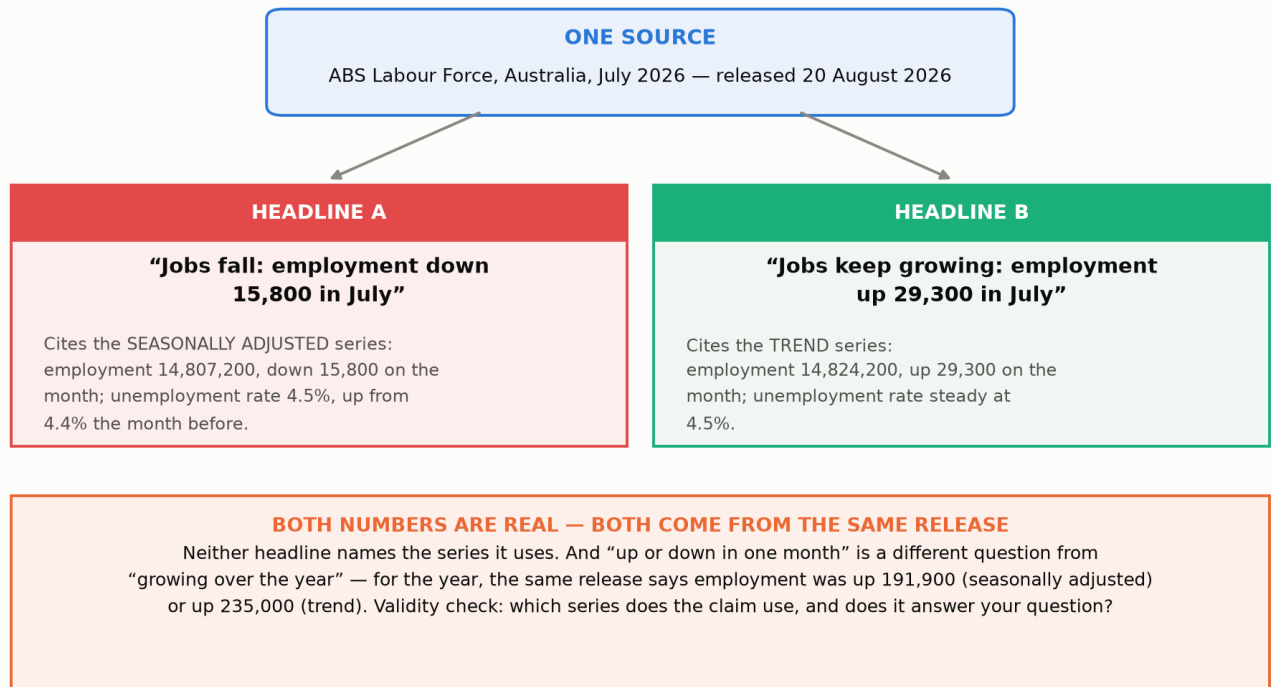
A line chart of Australia's annual inflation rate (annual consumer price index change, per cent) from April 2025 to June 2026, with each month's value labelled: 2.4, 2.1, 1.9, 3.0, 3.2, 3.6, 3.8, 3.4, 3.8, 3.8, 3.7, 4.6, 4.2, 4.0, 3.8. Three points are circled. Claim A, red circle at June 2025 (1.9): "Inflation has fallen to 1.9%" — a real ABS number, but the June 2025 figure, more than a year old by August 2026. Claim B, red circle at March 2026 (4.6): "Inflation is running at 4.6%" — a real ABS number, the March 2026 peak, five months old by August 2026. Claim C, green circle at June 2026 (3.8): "Inflation is 3.8%" — the latest ABS figure, the 12 months to June 2026, valid for the question "how fast are prices rising now?" A banner reads: all three numbers are real; two of them are the wrong evidence for a question asked in August 2026.

Figure 6: One real series, three claims, two of them out of date. Source: ABS, Consumer Price Index, Australia, June 2026 (released 29 July 2026), monthly consumer price index indicator, annual change, abs.gov.au, retrieved 26 August 2026.

Read the circles. Claim A ("1.9 per cent") quotes June 2025 — true then, stale by August 2026, when the same series says 3.8 per cent. Claim B ("4.6 per cent") quotes the March 2026 peak — also real, also out of date, and it paints a scarier picture than the latest figure. Check 2 (when was it produced?) is what catches both: the moment a claim about *now* rests on a number that is months old, the source has stopped being valid for your question, however authentic the ABS is.

Trap 2 — the wrong series, or the wrong question. Figure 7 shows one authentic ABS release — Labour Force, Australia, July 2026 — producing two opposite headlines, because the ABS publishes employment two ways: **seasonally adjusted** (the actual monthly movement after regular seasonal patterns are removed) and **trend** (a smoothed series that shows the underlying direction).

One source, two opposite headlines (ClassBasics model text)



Source of both series: ABS, Labour Force, Australia, July 2026, released 20 August 2026, abs.gov.au, retrieved 26 August 2026. Headlines invented for teaching.

One box at the top, "ONE SOURCE: ABS Labour Force, Australia, July 2026 — released 20 August 2026", with arrows to two panels. Left panel, red: "HEADLINE A — 'Jobs fall: employment down 15,800 in July'", citing the seasonally adjusted series: employment 14,807,200, down 15,800 on the month; unemployment rate 4.5 per cent, up from 4.4 per cent the month before. Right panel, green: "HEADLINE B — 'Jobs keep growing: employment up 29,300 in July'", citing the trend series: employment 14,824,200, up 29,300 on the month; unemployment rate steady at 4.5 per cent. A band below reads: BOTH NUMBERS ARE REAL — BOTH COME FROM THE SAME RELEASE. Neither headline names the series it uses, and "up or down in one month" is a different question from "growing over the year": for the year, the same release says employment was up 191,900 (seasonally adjusted) or up 235,000 (trend). Validity check: which series does the claim use, and does it answer your question?

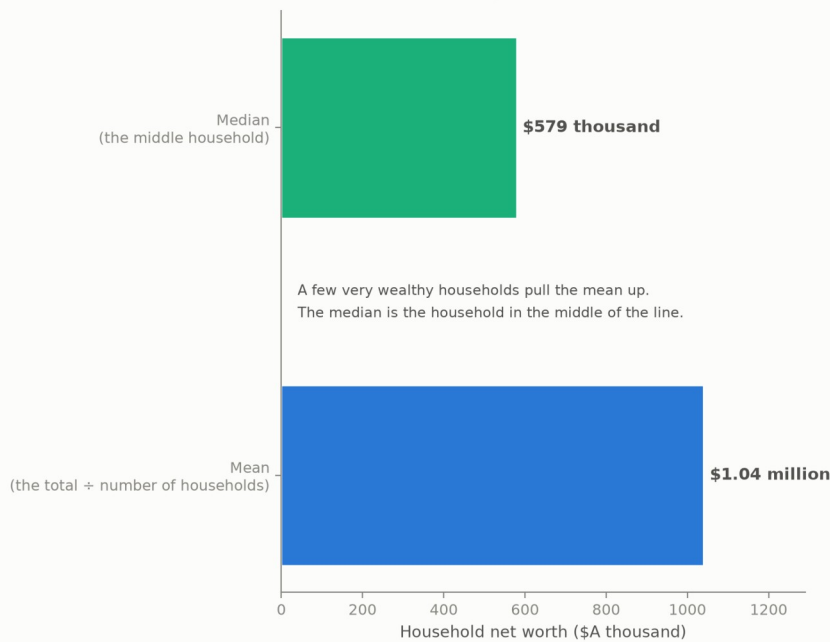
Figure 7: One release, two opposite headlines; neither names its series. Source of both series: ABS, Labour Force, Australia, July 2026, released 20 August 2026, abs.gov.au, retrieved 26 August 2026. Headlines are ClassBasics model text.

Neither headline is fake; both numbers sit in the same authentic release. The validity failure is in what the headlines leave out and what they ask. Check 4 (how was the data collected?) includes *which series* a number comes from — and a one-month rise or fall is a different question from a year of growth, which the same release answers with +191,900 (seasonally adjusted) or +235,000 (trend). Definitions matter here too: the release's unemployment rate of 4.5 per cent rests on the ABS's rules for who counts as employed or unemployed, so a source that quietly redefines those words fails check 5 as well. The fix is the same in every case: name the series, name the period, and match them to your question before the number means anything.

Trap 3 — the wrong average. Figure 8 returns to the ABS Household Income and Wealth survey (the same data section 2E used): the median household net worth is \$579,200, while the mean is \$1.04 million.

Which “average”? Household net worth in Australia, 2019–20

Two “averages” of the same data



Source: ABS, Household Income and Wealth, Australia, 2019–20 financial year (median and mean household net worth).

THE CLAIM

“The average Australian household has more than \$1 million in wealth.”

Valid as a MEAN: \$1.04 million.
But the typical household — the median — holds \$579,200: about half that.

**Check 5: does the claim fit the data?
The word “average” can hide which
number was used. Ask which one.**

Left panel: two horizontal bars of Australian household net worth, 2019–20. Median (the middle household): \$579 thousand, green bar. Mean (the total divided by the number of households): \$1.04 million, blue bar. A note between them says a few very wealthy households pull the mean up, and the median is the household in the middle of the line. Right panel, orange: “THE CLAIM — ‘The average Australian household has more than \$1 million in wealth.’” Below: valid as a MEAN (\$1.04 million), but the typical household — the median — holds \$579,200, about half that; check 5, does the claim fit the data? The word “average” can hide which number was used — ask which one.

Figure 8: The same data, two “averages”, and a claim that picks the bigger one. Source: ABS, Household Income and Wealth, Australia, 2019–20 financial year (median and mean household net worth), abs.gov.au.

The claim in Figure 8 is not a lie: \$1.04 million is the real mean. But a few very wealthy households pull the mean far above the household in the middle of the line, so “the average household” is doing a quiet switch between two different numbers. Check 5 (does the claim fit the data?) is the tool: when a source says *average*, ask *which average*, and ask whether the claim would still be made if the other one were used. For “the typical household”, the median — \$579,200 — is the valid number, and the million-dollar claim is not.

One source, six checks, one judgement

Figure 9 puts the whole method on a single source: a modelled social media post claiming that employers only have to pay 11.5 per cent super, because “that’s the law”.

A completed evaluation record: the six checks on one source (ClassBasics model text)

SOURCE UNDER EVALUATION		SOURCE LADDER Rung 1 — social media, unknown sender
Social media post, August 2026: “Employers only have to pay 11.5% super — that’s the law.”		
Check	What we found	Result
1 Who made it?	Unknown account; no author or publisher named.	Fails authenticity
2 When was it produced?	Posted August 2026, quoting a rate that ended on 30 June 2025.	Out of date
3 Why was it made?	Written to provoke shares; links to nothing.	Purpose unclear
4 How was the data collected?	No method given, and no reference to where the figure came from.	Cannot assess
5 Does the claim fit the data?	11.5% is a real figure — but it was the rate until 30 June 2025; the SG is 12% since 1 July 2025.	Real number, wrong claim
6 Can you check it anywhere else?	The ATO and Moneysmart both give 12% from 1 July 2025.	Corrected by official sources
VERDICT — AN INFORMED JUDGEMENT, MADE FOR A PURPOSE Do not cite this post: it is out of date and cannot be verified. For a report, use the official figures — the super guarantee is 12% from 1 July 2025.		

The post is a model example. Corrected figure per Australian law, as published by the Australian Taxation Office and Moneysmart (ASIC): SG 12% from 1 July 2025.

A completed evaluation record. Top: the source under evaluation — a social media post, August 2026, “Employers only have to pay 11.5% super — that’s the law” — placed on rung 1 of the source ladder (social media, unknown sender). A six-row table applies the checks. 1 Who made it? Unknown account; no author or publisher named — fails authenticity. 2 When was it produced? Posted August 2026, quoting a rate that ended on 30 June 2025 — out of date. 3 Why was it made? Written to provoke shares; links to nothing — purpose unclear. 4 How was the data collected? No method given, and no reference to where the figure came from — cannot assess. 5 Does the claim fit the data? 11.5% is a real figure, but it was the rate until 30 June 2025; the super guarantee is 12 per cent since 1 July 2025 — real number, wrong claim. 6 Can you check it anywhere else? The ATO and Moneysmart both give 12 per cent from 1 July 2025 — corrected by official sources. A verdict band reads: an informed judgement, made for a purpose — do not cite this post; it is out of date and cannot be verified; for a report, use the official figures, the super guarantee is 12 per cent from 1 July 2025.

Figure 9: A completed evaluation record on one modelled post. The post is a ClassBasics model text; the corrected figure is the rate published by the Australian Taxation Office and Moneysmart (ASIC): super guarantee 12 per cent from 1 July 2025.

Notice the shape of the verdict. The 11.5 per cent figure is not invented — it *was* the super guarantee rate until 30 June 2025 (you met it in section 2E) — so the post fails on date and on source before the number is even reached, and check 6 finishes the job: the ATO and Moneysmart both publish 12 per cent from 1 July 2025, so the “law” claim is corrected by two independent official sources. The verdict is an **informed judgement, made for a purpose**: for the purpose “what is the super guarantee now?”, the post is not citable, and the record of six checks is the evidence for that judgement. For a different purpose — say, an essay on how out-of-date claims spread — the same post would be

perfectly valid evidence. That is validity for a purpose again, and it is the last thing this section asks you to carry into every answer: state your purpose, run the checks, and let the judgement follow the record.

Worked examples (scaffolded)

WE1 (VC2HE10S06.E01) — Run checks 1–3 on the fake ATO text. Using Figure 4, answer checks 1, 2 and 3 for the modelled “ATO Refund Notice” text, and give the authenticity verdict that follows. *Scaffold — one check at a time:* Check 1 asks *who* sent it and whether that sender can be checked. Check 2 asks *when* it arrived and whether the timing is invited or uninvited. Check 3 asks *why* it was made — what does the sender gain if you do what it says? *Model working:* Check 1: the sender is an ordinary phone number, not the ATO — a claim of identity with no checkable author, so it fails. Check 2: it arrived out of the blue, and the 24-hour deadline is pressure, not a date you can verify against. Check 3: it exists to make you tap a link and hand over bank details — the sender gains, you lose. Verdict: fails authenticity; stop there, and go to ato.gov.au or 1800 008 540 yourself if you want the truth.

WE2 (VC2HE10S06.E01) — Judge claim A in Figure 6. In August 2026 a post says “inflation has fallen to 1.9 per cent”. The ABS series is authentic. Use checks 2 and 4 to judge whether the claim is valid for the question “how fast are prices rising now?”, and state the figure that *is* valid for that question. *Scaffold — separate the source from the use:* Check 2: find the date of the 1.9 number on the chart. Check 4/validity: compare that date with the date of your question (August 2026). A source can be genuine and still be the wrong evidence. *Model working:* Check 2: 1.9 per cent is the June 2025 point — fourteen months old when the post appears. Check 4: for a question about *now*, a thirteen-month-old number is not valid evidence; the series itself moved on through 4.6 per cent (March 2026) and back to 3.8 per cent (June 2026). Verdict: authentic source, invalid use; the valid figure for “now” is 3.8 per cent, the 12 months to June 2026.

WE3 (VC2HE10S06.E01) — Test the million-dollar “average”. Using Figure 8: (a) name the two numbers hidden inside the word “average”; (b) say which check catches the switch between them; (c) give the verdict on the claim for the purpose “describe the typical Australian household”. *Scaffold — typical means middle:* the median is the household in the middle of the line; the mean is the total divided by the number of households, and a few very wealthy households pull it up. *Model working:* (a) The mean, \$1.04 million, and the median, \$579,200. (b) Check 5 — does the claim fit the data? The claim is true of the mean and false of the median, so the word “average” is hiding which number was used. (c) For the typical household, the valid number is the median, \$579,200; the claim as stated is not valid for that purpose, though it is an accurate statement of the mean.

Worked examples (unscaffolded)

WE4 (achievement standard) — Two headlines, one release. Figure 7’s headlines both quote real numbers from the one authentic ABS release. Evaluate them: say what each headline gets right, what each leaves out, and which number you would cite to answer “is employment growing over the year?” *Model answer:* **What A gets right:** the seasonally adjusted series did fall 15,800 in July, and the SA unemployment rate rose from 4.4 to 4.5 per cent — a genuine one-month cooling signal. **What A leaves out:** the series name, and the year of growth behind the month. **What B gets right:** the trend series rose 29,300, showing the smoothed underlying direction is still up. **What B leaves out:** the series name, and the SA monthly fall that sits in the same release. **Validity judgement:** for “what happened in July?”, the honest answer must name the series, because the two series answer slightly different questions; for “is employment growing over the year?”, both series agree — up 191,900 (SA) or 235,000 (trend) — so that is the number to cite, with its series named. Neither headline is inauthentic; both are weak evidence-writing, because each picks the one-month angle that fits a story and hides the series that would let you check it.

WE5 (achievement standard) — Complete the record on the super post. Without looking at Figure 9’s table, run the six checks on the post “Employers only have to pay 11.5 per cent super — that’s the law” (August 2026), reach a verdict for the purpose “cite a current super guarantee rate in a report”, and name one purpose for which the post *would* be valid evidence. *Model answer:* Check 1: unknown account, no author — fails authenticity. Check 2: posted August 2026 but the rate it quotes ended 30 June 2025 — out of date. Check 3: written to provoke shares, links to nothing — purpose unclear. Check 4: no method and no reference for the figure — cannot assess. Check 5: 11.5 per cent is a real past rate, so the number is real but the “that’s the law now” claim is wrong. Check 6: the ATO and Moneysmart both give 12 per cent from 1 July 2025 — corrected by official sources. Verdict for a report: do not cite; use 12 per cent from the ATO or Moneysmart. A purpose it *would* serve: evidence in a study of how stale financial claims keep spreading on social media — validity for that purpose is fine, which is exactly “validity for a purpose” at work.

Practice questions — scaffolded

Q1. Complete the sentences with the words *authenticity*, *validity* or *accuracy*. A source has _____ when it really is what it claims to be. A source has _____ for your task when its data measures what your question needs and the claim follows from it. A figure has _____ when it is correct and can be confirmed in an independent source.

Q2. For each case, write whether it is mainly an authenticity problem or a validity problem. (a) A text uses a real ABS number from 2019 as if it described today. (b) An email looks like your bank, but the sender address is not the bank's. (c) A survey of 40 shoppers in one suburb is used to claim "Australians think ...". (d) A website copies a news story but changes the headline.

Q3. Match each fault to the check (1–6) that catches it. (a) No author or publisher named. (b) The number cannot be found in any other source. (c) The figure is real but two years old. (d) The claim says "caused", but the data only shows the two things moved together. (e) The source is selling the product its data praises. (f) The "survey" asked 12 self-selected volunteers.

Q4. From Figure 5: (a) what were combined reported scam losses in 2022 and in 2025? (b) how many scam reports were made in 2025? (c) which scam type cost the most in 2025, and how did its losses compare with the next four types?

Q5. From Figure 6: (a) which month does claim A's 1.9 per cent come from? (b) which month does claim B's 4.6 per cent come from? (c) which claim is valid for "how fast are prices rising now?" in August 2026, and why are the other two not?

Q6. From Figure 8: (a) write the median and the mean household net worth. (b) in one sentence, why is the mean so much bigger than the median?

Q7. True or false — correct the false ones. (a) A source on a high rung of the ladder can never be wrong. (b) If a source is authentic, its numbers are automatically valid for your question. (c) Two people can run the same six checks, reach different verdicts, and both have reasoned well.

Q8. Place each source on the ladder (rung 1–5). (a) An ABS consumer price index release. (b) A news article quoting ABS figures. (c) The ATO's page on the super guarantee. (d) A screenshot of a post from an account you cannot identify. (e) A chamber of commerce survey of its member businesses.

Practice questions — unscaffolded

Q9 (VC2HE10S06.E01). Using Figure 4: (a) name two of the fake text's flags and say which of checks 1–3 each one feeds; (b) the message says the refund expires in 24 hours — explain in one sentence which check that pressure is designed to stop you doing; (c) state the two ways the real ATO says to verify a contact like this. (3 marks)

Q10 (VC2HE10S06.E01). In August 2026 a post claims "inflation is running at 4.6 per cent". Using Figure 6, evaluate the claim with checks 2 and 5, and give your verdict for the purpose "describe price growth now". (3 marks)

Q11 (VC2HE10S06.E01). A classmate says one of Figure 7's headlines must be fake, because they disagree. Use the figure to explain why both headlines can be true at once, and say which number you would cite to answer "is employment growing over the year?" (4 marks)

Q12 (VC2HE10S06.E01). A friend cites the claim from Figure 8 — "the average Australian household has more than \$1 million in wealth" — to argue that ordinary households are rich. Evaluate the claim using check 5, and state which number is valid for "the typical household". (3 marks)

Q13 (VC2HE10S06.E01). A post reads: "Aussie full-time workers now take home \$1,200 a week on average. Share this!" No author, no date, no link. Run all six checks on it, reach a verdict for the purpose "cite a current wage figure", and name the kind of source you would check the number against. (4 marks)

Q14 (achievement standard). Evaluate this statement using the ladder and its side panel in Figure 2: "Official statistics can be trusted completely; social media can never be trusted." Present the strongest case for each half before you judge. (4 marks)

Answers

WE1. Check 1 fails (phone-number sender, no checkable author); check 2 fails (uninvited, fake deadline); check 3 fails (made to steal bank details). Verdict: fails authenticity — stop, and verify via ato.gov.au or 1800 008 540. **WE2.** Check 2: 1.9 per cent is June 2025, fourteen months old. Check 4: stale for “now”. Verdict: authentic source, invalid use; 3.8 per cent (12 months to June 2026) is the valid figure. **WE3.** (a) Mean \$1.04 million; median \$579,200. (b) Check 5. (c) Not valid for “typical” — the median, \$579,200, is the valid number; the claim is only an accurate statement of the mean. **WE4.** As modelled above: A cites a real SA fall, B a real trend rise; both hide the series name; for the year, cite +191,900 (SA) or +235,000 (trend), named. **WE5.** Record as in Figure 9; verdict: do not cite for a current rate; valid as evidence of how stale claims spread. **Q1.** authenticity; validity; accuracy. **Q2.** (a) validity. (b) authenticity. (c) validity. (d) authenticity. **Q3.** (a) 1. (b) 6. (c) 2. (d) 5. (e) 3. (f) 4. **Q4.** (a) \$3.10 billion (2022); \$2.18 billion (2025). (b) 481,523. (c) Investment scams, \$837.7 million — more than the next four types combined. **Q5.** (a) June 2025. (b) March 2026. (c) Claim C (3.8 per cent, June 2026); A and B quote real but out-of-date months for a question about now. **Q6.** (a) Median \$579,200; mean \$1.04 million. (b) A few very wealthy households pull the mean up, while the median is the household in the middle. **Q7.** (a) False — official releases can carry errors or be misquoted later. (b) False — a genuine source can be stale, off-target or the wrong series for your question. (c) True. **Q8.** (a) 5. (b) 2. (c) 4. (d) 1. (e) 3. **Q9.** (a) E.g. sender is a phone number, not the ATO (check 1); link does not end in ato.gov.au (check 1); asks for bank details by message (check 3) — any two with matching checks. (b) The deadline pressures you to skip the checks — especially check 6, going to the real source yourself. (c) Call the ATO on 1800 008 540, or check ato.gov.au yourself. **Q10.** Check 2: 4.6 per cent is the March 2026 peak, five months old by August 2026. Check 5: the number is real but the claim (“running at”) says now, and the latest figure is 3.8 per cent. Verdict: real number, wrong claim for “now” — do not cite it for current price growth. **Q11.** Both numbers are real, from different series in the same authentic release: SA fell 15,800; trend rose 29,300. Disagreement between series is not fakery. For the year: +191,900 (SA) or +235,000 (trend) — name the series. **Q12.** Check 5: true of the mean, false of the median; “average” hides the switch. Valid number for the typical household: the median, \$579,200. **Q13.** Checks 1–4 fail (no author, no date, share-bait purpose, no method and no named series); check 5 cannot even be run as given (“average” unnamed); check 6 fails until you look it up yourself. Verdict: rung 1, not citable. Check it against official statistics — the ABS earnings releases (abs.gov.au). **Q14.** Case for half one: official statistics collect their own data, publish methods, correct errors. Case for half two: unknown senders can be right (eyewitnesses, insiders), and official figures can carry errors or be misquoted. Judgement: the ladder ranks how hard to check, not truth — run the six checks on every source.

Fully-worked solutions

Q10 (3 marks). Check 2 (1 mark): 4.6 per cent is the March 2026 point on the ABS series — five months old when the post appears in August 2026. Check 5 (1 mark): the figure is real but the claim misfits the date — “running at” says *now*, while the latest ABS figure (12 months to June 2026) is 3.8 per cent, and the series fell from the peak before the post appeared. Verdict (1 mark): authentic ABS number used invalidly — real number, wrong claim for the purpose “describe price growth now”; cite 3.8 per cent instead.

Q11 (4 marks). Why both can be true (2 marks): the ABS publishes employment two ways — seasonally adjusted (the actual monthly movement, seasonal patterns removed) and trend (smoothed, underlying direction). In July 2026 the SA series fell 15,800 while the trend series rose 29,300; both numbers sit in the one authentic release, so the headlines disagree without either being fake. The fakery test (checks 1–3) passes for both; the weakness is validity-writing — neither names its series. Which number to cite (2 marks): for “growing over the year?” use the yearly change from the same release — employment up 191,900 (seasonally adjusted) or up 235,000 (trend) — stating the series, because a one-month movement answers a different question from a year of growth.

Q13 (4 marks). Checks 1–3 (1 mark): no author or publisher named (fails check 1); no date on the figure (check 2); written to be shared, not to inform (check 3) — rung 1 on the ladder. Checks 4–5 (1 mark): no method, no named survey or series, and “on average” does not say mean or median — so how it was collected cannot be assessed (check 4) and the claim cannot even be matched to data as given (check 5). Check 6 (1 mark): nothing is cited, so the number cannot be confirmed from the post; confirmation would mean looking up the ABS earnings releases yourself — and only then would you have a source to evaluate. Verdict (1 mark): not citable for a current wage figure; the informed judgement is “claim with no checkable source”, and the right next step is the official statistics rung (ABS, abs.gov.au).

Q14 (4 marks). Strongest case for “official statistics can be trusted completely” (1 mark): the ABS and RBA sit on rung 5 because they collect their own data, publish their methods, and correct mistakes openly; there is usually

nothing to gain from faking them, and checking them is quick. Strongest case for “social media can never be trusted” (1 mark): rung 1 sources have no named author, no method and no corrections, and they are where scams and stale claims spread fastest. The refutation of both halves (1 mark): the ladder’s own side panel — an official release can carry a printing error or be misquoted for years after correction, and an unknown sender (an insider, an eyewitness, a careful journalist) can be exactly right; position is a start, not a verdict. Judgement (1 mark): trust the process, not the rung — run the same six checks on every source, let the ladder set how hard you should have to work, and make the verdict an informed judgement for your stated purpose.

Sources

All sources retrieved 26 August 2026 unless stated.

- Victorian Curriculum F-10 Version 2.0, Economics and Business, Levels 9 and 10 (VC2HE10S06 and elaboration) and Levels 7 and 8 (VC2HE8S04).
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Making the case: arguments in the right terms, backed by sources

Curriculum trace. Content description VC2HE10S07. Elaborations: VC2HE10S07.E01, VC2HE10S07.E02. Achievement standard: Levels 9 and 10.

Every earlier section of this book ended by handing you claims worth having: inflation ran above target and the RBA lifted the cash rate target to 4.35 per cent (Section 1A); Australia's two-way trade is close to half of its economy, and is a bundle of costs and benefits arriving together (Section 1D). This section closes the book where the achievement standard closes it: it teaches you to *argue* those claims in public — to explain and present them with the right terms, the right sources, the right representation and the right tone, whether the format is standing up and explaining, writing a report, or recording a video. In Levels 7–8 you learned to describe and explain economic and business ideas in subject-specific terms (VC2HE8S06); here the description becomes an argument, and every number acquires a source. Every figure in this section is real — drawn from the ABS, the RBA and Budget Paper No. 1, retrieved 26 August 2026 — because an argument about the economy should be about the economy, not about invented numbers.

Three words we must define before we use them. In everyday speech an **argument** is a quarrel; in this subject it is the opposite of a quarrel — a **position** (a claim a sensible person could disagree with) backed by **reasons** and **evidence**, facing the other side's best case, and ending in a **conclusion** that the evidence carries. **Legitimacy** is used here in the elaboration's sense, with this operational definition: a position has legitimacy to the extent that its reasons and evidence stand up to examination — legitimacy is a property of the *reasoning*, not of the side, and two careful people can weigh the same data and reach opposite conclusions, both legitimate. **Authoritative**, the tone E02 names, means speaking or writing from checked facts — confident, exact and calm; it is the opposite of shouting and the opposite of vague.

Theory

The five parts of an argument (VC2HE10S07.E01)

An argument in this subject has five parts, and each part has one job. The **position** is the claim, in one sentence. The **reasons** say *why* the position holds. The **evidence** is the measurable backing — data, with a source attached to every number. The **counter-position and response** state the other side at its strongest, then answer it. The **conclusion** follows from the evidence and says what would change the writer's mind. Figure 1 lays the five parts out as a graphic organiser and works them on the position 'International trade brings both gains and costs', using the real trade figures from Section 1D.

The anatomy of an economic argument



ClassBasics graphic organiser; the worked spine uses real ABS trade figures (see Sources in this section).

A graphic organiser in two columns. The left column stacks five labelled boxes — *POSITION* (one sentence: the claim you will defend; a reader could disagree with it), *REASONS* (the why: two or three, each a bridge from the position to something measurable), *EVIDENCE* (the numbers and facts that carry each reason; every number has a source), *COUNTER-POSITION AND RESPONSE* (the other side's strongest case, stated fairly, then answered), *CONCLUSION* (what follows from the evidence; say what would change your mind). The right column runs the same five parts as a worked spine on the position 'International trade brings both gains and costs': position — international trade brings Australia both costs and benefits; reasons — exports are an injection and a source of income, but dependence on a few buyers is a cost; evidence — exports \$685.7b and imports \$617.9b in 2023-24, a \$67.8b surplus, yet a \$2,441m deficit in the March quarter 2026 (ABS); counter and response — the surplus year shows the benefits outweigh the costs, but a yearly surplus does not stop a quarterly deficit or a one-buyer slowdown landing on particular towns; conclusion — trade has lifted living standards, but the benefits depend on how the costs are shared.

Figure 1: The five parts of an argument, with a worked spine on the trade position. Figures: ABS Balance of Payments and International Investment Position, Australia (2023-24; March quarter 2026).

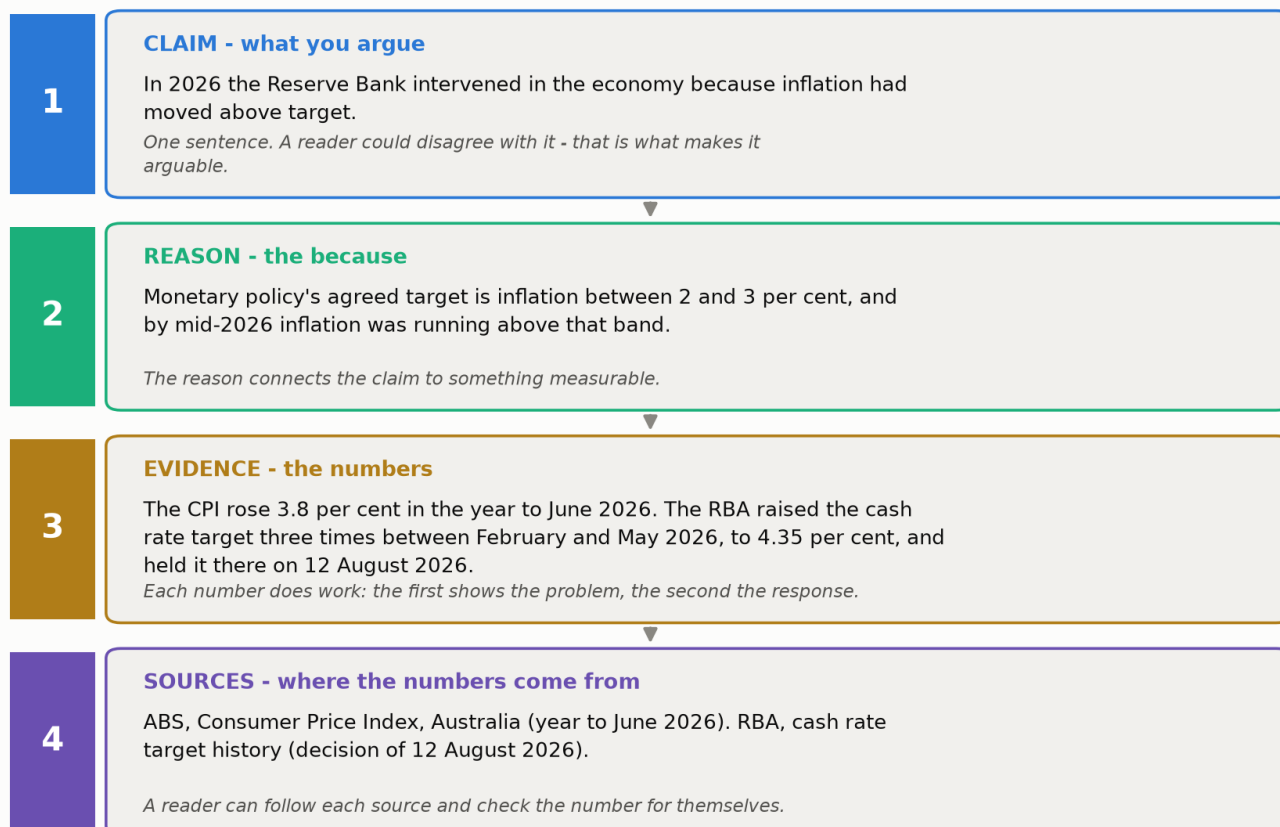
Notice what makes the position an argument at all: a sensible person could disagree with it, or with either half of it. 'The sky is blue' is not a position; 'international trade brings both gains and costs' is, because the interesting quarrel is

about the *balance* — which side dominates, for whom, and on what evidence. That is the quarrel the five parts exist to settle.

The chain beneath a claim (VC2HE10S07.E01)

The five parts fold into one test: a claim is only as strong as the chain beneath it. The chain has four links — claim, reason, evidence, sources — and a break at any link breaks the argument. Figure 2 works the chain on the 2026 inflation story you met in Section 1A.

A claim is only as strong as the chain beneath it



Readings as cited in Section 1A of this book. ClassBasics model.

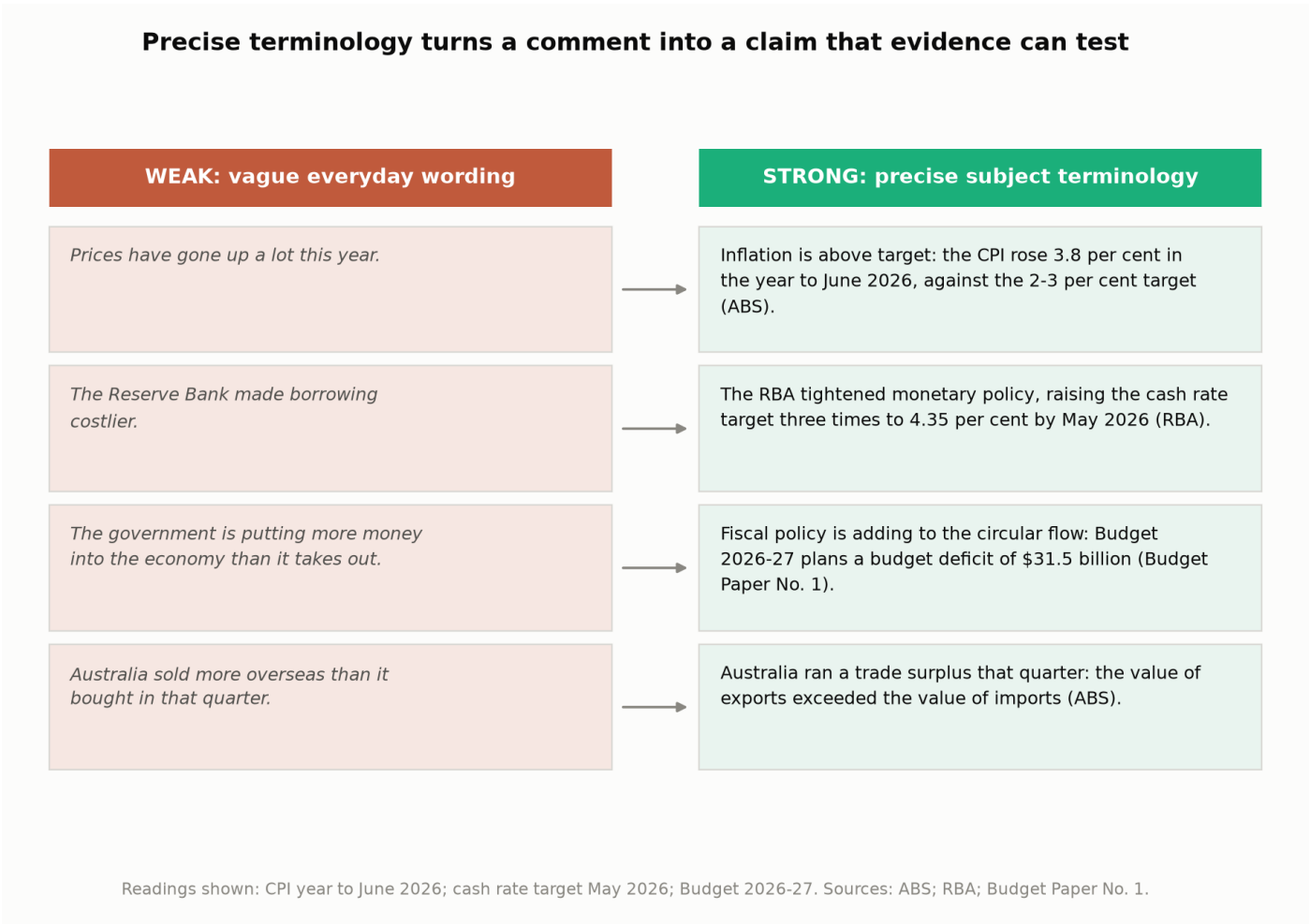
A vertical chain of four numbered boxes joined by arrows. Box 1, CLAIM — what you argue: 'In 2026 the Reserve Bank intervened in the economy because inflation had moved above target', noted 'one sentence; a reader could disagree with it — that is what makes it arguable'. Box 2, REASON — the because: 'Monetary policy's agreed target is inflation between 2 and 3 per cent, and by mid-2026 inflation was running above that band', noted 'the reason connects the claim to something measurable'. Box 3, EVIDENCE — the numbers: 'The CPI rose 3.8 per cent in the year to June 2026. The RBA raised the cash rate target three times between February and May 2026, to 4.35 per cent, and held it there on 12 August 2026', noted 'each number does work: the first shows the problem, the second the response'. Box 4, SOURCES — where the numbers come from: 'ABS, Consumer Price Index, Australia (year to June 2026). RBA, cash rate target history (decision of 12 August 2026)', noted 'a reader can follow each source and check the number for themselves'.

Figure 2: A claim is only as strong as the chain beneath it, worked on the 2026 inflation story. Readings as cited in Section 1A of this book. ClassBasics model.

Read the chain upwards as a checklist. If the claim cannot be disagreed with, it is not arguable. If the reason does not connect to something measurable, it is a feeling. If the evidence is a number with no source, it is an opinion wearing a number's costume. And if the sources cannot be followed and checked, the whole chain is a rumour.

Subject terminology: precision that carries the argument (VC2HE10S07.E01)

Subject terminology is not decoration; it is load-bearing. A precise term says in one word what a vague sentence cannot, and — crucially — it names something measurable, so evidence can get a grip. **Inflation** is a sustained rise in the general price level, measured by the CPI; ‘prices going up a lot’ is not measurable, so nothing can test it. Figure 3 rewrites four weak sentences as strong ones, each with the exact term and the source named.



A two-column table with four rows, the left column headed *WEAK: vague everyday wording* in red and the right column headed *STRONG: precise subject terminology* in green, with an arrow from each weak sentence to its strong rewrite. Row 1: ‘Prices have gone up a lot this year’ becomes ‘Inflation is above target: the CPI rose 3.8 per cent in the year to June 2026, against the 2-3 per cent target (ABS)’. Row 2: ‘The Reserve Bank made borrowing costlier’ becomes ‘The RBA tightened monetary policy, raising the cash rate target three times to 4.35 per cent by May 2026 (RBA)’. Row 3: ‘The government is putting more money into the economy than it takes out’ becomes ‘Fiscal policy is adding to the circular flow: Budget 2026-27 plans a budget deficit of \$31.5 billion (Budget Paper No. 1)’. Row 4: ‘Australia sold more overseas than it bought in that quarter’ becomes ‘Australia ran a trade surplus that quarter: the value of exports exceeded the value of imports (ABS)’.

Figure 3: Precise terminology turns a comment into a claim that evidence can test. Readings shown: CPI year to June 2026; cash rate target May 2026; Budget 2026-27. Sources: ABS; RBA; Budget Paper No. 1.

Two rules follow. First, use the exact term: **monetary policy** (the RBA’s use of interest rates to steer the economy) is not the same as **fiscal policy** (the government’s use of spending and taxation), and swapping them breaks the argument. Second, define any term at first use — as this book defined **injection**, **leakage**, **balance of trade**, **trade surplus** and **trade deficit** in Sections 1A and 1D — because a term the reader has not been given cannot carry weight.

Referencing sources: the entry, the in-text reference, and the two tests (VC2HE10S07.E01)

A source reference has two faces: the full **entry** (in your reference list) and the **in-text reference** (the name beside the number). The entry has five parts — who published it, what it is called, when it came out, where to find it, and when you read it — and the in-text reference attaches the source to the figure in the same breath. Figure 4 works both faces with a real ABS release.

Referencing a source: five parts in the entry, one name beside the number

The entry:

Australian Bureau of Statistics, International Trade in Goods, June 2026 (released 6 August 2026), abs.gov.au. Retrieved 26 August 2026.

WHO published it (the author)	Australian Bureau of Statistics
WHAT it is called (the title)	International Trade in Goods, June 2026
WHEN it came out (the date)	released 6 August 2026
WHERE to find it (the address)	abs.gov.au
WHEN you read it (the retrieval date)	Retrieved 26 August 2026

Using it in a sentence (the in-text reference):

"In June 2026 Australia's goods exports were \$47,696 million, up \$4,196 million on May, driven by non-monetary gold (ABS, International Trade in Goods, June 2026)."

Name the source in the same breath as the number: either in brackets straight after the figure, or in the sentence itself - 'the ABS recorded ...'. A number with no source attached is only an opinion wearing a number's costume.

Worked with the real ABS release of 6 August 2026. ClassBasics model.

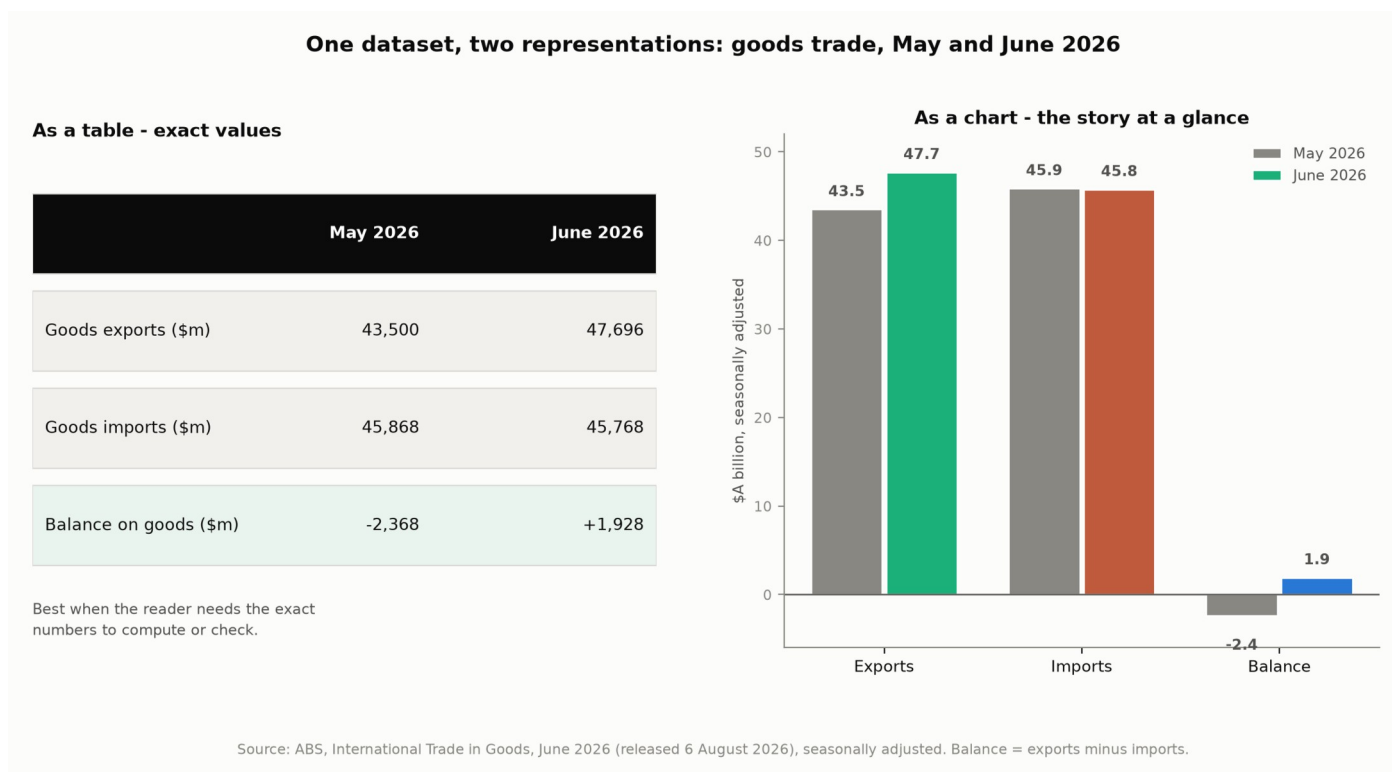
An annotated model source entry and an in-text reference. At the top the entry reads: Australian Bureau of Statistics, International Trade in Goods, June 2026 (released 6 August 2026), abs.gov.au. Retrieved 26 August 2026. Below it five colour-coded rows label the parts: WHO published it (the author) — Australian Bureau of Statistics; WHAT it is called (the title) — International Trade in Goods, June 2026; WHEN it came out (the date) — released 6 August 2026; WHERE to find it (the address) — abs.gov.au; WHEN you read it (the retrieval date) — Retrieved 26 August 2026. A panel below shows the in-text reference in a sentence: 'In June 2026 Australia's goods exports were \$47,696 million, up \$4,196 million on May, driven by non-monetary gold (ABS, International Trade in Goods, June 2026)', with the note: name the source in the same breath as the number, either in brackets straight after the figure or in the sentence itself; a number with no source attached is only an opinion wearing a number's costume.

Figure 4: The five parts of a source entry, and the in-text reference, worked with the real ABS release of 6 August 2026. ClassBasics model.

The achievement standard adds the deeper skill: judging whether sources are authentic and valid. Two tests do it. **Authenticity** asks whether the source is what it claims to be: a named publisher with a real publication and a date — the ABS entry above passes; an unsigned post that says 'trust me' does not. **Validity** asks whether the source actually measures what your claim says it measures, is current, and is used honestly: the same ABS release shows a deficit of \$2,368 million in May and a surplus of \$1,928 million in June, so quoting only the May number to prove 'trade is failing' would be authentic but invalid — a real source, used dishonestly. Authenticity checks the source; validity checks your use of it.

One dataset, two representations: choosing the display (VC2HE10S07.E01)

E01 expects arguments to be backed by representations of the data — a visual display, a graphic organiser, a table or a graph. The representation is part of the argument: it decides what the reader sees first. A table carries exact values for a reader who must compute or check; a chart carries the shape of the story at a glance; a graphic organiser (like Figure 1) carries structure. Figure 5 shows the one dataset — Australia's goods trade in May and June 2026 — in both a table and a chart.



One dataset shown two ways. Left, a table with exact values: goods exports \$43,500m in May 2026 and \$47,696m in June 2026; goods imports \$45,868m in May and \$45,768m in June; balance on goods -2,368 in May and +1,928 in June; noted 'best when the reader needs the exact numbers to compute or check'. Right, a grouped bar chart of the same data in \$A billion, adjusted for seasonal effects: exports 43.5 and 47.7, imports 45.9 and 45.8, balance -2.4 and +1.9, May bars in grey and June bars in green, red and blue, noted 'the story at a glance'.

Figure 5: One dataset, two representations — goods trade, May and June 2026. Source: ABS, International Trade in Goods, June 2026 (released 6 August 2026), adjusted for seasonal effects. Balance = exports minus imports.

The chart makes the reversal visible in one second — the balance bar flipping from below the line to above it — while the table makes the arithmetic checkable: $47,696 - 45,768 = +1,928$. Neither is the 'right' representation; each is right for a different job. Choosing the display that fits the message is itself an act of arguing.

Steelman first: arguing about legitimacy (VC2HE10S07.E01)

The first worked position is 'Government should stay out of the economy'. The discipline of this book is to **steelman** before evaluating — to state each side at its strongest, the version its own supporters would recognise — because a position beaten in its weak form has not been tested. Figure 6 steelmans the intervention debate with the real 2026 data used earlier in this book.

Steelman first: the intervention debate

The position: 'Government should stay out of the economy'

A contested position: careful people read the same data and reach opposite conclusions.

STRONGEST CASE FOR IT	STRONGEST CASE AGAINST IT
1. Intervention replaces millions of small choices with a few big ones; when the big ones are wrong, the error is economy-wide.	1. Markets do not fix every price on their own: the 2026 fuel shock pushed inflation to 3.8 per cent, above the 2-3 per cent target (ABS).
2. Policy can overshoot: the 2026 rate rises fight inflation, but the same slowing softens jobs and growth (RBA; Section 1A).	2. Without the RBA's response, nothing else anchors prices back to target - the target is the anchor (RBA).
3. Deficits build debt: Budget 2026-27 plans a deficit of \$31.5 billion, and a deficit in every planned year to 2029-30 (Budget Paper No. 1).	3. Fiscal policy supplies what markets undersupply: hospitals (\$25b) and roads and rail (\$8.6b) in Budget 2026-27 (Budget Paper No. 1).

Present both columns at full strength before you choose. Marks go to the reasoning - defined terms, sourced evidence, limits acknowledged - not to the side you land on.

Sources: ABS Consumer Price Index (year to June 2026); RBA cash rate target; Budget Paper No. 1, Budget 2026-27.

A two-column steelman table under the heading 'The position: Government should stay out of the economy'. Left column, STRONGEST CASE FOR IT: 1, intervention replaces millions of small choices with a few big ones, and when the big ones are wrong the error is economy-wide; 2, policy can overshoot — the 2026 rate rises fight inflation, but the same slowing softens jobs and growth (RBA; Section 1A); 3, deficits build debt — Budget 2026-27 plans a deficit of \$31.5 billion, and a deficit in every planned year to 2029-30 (Budget Paper No. 1). Right column, STRONGEST CASE AGAINST IT: 1, markets do not fix every price on their own — the 2026 fuel shock pushed inflation to 3.8 per cent, above the 2-3 per cent target (ABS); 2, without the RBA's response nothing else anchors prices back to target — the target is the anchor (RBA); 3, fiscal policy supplies what markets undersupply — hospitals (\$25b) and roads and rail (\$8.6b) in Budget 2026-27 (Budget Paper No. 1). A footer reads: present both columns at full strength before you choose; marks go to the reasoning — defined terms, sourced evidence, limits acknowledged — not to the side you land on.

Figure 6: The steelman of the intervention debate. Sources: ABS Consumer Price Index (year to June 2026); RBA cash rate target; Budget Paper No. 1, Budget 2026-27.

Both columns are legitimate in the operational sense defined above: each reasons from real, sourced data. That is exactly why the legitimacy of an economic position is argued, not declared — and why two students can land on opposite sides and both earn full marks. The marks sit in the reasoning: defined terms, sourced evidence, the other side at full strength, and limits acknowledged.

The model paragraph: a full argument on paper (VC2HE10S07.E01)

Figure 7 assembles the pieces into a single model paragraph on the second worked position, 'International trade brings both gains and costs', with every sentence labelled by the job it does.

A model paragraph, labelled: every part of the argument has a job

International trade brings Australia both costs and benefits.	POSITION
On the benefit side, exports are an injection into the circular flow of income: in 2023-24 they reached \$685.7 billion, and two-way trade was close to half of GDP (ABS).	SUBJECT TERM + EVIDENCE WITH SOURCE
Someone could answer that this overstates the costs: cheaper imports lift every household's living standard, and over 2023-24 as a whole trade took in \$67.8 billion more than it paid out - a trade surplus (ABS).	COUNTER-POSITION AT FULL STRENGTH
True - but a yearly surplus is no guarantee: by the March quarter of 2026 imports exceeded exports by \$2,441 million, a quarterly trade deficit (ABS), and when one big buyer slows, the cost lands on particular towns and industries, not on averages.	RESPONSE, WITH MORE EVIDENCE
On balance, trade has lifted Australian living standards - but the benefits are not automatic: they depend on how the costs are shared.	CONCLUSION, FOLLOWING FROM THE EVIDENCE

Figures: ABS Balance of Payments and International Investment Position, Australia (2023-24; March quarter 2026).

A model paragraph with each sentence in a colour-coded box labelled at the right. POSITION (blue): 'International trade brings Australia both costs and benefits'. SUBJECT TERM + EVIDENCE WITH SOURCE (green): 'On the benefit side, exports are an injection into the circular flow of income: in 2023-24 they reached \$685.7 billion, and two-way trade was close to half of GDP (ABS)'. COUNTER-POSITION AT FULL STRENGTH (red): 'Someone could answer that this overstates the costs: cheaper imports lift every household's living standard, and over 2023-24 as a whole trade took in \$67.8 billion more than it paid out — a trade surplus (ABS)'. RESPONSE, WITH MORE EVIDENCE (amber): 'True — but a yearly surplus is no guarantee: by the March quarter of 2026 imports exceeded exports by \$2,441 million, a quarterly trade deficit (ABS), and when one big buyer slows, the cost lands on particular towns and industries, not on averages'. CONCLUSION, FOLLOWING FROM THE EVIDENCE (violet): 'On balance, trade has lifted Australian living standards — but the benefits are not automatic: they depend on how the costs are shared'.

Figure 7: A model paragraph, labelled — every part of the argument has a job. Figures: ABS Balance of Payments and International Investment Position, Australia (2023-24; March quarter 2026).

Study the counter and the response. The counter is not a straw man — it is the best answer available, with its own sourced evidence. The response does not pretend the counter is wrong; it concedes ('True —') and then answers with more evidence and a sharper point (a yearly surplus is not a quarterly guarantee; averages hide who carries the cost). That move — concede, then answer — is the written form of the steelman.

Format and tone: matching the presentation to the purpose (VC2HE10S07.E02)

The same argument changes shape with its format, because the format changes the audience and the purpose. E01 names three formats — verbal explanation, written report, video recording — and E02 adds the rule that the **tone** must

fit the purpose — for example, confident and factual rather than showy when explaining to people your own age what the trends in a dataset mean. Figure 8 matches each format to what it is strong for, who it serves, and the tone that fits.

Match the format to the purpose - and the tone to the audience			
FORMAT	STRONG FOR (purpose)	AUDIENCE	TONE
Verbal explanation	A short talk: stating a position and walking listeners through two or three reasons with one key figure.	The class, or a small group	Clear and confident, slightly slower than chat; signpost the parts - 'my position is...', 'the evidence is...', 'the other side says...'
Written report	A full argument: position, reasons, evidence with source entries, counter-position and response, conclusion.	A teacher or panel reading without you present	Formal and exact; every figure has a named source; headings carry the structure so the reader never gets lost.
Video recording	A narrated display: visuals carry the data while your voice carries the argument.	Peers watching in their own time	Authoritative - sure of the facts, not showing off, as when explaining what the trends in data mean to people your own age.

Formats as named in the curriculum; tone guidance follows VC2HE10S07.E02. ClassBasics table.

A table with three rows — Verbal explanation, Written report, Video recording — and four columns: FORMAT, STRONG FOR (purpose), AUDIENCE, TONE. Verbal explanation: a short talk stating a position and walking listeners through two or three reasons with one key figure; for the class or a small group; tone clear and confident, slightly slower than chat, signposting the parts — ‘my position is...’, ‘the evidence is...’, ‘the other side says...’. Written report: a full argument — position, reasons, evidence with source entries, counter-position and response, conclusion; for a teacher or panel reading without you present; tone formal and exact, every figure with a named source, headings carrying the structure so the reader never gets lost. Video recording: a narrated display — visuals carry the data while your voice carries the argument; for peers watching in their own time; tone authoritative — sure of the facts, not showing off, as when explaining what the trends in data mean to people your own age.

Figure 8: Match the format to the purpose, and the tone to the audience. Formats as named in the curriculum; tone guidance follows VC2HE10S07.E02. ClassBasics table.

Authoritative is often mistaken for loud. It is neither loud nor pushy; it is *sure of the facts*. ‘Exports rose 9.6 per cent in June, to \$47,696 million (ABS)’ is authoritative. ‘Exports absolutely EXPLODED, basically everyone agrees’ is not — it is vague and performative, and a peer audience hears the difference at once.

Before you present: the final checks (VC2HE10S07.E02)

Whatever the format, the last step is the same seven checks. Figure 9 is the checklist this book uses against its own arguments.

Before you present: seven checks

☐	Is my position one clear sentence - a claim that evidence can test? If you cannot say it in one sentence, you do not have it yet.
☐	Have I used subject terminology exactly, and defined any term at first use? 'Inflation', not 'prices going up'; 'trade surplus', not 'selling more'.
☐	Is every claim about data tied to a named source, in the sentence or straight after? '... 3.8 per cent (ABS)' - never a number standing alone.
☐	Does the representation fit the message? Tables for exact values, charts for trends, organisers for structure.
☐	Have I stated the other side at full strength and answered it? The steelman test: would the other side recognise your version of their case?
☐	Do my format and tone fit the audience and purpose? Authoritative when explaining data to peers; formal in a report; clear in a video.
☐	Does my conclusion follow from the evidence - and have I said what would change my mind? A conclusion the evidence does not carry is a new opinion, not a conclusion.

A checklist titled 'Before you present: seven checks', with seven rows each holding an empty checkbox and a bold question with a grey sub-note. 1, Is my position one clear sentence — a claim that evidence can test? (If you cannot say it in one sentence, you do not have it yet.) 2, Have I used subject terminology exactly, and defined any term at first use? ('Inflation', not 'prices going up'; 'trade surplus', not 'selling more'.) 3, Is every claim about data tied to a named source, in the sentence or straight after? ('... 3.8 per cent (ABS)' — never a number standing alone.) 4, Does the representation fit the message? (Tables for exact values, charts for trends, organisers for structure.) 5, Have I stated the other side at full strength and answered it? (The steelman test: would the other side recognise your version of their case?) 6, Do my format and tone fit the audience and purpose? (Authoritative when explaining data to peers; formal in a report; clear in a video.) 7, Does my conclusion follow from the evidence — and have I said what would change my mind? (A conclusion the evidence does not carry is a new opinion, not a conclusion.)

Figure 9: The seven checks to run before you present. ClassBasics checklist.

Worked examples (scaffolded)

WE1 (VC2HE10S07.E01) — Upgrade two weak claims. Rewrite each weak sentence as a strong one, the way Figure 3 does: exact subject term, one real number, one named source. (a) 'The government is spending more than it takes in.' (b) 'The jobs market is holding up okay.' *Scaffold — the pattern:* term + number + source. Ask: which subject term names this idea exactly? Which figure from this book measures it? Who published that figure? *Model working:* (a) '**Fiscal policy** is adding to the circular flow: Budget 2026-27 plans a **budget deficit** of \$31.5 billion, with a deficit in every planned year to 2029-30 (Budget Paper No. 1).' (b) 'The **labour market** has stayed tight: **unemployment** was 4.5 per cent in July 2026 (ABS, Labour Force, Australia).'

WE2 (VC2HE10S07.E01) — Fill the organiser for the trade position. Using Figure 1 and the trade figures from Sections 1A and 1D, fill the five parts for the position 'International trade brings both gains and costs'. Scaffold blanks: position = _____; reason 1 (benefit) = _____ with evidence _____; reason 2 (cost) = _____ with evidence _____

_____ ; counter = _____ ; response = _____ ; conclusion = _____. *Model working:* Position: international trade brings Australia both costs and benefits. Reason 1: exports are an **injection** — evidence: \$685.7b of exports in 2023-24, two-way trade about 47% of GDP (ABS). Reason 2: dependence on a few buyers is a cost — evidence: China takes about 24% of two-way trade (DFAT, Section 1D). Counter: over 2023-24 as a whole, trade ran a \$67.8b **surplus**, so the benefits outweighed the costs (ABS). Response: a yearly surplus is no guarantee — the March quarter of 2026 ran a \$2,441m **deficit**, and a one-buyer slowdown lands on particular towns (ABS). Conclusion: trade has lifted living standards, but the benefits depend on how the costs are shared.

WE3 (VC2HE10S07.E02) — Choose the format, name the tone. (a) You will explain the May-to-June trade turnaround to your class at the start of next lesson. (b) You will hand in the same argument for a teacher who reads it without you. For each, choose the format from Figure 8 and name the tone, then write one signpost sentence for (a). *Scaffold — audience first:* who receives it, and without you present or not? That choice picks the format; the purpose picks the tone. *Model working:* (a) Verbal explanation; tone clear and confident, **authoritative** about the figures; signpost: ‘My position is that the June surplus is good news with a warning attached — here is the evidence.’ (b) Written report; tone formal and exact, every figure with a named source, headings carrying the structure.

Worked examples (unscaffolded)

WE4 (VC2HE10S07.E01) — Steelman the intervention position, then take a side. Using Figure 6, present the strongest case for and the strongest case against ‘Government should stay out of the economy’, each with at least one sourced figure. Then give your reasoned position in two sentences, including what would change your mind. *Model answer:* For the position: intervention replaces millions of small choices with a few big ones, and Budget 2026-27’s planned deficit of \$31.5 billion — in every planned year to 2029-30 — means today’s intervention is borrowed from future taxpayers (Budget Paper No. 1). Against the position: markets do not fix every price on their own — the 2026 fuel shock pushed inflation to 3.8 per cent against the 2-3 per cent target, and only the RBA’s rate rises anchor it back (ABS; RBA). Reasoned position (one example): intervention should occur when a shock no individual can insure against hits the whole economy, and should be limited and sourced in public — and I would change my mind if the deficits stopped being about shocks and became permanent, because then the debt column of Figure 6 becomes the whole story. (An opposite conclusion, reasoned the same way, earns the same marks.)

WE5 (VC2HE10S07.E01/E02) — The same data in two formats. The ABS release for June 2026: goods exports \$47,696m (up \$4,196m, 9.6 per cent, on May, driven by non-monetary gold); goods imports \$45,768m (down \$100m, 0.2 per cent); balance on goods +\$1,928m after May’s −\$2,368m. (a) Write a verbal explanation of the turnaround: three sentences, signposted, authoritative tone, for an audience of peers. (b) Write the same argument as a report paragraph with an in-text reference. (c) In one sentence, say what changed between the two. *Model answer:* (a) ‘My position is that the June surplus is a turnaround with a warning attached. Exports rose 9.6 per cent to \$47,696 million while imports held steady, flipping the balance from minus \$2,368 million to plus \$1,928 million. The driver was non-monetary gold — one item in one month — which is exactly why one month is a snapshot, not a verdict.’ (b) ‘Australia’s balance on goods returned to surplus in June 2026 (+\$1,928m) after May’s deficit (−\$2,368m). Goods exports rose \$4,196m (9.6 per cent), driven by non-monetary gold, while goods imports fell \$100m (0.2 per cent) (ABS, *International Trade in Goods*, June 2026). The concentration of the rise in one volatile item limits what the June figure can carry.’ (c) The verbal version signposts and speaks, and may leave the exact source to a slide; the report version cites in-text and hedges precisely, because the reader cannot ask you questions.

Practice questions — scaffolded

Q1 (E01). Complete the sentences: The claim you defend, in one sentence, is the _____; the measurable backing for each reason is the _____; the other side’s strongest case, stated fairly and then answered, is the _____ and _____.

Q2 (E01). Using the pattern of Figure 3, rewrite ‘The jobs market is holding up okay’ as a strong sentence with a term, a number and a source from this section.

Q3 (E01). Figure 4’s entry has five parts. Match them: (a) ‘released 6 August 2026’; (b) ‘abs.gov.au’; (c) ‘Australian Bureau of Statistics’; (d) ‘Retrieved 26 August 2026’; (e) ‘International Trade in Goods, June 2026’.

Q4 (E01). Using Figure 5: (a) which representation would you hand a reader who must check the exact June balance? (b) which would you show an audience who needs the turnaround in one second? (c) compute the June balance from the table’s exact values.

Q5 (E01). True or false — correct the false ones. (a) To steelman a position is to state its weakest form so it is easy to beat. (b) A position has legitimacy in this subject when the reasoning — not the side — stands up to examination. (c) A number with no source attached is evidence.

Q6 (E02). Match each job to a format from Figure 8: (a) a full argument your teacher reads without you present; (b) a two-minute explanation of one chart to your class; (c) a narrated display peers watch in their own time.

Q7 (E02). Rewrite this sentence in an authoritative tone: ‘Exports absolutely EXPLODED in June, basically everyone agrees it was huge.’ You may use Figure 5’s numbers.

Q8 (E01). An unsigned social media post says: ‘Australia’s trade is in crisis — the balance was minus two billion in May.’ Apply the two tests: (a) does the post pass authenticity? (b) the May figure matches the ABS — does quoting only May pass validity? Give a reason for each.

Practice questions — unscaffolded

Q9 (E01). Using Figure 5: (a) write the position on the June 2026 trade turnaround in one sentence; (b) give two reasons, each with the exact figure and the source named. (3 marks)

Q10 (E01). Take your Q9 position. (a) Write the counter-position at full strength — the version its own supporters would recognise — using one sourced figure. (b) Answer it in one sentence, conceding what is true before you respond. (3 marks)

Q11 (E01). Present the strongest case for and the strongest case against ‘Government should stay out of the economy’, each with one sourced figure from this section; then give your reasoned position in one sentence. (4 marks)

Q12 (E02). Your group is recording a video in which you explain the 2026 cash rate path (three rises to 4.35 per cent by May, held on 12 August) to an audience of peers. (a) Name the tone E02 expects. (b) Write one line of script that shows it. (3 marks)

Q13 (E01). A 2024 social media post with no named author says: ‘Australia’s CPI is 3.8 per cent — the economy is out of control.’ Evaluate the post as a source for that claim: (a) apply the authenticity test; (b) apply the validity test, twice — once to the number’s date, once to whether a CPI figure measures ‘out of control’. (4 marks)

Q14 (achievement standard). Present a full short argument on ‘International trade brings both gains and costs’: position, two reasons with sourced figures, counter-position and response, and a conclusion that says what would change your mind. Name one representation from this section that would support your argument and say why it fits. (4 marks)

Answers

WE1. (a) Fiscal policy / budget deficit: \$31.5b planned deficit in Budget 2026-27, in every planned year to 2029-30 (Budget Paper No. 1). (b) Labour market / unemployment: 4.5 per cent in July 2026 (ABS, Labour Force, Australia). **WE2.** See the model working in the example; the five parts filled with \$685.7b / 47% of GDP (benefit), ~24% China share (cost), \$67.8b surplus (counter), \$2,441m quarterly deficit and one-buyer risk (response). **WE3.** (a) Verbal explanation; authoritative (clear, confident, signposted). (b) Written report; formal and exact. **WE4.** See Fully-worked solutions for the method; any two sourced cases at full strength plus a reasoned position with a change-of-mind condition. **WE5.** (a) and (b) as modelled; (c) the verbal version signposts and speaks; the report version cites in-text and hedges precisely. **Q1.** position; evidence; counter-position and response. **Q2.** E.g. 'Unemployment stayed low at 4.5 per cent in July 2026, a tight labour market (ABS, Labour Force, Australia).' **Q3.** (a) WHEN it came out. (b) WHERE to find it. (c) WHO published it. (d) WHEN you read it. (e) WHAT it is called. **Q4.** (a) the table. (b) the chart. (c) $47,696 - 45,768 = +\$1,928\text{m}$. **Q5.** (a) False — the strongest form, the version its own supporters would recognise. (b) True. (c) False — it is an opinion wearing a number's costume; evidence needs a source. **Q6.** (a) written report. (b) verbal explanation. (c) video recording. **Q7.** E.g. 'Goods exports rose 9.6 per cent in June 2026, to \$47,696 million (ABS).' **Q8.** (a) No — no named publisher, no publication, no date of reading; it cannot be checked, so it fails authenticity as a source. (b) No — a real number used one-sidedly is invalid for the claim: the same release shows June's +\$1,928m, so 'in crisis' is not what the data measures. **Q9.** (a) any one-sentence, arguable position; (b) any two of: exports \$47,696m, up 9.6% (ABS); balance +\$1,928m after -\$2,368m (ABS); rise driven by non-monetary gold (ABS). **Q10.** (a) e.g. the June surplus rested on non-monetary gold — one volatile item — so May's deficit, not June's surplus, shows the underlying trend (ABS); (b) e.g. 'True — one month is noise, which is why this argument rests on the quarter and the year, not on June alone.' **Q11.** For: e.g. deficits build debt — \$31.5b planned in every year to 2029-30 (Budget Paper No. 1); policy can overshoot and soften jobs (RBA). Against: e.g. inflation 3.8% against the 2-3% target needed the RBA's anchor (ABS; RBA); hospitals (\$25b) and roads and rail (\$8.6b) are what markets undersupply (Budget Paper No. 1). Position: any reasoned one-sentence landing. **Q12.** (a) an authoritative tone. (b) e.g. 'The cash rate target rose three times between February and May 2026, to 4.35 per cent, and was held on 12 August — three rises against inflation at 3.8 per cent (RBA; ABS).' **Q13.** (a) Fails: no named author or publisher, nothing to check — not authentic as a source. (b) Fails twice: the 3.8 per cent figure is the year to June 2026, so a 2024 post cannot be its source; and a CPI figure measures price change, not 'out of control' — the judgement is not what the number carries. **Q14.** Any argument with all five parts, ≥ 2 sourced figures, a full-strength counter, and a named representation with a reason it fits.

Fully-worked solutions

Q9 (3 marks). Position (1 mark): e.g. 'The June 2026 turnaround shows trade's benefits still flowing — but on a narrow base.' Two reasons with exact figures and sources (2 marks): exports rose \$4,196 million (9.6 per cent) to \$47,696 million (ABS, *International Trade in Goods*, June 2026) — the benefit side, an injection into the circular flow; and the same release shows the rise driven by non-monetary gold, one item in one month — the narrow-base cost.

Q10 (3 marks). Counter at full strength (2 marks): 'The June surplus is a gold shipment, not a recovery: strip out non-monetary gold and the balance stays where May put it — a deficit — so the underlying trend is the May figure' (ABS). The counter uses the other side's own evidence, not a weak version. Response (1 mark): 'True — one month is a snapshot, not a verdict; which is why this argument rests on the yearly surplus of \$67.8b and the quarterly deficit of \$2,441m, not on June alone.'

Q11 (4 marks). Case for (1 mark): intervention concentrates choices and builds debt — Budget 2026-27 plans a \$31.5b deficit in every planned year to 2029-30 (Budget Paper No. 1). Case against (1 mark): the 2026 fuel shock pushed inflation to 3.8 per cent, above the 2-3 per cent target; only monetary policy anchors it back (ABS; RBA) — and fiscal policy supplies hospitals (\$25b) and roads and rail (\$8.6b) that markets undersupply (Budget Paper No. 1). Reasoned position (1 mark): any one-sentence landing tied to the evidence. Limit acknowledged (1 mark): a stated change-of-mind condition, e.g. permanent rather than shock-driven deficits would move me to the for-column.

Q12 (3 marks). Tone (1 mark): authoritative — sure of the facts, not showing off (VC2HE10S07.E02). Script line (2 marks): one that is exact, sourced and calm, e.g. 'The cash rate target rose three times to 4.35 per cent by May 2026 and was held on 12 August, because inflation at 3.8 per cent sits above the 2-3 per cent target (RBA; ABS).' Marks go to precision and calm; exclamation marks and 'everyone knows' lose them.

Q13 (4 marks). Authenticity (2 marks): no named author, no publisher, no way to check what it claims to be — the post fails authenticity, whatever number it carries. Validity, date (1 mark): the 3.8 per cent reading is the year to June 2026; a 2024 post predates it, so the post cannot be the source of its own figure. Validity, measure (1 mark): the CPI measures the rate of price change, not whether an economy is ‘out of control’ — a judgement the number does not carry; quoting it for that claim uses a real figure dishonestly.

Q14 (4 marks). Position and terminology (1 mark): one arguable sentence using exact terms (injection, leakage, balance of trade, surplus/deficit as needed). Two sourced reasons (1 mark): e.g. benefit — exports \$685.7b in 2023-24, two-way trade $\approx 47\%$ of GDP (ABS); cost — China $\approx 24\%$ of two-way trade (DFAT, Section 1D) and the March quarter 2026 deficit of \$2,441m (ABS). Counter and response (1 mark): counter at full strength (e.g. the \$67.8b yearly surplus shows benefits outweighing costs) answered with a concession and more evidence (a yearly surplus does not prevent a quarterly deficit or a one-buyer slowdown landing on particular towns). Conclusion and representation (1 mark): a conclusion the evidence carries, with a change-of-mind condition; and a named representation with a reason — e.g. Figure 5’s paired table-and-chart, because the argument needs both the exact values (table) and the turnaround at a glance (chart).

Sources

All sources retrieved 26 August 2026 unless stated.

- Australian Bureau of Statistics, International Trade in Goods, June 2026 (released 6 August 2026; May and June 2026 goods exports, imports and balance).
- Australian Bureau of Statistics, Balance of Payments and International Investment Position, Australia (2023-24 totals; March quarter 2026 balance on goods and services).
- Australian Bureau of Statistics, Consumer Price Index, Australia (year to June 2026).
- Australian Bureau of Statistics, Labour Force, Australia (unemployment, July 2026).
- Reserve Bank of Australia, cash rate target history (rises February–May 2026 to 4.35 per cent; decision of 12 August 2026).
- Australian Government, Budget Paper No. 1, Budget 2026-27 (deficit \$31.5b; hospitals \$25b; roads and rail \$8.6b; deficits in every planned year to 2029-30).
- Department of Foreign Affairs and Trade, Composition of Australia’s Trade 2023-24 (partner shares; cross-reference Section 1D).
- Victorian Curriculum F-10 Version 2.0, Economics and Business, Levels 9 and 10 (VC2HE10S07 and elaborations).