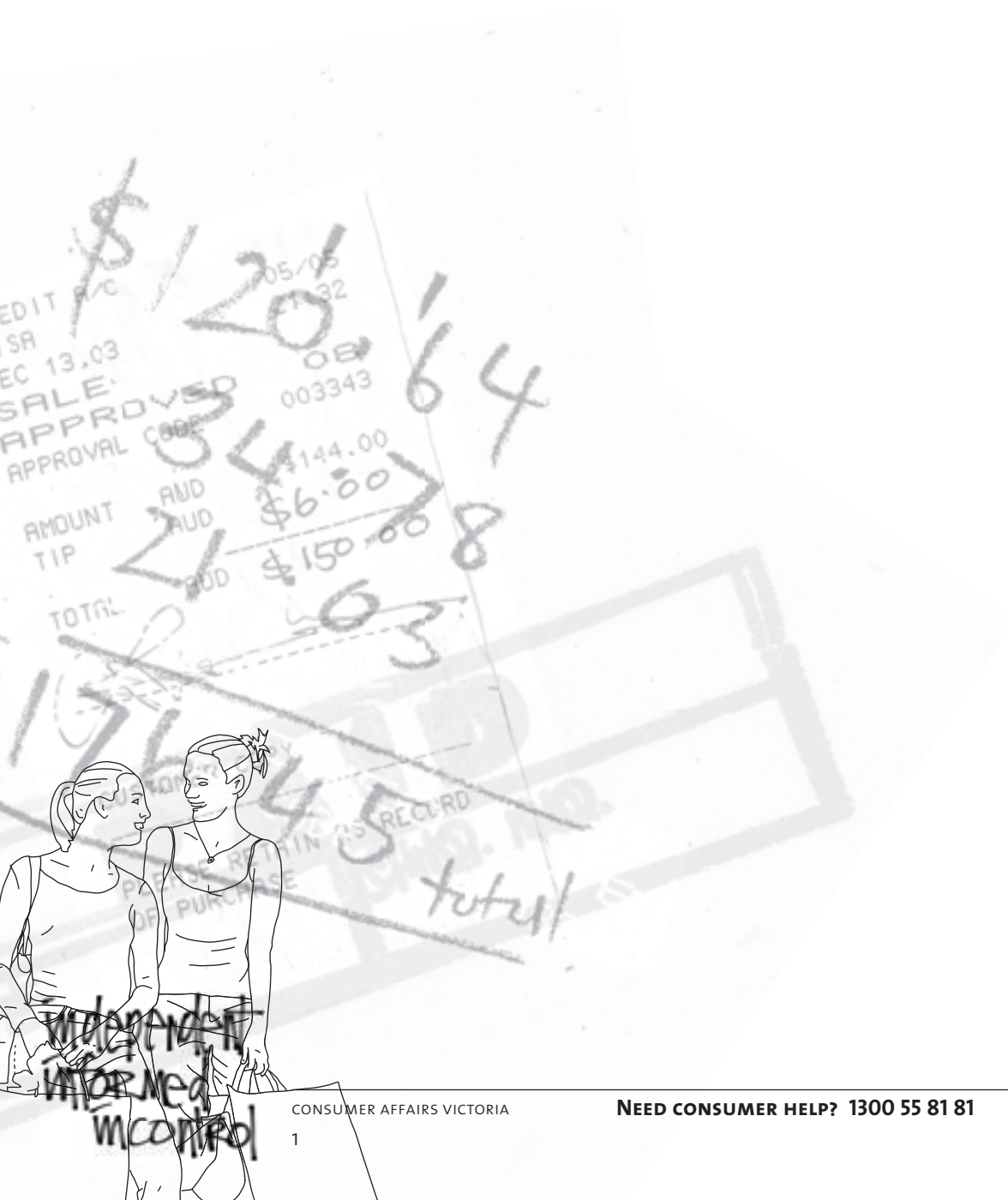


A RESOURCE FOR THE TEACHING AND LEARNING OF

Commerce

A resource for the teaching and learning of

COMMERCE



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Introduction to Commerce

This resource book aims to provide a comprehensive introduction to contemporary consumer education issues. In a rapidly changing commercial world it is often difficult to find resources that are up-to-date and this resource book has been designed to meet the needs of teachers for curriculum material that is topical and engaging. It addresses many new and emerging areas such as mobile phone debt, the pressures of 'affluenza', m-commerce and money scams.

The amount of time spent on consumer education varies greatly from school to school, so this resource has been designed to meet a variety of different needs. If time is available, the six units can be taught sequentially, however, each topic stands alone as an independent resource.

The units all provide teachers with:

- background information
- a list of learning outcomes and key concepts
- engaging introductory activities
- worksheets and extension tasks
- a revision activity to test students understanding of the unit.

The topics covered are as follows:

A What kind of consumer am I?

This unit explores the reasons why we consume and the effects of 'affluenza' on consumer behaviour.

B Consumers and the marketplace.

Informed and assertive consumers have a good understanding of how markets work. This unit explores different types of markets and explains the benefits of a competitive marketplace.

C How to be a consumer detective

This unit provides a toolkit of essential skills for young consumers.

D Your consumer rights and responsibilities

Consumer rights and responsibilities are clearly explained.

E Managing your money

Setting goals, budgeting and buying on credit, are covered in this unit.

F The global consumer

In this unit the global impact of consumption is explored, and ways in which consumers can get involved in global campaigns are discussed.

Visiting speakers

Consumer Affairs Victoria may be able, as part of an ongoing program in your school, to provide a Community Education Officer to speak to student groups. Your school would need to integrate the role of the speaker into your teaching and learning activities. For more information, call (03) 8684 6465.

Gamblers Help Services may also be able to provide a community educator to speak to your students. For more information, contact your local service via Gamblers Help Line on 1800 858 858.

Victorian Essential Learning Standards

The Victorian Essential Learning Standards are structured around the knowledge, skills and behaviour all students from P-10 should acquire in three core, interrelated strands of essential learning: Physical and Social Learning; Discipline-based Learning; and Interdisciplinary Learning. These three components are viewed as essential to prepare students for a rapidly changing and globalised world in which they have the capacity to:

- manage themselves as individuals and in relation to others
- manage the world in which they live, and
- act effectively in that world.

The Learning Standards require an interwoven, whole school approach to curriculum planning across the three strands of essential learning and this is reflected in all Consumer Stuff resources.

The curriculum mapping of the student worksheets on page 7 demonstrates how the worksheet activities and the many extension tasks have been designed to reflect the three strands of essential learning, particularly for years 9 and 10.

‘Research suggests that students develop deeper understanding of disciplined-based concepts when they are encouraged to reflect on their own learning, take personal responsibility for it and relate it to their own world. These approaches are explicitly defined in the Physical, Personal and Social Learning domains such as physical education and personal learning.

Students are better able to develop, demonstrate and use discipline-based knowledge and skills when they are able to employ knowledge in Interdisciplinary Learning such as Communication; Thinking; Information and Communications Technology; Design, Creativity and Technology.’

Extract from the Victoria Essential Learning Standards Discipline-based Learning: Victorian Curriculum and Assessment Authority, 2005.

Victorian Essential Learning Standards

STRAND	DOMAIN	DIMENSION	Worksheets
Physical, Personal and Social Learning	Health and Physical Education	Movement and physical activity	
		Health knowledge and promotion	A4-5, C1-2, F1-2,
	Interpersonal Development	Building social relationships	A1-5, B1-4, C1-9, D1-3, E1-6, F1-2
		Working in teams	A1-5, B1-4, C1-9, D1-3, E1-6, F1-2, G1-2
	Personal learning	The individual learner	A1-5, B1-4, C1-9, D1-3, E1-6, F1-2, G1
		Managing personal learning	A1-5, B1-4, C1-9, D1-3, E1-6, F1-2
	Civics and Citizenship	Civic knowledge and understanding	A2, A4, A5, B1-4, C1-9, D1-3, E1-6, F1-2, G3-5
		Community engagement	A3-5, B1-4, C1-9, D1-3, E4, E6, F1-2, G4-5
Discipline-based Learning	The Arts	Creating and making	A4, C1, C7, D2, E6G1, G5
		Exploring and responding	
	English	Reading	A1-5, B1-4, C1-9, D1-3, E1-6, F1-2, G1-5
		Writing	A1-5, B1-4, C1-9, D1-3, E1-6, F1-2, G1-5
		Speaking and listening	A1-5, B1-4, C1-9, D1-3, E1-6, F1-2, G3
	Languages other than English	Communicating in a language other than English	
		Intercultural knowledge and language awareness	
	Humanities (Economics)	Economic knowledge and understanding	A1-5, B1-4, C1-9, D1-3, E1-6, F1-2, G1-5
		Economic reasoning and interpretation	A1-5, B1-4, C1-9, D1-3, E1-6, F1-2, G1-5
	Humanities (Geography)	Geographic knowledge and understanding	A5, B1, C3, F1-2, G3
		Geospatial skills	
	Humanities (History)	Historical knowledge and understanding	F1-2
		Historical reasoning and interpretation	
	Mathematics	Number	A3, B2-3, E2-6, G3-4
		Space	
		Measurement, chance and data	G1-3
		Structure	
		Working mathematically	A3, B2-3, E2-6, G1-3
	Science	Science knowledge and understanding	A5, F1
		Science at work	A5, F1

Victorian Essential Learning Standards

STRAND	DOMAIN	DIMENSION	WORKSHEET
Interdisciplinary based learning	Communications	Listening viewing and responding	A1-5, B1-4, C1-9, D1-3, E1-6, F1, F2
		Presenting	A1-5, B1-4, C1-9, D1-3, E1-6, F1, F2
	Design, Creativity and Technology	Investigating and designing	A5,
		Producing	A5,
		Analysing and evaluating	A5,
	Information and Communications Technology (ICT)	ICT for visualizing thinking	A1, A5, B1-4, C3-9, D3, E1-6, F1, F2
		ICT for creating	A1, A5, B1-3, C3-9, D3, E1-6, F1, F2
		ICT for communicating	A3-5, B1-4, C5-9, D3, E1-6, F1, F2
	Thinking	Reasoning, processing and inquiry	A1-5, B1-4, C1-9, D1-3, E1-6, F1, F2
		Creativity	A1, A4, A5, B1-4, C1, C4-9, D1-3, E1, E5, E6, F1, F2
		Reflection, evaluation and metacognition	A1-5, B1-4, C1-9, D1-3, E1-6, F1, F2

Note: Where there is no activity in a particular Domain eg. LOTE, then that Domain and its associated Dimensions, have not been included in the above grid.

Links to Victorian Certificate of Applied Learning (VCAL)

W: Writing R: Reading R&W: Reading and Writing	SE: Self expression K: Knowledge	PP: Practical Purposes PD: Public Debate
OC: Oral communication	EI: Exploring issues and problem solving PP: Practical Purposes K: Knowledge PD: Public Debate	
N: Numeracy	PP: Practical Purposes PO: Personal Organisation IS: Interpreting Society K: Knowledge	
PDS: Personal Development Skills		

Notes:

1. The activities align to the learning outcomes listed but may not cover all the assessment criteria. Please check the relevant Curriculum Planning Guide to ensure all assessment criteria are covered.
2. The VCAL level is not named for each Unit or worksheet. Most can be modified for use at the different VCAL levels from Foundation through to Senior, with a major difference being the level and amount of assistance, support and guidance given to the learner.

SECTION AND WORKSHEET	LITERACY	NUMERACY	PERSONAL DEVELOPMENT SKILLS
SECTION A. What Kind Of Consumer Am I?			Most Learning Outcomes in PDS Units 1 and 2 would be covered, especially if students work in pairs or small groups on some of the activities in order to cover the team work and leadership Learning Outcomes for PDS Unit 1.
WORKSHEET A1: This Is What I Want!	R&W: SE		
WORKSHEET A2: Making Choices	R&W: PP, K		
WORKSHEET A3: Let's Go Shopping!	R&W, OC: K, PP		
WORKSHEET A4: 'Affluenza'	R, W, OC – K;	IS	
WORKSHEET A5: Only One Planet Earth	R&W, OC – K	IS	
SECTION B. Consumers and the marketplace			Most Learning Outcomes in PDS Unit 1 would be covered, especially if students work in pairs or small groups on some of the activities in order to cover the team work and leadership Learning Outcomes for PDS Unit 1.
WORKSHEET B1: Heatwave!	OC – EI, W – K, PP		
WORKSHEET B2: The chocolate market	R – K	IS	
WORKSHEET B3: Wicked chocolates	W – K, SE		
WORKSHEET B4: Buyers and sellers game – Skeleton Island	OC – PP, EI	IS	
SECTION C. How to be a consumer detective			Most Learning Outcomes in PDS Unit 1 would be covered, especially if students work in pairs or small groups on some of the activities in order to cover the team work and leadership Learning Outcomes for PDS Unit 1. Learning Outcomes 2, 4 and 5 from Unit 2 would also be covered.
WORKSHEET C1: Why we want to shop	OC – PP, EI, W – SE		
WORKSHEET C2: Spot the difference	R – PP, OC – EI	PP	
WORKSHEET C3: Shopping options	W – PD		
WORKSHEET C4: Advertising and marketing	W – K		
WORKSHEET C5: Why do we choose one brand rather than another?	OC – EI, W – PP		

Links to Victorian Certificate of Applied Learning (VCAL)

SECTION AND WORKSHEET	LITERACY	NUMERACY	PERSONAL DEVELOPMENT SKILLS
SECTION C. How to be a consumer detective continued			
WORKSHEET C6: Before you buy	OC – EI		
WORKSHEET C7: The art of selling	W – SE, OC – PP, K, EI		
WORKSHEET C8: Ad watch	W – K, R – PP, K, OC – EI, PP	PO, IS	
WORKSHEET C9: Scams and scamsters	R – K, PP, W – K, SE, PP		
EXTENSION TASKS	R – K, PP, W – PP, K	PO, IS	Depending on which Extension activities were undertaken, there is the potential to cover both PDS Units.
SECTION D. Your consumer rights and responsibilities			Most Learning Outcomes in PDS Units 1 and 2 would be covered, especially if students work in pairs or small groups on some of the activities in order to cover the team work and leadership Learning Outcomes for PDS Unit 1.
WORKSHEET D1: Who is entitled to redress?	R, W – K,		
WORKSHEET D2: Types of consumer behaviour	R, W – K		
WORKSHEET D3: Solving problems	OC – EI, W – PP,		
EXTENSION TASKS	R – PP, W – K, PP		Depending on which Extension activities were undertaken, there is the potential to cover both PDS Units.
SECTION E. Managing your money			Most Learning Outcomes in PDS Unit 1 would be covered, especially if students work in pairs or small groups on some of the activities in order to cover the team work and leadership Learning Outcomes for PDS Unit 1. Learning Outcomes 2, 4 and 5 from Unit 2 would also be covered.
WORKSHEET E1: Setting goals	OC – EI, W – PP, SE	PO, IS	
WORKSHEET E2: What am I worth? (in dollars and cents!)	W – K	PO, IS	
WORKSHEET E3: Cash flow statements and budget	W – PP, K, R – PP, K	PO, IS	
WORKSHEET E4: Paying off the card	R – K	PO, IS	
WORKSHEET E5: Mobile phone debt	R – K, W – K, PP	PO, IS	
WORKSHEET E6: Case studies	R&W – K	PO, IS	
EXTENSION TASKS	R – K, PP W – PP, K	PO, IS	Depending on which Extension activities were undertaken, there is the potential to cover both PDS Units.
SECTION F. The global consumer			Most Learning Outcomes in PDS Units 1 and 2 would be covered, especially if students work in pairs or small groups on some of the activities in order to cover the team work and leadership Learning Outcomes for PDS Unit 1.
WORKSHEET F1: What is globalisation?	OC – EI, K, R&W – K,	IS, PO	
WORKSHEET F2: Ethical consumerism	W – PP	IS	
EXTENSION/REVISION	OC – EI, R&W – K, PP, PD	IS, PO	Depending on which Extension activities were undertaken, there is the potential to cover both PDS Units.

Links to Victorian Certificate of Applied Learning (VCAL)

SECTION AND WORKSHEET	LITERACY	NUMERACY	PERSONAL DEVELOPMENT SKILLS
SECTION F. The global consumer			Most Learning Outcomes in PDS Units 1 and 2 would be covered, especially if students work in pairs or small groups on some of the activities in order to cover the team work and leadership Learning Outcomes for PDS Unit 1.
WORKSHEET F1: What is globalisation?	OC – EI, K, R&W – K,	IS, PO	
WORKSHEET F2: Ethical consumerism	W – PP	IS	
EXTENSION/REVISION	OC – EI, R&W – K, PP, PD	IS, PO	Depending on which Extension activities were undertaken, there is the potential to cover both PDS Units.
SECTION G. Responsible gambling			Most Learning Outcomes in PDS Unit 1 would be covered, especially if students work in pairs or small groups on some of the activities in order to cover the team work and leadership Learning Outcomes for PDS Unit 1.
WORKSHEET G1: Get rich quick - don't bet on it	OC – EI, W – PP, K, SE, R – K	IS, PO	
WORKSHEET G2: Living within your means	OC – EI, W – PP, K	IS, PO	
WORKSHEET G3: Gambling - leisure market case study	OC – EI, R – K R&W – K, W – PP	IS, PO	
WORKSHEET G4: Government intervention and the gambling industry	R – K, W – PP		
WORKSHEET G5: Gambling and the law	W – PP, R – K		

The Thinking Curriculum

Multiple intelligences	Consumer education activities
<i>Verbal/linguistic</i>	Letter writing, word searches, debates, role plays, interviews with consumers and traders, interpreting complex contracts, analysing and interpreting advertising techniques.
<i>Logical/mathematical</i>	Problem-solving, surveys, analysing and interpreting statistics, calculating rates of interest (eg. the cost of bank loans and credit cards), preparing budgets and financial reports.
<i>Visual/spatial</i>	Maps, cartoons, board games, graphs, design of website material, spreadsheets, posters and packaging material.
<i>Interpersonal</i>	Co-operative group work, discussions, interviews, group investigations and consumer awareness campaigns.
<i>Intrapersonal intelligence</i>	Reflective journals, self-assessment and setting personal goals.
<i>Bodily/kinaesthetic</i>	Role plays, excursions to markets and shopping centres to better understand consumers and traders.
<i>Musical/rhythmic</i>	Writing songs and jingles on consumer themes.
<i>Naturalist</i>	Conducting experiments and investigations eg. toxic waste in landfill from batteries, developing recycling ideas.

Thinking skills

As well as knowledge about their rights and responsibilities, consumers also need the skills to think critically and creatively.

Creative thinking techniques have been used where possible to develop students' lateral and 'deep' thinking skills, for instance, Six Thinking Hats developed by Dr Edward De Bono:

- **Red Hat** for feelings intuition and emotions
- **White Hat** for information
- **Green Hat** for creative thinking
- **Black Hat** for critical thinking
- **Yellow Hat** for positive thinking
- **Blue Hat** for 'thinking about thinking' ie working out the order of the 'Hats' and deciding what other thinking techniques to use.

Emotional intelligence

The value of teaching emotional intelligence is also recognised and incorporated into a number of activities eg. discussions about consumerism, stereotyping and the influence of advertising.

Dr Daniel Goleman's Emotional Intelligence identified key elements associated with emotional intelligence:

Self awareness	Recognising personal strengths and weaknesses
Self-regulation	The ability to control impulses and accept responsibility for one's own actions
Motivation	This includes having commitment and drive
Empathy	The ability to understand other people's feelings and point of view
Social skills	This includes the ability to co-operate with others and communicate effectively

Group work, roleplays and reflective journals are just some of the activities designed to improve these skills.

SECTION A

What kind of consumer am I?

Aims and overview

This unit aims to introduce students to some fundamental economic concepts: the difference between needs and wants, the reasons why consumers need to make choices and the costs (to the consumer and the environment) of consumerism.

Key concepts

Needs, wants, resources, relative scarcity, opportunity cost, consumers, consumerism, 'affluenza', advertising.

Learning outcomes

At the end of this unit, students should be able to:

- distinguish between needs and wants
- recognise that people's wants for goods and services are unlimited
- assess the impact of 'affluenza' on consumers.

Useful resources

Print advertisements of products and brands popular with young consumers can be used as examples.

See also the list of websites at the end of this unit.

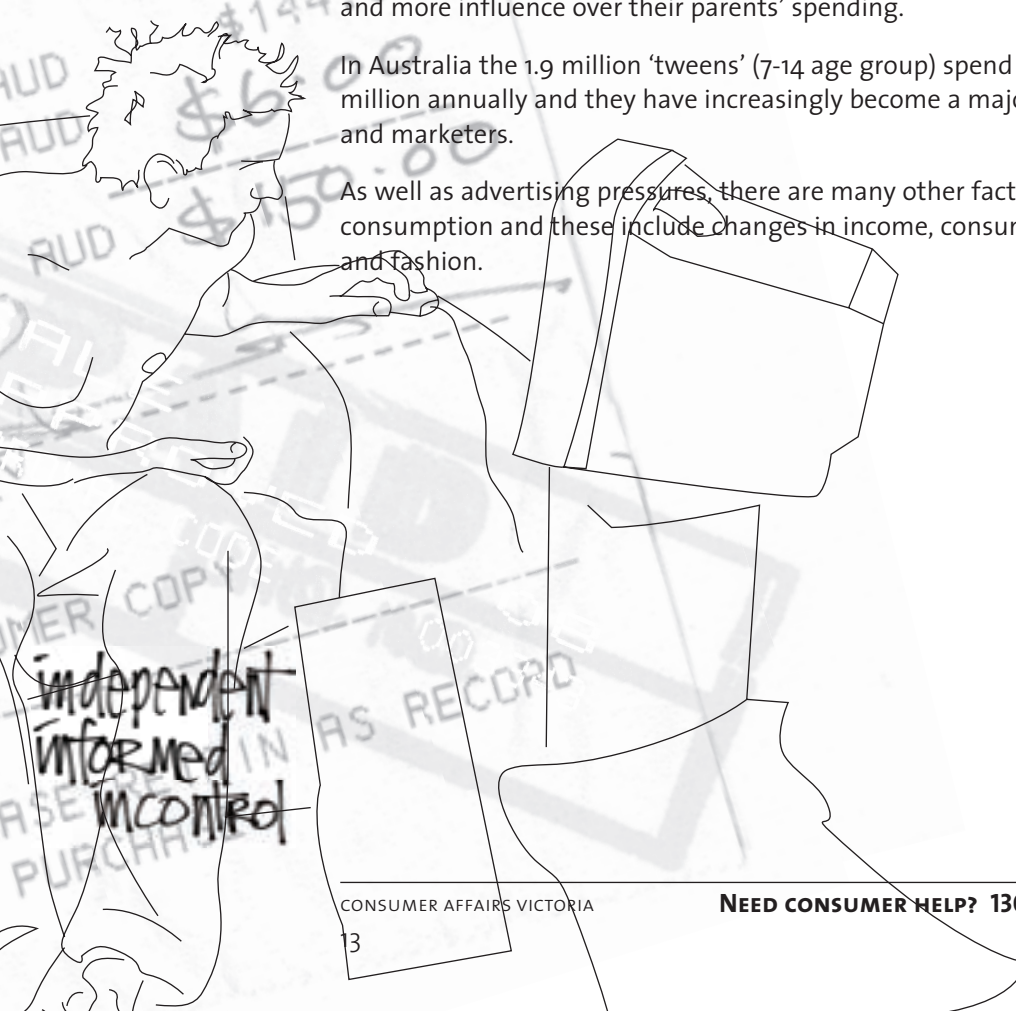
Background information

Needs and wants

Young consumers have more spending power than previous generations and more influence over their parents' spending.

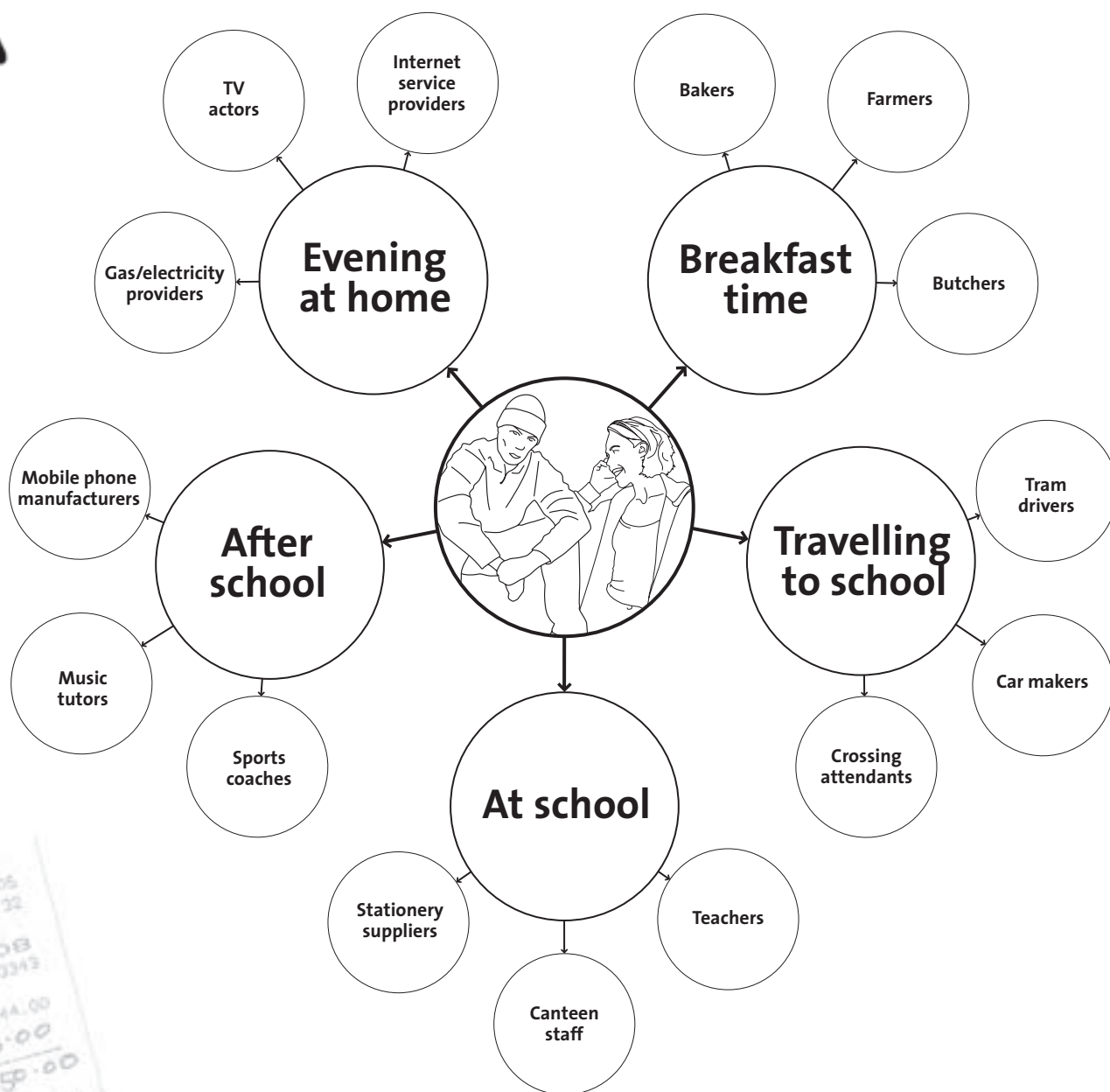
In Australia the 1.9 million 'tweens' (7-14 age group) spend an estimated \$471 million annually and they have increasingly become a major target of advertisers and marketers.

As well as advertising pressures, there are many other factors that can influence consumption and these include changes in income, consumer confidence and fashion.



What kind of consumer am I?

We are all consumers and as Diagram 1 shows, we are all dependent on many people for a wide range of goods and services every day. Life for our distant ancestors was much simpler. They had three basic needs: food and water, clothing and shelter. These items are still essential for survival. However, in the modern world our wants are constantly evolving and expanding.



What kind of consumer am I?

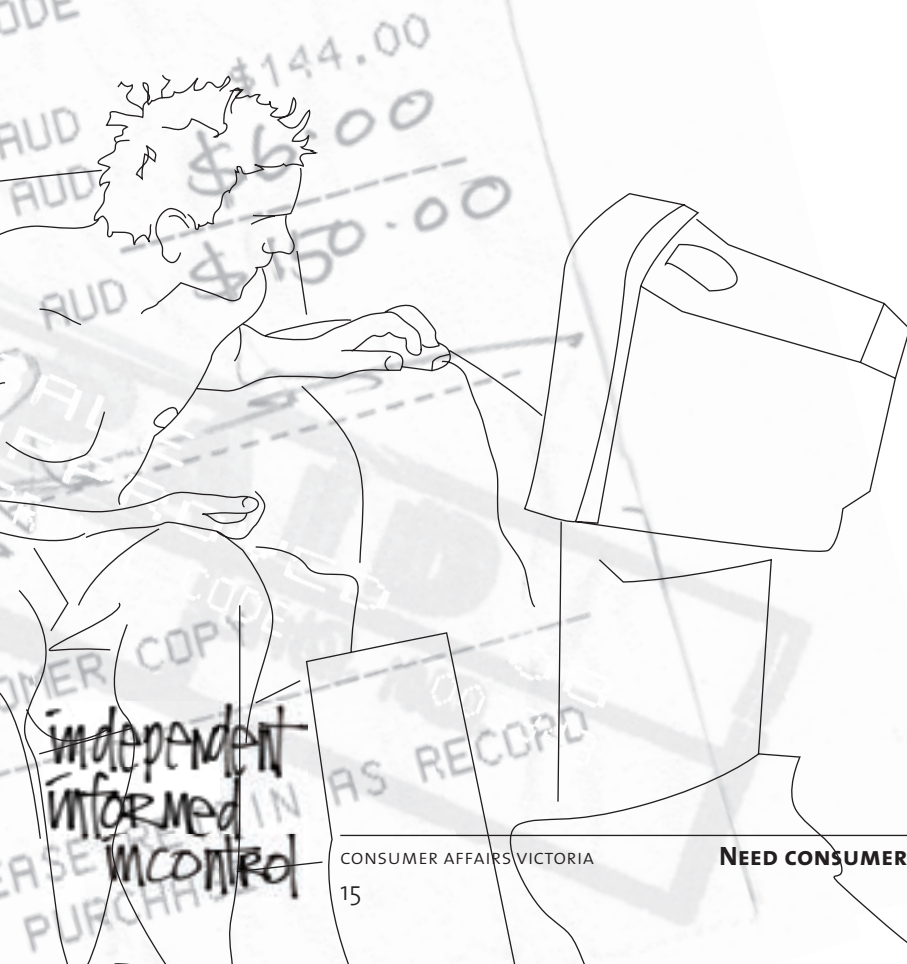
Making choices

Choices have to be made as to how best to use scarce resources. For example, land that is being used to produce food cannot also be used for a shopping centre; robots making cars cannot at the same time produce refrigerators.

When we go shopping, we have to make choices too. For example, we may have \$30 to spend and have narrowed our choice down to a DVD or t-shirt. If we find the DVD we want first and buy that, the cost to us (apart from the \$30), is the t-shirt we cannot now buy. This is known as the opportunity cost because we have given up the opportunity to buy our second choice, the t-shirt, at least until we have some more cash! All of our decisions about what to buy (and not buy) have an impact on the Earth's scarce resources and the environment.

Introductory activity

- Ask students if they can explain, with examples, the difference between needs and wants.
- Show pictures of different items eg. a Ferrari, Big Mac, computer games, sports equipment, holiday resorts. Are they needs or wants?
- Show images of different brands of products such as trainers, mobile phones and cars and ask the class to write down which brand they would prefer, and then compare the answers. Discuss the most popular brands. What makes them so popular?



This is what I want!

Exercise - How our wants change

Wants change over time and what you might have desperately wanted as a birthday present when you were five is probably not what you want now!

- a) Complete the following table with your past, present and future wants. Compare with the rest of the class, noting the similarities and differences.

Age	My wants	Reasons for the wants
5		
10		
15		
20		
25		

- b) Explain why the above items are wants and not needs.

- c) Create a concept map using Inspiration®, or similar software, showing what you think you will want at age 25. Alternatively, use butchers' paper, pens and glitter glue. See the example on page 64.



Making choices

When we purchase goods and services we should take into account any additional costs. What if we buy a car and find we cannot afford the petrol or parking costs? These items are known as complementary goods and services.

When shopping, we should also be aware of substitute goods and services. If we cannot afford a car after all, perhaps we could use public transport or buy a bike instead.

There could be advantages in choosing one of the cheaper substitute products; cycling to work would be a healthy alternative to driving and better for the environment too!

Exercise 1 - What will I consume today?

Make a list of five goods and five services that you will consume today and the reasons why you are consuming them.

Goods	Reasons for consumption	Services	Reasons for consumption

Exercise 2 - Substitute and complementary goods

Complete the table below identifying some substitute and complementary products for the following goods and services.

Goods and services	Complementary products
DVD player	
AFL season ticket	
Your first car	
Ticket for the school formal	
Horse riding lessons	

Goods and services	Substitute products
Your first car	
Exercise bike	
Playstation game	
Takeaway hamburger	
Gas barbeque	



Let's go shopping!

We all approach shopping in different ways. Some people are impulse buyers while other consumers will spend a lot of time researching different brands and shopping around for a 'good deal' (at least with expensive purchases).

Exercise 1 - Buying a mobile phone

Imagine you are buying your first mobile phone. Below is a list of different ways of going about making a purchase. They are not listed in any particular order. Identify which strategies you would use and in what order. Number them from 1 - 9.

- Discuss phone costs with parents and the contribution they are going to make, if any.
- Talk to friends who already have mobiles about different price plans and get their recommendations.
- Visit stores and talk to sales staff.
- Read contracts and details of different price plans.
- Investigate the key differences between pre-paid phones and 1-2 year contracts.
- Work out priorities eg. quality of service, lowest possible price, extra features.
- Collect and compare information on the network carriers.
- Do an internet search looking for independent advice and fact sheets from consumer organisations.
- Work out any particular needs (which may be different from your friends), eg. you may need to make overseas/interstate calls, or perhaps you just want a phone for safety reasons and don't expect to use it on a regular basis.

Exercise 2 - Finding the best deal

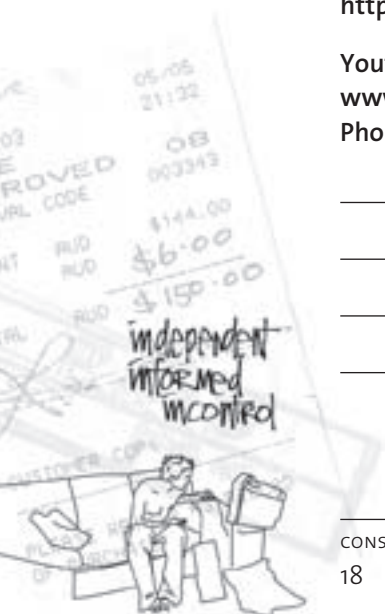
Visit the following two sites and summarise what you have learnt about buying a mobile phone.

Australian Communications and Media Authority

<http://toolkit.acma.gov.au>

Youth Central

www.youthcentral.vic.gov.au > Managing Money > Saving & Spending > Phone Mania



‘Affluenza’

Introduction

About 16% of the world’s population is responsible for 80% of consumer spending. Why aren’t people content to just satisfy their basic needs? There is no doubt that many of our wants are created by advertisers. Clever slogans and other techniques are designed to create a desire for their products.

A 2002 Newspoll survey for The Australia Institute found that 56% of Australians believe they are spending nearly all their income on the bare necessities of life and 46% of people with incomes of over \$70 000 say they cannot afford everything they really need.

What is it that consumers want? Some commentators suggest it is the lifestyle of the rich and famous they are trying to copy - hence the demand for larger homes, home theatres, personal trainers, and luxury brand products. The constant ‘trading up’ to more expensive brands has become known as ‘affluenza’, ‘competitive consumption’ or ‘luxury fever’.

However, there are costs to this ‘affluenza’. These include:

- increasing credit card debt. There has been a four fold increase in the past 8 years and a sharp increase in personal bankruptcies because consumers are unwilling to wait for what they want.
- an increase in hours worked. Australian working hours are longer than almost anywhere else in the developed world.
- environmental costs of using up scarce and non-renewable resources.

Credit cards and personal loans enable people to instantly gratify their wants and then worry later about paying for them!



‘Affluenza’

Exercise - Maxed out

Read the extract from an article ‘Younger Australians are hooked on debt. Where will the buck stop?’ in the ‘The Age’ and complete the following tasks:

- Highlight any evidence that ‘affluenza’ exists in Australia.
- Summarise the costs of ‘affluenza’ to the people interviewed.
- Conduct a class survey. How many class members believe they are going to become rich and famous!
- Brainstorm some solutions to the problems caused by ‘keeping up with the Joneses’.
- Create a concept map using Inspiration® or similar software on the theme of ‘affluenza’ and its personal, social and environmental costs. Alternatively, use butchers’ paper, pens and glitter glue.
- Working in groups, create a short drama on the ‘affluenza’ theme.

Further resources on this topic can be found in the cross-curricula resource book, Consuming Planet Earth.

Use some creative thinking techniques such as the following ones developed by Dr. Edward de Bono.

Random word

Pick a word at random from a dictionary and try and link it with the problem.

Six Hats thinking

Use the six hats to develop some ideas:

- **Red Hat** for feelings, intuition and emotions
- **White Hat** for information
- **Green Hat** for creative thinking
- **Black Hat** for critical thinking
- **Yellow Hat** for positive thinking
- **Blue Hat** for ‘thinking about thinking’
ie. working out the order of the Hats and deciding what other thinking techniques to use.



'Affluenza'

Younger Australians are hooked on debt. Where will the buck stop?

Geoff Strong and Farah Farouque

15 November, 2003

It took only a few years for the illusion of financial freedom to be hosed away by shame, for the joy of shopping to be blanked out by the harassment from creditors. By the end, "Priscilla", as she wants to be known in this story, was avoiding telephone calls, concealing the truth from her family and losing her job. A couple of months ago, she was declared bankrupt, aged 26.

She still lives at home with her parents, who worked hard and saved for what they bought.

"I was always a good girl," she says now. "I studied at school, didn't give my parents trouble and didn't get involved with drugs. But (spending) turned out to be an addiction as bad as any other."

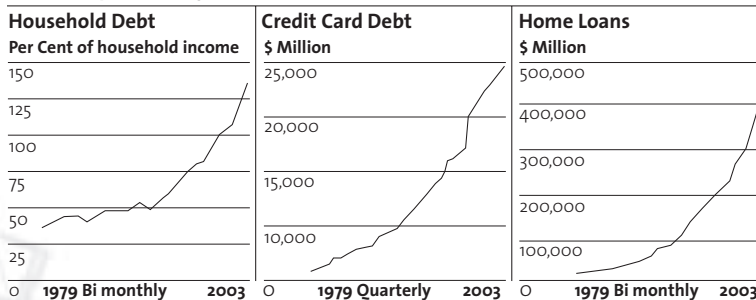
For her, it all began with one of those small, rectangular pieces of plastic that slide innocuously into our wallets, seduce us to spend freely and, when the time of reckoning comes, force us to pay it all back with a big slice of interest tacked on. Priscilla "maxed out" her cards.

From the age of 18, when her first credit card seemed to unleash power, Priscilla's retail therapy was paid for by other people's money. By the time it was over, the eight-year binge had cost her \$30,000.

What does she have to show for it? There is still a cheap video cassette recorder at her parents' home but the rest, like the expensive French perfume she loved to buy, has evaporated...

Just over a week ago, the Reserve Bank raised official interest rates from 4.75 to 5 per cent, increasing repayments on a typical \$190,000 home loan by \$31.35 a month. Economists are predicting rates will have risen by 1 per cent by next June, adding \$125 to the monthly repayments on such a mortgage. Analysts argue over the significance of all this, particularly over whether households will be in strife as interest rates rise. But there is agreement on what is behind the change in attitude to money. The frugal generations are dying off, succeeded by younger ones who have never learned that the economic world can be a cruel place.

Other People's Money



‘Affluenza’

Dr Clive Hamilton, of the Canberra-based Australia Institute, studied the nation’s consumption patterns last year. He has also explored the spread of ‘luxury fever’ in his recent book, *Growth Fetish*, where he writes that ‘most people are prosperous beyond the dream of their parents and grandparents.

“People see debt as part of life these days,” Hamilton says. *“Young people have a particularly fatalistic attitude to debt. Even 30 years ago, there was value in being abstemious. Thrift was a virtue.”* Hamilton says a careful attitude to money was seeded in the generations that experienced the Depression and World War II. Even their more *laissez-faire* offspring—the baby boomers— have actively accumulated assets. But now many purse strings are in the hands of generations who have not faced the blowtorch of financial hardship.

“Suzie” is a single mother who works as an alternative health therapist. She had to refinance her home after a messy marriage break-up. *“The bank gave me \$15,000 more than I needed, so I decided to take an overseas holiday to America. I figured I needed it.”* How will she pay it back? *“I’ll pay it back somehow. It will just take longer with the mortgage.”*

Australians are over-optimistic about the future state of their bank accounts, according to a survey released last week. The Fame and Fortune Survey, conducted by Hawker Britton UMR Research, found that while 26 per cent of Australians believed that one day they would be rolling in it, the brutal truth is that only 3 per cent of people aged over 65 actually consider themselves wealthy.

The survey was based on interviews with 1,000 Australians over the age of 18. Hawker Britton Managing Director Bruce Hawker said: *“The younger you are, the more rich and famous you think you will be...It’s an extraordinary expression of optimism that nearly half the people under 30 believe it likely they are destined for fortune.”*

The generational divide might be wide but Hamilton argues that when it comes to overconsumption, class boundaries have more or less dissolved. *“Middle-class people can and do aspire to lifestyles of the rich and working-class people aspire to not only the lifestyles of the middle-class but the rich as well,”* he says. *“People take their consumption norms not from their communities but from TV and magazines...the lifestyles of the rich have become accessible.”*

Hamilton points out that our houses have become larger (the average size in 2000 was 221 square metres, compared with 130 in 1970). Conversely, household size – the average number of people living in a house – has fallen.

Similarly, 20 years ago, Australians built barbecues from bricks and a hotplate. Now, Hamilton observes, one fancy model costs \$10,000. *“We have a culture of discontent, which is constantly fostered by a vast marketing industry,”* he says. Where is it taking us?

‘Affluenza’

Credit card debt is a tragedy for people such as Priscilla but it is only a small amount (about 3 per cent) of what Australians owe. Our borrowed money goes mostly on building or buying homes, the goods that go in them (which are increasingly imported from overseas) and speculating on the housing boom through buying investment properties.

Paul and Linda Eacott are a Box Hill couple in their 30s with a 10-month-old baby, a Honda four-wheel-drive and Falcon sedan that they owe money on and a renovated house on which they owe \$178,000. They plan to borrow another \$170,000 for a rental property.

Their income from his full time job as assistant travel agency manager and hers as a part-time midwife brings them close to the national average household income of \$70,000.

They are not particularly worried by their debt level; they are more worried about missing out on the gains they have heard others are making from the investment property market.

“I know we are about the national average,” says Linda, “but I don’t want to be average, I want to be filthy, rotten rich. The only problem is I don’t know how to go about it, unless I win Tattsлото.” She jokes: “Why did I marry a travel agent?”

They try to pay \$1,500 a month off their debt but this does not leave much left over for discretionary spending such as meals out or – despite Paul’s job in the industry – holidays. But the future holds one looming ‘big ticket’ expense: private education. The private school they have their eyes on, charges about \$12,000 a year at today’s prices...

Paul says they considered buying an investment property in Hobart but a swarm of investors got in earlier and priced them out. Now he says they are considering towns along the north Queensland coast.

“To sit back and not take advantage of having this equity would be silly. I know superannuation is no good and shares? They don’t seem to come to anything.”

In the short term, though, their next significant expenditure will be a new television, DVD home entertainment sound system combination and, in the longer term, an extension to their home.

“I guess it is just keeping up with the Joneses,” says Linda...

Extracts from an article by Geoff Strong and Farah Farouque/*The Age*



Only one planet Earth

Pressure on the Earth's scarce resources has led to many environmental problems.

These include the following:

- 15% of the Earth's surface has been degraded due to a mix of over-grazing, de-forestation and land mismanagement
- half the world's rivers are seriously depleted and polluted
- air pollution from traffic claims 400 000 lives each year mainly in developing nations.

According to the World Wildlife Fund:

"if every human alive today consumed natural resources and emitted carbon dioxide at the same rate as the average person in the developed world, then we would need at least another two planet Earths, if not three."

Exercise 1 - Create a 'landfill' in the classroom!

Collect 1-3 household items that are often discarded eg. plastic bags, yoghurt cartons, clothes hangers. Create a 'landfill' in the middle of the classroom and then, working in pairs or small groups, make new products by combining some of the items you have 'rescued'. Use creative thinking skills to develop and evaluate your ideas (Six Hats thinking).

Exercise 2 - My life as a mobile phone

People in rich countries throw away up to 800 kg. of waste each year compared to less than 200 kg. in poorer countries. This 'waste' often includes items that are discarded simply because a new, more fashionable version of a product has reached the marketplace. For instance, mobile phones are discarded on average every 18 months - 2 years in Australia, and once in landfill, have the potential to damage the environment.

With the following activity, you can calculate the costs of mobile phones from the design stage up to the end of their 'life'.

Working in a group, select a different stage in the life cycle of a mobile phone: eg. design, production, marketing, customer use, landfill.

Create a spreadsheet and then identify the resources used at each stage, using the following headings.

Land and natural resources	Labour	Capital (machinery and equipment)	Business talent

In the landfill stage, remember to investigate and include the environmental costs, for example, the damage done by batteries. Also investigate the extent to which mobile phone materials are recycled. Present the different stages of the life cycle to the class. This could be a multimedia presentation or a webpage.

Only one planet Earth

Exercise 3 - Mobile phone survey

After completing Exercise 2, conduct a survey around your school to see how mobile phone users respond to your research findings, or write an article for the school website or magazine.

Useful websites

- Global Education: www.globaleducation.edna.edu.au
- Planet Ark www.planetark.com.au
- Earthday Network www.earthday.net
- World Vision www.worldvision.com.au
- Oxfam Community Aid Abroad www.caa.org.au

See also the list of websites on page 82.



A

extension/revision

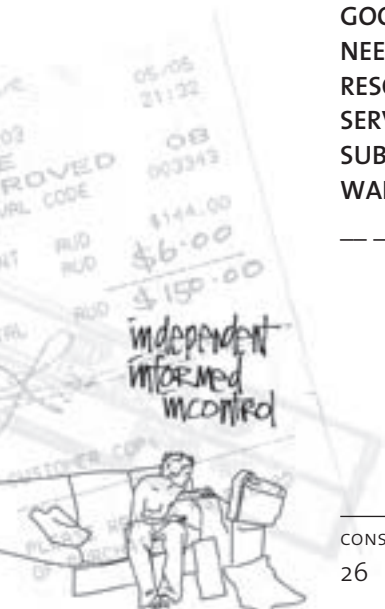
What kind of consumer am I?

Word search

S	A	F	F	L	U	E	N	S	Z	A	S	C	S	S
E	D	A	I	C	L	R	D	R	P	T	O	M	U	R
C	Z	Z	E	A	M	E	E	O	P	M	L	Z	B	E
I	Q	R	M	R	E	S	Q	V	P	A	U	I	S	M
V	W	O	L	N	O	B	A	L	L	D	B	X	T	U
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E	H	C	R	V	N	M	P	R	Q	E	T	F	T	N
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Z	O	A	B	B	T	F	C	Z	S	S	M	S	C	C
G	R	M	E	S	O	G	N	T	R	I	X	T	L	B
Y	P	I	Y	U	V	Y	N	T	Y	N	W	C	J	X
T	O	B	C	U	V	A	L	P	S	G	G	V	M	X
E	P	W	A	J	W	S	U	P	T	S	T	C	H	V

ADVERTISING
COMPLEMENTARY
CONSUMERS
GOODS
NEEDS
RESOURCES
SERVICES
SUBSTITUTE
WANTS

_____ (mystery word)



SECTION B

Consumers and the marketplace

Aims and overview

This unit aims to explain market forces to young people so they understand how markets work; the role of consumers and producers in the marketplace; and the influence of marketing and advertising campaigns on consumers.

Key concepts

Markets, supply, demand, price mechanism, consumer sovereignty, market power, advertising, marketing, market research, brand power.

Learning outcomes

On completion of this unit, students should be able to:

- explain the forces of supply and demand
- construct graphs to illustrate how the price mechanism operates.

Useful resources

Collect newspaper articles on price changes explaining the reasons for the changes and the likely consequences. Rising prices for houses, air fares, petrol and CD's are good examples.

Background information

What is a market?

Markets come in all shapes and sizes. They can be global or local with examples ranging from the internet's eBay® to a small fruit and vegetable market in a country town. Markets act as a meeting place for buyers and sellers. One key feature of any market is that consumers want the lowest possible price in order to save money and the producers (or sellers) want the highest possible price in order to maximise their profits.

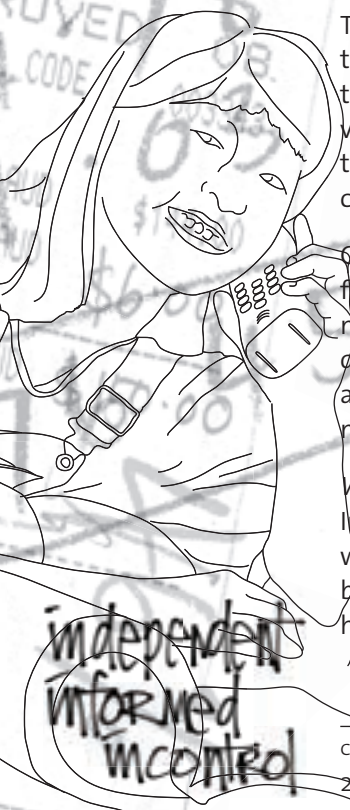
Why do prices go up and down?

The prices we pay for goods and services are determined by what economists call the laws of supply and demand. The law of demand states 'The lower the price, the greater the quantity demanded'. This law reflects the consumer's point of view. The law of supply states that 'The higher the price, the greater the quantity that will be supplied'. This law reflects the producer's point of view: they need to cover their costs and make a profit to stay in business.

Consumer demand is also influenced by other factors, for example, changes in fashion and income. When demand is greater than supply, shortages occur. The median house price in Melbourne rose from \$186 000 in 1998 to \$335 000 in 2002 due to booming demand. When supply is greater than demand, there is a surplus, and prices will fall. When products reach a store's bargain basement or a street market's 'Nothing over \$5' stall, we know there is not much demand left for them.

What's good about competition?

In a large and competitive market such as Melbourne's Queen Victoria Market where there are many buyers and sellers, there is not much difference in prices between the various stalls because it is very easy for shoppers (and the stall holders) to make comparisons.



Consumers and the marketplace

In Australia, we pride ourselves on being a sporting nation, and competition is generally regarded as both positive and healthy for the participants. It is the same with markets.

Competitive markets are good for consumers and the economy as a whole. They have the following benefits:

- better prices for consumers (businesses that overcharge will not survive in the marketplace for long)
- firms are likely to be more innovative and try out new technology, both to cut costs and stay ahead of competitors
- competitive markets respond rapidly to consumer wants and unpopular products are quickly dumped
- a wider range of products are produced to tempt the consumer
- consumers have more influence and power in the market, and overall the economy benefits and living standards improve.

When markets fail

Not all markets are as competitive as the Queen Victoria Market.

There are different types of 'imperfect markets':

- a monopoly (only one producer in the marketplace)
- a duopoly (two producers)
- an oligopoly (around 3-6 producers)
- monopolistic competition (there are many firms producing similar, though not identical, products).

Introductory activities

Start with a class discussion about prices. Why do prices rise and fall? Use some topical examples, for example, petrol prices rising before public holidays.

Ask students at what time of the year will the following products (or similar examples) be the cheapest and the reasons why:

- Christmas cards
- Easter eggs
- electric blankets
- footy scarves
- mangoes.

Organise an excursion to the Queen Victoria Market (QVM) or a suitable local market. A QVM excursion worksheet can be downloaded from www.consumer.vic.gov.au > Young consumers, students and teachers > Queen Victoria Market worksheet.

Enterprising ideas

Working in small groups, students can develop some enterprising ideas for a small business. They will need to think about what products they could sell around the school. Use the Six Hats technique to brainstorm and evaluate the ideas.



Heatwave!

Victoria experienced a prolonged heatwave in January 2002 and some of the consequences were as follows:

- fewer customers at outdoor markets and more customers at supermarkets
- shortages of dust masks, buckets and hoses in hardware stores
- a decrease in demand for mowing services
- an increase in demand for air-conditioning mechanics
- a decrease in demand for wine and an increase in demand for beer.

Exercise 1 - More beer, less wine!

Briefly explain below the reasons for the changes in demand and/or supply.

1	
2	
3	
4	
5	

Exercise 2 - Supply and demand

Suggest the likely effect of the heatwave on the demand and/or supply of four more goods or services, explaining your reasons.

Good or service	Change in demand and/or supply	Reasons for changes



Heatwave!

Exercise 3 - Victoria freezes!

Assume that Victoria experiences a very long and extremely cold winter.

a) Complete the following report.

The winter of 200__ will long be remembered by Victorians. Who would have expected to see the Yarra freeze over! The sub-zero temperatures led to a dramatic increase in demand for ____, ____, and _____. Unfortunately, for the shivering Victorians, the sudden surge in demand for _____ led to s_____ and a sharp drop in the supply of _____. Who would have expected doctors and hospitals to have to deal with so much frostbite!

The snowstorms certainly kept Melburnians off the roads for weeks and led to an increase in demand for _____, _____, and _____, at home.

Many people will remember queuing up outside shops hoping to buy _____ despite the dramatic i_____ in prices caused by the d_____ in supply. On the other hand, demand for _____ decreased so much, that some producers almost went out of business.

Who made the most money out of the winter?

b) Make a list of producers and traders you believe would benefit from an extremely cold winter and briefly explain your choices.

c) Working in groups, use the above report to create a lesson for primary or early secondary students on the laws of supply and demand. You could create a video, animation, illustrated story, cartoon or multimedia presentation. Start by developing criteria to meet the needs of the audience. As a group, create electronic files to record and monitor progress.



The chocolate market

Assume you decide to start a small business selling chocolates at school. You want to produce small gift boxes that students can give as birthday presents.

Before you start the business, you conduct a market survey amongst your friends and other students and find the demand varies depending on the possible prices.

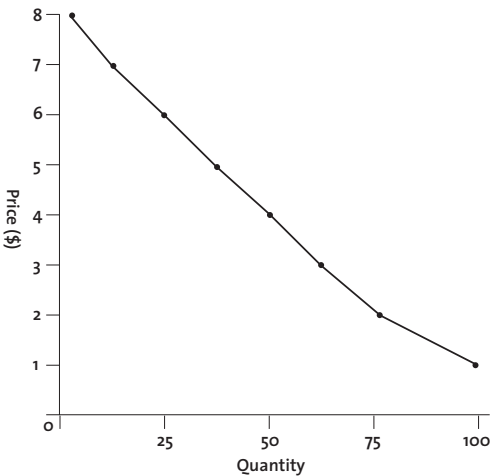
The Demand Schedule

Price (\$)	Quantity demanded
1.00	100
2.00	80
3.00	65
4.00	50
5.00	40
6.00	30
7.00	25
8.00	10

What this data illustrates is 'The law of demand', which states that 'The lower the price, the higher the demand'. If you sold your chocolates for \$1.00 demand would be for 100 boxes, but at \$8 you would only be able to find ten customers.

The information can be plotted on to a graph and displayed as a demand curve.

The demand curve for chocolates



The chocolate market

According to your estimates, it will cost you \$2.00 to produce a box of chocolates (including packaging) and you are willing to supply the following quantities at different prices.

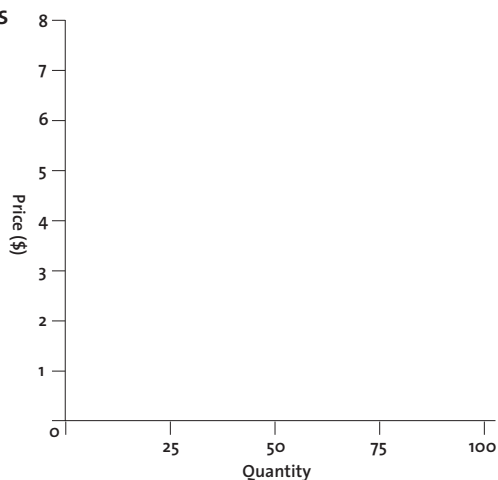
The Supply Schedule

Price (\$)	Quantity supplied
1.00	10
2.00	25
3.00	40
4.00	50
5.00	65
6.00	80
7.00	90
8.00	100

Exercise 1 - Create a supply curve

Transfer the data to show the supply curve for the chocolates.

The supply curve for chocolates



The data shows that if you could persuade your friends to pay \$8 for a box of chocolates you would be very happy to supply a 100 of them, but if they would only pay \$1 you would only supply ten. Why supply any and make a loss?

Exercise 2 - Deciding how many chocolates to sell

- How many chocolates would you make and sell if your fellow students were only prepared to pay \$2.00? _____
- At this price you would not make a profit, so what could be the reason why you still decide to supply some? _____
- If your customers are willing to pay \$5.00 it is likely you will produce many more. How much profit would you make? _____

I would sell _____ boxes and make a profit of \$ _____ per box
= a total profit of \$ _____



Wicked chocolates

You start your business, 'Wicked chocolates', selling the boxes at \$4.00 and your customers are pleased with the quality.

Note that at the price of \$4.00 the market is in what economists call 'equilibrium' where demand and supply are equal: the demand is for 50 boxes of chocolates and you are happy to supply 50 boxes at that price. However, markets are dynamic and constantly changing.

Exercise 1 - A competitor with 'attitude' arrives!

A competitor enters the market selling 'Chocolates with attitude' (same quantity and similar wrapping) for \$3.00. What is going to happen to the demand for your chocolates? Explain your answer.

Exercise 2 - Dealing with competitors

What are you going to do? Outline some ways in which you could respond to this new competitor.

Exercise 3 - 'Cheap chocs' arrives!

Imagine a third competitor enters the market selling 'Cheap chocs' for \$2.00 which lack the fancy packaging and variety of the other two brands. How would consumers feel about this increase in competition? Explain your answer.

Remember, consumers rule the market place and producers respond to their demands. This is called **consumer sovereignty**.



Wicked chocolates

Exercise 4 - Responding to the challenge

Unfortunately for you and 'Chocolates with attitude', your sales fall drastically. You decide to meet.

Outline some possible responses to the 'Cheap chocs' challenge assuming that you decide to work together.

Exercise 5 - A merger takes place

Three months later there is now only one producer left: 'Wicked chocolates with attitude'. 'Cheap chocs' are just a memory.

a) What is likely to have happened to prices? _____

b) Will customers be better or worse off than when there were 2-3 producers?

Exercise 6 - Consumer power!

If you were a consumer of the chocolates at school, and unhappy about the lack of competition in the market, how could you have responded and exerted some 'consumer power'?

Exercise 7 - My chocolate blog

Imagine you are, in turn, the producer of 'Wicked Chocolates', 'Chocolates with attitude' and 'Cheap chocs'. Create three blog commentaries reflecting on the competition to control the market, and how you felt when the competition was over. You will need to write your own ending to the story first.



Buyers and sellers game - Skeleton Island

The game is based on a class of 25 students.

You will need 20 buyers and 5 sellers. The buyers are given \$100 each. The sellers are given three products to sell in this desert island survival game: water bottles, fishing rods and insect repellent. The challenge is to survive as long as possible. Buried treasure awaits the contestant who survives the longest and the seller who makes the most money!

Each contestant needs:

- 1 litre of water a day
- 1 fishing rod
- 1 bottle of insect repellent

Information for sellers

Each seller will be given the following quantities of the three items:

- 20 water bottles
- 3 fishing rods
- 1 bottle of insect repellent

It is up to you to set your prices, but bear in mind you are competing with the other sellers.

Each contestant will have \$100 to spend.

The winner will be the seller who has sold all his/her stock and made the most amount of money.

Information for buyers

You have to buy three products to survive on the island. These are:

- 1 litre of water (you will need one for each day)
- 1 fishing rod
- 1 bottle of insect repellent

The aim is to try and survive the longest and find the buried treasure. You will receive \$100 to spend. It is up to you to compare the prices the sellers are charging. Bargain with them as they must sell all their stock to win.





















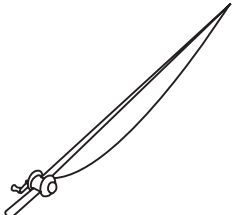
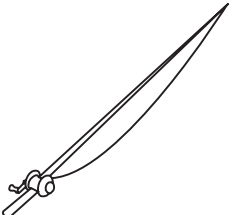
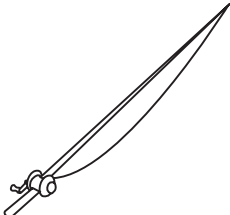

The winner will be the contestant with a fishing rod, insect repellent and the most water.



Buyers and sellers game - Skeleton Island

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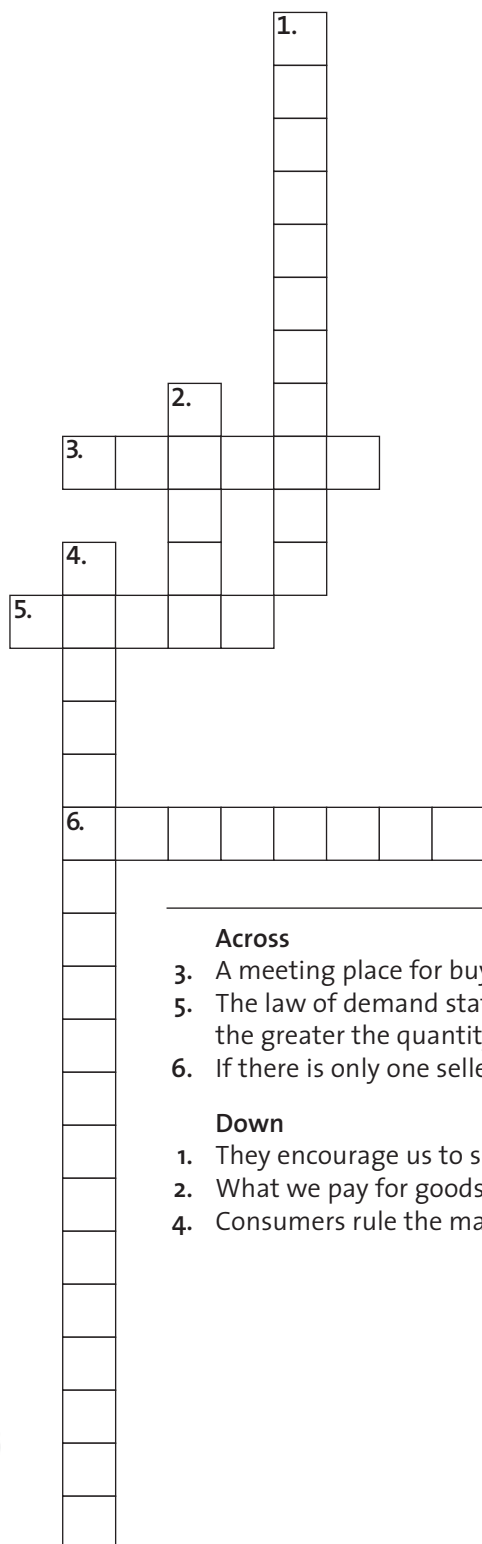
Buyers and sellers game - Skeleton Island

 1 litre	 1 litre	 1 litre	 1 litre
 1 litre	 1 litre	 1 litre	 1 litre
 1 litre	 1 litre	 1 litre	 1 litre
 1 litre	 1 litre	 1 litre	 1 litre
 1 litre	 1 litre	 1 litre	 1 litre
			 INSECT KILLER



Consumers and the marketplace

The marketplace crossword



Across

3. A meeting place for buyers and sellers
5. The law of demand states that the _____ the price, the greater the quantity demanded
6. If there is only one seller of a good or service, that seller has a _____.

Down

1. They encourage us to spend
2. What we pay for goods and services
4. Consumers rule the marketplace (two words)



SECTION C

How to be a consumer detective

Aims and overview

This unit aims to enable young people to become better informed and more assertive consumers, who are well-aware of advertising and marketing pressures to consume. Consumer scams, and ways to avoid them, are also explored.

Key concepts

Advertising, marketing, target markets, sales techniques, emotional intelligence, consumer skills, consumer scams.

Learning outcomes

On completion of this unit, students should be able to:

- demonstrate and explain various advertising and marketing techniques
- explain what makes an informed and assertive consumer
- apply their consumer skills by researching and evaluating various products.

Background information

Consumers can feel overwhelmed by the choices offered to them. It is often impossible for shoppers nowadays to have all the knowledge they need to make an informed choice, for example, technical knowledge when buying a car or a computer.

This unit provides a toolkit of skills to help consumers become confident and assertive. Well-informed consumers make better choices, and are less likely to be pressured into buying something they don't want or lose their hard-earned cash to scam-merchants.

How to be a smart shopper

Before buying a product it is important to think carefully about why we want it, what we expect from it and whether or not we can afford it. The checklist below should help you save money:

- ✓ be aware of emotions and impulses behind the desire to spend
- ✓ work out what you can afford to spend, before you go shopping
- ✓ research the product and shop around for the best deal, comparing quality and price
- ✓ inspect the goods thoroughly
- ✓ consider alternative payment methods eg cash rather than credit
- ✓ know your consumer rights and responsibilities
- ✓ be aware of current consumer hot topics and product warnings.

Introductory activity

Organise a role play activity where students try to persuade the rest of the class to purchase a particular product. The class analyses the techniques used by sales staff eg. appeal to emotions, pressure to buy quickly before prices rise, and so on. Give the selected students a range of different products to try and sell eg. chocolate bar, t shirt, soft drink, computer game, pair of trainers.

Why we want to shop

Shopping has become more about entertainment than survival, and emotions can have a big impact on our spending choices. Developing our emotional intelligence is one way of increasing self-awareness and avoiding the kind of impulsive shopping behaviour that can lead to large credit card debts.

There are five key elements to emotional intelligence:

- **Self-awareness** means recognising how your emotions affect you, and being aware also of your strengths and weaknesses.
- **Self-regulation** means having the ability to control your impulses.
- **Motivation** involves having the drive and initiative to motivate yourself.
- **Empathy** is having the ability to see a situation from another person's perspective.
- **Social skills** include effective communication and working co-operatively with others.

Emotional intelligence helps to identify the reasons why we are spending and deal with the pressure of aggressive sales techniques.

Exercise 1 - How many emotions?

In pairs or small groups, make a list of as many emotions as you can think of (eg. happiness, sadness).

Exercise 2 - A personal example

Write down an example of when you were unable to control your emotions or impulses. What were the consequences? What would you do differently if you could?

(Select an example that you are happy to share with the rest of the class).

Exercise 3 - Controlling emotions

Provide an example of when you did successfully control an emotion or impulse and share it with the class.



Why we want to shop

Exercise 4 - Emotions and shopping

Select four emotions and write examples of a consumer displaying those emotions when shopping eg. Faye is fearful of burglars so spends thousands of dollars on burglar alarms, security screens and other protective devices.

Exercise 5 - Role play

Write a short role play activity demonstrating a lack of emotional intelligence in a shop, for example, a tired shop assistant has to deal with a difficult customer (or vice versa)!

Exercise 6 - A happy ending!

Act out the activity in Exercise 5 and ask the audience to write down the emotions they recognise. Write a new version, with a happier ending, where the characters display more emotional intelligence.



Spot the difference

Exercise 1 - Let's bake a chocolate cake

Working in small groups, compare three different chocolate cakes: an expensive brand, a cheaper brand, and a homemade cake. Start by comparing recipes and decide who is going to make the cake. Below is a sample recipe that you may like to try; the cake is easy to make and delicious!

Establish criteria so comparisons can be made in regard to:

- taste
- cost
- freshness
- ingredients (fat content, kilojoules, preservatives)
- appearance.

Exercise 2 - Taste test!

Conduct the all important taste test and summarise information from the three cakes (cost, appearance, weight/size).

Rate the three cakes according to the criteria and draw some conclusions. For example, is the cheapest always the best value?

Shelley's chocolate cake

Ingredients

- 130 grams butter
- 3 level tablespoons cocoa
- $\frac{3}{4}$ cup milk
- $1\frac{1}{2}$ cups self-raising flour
- $1\frac{1}{2}$ cups sugar
- $3\frac{1}{2}$ teaspoons vanilla essence
- 3 eggs

Method

Melt butter. Put all other ingredients in a bowl and add melted butter. Beat together for 3 minutes and pour into a greased cake tin. Bake in a moderate oven for 45 minutes.



Shopping options

Where and when to buy

Many shopping choices are available for most Australians, for example, department stores, markets, discount stores and the internet. They can each have advantages and disadvantages.

It is also useful to know when is the best time to shop as well as where. You may save money if a purchase can wait until sales times such as post Christmas.

Summarise some advantages and disadvantages of the following choices:

Shopping option	Advantages	Disadvantages
Shopping centres	Plenty of choice, car-parking, comfort (air-conditioning, cafes etc.)	Too much choice! May stay longer than planned and buy more than intended.
Department stores		
Supermarkets		
Local shopping strips		
Discount stores		
On-line shopping		
Door-to-door sales		
Phone sales		
Party sales		
Can you add any other options?		



Advertising and marketing

Advertising is all around us: commercial television, the internet, billboards, mobile phones, radio, at concerts and sports events. A range of techniques are used to influence consumers: catchy jingles, celebrity endorsement, product placement in popular movies. Appeals to various emotions such as guilt, fear or envy, for example, 'Don't your children deserve...?' are also common. Repetition of slogans create familiarity with the product or company, for example, 'Just do it'.

It is the job of marketers to work out who the advertising should be aimed at. As part of an overall marketing strategy, products are designed to be attractive to their particular target: children, young adults or seniors. Logos and symbols can be very effective marketing tools by providing a clearly identifiable message.

To become informed and assertive consumers, we need to be aware of the advertising and marketing techniques that are used to influence our choices.

Classify the following advertisements into different categories: emotional appeal, factual, authority appeal. Note some may be a combination of more than one.

Extract from advert	Type of appeal	Possible target audience
'be cool, be hip'...		
...approved by the National Heart Foundation		
'designed for the intelligent consumer'		
'be the envy of all your friends'		
256 MB, shared DDR SDRAM and 56k modem'.		
'When only the best will do'.		



Why do we choose one brand rather than another?

If you were buying a new pair of trainers, what factors would influence you?

Exercise 1 - Working out what's important

Rank the following in order of importance.

Factors	Ranking
Your friends wear the same brand	
They feel comfortable	
They look good	
They are fashionable	
They are a bargain	
They are advertised by a popular sports star	
Any other factors ? _____	

Exercise 2 - Compare your ranking

Briefly explain your ranking and compare with the class.

Exercise 3 - Find out what your parents think!

Now imagine your parents were paying for the trainers. What factors would they consider important? Take the activity home and compare their answers with yours. Discuss the reasons for any difference in the responses.

Exercise 4 - Quiz time!

Working in small groups, design and produce an online multiple choice quiz. The aim is to find out if brand loyalty has an influence on consumer choices and, if so, to what extent.



Before you buy

As a consumer you will need access to good quality information in order to make informed choices. This is especially important if you have a limited amount of money to spend. You can get information from:

- manufacturers
- advertising
- consumer magazines
- specialist publications such as car and computer magazines
- family and friends
- an internet search.

Be aware, however, that some information will be biased, and what suits one person may not suit another.

Consider alternative brands or cheaper versions of a particular brand. These often do the same job but lack a few extra features which you may not need or use anyway. The most expensive brand may not necessarily be the best quality.

Ask the sales staff about the range of products, different brands and various features available. Remember to ask about manufacturer warranties, repair procedures and after sales service.

Get quotations in writing so you can be sure of the offer being made to you and ask about delivery charges and times. This is especially important when buying on the internet.

Exercise 1 - Be a detective!

In pairs or small groups, select a product you would like more information about, for example, a mobile phone or computer. Collect the relevant information on at least three different brands or models. Rank the models in order of preference, based on your selected criteria. Present your findings to the class.

Product _____

Criteria



The art of selling

Many strategies are used to encourage consumers to buy goods and services. Items may be advertised as being 'on sale', or at a special price for a strictly limited time.

Don't be talked into buying a more expensive brand than you can afford, or with extra features that you are not likely to use.

Exercise 1 - Sales pressure examples

Have you ever given in to sales pressure? If so, summarise the experience below and the techniques used. Compare with the rest of the class. If it hasn't happened to you, write down a family experience.

A sales person will try to engage you in conversation and then convince you to buy the item. The strategy outlined below is a popular one, especially with expensive goods.

Here's how it goes.

Engagement. This will be an 'open' question where there is no simple 'Yes' or 'No' answer. It may only be a comment on the weather, but it will be designed to start a conversation.

Creating an image. The sales person wants you to imagine owning the product: 'Imagine how envious your friends will be when they see your new phone'.

The special features. Products have their unique selling point (USP) to distinguish themselves from other brands. 'No other phone has all these features'.

The facts. Facts and figures are provided to continue the conversation and maintain interest.

Reassurance. The sales person may say something like: 'It's been the best selling brand for the past five years', 'Yes, it costs a bit more, but you won't have any problems with it, not like the cheaper brands', 'We have sold ten already this week; we can't get enough of them'.



The art of selling

Exercise 2 - Role play

- a) Find a partner and select one of the products below.
Decide who will be the salesperson and who will be the customer.
The salesperson needs to decide on his/her techniques
eg. opening conversation, unique selling point.

The customer has to be interested in the product and ask relevant questions,
but still be wary of sales pressure.

sports car
computer
mobile phone
home theatre
gym membership or a personal trainer
jet skis
an expensive dress or suit for the school formal.

- b) After the activity, reverse roles and select another product.
- c) Act out some of the role plays for the whole class and compare techniques.
What was said to engage the customer in conversation? Make a note of the
best lines used by the salesperson and the responses of the customer.



Ad watch

Exercise 1 - Keeping a record

Try and keep a record of all the adverts you see in one day. This may be difficult! Use a notebook or create a spreadsheet and record the number, if there is not time to record all the details. Possible headings could be:

Before school	Travelling to school	Ads at school	After school

Exercise 2 - How many ads?

Watch TV for an hour after school or on Saturday morning. Tape the hour in case you miss any of the adverts. Note the length of each advert, how often it is repeated, and the variety of products advertised (eg. food, toys). Identify the techniques used such as humour or endorsement by a well-known Australian.

Exercise 3 - What's the difference

Working in groups, compare the adverts for two different brands of the same product eg. breakfast cereals, snack food, four wheel drive vehicles. Which is the most informative? Which advert is the most effective and why? What techniques are they using? How similar are the two adverts in terms of appearance, techniques used etc? Use a Venn diagram to compare the two brands.

Exercise 4 - Buy my product!

Working in groups, find a product that you think needs a new advertising campaign. Brainstorm ideas using creative thinking techniques such as the Six Hats. Create a new campaign and present it to the class. The format could be multimedia, posters, video or DVD. Use a spreadsheet to plan and monitor progress. At the end, create a reflective journal to record your strengths and weaknesses in terms of contributing to the assignment.



Scams and scamsters

Scams are an attempt to deprive you of money. There are many shonky schemes that come in all shapes and sizes, but they have a few common characteristics:

- they play on people's emotions and desires by promising wealth, good health or weight loss.
- they often offer a 'free' gift as an inducement, and use some key phrases to capture a consumer's interest such as "reduce your tax bill", "50% return", "no risk", "big profits guaranteed" and "send money NOW!!! - this special offer won't last".

Why scams succeed

Scammers know what people want and they often put a lot of effort into making scams appear to be quite genuine.

Types of scams

Some of the best known scams are:

- 'Nigerian' scams
- online auction scams
- self-employment scams
- health and beauty scams.

What to look out for:

- a prize from a competition you never entered
- other 'free' gifts - which always have strings attached.
- promises to make you rich quickly and without much effort
- key words and phrases (See Exercise 4).

Exercise 1 - Find the scams

Using the following websites, list as many different types of scams as you can find.

www.consumer.vic.gov.au

www.scamwatch.gov.au

www.fido.asic.gov.au



Scams and scamsters

Exercise 2 - Scam Investigation

Working in groups, choose one type of scam to investigate (for example, self-employment scams). Write a report which includes the following:

- examples of this type of scam
- advice on how to recognize them
- an explanation why people become victims of this type of scam (eg. they are unemployed and desperately need to find work).

Exercise 3 - Scambusters poster

Create a scambusters poster for your home, so that everyone knows how to deal with scams and firmly say “No!”. The following headings are suggested as a guide:

- door-to-door sales
- phone sales
- spam
- junk mail
- newspaper and magazine adverts.

Exercise 4 - Create your own scam

Working in small groups, create your own scam to present to the class, with an explanation of your strategy and the reasons why you think it will be successful. Some of the following popular phrases can be included in your scam advertisement:

Amazing offer!! BIG money earner

Send money NOW!!!! No risk!!!!

100% legal

Cut your tax bill now!!

BIG profits, no risk

Valuable free gift

50% return on your investment GUARANTEED Retire now!!

Earn millions LEGALLY!!!

Government approved

This offer won't last

Be richer than Bill Gates!!!

What have you got to lose?!!

Be the envy of your friends

Exercise 5 - Scam experiences

Interview your parents and other family members to see if they have ever been victims of any type of scam and note the reasons why the scam was successful. Was there a charming, persuasive salesperson at the door offering a ‘free’ gift?

Exercise 6 - Scam simulator

Work through the scam activities at www.scamwatch.gov.au to test your understanding of scam techniques.



How to be a consumer detective

1. Shopping excursion

Visit a local shopping centre and compare sales, advertising or marketing techniques in different stores. Look for food tastings, special offers and sales signs. Another shopping factor that could be explored is packaging.

For example:

- products that cannot be examined properly because of the type of packaging
- items that are not sold in small quantities so that consumers have to buy more than they are likely to need, and
- products with excessive packaging.

2. A 'consumer detective' booklet

Working in small groups, prepare a booklet, poster or webpage for students based on this unit of work.

3. Supermarket worksheet

Design a worksheet that parents and students can take to the supermarket to compare prices and get the best deals.

4. Product testing

Test out a new product you are thinking of buying and write a review of it for your class or the school's intranet. Build up a collection of reviews that other students can refer to before shopping.

5. Working in groups, design an online quiz to test young consumers awareness of scams.



SECTION D

Your consumer rights and responsibilities

Aims and overview

This unit introduces students to their basic consumer rights and responsibilities. Ways to deal with common problems, such as returning faulty products and complaining about an unsatisfactory service, are explained.

Key concepts

Consumer rights, consumer responsibilities, contracts, consumer protection, 'caveat emptor'.

Learning outcomes

On completion of this unit, students should be able to:

- explain the importance of understanding their consumer rights and responsibilities
- describe what steps a consumer should take when they have a problem with a product they have purchased.

Additional resources

Examples of contracts eg. mobile phone, internet service provider, copies of guarantees or warranties, Consumer Affairs Victoria fact sheets on consumer rights and responsibilities.

Background information

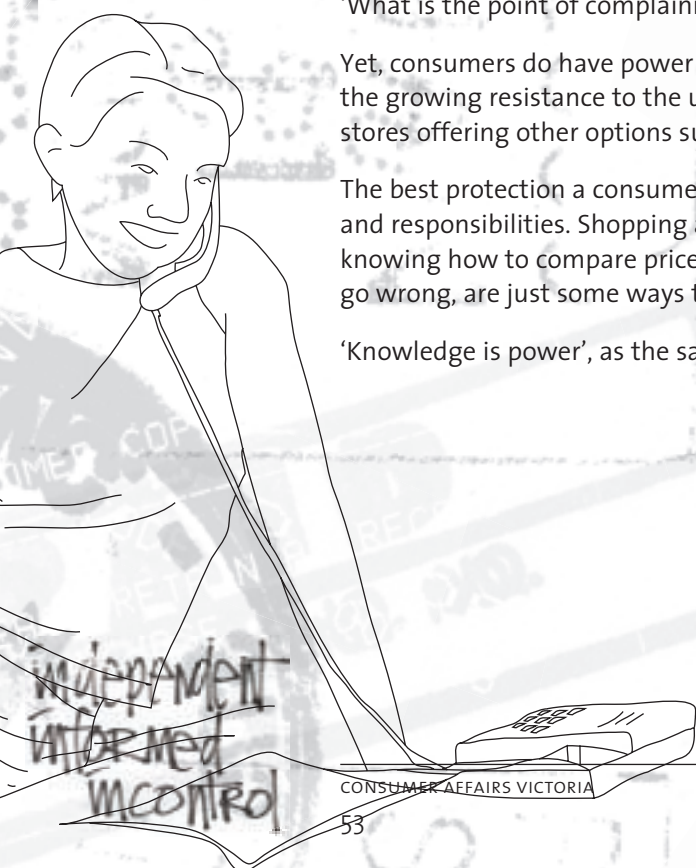
Consumer power

Consumers often feel powerless when faced with a problem. They do not like complaining and find the experience embarrassing. As well, they often feel they have little power in the marketplace, especially if dealing with a large organization. Even if they know some of their basic rights, they may still ask themselves 'What is the point of complaining?'

Yet, consumers do have power and influence in the marketplace. For instance, the growing resistance to the use of plastic bags in supermarkets, has led to stores offering other options such as calico bags.

The best protection a consumer has is to be well-informed about his or her rights and responsibilities. Shopping around for the best deal, asking the right questions, knowing how to compare prices and quality and how to complain when things go wrong, are just some ways that consumers can protect themselves.

'Knowledge is power', as the saying goes.



Your consumer rights and responsibilities

Consumer rights and responsibilities

In Australia, consumers are protected by a range of legislation, which includes the Fair Trading Act and the Trade Practices Act. When purchasing goods, the Trade Practices Act states that they must:

- not be faulty or defective
- do what the seller said the product would do
- match the description the consumer was given
- be the same as the sample the consumer was shown.

The law in regard to services states that they:

- must be carried out with skill and care
- achieve the purpose they were supposed to.

When these conditions are not met, the consumer is entitled to 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 them.

If the service is at fault, the consumer has the right to have the service performed again.

Examples

If the sole comes off a pair of trainers two weeks after they were purchased, then they have not met the level of quality expected.

If a bathroom is re-tiled and tiles start dropping off the walls a month later, this service has not reached the standard the customer has the right to expect.

Consumers are not entitled to a refund if they:

- know before purchasing that the goods are faulty
- change their mind
- find a cheaper price elsewhere.

It is the responsibility of the store from where the product was purchased to handle the problem. Consumers might be told to complain to the manufacturer, but the contract is with the store. Consumers will need some proof of purchase, such as the receipt.

If you have a complaint

If you are unhappy with the goods or services you have bought, try and sort out the problem with the trader or retailer as quickly as possible.

In person

Take the goods back to the store, with your receipt, and ask to speak to the manager. Explain the problem calmly and state firmly how you would like the problem to be resolved. If you are not happy with the response, politely say so.



Your consumer rights and responsibilities

By phone

Phone the trader or retailer stating the problem calmly. It is a good idea to make a note of who you are speaking to and the time and date of the phone conversation.

In writing

You can write a letter of complaint addressed to the Customer Service Manager. The letter should include contact details, date and place of purchase, and a description of what the problem is. Send a copy of your receipt and other relevant documents, but always keep the originals. Clearly explain how you want the issue resolved.

If these suggestions do not work, then contact Consumer Affairs Victoria for more advice:

Consumer Affairs Victoria Helpline 1300 55 81 81

www.consumer.vic.gov.au

Introductory activity

Do students know what their consumer rights and responsibilities are? Make a list of what students *think* their rights and responsibilities should be, as well as those of the retailer or trader.

Discuss any problems the students have experienced as shoppers, and how these have been resolved.

Ask 'What does 'caveat emptor' mean?' Explain the ancient Roman warning. Is it still relevant today?



Who is entitled to redress?

Exercise - Case studies

Explain if the following consumers are entitled to redress. Support your answers with reference to the Trade Practices Act or the Fair Trading Act.

- Tim purchases a magnetic dartboard, however, none of the darts will stick to the board.

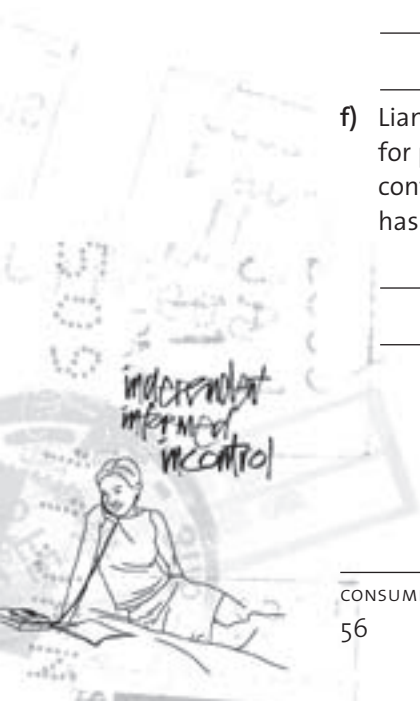
- Jasmine joined the 'Kilo Busters' weight loss program, after the sales person told her she would definitely lose 2 kilos a week for the next 12 weeks. Though Jasmine ate only the food provided, she has not lose any weight.

- Sven suffered a sports injury and his gym suggested an hour's massage at a cost of \$100 to repair the muscles and stop the pain. Unfortunately, the massage did not work and the pain got worse.

- Li'yen bought her five year old daughter a bouncing castle for her birthday. It was advertised as suitable for up to six energetic children, and guaranteed for a year. However, after playing on it for an hour with her three best friends, the castle collapsed.

- Pete orders 10 rare Patagonian rainbow fish that he sees advertised at his local pet store at a cost of \$50 each. The fish that are delivered look like ordinary goldfish to Pete and nothing like the colourful fish in the advert.

- Liana visited a modelling agency to have some photographs taken. In exchange for paying \$1 000, Liana was promised at least two magazine modelling contracts worth \$5 000 each within a month. It is six months' later and she has not been offered any modelling work.



Types of consumer behaviour

Consumers have a responsibility to complain about poor service or faulty products. Complaining helps to raise standards and protects other consumers from dangerous products and shoddy workmanship. For example, imagine you saw a younger brother or sister pull the tail off a toy dog to reveal sharp metal spikes. By reporting the toy to Consumer Affairs Victoria, you would be helping to protect other children from doing themselves serious harm. Role play these case studies first.

Exercise 1 - Case studies

There are basically three types of consumers behaviour: passive, aggressive and assertive. Consumers don't, of course, always behave in the same way, it can depend on the circumstances, and the mood we are in!

Identify the consumer behaviour in the following case studies, with evidence from their actions. Start by role playing the three situations.

- a) Kim purchases a can of 'Mozzie killer' insect repellent, while on holiday. She wakes up covered in mosquito bites even though the spray is "100% guaranteed to annihilate mosquitoes". Kim thinks about returning to the chemist store to complain but doesn't think it will do any good as she is on holiday and not a regular customer. Also, the spray only cost \$10.00 and she doesn't want to waste any of her holiday trying to get a refund.

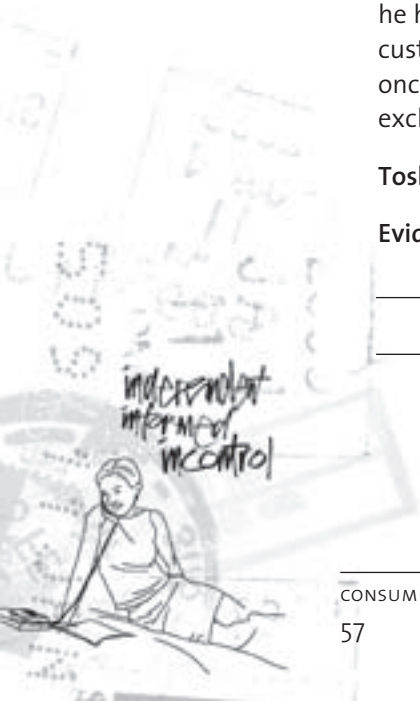
Kim is a _____ consumer.

Evidence

- b) Toshi buys a new alarm clock after his boss complains about his lateness. He sets the alarm but it fails to go off in the morning, making him late again. Toshi storms into the store where he bought the clock, saying he could lose his job and demands a refund. The sales assistant asks if Toshi has his receipt, but he has left it at home, and leaves after complaining loudly to other customers about the store. The assistant did not have time explain that once she had seen some proof of purchase, she would give Toshi a refund, or exchange the clock for a better model, at no extra cost.

Toshi is an _____ consumer.

Evidence



Types of consumer behaviour

- c) Pravina bought a watch advertised as waterproof and suitable for all water sports. The watch stops working when water seeps in during a diving lesson a week later. Pravina takes the watch back with the guarantee. Before returning to the store she has decided that what she wants is a refund, not any other option. Pravina calmly explains what happened, pointing out that the watch was '100% guaranteed to be waterproof'. The sales assistant says the watch was made in China and Pravina will have to return it to the manufacturer. Pravina politely points out that the responsibility lies with the store she bought the watch from, not the manufacturer, and that legally she has the right to a refund. The assistant tries to persuade Pravina to accept another watch of the same model, but she declines and receives a cash refund.

Pravina is an _____ consumer.

Evidence

Exercise 2 - The baby stroller

Monica buys a baby stroller after trying out various models in the store. Unfortunately, the stroller has wonky wheels making it very hard to push in a straight line. She returns the stroller to the store, but the manager tells Monica that her baby is overweight and the stroller was designed to carry the weight of 'normal' babies.

Write three endings to this case study with Monica as, in turn, a passive, aggressive and assertive consumer.



Solving problems

Exercise 1 - Making a complaint

Working in groups, prepare a case for the Victorian Civil and Administrative Tribunal (VCAT), (including documents) based on one of the case studies in this unit, for example, Pete and his fish. (You may need to do some more research first by visiting www.vcat.vic.gov)

Exercise 2 - Let's give some advice!

Imagine you write a consumer advice column in a popular teen magazine. Write a response, with suitable advice, to the following letters.

a)

Dear Sam,

Please help! My Year 11 Formal has been ruined by a dressmaker who ignored my instructions and completely destroyed the dress I had spent months saving up for. The dress I bought was a bit too long so I took it to a local dressmaker to take-up. I explained I only wanted it taken up 2cm, so that the hem would not get dirty. However, when I went to collect it, on the day of the formal, imagine how I felt when I saw she had taken it up by 20 cm! The dress was destroyed and it was too late to buy another one. I felt embarrassed all evening and hardly saw my partner.

Please tell me what I can do to get some compensation.

Many thanks,
Ellie

b)

Dear Sam,

I have been ripped off and want some advice. I received a phone call last week telling me I had won a great prize - a year's subscription to a local gym. As a student I was excited as I cannot afford something like that. I went to the gym next day and signed a form and included my bank account details. I was told this was because if I didn't like the gym, they would give me a cash refund equal to a year's membership.

The next day \$600 was taken out of my bank account so I went back to the gym and they got the form out I signed. They said it was for a direct debit to pay for membership and the prize I had won was a \$300 discount on the usual fee of \$900. I would never have signed the document if I knew this. The gym claimed everything was clearly explained and I should not have signed anything if I did not understand it. I really cannot afford to lose that money, so what can I do?

Regards,
Tina

c)

Dear Sam,

I am very confused and need your help! I want to buy my first mobile but there are so many different phones around and everyone I speak to seems to be on a different plan.

I don't know where to start and am worried that I might get locked into a long term contract that isn't right for me.

What should I do?

Regards,
Trish

Your consumer rights and responsibilities

Exercise 1

Read the following letter of complaint. Explain what is wrong with it and then draft a better version.

Dear rip-off merchant,

I am very angry with you about the fish. 😡
 They are goldfish!!!! Why would I pay \$50 for
 a goldfish???? You must think I am a
 COMPLETE IDIOT.

Wait until I take you to court, then you will
 stop laughing and you will lose so much
 money that your lousy pet shop will go bust.

If I don't get my money back TOMORROW I will
 demonstrate outside your store with my friends
 from the Fish Lovers' Society. You won't get
 many customers then, will you?

Pete Salmon
 21 Fish Pond Lane
 PIRAHNA Vic. 34

Exercise 2

Design a leaflet, poster or webpage that clearly explains to young consumers what their rights and responsibilities are. Include some case studies and answers to letters of complaint.

Exercise 3

Go to www.consumer.vic.gov.au to find out in more detail what to do when something goes wrong with a purchase. Working in small groups, design a short test or online quiz for students at school to see how much they know about their consumer rights.



SECTION E

Managing your money**Aims and overview**

The aim of this unit is to teach some basic money management skills. Topics include: setting goals, budgeting and saving, paying by cash or credit.

Key concepts

Budgets, income, saving, credit, interest, expenditure, loans, debt.

Learning outcomes

At the end of this unit, students should be able to:

- explain the principles of budgeting and construct a personal budget
- discuss the advantages and disadvantages of using credit to purchase goods and services
- develop savings goals for the future.

Additional resources

Budget planners, bank brochures, Consumer Affairs Victoria (CAV) fact sheets on credit, bank websites for budget planners and interest rate calculators.

Background information

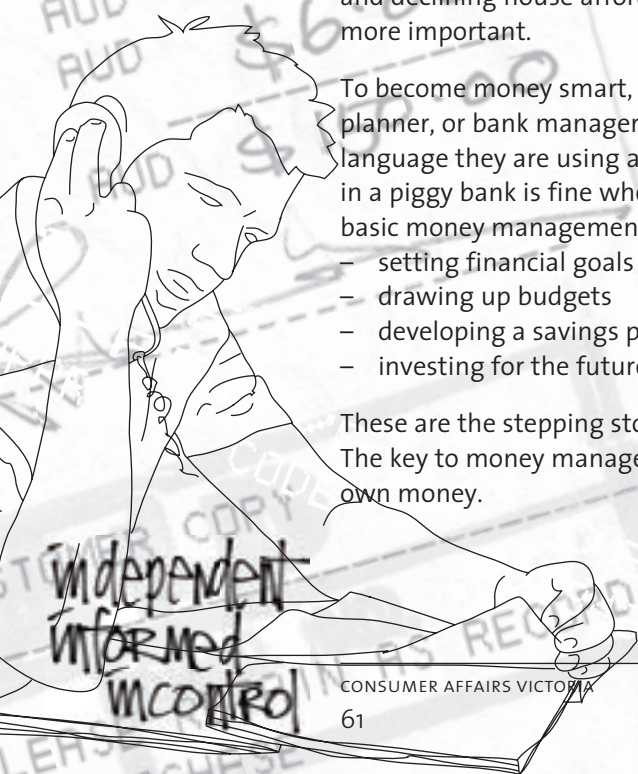
Young consumers face considerable pressures to consume, and to consume *now*, rather than later. Young people have more spending power than previous generations: the average 15 year old has an income of \$58 a week and this amount doubles for a 16 year old. Once they turn 18, young people often have easy access to credit, in the form of credit cards, store cards and personal loans. Over 70% of 14-20 year olds have a mobile phone, and phone bills are a major source of financial difficulty and debt. The article 'Young ring up huge mobile bills' on p. 69 supports this finding.

Recent research suggests that young Australians need to improve their financial literacy. In a world with little job security, increasing costs for higher education, and declining house affordability, learning how to manage money has never been more important.

To become money smart, we do not have to train to be an accountant, financial planner, or bank manager, but it does mean having the skills to understand the language they are using and to ask them the right questions. Putting spare cash in a piggy bank is fine when we are five but it's not money management. The basic money management skills are:

- setting financial goals
- drawing up budgets
- developing a savings plan
- investing for the future.

These are the stepping stones to controlling our money and making it work for us. The key to money management success is taking responsibility for managing our own money.



Managing your money

Introductory activity

Ask people what they think about money and probably many will say they cannot get enough of it! There are many and varied attitudes to money, but it's one subject on which we all have a point of view.

To introduce this unit, present your students with the following sayings and proverbs about money. Ask your students to select any two and explain why they either agree or disagree with them. Compare opinions with the rest of the class.

- 'Money makes money'
- 'The best things in life are free'
- 'Money is power'
- 'Money makes the world go round'
- 'Money is the root of all evil'
- 'Money talks'
- 'You can't take it with you'
- 'Show me the money!'

Ask students to explain how their attitude to money could affect their future.

As a class, brainstorm what your students would like to learn about money. Summarise the topics and issues they want to cover.

Students can also make-up their own sayings about money. At the end of the unit, they can reflect on their choices and decide if they want to change them in any way.



Setting goals

Many people have quite vague goals for their future, a good car, a nice house, some overseas travel and so on, but often don't spend too much time thinking about *how* they are going to achieve their goals. To be achieved, goals should be:

- specific
- realistic
- time framed

Specific

Rather than saying 'I want a car when I turn 18', be specific about the make and model. Collect all the information you need and write down the reasons why you want that particular car. Specific goals helps to keep us motivated and on track.

Realistic

You may want your first car to be a Porsche or a Saab convertible, but that's unlikely to happen for most people. Goals should be realistic and achievable.

Time framed

Saying 'One day I want to travel overseas' is not as useful as saying 'I will work full-time for two years, save \$10 000 and spend 6 months backpacking around Asia and Europe'.

A concrete time frame will help you organise your money so that you will have saved the \$10 000 by the time you need it.

Research shows that just writing down our goals makes it much more likely we will achieve them.

Short and long term goals

It is best to have a mix of short term and long term goals and recognise that choices have to be made at times between our goals.

Short term goals are much more easily achievable and give us the confidence to achieve the longer term ones.

A short term goal could be saving \$10 a week for three weeks to buy a DVD or CD.

A longer term goal might be saving \$20 a week for a year to pay for a 'Schoolies week' holiday at the end of Year 12.

Generally, short term goals are less than a year, and long term is anything longer.



Setting goals

Exercise 1 - My goals!

Using the table below, make a list of your short term and long term goals, with the most important ones at the top of the list.

Short term goals	Long term goals

It is important to stay motivated. The greater your desire to achieve a goal, the more likely it is that it will be achieved. We can motivate ourselves by being positive and focused on the benefits of achieving the goals, (the independence of having your own car) rather than the short term costs (lack of money for entertainment).

Exercise 2 - What will the costs and benefits be?

In the following table, list what you need to do to achieve the most important short term and long term goals (one of each), for example, how much will you have to save? What will the real cost be (think about all the costs, not just the financial one).

Short term goal		Long term goal	
Costs	Benefits	Costs	Benefits



Setting goals

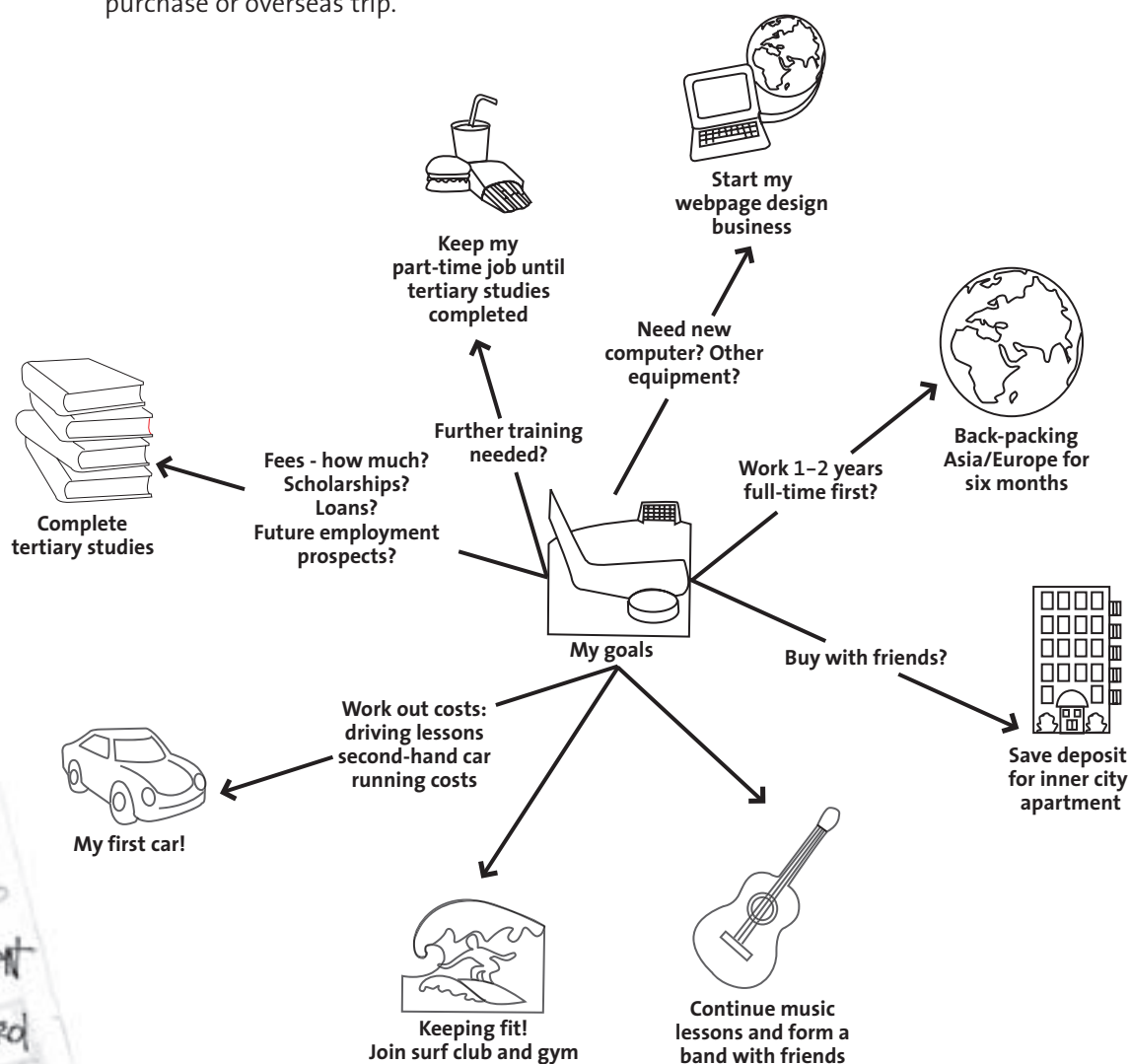
Exercise 3 - Mapping out your future

We can also put our goals in different age blocks, for example,

- 16-20
- 21-25
- 26-30.

Using large sheets of butchers' paper, identify your goals for each period. Either write lists of what you want or use a concept map. Make them as colourful as possible, using textas or crayons, and try glitter glue for extra effect! Add photos or drawings to illustrate your major goals.

The following concept map has been done using Inspiration® software and the goals are those of a student, Chris, for the 21-25 age block. Chris has quite a few expensive goals and will need to think carefully if they are all achievable. For example, he realizes it may be hard to find the deposit for a home. Perhaps he could bring forward his goal of getting a car, and perhaps delay the home purchase or overseas trip.



What am I worth? (in dollars and cents!)

Once we have worked out our goals, we can start planning our financial future. A useful starting point is to work out what we are worth now, in dollar terms.

This involves creating a statement of net worth as shown in the example below:

- Chris is 17 and owns a computer, mountain bike, guitar, mobile phone, DVD player, exercise equipment, and a surfboard. These are his assets.
- Chris' family have helped him to purchase his assets, and the money he owes are debts or liabilities.

Chris' net worth as at 10th March 2004.

My assets	\$	My liabilities	\$
Computer	3 000	Mum and Dad	500
Mountain bike	600	Grandparents	300
Guitar	800		\$800
Mobile phone	1 000		
DVD player	700		
Exercise equipment	400		
Surfboard	300		
	\$6 800		

Chris' net worth is \$6 000 (\$6 800 - \$800)

Exercise 1 - My net worth!

Calculate your net worth today. If you do not know what some of your assets are worth, an estimate will do.

My assets	\$	My liabilities	\$
-----------	----	----------------	----

My net worth is \$_____

A statement of net worth is useful, even when it is only an estimate, as it makes us aware of our assets (items of value that we own) and liabilities (debts we owe) and the relationship between the two. Assets give us pleasure, but they can also earn us an income, for instance, Chris may earn some money playing his guitar in a band.

Exercise 2 - Using our assets

How could Chris' assets earn him some extra money?



Cash flow statements and budgets

Ever had a text message saying 'Let's go to a movie NOW!' and you haven't got the money to go? Perhaps you had plenty of money at the start of the week, but don't know where it has gone? We all need to understand where our money goes and budgets help us to do that. Drawing up a budget is quite simple, all that is needed is a pen and some paper, though there are plenty of budget planners that can be downloaded from the internet, if preferred. There are three key aspects to a budget: income, expenditure and savings.

- **Income** is money that we receive. It can be a wage or an allowance or gift.
- **Expenditure** is the money that we spend.

If our spending is less than our income then we have some **savings**.

We often don't keep track of our spending, so before we prepare a budget, it is a good idea to keep a record of all the money received and spent. The amount we spend is often quite a surprise!

Suzie's record for a week is shown below:

Income	\$	Expenditure	\$
May		May	
1 Wage, part time job	230	1 T shirt	30
3 Weekly allowance	50	DVD	30
6 Gift from Gran	20	Movie tickets	20
		Mobile phone	15
		Sandals	65
		2 Gym	20
		3 Concert ticket	70
		5 Meal with friends	50
Total income	\$300	Total spending	\$300



Cash flow statements and budgets

This information can be put into a cash flow statement for Suzie.

Statement of cash flow for Suzie

Income	\$
Wage	230
Weekly allowance	50
Gift	20
Total income	300
Less expenditure	
T shirt	30
DVD	30
Movie tickets	20
Mobile phone	15
Sandals	65
Gym	20
Concert ticket	70
Meal with friends	50
Total expenditure	300
Cash surplus/deficit	-

As we can see, Suzie has spent all her income and has no money left over to save, but the good news is there is no deficit. She has not spent more than she earned. If Suzie wants to start saving, she will need to either reduce her spending or increase her income (or some combination of the two).



Cash flow statements and budgets

Suzie wants to save \$90 a week so has drawn up a budget which is an estimate of her future cash flow, and includes her planned savings. She has grouped her expenses under the following headings: Entertainment, Food and drink, Clothes, Sport, Mobile phone, and Other.

Estimated income	\$
Wage	230
Weekly allowance	50
Other	-
Estimated total income	280
Less estimated expenditure	
Entertainment	50
Food and drink	30
Clothes	50
Sport	20
Mobile phone	10
Other	30
Estimated total expenses	190
Estimated surplus	\$90

Exercise 1 - Suzie's income

Why has Suzie not included in her income the \$20 from her grandmother?

Exercise 2 - Suzie's expenditure

Where does Suzie expect to cut her expenditure the most?

Exercise 3 - Will the budget work?

Do you think the budget is a realistic one, if the cash flow statement represented a typical week for Suzie? Explain your answer.

Exercise 4 - Presenting data in graphs

Create a pie chart or column graph of Suzie's expense items. What are the advantages of presenting data this way?



Cash flow statements and budgets

Exercise 5 - Fixed and flexible expenses

Expenses can be fixed or flexible. For example, if Suzie was not at home, she would be paying rent or a mortgage and that would be a fixed expense in her budget.

At present she has flexible expenses and can make changes to them.

What could be some other fixed and flexible expenses Suzie will have in the future?

Exercise 6 - Tracking your expenses

Create a spreadsheet and keep track of your own expenses and income for a week, then put the information into a cash flow statement.

After working out a budget, the next stage is to implement it and make adjustments when necessary. It is important to remember that budgets are meant to be flexible – they are not set in concrete!



Paying off the card

Paying off a \$1 000 debt at an interest rate of 16%, and paying either the minimum balance of 2.5% or \$10 each month (whichever is the smaller amount) would take 11 years and cost \$860 in interest.

Below is the extract from a credit card.

Work out how long it would take to pay off the following debt if only the minimum of 2% is paid each month. The current interest rate is 16% per annum. Show your calculations in the space provided.

Opening balance 1 862.73
 Payments and other credit 400.00
 Purchases 28.95
 Cash and other advances 0.00
 Balance transfers 0.00
 Interest and other charges 23.95
 Closing balance 1 514.94

In summary, to manage your credit card and avoid problems:

- try to pay the total amount owing every month
- take advantage of any 'interest free' period
- don't use the card to get cash
- look at alternatives before using your card, for example, paying cash or using lay-by.

When things go wrong

If you find you have too much debt and cannot make the required repayment, don't panic. Talk to the lenders as soon as possible. Try and pay off the debts with the highest rate of interest first. It may be advantageous to consolidate the debts into one debt. Never ignore a debt, it won't go away! There are many agencies that will offer advice and information eg. The Consumer Law Centre Victoria: www.clcv.net.au.

Useful Websites

youth central www.youthcentral.vic.gov.au > Managing Money
 Consumer Affairs Victoria www.consumer.vic.gov.au > Credit & Debt



Mobile phone debt

Young ring up huge mobile bills

By Kirsty Needham

22 November, 2003

Telephone bills cause big financial difficulties for more than a third of young consumers seeking help from financial counsellors. Mobile phone debts of thousands of dollars hit 18 to 24 year-olds disproportionately.

These are the findings of a study of more than 2300 people who sought help from members of the Financial Counsellors Association of New South Wales last year, owing a combined \$72 million.

The study found 65 per cent had debts other than credit card and loan liabilities.

The study, by University of Newcastle academics Margaret Griffiths and Bill Renwick, said teenagers as young as 16 had reported debt problems.

More than half of the 18 to 24 year-olds interviewed had credit card or personal loan debts of more than \$14,000, while a quarter had debts over \$20,250.

The study found 34 per cent of young people also had telephone debts, 78 per cent of which were mobile phone-related. The typical telephone debt for a quarter of this age group was \$5000.

"We give health warnings on smoking, but we don't seem to give debt warnings, particularly for 18 to 24 year-olds using mobile phones," Mr Renwick said. *"These people accumulate charges without realising it."*

The report called on mobile phone service providers to assess more closely the ability of young consumers to service repayments before offering "open-ended" contracts.

Dr Griffiths said parents and schools also had a responsibility to teach responsible credit habits.

"If your child borrows from you, how many people sit down and work out scheduled repayment plans? Socialisation is not happening in the home," she said.

Overall, the study found unemployment the biggest cause of financial overcommitment for all age groups (28 per cent), followed by excessive use of credit (19), ill-health (18) and domestic discord (14).

"Consumers need to be made aware of the dangers of overcommitment. Unemployment, ill-health and domestic disputes are beyond the control of the consumer. They result in an unexpected drop in income," Dr Griffiths said.

Credit card debt was highest among people aged 65 and over (70 per cent of this group), while housing loans problems were most prevalent in the 25 to 44 year age bracket (11).

Mobile phone debt

Elizabeth Terry, president of the Financial Counsellors Association, blamed much of the community's debt problem on unsolicited credit card offers and credit extension from banks.

"There are some in society who feel if the bank thinks I can afford it, then I must be able to," Ms Terry said.

"Consumers themselves say limits given by institutions are much higher than what they would have asked for."

While the number of clients with credit card debt was similar to the previous year, the number of young people experiencing credit card problems dropped from 53 to 42 per cent.

Kirsty Needham/*The Age*

Exercises - Article analysis

1. What percentage of 18-24 year olds have debt problems with mobile phones according to 'The Age' article?

2. Rank in order (with percentages) the four biggest causes of financial overcommitment.

3. According to the president of the Financial Counsellors Association, what is the main cause of people's debt problems?

4. Do you think that there should be warnings about the dangers of debt given to young consumers when they purchase a mobile phone? (Explain your answer).

5. Working in pairs or small groups, design a short warning for young people about the over-use of credit.

6. Working in pairs or small groups design a survey to find out the extent to which teenagers use m-commerce, and how much it is costing them.



Case studies

Paying for goods and services

When paying for goods and services, consumers have many choices. Increasingly financial institutions are encouraging consumers to conduct their transactions electronically. There is a growing use of plastic cards (debit and credit), ATM machines, EFTPOS, phone and internet banking.

Exercise 1 - Buying a leather jacket

Phuong is 18, a student who has just started a part time job earning \$400 a week. She wants some new clothes and finds a leather jacket advertised on sale for \$700 but she only has \$50 in the bank and owes her parents \$300. Store A offers 12 monthly payments of \$80. Store B has the jacket for \$600 but does not offer credit or lay-by. They suggest Phuong gets a credit card. Role play this activity first.

a) Is the jacket a need or a want? (Explain your answer)

b) Should she buy the jacket from store A?

c) Should she get a credit card and buy the jacket from store B?

d) What are some other ways in which Phuong could buy the jacket?

e) Do you think Phuong should buy the jacket? (Explain your answer)



Case studies

Exercise 2 - Should Bruno rent or buy?

Bruno has just left home and wants a widescreen television. He has been investigating various options for the model he wants, which costs \$4 000. The sales assistant suggests that Bruno purchases the TV using the store's credit over two years, paying 'only' \$250 a month. Alternatively he could rent the TV for two years paying \$120 a month, with the option of buying it at the end of that period for \$1 500. Bruno is also thinking of using his credit card, but the interest rate is 16% per annum. Role play this activity first.

- a) Calculate the cost of the store credit offer over two years.

- b) If Bruno decides to rent, how much will this cost?

- c) What would be some advantages and disadvantages of renting the TV rather than buying it?

- d) If Bruno used his credit card and took 2 years to pay, how much would the TV cost?

- e) What other options does Bruno have?

- f) Rank your options from best to worst and give Bruno some advice on how to be a smart shopper.

- g) Imagine you are Bruno and chose the store credit option. Create a blog commentary reflecting on how you feel about your choice one year after buying the television.



Managing your money

1. Bank advertising

Select a bank, building society or credit union and collect brochures, visit their websites, watch any television advertisements and collect newspaper advertisements.

Write a report which includes the following:

- What image is the bank projecting?
- What techniques does it use to encourage consumers to take out loans?
- What money management advice does the bank provide for its customers?

2. Comparing loans

Working in groups, collect information on current loans from a range of different credit providers (visit their websites, collect brochures from branches, as well as newspaper advertisements).

3. Design a 'smart' card

Design a custom made 'smart' card that would stop consumers overspending. For example, it could be programmed with a weekly spending limit and an alarm could be activated if spending in the supermarket goes over this limit. Use creative thinking skills to help design the card.

Create an advertising campaign for the card, with the theme that 'smart' consumers use 'smart' cards.

4. Create a 'managing money' webpage

Create a poster/pamphlet or webpage providing advice for young people on managing money, based on the topics covered in this unit: setting goals, budgeting, buying on credit.



Managing your money

5. Match up the following words with the correct definition

Savings	An estimate of expected income and expenditure
Credit	People who owe money to someone else
Assets	Money that is borrowed from another person or from a financial institution.
Income	A person who is owed money
Wealth	Money left over after expenditure has been deducted from income and set aside
Budget	An increase in the cost of living
Shares	Permission to purchase goods and services now and pay in the future
Debtors	Money a person receives, for example, from work or as an allowance
Creditor	Part ownership of a company listed on the stock exchange
Interest	The stock of assets that a person owns such as property and shares
Loan	Items of value owned by a person or business
Inflation	Income earned from savings

Useful websites

Commonwealth Department of Business and Consumer Affairs
www.consumersonline.gov.au

Australian Securities and Investments Commission www.fido.asic.gov.au

Australian Stock Exchange www.asx.com.au

Australian Taxation Office www.ato.gov.au

Australian Consumers' Association www.choice.com.au

The Source www.thesource.gov.au

Commonwealth Bank www.dollarsandsense.com.au

youth central www.youthcentral.vic.gov.au

Consumer Affairs www.consumer.vic.gov.au



SECTION F

The global consumer

Aims and overview

The aim of this unit is to increase awareness of the global consequences of consumption; and ways in which young people can become active and involved global citizens will be outlined.

Key concepts

Globalisation, global citizenship, free trade, ethical consumerism, responsible consumerism, pressure groups, sustainable development.

Learning outcomes

On completion of this unit, students should be able to:

- discuss arguments for and against globalisation and form their own opinion
- explain the global consequences of consumer behaviour
- identify a range of ethical issues that might concern consumers
- design a strategy for a consumer awareness campaign.

Background information

There is no doubt that the world is now a global marketplace but opinion is divided on whether or not globalisation is a positive or negative trend.

According to Consumers International, (an organisation that links, supports and represents consumer groups around the world), consumers have a responsibility to use their power in the marketplace to “drive out abuses, encourage ethical practices and support sustainable consumption and production”. This, they believe, will help achieve good government, fair and effective markets and protection for the environment. Active and concerned consumers are an important part of a civil society. Though young consumers cannot vote, their decisions about what to buy, and what not to buy, are a way of expressing their views on a range of consumer issues, including global and ethical ones.

Global issues and problems

There are a whole range of global issues and problems that are of concern to consumers, for example, the production of genetically modified foods and the destruction of rainforests.

There can be conflict between economic and environmental needs and a range of different views on an issue. For example, the world is losing about 2% of rainforest each year. In developing nations, the land may be seen as more valuable as farm land, or it may be cleared for mining. Consumers in developed nations, who are concerned about the loss, may look for alternatives to rainforest products, and also campaign against the destruction of the rainforests.

Every year 664 000 hectares of native vegetation are cleared in Australia. Land clearance and irrigation increase Australia’s salinity problems. Australians use 6.9 billion plastic bags each year and dump 230 000 recyclable plastic bags in landfills every hour. These are just two examples of our environmental problems.



The global consumer

What can consumers do?

Consumers are reducing their use of plastic bags in supermarkets and switching to alternatives. Consumers can also buy environmentally friendly household appliances, as well, they can recycle paper and other products.

The 'Fair trade' movement

This is an international movement which aims to give producers in poorer countries a 'fair deal', that is, better prices for their commodities such as coffee and cocoa and long term contracts that will provide some security for farmers who often barely make a living out of their products. Millions of small scale coffee and cocoa producers live in extreme poverty.

Additional resources

Newspaper/magazine articles on global consumer issues, examples of specific campaigns organised by environmental organisations or international aid agencies, for example, Oxfam's campaign on behalf of coffee growers.

See the list of websites at the end of the Unit.

Introductory activities

Discuss the students' consumption of global brands - choose a well-known sporting goods manufacturer as an example. Why do we buy overseas products? What are the consequences for the Australian economy and our trading partners?

Brainstorm the various ways in which people can get involved in consumer campaigns, for example:

- organising or signing a petition
- designing, producing or distributing leaflets or posters
- writing to newspapers
- speaking on talkback radio
- wearing a campaign badge, ribbon or t-shirt.



What is globalisation?

Exercise 1 - Defining key terms

Working in small groups, and using internet searches, textbooks and dictionaries, find definitions of globalisation, consumerism, ethical consumerism, sustainable consumption, fair trade and free trade (or develop your own definitions). Compare your definitions with the rest of the class.

Exercise 2 - Where in the world did that come from?

Select one room in your home and complete a table showing which countries the various products come from.

Category	Product	Country of origin
furniture	desk	China

Exercise 3 - How dependent are we?

- Interview members of your family and write a report on the reasons why these choices were made eg. 'because there was no Australian alternative', or 'it was cheaper than the locally made product'.
- Draw conclusions on how dependent your family is on overseas products.
- Identify on a world map the countries that supply most of your imported goods. The data collected can also be displayed in pie charts or bar graphs.
- Compare your results with the rest of the class. Summarise the findings. How dependent are Australians on the rest of the world?



Ethical consumerism

Exercise - Consumer survey

Design and construct a survey to test consumers knowledge of, and interest in, ethical consumerism.

Questions to consider asking include:

- ‘What does the term ‘ethical consumerism’ mean to you?’
- ‘Would you buy a product if you knew it was produced by workers who received extremely low pay and/or worked in very poor conditions?’
- ‘Should consumers be concerned about the impact their consumption has on other people, for example, the environmental costs of tourism in developing nations?’

Other possible questions



The global consumer

Select one of the following options as a research task:

1. Following the food chain

Working in groups, study a global market, such as coffee, cocoa/chocolate, or fashion. Each group studies a different stage in the production/supply chain eg. coffee farmers, coffee shops.

Explore how production affects the people and organisations involved: producers, employees and customers. Who are the 'winners' and the 'losers'?

2. Arguments for and against globalisation

Using the websites listed as a starting point, research and then summarise some of the arguments for and against globalisation. Prepare a report on your findings.

3. Eco-tourism holidays

Get information about these holidays from the Internet and travel agents: examples include the Daintree rainforest in far north Queensland and Wilsons Promontory in Victoria. Summarise the benefits to the region. Prepare a brochure, poster or webpage encouraging consumers to take an eco-tourism holiday.

4. 'Fair trade'

Investigate various 'fair trade' schemes to help farmers and other producers in low income countries. Why should consumers be encouraged to purchase their products, how can they be encouraged to do so?

Develop an advertising campaign that educates consumers about fair trade issues. You may choose to design a leaflet, poster, website, article for the school magazine or local newspaper, or a display for school open day.

5. Is our school an informed and responsible consumer?

Investigate the different goods and services the school consumes. Who makes the purchasing decisions? Does the school have an environmental policy? Does it purchase sustainable and environmentally friendly products?

Write a guide/checklist for the school community on being an informed and responsible consumer.

6. How effective are consumer campaigns?

Investigate a number of local and national organisations that campaign on consumer issues and discuss the various ways organisations might campaign. Debate what sort of action might be appropriate.

Identify some recent changes that reflect consumer-led campaigning and describe the key elements of the action and who was involved. In conclusion, summarise how organised campaigns may affect public opinion and lead to greater consumer participation.

7. Organise a class forum on globalisation with everyone in the class representing a different organisation or group

For example, a government agency such as AusAID, an international charity such as World Vision, and traders such as coffee or cocoa farmers.



The global consumer

Useful Websites

Globalisation

Globalisation Guide www.globalisationguide.org

Austrade www.austrade.gov.au

Department of Foreign Affairs and Trade www.dfat.gov.au/trade

World Trade Organisation www.wto.org

WTO Watch www.wtowatch.org

Trade Observatory www.tradeobservatory.org

Organisation for Economic Co-operation and Development www.oecd.org

Australian Chamber of Commerce and Industry

www.acci.asn.au/index_issuespapers.htm > globalisation

Global inequality and aid issues

United Nations www.un.org and www.cyberschoolbus.org

Global Education www.globaleducation.edna.edu.au

The World Bank www.worldbank.org

Environmental issues and sustainable development

Earthday (Ecological footprint quiz) www.ecofoot.org

Sustainability Victoria www.sustainability.vic.gov.au

United Nations Environmental Programme www.unep.org

Disposable Planet www.bbc.net.uk >In Depth>Disposable Planet

Victorian Greenhouse Strategy www.greenhouse.vic.gov.au

EPA Victoria www.epa.vic.gov.au

Energy Education www.ergon.com.au/energyed/education

Australian Government's Environmental Portal www.environment.gov.au

UNESCO www.unesco.org > Education > Education for Sustainable Development

Global consumer campaigns and issues such as 'Fair trade'

Consumers International www.consumersinternational.org

Oxfam www.oxfam.org.uk and www.oxfam.org.au

World Vision www.worldvision.com.au

Just Business www.justbiz.org

Ethical Trading Initiative www.ethicaltrade.org

Fairtrade Foundation www.fairtrade.org

Labour Behind the Label www.labourbehindthelabel.org

Sweatshop Watch www.sweatshopwatch.org

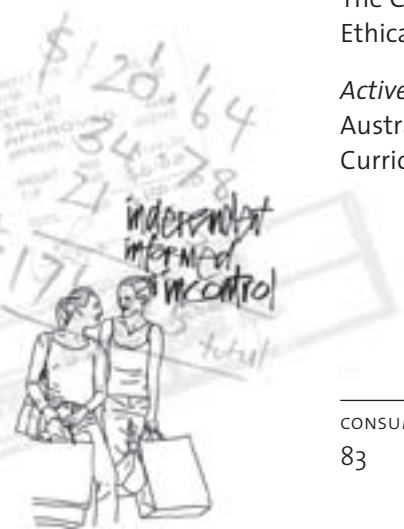
The Clean Clothes Campaign www.cleanclothes.org

Ethical Consumer www.ethicalconsumer.org and www.maketrade fair.com

Active citizenship

Australian Broadcasting Corporation www.abc.net.au/civics

Curriculum Corporation www.curriculum.edu.au/democracy



SECTION G

Responsible gambling

Aims and overview

This unit aims to assist students understand the place of gambling in our economy, why and how the government regulates the gambling industry and “wise consumer” strategies aimed at managing any gambling activity.

Key concepts

House edge, direct and indirect marketing, chance, problem gambling, responsible gambling, markets, supply and demand, monopoly, competition.

Learning outcomes

On completion of this unit, students should be able to:

- describe the gambling industry and its place in our economy
- discuss government involvement in the gambling industry
- identify strategies to assist in managing gambling activity.

Background Information

Gambling is any activity where money (or anything of value) is put at risk on an event of uncertain outcome that relies, in part or entirely, on chance. Gambling includes:

- *Gaming* – where the outcome is decided largely by chance. Examples include lotteries, pokies, bingo, Scratchies, casino and card games.
- *Betting or wagering* – on the outcome of a future event. Examples include horse racing, sports betting, Internet betting and TAB betting.
- *Speculation* – such as gambling on the stock market.

Appropriate definitions for teachers to use and refer to are:

Responsible gambling – Responsible gambling is about minimising harm caused by problem gambling while accommodating those who gamble without harming themselves or others.

Problem gambling – Problem gambling is defined as behaviour characterised by difficulties in limiting money and/or time spent on gambling, which leads to adverse consequences for the gambler, others or for the community.

Useful Resources

www.problemgambling.vic.gov.au
www.justice.vic.gov.au >gambling and racing> responsible gambling
www.youthgambling.com
www.betterhealth.vic.gov.au
www.olgr.qld.gov.au/responsibleGambling/educationInfo/schoolStuff/schoolstuff/index.html
www.olgr.qld.gov.au/resources/resGambling/index.shtml
www.austgamingcouncil.org.au



Responsible gambling

It is illegal for anyone under 18 to gamble, including on Scratchies and Lotto. In 2006 the Department of Justice published *Problem gambling: a guide for Victorian schools* (copies can be obtained by visiting www.problemgambling.vic.gov.au/contact-us). It cites a 2000 study that found that 41 per cent of year 8 students had gambled in some form over the past 12 months. Scratchies and lotto are the most common forms of gambling for young people. In the same study close to 50 per cent viewed gambling as a way to make money. The guide cites research that suggests that problem gambling in adolescents may be more prevalent than the adult population. Clinicians claim that these gamblers rarely identify as problem gamblers, possibly because the stereotyped gambler has little in common with an adolescent. Young problem gamblers are more likely than non-gamblers to report higher rates of depression and anxiety, participate in risky behaviour such as alcohol or drug use, be involved in crime and develop problems with family and friends. It has been shown that young adolescents are generally still forming their attitudes to gambling, leading to early intervention as a strategy to reduce problem gambling.

Issues raised in this section may lead to notice of problem gambling in students or within students' families. Any issues should be handled with sensitivity. Gamblers' Help Line is 1800 858 858. Kidshelp Line – www.kidshelpline.com.au or 1800 551 800.

G1 – Buyer Beware - Pictures of the inside of a gaming venue may assist in illustration of indirect marketing techniques. A pack of cards for each small group and tokens are needed for Exercise 1 – these are often available from the Mathematics faculty at your school.

Australia's Gambling Industry – A Curriculum Resource, Australian Gaming Council, 2007. The resource includes comprehensive fact sheets and Teacher notes. Contact the Australasian Gaming Council at www.austgamingcouncil.org.au or telephone at 9629 8000.

<http://www.justice.vic.gov.au/wps/wcm/connect/DOJ+Internet/resources/file/ebec5d0817161e7/EGMHarmMinMeas05Sect1.pdf> – a link to a report on the evaluation of harm minimization measures in gambling.

[http://www.legislation.vic.gov.au/Domino/Web_Notes/LDMS/PubLawToday.nsf/a12f6f60fbd56800ca256de500201e54/8800D738372CB07ACA2573A300027769/\\$FILE/03-114a021.pdf](http://www.legislation.vic.gov.au/Domino/Web_Notes/LDMS/PubLawToday.nsf/a12f6f60fbd56800ca256de500201e54/8800D738372CB07ACA2573A300027769/$FILE/03-114a021.pdf) – a link to the *Gambling Regulation Act 2003*.

Victorian Commission for Gambling Regulation – <https://www.vcgr.vic.gov.au>
Includes economic impact of gambling, industry statistics as well as a wide range of background information for G5.



Responsible gambling

Introductory activities

G1 – Run a mock Lotto activity in class and discuss the chances of winning Lotto (see www.tattersalls.com.au and the link “odds of winning”). Use the activity to introduce the notion of each game being an independent event and to discuss beliefs about luck that students might have. This should help to orientate the student to G1; why should the buyer beware?

G2 – Discuss with students times they may have found it difficult to control their impulses; for example wanting to stop playing a computer game. Now imagine if there were a cost attached to that activity – how would they manage it?

G3 – Use a simple example to introduce the notion of markets and demand factors (things that influence the willingness and the ability to buy) and supply factors (things that influence the willingness and ability to sell). Make sure students understand elasticity of demand (the more quantity demanded changes in response to price changes). <http://www.economist.com/research/Economics/alphabetic.cfm?term=price#price> (*The Economist glossary* that contains some plain English explanations of terms).

G4 – Introduce a case study on a problem gambler to the class or case studies to small groups for discussion. Aim to make students familiar with some of the adverse consequences of gambling, which will then enable them to understand the rationale for government regulation. The Powerhouse Museum at <http://www.powerhousemuseum.com/gambling/common/index.html> has a comprehensive on-line resource including case studies and interactive quizzes and games. Alternatively the issue of pokies regulation is regularly in the media and current articles on this topic could be examined.

G5 – Conduct a class survey on gambling activities. It is likely that students will not know that Lotto and Scratchies are illegal for under 18s. Discuss with students why the government would do this as a way of introducing the topic of gambling and the law.



Get rich quick – don't bet on it

Exercise 1 – House Edge

Form groups of five

Each group should have one pack of cards, joker removed, and a set of laminated cards with the value 1 on them.

One person in the group should be the dealer and the others the players.

To play, the dealer hands each player the Ace of a different suit and some tokens.

It costs one token (1) to play.

The dealer has the rest of the shuffled pack face down. To play the dealer turns over the top card and pays 3 tokens (3) to the player holding the suit that matches the upturned card.

Play this game until the pack of cards runs out. Each player should record their result each round, including how much they paid and won.

Then answer the following questions

- a) Consider the results of the group. Did anyone experience a winning streak? Did this feel lucky, or for the observers unlucky? How did the early results affect desire to play the game? What happened in the long run?

- b) Out of everyone in the group, including the dealer, who got the greatest financial gain? Calculate whether everyone else spent more or less than they got back. Explain these results

The advantage that the dealer has over the players is called the House Edge. It expresses the fact that in games of chance, you pay to play. In other words, the games are designed so that in the long run, a player will not get back as much money as they spent to play. This is how the gambling businesses make their profit on the games. House Edge is generally anywhere between 3 – 17% for casino games, for example.

Source: www.tattersalls.com.au



Get rich quick – don't bet on it

Exercise 2 – Wise up

- Gambling businesses obviously use advertisements to entice people to play. They may also use other more indirect means to persuade. Consider the picture of the Scratchie right. Identify the techniques used to make the Scratchie more appealing. Consider:
 - the images and the ideas they suggest
 - the wording
 - the colours generally used on Scratchie tickets
 - the overall design



- The following statement is from Tattersalls and refers to its Scratchie games:

*All prize amounts (including the top prize amount advertised) are only available until won. This may occur at any time prior to all instant Lottery tickets in a game being sold.

- When a newsagent offers a Scratchie for sale, does this mean that the top prize is still to be won?

- Why is the winning of the top prize not announced for Scratchie games?

- The chance of winning any prize, including minor ones, in Scratchie games is about 1 in 4, that is, 25%. What is the chance of not winning?

- Scratchie prizes are scattered randomly throughout a pool of tickets across Victoria. Does a 1 in 4 chance mean that every 4 tickets should have a prize? Does an early win or wins mean that winning will continue? Does a losing streak mean that a win is due?

- What kind of attitude would a smart consumer have when it comes to making money from games of chance?

Get rich quick – don't bet on it

3. Think, Pair, Share.

The Melbourne Cup racing season is advertised heavily. Identify other ways that people are encouraged to gamble on the Melbourne Cup. Share your thoughts with a partner and then in class discussion. Include a discussion on when gambling on racing might become a problem for a gambler.

4. Read the 'Punters splash out \$154m on Cup' article below.

Punters splash out \$154m on Cup

abc news online



Gloomy economic times have failed to scare off punters. (AAP: Martin Philbey)

Tabcorp outlets took \$154.1 million in bets on the 2008 Melbourne Cup.

In Victoria, punters handed over nearly \$37 million which is an increase on last year when equine influenza plagued the racing season.

It is also up on the year before.

In New South Wales, more than \$51 million was spent on betting.

That is up on last year, but \$1.7 million lower than the year before.

Queenslanders splurged a record \$27 million.

Today's flurry eclipsed the previous record of \$26 million - set in 2005 when Makybe Diva won its third Cup in a row.

TAB's Brad Tamer says concerns over the global financial crisis did not deter punters.

"We had one person place a \$20 bet and claimed \$440,000, a large percentage of the first four which paid \$520,000 on Unitab if you were lucky enough to find it," he said.

"People just enjoyed the afternoon, it's a great race and it was a nice distraction this afternoon."

Northern Territory punters bet an estimated \$1.3 million on the Cup.

A Unitab spokesperson says the figure is about 100,000 more than Territory punters spent last year.

Get rich quick – don't bet on it

- a) There are approximately 13 million adult Australians (aged 18 years old and above). What was the average amount invested by each adult on the Melbourne Cup in 2008?
- b) What was the combined amount of money invested by adults in New South Wales and Victoria? What proportion of the total Australian investment did these two states contribute?
- c) What was the effect on the level of investment on the Cup by the global financial crisis? Can you suggest a possible reason why this may be so? Share your thoughts on this matter with a partner and then in class discussion.



Living within your means

Problem gambling is often defined in terms of harm to the physical, social, or financial health of the gambler, their family and the community.

Consider this extract of a definition of problem gambling:

“Excessive gambling is used to describe a level of gambling expenditure that is considered to be higher than can be reasonably afforded relative to the individual’s available disposable income and as a result produces financial strain”
Blaszczynski A.P., Walker M., et.al., *Psychological aspects of gambling behaviour*, The Australian Psychological Society, Melbourne, 1997

Exercise 1 – Feeling the strain

Read the following story:

I started gambling on the pokies one time after a few drinks with my mates. I won early on and spent the money on my friends. They thought I was pretty cool and I admit I liked all the attention so I kept going to try to win some more. I did win a bit a first, not as much as the first time, but enough to make me think I was a legend in my own lunchbox. Then I started losing. At first I thought it was a joke after all those wins but then it got serious. I kept losing and it was embarrassing. I felt pretty desperate to win again and began to spend more and more time gambling. I borrowed money from my friends and soon work stopped offering me shifts as I kept knocking them back. I did win a bit but it wasn’t enough and I kept gambling away my winnings. As my debts got larger, I became determined to win big so I could pay everyone back. Pretty soon my mates didn’t want to be around me. I wasn’t interested in anything else and couldn’t have paid my way even if I wanted to. Mum was angry with me because I couldn’t pay board and Dad was angry because I kept borrowing the car, when I had told him I would have my own by the end of the year. I did have savings set aside for it but they were all gone now. It was only when I seriously started thinking of stealing that I thought I had better get help.

- a) Explain how gambling came to be a financial strain for this person, using examples from the story to illustrate your answer

- b) Pokie machines in Victoria are programmed to give back 87% of what is put into them. If you were offered an investment opportunity where you put in \$1 and got back 87 cents, would you take it? An 87% return could take millions of games and doesn’t refer to what any one player has put into the machine, but to the money put in total into the machine. Typically, there is a 1 in 10, 198 chance of winning 500 credits. Even if you played 10, 200 games, spending 10, 200 credits to try to win 500 credits, it is not guaranteed that you will win. This is just a chance. In the story, was it a good strategy to try to win back the money to pay debts? Why? How else could those debts have been paid?



Living within your means

Exercise 2 – Staying in control

Read the following

“...Each of us has a set amount of money we can spend on a monthly basis for entertainment. That amount varies from person to person and is based on their income, their debt load, their cost of living and their own personal choice. Gambling is a form of entertainment which costs money just as going to the movie theatre costs money. Therefore, the first question you must ask yourself is: “How much money can I afford to spend on gambling for entertainment?” Keep in mind that gambling should not be seen as a way to supplement your income and while you can hope to win, you should expect to lose...”

Source: Jan Zacharias, Chetwynd Echo, March 24, 2005

- a) Assuming you have \$50 set aside for entertainment a fortnight, what could that be spent on?

Now look at your list of choices. What would you choose this fortnight? What would you be giving up, that is, not choosing? Would it be worth spending money set aside for bills, food or rent to do these things as well? Why? What would happen if you did that regularly?

- b) How does Zacharias want us to view gambling as an activity? Do you agree? Why?

- c) This task can be completed with a partner.
Imagine that your friend has set aside a portion of entertainment money each month for gambling but knows herself well enough to know that she might be tempted to go over. What strategies would you recommend to her to help her stay within her spending limits?

Consider:

- access to credit cards and ATM cards
- borrowing money
- what to do with any winnings
- going alone or with friends
- length of time spent gambling

Share your strategies with the rest the class.

Gamblers' Help Line is 1800 858 858. Kidshelp Line – www.kidshelpline.com.au or 1800 551 800.



Gambling – a leisure market case study

Exercise 1 – The big picture

	Turnover	Adult participating	Spend per adult	Total spend	Businesses	Tax
	\$m	%	\$	\$m	No.	\$m
Wagering	17,358	24%	149	2,292	4388	376
Gaming machines	102,741	39%	655	10,096	5,871	2,653
Lotteries	3,895	60%	106	1,627	4,736	1,072
Casinos	17,547	10%	171	2,639	13	337
Other	1,238	na	17	257	na	15
Total	142,779	82%	1,097	16,910	15,008	4,453

Source: Australian Gaming Council

- What percentage of the adult population gambled at least once over a 12 month period?

- What form of gambling do Australians spend the most on? Is this the most popular form?

- What form of gambling brings in the greatest amount of tax revenue?

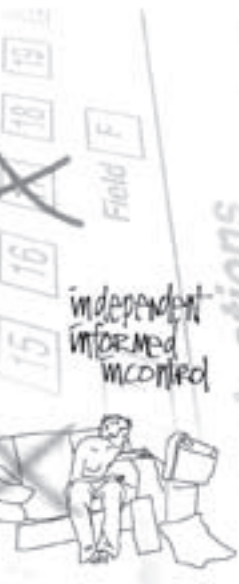
- Analyse the table and share an observation with a partner. Then share it with the rest of the class. Your observation is:

Exercise 2 – Gambling and the price mechanism

- If you were measuring the price of gambling would you measure the amount paid out by the consumer or take the figure net of winnings? Why?

- Outline supply factors related to the gambling industry

- Explain how the elasticity of demand would vary from occasional to regular to problem gamblers



Gambling – a leisure market case study

ii) Small group activity

Consider each of the following cases:

- A. Sienna, at university, part-time job, low-income, occasional gambler. Has a wide circle of friends but no other hobbies.
- B. Tan, likes sports and likes regularly betting on the outcome. Has a moderate income from a full-time job and is single with a small circle of friends who gamble regularly. He believes he is lucky, despite losing more than winning.
- C. Maxie has just lost her job and has started gambling in the belief that it will solve her financial worries. Her friends and partner are trying to dissuade her by showing her the chances are not in her favour. She is looking for another job.

For each case, write down the person's main reason for gambling

Discuss whether the person's spending on gambling would increase or decrease in response to the following:

	Increase or Decrease spending on gambling	Why?
an increase in income	Sienna:	
	Tan:	
	Maxie:	
a decrease in the price of substitutes	Sienna:	
	Tan:	
	Maxie:	
an increase in the price of complements	Sienna:	
	Tan:	
	Maxie:	

- ### iii) Discuss the similarities and differences between the gambling market and other leisure markets in terms of consumer behaviour.



Gambling – a leisure market case study

Exercise 3 – Gambling and economic activity

According to the Australian Gaming Council:

- Gambling taxes formed 13.1% of total tax revenue in Victoria in 2006, with the rest of Australia ranging from 6.1% (WA) to 15.1% (NT)
- in 2004-05, casinos in Australia contributed \$29.5 million in levies to state government community benefit schemes established to support projects in local communities
- Gambling added around 1.5% to Australian GDP (Gross Domestic Product) in 97-98
- The percentage of tourists visiting Casinos while in Australia in 2006 ranged from 42% of Koreans to 15% from Germany and Indonesia
- Approximately 179,000 are employed in gambling related businesses (using 04-05 figures and various other years), with most in pubs and clubs (125000), then racing (28000) casinos (19000) and lottery agencies (7000)

a) How significant a contribution to the Australian economy does gambling make?

b) About 1.12% of the Australian population are problem gamblers. Problem gamblers can suffer from a range of problems, including debt and poverty, stealing, family breakdown and depression.

Discuss the possible costs to the Australian economy that may arise from problem gambling.

c) Imagine that gambling was banned in Australia. What impact do you think this would have on the Australian economy in the short-run and in the long run? Present your discussion in the form of a newspaper report with headline or a radio news bulletin.



Government intervention and the gambling industry

Exercise 1 – Those who care

Government regulation in the gambling industry affects stakeholders in the industry.

Construct a concept map showing stakeholders in the gambling industry. Use the groupings of Government, Business, Community, Welfare and add to these if you think it necessary. Briefly describe what interest each stakeholder has in the gambling industry.

- Problem gamblers comprise about 1.12% of the adult population, or 15% of regular gamblers, excluding Lotto or Scratchies players.
- 77.4% of Victorians report gambling at least once a year.
- Problem gambling can lead to depression, crime, debt and poverty, family breakdown
- Problem gamblers can exhibit lack of control of their gambling and for this reason has been categorized as an addiction, although it has also been called compulsive or neurotic
- In Victoria gamblers seeking help are most likely poker machine players followed by off-course betting and then card games
- Regulation of the gambling industry in Victoria includes restriction on advertising, age restrictions, regulations on environment for example provision of clocks at poker machine venues, and other regulations covering areas as diverse as employment, distribution of revenue and competition

Source of statistics: Australian Gaming Council

Exercise 2 – Small group activity or class discussion

Discuss the following

- a) Why does the Government regulate the gambling industry?
- b) Should restrictions on gambling be in place just for the sake of a very small minority who may have problems?



Government intervention and the gambling industry

Exercise 3 – Case study

Read the articles below and answer the following questions

No matter who owns them, pokies are dangerous

The Age, Opinion.

11 April, 2008

The State Government's gaming reforms, although welcome, need to tackle the real concern - problem gamblers.

THE State Government's wholesale revision of the structure of Victoria's gaming industry, announced yesterday by the Premier, John Brumby, at once closes doors and opens them. From 2012, the duopoly of gaming giants Tatts and Tabcorp will no longer have exclusive control over Victoria's 27,000 electronic-gaming machines. Instead, the market will be freed up to allow approved clubs and hotels to own, operate and maintain poker machines. In addition, no one operator will be allowed to own more than 35% of machines available to hotels. At the same time, there will be no change to the number of poker machines or to the Government's revenue from them. Crown Casino, with its 2500 machines, is exempt from this legislation. The Government will compensate the Victorian Racing industry, which currently receives 25 per cent of Tabcorp's gambling profits, but indicates no such plans for Tatts and Tabcorp.

Mr Brumby's reasons for placing more reliance on a venue-operator system than a corporate duopoly appear sound: it is hoped it will indeed lead to a greater diversity of ownership and increased competition, as well as giving smaller communities a more direct connection with putative owners, such as local hotels and clubs. Indeed, the Premier's decision has been welcomed by the Victorian Local Governance Association as a way of putting people before profits — as well it might. The new structure will also bring Victoria into line with similar schemes that already apply in NSW and Queensland — further endorsing this state's willingness to embrace a national approach to gaming-machine control, spearheaded by Prime Minister Kevin Rudd, who loathes poker machines, and further supported by the arrival of the former South Australian "No Pokies" MP, Nick Xenophon, into the Senate on July 1. So far, all appears worthy for the greater public good.

But what of the people who really matter — the ones who don't own poker machines, or even want to bid for the rights to do so, but who are subject to frequent exposure to what one gambling expert has called "the most dangerous machines in the world"? Victoria has, by the most conservative estimate, 40,000 problem gamblers, a malaise that, in more than 80% of cases, is associated with electronic gambling machines. It is also estimated that 42% of profits associated with gaming comes from problem gamblers. This newspaper has long argued that not enough is being done by the Government or other authorities to control access not only to gaming machines but to the tempting agents that support them, such as readily available cash supplies. Last month, Mr Brumby, to his credit, reversed his Government's policy on automatic teller machines in pubs and clubs with poker machines, and will ban them after existing gaming licences expire in 2012. As *The Age* said in an editorial on March 15, the breaking of this unhealthy nexus was a significant and welcome beginning to controlling the epidemic of problem gambling.

The responsibility for the Government, in so dramatically changing the rules, is to ensure problem gamblers are not left behind once the new system takes effect. After all, there may be new owners, large and small, but there will still be the same number of machines to tempt the unwary, and the Government still intends to make the same profit from them. But how, when the Government intends to introduce a progressive tax scale for poker machines? It is hoped it will not have to become more reliant on revenue substantially subsidised by problem gamblers.

Government intervention and the gambling industry

The big question remains: what will the changes mean? Certainly, there will be headaches for the big players — Tabcorp and Tatts, not unexpectedly, are already in fighting mood — and no doubt there will be a flurry of smaller concerns, anxious to gain a foothold in this lucrative market. There will also be the risk inherent in throwing open the bidding that the less-than-scrupulous will be attracted, and it will be up to the Government to put in place the right checks and balances to ensure propriety and transparency. Other as yet unanswered points include who will be awarded licences (will smaller concerns really be able to compete against larger interests?), and where the gaming machines will be located.

Victoria can never return to the old days when poker machines were across the border and casinos were exclusively for James Bond. Now we have earned billions from gaming, but at a tremendous human cost. The remedy should be control and compassion. The Government's restructure emphasises the first, but at the expense of the second.

Victoria scraps pokies duopoly

abc news online

The Victorian Government has opened up the state's gaming industry by scrapping the duopoly over poker machines. When the current poker machine licences expire in 2012, venues will be able to bid directly for gaming machine licences. The move ends the stranglehold that Tattersalls and TabCorp have had over the industry for decades.

From 2010, venue operators will be able to bid for ten year licences. No one operator will be allowed to own more than 35 per cent of poker machines available. The cap of 27,500 poker machines across the state will remain in place.

The Premier John Brumby says it will mean more competition and more diversity.

"Today's announcement fundamentally reshapes the gaming industry in Victoria and I believe it will deliver greater transparency and greater accountability," he said.

At the moment TabCorp and Tattersalls cannot own venues but that will change after 2012.

"So if Tatts or TabCorp want to purchase a pub or a number of pubs they would be able to, but there is a 35 per cent ownership limit across the hotel industry," he said.



Shares in gaming company TabCorp have gone into a trading halt after the announcement.

Anti-gambling campaigner Tim Costello has welcomed the announcement saying it is one less player putting pressure on the problem gambler.

TabCorp and Tattersalls will lose their poker machine duopoly. (AAP: Mick Tsikas)

Government intervention and the gambling industry

No matter who owns them, pokies are dangerous

- List five key features of the Victorian government's revision of the structure of the gambling industry to take place in 2012.
- Name three positive outcomes for the changes to the structure of the gambling industry in Victoria post 2012.
- What does The Age consider the major advantages and disadvantages of the Victorian Government's actions in this matter?
- What is meant by the final statement ..,'The Government's restructure emphasises the first, but at the expense of the second...,'

Victoria scraps pokies duopoly

- What does the term 'duopoly' mean?
- What are the two key positive outcomes of the end of the duopoly, according to the Premier John Brumby?

Exercise 4 – a new casino

Work with a partner on this activity

Imagine that developers would like to open a new casino in central Victoria. They feel it would attract people from regional South Australia as well as southern New South Wales. They also believe it would draw tourists into central Victoria.

Imagine also that you are government representatives involved in deciding whether this casino should be allowed to go ahead.

- Develop some key questions about the development that you would want answered. For example, one question could be "What other gambling opportunities already exist in central Victoria?"

It may be helpful to consider issues arising from the stakeholders identified in exercise 1 as well as any other areas such as environment.

- Identify one stakeholder that would probably want the casino to go ahead and explain why and identify one stakeholder that would probably not want the casino to go ahead and explain why. What is your opinion?



Gambling and the law

Gambling Regulation

The Gambling industry is one of the most heavily regulated industries in Victoria, and the situation is not dissimilar in other states. The industry is regulated by a major piece of legislation, the Gambling Regulation Act 2003. The Act is a massive 800 pages long and covers almost every aspect of gambling in Victoria.

Section 1.1(2) of the Act states the objectives of the Act as being:

- a) to foster responsible gambling in order to:
 - i) minimise harm caused by problem gambling; and
 - ii) accommodate those who gamble without harming themselves or others;
- b) to ensure that gaming on gaming machines is conducted honestly;
- c) to ensure that the management of gaming machines and gaming equipment is free from criminal influence and exploitation;
- d) to ensure that other forms of gambling permitted under this or any other Act are conducted honestly and that their management is free from criminal influence and exploitation;
- e) to ensure that:
 - i) activities authorised by a minor gaming permit benefit the community or charitable organisation to which the permit is issued;
 - ii) practices that could undermine public confidence in community and charitable gaming are eliminated;
 - iii) Bingo centre operators do not act unfairly in providing commercial services to community or charitable organisations;
- f) to promote tourism, employment and economic development generally in the State.

Exercise 1 – Small group activity

Transfer the following activities in to the appropriate boxes:

Playing Poker Machines
 Betting at the races
 Footy Tipping
 Scratchies
 Lotto
 Bingo
 Buying a raffle ticket

Playing cards, betting with matchsticks
 Trying for a prize at a carnival sideshow
 Going in a Melbourne Cup sweep
 Sponsoring a rising sport star
 Inventing and manufacturing a brand new product
 Buying shares

GAMBLING	NOT GAMBLING



Gambling and the law

- a) Put the GAMBLING and NOT GAMBLING cards at either end of a line.

Put each of the activity cards somewhere along the line. The group must reach a consensus on where each card should go.

- b) Develop a definition of gambling and discuss your group's definition with the rest of the class.

In the discussion, consider that the Act does not actually define gambling but rather certain activities, such as Bingo, lottery, horse race, raffle and AFL footy tipping competition and so on. Why would the Act not define gambling itself?

Exercise 2 – Developing definitions

- a) Use the objectives of the Act to develop a definition of responsible gambling and a responsible gambling business.
- b) Discuss ways the running of gambling activities could be dishonest

Areas of Regulation

The Act is comprehensive and establishes licensing regimes for the playing of a range of gambling games. The licensing regimes are administered by the Victorian Commission for Gambling Regulation which also enforces breaches of the Act. In addition to establishing licensing regimes for games, the Act also:

- Prohibits children from gambling or entering places where gambling is occurring;
- Creates myriad offences related to licences, cheating, false advertising etc;
- Regulates the advertising and communication of gambling;
- Imposes stringent tests on licence applicants;
- Gives special powers to the Minister and the Authority to regulate aspects of the industry at a highly detailed level;
- Declares taxation rates and other levies payable by licence holders to Government; and
- Regulates places where gambling can occur.

Exercise 3 – the need for regulation

- a) Why do you think the industry is so heavily regulated? Does it need to be?

Responsible Gaming

Section 1.1(2)(a)(i) states an objective of the Act is to minimise the harm associated with problem gambling. Division 3 of Part 5 of the Act contains specific problem gambling measures which comprise:

- Banning gaming machines (pokies) which take \$100 notes (section 3.5.29(1));
- Ensuring gaming machines have distinct and separate spins for each turn (section 3.5.29(2));
- Banning gaming machines with spin rates of < 2.14 seconds (section 3.5.30(1));



Gambling and the law

- Banning a licence holder (i.e. the owner of the premises with the machines) from giving a loan or extending credit to a person to gamble on a gaming machine (section 3.5.31);
- Limiting ATM withdrawals in a place where there are gaming machines to \$200 on any one card, in one transaction (section 3.5.32(1)); and
- Requiring credits of >\$1000 to be paid by personalised cheque (section 3.5.33).

Other provisions in the Act may also serve to reduce problem gambling. For example, in order to hold a licence for gaming machines in a particular venue, there must be a continuous 4 hour break from gaming and not more than 20 hours of gaming allowed on those premises on any day (section 3.3.9(1)).

Exercise 4 – Who's responsible?

- a) Choose 3 of the measures described above and explain how these measures might be thought to minimise harm to gamblers. How easy would it be for problem gamblers to avoid the restrictions and succeed in continuing to gamble?
- b) Consider part a) of the objectives of the Act (above). Are these objectives contradictory? Why?
- c) i) Do you think any of the measures described above interfere unnecessarily with the enjoyment of non-problem gamblers?
- ii) Imagine that lobby groups against gaming machines want the following measures introduced into the Act:
 - making screens black and white, that is devoid of colour,
 - reducing the maximum bet per game from \$10 to \$1,
 - dictating that mandatory shut downs occur at the more popular time of gambling at 8 – 12pm rather than the early hours of the morning that most venues choose.

Imagine that you are advising the government on gambling harm minimization strategies. Any changes to the Act need to be consistent with the objectives of the Act. For each measure suggested, explain whether you would recommend that it go ahead or not and why. You can present your recommendations orally, for example by stating what you would say in a meeting, or in a written report.

- d) Prolonged exposure to the sun can cause skin cancer which is a serious disease. The Sun Smart campaign is designed to encourage behaviours that minimize chances of getting skin cancer but the behaviours are not law.

Should gambling be treated the same? To what extent should the law aim to protect gamblers and to what extent should they be expected to protect themselves?

Present your opinion in the form of a speech or a newspaper article.



Additional Resources

Further support material for teachers and students is available from Consumer Affairs Victoria (CAV) and can be viewed and downloaded at www.consumer.vic.gov.au under 'Publications'.

Alternatively, an order may be placed by fax on (03) 8684 6333 using a general order form and/or the teacher order form provided on the website.

Following is a list of useful fact sheets and other publications which CAV is continually updating and adding to. Check regularly to see what is new.

IMPORTANT: *If you have visited our website previously, please click the 'refresh' button on your toolbar. This will make sure that any new information added or updated since your last visit, becomes available to you.*

Fact sheets

A range of fact sheets provide detailed information on many consumer issues including:

- Your basic consumer rights
- Shopping tips
- Bag searches
- Lay-by
- Credit and finance
- Renting
- E-commerce
- Product safety

Booklets and brochures

Stuff magazine

'Stuff' contains advice for school leavers on many topics including: mobile phone contracts, managing money, consumer rights, car maintenance, careers and lifestyle.

Better Car Deals - your guide for buying a new or used car

Renting a Home

A guide for tenants and landlords.

Little black book of scams

How to recognise scams and scammers and avoid being ripped-off.

Additional Resources

Websites

Victoria

Consumer Affairs Victoria www.consumer.vic.gov.au
Maths Association of Victoria www.mav.vic.edu.au
Victorian Commercial Teachers Association www.vcta.asn.au
Victorian Association for the Teaching of English www.vate.org.au
youthcentral www.youthcentral.vic.gov.au
Department of Sustainability and Environment www.dse.vic.gov.au/dse
The Consumer Credit Legal Service www.ccls.org.au
Victorian Legal Aid (What's the Deal?) www.legalaid.vic.gov.au
Victorian Civil and Administrative Tribunal www.vcat.vic.gov.au

New South Wales

www.moneystuff.net.au

South Australia

www.b4usplashcash.ocba.sa.gov.au

Queensland

www.fairtrading.qld.gov.au

Western Australia

www.docep.wa.gov.au

ACT

www.fairtrading.act.gov.au

Northern Territory

www.nt.gov.au/justice

Commonwealth

Financial Literacy Foundation www.understandingmoney.gov.au
Australian Consumers Association (Choice Magazine) www.choice.com.au
Australian Communications and Media Authority www.acma.gov.au
Australian Securities and Investment Commission (Fido) www.fido.asic.gov.au/fido

Other resources

Shopsafe CD-ROM
Advice about shopping safely online.

Your feedback

Consumer Affairs Victoria welcomes your comments and suggestions regarding the 'Consumer Stuff' resources.

Email consumerstuff@justice.vic.gov.au

Please complete the evaluation form at the back of this handbook and forward to the address shown.

Handbook evaluation sheet

Consumer Affairs Victoria thanks you for using the Commerce resource book, and would appreciate you taking a few minutes to complete this evaluation sheet. Your feedback is very important to us. Any comments and suggestions for improvement will be appreciated.

1. Tick the resource book you are providing feedback on? (Please tick)

<input type="checkbox"/> Consuming Planet Earth	<input type="checkbox"/> English	<input type="checkbox"/> Mathematics
<input type="checkbox"/> Health & Wellbeing	<input type="checkbox"/> Commerce	

2. Which sections of the resource book have you used with your students? (Please tick)

<input type="checkbox"/> SECTION A	<input type="checkbox"/> SECTION D
<input type="checkbox"/> SECTION B	<input type="checkbox"/> SECTION E
<input type="checkbox"/> SECTION C	

3. Which of the sections have you found most useful and relevant to your course? (Please tick)

<input type="checkbox"/> SECTION A	<input type="checkbox"/> SECTION D
<input type="checkbox"/> SECTION B	<input type="checkbox"/> SECTION E
<input type="checkbox"/> SECTION C	

4. Which Year level have you used the material with? (Please tick)

<input type="checkbox"/> Year 7	<input type="checkbox"/> Year 10
<input type="checkbox"/> Year 8	<input type="checkbox"/> Year 11
<input type="checkbox"/> Year 9	

5. How would you rate the relevance of the curriculum material to the Victorian Essential Learning Standards or the Victorian Certificate of Applied Learning (VCAL)? (Please tick)
☐ Very relevant ☐ Relevant ☐ Partly relevant ☐ Not relevant at all

Resource book evaluation sheet

6. How would you rate the 'user friendliness' of the resource book in terms of:

a) photocopiable worksheets

☐ Excellent ☐ Very good ☐ Good ☐ Passable ☐ Poor

b) teacher notes

☐ Excellent ☐ Very good ☐ Good ☐ Passable ☐ Poor

7. **Suggestions for improvement**

You may wish to suggest some new topics which could be added to the online version of the handbook. Please outline these below.

9. Any other suggestions (for example, additional teacher notes, activities, resources).

Contact details (optional):

Name

School

Phone

Fax

Email

Please send us this evaluation by fax or post.

Should you have any other suggestions in the future, please contact us:

Email consumerstuff@justice.vic.gov.au

Phone (03) 8684 6042 or (03) 8684 6043

Fax (03) 8684 6440

Mail Consumer Affairs Victoria

Education and Information Branch

GPO Box 123A

Melbourne VIC 3001

Thank you for your time and valuable feedback!

consumer.vic.gov.au

1300 55 81 81



Services from Consumer Affairs Victoria are also available at Ballarat, Bendigo, Box Hill, Dandenong, Geelong, Mildura, Morwell, Reservoir, Shepparton, Wangaratta, Warrnambool and Wodonga.

Our mobile service regularly visits rural communities.

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TTY

Textphone or modem users only, ring the National Relay Service (NRS) on **133 677** then quote **1300 55 81 81**.

Callers who use Speech to Speech Relay dial **1300 555 727**, then quote **1300 55 81 81**.