

What's going on in the Economy?

Use the QR to watch the video, then answer the questions below.



rba.gov.au/education/resources/videos.html?id=cec-feb-2026

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Gross Domestic Product (GDP)

1. Gross domestic product is a measure of the total value of spending – or demand – in the economy.

- True
- False

2. What are the four key components of GDP?

3. Why would higher household incomes lead to higher demand in the economy?
Explain your answer.

4. Australia's GDP fell in the second half of 2025.

- True
- False

Inflation

5. Based on this video, how widespread are inflationary pressures in the Australian economy?

- Only a few goods and services in the economy
- Occurring broadly across the Australian economy

6. List some of the factors that are contributing to inflationary pressures in the Australian economy.

7. Based on this video, is Australia's inflation rate currently above or below the RBA's target range of 2 to 3 per cent?

- Above
- Below

The Labour Market

8. What does a tight labour market refer to?

9. In a tight labour market, would you expect it to be easier or more difficult for businesses to find the right staff?

- Easier
- More difficult

10. What does a low layoffs rate suggest?

- Employers are happy to let go of their staff, because it's easy to find new workers
- Employers are trying to hold on to their existing workers, because it's hard to find new staff

