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JACARANDA

ECONOMICS AND BUSINESS ALIVE

7

AUSTRALIAN CURRICULUM | THIRD EDITION



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BUSINESS ALIVE 7
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ECONOMICS AND
BUSINESS ALIVE **7**
AUSTRALIAN CURRICULUM | THIRD EDITION

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This suite of resources may include references to (including names, images, footage or voices of) people of Aboriginal and/or Torres Strait Islander heritage who are deceased. These images and references have been included to help Australian students from all cultural backgrounds develop a better understanding of Aboriginal and Torres Strait Islander Peoples' history, culture and lived experience.

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The Publisher acknowledges ongoing discussions related to gender-based population data. At the time of publishing, there was insufficient data available to allow for the meaningful analysis of trends and patterns to broaden our discussion of demographics beyond male and female gender identification.

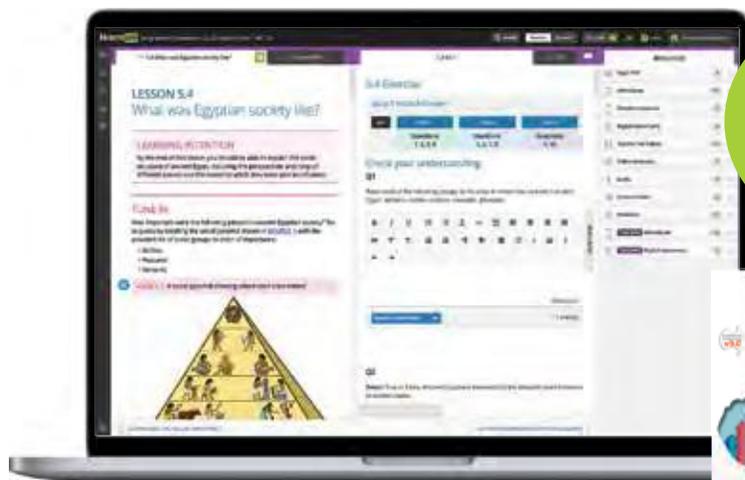


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About this resource



NEW FOR

AUSTRALIAN CURRICULUM V9.0



JACARANDA

ECONOMICS AND BUSINESS ALIVE 7

AUSTRALIAN CURRICULUM
THIRD EDITION

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learnON Jacaranda Economics & Business Alive 7 AC 3e

5.4 What was Egyptian society like? 5.4 teachON

LESSON 5.4

What was Egyptian society like?

LEARNING INTENTION

By the end of this lesson you should be able to explain the social structure of ancient Egypt, including the perspectives and roles of different groups and the extent to which they were able to influence.

TUNE IN

How important were the following people in ancient Egyptian society? Try to guess by labelling the social pyramid shown in **SOURCE 1** with the provided list of social groups in order of importance.

- Scribes
- Peasants
- Servants

SOURCE 1 A social pyramid showing where each class ranked

5.3 WHY WAS THE NILE SO IMPORTANT?

powerful learning tool, learnON

The image shows a screenshot of the learnON software interface. The interface is divided into several sections: a top navigation bar with 'Teacher' and 'Student' views, a main content area with a 'PATHWAY' section, and a 'RESOURCES' sidebar. The 'PATHWAY' section includes 'LEVEL 1', 'LEVEL 2', and 'LEVEL 3' buttons, each with a list of question numbers. The 'RESOURCES' sidebar lists various resource types with counts. Callout boxes point to specific features: 'Differentiated question sets' points to the '5.4 Ex 1' section; 'Teacher and student views' points to the 'Teacher' button; 'Textbook questions' points to the '5.4 TBQ' button; 'eWorkbook' points to the 'eWorkbook' resource; 'Answers and sample responses' points to the 'Sample responses' resource; 'Digital documents' points to the 'Digital documents' resource; 'Video eLessons' points to the 'Video eLessons' resource; 'Interactivities' points to the 'Interactivities' resource; 'Extra teaching-support resources' points to 'TEACHER eWorkbook' and 'TEACHER Digital documents'; and 'Interactive questions with immediate feedback' points to the question area at the bottom.

Differentiated question sets

Teacher and student views

Textbook questions

eWorkbook

Answers and sample responses

Digital documents

Video eLessons

Interactivities

Extra teaching-support resources

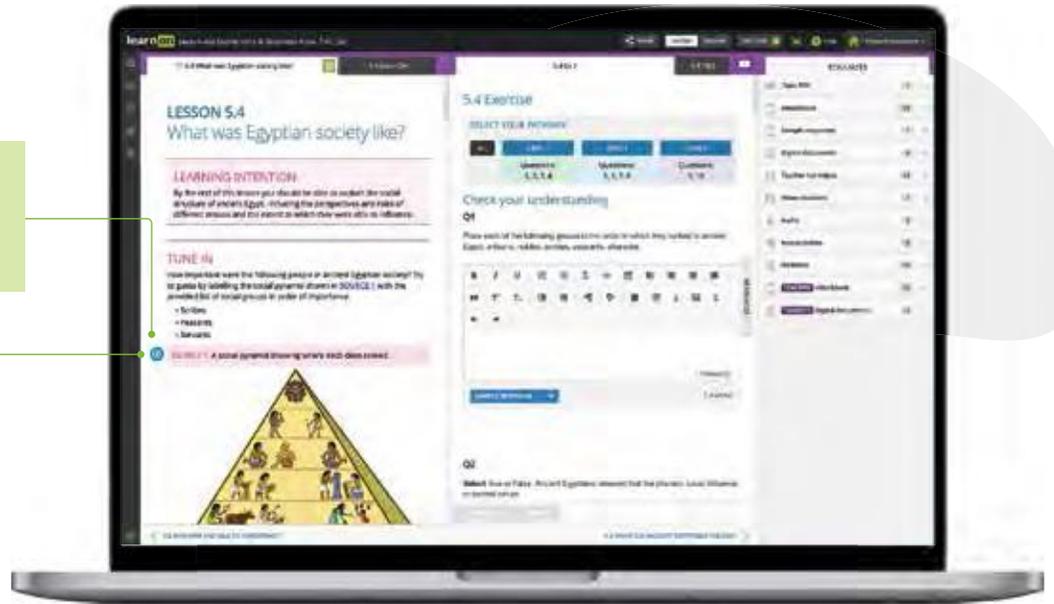
Interactive questions with immediate feedback

Get the most from your online resources

Online, these new editions are the complete package

Trusted Jacaranda theory, plus tools to support teaching and make learning more engaging, personalised and visible.

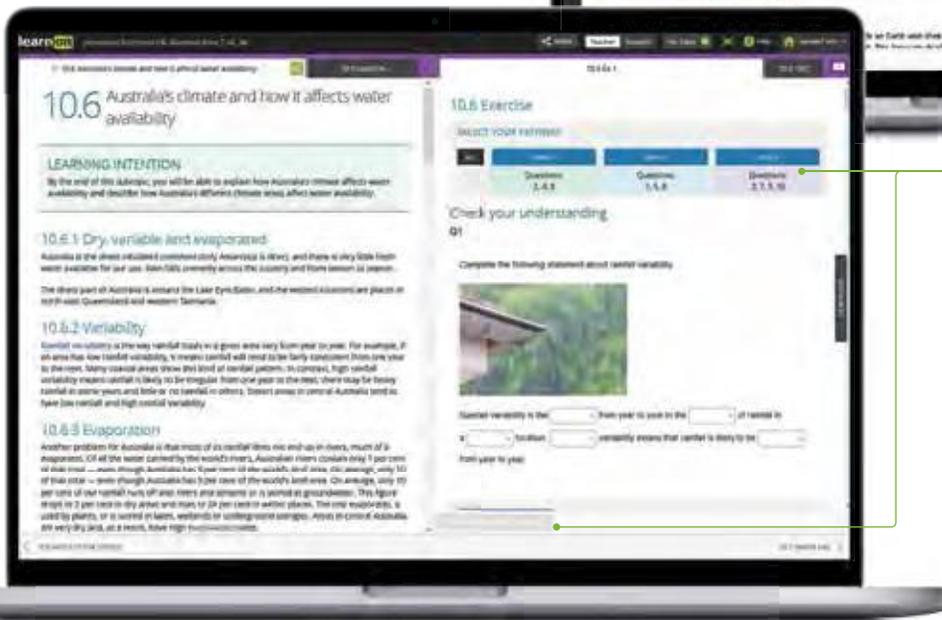
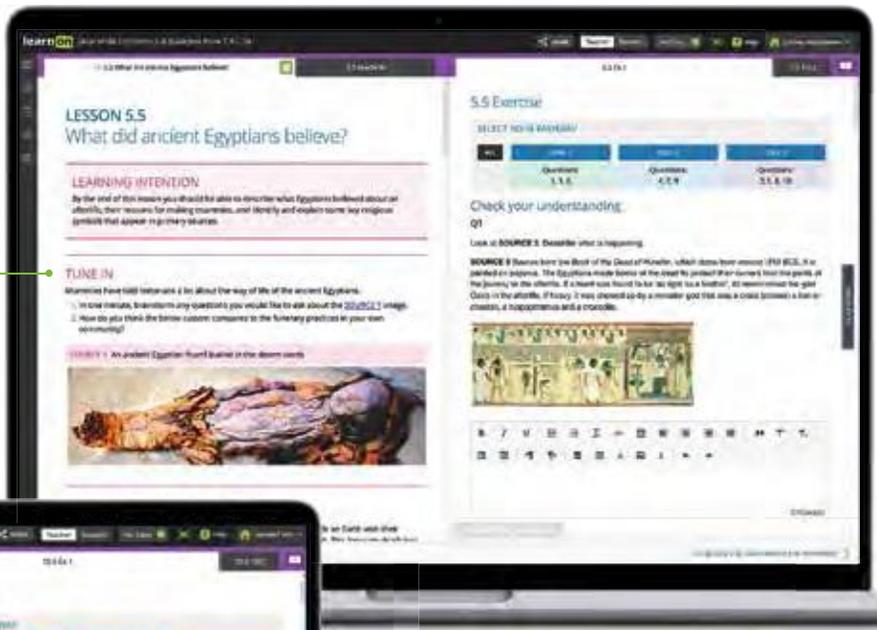
Embedded interactivities and videos enable students to explore concepts and learn deeply by 'doing'.



New teaching videos are designed to help students learn concepts by having a 'teacher at home', and are flexible enough to be used for pre- and post-learning, flipped classrooms, class discussions, remediation and more.

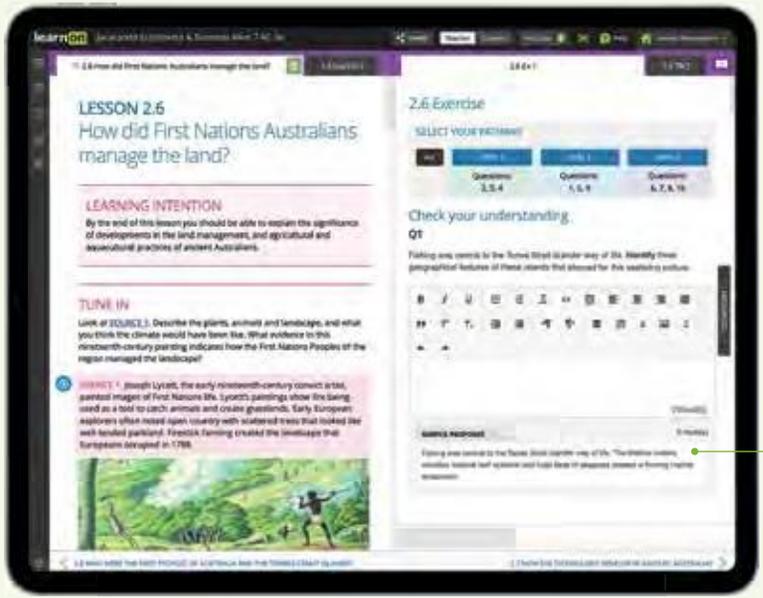
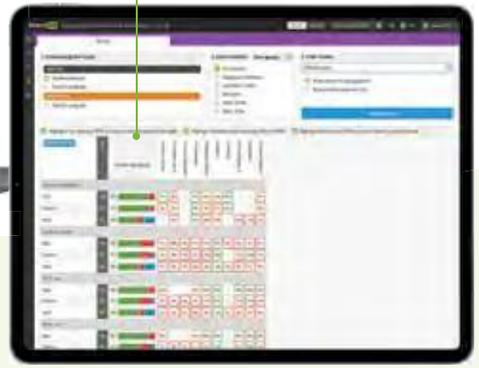


Brand new! Tune in activities to spark interest and kick off every lesson with discussion and source analysis



Three differentiated question sets, with immediate feedback in every lesson, enable students to challenge themselves at their own level.

Instant reports give students visibility into progress and performance.



Every question has immediate, feedback to help students overcome misconceptions as they occur and get unstuck as they study independently – in class and at home.

A wealth of teacher resources

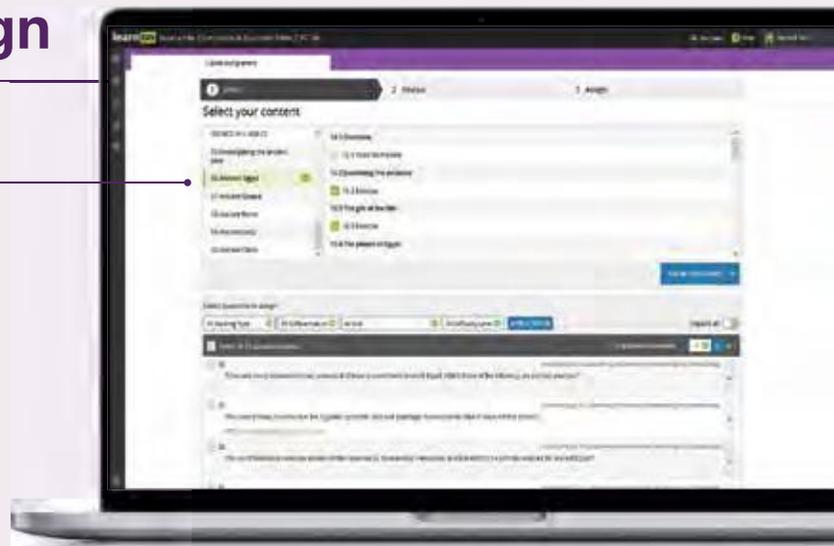


Enhanced teaching-support resources for every lesson, including:

- work programs and curriculum grids
- practical teaching advice
- three levels of differentiated teaching programs
- quarantined topic tests (with solutions)

Customise and assign

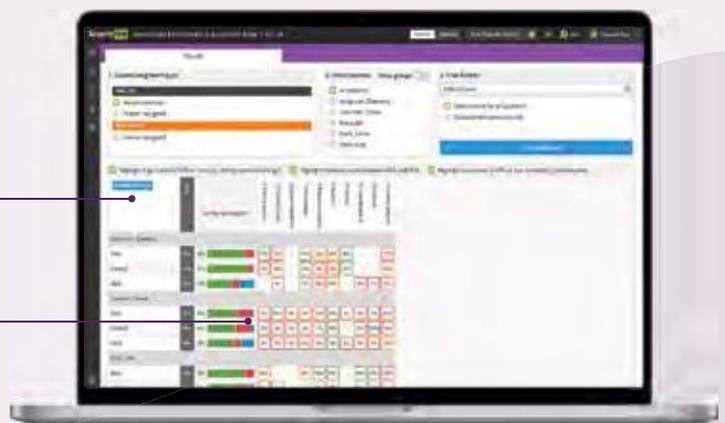
An inbuilt testmaker enables you to create custom assignments and tests from the complete bank of thousands of questions for immediate, spaced and mixed practice.



Reports and results

Data analytics and instant reports provide data-driven insights into progress and performance within each lesson and across the entire course.

Show students (and their parents or carers) their own assessment data in fine detail. You can filter their results to identify areas of strength and weakness.



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Understanding cognitive verbs

Cognitive verbs in the Australian Curriculum

The Australian Curriculum aims to develop students' disciplinary knowledge, skills, understanding and general capabilities across the curriculum. Students are also expected to progressively develop their thinking skills.

In the Australian Curriculum, cognitive verbs are used as signposts for this depth of thinking. Cognitive verbs signify different types of thinking and are already used in the classroom by many teachers and students.

Questions within Jacaranda resources use these cognitive verbs to support students in cognitive verb 'thinking'. The following list describes the cognitive verbs that are frequently used in Years 7 and 8.

Cognitive verb	Description
analyse	considering something in detail, finding meaning or relationships and identifying patterns. In an analysis you may reorganise ideas and find similarities and differences.
apply	using knowledge and understanding in order to solve a problem or complete an activity. This may involve applying a familiar concept to an unfamiliar situation.
compare	recognising how things are similar and dissimilar. Concepts or items are generally grouped before a comparison is made.
decide	selecting from available options. This may involve considering criteria on which to base your selection.
describe	giving an account of a situation, event, pattern or process. A description may require a sequence or order.
develop	bringing something to a more advanced state. Processing and understanding are required in order to develop an idea or opinion.
evaluate	making a judgement using a set of criteria. This may include considering strengths and limitations of something in order to make a judgement on a preferred option.
examine	considering the information given and recognising key features. This sometimes requires making a decision.
explain	making an idea, concept or relationship between two things clear by giving in-depth information. Explanations may include details of who, what, when, where, why and how.
identify	recognising and showing a particular part or feature of something. This might also include showing what or who something or someone is.
interpret	gaining meaning from text, graphs, data or other visuals. An interpretation includes stating what something might mean.
select	choosing the most suitable option from a number of alternatives. This might require some consideration of context.

Source: Adapted from the QCAA Cognitive Verbs.

1 Economics and business concepts and skills

LESSON SEQUENCE

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1.2 Concepts in Economics and Business	4
1.3 Skills in Economics and Business	11
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1.5 SkillBuilder: Interpreting and explaining graphs	online only
1.6 SkillBuilder: Evaluating a business plan	online only
1.7 SkillBuilder: Writing a business case study	online only
1.8 Review	14

LESSON

1.1 Overview

Hey students! Bring these pages to life online



Watch videos



Engage with interactivities



Answer questions and check results

Find all this and MORE in jacPLUS



1.1.1 Introduction to the world of economics and business

Have you purchased food today? Have you used electricity, caught public transport or been driven in a car? Do you have a bank account, or have you sent a text to a friend? If you answered yes to just one of these questions, you have been involved in the world of economics and business.

When we buy goods and services, deposit money in a bank account or obtain a casual (or, in the future, a more permanent) job, we are contributing to the economy.

The focus of learning in Year 7 is the topic **individuals, businesses and entrepreneurs** within a personal, community and national context.

This topic looks at economics and business concepts, including the nature and purpose of informed and responsible decision-making by individuals and businesses, with attention to the allocation of limited resources to meet unlimited needs and wants. This topic also outlines types of businesses, how entrepreneurial characteristics contribute to business success, and the ways work is undertaken.

Studying economics and business allows us to look at why businesses exist, and to recognise the different types of business that exist. We all have an important role in the world of economics and business — as entrepreneurs, workers and consumers, with our own rights and responsibilities. In this topic, you will develop the skills of questioning and research, interpreting and analysing, evaluating, concluding and decision-making, and communicating.

FIGURE 1 The world of economics and business affects many everyday decisions we make.



Resources



eWorkbook

Customisable worksheets for this topic (ewbk-10565)



Video eLesson

Economics and business concepts and skills (eles-6015)

LESSON

1.2 Concepts in Economics and Business

LEARNING INTENTION

By the end of this lesson you should be able to explain the five Economics and Business key concepts: resource allocation and decision-making, the business environment, entrepreneurship, work and work futures, consumer and financial literacy.

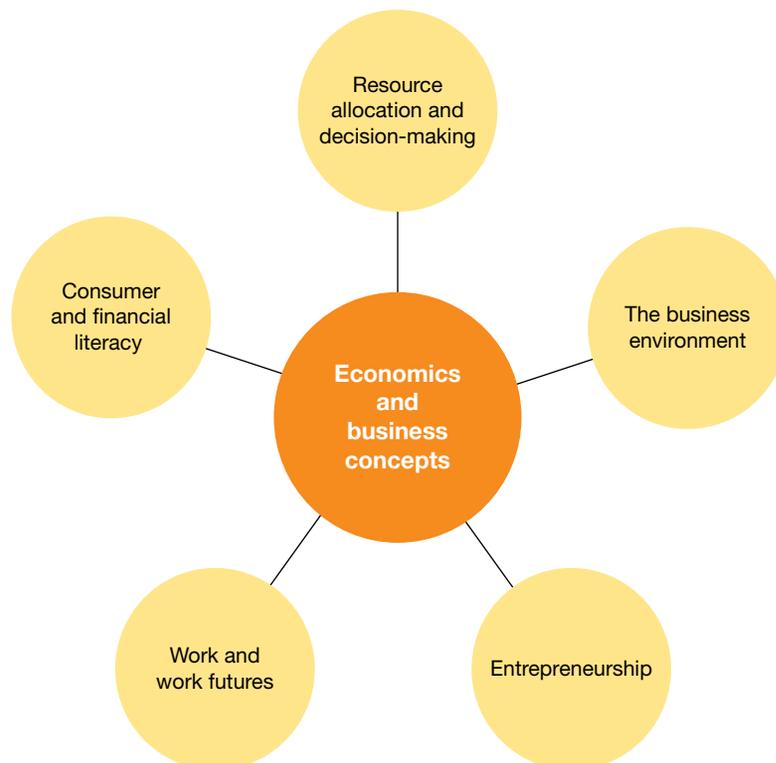
1.2.1 The world of economics and business

Our economy is a complicated thing. It consists of businesses and consumers — people — just like you and me. Economists study these people and the choices that they make to satisfy their wants and needs. Economic scarcity is a big concept in **economics**. Economic scarcity focuses on the problem of a growing population, with growing wants and needs, but with a limited amount of resources on Earth to meet these needs. Because of this, economists concern themselves with the big questions about what to produce, how to produce and who to produce for.

The world of **business** is something that you already know something about. You buy from different types of businesses every day, and interact with business entrepreneurs or people who are employed by a business. You may have your own idea for a business venture or perhaps you have operated your own ‘business’ mowing lawns, baby sitting or running a market stall.

The Economics and Business concepts can help us to make sense of the world. By using these concepts, you can identify questions, guide your investigations or assist decision-making about the world you live in, and you can use them to try to imagine a different world. The five key concepts are resource allocation and decision-making, the business environment, entrepreneurship, work and work futures, and consumer and financial literacy.

FIGURE 1 The five key economics and business concepts



economics a social science (study of human behaviour) that analyses the decisions made by individuals, businesses and governments about how limited resources are used to satisfy unlimited needs and wants

business any activity conducted by an individual or individuals to produce and sell goods and services to make a profit

1.2.2 Resource allocation and decision-making

In economics, **economic scarcity** is known as the ‘basic economic problem’. Economic scarcity is the concept of people having unlimited **needs** and **wants**, but only having limited **resources** available to satisfy them. It means that we have to make choices as to which wants we satisfy first. The basic economic problem always exists, and it exists in all economies. This economic scarcity forces nations and businesses to consider exactly what to produce, how to produce it and whom to produce it for. This is what resource allocation is — a ‘who gets what?’ situation!

Local communities have different wants and needs. Wants are a wish or desire for something that will make life more enjoyable for a person. Wants are not necessary for survival. Sometimes, the difference between a need and a want is not clear. For example, you need to eat food but you might want to eat cake. In this situation, food can be both a need and a want. Generally, most of us would say that needs include the basic things for survival such as clothing, food and shelter. You might say that a car, computer, internet and mobile phone are wants. However, many people would suggest that these are needs.

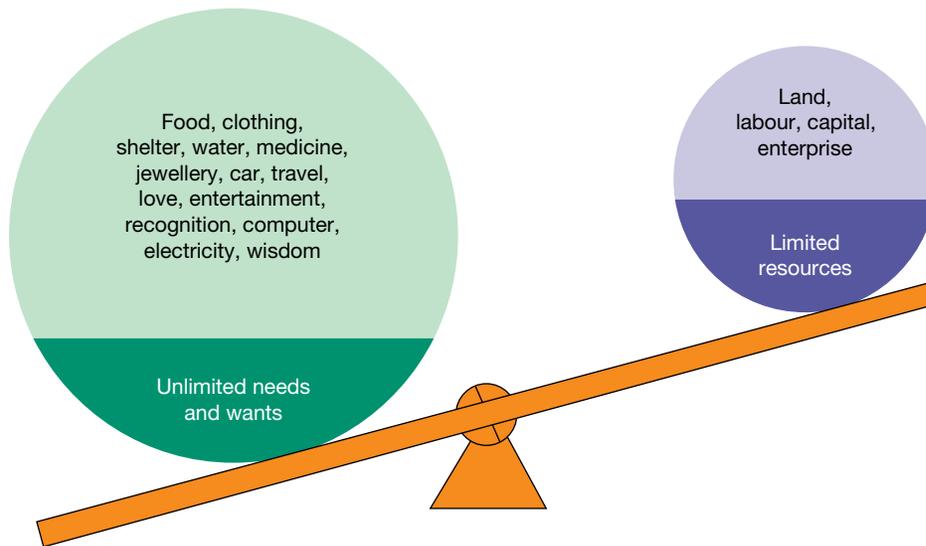
economic scarcity the economic problem of having unlimited needs and wants, but limited resources to satisfy them

needs goods or services that consumers consider necessary to maintain their standard of living

wants goods or services that are desired in order to provide satisfaction to the user, but which are not necessary for survival or to meet the basic standard of living in a community

resources items of value that we use to produce goods and services to satisfy needs and wants, which include land, labour, capital and enterprise

FIGURE 2 Economic scarcity creates an unbalance between what we want and the actual resources we have available.



To satisfy our needs and wants, businesses use resources to produce goods and services. The four main types of economic resources are land, labour, capital and enterprise. These types of resources can be seen in **FIGURE 4**.

Economic scarcity means that we need to make choices. We cannot produce an unlimited or infinite number of goods and services because we do not have an infinite amount of resources. We cannot buy an unlimited number of goods and services because we do not have unlimited amounts of money either. We need to make choices about how scarce resources are used. Making choices about alternatives is an important part of economics, as is explaining how economic resources might be used more sustainably.

FIGURE 3 Unlimited wants combined with limited resources creates scarcity.

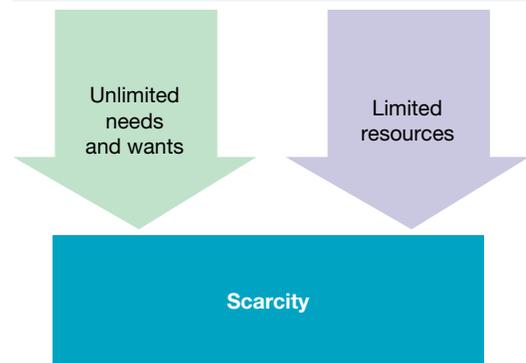


FIGURE 4 The four main types of economic resources are land, labour, capital and enterprise.

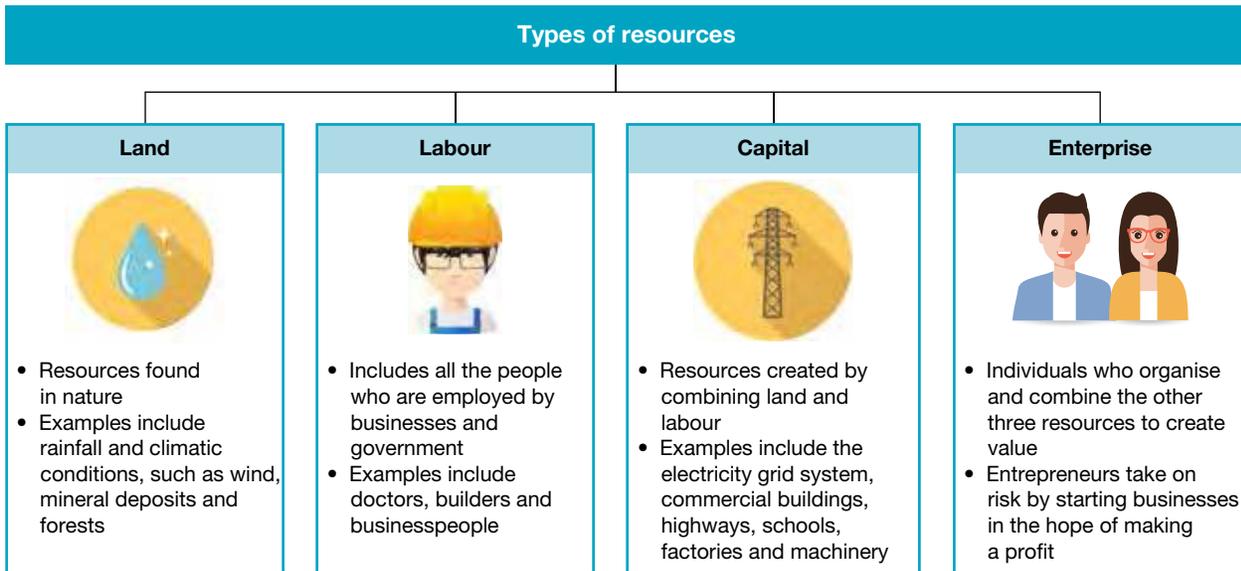


FIGURE 5 Businesses use economic resources (land, labour, capital and enterprise) to produce the goods and services that society wants and needs.



Every choice we make involves an **opportunity cost**. When we buy something or do something we are always giving up the next best thing.

An opportunity cost in relation to a choice can be seen when we look at something simple such as a student choosing to spend their money on lunch. Money is the limited resource; it can only be used once. If the money is spent on sushi, it cannot be spent on a sandwich. This is the trade off — the missed opportunity of a sandwich if you get the sushi!

Note that there can only be one opportunity cost. Opportunity cost is the alternative given up. Consumers, business and the government all need to consider opportunity cost when they make choices. Consumers constantly have to make choices when they purchase goods and services. They must also make choices about how they will use their time and how they will earn a living. Businesses need to make choices about what goods to produce and how and who they will provide them to. Governments must also make choices about how to intervene in the economy.

FIGURE 6 We need to make choices about how scarce resources are used.

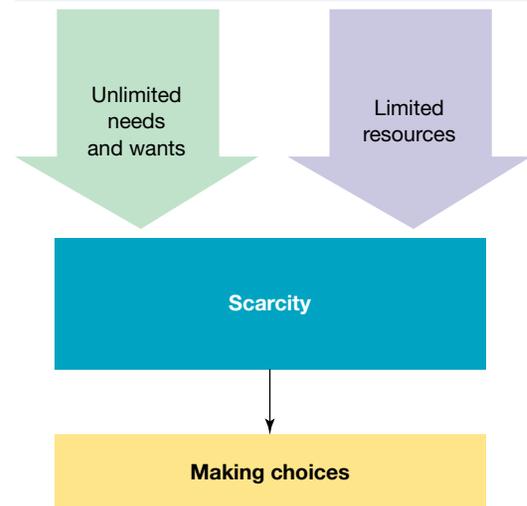
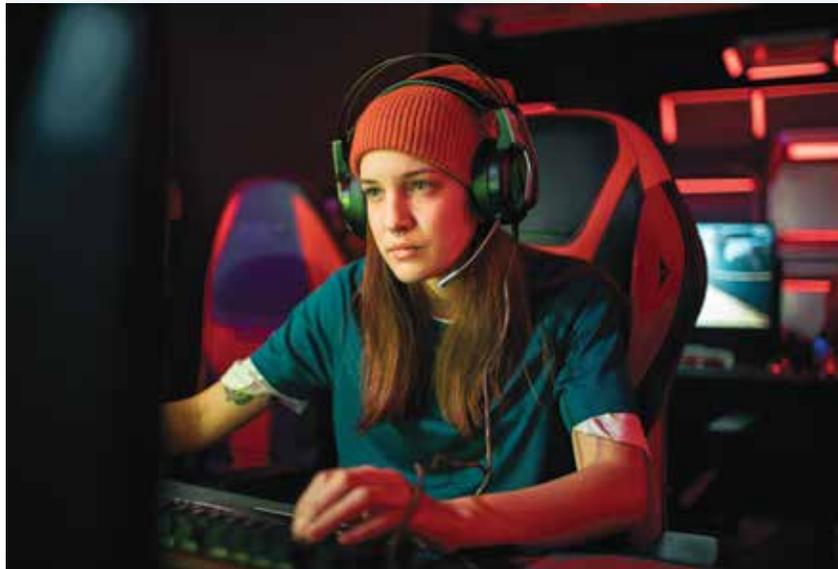


FIGURE 7 The cost of purchasing a video game includes the opportunity cost of the alternative decision given up. For example, the money could have been spent on a new t-shirt.



All individuals, business and economies must decide how they will use their scarce resources to satisfy their unlimited needs and wants. Making decisions about how we will use resources is known as **resource allocation**. Our society has developed an **economic system** to make choices that will solve the basic economic problem. Remember, that basic economic problem is scarcity.

An economic system is simply the way we organise the production and distribution of our goods and services. All economic systems must answer three basic economic questions: what to produce? how to produce? for whom to produce? These questions are summarised in **FIGURE 9**.

opportunity cost the next best alternative given up whenever a choice is made

resource allocation decisions about how scarce resources are distributed among producers, and which types of goods and services will be produced to satisfy wants and needs

economic system a way of organising the production and distribution of the nation's goods, services and incomes

FIGURE 8 All economic systems must answer three basic economic questions.

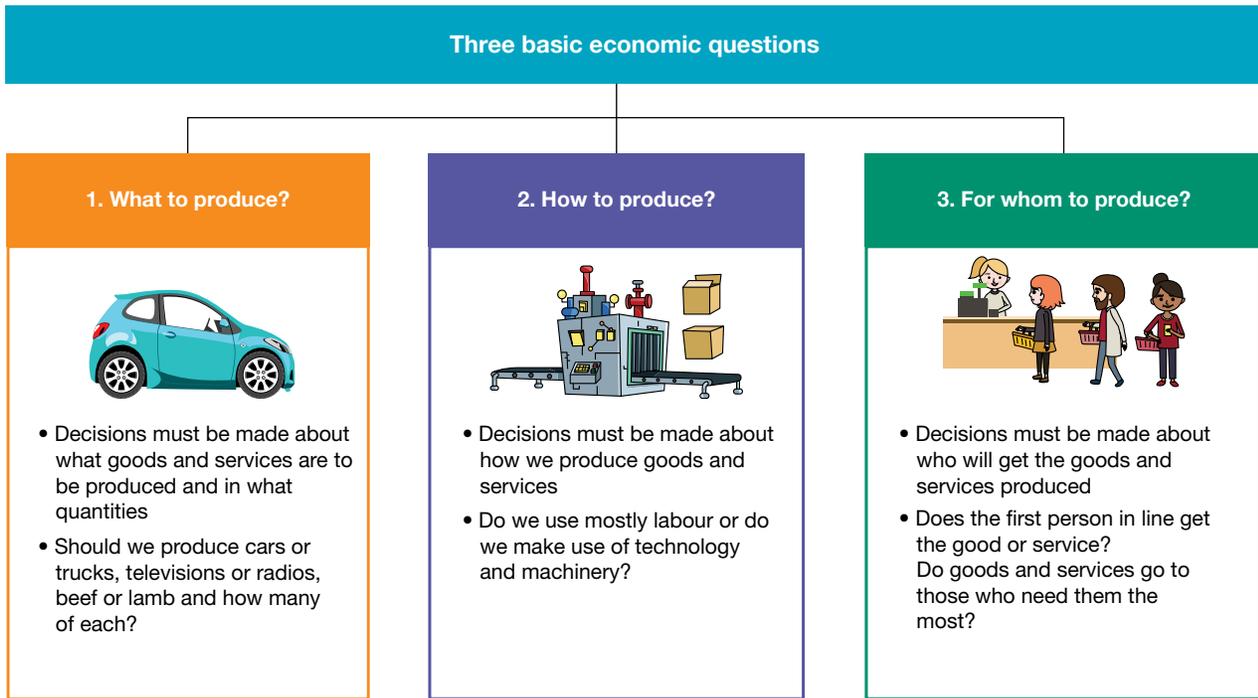
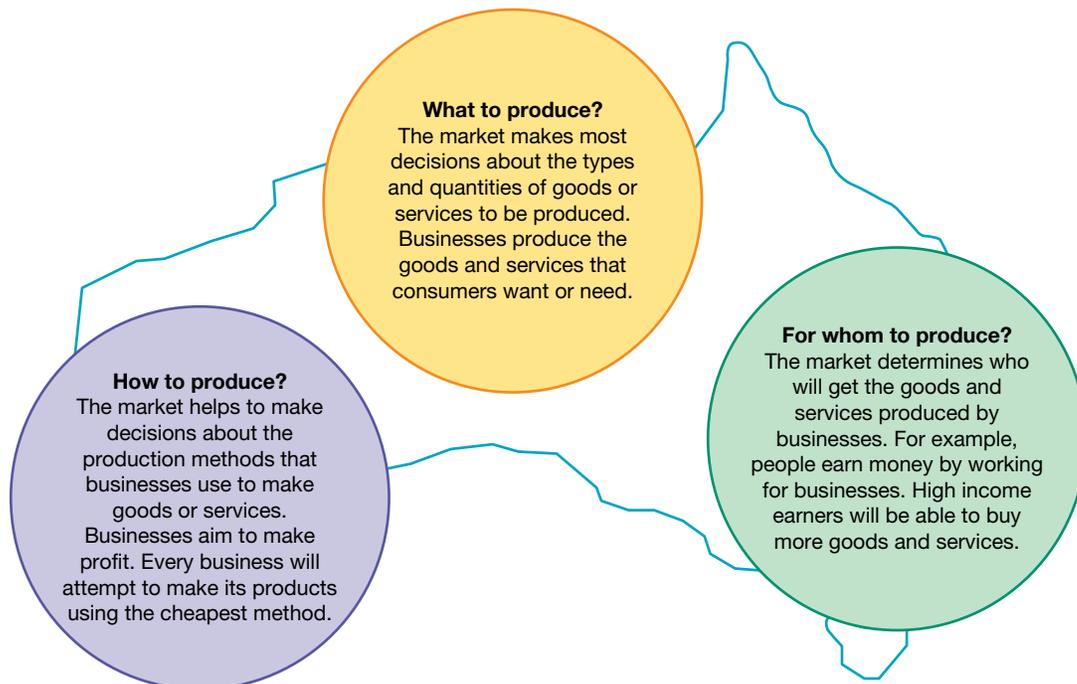


FIGURE 9 Australia's economic system answers the three economic questions through the market.



1.2.3 The business environment

Australia's economic system is called a **market capitalist economy**. Buyers and sellers come together in a **market** situation, and sometimes negotiate prices. The sellers are the businesses and we are the buyers.

FIGURE 10 A local fruit and vegetable market allows buyers and sellers to negotiate prices.



Different types of businesses exist within different markets and they exist for many different reasons. Mostly, businesses exist to produce goods and services but the reasons connected to this might be to make a **profit**, to provide employment, or to serve a community need (or a combination of these).

Just as businesses exist for many different reasons, businesses can also be categorised into different types. The different types of business that exist relate to how the business is set up. This will include whether the business has been established as a **sole proprietorship**, **partnership**, **cooperative**, **corporation**, **franchise**, or **not-for-profit organisation**.

1.2.4 Entrepreneurship

We often refer to the people who start up their own business, with a new idea, as **entrepreneurs**. Entrepreneurs bring a special kind of knowledge and skill to their business, and they have their own defining characteristics. These characteristics include being able to spot opportunities, negotiate with stakeholders and stay within the law and regulations.

When considering entrepreneurs, we should pay particular attention to First Nations Australian entrepreneurs, who often share a distinct set of values around entrepreneurial decision-making and community.

market capitalist economy economic system that relies on the market to allocate resources based on the actions of consumers and producers, and where resources are generally owned by private individuals and businesses

market where goods, services or resources are exchanged between buyers and sellers

profit what is left from sales revenue after a business has paid all costs

sole proprietorship a business that is owned and controlled by one person

partnership a business that has two or more owners

cooperative a farm, business or other organisation owned and run jointly by its members, who share the profits or benefits

corporation a legal entity that is separate and distinct from its owners

franchise a business that gives the right to another person or business to sell goods or services using its name

not-for-profit organisation a business that aims to do something other than to make profit for the owners, such as providing a community service or helping people

entrepreneur a person who takes on a risk by starting a business with an idea, hoping to make a profit through initiative and enterprise

FIGURE 11 A business selling fresh baguettes will be meeting a consumer need or want.



FIGURE 12 Entrepreneurs often have the ability to spot opportunities within a marketplace.



1.2.5 Work and work futures

While some people set themselves up as entrepreneurs and establish a business, most people will work for someone else to earn an income. We can identify different types of work; for example, some people will work full-time (five days of the week), while others will be employed on a part-time or casual basis. Work is also carried out in different locations, including at home, and varies from the paid, unpaid, unrecognised and voluntary. Understanding why individuals work in these different ways is important. Work is, of course, essential so that people can maintain a certain **standard of living**, but it is also very important for an individual's identity, feelings of happiness and continuing cultural practices and tradition.

Of course, we must not forget that people can earn income in other ways, such as being a shareholder, providing a rental service or receiving a social security benefit from the government.

FIGURE 13 A swimming instructor may work on a part-time basis.



1.2.6 Consumer and financial literacy

As we found out earlier in this topic, we all have a role as consumers within the economy as we all buy goods and services. As consumers, and each time we do buy something, we need to be aware of the rights and responsibilities that we have and those of the business. This includes knowing when we can return a faulty item or knowing when we can make use of a cooling-off period.

Consumer and financial literacy is also about practising responsible buying and spending habits. From a young age, it is important that we learn to develop budgets or savings plans to make sure that we do not go into debt.

standard of living the degree of wealth and material comfort available to a person or community; this is often reflected in how much money a person earns and how many goods and services they can purchase

LESSON

1.3 Skills in Economics and Business

LEARNING INTENTION

By the end of this lesson you should be able to explain each of the four categories of skills in Economics and Business, and how to apply these skills.

1.3.1 What skills will you build this year?

This year, you will continue to build your ability to use the four broad categories of skills in the Humanities and Social Sciences. The following summaries are to remind you of these four key skills.

1. **Questioning and researching** involves developing questions to form the basis of an investigation; for example, in Year 7 Economics and Business, this may include asking, ‘What are the attributes of an entrepreneur?’ In order to answer questions, you will be required to locate and select relevant information.
2. **Interpreting and analysing** involves identifying the main features or ideas of a topic or concept. In Year 7 Economics and Business, it may include interpreting multi-variable data and using interactive digital tools to identify trends and to answer questions such as, ‘For a ten-year period, to what extent has the number of people in casual work changed?’
3. **Evaluating, concluding and decision-making** means developing a response to an issue by combining known knowledge with new ideas. You may be able to identify and describe the costs and benefits associated with an issue. For example, in Year 7 Economics and Business, you may be able to make judgements about the *suitability of one type of work over another*.
4. **Communicating** your ideas means presenting information in a range of formats to suit the intended audience and purpose. This includes essays, oral presentations, debates, tables and cartoons. Reflecting on your skills is also an important part of the process. In Year 7 Economics and Business, this includes creating and communicating an original business idea.

FIGURE 1 In Year 7 Economics and Business, you will learn about work. Do you consider playing tennis for a living as work?



1.3.2 SkillBuilders in the topic

In addition to these broad skills, you will learn a range of essential practical skills as you study Economics and Business. The SkillBuilder lessons in this topic tell you about the skill, show you how to apply the skill and let you practise the skill with tasks related to the topics covered in this subject.

The SkillBuilders you will use in Year 7 are as follows.

- Conducting research
- Interpreting and explaining graphs
- Evaluating a business plan
- Writing a business case study

LESSON

1.4 SkillBuilder: Conducting research

online only

Why is research important?

When you are asked to 'do research' you need to ask questions about a particular topic or event. Asking questions will help you to complete research (through discovering or verifying knowledge about something). The purpose of this skill is to help you understand how to approach a research task.

Select your learnON format to access:

- an overview of the skill and its application (Tell me)
- a step-by-step process to explain the skill (Show me)
- an activity for you to practise the skill (Let me do it).

LESSON

1.5 SkillBuilder: Interpreting and explaining graphs

online only

How do you read and explain graphs?

Interpreting and analysing graphs is another skill that you will develop while studying Economics and Business. Line graphs are very useful for showing trends (patterns of change over time) and comparing data. The purpose of this skill is to show you how to interpret and explain a graph.

Select your learnON format to access:

- an overview of the skill and its application (Tell me)
- a step-by-step process to explain the skill (Show me)
- an activity for you to practise the skill (Let me do it).

LESSON

1.6 SkillBuilder: Evaluating a business plan

online only

What is a business plan?

A business plan provides the details about how a business will operate and the business owner's plan for success. It can include details about operations, finance and marketing. This SkillBuilder shows you how to accurately and appropriately evaluate a business plan.

Select your learnON format to access:

- an overview of the skill and its application (Tell me)
- a step-by-step process to explain the skill (Show me)
- an activity for you to practise the skill (Let me do it).

LESSON

1.7 SkillBuilder: Writing a business case study

online only

What makes a successful business case study?

A business case study is a description of a real-life business, requiring you to explore the main issues affecting the business and how the business owner has responded. These issues and responses need to be analysed and related to your economic and business knowledge.

Select your learnON format to access:

- an overview of the skill and its application (Tell me)
- a step-by-step process to explain the skill (Show me)
- an activity for you to practise the skill (Let me do it).

LESSON

1.8 Review

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1.8.1 Summary

Use this dot point summary to review the content covered in this topic.

1.2 Concepts in Economics and Business

- Resource allocation and decision-making involves the idea of 'scarcity'. Scarcity is the 'basic economic problem', and this involves society having limited resources available to satisfy unlimited needs and wants.
- The four main types of economic resources are land, labour, capital and enterprise.
- Every choice made involves an opportunity cost, which is the next best alternative given up whenever a choice is made.
- All economies must make decisions about how resources will be allocated among producers and what types of goods and services will be produced. This means economies must answer the three economic questions: what to produce?, how to produce? and for whom to produce?
- Australia is a market capitalist economy, which means that most answers to the three economic questions are made by the market (where buyers and sellers negotiate prices for goods and services).
- Businesses exist for different reasons; for example, to produce goods and services, to make a profit, and to provide employment. They also exist in a variety of locations.
- The different types of businesses include sole proprietorship, partnership, cooperative, corporation, franchise and not-for-profit organisations.
- Entrepreneurs play a key role in establishing businesses in Australia. They combine knowledge, skills and attitudes that contribute to success, such as seeing and taking advantage of an opportunity or demonstrating initiative and innovation.
- Work is an activity that the vast majority of individuals do, and the reasons individuals work, and the types of work they are involved in, are varied.
- Consumers need to be aware of the rights and responsibilities of individuals and businesses in relation to consumer and financial products and services.

1.3 Skills in Economics and Business

- Questioning and researching involves posing statements that require answers, particularly in regard to what is known and what is not known, in order to improve your knowledge. Research is important because it allows you to find out what is unknown and contributes to filling in gaps in your knowledge.
- Interpreting and analysing involves interpreting information to identify the main features or ideas, and then examining the information closely to determine how the parts relate to the whole.
- Evaluating, concluding and decision-making involves proposing explanations for events or issues and making overall judgements based on the evidence.
- Communicating involves presenting findings or representing information using an appropriate format to suit a particular audience. The appropriate use of economics terminology and business terminology is very important in this.

1.8.2 Key terms

business any activity conducted by an individual or individuals to produce and sell goods and services to make a profit

cooperative a farm, business or other organisation owned and run jointly by its members, who share the profits or benefits

corporation a legal entity that is separate and distinct from its owners

economic scarcity the economic problem of having unlimited needs and wants, but limited resources to satisfy them

economic system a way of organising the production and distribution of the nation's goods, services and incomes

economics a social science (study of human behaviour) that analyses the decisions made by individuals, businesses and governments about how limited resources are used to satisfy unlimited needs and wants

entrepreneur a person who takes on a risk by starting a business with an idea, hoping to make a profit through initiative and enterprise

franchise a business that gives the right to another person or business to sell goods or services using its name

market capitalist economy economic system that relies on the market to allocate resources based on the actions of consumers and producers, and where resources are generally owned by private individuals and businesses

market where goods, services or resources are exchanged between buyers and sellers

needs goods or services that consumers consider necessary to maintain their standard of living

not-for-profit organisation a business that aims to do something other than to make profit for the owners, such as providing a community service or helping people

opportunity cost the next best alternative given up whenever a choice is made

partnership a business that has two or more owners

profit what is left from sales revenue after a business has paid all costs

resource allocation decisions about how scarce resources are distributed among producers, and which types of goods and services will be produced to satisfy wants and needs

resources items of value that we use to produce goods and services to satisfy needs and wants, which include land, labour, capital and enterprise

sole proprietorship a business that is owned and controlled by one person

standard of living the degree of wealth and material comfort available to a person or community; this is often reflected in how much money a person earns and how many goods and services they can purchase

wants goods or services that are desired in order to provide satisfaction to the user, but which are not necessary for survival or to meet the basic standard of living in a community

Resources

 **eWorkbooks** Customisable worksheets for this topic (ewbk-10565)
Reflection (ewbk-10566)

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that provide answers to your questions. Sometimes a complete answer to a question may be found in several places in a piece of text. Be sure to highlight all relevant text, and indicate with a number which question the information answers.

When you are satisfied you have found the answers to all the questions, you need to write the answers in order, making sure you use your own words as much as possible. You can then use the answers to present your information in the required form. For example, this may be an oral report to the rest of the class, an essay to be marked by your teacher, a PowerPoint presentation, or any other format that is appropriate.

1.4.3 Let me do it

Complete the following activity to practise this skill.

1.4 ACTIVITY

Using the process outlined in section 1.4.2 as a model, devise a series of questions and carry out research to produce a report on the following key question:

Using a specific product, such as fruit juice or yoghurt, prepare a report on how reading a food label provides information for consumers about that product.

LESSON

1.5 Skillbuilder: Interpreting and explaining graphs

LEARNING INTENTION

By the end of this SkillBuilder you should be able to interpret and explain a graph.

1.5.1 Tell me

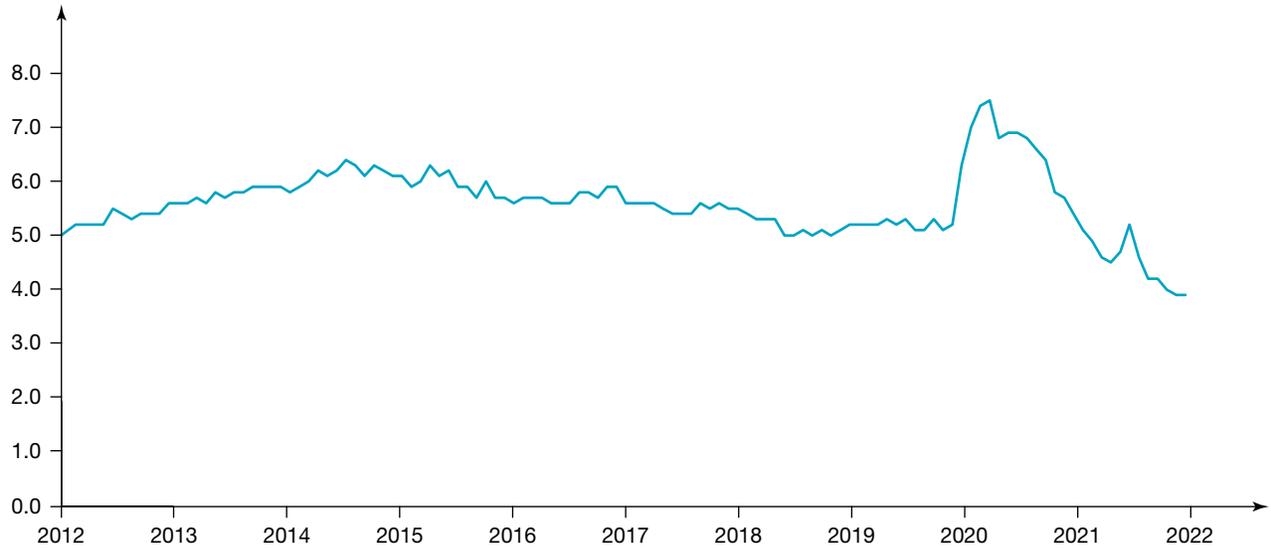
Interpreting and analysing is another skill that you will develop while studying Economics and Business. This skill involves studying information to identify the main features or ideas. You may also be able to determine how the parts relate to the whole. One way in which you might analyse in economics and business is by interpreting information in a graph.

1.5.2 Show me

Line graphs are very useful for showing trends (patterns of change over time) and comparing data. When analysing a line graph, first examine the heading — what does it tell you about the data contained in the graph? Next, examine the key, which identifies what each of the lines on the graph represents. Then look closely at the vertical and horizontal axes, which show you the variables as numbers, percentages, years and so on.

When reading the lines on a graph you should be able to see an overall picture of what is happening; that is, whether a particular variable has increased, decreased or remained steady over time. Examine these lines closely — what changes do you see? If change has occurred over time, has it been steady and gradual, or perhaps sudden and erratic? When examining a line graph, note down any patterns that you identify. You will then be ready to complete your interpretation, which involves writing a paragraph to summarise the information you have found in your analysis.

FIGURE 1 Australia's unemployment rate (%)



Source: Graph based on data compiled from Australian Bureau of Statistics, *Labour force, Australia*, March 2020 (cat. no. 6202.0).

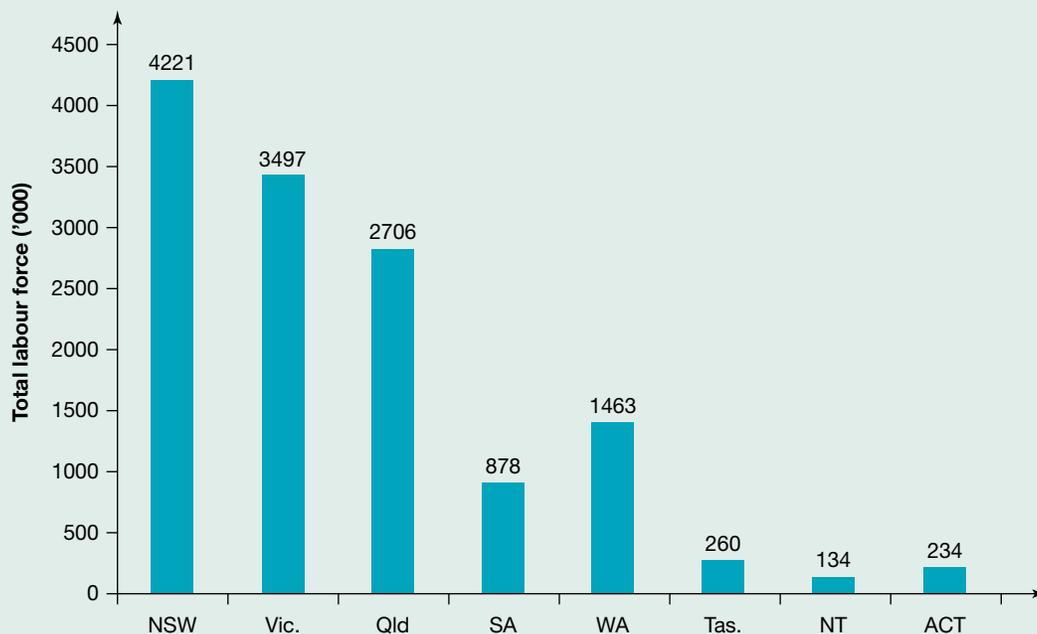
1.5.3 Let me do it

Complete the following activity to practise this skill.

1.5 ACTIVITY

Analyse and **interpret** the following graph. Use what you have learned about the line graph (vertical axis and horizontal axis and variables) to **analyse** what the graph tells you. Write a paragraph describing the trends shown.

FIGURE 2 Total labour force by state, 2022



Source: Graph based on data compiled from Australian Bureau of Statistics, *Labour force Australia*, April 2022 (cat. no. 6202.0).

LESSON

1.6 Skillbuilder: Evaluating a business plan

LEARNING INTENTION

By the end of this SkillBuilder you should be able to accurately and appropriately evaluate a business plan.

1.6.1 Tell me

Evaluating means to propose explanations for events or issues and to make overall judgements based on the evidence. This is a skill that you might develop in economics and business by looking at the benefits or advantages of something and then examining the costs or disadvantages of something.

1.6.2 Show me

For example, consider the following business plan that Gemma has presented for her new café.

Element	Application
Executive summary	<p>The name of the business is The Bookshop Café. This will be a sole trader business located in Northbridge and owned by Gemma Potter. The business will start trading on 15 October 2023. The Bookshop Café will sell a range of products including offering a brunch menu (fruit toast, eggs on toast, soup, burgers, fries and salads), cakes, scones, juices, hot and cold chocolate drinks, as well as various types of teas and coffees. A gluten-free menu will also be offered.</p> <p>The Bookshop Café will also offer a range of books for sale. The Bookshop Café's vision is to be the coffee shop with the most relaxing environment in Perth and its mission is to provide a great experience while enjoying high-quality refreshments, using ingredients from local and sustainable suppliers.</p>
Operations plan	<p>The production process will involve waitstaff greeting customers and showing them to a table. Customers will then order their food and/or beverages from the counter, paying at the same time. Food and beverages will be served within 20 minutes of ordering. A waiter or waitress will serve meals to the table. Customers can browse through a range of books on sale. Customers can purchase these books once they have finished their meal.</p> <p>Food supplies will be sourced from local suppliers. The equipment required includes a coffee machine, espresso maker, food display cabinet, refrigerator, cooking equipment, dishwasher, cash register, computers and book shelves. The business currently has no stock.</p> <p>Opening hours will be from 8.00 am to 5.30 pm weekdays and 10.00 am to 4.00 pm on weekends. Payment methods will be cash and credit (EFTPOS will be made available). To maintain quality, customers will be asked to complete an optional survey. The business will employ 11 people, including three chefs (two will work weekdays, and the other will work weekends), three baristas (two will work weekdays, and the other will work weekends) and five waitstaff (three will work weekdays, and two will work weekends). Employees will receive training as necessary.</p>
Financial plan	<p>The Bookshop Café's balance sheet shows a healthy financial position, with funds available for capital purchases and for purchasing new stock. The Bookshop Café has a high level of liquidity, with \$70 000 in cash available. The other source of finance is a business loan from National Australia Bank.</p> <p>Estimated sales will be 500 cups of coffee every day. Together with other food and beverages and book sales, the estimated annual revenue will be \$800 000 or more each year. Expenses are estimated to be \$550 000 annually. Therefore, The Bookshop Café's estimated profit is \$250 000 annually. This should increase over the next five years. The cash flow forecast shows that cash flow is anticipated to be positive over the following five years.</p>

Element	Application
Marketing plan	<p>Residents of Northbridge are predominantly aged between 18 and 64. Of these, 46 per cent is made up people aged 25 to 34. The vast majority of people living within the suburb are professional couples without children.</p> <p>Several competitors are in Northbridge, offering similar menus such as breakfast and coffee. One of The Bookshop Café's main points of difference will be the books available to read or purchase.</p> <p>Prices will be determined by completing research on what competitors are charging. Pricing will also take into account costs (of each item on the menu as well as fixed and variable costs).</p> <p>The Bookshop Café will rely on word-of-mouth advertising and will provide free wi-fi and powerpoints at tables for laptops. A loyalty program will be introduced as well as the offer of a free item in return for completing online surveys. Advertising will occasionally occur in local newspapers and magazines. Social media will be kept updated regularly.</p>

Gemma's business plan is a good one. However, it is not perfect. Gemma still needs to consider some aspects. Her business plan needs to be evaluated.

FIGURE 1 Will Gemma's business idea succeed?



1.6.3 Let me do it

Complete the following activities to practise this skill.

1.6 ACTIVITY

Write down the benefits or strengths you can see for Gemma and her new business in her business plan. For example, Gemma is planning to operate as a sole trader — this type of business is very suitable if she wants to maintain full control of her business and wants to keep all the profit.

Next, write down costs or limitations that you can see in the business plan. For example, operating as a sole trader means that the business is very reliant on Gemma being able to operate the business every day.

Finally, what do you think? Should Gemma go ahead with her business? Write down an evidence-based **conclusion**.

LESSON

1.7 Skillbuilder: Writing a business case study

LEARNING INTENTION

By the end of this SkillBuilder you should be able to prepare, research, structure and write a business case study.

1.7.1 Tell me

When you use the skill of communicating in Economics and Business, you will be presenting your findings or representing information using an appropriate format for a particular audience. You will also need to use terminology that is used by economists and people in the world of business. For example, when writing a case study on a business, you would be expected to use business terminology.

A business case study is a description of a real-life business, requiring you to explore the main issues affecting the business and how the business owner has responded. These issues and responses need to be analysed and related to your economic and business knowledge. Conclusions can then be drawn about why the issue occurred and how to best respond to it, based on what the business owner did.

Writing a business case study is a way to apply the theoretical knowledge that you have learned about economics and business to a real-life business. It can also develop research skills. Consider the following case study of Boost Juice.

CASE STUDY: Boost Juice

Who is Boost Juice?

Boost Juice Bars is a global chain of retail stores selling fruit juice and smoothies. Boost Juice also sells snacks, including banana bread, wraps and yoghurt. Janine Allis and her husband, Jeff, started the business in 2000 in South Australia.

Reason for Boost Juice's success

Janine was inspired by a trip to the United States, where juices and smoothies were common. Back in Australia, Janine found, 'In shopping centres, there was nowhere to get something healthy.' Using her trip to the United States as research, Janine explains, 'I studied the concept of smoothies and juice and took what I liked to develop a new concept in Australia called Boost.' The business started small with just one shop in Adelaide.

Janine was very hands-on in setting up the business — developing the structures, business plan and ethics that were needed to grow the business. This meant getting involved in every aspect: 'I flew to Adelaide to open the first store; I ran it, scrubbed the floors and really learned the business.'

This modest start gave Janine the chance to test the market. To reach their goal of expanding their brand, Janine focused on franchising, developing strong branding as a way to lure the best franchisees and to win customers. 'I never had the intention of opening just one store, but you have to open the first one to work out the cost of goods, your wages, expenses and income and work out if you have a viable business.'

Running her own business was a risk, but it gave Janine a way to try to balance her work and home life and the opportunity to work from home when her children were young. 'When the time came to expand with a building program on 15 to 18 sites, we sold the house and put the money into the business.'

Other information about Boost Juice

- 2000: Opened first Boost Juice (Adelaide)
- 2002: \$1 million annual turnover
- 2008: 213 stores and on track for \$100 million annual turnover
- 2014: 300 stores in 10 countries and annual turnover of more than \$135 million
- 2022: More than 580 stores in 15 countries
- Highest grossing company stores: Sydney and Melbourne airports
- Highest grossing company franchisees: Chadstone and Pacific Fair Shopping Centres
- Ethical and social responsibility: Boost uses paper cups that are renewable, sustainable and biodegradable, and which are printed using non-toxic, food-safe inks and are not harmful to the environment. Boost Juice has a tree planting and school fundraising program.

FIGURE 1 Janine Allis and her husband Jeff



1.7.2 Show me

Elements of a good business case study

You might note that a good case study has the following features:

- includes a profile of the business (the trading name and the products it sells)
- explains some of the history of the business
- gives reasons the business has been successful
- covers any other issues or questions as required
- includes extra information about the business
- is of reasonable length (approximately 300 words)
- is easy to read
- is well presented.

To complete a good business case study you should complete the following:

- Gather information about the business. The best way to do this is to interview the owner or someone who works at the business. If you cannot speak to someone who knows about the business, you will need to complete research on the internet or use magazines and newspapers.
- Work out the interview questions you will need to ask the business owner, manager or employee.
- Visit the business and interview the owner, the manager or an employee. Be polite. Do not try to interview them if they are busy. You might need to ask them if you can come back at a more convenient time. Explain why you are doing the interview and what will happen to their responses. Remember to thank the person for their time.
- Complete any further research that may be needed to address all the items listed in the preceding list in this section. You could complete your research on the internet or using magazines and newspapers.
- Write your case study using proper sentences and headings. Present it so that it is easy to read.

1.7.3 Let me do it

Complete the following activity to practise this skill.

1.7 ACTIVITY

Have a go at writing your own business case study. Use the following questions to guide you:

- What is the name of the business and what products does it sell?
- When and why did the owner start the business?
- Does the owner consider himself or herself to be an entrepreneur?
- What are the reasons for the success of the business?
- Do any other issues or information need to be covered? These might include:
 - where the business is located and why it is located there
 - how it develops or developed a high-quality product
 - how it maintains quality service
 - the promotion or advertising it uses
 - the number of staff it employs
 - who gave the business support and advice when the business was getting started
 - whether the business has a business plan (or ever had one)
 - who manages the finances of the business and how they are managed
 - in what ways the business is ethically and/or socially responsible.



2 Our economy — consumers, producers and government

LESSON SEQUENCE

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LESSON

2.1 Overview

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How do societies allocate resources to meet the needs and wants of individuals and communities, and how do consumers and businesses have both rights and responsibilities?

2.1.1 Introduction

You are an important part of the Australian economy. This is because each time you (or someone connected to you) buys something, you are contributing money to a business.

You are also sending a signal that you want this business to keep on producing those products! This sets off a cycle, as businesses employ people to produce goods and services, and the wages they earn get spent in the economy on more goods and services.

FIGURE 1 The choices you and others make every day affect the economy.



Resources



eWorkbook

Customisable worksheets for this topic (ewbk-13430)



Video eLesson

What is economics? (eles-0253)

LESSON

2.2 What are our needs and wants?

LEARNING INTENTION

By the end of this lesson you should be able to explain consumers and producers and how they interact, identify what is a need and what is a want, and be able to describe how we use an economic system to fulfil our needs and wants through the supply of goods and services.

TUNE IN

You probably know the story of Aladdin — a young boy who lives on the streets and finds a magic lamp containing a genie who grants him three wishes.

In some ways, we can all relate to Aladdin and use the story to think about our needs and wants in relation to the economy.

We all have things we wish for (wants) but limited means of gaining them (resources).

1. Write a list of the three wishes (wants) you desire most and compare your list with the rest of the class.
2. Discuss with your class which of your three wishes satisfied needs. Which of your three wishes satisfied wants?
3. Explain the difference between needs and wants.

FIGURE 1 Like Aladdin, we all have things we wish for, but limited means of these wishes being granted.



2.2.1 Producers and consumers

The overview lesson introduced us to the idea that the economy is a cycle. In simple terms, the economy consists of **producers**, who make and sell goods and services, and **consumers**, who buy the goods and services.

Producers pay their **employees** with money, and also hope to make money themselves out of what they sell. This money is used to buy goods and services from other producers. Producers rely on consumers to buy from them, and consumers rely on producers to provide the goods and services they want. Money allows this relationship to work.

producer an individual or a business involved in the production of goods and services

consumer a person or group who is the final user of goods and services produced within an economy

employees people who work for a wage or salary

DISCUSS

'Money makes the world go round' is an old phrase that is used often. Do you believe that money makes the world go around? Is too much or too little importance placed on money in our society?

2.2.2 Needs and wants

Imagine that you are alone on an island. To survive, you will have to find the essentials — food, clothing and shelter. These are the basic **needs** that we must all have, whether we are on a desert island or in the comfort of our home.

As well as these needs, we might like to have additional things on the desert island to make life more comfortable. These could include a bed, a torch, a fishing rod, a comb and a toothbrush, and a table and chair. These things are called **wants**. Although we would like to have these possessions, we could survive without them.

needs goods or services that consumers consider necessary to maintain their standard of living

wants goods or services that are desired in order to provide satisfaction to the user, but which are not necessary for survival or to meet the basic standard of living in a community

FIGURE 2 At a farmers' market, consumers purchase goods from producers.



FIGURE 3 Even on a desert island, you have basic needs that must be satisfied if you are to survive. Can you identify some basic needs?



TABLE 1 Needs versus wants

	Definition	Examples	Properties
Needs	Goods or services that are essential for life	Water, food, shelter, air, clothing, medication	<p><i>Finite list:</i></p> <ul style="list-style-type: none"> • They must be satisfied if life is to continue. • They remain throughout life. • They temporarily wane when satisfied.
Wants	Non-essential goods and services	Torch, bed, fishing rod, armchair, toothbrush, mobile phone, laptop	<p><i>Unlimited list:</i></p> <ul style="list-style-type: none"> • Life can continue without them. • Wants change throughout life. • New wants arise once others are satisfied.

2.2.3 Goods and services

In order to satisfy our needs and wants, we purchase goods and services. **Goods** are classified as the physical items that satisfy our needs and wants, and that we can see and touch. They include food, mobile phones, cars, refrigerators, bottles of soft drink and clothing.

Services are classified as the actions done for you by others, which are designed to satisfy needs and wants. They include the services provided by doctors, dentists, banks, mechanics and teachers.

If you are alone on a desert island, you will have to find or make all the things you need and want. In effect, you would be a one-person economy because you would be responsible for both producing and consuming all the goods and services. In a contemporary and real economy, we generally rely on **businesses** to provide us with goods and services.

FIGURE 4 As consumers, we can purchase either goods or services. Are you able to list some of the goods and services that you (or someone close to you) have purchased in the past week?



2.2.4 Relative scarcity

With so many needs and wants from consumers, it is sometimes difficult for producers to meet them all. Producers need resources such as machinery, computers, vehicles and equipment (capital), raw materials and components (natural resources) and people (labour).

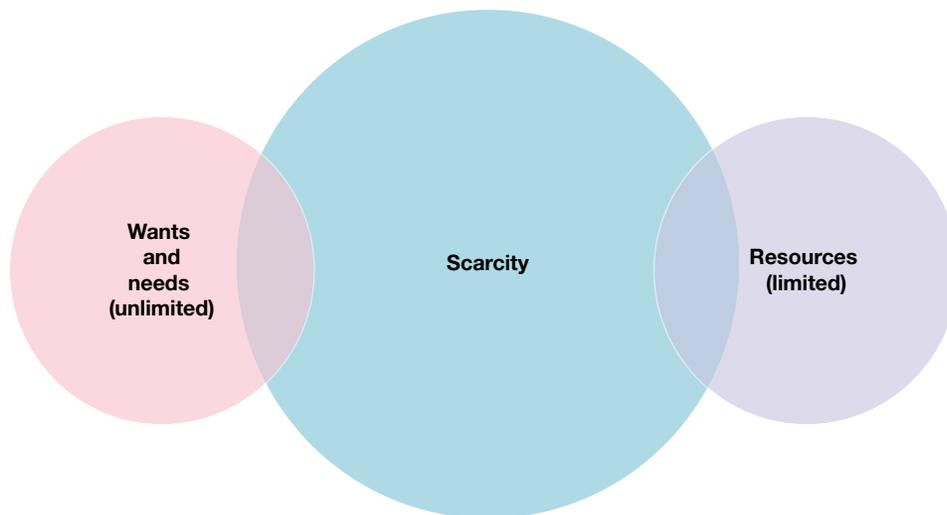
These resources can sometimes be in short supply and so the concept of relative scarcity is created — this means that the resources available to satisfy our unlimited needs and wants are limited.

goods physical or tangible items that satisfy needs and wants

services actions done for you by others to satisfy your needs and wants

business any activity conducted by an individual or individuals to produce and sell goods and services to make a profit

FIGURE 5 Scarcity occurs when the resources available to satisfy our unlimited needs and wants are in limited supply.



2.2.5 Opportunity cost

Because our economy has limited resources and unlimited needs and wants, the economy has to make choices. In the economy of a country such as Australia, these choices are important. The economy must decide:

- *What to produce?* What goods and services will the economy produce? Will we produce cars or clothes, railway systems or roads and bridges? Businesses will also make this choice because they want to produce goods and services that consumers want and will purchase.
- *How to produce?* What methods of production will businesses use to produce the goods and services we want? Businesses can use capital (machinery) resources, predominantly labour resources, or a combination of the two. They can also source materials and components from overseas or from local suppliers.
- *For whom to produce?* How will the business decide which consumers will be able to buy the goods and services? This is usually determined by the price set for the good or service and so will depend upon the **income** of consumers, the demand for the good or service and the profit hoping to be made by the business.

Just as the economy as a whole and businesses need to make choices, so too do consumers. This is because most consumers have some limit to their income. So, they will need to decide what to buy. Making this choice is known as **opportunity cost**.

For example, on the weekend you may have the choice of playing basketball with your team, or going to the movies with some friends. The ‘cost’ of choosing to play sport is losing the opportunity to go to the movies. Every choice we make will have an opportunity cost, and one role of consumers is to minimise these costs.

2.2.6 The relationship between businesses and consumers

In the Australian economy, we satisfy our needs and wants by having an income. This income may come from sources such as work, government assistance or investment. We then buy goods and services from businesses. When we are working, we are providing our **labour** to contribute to the process of producing goods or services for other consumers to buy. When we are spending our money, we are consumers, purchasing goods and services that others have produced in order to satisfy our needs and wants.

income money earned through employment or investment

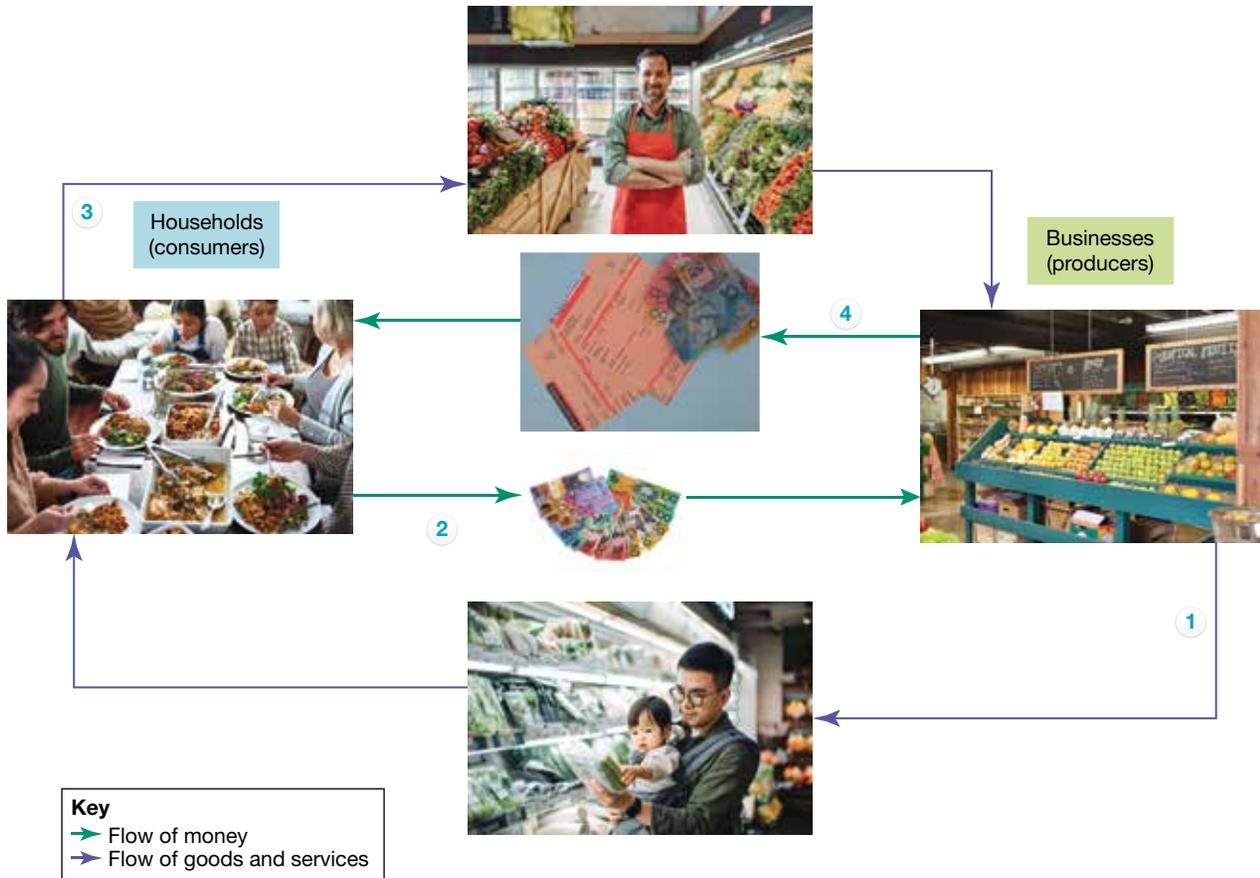
opportunity cost the next best alternative given up whenever a choice is made

labour the human skills and effort required to produce goods and services

To satisfy needs and wants, consumers like you make economic decisions every day. For example, you may decide to buy milk from a supermarket rather than from a convenience store, catch a bus to school rather than walk, use a laptop rather than a workbook, or buy an item of clothing from an Australian brand rather than one from overseas. Your decisions influence what businesses produce and, therefore, affect the economy.

We can examine the relationship between businesses and consumers by looking at the model in **FIGURE 6**. It demonstrates how labour is exchanged for money, and how that money is used to purchase goods and services.

FIGURE 6 The interrelationship between consumers and business



- 1 Businesses are producers that make or supply goods and services that are distributed to households.
- 2 Consumers use cards and cash mostly to purchase goods and services.
- 3 Consumers are often also employed. This means that they have a job and provide businesses with their labour to produce goods and services.
- 4 Employees receive money in the form of wages for their labour.

SkillBuilders to support skill development

- 17.4 Conducting research

2.2 SKILL ACTIVITY: Interpreting and analysing

In this activity, you will gather data regarding the spending on needs and wants of your household, and then share this data with your class.

Individually, **discuss** with your parents or care givers what they buy during an average week, and then complete the following.

1. **List** five goods and five services that you or someone you know may have purchased in the last week.

2. **Classify** the items listed as a need or a want, and organise them into categories — for example, food or entertainment.
3. **Survey** your family about approximately what proportion of their weekly budget they spend on each category. (Some banking apps can also provide this information.)
4. **Create** a piechart showing this breakdown.
5. Share and **discuss** your findings as a class.

2.2 Exercise

learnon

2.2 Exercise

Learning pathways

■ LEVEL 1

1, 2, 3, 6

■ LEVEL 2

4, 7, 8

■ LEVEL 3

5, 9, 10

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Check your understanding

1. What is the difference between needs and wants? **Identify** all possible answers from the options provided.
 - A. Needs are non-essential goods and services, whereas wants are goods or services that are essential for life.
 - B. Needs are goods or services that are essential for life, whereas wants are non-essential goods and services.
 - C. Needs include food, water and shelter, and wants include designer clothes, a mobile phone and a computer.
 - D. Needs include designer clothes, a mobile phone and a computer, while wants include food, water and shelter.
2. **Identify** three types of business that provide services.
 - A. Doctors
 - B. Teachers
 - C. Car manufacturers
 - D. Clothing retailers
 - E. Mechanics
 - F. Food manufacturers
3. **Identify** three types of business that provide goods.
4. _____ is the performance of mental or physical tasks in exchange for _____. It contributes to the production of goods and services.
5. **Explain** why wants are considered to be unlimited.

Apply your understanding

Communicating

6. **Explain** the role of a producer in the economy.
7. **Explain** the role of a consumer in the economy.
8. **Explain** how an individual can be both a producer and a consumer in an economy.
9. **Describe** one way that producers and consumers are dependent on each other.
10. **Consider** whether the relationship between producers and consumers could succeed without money. **Propose** what you think might happen if money didn't exist.

LESSON

2.3 What are the types of businesses and why do they exist?

LEARNING INTENTION

By the end of this lesson you should be able to compare different forms of business ownership, explain why a person or group of people would choose to establish a business, and identify why they would choose one type of business over another.

TUNE IN

Many decisions go into starting and running a business. These decisions will affect the size of the business, how many stores there may be and how the business will be run.

FIGURE 1 Pacific Fair Shopping Centre located on the Gold Coast houses over 400 businesses.



1. With a partner, name ten businesses that you know. Include five businesses from your local shopping strip or local area, and five other businesses that you might visit either in person or online. Write the names of the ten businesses.
2. Categorise the ten businesses into small, medium or large. What aspects give you an idea of the size of the business? Does it have multiple stores? Or is it the only one?
3. Try to find out who owns the business. Search online if needed. When you think you are sure, add the name of the owner to your list. Does the name give you a clue about the ownership structure?

2.3.1 Why businesses exist

Starting a business is a difficult process and many ‘dangers’ exist. The decision to start a business is one that needs to be considered carefully because if the business were to fail, the owner may suffer financial hardship as a result.

Businesses are often started by people who want to achieve one or more of the following:

- *To make a profit:* A successful business can provide more profit and income for the owner than what they might earn through paid employment.
- *To provide goods and services:* Some business owners recognise a market that is missing something. Starting a business is a means of filling that gap in the market.
- *To meet a social need:* Some people identify social issues in an area and start a business to do something about that issue. For example, the owners of Thankyou Water recognised that in some areas of the world people didn’t have access to clean drinking water. This is a major health issue and so profits from sales of their product were directed to providing such water to these areas. (Thankyou no longer produces its single-use water bottles, but continues to fund projects to end extreme poverty through its other products.)
- *To extend a hobby:* Some business owners, especially as they move towards retirement, take the opportunity to start a business based on a hobby they have.
- *To provide employment:* Businesses usually have employees as well as owners. A business might be started to provide employment to people in a local area or to a specific group of people, such as youth, disabled or elderly people.

Regardless of the reason a business is started, all businesses must have some form of business ownership structure.

2.3.2 Three main forms of business ownership

A business owner can choose from several structures, or forms of ownership, when starting a business. The three most common forms of ownership are sole proprietorship, where an individual runs a business on their own, a partnership, where a group of people run a business together, and a corporation, which is owned by shareholders. A business can also be owned as a cooperative or a franchise.

FIGURE 2 Many types of businesses are possible.



Sole proprietorship

A sole proprietorship (or sole trader) is a business that is owned by one person, even though it may employ other people to work for the business, or to operate and manage the business. A sole proprietor business can operate in almost any industry. However, they are usually small businesses such as cafés, newsagents and hairdressers, and trades such as plumbers and electricians.

FIGURE 3 A sole proprietorship means the business is owned and operated by one person.



The sole proprietor receives all the profit that the business makes but is also responsible for any losses. This is known as **unlimited liability**. This means the sole proprietor can be forced to sell personal assets such as a house or car to pay off business debts. A sole proprietor business usually has only one person's name in the business name — for example, Mario's Café. Individuals who establish a sole proprietor business are often referred to as entrepreneurs.

unlimited liability where a business owner is personally responsible for all the debts of their business

TABLE 1 Advantages and disadvantages of sole proprietorship

Advantages	Disadvantages
Simple and low cost	Unlimited liability
Owner has full control and keeps all profit	Owner must perform multiple roles
Minimum regulations	Long hours because success depends on effort

Partnership

A partnership is a business usually owned and operated by two or more people (generally up to 20 people but exceptions do exist), called partners. The partners share their profits and losses, usually equally. Together, they decide how best to operate the business.

Commonly people with similar skills, such as doctors, accountants, solicitors and dentists, form a partnership. Partnerships tend to have the names of the partners in the business name — for example, Kennedy & Lee Lawyers. As with sole proprietors, partnerships also have unlimited liability.

FIGURE 4 Partnerships are businesses run by two or more people.



A partnership can be formed with a verbal agreement but using a formal written partnership agreement is worthwhile. This usually outlines who is in the partnership, how profits will be shared, how decisions will be made, how disputes will be settled and what will happen if the partnership ends.

TABLE 2 Advantages and disadvantages of a partnership

Advantages	Disadvantages
Inexpensive and simple form of ownership	Unlimited liability
Partners can share the responsibility for decision-making, the risks and the workload	Finding suitable partners can also be difficult
Partners can pool their finances and their expertise	Disputes between the partners can arise
Minimal government regulation	Future of business can become complicated if partners decide to leave

Corporation

A corporation, otherwise known as a company, is owned by shareholders. In Australia, all corporations undergo a process known as incorporation. This involves creating a business as a legal entity in its own right and treating it as a separate entity from its shareholders. In other words, the corporation (rather than individual shareholders) is liable for the debts created through its operation.

Corporations have **limited liability**. This means that if the business cannot pay its debts, a shareholder loses only the money she or he has invested in the business. A shareholder cannot be forced to sell personal assets to pay the corporation's debts.

Corporations can be organised as either public or private. The public may buy and sell shares in public corporations and these corporations may be listed on the Australian Securities Exchange (ASX). Private corporations cannot be listed on the stock exchange and tend to be family-owned businesses. They have restrictions on who can buy their shares. A public corporation must have the word 'Limited', or the abbreviation 'Ltd', after its name. A private corporation must have the words 'Proprietary Limited', or the abbreviation 'Pty Ltd', after its name.

TABLE 3 Advantages and disadvantages of a corporation

Advantages	Disadvantages
Attract finance by selling shares	Complex to establish and set up
Can continue after an owner of the business sells their shares	Strict laws outline the operation of corporations
	Large corporations can become very inefficient

2.3.3 Alternative forms of business ownership

Sole proprietorship, partnership or corporation are not the only forms available to create a business. A business can also be structured as a cooperative, which is a business owned and controlled by the group of people it serves, and a trust. In this set up, another person or company holds property or carries out business on behalf of the members of the trust. Additionally, after choosing a form of ownership, a business owner may decide to run their business as a franchise.

limited liability where shareholders cannot lose more than their investment in the event of the failure of the business

Cooperative

In a cooperative, a number of people combine resources for a particular purpose. Typical cooperatives involve farmers, community education centres and credit unions.

The benefit of a cooperative is that people who work in one industry can join together to manage their affairs, drawing on their combined expert knowledge of the specialist aspects of their work. They also reduce costs by streamlining their operations to ensure maximum efficiency in delivering goods and services.

Dairy Farmers Milk Co-operative is a true cooperative — it describes itself as ‘farmers helping farmers’. Dairy Farmers Milk Co-operative has over 300 members from more than 250 farms in Queensland, New South Wales, Victoria and South Australia. These farmers supply over 230 million litres of milk every year to Bega Dairy & Drinks in a long-term partnership that is beneficial to all members.

Many different types of cooperatives can be used for many purposes, including cooperatives for housing, building, consumers, workers and credit unions. Retailers’ cooperatives buy in bulk on behalf of their members to obtain discounts from manufacturers and to pool marketing. This type of cooperative is common for locally owned grocery stores, hardware stores and pharmacies.

FIGURE 5 The Dairy Farmers Milk Co-operative is an example of a farming cooperative.



Franchise

While it is not actually a form of business ownership, operating a business as a franchise is a popular choice. A franchisor is the individual or organisation that grants, under certain conditions, the right to use a business name and the right to produce or distribute the franchisor’s product. The franchisee is the person who purchases the franchise, usually by paying a fee to the franchisor. Franchisees can operate their business as a sole proprietorship, partnership or corporation.

FIGURE 6 McDonald’s has the highest number of franchises worldwide, almost reaching 40000.



Advantages and disadvantages of a franchise

The benefit to the franchisee is that they are granted an instantly recognisable business name — for example, Subway or Hungry Jack's. The business owner can immediately start to benefit from the reputation and customers of the franchise. The franchisee also receives training in the technical aspects of operating the business from the franchisor, as well as assistance with business management. In return, the franchisee pays the start-up fees and provides labour, and agrees to meet the terms and conditions of the franchise agreement. This can mean that a franchisee must market and sell the products specified under the franchise agreement. The franchisee may also need to conform with any required production and distribution processes and requirements.

The disadvantages of operating a business as a franchisee include:

- Freedom over making business decisions such as the product and marketing is reduced.
- The franchisor controls the operations, the product and the marketing.
- All advertising and promotional campaigns are decided by a centralised office and must be run in all franchise stores in the same way.
- The responsibility is on the franchisee to follow the instructions set by the franchisor, or the franchisee may be reprimanded, receive a fine or even lose the rights to the business.

DISCUSS

Experts estimate that over 1300 franchise systems exist in Australia. This includes businesses such as 7-eleven, Roll'd, Bakers Delight, McDonald's and Grill'd. When you visit a Grill'd store, the decor is always recognisable, the staff wear the same uniform, and the food tastes the same as in any other Grill'd anywhere in Australia. Do you think this an advantage or a disadvantage to the franchisee?

2.3.4 Choosing the best form of ownership

As we have seen, a business owner can choose from several structures, or forms of ownership, when starting a business. When choosing the most suitable structure, the business owner needs to consider personal preferences, as well as the advantages and disadvantages of each type of business. Someone who prefers to work alone and wants to start a business that is easy to set up might choose a sole proprietorship. A person who wants to raise the finances to grow a business selling products around Australia, and perhaps overseas, might consider a company structure. The form of ownership used by the business can change over time. After a business is started, it can grow. As it does so, its goals might change, which means the owner might need to review the most appropriate ownership structure as well.

2.3 SKILL ACTIVITY: Evaluating, concluding and decision-making, Communicating

Work with a partner to complete the following:

1. Use the **Business structures** weblink in the Resources panel to find out more information about business planning and types of business structures. Using the categories provided, read the information on the different types of businesses covered in this topic.
2. Using this information **summarise** three advantages and disadvantages of each form of business ownership using a table such as the one provided.

Business ownership type	Advantage	Disadvantage

3. **Discuss** an idea for a business with your partner. Write a paragraph on what you might sell, who you might sell to, and where you might be located.
4. **Choose** an appropriate type of ownership for the business. Write a paragraph to **justify** why this type of ownership will suit you best.
5. **Present** your idea and your chosen business ownership to your class.

2.3 Exercise

2.3 Exercise

Learning pathways

■ LEVEL 1

1, 2, 3, 5

■ LEVEL 2

4, 6, 8

■ LEVEL 3

7, 9, 10

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Check your understanding

1. **Identify** the difference between a sole proprietorship and a partnership.
 - A. A sole proprietorship has unlimited liability but a partnership does not.
 - B. A partnership has unlimited liability but a sole proprietorship does not.
 - C. A sole proprietorship has only one owner and a partnership has two or more owners.
 - D. There is no difference.
2. A partnership has unlimited liability. True or false?
3. **Explain** what is meant by a cooperative.
4. **List** five examples of franchise businesses.
5. Circle the correct options to **complete** the sentences. **Unlimited / Short-term / Limited / Fixed / Financial** liability means that the owner(s) of a business can be held personally responsible for the business's debts. **Unlimited / Short-term / Limited / Fixed / Financial** liability means that if the business cannot pay its debts, shareholders in the corporation will only lose the money they have invested.

Apply your understanding

6. **Distinguish** between a sole proprietorship and a partnership.
7. 'The public corporation ownership structure allows access to greater finance but can lead to a loss of control of a business.' **Discuss** this statement.
8. **Define** what is meant by a partnership.
9. List the possible consequences of the partners of a business having a dispute.
10. **Discuss** the benefits of operating a business as a franchisee.

LESSON

2.4 How can we use our finite resources sustainably?

LEARNING INTENTION

By the end of this lesson you should be able to explain how resources might be used more sustainably to meet needs and wants into the future.

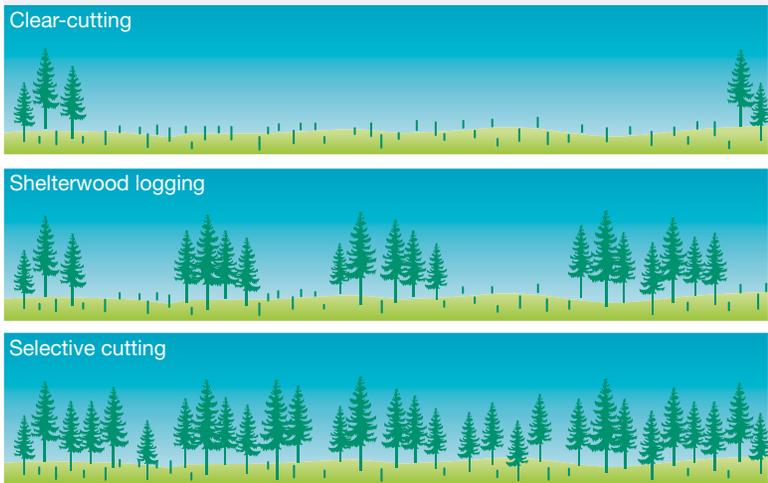
TUNE IN

As identified in lesson 2.2, consumers have an unlimited number of needs and wants. These needs and wants require the continued use of resources. One such resource is timber. Timber is a renewable resource but it must be managed so it is sustainable.

Look at **FIGURE 1**.

1. Explain which is the most sustainable method of logging.
2. What happens if we don't use this resource sustainably?
3. Brainstorm four more resources that might run out if we don't use them sustainably.

FIGURE 1 Which method of logging is the most sustainable?



2.4.1 Sustainability

Meeting the needs and wants of consumers is important because those who don't have all their needs satisfied may go hungry or become homeless. To produce the goods and services we need, producers must utilise the resources in the economy — the land, labour and capital. However, because many of our resources are non-renewable, we need to consider the **sustainability** of the resources we use.

2.4.2 Environmentally sustainable resources

All producers should ensure that the resources used in the production process do not have a serious or negative impact on the environment or the community health and social conditions. A producer could consider the source of its electricity, for example, in an effort to combat climate change. A producer could source their energy through renewable energy initiatives such as solar power.

Producers are also able to source sustainable ingredients such as raw materials from farmers who use sustainable methods of production.

sustainability meeting our own needs without compromising the ability of future generations to meet their needs

DISCUSS

The population of bluefin tuna in the ocean has dramatically decreased because of consumer demand for it, with some estimates saying that the current population is now only 4 per cent of what it once was. Is buying pole- and line-caught tuna enough, or should we be doing more to protect the ocean environment?

Other examples of environmentally friendly products include cosmetics produced by The Body Shop, which endorses environmentally sustainable production methods and has always promoted the fact that none of its products are tested on animals. Washing detergents often advertise that they are biodegradable and so will not harm the environment. Electrical goods are often sold with a sticker indicating their level of energy efficiency. All of these are examples of producers responding to consumer concern for the environment. Perhaps a more recent change is the decision by supermarket giants Coles and Woolworths to no longer provide single-use plastic bags. These plastic bags are not bio-degradable and often end up in landfill or waterways once discarded.

2.4.3 Organic food

The growth in demand for organic food combines both environmental concerns and a desire for healthy food options. Food labelled as 'organic' is generally understood to have been grown without the use of pesticides and other chemicals, and so is a healthier choice. The absence of chemical use also means the soil is not contaminated and so can be re-used in future years to grow fruit and vegetables or used for grazing by animals.

In addition, if the producer has not used chemicals, the risk of them causing damage to other plants or animals, or harming the environment in other ways, is reduced.

2.4.4 A First Nations Australian food business

First Nations Australians have always had a deep connection to the land. Prior to colonisation, they used a complex system of land management, utilising the resources provided in nature to provide food, clothing and shelter for themselves. A key element to their successful use of resources was the sustainable use of their food sources.

This belief in sustainability has translated into businesses established throughout Australia that focus on First Nations Australian cultures and foods.

FIGURE 2 Consumers have shown a preference for environmentally friendly methods of catching tuna.



FIGURE 3 Organic fruit and vegetables are seen to be both healthier and more environmentally friendly.



Kaiyu Superfoods

Kaiyu Superfoods is a First Nations Australian owned and operated food manufacturing business located in Humpty Doo in the Northern Territory.

Owners Pete and Cate both have a love of, and strong connection to, the bush and animals within it. Pete is an Awabakal man from the Hunter Valley Region who grew up in Quilpie and Inglewood, Queensland. Cate was born in South Australia and lived in various places, with her teen years being spent on farms in New South Wales and Queensland.

Their shared love of the land inspired them to combine farming with their passion for and knowledge of native plants. After much research, they set themselves the goals of using native fruits to create products that everyone can enjoy while also increasing people's awareness of the health benefits of these fruits. They aim to help stimulate demand for native fruits, allowing the industry to grow and more First Nations Australian families and communities to become involved in the industry and benefit from it.

The business buys from First Nations Australian communities and businesses that will harvest fruits sustainably, making sure a percentage is left for native animals and natural regeneration of the plants. They have also planted Kakadu plums, red bush apples, green plums, lemongrass and other local natives in among the grasses, small shrubs and trees that are regenerating and growing on their property. If necessary, they will supplement their produce purchased from First Nations Australian sources with plants and fruits from some non-First Nations Australian farms in New South Wales.

Their commitment to the land and the sustainability of First Nations Australian farming methods has seen the business commit to increasing First Nations Peoples' participation in the Native Food and Botanical Industry. They do this through giving back to communities and having a commitment to at least 75 per cent of their employees coming from First Nations Australian communities.

on Resources

 **Interactivity** Responding to consumer demand (int-5685)

2.4 SKILL ACTIVITY: Questioning and researching

Sustainability is a key concern for individuals, businesses and the government. In February 2022, Australian billionaire Mike Cannon-Brookes launched a bid to buy AGL Energy. Cannon-Brookes, one of the founders of Atlassian, made the extraordinary offer to take over Australia's most polluting company with a goal to shut its coal power plants earlier than planned.

His idea was to replace much of the power plant's equipment, and to introduce new equipment that would move the company to having clean energy assets, and a zero emissions target by 2035.

Individually or as a group, **develop** a series of questions to conduct research on how sustainably a business operates. Write four questions you would like to investigate about this case study and **research** the answers online, writing them down in dot points.

FIGURE 4 The sustainability priorities of businesses can vary.



2.4 Exercise

Learning pathways

■ LEVEL 1

1, 2, 4, 7

■ LEVEL 2

3, 6, 8, 9

■ LEVEL 3

5, 10

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Check your understanding

1. _____ means meeting our needs without making it harder for future generations to meet their needs.
2. **State** one means by which producers can produce sustainably.
3. **Identify** which of the following is not one of the three resources used by producers to satisfy our needs and wants.
 - A. Land
 - B. Labour
 - C. Time
 - D. Capital
4. **Explain** how recycling could assist sustainability.
5. **Explain** why sustainability is important.

Apply your understanding

Interpreting and analysing

6. 'Sustainability is good for producers, good for consumers and good for the community as a whole.' **Explain** why this statement could be seen to be true.
7. **Provide** a reason some producers may not want to use resources in a sustainable manner.
8. **Provide** a reason some consumers may not buy goods produced from sustainable sources.
9. **Consider** three products you use every day. Explain how they could be produced in a more sustainable manner.
10. 'As we learn more about the earth and our impact on it, we will become more sustainable in our use of the earth.' **Explain** whether you agree or disagree with this statement.

LESSON

2.5 What are your rights as a consumer?

LEARNING INTENTION

By the end of this lesson you should be able to identify ways the rights of consumers are protected through the law when purchasing a good or service (for example, through warranties, cooling-off periods and returning goods).

TUNE IN

We all buy goods and services. Sometimes we feel the need to return a good or a service to the seller and ask for a refund or an exchange.

As a class, discuss whether signs like the one in **FIGURE 1** should be allowed and, if they should, under what circumstances.

FIGURE 1 Should signs like this one be allowed?



2.5.1 Law and justice

Governments at all levels involve themselves in the market in a variety of ways. Politicians, commentators and the media often refer to the issue of 'economic management' as a responsibility of government. People expect the government to take action to encourage growth in the economy and to avoid high unemployment. Government activity within a market economy goes well beyond these aims. The successful operation of markets often depends on the level of government involvement.

Government provides a legal framework that allows buying and selling in the marketplace to occur within a set of rules that should be fair to all participants. Australian Consumer Law protects consumers from unscrupulous businesses that could try to cheat them.

Laws relating to the enforcement of legal contracts ensure that all buyers and sellers will be able to enforce their rights before the courts. The criminal law aims to provide protection from threats and intimidation in any business dealings. Our court system gives everyone the right to take legal action to enforce their rights.



tivd-10569

FIGURE 2 Australian Consumer Law protects consumers from unscrupulous businesses that could try to cheat them.



on Resources

Video eLesson Consumer rights – services (eles-2529)

2.5.2 Fair transactions

As a consumer, you can often be at a disadvantage when it comes to buying goods and services. Even though you may have a good idea of what you wish to buy, you will often rely on the advice of a salesperson to help you with your purchase. You want to be assured that this person will be showing appropriate respect for your interests, and not trying to disadvantage you. The Australian Consumer Law aims to make sure that every transaction between buyers and sellers is fair to both parties.

2.5.3 Honesty is the best policy

The Australian Consumer Law makes it clear that sellers are expected to advertise and promote their products honestly. It is illegal to do anything that might mislead the customer, or trick them into buying something they might not have bought if they had known all the facts. The following are some examples of behaviour that is illegal under this law.

1. *Misleading or deceptive conduct:* Advertisements must not use words that make claims about a product that are not true. This includes claims about low prices, or goods being 'on special'.
2. *Unconscionable conduct:* This is any business conduct that is unfair or unreasonable.
3. *Offering gifts and prizes in connection with the supply of goods and services and then not providing them.*
4. *Conduct that may mislead the public:* For example, using a brand name similar to a well-known brand, or using an Australian-made logo when the product was made overseas.
5. *Bait advertising:* This refers to a business attempting to attract customers by advertising some products at lower prices, but stocking very few of those products. When the advertised products quickly run out, customers are then directed to higher priced items.
6. *Referral selling:* This occurs when a business offers a customer a special deal or special price if the customer refers other potential customers to the seller and those customers make a purchase.

FIGURE 3 Any discounts, special offers or specials offered by sellers must be genuine.



2.5.4 Treating consumers fairly

Consumers wish to satisfy their needs and wants, and when they go looking for goods and services they are usually eager to make a purchase. This means that an unscrupulous seller could take advantage of them. Consumer law makes it compulsory for sellers to provide all available information to consumers, and to ensure that buyers and sellers have equal rights in any purchase. Some of these rights are:

1. Any contract or agreement that a consumer enters into must be fair and balanced. It must be written in clear language that is easy to understand. It should not contain any provisions that allow the seller to change the conditions of the agreement without informing the buyer. For example, it would be illegal for a mobile phone contract to allow the service provider to make changes to their prices and charges without notifying the customer. However, the consumer is responsible for reading the contract carefully to make sure they understand it.

2. A consumer has the right to ask for a receipt for any transaction, no matter how small the amount involved. For all transactions over \$75, a receipt is compulsory.
3. Anyone attempting to sell goods or services door-to-door or over the phone can only do so between 9 am and 6 pm on weekdays, and from 9 am to 5 pm on Saturdays. These types of sales are not permitted on Sundays or public holidays. This rule does not apply when consumers have agreed in advance to an appointment time for the seller to visit their home. A salesperson must leave immediately if requested and must not contact the consumer again for at least 30 days (with that same product). If a consumer agrees to purchase goods or services from a door-to-door salesperson or over the phone, the Australian Consumer Law allows for a 10-day 'cooling off period'. This means that the consumer has the right to cancel the agreement within 10 days, without having to pay anything.
4. Lay-by agreements must be in writing and must be expressed in plain language that is clear and easy to understand. The agreement must include all terms and conditions.
5. Businesses that display 'No refunds' signs are breaking the law. If a product is faulty or is unfit for its usual purpose, a refund must be offered to the buyer. However, a business may refuse to provide a refund if consumers change their minds and nothing is wrong with the product.

FIGURE 4 A door-to-door salesperson must leave immediately if requested.



2.5.5 Guarantees for consumers

Manufacturers or sellers often offer guarantees or warranties. These are promises that if anything goes wrong with the product, it will be replaced or repaired free of charge. Even if a manufacturer or seller does not provide such a written warranty, the Australian Consumer Law makes it compulsory for all suppliers and manufacturers to automatically provide a basic set of guarantees on all products they sell to consumers. A business cannot remove consumer rights under these guarantees, but they can improve these basic rights if they wish to do so. The Australian Consumer Law provides the following guaranteed rights:

- The consumer will gain clear legal ownership to goods; that is, the seller owns the goods being sold and can legally transfer ownership to the buyer.
- Goods must match any sample, demonstration model or description provided to the buyer.
- Goods must be of acceptable quality; that is, they must be safe, long-lasting, free from defects, acceptable in appearance and finish, and do all the things that the goods are normally used for. For example, if a consumer purchased a pair of jeans and found some of the stitching was coming apart after a week, the jeans would not be considered of acceptable quality.

FIGURE 5 Goods must be of acceptable quality; if a phone stopped turning on after a few weeks, it would not be considered of acceptable quality.



- Products must be fit for a particular purpose. Fitness of purpose means the product will perform as the instructions or advertisements imply. A bottle of shampoo that failed to properly wash hair would be a breach of this condition.
- Repairs and spare parts must be available for a reasonable time after manufacture and sale.
- Any necessary servicing must be carried out with reasonable care and skill and must be completed within a reasonable time.

2.5.6 When the law is broken

Although the Australian Consumer Law is a law of the Commonwealth parliament, enforcement of the laws protecting consumers is usually carried out by the relevant state or territory Office of Fair Trading or Consumer Affairs Office. When a consumer has a complaint against a seller, these offices will usually recommend that the consumer attempt to sort out the problem directly with the seller. If direct contact with the business does not produce a result, the Fair Trading or Consumer Affairs Office may contact the business on the consumer's behalf and attempt to resolve the matter.

If the business fails to resolve the problem, Fair Trading or Consumer Affairs Offices can take legal action on behalf of the consumer. If the legal action is successful, the seller may be required to compensate the consumer or to replace or repair any faulty goods. The business can also be fined for failing to comply with the Australian Consumer Law.

FIGURE 7 Fair Trading and Consumer Protection offices will usually recommend that the consumer first attempt to sort out a problem directly with the seller.



FIGURE 6 The following steps may help a consumer resolve an issue when they feel a business has breached consumer laws.

If a consumer has a complaint, they should first try to resolve it directly with the seller.

If the above fails, the consumer should contact the relevant authority (e.g. Consumer Affairs Victoria).

Organisations such as Consumer Affairs Victoria may contact businesses on behalf of a consumer to try to resolve the problem.

If the business still does not resolve the problem, the organisation may take legal action on behalf of the consumer.

If the legal action is successful, the business may be forced to compensate the consumer, and they may also be fined for breaching consumer laws.

2.5.7 Responsibilities as well as rights!

What is an ethical consumer or producer?

While the Australian Consumer Law contains a strong emphasis on protecting the rights of consumers and enforcing the responsibilities of sellers, consumers also have responsibilities in the marketplace. Some of these responsibilities include the following.

- Whenever you buy goods or services, you are entering into a legally binding contract. You might believe that a contract is a written document that you sign, but this is not always the case. If you are buying a house or a car, particular types of written documents are required by law, but any agreement between

a buyer and a seller is a legally binding contract, even if you don't sign anything. As a buyer, you have a responsibility to pay the required amount for the goods or services you purchase. This is particularly relevant if you purchase goods or services on credit, with an expectation that you will pay by instalments, such as the purchase of a mobile phone with an accompanying payment plan.

- Consumers who borrow money or who use a credit card to make purchases have a responsibility to make repayments. Failure to do so can leave the consumer with a poor credit rating. This remains active for five years, and if you need to apply for a loan during that time, you may have that loan refused.
- A consumer cannot return goods and claim a refund if the goods have been used other than for the purposes for which they were intended. If you damage a product by using it inappropriately, or even injure yourself while doing so, you have very little chance of being compensated. Consumers have a responsibility to use goods in the way the manufacturer intended.

on Resources

 **Video eLesson** What is an ethical consumer or producer? (eles-0255)

2.5 SKILL ACTIVITY: Interpreting and analysing

Online shopping, sometimes called ecommerce, really took off in the mid-1990s with the rise of huge online companies such as Alibaba and Amazon. Sites such as eBay and apps such as PayPal have all helped enormously. If you asked your parents or care givers what shopping was like when they were young, they would likely tell you they bought just about everything in store and with cash. Has online shopping revolutionised shopping and what will shopping look like in the future?

In this activity, you will learn how to interpret trends, consider possible causes of those trends, and use data to make predictions about the future.

TASK

Look at the data provided in **FIGURES 8** and **9** and **discuss** the following.

FIGURE 8 Ecommerce snapshot, December 2021, Australia Post

eCommerce Snapshot December 2021



Pre-Christmas rush

30 days
18 Nov to 17 Dec 2021



5.93m
households
shopped online in
December 2021



↑ 1.7% more
households
shopped online in Dec 2021
than in Dec 2020



2.6m
households
made four or more
purchases, a 2.4%
increase from 2020



↑ 6%
more online purchases than
the same period in 2020
↑ 47.8%
more online purchases than
the same period in 2019

Top categories with above average YOY growth:

- Pet products
- Tools & Garden
- Footwear
- Athleisure
- Health & Wellness
- Baby products
- Sporting & Outdoor Goods

Boxing Day sales 26 Dec 2021 to 8 Jan 2022

Purchase growth was on
par with 2020 with more
than 3.7 million
households taking part in
the Boxing Day sales.

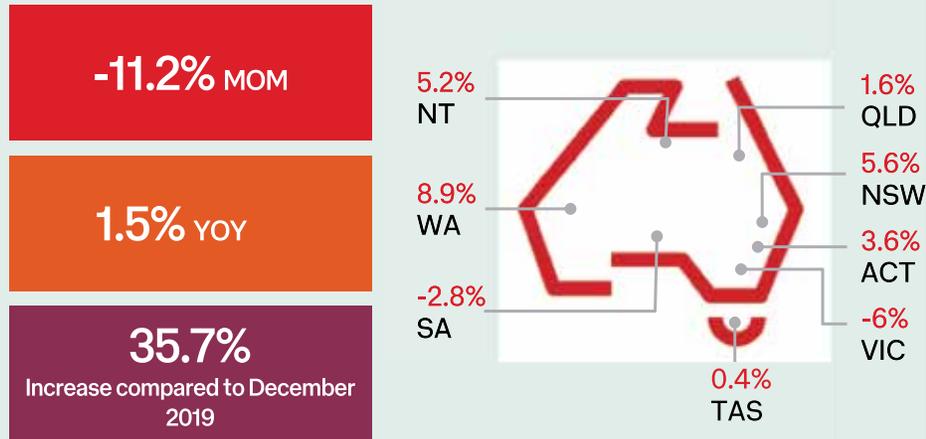
eCommerce update | January 2022 release

3

 tlv-10567

FIGURE 9 Ecommerce purchases, year on year growth, December 2021, Australia Post

eCommerce purchases, YOY growth
December 2021



1. **Identify** the overall trend in ecommerce (online shopping).
2. Look at the year during which the data was collected. What significant event occurred during that year and how might that have affected ecommerce?
3. Look up the most recent data on ecommerce figures for Australia Post. Has the trend shown in **FIGURES 8** and **9** continued or changed in any way?
4. **Predict** the future of ecommerce in the next five years. **Justify** your prediction with data.
5. **Describe** any changes to your local or city shopping strips. **Predict** how these shopping strips might change in the future based on the data and trends you have researched.
6. Google online shopping fails. Have you ever bought anything online that wasn't exactly what you thought it would be? What protections do you have as a consumer if you buy something from an overseas site and it isn't how it was described?

2.5 Exercise

learn on

2.5 Exercise

Learning pathways

■ LEVEL 1

1, 2, 3, 8

■ LEVEL 2

4, 5, 7, 9

■ LEVEL 3

6, 10

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Check your understanding

1. One responsibility that _____ have is to use the goods as manufacturers intended.
2. Australian Consumer Law aims to ensure all interactions between buyers and sellers are fair. True or false?
3. **Identify** two guaranteed rights that consumers have in relation to goods they purchase.
4. **Select** the correct option to complete the sentence. Consumers are entitled to a refund **if they change their mind / if the item is faulty / for any reason at all.**
5. **Provide** a brief description of each of the following.
 - a. Misleading conduct
 - b. Bait advertising
 - c. Referral selling

Apply your understanding

Interpreting and analysing

6. In each of the following examples, **explain** why a breach of the *Competition and Consumer Act* has occurred.
- An electrical goods business advertises a particular brand of television and falsely states that it is at a cheaper price than that offered by a competitor.
 - A clothing store advertises t-shirts and claims that they are made in Australia when they are made in Hong Kong.
 - A take-away food outlet advertises that a special deal is only for one week when it plans to extend it for two months.
 - A garden maintenance business offers some its customers a 10 per cent discount if they provide the names and addresses of five potential customers for the business.

Communicating

7. **Explain** the rules that apply to phone sales and door-to-door selling.
8. What powers does a Consumer Protection or Fair Trading authority have to enforce Australian Consumer Law?
9. **Explain** what is meant by a 'lay-by' and why consumers may use this method of purchasing goods.
10. 'Most businesses are concerned about maximising their profits and so we need consumer protection laws to regulate their behaviour.' **Discuss** this statement.

LESSON

2.6 What responsibilities do businesses, producers and government have to you?

LEARNING INTENTION

By the end of this lesson you should be able to identify and explain how businesses are required by government to protect the safety of consumers (for example, through mandatory and voluntary standards and product safety recalls).

TUNE IN

As consumers, we are often looking for goods and services that are affordable (not necessarily cheap, but good value for money).

Competition in the market between producers assists in ensuring that prices are competitive and the quality of goods and services is maintained at a high level.

Look at **FIGURE 1** and discuss the following questions:

- How do Coca-Cola and Pepsi compete?
- What are the benefits of their competition for consumers?
- What are some negatives related to their competition for consumers?

FIGURE 1 McDonald's is permitted to have an exclusive deal with Coca-Cola, and KFC can have an exclusive deal with Pepsi, because the market for soft drinks is still competitive.



2.6.1 The benefits of competition

One of the best protections consumers can have is a market with a large number of sellers, all competing with each other to attract customers. Competition can help keep prices lower, and if one business treats consumers badly, plenty of alternatives are available. As the name suggests, the Competition and Consumer Act is concerned with encouraging fair competition between businesses in all markets. The Act makes it illegal to engage in business practices that interfere with competition, or that give some businesses an unfair advantage over others. The Australian Competition and Consumer Commission (ACCC) has the power to enforce the law to encourage greater competition in the marketplace.

2.6.2 Banned anti-competitive practices

The Competition and Consumer Act lists a number of business practices that are prohibited or that are regulated by the ACCC. These include price fixing, misuse of market power, predatory pricing, exclusive dealing, resale price maintenance, and mergers and takeovers. Each of these practices are outlined in the following subsections.

Price fixing

It is illegal for two businesses in competition with each other to agree to set identical prices for their products. Businesses will probably have similar prices for similar products because of market forces, but they cannot actively work together to raise or lower prices by an exact amount. This has been an issue over the years with petrol pricing. Many service stations lower their prices in the middle of the week, and then raise them at the weekend. Some accusations have emerged that service stations that are close to each other have agreed to raise or lower their prices by the same amount at the same time. If it could be proved that they had done so, they would be deemed to be acting illegally, because this action would prevent consumers from taking advantage of genuine competition.

FIGURE 2 Any agreement by service stations to raise or lower prices at the same time and at the same rate would be an example of price fixing.



DISCUSS

As opposed to being involved in price fixing, large supermarket chains have been involved in a price war, with items such as milk and roast chickens being sold at reduced prices. The squeeze on the profit margins of these items comes back to the farmers, who are paid less for supplying the goods to the supermarkets. Is this practice by the supermarkets ethical, or should they be paying more for these supplies?

Misuse of market power

Not all businesses are the same size, and a risk exists that larger businesses may use their power unfairly to drive smaller competitors out of business. The Act bans any action aimed at damaging or getting rid of a competitor or preventing another business from entering the market. Some years ago, retailer Woolworths was fined \$7 million for attempting to prevent some restaurants and bars from selling packaged liquor in competition with its own liquor outlets. When these other businesses applied for liquor licences, Woolworths lodged objections with the government licensing authority. They then proposed to withdraw the objections if the other businesses agreed not to sell take-away alcohol products to their customers. A court found that Woolworths was in breach of the law.

Predatory pricing

Predatory pricing occurs when a business deliberately sets its prices at such a low level that its competitors cannot match them. In such cases, the business actually decides that it is prepared to lose money for a while until it has forced its competitors out of the market. This then leaves the business with less competition so that it can disregard market forces, raise prices and exploit consumers. A recent example is from 2011, where both major supermarket chains (Coles and Woolworths) decided to sell milk at \$1 per litre. This was aimed at encouraging consumers to shop at their outlets rather than at another supermarket or with their competitors Aldi and IGA.

Coles and Woolworths could afford to make a loss on milk sales because they were making a good profit on other products. Other supermarkets and smaller shops, such as milk bars and convenience stores, were often not be able to lower prices as much and so potentially lost many customers. If the other businesses selling milk were forced out of the market, the supermarket could then raise its prices, and there would be no remaining competition to prevent it from doing so.

Exclusive dealing

Exclusive dealing involves one business trading with another while imposing restrictions on that other business's freedom to deal with its competitors. An example is when a hair products supplier will only sell to a hairdresser on the condition that the hairdresser does not purchase hair products from any other supplier. This can be legal in some circumstances if it is not seen to lessen competition in the market for the products in question. For example, McDonald's sells Coca-Cola products but not Pepsi, and they are permitted to do so. This is because KFC sells Pepsi and not Coke, so the overall market for soft drinks is still competitive. Businesses that wish to enter such an arrangement must notify the ACCC of the proposed agreement. The ACCC will then examine the details before either approving or disallowing the arrangement.

FIGURE 3 Woolworths was fined for attempting to misuse its market power to restrict the operations of competing liquor outlets.

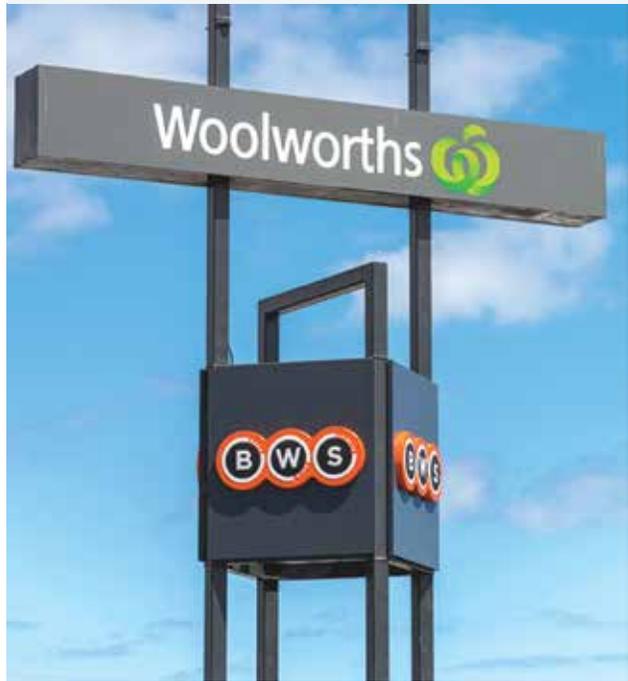


FIGURE 4 A supermarket using predatory pricing to try to put other milk retailers out of business is illegal.



Resale price maintenance

Suppliers cannot set the prices at which retailers will sell the products. Suppliers can recommend a retail price for the sale of their goods, but it is illegal to attempt to force a retailer to sell at that price. Retailers must be free to compete on price with other retailers selling the same products. It is also illegal for suppliers to set a minimum price that retailers must not sell below, or to force a retailer not to discount goods. On the other hand, it is quite legal for a supplier to set a maximum price for its products. This is to prevent any retailer that has no competitors in a particular location from unfairly overcharging customers.

Mergers and takeovers

When two or more businesses decide to join together, this is known as a *merger*. When one business decides to buy out a competitor, this is known as a *takeover* or an *acquisition*. Sometimes a merger or takeover in a particular market may lead to reduced competition in that market. The Act prohibits mergers and takeovers between one or more businesses if they result in the competition being substantially reduced. Businesses proposing a merger or acquisition can ask the ACCC for permission. The ACCC may permit a merger or acquisition if it will not substantially limit competition. If businesses proceed without seeking permission, the ACCC can investigate and has the power to take action against them if it finds that the merger or acquisition has substantially limited competition.

Mergers and acquisitions occur regularly in the banking industry. In 2008, Bendigo Bank and Adelaide Bank merged; the Commonwealth Bank took over Bankwest; and Westpac acquired St George Bank. However, the big four banks — ANZ, NAB, Westpac and the Commonwealth Bank — are specifically banned from merging with each other because this would reduce competition too much.

FIGURE 5 Retailers must be free to compete on price with other retailers selling the same products.



FIGURE 6 Australia's four big banks are prohibited from merging because this would severely reduce competition in the banking industry.



2.6.3 The role of the Australian Competition and Consumer Commission (ACCC)

The ACCC has wide powers to investigate possible breaches of the *Competition and Consumer Act*, and can take legal action against any person or organisation suspected of such a breach. It will sometimes be granted a court order to seize confidential documents from businesses suspected of anti-competitive behaviour.

Only a court can determine whether a breach of the Act has occurred and make orders against offenders. The ACCC's role is to bring matters before the courts to have criminal penalties imposed, and to gain compensation for anyone who may have been harmed by the breach. Courts can impose penalties of up to \$10 million for companies and \$500 000 for individuals found guilty of anti-competitive behaviour.

The ACCC has the power to authorise behaviour that might appear to be anti-competitive if it considers that behaviour to be in the public interest. It can also actively monitor prices and approve price rises in markets where competition is limited. As described in the preceding section, businesses wishing to engage in mergers or takeovers can seek advice from the ACCC as to whether the proposed action is likely to breach the Act, and then proceed according to that advice. The ACCC aims to encourage compliance with the Act rather than simply to punish wrongdoers.

FIGURE 7 ACCC officials may seize documents from businesses suspected of anti-competitive behaviour.



2.6.4 When purchases go wrong

Every now and again you may hear stories in the news of a particular model of car being ‘recalled’ to have some fault fixed. Other stories come to light of people suffering from food poisoning after visiting a certain restaurant or café. We hope that every purchase we make will be safe, but this is not always the case. Just as it is important to protect consumers from dishonest behaviour, it is even more important to ensure that the products we buy will not harm us.

2.6.5 Who keeps us safe?

A number of different bodies are responsible for ensuring that the goods and services we buy are not going to cause us harm. These bodies include government regulators, as well as other groups such as Choice. The roles of these different entities are discussed briefly in the following subsections.

Government regulators

Governments at federal, state, territory and local level have established a number of bodies to ensure product safety.

- The ACCC includes issues of product safety among its various roles.
- State and territory Consumer Affairs and Fair Trading authorities have a major role within their respective states.

- Customs and quarantine bodies are able to monitor goods coming in from overseas, and can identify any products that may be dangerous.
- Specific industry regulators are organisations that have particular powers in relation to certain types of products. For example, the Therapeutic Goods Administration has a role in regulating medicines, as well as devices such as wheelchairs.
- Local government health authorities carry out inspections on food premises such as restaurants, cafés and school canteens to make sure cleanliness and hygiene regulations are followed.

FIGURE 8 Customs officers check containers of goods from overseas to prevent dangerous goods from entering the Australian market.



Other groups

Responsibility for product safety is spread quite broadly across the community, with a number of organisations involved.

- *Businesses:* Manufacturers and sellers take responsibility to ensure their products are safe. A business selling a product that causes harm to one or more consumers can be sued by those affected. It makes sense to avoid legal action by closely controlling the production process to keep products safe.
- *Technical bodies:* Worldwide organisations such as the International Organization for Standardization (ISO) set acceptable standards for all types of products. Any product that conforms to ISO standards is entitled to display an ISO number, so consumers know it conforms to the highest quality.
- *Consumers:* Buyers and their representatives also have a responsibility for safety. Choice, formerly the Australian Consumers' Association, publishes a magazine called *Choice* and maintains a website. The organisation examines and tests all types of products, and publishes its findings through its magazine and website. Individual consumers also have a responsibility to maintain items to keep them safe, such as checking electrical cords and enabling safety features on motor vehicles.

FIGURE 9 Consumers can be assured that any product carrying ISO certification will be safe and will conform to the highest standards of quality.



2.6.6 What do the government regulators do?

Federal, state and territory bodies have wide-ranging powers and responsibilities to ensure product safety. They carry out a variety of different activities in exercising these responsibilities.

General market monitoring

Government regulatory bodies examine all areas of all markets to detect possibly unsafe products. They monitor the media for any death or injury reports that may suggest a particular product could be dangerous. They examine and arrange testing of new types of products coming onto the market. They also respond to consumer complaints and monitor information on new products from around the world.

Encouraging safe practices

Regulatory bodies encourage safe practices through various measures:

1. *Negotiating product removal.* This involves gaining agreement from suppliers to remove dangerous goods from sale in their stores or outlets, including online outlets.
2. *Removing unsafe goods.* This can often involve a product recall. Anyone who may have bought a product that is found to be dangerous is expected to return it to the place of purchase. If the fault can be repaired, it will be returned to the manufacturer to be fixed. If the product cannot be made safe, the purchaser will be entitled to a refund. Product recalls must be widely publicised through the media. In newspapers, recall notices appear with a special striped border. When suppliers have records of who their purchasers are, they also will contact them directly to arrange a recall. This often happens when identified faults need to be repaired in motor vehicles. A recent example was the government recall on Takata airbags, which were installed in a variety of makes and models of cars. These airbags are potentially fatal if they activate at the wrong time.

FIGURE 10 Manufacturers that discover a fault in any of their products are expected to recall these products for repair, replacement or refund.



Product Safety Recall

NOTICE OF
RECALL TO
CONSUMERS

FUN 4 KIDS ROBOT

Defect: Fun 4 Kids has identified a batch of battery operated robots that do not comply with mandatory standard for toys for children up to and including 36 months of age because the batteries are accessible without the use of a tool. In addition, the product may also break into small parts during normal use.

Hazard: Children may gain access to the batteries, which are small parts, presenting a potential choking hazard.

What to do: Fun 4 Kids robots are available from SOME major retailers etc. This batch has been available since August 2014. If you have purchased a toy with this device number (206HW) during this period you should:

1. Immediately discontinue use of the product
2. Return the device to the following Reply Paid address for replacement at Fun 4 Kids' expense:
Fun 4 Kids
Reply Paid 7845
Locked bag 101, Rushmore, NSW 1879
3. Include your return address and contact details

Contact details: For further information please contact Fun 4 Kids Freecall on: 1800 34569218

See www.recalls.gov.au for
Australian Product Recall Information

3. *Promotion of safety management.* Government regulators encourage manufacturers and other suppliers to comply with sets of standards. These can include mandatory standards or voluntary standards. Mandatory standards are compulsory and must be observed by suppliers. For example, very strict standards are in place for electrical goods, and consumers must be supplied with instructions and warnings about their appropriate use and any possible hazards. All packaged food must list ingredients and nutritional information on packaging, and clothing items must have washing and care instructions provided. Voluntary standards are those that have been agreed to by groups of suppliers or other organisations. They are not compulsory, but any supplier that complies with them can use this fact when promoting its products. Voluntary standards do not usually relate to issues of safety, and are more likely to deal with issues of quality.

4. *Publicity and education.* Government regulators aim to make sure that all necessary information relating to product safety in general, and particular hazards when they occur, is circulated as widely as possible throughout the community. They often issue statements to the media about particular safety issues. These are sometimes reported in the media. The ACCC administers a product safety website, which provides regular updates on safety hazards. State and territory Consumer Affairs and Fair Trading authorities regularly conduct education and publicity programs to inform the public on broad product safety issues.

FIGURE 11 All packaged food must provide nutritional information on the packaging.

Amount Per Serving		Calories from fat 4	
Calories 85		% Daily Value	
Total Fat	0g		0%
Saturated Fat	0g		0%
Trans Fat	0g		0%
Cholesterol	0mg		0%
Sodium	2mg		0%
Total Carbohydrate	20g		5%
Protein	0g		
Vitamin A	5%	Vitamin C	15%
Calcium	5%		5%
	Calories:	2,000	2,500
Total Fat	Less than	60g	80g
Sat Fat	Less than	30g	80g
Cholesterol	Less than	210mg	210mg
Sodium	Less than	2,500mg	2,500mg
Total Carbohydrate	Less than	300g	380g
Fiber	Sat Fat	30g	30g
Calories per gram:	Carbohydrate	5	Protein 5
Fat		10	

Solving safety problems and enforcing standards

Government regulators usually try to support businesses to do the right thing, rather than simply punishing them for doing the wrong thing. Where possible, they will work with industry, support technical investigation and concentrate on educating suppliers and consumers about product safety. New regulations can be created where necessary, and warning notices will be issued when dangerous products are identified.

Sometimes a product is clearly so risky that it has to be banned. This has happened on numerous occasions with toys sold to young children. If a toy contains small parts that could come loose and be swallowed by a small child, the toy may be banned from sale. Many other toys carry clear indications of the age group for which they are designed, and possible risks to younger children.

If a manufacturer or other supplier fails to comply with safety standards or bans, government regulators can take legal action. Fines of more than \$1 million can be applied to any business failing to meet mandatory standards, or continuing to sell a product after it has been banned. A court can also order businesses to provide compensation to any customers harmed by products the business has sold. A business that becomes aware of any harm caused by a product or service that it has sold must inform the appropriate government regulator within two days. Failure to do so can also result in a fine.

FIGURE 12 This toy wooden alphabet train was removed from sale because it contained dangerous small parts.



DISCUSS

1. Do you think the potential fines and bans for failing to meet safety standards are appropriate?
2. Should government regulators be doing more or less to enforce these standards?

2.6 SKILL ACTIVITY: Communicating

Use the **ACCC product safety recalls** weblink in the Resources panel to visit the ACCC recalls page and select three categories from the 'Product category' drop-down menu.

From each of your three categories, **select** one product that has been recalled and answer the following.

1. **State** the name of the product.
2. **Identify** the defect in the product.
3. **Explain** why that defect was dangerous.
4. What advice is given to consumers?
5. What did the ACCC recommend?



Resources



- Weblinks**
- ACCC Product Safety Australia
 - ISO standards
 - ACCC product safety recalls

2.6 Exercise

learnon

2.6 Exercise

Learning pathways

■ LEVEL 1

1, 2, 3

■ LEVEL 2

4, 5

■ LEVEL 3

6, 7, 8, 9, 10

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Check your understanding

1. Government regulators can take legal action if a person is injured after a supplier fails to remove a banned product from sale. True or false?
2. How can consumers play a role in product safety?
 - A. Buy fewer products
 - B. Only buy products from expensive stores
 - C. Report faulty products to the business or the government body
 - D. Complain about the product on social media
3. **Identify** two bodies established to maintain product safety.
4. **Provide** a brief description of each of the following.
 - a. Price fixing
 - b. Predatory pricing
 - c. Exclusive dealing
 - d. Resale price maintenance
5. **Explain** why competition between businesses is beneficial for consumers.
6. **Describe** the role of each of the following in ensuring product safety.
 - a. Industry regulators
 - b. Customs and quarantine
 - c. Local government authorities

Apply your understanding

Interpreting and analysing

7. **Explain** how you expect the ACCC to deal with each of the following situations.
 - a. The only two garden maintenance businesses in a country town decide to merge and form one business.
 - b. The owners of five petrol retailers along a major stretch of road meet each week to determine how much they will all charge on each day of the week.
 - c. The manufacturer of a range of electrical goods provides all retail outlets selling its products with a list of recommended retail prices for each of its products, and then refuses to supply the products unless the retailers stick to those prices.
 - d. A branch of a major supermarket chain, located in the same shopping centre as an independent supermarket, consistently prices all its products 5 per cent below those of the independent supermarket. When the independent business lowers its prices to try to match its competitor, the major supermarket lowers its prices even further.
8. In 2011 through to 2019, Coles and Woolworths sold milk for \$1 per litre. **Discuss** why you think they did this and whether you think it should have been allowed.
9. What action can government regulators take if a person is injured after a supplier fails to remove a banned product from sale?
10. **Explain** the role of education in product safety.

LESSON

2.7 INQUIRY: How did First Nations Australians satisfy their needs and wants?

LEARNING INTENTION

By the end of this lesson you should be able to explain how First Nations Australians satisfied their needs and wants, and communicate how this was achieved in a sustainable manner.

Background

In this inquiry, you will investigate how First Nations Australians used their local areas, trade routes and meeting places to satisfy their needs and wants. You will also consider how this was achieved in a sustainable manner through **discussing** the following:

- Prior to the arrival of the First Fleet, how did First Nations Australians satisfy their needs and wants?
- How did First Nations Peoples engage in exchange?

Before you begin

Access the **Inquiry rubric** in the digital documents section of the Resources panel to guide you in completing this task at your level. At the end of the inquiry task, you can use this rubric to self-assess.

Inquiry steps

Step 1: Questioning and researching

Write your own inquiry question and **research** your question. Using a search engine, **investigate** how First Nations Australians recognised the land as theirs, how they used the land and how they developed trade routes to meet other groups and exchange items.

Step 2: Interpreting and analysing

Analyse how First Nations Australians were able to engage in exchange without the use of the money that Europeans brought with them.

Step 3: Evaluating, concluding and decision-making

Discuss how the means of exchange, use of trade routes and meeting places allowed for sustainable use of the land.

Step 4: Communicating

Write an answer to your inquiry question. Use a format of your choice agreed on by your teacher.

Complete your self-assessment using the **Inquiry rubric** or access the 2.7 exercise set to complete it online.

FIGURE 1 First Nations trade routes in Australia



on Resources

 **Digital document** Inquiry rubric (doc-39386)

LESSON

2.8 Review

Hey students! Now that it's time to revise this topic, go online to:



Review your results



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Practise questions with immediate feedback

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2.8.1 Key knowledge summary

Use this dot point summary to review the content covered in this topic.

2.2 What are our needs and wants?

- The Australian economy is the total of all activities undertaken within Australia for the purpose of producing, distributing and consuming goods and services.
- We purchase goods and services to satisfy our needs and wants.
- Employees provide labour to businesses and receive money in return, enabling them to purchase goods and services from other businesses.
- The unlimited wants competing for limited resources create the problem of scarcity.
- The three choices an economy must make are what to produce, how to produce and for whom to produce.
- Consumers must consider the opportunity cost of all decisions.

2.3 What are the types of businesses and why do they exist?

- People start a business for a number of reasons.
- The three main types of business ownership structures are sole proprietorships (with one owner), partnerships (with two or more owners) and companies (which can have up to 50 shareholders for a private company, or an unlimited number for a public company).
- Other ownership structures include cooperatives and franchises.

2.4 How can we use our finite resources sustainably?

- Production should consider current and future needs.
- Markets in Australia are influenced by what consumers wish to buy, including products that are healthy and environmentally friendly.

2.5 What are your rights as a consumer?

- The Australian Consumer Law prohibits a range of practices that could mislead consumers.
- It is compulsory for sellers to provide all available information to consumers, and to ensure that buyers and sellers have equal rights in any purchase.
- Australian Consumer Law also provides a number of basic guarantees in relation to the quality of goods purchased.

2.6 What responsibilities do businesses, producers and governments have to you?

- Practices that would lessen fair and open competition between businesses are banned under the Competition and Consumer Act.
- The ACCC has the power to take legal action through the courts to deal with businesses that fail to comply with the provisions of the Act.
- A number of different government regulators monitor product safety throughout Australia.
- These regulators encourage the development of safety standards, and seek to educate suppliers and the public on product safety.
- The regulators can ban dangerous products, or order the recall of products to ensure they are made safe.

2.7 INQUIRY: How did First Nations Australians satisfy their needs and wants?

- First Nations Australians used their local areas, trade routes and meeting places to satisfy their needs and wants.
- Needs and wants were satisfied and goods were exchanged in a sustainable manner.

2.8.2 Key terms

business any activity conducted by an individual or individuals to produce and sell goods and services to make a profit

consumer a person or group who is the final user of goods and services produced within an economy

employees people who work for a wage or salary

goods physical or tangible items that satisfy needs and wants

income money earned through employment or investment

labour the human skills and effort required to produce goods and services

limited liability where shareholders cannot lose more than their investment in the event of the failure of the business

needs goods or services that consumers consider necessary to maintain their standard of living

opportunity cost the next best alternative given up whenever a choice is made

producer an individual or a business involved in the production of goods and services

services actions done for you by others to satisfy your needs and wants

sustainability meeting our own needs without compromising the ability of future generations to meet their needs

unlimited liability where a business owner is personally responsible for all the debts of their business

wants goods or services that are desired in order to provide satisfaction to the user, but which are not necessary for survival or to meet the basic standard of living in a community

2.8.3 Reflection

Complete the following to reflect on your learning.

Revisit the inquiry question posed in the Overview:

How do societies allocate resources to meet the needs and wants of individuals and communities, and why do consumers and businesses have both rights and responsibilities?

1. Now that you have completed this topic, what is your view on the questions? Discuss with a partner. Has your learning in this topic changed your view? If so, how?
2. Write a paragraph in response to the inquiry questions, outlining your views.



Resources



eWorkbooks

Customisable worksheets for this topic (ewbk-13430)

Reflection (ewbk-10572)

Crossword (ewbk-10571)



Interactivity

Our economy — consumers, producers and government crossword (int-8964)

2.8 Review exercise

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Multiple choice

- Which of the following accurately describes a need?
 - Life can continue without it.
 - It temporarily goes away when we are satisfied.
 - All needs are the same.
 - Our needs never change.
- Which of the following items can be classified as a want?
 - A container filled with water
 - A container filled with food
 - A container filled with lollies
 - A container filled with air
- Which of the following is not a resource used to produce goods and services?
 - Land
 - Labour
 - Capital
 - Money
- Which of the following is not considered a part of the basic economic problem?
 - Lack of money
 - Relative scarcity
 - Consumer sovereignty
 - Opportunity cost
- Identify the best definition of 'goods'.
 - They are tangible items that we like.
 - They are tangible items that we need.
 - They are tangible items that we want.
 - They are tangible items that satisfy what we need and want.
- Businesses that show concern for the welfare of communities are known as _____ responsible.
 - ethically
 - environmentally
 - socially
 - morally
- Which of the following can be used by a business to demonstrate their commitment to sustainability?
 - Reducing waste
 - Ethical sourcing of inputs
 - Recycling
 - All of the above
- What is 'bait advertising'?
 - When customers are fraudulently enticed into a business by lower prices on a small number of items
 - When a business offers customers a special deal to persuade their friends to deal with the business
 - When a business uses fake samples to entice the customer into the business
 - When a business lowers its prices

9. When does a customer have no automatic right to return goods for replacement or refund?
- A. If the goods are found to be unfit for their usual purpose.
 - B. If the customer has lost the receipt issued by the business.
 - C. If the business clearly displays a 'No refunds or replacements' sign.
 - D. If the customer changes his or her mind and decides not to keep the goods.
10. What does ACCC stand for?
- A. Australian Consumer and Competition Commission
 - B. Australian Competition and Consumer Commission
 - C. Australian Competition and Consumption Commission
 - D. Association of Consumers and Competitors Commission

Short answer

Communicating

11. **Outline** the role of consumers in the economy.
12. **Explain** how the problem of scarcity arises.
13. **Explain** the concept of sustainability.
14. Why do producers and consumers have an important relationship within the Australian economy?
15. Why do consumers need protection from the actions of producers?

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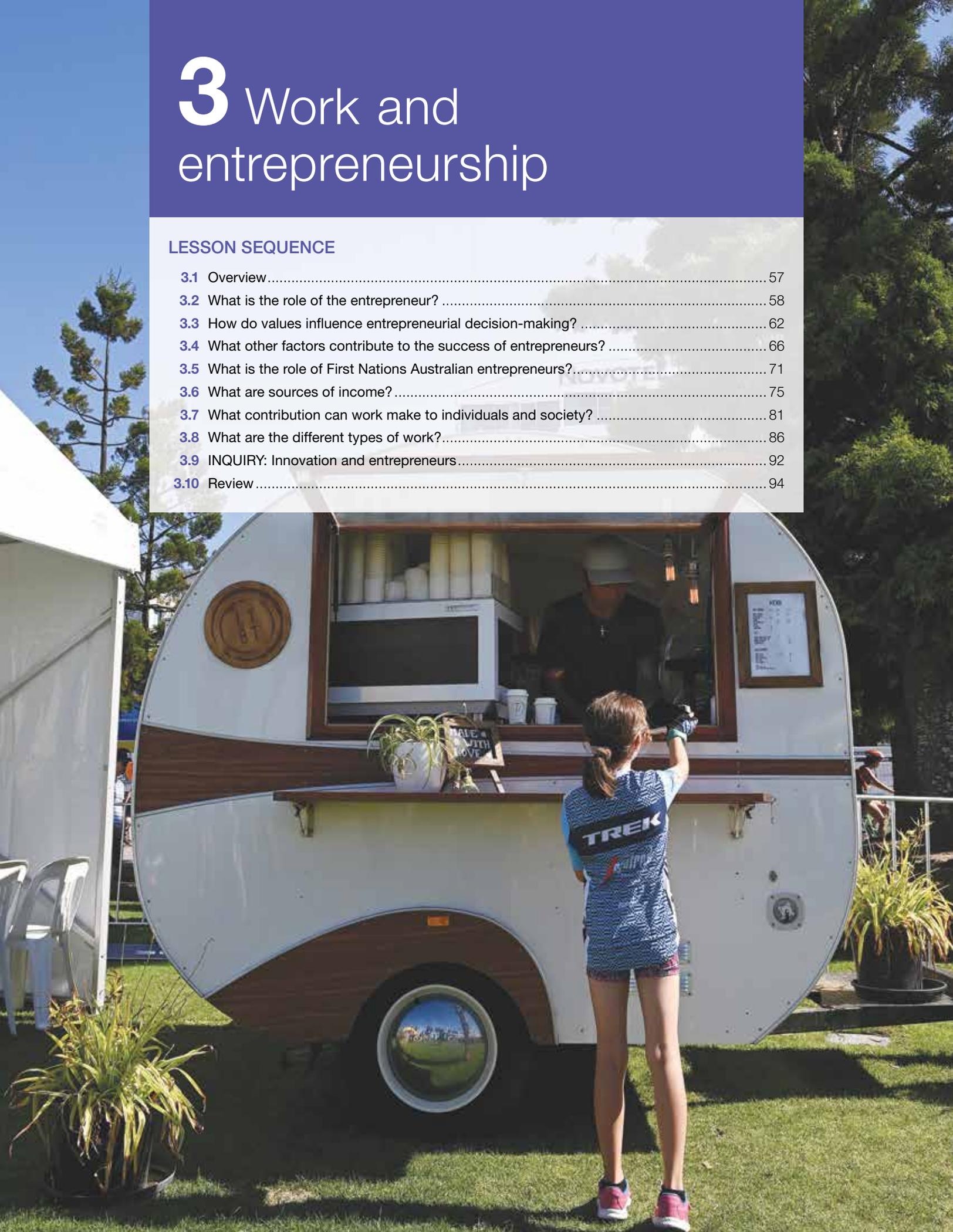
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3 Work and entrepreneurship

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LESSON

3.1 Overview

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What is the role of the entrepreneur within the economic and business environment? What types of work exist and in what other ways can people gain an income?

3.1.1 Introduction

Do you want to be your own boss? How will you earn an income? What different types of work can you do? You might start to think about the answers to these questions as you get older.

Some people aspire to have their own business, and anyone wishing to be successful in business must supply goods or services that consumers wish to buy. The ability to recognise what consumers want and need is an important skill for anyone wishing to go into business.

In this topic, we will consider the type of person who is able to respond to and meet customer needs and wants. We will also look at the type of person who is willing to take a risk, and the kinds of characteristics and values that allow them to turn an idea into a successful business.

This type of person is called an entrepreneur. Entrepreneurs sometimes come up with business ideas that have no guarantee of success, and this is sometimes a big motivator. For those whose ideas do translate into a successful business venture, the profits are often huge. Do you have what it takes to be an entrepreneur?

FIGURE 1 Entrepreneurs have new ideas and can do something about them.



Resources



eWorkbook

Customisable worksheets for this topic (ewbk-13431)



Video eLesson

Work and entrepreneurship (eles-6016)

LESSON

3.2 What is the role of the entrepreneur?

LEARNING INTENTION

By the end of this lesson you should be able to identify the role of the entrepreneur, including the knowledge and skills they bring to the Australian economic and business environment.

TUNE IN

The word 'entrepreneur' is used a lot in business, but what is an entrepreneur? What does an entrepreneur look like? How do you know if someone is an entrepreneur?

1. Brainstorm the skills and qualities that an entrepreneur might have and share these with your class.
2. Make a list of famous or well-known entrepreneurs.
3. Next to your list of names, write down what you think the entrepreneur is mainly known for.

FIGURE 1 What is an entrepreneur?



3.2.1 What is an entrepreneur?

An **entrepreneur** is someone who could be just like you. Entrepreneurs have certain knowledge, skills and attitudes, and they use these to turn their ideas and plans into actions. Entrepreneurial behaviour is encouraged in Australia, and the government provides support for individuals to develop their own ideas and start up their own business enterprises.

Entrepreneurs display the following attitudes:

- They persist in doing something about an opportunity they have recognised.
- They are not afraid to search for opportunities to promote their ideas.
- They have an ability to thrive on the challenge of creating their own successful business.
- They have a problem-solving mindset.
- They are not afraid of taking risks.
- They are innovative.

These attributes generally translate into an entrepreneur pushing an idea forward and starting a business.

How old do you have to be to be an entrepreneur? The answer is any age! If you have a great idea and the determination to make it happen, you could join this list of young entrepreneurs who have enjoyed some huge success stories:

- Sleepwear company **Night Sweet Thing** was started in 2019 by friends 18-year-old Bridey Drake and 20-year-old Gandhari Gurung from New South Wales, Australia. They successfully used TikTok to help promote and grow their business when COVID-19 hit.
- Founded in 2015 when he was just 17, Blake Garrett's school administration software startup **School Bytes** was developed after the founder overheard members of his school's office staff complaining about the clunky current system they were using.
- **Subway** sandwich shops were the brainchild of 17-year-old US-based Fred DeLuca.
- **Rip Curl**, an Australian company, was started up in the Australian backyard of surfers Brian Singer and Doug Warbrick.
- **Dell Computers** was set up when 18-year-old Michael Dell realised it was a lot cheaper to build computers than to buy them ready made.
- Poppy King founded **Poppy Industries** at age 18 after recognising the gap in the market for matte lipstick.
- Molly Whiticker-Ferrie was aged 14 when she started her Melbourne-based business **Fairy Friends Forever**, which specialised in birthday parties for girls.

entrepreneur a person who takes on a risk by starting a business with an idea, hoping to make a profit through initiative and enterprise

Many more examples exist of young entrepreneurs who have gone on to be successful business owners. A famous one is Sir Richard Branson, chief executive officer of the Virgin Group. He started his first business, a student magazine, when he was aged 16 and still at school. Another example is Bill Gates, co-founder of Microsoft. His interest in computers and computer software began when he was 13 years old.

Richard Branson

Richard Branson is the founder of the Virgin group, which comprises hundreds of companies including an airline, a train company and a mobile phone network. He started his first business at the age of 16. You may have seen Richard Branson in the media because he is famous for his publicity stunts whenever Virgin launches a new business or project. One of Richard Branson's current big ideas is commercial space travel.

If you have heard Richard Branson speaking, you will know that he is passionate and enthusiastic. He also listens to staff and customers, carrying a notebook with him wherever he goes so that he can write down what he sees and hears. He then follows up on the ideas. He shares Virgin's future plans with his staff, and his vision inspires people to perform at their best.

FIGURE 2 Richard Branson



Mark Zuckerberg

Mark Zuckerberg is a famous American entrepreneur. He is one of the founders of the tech company Meta Platforms, Inc. which includes the successful social media site Facebook. Mark Zuckerberg is a computer programmer who began creating websites while he was at university. In 2004, he launched Facebook and it has grown in popularity ever since. As of October 2022 according to Statista, Facebook had over 2.96 billion monthly active users. His business has been successful because he has specialised skills and was willing to take a risk to develop a unique business idea.

Mark Zuckerberg believes in the open and free flow of information between people. Facebook has allowed this to occur, but it has also created controversy throughout its years of operation. As a result of Facebook's success, Mark Zuckerberg has been able to donate significant amounts of money to charitable causes.

FIGURE 3 Mark Zuckerberg



Lorna Jane Clarkson

Lorna Jane Clarkson is the founder of workout fashion business Lorna Jane. She began making leotards while she worked as a dental therapist and realised demand existed for fashionable activewear. Lorna Jane Clarkson and her husband, Bill, opened their first store in 1993, and now have over 130 stores worldwide.

The Clarksons have never been afraid to take a risk. While other businesses believed that the market for fitness garments was too small to make a profit, the Clarksons decided to focus on that niche market anyway. The success of their business can be traced back to their vision and good management. Lorna Jane is renowned for innovative designs and for listening to customers, particularly through social networking.

FIGURE 4 Lorna Jane Clarkson



3.2.2 The difference between a business owner and an entrepreneur

We have looked at some examples of well-known entrepreneurs. But what is the difference between a business owner and an entrepreneur? Unfortunately, this question has no easy answer. Both business owners and entrepreneurs run businesses, and both are very important for the Australian economy. The difference is best seen in the behaviours and skills that entrepreneurs bring to a business that people who run businesses do not have.

A business owner might start their own businesses, just as entrepreneurs might. Business owners might purchase an existing business and run that, just as entrepreneurs also run businesses. However, business owners tend to be content with running a business on a day-to-day basis so that it makes a profit. They prefer to minimise risks and make calculated decisions where the outcome is reasonably clear.

Entrepreneurs, on the other hand, do much more. Entrepreneurs continue to recognise opportunities and take risks. Entrepreneurs also establish a shared vision and demonstrate **initiative**, **innovation** and **enterprise**.

A business owner might have an idea for solving a problem and meeting needs in order to satisfy a **target market**, whereas an entrepreneur's vision might be to make a big change or have an impact on the world. Entrepreneurs often do not know whether their ideas are achievable or not but they go with them anyway.

SkillBuilders to support skill development

- 1.4 Conducting research

initiative the first step or opening move in a series of actions

innovation either adding a new product to an existing product line, or significantly improving an existing product or process

enterprise the creative or bold efforts made by someone to achieve something new

target market a market at which a product is deliberately aimed

3.2 SKILL ACTIVITY: Questioning and researching, Communicating

Many Australian entrepreneurs have launched successful businesses. Afterpay is an example of this.

FIGURE 5 Australian business Afterpay is a 'buy now pay later' platform. Launched in 2014 by now billionaire founders Anthony Eisen and Nicholas Molnar, Afterpay has 16 million active customers globally.



1. On your own or in pairs, **research** Australian entrepreneurs. An online search for the term 'Australian entrepreneurs' is a good starting point.
2. **Create** a shortlist of three entrepreneurs you are interested in finding out more about.
3. **Write** a short summary on each entrepreneur. You should include the following:
 - what idea or product the entrepreneur has developed
 - how long the business has been running or when it started
 - whether the entrepreneur's idea or product has changed in this time, or whether the entrepreneur has developed a new idea
 - the profitability of the business or the wealth that the entrepreneur has gained.
4. Choose one entrepreneur to **investigate** further. At this stage, you should include **discussion** of the following:
 - Based on your research, what kind of attitude does your chosen entrepreneur have?
 - In your opinion, do you consider your chosen entrepreneur to be successful? **Justify** your answer.
5. **Present** your entrepreneur profile to the class.

3.2 Exercise

learn**on**

3.2 Exercise

Learning pathways

■ LEVEL 1

2, 3, 4

■ LEVEL 2

1, 5, 6, 7

■ LEVEL 3

8, 9, 10

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Check your understanding

1. **Define** what is meant by the term 'entrepreneur'.
2. Which of the following best describes the attributes of an entrepreneur?
 - A. Persistent innovators who do not want the responsibility of owning a business
 - B. Persistent innovators who provide the money to start a business
 - C. Persistent and problem-solving innovators who pursue an idea for a business opportunity through to start up
 - D. People who have the same attitudes as business owners, but are wealthier
3. Complete the following sentences.
Entrepreneurs are _____ for the Australian economy. Entrepreneurs can be any _____. One of the defining features of an entrepreneur is that they are willing to take _____.
4. **Determine** if the following statements are true or false.
 - a. Business owners and entrepreneurs are the same thing.
 - b. Entrepreneurs are successful because they avoid challenges.
 - c. Entrepreneurial behaviour is encouraged in Australia.
5. **State** what is meant by the following entrepreneurial behaviours.
 - a. Seizing an opportunity
 - b. Showing initiative
 - c. Being innovative
 - d. Being enterprising

Apply your understanding

Communicating

6. **Explain** the difference between a business owner and an entrepreneur.
7. **Explain** what is meant by a target market.
8. Why is being an entrepreneur so important to the success of a business?
9. **Distinguish** between innovation and enterprise.
10. Entrepreneurs and business owners take risks. **Describe** two risks they may take and why it is important that they take these risks.

LESSON

3.3 How do values influence entrepreneurial decision-making?

LEARNING INTENTION

By the end of this lesson you should be able to analyse the influence of values on entrepreneurial decision-making with relation to negotiating with stakeholders and complying with the law.

TUNE IN

Understanding your values can help you decide what is important in life.

1. Brainstorm the times when you felt the happiest or proudest. What were you doing? What had you achieved?
2. Your brainstorm should have got you thinking about what is important to you. Make a separate list of up to ten values that are important to you — for example:
 - Ambition
 - Family
 - Friendship
 - Hard work
 - Honesty
 - Reliability
3. With a partner, discuss which five of the ten values you identified might be important for an entrepreneur.

FIGURE 1 Volunteering to help others can make you feel proud.



3.3.1 The values of an entrepreneur

So far, we have considered some of the attitudes and characteristics that entrepreneurs have — these being an ability to show initiative and persistence, the ability to seize an opportunity and the willingness to take a risk. Such attributes are closely linked to a person's **values**. For example, if you value hard work, this may influence the type or amount of work that you do.

Your values can help you determine what is important to you. Entrepreneurs may possess certain values that are more likely to influence the decisions that they make. As an example, entrepreneurs are often sophisticated **negotiators**, and this may come from the value of viewing competitiveness, or getting what they want, as important.

values things a person holds as being important; can affect the way you live and work

negotiator a person who either comes to an agreement with someone else, or helps other people reach such an agreement

DISCUSS

When would an entrepreneur be required to negotiate? What skills might you need to be a good negotiator?

Case study: Values held by the Oodie founder

Davie Fogarty, 27, found success through unconventional means — via a colourful wearable blanket that has been referred to as ‘one of Australia’s biggest fashion crimes’. Millions of the fleecy garment, known as the Oodie, have sold around the world — and the product saw sales spike during lockdown, with people spending more time at home in loungewear.

Davie Fogarty has been coming up with business ideas since he was a child. He started the Oodie business with \$500. Davie Fogarty has since featured in the *Financial Review*’s Young Rich List with an estimated wealth of \$170 million — largely due to the wearable blanket. But he prefers not to talk about money.

‘You know, I don’t think it’s really about money anymore . . . It’s more about doing things we enjoy and creating new products’, he said. Aside from the Oodie, Davie Fogarty has had many business ventures and some failures. He describes himself as someone who is ‘constantly trying to launch ideas’, and added that he always thought he’d be successful and has ‘always been dedicated to this path’.

FIGURE 2 Australian entrepreneur Davie Fogarty values the creation of new ideas and has always thought that he would be successful.



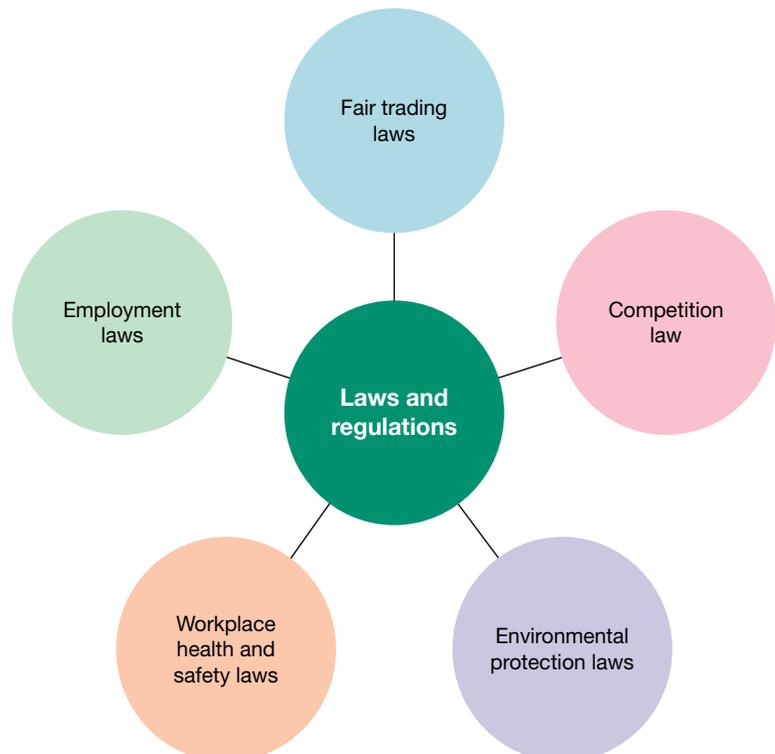
3.3.2 Complying with law and regulations

tlvd-10570

Australian federal, state and territory government legislation exists to protect consumers, the environment and the community, as well as to promote fair trading and competition. These laws govern how businesses interact with their suppliers, customers and other businesses. They also outline the rights of businesses and business owners when conflicts arise. (Refer to topic 18 for more on this.)

Entrepreneurs have to follow these laws and regulations, and their values will need to incorporate things such as looking after workers, taking care of the environment, and producing and selling a safe product. If an entrepreneur’s values do not align with laws and regulations, and if entrepreneurs neglect these important areas, it can lead to many problems including customer complaints, poor reviews and fines, and the ultimate failure of the business.

FIGURE 3 Some of the laws and regulations that entrepreneurs need to abide by



Fair trading laws

When you sell a product or service, you must comply with fair trading regulations. This means selling a product that is safe and priced fairly, and meets Australian Standards. When you buy a product or service, you also have consumer rights and guarantees. An entrepreneur must be aware of these laws and have the values that align with these laws.

Competition law

While entrepreneurs can be competitive by nature, they must comply with the Competition and Consumer Act. The Australian Competition and Consumer Commission (ACCC) enforces laws that stop businesses from doing things such as making false advertising claims or misleading consumers with prices.

Employment law

An entrepreneur who values doing the right thing for employees may find it easy and personally satisfying to do what is legally required regarding paying staff the correct wage, and giving them the rights that they are legally entitled to.

Workplace health and safety laws

All employers need to make sure that workplace health and safety laws are met. All employees in any business must be provided with a safe work environment, have safe machinery and equipment, be trained in health and safety issues, and be given any information, supervision or training that will help them stay safe.

An entrepreneur who has firm values in this area may innovate new solutions to keep workers safe.

Environmental protection laws

Some entrepreneurs naturally pursue causes that are of high value and importance to them, and this includes the environment. Certain environmental laws apply to certain businesses; however, these are determined by different states. An entrepreneur who values the environment and who pursues innovative and environmentally sound products has the potential to be more successful, because many customers also value this.

SkillBuilders to support skill development

- 1.4 Conducting research

3.3 SKILL ACTIVITY: Questioning and researching

Entrepreneurs are required to negotiate with various stakeholders as they go about pursuing their ideas.

1. **Create** a mind map of the stakeholders that an entrepreneur may need to negotiate with.
2. Choose three stakeholders. **Describe** the kind of negotiation they may have with an entrepreneur. An example is an employee who may negotiate with an entrepreneur over their wage.
3. Entrepreneurs also need to follow certain laws and regulations. Customers are one of the stakeholder groups that an entrepreneur needs to perhaps negotiate with, and consider and treat according to the law.

Using the internet, **research** information on treating customers fairly. You may like to visit the **ACCC** weblink in the Resources panel.

4. Using the information you find, select five areas of consumer law. For each, in a table similar to the one provided, **explain** how the entrepreneur should respond to that law. The first one has been done for you in the provided table.

Area of consumer law	How should the entrepreneur respond?
Customers rights and obligations	<ul style="list-style-type: none">• The entrepreneur must provide safe goods that are fit for purpose and last a reasonable amount of time.• The entrepreneur must provide options for refund according to the law.

3.3 Exercise

3.3 Exercise

Learning pathways

■ **LEVEL 1**

1, 4, 5

■ **LEVEL 2**

2, 3, 6, 7

■ **LEVEL 3**

8, 9, 10

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Check your understanding

- Identify** how a value can best be defined.
 - The things that you believe are important in the way you live and work
 - Believing in being the best at all the things that you do
 - The things that you like doing
 - The things that you are good at
- List** five values that you think most entrepreneurs possess.
- Explain** what is meant by the value of being 'hardworking'. What would be the actions of someone who possesses this value?
- Determine** if the following statements are true or false.
 - Entrepreneurs value money and success over all else.
 - Business laws and regulations are designed to only benefit businesses.
 - Entrepreneurs are exempt from fair trading laws.
 - Following environmental protection laws benefits entrepreneurs and businesses because many customers value this.
- Complete** the following sentence.
 An entrepreneur must abide by all _____ that apply to them. Laws and regulations are there to _____ both consumers and _____. Failure to follow such laws and regulations can lead to _____ of the business.

Apply your understanding

Communicating

- Read the Oodie case study in section 3.3.1. **Explain** what makes Davie Fogarty an entrepreneur.
- Outline** the values that Davie Fogarty might possess.
- Do you think you have got what it takes to be an entrepreneur? **Explain**, drawing attention to what you see as your strengths and weaknesses for such a career.
- Explain** how an entrepreneur's values can help them to meet employment laws.
- Describe** the values that you possess, and outline how these values might help you in your future.

LESSON

3.4 What other factors contribute to the success of entrepreneurs?

LEARNING INTENTION

By the end of this lesson you should be able to describe the combination of knowledge, skills and attitudes demonstrated by entrepreneurs, and identify other factors that contribute to success, such as seeing and taking advantage of an opportunity or demonstrating initiative and innovation.

TUNE IN

Imagine that you want to buy a white T-shirt.

1. Write down the factors that you might take into consideration when making this purchase.
2. What are the main three factors that would influence your choice in purchasing a white T-shirt?
3. Make a list of five recent purchases that you have made. Next to each item on your list, write down the main factor that influenced your purchase.

FIGURE 1 Are all white T-shirts the same?



3.4.1 A high-quality product

If we consider the example of the white T-shirt, an entrepreneur may be able to combine a number of factors that make a T-shirt business a successful one. This might include taking advantage of the opportunity that many customers want a high-quality product.

Developing a high-quality product may not be easy, and it may involve an entrepreneur showing initiative in seeking out appropriate suppliers or innovative production techniques. An entrepreneur may instinctively recognise that high quality can be associated with Fair Trade practices.

The innovation strategy at Patagonia is based on minimising the environmental impact of their clothing. Their team innovates by using recycled materials, and researches the market for radical new materials that they can use.

Patagonia sells clothing from materials you would never guess could become clothes: they were the first large company to sell clothing made from recycled plastic bottles, and also use material from discarded fishing nets, which they call NetPlus. This is a demonstration of innovation that environmentally conscious customers are drawn to.

FIGURE 2 Patagonia make products that last a long time, and also encourage repairing and reusing their products.



3.4.2 A quality service

An entrepreneur can also take advantage of an opportunity by using innovative ways to provide a **quality service**, above that of any competitors. This can lead customers being satisfied with the product of the business. Highly satisfied customers obviously generate profit, but by returning to the business they can also bring other customers with them. This is referred to as **word-of-mouth** marketing.

FIGURE 3 Customers being treated well by staff can give a business the lead over its competitors.



3.4.3 Sound management practices

An entrepreneur may also use their knowledge and skills to ensure that their business, and those working alongside them in the business, are using sound management practices. Sound management practices include planning carefully, leading with good values, and showing **moral** concern for society and the environment. This is often referred to as **socially responsible management**. Sound management practices mean that all those within the business who are responsible for decision-making display the same socially responsible behaviours.

3.4.4 A suitable location

An entrepreneur may be able to use their skills to take advantage of innovative business locations. This might involve the entrepreneur choosing a physical location, or **premises**.

An entrepreneur will have the skills to weigh up the costs and benefits of different locations, with the aim of finding one that is going to be best for the business. An entrepreneur may need to investigate many factors when considering a location for the business. These factors are covered in the following subsections.

Visibility

An entrepreneur understands that the product and the business need to be available to potential customers. Businesses such as department stores and hairdressers rely heavily on passing trade for sales. That is why these types of businesses typically locate in shopping centres or on shopping strips.

quality service dealing with clients and customers in a respectful and helpful way
word-of-mouth the passing of information about a business from a satisfied customer to prospective customers
moral concerned with the principles of right and wrong behaviour
socially responsible management when a business shows concern for the social welfare of the community, including customers, staff and the environment
premises the land and buildings occupied by a business

FIGURE 4 The aspects usually considered when selecting a location for a business



FIGURE 5 Why have these businesses chosen these different locations?



Accessibility

A business generally needs to be located as close as possible to its customers or suppliers. These considerations generally depend on the nature of the business. The entrepreneur will consider that a retail business needs to be close to customers, with access to parking or nearby public transport. A clothing store might decide to locate in a shopping centre or a shopping strip. For a business that manufactures goods, being close to suppliers might be more important. A car parts manufacturer would need to be close to transport networks, such as freeways or railway lines, so that it can easily receive raw materials from suppliers and then distribute the finished goods.

Competitor location

Entrepreneurs should be able to take advantage of locations that will suit the business the best. This might mean that some entrepreneurs will choose to locate in an area where other businesses are selling the same product. They will do this because customers are attracted by the competition and choices offered by the collection of businesses. Examples of this include fruit and vegetable markets or car dealerships located together along a busy highway.

Cost

When considering the cost of a location, an entrepreneur must decide whether to rent or purchase the premises. In general, the cost of the location will be affected by the location's size, quality, visibility and accessibility, and the amount of passing trade. Locating in a shopping centre is usually more expensive than locating on a shopping strip. An ideal location would be one where costs are kept to a minimum, but access to customers is still maintained.

Online businesses

Online businesses can be located anywhere. An online business may operate from a home or from a warehouse facility. Location is not as important because the customer does not have face-to-face contact with the business and its products.

Some entrepreneurs have been able to take advantage of changes in the market to spot opportunities in online sales. This may have required innovation and initiative to seize such opportunities. During the pandemic, for example, drone delivery services such as Wing were established. These online services promise drone delivery of groceries, coffee and takeaway food directly to your door.

FIGURE 6 Drones can deliver products directly to your door.



SkillBuilders to support skill development

- 1.4 Conducting research
- 1.6 Evaluating a business plan
- 1.7 Writing a business case study

3.4 SKILL ACTIVITY: Communicating

1. **Select** a successful and well-known product (a specific make and model of car, for example, or brand of clothing, make and model of phone or food item).
 - a. **Write** down the name of the product, the brand, the company that produces it and the founder of the company.
 - b. What do you think the goal or vision is of the business that makes this product? Provide a reason for your answer. You may wish to **research** this.
2. **Explain** why your chosen product is successful. Can you **identify** a key point of service or does the product have certain attributes?

3. Visit the company's website. Can you find a page about their environmental or sustainability pledges? What does this business do to protect the environment?
4. Where is your product available? What locations can it be found in? Is it sold in select stores or can you purchase it in many different locations? Why do you think that they have chosen the locations that they have?
5. **Communicate** your findings to your class.

3.4 Exercise

learn**on**

3.4 Exercise

Learning pathways

■ LEVEL 1

1, 2, 3, 4

■ LEVEL 2

5, 7, 10

■ LEVEL 3

6, 8, 9

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Check your understanding

1. What attributes might a business owner attempt to include in their new product before taking it to the marketplace?
 - A. Premium features, high performance, or durability and reliability
 - B. New features that have not been fully tested
 - C. A feature that a competitor introduced last year
 - D. A short lifespan and making it disposable
2. **Identify** the management practices that entrepreneurs should display.
 - A. Planning, delegating, controlling, managing
 - B. Planning, organising, and controlling
 - C. Planning, leading with moral concern for society and environment
 - D. Planning, delegating, being enterprising, being innovative
3. How can a business develop quality service?
 - A. By seeking feedback from customers through customer surveys
 - B. By using customer loyalty programs and giving discounts
 - C. By training staff
 - D. All of the above
4. **Explain** what is meant by meeting customer expectations.
5. **Explain** why location is important for a business.

Apply your understanding

Communicating

6. **Describe** a scenario in which a business provides poor customer service and predict the possible outcomes of that poor service.
7. **Distinguish** between planning and organising.
8. **Explain** what is meant by a business being ethical and socially responsible.

Evaluating, concluding and decision-making

9. **Outline** the main factors that need to be considered when deciding the location of the following businesses.
 - a. A car manufacturer
 - b. A restaurant
 - c. A supermarket
 - d. An online T-shirt supplier

Communicating

10. **Explain** one advantage and one disadvantage of locating your business close to a competitor.

LESSON

3.5 What is the role of First Nations Australian entrepreneurs?

LEARNING INTENTION

By the end of this lesson you should be able to describe the characteristics of First Nations Australian entrepreneurs.

TUNE IN

You can find your purpose in your working life in many ways.

1. Consider what you would like to do when you leave education and enter the world of work.
2. What would be your aim or purpose? Would you focus on earning money? If so, what would you do with the money that you make?
3. Would you focus on helping a community group? If so, which one and why?
4. What do you think the term 'profit with purpose' means? Discuss this with a partner.

FIGURE 1 What's your purpose?



3.5.1 First Nations Australian entrepreneurs

First Nations Australian entrepreneurs have the oldest cultures and traditions in the world and, as you can imagine, they have spent their many thousands of years innovating and adapting to the climate around them. First Nations Australians are thought to be among the world's first bakers of bread, and they are well known for their innovative land schemes, including aquaculture and firestick farming.

Since the first settlement of Europeans in Australia, First Nations Australians have not had the same opportunities as others within our society; however, government agencies, partnerships and programs are now more tuned in to support First Nations Australian entrepreneurs to achieve their aspirations.

First Nations Australian entrepreneurs share the same characteristics of all entrepreneurs of identifying opportunities and taking risks. However, they tend to pursue profit-generating activities with a strong focus on social reasons; that is, businesses that are also run to benefit the community.

Many First Nations entrepreneurs have found opportunities in the areas of tourism, art, clothing, natural skin and beauty products and cuisine, and in establishing businesses that supply First Nations communities in rural areas.

FIGURE 2 First Nations artists show entrepreneurial skills when they produce and sell their art.



Tahnee Edwards is a proud Yorta Yorta and Taungurung woman. Tahnee set up Gammin Threads as a side hustle and creative outlet from her part-time job at a First Nations family violence prevention service.

Gammin Threads was born from a love of typography, language and pride. It consists of 'chillwear' and accessories for people who believe in living colourfully. Tahnee pays respect to and empowers women through her business.

FIGURE 3 Gammin Threads offers colourful 'chillwear' and accessories



3.5.2 Community-run companies

Social traders, profit for purpose and social enterprise businesses all have much the same aim. They are driven by a public or community cause (be it social, environmental, cultural or economic) to make the world a better place. These types of businesses make most of their income from trade and they use the majority of their profits (at least 50 per cent) to work towards a specific social mission.

Unlike charities, they do not rely on donations or grants.

The government offers specific support for First Nations Australian entrepreneurs, just as it does for many other entrepreneurs. However, much of the assistance for First Nations Australian entrepreneurs is focused around First Nations principles and ways of doing business, which can differ in practice and approach. Two common sources of assistance for First Nations Australian entrepreneurs are through the Indigenous Advancement Strategy (IAS) and Indigenous Business Australia, which both provide business grants and loans.

Joint ventures

The Gumatj Corporation is a joint venture between investors, project proponents and traditional custodians of the land. The venture represents the interests of the Gumatj people, who are based in Miwatj area, east of Darwin. The corporation runs a range of businesses in Gungahara and the Gove Peninsula area to support local employment. These include a saw mill and timber works, concrete batching plant and concrete works, a construction joint venture, a cattle farm and butcher shop.

A **cooperative** refers to a business model based around the idea of democratic ownership and control by the people who use the business, or the customers of the business. This is favoured by some First Nations Australian entrepreneurs because it allows them to grow their business but still retain a community element to the business.

cooperative a farm, business or other organisation owned and run jointly by its members, who share the profits or benefits

Cooperatives are typically owned by employees of the business and/or customers. An advantage of this model for many First Nations Australian entrepreneurs is that all members involved benefit from the success of the business, not just the owner.

Case study: Muru Office Supplies

Muru Group was founded in 2012 by Mitchell Ross, a Bidjgal man from La Perouse in southeast Sydney.

In 2014, a partnership was formed between the Muru Group and Complete Office Supplies (COS) to found Muru Office Supplies (MOS), a 100 per cent Australian-owned national Supply Nation–certified workplace supplies provider. The business sells office supplies including brochures, stationery, prints, labelling, and office and desk essentials among other things for the workplace.

MOS describes itself as a purpose-driven, community-focused organisation that contributes a percentage of all profits to education, employment, and health and **wellbeing** initiatives that support Indigenous communities.

wellbeing an overall measure of quality of life

For example, the business supports an early childhood education program that operates three days a week. The aim of the program is to improve literacy and numeracy skills through structured play. Over 30 Indigenous children receive free access to this program.

In 2017, Muru partnered with KPMG to fulfil a contract to supply. The contract includes supplying KPMG with products such as copy paper, office supplies and kitchen supplies, as well as printing and promotional items.

Source: <https://supplynation.org.au/stories-of-success/mos-kpmg/> and <https://muruoffice.com.au/>.

SkillBuilders to support skill development

- 1.4 Conducting research

3.5 SKILL ACTIVITY: Questioning and researching

Clothing The Gaps is a Victorian Aboriginal-led and -controlled, and majority Aboriginal-owned, social enterprise, co-founded by Laura Thompson (Gunditjmarra) and Sarah Sheridan (non-Indigenous). The business is registered with Social Traders, which advocates for social enterprise businesses.

The business is proud to be a First Nations employer, with 81 per cent of staff members belonging to the First Nations community.

Clothing The Gaps uses its profits to fund health initiatives in Aboriginal Communities. It ultimately aims to 'help close the life expectancy gap between Indigenous and non-Indigenous people'.

1. **a.** Clothing The Gaps is a First Nations Australian business with an objective other than profit. **Explain** what this business aims to do.
 - b.** **Propose** attributes that the owners of Clothing The Gaps are likely to have.
2. **Research** another First Nations Australian entrepreneurial venture. Typing 'First Nations Australian entrepreneurs' into your browser will give you a good start.
3. **Choose** a First Nations Australian business that interests you. Access their website and visit the 'About us section' to answer the following questions.
 - a.** What does this business sell?
 - b.** Does this business have a 'profit for purpose'? What aims does the business have?
 - c.** How did the entrepreneur behind this business achieve success?
 - d.** Does this business partner with other businesses or government agencies?
 - e.** What attributes are the owners of this business likely to have?

FIGURE 4 Clothing The Gaps founders Laura Thompson and Sarah Sheridan



3.5 Exercise

learn **on**

3.5 Exercise

Learning pathways

■ **LEVEL 1**

1, 2, 3, 4

■ **LEVEL 2**

5, 6, 7

■ **LEVEL 3**

8, 9, 10

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Check your understanding

1. **Complete** the following sentence:
Social traders, profit for purpose and social enterprise business have similar _____. They are motivated not only to make a _____, but also to _____ a public or community cause.
2. **Determine** if the following statements are true or false.
 - a. Social traders, profit for purpose and social enterprise businesses are the same as charities.
 - b. First Nations Australian entrepreneurs tend to pursue profit-generating activities while supporting remote and rural communities.
 - c. The government offers no support for First Nations Australian entrepreneurs.
3. First Nations entrepreneurs often prefer the **sole trader** / **cooperative** / **partnership** business model because it is based around the idea of democratic ownership and control by the people who **created** / **run** / **use** the business.
4. **Explain** what is meant by a social enterprise.
5. **Outline** why First Nations Australian entrepreneurs seek to support their local communities.

Apply your understanding

Interpreting and analysing

6. **Explain** what is meant by a partnership and outline how this is different from a cooperative.
7. Read the case study on Muru Office Supplies (MOS).
 - a. **Outline** what the business sells.
 - b. **Explain** how this business helps the local First Nations Australian community.
8. **Explain** how Muru Office Supplies makes use of partnerships to increase sales.
9. After reading the case study on MOS, **list** the values that the owner and founder might have.
10. **Justify** why it is important for First Nations Australian entrepreneurs to receive support.

LESSON

3.6 What are sources of income?

LEARNING INTENTION

By the end of this lesson you should be able to describe the reasons individuals choose to work, how they may derive an income and the types of work that exist.

TUNE IN

By now you will likely have given some thought to what you want to do when you leave education.

1. What kind of occupation would you like to work in? Can you write down the specific job that you would like to do?
2. How do you feel about work? Are you excited to think about becoming an entrepreneur or working in a job that you think you will love? Explain your answer to a class peer or your teacher.
3. Brainstorm all the other ways that you could earn an income, aside from working for yourself or for someone else.

FIGURE 1 Zookeeping is one of the jobs many young people aspire to do.



So far in this topic we have considered entrepreneurship and starting a business as a way of making a living. In the following lessons, we will look at why and how individuals work, including First Nations Australians, the types of work they are involved in, and how they derive an income in the Australian economic and business environment.

3.6.1 Work as a source of income

As you get older, the importance of money and its uses becomes clearer. For example, you need money when you catch up with friends and plan a day out to the movies, ice skating, rollerblading, visiting the art gallery or many other exciting or interesting activities. You need money to fund your lifestyle.

So where does the money you need come from? If you said your parents or caregivers, you know that the money probably comes from these people going to work. Once you leave school, though, chances are you will enter the workforce — if you haven't already started working while at school.

FIGURE 2 Going to a concert is just one of the many activities for which you need money.



Being part of the workforce will enable you to start earning money, which you can then use to buy things that you need and want.

Earning a **wage** is often the primary reason that people work. Earning a wage affords you a certain **standard of living** where you can purchase the things that you want.

The entrepreneurs we have learnt about in this topic work to gain an income. They will probably pay themselves a **salary**.

The main form of income for most people is the wage or salary they earn from their job. A person who receives a wage is paid an hourly rate for each hour they work, and their wage may vary from week to week.

A person on a salary receives a set amount of pay regardless of how many hours they work. However, income can come from many sources, not just work. Some of these sources are show in **TABLE 1**.

wage payment for work completed or services performed, usually dependent on hours worked per week or month

standard of living quality of life as measured by the amount of money made by an individual or household (using income per capita or income per household)

salary fixed or regular payment for work completed or services performed

FIGURE 3 Jobs provide income that is used to buy goods and services.



TABLE 1 Alternative sources of income

Alternative source of income	Description
Superannuation	Superannuation is the money that people save for their own retirement. Money is deducted (taken) from a person's weekly income and placed into a superannuation fund. People are able to access their superannuation upon retirement. Given that Australia's population is ageing, superannuation is an increasingly important form of income.
Commission	People such as real estate agents may earn a commission. This means that for every sale they make, they receive a small percentage of the money made. The more they sell, the larger the commission they receive.
Welfare payments	People may receive a welfare payment for a range of different reasons. Some retired people receive a pension to help them with their living expenses. Other people may receive a welfare payment if they are unemployed or if they are not working for some other reason (such as illness).
Rental income	A large number of people in Australia own an investment property. An investment property is one that the owners do not live in. Instead, they rent it out to tenants. The rent payments received from tenants provide an alternative source of income for the owners of the property.
Dividends	Some people choose to invest in companies. To do this they buy a 'share' in the company. These people will then become part owners of the business and they are known as shareholders. When the company makes a profit, it distributes some of the profit to the shareholders, and this is called a dividend.

3.6.2 Being a shareholder

At the age of 18 you will be able to buy shares in a company. This means that you become a shareholder. Shareholders own a part of a business; this can be a very small part of a business or a larger part — which could see you owning a significant percentage of a business. Either way, when you are a shareholder, you can participate in and benefit from a business's future growth. Some people buy and sell shares and earn a significant amount of income from this activity.

If a company is successful in growing its earnings and profit over the years, its share price is likely to rise. This means if you then sell your shares, you can make a profit. You also have the right to receive dividends, which are portions of a company's profit that it decides to pay out to shareholders.

Dividends are not guaranteed. If the business makes a loss, no dividends will be paid to shareholders. Even when the company makes a profit, it is up to a company's board of directors to decide on how big a dividend to pay, if at all.

A person who invests in stocks, property or other ventures in the hope of making a profit, and to provide a source of income, is known as a **speculator**.

3.6.3 Providing a rental service

Another alternative source of income is providing a rental service in the form of a property that you lease to renters for a monthly fee. People who have second homes or holiday homes can rent out their property — during holiday season, for example — and this can bring in a substantial income.

Some people will buy a property such as an apartment as an investment. They will rent out the property over several years or more and then sell the property once the price has risen. This source of income can be very lucrative, and some people have multiple properties from which they earn an income.

speculator a person who invests in stocks, property or other ventures in the hope of achieving a profit and a source of income

FIGURE 4 Both residential and commercial properties can be leased out.



3.6.4 Receiving a social security benefit

Most residents in Australia are able to access a social security scheme payment at some point. Social security schemes are classed as a type of income that enable those people most at need in society to access at least essential health care, basic shelter and housing, water and sanitation, foodstuffs, and education.

Social security schemes provide a range of benefits and payments that can apply to a wide range of people at different points in their lives. Mainly, these payments help people on low incomes and in times of need. For example, a crisis payment can be provided if you are in severe financial hardship because you have been forced to leave your home and find a new home because of an extreme event such as domestic violence or your house burning down. Social security benefits also include the more well known payments such as the pension, parental leave and unemployment benefits.

Social security benefits can also include rebates (money back). For example, Medicare is a common form of rebate where you receive money back from the government on healthcare expenses.

FIGURE 5 Social security benefits include rebates from Medicare.



3.6.5 Sources of income for First Nations Australian entrepreneurs

First Nations Australian entrepreneurs play an important role in the Australian economic and business environment. The sources of income are much the same for First Nations Australians. According to a recent report, the First Nations Australian businesses sector was experiencing strong growth of around 12.5 per cent per year before the COVID-19 pandemic. Experts estimate over 2300 Indigenous businesses are in operation, and these generate over \$3 billion in annual revenue and employ over 11 000 Indigenous employees in Australia.

Work as a source of income for First Nations Australians is important. Yet, First Nations Australian communities and their custodians, such as Wadandi custodian Josh 'Koomal' Whiteland, have found ways to combine earning a living while continuing their cultural practices and management of country.

Josh is part of Koomal Dreaming in Busselton, Western Australia. Koomal Dreaming is a First Nations run cultural experience business. Josh introduces visitors to the world’s oldest living culture, giving them the opportunity to taste native foods, discover bush medicine and experience traditional fire lighting. Josh also recounts stories of the Dreaming spirits that relate to his traditional area.

First Nations Australian businesses often have a multiplier effect — that is, the impacts of a successful business go beyond financial benefits to the owner. Rather, businesses that are bound in traditional practices and management of country help to contribute to sustaining First Nations Australian communities. The government offers some support for First Nations Australian entrepreneurs in the area of regional tourism ventures. For example, Koomal Dreaming has received government support to improve their food preparation and storage areas at tour locations and employ more local First Nations people to cater for more guests on their food tours.

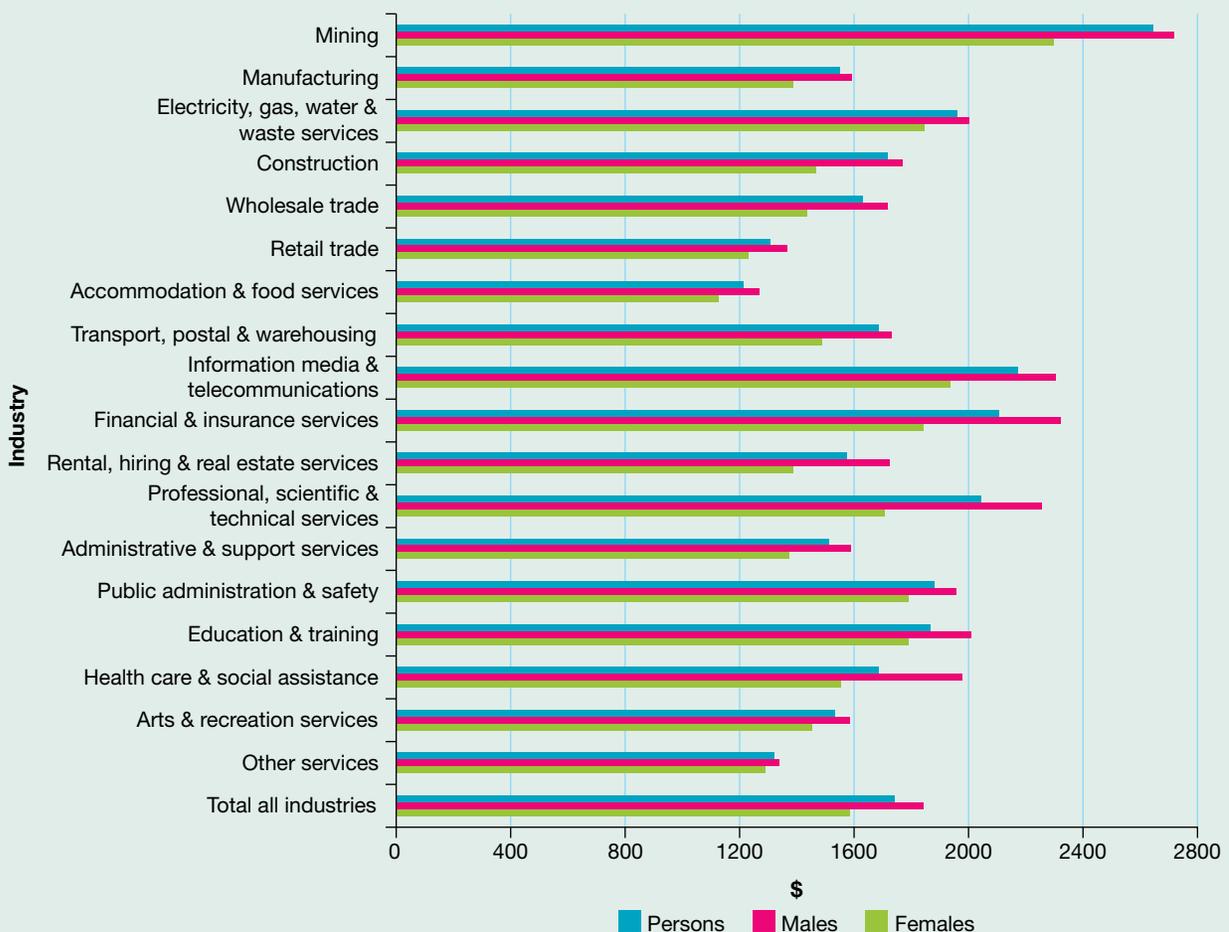
SkillBuilders to support skill development

- 1.5 Interpreting and explaining graphs

3.6 SKILL ACTIVITY: Interpreting and analysing

FIGURE 6 shows average weekly earnings for full-time workers in Australia.

FIGURE 6 The average weekly ordinary time earnings of full-time adults, by industry



Source: Australian Bureau of Statistics, Average Weekly Earnings, Australia November 2021

1. **Identify** the five highest paying industries for all persons.
2. Choose three of the industries you have identified and **explain** why these are high-paying industries.
3. **Identify** the three lowest paying industries. **Explain** why these industries offer lower earnings.
4. **Outline** the trend between the amount males earn and the amount females earn in each industry.
5. **Explain** the potential reasons for your findings in the previous question.

on Resources

 **Interactivity** The average weekly ordinary time earnings of full-time adults, by industry (int-8965)

3.6 Exercise

learnon

3.6 Exercise

Learning pathways

■ LEVEL 1
1, 2

■ LEVEL 2
3, 4, 6

■ LEVEL 3
5, 7, 8

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Check your understanding

1. **Determine** if the following statements are true or false.
 - a. The income you can earn from a job can help you to improve your living standards.
 - b. A wage is different from a salary.
 - c. Dividends are a reliable source of income.
2. **Identify** three reasons a person may receive a welfare payment.
 - A. They are working full-time.
 - B. They are sick.
 - C. They have retired and cannot support themselves.
 - D. They are under the age of 16.
 - E. They are unemployed.
 - F. They are working for the healthcare system.
3. Rental income often comes from an investment property. **Propose** some of the risks involved in owning a rental property.
4. **Rank** each of the following occupations according to their level of status and prestige on a scale of 1 to 10, where 1 is the highest status and 10 the lowest. Place your number rankings in the column on the right. **Compare** your list with those of other class members.

a. Entertainers		b. Doctors	
c. Teachers		d. Bankers	
e. Firefighters		f. Scientists	
g. Police		h. Athletes	
i. Plumbers		j. Computer programmers	

Apply your understanding

Communicating

5. Answer the following.
 - a. **Explain** what is meant by being a shareholder.
 - b. **Outline** the benefits and risks of being a shareholder.
6. **Differentiate** between a wage and a salary.
7. **Explain** what is meant by the term *standard of living*.
8. **Explain** how a person might combine different sources of income.

LESSON

3.7 What contribution can work make to individuals and society?

LEARNING INTENTION

By the end of this lesson you should be able to analyse the contribution that work can make to an individual's identity and role within a community.

TUNE IN

Work with a partner and brainstorm the reasons that people go to work.

1. No doubt you thought of money! What do you think are the best paid occupations in Australia?
2. If you won the lottery tomorrow, would you still plan to go to work? Discuss your answer with a partner.
3. Write down the advantages and disadvantages of continuing to work if you won the lottery.

FIGURE 1 If you had a big win, would you still work?



3.7.1 What is work?

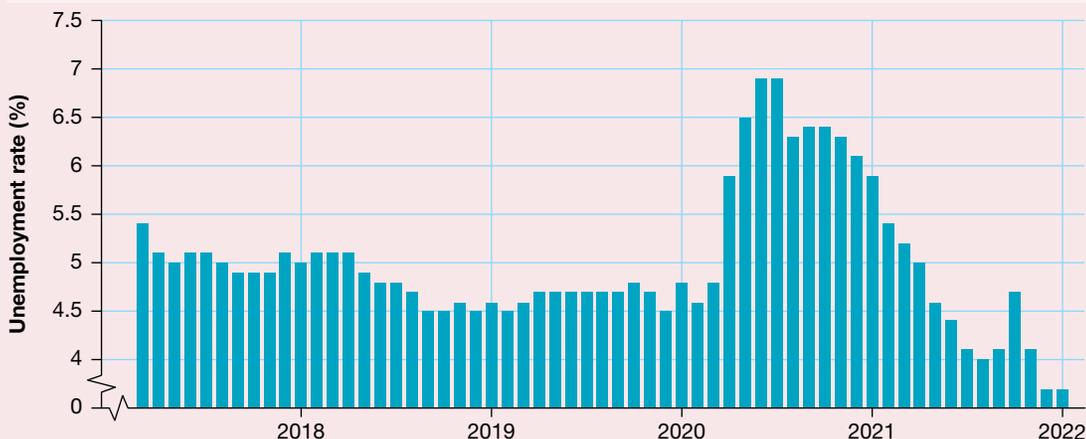
The Australian Bureau of Statistics defines people as 'employed' if they work one hour or more in a week. This includes everyone who works — from teenagers working part-time after school, to adults working full-time jobs and semi-retired people continuing part-time in the work force to stay active and engaged.

To be unemployed, you must not be employed for one hour or more, you must be actively seeking work and you must be currently available for work.

DISCUSS

The graph in **FIGURE 2** shows the unemployment rate in Australia. What has happened to the unemployment rate in Australia over the period shown? How might this affect people in Australia?

FIGURE 2 The unemployment rate in Australia from 2018 to 2022



Source: Australian Bureau of Statistics. (2023, August). *Labour Force, Australia*. ABS. <https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release>.

3.7.2 The importance of work in our community

Since early times, people have busied themselves, undertaking tasks and performing activities such as hunting for food, gathering berries, planting seeds and picking fruit, all of which required manual labour.

When we think of the term ‘labour’, our first thought will often be ‘work’. In very general terms, work is defined as human labour. A more complex definition is the performance of laborious tasks (mental and physical) and/or the provision of time and effort in exchange for money.

Supporting the community

If you are working, you are part of the labour force and being in the labour force means that you are earning a wage and participating in a community, where people may have similar interests and things in common. You will gain many things from being a part of this community, including feelings of self-esteem, belonging and purpose. Some types of occupation, however, link directly with a community group and these jobs can define our role in our local community. A police officer or teacher is a good example of this, and these occupations support key groups of people within a community setting.

FIGURE 3 Aged care workers have a clearly defined role in our community because they help an important group of people in our society.



3.7.3 Why do people work?

Even the wealthiest people in the world often choose to work. This is because many personal benefits can be gained from working, aside from financial benefits. You may have already come up with some responses, but here are some of the common reasons that people work.

Earning an income

The main reason we work is to get paid: to receive a wage or salary for the work that we perform or the services we provide. When someone is working, they are classed as being employed. It is a fact that to survive, we must have money. While earning money, many workers will struggle to maintain some degree of balance between work and leisure, known as **work–life balance**. This need for work–life balance is important to many workers, and maintaining a good balance can form the foundations of a good life and a worker’s sense of wellbeing.

FIGURE 4 A cardiologist is a medical specialist who can diagnose and treat diseases and conditions of the heart and blood vessels. Cardiology is one of the highest paid professions in Australia.



Improving living standards

Imagine that you have a teenage cousin or friend who has just received her first pay packet from a part-time job. At the weekend, she decides to visit a shopping centre and buy some new running shoes. The income from her job has provided her with the money to buy the running shoes, and this will help her to train better.

work–life balance the division of one’s time and focus between working and family or leisure activities

Working generates an income that enables consumers to satisfy their needs and wants. When people can buy the things that they need and want, this is classed as satisfying your **material living standards**. People who have high incomes are generally able to buy a large amount of material possessions such as designer clothes, jewellery, cars, expensive mobile phones and overseas holidays.

However, work can also affect a person's **non-material living standards**. Non-material living standards are classed as factors that affect a person's quality of life irrespective of income. Non-material living standards includes things such as crime rates, public health facilities, pollution levels, stress levels and general feelings of happiness. These are hard to measure; however, as a general indicator, when people are working, they are generally happier.

Self-esteem

In a recent survey, 200 employees of a factory were asked to write down the most important aspect of their work. The responses revealed that it was not money — 67 per cent of the employees said that knowing they had done the job well and received some praise from the supervisor were the most rewarding aspects. Both job satisfaction and self-satisfaction were important. This doesn't mean that money is not important; it is. However, you can get many other rewards from a job, such as feelings of accomplishment and self-esteem.

material living standards
access to physical goods and services

non-material living standards
factors that affect a person's quality of life regardless of income

FIGURE 5 Knowing they are doing a job well is very important to many workers.



Happiness

For some of us, work genuinely brings happiness. Studies have shown that if you are happy with your work and your work colleagues, you will be happier in other aspects of your life. Furthermore, the social elements of work, such as friendship, help us to feel more engaged and productive at work.

TABLE 1 summarises some of the non-financial and financial benefits of being employed and participating in the workforce.

TABLE 1 Some of the benefits of participating in the workforce

Non-financial benefits of participating in the workforce	Financial benefits of participating in the workforce
<ul style="list-style-type: none"> • The opportunity to use your skills and abilities in a positive way • Meeting and mixing with new people • Doing something you love and are passionate about • Increasing your self-esteem and confidence • Developing your natural strengths and talents • Wanting to be part of a group or a team at work • Having friends at work • Contributing to the Australian economy • Being happy 	<ul style="list-style-type: none"> • Earning an income • Exchanging money for goods and services • Being a consumer • Having the ability to buy what you need and want • Creating and maintaining a good standard of living for your family

SkillBuilders to support skill development

- 1.4 Conducting research

3.7 SKILL ACTIVITY: Evaluating, concluding and decision-making

By this point, you should have had some discussions about your future aspirations. This activity will allow you to research this further and think about the different dimensions of a job.

FIGURE 6 Enjoying something, such as photography, might be a good place to start when thinking about a career. However, many other aspects need to be considered.



1. **Conduct research** on the different types of jobs available. You might like to use the **Careers** weblink in the Resources panel, which shows a list of many possible occupations. Choose an occupation that you think you would be interested in (for example, actor, doctor or photographer).
2. Click on your chosen job profile and locate the expected wage/salary that this job pays. Write this down if it is stated. Do you think that this is a fair wage? How does it **compare** with other wages for other jobs?
3. Read the overview of the job. **Explain** how this job would contribute to making you feel part of a community. Would it involve you directly caring for a person or group of people? In what way is your chosen job important for society?
4. **Explain** three other benefits that you imagine this job would bring to you.

on Resources

 **Weblink** Careers

3.7 Exercise

learn **on**

3.7 Exercise

Learning pathways

■ **LEVEL 1**
1, 2, 3, 4

■ **LEVEL 2**
5, 6, 7, 8

■ **LEVEL 3**
9, 10

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Check your understanding

1. **Identify** three important reasons people work.
 - A. To earn an income
 - B. To improve their standard of living
 - C. To decrease their standard of living
 - D. To increase their stress levels
 - E. To feel improved self esteem
2. **Determine** if the following statements are true or false.
 - a. Work can be defined as something that you have to do to pay your taxes.
 - b. According to a recent survey, employees generally care more about making money than about doing their job well.
 - c. Work can be defined as human labour.
3. **Define** what is meant by *being employed*.
4. **Select** the correct options to complete the sentence.
To be unemployed, you must not be employed for one **hour / day / shift** or more, you must be actively **completing / seeking** work, and you must be currently **unavailable / available** for work.
5. Look at the benefits that can be gained from participating in the workforce discussed in this lesson. Do you agree with them? **Explain** your answer.

Apply your understanding

6. **State** two reasons it is important for people to work.

Communicating

7. **Explain** what is meant by material living standards.
8. **Outline** the difference between material and non-material living standards.
9. **Explain** how work can increase your material living standards.
10. Work is important for providing people with self-esteem. **Explain** what this means and provide an example of how someone may feel higher self-esteem from their employment.

LESSON

3.8 What are the different types of work?

LEARNING INTENTION

By the end of this lesson you should be able to identify the different types of work (including full-time, part-time, casual, at home, paid, unpaid, unrecognised and volunteer work) to appreciate the reasons people work or contribute to community organisations.

TUNE IN

Study the two images shown in **FIGURE 1** that show two very different types of work.

FIGURE 1 Many different types of work exist.



1. Brainstorm what work each person might be doing.
2. Estimate the salary that each person might earn.
3. Discuss how the work the person on the left is doing might contribute to society.
4. Discuss how the work the person on the right is doing might contribute to society.

3.8.1 What counts as work?

Work is defined as human labour, or the performance of laborious tasks (mental and physical) and/or the provision of time and effort in exchange for money. When the exchange involves money, we refer to this as paid work. The money we receive is, as we know, referred to as a wage or salary. Of course, other types of work that we do go unpaid. Jobs such as cooking, cleaning and gardening are all work, but you cannot argue that you are employed when you are cleaning your own room.

Similarly, household chores do not earn an income, although your parents may reward you with pocket money for performing them. In the world of economics, however, pocket money is not considered an income. Other examples of unpaid work are family duties, school, voluntary work and community service.

3.8.2 The labour force

As we learned in lesson 3.7, Australia's labour force is made up of people who are working. This also includes people who are actively looking for employment, whether it is **full-time**, **part-time**, **casual** or **seasonal**.

full-time an employee who works 35 hours or more per week, or who works the minimum number of hours stipulated by the industrial award for that occupation or industry

part-time an employee who works fewer than 35 hours per week

casual an employee who works only when needed

seasonal an employee who usually works during a season, such as winter or the fruit-picking season

Our labour force is made up of people aged 15 and over who are either employed (including self-employed people) or unemployed. People not regarded as part of the labour force include:

- people eligible for the state pension
- people who have retired from the workforce
- people with a physical or mental disability that prevents them from working
- full-time students who do not work
- full-time carers who look after children or other family members
- volunteers working without pay in institutions such as the State Emergency Service and charities.

FIGURE 2 People who work or are looking for work are part of the labour force.



A small percentage of the labour force (4.2 per cent in March 2022) is unemployed.

In Australia, we have **industry-wide awards** that set out the minimum wages and **working conditions** for all employees in an entire industry or occupation. These awards also set out the award hours, which are the minimum weekly hours of work that a person covered by that award must be given.

3.8.3 Types of workers

In Australia, workers are classified as full-time or part-time, permanent, or casual, self-employed or seasonal. People have different reasons for being employed on a particular basis. As an example, a student studying at university will most likely decide to work on a part-time basis, so that they can fit the work in with their study. The four main categories of work are described in **TABLE 1**.

Some key facts about types of work include the following:

- The proportion of employed people who are classified as full-time has fallen over the past 10 years.
- In January 2021, 68.8 per cent of employed people were employed on a full-time basis; 10 years ago, it was 70.9 per cent.
- In contrast, part-time employment sits at around 30 per cent, although this is rising.
- Women made up almost half the paid workforce in Australia in 2020, compared to around 30 per cent in 1966.

industry-wide awards legally binding documents that set out the minimum wages and other entitlements for all employees in an industry or occupation

working conditions all those things an employer has agreed to provide in exchange for the employee's work, ranging from the physical work environment to hours of work, rates of pay and leave entitlements

TABLE 1 Different types of workers

Type of worker	Features
Full-time worker	<ul style="list-style-type: none">• Ongoing employment• Number of hours per week is 35 or more
Part-time worker	<ul style="list-style-type: none">• Ongoing employment• Number of hours per week is fewer than 35• Number of hours may be fixed or variable
Casual worker	<ul style="list-style-type: none">• Employed on an 'as needed' basis• No permanent weekly roster• Hours vary from week to week; for instance, 10 hours one week and 3 hours the next• May work for more than one employer
Self-employed	<ul style="list-style-type: none">• An individual who works for himself or herself

The unemployed

The unemployed are those people who are actively looking for work but are not presently employed. The unemployed includes people who have lost their jobs because of changes in the economy, those about to start a new job, and those who are between jobs (such as fruit pickers and ski-resort workers).

Permanent, casual and seasonal workers

Permanent workers are those who as part of their working conditions are entitled to either paid holiday leave or sick leave, or both. Casual workers are those who as part of their working conditions are not entitled to either paid holiday leave or sick leave, or both. Seasonal workers are usually workers who are employed during a season, such as summer or winter. For example, apple fruit pickers would work only during the apple harvesting season and ski instructors would work only during the cold winter season when there is snow.

Voluntary work and other unpaid work

When we look at Australia's labour force, we tend to focus on who is employed, who is unemployed or who is seeking employment. While we focus on paid work, we also need to remember that not all work is done for a receipt of payment. Sometimes we neglect to acknowledge the valuable contributions made by other groups that do not fit into these categories. These groups include:

- volunteers or contributors to community organisations, such as medical specialists working with Doctors without Borders (Médecins Sans Frontières) or country firefighters
- a grandparent caring for a grandchild
- parents caring for a sick or disabled child
- parents who stay at home to raise the family.

According to govolunteer.com.au, more than 6 million Australians volunteer each year. People volunteer for many reasons and in many ways. Some use volunteering as way to gain new skills or add experience to their resume. Others use it to meet new people, make new friends or try something new. Making a difference to the community and having a sense of purpose are also popular reasons for volunteering.

FIGURE 3 Ski instructors are seasonal workers who are employed only during winter.



Volunteer workers play a significant role in society. Their contribution to the economy is vital, necessary and valuable. Many people work part-time for non-profit agencies such as the Volunteer Fire and Rescue Service (VFRS), Meals on Wheels, help lines, and with community support groups such as those helping the aged, reading to preschool children, or even handing out pamphlets for political parties on election day. These workers will usually not receive any payment for the work they perform. They freely volunteer their time and effort to help others in the community, yet in many cases are undervalued and do not receive the recognition they deserve.

FIGURE 4 A surf lifesaver is a trained volunteer who patrols beaches on the weekends. Surf lifesaving can be fun and rewarding, and can lead to employment in the sector.



Not all unpaid work is volunteer work. Unpaid work can occur in the workforce in different forms — from vocational placements to unpaid job placements, internships, work experience and trials. Reasons for this type of unpaid work include:

- giving a person experience in a job or industry
- providing training and skills and/or work experience as part of formal programs to assist people to obtain work
- testing a person's job skills
- volunteering time and effort to a not-for-profit organisation.

A large amount of unpaid work goes on within our own homes, and this includes the vast amount of work that is undertaken to cook, clean, wash, repair, run errands, care for others and so on. Experts estimate that if all this work was to be actually paid for, it would be worth over \$605 billion dollars.

According to a 2021 report, women account for most unpaid work, such as domestic household chores and other types of caring (including caring for people with disability or older Australians) and volunteer work.

This report highlighted that women conduct 76 per cent of childcare, 67 per cent of domestic work, 69 per cent of care of adults and 57 per cent of volunteering. The report also looked at results by location. In more advantaged areas, couples may substitute unpaid work for paid domestic help. Regardless, if a household had 20 hours of unpaid work a week, a woman would conduct 15 hours of it and a man five hours.

FIGURE 5 Caring for a family member with a disability is a common type of unpaid work.



3.8 SKILL ACTIVITY: Communicating

Consider the following scenario.

Every Thursday, single mum Alicia works for 14 hours but is only paid for eight of them. Before she gets to the school where she's a full-time Physical Education teacher, she's already done a load of laundry, hung it out, made the beds and chopped vegetables for the evening meal.

When the school bell rings at 3:30 pm, she leaves school to take her 83-year-old mother to the local supermarket. Alicia carries the groceries up the stairs to her mother's home, unpacks them and helps her mum prepare a meal.

When her mum is settled and eating her meal, and the fridge is cleaned and organised, Alicia heads home to cook dinner for her own family. She then packs the dishwasher, soaks the pans, puts on some washing, makes the lunches for the following morning and cleans the house.

1. Using **FIGURE 6** to help you, **describe** the different types of work that Alicia does.

FIGURE 6 Categories of unpaid work and care

Household or domestic work



All housework, errands and outdoor tasks:

- **Housework** such as preparing meals, washing dishes, cleaning the house, washing clothes, ironing and sewing.
- **Errands** such as shopping, banking, paying bills, and keeping financial records (but not driving children to school and to other activities).
- **Outdoor tasks** including home maintenance (repairs, improvements, painting etc.), car maintenance or repairs, and gardening.

Caring for the ill, disabled or elderly



Caring for a disabled spouse or disabled adult relative, or caring for elderly parents or parents-in-law.

Caring for children



All care provided to your own children and to the children of others:

- **Caring for your own children** including playing with your children, helping them with personal care, teaching, coaching or actively supervising them, or getting them to child care, school and other activities.
- **Looking after other people's children** aged under 12 years.

Volunteer or charity work



Volunteer or charity work such as canteen work at the local school or unpaid work for a community club or organisation.

Source: *Modelling the value of unpaid work and care*, Office for Women, Department of Health and Human Services, October 2018.

2. Using **FIGURE 6**, **identify** someone in your life with a similar role to Alicia or someone who does work in all four categories. **Create** a brief account of their day.
3. **Explain** the benefits that doing different types of work can give a person.
4. **Describe** the disadvantages of juggling so many different roles.

3.8 Exercise

Learning pathways

■ LEVEL 1

1, 2, 3

■ LEVEL 2

4, 5, 6, 8

■ LEVEL 3

7, 9, 10

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Check your understanding

- Identify** the difference between paid and unpaid work.
 - Unpaid work is rewarding, and paid work is not.
 - Paid work is performing services for one hour or more per week in return for receiving an income, whereas unpaid work comprises those tasks performed without receiving an income.
 - Paid work is performing services for at least five hours per week in return for receiving an income, whereas unpaid work comprises those tasks performed without receiving an income.
 - All of the above
- Recall** the least number of hours per week that an employee must work to be considered working full-time.
- Identify** three examples of volunteer work.
- Match** each of the following terms to the correct definition by placing the corresponding letter in the middle column.

Part-time		a. The hours of work change each week.
Full-time		b. Two hours each day from Monday to Friday are worked.
Casual		c. At least 35 hours a week are worked.

- Determine** if the following statements are true or false.
 - The role of women in the workforce has not changed since the 1960s.
 - If work is not paid for it does not count as work.
 - A part-time worker is anyone who works under 25 hours a week.
 - The proportion of employed people who are classified as full-time has fallen over the past 10 years.
 - 'Award hours' refers to being awarded extra pay for working overtime.
 - Casual workers are entitled to paid sick leave and annual leave as part of their working conditions.

Apply your understanding

Interpreting and analysing

- Identify** what types of work are described in the following.
 - Hours vary per week and employment is on an 'as needed' basis
 - Ongoing employment but the number of hours per week is fewer than 35
 - Tasks performed without receiving an income
 - Performing services for one hour or more per week in return for receiving money or income
- The number of people looking for and accepting part-time work has increased recently. **Analyse** why this may be occurring.

Communicating

- Most people who work full-time happen to be men, while the greatest proportion of part-time and casual staff are usually women. **Explain** why this might be.
- Voluntary workers play a significant role in society. Do you agree or disagree? **Justify** your response.
- Differentiate** between casual employment and part-time employment.

LESSON

3.9 INQUIRY: Innovation and entrepreneurs

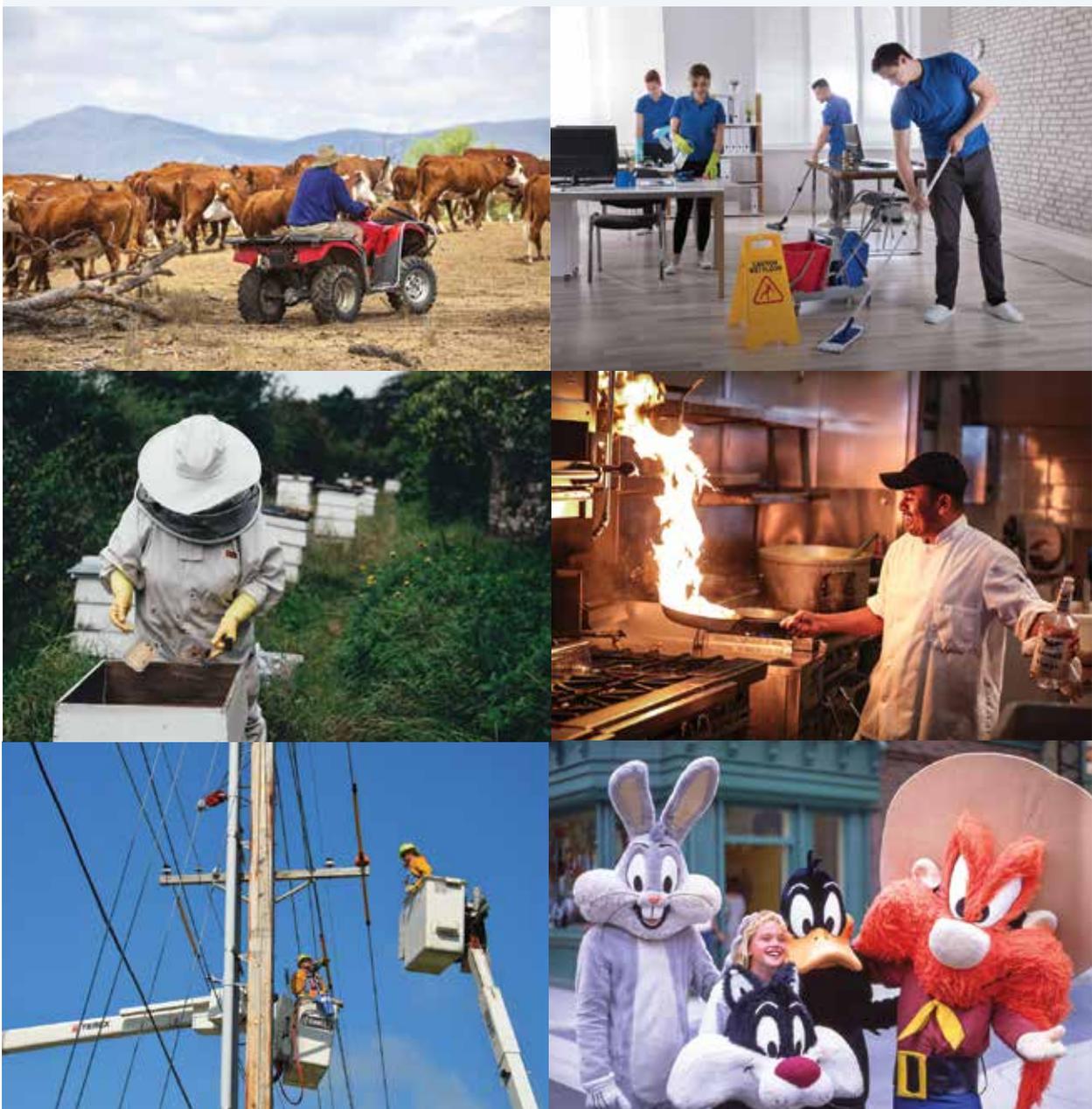
LEARNING INTENTION

By the end of this lesson you should be able to summarise a recent innovation and explain the role of the entrepreneur within the economic and business environment.

Background

Society is diverse and so is the world of work. Work comes in many different forms and has a large role to play in helping us and our communities.

FIGURE 1 The world of work is as diverse as society.



Before you begin

Access the **Inquiry rubric** in the digital documents section of the Resources panel to guide you in completing this task at your level. At the end of the inquiry task, you can use this rubric to self-assess.

Inquiry steps

Step 1: Questioning and researching

Visit the **Australian Government Business** weblink in the Resources panel. The pages within this website detail how entrepreneurs can apply for business support and show some of the new innovations coming to market.

Define what is meant by an ‘entrepreneur’.

Using the **Australian Government Business** weblink in the Resources panel or other websites, find news and updates on new innovations.

Step 2: Interpreting and analysing

Select one innovation and **summarise** it. Include information about whether the innovation has any of the special features that enable a good or service to be more successful.

Explain how this innovation can benefit society.

Do you think that everyone can become an entrepreneur? **Explain** your answer.

Step 3: Evaluating, concluding and decision-making

Explain how you might like to contribute to society in the future. Will you be an entrepreneur? Will you work for someone else? Will this ideally be full-time or part-time? Will you volunteer? **Explain** the reasons for your answers.

Step 4: Communicating

Communicate your findings on the role of the entrepreneur. Use a format of your choice agreed upon by your teacher.

Complete your self-assessment using the **Inquiry rubric** or access the 3.9 exercise set to complete it online.



Resources



Digital document Inquiry rubric (doc-39387)



Weblink Australian Government Business

LESSON

3.10 Review

Hey students! Now that it's time to revise this topic, go online to:



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3.10.1 Key knowledge summary

Use this dot point summary to review the content covered in this topic.

3.2 What is the role of the entrepreneur?

- An entrepreneur takes on a risk by starting any business with an idea, hoping to make a profit through initiative and enterprise.
- Any person, of any age, can be an entrepreneur as long as they have a great idea and the determination to make it happen.
- Business owners run businesses on a day-to-day basis to make a profit. They minimise risks and make calculated decisions where the outcome is reasonably clear. A business owner might have an idea for solving a problem and meeting a need in order to satisfy customers.

3.3 How do values influence entrepreneurial decision-making?

- Entrepreneurs may possess certain values that are more likely to influence the decisions that they make.
- Entrepreneurs must follow government laws and regulations, and their values need to incorporate elements such as worker and product safety.

3.4 What other factors contribute to the success of entrepreneurs?

- Successful entrepreneurs aim to have a high-quality product, quality service, sound management practices and a suitable location.

3.5 What is the role of First Nations Australian entrepreneurs?

- First Nations Australian entrepreneurs are innovating and building strong business ventures.
- Many First Nations Australian entrepreneurs incorporate community support into their ventures.

3.6 What are sources of income?

- Sources of income include work, owning a business, being a shareholder or providing a rental service.

3.7 What contribution can work make to individuals and society?

- Work is an important part of every person's life, and is necessary to fund the purchase of goods and services to meet needs and wants. Work also has non-financial benefits.
- People work for different reasons: to earn money, to improve living standards, to gain prestige, to obtain self-satisfaction, to make friends and to help others.

3.8 What are the different types of work?

- Work can be paid or unpaid.
- Work can be voluntary, and volunteers make an important contribution to the community.
- More men than women are in full-time employment. Women tend to have more part-time or casual employment.

3.9 INQUIRY: Innovation and entrepreneurs

- Entrepreneurs and innovation enable goods and services to be more successful.

3.10.2 Key terms

casual an employee who works only when needed

cooperative a farm, business or other organisation owned and run jointly by its members, who share the profits or benefits

enterprise the creative or bold efforts made by someone to achieve something new

entrepreneur a person who takes on a risk by starting a business with an idea, hoping to make a profit through initiative and enterprise

full-time an employee who works 35 hours or more per week, or who works the minimum number of hours stipulated by the industrial award for that occupation or industry

industry-wide awards legally binding documents that set out the minimum wages and other entitlements for all employees in an industry or occupation

initiative the first step or opening move in a series of actions

innovation either adding a new product to an existing product line, or significantly improving an existing product or process

material living standards access to physical goods and services

moral concerned with the principles of right and wrong behaviour

negotiator a person who either comes to an agreement with someone else, or helps other people reach such an agreement

non-material living standards factors that affect a person's quality of life regardless of income

part-time an employee who works fewer than 35 hours per week

premises the land and buildings occupied by a business

quality service dealing with clients and customers in a respectful and helpful way

salary fixed or regular payment for work completed or services performed

seasonal an employee who usually works during a season, such as winter or the fruit-picking season

socially responsible management when a business shows concern for the social welfare of the community, including customers, staff and the environment

speculator a person who invests in stocks, property or other ventures in the hope of achieving a profit and a source of income

standard of living quality of life as measured by the amount of money made by an individual or household (using income per capita or income per household)

target market a market at which a product is deliberately aimed

values things a person holds as being important; can affect the way you live and work

wage payment for work completed or services performed, usually dependent on hours worked per week or month

wellbeing an overall measure of quality of life

word-of-mouth the passing of information about a business from a satisfied customer to prospective customers

working conditions all those things an employer has agreed to provide in exchange for the employee's work, ranging from the physical work environment to hours of work, rates of pay and leave entitlements

work-life balance the division of one's time and focus between working and family or leisure activities

3.10.3 Reflection

Complete the following to reflect on your learning.

Revisit the inquiry questions posed in the Overview:

What is the role of the entrepreneur within the economic and business environment? What types of work exist and in what other ways can people gain an income?

1. Now that you have completed this topic, what is your view on the questions? Discuss with a partner. Has your learning in this topic changed your view? If so, how?
2. Write a paragraph in response to the inquiry questions, outlining your views.

Resources

 **eWorkbooks** Customisable worksheets for this topic (ewbk-13431)
Reflection (ewbk-10575)
Crossword (ewbk-10574)

 **Interactivity** Work and entrepreneurship crossword (int-8966)

3.10 Review exercise

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Multiple choice

- Sources of income include
 - casual work and odd jobs.
 - salaries from working full-time or part-time.
 - payments from superannuation.
 - all of the above.
- What must you be to be officially considered employed?
 - Actively contributing to society
 - Working more than one hour in a full-time, part-time or casual position
 - Over the age of 15 and looking for work
 - All of the above
- Which of the following groups is not part of the labour force?
 - People actively looking for work
 - Unemployed people
 - Casual workers
 - Pensioners
- Why do most people work?
 - To get rich and famous
 - To buy a brand-new car and designer clothes
 - To receive an income
 - To fulfil a lifelong dream
- What can material living standards be measured by?
 - The amount of goods and services you can afford
 - The feeling of satisfaction you receive from work
 - How stressed you feel
 - The levels of crime, and the leisure time and facilities you have access to
- What is meant by non-material living standards?
 - Factors that affect a person's quality of life irrespective of income
 - Access to more goods and services
 - Dividing your time between work and leisure
 - All of the above
- What is a financial benefit of participating in the workforce?
 - Developing your skills and talent
 - Being able to be a consumer
 - Increasing your levels of happiness
 - Contributing to the Australian economy
- Working can improve self-esteem. What does self-esteem mean?
 - Feeling of stress from too much work
 - Feeling good about yourself and your accomplishments
 - Being able to use your skills
 - Earning money and increasing your material living standards

9. What can casual work be defined as?
- A. Full-time employment
 - B. Volunteer or community support roles
 - C. Working a set shift pattern each week
 - D. Working only when needed
10. Unpaid work
- A. is not included in official measurements of work.
 - B. includes caring for family members, and completing household chores.
 - C. is mostly performed by women.
 - D. includes all of the above.

Short answer

Communicating

11. **Discuss** the benefits of being an entrepreneur.
12. **Discuss** the benefits of working as a volunteer
13. **Explain** how First Nations Australian entrepreneurs contribute to society.
14. Do we work for a living or do we live to work? **Explain** your answer.
15. Income is not limited to earning a wage. **Discuss** two alternative forms of income.

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GLOSSARY

- business** any activity conducted by an individual or individuals to produce and sell goods and services to make a profit
- casual** an employee who works only when needed
- consumer** a person or group who is the final user of goods and services produced within an economy
- cooperative** a farm, business or other organisation owned and run jointly by its members, who share the profits or benefits
- corporation** a legal entity that is separate and distinct from its owners
- economics** a social science (study of human behaviour) that analyses the decisions made by individuals, businesses and governments about how limited resources are used to satisfy unlimited needs and wants
- economic scarcity** the economic problem of having unlimited needs and wants, but limited resources to satisfy them
- economic system** a way of organising the production and distribution of the nation's goods, services and incomes
- employees** people who work for a wage or salary
- enterprise** the creative or bold efforts made by someone to achieve something new
- entrepreneur** a person who takes on a risk by starting a business with an idea, hoping to make a profit through initiative and enterprise
- franchise** a business that gives the right to another person or business to sell goods or services using its name
- full-time** an employee who works 35 hours or more per week, or who works the minimum number of hours stipulated by the industrial award for that occupation or industry
- goods** physical or tangible items that satisfy needs and wants
- income** money earned through employment or investment
- industry-wide awards** legally binding documents that set out the minimum wages and other entitlements for all employees in an industry or occupation
- initiative** the first step or opening move in a series of actions
- innovation** either adding a new product to an existing product line, or significantly improving an existing product or process
- labour** the human skills and effort required to produce goods and services
- limited liability** where shareholders cannot lose more than their investment in the event of the failure of the business
- market** where goods, services or resources are exchanged between buyers and sellers
- market capitalist economy** economic system that relies on the market to allocate resources based on the actions of consumers and producers, and where resources are generally owned by private individuals and businesses
- material living standards** access to physical goods and services
- moral** concerned with the principles of right and wrong behaviour
- needs** goods or services that consumers consider necessary to maintain their standard of living
- negotiator** a person who either comes to an agreement with someone else, or helps other people reach such an agreement
- non-material living standards** factors that affect a person's quality of life regardless of income
- not-for-profit organisation** a business that aims to do something other than to make profit for the owners, such as providing a community service or helping people
- opportunity cost** the next best alternative given up whenever a choice is made
- partnership** a business that has two or more owners

part-time an employee who works fewer than 35 hours per week

premises the land and buildings occupied by a business

producer an individual or a business involved in the production of goods and services

profit what is left from sales revenue after a business has paid all costs

quality service dealing with clients and customers in a respectful and helpful way

resource allocation decisions about how scarce resources are distributed among producers, and which types of goods and services will be produced to satisfy wants and needs

resources items of value that we use to produce goods and services to satisfy needs and wants, which include land, labour, capital and enterprise

salary fixed or regular payment for work completed or services performed

seasonal an employee who usually works during a season, such as winter or the fruit-picking season

services actions done for you by others to satisfy your needs and wants

socially responsible management when a business shows concern for the social welfare of the community, including customers, staff and the environment

sole proprietorship a business that is owned and controlled by one person

speculator a person who invests in stocks, property or other ventures in the hope of achieving a profit and a source of income

standard of living the degree of wealth and material comfort available to a person or community; this is often reflected in how much money a person earns and how many goods and services they can purchase

standard of living quality of life as measured by the amount of money made by an individual or household (using income per capita or income per household)

sustainability meeting our own needs without compromising the ability of future generations to meet their needs

target market a market at which a product is deliberately aimed

unlimited liability where a business owner is personally responsible for all the debts of their business

values things a person holds as being important; can affect the way you live and work

wage payment for work completed or services performed, usually dependent on hours worked per week or month

wants goods or services that are desired in order to provide satisfaction to the user, but which are not necessary for survival or to meet the basic standard of living in a community

wellbeing an overall measure of quality of life

word-of-mouth the passing of information about a business from a satisfied customer to prospective customers

working conditions all those things an employer has agreed to provide in exchange for the employee's work, ranging from the physical work environment to hours of work, rates of pay and leave entitlements

work-life balance the division of one's time and focus between working and family or leisure activities

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