

Economics and Business Level 10

Chapter 2 — Business competitiveness, work and financial decision-making

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Getting ahead and staying ahead: competitive advantage, entrepreneurship, marketing and public relations

Curriculum trace. Content description **VC2HE10K05**. Elaborations drawn in this section:

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Scope note: elaboration **VC2HE10K05.E05** (Aboriginal and Torres Strait Islander content) is excluded from this book under the book's scope rules (CONTENT_POLICY Rule 1); it is named here only to record the exclusion, and it is not taught. Achievement standard: Levels 9 and 10.

On 30 June 2026 there were 2,814,778 businesses actively trading in Australia. In the twelve months to that day, 460,461 businesses opened and 375,331 closed. Every one of them — the one-person gardening service and the supermarket chain alike — was asking the same two questions: why would customers choose me over the rival across the road, and why would they keep choosing me? The answers are the subject of this section: the **competitive advantage** a business chases (an edge that makes customers pick it ahead of rivals), the **marketing** and **public relations** that carry its story to the public, the **entrepreneurship** that starts businesses and renews them, and the international **supply chains** that make so many goods cheap and easy to get. Every number in this section is real, taken from the Australian Bureau of Statistics (ABS) and from public reporting on real Australian businesses, retrieved 26 August 2026.

Theory

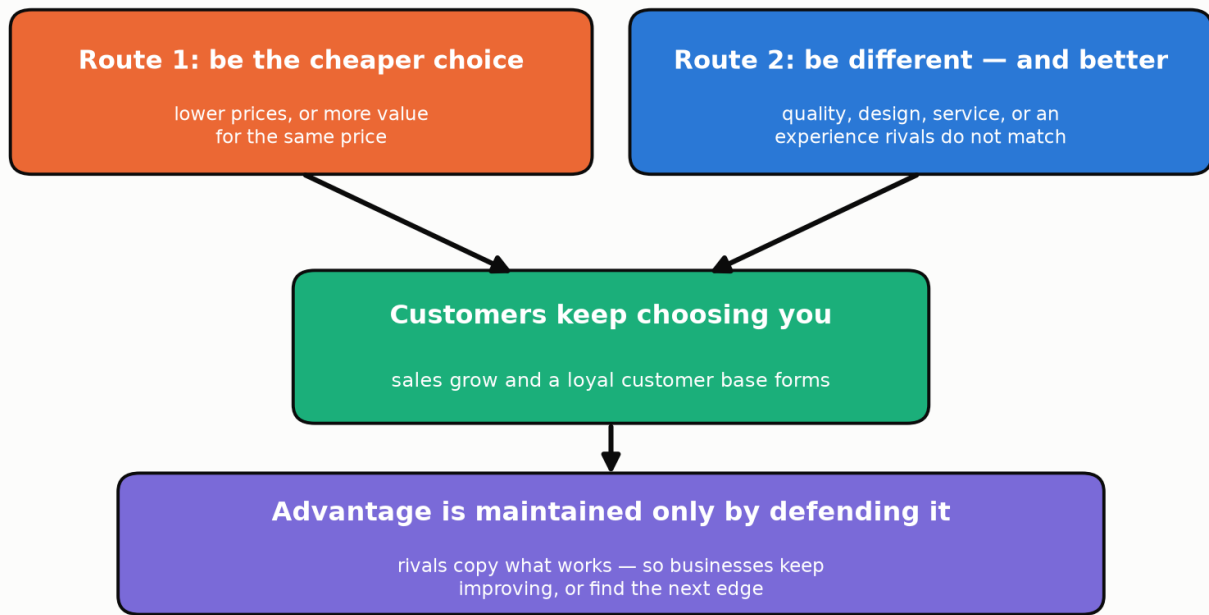
What is a competitive advantage? (VC2HE10K05)

A business has a **competitive advantage** when customers choose it ahead of its rivals, and keep choosing it, because it offers something the rivals do not match. The term is most tied to the American economist Michael Porter, whose 1985 book *Competitive Advantage* argued that a business beats its rivals in one of two broad ways: by being the cheaper choice (lower costs, so it can charge lower prices or keep more profit on each sale) or by being different in a way customers care about (better design, service or quality, so customers pick it even at a higher price). Figure 1 shows that two-route model, and it is the model this section uses. Porter's is not the only view: a second school of thought — the resource-based view, tied to Jay Barney's 1991 work — says advantage really lives inside the business, in things rivals cannot copy, such as its skills, brands, patents and relationships. The two views agree on the point that matters most: an advantage only counts for as long as rivals cannot copy it, so **maintaining** an advantage means defending and renewing it.

Two more words need care. A **strategy** is the long-run plan — the chosen route to advantage, such as “be the trusted cheapest”. A **tactic** is a day-to-day move that carries the strategy out — this week's price cut, a new advertisement, a shop refit.

Two main routes to a competitive advantage

a business wins when customers pick it ahead of its rivals



ClassBasics model | Strategy = the long-run plan; tactics = the day-to-day moves.

Flow diagram. Two boxes at the top: Route 1, be the cheaper choice (lower prices, or more value for the same price), and Route 2, be different and better (quality, design, service, or an experience rivals do not match). Both point down to a box, customers keep choosing you, sales grow and a loyal customer base forms. That box points down to a box, advantage is maintained only by defending it, rivals copy what works so businesses keep improving or find the next edge. Footer: strategy is the long-run plan; tactics are the day-to-day moves.

Figure 1: Two routes to a competitive advantage, and what maintaining it takes (ClassBasics model).

Spotting the advantage in well-known businesses (VC2HE10K05.E02)

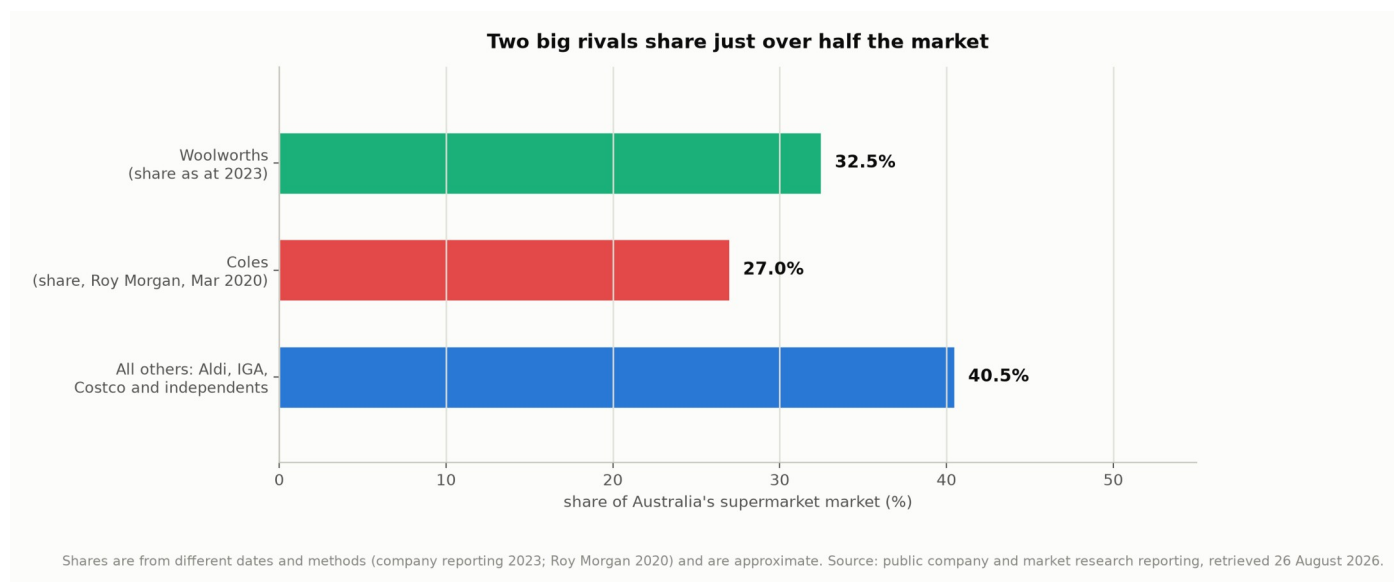
Advantages are easiest to see in real businesses. Table 1 names six well-known Australian businesses and the advantage each is known for.

Table 1: Six well-known businesses and their advantages.

Business	What it sells	The advantage it is known for	Main route (Figure 1)
Woolworths	groceries and everyday goods	scale and convenience: the biggest store network, one-stop shops, the Everyday Rewards loyalty program	mostly cheaper
Coles	groceries and everyday goods	scale and convenience as well; strong own brands and Flybuys	mostly cheaper
Bunnings	hardware and building goods	the widest range plus a lowest-price promise, and an experience (the sausage sizzle, expert staff)	different and cheaper
Kmart	clothing, homewares, basics	very low prices on stylish basics, made possible by huge sales volumes	cheaper

Business	What it sells	The advantage it is known for	Main route (Figure 1)
Qantas	air travel	network and brand: the most Australian routes, a big frequent-flyer program, a trusted safety record	different
Canva	online design software	a product rivals did not match: professional-quality design that anyone can use	different

Now look again at the first two rows. Figure 2 shows the shares of Australia’s supermarket market: Woolworths about 32.5% (as reported in 2023) and Coles about 27% (Roy Morgan, March 2020). Two big rivals sharing just over half of a national market is a market shape close to a **duopoly** — a market run by two big sellers. (Handle the data carefully: the two shares come from different dates and methods, so treat Figure 2 as a rough picture, not a precise one.) Most of the rest goes to Aldi, IGA, Costco and independents — and Aldi’s whole advantage is the cheaper route, which keeps the two big ones honest. When rivals this close both chase the cheaper route, each watches the other’s prices every day. That daily fight is where marketing tactics come in.



Bar chart of the share of Australia’s supermarket market: Woolworths 32.5% (share as at 2023), Coles 27.0% (share, Roy Morgan, March 2020), and all others — Aldi, IGA, Costco and independents — 40.5%. Footer: the shares are from different dates and methods and are approximate.

Figure 2: Two big rivals share just over half of Australia’s supermarket market. Source: public company and market-research reporting, retrieved 26 August 2026.

Marketing and the 6 Ps (VC2HE10K05.E01)

Marketing is everything a business does to work out what customers want, and to bring them the right offer with the right message. In 1960, E. Jerome McCarthy sorted marketing into four big choices — the “4 Ps”: product, price, promotion and place. Later writers on marketing added more Ps, and the Victorian Curriculum uses the **6 Ps of marketing**:

- **Product** — the good or service itself: what it does, how well it is made, its branding and its guarantee.

- **Price** — what buyers pay, and what that price signals (bargain or top-end).
- **Promotion** — how buyers hear about it: advertising, social media, specials, sponsorships.
- **Place** — where and how it is bought: shops, online, delivery.
- **People** — the staff who serve: their knowledge, friendliness and training.
- **Presentation** — how the offer looks and feels: packaging, shop fit-out, website.

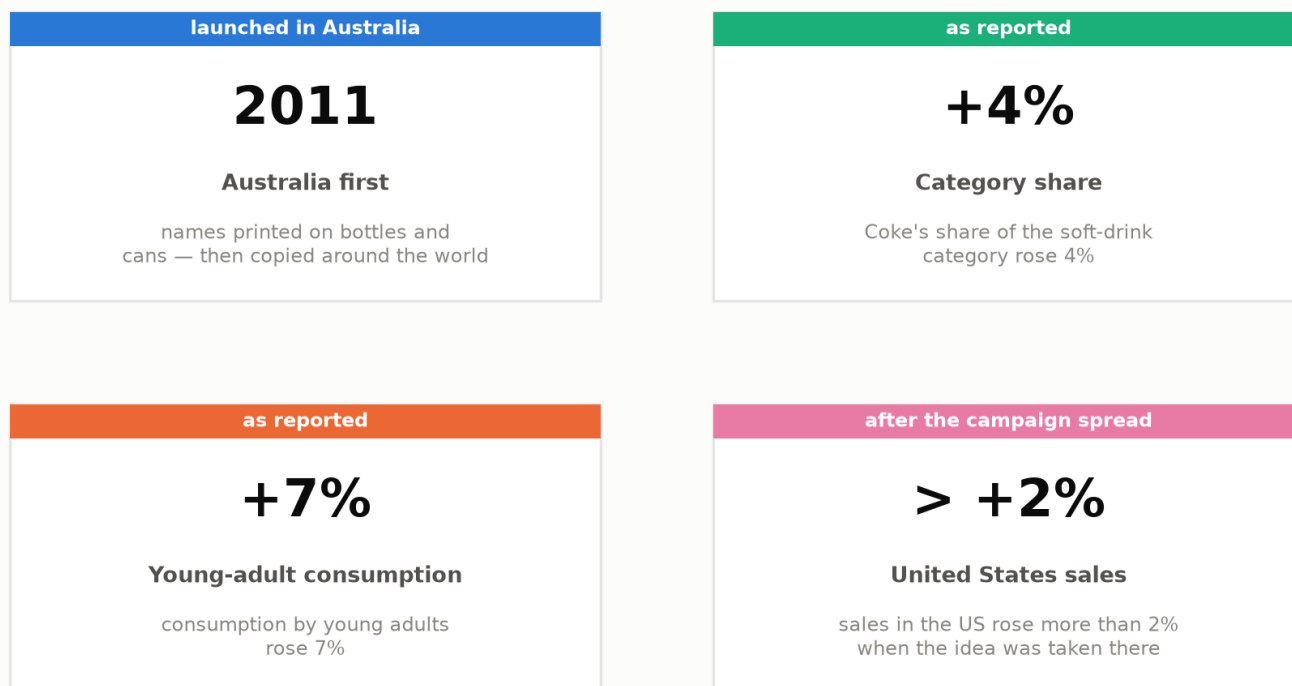


Wheel diagram with “the marketing mix” in the centre and six boxes around it: 1 Product (what is sold — the good or service and its features), 2 Price (what customers pay, and what that price signals), 3 Promotion (how buyers are told — ads, social media, specials), 4 Place (where it is bought — shop, online, delivery), 5 People (the staff who serve, and how customers are treated), 6 Presentation (how it looks — packaging, store and website design). Footer: the four Ps date from 1960, with people and presentation added later.

Figure 3: The 6 Ps of marketing (ClassBasics model).

A **campaign** is a planned push that pulls several Ps together around one idea. The most famous Australian-born campaign is probably “Share a Coke”. In 2011, Coca-Cola replaced its logo on bottles and cans with 150 of the country’s most common first names. The drink inside was unchanged — the product’s idea was new: a bottle with your name on it. People hunted for their own names and their friends’ names, and posted photos of the cans, so the buyers did the promotion for free. The results, as reported for Coca-Cola: the brand’s share of the soft-drink **category** (all the soft drinks sold) rose about 4%, its sales to young adults rose about 7%, and when the idea travelled overseas, sales in the United States later rose more than 2%. Mapped to the 6 Ps: presentation (the can itself is the message), promotion (name-hunting and photo-sharing), people (the campaign spoke to each buyer as a person), product (the same drink became a personal gift), price (unchanged — the extra value came from feelings, not cents) and place (everywhere Coke was already sold).

'Share a Coke' — a marketing campaign born in Australia



Campaign results as reported for Coca-Cola. Source: public reporting of the campaign, retrieved 26 August 2026.

Four stat tiles about the Share a Coke campaign: 2011, Australia first (names printed on bottles and cans, then copied around the world); +4% category share (Coke's share of the soft-drink category rose 4%); +7% young-adult consumption (consumption by young adults rose 7%); and more than +2% United States sales after the campaign spread there.

Figure 4: Results of the “Share a Coke” campaign, as reported for Coca-Cola. Source: public reporting of the campaign, retrieved 26 August 2026.

When a campaign backfires: Coles “Down Down” (VC2HE10K05.E01)

A price campaign only builds advantage for as long as buyers believe it. In 2010, Coles launched “**Down Down, prices are going down**”, a jingle set to a famous rock tune. The campaign ran, was refreshed and ran again, and was dropped in March 2018. Then came the court case. The Australian Competition and Consumer Commission (ACCC) said that between February 2022 and May 2023, more than 245 Coles products had been put up in price and then put on “special”, so the “discount” was not a real saving. In May 2026, the Federal Court found that Coles’ price-drop claims were misleading. The Australian Consumer Law makes misleading customers against the law.

Read the case through Figure 1. A “we are the cheaper choice” claim is the cheaper route. When a court shows the claim was not true, the advantage turns into damage: customers feel fooled, and trust, once lost, is the hardest thing in business to rebuild. Promotion and presentation carry the promise; the law, and the long run, demand that the promise be real.

A price campaign runs — then runs into the law



Source: public reporting of the Coles 'Down Down' campaign and the ACCC court case, retrieved 26 August 2026.

Timeline. 2010: Coles launches “Down Down, Prices Are Down”, set to a famous rock tune. 2011-17: the campaign is refreshed and run again in several new versions. March 2018: the “Down Down” campaign is dropped. February 2022 to May 2023: the ACCC alleges more than 245 products were put up in price before being sold as “discounted”. May 2026: the Federal Court finds Coles’ price-drop claims were misleading.

Figure 5: The Down Down campaign, from launch to the Federal Court’s finding. Source: public reporting of the campaign and the ACCC case, retrieved 26 August 2026.

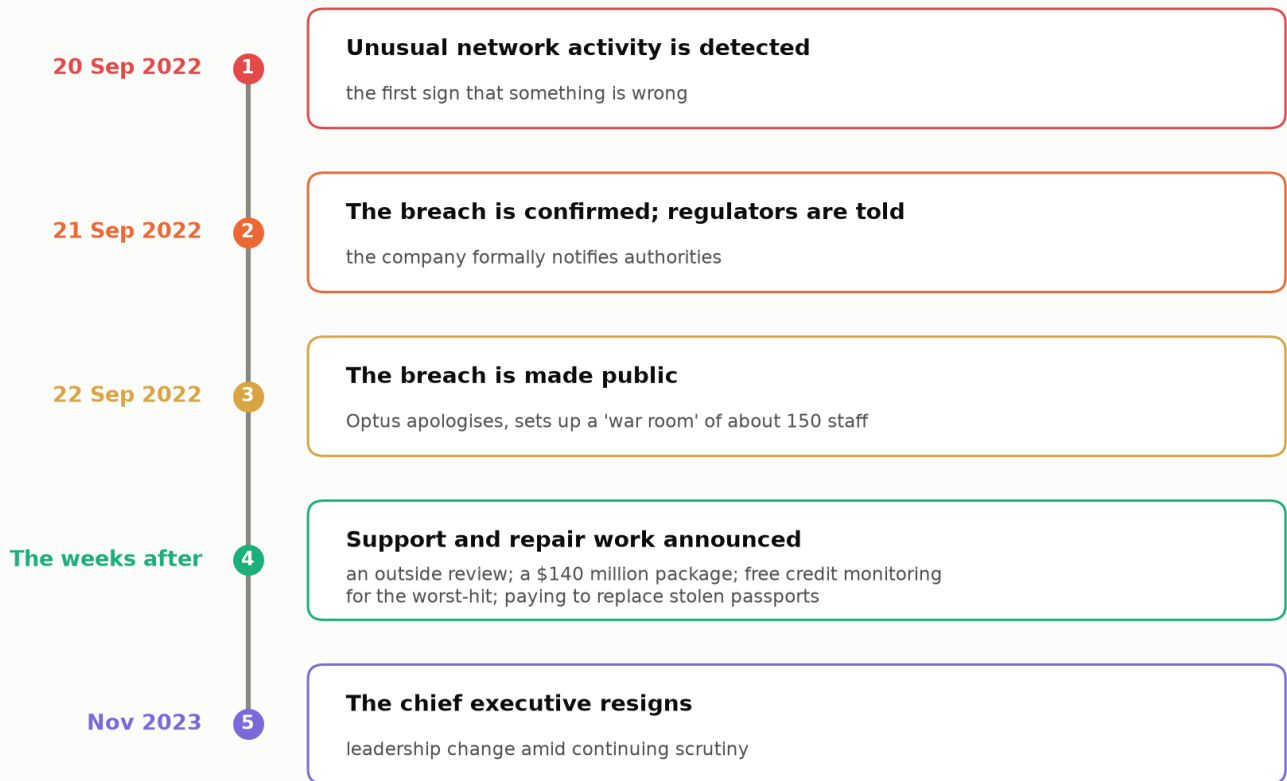
Public relations: the public’s view of you (VC2HE10K05.E03)

Public relations (PR) is the work a business does to build and look after its public image — not by buying ad space, but by earning attention and good will. PR strategies include community sponsorships and charity partnerships, media releases and interviews, social-media engagement, open days and school programs — and the hardest one, **crisis communication**, the response when something goes wrong in public.

On 20 September 2022, Optus noticed unusual activity on its network. The next day it confirmed a **data breach** — a break-in in which data is stolen — and told the authorities the law requires it to tell. On 22 September it went public: it apologised and stood up a “war room” of about 150 staff to answer customers. In the weeks that followed it announced an outside review, a \$140 million support package, free credit protection for the worst-hit customers, and payment to replace stolen passports. Up to 10 million current and past customers were affected, and 2.1 million identity documents were stolen. In November 2023 the chief executive resigned, amid continuing hard questions.

Set both sides out at full strength. The defence: Optus moved fast, apologised plainly, and put real money behind repair — a faster or kinder response is hard to imagine. The criticism: the breach exposed the risk of holding so much customer data in the first place; no amount of communication could undo that loss of trust; and the top job fell anyway. A reasoned reading: crisis PR can limit damage and start repair, but a public image finally follows conduct — communication rebuilds trust only when conduct changes too. A different judgement, argued from the same facts, is defensible; the facts are what must be right.

Crisis in the public eye: how Optus responded to the 2022 data breach



Up to 10 million current and past customers were affected. Source: public reporting of the breach and response, retrieved 26 August 2026.

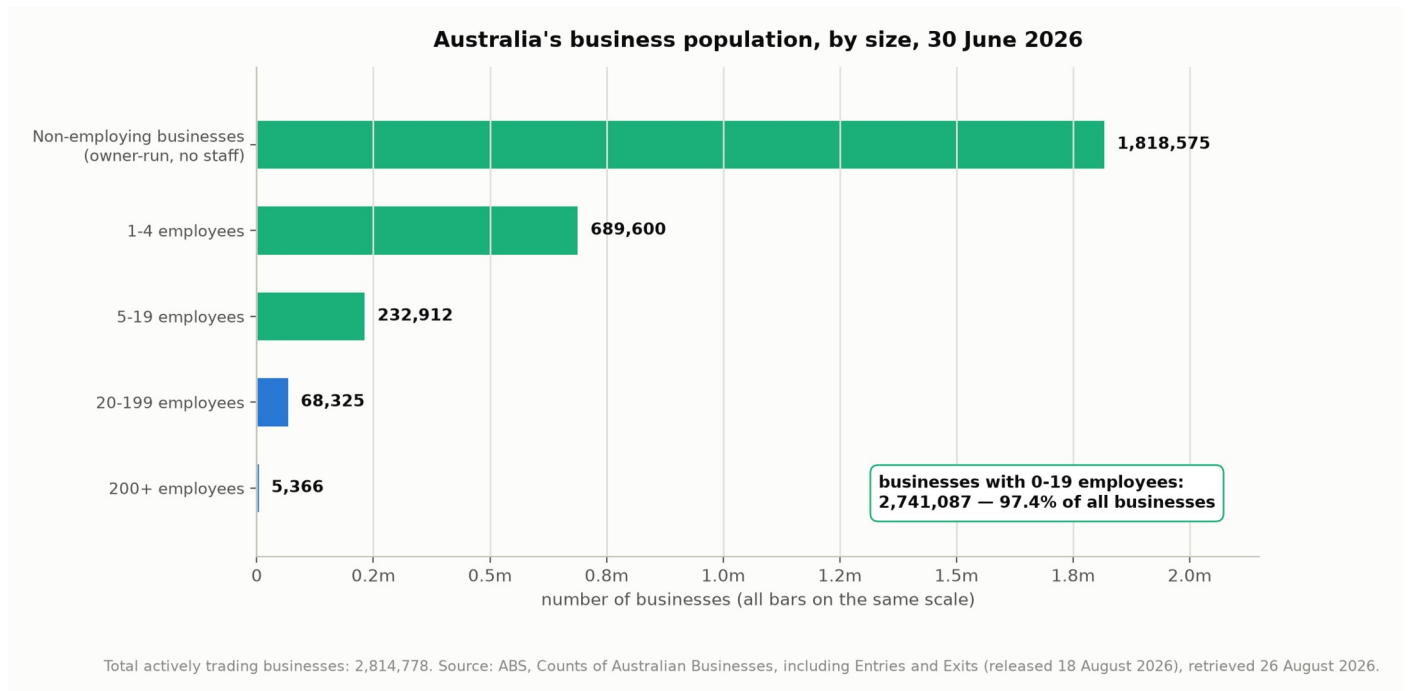
Vertical timeline of the Optus response. 20 September 2022: unusual network activity is detected. 21 September: the breach is confirmed and the authorities are told. 22 September: the breach is made public; Optus apologises and sets up a war room of about 150 staff. The weeks after: an outside review, a \$140 million support package, free credit protection for the worst-hit, and paying to replace stolen passports. November 2023: the chief executive resigns. Footer: up to 10 million current and past customers were affected.

Figure 6: How Optus responded to the 2022 data breach. Source: public reporting of the breach and the response, retrieved 26 August 2026.

Entrepreneurship: starting up, adapting, innovating (VC2HE10K05.E06)

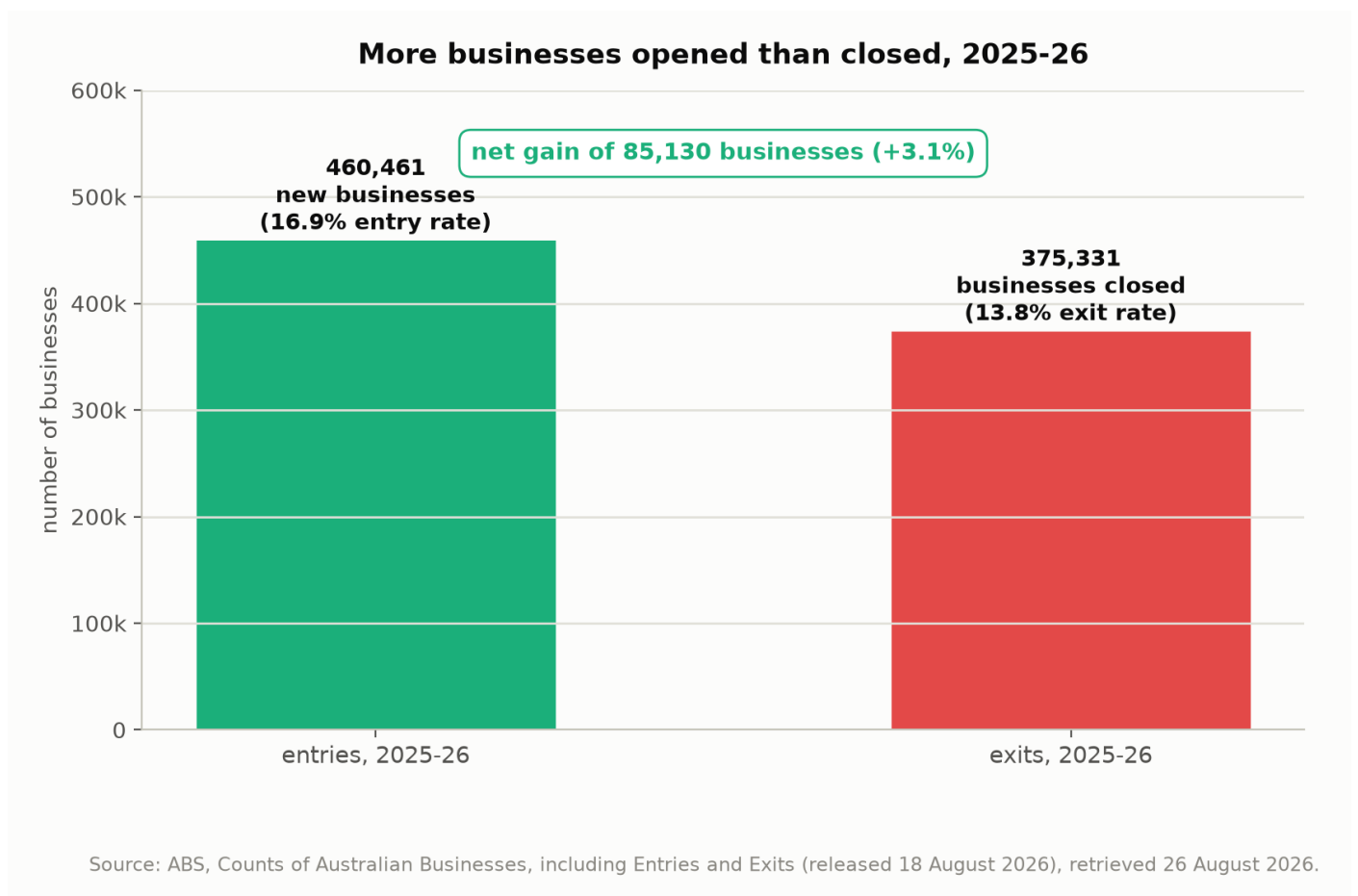
An **entrepreneur** is a person who starts and runs a new business, taking the risk that it may fail, in the hope of profit. **Entrepreneurship** is the skill and willingness to do that: spotting an opportunity, gathering the people and the money, and acting.

How common is it? Figure 7 shows Australia's business population by size on 30 June 2026: of the 2,814,778 trading businesses, 2,741,087 — 97.4% — employ between zero and nineteen people. Most Australian businesses are their owners. Figure 8 shows the flow of openings and closings: in 2025-26, 460,461 businesses entered (a 16.9% entry rate) and 375,331 exited (a 13.8% exit rate) — a net gain of 85,130. Entrepreneurs keep starting things; many businesses close; the economy keeps renewing itself.



Bar chart of actively trading Australian businesses by size, 30 June 2026: non-employing (owner-run, no staff) 1,818,575; 1-4 employees 689,600; 5-19 employees 232,912; 20-199 employees 68,325; 200+ employees 5,366. A note says businesses with 0-19 employees total 2,741,087, which is 97.4% of all businesses. Footer: total actively trading businesses 2,814,778.

Figure 7: Almost all Australian businesses are small. Source: ABS, Counts of Australian Businesses, including Entries and Exits (released 18 August 2026), retrieved 26 August 2026.

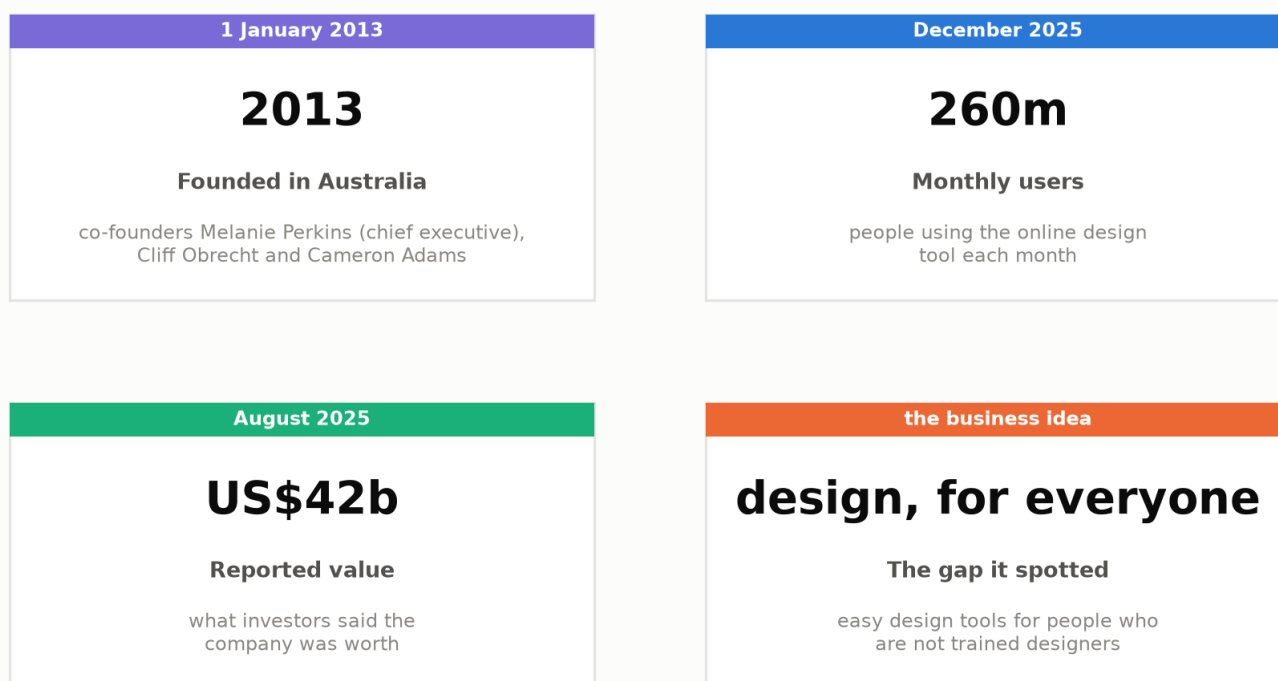


Bar chart for 2025-26: 460,461 new businesses entered (16.9% entry rate) and 375,331 businesses closed (13.8% exit rate). A note says this is a net gain of 85,130 businesses (+3.1%).

Figure 8: More businesses opened than closed in 2025-26. Source: ABS, Counts of Australian Businesses, including Entries and Exits (released 18 August 2026), retrieved 26 August 2026.

Case study: Canva. As a student in Perth, Melanie Perkins saw a gap: design software was expensive and hard to learn, so only trained designers could make things that looked good. With co-founders Cliff Obrecht and Cameron Adams, she started Canva in Sydney on 1 January 2013, betting that the internet could put easy, professional-quality design within everyone's reach. The entrepreneurs responded to two big changes: technology (fast internet and cloud software meant the tool could live in a web browser instead of a box) and market conditions (more and more people — students, teachers, small businesses — needed things that looked designed). By December 2025, Canva reported 260 million users a month; in August 2025, investors valued the company at US\$42 billion. **Innovation** — a new or much-improved product or method — driven by technology turned a Perth student's observation into one of the most valuable private companies in the world.

Canva: an Australian start-up that answered a gap in the market



Source: Canva company reporting (monthly users as at December 2025; reported value as at August 2025), retrieved 26 August 2026.

Four stat tiles about Canva: founded in Australia on 1 January 2013 by co-founders Melanie Perkins (chief executive), Cliff Obrecht and Cameron Adams; 260 million monthly users in December 2025; reported value US\$42 billion in August 2025; and the gap it spotted — easy design tools for people who are not trained designers.

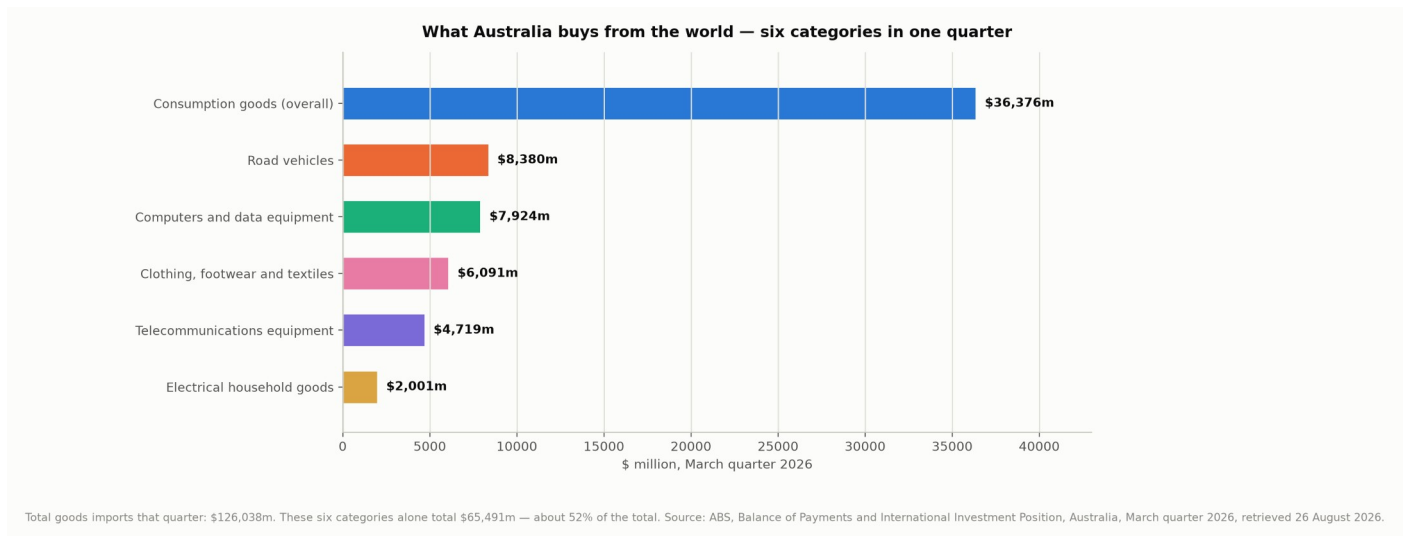
Figure 9: Canva, an Australian start-up that answered a gap in the market. Source: Canva company reporting, retrieved 26 August 2026.

Globalisation and international supply chains (VC2HE10K05.E04)

Globalisation is the growing connection of the world's economies: goods, services, money, people and ideas crossing borders more easily than ever before. A **multinational (transnational) corporation** is a firm that runs operations in more than one country — designing in one, making parts in others, assembling in a third, selling in many. A **supply chain** is the linked chain of steps a product travels from design to checkout; when the steps cross borders, it is an **international supply chain**.

Figure 10 shows why this matters to an Australian shopper. In the March quarter of 2026, Australia imported \$126,038 million of goods. Just six categories — consumption goods overall, road vehicles, computers and data equipment, clothing and footwear, telecommunications equipment, and electrical household goods — totalled \$65,491

million, about 52% of the whole. Most of the everyday things in an ordinary Australian home arrived through international supply chains.



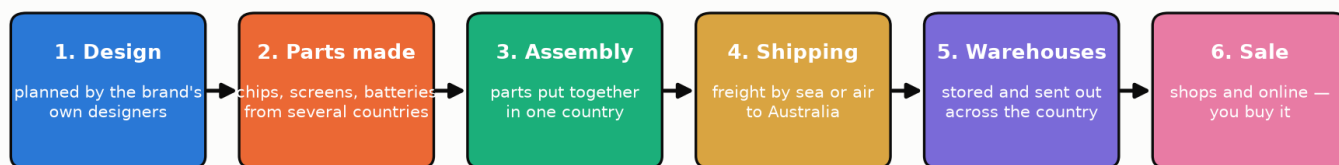
Bar chart of Australian goods imports, March quarter 2026: consumption goods overall \$36,376m; road vehicles \$8,380m; computers and data equipment \$7,924m; clothing, footwear and textiles \$6,091m; telecommunications equipment \$4,719m; electrical household goods \$2,001m. Footer: total goods imports that quarter were \$126,038m; these six categories total \$65,491m, about 52% of the total.

Figure 10: Six categories made up about half of Australia’s goods imports in one quarter. Source: ABS, Balance of Payments and International Investment Position, Australia, March quarter 2026, retrieved 26 August 2026.

Figure 11 follows one product — a smartphone sold in Australia — through a typical chain, and sets out the two sides. Businesses use international supply chains because inputs and labour can cost less overseas, parts can be bought where they are made best, and a firm can sell into many markets at once, spreading its costs over more sales. The risks: one hold-up anywhere — a blocked port, a parts shortage — can stop the whole chain; quality and working standards are harder to check at a distance; and exchange-rate swings can change costs overnight.

One product, many countries: an international supply chain

a smartphone sold in Australia, followed from design to checkout



Why businesses use them

- inputs and labour can cost less
- parts can be bought where they are made best
- goods can be sold in many countries at once

The risks that come with them

- one hold-up anywhere can stop the whole chain
- standards and quality are harder to check far away
- exchange-rate swings change costs overnight

ClassBasics model | Multinational (transnational) corporations run chains like this across borders.

Flow diagram of an international supply chain for a smartphone sold in Australia: 1 design (planned by the brand's own designers), 2 parts made (chips, screens and batteries from several countries), 3 assembly (parts put together in one country), 4 shipping (freight by sea or air to Australia), 5 warehouses (stored and sent out across the country), 6 sale (shops and online — you buy it). Below, two boxes. Why businesses use them: inputs and labour can cost less; parts can be bought where they are made best; goods can be sold in many countries at once. The risks: one hold-up anywhere can stop the whole chain; standards and quality are harder to check far away; exchange-rate swings change costs overnight. Footer: multinational (transnational) corporations run chains like this across borders.

Figure 11: One product, many countries — an international supply chain, with its advantages and its risks (ClassBasics model).

Tie the chain back to the strategy: multinationals use international supply chains as tactics in service of a strategy — the cheaper route (lower costs) or the different route (better parts, better product).

Judging a competitive strategy: a four-step method

Competitive strategy is contested ground — sensible people weigh the same facts differently, as the Optus discussion and the Porter-Barney disagreement show. Use a four-step method:

1. **Goal.** Name what the business is trying to achieve — profit, market share, survival, reputation.
2. **Gauges.** Pick the evidence — sales, market share, profit, customer surveys, court findings.
3. **Both sides at full strength.** Put the strongest case for and the strongest case against; never argue a weak version of either side.
4. **Reasoned judgement.** Decide what the evidence best supports, and say what new evidence would change your mind.

A short example. “Is ‘always the cheapest’ an advantage a business can keep?” Goal: win the price-sensitive buyers. Gauges: market share, and costs measured against rivals’. Both sides: for — price is what many shoppers choose by first, and big sales volumes can drive costs down further (Aldi’s model); against — there is nearly always someone who can go cheaper somewhere, and a price war leaves no money to invest. Judgement: the cheaper route works for as long as costs stay below every rival’s, but it must be defended every day — which is exactly why the bottom box of Figure 1 says an advantage is maintained only by defending it.

Worked examples (scaffolded)

WE1 (VC2HE10K05.E02) — Identify the advantage. For Bunnings, Kmart and Qantas (Table 1), name the advantage and the main route in Figure 1. *Scaffold — ask two questions per business:* (1) If a rival opened next door tomorrow, why would customers still come here? (2) Is that mostly about price, or mostly about being different? *Model identification:* Bunnings — the widest range plus a lowest-price promise and a store experience; both routes, leaning different. Kmart — very low prices on stylish basics; the cheaper route. Qantas — the biggest Australian network, the frequent-flyer program, a trusted brand; the different route.

WE2 (VC2HE10K05.E01) — Map “Share a Coke” to two Ps. Pick two of the 6 Ps and explain how the campaign used each one. *Scaffold — write one sentence per P, in this shape:* “The P was used because...” Use only facts from the campaign: names on cans, photos shared, the drink unchanged, the price unchanged. *Model mapping (two of several):* Presentation — the can itself carried the message, because your name on a can is packaging that speaks to you. Promotion — the buyers promoted it for free, because hunting for names and sharing photos was the game. (Product or People, argued the same way from the facts, earns full marks too.)

WE3 (VC2HE10K05.E06) — Numeracy on the business counts. Use Figure 8. (a) How many more businesses entered than exited in 2025-26? (b) The growth rate is measured against the number trading a year earlier. Work out that earlier number, then the net gain as a percentage of it, to one decimal place. *Scaffold — fill in:* (a) entries – exits = $460,461 - 375,331 = \underline{\hspace{2cm}}$. (b) earlier number = $2,814,778 - \text{your answer to (a)} = \underline{\hspace{2cm}}$. Percentage = $\text{your (a)} \div \text{earlier number} \times 100 = \underline{\hspace{2cm}}$. *Model working:* (a) $460,461 - 375,331 = \mathbf{85,130}$. (b) $2,814,778 - 85,130 = 2,729,648$; $85,130 \div 2,729,648 \times 100 = 3.118\ldots\% \approx \mathbf{3.1\%}$ — matching the +3.1% net gain shown in Figure 8.

Worked examples (unscaffolded)

WE4 (VC2HE10K05.E03) — Evaluate the Optus crisis response. *Model answer (four-step method):* (1) **Goal:** limit the damage to Optus’s public image and begin to repair trust. (2) **Gauges:** speed of going public (public within two days of the first sign, with an apology and a war room of about 150 staff); the real repairs (the \$140 million package, passport replacement, free credit protection); the later signals (continuing hard questions; the chief executive’s resignation in November 2023). (3) **Both sides:** for the response — fast, open, apologetic and backed with real money; against it — the breach exposed the risk of holding data on up to 10 million people, communication cannot undo that, and the top job fell anyway. (4) **Judgement:** as crisis communication the response was strong; as trust repair it could only be a first step, because image follows conduct. (Marks go to the reasoning; a different judgement argued from the same facts earns full marks.)

WE5 (VC2HE10K05.E04) — Weigh an international supply chain. An Australian smartphone firm makes everything at home and sells only here. A director proposes moving to an international supply chain like Figure 11. Give two advantages and two disadvantages for this firm. *Model answer:* Advantages — chips and screens bought where they are made best and cheapest would cut costs (the cheaper route) and would likely lift quality (the different route); selling overseas as well as at home would spread costs over more sales. Disadvantages — a hold-up at any link (a shipping blockage, a parts shortage) stops the whole chain; quality and working standards are harder to check at a distance; exchange-rate swings would make costs uncertain.

Practice questions — scaffolded

Q1 (K05). In your own words: what is a competitive advantage? (2 marks)

Q2 (K05). Strategy or tactic? (a) “Be the trusted cheapest supermarket.” (b) This week’s 20%-off bread special. (2 marks)

Q3 (E01). List the 6 Ps of marketing. (6 marks)

Q4 (K05/E02). Figure 1 names two main routes to advantage. For each route, name one business from Table 1 that mostly uses it. (2 marks)

Q5 (E06). What is an entrepreneur, and what risk does an entrepreneur take? (2 marks)

Q6 (E04). What is a multinational (transnational) corporation? (2 marks)

Q7 (E06). Read Figure 8: how many businesses closed in 2025-26? (1 mark)

Q8 (E03). Name one PR strategy a business might use in a good year (not a crisis). (1 mark)

Practice questions — unscaffolded

Q9 (E02). Choose two businesses from Table 1. For each, identify the competitive advantage and say which route in Figure 1 it mainly uses, with one piece of evidence. (4 marks)

Q10 (E01). “Share a Coke” left the price unchanged and the drink unchanged. Using two of the 6 Ps, explain how the campaign still built a competitive advantage for Coca-Cola. (4 marks)

Q11 (E01). Using the Down Down case, explain why a price promotion can damage a competitive advantage instead of building one. Refer to the Federal Court’s May 2026 finding. (4 marks)

Q12 (E03). Evaluate Optus’s public-relations response to the 2022 data breach, using the four-step method. Cite at least three facts from the Figure 6 timeline. (6 marks)

Q13 (E06). Explain how Canva’s founders responded to changes in technology and in market conditions, and name one figure from Figure 9 that shows the business succeeded. (4 marks)

Q14 (E04). Explain two advantages and two disadvantages of international supply chains for an Australian business, using Figure 11. (4 marks)

Q15 (E04, numeracy). Figure 10: add the six named categories, and show that they made up about 52% of the goods imports of the March quarter 2026. Show your working. (4 marks)

Q16 (achievement standard). “Once a competitive advantage is won, it is yours for good.” Discuss, using at least two businesses from this section and both routes in Figure 1. (6 marks)

Answers

WE1. Bunnings: range + lowest-price promise + experience; both routes. Kmart: low prices on stylish basics; cheaper. Qantas: network, frequent-flyer program, brand; different. **WE2.** Presentation: the can is the message. Promotion: buyers shared names for free. (Product or People acceptable, argued from the facts.) **WE3.** (a) 85,130. (b) 2,729,648; $85,130 \div 2,729,648 \approx 3.1\%$. **WE4.** Strong as crisis communication; only a first step as trust repair, because image follows conduct. **WE5.** Advantages: cheaper and better inputs; more markets. Disadvantages: one hold-up stops the chain; standards hard to check at a distance; exchange-rate swings. **Q1.** Customers choose you ahead of rivals, and keep choosing you, because of something rivals do not match. **Q2.** (a) strategy. (b) tactic. **Q3.** Product, price, promotion, place, people, presentation. **Q4.** Cheaper: Kmart (or Woolworths/Coles). Different: Qantas (or Canva/Bunnings). **Q5.** A person who starts and runs a new business; the risk that it may fail, losing the money and effort put in, in the hope of profit. **Q6.** A firm that runs operations in more than one country. **Q7.** 375,331. **Q8.** Any one of: a community sponsorship, a charity partnership, a media release, a school program, social-media engagement. **Q9.** Any two rows of Table 1, with the advantage named, the route chosen and one piece of evidence. **Q10.** Any two Ps, argued from the campaign facts (names on cans; photos shared; drink and price unchanged). **Q11.** The cheaper route needs trust; the Federal Court found the price-drop claims misleading; fooled customers stop believing the price story, so the campaign damaged the advantage instead of building it. **Q12.** See Fully-worked solutions. **Q13.** Technology: a browser tool instead of expensive software. Conditions: more non-designers needing things that look designed. Figure: 260 million monthly users, or the US\$42 billion value. **Q14.** Advantages: lower costs; best-made parts; more markets to sell into. Disadvantages: hold-ups stop the chain; standards harder to check; exchange-rate risk. **Q15.** $36,376 + 8,380 + 7,924 + 6,091 + 4,719 + 2,001 = \$65,491\text{m}$; $65,491 \div 126,038 \approx 0.52 = 52\%$. **Q16.** See Fully-worked solutions.

Fully-worked solutions

Q11 (4 marks). The advantage Coles claimed was the cheaper route: “down down, prices are going down” told shoppers Coles kept cutting prices (1 mark). The Federal Court found in May 2026 that more than 245 “discounts” had followed price rises, so the price-drop claims were misleading (1 mark). A cheaper-route advantage only works while shoppers believe it; shoppers who feel fooled stop trusting the price story, so the campaign that was meant to build advantage damaged it (1 mark). The law agrees: the Australian Consumer Law makes misleading customers against the law, so a false price story also brings court findings that hurt the brand further (1 mark).

Q12 (6 marks). Step 1, goal (1 mark): protect Optus’s public image and begin to repair trust after the breach became public on 22 September 2022. Step 2, gauges (2 marks for three or more facts): speed — public apology within two days of the first sign, and a war room of about 150 staff; substance — the \$140 million package, free credit protection, paying to replace stolen passports; later signals — continuing hard questions, and the chief executive’s resignation in November 2023. Step 3, both sides (2 marks): for — fast, open, backed with real money, a strong crisis response; against — communication cannot undo the loss of trust when data on up to 10 million people is stolen, and the leadership fell anyway. Step 4, judgement (1 mark): any reasoned position, e.g. “strong crisis PR that could only ever be a first step, because image follows conduct” — marks go to reasoning from the facts, not to the side chosen.

Q14 (4 marks). Advantage 1 (1 mark): inputs and labour can cost less overseas, so the firm can take the cheaper route. Advantage 2 (1 mark): parts bought where they are made best lift quality, and selling into many markets spreads costs over more sales. Disadvantage 1 (1 mark): one hold-up anywhere — a blocked port, a parts shortage — stops the whole chain. Disadvantage 2 (1 mark): quality and working standards are harder to check at a distance, and exchange-rate swings change costs overnight.

Q15 (4 marks). Total (2 marks): $36,376 + 8,380 + 7,924 + 6,091 + 4,719 + 2,001 = \$65,491 \text{ million}$. Share (2 marks): $65,491 \div 126,038 = 0.5196 \approx 52\%$ — six categories alone made up about half of all goods imports that quarter.

Q16 (6 marks). Case for (2 marks): some advantages last a long time while rivals cannot copy them — Qantas’s network and frequent-flyer program, or Canva’s head start and brand in easy design. Case against (2 marks): rivals copy what works — Aldi’s cheaper route pushed Woolworths and Coles into years of price fighting — and the Down Down story shows an advantage can also be lost to a business’s own mistakes (the court finding of May 2026). Judgement (2 marks): any reasoned position, e.g. “an advantage is never won for good; it is rented, and the rent is paid in daily defence” — scored on reasoning and examples, not on the side chosen.

Sources

All sources retrieved 26 August 2026 unless stated.

- Australian Bureau of Statistics, Counts of Australian Businesses, including Entries and Exits (released 18 August 2026).
- Australian Bureau of Statistics, Balance of Payments and International Investment Position, Australia, March quarter 2026.
- Victorian Curriculum F-10 Version 2.0, Economics and Business, Levels 9 and 10 (VC2HE10K05 and elaborations).
- Michael Porter, *Competitive Advantage: Creating and Sustaining Superior Performance* (1985) — source of the two-route model used in Figure 1 (concept attribution).
- E. Jerome McCarthy, *Basic Marketing* (1960) — source of the 4 Ps that the 6 Ps extend (concept attribution).
- Canva company reporting (founded 1 January 2013; 260 million monthly users, December 2025; reported value US\$42 billion, August 2025).
- Public reporting of the “Share a Coke” campaign and its results (Australia 2011; +4% category share; +7% young-adult consumption; more than +2% United States sales).
- Public reporting of the Coles “Down Down” campaign, the ACCC case and the Federal Court’s misleading-conduct finding (May 2026).
- Public company and market-research reporting of supermarket shares (Woolworths, 2023; Roy Morgan, 24 March 2020).
- Public reporting of the 2022 Optus data breach and the company’s response (September 2022 to November 2023).

People and performance: human resource management, motivation and competitiveness

Curriculum trace. Content description **VC2HE10K06**. Elaborations drawn in this section:

VC2HE10K06.E01, VC2HE10K06.E02, VC2HE10K06.E03. Scope note: the second half of this band's achievement standard sentence — unions and employer groups at work — is taught in Section 2C, and superannuation is taught in Section 2E; both are named here only to route them, and they are not taught here. Achievement standard: Levels 9 and 10.

On 1 July 2026 the national minimum wage rose to \$26.44 an hour — \$1,004.90 for a 38-hour week. That single number, set by the Fair Work Commission's annual wage review, touches every employer in Australia: no one can lawfully be paid less. It is also only one of the people-choices this section covers. **Human resource management (HRM)** is the set of choices a business makes about its people — who to hire, how to train them, how to pay them, how to keep them safe and how to keep them keen to work well. This section follows those choices into two linked results: **productivity**, the amount of output each hour of work produces, and **competitiveness**, the ability of a business to keep winning customers against its rivals. In Years 7–8 you met the idea that businesses exist to provide goods and services; this section goes inside the business, to the people who do the work. Every real number in this section is Australian and sourced, retrieved 26 August 2026; the smoothie bar and the student resume are invented and labelled as invented.

Theory

What is human resource management? (VC2HE10K06)

The **human resources** of a business are its people — their skills, their effort and their time. **Human resource management (HRM)** is how a business looks after those resources: the choices it makes about hiring, training, pay, performance and safety. Figure 1 sorts the work of HRM into five main functions.

The five main functions of human resource management

Function	What it involves	Link to productivity
Recruitment and selection	working out what staff are needed, advertising, choosing and hiring	starts with people who can do the job
Training and development	building skills on the job and through formal courses or qualifications	workers become faster, safer and make fewer mistakes
Pay and conditions	setting pay, hours and benefits within the legal minimums (awards, agreements)	attracts and keeps good staff; rewarded effort is repeated
Performance management	setting goals, giving feedback and reviewing how work is going	problems are fixed early and good work is noticed
Health, safety and wellbeing	a safe workplace and manageable workloads	fewer injuries and absences; people stay longer

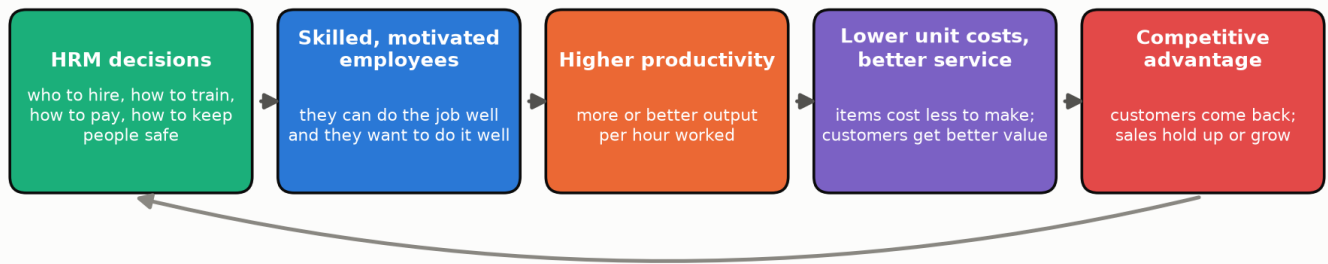
ClassBasics table. All five functions overlap in practice - a training decision is also a pay decision is also a safety decision.

Table figure with five rows. Recruitment and selection: working out what staff are needed, advertising, choosing and hiring; link to productivity: starts with people who can do the job. Training and development: building skills on the job and through formal courses or qualifications; link: workers become faster, safer and make fewer mistakes. Pay and conditions: setting pay, hours and benefits within the legal minimums (awards, agreements); link: attracts and keeps good staff, and rewarded effort is repeated. Performance management: setting goals, giving feedback and reviewing how work is going; link: problems are fixed early and good work is noticed. Health, safety and wellbeing: a safe workplace and manageable workloads; link: fewer injuries and absences, and people stay longer.

Figure 1: The five main functions of human resource management (ClassBasics table).

Why would a business spend money on these functions? Figure 2 shows the chain the spending is meant to set in motion: good HRM decisions produce skilled, motivated employees; skilled, motivated employees are more productive; higher productivity lowers the cost of each item sold and improves service; and lower unit costs plus better service add up to a **competitive advantage** — an edge that makes customers choose you ahead of rivals. The chain also runs backwards: success can fund more training, better pay and better conditions. Every link is a choice, and every link can break.

From HRM decisions to competitive advantage



Success can fund more training, better pay and better conditions - the chain can run again

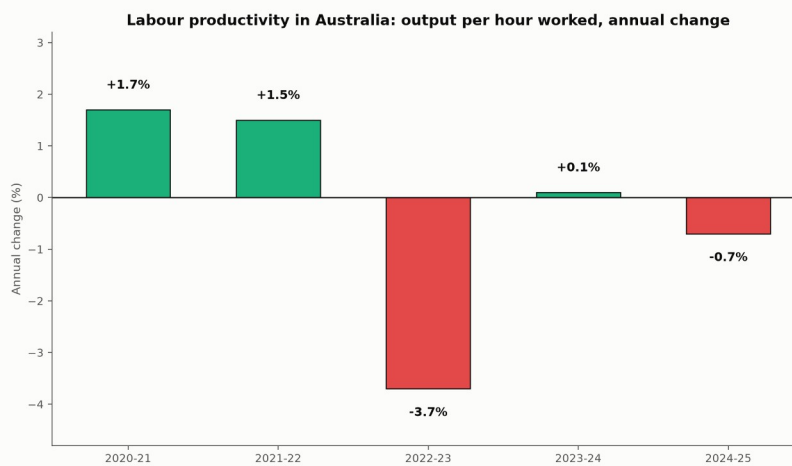
ClassBasics model. Each link is a choice a business makes - and each link can break if it is managed badly.

Flow diagram of five boxes joined by arrows: HRM decisions (who to hire, how to train, how to pay, how to keep people safe) leads to skilled, motivated employees (they can do the job well and they want to do it well), leads to higher productivity (more or better output per hour worked), leads to lower unit costs, better service (items cost less to make; customers get better value), leads to competitive advantage (customers come back; sales hold up or grow). A feedback arrow runs from competitive advantage back to HRM decisions. Footer: success can fund more training, better pay and better conditions — the chain can run again.

Figure 2: From HRM decisions to competitive advantage (ClassBasics model).

Productivity: the link that pays for everything (VC2HE10K06.E01)

Productivity is output per unit of input — for a worker, how much is made or done per hour worked. At the level of the whole economy, the Australian Bureau of Statistics (ABS) measures it as GDP (the total value of goods and services produced) per hour worked. Figure 3 shows the annual change in that measure for the last five financial years. Read it carefully: in two of the five years — 2022-23 and 2024-25 — output per hour went backwards. When productivity falls, paying for wage rises without raising prices gets harder for every employer at once, which is exactly why employers look hard at the strategies in this section.



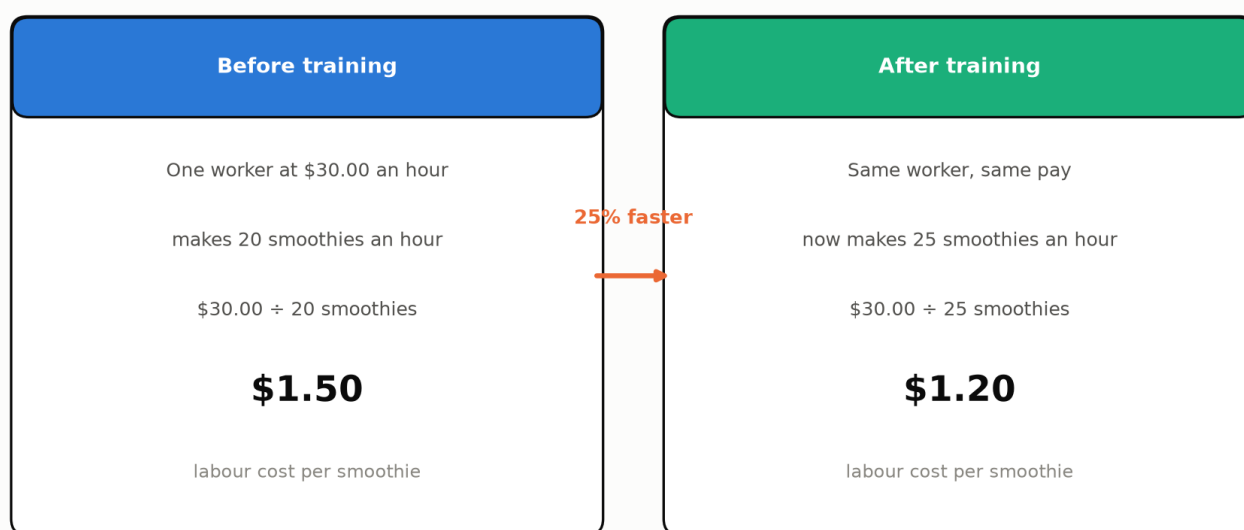
GDP per hour worked, change on the previous financial year. Two of the last five years were negative — the reason employers look hard at productivity. Source: ABS, Australian System of National Accounts 2024-25 (released 24 October 2025), retrieved 26 August 2026.

Bar chart of labour productivity in Australia, output per hour worked, annual change: 2020-21 +1.7%; 2021-22 +1.5%; 2022-23 minus 3.7%; 2023-24 +0.1%; 2024-25 minus 0.7%. Footer: GDP per hour worked, change on the previous financial year; two of the last five years were negative.

Figure 3: Labour productivity in Australia: output per hour worked, annual change. Source: ABS, Australian System of National Accounts 2024-25 (released 24 October 2025), retrieved 26 August 2026.

The reason employers care is unit labour cost — the wage cost packed into each item sold. Figure 4 is an invented example that shows the maths.

Productivity can lower the cost of each item sold



At 1,000 smoothies a week, that saves the business \$300 a week in labour cost — without cutting anyone's pay.

ClassBasics invented example. All numbers are made up for this book.

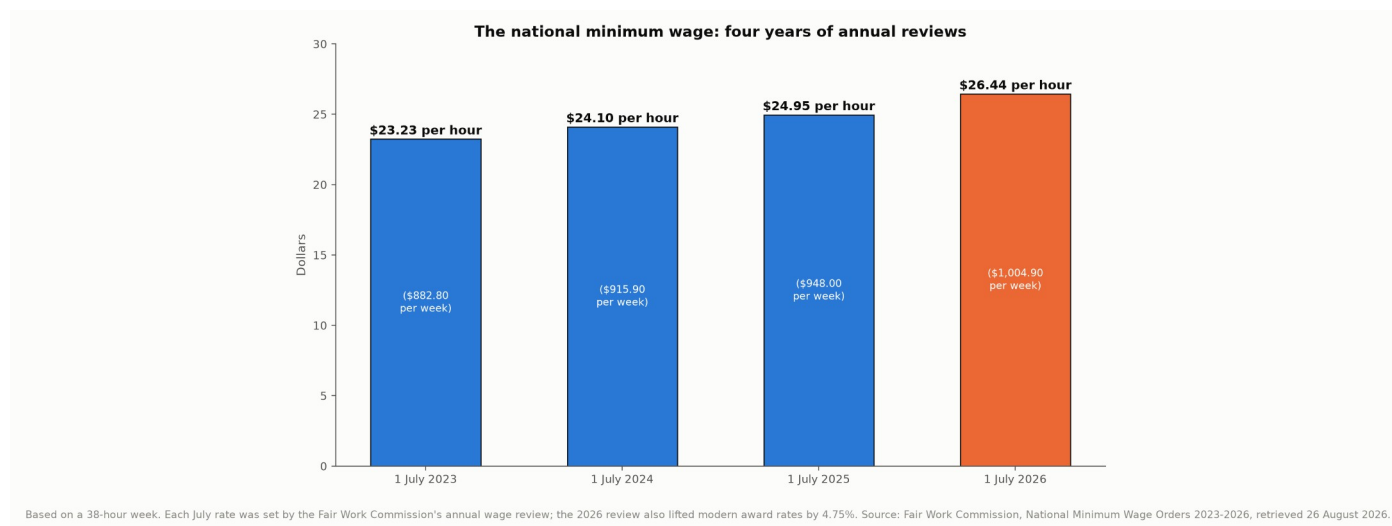
Two-panel invented example. Before training: one worker at \$30.00 an hour makes 20 smoothies an hour, so \$30.00 divided by 20 smoothies is \$1.50 labour cost per smoothie. After training: the same worker on the same pay makes 25 smoothies an hour (25% faster), so \$30.00 divided by 25 smoothies is \$1.20 labour cost per smoothie. Footer: at 1,000 smoothies a week, that saves the business \$300 a week in labour cost without cutting anyone's pay; ClassBasics invented example, all numbers made up for this book.

Figure 4: How higher productivity lowers the labour cost of each item sold (ClassBasics invented example).

Notice what the example does **not** do: it does not cut the worker's pay or speed the worker up by force. The worker is the same, the pay is the same, and the training lifted what one hour of work produces. That is the HRM version of the cheaper route to advantage — and the worker keeps their full wage while the business gets a lower cost per sale.

The legal floor: the minimum wage and the NES (VC2HE10K06)

Every pay decision in Australia starts from a legal floor. The **Fair Work Commission** reviews wages every year; the **national minimum wage** is the least any adult employee can be paid, and most workers are covered by a **modern award** — a legal pay and conditions rulebook for a particular industry or job. Figure 5 shows four years of reviews: the floor has climbed from \$23.23 an hour on 1 July 2023 to \$26.44 on 1 July 2026.



Bar chart of the national minimum wage, hourly rate: 1 July 2023 \$23.23 per hour (\$882.80 per week); 1 July 2024 \$24.10 per hour (\$915.90 per week); 1 July 2025 \$24.95 per hour (\$948.00 per week); 1 July 2026 \$26.44 per hour (\$1,004.90 per week), the 2026 bar highlighted. Footer: based on a 38-hour week; the 2026 review also lifted modern award rates by 4.75%.

Figure 5: The national minimum wage, four years of annual reviews. Source: Fair Work Commission, National Minimum Wage Orders 2023–2026 and Annual Wage Review 2026 decision, retrieved 26 August 2026.

Above the wage floor sit the **National Employment Standards (NES)** — the minimum conditions written into the *Fair Work Act 2009*, an Australian Government law, that apply to every employee in Australia. No contract, award or agreement can go below them. Table 1 condenses the six most visible in everyday HRM.

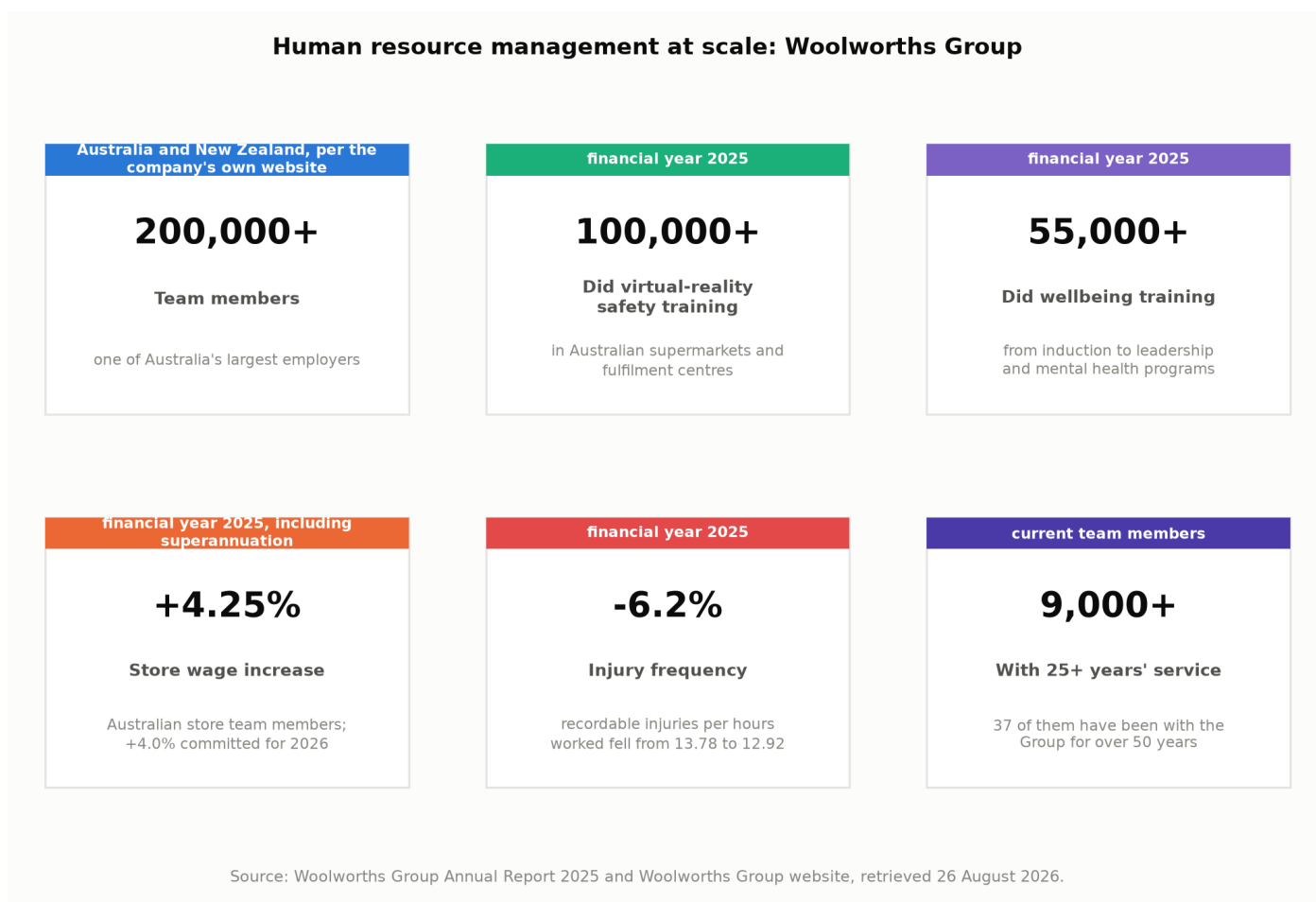
Table 1: Six of the National Employment Standards — the legal floor under every Australian job.

Standard	What it gives	Why it matters for HRM
Maximum weekly hours	38 hours a week, plus only reasonable extra hours	rosters and overtime are a legal choice, not just a business one
Annual leave	4 weeks of paid leave a year	time off is planned and paid, so rested staff return to work
Personal/carer's leave	10 days of paid leave a year for sickness or caring	sick staff stay home without losing pay, and recover sooner
Parental leave	up to 12 months of unpaid leave, with related rights	parents can return to their jobs, so skills are not lost
Public holidays	paid days off on public holidays	penalty rates and time off in lieu are built on this
Notice and redundancy pay	written notice of ending a job, and redundancy pay based on years of service	ending a job fairly is part of HRM too

An HRM strategy that looks cheap but sits below this floor — unpaid “trial shifts” that go for hours, cash jobs with no leave, rosters of 50-hour weeks — is not a strategy; it is against the law.

Strategy 1: workforce training at scale — Woolworths Group (VC2HE10K06.E01)

Workforce training is the first strategy the elaboration names, and one of Australia’s largest employers shows what it looks like at scale. Woolworths Group employs more than 200,000 team members across Australia and New Zealand. Figure 6 sets out six facts from the company’s own reporting for financial year 2025.



Six stat tiles about Woolworths Group. 200,000+ team members in Australia and New Zealand, one of Australia’s largest employers. 100,000+ team members did virtual-reality safety training in Australian supermarkets and fulfilment centres in financial year 2025. 55,000+ did wellbeing training, from induction to leadership and mental health programs. +4.25% store wage increase for Australian store team members in financial year 2025, including superannuation, with +4.0% committed for 2026. Injury frequency fell 6.2%, recordable injuries per hours worked falling from 13.78 to 12.92. 9,000+ current team members have 25 or more years of service, and 37 have been with the Group for over 50 years.

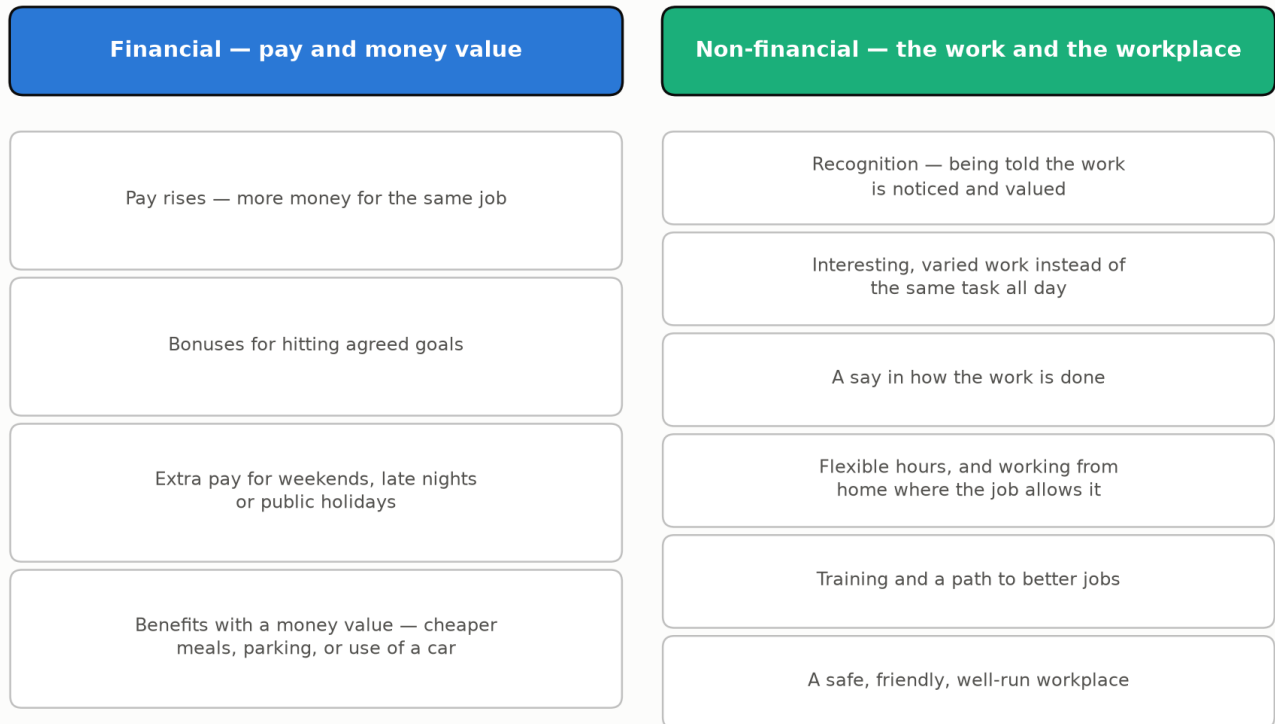
Figure 6: Human resource management at scale: Woolworths Group. Source: Woolworths Group Annual Report 2025 and Woolworths Group website, retrieved 26 August 2026.

Map the tiles onto the chain in Figure 2. The virtual-reality safety training (100,000+ staff) and the wellbeing training (55,000+) build skill and confidence — the “skilled” link. The 4.25% wage rise and the committed 4.0% for 2026 speak to the “motivated” link and to keeping good staff: a team member who is paid above the floor and sees next year’s rise already promised has a reason to stay. Staying shows in the last tile: more than 9,000 current team members have served 25 years or more. And the safety training shows in the injury tile: recordable injuries per hours worked fell 6.2%, from 13.78 to 12.92 — fewer hurt people, fewer lost hours, lower costs. Training here is not a kindness; it is a productivity strategy that also happens to be good for the people trained.

Strategy 2: motivation — financial and non-financial (VC2HE10K06.E01)

Motivation, as this section uses the word, means the reasons a worker puts in effort — the will to do the job well, not just to be present. The word is contested: experts and managers disagree about which levers matter most, so this section defines the two families of strategies (Figure 7) and then sets out the debate at full strength.

Motivation strategies: two families



ClassBasics model. Which family matters more is contested — people weigh them differently, and the debate in this section tests both sides.

Two-column diagram. *Financial — pay and money value*: pay rises (more money for the same job); bonuses for hitting agreed goals; extra pay for weekends, late nights or public holidays; benefits with a money value such as cheaper meals, parking, or use of a car. *Non-financial — the work and the workplace*: recognition (being told the work is noticed and valued); interesting, varied work instead of the same task all day; a say in how the work is done; flexible hours and working from home where the job allows it; training and a path to better jobs; a safe, friendly, well-run workplace.

Figure 7: Motivation strategies: two families (ClassBasics model).

The money-first view, at full strength. Effort costs the worker — tiredness, time away from family and friends — and pay is the reward that makes the effort worth giving. A bonus for hitting an agreed goal says “we noticed” in a form everyone understands and can spend. Extra pay for weekend, night and public-holiday work fairly compensates for the hours nobody wants. And a business that pays below its rivals will watch its best workers walk to those rivals, taking their training with them. On this view, pay is not one motivation strategy among many; it is the one every other strategy stands on.

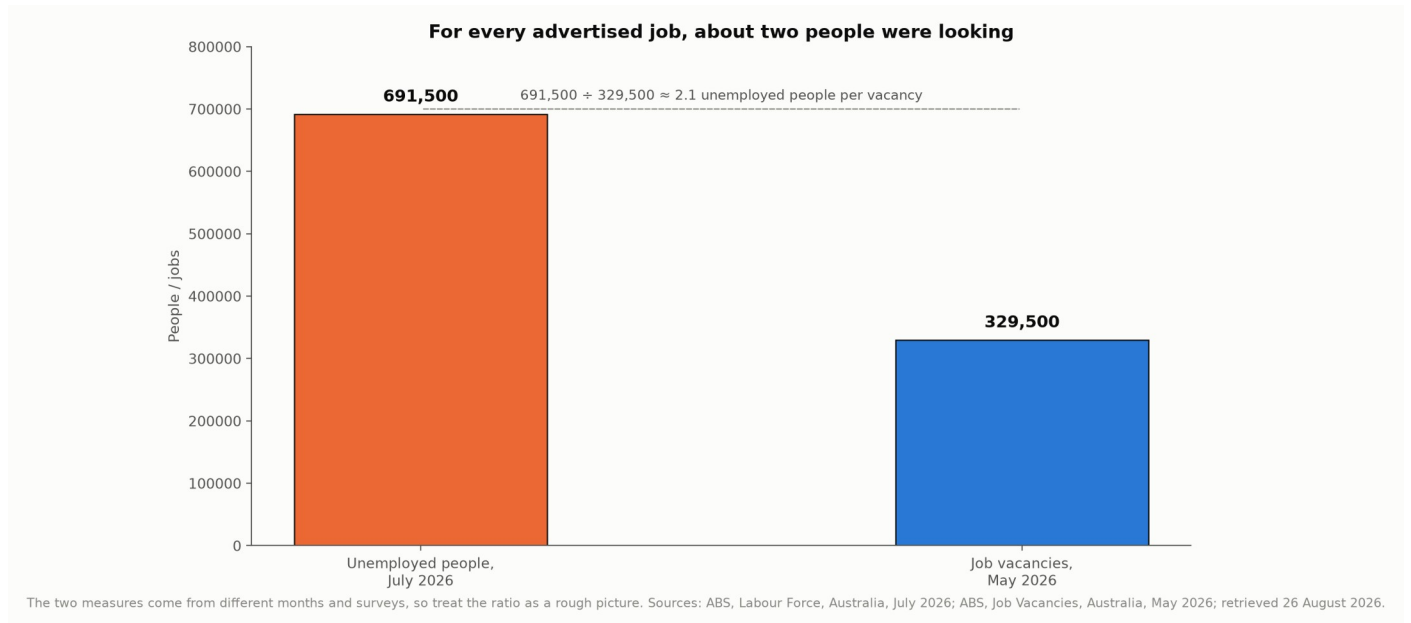
The non-financial view, at full strength. Most people do their best work for reasons money cannot buy: pride in work done well, being trusted, having a say in how the job is done, a team that has your back. A bonus stops motivating on the day it becomes expected, and a pay rise feels like the new normal within months — yet two jobs on identical pay can differ completely in how long people stay and how hard they try, depending on how the work feels. On this view, money buys attendance; the work and the workplace buy effort.

A reasoned reading. Both families are real levers, and the honest answer is that people weigh them differently — the same strategy that keeps one worker can lose another. In an exam, marks go to the reasoning: name the strategy, say which family it belongs to, and explain the link it works on in Figure 2. A different weighting of the two families, argued from the same facts, is defensible.

Strategy 3: recruitment and selection (VC2HE10K06.E01, VC2HE10K06.E02)

Recruitment happens in a market, and the market matters. Figure 8 shows that in mid-2026 there were about two unemployed people for every advertised job. That sounds like good news for employers — more applicants per vacancy — but the ratio is only a rough picture: the two numbers come from different months and surveys, and many

of the unemployed are not a match for the jobs on offer, in skills or in location. An ad that attracts fifty applicants who cannot do the job or reach it is not fifty applicants; it is zero. That is why recruitment strategy — pay, conditions, training paths, a good name as an employer — is part of competitiveness.

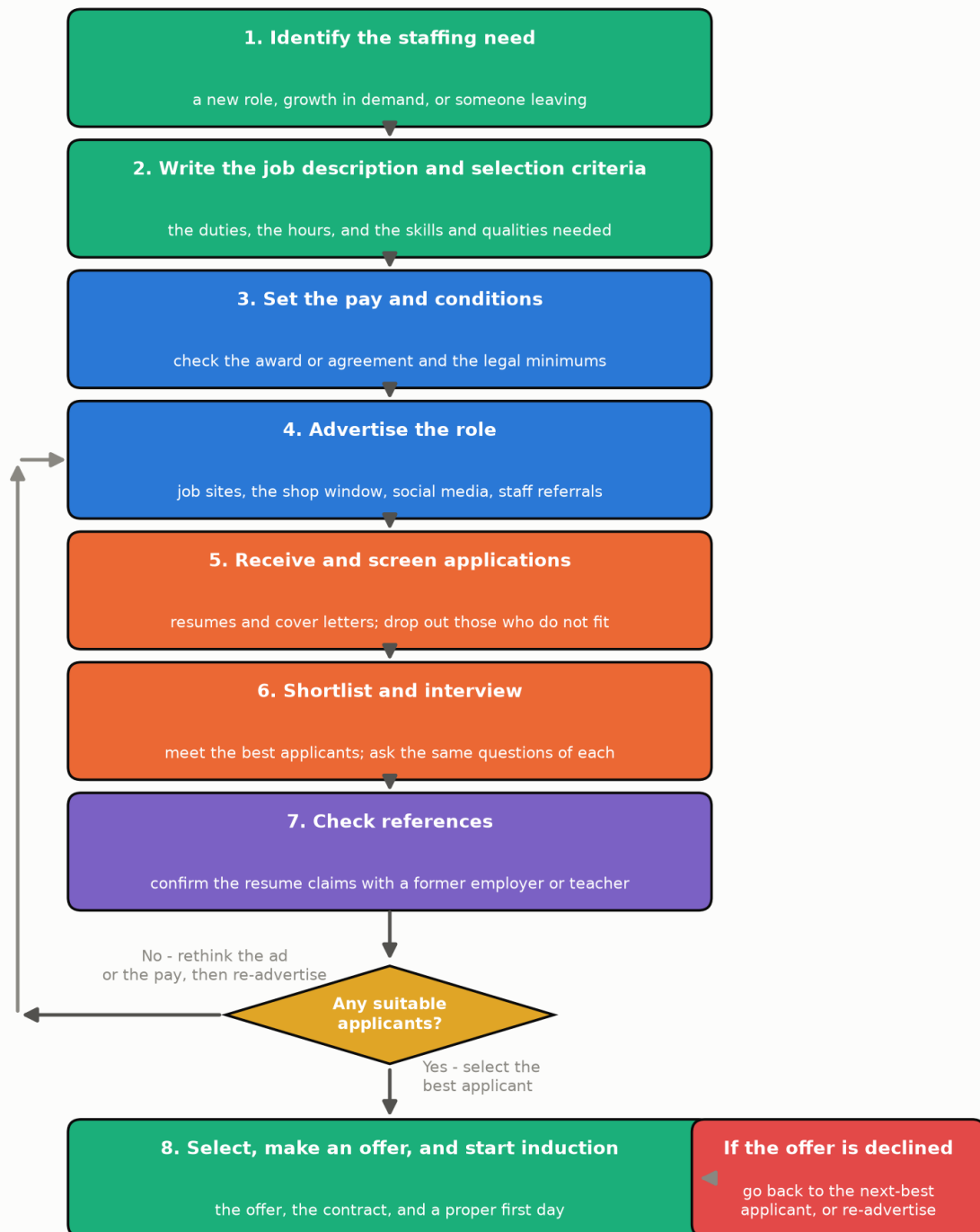


Bar chart: unemployed people, July 2026, 691,500; job vacancies, May 2026, 329,500. A note says 691,500 divided by 329,500 is about 2.1 unemployed people per vacancy, and that the two measures come from different months and surveys, so treat the ratio as a rough picture.

Figure 8: For every advertised job, about two people were looking. Sources: ABS, Labour Force, Australia, July 2026; ABS, Job Vacancies, Australia, May 2026; retrieved 26 August 2026.

Recruitment is the work of attracting a pool of suitable applicants; **selection** is the work of choosing the right one from that pool. Figure 9 is the flow chart the elaboration asks you to be able to build: eight steps, one decision point, and two loops for when things go wrong.

The recruitment and selection process



ClassBasics model. Steps may differ between employers, but every employer must be able to explain why they chose the person they chose.

Flow chart of the recruitment and selection process. 1 Identify the staffing need (a new role, growth in demand, or someone leaving). 2 Write the job description and selection criteria (the duties, the hours, and the skills and qualities needed). 3 Set the pay and conditions (check the award or agreement and the legal minimums). 4 Advertise the role (job sites, the shop window, social media, staff referrals). 5 Receive and screen applications (resumes and cover letters; drop out those who do not fit). 6 Shortlist and interview (meet the best applicants; ask the same questions of each). 7 Check references (confirm the resume claims with a previous employer or teacher). Decision: any suitable applicants? No — rethink the ad or the pay, then re-advertise (loop back to step 4). Yes — select the best applicant. 8 Select, make an offer, and start induction (the offer, the contract, and a proper first day); a side note says if the offer is declined, go back to the next-best applicant, or re-advertise.

Figure 9: The recruitment and selection process used by a typical employer (ClassBasics model — the E02 artefact).

Three things in the chart are worth noticing. Step 3 comes before step 4 for a legal reason: you cannot honestly advertise a job before you have checked the award or agreement and the NES floor. The decision diamond makes failure part of the process: if no suitable applicant appears, the loop says the problem is usually in the ad or the pay, not in the world — an employer rethinks its own offer. And step 6 says to ask each applicant the same questions: a fair, checkable process is how an employer can explain, if asked, why the chosen person was chosen.

Health, safety and wellbeing (VC2HE10K06.E01)

The fifth function is also a legal duty: work health and safety law requires employers to keep workplaces as safe as reasonably practicable. It is also an economic argument. Figure 10 summarises Safe Work Australia's key statistics: 200 workers were killed at work in 2023; the economy carries an estimated \$28.6 billion yearly cost from work injury and illness; and more than 1.165 million serious claims — claims with more than a week of working time lost — were made in the ten years to 2024. Every one of those claims is lost hours, replacement hiring, and training done twice.



Four stat tiles. 200 workers killed in calendar year 2023, a rate of 1.4 deaths per 100,000 workers, 19% lower than in 2013. 3.5% of Australians hurt or made ill by work in 12 months, roughly one-third of the global rate of 12.1%. \$28.6 billion yearly cost to the economy, and about 185,500 full-time equivalent jobs lost. 1,165,100+ serious claims in the ten years to 2024, claims with more than one week of working time lost.

Figure 10: Why the health and safety function matters. Source: Safe Work Australia, Key Work Health and Safety Statistics Australia 2024 (released 2 September 2024), retrieved 26 August 2026.

Read through Figure 2, safety is a productivity strategy: hurt workers are lost hours, and unsafe workplaces lose staff to safer rivals. Woolworths's virtual-reality safety training (Figure 6) and its 6.2% fall in injury frequency are the same argument made inside one business.

Your first job application: a digital resume (VC2HE10K06.E03)

A **resume** is a one-page summary of who you are, what you can do, and who will vouch for you; a **digital resume** is the same document prepared on a computer — saved as a file, sent by email or through an application form, and easy

to update for each job. Figure 11 is a model digital resume for an invented Year 10 student applying for a first weekend job.

SAM TAYLOR

sam.taylor.model@email.example | 0400 000 000 | Melbourne VIC

PROFILE

Year 10 student looking for weekend and holiday work in a cafe or shop.

Reliable, friendly, and quick to learn new tasks.

AVAILABILITY

Saturday and Sunday mornings; school holidays any day.

EDUCATION

Year 10, Model Secondary College (2025 - now). Expected to finish

Year 12 in 2028. Relevant subjects: Mathematics, Business Studies.

SKILLS

- Handle money accurately and balance a till (school fete cashier, 2025)
- Work in a team and keep to time limits (competitive basketball, 3 years)
- Clear communication with customers (front-of-stage drama performances)
- Basic food safety certificate (online course, June 2026)

EXPERIENCE AND ACTIVITIES

Volunteer, local junior basketball club (2024 - now): set up equipment,
run drills for younger players, supervise warm-ups.

Babysitting for neighbours and family (2023 - now): responsible for
children's safety, meals and routines.

REFEREES

Ms A. Teacher, Business Studies, Model Secondary College

(contact details supplied on request).

MODEL ONLY - every detail invented for this book. On a real resume, every claim must be true and checkable.

Model digital resume for an invented student, Sam Taylor, Year 10, Model Secondary College. Sections: profile (Year 10 student looking for weekend and holiday work in a cafe or shop; reliable, friendly, quick to learn); availability (Saturday and Sunday mornings, school holidays any day); education (Year 10, expected to finish Year 12 in 2028; relevant subjects Mathematics and Business Studies); skills (handle money and balance a till from school fete cashier work; teamwork and time limits from competitive basketball; clear communication from drama performances; basic food safety certificate, June 2026); experience and activities (volunteer at a junior basketball club; babysitting for neighbours and family); referees (a teacher, contact details supplied on request). Footer: model only — every detail invented for this book; on a real resume, every claim must be true and checkable.

Figure 11: A model digital resume for a first job application (ClassBasics invented model — the E03 artefact).

Four rules make the model work. **True and checkable:** every claim must survive a referee phone call — the resume is a promise about your honesty as much as your skills. **Fit the job:** the profile names the work wanted (a cafe or shop), and the skills answer that ad — money handling, teamwork, communication. **Activities count:** a Year 10 student rarely has paid jobs, so sport, volunteering, babysitting and school roles stand in as evidence of reliability and skill. **One page, easy to scan:** headings, short lines, and referees whose contact details are supplied on request.

Judging an HRM strategy: a four-step method

Whether a people-strategy actually improves competitiveness is contested ground — reasonable managers weigh the same facts differently. Use a four-step method:

1. **Goal.** Name what the business is trying to achieve — lower unit costs, better service, keeping staff, a safer workplace.
2. **Gauges.** Pick the evidence — injury rates, staff staying longer, output per hour, wages against rivals, the legal floor.
3. **Both sides at full strength.** Put the strongest case for and the strongest case against; never argue a weak version of either side.
4. **Reasoned judgement.** Decide what the evidence best supports, and say what new evidence would change your mind.

A short example. “Is training a waste of money if trained workers can leave?” Goal: a more productive workforce (Figure 2). Gauges: Woolworths’s injury rate falling 6.2% after large-scale safety training, and 9,000+ staff staying 25 years or more. Both sides: for the worry — a trained worker who leaves takes the training to a rival, so some of the spend is lost; against — a business that stops training keeps an unskilled workforce and becomes the rival that loses, and staff are more likely to stay with an employer who invests in them. Judgement: training carries a leakage risk, but not training guarantees the loss — the evidence in this section supports training as a competitiveness strategy, and new evidence (for example, data on where leavers go) would sharpen the judgement.

Worked examples (scaffolded)

WE1 (VC2HE10K06.E01) — Read the productivity chart. Using Figure 3: (a) in which financial years did output per hour worked fall? (b) what does the minus 3.7% for 2022-23 mean, in your own words? *Scaffold — ask:* (a) which bars sit below the zero line? (b) fill in: “In 2022-23, each hour of work produced _____% _____ output than in 2021-22.” *Model reading:* (a) 2022-23 (minus 3.7%) and 2024-25 (minus 0.7%). (b) Each hour of work produced 3.7% less output than the year before — the biggest fall in the chart, which is why employers talk so much about productivity.

WE2 (VC2HE10K06.E01, numeracy) — Check the smoothie maths. Using Figure 4: (a) confirm the labour cost per smoothie before and after training; (b) confirm the \$300-a-week saving at 1,000 smoothies a week. *Scaffold — fill in:* (a) $\$30.00 \div 20 = \underline{\hspace{1cm}}$; $\$30.00 \div 25 = \underline{\hspace{1cm}}$. (b) saving per smoothie = $\$1.50 - \$1.20 = \underline{\hspace{1cm}}$; times 1,000 = $\underline{\hspace{1cm}}$. *Model working:* (a) $\$30.00 \div 20 = \mathbf{\$1.50}$; $\$30.00 \div 25 = \mathbf{\$1.20}$. (b) $\$1.50 - \$1.20 = \$0.30$; $\$0.30 \times 1,000 = \mathbf{\$300 \text{ a week}}$ — with no cut to the worker’s pay.

WE3 (VC2HE10K06.E02) — Read the flow chart. Using Figure 9: (a) an employer interviews six applicants and none can do the job. Which path does the chart follow, and what does it tell the employer to rethink? (b) why does step 3 (set the pay and conditions) come before step 4 (advertise)? *Scaffold — ask:* (a) which diamond answer is “none suitable”, and where does its arrow go? (b) what legal floor must be checked before a pay can be advertised? *Model reading:* (a) the “No” path loops back to step 4: rethink the ad or the pay, then re-advertise — the chart treats a failed

search as usually the employer's offer being unattractive. (b) The award or agreement and the NES set the legal minimum pay and conditions; advertising a job below them, or without knowing them, would mislead applicants and break the law.

Worked examples (unscaffolded)

WE4 (VC2HE10K06.E01) — Evaluate Woolworths's safety training. Using the four-step method and Figures 2 and 6, evaluate the claim: "Woolworths Group's virtual-reality safety training is a competitiveness strategy, not just a kindness." *Model answer:* **(1) Goal:** safer workplaces, fewer lost hours, lower costs — the health-and-safety link in Figure 2. **(2) Gauges:** 100,000+ team members trained in financial year 2025; recordable injuries per hours worked down 6.2% (13.78 to 12.92). **(3) Both sides:** for — fewer injuries directly mean fewer lost hours and less replacement hiring, and a safer name as an employer helps recruitment; against — one year's fall does not prove the training caused it, and other changes (new equipment, roster design) may have helped. **(4) Judgement:** the direction and size of the fall, in the same year as the largest safety-training rollout in the company's history, support the claim; causation would be strengthened by data across several years. (Marks go to the method and the facts; a different judgement argued the same way earns full marks.)

WE5 (VC2HE10K06.E03) — Draft two resume sections. An invented Year 10 student, Alex, captains a school soccer team and has mown neighbours' lawns for two years. Alex is applying for a weekend job at a garden centre. Draft (a) the profile and (b) two skills lines, using the four rules for Figure 11. *Model answer:* (a) "Year 10 student looking for weekend work at a garden centre. Two years of lawn-mowing for neighbours, and reliable with equipment and early starts." (b) "- Know lawn and garden equipment from two years of mowing neighbours' lawns (tools, fuel, safe storage). - Lead and organise a team (school soccer captain, 2025-2026)." Both lines are true, checkable (neighbours and the coach as referees), and fitted to the garden-centre ad.

Practice questions — scaffolded

Q1 (K06). In your own words: what is human resource management? (2 marks)

Q2 (K06). List the five main functions of HRM shown in Figure 1. (5 marks)

Q3 (E01). What is productivity? (2 marks)

Q4 (E01). Read Figure 3: in which financial year did output per hour worked fall the most, and by how much? (2 marks)

Q5 (K06). What has the national minimum wage been per hour since 1 July 2026, and who sets it? (2 marks)

Q6 (E01). Name one financial and one non-financial motivation strategy from Figure 7. (2 marks)

Q7 (E02). What is the first step in the flow chart in Figure 9? (1 mark)

Q8 (E03). Name four sections a digital resume should include. (4 marks)

Practice questions — unscaffolded

Q9 (E01). Using the chain in Figure 2, explain how workforce training can improve a business's competitiveness. Refer to one fact from the Woolworths tiles in Figure 6. (4 marks)

Q10 (E01, numeracy). Using Figure 5: (a) how much more per hour is the 2026 national minimum wage than the 2025 one? (b) how much more is that per 38-hour week? (2 marks)

Q11 (E01/E02). Figure 8 shows about two unemployed people per advertised job in mid-2026, yet many employers still say they cannot find the right staff. Give two reasons why an employer might still struggle to recruit. (4 marks)

Q12 (motivation debate). "Money is the only motivation strategy that really works." Set out the strongest case for and the strongest case against this claim, then give your reasoned judgement. (6 marks)

Q13 (E02). A cafe needs one weekend worker. Adapt the flow chart in Figure 9 to this employer: name what the cafe would do at steps 1, 2, 4 and 6. (4 marks)

Q14 (E01). Using Figure 10, explain why keeping workers safe is an economic argument for a business, not only a legal duty. Use two figures. (4 marks)

Q15 (E03). A first resume says: “I am the best worker you will ever hire. Skills: everything. Referees: none.” Using the four rules for Figure 11, identify three things wrong and fix each in one sentence. (4 marks)

Q16 (achievement standard). “Good human resource management is just an extra cost for a business.” Discuss, using at least two strategies from this section and the chain in Figure 2. (6 marks)

Answers

WE1. (a) 2022-23 and 2024-25. (b) Each hour of work produced 3.7% less output than in 2021-22. **WE2.** (a) \$1.50; \$1.20. (b) $\$0.30 \times 1,000 = \$300$ a week. **WE3.** (a) The “No” path: rethink the ad or the pay, then re-advertise. (b) The award/agreement and the NES fix the legal minimum pay and conditions; they must be checked before advertising. **WE4.** Goal: safety and lower costs; gauges: 100,000+ trained, injuries down 6.2%; both sides: the fall matches the rollout, but one year cannot prove cause; judgement: supports the claim, pending multi-year data. **WE5.** Any profile and skills lines that are true, checkable, fitted to the garden-centre job, and short. **Q1.** The choices a business makes about its people — hiring, training, pay, performance and safety. **Q2.** Recruitment and selection; training and development; pay and conditions; performance management; health, safety and wellbeing. **Q3.** Output per unit of input — how much is made or done per hour worked. **Q4.** 2022-23, by 3.7%. **Q5.** \$26.44 an hour; the Fair Work Commission (through its annual wage review). **Q6.** Any one from each column of Figure 7. **Q7.** Identify the staffing need. **Q8.** Any four of: profile, availability, education, skills, experience and activities, referees. **Q9.** See Fully-worked solutions. **Q10.** (a) $\$26.44 - \$24.95 = \$1.49$ an hour. (b) $\$1,004.90 - \$948.00 = \$56.90$ a week. **Q11.** Any two of: the unemployed may lack the skills the vacancies need; they may live far from the jobs; the pay or conditions on offer may be unattractive; the business’s name as an employer may be poor. **Q12.** See Fully-worked solutions. **Q13.** Any sensible cafe version of the four named steps. **Q14.** Any two figures used to show lost hours, replacement hiring and costs (e.g. \$28.6b yearly cost; 1,165,100+ serious claims; 185,500 FTE jobs lost). **Q15.** See Fully-worked solutions. **Q16.** See Fully-worked solutions.

Fully-worked solutions

Q9 (4 marks). Training builds the “skilled” link of the chain: trained workers do the job faster, safer and with fewer mistakes (1 mark). Higher productivity lowers the labour cost of each item sold and improves service — the “lower unit costs, better service” link (1 mark). That edge lets the business hold prices or improve value, so customers keep choosing it: competitiveness (1 mark). Fact: Woolworths trained 100,000+ team members in virtual-reality safety in 2025 and its injury frequency fell 6.2% — fewer hurt workers, fewer lost hours (1 mark).

Q12 (6 marks). Case for (2 marks): effort costs the worker, and pay is the reward that makes it worth giving; a business that pays below its rivals loses its best staff to them; bonuses and penalty rates reward effort and bad hours in a form everyone understands. Case against (2 marks): a bonus stops motivating when it becomes expected and a rise becomes the new normal within months; two jobs on the same pay differ completely in effort and staying power depending on recognition, variety, a say in the work, and a safe, friendly workplace. Judgement (2 marks): any reasoned position — e.g. “money is the floor every other strategy stands on, but once the floor is fair, the work and the workplace decide the effort” — scored on reasoning from both sides, not on the side chosen.

Q13 (4 marks). Step 1 (1 mark): notice the gap — e.g. a barista leaves, or weekend trade is growing, so one weekend worker is needed. Step 2 (1 mark): write the job description and criteria — weekend coffee and counter duties, Saturday-Sunday hours, friendly service, basic food safety. Step 4 (1 mark): advertise where the pool is — a card in the window, a local job site or social media, and staff referrals. Step 6 (1 mark): shortlist and interview — meet the best few over a quiet Tuesday, ask each the same questions, and watch one made coffee.

Q15 (4 marks). Fix 1 (1 mark): “the best worker you will ever hire” is a claim no referee can check — replace with a true, checkable line, e.g. “two years of weekend lawn-mowing for three neighbours”. Fix 2 (1 mark): “Skills: everything” names nothing — replace with named skills, e.g. “mowing, edging and safe fuel handling”. Fix 3 (1 mark): “Referees: none” removes the check that makes a resume believable — replace with “referees: two neighbours and my year coordinator, contact details supplied on request”. (1 mark for all three fixes keeping to one page, short lines, fitted to the job applied for.)

Q16 (6 marks). Case for the claim (2 marks): HRM spends real money — wages above the floor, training rollouts, safety equipment, paid leave — and a rival that skips some of these can price lower for a while; training can also leak if trained workers leave. Case against (2 marks): the chain in Figure 2 turns the spending into lower unit costs and better service — Figure 4’s invented smoothie bar saves \$300 a week without cutting pay, and Figure 10’s \$28.6 billion yearly injury cost shows what skipping safety spends instead; Woolworths’s 9,000+ staff of 25 years show that good HRM also keeps expensive-to-replace skills. Judgement (2 marks): any reasoned position — e.g. “HRM is a cost that buys competitiveness; the businesses that fail are the ones that count the cost and skip the chain” — scored on reasoning and on using at least two strategies and the chain, not on the side chosen.

Sources

All sources retrieved 26 August 2026 unless stated.

- Victorian Curriculum F-10 Version 2.0, Economics and Business, Levels 9 and 10 (VC2HE10K06 and elaborations).
- Fair Work Commission, Annual Wage Review 2026 decision [2026] FWCFB 3500 (2 June 2026) and National Minimum Wage Orders 2023, 2024, 2025 and 2026.
- Fair Work Ombudsman, National Employment Standards; *Fair Work Act 2009*, Part 2-2.
- Australian Bureau of Statistics, Australian System of National Accounts 2024-25 (released 24 October 2025).
- Australian Bureau of Statistics, Labour Force, Australia, July 2026 (released 20 August 2026).
- Australian Bureau of Statistics, Job Vacancies, Australia, May 2026 (released 25 June 2026).
- Safe Work Australia, Key Work Health and Safety Statistics Australia 2024 (released 2 September 2024).
- Woolworths Group, Annual Report 2025, and Woolworths Group website (team-member count).
- ClassBasics invented examples (the smoothie bar in Figure 4 and the model resume in Figure 11) are labelled as invented in the text and figures.

Unions and employer groups: the organised voices at work

Curriculum trace. Content description VC2HE10K07. Elaborations: VC2HE10K07.E01, VC2HE10K07.E02, VC2HE10K07.E03. Achievement standard: Levels 9 and 10.

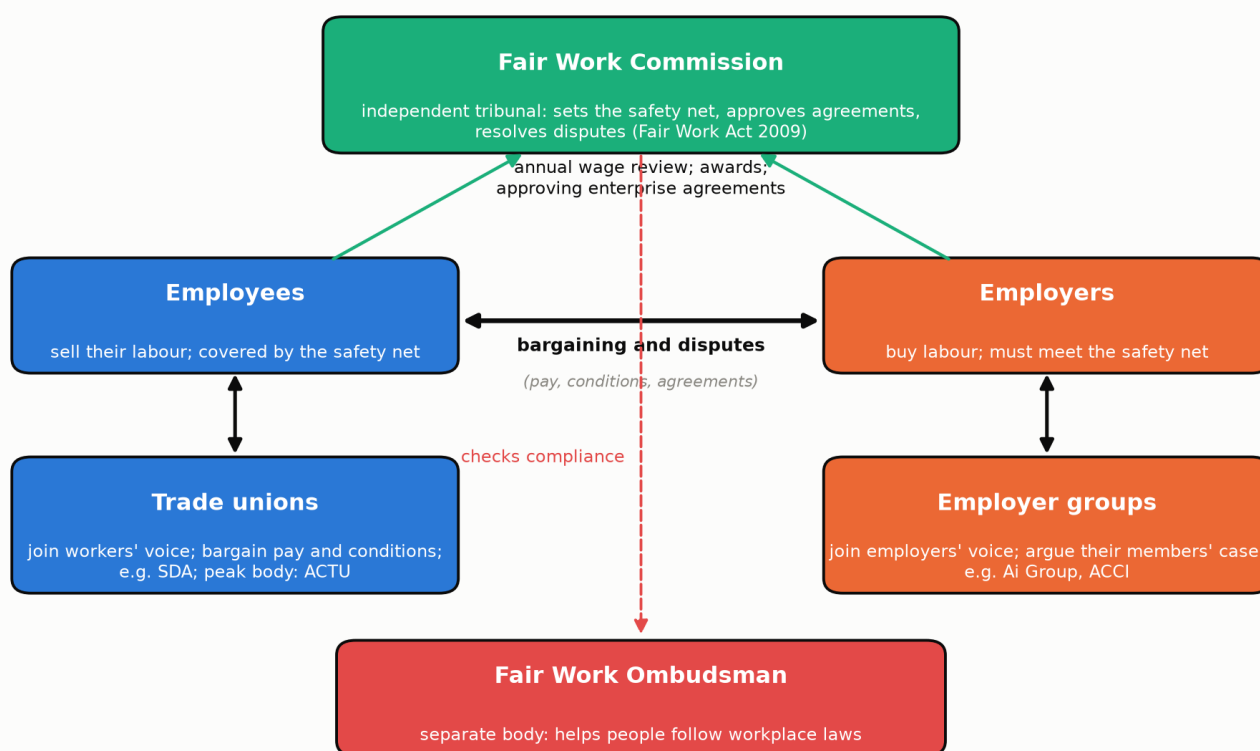
Open any pay slip and you are holding the result of a long argument. The rate, the leave, the loading, the super — almost none of it was set by the employer alone. It was shaped by two organised voices: **trade unions** (organisations of workers that join together to argue for better pay and conditions) on one side, and **employer groups** (organisations of businesses that join together to argue for their members' interests) on the other. This section meets both voices, the independent referee between them, and the real Australian numbers they argue over. Every figure and number is real, taken from the Australian Bureau of Statistics (ABS), the Fair Work Commission (FWC), the SDA union and The Australian Industry Group (Ai Group), retrieved 26 August 2026. It builds on the Levels 7 and 8 ideas of why people work, how work is changing, and the rights and responsibilities of employers and employees.

Theory

Two sides and a referee (VC2HE10K07)

A workplace has two sides with different goals. **Employees** sell their labour and want the best pay, safe conditions and fair treatment. **Employers** buy labour and run a business; they must also watch costs, prices and competition. One worker asking for a rise is easy to refuse; a whole workforce asking together is not. That is the logic of the **trade union**: workers join, pay a small fee, and the union speaks for all of them at once. Employers have the same logic in reverse: one business arguing with the government is easy to ignore, so businesses join **employer groups** that speak for many firms at once.

The parties in Australia's workplace relations system



ClassBasics model | Roles as described by the Fair Work Commission (fwc.gov.au), retrieved 26 August 2026.

A diagram of Australia's workplace relations system. At the top, a green box: the Fair Work Commission, the independent tribunal that sets the safety net, approves agreements and resolves disputes under the Fair Work Act 2009. On the left, two blue boxes: Employees, who sell their labour, and Trade unions, who join workers' voice, bargain over pay and conditions, for example the SDA, with the ACTU as peak body. On the right, two orange boxes: Employers, who buy labour, and Employer groups, who join employers' voice, for example Ai Group and ACCI. A two-way arrow between employees and employers is labelled bargaining and disputes. At the bottom, a red box: the Fair Work Ombudsman, a separate body that helps people follow workplace laws.

Figure 1: The parties in Australia's workplace relations system (ClassBasics model, roles as described by the Fair Work Commission).

Australia's system has two independent bodies above the argument. The **Fair Work Commission** is the national workplace relations **tribunal** (an independent body that makes binding workplace decisions): each year it reviews the minimum wage, keeps the system of awards up to date, approves workplace agreements and helps resolve disputes such as unfair dismissal. The **Fair Work Ombudsman** is a separate body that helps people follow workplace laws and chases employers who underpay their staff. The two sound alike but do different jobs: one sets and judges the rules; the other checks they are followed.

The safety net: what both sides argue over (VC2HE10K07.E02)

Most of the arguing happens over the **safety net** — the minimum pay and conditions no employer can go below. It has two layers of law at the bottom and two layers of bargaining on top.



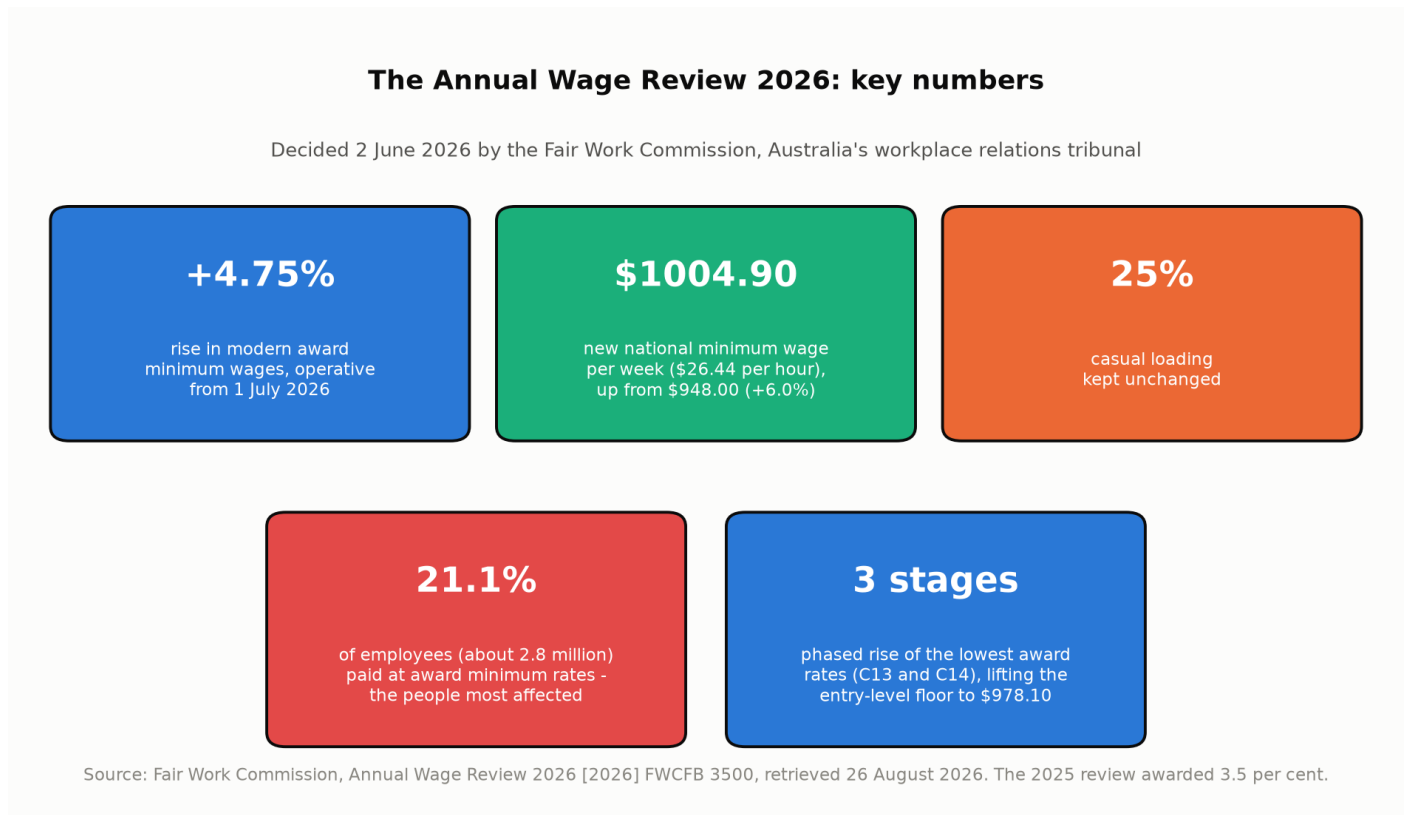
A pyramid of four layers. Bottom layer, widest and blue: National Employment Standards (NES) plus national minimum wage, described as the floor of ten minimum entitlements in the Fair Work Act 2009, with the national minimum wage at \$1004.90 per week from 1 July 2026. Second layer, green: Modern awards, the industry and job minimum pay and conditions across 155 awards. Third layer, orange: Enterprise agreements, made at one workplace by vote and required to leave staff better off overall. Top layer, red and narrowest: Contracts and above-award pay, individual terms that can add to, but never cut under, the layers below. An arrow up the left side reads: each higher layer can give more, but never less, than the layer under it.

Figure 2: The safety net — layers of minimum pay and conditions (ClassBasics model, per the Fair Work Commission).

- **The National Employment Standards (NES).** Ten minimum entitlements written into the *Fair Work Act 2009* — for example a maximum 38-hour week plus reasonable extra hours, four weeks of paid annual leave, ten days of paid personal (sick) leave, parental leave, and paid public holidays.
- **The national minimum wage and modern awards.** The national minimum wage (NMW) is the lowest legal weekly pay for an adult not covered by an award. **Modern awards** add industry and job minimums on top — pay rates, penalty rates for weekends, allowances — for 155 industries and occupations.

- **Enterprise agreements.** At one workplace, the employer and its staff (often with a union) **bargain** — that is, negotiate as a group over pay and conditions — and put the result to a vote. An approved agreement must leave every employee **better off overall** than the award.
- **Contracts.** An individual contract can add to all of this, but it can never cut under the NES.

Each year the FWC reviews the whole floor in the **Annual Wage Review**, and both sides pile in with their cases — which is exactly where we meet the roles in action.



An infographic of five tiles with the key numbers from the Annual Wage Review 2026, decided 2 June 2026. Blue tile: plus 4.75 per cent rise in modern award minimum wages, operative from 1 July 2026. Green tile: \$1004.90, the new national minimum wage per week (\$26.44 per hour), up from \$948.00 (plus 6.0 per cent). Orange tile: 25 per cent casual loading kept unchanged. Red tile: 21.1 per cent of employees (about 2.8 million) paid at award minimum rates, the people most affected. Blue tile: 3 stages, the phased rise of the lowest award rates (C13 and C14), lifting the entry-level floor to \$978.10.

Figure 3: The Annual Wage Review 2026 — key numbers. Source: Fair Work Commission, Annual Wage Review 2026 [2026] FWCFB 3500, retrieved 26 August 2026.

What unions do (VC2HE10K07.E03)

A union's jobs, in practice: recruit members; bargain with employers over pay and conditions; represent members in disputes and at the FWC; and, if bargaining breaks down, organise **industrial action** (such as a strike or work ban) after members vote for it in a protected ballot. Unions also run campaigns to change the law itself. The **peak body** (the umbrella group) for the union side is the **Australian Council of Trade Unions (ACTU)**, which appears before the FWC on behalf of the union movement — it made the union side's case in the 2026 Annual Wage Review.

One named union shows how this plays out. The **Shop, Distributive and Allied Employees' Association (SDA)** is one of Australia's largest unions, covering retail, fast food and warehouse workers. Its own history: shop assistants' unions in New South Wales, Queensland, Victoria and South Australia joined to register federally in 1908; the union took its present SDA name in 1972; today it has over 200,000 members, and it reports recovering more than \$7 million in underpayment claims for members in 2024 alone. The SDA credits its campaigns with wins that became law for everyone: the five-day week, the 38-hour week, equal pay for women, parental leave, protected public holidays and universal superannuation.

What employer groups do (VC2HE10K07.E03)

Employer groups mirror the unions on the other side: they represent member businesses in FWC cases and wage reviews, advise members on awards, agreements and workplace law, and argue government policy that affects business costs. Two named groups appeared in the 2026 Annual Wage Review. The **Australian Chamber of Commerce and Industry (ACCI)** warned that big rises would hit firms already under sharp cost pressure and squeeze the pay steps that reward skill, while **The Australian Industry Group (Ai Group)** — a peak national industry association in its own words — questioned the wage rise against productivity and debated the labour-market numbers with the ACTU in the hearing.

What trade unions and employer groups each do	
What trade unions do	What employer groups do
Recruit and join members in a job or industry	Recruit and join businesses as members
Bargain with employers over pay and conditions	Argue the employers' side in wage reviews (e.g. ACCI and Ai Group in the 2026 review)
Speak for members in disputes and at the Fair Work Commission (e.g. ACTU wage claims)	Give members advice on awards, agreements and workplace law
Organise protected industrial action, such as strikes, after a protected ballot	Push for rules that keep costs and paperwork down for member firms
Run campaigns (e.g. SDA: paid parental leave, public holidays, super for all)	Speak in hearings about new minimum standards (e.g. on-demand delivery rules from August 2026)

ClassBasics model | Bodies named from Fair Work Commission records (Annual Wage Review 2026) and the SDA and Ai Group websites, retrieved 26 August 2026.

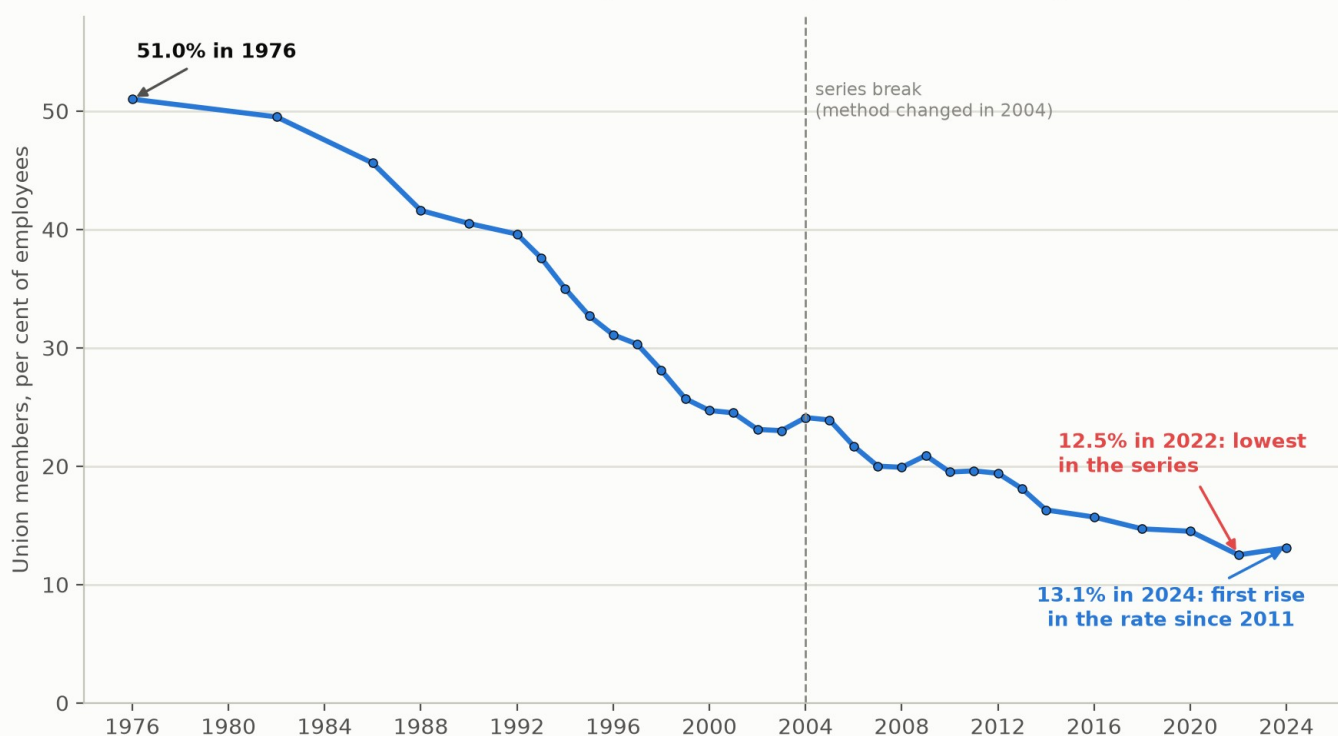
A two-column comparison titled 'What trade unions and employer groups each do'. Left column, blue header 'What trade unions do': recruit and join members in a job or industry; bargain with employers over pay and conditions; speak for members in disputes and at the Fair Work Commission (for example ACTU wage claims); organise protected industrial action, such as strikes, after a protected ballot; run campaigns (for example the SDA on paid parental leave, public holidays and super for all). Right column, orange header 'What employer groups do': recruit and join businesses as members; argue the employers' side in wage reviews (for example ACCI and Ai Group in the 2026 review); give members advice on awards, agreements and workplace law; push for rules that keep costs and paperwork down for member firms; speak in hearings about new minimum standards (for example on-demand delivery rules from August 2026).

Figure 4: What trade unions and employer groups each do (ClassBasics model; bodies named from FWC records and the SDA and Ai Group websites, retrieved 26 August 2026).

Who joins — the membership numbers (VC2HE10K07.E02)

Whether workers actually join is a choice, not a rule. The ABS measures it every two years. In August 2024, **13.1 per cent of employees (about 1.6 million people)** were union members in their main job — up from 12.5 per cent in 2022, the first rise in the rate since 2011, but still far below the 51.0 per cent of 1976.

Trade union membership in Australia, 1976 to 2024 (persons)

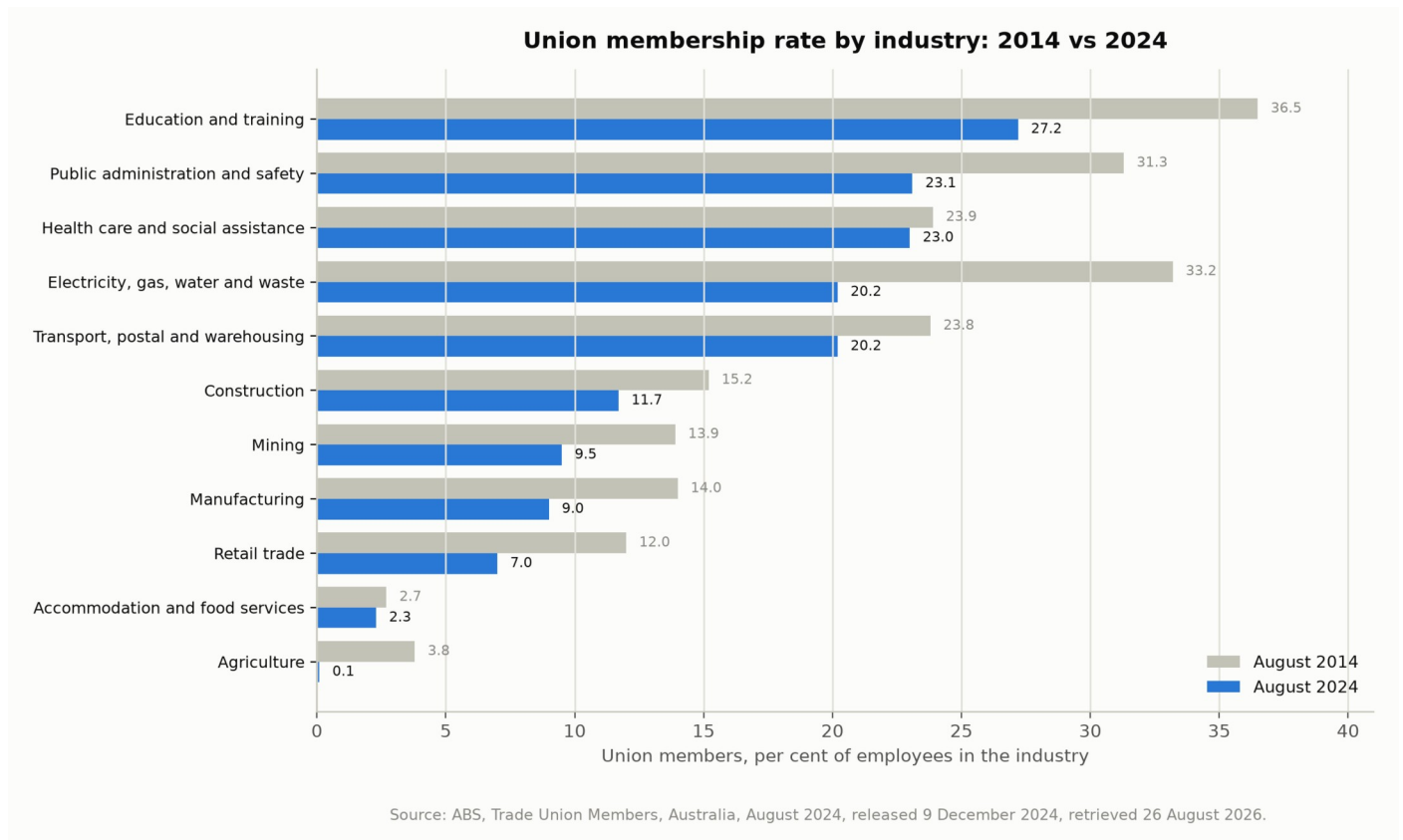


Source: ABS, Trade Union Members, Australia, August 2024, released 9 December 2024, retrieved 26 August 2026.

A line graph of Australian trade union membership from 1976 to 2024 as a per cent of employees. The line falls from 51.0 per cent in 1976 through the 1980s and 1990s to about 24 per cent by 2004, then keeps falling more slowly to a low of 12.5 per cent in 2022 before ticking up to 13.1 per cent in 2024, labelled the first rise in the rate since 2011. A dashed vertical line marks a series break in 2004, where the ABS changed its collection method.

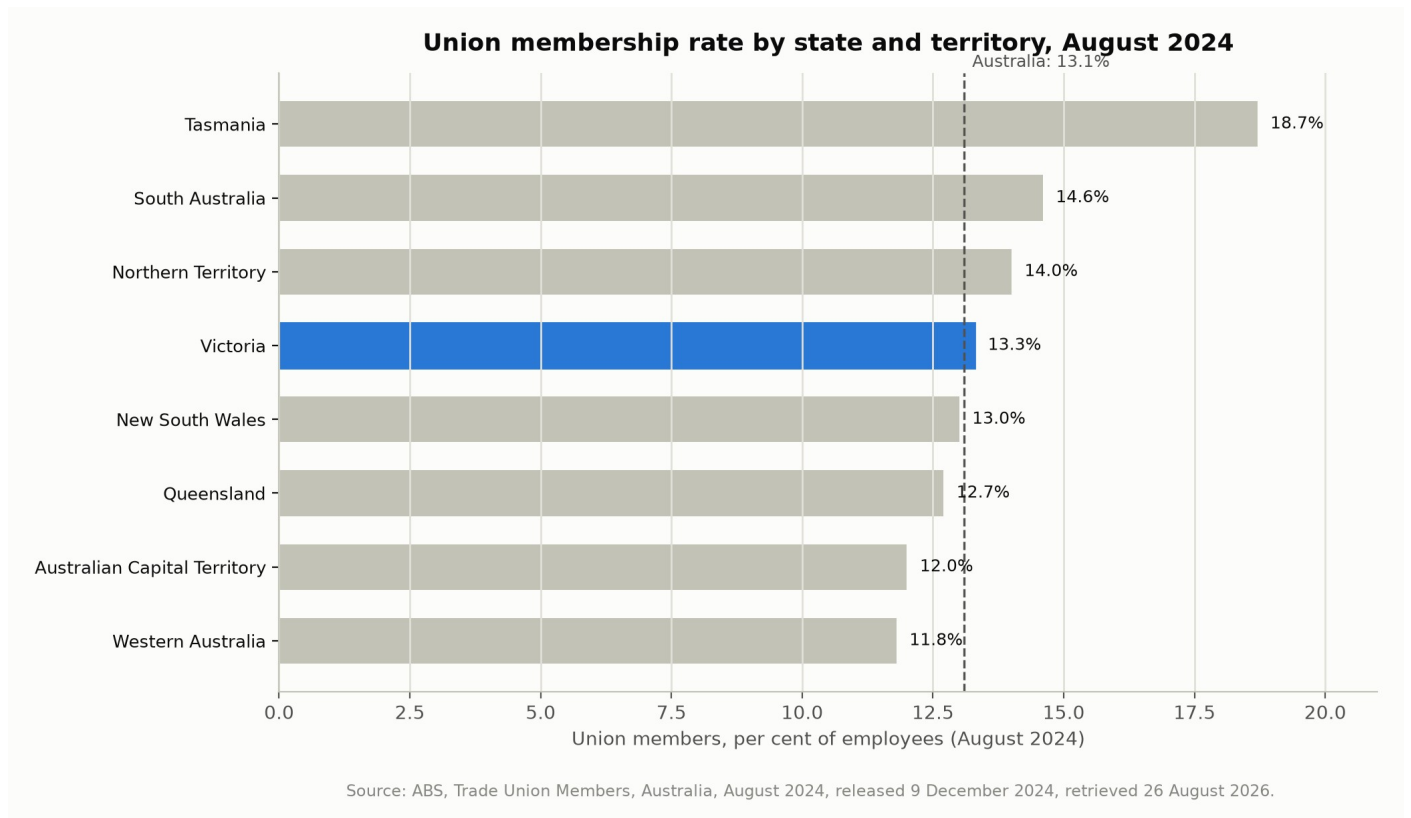
Figure 5: Trade union membership in Australia, 1976-2024. Source: ABS, Trade Union Members, Australia, August 2024, released 9 December 2024, retrieved 26 August 2026.

The rate is very uneven across the economy. It is highest where the employer is largely the government (education, public administration, health) and lowest in private, often casual-heavy industries (retail 7.0 per cent, accommodation and food 2.3 per cent, agriculture 0.1 per cent). It also differs by state, with Tasmania highest (18.7 per cent) and Western Australia lowest (11.8 per cent), and by age — only 3.7 per cent of 15-19 year-old employees are members, against 21 per cent of those aged 60-64.



A horizontal bar chart comparing union membership rates by industry in August 2014 and August 2024, sorted by the 2024 rate. Education and training is highest at 27.2 per cent in 2024 (36.5 in 2014); public administration and safety 23.1; health care and social assistance 23.0; electricity, gas, water and waste 20.2 (down from 33.2); transport, postal and warehousing 20.2; construction 11.7; mining 9.5; manufacturing 9.0; retail trade 7.0; accommodation and food services 2.3; agriculture lowest at 0.1 (down from 3.8).

Figure 6: Union membership rate by industry, 2014 vs 2024. Source: ABS, Trade Union Members, Australia, August 2024, retrieved 26 August 2026.



A horizontal bar chart of union membership rates by state and territory in August 2024 with a dashed vertical line at the national rate of 13.1 per cent. Tasmania is highest at 18.7 per cent, then South Australia 14.6, Northern Territory 14.0, Victoria 13.3 (highlighted), New South Wales 13.0, Queensland 12.7, Australian Capital Territory 12.0 and Western Australia lowest at 11.8 per cent.

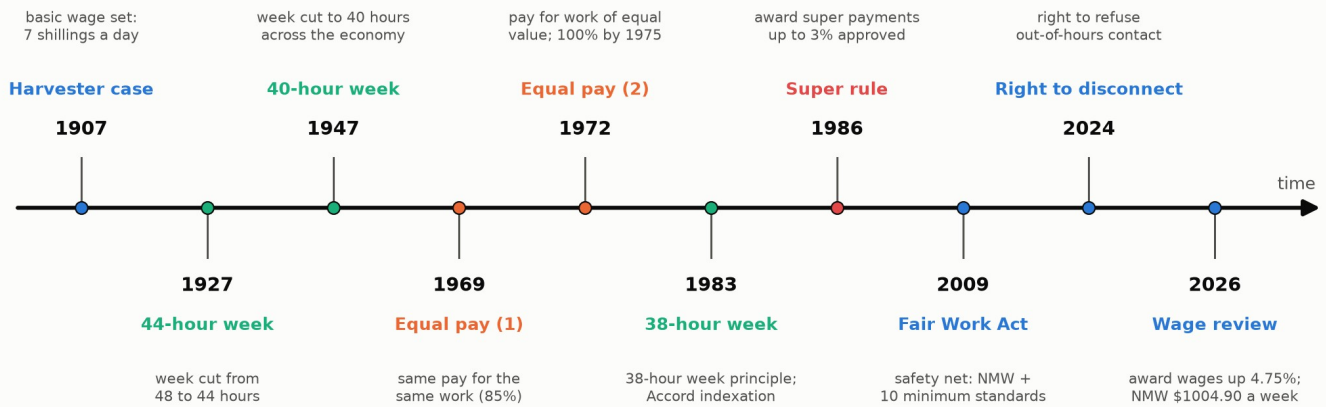
Figure 7: Union membership rate by state and territory, August 2024. Source: ABS, Trade Union Members, Australia, August 2024, retrieved 26 August 2026.

One last number teaches a caution. ABS data shows union members earned a median of **\$1,600 a week** against **\$1,349** for non-members. That does **not** prove unions cause higher pay: members are concentrated in industries and jobs that already pay more (teachers, nurses, public servants). The data shows a link, not a cause — a perfect place to be a careful economist.

A timeline of rights and conditions (VC2HE10K07.E02)

Most of the safety net was not given freely; it was won through the cases and campaigns on this timeline — exactly the improvements elaboration E02 asks you to research.

Gains for workers in Australia — rights and conditions, 1907 to 2026



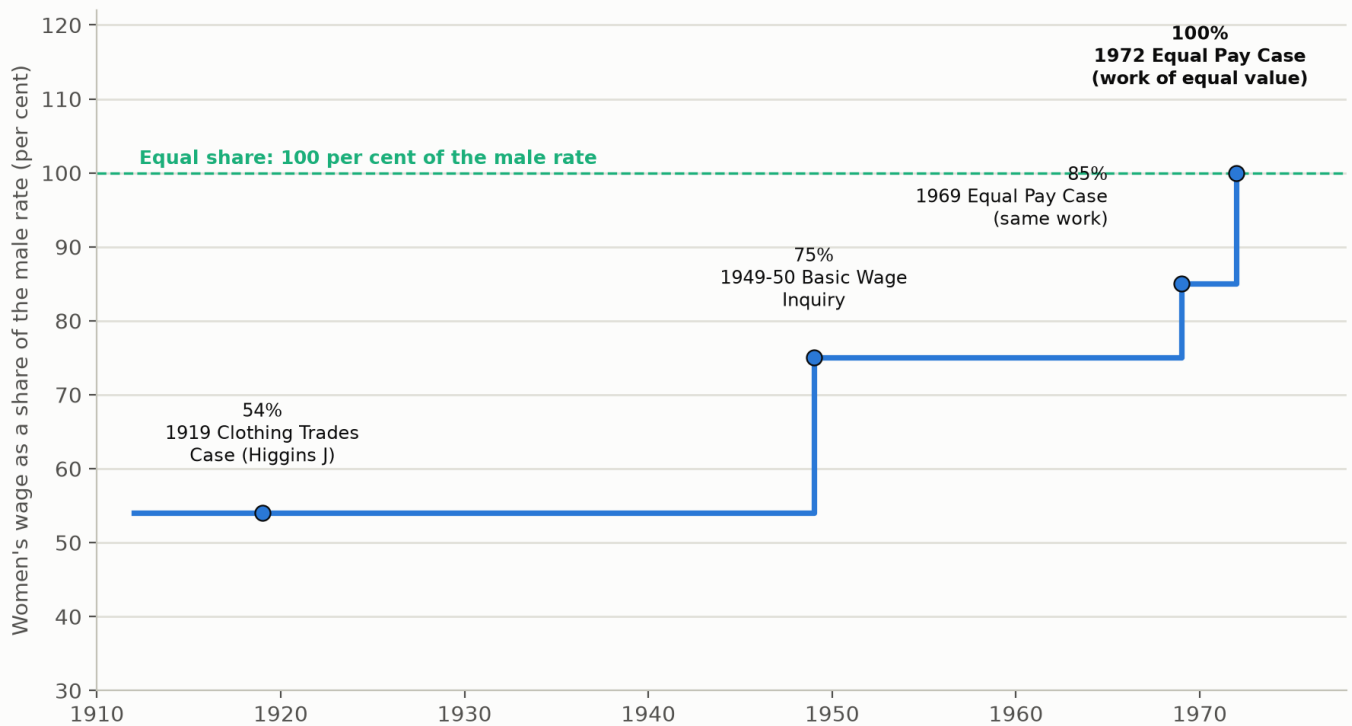
Sources: Fair Work Commission history records (Harvester case; reducing hours of work; equal pay exhibition; Annual Wage Review 2026 [2026] FWCFB 3500) and the Fair Work Act 2009. Retrieved 26 August 2026.

A horizontal timeline of ten milestones from 1907 to 2026. 1907 Harvester case: basic wage set at 7 shillings a day. 1927: 44-hour week, the week cut from 48 to 44 hours. 1947: 40-hour week across the economy. 1969 Equal pay (1): same pay for the same work, women at 85 per cent. 1972 Equal pay (2): pay for work of equal value, 100 per cent by 1975. 1983: 38-hour week principle and Accord indexation. 1986 super rule: award super payments of up to 3 per cent approved. 2009 Fair Work Act: the safety net of the national minimum wage plus ten minimum standards. 2024: right to refuse out-of-hours contact. 2026 wage review: award wages up 4.75 per cent, national minimum wage \$1004.90 a week.

Figure 8: Gains for workers in Australia — rights and conditions, 1907-2026. Sources: Fair Work Commission history records and the Fair Work Act 2009, retrieved 26 August 2026.

Two milestones deserve a closer look. In the **1907 Harvester case**, Justice Higgins set a minimum of 7 shillings a day for an unskilled labourer because it was, in his words, “**fair and reasonable**” for “the normal needs of the average employee, regarded as a human being living in a civilised community”. Read that word *fair* carefully: it is a **value judgement** (a stated view about what ought to be), not a measurement — Higgins chose who the wage should support (a man with a wife and three children), and later cases had to fight to bring women’s wages up to the same bar. The women’s side of the story runs like this:

Closing the gap: women's minimum wage, 1919 to 1972



After the 1972 decision, the female minimum wage was raised to 100 per cent of the male wage over the following three years.
Source: Fair Work Commission, 'Equal pay - a history of women's wages and the Commission', retrieved 26 August 2026.

A step line graph of women's minimum wage as a share of the male rate, 1919 to 1972. In 1919 the Clothing Trades Case set women at 54 per cent of the male rate; the 1949-50 Basic Wage Inquiry lifted it to 75 per cent; the 1969 Equal Pay Case set 85 per cent for the same work; the 1972 Equal Pay Case provided equal pay for work of equal value, reaching 100 per cent over the following three years. A dashed horizontal line marks 100 per cent.

Figure 9: Closing the gap — women's minimum wage, 1919-1972. Source: Fair Work Commission, 'Equal pay - a history of women's wages and the Commission', retrieved 26 August 2026.

One question, two strong cases

The system only works because each side is allowed to put its strongest case, and the referee weighs them. The 2026 Annual Wage Review is a clean example of the contested question "how fast should minimum wages rise?" — *contested* because reasonable people, using the same facts, disagree about what should happen.

One question, two strong cases: how fast should minimum wages rise?

Case for faster rises

as put by unions (ACTU)

Protect the low-paid

The ACTU argues price rises hit low-paid workers hardest, because more of their income goes to needs they cannot cut back on.

Keep wages ahead of prices

With prices forecast to rise about 4.8 per cent, a rise below that cuts the real value of the minimum wage.

Share the gains

Productivity and business profits rose in 2025; workers should share in those gains.

Case for slower rises

as put by employer groups (ACCI, Ai Group)

Protect jobs and small firms

The ACCI argues many affected firms are already under sharp cost pressure, and big rises could cut entry-level job chances.

Keep pay steps clear

Raising the lowest rates closer to skilled rates compresses the pay steps that reward skill and experience (ACCI).

Watch the labour market

The Ai Group questioned whether participation stays high if wages rise ahead of productivity.

The Commission weighed both sides and awarded 4.75 per cent, below the forecast 4.8 per cent rise in prices.

Positions as reported in Fair Work Commission, Annual Wage Review 2026 [2026] FWCFB 3500, decided 2 June 2026, retrieved 26 August 2026.

A two-column steelman table of the 2026 wage review. Left column, 'Case for faster rises, as put by unions (ACTU)': protect the low-paid, because price rises hit low-paid workers hardest when more of their income goes to needs they cannot cut; keep wages ahead of prices, because with prices forecast to rise about 4.8 per cent a smaller rise cuts the real value of the minimum wage; share the gains, because productivity and business profits rose in 2025. Right column, 'Case for slower rises, as put by employer groups (ACCI, Ai Group)': protect jobs and small firms, because many affected firms are already under sharp cost pressure and big rises could cut entry-level job chances; keep pay steps clear, because raising the lowest rates closer to skilled rates compresses the steps that reward skill and experience; watch the labour market, because wage rises ahead of productivity may not last. A line below reads: the Commission weighed both sides and awarded 4.75 per cent, below the forecast 4.8 per cent rise in prices.

Figure 10: One question, two strong cases — the 2026 Annual Wage Review. Positions as reported in [2026] FWCFB 3500, retrieved 26 August 2026.

Notice the symmetry: neither side is “wrong”. The union case protects the low-paid from losing ground; the employer case protects the jobs and businesses that pay the wages. A good explanation of this topic can steelman — restate at full strength — **both** sides before picking a view.

How to interview a union official (VC2HE10K07.E01)

Elaboration E01 asks you to interview a union official about the work they do. The skill is designing questions that get facts and stories you can check, not questions that invite speeches. Plan each question with a purpose, record answers with permission, and verify any claim against a second source (the union’s own site, the FWC, or the ABS).

Planning an interview with a union official

Question	Why ask it?	Focus
What does a typical week in your role look like?	Builds a picture of what union work actually involves.	Role
Who are your members, and why do they join?	Links membership to the benefits unions offer workers.	Role
How does your union negotiate pay and conditions with employers?	Shows how bargaining works in a real workplace.	Role
What has been your union's proudest win for members in the last ten years?	Collects a first-hand account of union achievements.	History
How has your industry changed, and how has the union changed with it?	Records how the union responded to change over time.	History
What advice would you give a young worker about their rights at work?	Connects the interview to students' own futures.	Rights

ClassBasics model | Prepare follow-up questions, record answers with permission, and check any facts against a second source.

A planning table for an interview with a union official with six example questions, each with a purpose and a focus tag. Questions: What does a typical week in your role look like? (purpose: builds a picture of what union work actually involves; focus Role). Who are your members, and why do they join? (links membership to the benefits unions offer workers; Role). How does your union negotiate pay and conditions with employers? (shows how bargaining works in a real workplace; Role). What has been your union's proudest win for members in the last ten years? (collects a first-hand account of union achievements; History). How has your industry changed, and how has the union changed with it? (records how the union responded to change over time; History). What advice would you give a young worker about their rights at work? (connects the interview to students' own futures; Rights).

Figure 11: Planning an interview with a union official (ClassBasics model).

Worked examples (scaffolded)

WE1 (VC2HE10K07.E02) — Read the membership trend (Figure 5). (a) What share of employees were union members in 1992? (b) What was the change in the rate from 1992 to 2002? (c) The rate rose from 12.5 per cent in 2022 to 13.1 per cent in 2024. Does that single rise prove union membership is recovering? Answer in one careful sentence. *Work:* (a) Read the 1992 point: 39.6 per cent. (b) $39.6 - 23.1 =$ a fall of 16.5 percentage points in a decade. (c) No — one two-year rise after a long fall is a blip until repeated; the 2024 rate is still less than a third of the 1976 rate.

WE2 (VC2HE10K07.E01) — Match interview questions to purposes (Figure 11). Match each question to its purpose: (1) “Who are your members, and why do they join?” (2) “What has been your union's proudest win in the last ten years?” (3) “How does your union negotiate pay with employers?” Purposes: A. shows how bargaining works in a real workplace; B. builds a picture of who the union speaks for; C. collects a first-hand account of achievements. *Work:* 1→B, 2→C, 3→A. Then add one question of your own tagged *History* — for example, “How is your union different from the union your parents joined?”

WE3 (VC2HE10K07.E03) — Build the SDA profile. Complete the profile from the Theory text: (a) year of federal registration and the union's name then; (b) year it became the SDA; (c) membership today; (d) money recovered for members in 2024; (e) two of its claimed wins that later became law for all workers. *Work:* (a) 1908, as the Shop Assistants' and Warehouse Employees' Federation of Australia. (b) 1972. (c) Over 200,000. (d) More than \$7 million. (e) Any two of: the five-day week, the 38-hour week, equal pay for women, parental leave, protected public holidays, universal superannuation.

Worked examples (unscaffolded)

WE4 (achievement standard) — Explain both sides of the 2026 wage rise, then judge. The FWC raised award minimum wages by 4.75 per cent when prices were forecast to rise about 4.8 per cent. Steelman the union case and the employer case (Figure 10), then say whether you think 4.75 per cent was too high, too low or about right — with one reason tied to a number. *See Fully-worked solutions for a model answer.*

WE5 (VC2HE10K07.E03) — Two bodies, one hearing. In the 2026 Annual Wage Review, the ACTU, the ACCI and the Ai Group all made cases. For the SDA and for Ai Group, write two sentences each: whose side they speak for, and one thing they actually do for members, using this section's facts. *See Answers.*

Practice questions — scaffolded

Q1 (E01/E03). Complete the sentences: A **trade union** is an organisation of _____ that joins members to bargain over _____ and conditions. An **employer group** is an organisation of _____ that argues for its members' interests. The peak body for the union side is the _____.

Q2 (VC2HE10K07). Using Figure 1: (a) name the body that sets the minimum wage and approves enterprise agreements; (b) name the separate body that checks people follow workplace laws; (c) name one union and one employer group shown.

Q3 (E02). Copy the four layers of Figure 2 from bottom to top. Then state, in one line, the rule that connects every layer to the one under it.

Q4 (E02). Figure 5: (a) the membership rate in 1976; (b) the rate in 2022; (c) why does the chart mark a series break at 2004?

Q5 (E02). Figure 6: (a) which industry had the highest rate in August 2024, and which the lowest? (b) which industry's rate fell the most between 2014 and 2024, and by how many percentage points?

Q6 (E01). Figure 11 gives each question a purpose. Write one *new* question you would ask a union official about the **work they do**, and state its purpose in the same style.

Q7 (E03). The SDA: (a) in what year did its predecessor unions register federally, and under what name? (b) when did it become the SDA? (c) name two of its claimed achievements that became law for all Australian workers.

Q8 (E02). True or false — correct the false ones. (a) Australian employees must join a union to get the minimum wage. (b) An enterprise agreement can pay less than the award if the employer and most staff agree. (c) The national minimum wage is reviewed each year by the Fair Work Commission.

Practice questions — unscaffolded

Q9 (E02). Describe the story Figure 5 tells from 1976 to 2024 in three sentences: the long trend, the speed of the fall, and the 2022-24 change. Include three numbers. (3 marks)

Q10 (E02). Figure 7: (a) name the states and territories above the national 13.1 per cent line and those below it; (b) Victoria's rate is 13.3 per cent. Is that above or below the national rate, and by how much? (c) suggest one *testable* idea for why Tasmania might sit on top, naming the extra data you would check. (3 marks)

Q11 (E02). The national minimum wage rose from \$948.00 a week to \$1004.90 a week on 1 July 2026. (a) Calculate the weekly rise in dollars. (b) Calculate the rise over a 52-week year. (c) Express the weekly rise as a percentage of the old wage, to one decimal place. (3 marks)

Q12 (E03). For the SDA and for the ACCI: (a) whose side each speaks for; (b) one 2026 fact from this section showing each in action. (3 marks)

Q13 (E02). Choose three milestones from Figure 8 (one about pay, one about hours, one about equality). For each, state what changed for an ordinary worker. (3 marks)

Q14 (achievement standard). "The best rise is the one both sides can live with." Using Figure 10, rebuild the strongest case on each side of the 2026 decision, then give your own reasoned view on whether 4.75 per cent was about right. (4 marks)

Q15 (E01/E03). You will interview an SDA official and then research the union's history. (a) Write three interview questions, each tagged Role, History or Rights as in Figure 11. (b) Name one fact you would double-check after the interview, and the source you would check it against. (4 marks)

Q16 (E02). Figure 9: (a) describe the trend from 1919 to 1975 in two sentences with three numbers; (b) after the 1969 case, only 18 per cent of working women received equal pay. Explain in one sentence why the 1972 case was needed as well. (4 marks)

Answers

WE1. (a) 39.6 per cent. (b) A fall of 16.5 percentage points (39.6 to 23.1). (c) No — one rise after a 46-year fall is not yet a recovery; 13.1 per cent is still less than a third of the 1976 rate. **WE2.** 1→B; 2→C; 3→A. Own question: any that targets history, e.g. “What was your union’s biggest change since 1990?” **WE3.** (a) 1908, Shop Assistants’ and Warehouse Employees’ Federation of Australia. (b) 1972. (c) Over 200,000. (d) More than \$7 million. (e) Any two from the list in the Theory text. **WE4.** See Fully-worked solutions. **WE5.** SDA: speaks for workers (retail, fast food, warehousing); e.g. represents over 200,000 members and recovered over \$7 million in underpayments in 2024. Ai Group: speaks for employers (a peak national industry association); e.g. represents member firms in FWC cases and argued the employers’ productivity and participation case in the 2026 review. **Q1.** workers; pay; businesses; ACTU (Australian Council of Trade Unions). **Q2.** (a) the Fair Work Commission. (b) the Fair Work Ombudsman. (c) union: the SDA; employer group: Ai Group (or ACCI). **Q3.** NES + national minimum wage; modern awards; enterprise agreements; contracts. Rule: each layer can give more than the one under it, but never less. **Q4.** (a) 51.0 per cent. (b) 12.5 per cent. (c) The ABS changed how it collects the data, so numbers before and after 2004 are not perfectly comparable. **Q5.** (a) Highest: education and training (27.2 per cent); lowest: agriculture (0.1 per cent). (b) Electricity, gas, water and waste: 33.2 to 20.2, a fall of 13.0 percentage points. **Q6.** Any question about the work they do, with a matching purpose, e.g. “What happens when a member comes to you with a problem at work?” — purpose: shows what representing members looks like in practice. **Q7.** (a) 1908, Shop Assistants’ and Warehouse Employees’ Federation of Australia. (b) 1972. (c) Any two of: five-day week, 38-hour week, equal pay for women, parental leave, protected public holidays, universal superannuation. **Q8.** (a) False — the minimum wage applies to everyone covered by the system, member or not. (b) False — an agreement must leave employees better off overall than the award; it can never cut under the NES. (c) True. **Q9.** Any three-sentence account with three correct figures, e.g. membership fell from 51.0 per cent (1976) to 12.5 per cent (2022); the fall was steep to about 2000, then slower; 2024 saw the first rise since 2011, to 13.1 per cent. **Q10.** (a) Above: Tasmania, South Australia, Northern Territory, Victoria. Below: NSW, Queensland, ACT, WA. (b) Above, by 0.2 percentage points. (c) Any testable idea with named data, e.g. “Tasmania has more public-sector jobs, and public sectors unionise more — check ABS industry employment shares for each state.” **Q11.** (a) \$56.90. (b) \$2,958.80. (c) 6.0 per cent. **Q12.** SDA: workers’ side; 2026 fact: part of the union movement whose peak body (ACTU) put the union case in the 2026 review, and it recovers underpayments for members (over \$7m in 2024). ACCI: employers’ side; 2026 fact: warned the review that big rises would hit firms under cost pressure and compress pay steps. **Q13.** Pay: 1907 set a legal wage floor (later the NMW). Hours: 1947 cut the standard week to 40 hours (more leisure, same protection). Equality: 1972 required equal pay for work of equal value (women’s minimum to 100 per cent of the male rate). **Q14.** Any answer that states each side’s strongest point fairly (see Fully-worked solutions for the model) and gives a reasoned own view. **Q15.** (a) Three questions correctly tagged. (b) Any claim plus a checking source, e.g. “the union’s membership number — check against the union’s own about page or FWC registration records.” **Q16.** (a) Women’s minimum wage rose in steps — 54 per cent of the male rate in 1919, 75 per cent after 1949-50, 85 per cent in 1969 — reaching 100 per cent by 1975 after the 1972 case. (b) The 1969 case only covered women doing the *same* work as men, so most women in female-dominated jobs missed out; the 1972 case extended the principle to work of equal value.

Fully-worked solutions

Q11 (3 marks). (a) $1004.90 - 948.00 = \$56.90$ per week. (b) $56.90 \times 52 = \$2,958.80$ per year. (c) $56.90 \div 948.00 = 0.0600\dots \approx 6.0$ per cent.

Q13 (3 marks). - *Pay — 1907 Harvester case*: for the first time a national court set a legal floor (“fair and reasonable”, 7 shillings a day), so the lowest-paid worker had a wage no employer could undercut. - *Hours — 1947 Standard Hours Inquiry*: the ordinary week was cut from 44 to 40 hours across the economy, giving workers a shorter week with their pay protected. - *Equality — 1972 Equal Pay Case*: pay rates had to be set without regard to sex (“equal pay for work of equal value”), lifting the female minimum wage to 100 per cent of the male rate over three years.

Q14 (4 marks). *Union case (steelman)*: prices were forecast to rise about 4.8 per cent, so any rise below that cuts the real buying power of the lowest-paid — and the ACTU argued the official measure of price rises understates the squeeze on low-paid workers, who spend a bigger share of income on needs they cannot cut; with profits and productivity up in 2025, the floor should at least keep pace. *Employer case (steelman)*: many award-reliant firms (hospitality, retail, farms) were already under sharp cost pressure; pushing the lowest rates up faster than productivity compresses the pay steps that reward skill and can price beginners out of entry-level jobs — the cost lands on prices

everyone pays. *Own view (model)*: about right. At 4.75 per cent the rise almost fully protected the 2.8 million award-reliant workers from forecast inflation, while staying just below it answered the employer warning about adding cost in a fragile economy. (Any reasoned view earns the mark; the requirement is a fair restatement of both sides plus one number used.)

Q16 (4 marks). (a) The line climbs in four steps: 54 per cent of the male rate (1919 Clothing Trades Case), 75 per cent (1949-50 Basic Wage Inquiry), 85 per cent (1969 Equal Pay Case), then 100 per cent by 1975 under the 1972 Equal Pay Case — from just over half to full equality across about 55 years. (b) The 1969 case gave equal pay only where women did the *same* work as men, and just 18 per cent of working women qualified; the 1972 case mattered because it moved the principle to *work of equal value*, which finally covered women in female-dominated jobs.

Sources

All sources retrieved 26 August 2026 unless stated.

- Australian Bureau of Statistics, Trade Union Members, Australia, August 2024 (released 9 December 2024), abs.gov.au.
- Fair Work Commission, Annual Wage Review 2026 [2026] FWCFB 3500, decided 2 June 2026.
- Fair Work Commission, ‘Our role’; ‘National Employment Standards’; ‘What is the right to disconnect?’; fwc.gov.au.
- Fair Work Commission, Sir Richard Kirby Archives: ‘Harvester case’; ‘Reducing hours of work’ (44-hour week [1927], 40-hour week [1947], 38-hour week [1983]); ‘Equal pay - a history of women’s wages and the Commission’; ‘The history of the Australian minimum wage’ (the Accord, 1983).
- Shop, Distributive and Allied Employees’ Association, ‘About the union’, sda.au.
- The Australian Industry Group (Ai Group), aigroup.com.au.
- Victorian Curriculum F-10 Version 2.0, Economics and Business, Levels 9 and 10 (VC2HE10K07 and elaborations).

Weighing consumer and financial risk and reward: scams, investing and insurance

Curriculum trace. Content description VC2HE10K08. Elaborations: VC2HE10K08.E01, VC2HE10K08.E02, VC2HE10K08.E03, VC2HE10K08.E04. Achievement standard: Levels 9 and 10.

Every money choice is a bet on the future — and every bet has a **risk** (the chance the result is worse than you expect, including losing money) and a **reward** (the money the choice pays back, as income or as growth in value). This section is about managing both: the big consumer decisions (a car, a home, a bank, a super fund), the investment choices behind them (property, shares, cash), the scams that hunt your money, and the insurance that shares your risk. Every figure and number in this section is real, taken from Scamwatch, the Reserve Bank of Australia (RBA), the Australian Bureau of Statistics (ABS), the Insurance Council of Australia, the Federal Chamber of Automotive Industries and ASIC's Moneysmart site, retrieved 26 August 2026. The numerical side of investing (working out compound growth and returns) belongs to your Mathematics classes; this book reads the numbers and reasons about what they mean for choices.

Theory

Big and small consumer decisions (VC2HE10K08.E01)

Some decisions are minor: what to buy for lunch costs a few dollars and can be undone tomorrow. Some are major: buying a car or a property, picking a bank, or choosing a super fund. Major decisions move big money, last for years and are hard to undo — so the factors behind them deserve a checklist. There are six worth naming (VC2HE10K08.E01):

Six factors behind a big consumer or financial decision

Factor (from VC2HE10K08.E01)	Example: buying a car	Example: buying a property
Price	The advertised price versus the drive-away price, and how it compares with similar cars for sale.	The asking price compared with recent sales of similar homes in the same suburb.
Availability	Whether the model and colour are in stock now or must be ordered and waited for.	Whether homes in your budget and preferred area are actually on the market.
Cost of borrowing	The interest rate on a car loan, and whether the loan is secured against the car.	The home loan interest rate, fixed or variable, and the deposit needed.
Marketing	How advertising, reviews and dealer offers shape how the car is seen.	How listings, photos, open houses and auctions shape how a property is seen.
Convenience	Distance to work or school, servicing costs, and fuel or charging costs.	Distance to school, work and transport, and the cost and effort of upkeep.
Ethics and environmental impact	Fuel use or electric power, emissions, and where and how the car was made.	The home's energy efficiency, and the environmental risks of the site, such as flood or bushfire.

The six factors follow the checklist in VC2HE10K08.E01 (Victorian Curriculum 2.0). The car and property examples are ClassBasics models.

A three-column table titled “Six factors behind a big consumer or financial decision”. The columns are “Factor (from VC2HE10K08.E01)”, “Example: buying a car” and “Example: buying a property”. The six rows are Price, Availability, Cost of borrowing, Marketing, Convenience, and Ethics and environmental impact; each row gives a car example (such as drive-away price, stock, car-loan rate, advertising, fuel or charging costs, emissions) and a property example (such as asking price versus recent sales, homes on the market, home-loan rate and deposit, listings and auctions, distance to school and work, energy efficiency and flood or bushfire risk).

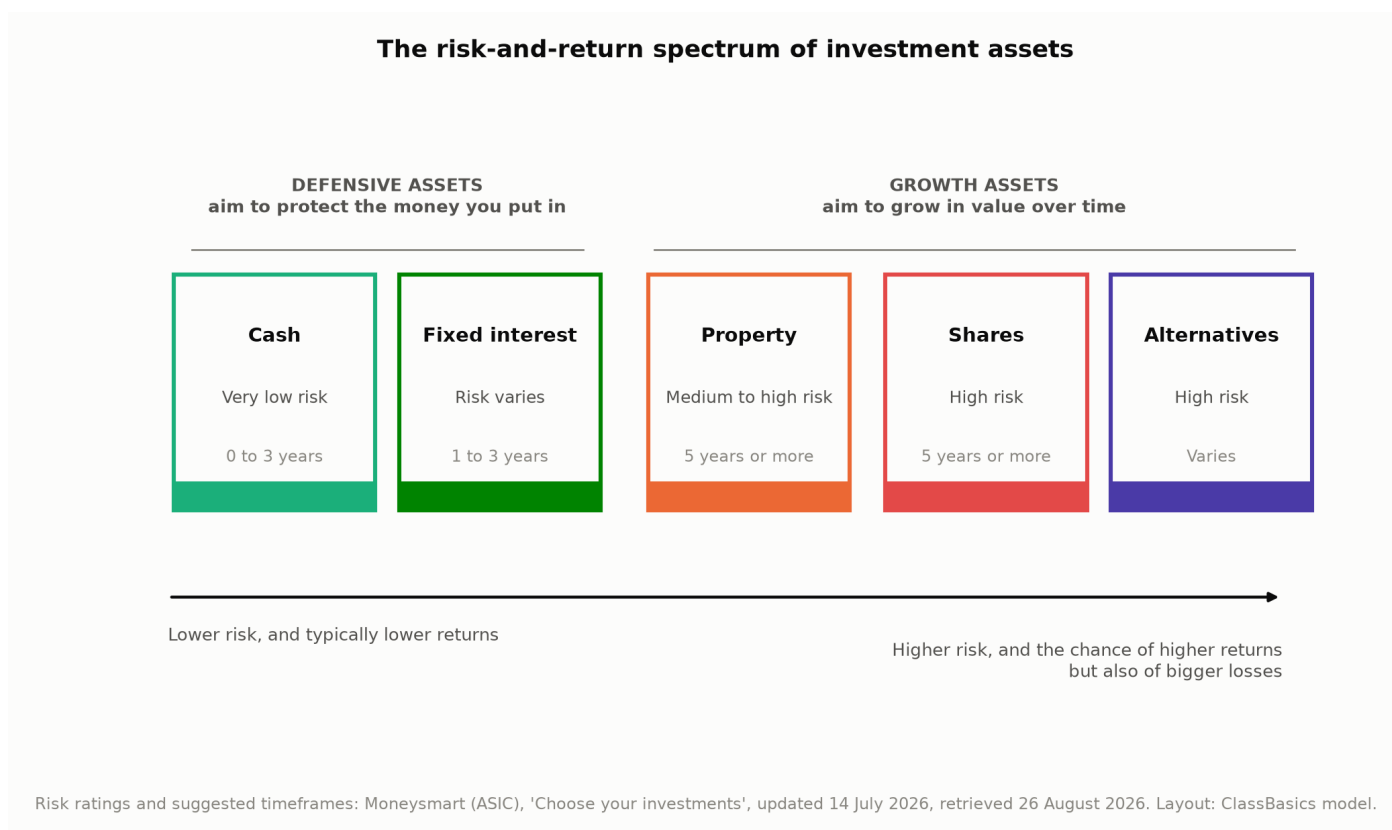
Figure 1: The six-factor checklist from VC2HE10K08.E01, applied to a car and a property (ClassBasics model).

The car column is a live example in 2026. In July 2026 Australians bought 103,656 new vehicles — the biggest July on record — and battery-electric vehicles were 21.7% of those sales (FCAI VFACTS, released 5 August 2026). So a 2026 buyer really does weigh **ethics and environmental impact** (emissions, where and how the car was made) against **price**, **convenience** (charging versus fuel stops), **availability** (some models have waiting lists), **cost of borrowing** (the interest rate on a car loan) and **marketing**. The same six factors apply when choosing a bank or a superannuation fund: the price is the fees, the reward is the interest rate or the long-run return, and the convenience is the app and the ATMs.

Australian law stands behind these decisions. Purchases come with **consumer guarantees** (your automatic legal rights under the Australian Consumer Law — goods must do what they should, and be as described, no matter what the shop says). That is the legal side of being a consumer; the ethical side runs the other way, from you: honest dealing, and reading what you sign.

Risk, reward and what Australians actually own (VC2HE10K08.E02)

Investments sit on a spectrum: the safer the asset, the smaller the return you can normally expect; the bigger the possible return, the bigger the possible loss.

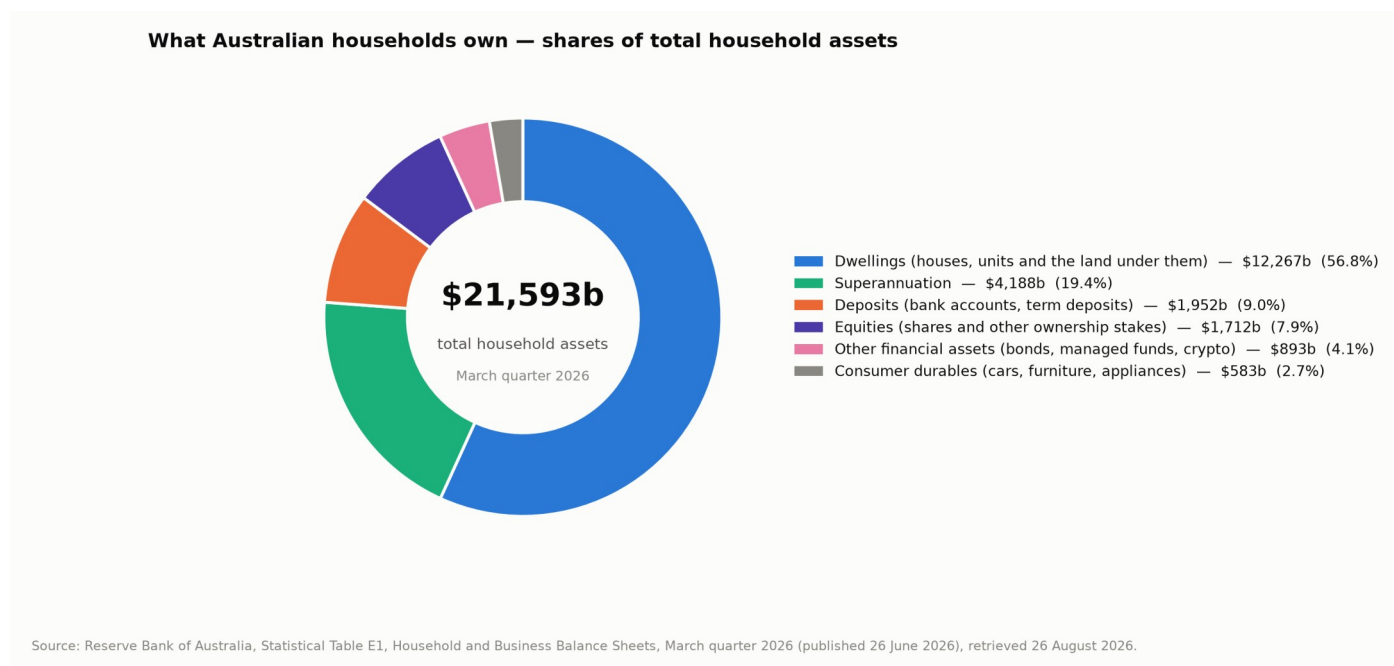


A diagram titled “The risk-and-return spectrum of investment assets”. Five cards stand in a row above a right-pointing arrow labelled “lower risk, and typically lower returns” at the left end and “higher risk, and the chance of higher returns but also of bigger losses” at the right end. The first two cards, labelled DEFENSIVE ASSETS, are Cash (very low risk, 0 to 3 years) and Fixed interest (risk varies, 1 to 3 years). The next three, labelled GROWTH ASSETS, are Property (medium to high risk, 5 years or more), Shares (high risk, 5 years or more) and Alternatives (high risk, varies).

Figure 2: Defensive assets aim to protect money; growth assets aim to grow it. Risk ratings and suggested timeframes: Moneysmart (ASIC), ‘Choose your investments’, updated 14 July 2026 (ClassBasics model).

The curriculum asks about “**smart investment strategies**” but never defines the word *smart*, so this book must. One reading is that smart means chasing the highest possible return — but in Figure 2 the highest returns sit with the highest risks, so “smart as chasing” can end in big losses. An opposite reading is that smart means never taking any risk — but then money can grow slower than prices rise, which is a loss too, just a quiet one (Figure 6 shows this below). The working definition used in this section, which we choose and own, is: a strategy is smart if it *knows* the risk it takes, *spreads* the risk, and *holds on long enough* for the risk to be worth taking. Spreading risk across different assets is called **diversification** — not putting all your money in one basket — and it is the habit behind most super funds.

What do Australians actually own? Figure 3 is the RBA's own picture of the household sector's balance sheet.



A donut chart titled “What Australian households own — shares of total household assets”, with “\$21,593b total household assets, March quarter 2026” in the centre. The slices are: Dwellings \$12,267b (56.8%), Superannuation \$4,188b (19.4%), Deposits \$1,952b (9.0%), Equities \$1,712b (7.9%), Other financial assets \$893b (4.1%), Consumer durables \$583b (2.7%).

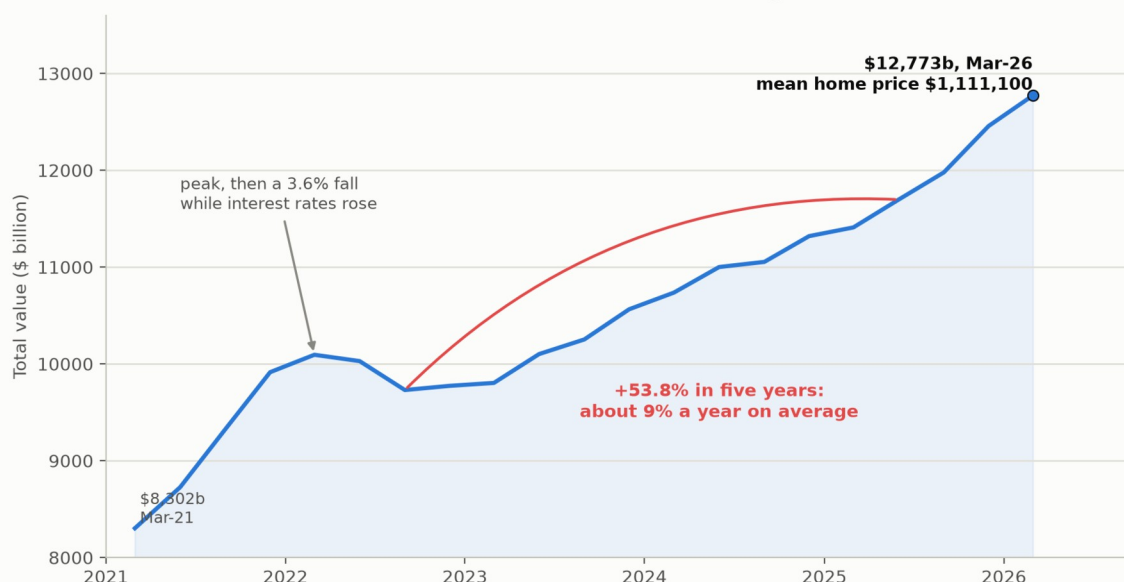
Figure 3: The household balance sheet, March quarter 2026. Source: RBA Statistical Table E1, Household and Business Balance Sheets (published 26 June 2026), retrieved 26 August 2026.

Two things jump out. First, more than half of household wealth sits in **dwellings** — houses, units and the land under them — so property is Australia's favourite investment, and the one most families' futures are tied to. Second, **superannuation** (the compulsory savings scheme that your employer tops up through your working life, and one of the biggest reasons individuals and communities hold wealth) is the second-largest holding, and most super is itself invested across shares, bonds and property. Note the tiny slice for **consumer durables** — cars and furniture lose value, so they are things to use, not investments.

Property as an investment (VC2HE10K08.E02)

The rewards of property are rent (income paid by tenants) plus growth in the property's value. The risks are that values can fall, that a property can sit empty, and that one property is the opposite of diversification — nearly all your money in one basket, usually bought with a big loan.

Total value of Australia's residential dwellings, Mar-21 to Mar-26



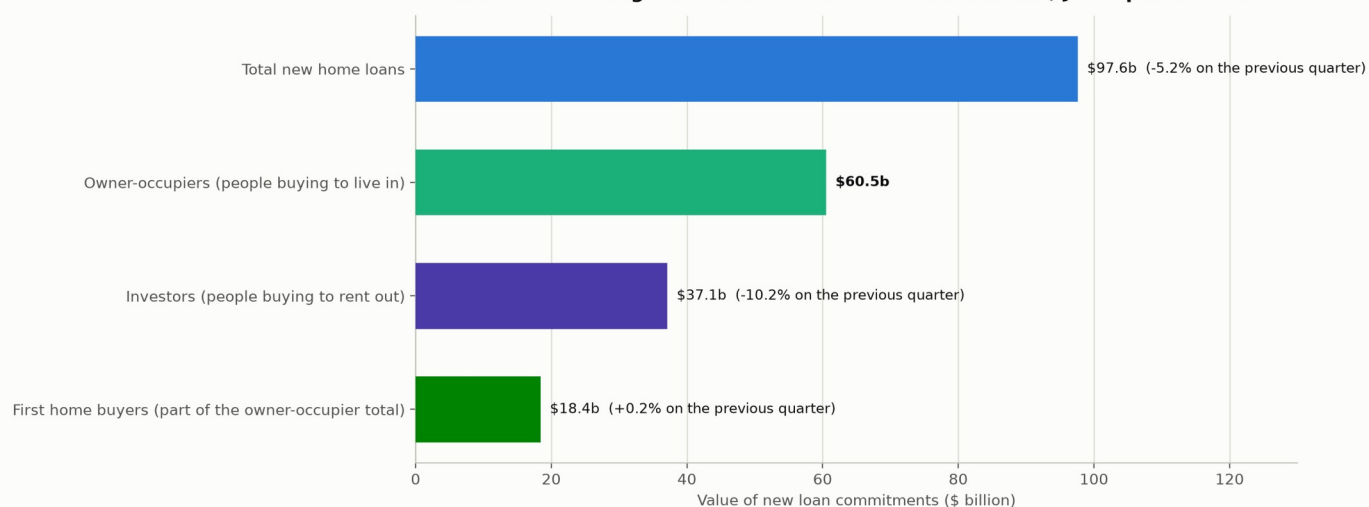
Source: ABS, Total Value of Dwellings, March quarter 2026 (released 9 June 2026), retrieved 26 August 2026. Covers all residential dwellings, 11,495,200 of them at March 2026.

A line chart titled “Total value of Australia’s residential dwellings, Mar-21 to Mar-26”. The line climbs from \$8,302b in March 2021 to a peak just over \$10,000b in early 2022, falls about 3.6% while interest rates rose, then climbs steadily to \$12,773b in March 2026, with the mean home price noted as \$1,111,100. An arc across the chart is labelled “+53.8% in five years: about 9% a year on average”.

Figure 4: The value of Australia’s housing stock, quarterly. Source: ABS, Total Value of Dwellings, March quarter 2026 (released 9 June 2026), retrieved 26 August 2026.

Figure 4 shows both sides of property at once: a rise of 53.8% over five years — about 9% a year on average — and a clear dip in 2022-23, when rising interest rates made loans dearer and values fell for a while. The dip matters: a story of “property always rises” is not what the data says. The cost of borrowing also shows up in borrowing behaviour. In the June quarter 2026, the value of new loans to **investors** (people buying to rent out) fell 10.2% on the previous quarter, while loans to first home buyers held almost steady (+0.2%) — when borrowing costs more, some investors simply wait (ABS Lending Indicators, released 14 August 2026).

Who is borrowing for homes — new loan commitments, June quarter 2026



Source: ABS Lending Indicators, June quarter 2026 (released 14 August 2026), seasonally adjusted, retrieved 26 August 2026. 134,225 new loans in total.

A horizontal bar chart titled “Who is borrowing for homes — new loan commitments, June quarter 2026”. Bars: total new home loans \$97.6b (down 5.2% on the previous quarter); owner-occupiers \$60.5b; investors \$37.1b (down 10.2%); first home buyers \$18.4b (up 0.2%, noted as part of the owner-occupier total). 134,225 new loans in total.

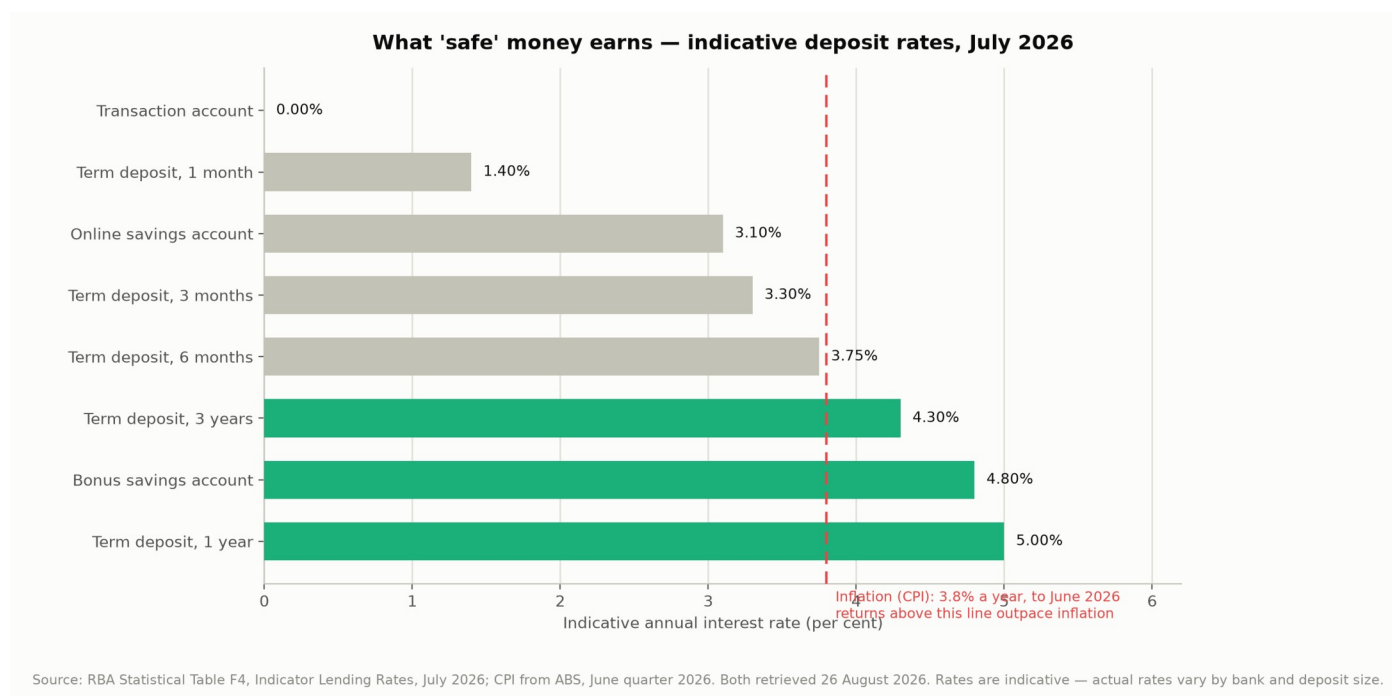
Figure 5: New home-loan commitments by borrower, June quarter 2026. Source: ABS Lending Indicators (released 14 August 2026), retrieved 26 August 2026.

Put the strongest case for each side before judging property as an investment. *For*: the five-year record in Figure 4 beats most alternatives; rent can pay part of the cost while you wait; and a loan lets a deposit control a much more valuable asset. *Against*: the average home now costs \$1,111,100, so the deposit and the loan (and the interest on it) are large; one property concentrates risk; and landlords carry legal duties under tenancy law — repairs, bonds, rules about entering the home. The data supports both “property rewarded patience” and “property punished borrowers in 2022-23”; which lesson you weight is your reasoned choice, and the reasoning carries the marks.

Shares, cash and the quiet risk of “safe” (VC2HE10K08.E02)

Shares (also called **equities** — parts of the ownership of companies, bought on public markets such as the ASX) pay their reward as **dividends** (a share of the company’s profit paid to owners) plus growth in the share price. Moneysmart rates shares as high risk and suggests a timeframe of five years or more, because share prices jump about from year to year even when they rise over decades.

At the safe end, cash and term deposits carry almost no risk to the dollar amount — but they carry the quiet risk of losing *buying power*. If your money grows slower than prices rise, you can buy less next year than this year.



A horizontal bar chart titled “What ‘safe’ money earns — indicative deposit rates, July 2026”. Bars from 0.00% (transaction account) to 5.00% (term deposit, 1 year), with online savings 3.10%, bonus savings 4.80% and term deposits of 1, 3, 6 months and 3 years between. A dashed red vertical line at 3.8% marks inflation (the yearly rise in prices, to June 2026); bars above the line are green, bars below it grey.

Figure 6: Some “safe” options pay less than inflation, so their real buying power falls. Sources: RBA Statistical Table F4 (July 2026) and ABS inflation data (June 2026), retrieved 26 August 2026. Rates are indicative and vary by bank.

Read Figure 6 as a risk trade-off, not a league table: the accounts that beat inflation (the green bars) ask for conditions — locking money away for a year, or meeting bonus rules — while the everyday transaction account pays 0.00%. Reward and inconvenience, like reward and risk, usually travel together. This is why a smart strategy in our working definition mixes assets: cash for money needed soon, growth assets for money needed in many years.

Financial scams: the size of the trap (VC2HE10K08.E04)

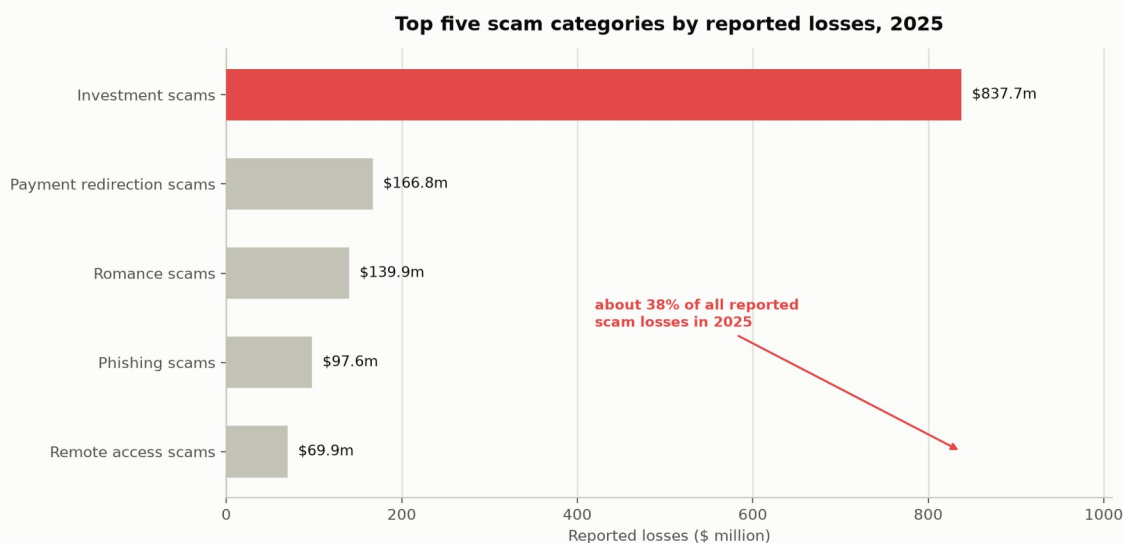
A **financial scam** is a planned trick to take your money or your personal details. Legally, scamming is fraud — a crime investigated by police and tracked nationally by **Scamwatch**, run by the National Anti-Scam Centre inside the ACCC. Ethically, scams weaponise trust: they work by sounding like your bank, your government, or a friend.



Source: Scamwatch (National Anti-Scam Centre), Targeting scams report 2025, published 30 March 2026, retrieved 26 August 2026. Combined losses reported to Scamwatch and other agencies.

A bar chart titled “Reported scam losses in Australia, 2021 to 2025”. Bars: 2021 \$1.8b; 2022 \$3.1b; 2023 \$2.7b; 2024 \$2.0b; 2025 \$2.2b, with the 2025 bar annotated “\$2.18b lost across 481,523 reports”.

Figure 7: Reported scam losses, 2021 to 2025. Source: Scamwatch, Targeting scams report 2025 (published 30 March 2026), retrieved 26 August 2026.



Source: Scamwatch (National Anti-Scam Centre), Targeting scams report 2025, published 30 March 2026, retrieved 26 August 2026. The report notes these five categories account for about 60% of all losses.

A horizontal bar chart titled “Top five scam categories by reported losses, 2025”. Bars: Investment scams \$837.7m (annotated “about 38% of all reported scam losses in 2025”); Payment redirection scams \$166.8m; Romance scams \$139.9m; Phishing scams \$97.6m; Remote access scams \$69.9m.

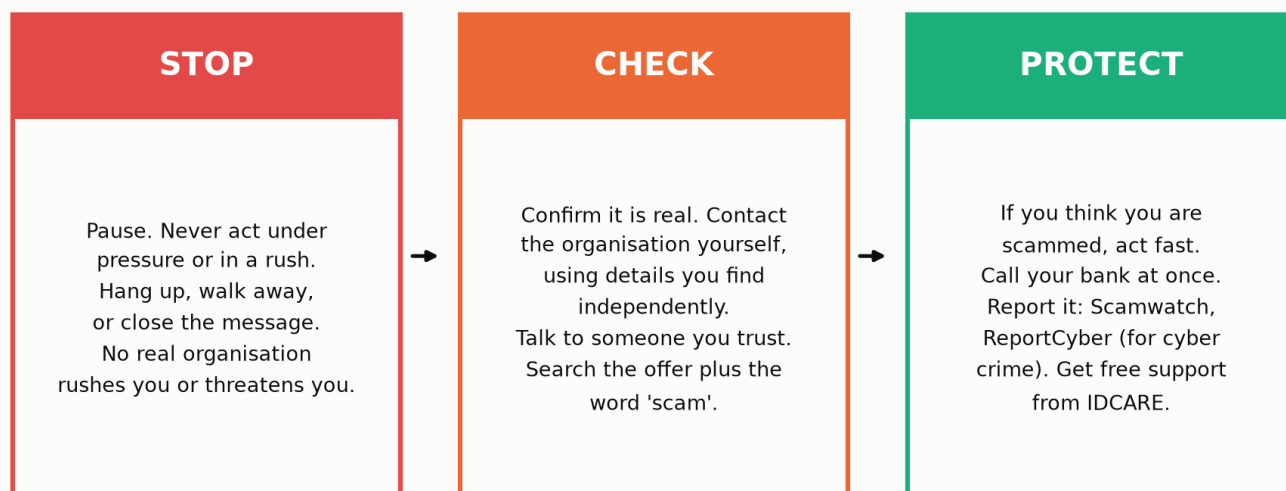
Figure 8: The top five scam categories by losses, 2025. Source: Scamwatch, Targeting scams report 2025 (published 30 March 2026), retrieved 26 August 2026; the report notes these five categories account for about 60% of all losses.

The category list explains the link between scams and investing: **investment scams** took \$837.7 million in 2025 — about 38% of all reported losses — because they promise the one thing nobody can honestly promise, a high return with no risk. **Phishing** scams (fake messages that imitate a real organisation to steal your login details) and **payment redirection** scams (tricking you into sending a legitimate payment to the scammer’s account instead) exploit hurry, not greed. Moneysmart notes that scammers now use professional-looking websites, advertising, social media and even AI-generated voices, so “it looks real” is no longer a test that works.

Stop. Check. Protect. — the document the curriculum asks for (VC2HE10K08.E04)

Australia's official answer to scams is a three-step habit, and it is exactly what a “how to avoid being scammed” document (the one E04 asks you to prepare) should be built around.

Stop. Check. Protect. — Australia's three-step response to scams



Framework: Scamwatch (National Anti-Scam Centre), scamwatch.gov.au, retrieved 26 August 2026. Layout: ClassBasics model.

A three-panel flow chart titled “Stop. Check. Protect. — Australia’s three-step response to scams”. **STOP** (red): pause, never act under pressure or in a rush; hang up, walk away, or close the message; no real organisation rushes you or threatens you. **CHECK** (orange): confirm it is real; contact the organisation yourself using details you find independently; talk to someone you trust; search the offer plus the word ‘scam’. **PROTECT** (green): if you think you are scammed, act fast; call your bank at once; report it to Scamwatch and ReportCyber; get free support from IDCARE.

Figure 9: The three-step framework. Framework: Scamwatch (National Anti-Scam Centre), scamwatch.gov.au, retrieved 26 August 2026 (ClassBasics model).

A strong document covers both halves — avoiding, and responding. Avoiding means knowing the red flags (pressure and threats, returns that sound too good to be true, unusual payment methods, contact you never asked for) and the CHECK habit. Responding means acting fast, because speed saves money: call your bank, report to Scamwatch, use **ReportCyber** (the national portal for cybercrime) for online crime, and contact **IDCARE**, the free national support service for people affected by scams and identity crime. Reporting is also a civic act — every report makes the national picture in Figures 7 and 8 more complete and warns the next person.

Insurance: paying a little to avoid losing a lot (VC2HE10K08.E03)

Insurance is a contract that swaps a small certain cost for a large uncertain one: you pay a regular **premium**, and in return the **insurer** (the insurance company) agrees to pay for covered losses, after an **excess** — the first slice of any claim that you pay yourself. It works by pooling: thousands of people pay small premiums so that the few who suffer a big loss can be paid. The curriculum names three types:

Three types of insurance named in the curriculum

Type of insurance	What it typically covers	What to compare before you buy
Motor vehicle insurance	Compulsory third party (CTP) insurance is required to register a car; it covers injuries your car causes to people. Separate policies cover damage to other people's property and, with comprehensive cover, repairs to your own car.	Compare policies before you buy: prices, exclusions, conditions and discounts all vary between insurers.
Health insurance	Helps pay hospital and medical costs beyond what the public Medicare system covers. Extras can cover dental, optical and physiotherapy.	Compare the level of hospital cover, the extras you will actually use, and any excess you must pay when you make a claim.
House and contents insurance	Building cover protects the home itself; contents cover protects the things in it, against events like fire, storms and theft. Policies list what is covered and what is excluded.	Check the exclusions, the agreed sum insured, and whether floods are included — flood cover varies widely between policies.

Content based on Moneysmart (ASIC) guidance on insurance and car insurance, retrieved 26 August 2026. Layout: ClassBasics model.

A three-column table titled “Three types of insurance named in the curriculum”. Rows: Motor vehicle insurance (compulsory third party, CTP, required to register a car, covers injuries your car causes to people; separate policies cover damage to other people’s property and, with comprehensive cover, repairs to your own car; compare prices, exclusions, conditions and discounts), Health insurance (helps pay hospital and medical costs beyond what public Medicare covers; extras can cover dental, optical and physiotherapy; compare hospital cover level, extras you will use, and the excess), House and contents insurance (building cover protects the home, contents cover protects the things in it against fire, storms and theft; check exclusions, the sum insured, and whether floods are included).

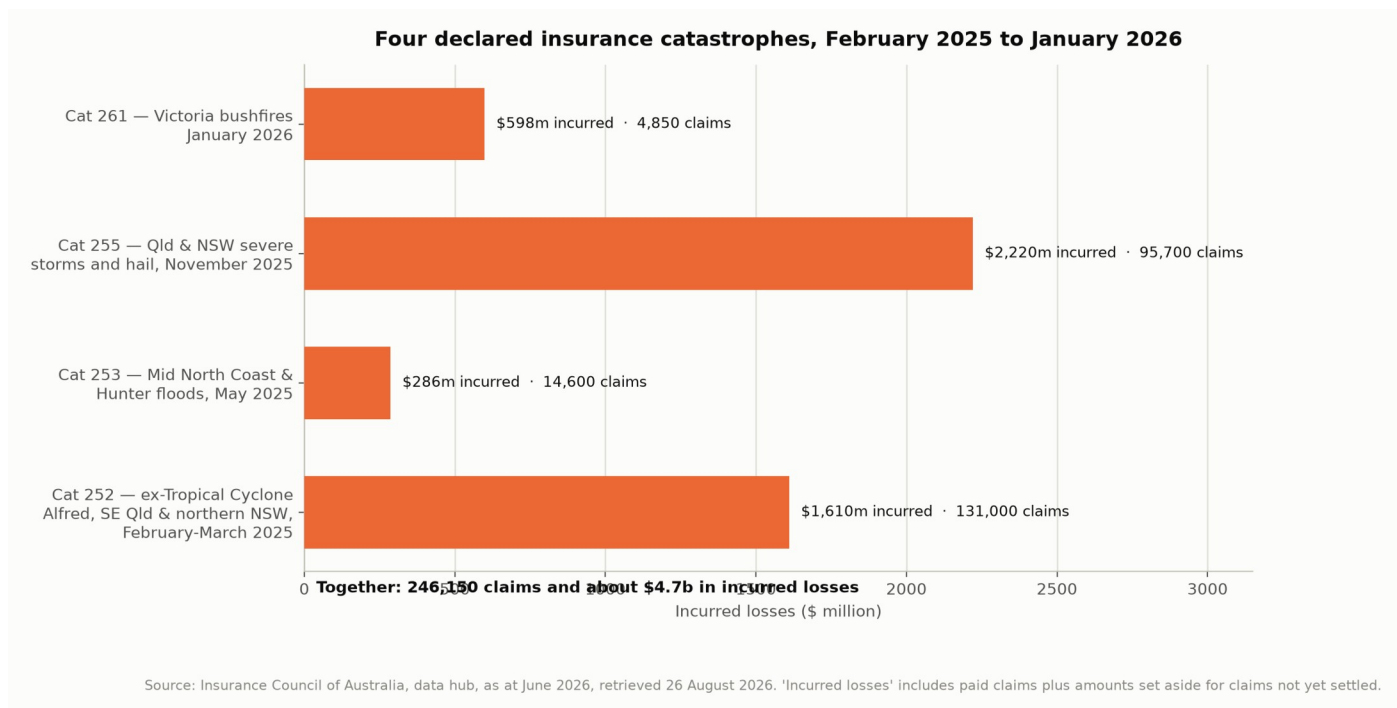
Figure 10: The three insurance types named in VC2HE10K08.E03. Content based on Moneysmart (ASIC) guidance, retrieved 26 August 2026 (ClassBasics model).

The legal and ethical dimensions sit right inside insurance. Legally, CTP is compulsory — you cannot register a car without it — and most home-loan contracts require building insurance, so some insurance is not optional. A policy is a contract with duties on both sides: the insurer must pay covered claims, and you must be honest — an exaggerated or invented claim is fraud, a crime. Ethically, the pool only works if people claim honestly and insurers handle claims fairly; disputes can go to AFCA, the free Australian Financial Complaints Authority, and insurers are overseen by ASIC.

The cost-benefit test for any policy is qualitative, not a calculation: weigh the premium (small, certain, repeated) against the loss it covers (large, rare, ruinous). Insurance is worth most for losses you could not absorb alone — a destroyed house, a serious injury — and is worth least for small replaceable things, where the excess alone may exceed the loss.

Why insurance matters: four real catastrophes (VC2HE10K08.E03)

Insurance looks like a waste right up until the event it exists for. Australia’s insurers declare a **catastrophe** — the formal label for an event large enough that insurers coordinate a national response — when storms, floods or fires strike, and 2025-26 brought four of them:



A horizontal bar chart titled “Four declared insurance catastrophes, February 2025 to January 2026”. Bars with incurred losses and claim counts: Cat 261, Victoria bushfires, January 2026, \$598m, 4,850 claims; Cat 255, Queensland and NSW severe storms and hail, November 2025, \$2,220m, 95,700 claims; Cat 253, Mid North Coast and Hunter floods, May 2025, \$286m, 14,600 claims; Cat 252, ex-Tropical Cyclone Alfred, south-east Queensland and northern NSW, February-March 2025, \$1,610m, 131,000 claims. A note gives the totals: 246,150 claims and about \$4.7b in incurred losses.

Figure 11: Four declared catastrophes in fifteen months. Source: Insurance Council of Australia, data hub, as at June 2026, retrieved 26 August 2026. ‘Incurred losses’ includes claims paid plus amounts set aside for claims not yet settled.

Read the consequences in Figure 11 both ways. For the insured household, a hailstorm that writes off the roof and the car is a claim, not a financial ruin — that is the benefit side. For the uninsured, the same event is a six-figure loss absorbed alone — which is why Moneysmart urges you to check *exclusions* carefully: flood cover, for example, varies widely between policies, and a policy that excludes the disaster you live beside is the quiet version of being uninsured.

Comparing between providers is part of managing the risk. Moneysmart’s guidance is blunt: for the same cover type, prices, exclusions, conditions and discounts all vary between insurers, so comparing is not optional shopping — it is the difference between policies that look alike and policies that *are* alike when the claim arrives. The Insurance Council’s ‘find an insurer’ service and Moneysmart’s comparison guidance are the starting points.

Analysing risk management: the four moves the achievement standard wants

The achievement standard asks you to analyse how well risks and rewards are managed in consumer and financial decisions, and to *think through the consequences* of that management. Strong answers make four moves, and as always the reasoning — not the conclusion — carries the marks:

1. **Name the risk.** What could go wrong, and how big could the loss be? (A scratched phone case is small; a house burning down is ruinous.)
2. **Name the management choice.** Avoid it, reduce it, share it (insurance), or accept it — and for investments, know the risk and diversify it.
3. **Weigh cost against benefit.** Every management choice has a price: a premium, a lower return for safety, time spent checking.
4. **Consider the consequences** — including the hidden ones: what happens if the risk arrives unmanaged, and what the management choice costs if it never arrives.

Worked examples (scaffolded)

WE1 (VC2HE10K08.E01) — Apply the six factors to a real 2026 car decision. A buyer is choosing between Car P, a \$38,000 petrol SUV widely in stock, and Car E, a \$45,000 battery-electric car with a three-month waiting list and cheap running costs. Apply four of the six factors from Figure 1 to this choice. *Scaffold — one factor at a time, say which car it favours and why:* Price → Availability → Cost of borrowing (and running costs) → Ethics and environmental impact. *Model application:* **Price** favours P (\$7,000 cheaper to buy). **Availability** favours P (in stock now versus a three-month wait). **Cost of borrowing** is split: the loan is smaller for P, but E's fuel and servicing costs are lower, so over five years the gap narrows. **Ethics and environmental impact** favour E (zero tailpipe emissions; though where and how each car and its battery were made also counts). Conclusion: the factors do not give one answer — they make the trade-off visible, which is the point of listing them.

WE2 (VC2HE10K08.E02) — Compare property and shares across reward, income and risk. Using Figures 2, 3 and 4 and the shares paragraph, fill a comparison grid for property versus shares with one row each for: reward as income; reward as growth; main risk; and the barrier to starting. *Scaffold — fill the grid from the figures, not from opinion:* income row (rent vs dividends); growth row (Figure 4's five-year record vs "high risk, 5 years or more"); risk row (one big concentrated asset vs price jumps); barrier row (deposit plus loan vs buying a small parcel). *Model grid:* **Income:** property pays rent; shares pay dividends. **Growth:** Australian property rose 53.8% over the five years to March 2026, with a dip in 2022-23; shares are rated high risk over five-year timeframes. **Main risk:** property concentrates nearly all your money in one borrowed asset; share prices can fall sharply even when they rise over long periods. **Barrier:** a home needs a large deposit and a loan; shares can be started small. Both are growth assets in Moneysmart's terms; neither is "safe" in the cash sense.

WE3 (VC2HE10K08.E03) — Compare two motor-vehicle insurance quotes. Quote A: \$980 a year, excess \$1,500. Quote B: \$1,240 a year, excess \$500, and it adds windscreen cover and a courtesy car while yours is repaired. Compare them for (i) a year with no claim and (ii) a year with one \$4,000 claim, then name one non-price factor from Moneysmart's list. *Scaffold — total cost = premium + excess when a claim happens:* no-claim year: A = \$980, B = _____. Claim year: A = 980 + _____, B = 1240 + _____. *Model comparison:* No claim: A costs \$980, B \$1,240 — A is \$260 cheaper. One \$4,000 claim: A costs 980 + 1,500 = \$2,480; B costs 1,240 + 500 = \$1,740 — B is \$740 cheaper, and adds windscreen cover and a courtesy car. So A is a bet that you will not claim; B pays for certainty. Non-price factors Moneysmart names: exclusions, conditions and discounts — the cheapest policy that excludes what you are likely to claim is not cheap.

WE4 (VC2HE10K08.E04) — Read a scam and map it to Stop. Check. Protect. Message: "URGENT: your account will be closed in 2 hours. Click here to verify and earn a guaranteed 15% weekly return while we resolve the issue." List the red flags, then map your response onto the three steps. *Scaffold — test the message against four red flags:* pressure or threats? too good to be true? unsolicited contact? unusual payment or link? *Model reading:* Red flags: a two-hour deadline (pressure); a "guaranteed 15% weekly" return (no honest investment guarantees anything — Figures 6 and 7 show real returns are single digits a year); contact you did not ask for; a link to "verify" (phishing). Response: **Stop** — do not click, close the message. **Check** — contact the bank yourself using the number on the back of your card. **Protect** — report it to Scamwatch so the trap is logged.

Worked examples (unscaffolded)

WE5 (achievement standard) — Analyse a household's management of financial risk, and consider the consequences. A household holds \$60,000 in savings. After seeing an advertisement on social media, it puts \$50,000 into a single online "trading program" promising 20% a month, keeps no contents insurance on its \$12,000 of furniture and electronics, and drops comprehensive cover on its only car to save about \$700 a year. Analyse the management of risk here and consider the consequences. *Model analysis:* (1) Risks: the program shows the classic investment-scam profile (guaranteed extraordinary returns); the car and contents choices leave two real losses unmanaged. (2) Management choices: instead of knowing, spreading and time-holding risk, the household concentrated \$50,000 in one unverified basket and accepted two uninsured losses. (3) Cost-benefit: the \$700 premium saved is small and certain against a large uncertain loss — the swap insurance exists for, made backwards. (4) Consequences: if the program is a scam (and 2025's \$837.7m of investment-scam losses says such programs usually are), the household loses most of its savings at once; a written-off car then removes its transport and its ability to earn. Even if no loss arrives, the strategy only "worked" by luck — luck is not management.

WE6 (VC2HE10K08.E01/E03) — Judge whether insurance is worth it for a renter. A renter owns \$8,000 of clothes, electronics and furniture. Contents insurance quotes are about \$300 a year with a \$500 excess. Give the strongest case *for* buying the policy and the strongest case *against*, then make a reasoned judgement. *Model answer:* For: a fire or burglary could replace years of saving in one event; \$300 a year is a known small cost, and the policy also carries legal liability cover in many cases; the excess only matters per claim. Against: most years bring no claim, so the premium buys nothing visible; for small losses under \$500 the excess pays first, so the policy only helps for bigger events; the money might be better as a personal savings buffer. Judgement (reasoned, either side acceptable): insurance is worth it here *if* the renter could not rebuild the \$8,000 quickly from savings — the policy converts a ruinous rare loss into a bearable certain cost; it is less worth it for someone whose savings already cover the loss.

Practice questions — scaffolded

Q1 (E01). List the six factors the curriculum names as influences on major consumer and financial decisions.

Q2 (E01). Classify each decision as minor or major, with a one-phrase reason: (a) buying a drink after sport; (b) choosing a superannuation fund when you start work; (c) picking a phone case; (d) purchasing a first car.

Q3 (E02). Figure 3: (a) which asset class is the largest share of household wealth? (b) roughly what share is it? (c) which asset class is the smallest, and why does the section call it a thing to use rather than an investment?

Q4 (E02). Figure 2: (a) which two assets does Moneysmart class as defensive? (b) what risk rating and timeframe does it give shares? (c) in one sentence, what is diversification?

Q5 (E04). Figure 7: (a) which year had the highest reported scam losses, and how high? (b) what were the 2025 loss total and report count?

Q6 (E04). Figure 9: match each action to Stop, Check or Protect: (a) calling your bank the moment you suspect a scam; (b) hanging up on a caller who threatens you; (c) phoning the organisation yourself on a number you found independently.

Q7 (E03). Figure 10: which type of insurance answers each need? (a) paying for a hospital stay as a private patient; (b) repairing the other driver's car after an accident you caused; (c) replacing your furniture after a house fire; (d) the one you legally must hold to register a car.

Q8 (E03). Figure 11: (a) which catastrophe had the largest incurred losses, and how large? (b) which had the most claims? (c) what were the combined claims across the four?

Practice questions — unscaffolded

Q9 (E01). Purchasing a car is one of the curriculum's named major decisions. Using the FCAI figures in this section (103,656 new vehicles in July 2026; battery-electric vehicles 21.7% of the market), explain how **two** of the six factors have changed for a 2026 buyer compared with a buyer a decade ago, when electric cars were a tiny share of sales. (3 marks)

Q10 (E02). Researching and comparing rewards is the skill in E02. For property and shares, state one reward each as income, one reward each as growth, and one main risk each, drawing on Figures 2, 3 and 4. (3 marks)

Q11 (E02). Figure 6: (a) name two "safe" options that beat the 3.8% inflation line and two that do not; (b) explain in one or two sentences why an account paying below inflation is still taking a risk, even though the dollar amount never falls. (3 marks)

Q12 (E04). Prepare the document E04 asks for: a one-page plan setting out how to avoid scams and what to do if you are scammed. Your plan must include the four red flags from WE4, the three steps from Figure 9, and the three reporting/support bodies named in this section. (4 marks)

Q13 (E03). Quote X: \$1,100 a year, excess \$2,000. Quote Y: \$1,450 a year, excess \$400, with storm-damage cover X excludes. Compare total cost in a no-claim year and in a year with one \$6,000 storm claim, then give one reason a buyer might still choose X and one reason to choose Y. (3 marks)

Q14 (E01/E02). Figure 5 shows investor lending down 10.2% in a quarter while first-home-buyer lending rose 0.2%. Use the factor “cost of borrowing” to explain this difference: why do investors respond more strongly to borrowing costs than people buying a home to live in? (3 marks)

Q15 (achievement standard). A worker puts all of their savings into shares of one company because “it has always gone up”. Using the four moves from the end of Theory, analyse this management of risk and consider the consequences if the company has one bad year. (4 marks)

Q16 (achievement standard). Two students read Figure 4 and disagree. Student A: “Property is the smart investment — 53.8% in five years.” Student B: “That record is exactly the warning — it needed big borrowing, and it already fell once.” Reconstruct the strongest reasoning on *each* side, then give your own reasoned judgement about property as an investment strategy. (4 marks)

Answers

WE1. Price favours P; availability favours P; cost of borrowing is split (smaller loan for P, lower running costs for E); ethics and environmental impact favour E. The factors expose the trade-off rather than pick a winner. **WE2.** Income: rent vs dividends. Growth: +53.8% over five years with a 2022-23 dip vs high-risk shares over 5+ year timeframes. Risk: concentration plus a big loan vs sharp price falls. Barrier: large deposit vs small start. **WE3.** No claim: A \$980 vs B \$1,240 (A cheaper). Claim year: A \$2,480 vs B \$1,740 (B cheaper, plus extras). Non-price: exclusions/conditions/discounts vary between insurers. **WE4.** Red flags: deadline pressure; guaranteed 15% weekly; unsolicited contact; a verify link (phishing). Stop (don't click), Check (call the bank yourself), Protect (report to Scamwatch). **WE5.** Concentrated, unverified investment plus two uninsured losses = risk accepted, not managed; consequences range from total savings loss (scam profile matches 2025's \$837.7m investment-scam losses) to a written-off car removing income; any good outcome is luck, not management. **WE6.** For: converts a ruinous rare loss into a bearable certain cost. Against: most years the premium buys nothing visible; small claims sit under the excess. Judgement reasoned from whether savings could absorb the \$8,000 loss. **Q1.** Price; availability; cost of borrowing; marketing; convenience; ethics and environmental impact. **Q2.** (a) minor — small, reversible. (b) major — lasts decades, hard to undo. (c) minor. (d) major — big money, years of consequences. **Q3.** (a) dwellings. (b) 56.8%. (c) consumer durables (2.7%) — cars and furniture lose value, so they are used, not invested. **Q4.** (a) cash and fixed interest. (b) high risk, 5 years or more. (c) spreading money across different assets so one bad result does not sink you. **Q5.** (a) 2022, \$3.1b. (b) \$2.18b (reported as \$2.2b on the chart) across 481,523 reports. **Q6.** (a) Protect. (b) Stop. (c) Check. **Q7.** (a) health. (b) motor vehicle (property-damage cover; CTP covers injuries). (c) house and contents. (d) CTP, part of motor vehicle insurance. **Q8.** (a) Cat 255 (Qld & NSW storms/hail), \$2,220m (\$2.22b). (b) Cat 252 (ex-TC Alfred), 131,000 claims. (c) 246,150 claims. **Q9.** Availability and convenience: electric models and charging networks now exist at scale (21.7% of July 2026 sales), where a decade ago they were rare; ethics and environmental impact now genuinely split the choice set; running (fuel/charging) costs entered the price comparison. **Q10.** Property: rent; value growth (53.8% over five years to Mar-26); risk = concentration plus borrowing. Shares: dividends; share-price growth; risk = sharp price falls. **Q11.** (a) above: 1-year term deposit (5.00%), bonus savings (4.80%); below: transaction account (0.00%), 1-month term deposit (1.40%) [online savings 3.10% also below]. (b) If prices rise faster than the balance, the money buys less — the dollar amount is safe but its buying power falls. **Q12.** Must contain: the four red flags (pressure/threats; too good to be true; unsolicited contact; unusual payment/link); Stop, Check, Protect with one action each; and Scamwatch, ReportCyber and IDCARE (plus your bank). **Q13.** No claim: X \$1,100 vs Y \$1,450. Claim year: X \$3,100 vs Y \$1,850, and X excludes the storm damage entirely. Choose X if certain of no storm risk and price-focused; choose Y because the excluded event is exactly the large loss insurance exists for. **Q14.** Investors buy a return, so when borrowing costs rise the deal stops stacking up and they can simply wait; owner-occupiers (and first home buyers) buy a home to live in, so need, not return, drives them — cost of borrowing weighs on both, but only investors can walk away easily. **Q15.** Risk named: one company's bad year; management choice: concentration, the opposite of diversification; cost-benefit: no benefit named against the risk; consequences: income (dividends) and value can both fall at once, with no other asset to cushion it. **Q16.** Side A: the five-year record beat most assets; rent plus growth; super and households both lean on property. Side B: the record includes a rate-driven fall, needed large borrowing at today's \$1.11m average price, and concentrates risk. Own judgement reasoned from these (either conclusion acceptable).

Fully-worked solutions

Q12 (4 marks). One mark per required block, provided each is actionable: (1) red flags — pressure or threats; returns too good to be true; unsolicited contact; unusual payment methods or links. (1 mark) (2) avoiding habits — Stop before acting; never click or pay under pressure. (1 mark) (3) checking — confirm with the organisation independently; talk to someone you trust; search the offer plus “scam”. (1 mark) (4) responding — call the bank at once; report to Scamwatch and ReportCyber; get free support from IDCARE. (1 mark)

Q13 (3 marks). No-claim year: X = \$1,100; Y = \$1,450 — X is \$350 cheaper. (1 mark) Claim year: X = 1,100 + 2,000 = \$3,100 and X excludes storm damage, so the \$6,000 loss is not covered at all; Y = 1,450 + 400 = \$1,850 and the storm loss is covered. (1 mark) Reasons: choose X only if you are confident the excluded risk will not happen and want the lower certain cost; choose Y because insurance is for the large uncertain loss, and a policy that excludes your most likely large loss fails its one job. (1 mark)

Q15 (4 marks). Move 1, name the risk (1 mark): the company's value and its dividends can fall in a bad year. Move 2, name the management choice (1 mark): holding one company is accepting and concentrating the risk — no

diversification across assets or companies. Move 3, weigh cost against benefit (1 mark): the perceived benefit is past growth (“always gone up”), which Figure 4-style reasoning warns is not a guarantee; the cost is total exposure. Move 4, consequences (1 mark): in one bad year, share value and dividends fall together, with no rent, cash or other assets to cushion it — and if the worker needs the money inside the bad year, the loss is locked in instead of temporary.

Q16 (4 marks). Side A, strongest case (1-2 marks): 53.8% over five years (about 9% a year) beat cash by a wide margin; property paid rent while it grew; and Figure 3 shows most Australian household wealth already relies on this asset, so the strategy is proven at national scale. Side B, strongest case (1-2 marks): the same figure shows a 3.6% fall when rates rose — growth that depends on cheap borrowing can reverse; the average home now costs \$1,111,100, so the strategy needs a large loan whose cost also rises; and one property is concentrated, undiversified risk. Own judgement (remaining marks): any conclusion that engages both cases — e.g. “property rewards long holders who can survive the dips, but is a poor strategy for anyone who must borrow heavily and sell quickly” or its opposite — scored on the reasoning, not the side.

Sources

All sources retrieved 26 August 2026 unless stated.

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Superannuation: how it works, who pays in, and why it matters for living standards

Curriculum trace. Content description VC2HE10K09. Elaborations: VC2HE10K09.E01, VC2HE10K09.E02, VC2HE10K09.E03. Achievement standard: Levels 9 and 10.

Think of the biggest purchase of your life so far. Now think one bigger: for most Australians, the largest pile of money they will ever own — after the home itself — is their **superannuation**, usually just called **super**: money set aside in a special account, invested over your whole working life, to pay for your retirement. This section follows the three questions in the curriculum heading: what super is, who contributes to it, and why it matters to living standards. Every figure and number is real, taken from the Australian Government’s Moneysmart website, the Australian Bureau of Statistics (ABS) and Australian law, retrieved 26 August 2026 unless stated.

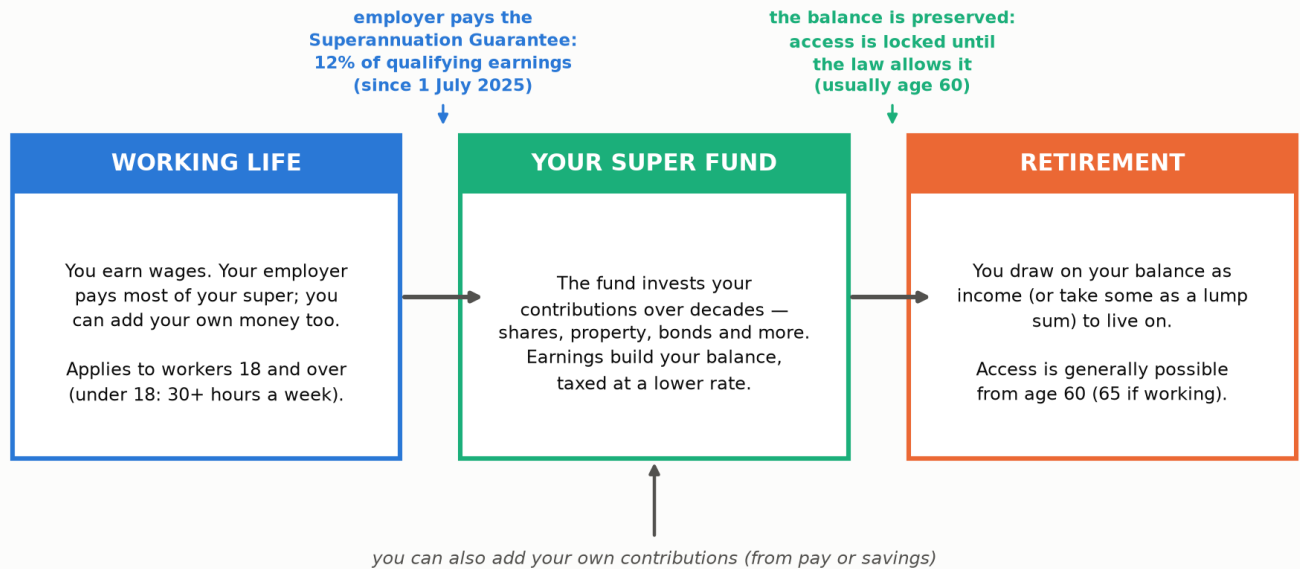
How this section uses “living standards”. “Living standards” is a contested term — there is no single agreed measure. Some people define it narrowly (income and wealth, what people can actually buy and afford); others define it more broadly (health, housing quality, security, freedom to choose). This section states its definition up front and uses it consistently: **the income, wealth and financial security people can draw on in daily life and in retirement**. Where the term is contested in a debate below, both sides are argued at full strength — and marks go to the reasoning, not the conclusion.

Theory

What superannuation is (VC2HE10K09)

Superannuation is money set aside during your working life to fund your retirement. It sits in a fund — a big shared investment account — and the law **preserves** it (locks it away) until you reach retirement age, so it cannot be spent along the way. Figure 1 shows the whole lifecycle in three stages.

The super lifecycle: from first job to retirement



ClassBasics model. Facts: Moneysmart, Superannuation / When you can access your super early, retrieved 26 August 2026.

A three-stage flow diagram. Left box **WORKING LIFE**: you earn wages, your employer pays most of your super, and you can add your own money; it applies to workers 18 and over (under 18, only if working 30 or more hours a week). Middle box **YOUR SUPER FUND**: the fund invests your contributions for decades in shares, property, bonds and more, and the earnings build your balance, taxed at a lower rate. Right box **RETIREMENT**: you draw on the balance as income, or take some as a lump sum, to live on; access is generally possible from age 60, or 65 if still working. A blue label above the first arrow says the employer pays the Superannuation Guarantee, 12% of qualifying earnings since 1 July 2025. A green label above the second arrow says the balance is preserved, locked until the law allows access, usually age 60. A note below adds that you can also make your own contributions from pay or savings.

Figure 1: The super lifecycle, from first job to retirement (ClassBasics model; facts from Moneysmart, retrieved 26 August 2026).

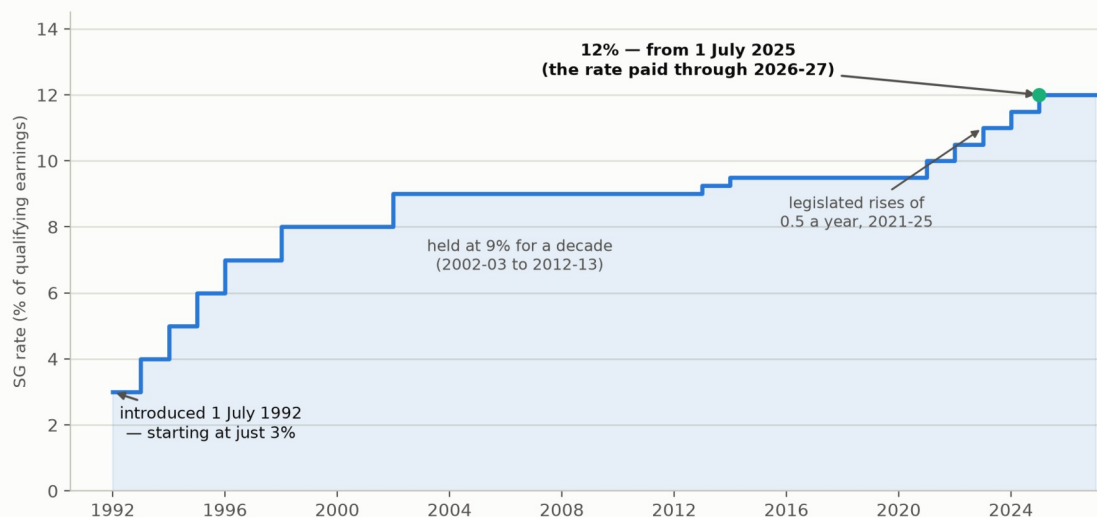
Three rules from Figure 1 are worth locking in:

- **It is paid on top of wages**, not out of them — your super is extra money your employer must pay into your fund.
- **It is preserved by law.** You generally cannot touch it until you stop work at 60 or later (65 if you are still working). The narrow legal exceptions are covered with Figure 11.
- **Your balance is not a pile of cash sitting still.** It is **employer contributions + your own contributions + investment earnings** (the returns the fund's investments make), growing year by year.

Who contributes: the Superannuation Guarantee (VC2HE10K09)

The main contributor is your employer, through the **Superannuation Guarantee (SG)** — the percentage of your **qualifying earnings** (the pay the SG is worked out on) that Australian law requires employers to put into your super. The SG started at 3% in 1992 and has been lifted by law many times since (Figure 2).

The Superannuation Guarantee: from 3% (1992) to 12% (2025)



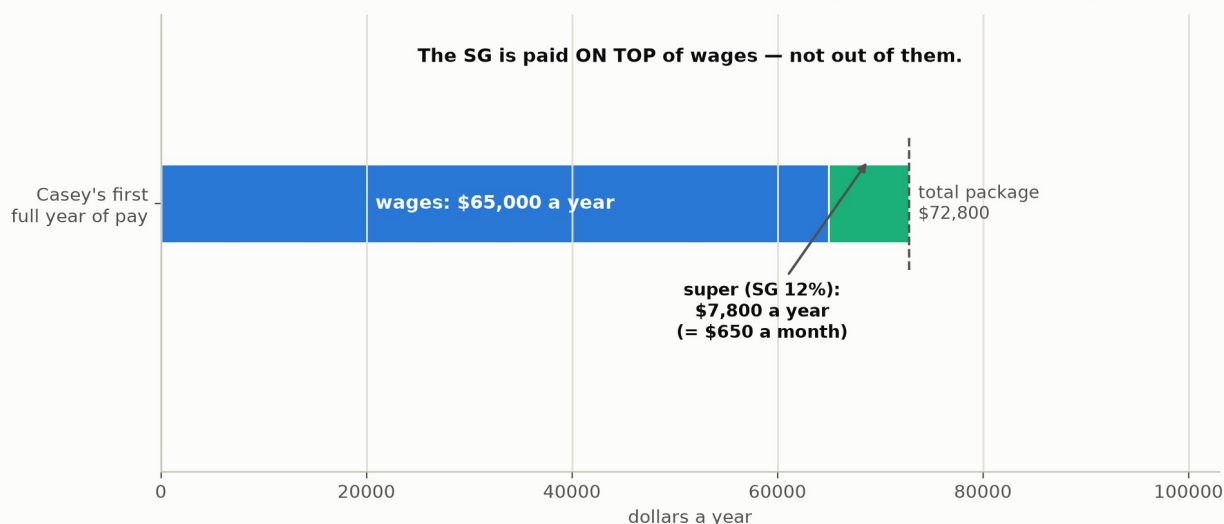
Source: the SG rate schedule in Australian law (Superannuation Guarantee (Administration) Act 1992 and amendments), as published by the Australian Taxation Office, ato.gov.au.

A step chart of the Superannuation Guarantee rate from 1992 to 2025. The rate begins at 3% when introduced on 1 July 1992, steps up through the 1990s to 7% by 1996, 8% in 1998 and 9% in 2002, holds at 9% for a decade, rises to 9.25% in 2013 and 9.5% in 2014, then climbs in legislated half-percent steps from 2021 (10, 10.5, 11, 11.5) to 12% from 1 July 2025, marked with a dot labelled “12% — from 1 July 2025 (the rate paid through 2026-27)”.

Figure 2: The SG rate, 3% (1992) to 12% (2025) — every step is a change in Australian law. Source: the SG rate schedule in the Superannuation Guarantee (Administration) Act 1992 and amendments, as published by the Australian Taxation Office.

So an employer today pays **12% of your qualifying earnings** into your super, on top of your wages. Figure 3 works that out for a real first-job salary.

A worked example: 12% SG on a \$65,000 salary (ClassBasics example)

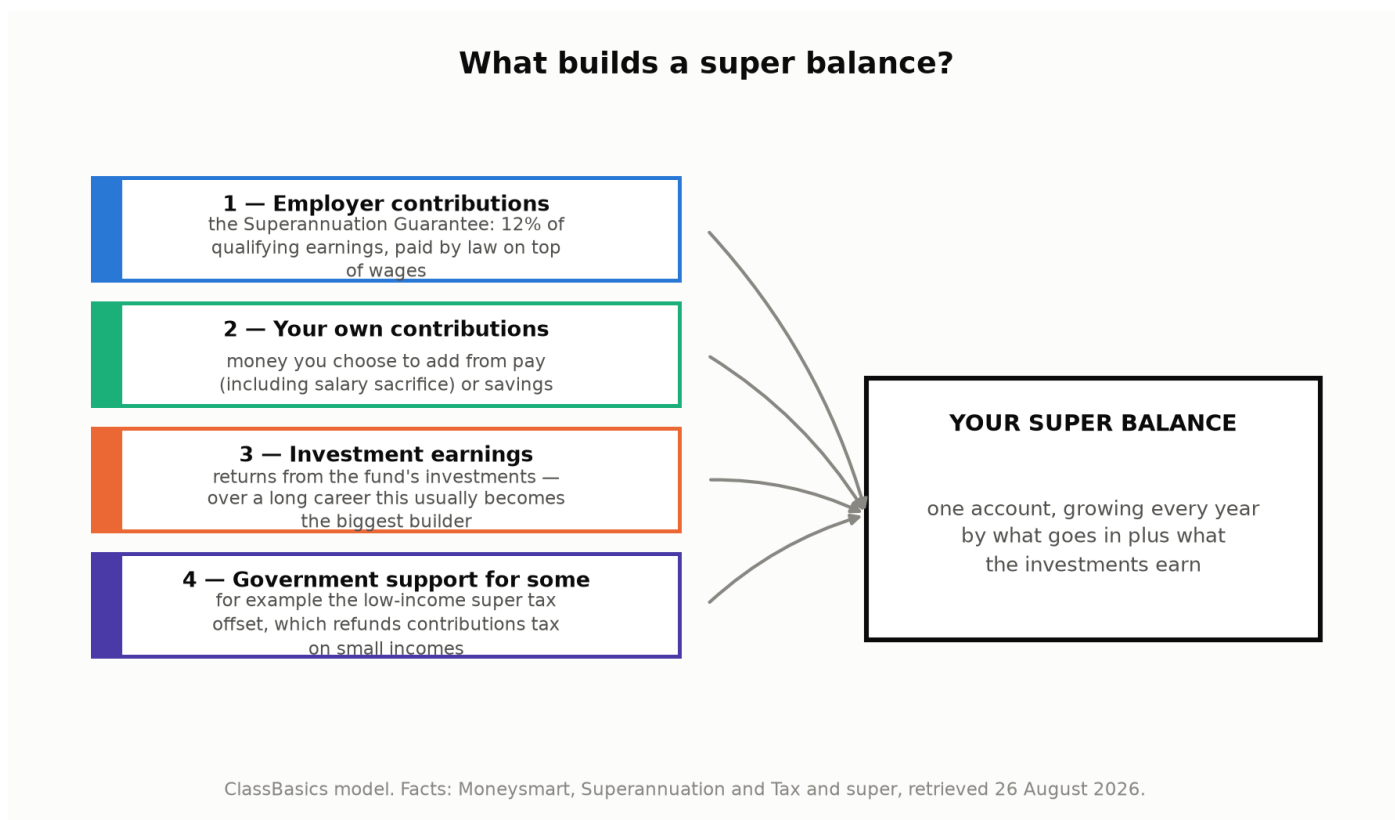


Arithmetic: $\$65,000 \times 0.12 = \$7,800$ a year; $\$7,800 / 12 = \$650$ a month. SG rate per Australian law, as published by the Australian Taxation Office (12% since 1 July 2025).

A horizontal bar for Casey’s first full year of pay, split into a long blue segment labelled “wages: \$65,000 a year” and a shorter green segment labelled “super (SG 12%): \$7,800 a year (= \$650 a month)”, with a dashed line at the end of the bar marking “total package \$72,800”. A heading above the bar states that the SG is paid on top of wages, not out of them.

Figure 3: A worked payslip: 12% SG on a \$65,000 salary (ClassBasics example; SG rate per Australian law).

You are the second contributor. You can choose to add money from your pay — including by **salary sacrifice**, an arrangement where you agree to take part of your pay as extra super instead of cash — or from savings. And over a long career the third builder, **investment earnings**, usually becomes the biggest of all. A fourth, smaller stream helps some low-income earners: government top-ups such as the **low income super tax offset**, which refunds contributions tax on small incomes (Figure 4).



A diagram with four numbered boxes on the left, each with an arrow flowing into one box on the right labelled *YOUR SUPER BALANCE*. Box 1, *Employer contributions: the Superannuation Guarantee, 12% of qualifying earnings, paid by law on top of wages*. Box 2, *Your own contributions: money you choose to add from pay (including salary sacrifice) or savings*. Box 3, *Investment earnings: returns from the fund's investments, usually the biggest builder over a long career*. Box 4, *Government support for some: for example the low income super tax offset, which refunds contributions tax on small incomes*. The right box reads: *one account, growing every year by what goes in plus what the investments earn*.

Figure 4: The four builders of a super balance (ClassBasics model; facts from Moneysmart, retrieved 26 August 2026).

Why it matters: the three pillars of retirement income (VC2HE10K09.E01)

Super does not stand alone. Australia's retirement income system is usually drawn as **three pillars** (Figure 5), and super's importance is easiest to see by looking at all three together.

Australia's retirement income system: three pillars

PILLAR 1 The Age Pension (government safety net)	PILLAR 2 Compulsory super (Superannuation Guarantee)	PILLAR 3 Voluntary savings (the extra you choose)
Who pays? The Australian Government, from tax revenue.	Who pays? Employers — the law requires it, on top of wages.	Who pays? You — extra super contributions, savings, investments, home ownership.
How much? A regular payment, means-tested by an assets test and an income test (Services Australia).	How much? 12% of a worker's qualifying earnings (since 1 July 2025).	How much? Your choice — some government top-ups target low-income savers.
When? From age 67 (currently) — apply from 13 weeks before.	When? Generally from age 60, under preservation rules that keep super locked until then.	When? Depends on where the money sits — extra super follows super's rules.
Role: a basic income floor in retirement for those who qualify.	Role: the main private savings pool funding Australians' own retirement incomes.	Role: tops up living standards above what pillars 1 and 2 provide.

Together the pillars aim to keep retirement living standards up while keeping the Age Pension affordable for future budgets.

ClassBasics model. Facts: Moneysmart (Super and the Age Pension; Superannuation), retrieved 26 August 2026; three-pillars structure as described in the Retirement Income Review (2020).

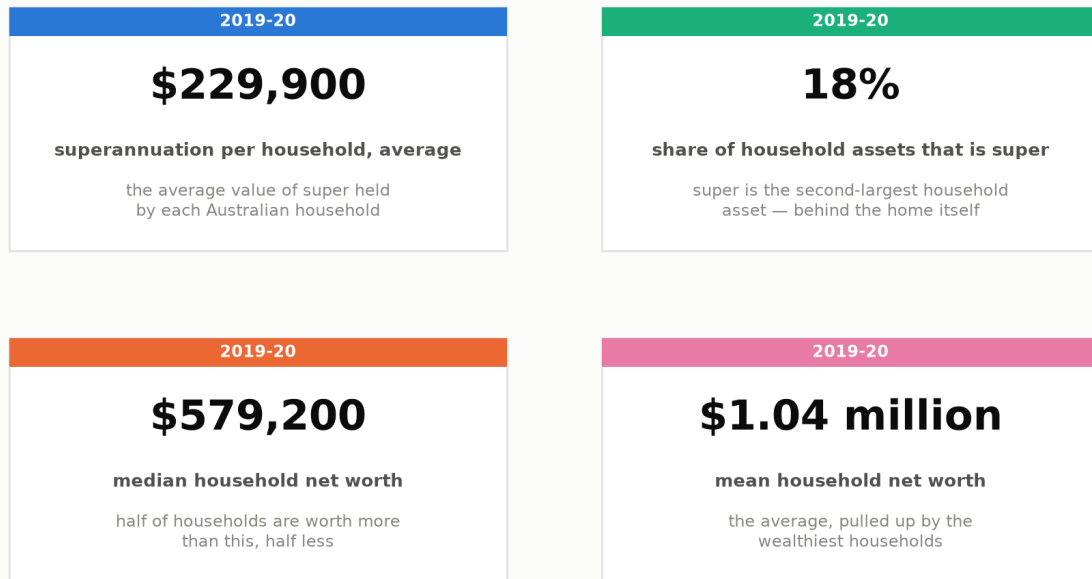
A three-column table of Australia's retirement income system. Pillar 1, The Age Pension (government safety net): paid by the Australian Government from tax revenue; a regular payment means-tested by an assets test and an income test; from age 67 currently, apply from 13 weeks before; a basic income floor in retirement for those who qualify. Pillar 2, Compulsory super (Superannuation Guarantee): paid by employers because the law requires it, on top of wages; 12% of qualifying earnings since 1 July 2025; generally accessible from age 60 under preservation rules; the main private savings pool funding Australians' own retirement incomes. Pillar 3, Voluntary savings (the extra you choose): your own extra super contributions, savings, investments and home ownership; your choice, with some government top-ups aimed at low-income savers; tops up living standards above what pillars 1 and 2 provide. A footer says the pillars together aim to keep retirement living standards up while keeping the Age Pension affordable for future budgets.

Figure 5: The three pillars of Australia's retirement income system (ClassBasics model; facts from Moneysmart, retrieved 26 August 2026; three-pillars structure as described in the Retirement Income Review, 2020).

The **Age Pension** (pillar 1) is the government safety net: a regular payment from age 67 (currently), **means-tested** — reduced by an **assets test** (what you own, including super) and an **income test** (what you earn) — and paid from tax revenue. Super (pillar 2) matters to the community because every dollar of retirement income that comes from a person's own super is a dollar the Age Pension does not have to pay. With Australians living longer and fewer workers supporting each retiree, that keeps the pension system affordable for future budgets — exactly the point named in VC2HE10K09.E01.

It matters to individuals because super is now one of the biggest assets an Australian household will ever hold (Figure 6).

Superannuation in Australian households (ABS, 2019-20)



Source: ABS, Household Income and Wealth, Australia, 2019-20 financial year, retrieved 26 August 2026. The latest detailed household wealth survey at retrieval.

Four stat tiles from the ABS. Tile 1: \$229,900, superannuation per household on average, 2019-20. Tile 2: 18%, the share of household assets that is super, the second-largest household asset behind the home itself. Tile 3: \$579,200, median household net worth, half of households worth more and half less. Tile 4: \$1.04 million, mean household net worth, the average pulled up by the wealthiest households.

Figure 6: Super inside Australian household wealth. Source: ABS, Household Income and Wealth, Australia, 2019-20, retrieved 26 August 2026.

On average, super was \$229,900 per household in 2019-20 — 18% of everything households own, second only to the home. For the **individual**, that balance is the difference between a retirement lived on the pension floor alone and a retirement with income on top of it. For the **community**, those balances together take pressure off the Age Pension and the taxpayers who fund it. That is the double importance the achievement standard asks you to explain.

Choosing and managing a fund (VC2HE10K09.E03)

Elaboration E03 sends you to Moneysmart to research five things: choosing a fund, the types of funds, self-managed super, tax and super, and super scams. Here is the working set.

Types of fund. There are five main types (Figure 7). Most workers are put into a fund automatically by their employer; if you never choose, your money goes into a **MySuper** product — a simple, low-cost option made to suit most people.

The five main types of superannuation fund

Type of fund	What it is	Who can join
Industry funds	Once limited to workers in certain industries, most industry funds are now open to everyone.	Everyone (most funds)
Retail funds	Usually run by financial institutions.	Anyone
Public sector funds	For certain people working for the government.	Government employees
Corporate funds	Set up by companies for their employees only, although some corporate funds are open to everyone.	Company employees (some open to all)
Self-managed super funds (SMSF)	A super fund you set up and manage yourself — with strict legal duties and costs that suit some people and not others.	Members become the trustees

Most workers are put into a fund automatically; if you never choose, your money goes to a simple, low-cost MySuper product.

Source: Moneysmart (ASIC), Types of super funds and Choosing a super fund, moneysmart.gov.au, retrieved 26 August 2026. SMSF note added from Moneysmart's Self-managed super fund guidance.

A three-column table of the five main types of superannuation fund. Industry funds: once limited to workers in certain industries, most are now open to everyone. Retail funds: usually run by financial institutions, open to anyone. Public sector funds: for certain people working for the government. Corporate funds: set up by companies for their employees only, although some are open to everyone. Self-managed super funds (SMSF): a super fund you set up and manage yourself, with strict legal duties and costs that suit some people and not others; members become the trustees, the people legally responsible for the fund. A footer notes that most workers are put into a fund automatically, and if you never choose, your money goes to a simple, low-cost MySuper product.

Figure 7: The five main types of super fund. Source: Moneysmart (ASIC), Types of super funds and Choosing a super fund, retrieved 26 August 2026.

Tax and super. Super is taxed more lightly than ordinary pay, at three stages (Figure 8). Money going in before tax — **concessional contributions**, such as the SG and salary sacrifice — is taxed at only 15% in the fund, against your **marginal rate** (the tax rate on your next dollar of income) outside it. The lighter tax is the reward the government offers for keeping money locked away until retirement.

Tax and super: three stages, taxed more lightly than ordinary income

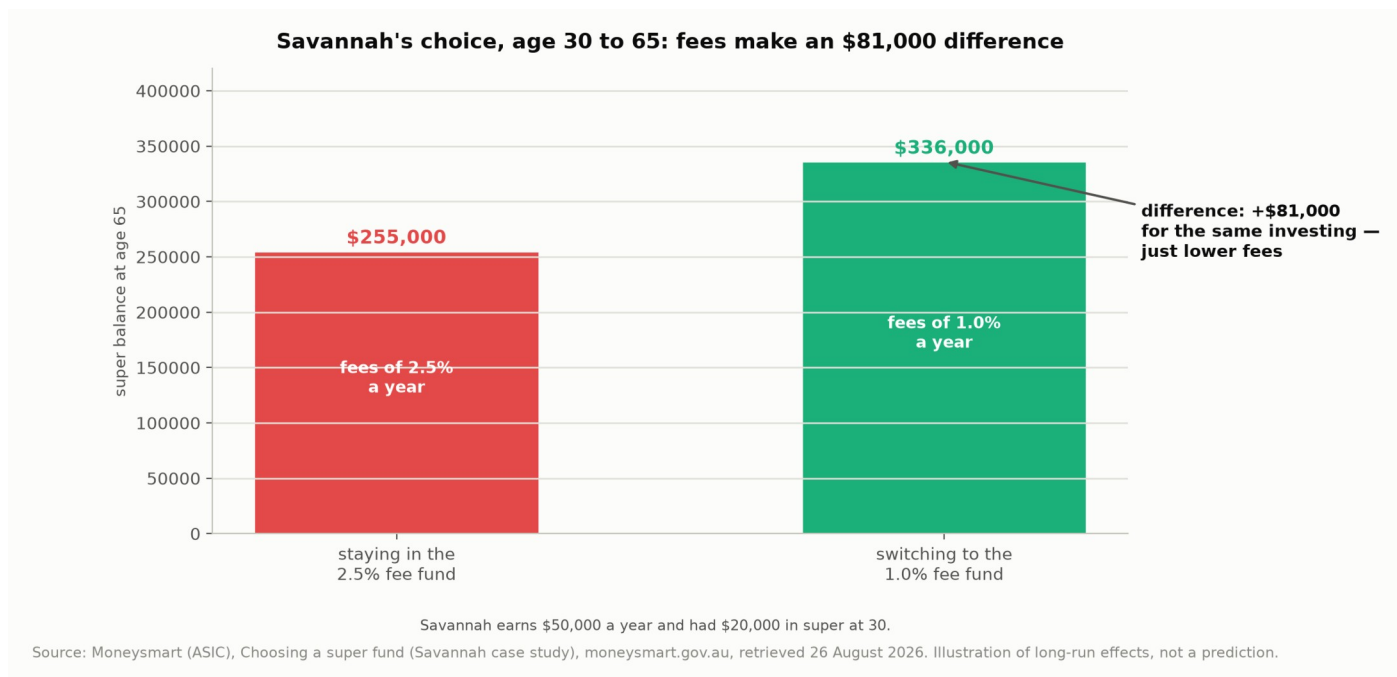
STAGE 1 — going in	STAGE 2 — while invested	STAGE 3 — coming out
15% <i>tax in super</i> Concessional (before-tax) contributions — employer SG and salary sacrifice — are generally taxed at 15% in the fund. <i>compared with...</i> Ordinary pay is taxed at your marginal rate, which can be much higher (up to 45% at the top).	up to 15% <i>tax in super</i> Investment earnings in an accumulation account are taxed at up to 15% (0% in a retirement income account). <i>compared with...</i> Earnings outside super are usually taxed at your marginal rate.	\$0 in most cases <i>tax in super</i> Super income streams and lump sums from a taxed fund are generally tax-free from age 60. <i>compared with...</i> Most other income in retirement is still taxed.

The lighter tax is the 'carrot' that rewards keeping money locked away for retirement. Source: Moneysmart (ASIC), Tax and super, moneysmart.gov.au, retrieved 26 August 2026.

A three-column table of how super is taxed at three stages, each compared with ordinary income. Stage 1, going in: 15% tax in super on concessional (before-tax) contributions such as employer SG and salary sacrifice, while ordinary pay is taxed at your marginal rate, the rate on your next dollar of income, up to 45% at the top. Stage 2, while invested: up to 15% on investment earnings in an accumulation account, a super account that is still growing, and 0% in a retirement income account, while earnings outside super are taxed at your marginal rate. Stage 3, coming out: \$0 in most cases, because super income streams and lump sums from a taxed fund are generally tax-free from age 60, while most other retirement income is still taxed. A footer says the lighter tax is the carrot that rewards keeping money locked away for retirement.

Figure 8: Tax and super: three stages. Source: Moneysmart (ASIC), Tax and super, retrieved 26 August 2026.

Choosing a fund: fees matter most over time. Moneysmart's Savannah case study (Figure 9) holds everything equal — same age, same salary, same balance, same investment returns — and changes only the fees.



A bar chart of Savannah's choice from age 30 to 65. A red bar shows a super balance of \$255,000 at 65 if she stays in a fund charging fees of 2.5% a year; a green bar shows \$336,000 at 65 if she switches to a fund charging fees of 1.0% a year; a callout marks the difference of +\$81,000 for the same investing, just lower fees. A note below says Savannah earns \$50,000 a year and had \$20,000 in super at 30.

Figure 9: Fees of 2.5% vs 1.0% on the same balance: an \$81,000 gap by 65. Source: Moneysmart (ASIC), Choosing a super fund (Savannah case study), retrieved 26 August 2026. Illustration of long-run effects, not a prediction.

Fees are only one factor that influences a major consumer financial decision like choosing a fund; Moneysmart also lists the investments on offer, the insurance inside the fund, the service you get, and how the fund has performed. But Figure 9 shows why fees deserve special attention: a fee is a small yearly amount that repeats for decades, so even a 1.5 percentage-point gap becomes an \$81,000 difference.

Super scams. Because super is a big locked balance, scammers try to unlock it. Moneysmart's five red flags and the people to tell are in Figure 10. In one Moneysmart case study, Jasmine lost \$30,000 after a scam helped her set up a self-managed fund and moved her super into a scheme that did not exist.

Super scams: five red flags — and who to tell

IF YOU SPOT EVEN ONE OF THESE, STOP		WHO TO TELL
1	Promises high returns with little or no risk	Your super fund call them yourself, using their real number
2	Pressures you to act quickly	Scamwatch scamwatch.gov.au — report the approach
3	Discourages you from seeking independent advice	ATO phone 13 10 20 for super scam concerns
4	Asks you to move money from your super into an investment you don't understand	ReportCyber if the approach happened online
5	Uses a well-known personality or celebrity to endorse the opportunity	

Scammers also offer to help you access super early or move it into an SMSF — both are classic setups.

Source: Moneysmart (ASIC), Superannuation scams, moneysmart.gov.au, retrieved 26 August 2026.

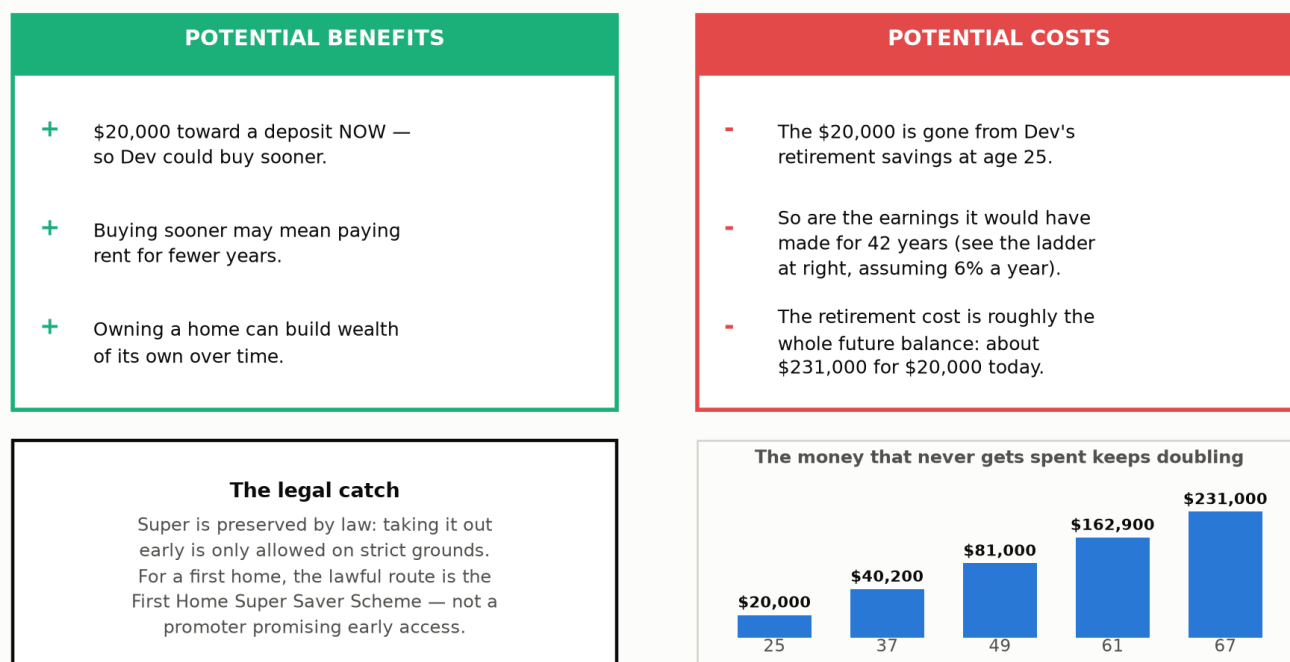
A two-panel checklist. Left red panel, **IF YOU SPOT EVEN ONE OF THESE, STOP**: 1, promises high returns with little or no risk; 2, pressures you to act quickly; 3, discourages you from seeking independent advice; 4, asks you to move money from your super into an investment you don't understand; 5, uses a well-known personality or celebrity to endorse the opportunity. Right green panel, **WHO TO TELL**: your super fund, call them yourself using their real number; Scamwatch, scamwatch.gov.au, report the approach; ATO, phone 13 10 20 for super scam concerns; ReportCyber, if the approach happened online. A note below adds that scammers also offer to help you access super early or move it into an SMSF, and both are classic setups.

Figure 10: Super scam red flags and who to tell. Source: Moneysmart (ASIC), Superannuation scams, retrieved 26 August 2026.

Early release and the first-home question (VC2HE10K09.E02)

Elaboration E02 asks you to investigate and calculate the costs and benefits of taking super out early to buy a house. Figure 11 does that for Dev, 25, who is offered \$20,000 of their super today for a deposit. The calculation uses one simple assumption: at 6% a year, money roughly doubles every 12 years — an illustration of long-run growth, not a prediction (real returns vary, and fees and tax apply).

Dev's choice at 25: take \$20,000 out of super for a house deposit?



ClassBasics worked illustration. Ladder assumes 6% a year (money doubles about every 12 years); real returns vary and fees and tax apply.

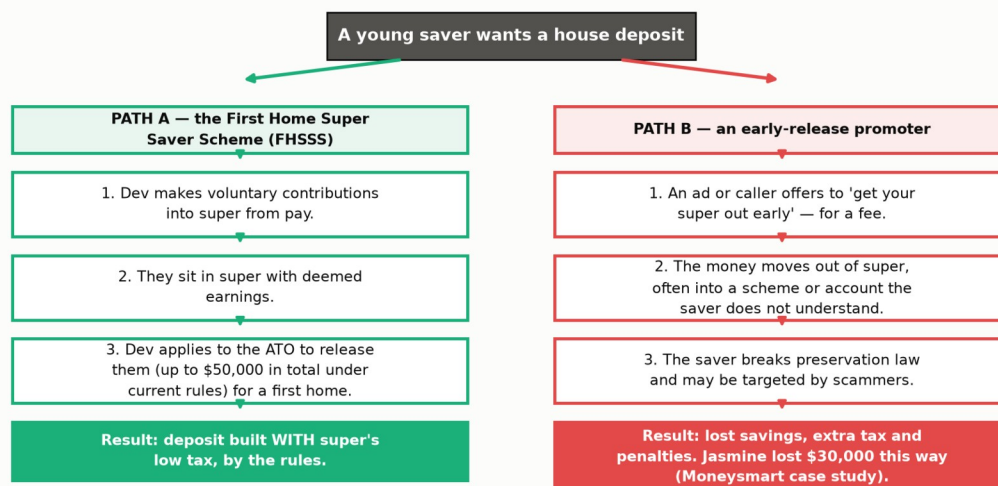
A cost-benefit board for Dev's choice at 25: take \$20,000 out of super for a house deposit? Green panel, **POTENTIAL BENEFITS**: \$20,000 toward a deposit now, so Dev could buy sooner; buying sooner may mean paying rent for fewer years; owning a home can build wealth of its own over time. Red panel, **POTENTIAL COSTS**: the \$20,000 is gone from Dev's retirement savings at 25; so are the earnings it would have made for 42 years; the retirement cost is roughly the whole future balance, about \$231,000 for \$20,000 today. A small bar ladder shows the money doubling at an assumed 6% a year: \$20,000 at 25, about \$40,200 at 37, about \$81,000 at 49, about \$162,900 at 61, about \$231,000 at 67. A box titled "the legal catch" says super is preserved by law, taking it out early is only allowed on strict grounds, and the lawful route for a first home is the First Home Super Saver Scheme, not a promoter promising early access.

Figure 11: The costs and benefits of \$20,000 out early (ClassBasics worked illustration for VC2HE10K09.E02).

The benefit side is real: a deposit now, a home sooner, fewer years of rent, and a home that builds wealth of its own. The cost side is the ladder: the same \$20,000, left invested, grows to about \$231,000 by 67 — so the true price of the deposit is not \$20,000 but roughly that future balance. Whether that trade is worth it is a genuine debate (below); reasonable people weigh a home today against retirement income decades away and reach different answers.

What is **not** a debate is the law. Super is preserved, and the legal grounds for early access are narrow: **severe financial hardship** (not being able to meet basic living costs), **compassionate grounds** (urgent costs, like serious medical treatment or a funeral), **incapacity** (being unable to keep working), **terminal illness**, the First Home Super Saver Scheme, and leaving Australia on a temporary visa. Figure 12 contrasts the lawful first-home route with the illegal one.

Two ways people try to use super for a first home — one lawful, one not



Super is preserved by law: the legal grounds for early access are narrow (severe hardship, compassionate grounds, incapacity, terminal illness, FHSSS, leaving on a temporary visa).

ClassBasics model. Facts: Moneysmart, When you can access your super early and Superannuation scams, retrieved 26 August 2026; FHSSS rules set by the Australian Taxation Office.

A two-path flow chart starting from “a young saver wants a house deposit”. Path A in green, the First Home Super Saver Scheme (FHSSS): 1, Dev makes voluntary contributions into super from pay; 2, they sit in super earning investment returns; 3, Dev applies to the ATO to release them, up to \$50,000 in total under current rules, for a first home; result, a deposit built with super’s low tax, by the rules. Path B in red, an early-release promoter: 1, an ad or caller offers to get your super out early, for a fee; 2, the money moves out of super, often into a scheme or account the saver does not understand; 3, the saver breaks preservation law and may be targeted by scammers; result, lost savings, extra tax and penalties, with Moneysmart’s case study of Jasmine, who lost \$30,000 this way. A footer notes the legal grounds for early access are narrow: severe financial hardship, compassionate grounds, incapacity, terminal illness, the FHSSS, and leaving on a temporary visa.

Figure 12: Two paths to a first home with super money — one lawful, one not (ClassBasics model; facts from Moneysmart and the ATO’s FHSSS rules, retrieved 26 August 2026).

Under the **First Home Super Saver Scheme (FHSSS)**, you build a deposit from your own voluntary contributions inside super — using super’s low tax on purpose — then apply to the ATO to release them (up to \$50,000 in total under current rules). Path B — a promoter (a person or ad selling a scheme) who promises to “get your super out early” — is the opposite: it breaks preservation law, usually costs you fees, extra tax and penalties, and is one of the classic scam setups in Figure 10.

Two debates, both sides: weighing super questions (achievement standard)

Super policy is argued about constantly, and the achievement standard expects you to explain importance and weigh decisions — so here are the two biggest debates, each side at full strength. Marks in this section always go to the reasoning, never to the side you choose.

Debate 1 — should super be compulsory? *For making it compulsory:* left entirely to choice, many people would save too little for retirement — a \$650-a-month amount taken from pay feels like a loss today, so without the rule it is quietly never set aside; making super compulsory spreads saving across every career, builds balances like those in Figure 6, and keeps retirement living standards above the pension floor. It also takes pressure off the Age Pension budget as the population ages. *Against making it compulsory:* 12% of pay is money workers cannot use for today’s rent, mortgages and cost of living; some households would build wealth faster in their own home than in a fund charging fees; and locking away a worker’s own pay for 40+ years removes personal choice and control. *The trade in one line:* security and higher retirement incomes for most, against freedom and money-in-hand today.

Debate 2 — should early release be widened so young people can buy homes? *For wider access:* a home is also wealth that lifts living standards, and with high rents and big deposits, money locked in super can feel useless at exactly the age people need it; letting people use their own savings for a first home respects that it is their money. *Against wider access:* every early withdrawal trades a small sum today for a much larger one in retirement (Dev’s

ladder), and if early release becomes common, weaker retirements push more people back onto the Age Pension — so the community pays the cost twice; wide access also feeds the promoters and scams in Figures 10 and 12, which is why the law keeps the door narrow and offers the FHSSS instead. *The trade in one line:* a home today against a funded retirement tomorrow, with the budget and the scammers watching either choice.

A strong written weighing does four things: **name the goal** (for example, retirement incomes above the pension floor, kept affordable for future budgets); **get the real facts** (the SG rate, the balance builders, the ABS figures, the fee and scam evidence above); **argue both sides at full strength**, as above; and **make a reasoned judgement**, saying what evidence would change your mind.

Worked examples (scaffolded)

WE1 (VC2HE10K09) — Read the payslip: Casey’s first year of super. Casey earns \$65,000 a year in her first full-time job. Calculate (a) her employer’s SG contribution for the year at the current rate, (b) that amount per month, and (c) her total package (wages plus super). *Scaffold — use the three-step chain:* SG per year = salary $\times$ rate. SG per month = SG per year $\div$ 12. Total package = wages + SG. *Model working:* (a) $\$65,000 \times 0.12 = \mathbf{\$7,800 \text{ a year}}$. (b) $\$7,800 \div 12 = \mathbf{\$650 \text{ a month}}$. (c) $\$65,000 + \$7,800 = \mathbf{\$72,800}$. Notice the super is added on top — Casey’s take-home pay is not reduced by it.

WE2 (VC2HE10K09.E03) — Build a first-job super fact file. Using Figures 7-10, list one fact under each of the five E03 topics: choosing a fund; types of funds; self-managed super; tax and super; super scams. *Scaffold — one line per topic, in your own words:* Choosing a fund: _____. Types: _____. Self-managed: _____. Tax: _____. Scams: _____. *Model fact file:* Choosing a fund: fees repeat for decades — Moneysmart’s Savannah would finish \$81,000 better off with 1% fees than 2.5%. Types: five main types; if you never choose, you go into a simple, low-cost MySuper product. Self-managed: an SMSF is your own fund with strict legal duties — it suits some people and not others, and scammers use it as a setup. Tax: contributions are taxed at 15% going in, which beats most people’s marginal rate. Scams: high returns with little risk plus pressure to act quickly = stop, and tell your fund, Scamwatch or the ATO.

WE3 (VC2HE10K09.E02) — Build Dev’s doubling ladder. Dev, 25, has \$20,000 in super. Assume 6% a year, so the money doubles about every 12 years. Fill in the ladder: age 37: ____; age 49: ____; age 61: ____; age 67 (half a doubling later): about _____. *Scaffold — double each step:* 25: \$20,000 $\rightarrow$ 37: $\$20,000 \times 2 = \underline{\hspace{2cm}}$ $\rightarrow$ 49: $\underline{\hspace{2cm}} \times 2 = \underline{\hspace{2cm}}$ $\rightarrow$ 61: $\underline{\hspace{2cm}} \times 2 = \underline{\hspace{2cm}}$. *Model working:* 37: **about \$40,000** (\$40,200 exact); 49: **about \$81,000**; 61: **about \$162,900**; 67: **about \$231,000**. So the retirement price of spending the \$20,000 today is roughly \$231,000.

Worked examples (unscaffolded)

WE4 (VC2HE10K09.E02) — Weigh Dev’s early release. Dev is offered a way to take \$20,000 of super at 25 for a house deposit. Weigh the costs and benefits and give a reasoned judgement, including the legal dimension. *Model answer:* Benefits: a deposit now means buying sooner, fewer years of rent, and a home that builds its own wealth. Costs: the ladder in WE3 — the \$20,000 and 42 years of earnings, about \$231,000 by 67, leave the retirement balance; and any *illegal* release route adds fees, tax, penalties and scam risk. Legal dimension: preservation law allows early access only on narrow grounds; the lawful first-home route is the FHSSS, built from voluntary contributions. Judgement (one reasoned example): the trade is only worth considering through the lawful FHSSS, and only if Dev accepts that a bigger home today is being bought with a smaller retirement tomorrow — a well-argued judgement the other way, using the same ladder, earns full marks.

WE5 (VC2HE10K09.E03) — Savannah’s fee decision. Savannah, 30, earns \$50,000 and has \$20,000 in super. Her fund charges 2.5% a year; a similar fund charges 1.0%. Use Figure 9 to (a) state the difference her choice makes by 65, and (b) name two other factors Moneysmart says she should check before switching. *Model answer:* (a) $\$336,000 - \$255,000 = \mathbf{\$81,000}$ more at 65 for the same investing with lower fees. (b) Any two of: the investment options on offer, the insurance inside the fund, the service provided, and past performance.

Practice questions — scaffolded

Q1 (core). Complete the sentences: Superannuation is money set aside during your working life to fund your _____. Employers must pay it on top of wages under the _____, currently _____% of qualifying earnings. The law _____ super until retirement, so it generally cannot be touched until about age _____.

Q2 (core). Using Figure 1: (a) name the three stages of the super lifecycle; (b) who pays most of the super in stage 1? (c) what three things build the balance in stage 2?

Q3 (core). Figure 4 lists four builders of a super balance. Name the one that is (a) required by law; (b) usually the biggest over a long career; (c) aimed at low-income earners.

Q4 (E01). Figure 5: (a) name the three pillars; (b) which pillar is means-tested and paid from tax revenue? (c) which pillar is compulsory? (d) in one sentence, how does pillar 2 help pillar 1 stay affordable?

Q5 (E03). True or false — correct the false ones. (a) Industry funds are still limited to workers in certain industries. (b) A self-managed super fund is a fund you set up and run yourself, with strict legal duties. (c) If you never choose a fund, your money goes to a simple, low-cost MySuper product. (d) Retail funds are usually run by financial institutions.

Q6 (E03). Figure 8: (a) at what rate are concessional (before-tax) contributions generally taxed in the fund? (b) what is the tax on investment earnings in a retirement income account? (c) from what age are super payouts generally tax-free?

Q7 (E02). Figure 11: list two potential benefits and two potential costs of Dev taking \$20,000 of super early for a house deposit.

Q8 (E03). Figure 10: (a) which red flag is at work when a caller says “this offer closes today”? (b) which when an ad uses a famous athlete to recommend the deal? (c) name two of the four places to report a super scam.

Practice questions — unscaffolded

Q9 (core). Explain what superannuation is and name the three main builders of a super balance. Use the words *contributions*, *investment earnings* and *preserved* correctly. (3 marks)

Q10 (E01). Using Figure 6, explain why superannuation matters (a) to an individual’s living standards and (b) to Australian living standards more widely. Use both the 18% figure and one net-worth figure in your answer. (3 marks)

Q11 (E01). The Age Pension is paid from tax revenue and is means-tested. Explain, using the three pillars in Figure 5, how a strong super system makes it easier for government to keep paying social security benefits into the future (the focus of VC2HE10K09.E01). (3 marks)

Q12 (E03). Savannah’s fund charges 2.5% a year and a similar fund charges 1.0%. Calculate the difference between the two balances at 65 shown in Figure 9, and explain in one or two sentences why a small yearly fee becomes such a large gap. (3 marks)

Q13 (E03). Visit the superannuation pages of the Moneysmart website, then check or add one fact for each topic: choosing a fund, types of funds, self-managed super, tax and super, and super scams. List your five facts with the page each came from. (4 marks)

Q14 (E02). A promoter offers to “unlock” a young worker’s super for a house deposit, for a fee. Using Figure 12, explain why Path B breaks the law and what Path A (the FHSSS) does differently. (3 marks)

Q15 (E02 / achievement standard). “Taking super out early to buy a house is always a bad deal.” Weigh this claim using Dev’s ladder (Figure 11): give the strongest case on each side, then your reasoned judgement. (4 marks)

Q16 (achievement standard). Two reasonable people read this section and disagree about whether super should be compulsory. Set out the strongest reasoning on each side using at least two pieces of evidence from this section, then give your own reasoned judgement. (4 marks)

Answers

WE1. (a) \$7,800 a year. (b) \$650 a month. (c) \$72,800. **WE2.** One correct fact per topic, e.g. as in the model fact file. **WE3.** 37: about \$40,000; 49: about \$81,000; 61: about \$162,900; 67: about \$231,000. **WE4.** See Fully-worked solutions style: benefits (deposit now, fewer rent years, home wealth) vs costs (about \$231,000 of retirement money gone; scam and penalty risk on illegal routes) + legal note (preservation; FHSSS is the lawful route) + reasoned judgement. **WE5.** (a) \$81,000. (b) any two of investment options, insurance, service, performance. **Q1.** retirement; Superannuation Guarantee; 12; preserves; 60. **Q2.** (a) working life; your super fund; retirement. (b) the employer (the SG). (c) employer contributions, your own contributions, investment earnings. **Q3.** (a) employer contributions (the SG). (b) investment earnings. (c) government support (e.g. the low income super tax offset). **Q4.** (a) the Age Pension; compulsory super; voluntary savings. (b) the Age Pension. (c) compulsory super (pillar 2). (d) every dollar of retirement income from super is a dollar the pension does not pay. **Q5.** (a) False — most are now open to everyone. (b) True. (c) True. (d) True. **Q6.** (a) 15%. (b) 0%. (c) age 60. **Q7.** Benefits: any two of deposit now/buy sooner, fewer years of rent, a home that builds wealth. Costs: any two of the \$20,000 gone from retirement, about \$231,000 of future earnings gone, penalty/tax/scam risk on illegal routes. **Q8.** (a) pressures you to act quickly. (b) celebrity endorsement. (c) any two of your super fund, Scamwatch, the ATO (13 10 20), ReportCyber. **Q9.** Super is money set aside in a preserved account during working life to fund retirement; builders: employer contributions (SG), your own contributions, investment earnings. **Q10.** (a) super is a household's second-largest asset (18% of assets; \$229,900 average), giving income above the pension floor. (b) median net worth \$579,200 (mean \$1.04m) shows how large household wealth is, and pooled super takes pressure off the Age Pension budget. **Q11.** Larger super balances mean retirees draw income from their own pillar-2 savings, so fewer rely fully on the pillar-1 pension paid from tax revenue — keeping it affordable as the population ages. **Q12.** $\$336,000 - \$255,000 = \$81,000$; the fee is paid every year for 35 years, so each year's fee also removes the earnings that money would have made. **Q13.** Five facts, one per topic, each with its Moneysmart page. **Q14.** Path B withdraws preserved money outside the narrow legal grounds (breaking preservation law, with fees, tax, penalties, scam risk); Path A builds the deposit from voluntary contributions inside super and releases them lawfully via the ATO (up to \$50,000 total). **Q15.** Any weighing that states both sides from the ladder and concludes with reasoning. **Q16.** Both sides set out with evidence plus a reasoned judgement.

Fully-worked solutions

Q10 (3 marks). (a) Individual: super is preserved and invested across a career, and by 2019-20 it averaged \$229,900 per household — 18% of household assets, second only to the home — so it provides retirement income well above the Age Pension floor. (1 mark) (b) Community: with median household net worth of \$579,200 (mean \$1.04 million), super is a major part of Australian wealth; pooled balances fund retirees' own incomes, which supports living standards across the community and takes pressure off the tax-funded pension. (1 mark) Correct use of both required figures. (1 mark)

Q12 (3 marks). Difference = $\$336,000 - \$255,000 = \$81,000$. (1 mark) Why the gap is so large: the fee is charged every year from 30 to 65, so it is not one small cost but 35 years of small costs. (1 mark) And each year's fee removes money that would itself have earned investment returns, so the gap compounds into tens of thousands. (1 mark)

Q14 (3 marks). Path B breaks preservation law: super can only be released early on narrow legal grounds, and a promoter's "unlock" is not one of them — the worker loses savings to fees and may face extra tax, penalties and scammers (Jasmine lost \$30,000). (1 mark) Path A works inside the law: Dev makes voluntary contributions into super from pay. (1 mark) Those contributions grow with super's low tax, and Dev applies to the ATO to release them under the FHSSS (up to \$50,000 in total under current rules) for a first home — same goal, lawful route. (1 mark)

Q15 (4 marks). Case for the claim (always a bad deal) (1 mark): the ladder — \$20,000 at 25 becomes about \$231,000 by 67, so early release trades a large retirement income for a small deposit; illegal routes add fees, tax, penalties and scam risk. Case against the claim (not always) (1 mark): a home is also wealth; buying sooner ends rent years sooner; and through the lawful FHSSS the deposit is built with super's low tax, so the trade can be deliberate and priced rather than accidental. Use of the ladder/calculation (1 mark): e.g. citing \$20,000 → about \$231,000 (or the doubling steps). Reasoned judgement (1 mark): any conclusion that considers both sides — e.g. "a bad deal through a promoter, a priced choice through the FHSSS" — with a statement of what evidence would change the mind.

Q16 (4 marks). Side A, for compulsion (up to 2 marks): without it, many save too little by choice and retire on the pension floor alone; compulsion built the balances in Figure 6 (18% of household assets) and keeps Age Pension spending affordable for future budgets (E01). Side B, against compulsion (up to 2 marks): 12% of pay is money not

available for today's rent and mortgages; some households would do better in their own home or with more choice; 40+ years of locked savings with fees removes control over one's own money. Own judgement (remaining marks): a stated position that considers both cases and uses at least two pieces of evidence from this section — scored on reasoning, not conclusion.

Sources

All sources retrieved 26 August 2026 unless stated.

- Moneysmart (ASIC), Superannuation hub, moneysmart.gov.au (SG rate of 12% from 1 July 2025; who super applies to; balance = contributions + earnings; access generally from 60, or 65 if working).
- Moneysmart (ASIC), Super and the Age Pension (Age Pension from age 67, means-tested, apply from 13 weeks before, paid from tax revenue).
- Moneysmart (ASIC), Types of super funds and Choosing a super fund (five fund types; MySuper; Savannah case study: 2.5% vs 1.0% fees, \$255,000 vs \$336,000 at 65).
- Moneysmart (ASIC), Tax and super (15% on concessional contributions; up to 15% on earnings in accumulation; 0% in retirement phase; generally tax-free from 60; low income super tax offset).
- Moneysmart (ASIC), When you can access your super early (severe financial hardship, compassionate grounds, incapacity, terminal illness, FHSSS, departing temporary residents, small balances).
- Moneysmart (ASIC), Superannuation scams (five red flags; who to tell; Jasmine case study, \$30,000 lost).
- Australian Bureau of Statistics, Household Income and Wealth, Australia, 2019-20 financial year (mean super \$229,900 per household; super 18% of household assets; median net worth \$579,200; mean \$1.04 million).
- Australian law, Superannuation Guarantee (Administration) Act 1992 and amendments — the SG rate schedule 3% (1992) to 12% (2025), as published by the Australian Taxation Office (legal text; not a retrieved web page).
- Australian Taxation Office, First Home Super Saver Scheme rules (voluntary contributions releasable up to \$50,000 in total under current rules).
- Australian Government, Retirement Income Review (2020) — the three-pillars description of the retirement income system.
- Victorian Curriculum F-10 Version 2.0, Economics and Business, Levels 9 and 10 (VC2HE10K09 and elaborations).