Commerce Year 7-10. Core 1 – consumer and financial decisions.

Students learn how to identify and research issues that individuals encounter when making consumer and financial decisions. They investigate laws and mechanisms that protect consumers including the process of consumer redress. Students examine a range of options related to personal decisions of a consumer and financial nature and assess responsible financial management strategies.

Skills to be integrated in this topic as appropriate: developing questions, gathering and processing relevant information, analysing familiar and new situations, evaluating options, developing and implementing plans, developing evidence-based conclusions/decisions and reasoned arguments, working independently and collaboratively.

## Outcomes

A student:

* **COM5-1** applies consumer, financial, economic, business, legal, political and employment concepts and terminology in a variety of contexts
* **COM5-2** analyses the rights and responsibilities of individuals in a range of consumer, financial, economic, business, legal, political and employment contexts
* **COM5-3** examines the role of law in society
* **COM5-4** analyses key factors affecting decisions
* **COM5-5** evaluates options for solving problems and issues
* **COM5-6** develops and implements plans designed to achieve goals
* **COM5-7** researches and assesses information using a variety of sources
* **COM5-8** explains information using a variety of forms
* **COM5-9** works independently and collaboratively to meet individual and collective goals within specified timeframes

**Related Stage 4 outcomes**: COM4-1, COM4-2, COM4-3, COM4-4, COM4-5, COM4-6, COM4-7, COM4-8, COM4-9

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## Teaching and learning activities

## Learning sequence 1 - the nature of commerce

Students:

* investigate the scope of commerce, including the concepts of: consumer, needs and wants, goods and services, resources, scarcity and how these may impact on choice.

### 1.1 - investigating commerce

**Teachers’ note -** young people have increased their spending power now more than ever in the past. Young consumers have significant influence over their parents spending with children being the target of marketing and advertising for many businesses. It is important for students to have an understanding of commerce to make informed choices about consumer decisions.

#### Terminology for this lesson sequence:

|  |  |
| --- | --- |
| **Terminology** | **Definition** |
| **Consumer** | A person who buys goods and services to satisfy needs and wants |
| **Needs** | Goods essential to our survival such as food, water, clothing and shelter |
| **Wants** | luxury or non-essential items such as holidays, designer clothes |
| **Goods** | Items that are tangible (that can be seen or touched) |
| **Services** | An intangible good that is provided by someone or a business. For example a hairdresser provides a haircut whereas an accountant provides financial advice |
| **Resources** | Something used by consumers that are limited. For example, students have limited financial resources |
| **Scarcity** | In short supply |
| **Product** | A good or service |

#### Materials required:

* coloured Post-it note pads
* 2 pieces of butcher’s paper
* laminated flip cards (50-60) with images of goods, services, needs and wants
* sticky tape

#### Activities:

##### What is commerce?

* Place two pieces of butcher’s paper on opposite sides of the classroom. Label one poster ‘What is commerce?’ and the second poster ‘Why is commerce important?’
* Each student will need 2 post-it notes. Start with ‘What is commerce?’ Predict what the commerce course is about and write down ideas on one Post-it note. On another Post-it note write down ‘Why is commerce important?’ Discuss. Add Post-it notes to the appropriate poster

##### Needs versus wants

* Divide the class into five groups. Give each group a variety of images (at least 10-15 images, suggestions of images you could use are provided below) with two minutes to sort their images into price, most wanted or least wanted, need, want, good or services.

Ideas to get you started.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| clothes (designer)  | heating | books | insurance | gifts | Doctor |
| travel (public transport only) | fruit and vegetables | beauty services | shelter  | washing machine | internet connection |
| clothes (basic) | holiday | sunglasses | entertainment | school bus | Australia Post |
| school uniforms | gym membership | pet | air conditioning | electricity | jewellery |
| fast food | phone (landline only) | dishwasher  | gas | mobile phone | make up |
| furniture (basic) | glasses for vision | iPad | water | restaurant dining | game console |

* Ask each group to report back to the class on how they have sorted their images. Draw a table on one half of the board with the following headings:

|  |  |  |
| --- | --- | --- |
| Product | Needs | Wants |
| Goods |  |  |
| Services |  |  |

* Place images on the whiteboard in the correct segment of the board. Teacher leads a structured discussion on the differences between goods and services, needs and wants including deciphering between clothing that can be classified as a need and a want.

##### Dream purchase

* Brainstorm a ‘dream purchase’ you would make with $500 to spend online or at a shopping centre. Examples of probing questions you can use to promote discussion:
	+ What is the purpose of having goods and services in society and how do we use them? (resources)
	+ How can marketing make us feel like a want is a need? (mobile phone)
	+ Why are diamonds so expensive? (scarcity)
	+ What would happen to the price of bananas if a tropical cyclone destroyed banana crops in Australia? (scarcity in supply, supply cannot meet demand, price goes up)
* Discuss the variety of dream purchases on the board and focus on the importance of choice for consumers. Ask ‘why’ particular dream purchases were selected, and emphasise the variety of wants determined by individual tastes.
* How would these purchases differ from a 7 year old child and a 35 year old adult?
* Promote thinking in the class about the differences in needs and wants for:
	+ different age demographics
	+ males, females
	+ students in a different geographical location to themselves.
* Outline the differences in needs and wants by completing the following table.

|  |  |  |
| --- | --- | --- |
| Factor | Explain why different groups have different needs and wants. | Example |
| Age |  |  |
| Gender |  |  |
| Geographic location |  |  |

* Bring the conversation back to the ‘what is commerce’ activity above. Add the posters created to the board. Create a class definition of ‘What is commerce?’ and ‘Why is commerce important?’ After the class activities and discussion, match the glossary terms to the correct definition:

|  |  |
| --- | --- |
| **Terminology** | **Definition** |
| **Consumer** | A person who buys goods and services to satisfy needs and wants |
| **Needs** | Goods essential to our survival such as food, water, clothing and shelter |
| **Wants** | luxury or non-essential items such as holidays, designer clothes |
| **Goods** | Items that are tangible (that can be seen or touched) |
| **Services** | An intangible good that is provided by someone or a business. For example a hairdresser provides a haircut whereas an accountant provides financial advice |
| **Resources** | Something used by consumers that are limited. For example, students have limited financial resources |
| **Scarcity** | In short supply |
| **Product** | A good or service |

## Learning sequence 2 - consumer and financial decisions

Students:

* explain factors influencing consumer and financial decisions, for example advertising/marketing, age, convenience, culture, customer service, disposable income, environmental considerations and social media (ACHEK017, ACHEK053)
* examine how individuals make particular decisions, including: (ACHEK053)
	+ whether to spend or save, for example being prepared for unexpected expenses
	+ what to buy, for example different types of goods and services
	+ where to buy, for example locally, regionally, interstate or globally; physical or online store
* investigate advantages and disadvantages of different payment options, including:
	+ deciding whether to use cash or cashless transactions
	+ the use of credit to make purchases, including the facilities offered by lenders and financial institutions
	+ selecting and applying appropriate criteria to rank alternative purchasing options
* reflect on their own purchasing decisions, including affordability, the decision-making processes they have used in the past, and how they might change these in the future

### 2.1 - consumer and financial decisions

**Teachers’ note** - teachers can use illustrated annotations to increase comprehension and understanding of content. Students can create their own semiotics to visually represent concepts. Non-confident drawers can use simple letters or symbols. For example disposable income can be illustrated with simple letters such as DI.

#### Activities:

* Complete the following table by adding individual simple illustrations or images for each factor that influences consumer and financial decisions

|  |  |
| --- | --- |
| Factor  | Illustration. |
| Advertising or marketing |  |
| Environmental considerations |  |
| Culture |  |
| Social media |  |
| Customer service |  |
| Disposable income |  |
| Convenience |  |
| Age |  |

* Use the [think, pair, share](http://www.theteachertoolkit.com/index.php/tool/think-pair-share) routine, to think and articulate thoughts whilst understanding other perspectives on what impacts on consumer and financial decision making. For example, students may interpret ‘environmental considerations’ to reflect society’s desire to buy environmentally friendly products.

This factor could also be interpreted as the environment people live in will determine their consumer and financial decisions. For example, a farmer will make very different consumer and financial decisions compared to a person living in a city area.

* Discuss findings from the activity and complete the following table
	+ Define the factor
	+ Explain the importance of the factor in determining consumer and financial decisions
	+ Add an image and text to illustrate an example of each factor

|  |  |  |  |
| --- | --- | --- | --- |
| Factor | Definition | Example | Illustration |
| Culture |  |  |  |
| Convenience |  |  |  |
| Marketing and advertising |  |  |  |
| Environmental considerations |  |  |  |
| Social media |  |  |  |
| Customer service |  |  |  |
| Age |  |  |  |

### 2.2 - decision time, what to do with your money?

**Teachers’ note** - consumers need to make decisions about their purchases. These decisions can include whether to spend or save, what to buy and where to buy. Consumers need to be prepared to manage the consequences of their decisions. For example, how they will prepare for or manage unexpected expenses? The decisions that consumers make can affect quality of life so careful decisions must be made.

#### Activities:

##### Money dilemmas - Julie’s 10 money dilemmas.

Read the following scenario and determine how Julie should spend her money.

* Julie has earned $70 from doing chores, babysitting and other odd jobs. She currently has $130 in her savings account and she received an additional $100 for her birthday last week. There are many ways that Julie can use her money, however, she will need to spend it wisely. In the table below, Julie has 10 money dilemmas – How should she spend her money? **Note:** the total amount of money Julie has is $300.

|  |  |
| --- | --- |
| **Scenario** | **Money dilemma** |
| One | Julie wants to purchase her lunch from the canteen each day. Julie plans to do this for 2 weeks. This will cost $7.50 each day. Should Julie buy her lunch from the canteen?  |
| Two | Julie has been given a last-minute invitation to a classmate’s birthday party. She will need to buy a birthday present. Should Julie go to the birthday party? If so, how much should she spend on a present? |
| Three | Julie’s best friend is having a birthday party. Julie will need to buy her best friend a special gift. How much should Julie spend on the present? |
| Four | Julie wants to buy online credits for a computer game. The $30 credit package is on sale and will only cost $25. Should she purchase the game credits? |
| Five | Julie wants to get her hair cut and coloured for the parties she has been invited to. Her local hairdresser will cost $100. Should Julie spend her money at the hair dresser? |
| Six | Julie’s favourite online clothes shop is having a promotion. The promotion is ‘buy two pairs of jeans, get the second pair half price’. One pair of jeans will cost $80. The promotion will total $120 for the two pairs of jeans. Should Julie partake in the promotion? |
| Seven | Julie wants to go to the movies with her friends. The movie ticket cost is $15. Julie wants to buy a drink and popcorn. This will cost $10. Should Julie buy it? |
| Eight | Julie wants to buy a new phone case for her phone. She can purchase a case at her local shop for $35 or buy a case online for $25. The online case will take 3 weeks to get to her house. Julie really wants to have her new phone case for the parties she has been invited to. |
| Nine | Julie’s family is going on a vacation in the summer holidays. Her parents said they would give her a dollar for every dollar she saves. Should Julie save some of her money? |
| Ten | Julie has accidently lost her school calculator. Julie will get in trouble from her Mathematics teacher if she does not have her calculator in class. A new calculator will cost $35 from the local shop or $32.95 online. Should she buy the calculator and where should she purchase it from? |

**Questions:**

* What would you do if you were Julie?
* How would you spend your money and where would you spend it?
* How much money would you save?
* Work out a budget for Julie determining what she should spend and save. Justify your choices.

##### Where to buy:

* Create a presentation (for example, a brochure, poster, visual presentation, website, oral presentation or Prezi) which includes the different options where consumers can buy products and the advantages and or disadvantages of each.

These places could include:

|  |  |  |
| --- | --- | --- |
| Non-store retail | Retail stores | Locations |
| Mail order | Convenience stores | Local |
| Door-to-door | Department stores | Regional |
| Party plan | Discount department stores | Interstate |
| Auction | Pop up stores | Global |
| Telemarketing | Specialty stores |  |
| Internet shopping | Stalls / marketplace |  |
| Vending machines | Supermarkets |  |

* Initiate a structured discussion on the changing trends in where consumer buy goods and services. Write a structured written response: explain the changing trends where consumers buy goods and services.

### 2.3 - payment options

**Teachers’ note** - [MoneySmart](https://moneysmart.gov.au/teaching-resources) is an initiative from the Australian Securities and Investments Commission (ASIC) to teach students about consumer and financial matters. All resources on the website are aligned to the Australian Curriculum and can be modified to suit the NSW 7-10 Commerce Syllabus. In addition, the website provides scope for extension activities in the area of using credit to make purchases.

In a class of 30, group students into ten groups of three. The teacher may wish to combine some research topics together for smaller class numbers still with 3 students in each group (8 groups of three students for a class of 24).

#### Activities:

##### Payment methods

* Using the MoneySmart website on [methods of payment](https://moneysmart.gov.au/other-ways-to-borrow), investigate the available payment options including online and in-person.
* Using an adapted [jigsaw grouping](http://www.classtools.net/blog/3-creative-ways-to-use-jigsaw-groups/), students use [MoneySmart banking](https://moneysmart.gov.au/banking) to research the different payment options available to consumers.

**Online payments**

* + Online and mobile banking
	+ Instant payment with PayID
	+ Buy now pay later

**In person payments**

* + Cash
	+ EFTPOS
	+ Cheque
	+ Credit card
	+ Tap and pay
	+ Gift card
	+ Prepaid cards
	+ Lay-by

**Teacher note** - allocate ten groups of three, allocating each student in the group a letter A, B or C

**Phase one**

1. Meet in home groups (1 to 10) to work together to become experts in the allocated topic area. See research topic table below for research topics.

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Group 1 | Group 2 | Group 3 | Group 4 | Group 5 | Group 6 | Group 7 | Group 8 | Group 9 | Group 10 |
| ABC | ABC | ABC | ABC | ABC | ABC | ABC | ABC | ABC | ABC |

1. Each group uses the [MoneySmart](https://moneysmart.gov.au/banking) website for initial research on their payment method. Students conduct further research on the topic and complete the ‘Payment method table’ below. Students in each group need to complete the following table in as much detail as possible to be able to present their research to the collaboration group.

|  |  |
| --- | --- |
| Group (3 students) | Research topics |
| 1 | Online and mobile banking |
| 2 | Instant payment with PayID |
| 3 | Buy now pay later |
| 4 | Cash |
| 5 | EFTPOS |
| 6 | Cheque |
| 7 | Credit card |
| 8 | Tap and pay |
| 9 | Gift cards and prepaid cards |
| 10 | Lay-by |

Payment method table

|  |  |
| --- | --- |
| Payment method:  | Answers |
| 1. Name your payment option
 |  |
| 1. Where could this payment option be used?
 |  |
| 1. What are the advantages of this payment option?
 |  |
| 1. What are the disadvantages of this payment option?
 |  |
| 1. Give examples of where this method of payment can be used.
 |  |
| 1. How have social and technological changes impacted on this payment method?
 |  |
| 1. Any other interesting facts about your payment method
 |  |

**Phase two**

Students meet in collaboration groups (A-C) to teach each other about their topic area and take notes on each payment type.

|  |  |  |
| --- | --- | --- |
| Group A | Group B | Group C |
| AAAAAAAAAA | BBBBBBBBBB | CCCCCCCCCC |

Students are divided into Group A, Group B and Group C, ensuring that all payment methods are represented in each group. Each person in the group presents their payment information to the other group members. All students need to write down the main features of each payment method and can use the tables provided to make notes from the individual presentations.

Answer space

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Payment option | Where could this payment option be used? | What are the advantages of this payment option? | What are the disadvantages of this payment option? | Give examples of where this method of payment is often used. | How has society and technology impacted on the payment method? | Any other interesting facts about your payment method. |
| Online and mobile banking |  |  |  |  |  |  |
| Instant payment with PayID |  |  |  |  |  |  |
| Buy now pay later |  |  |  |  |  |  |
| Cash |  |  |  |  |  |  |
| EFTPOS |  |  |  |  |  |  |
| Cheque |  |  |  |  |  |  |
| Credit card |  |  |  |  |  |  |
| Tap and pay |  |  |  |  |  |  |
| Gift card |  |  |  |  |  |  |
| Prepaid card |  |  |  |  |  |  |
| Lay-by |  |  |  |  |  |  |

**Phase three**

Students return to their home group to discuss what they have learned about the different payment methods, clearly stating the cost and benefits of each payment method. Each group must rank each purchasing option according to a criteria of their choice. For example, criteria based on cost/fees, benefits, risk, ease of use. Each group can decide how they will collate this information. For example, a mind map, table, written explanation to determine the best payment option available and the reasons for it.

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Group 1 | Group 2 | Group 3 | Group 4 | Group 5 | Group 6 | Group 7 | Group 8 | Group 9 | Group 10 |
| ABC | ABC | ABC | ABC | ABC | ABC | ABC | ABC | ABC | ABC |

##### Extension:

Read the following:

* [Cashless future is here, with coins and banknotes to become 'niche'](https://www.smh.com.au/politics/federal/cashless-future-australia-swish-notes-sweden-20181129-p50j21.html) Sydney Morning Herald article
* [Australia to be a cashless society by 2022](https://australianfintech.com.au/australia-to-be-a-cashless-society-by-2022/) Australian Fin Tech

Using your own knowledge and information in the articles to write a structured [PEEL](https://www.virtuallibrary.info/peel-paragraph-writing.html) paragraph examining how tap and go technologies and digital wallets have contributed to a cashless society by answering the question, should we use cash or cashless transactions in society?

### 2.4 - reflecting on purchasing decisions

**Teachers’ note** - this dot point of the syllabus can be used for student reflection using their knowledge of consumer and financial decisions to evaluate their spending habits.

#### Activities:

Reflect on the spending and saving habits of people now and in the past. This could be in the form of a reflection sheet responding to a series of questions such as:

* List one purchase where you regretted buying it.
* Why did you regret the purchase?
* What payment options have you used in the past?
* Would you use them again, why/why not?
* Do you have a savings account?
* How will you manage your saving and spending into the future?
* What would you put into place right now to ensure you make sound consumer and financial decisions for the future?

## Learning sequence 3 - consumer protection

Students:

* investigate the need for consumer protection (ACHEK029
* explain the reasons for, and features of, a simple contract, for example through the construction of a written contract for a financial transaction (ACHEK029)
* investigate the legal rights and responsibilities of consumers, including protection through legislation, for example the purpose of the Competition and Consumer Act 2010 (ACHEK029)
* explore the assistance and protection provided by consumer protection agencies and independent bodies and organisations, including state and federal government agencies
* examine the processes of consumer redress, for example proposing options for a consumer who has purchased a product that is not fit for purpose/of acceptable quality

### 3.1 - consumer protection

**Teachers’ note -** students will need to have a clear understanding of the [Fair trading laws](https://www.business.gov.au/products-and-services/fair-trading/fair-trading-laws) that support consumer protection in Australia and New South Wales. The state and federal governments have passed two pieces of legislation to protect consumers in the marketplace. These include the Fair Trading Act 1987 (NSW) and the 2011 introduced Australian Consumer Law (ACL) which operates with the Competition and Consumer Act 2010 (Commonwealth).

### Activities:

The majority of sellers in the marketplace are fair and reasonable however some sellers can take advantage of unsuspecting consumers which may result in individuals being ‘scammed’ or ‘ripped off’. In addition, consumers have the right to safety and product safety regulations. Products that are manufactured overseas often do not meet Australia’s product standards. This can occur due to the nature of the globalised economy with approximately 1 in 20 Australians falling victim scams. Scams occur via telephone, email, door-to-door, mail and online. It is for these reasons that legislation is a necessity to ensure consumer protection in the marketplace.

* Use [Scamwatch.gov.au](https://www.scamwatch.gov.au/types-of-scams) and [Banking and credit scams](https://moneysmart.gov.au/banking/banking-and-credit-scams) to identify the common scams that exist in the marketplace. Using this information, students can present the common scams based on a preferred learning style. For example, a diagram, document, summaries, table, presentation.
* Create an [infographic](https://venngage.com/blog/8-examples-on-using-infographics-in-middle-school-classrooms/) of the [current statistics on scams](https://www.scamwatch.gov.au/scam-statistics) in Australia. For example, students could research [Nigerian scams](https://www.scamwatch.gov.au/types-of-scams/unexpected-money/nigerian-scams).
* Inquire into [product recalls for unsafe toys](https://www.productsafety.gov.au/products/babies-kids/toys). Using [PREP framework](https://www.lifehacker.co.uk/2014/12/29/prep-framework), students are to create an impromptu speech/presentation (1-2 minutes) on why is it important that products are safe for consumers.

**PREP**

* **Point** - introduce your speech with your main point. Focus on one point only, so it’s easier for your audience to comprehend.
* **Reasons** - tell your audience why you think the point is true. Back this up with research and statistics to add credibility if you have these to hand. If not, simply speak from the heart.
* **Example** - highlight an example (or several) that supports your main point and your reasons. Again, back this up with data if appropriate.
* **Point** - wrap up your mini-speech by reiterating your main point so that it sticks in people’s minds.

### 3.2 - contracts

### Activities:

* Using [Department of Fair Trading – Contracts](https://www.fairtrading.nsw.gov.au/buying-products-and-services/guarantees%2C-contracts-and-warranties/contracts), describe the three main features of a simple contract including:
	+ offer
	+ acceptance
	+ consideration.
* Illustrate the three features of a legally binding contract by drawing a comic strip for each scenario:
	+ buying groceries in a supermarket
	+ entering into a mobile phone contract.

### 3.3 - rights and responsibilities of consumers and consumer redress

**Teachers’ note** - syllabus dot points have been combined for lesson fluidity.

* Investigate the legal rights and responsibilities of consumers, including protection through legislation, for example the purpose of the Competition and Consumer Act 2010 ACHEK029)
* Examine the processes of consumer redress, for example proposing options for a consumer who has purchased a product that is not fit for purpose or of acceptable quality.

**Terminology that students will need to understand to complete the lesson sequence.**

|  |  |
| --- | --- |
| Terminology | Definition |
| Acceptable quality | A product or service fit for purpose. Products free of defects, safe and durable. |
| Caveat emptor | A term meaning ‘let the buyer beware’. Meaning that the seller does not have to tell the consumer everything about the product or service. |
| Consumer rights | A set of consumer ‘guarantees’ and remedies for defective goods and services. |
| Consumer protection | Consumers are protected by a series of laws that protect consumers under Australian Consumer Law (ACL). The protections in the ACL are generally reflected in similar provisions in the Australian Securities and Investments Commission Act 2011 (ASIC Act) so that financial products and services are treated the same way as consumer products. |
| Contract | A contract is a legally binding agreement between two or more people. A contract can be written or verbal however a written contract will reduce misunderstandings and disputes. |
| Consumer redress | When consumers seek to rectify a problem with a product or service. |

The Australian Consumer Law (contained in a schedule to the Competition and Consumer Act 2010) creates a basic set of guarantees for consumers who acquire goods and services from Australian suppliers, importers or manufacturers. These are intended to ensure that consumers receive the goods or services that they have paid for. When there is a problem and one of the guarantees has not been met, consumers are entitled to a redress (to have the situation ‘put right’). If the problem is with goods, consumers have the legal right to a refund, a replacement or to have the product repaired. The choice is up to the consumer. If the service is at fault, the consumer has the right to have the service performed again.

### Activities:

* Use [ACCC Consumer rights and guarantees](https://www.accc.gov.au/consumers/consumer-rights-guarantees) and the video [Consumer guarantees – in detail](https://www.youtube.com/watch?v=niRakzWL_9k&feature=youtu.be) (duration 6:28) to gain an understanding of the legal rights and responsibilities of consumers and consumer redress.
* Using the ACCC information and video, develop a plan of action for when a product purchased is not fit for purpose or of acceptable quality. This can be illustrated as a series of steps to ‘make things right’ when a product or service is faulty. Present this work as a video, role play, presentation or information poster.
* Using this knowledge of consumer rights, students access [Moneysmart’s consumer rights](https://moneysmart.gov.au/teaching-resources/consumer-rights) to understand their rights when purchasing a mobile phone.

### 3.4 - assistance and protection for consumers

**Teachers’ note** - the [ACCC Shopper app](https://www.accc.gov.au/about-us/tools-resources/accc-shopper-app) is a useful tool for students to download and have ready for the lesson in advance.

### Activities:

* Use the main menu of the ACCC Shopper App to investigate the assistance and protection that is available. Examples of independent bodies, organisations and government agencies include the following:
	+ Consumer protection agency
	+ Small claims tribunal
	+ Industry Ombudsman and dispute resolution
	+ Australian Competition and Consumer Commission ACCC
	+ Legal advice
* Create a brochure targeted for teenagers on assistance and protection for consumers. The brochure can include ‘how to’ guides on refunds, faulty goods, keeping track of receipts, warranties, lay-bys, where to get assistance and how consumers can protect themselves.
* Department of Fair Trading – Contracts
* Airline Customer Advocate
* Telecommunications Industry Ombudsman – Complaints
* Small Business Commissioner NSW

## Learning sequence 4 - financial management

Students:

* investigate the consequences of poor financial management, including:
	+ excessive debt
	+ impact on wellbeing of the individual and families
* discuss the role and importance of long-term financial strategies, including superannuation
* investigate tools and strategies for effective financial management, including:
	+ monitoring and record-keeping to avoid over commitment, for example managing mobile phone costs
	+ budgets, for example using digital technologies to develop a financial plan
	+ savings and superannuation plans
* compare options for addressing financial difficulty, including:
	+ negotiating an alternative payment plan
	+ seeking support via a financial institution

### 4.1 - consequences of poor financial management

**Teachers’ note** - [brainstorming](https://app.education.nsw.gov.au/digital-learning-selector/LearningActivity/Browser?cache_id=d2517) is a technique used with groups of people to generate a large number of ideas or draw together information around a topic, idea, question or problem. It gives people a chance to think of ideas or share information without initially evaluating their merit. All ideas are recorded and gathered into a collaborative list. This list can then be evaluated, classified and ideas refined. This activity can be conducted using traditional teaching methods via a whiteboard and classroom discussion. Alternatively teachers can use technology such as [Mentimeter](https://www.mentimeter.com/) to gauge responses. The [student workbook](https://static.moneysmart.gov.au/teaching/resources/asicsbemoneysmart/module4/index_standalone.htm) (PDF 293KB) will need to be printed prior to completing the activities.

Knowledge of the following terms for this lesson sequence is required.

|  |  |
| --- | --- |
| Terminology | Definition |
| Budget | A listing of planned revenue and expenditure for a given period. |
| Credit | A lending term for when an individual purchases a good or service with an agreement to pay at a later date. |
| Credit limit | A dollar amount that you cannot exceed on a credit card or the maximum lending amount offered for a loan. |
| Credit rating | A ranking applied to a person or business based on their credit history that represents their ability to repay a debt. |
| Debt | Any amount that a person owes including bills, loan repayments and income tax. |
| Default | A failure to pay a loan or other debt obligation. |
| Repossess | The process of a bank or other lender taking ownership of property/assets for the purpose of paying off a loan in default. |

### Activities:

* Inquire into the consequences of poor financial management. This can be facilitated via a classroom brainstorm or using [Mentimeter](https://www.mentimeter.com/) to create a word cloud of student responses. The words could be used to generate discussion on the topic of poor financial management and its impact on individual wellbeing and families.
* Investigate the impact of debt on individuals and families. Write a short report on the following:
	+ What is personal debt?
	+ Why does debt accumulate and get out of control for many individuals?
	+ How can excessive debt impact on families and individuals?
* Watch the MoneySmart (Module 4) Debt management video [What sometimes happens](https://static.moneysmart.gov.au/teaching/resources/asicsbemoneysmart/module4/index_standalone.htm) (duration 1:30) to gain an understanding of managing debt. Use the [student workbook](https://static.moneysmart.gov.au/teaching/resources/asicsbemoneysmart/module4/index_standalone.htm) (DOCX 2.33MB) to complete the activities.to complete the activities.

##### Extension

* Use the ABS webpage on [Household debt and over-indebtedness in Australia](https://www.abs.gov.au/ausstats/abs%40.nsf/Lookup/by%20Subject/6523.0~2015-16~Feature%20Article~Household%20Debt%20and%20Over-indebtedness%20%28Feature%20Article%29~101#:~:text=The%20mean%20household%20debt%20has,and%20gross%20income%20by%2038%25.&text=In%202015%2D16%2C%20around%20three,of%20all%20households%20was%20%24168%2C600.) to create an infographic on this topic. Using [Canva](https://www.canva.com/) or traditional drawing materials, students create an infographic using the ABS statistics on household debt and over-indebtedness in Australia.

### 4.2 - long-term financial strategies

**Teachers’ note** - sound financial advice will help individuals set financial goals and create a plan to achieve them. In additional to short-term goals and managing debt, individuals need to initiate long-term financial strategies to avoid financial difficulty in the later stages of life. Superannuation (super) is one long-term financial strategy that requires careful planning to ensure individuals have enough money for retirement.

Financial goals are targets that people set to strive to achieve.

|  |  |
| --- | --- |
| Goals | Definition and example |
| Short-term | A goal with a target of three months or less. For example, saving for a new outfit to wear. |
| Medium-term | A goal with a target of 3-12 months. For example, saving money for a holiday. |
| Long-term | A goal with a minimum target of one year. For example, paying off a student loan, putting money aside for a comfortable retirement (superannuation). |

### Activities:

* Watch MoneySmart (Module 3) [Superannuation](https://moneysmart.gov.au/teaching-resources/be-moneysmart-module-3-superannuation) resource with the class to gain an understanding of what superannuation is.
* Use [hexagonal thinking](https://app.education.nsw.gov.au/digital-learning-selector/LearningActivity/Browser?cache_id=d2517) to think about ‘what is superannuation and why should we have it?’ Use the hexagonal template to determine what ideas should sit next to each other.

The following ideas could be covered in the hexagonal thinking diagram:

* + money saved for when you are older and retire.
	+ money set aside for when you are no longer working and still require income to live.
	+ employers are obliged to pay superannuation.
	+ individuals can ‘top up’ and supplement their superannuation earnings by contributing additional funds into their superannuation fund.
	+ individuals will need to calculate how much money they will need to live on when they are no longer working.
* Use the graphic organiser provided, the MoneySmart webpage article [How super works](https://moneysmart.gov.au/how-super-works) and the video [What is super?](https://moneysmart.gov.au/how-super-works) (duration 1:14) to complete the following:
* Using the MoneySmart website, students read the information on [super contributions](https://moneysmart.gov.au/grow-your-super/super-contributions) and answer the following questions:
	+ When must an employer pay a percentage of the value of ‘ordinary time earnings’ into an employee’s super fund?
	+ What are the rules to be eligible to receive super from an employer?
	+ Where can individuals check to ensure that super payments are correct and are being deposited into a super fund?
	+ What can individuals do when an employer is not paying super?
	+ List the ways individuals can boost their super.

### 4.3 - effective financial management

### Activities:

* Investigate a range of strategies for effective financial management. Present the research on effective management strategies in a variety of formats. For example, a digital or paper brochure, presentation, poster or newspaper article. The following two articles can help students get started:
	+ Fixing bad money habits
	+ Five ways to fix bad money habits
* Using the ASIC MoneySmart (Module 1) [Saving, budgeting and spending](https://moneysmart.gov.au/teaching-resources/be-moneysmart-module-1-saving-budgeting-and-spending), complete the activities in the [student workbook](https://static.moneysmart.gov.au/teaching/resources/asicsbemoneysmart/module1/index_standalone.htm) (DOCX 2.33MB).
* Use the MoneySmart [Mobile phone ownership](https://moneysmart.gov.au/teaching-resources/rookie-mobile-phone-ownership-educator-guide) resource to decide the best mobile phone deal. The deal must suit personal needs and illustrate the potential financial pitfalls associated with this specific mobile phone plan.
* Trial the finance tools that individuals can use to manage their money effectively.

ASIC Calculators and apps

* + [budget planner](https://moneysmart.gov.au/budgeting/budget-planner)
	+ [credit card calculator](https://moneysmart.gov.au/credit-cards/credit-card-calculator)
	+ [personal loan calculator](https://moneysmart.gov.au/loans/personal-loan-calculator)
	+ [retirement planner](https://moneysmart.gov.au/retirement-income/retirement-planner)
	+ [savings goal calculator](https://moneysmart.gov.au/saving/savings-goals-calculator)
	+ [super calculator](https://moneysmart.gov.au/how-super-works/superannuation-calculator)
	+ [super and pension age calculator.](https://moneysmart.gov.au/retirement-income/super-and-pension-age-calculator)
* Each group must create a five minute presentation where they present their calculator or app explaining its purpose, the usefulness of the app and a working example using the app with student or hypothetical data.

### 4.4 - financial difficulty

### Activities:

* Use the [National Debt Helpline](https://ndh.org.au/debt-solutions/) website to create a hints and tips sheet to reduce financial difficulty.
* Investigate Australia’s major bank websites and conduct a comparison of the ways individuals can seek support from their financial institution. Provided are some examples:
	+ St George Bank
	+ Westpac Bank
	+ Commonwealth Bank
* Write a comparison of the variety of options for seeking support from financial institutions.

## Learning sequence 5 - current issues

Students:

* investigate a current issue that influences the decisions consumers make, for example:
* the impact of technology on payment processes
* housing affordability and the impact on savings
* various types of scams, for example, relating to online shopping, banking and identity theft
* management of personal superannuation, for example tracking and consolidating lost superannuation accounts

#### 5.1 - consumer decision investigation

**Teachers’ note** - current issues can be embedded throughout Core 1 – consumer and financial decisions. For example, lesson sequence 3 focusses on scams. More detail on the types of scams relating to online shopping, banking and identify theft can be added to lesson sequence 3 or kept as a separate issue for this component of the course. The examples outlined in the syllabus can be integrated into the following topics:

* 2.3 Payment options
	+ Impact of technology on payment processes
	+ A cashless society Sydney Morning Herald
	+ Tap and go and digital wallets Australian Fin Tech
* 2.2 Decision time: what to do with your money
	+ Housing affordability
	+ YourHome
* 3.1 Consumer protection
	+ Scams
	+ Scamwatch
* 4.2 Long term financial strategies
	+ Management of personal superannuation
	+ Keeping track of your super