

Economics and Business Level 7

Chapter 1 — Knowledge and Understanding: scarcity, markets, businesses, entrepreneurs and work

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Why we must choose: scarcity, incentives, costs, benefits and opportunity cost

Strand: Knowledge and Understanding · **Sub-strand:** Economic literacy **Content description:** VC2HE8K01 (Levels 7 and 8) **Draws on:** VC2HE8K01.E01 (opportunity cost in decision-making) · VC2HE8K01.E02 (reasons for price changes of specific products) · VC2HE8K01.E03 (a personal decision record with material and non-material opportunity cost) *Note: one elaboration belonging to this code is not used in this book; see the note at the front of the book.*

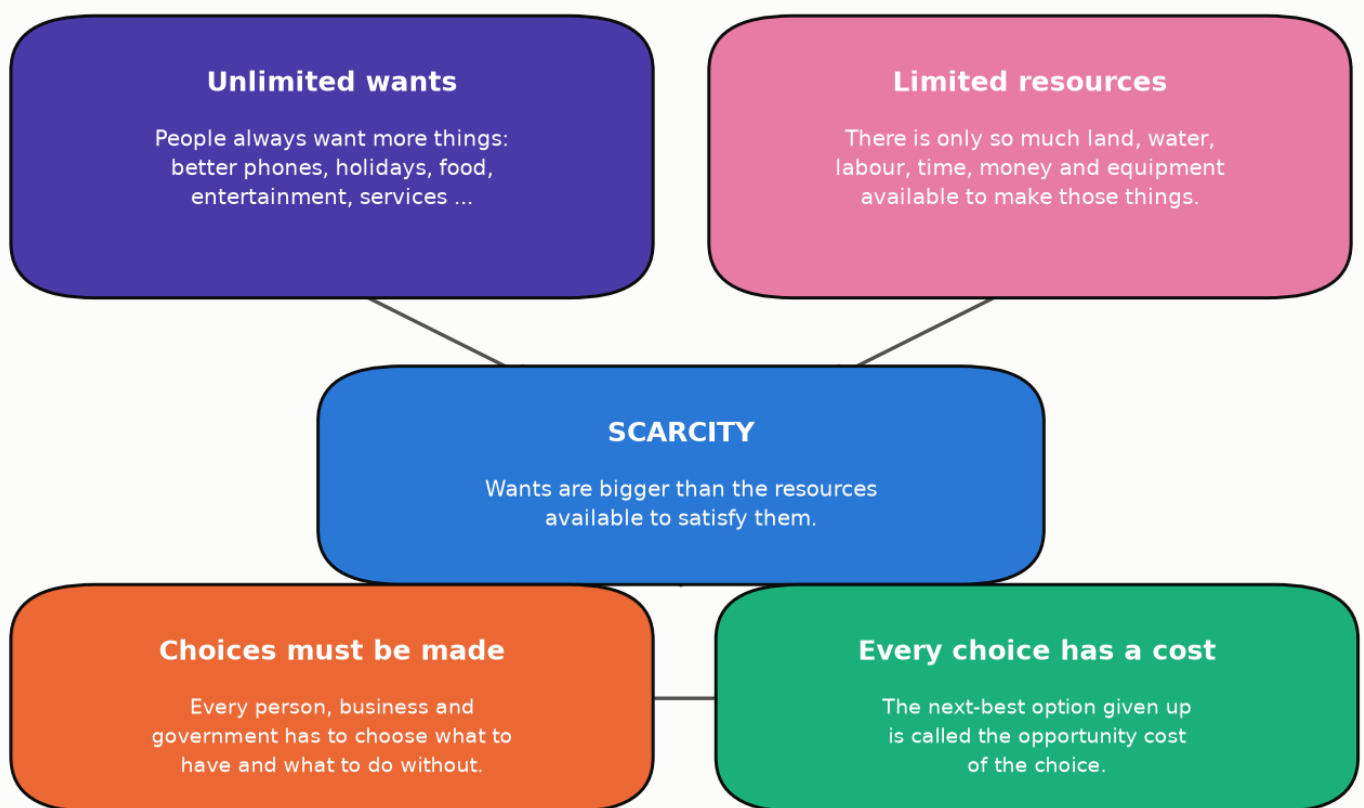
The key question for this section is: **What does making an economic decision involve, and why can we not avoid making them?**

Theory

The basic economic problem. Every day you want things: food, games, clothes, time with friends, a new phone, a holiday. Those wants feel almost unlimited — as soon as you get one thing, you think of the next. But the things we use to make and buy those wants are limited. There is only so much time in a day, only so much money in your pocket, only so much land, water, iron ore and labour in a whole country. This is the basic economic problem.

Two terms from this section are used the way the Victorian Curriculum uses them, so they are defined here the first time they appear. The Curriculum uses the word **scarcity** but does not define it; this section treats scarcity as the gap between unlimited wants and limited resources. Because of scarcity, we cannot have everything we want, so we must choose. That choosing is **economic decision-making**. It is needed simply because we cannot have it all.

The basic economic problem



Scarcity is why economic decision-making is needed.

Flow diagram of the basic economic problem: unlimited wants and limited resources lead to scarcity; scarcity means choices must be made, and every choice has an opportunity cost.

Resources are limited. Everything we make and buy is built from three kinds of resources, and every one of them is limited.

The three kinds of economic resources

Type of resource	What it means	Australian examples
Natural resources	Things that come from nature, used to make goods and services	Farmland, water, minerals (such as iron ore), forests, fish
Human resources	The work, time, skills and knowledge of people	A teacher's lessons, a nurse's care, a tradie's skills, your own time
Capital resources	Man-made tools, machines, buildings and equipment used to produce things	A bakery's ovens, a farm's tractor, a factory's robots, delivery trucks

All goods and services are made from these resources - and all of them are limited.

Table of the three kinds of economic resources (natural, human and capital) with Australian examples.

Costs and benefits. When you choose, you weigh up each option. A **benefit** is what you gain from a choice. A **cost** is what you give up. Some costs and benefits are **material** — they involve money or things you can touch, like a \$6 lunch or the \$6 you no longer have. Some are **non-material** — things money cannot buy, like time, fun, pride or friendship. Good decision-making looks at both.

Worked example: weighing up a decision

Mia has saved \$80. She can buy a skateboard for \$75, or keep saving towards a \$220 bike.

	Benefits (what Mia gains)	Costs (what Mia gives up)
Material	a skateboard she can ride to school and the park	\$75 of her savings is gone; \$5 left, not enough for much else
Non-material	fun; the pride of learning new skills; time with skater friends	she is no closer to the bike she wanted; she may feel regret if her friends ride bikes together

Mia decides the benefits outweigh the costs and buys the skateboard. The opportunity cost of her choice is the next-best option she gave up: keeping her savings going towards the bike.

Worked-example table weighing the material and non-material costs and benefits of Mia's decision to buy a skateboard or keep saving for a bike.

Incentives. An **incentive** is anything that makes you more or less likely to choose something. The Curriculum uses the word without defining it; this section treats an incentive as a reward or a penalty that changes the costs and benefits of an option. A **positive incentive** adds a benefit — a half-price ticket pulls you in. A **negative incentive** adds a cost — a big price rise pushes you away. When the costs and benefits of an option change, the incentive changes, and so does your choice.

Incentives change the choices people make

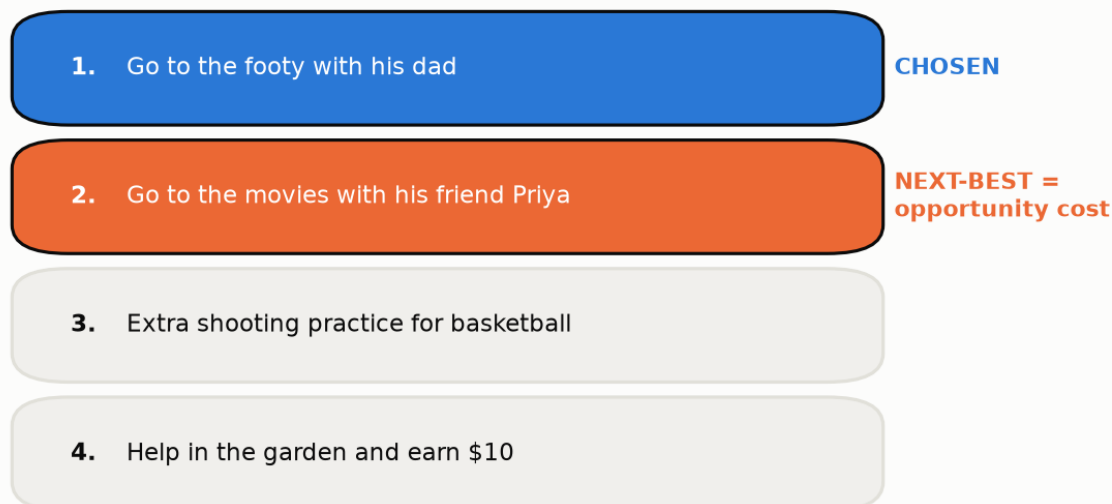
The incentive	Type	How choices change
The swimming pool cuts its entry price in half for the school holidays	Positive	More families choose to swim in the holidays
A supermarket runs a weekly half-price special on a cereal brand	Positive	Shoppers buy that brand, or shop at that store, this week
Petrol prices rise a lot in a month	Negative	Some people drive less, share cars, cycle or take the bus
The government ends its electricity rebates, so power bills rise	Negative	Households look for ways to use less electricity

A positive incentive adds a benefit; a negative incentive adds a cost. Both change behaviour.

Table of positive and negative incentives and how each one changes the choices people make.

Opportunity cost. Because you must choose, every choice has a hidden cost: the thing you gave up. The Curriculum uses the term without defining it; this section treats **opportunity cost** as the *next-best* option you give up when you make a choice — not every option, just the one you would have picked next. Naming the opportunity cost is how economists measure what a choice really costs.

Jay's Saturday options, ranked from most to least wanted



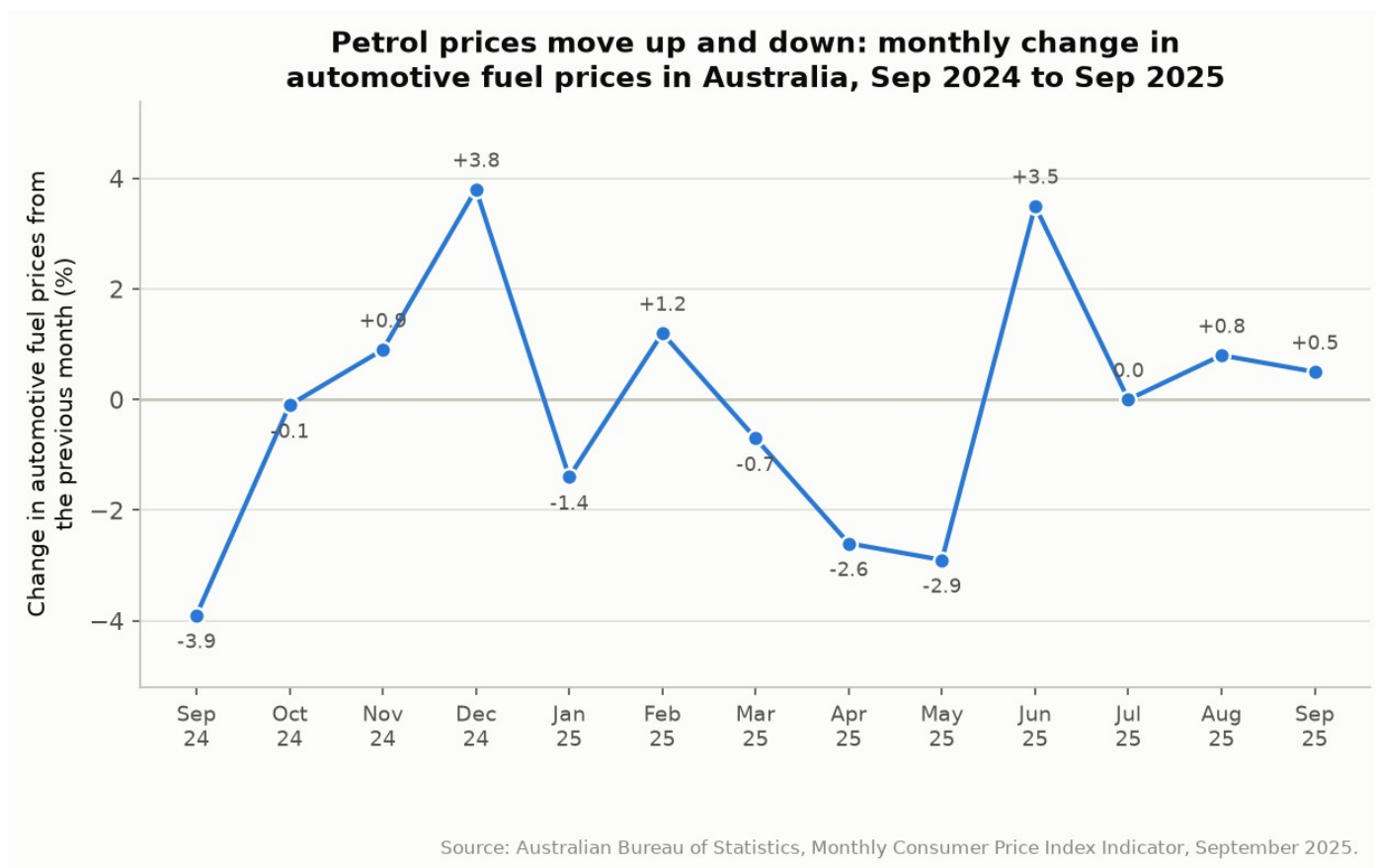
The opportunity cost is only the next-best option (the movies) - not every option Jay gave up.

Ranking diagram of Jay's Saturday options showing that the opportunity cost is only the next-best option given up.

Prices change, and that changes choices. Prices do not stay still. When the price of something goes up, it becomes a more costly choice and a negative incentive; when it goes down, it becomes a cheaper choice and a positive incentive. So people change their decisions as prices move. That is why economists watch price changes closely.

Here is real Australian data. The chart below shows how much the price of automotive fuel (petrol) changed from one month to the next over a year. Some months the price went up; some months it went down. That is price change in action.

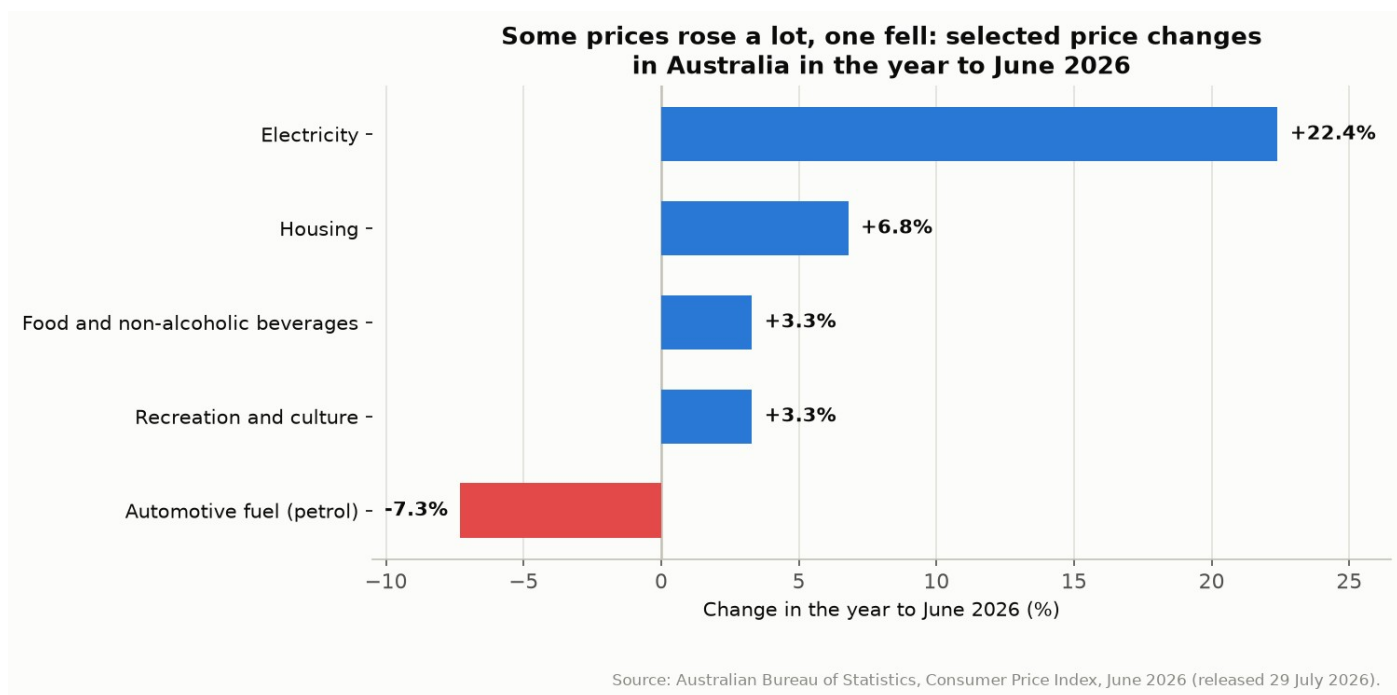
Source: Australian Bureau of Statistics, Monthly Consumer Price Index Indicator, September 2025 (retrieved 26 August 2026).



Line chart showing the monthly percentage change in Australian automotive fuel prices from September 2024 to September 2025, with the price rising in some months and falling in others.

Different things change price at different speeds, and some even go the other way. The next chart shows selected Australian price changes in the year to June 2026. Electricity rose a lot because government rebates that had cut power bills ended; petrol fell over the year.

Source: Australian Bureau of Statistics, Consumer Price Index, June 2026, released 29 July 2026 (retrieved 26 August 2026).



Bar chart of selected Australian price changes in the year to June 2026: electricity and housing rose while automotive fuel fell.

Prices change for real reasons. A **shortage** — when there is less of something to sell, like fruit after a bad storm — tends to push a price up. A **glut** — when there is more than people want to buy — tends to push a price down. Changes in what things cost to make, in how much people want them, and in government rules and rebates all move prices too. When a price moves, the costs and benefits of buying that thing move with it, and people make different choices. (*Section 1B looks more closely at why prices move, through supply and demand.*)

A method for deciding. You can use the same five steps every time you face an economic decision.

Five steps to an economic decision



Five-step model of economic decision-making: work out the choice, list costs and benefits, notice the incentives, compare and choose, and name the opportunity cost.

Worked examples

Example 1 — scaffolded

Mia has saved \$80. A skateboard she wants costs \$75. She could also keep the money and keep saving towards a \$220 bike. She uses the five steps.

Working	Comment
Step 1 — the choice: buy the skateboard now, or keep saving towards the bike.	Name the real options before judging them.
Step 2 — costs and benefits. Skateboard: benefit = fun and a way to get around (material and non-material); cost = \$75 gone, only \$5 left. Bike savings: benefit = closer to the bike; cost = no fun now.	List both material and non-material items on each side.
Step 3 — incentives: a sale ends this week (positive incentive to buy now); her goal of the bike (negative incentive to spend).	Notice what is pulling each way.
Step 4 — compare and choose: Mia decides the fun now matters more to her.	Different people can weigh it in different ways and both be sensible.
Step 5 — opportunity cost: the next-best option given up is the saved \$75 going towards the bike.	The opportunity cost is one option, not everything.

Example 2 — scaffolded

The pool near Jay's home cuts its entry price in half for the school holidays. Jay's family decides to go twice that week instead of once.

Working	Comment
The price cut is a positive incentive.	It adds a benefit (a cheaper day out).
The benefit of going up; the cost (money and time) down.	A price change moves both costs and benefits.
The family changes its decision.	Incentives change behaviour — that is the point.

Example 3 — unscaffolded

A storm damages fruit farms, and the price of strawberries at the shops rises a lot for a few weeks. Explain, using the words *scarcity*, *cost* and *incentive*, why some families buy fewer strawberries that month.

The storm makes strawberries more scarce — there are fewer to sell, so the price rises. The higher price makes the *cost* of buying them bigger. That is a negative *incentive*, so families choose other fruit instead. Their decision changed because the costs and benefits changed.

Practice questions

Scaffolded

Q1. In your own words, say what **scarcity** means and why it makes decision-making necessary.

Q2. Sort each item as a *material* or *non-material* cost or benefit: (a) the \$6 you pay for a lunch; (b) the fun of eating with friends; (c) the \$6 you can no longer save; (d) the time you give up queuing.

Q3. Name the type of incentive (positive or negative): (a) a buy-one-get-one-free offer; (b) a big rise in the price of chocolate; (c) a reward card that gives a free coffee after ten stamps.

Q4. Tom can spend Saturday morning at a soccer trial, at a movie with his cousin, or asleep at home. He ranks them: soccer first, movie second, sleep third. He chooses soccer. What is his opportunity cost, and why is it *not* the sleep?

Q5. Look at the fuel-price line chart. Name two months when the price went up and two when it went down, and say what a rise in fuel price does to the incentive to drive.

Q6. Complete one row of the personal decision record below for a choice you made yesterday, naming one material and one non-material opportunity cost.

Unscaffolded

Q7. Your local shop doubles the price of its most popular snack because a shipment was lost. Use *scarcity* and *incentive* to explain what is likely to happen to how many students buy it.

Q8. A friend says “the opportunity cost of going to the concert is everything I gave up that night.” Correct your friend using the idea of the *next-best* option.

Q9. The price of e-bikes falls a lot this year. Explain how that changes the costs, benefits and incentives for a family choosing how to get around, and predict one decision that might change.

Q10. Keep the personal decision record for a full week (see template). For each day, note the decision, its benefit, and its material and non-material opportunity cost.

My personal economic decision record For one week, record an economic decision you make each day. Then note what each choice cost you.				
Date	My decision	What I gained (benefit)	Material opportunity cost (money or things given up)	Non-material opportunity cost (time, fun or feelings given up)
Monday (worked example)	Bought lunch at the canteen for \$6 instead of bringing lunch from home	A hot meal, and free time at lunch to play with friends	\$6 that could have stayed in my savings	The time I could have spent cooking with my family the night before

Blank personal economic decision record table with one worked example row, for students to complete over a week.

Extended response (Chapter 1)

E1. Using the two price charts in this section, write a short report (about 150 words) answering: *How did changing prices change the costs and benefits of Australian households' choices in 2025–26?* Refer to at least one price that rose and one that fell, use the words *scarcity*, *incentive* and *opportunity cost* correctly, and end with one logical conclusion about what households likely did. Read your data from the charts; do not invent numbers.

Answers

Q1. Scarcity is the gap between our unlimited wants and the limited resources available to meet them. Because we cannot have everything, we must choose, so decision-making is necessary. **Q2.** (a) material cost; (b) non-material benefit; (c) material cost; (d) non-material cost. **Q3.** (a) positive; (b) negative; (c) positive. **Q4.** The movie with his cousin. It is not the sleep because opportunity cost is only the *next-best* option given up, and the movie was ranked above sleep. **Q5.** Up: e.g. December 2024 and June 2025; down: e.g. September 2024 and May 2025. A rise in the fuel price is a negative incentive to drive — it makes driving more costly, so some people drive less. **Q6.** Answers vary; check that one material and one non-material opportunity cost are named. **Q7.** The lost shipment makes the snack more scarce, so its price rises; the higher price is a negative incentive, so the benefit no longer beats the cost for as many students and fewer buy it. **Q8.** Opportunity cost is only the *next-best* single option you gave up, not everything. If the next-best plan was dinner with family, *that* is the opportunity cost. **Q9.** Cheaper e-bikes lower the cost and raise the benefit of riding; that is a positive incentive, so a family may choose to buy e-bikes and drive less (opportunity cost: the car trips given up). **Q10.** Check the record has a decision, a benefit, and both a material and a non-material opportunity cost for each day. **E1.** Look for: one rising price (e.g. electricity) and one falling price (e.g. petrol) read from the charts; correct use of scarcity, incentive and opportunity cost; and a logical conclusion (e.g. households had an incentive to save power and, where petrol fell, a small incentive to drive). Marks are for reasoning, not for any single conclusion.

Sources

- Australian Bureau of Statistics, *Monthly Consumer Price Index Indicator, September 2025* — automotive fuel monthly movements, Sep 2024–Sep 2025 (retrieved 26 August 2026).
- Australian Bureau of Statistics, *Consumer Price Index, June 2026*, released 29 July 2026 — annual change for electricity, housing, food, recreation and automotive fuel (retrieved 26 August 2026).

How free markets work: supply, demand and the price mechanism

Chapter 1 · Section 1B · Economics and Business 7 · Victorian Curriculum 2.0 (Levels 7–8 band)

Key question: How do markets shape the choices that consumers and businesses make?

Content description: VC2HE8K02 (Levels 7 and 8)

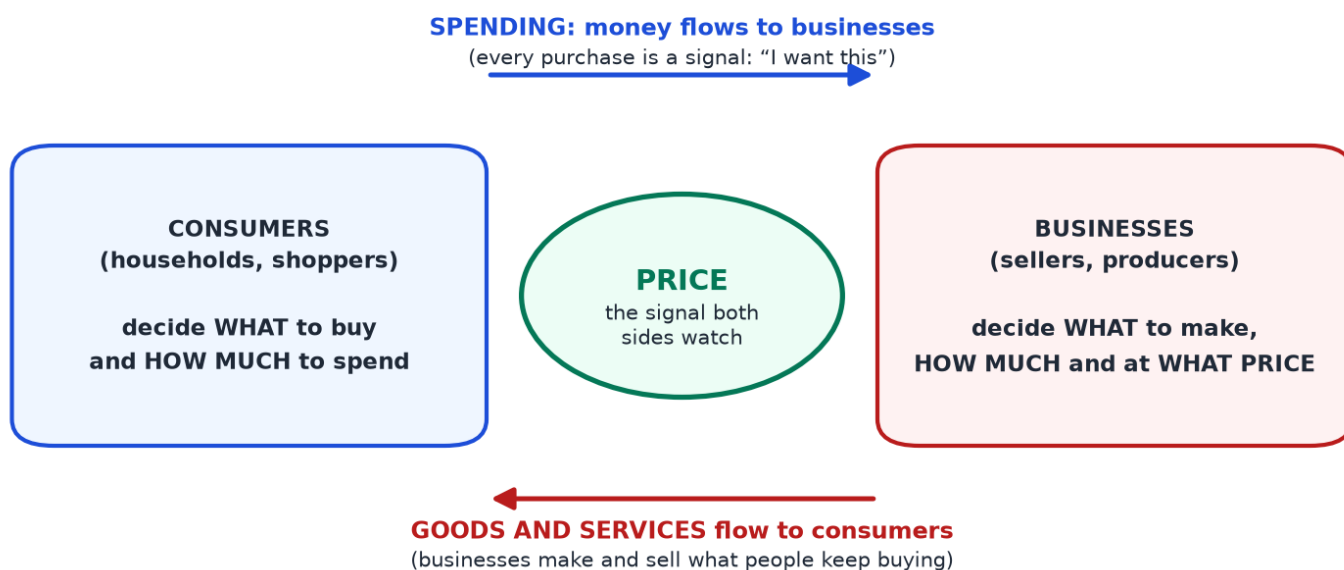
This section draws on elaborations .E01–.E04 of VC2HE8K02 (codes listed in the Sources box at the end of this section).

Theory

1. A market is where buyers and sellers meet

In Section 1A we met scarcity — the problem that there is not enough of everything for everyone to have all they want. Because resources are scarce, every society has to answer three questions: **what** gets made, **how much** gets made, and **who** gets what is made. A **market** is any arrangement where the buyers and the sellers of a good or a service meet and trade, and in a market economy the three questions are answered through prices.

The parts of a market



A market is any arrangement where buyers and sellers of a good or service meet and trade.
Australia has thousands of markets: strawberries, haircuts, houses, petrol, labour and many more.

Diagram of a market: consumers on the left decide what to buy and how much to spend; businesses on the right decide what to make, how much and at what price; money flows from consumers to businesses while goods and services flow back; the price sits in the middle as the signal both sides watch.

Australia has thousands of markets: strawberries, haircuts, houses, petrol, concert tickets and the market for labour. Each one has the same three parts — buyers, sellers, and a price.

2. Defining our terms: what is a “free market”?

The Victorian Curriculum uses the words *free market* but does not define them, so this section states the definition it works with: a **free market** is a market in which buyers and sellers trade by choice and the price is free to move up and down as demand and supply change. Every task in this section is answerable on that definition alone. Note the frame: in Australia no market is completely free of rules — consumer law, safety rules and taxes such as the GST shape every market — so “free” is a matter of degree, and other definitions exist that are not interchangeable with this one.

3. Demand — the consumer side

Demand is the amount of a good or service that buyers are willing and able to buy at each possible price. Demand is not “what people would love to have for free” — it is what people will actually buy at each price.

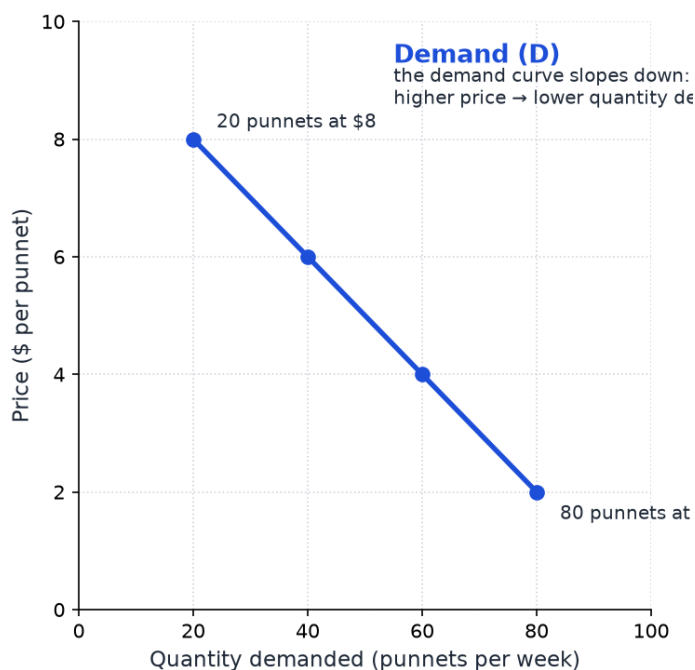
Look at one local market for strawberry punnets. (The numbers in this section’s schedules and auction are example numbers, chosen to show how the mechanism works.)

Demand for strawberry punnets in one local market

Demand schedule (example numbers)

Price per punnet	Punnets consumers want to buy per week
\$2	80
\$4	60
\$6	40
\$8	20

As the price rises, consumers want to buy fewer punnets.



Demand schedule table and demand curve for strawberry punnets: at \$2 per punnet consumers want 80 a week, at \$4 they want 60, at \$6 they want 40 and at \$8 they want 20, so the demand curve slopes down from left to right.

The pattern is the **law of demand**: as the price of a good goes up, the quantity demanded falls, and as the price goes down, the quantity demanded rises. Think of your own choices: if strawberries jumped to \$8 a punnet you would probably buy fewer, or switch to another fruit.

4. Supply — the business side

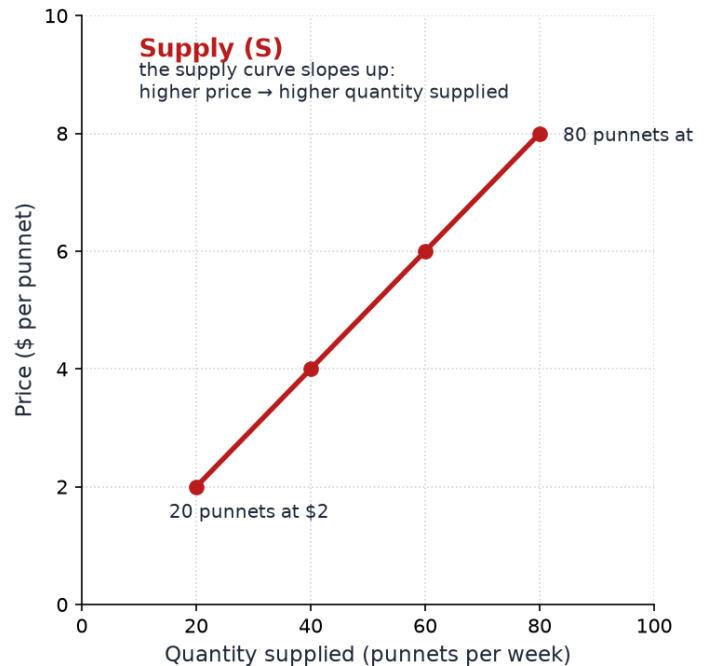
Supply is the amount of a good or service that sellers are willing and able to sell at each possible price.

Supply of strawberry punnets by local growers

Supply schedule (example numbers)

Price per punnet	Punnets growers want to sell per week
\$2	20
\$4	40
\$6	60
\$8	80

As the price rises, growers want to sell more punnets.

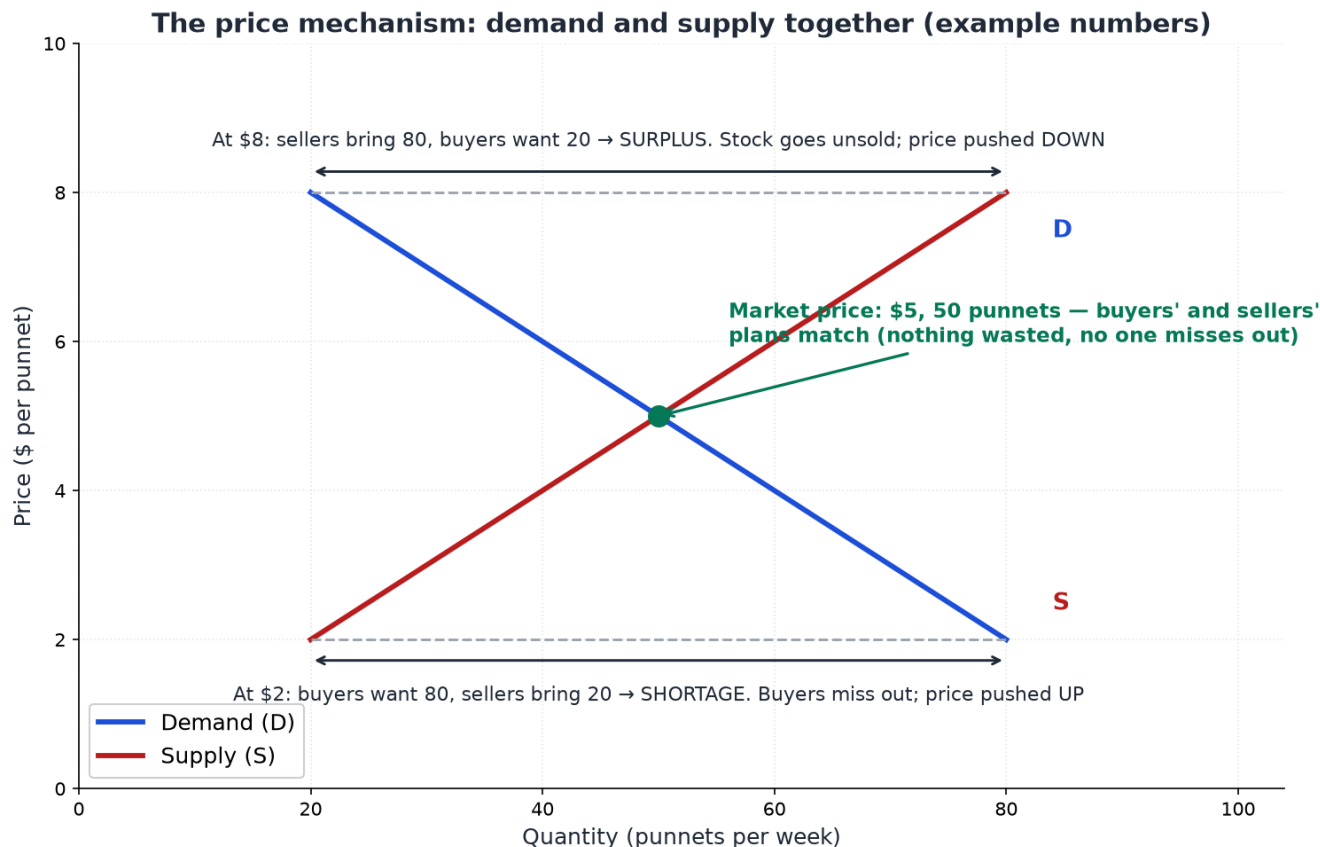


Supply schedule table and supply curve for strawberry punnets: at \$2 per punnet growers want to sell 20 a week, at \$4 they want to sell 40, at \$6 they want to sell 60 and at \$8 they want to sell 80, so the supply curve slopes up from left to right.

The pattern is the **law of supply**: when the price rises, the quantity supplied rises. At a low price only the cheapest punnets are worth growing and picking; at a high price it becomes worth bringing out more pickers, more plants and more land.

5. The price mechanism — putting the two sides together

Now place the two curves on one diagram. This is a **demand and supply diagram**, and it shows the **price mechanism** at work — the way price balances the plans of consumers with the plans of businesses.



Demand and supply curves for strawberry punnets on one diagram: at a price of \$8 sellers bring 80 punnets but buyers want only 20, a surplus that pushes the price down; at \$2 buyers want 80 but sellers bring only 20, a shortage that pushes the price up; at the market price of \$5, buyers' and sellers' plans match at 50 punnets a week.

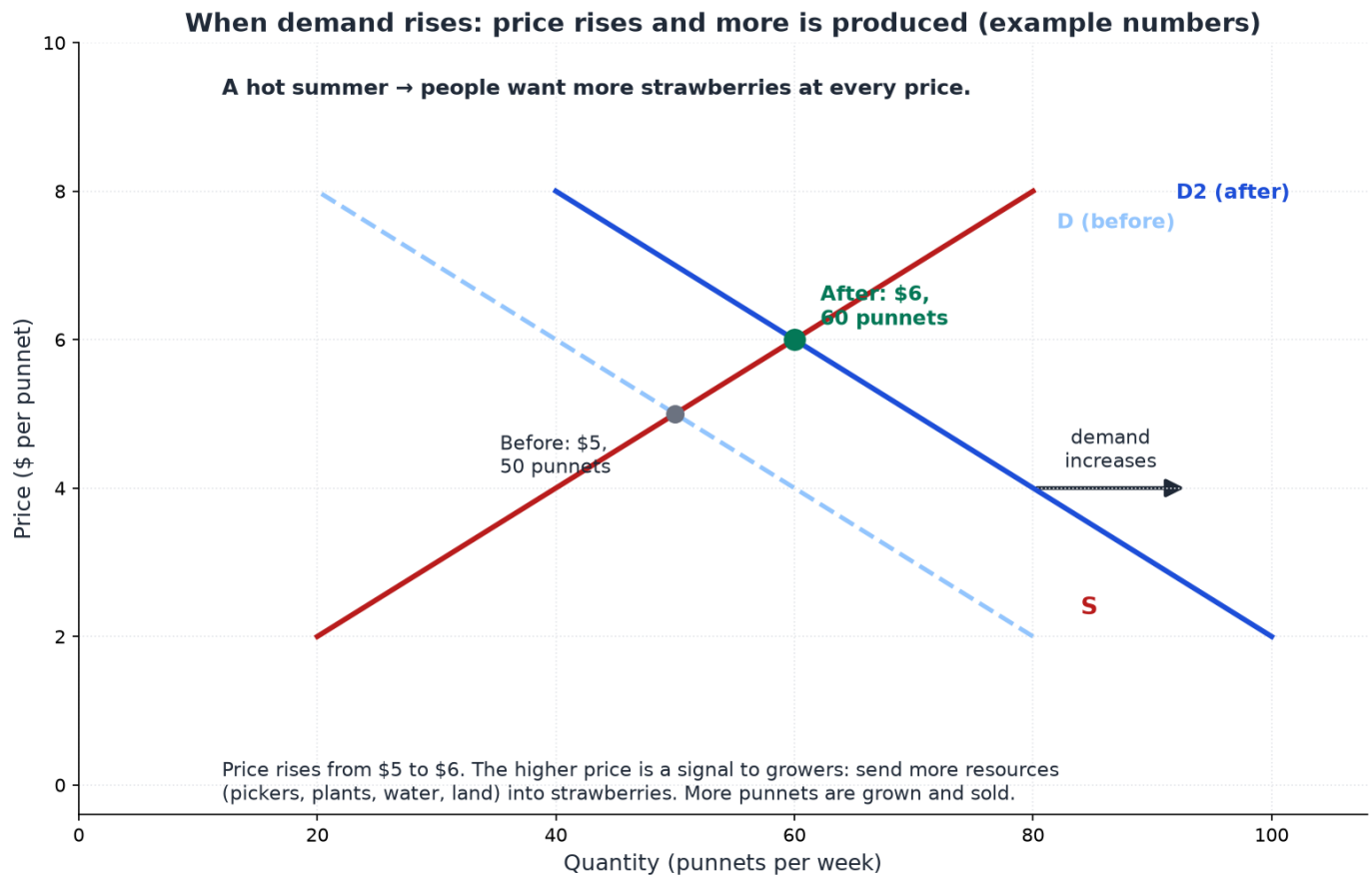
Read the diagram the way a seller would:

- At \$8 there is a **surplus**: sellers bring 80 punnets, buyers take home 20, and 60 punnets go unsold. Sellers cut prices to clear their stock. The price is pushed **down**.
- At \$2 there is a **shortage**: buyers want 80 punnets, sellers bring 20, and 60 wanting buyers miss out. Buyers bid against each other for the few punnets there are. The price is pushed **up**.
- At \$5 the plans match: 50 punnets are wanted and 50 are brought. Nothing is wasted and no one who is willing to pay the price misses out. This is the **market price**.

Nobody planned the \$5. It came out of hundreds of separate choices by buyers and sellers, and it carries information both ways: to consumers it says how much others want the good, and to businesses it says how much to produce. That two-way information is the price mechanism.

6. When demand changes: resources follow the price

Markets never sit still. Suppose a hot summer makes people want more strawberries at every price — demand increases, and the whole demand curve shifts to the right.



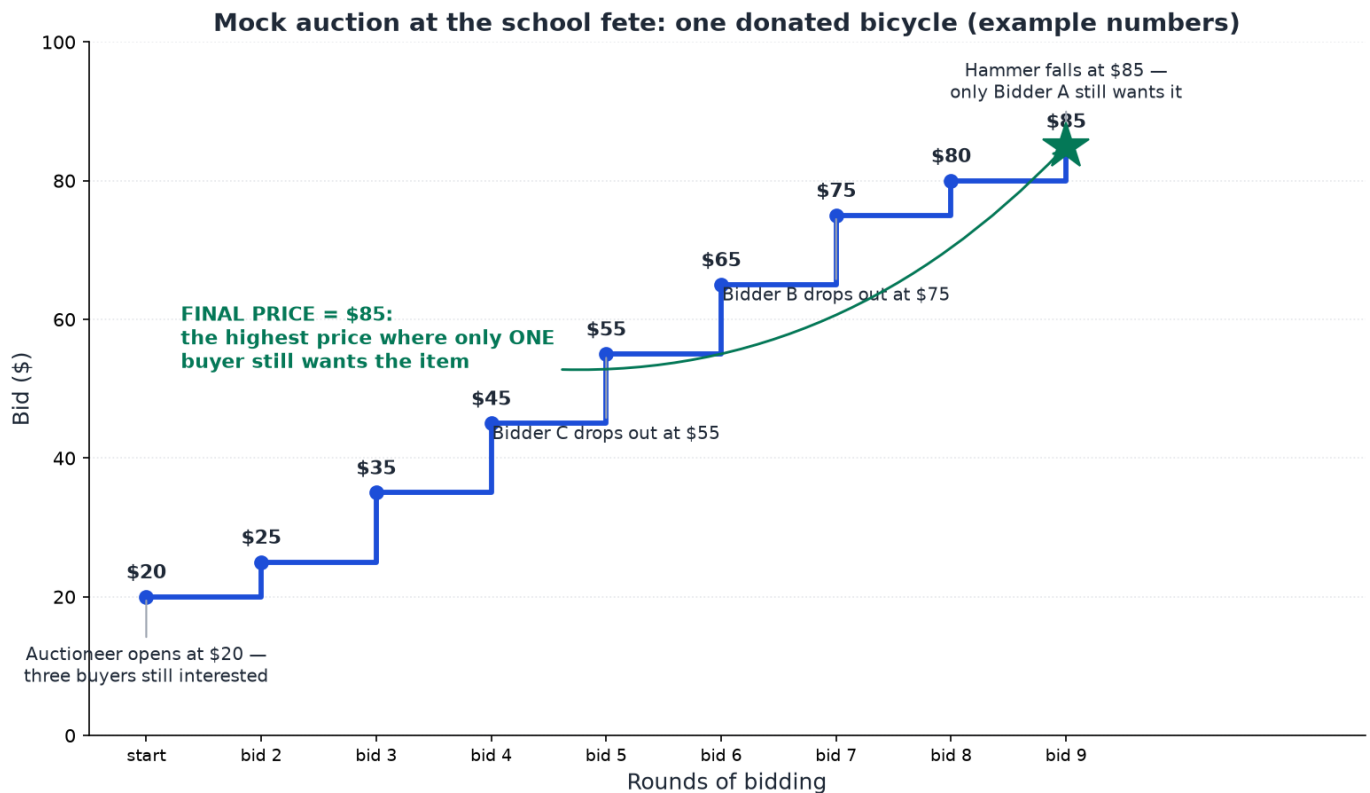
Demand and supply diagram after demand increases: the demand curve shifts right, the market price rises from \$5 to \$6 and the quantity sold rises from 50 to 60 punnets a week; the higher price tells growers to send more resources into strawberries.

With demand higher, a shortage appears at the old \$5 price, buyers bid the price up, and the new market price is \$6 with 60 punnets sold. Now watch what the higher price does: it tells growers that strawberries are wanted more strongly, and growers respond by sending more **resources** — pickers, plants, water, land, crates — into strawberries and away from whatever they were doing before. This is exactly what elaboration .E01 has in mind: a higher price pulls resources toward making more of the good. The price mechanism has just reallocated scarce resources, with no planner giving a single order.

The same machine runs in reverse: if a new health study made people want fewer sugary snacks, demand would shift left, the price would fall, and resources would drift out of those goods and toward whatever consumers now want instead.

7. Auctions — the price mechanism in fast-forward

An **auction** shows the price mechanism working in front of your eyes. Bidding starts low; while two or more buyers still want the item, the price climbs; when only one buyer is left willing to pay, the hammer falls and that is the final price.



Step chart of a mock auction at a school fete for one donated bicycle: bids climb \$20, \$25, \$35, \$45, \$55, \$65, \$75, \$80 and the hammer falls at \$85; bidder C drops out at \$55 and bidder B drops out at \$75, so the final price is the highest price at which only one buyer still wants the bicycle.

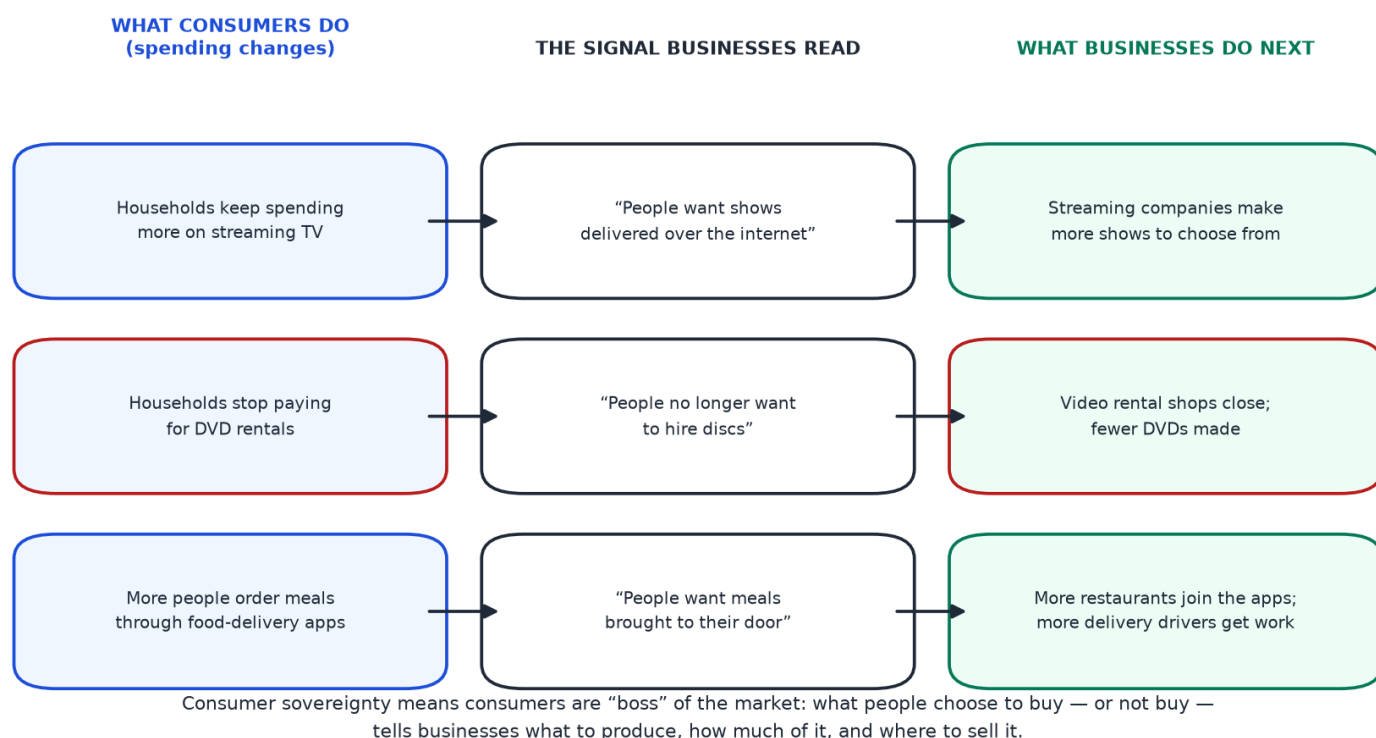
Discuss the auction afterwards the way elaboration .E02 asks: **how and why was the final price determined?** Three buyers each had a maximum they were willing to pay. The bidding rose past each buyer's maximum in turn — \$55 ended bidder C, \$75 ended bidder B — and the price stopped at \$85 because that was the highest amount the last remaining buyer would pay. The final price was set by the buyers' demand meeting the one bicycle for sale. If two identical bicycles had been auctioned, or if the bidders had less money to spend, the final price would have been lower; if more people had wanted the bike, higher.

House auctions work the same way — in Australian capital cities such as Melbourne and Sydney, thousands of homes sell at auction every year, and online auction sites run the same process for everything from cards to cars. Wherever there is one thing for sale and several buyers, an auction squeezes the price to the point where demand and supply meet.

8. Consumer sovereignty — spending sends signals

Consumer sovereignty is the idea that consumers are the boss of a market economy: what people choose to buy — and what they refuse to buy — decides what gets produced. Economists sometimes call it “voting with your dollars”: every dollar spent on a good is a vote for more of it, and every dollar not spent is a vote against it. (The term is subject terminology; other definitions exist, and this section uses the one stated here.)

Consumer sovereignty: spending sends signals



Three-row signal diagram of consumer sovereignty: households spending more on streaming TV tells businesses people want shows over the internet, so streaming companies make more shows; households stopping DVD rental payments tells businesses people no longer want to hire discs, so video rental shops close; more people ordering through food-delivery apps tells businesses people want meals at their door, so more restaurants join the apps and more delivery drivers get work.

Here consumer demand clearly sets the price and the distribution of goods and services (elaboration .E03):

- **Streaming TV.** Australian households moved their spending from bought discs to streaming, and businesses followed the money: more shows, more platforms, more staff.
- **Food-delivery apps.** As households shifted spending to delivered meals, restaurants joined the apps and delivery driving became a big source of casual work.
- **Seasonal fruit.** In strawberry season the crop is large and the price is low; out of season the same punnets cost far more. The quantity buyers want at each price, set against what growers can supply, is doing the setting.

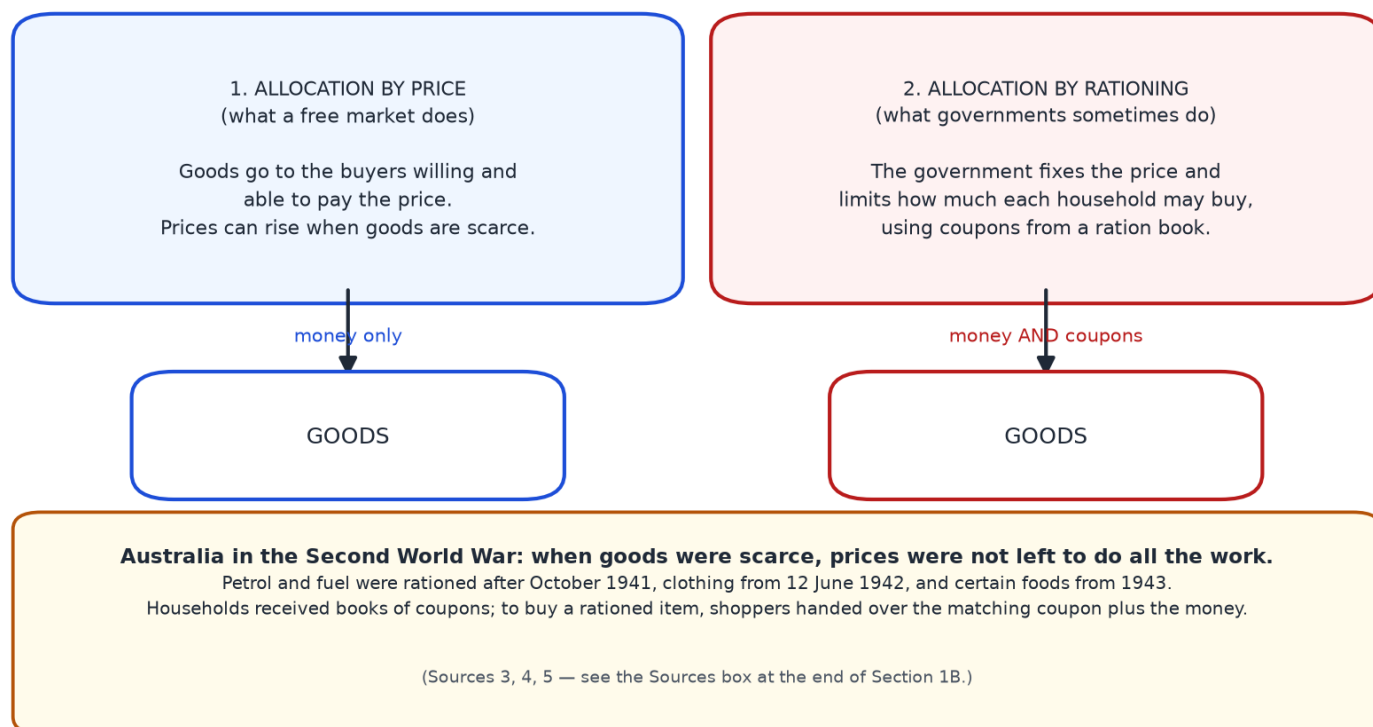
One honest note before the next heading: dollar votes are not like ballot-box votes, because a household with more dollars casts more of them. Consumer sovereignty describes who the market listens to, not whether that listening is fair — fairness is a question for Section 1A's costs-and-benefits thinking and for civics, and it returns in the discussion below.

9. When consumer demand does NOT rule

Consumer sovereignty is strong, but it is not absolute. Elaboration .E04 asks for the cases where what consumers want does **not** set the price, and does not decide who gets the goods and services.

Case one: wartime rationing. During the Second World War, Australia did not leave scarce goods to the price mechanism. Petrol and fuel were rationed after October 1941, clothing was rationed from 12 June 1942, and certain foods were rationed from 1943. Households received ration books of coupons; to buy a rationed item, a shopper had to hand over the matching coupon **as well as** the money, so a rich household could not simply buy everything.

Two ways to share out scarce goods



Comparison diagram of two ways of sharing out scarce goods: allocation by price, where goods go to the buyers willing and able to pay and prices can rise; and allocation by rationing, where the government fixes the price and limits each household's share with coupons from a ration book; a facts strip records that wartime Australia rationed fuel, clothing and certain foods in 1941-1943.

Why? In a war, the nation needs fuel and food for the war effort, and letting prices rocket would have meant that only wealthier households could eat well and drive. The government chose coupons over prices. Rationing is the clearest historical example of consumer demand **not** deciding who gets what.

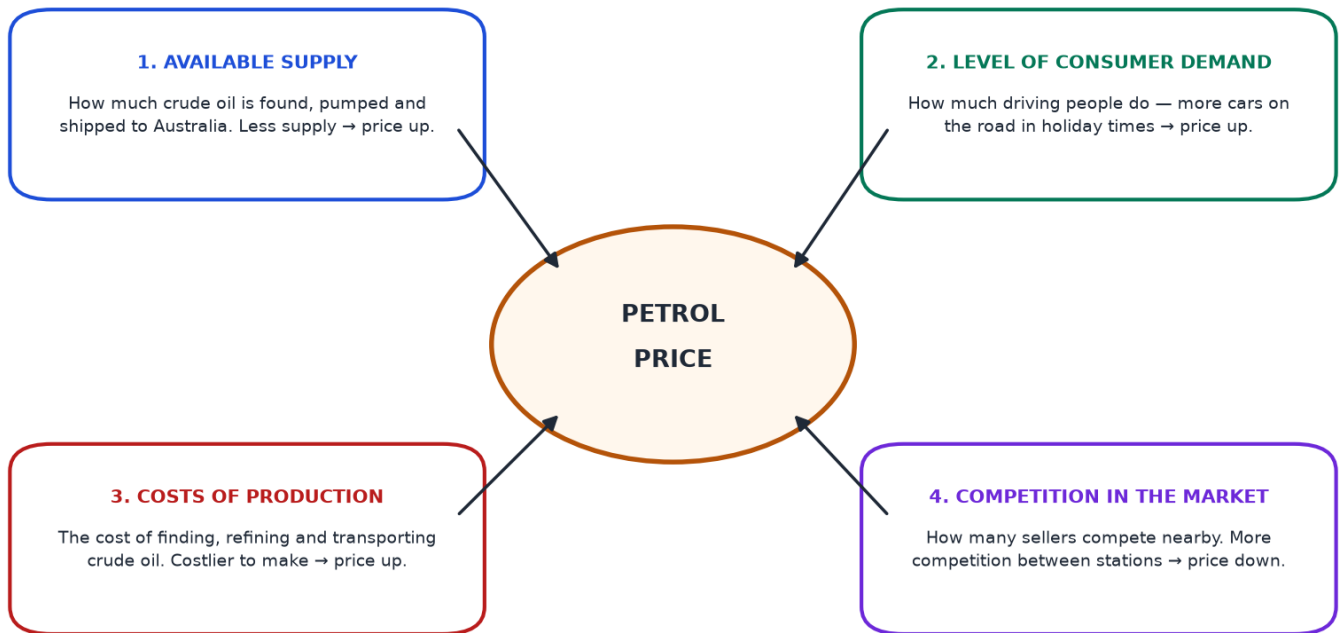
Case two: essential services today. Some goods and services are treated as things everyone should be able to use, so governments set or cap the price and shape the distribution instead of leaving it to demand and supply:

- **Health.** Under Medicare, most visits to a doctor cost the patient little or nothing; the real cost is paid from taxes everyone contributes. A fully free market in doctor visits would price some sick people out of care.
- **Public transport.** In Victoria, train, tram and bus fares are set by the government, not squeezed out of shortages the way auction prices are.
- **Water and energy.** Prices are checked and approved by government regulators so that a dry year or a cold winter cannot simply auction water and power to the highest bidder.

Case three: high prices and low prices. .E04 also asks you to notice goods that sell at both high and low prices. Strawberries are cheap in season and dear out of it; a house in a suburb everyone wants sells for far more than the same house in a suburb nobody does. The same machine — demand against supply — produces both outcomes; what changes is which side is pressing harder.

The four factors behind a price: the petrol example. Petrol is the classic case of a price with several drivers. Elaboration .E04 points to four: available supply, the level of consumer demand, competition in the market, and the costs of production.

What influences the price of petrol?

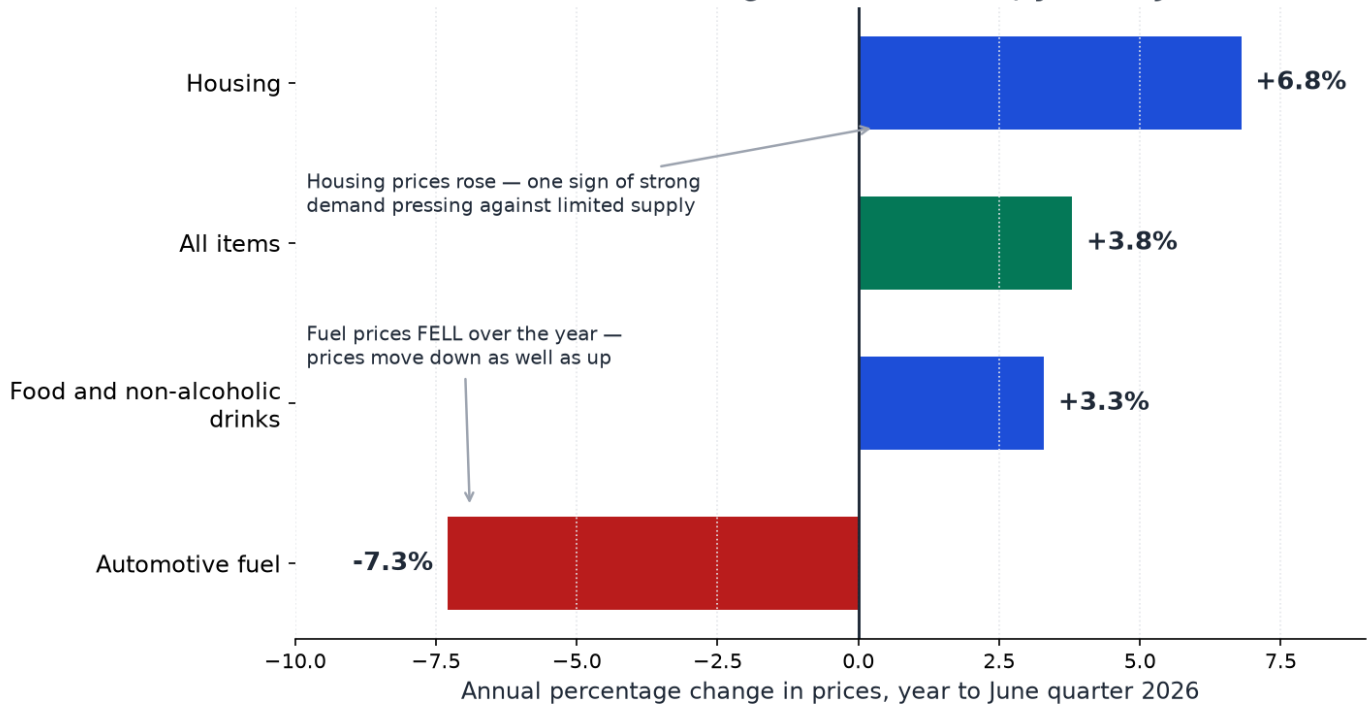


Government also influences the pump price: taxes such as the fuel tax and the GST are built into every litre. That is one reason petrol prices do not simply follow consumer demand.

Hub-and-spoke diagram of the four factors that influence the price of petrol: available supply of crude oil, the level of consumer demand for driving, the costs of finding, refining and transporting crude oil, and competition between nearby service stations; a note adds that government taxes such as the fuel tax and GST are also built into every litre.

Real data shows petrol prices moving both ways. The chart below is from the Australian Bureau of Statistics: over the year to June 2026, automotive fuel prices in Australia **fell** by 7.3 per cent, while housing costs rose 6.8 per cent and food rose 3.3 per cent (Source 1). Fuel prices fell because the world supply of crude oil was plentiful against the demand for it; housing costs rose because strong demand pressed against a limited supply of homes. The price mechanism again — but notice the government's share too: taxes such as the fuel tax and the GST sit inside every litre, one more reason the pump price never simply mirrors consumer demand.

Prices do not all move together: Australia, year to June 2026



Source: Australian Bureau of Statistics, Consumer Price Index, Australia, June quarter 2026 (released 29 July 2026); retrieved 26 August 2026.

Bar chart of Australian price changes over the year to the June quarter of 2026 from ABS data: housing up 6.8 per cent, all items up 3.8 per cent, food and non-alcoholic drinks up 3.3 per cent, and automotive fuel down 7.3 per cent.

A discussion worth having. Should essential services be left to the market after all? Make each side as strong as it can be before choosing:

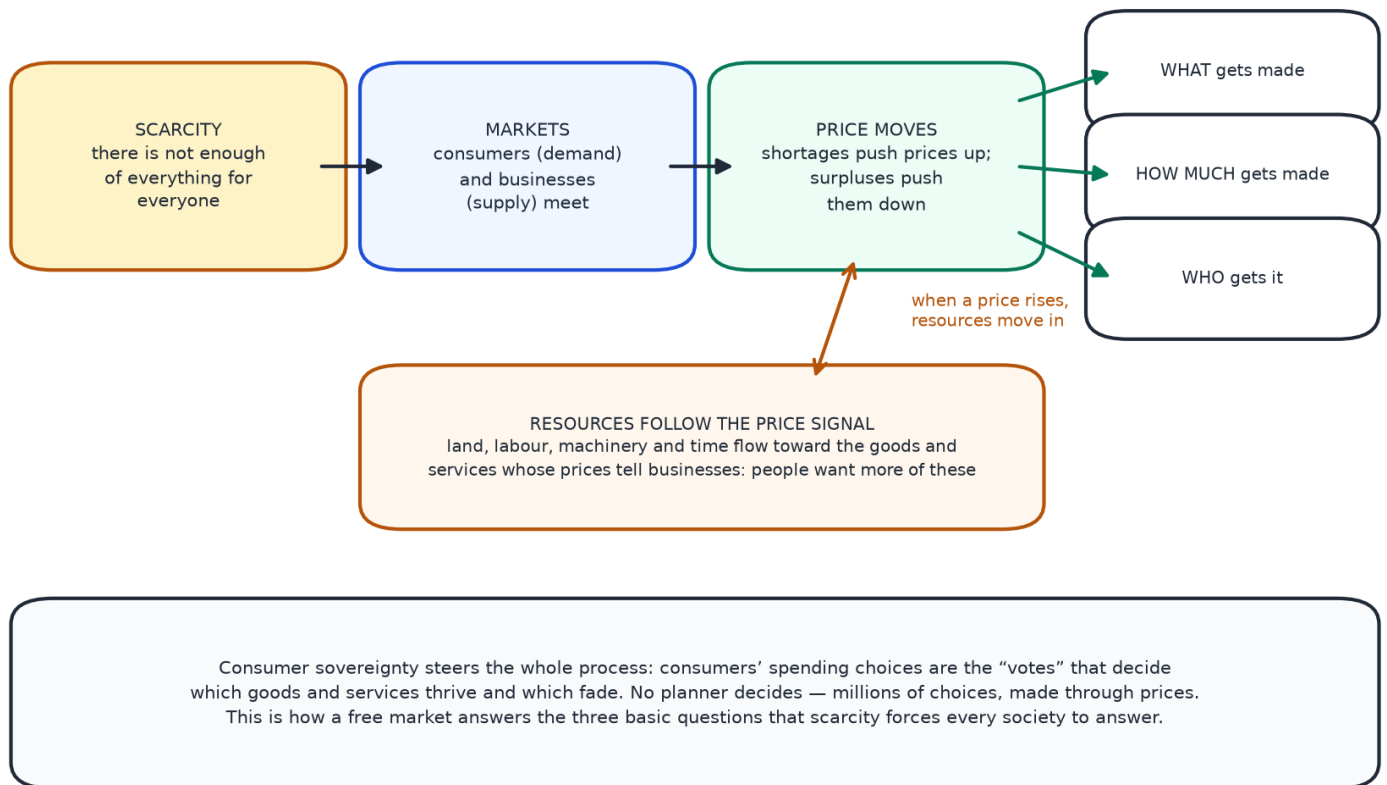
- *The market side, at its strongest:* prices that are free to move bring more supply out — more homes get built, more clinics open, more buses run — and they steer each unit to the buyer who values it most; shielding people from prices can waste scarce resources, as when water is underpriced and overused.
- *The set-price side, at its strongest:* health, transport, water and power are needs, not luxuries, and a market left alone would leave the poorest and the most remote without them; a society can choose that everyone rides, drinks and sees a doctor, and use taxes to pay for it.

Both positions are defensible; Australians actually mix the two (market prices for most goods, set or capped prices for essentials). What earns marks in this course is the quality of the reasoning — defined terms, stated assumptions, evidence — not which side you land on.

10. Pulling it together: how a free market allocates scarce resources

Every piece now connects. Scarcity means choices must be made. In a free market, consumers and businesses meet in markets; their choices set demand and supply; the price mechanism pushes prices up where there are shortages and down where there are surpluses; and resources — land, labour, machinery and time — follow the price signals toward the goods and services consumers most want. Consumer sovereignty steers the whole process, because consumers' spending is the signal businesses read. That, in one sentence, is the free market at work: prices carry the choices of consumers and businesses, and those prices steer scarce resources to the uses people value most.

How a free market allocates scarce resources



Summary map: scarcity forces choices; consumers (demand) and businesses (supply) meet in markets; shortages and surpluses move prices up or down; the moving price decides what gets made, how much gets made and who gets it, and resources follow the price signal; a bottom note states that consumer sovereignty steers the whole process because consumers' spending choices are the votes that decide which goods thrive.

Worked analysis

Example 1 — scaffolded: reading the strawberry market

Use the combined diagram from Theory part 5.

Question	Reasoning	Answer
At \$8, do buyers want more or fewer punnets than sellers bring?	Read the demand curve at \$8 (20) and the supply curve at \$8 (80).	Fewer: 20 wanted, 80 brought.
What is that gap called, and which way does it push the price?	More for sale than wanted = surplus; unsold stock makes sellers cut prices.	A surplus of 60 punnets; price pushed down.
At \$2, what happens instead?	Demand at \$2 is 80, supply at \$2 is 20.	A shortage of 60 punnets; price pushed up.
Why does \$5 settle the market?	At \$5 the quantity demanded equals the quantity supplied (50).	Plans match; no surplus, no shortage, no pressure on the price.

Example 2 — scaffolded: why the fete bicycle sold for \$85

Use the auction chart from Theory part 7.

Step	What happened	What it shows
1	Bidding opened at \$20 with three buyers interested.	At a low price, demand is stronger than supply: three buyers, one bike.
2	The price climbed while two or more buyers stayed in.	Buyers bidding against each other is a shortage pushing the price up.

Step	What happened	What it shows
3	Bidder C stopped at \$55 and bidder B at \$75.	Each buyer has a maximum; the price passed their demand.
4	The hammer fell at \$85 with one buyer left.	The final price is the highest price at which one buyer still wants the item: demand met the one bike for sale.

Example 3 — unscaffolded: rain halves the strawberry crop

A storm ruins half the strawberries that would have reached the market this week. Without drawing anything new, reason it out: supply falls (sellers bring fewer punnets at every price), so at the old price there is a shortage; buyers bid the price up; the new market price is higher and fewer punnets change hands. Same machine, supply side this time.

Example 4 — unscaffolded: why did wartime Australia ration petrol?

In 1941–42, fuel was scarce and the war effort needed it. If prices alone had done the work, the price would have rocketed and only wealthier households would have driven. Rationing with coupons spread the scarce fuel more evenly and kept it for essential uses. That is a society choosing a different way of sharing out scarce goods instead of the price mechanism — and it shows the price mechanism is one way of allocating scarce resources, not the only way.

Practice tasks

Scaffolded

Task 1 — demand in your own words. Look again at the strawberry demand schedule. (a) How many punnets are demanded at \$4? (b) What happens to the quantity demanded as the price rises from \$2 to \$8? (c) Give one reason a household might buy fewer punnets if the price doubled. (d) Name the law this pattern is called.

Task 2 — shortage, surplus or match? Using the combined demand and supply diagram, say what happens at each price and which way the price is pushed: (a) \$8; (b) \$2; (c) \$5.

Task 3 — finish the price mechanism. Complete each sentence with one of: *rises, falls, shortage, surplus, resources*. (a) When buyers want more than sellers bring, there is a _____ and the price _____. (b) When sellers bring more than buyers want, there is a _____ and the price _____. (c) When a price rises, _____ flow toward making more of that good.

Task 4 — read the auction. A charity auctions one signed football. Bids: \$50, \$60, \$70, \$80, \$90. Bidder X drops out at \$70 and bidder Y at \$90; the hammer falls at \$100. (a) How many buyers were still in at \$80? (b) What set the final price of \$100? (c) If a second identical football were auctioned straight after, would you expect a higher, lower or about the same price? Why?

Task 5 — who sets the price? Sort these into two columns: *consumer demand does most of the price-setting / the government plays the main part*. (a) A concert ticket resold online; (b) a fare on a Melbourne tram; (c) strawberries at a market stall; (d) a visit to a bulk-billed doctor; (e) a used car sold at auction; (f) household water in a dry year.

Task 6 — the four petrol factors. Match each news snippet to the factor behind it (available supply / costs of production / level of consumer demand / competition): (a) “A new oil field starts pumping, adding millions of barrels to world supply.” (b) “School holidays put extra cars on the road this week.” (c) “Only one service station operates in this remote town.” (d) “Refining and shipping crude oil costs more after a canal closes.”

Unscaffolded

Task 7 — build your own market. Choose a good or service you know well (not strawberries). Sketch a demand curve and a supply curve for it, label the axes, and mark where the two would meet. Then describe one change — a fashion, a season, a new cost — that would shift one curve, and explain in three or four sentences what happens to the price and the quantity sold.

Task 8 — observe a real auction. Watch one auction this term: an online auction listing, a school fete auction, a livestock sale, or a house auction (elaboration .E02). Record the bids you can observe, then explain in a short paragraph what decided the final price, and why it stopped there, using the words *demand*, *supply* and *price*.

Task 9 — explain real price moves. (a) Strawberries are much cheaper in their peak season than out of it. Explain why with demand and supply. (b) ABS data shows housing costs rose 6.8 per cent over the year to June 2026 while automotive fuel fell 7.3 per cent (Source 1). Explain each move with the language of this section: which side of each market was pressing harder?

Task 10 — discuss: who should price the essentials? “Public transport fares should be set by the market, like concert tickets.” Argue the strongest case **for** this claim and the strongest case **against** it (make each side as strong as you can), then give your own reasoned view. You are marked on the quality of your reasoning — defined terms, stated assumptions, evidence — not on which side you choose.

Answers and marking notes

Task 1. (a) 60 punnets. (b) It falls, from 80 at \$2 to 20 at \$8. (c) Any sound reason, for example: switch to another fruit, or buy fewer punnets with the same money. (d) The law of demand.

Task 2. (a) Surplus of 60 punnets; price pushed down. (b) Shortage of 60 punnets; price pushed up. (c) Plans match at 50 punnets; the price settles at the market price, \$5.

Task 3. (a) shortage, rises. (b) surplus, falls. (c) resources.

Task 4. (a) Two (Y and the winner; X left at \$70). (b) The highest price at which one buyer still wanted the football — the last buyer's demand met the single ball for sale. (c) Lower or about the same: the buyers who most wanted a football already have one, so demand for the second is weaker.

Task 5. Consumer demand does most of the price-setting: (a), (c), (e). The government plays the main part: (b), (d), (f).

Task 6. (a) available supply. (b) level of consumer demand. (c) competition (one seller, little pressure to cut the price). (d) costs of production.

Tasks 7–10 — marking notes. Award the reasoning steps, not the conclusion: terms defined (demand, supply, price, shortage/surplus where relevant); the change identified and the correct curve shifted; the direction of the price and quantity stated and explained; in Task 10, both sides presented in their strongest form before a reasoned view. A student who reasons well to either conclusion earns full marks.

Sources

1. Australian Bureau of Statistics, *Consumer Price Index, Australia*, June quarter 2026 (released 29 July 2026): annual change to June 2026 — all items +3.8%; housing +6.8%; food and non-alcoholic beverages +3.3%; automotive fuel -7.3%. Retrieved 26 August 2026.
2. Victorian Curriculum 2.0, Economics and Business: content description code VC2HE8K02 and elaboration codes .E01–.E04 (VCAA export of 29 July 2026, re-read 21 August 2026). Codes are references to the curriculum; no curriculum wording is reproduced in this book.
3. Wikipedia, “Home front during World War II” (Australia section): rationing of scarce fuel, clothing and some food after the Curtin government took office in October 1941. Retrieved 26 August 2026.
4. Wikipedia, “Rationing” (World War II section): clothing rationing imposed in Australia from 12 June 1942, and certain foodstuffs from 1943. Retrieved 26 August 2026.
5. Wikipedia, “Ration book”: households received booklets or cards with redeemable stamps or coupons, a set number per household; to buy a restricted item a shopper supplied the matching coupon together with payment. Retrieved 26 August 2026.
6. Note on example numbers: the strawberry schedules, the combined market diagram, the demand shift and the fete auction use invented example numbers to show how the mechanism works; they are not measured data.

Businesses: goals, ownership, products, target markets and spotting opportunities

Chapter 1 · Knowledge and Understanding · Business and entrepreneurship · Levels 7–8 band · This section **owns** VC2HE8K03 and draws on all four of its elaborations (.E01–.E04).

Content description: VC2HE8K03 (Levels 7 and 8)

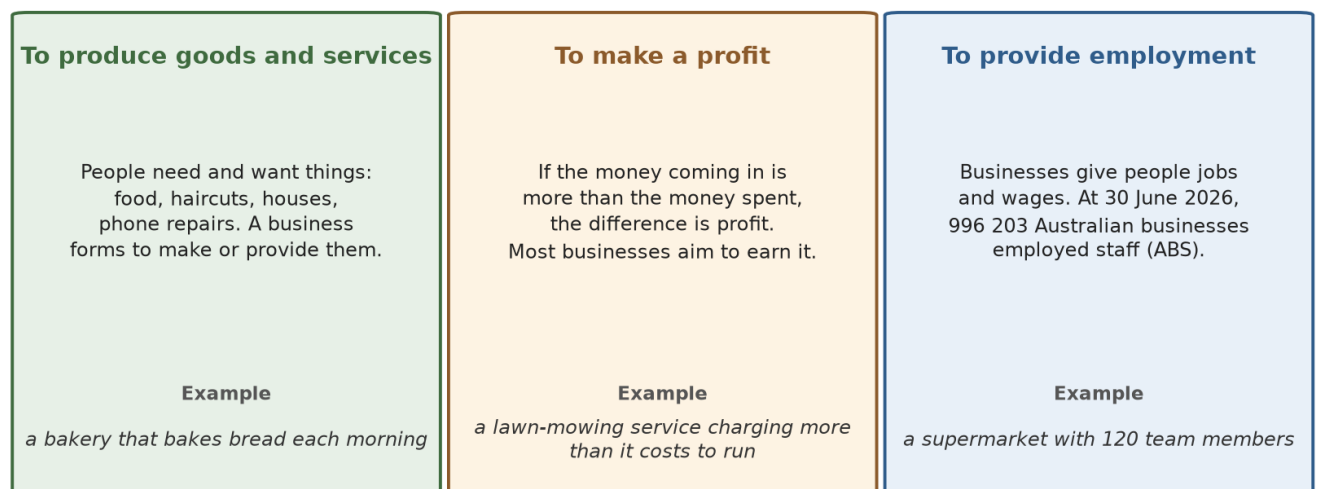
- VC2HE8K03 .E01 — ownership structures, and the pluses and minuses of each
- VC2HE8K03 .E02 — comparing local businesses and showing the comparison visually
- VC2HE8K03 .E03 — why businesses exist, and the three sectors
- VC2HE8K03 .E04 — two local businesses compared, presented as a poster

This section is one teaching sequence built around the band’s key question, *How do businesses respond to new opportunities and to changes at work?* For 1C, that means the business side of the question: why businesses exist, how they are owned and organised, what they sell and to whom, and how they spot and act on a market opportunity.

Theory

Why do businesses exist? A **business** is any organisation that provides products to customers, usually in return for money. Businesses exist for different reasons, and most have more than one goal at once. The three main purposes are shown in Figure 1: to produce **goods** (objects you can touch, hold or use, like a loaf of bread), to provide **services** (work someone does for you that you pay for, like a haircut), and to earn a **profit** — the money left over once every cost of running the business has been paid. A fourth reason many businesses matter is that they **provide employment**: they give people jobs and wages.

Three reasons why businesses exist



One business can tick all three boxes at once: it can produce a good, earn a profit and employ staff.

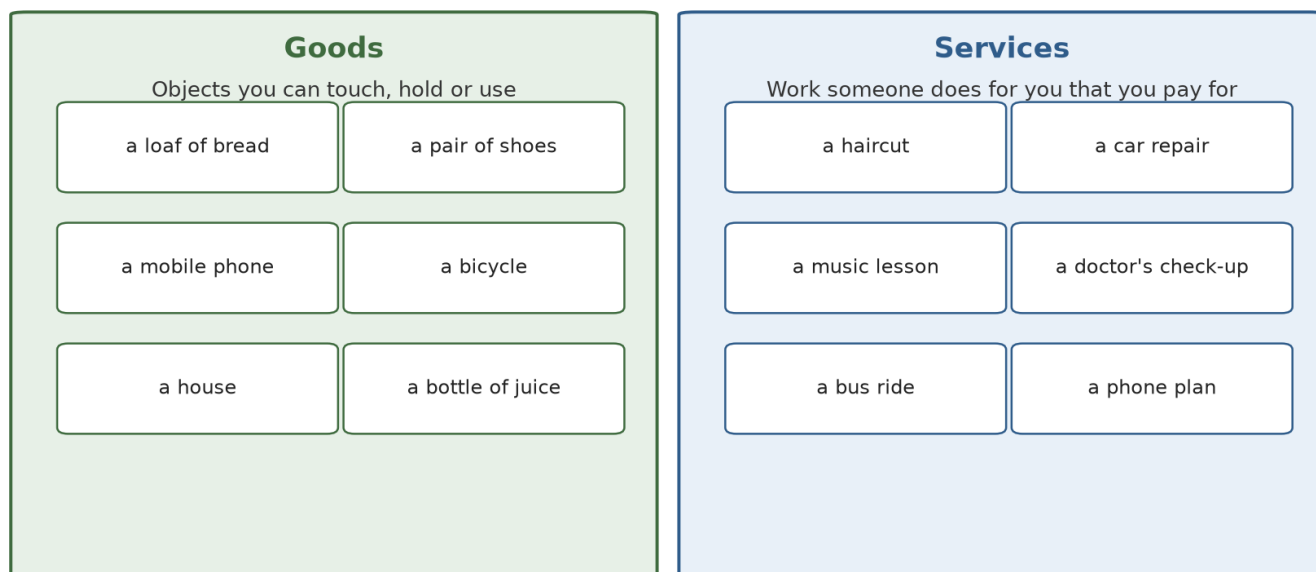
Three cards showing the three main reasons businesses exist — produce goods and services, make a profit, and provide employment — each with a short gloss and an example.

Figure 1. Three reasons why businesses exist. One business can tick all three boxes at once.

The **goal** of a business is what its owners want it to achieve, and goals differ. An owner-run shop may aim only for a steady income and to serve its local area, while a bigger business may aim to grow its profit year after year and open new stores. The purpose answers *why the business exists*; the goal answers *what it is trying to achieve*.

Types of products: goods and services. Every product a business sells is either a good, a service, or a mix of both (Figure 2). A café sells goods (a meal, a drink) and a service (cooking it, serving it at your table). Sorting products into goods and services is the first step in comparing businesses.

Types of products: goods and services



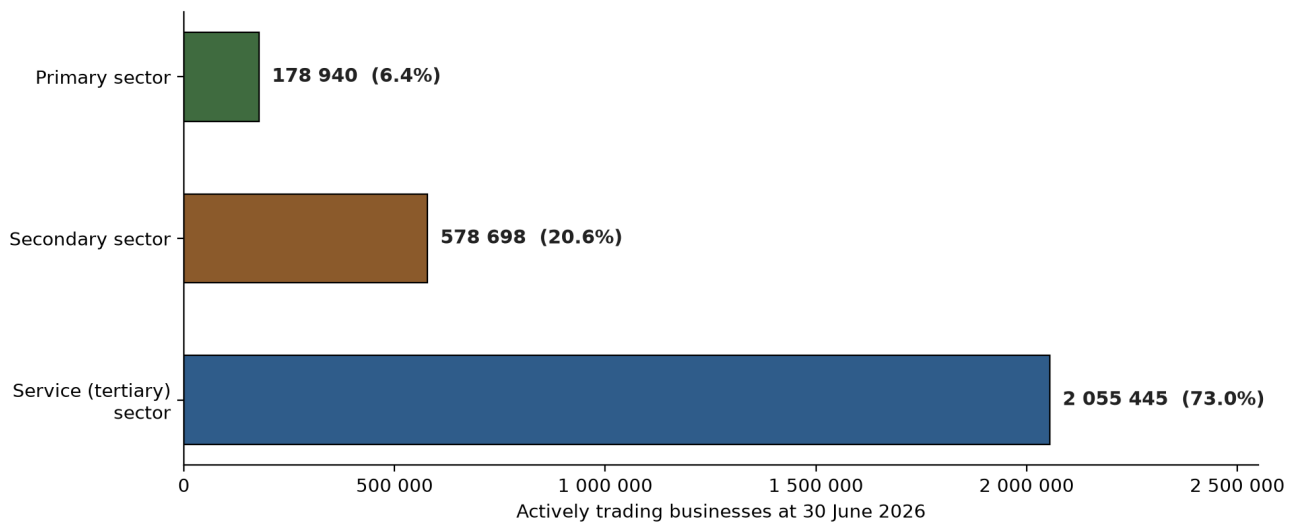
Many businesses sell both. A café sells food and drinks (goods) and also serves you at your table (a service).

Two panels: goods are objects you can touch, with examples a loaf of bread, a pair of shoes, a mobile phone, a bicycle, a house and a bottle of juice; services are work someone does for you, with examples a haircut, a car repair, a music lesson, a doctor's check-up, a bus ride and a phone plan.

Figure 2. The two types of products. Many businesses, like a café, sell both at once.

The three sectors. Businesses are also categorised by *what kind of work they do*, into three **sectors**. The **primary sector** takes raw materials from the land and sea — farming, fishing, forestry and mining. The **secondary sector** makes and builds things from those materials — manufacturing and construction, like a bakery turning flour into bread or a firm building houses. The **service sector** (also called the **tertiary sector**) does things for people instead — retail, transport, hairdressing, health, education, cafés and restaurants.

Australian businesses by sector — nearly three in four provide services



What each sector does, with example industries (business counts at 30 June 2026):

- **provides services** retail trade (156 143); transport, postal and warehousing (261 109); health care and social assistance (227 702)
- **makes and builds things** construction (478 651); manufacturing (90 879); electricity, gas, water and waste (9 168)
- **grows and extracts raw materials** agriculture, forestry and fishing (170 185); mining (8 755)

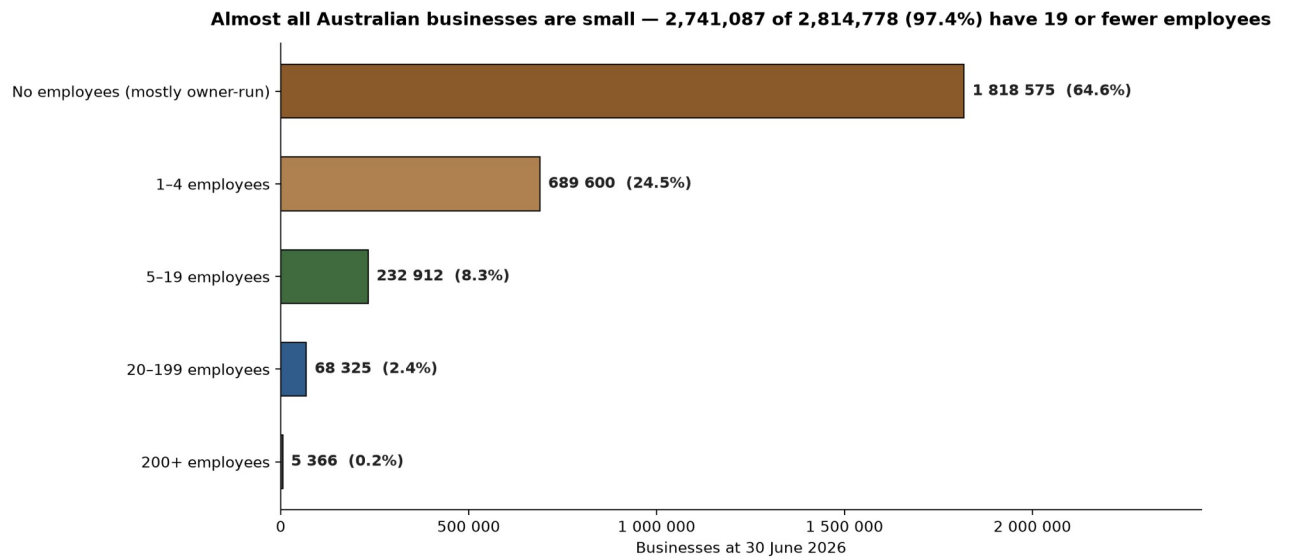
Source: ABS, Counts of Australian Businesses, including Entries and Exits, June 2022 – June 2026 (cat. 8165.0), released 18 August 2026. Retrieved 26 August 2026.

Horizontal bar chart of Australian businesses by sector at 30 June 2026: service sector 2 055 445 businesses, secondary sector 578 698, primary sector 178 940, with a colour key defining each sector. Source line: ABS, Counts of Australian Businesses, June 2022 – June 2026 (cat. 8165.0).

Figure 3. Australian businesses by sector, 30 June 2026. About three in four Australian businesses are in the service sector.

Source: ABS cat. 8165.0, released 18 August 2026, retrieved 26 August 2026.

How big are Australian businesses? Figure 4 uses real counts from the Australian Bureau of Statistics (ABS). Of the 2 814 778 businesses counted at 30 June 2026, 1 818 575 (64.6%) had no employees at all — they are owner-run — and 97.4% employed 19 people or fewer. Big employers with 200 or more staff are rare: 5 366 businesses, or 0.2%. So the “typical” Australian business is small, and most comparisons you make in your local area will be between small businesses.



Source: ABS, Counts of Australian Businesses, including Entries and Exits, June 2022 – June 2026 (cat. 8165.0), released 18 August 2026. Retrieved 26 August 2026. The 0–19 total is 1 818 575 + 689 600 + 232 912 = 2 741 087.

Bar chart of Australian businesses by number of employees at 30 June 2026: no employees 1 818 575 (64.6%), 1–4 employees 689 600 (24.5%), 5–19 employees 232 912 (8.3%), 20–199 employees 68 325 (2.4%), 200+ employees 5 366 (0.2%); the title notes that 97.4% have 19 or fewer employees.

Figure 4. Almost all Australian businesses are small.

Source: ABS cat. 8165.0, released 18 August 2026, retrieved 26 August 2026.

Ownership structures. A business’s **ownership structure** is the legal form it takes — who owns it, who is responsible for its debts, and who keeps the profit. The three main structures are:

- **Sole proprietorship (a sole trader):** one person owns and runs the business. The owner and the business are the same in law, so the owner keeps all the profit but is fully responsible for every debt the business cannot pay.
- **Partnership:** two or more people (usually 2–20) own the business together under a written agreement. The partners pool their money and skills and share the profit as agreed — and each partner is fully responsible for the firm’s debts.
- **Corporate structure (a company):** the company is its own legal person, separate from its owners. The owners are **shareholders** — people who hold a **share**, a slice of the company’s ownership. Because the company is separate, the shareholders’ losses are usually limited to the money they put in.

The idea of being responsible for a business’s debts is called **liability**. A sole trader and the partners in a partnership have **unlimited liability** — their own house, car and savings can be called on to pay the firm’s debts. Shareholders in a company usually have **limited liability** — the most they can lose is what they paid for their shares. This is why company names in Australia often end in “Pty Ltd”: *Pty* marks a private company whose shares are not sold to the general public, and *Ltd* marks limited liability. In Australia, companies are registered on the national register kept by **ASIC** (the Australian Securities and Investments Commission).

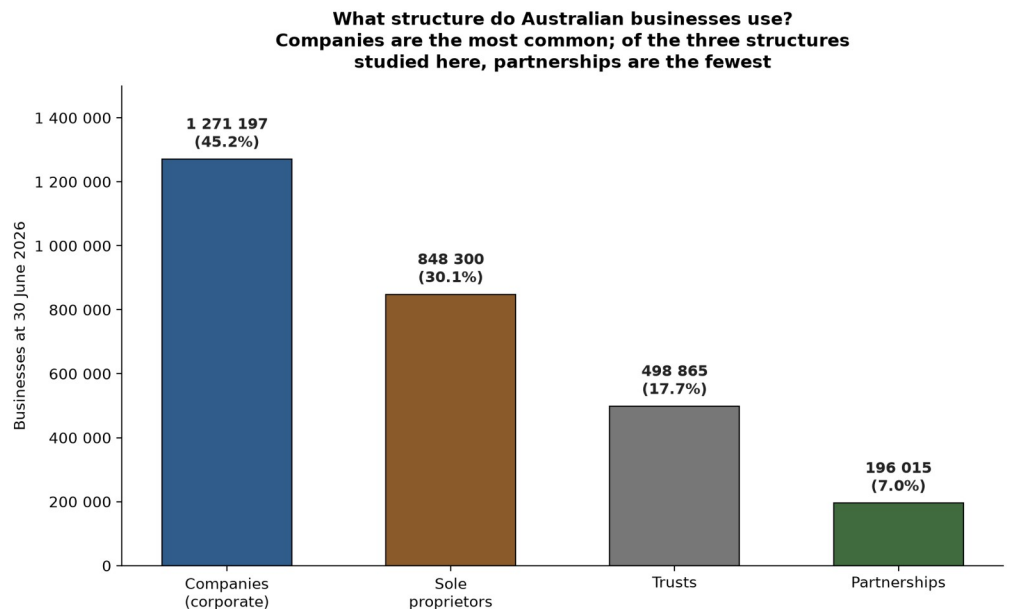
Three ownership structures compared

Feature	Sole proprietorship One owner — the sole trader	Partnership 2–20 partners (usually)	Corporate (company) A company owned by shareholders
Who owns it?	One person owns and runs the business.	Two or more partners own it together under a written agreement.	The company is its own legal person, separate from its shareholders.
Who is responsible for debts?	The owner — fully responsible for all debts (unlimited liability).	The partners — fully responsible (unlimited liability).	Losses usually limited to what owners put in (limited liability).
Who keeps the profit?	The owner keeps all the profit.	Partners share the profit as agreed.	Paid to shareholders as dividends, or kept in to grow.
How is money raised?	Own savings and loans; hard to raise large amounts.	Partners pool savings and skills; more than one person.	Issues shares to many shareholders; can raise large amounts.
Who makes decisions?	The owner decides everything, quickly.	Partners decide together; can be slower.	Directors run day-to-day; big decisions need shareholder votes.

Table comparing the three ownership structures across five features — who owns it, who is responsible for debts, who keeps the profit, how money is raised, and who makes decisions.

Figure 5. The three ownership structures compared feature by feature.

Figure 6 shows which structures Australian businesses actually use. Companies are the most common single form (45.2%), while of the three structures studied here, partnerships are the fewest (7.0%).



Source: ABS, Counts of Australian Businesses, including Entries and Exits, June 2022 – June 2026 (cat. 8165.0), released 18 August 2026. Retrieved 26 August 2026. A further 401 businesses were in the public sector — too small to show here.

Bar chart of Australian businesses by legal organisation at 30 June 2026: companies 1 271 197 (45.2%), sole proprietors 848 300 (30.1%), trusts 498 865 (17.7%), partnerships 196 015 (7.0%).

Figure 6. What structure do Australian businesses use?

Source: ABS cat. 8165.0, released 18 August 2026, retrieved 26 August 2026.

A real corporate example: **Woolworths Group** is Australia’s largest retail company. It is a company whose shares are bought and sold on the Australian Securities Exchange, and its 2025 annual report named about 372 000 shareholders and a team of more than 190 000 people across Australia and New Zealand. No sole trader could raise that much money or employ that many people — that is the point of the corporate structure. At the other end of the scale, most of the 848 300 sole proprietors in Figure 6 are one-person businesses like a local lawn-mowing service.

Advantages and disadvantages of each structure. No structure is “best” — each suits different businesses, sizes and goals (Figure 7). The quick summary: a sole proprietorship is quick and cheap to start but carries unlimited liability and a heavy load on one person; a partnership brings more money and more skills than one person but shares profit and decisions and still carries unlimited liability; a company limits the owners’ losses and can raise large amounts of money by issuing shares, but costs more to set up, has more rules to follow, and makes some decisions slower.

Advantages and disadvantages of each ownership structure

Structure	+ Advantages	– Disadvantages
Sole proprietorship	+ Quick and cheap to start + The owner keeps all the profit + The owner makes every decision, fast	– The owner is fully responsible for every debt – Hard to raise large amounts of money – Heavy load: one person does everything
Partnership	+ More money and more skills than one person + Partners share the work and the ideas + Cheaper and simpler to start than a company	– Partners are fully responsible for all debts – Disputes can arise over profit and decisions – One partner's bad choice can hurt them all
Corporate (company)	+ Losses usually limited to what owners put in + Can raise large amounts by issuing shares + Company keeps going even if owners change	– Costs more to set up; more rules to follow – Profit must be shared with all shareholders – Decisions can be slow (directors and votes)

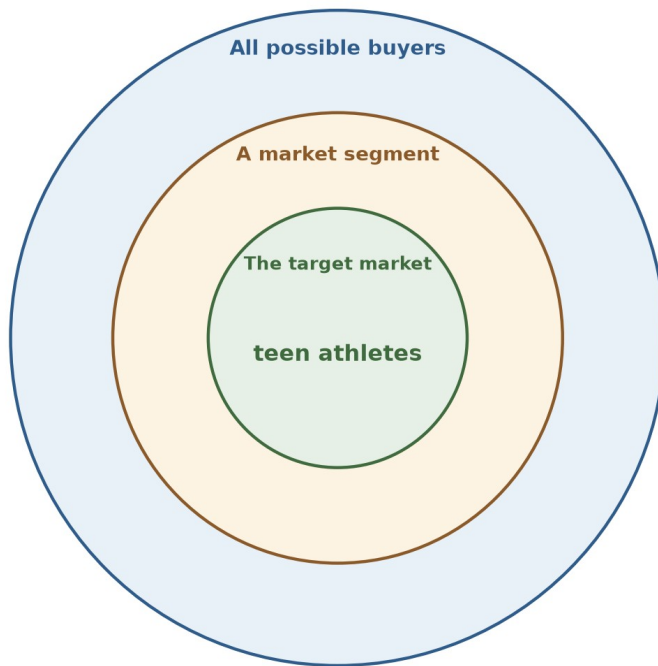
There is no 'best' structure — the right choice depends on the business, its size and its goals.

Table listing three advantages and three disadvantages for each of the three ownership structures, with the footer note that there is no single best structure — the right choice depends on the business, its size and its goals.

Figure 7. Advantages and disadvantages of each ownership structure.

Target market. A business rarely sells to “everyone”. Its **target market** is the specific group of customers it aims its product at — chosen by age, interest, location, income or need. Figure 8 shows the idea as circles inside circles: all possible buyers on the outside, then a **segment** (a group of buyers who want similar things), then the target market the business actually aims at. Choosing a target market decides the price, the flavour, the advertising and the shop’s location. A business that tries to sell to everyone usually reaches no one well.

Target market: the specific group of customers a business aims at



Example: a new sports drink

All possible buyers: everyone
who drinks anything.

A market segment: people aged
13–18 who play sport.

Target market chosen: teen
athletes who train after school.

The business then sets a price,
a flavour and ads that fit that
group — not everyone.

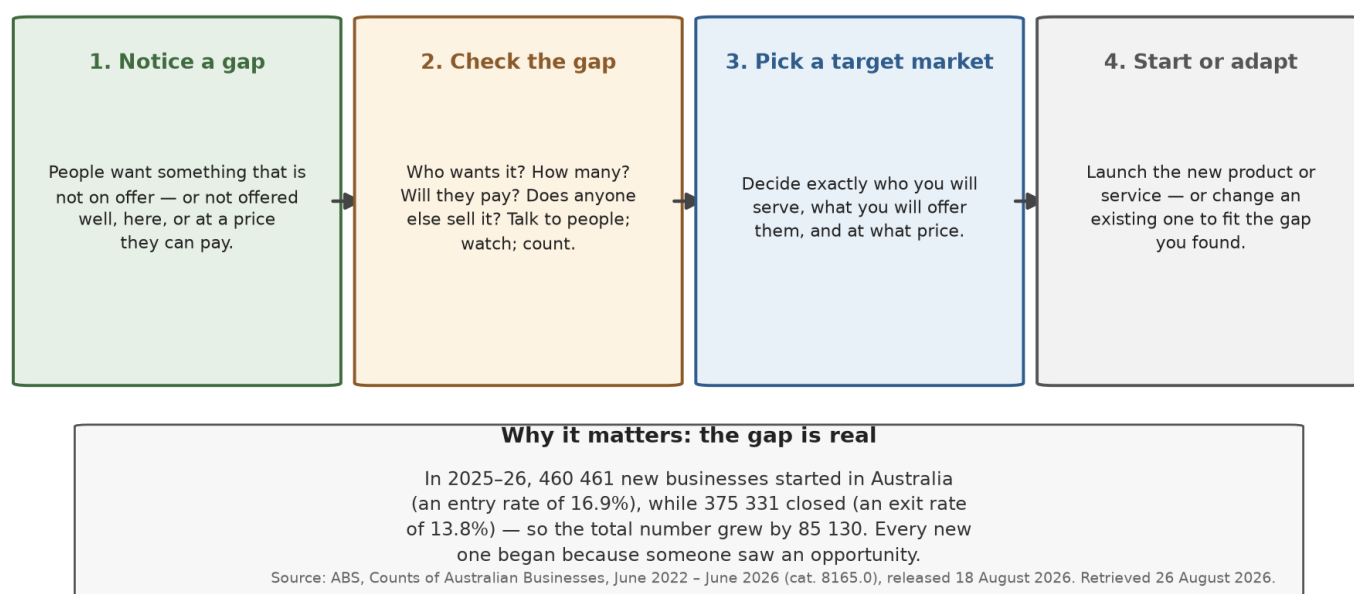
A business that tries to sell to everyone usually reaches no one well. Choosing a target market focuses the effort.

Diagram of circles inside circles narrowing from all possible buyers, to a market segment (people aged 13–18 who play sport), to the target market (teen athletes who train after school), with a worked example panel for a new sports drink.

Figure 8. From all possible buyers to a target market, worked with a sports-drink example.

Market opportunity. The Victorian Curriculum 2.0 uses the term *market opportunity* but does not define it, so this section states how it uses the term: a **market opportunity** is a gap between what customers want and what is currently on offer — something people would buy, here, at a price they would pay, that no one (or no one nearby) is selling well. Identifying an opportunity means noticing the gap and checking it is real; taking advantage of it means starting a business, or changing an existing one, to fill it (Figure 9). The gap does not have to be new to the world — a suburb that has gained many young families but still has no café with space for prams and play is a genuine opportunity, even though cafés already exist everywhere else.

How a business identifies and takes advantage of a market opportunity



Four-step flow diagram — notice a gap, check the gap, pick a target market, start or adapt — above a box noting that in 2025–26, 460 461 new businesses started in Australia while 375 331 closed, so the total grew by 85 130.

Figure 9. How a business identifies and takes advantage of a market opportunity.

Source: ABS cat. 8165.0, released 18 August 2026, retrieved 26 August 2026.

The ABS figures in Figure 9 show opportunities being taken all the time: in 2025–26, 460 461 new businesses started in Australia (an entry rate of 16.9%) while 375 331 closed (an exit rate of 13.8%). Entries and exits happening together is normal in a market economy — people act on the opportunities they see, and some businesses that no longer fill a gap close.

Comparing local businesses. Putting it all together, any two businesses can be compared using five features: **product types** (goods, services, or both), **ownership structure**, **size** (staff, shops, customers), **target market**, and **goals and purpose**. Figure 10 works the comparison for two model businesses written for this workbook — Sunrise Bakery, a sole proprietorship, and Harbour Fresh, a company. Notice how the features connect: the company's structure lets it raise money to run three stores and aim at a whole region, while the sole trader's goal is a steady income and serving her local street.

Comparing two local businesses — a model answer (E04)

Feature	Sunrise Bakery	Harbour Fresh
Product types	Goods: bread, pastries and sandwiches. Service: café seating and catering.	Goods: groceries, fruit and vegetables; a few services too: delivery and in-store help.
Ownership structure	Sole proprietorship — owned and run by one person, Mei Chen.	Corporate — a company (Harbour Fresh Pty Ltd) with 3 shareholders.
Size	Small: 1 shop, the owner plus 4 part-time staff.	Larger: 3 stores, about 120 staff.
Target market	Local people who live or work within walking distance; busy at breakfast and lunch.	Families across the whole region who do one big weekly shop.
Goals and purpose	Earn a steady income for the owner; serve the local area with fresh food.	Grow profit across the 3 stores; open a fourth store within five years.

Sunrise Bakery and Harbour Fresh are model businesses written for this workbook. Use the same five features to compare two real businesses in your own area (Task 10).

Completed comparison table of two model businesses — Sunrise Bakery (sole proprietorship, one shop, owner plus four part-time staff, local walkers, steady income) and Harbour Fresh (company, three stores, about 120 staff, families across the region doing a weekly shop, growing profit) — across product types, ownership structure, size, target market and goals.

Figure 10. A model comparison of two local businesses, using the five features. You will build your own version with two real businesses in Task 10.

Worked examples

Worked example 1 — Categorise three businesses by sector, product type and purpose (E03).

Working	Comment
(a) A family wheat farm: it grows a raw material from the land.	Taking raw materials from the land = primary sector . The wheat is a good . Purposes: to sell the wheat for profit and to provide employment to the family and two seasonal workers.
(b) A factory that turns timber into school desks.	Making something from raw materials = secondary sector . The desks are goods . Purpose: profit for the owners.
(c) A mobile dog-washing van that visits homes.	Doing work for people = service (tertiary) sector . The wash is a service . Purposes: profit for the owner, and a service local people want.

Worked example 2 — Compare two local businesses using the five features (E02, E04). Read Figure 10 and complete the comparison in your own words.

Working	Comment
Product types: Sunrise Bakery sells goods (bread, pastries) and a service (café seating); Harbour Fresh sells goods (groceries) and a few services (delivery).	Both mix goods and services — most real businesses do.
Structure and size: the bakery is a sole proprietorship with 1 shop and 5 people; Harbour Fresh is a company with 3 stores and about 120 staff.	Structure and size usually travel together: companies can grow larger because shares raise money.
Target market and goals: the bakery aims at people within walking distance and wants a steady income; Harbour Fresh aims at families across the region doing a weekly shop and wants to grow profit and open a fourth store.	The bigger the target market a business aims at, the more money and staff it usually needs — which pushes it towards a company structure.

Practice questions

Scaffolded

Q1. Sort these six products into goods and services (the first is done for you): a loaf of bread (*good — a good, you can hold it*), a bus ride, a mobile phone, a car repair, a bottle of juice, a music lesson.

Q2. Name the three main reasons why businesses exist. Then, for each reason, write one example of a business you have actually seen.

Q3. Put each business into a sector — primary, secondary or service (the first is done for you): a fishing boat (*primary — it takes a raw material from the sea*), a brick factory, a hairdresser, a gold mine, a pizza delivery shop, a house-building firm.

Q4. Name the ownership structure described in each sentence. Choose from: *sole proprietorship, partnership, corporate (company)*. (a) One person owns the business and keeps all the profit, but is fully responsible for all its debts. (b) The business is its own legal person, and its owners hold shares with limited liability. (c) Two electricians own the firm together under a written agreement.

Q5. Using Figure 7: (a) give one advantage and one disadvantage of a partnership; (b) give one advantage of a company that a sole trader does not have; (c) which structure is the quickest and cheapest to start?

Q6. A shop sells top-of-the-range running shoes that cost \$300 a pair. Using Figure 8's idea of circles inside circles, name: (a) all possible buyers; (b) a sensible segment; (c) a sensible target market for this shop.

Un scaffolded

Q7. A new suburb has many young families, but the only café is a small takeaway with no seats, and the nearest café with space for prams and play is a 20-minute drive away. Explain the **market opportunity** here in your own words, name the **target market**, and describe one way a new business could **check** the gap is real before it opens.

Q8. You and two friends want to start a skateboard shop. You each have \$5 000 saved. Choose an ownership structure for the three of you. Justify your choice with one advantage, and name one disadvantage you would have to accept.

Q9. Use Figures 4, 6 and 9 (ABS data — see the source note under each figure). (a) What share of Australian businesses had no employees at 30 June 2026? (b) Were there more companies or more sole proprietors, and by how many? (c) In 2025–26, 460 461 businesses started and 375 331 closed. What was the net change in the number of businesses, and what does this say about market opportunities in Australia that year? (d) Suggest one reason why 97.4% of Australian businesses employ 19 people or fewer.

Q10. Choose two real businesses in your local community — for example, a bakery and a supermarket, or a gym and a hairdresser. Compare them using the five features of Figure 10 (product types, ownership structure, size, target market, goals and purpose), and present your comparison as a poster or other visual representation, as Figures 10 and 8 are. If a feature cannot be known for certain (for example the exact structure), state your best guess and the clue you used — a name ending in “Pty Ltd” is a clue to a company.

Answers

Q1. Bus ride — service; mobile phone — good; car repair — service; bottle of juice — good; music lesson — service.

Q2. Produce goods and services; make a profit; provide employment. Examples will vary, e.g. a bakery (goods), a barber (profit), a supermarket (employment).

Q3. Brick factory — secondary; hairdresser — service; gold mine — primary; pizza delivery shop — service; house-building firm — secondary.

Q4. (a) Sole proprietorship. (b) Corporate (company). (c) Partnership.

Q5. (a) Advantage: more money and more skills than one person (or: partners share the work). Disadvantage: the partners are fully responsible for the firm's debts (or: sharing profit and decisions can cause arguments). (b) The owners' losses are usually limited to what they put in (limited liability) — or: it can raise large amounts by issuing shares. (c) Sole proprietorship.

Q6. (a) Everyone who wears shoes (or: everyone who runs or walks). (b) Runners who train hard and race. (c) Adult runners who race and will pay for high-end shoes.

Q7. The gap: young families want somewhere to sit, meet and eat with small children, and nothing nearby offers it. Target market: parents with young children in the new suburb. A check: count families with young children in the area, ask them (a short survey outside the current takeaway), or watch how many people leave the suburb for coffee on weekends.

Q8. Any structure can be argued for. Partnership: advantage — three people pool \$15 000 and share skills and work; disadvantage — each partner is fully responsible for the firm's debts, and disagreements between friends can hurt the business. (Company also acceptable: limited liability and easier to raise money later, but more costly and more rules; sole proprietorship is weak here because there are three owners.)

Q9. (a) 64.6%. (b) Companies: 1 271 197 against 848 300 sole proprietors — 422 897 more companies. (c) $460\,461 - 375\,331 = 85\,130$ more businesses started than closed; the total number of businesses grew, so on balance people saw and acted on opportunities. (d) Any reasoned answer, e.g. most businesses start small with one owner's savings; many owners prefer to stay small; serving a local area does not require many staff.

Q10. Answers will vary. A sound poster compares both businesses on all five features, uses the correct structure terms, and shows at least one clue for each guess (e.g. "Pty Ltd" on signage or receipts for a company; one owner's name for a sole trader).

Fully-worked / model solutions

Q7 (model). A market opportunity is a gap between what customers want and what is on offer. In this suburb, many young families want a place to sit and eat with small children, but the only café is a takeaway with no seats, so that want is not met nearby. The target market is parents of young children who live in the suburb — a clear segment of all possible café customers. Before opening, the business could check the gap is real by surveying families at the local park or outside the takeaway ("Would you use a café with a play area? How often? What would you pay?"), and by counting the number of young families in the area. If enough say yes, the gap is real, and the business can take advantage of it by opening a café whose seats, menu and space are designed for that one group.

Q9 (model). (a) Figure 4: 1 818 575 of the 2 814 778 businesses had no employees — 64.6%. (b) Figure 6: companies (1 271 197) outnumber sole proprietors (848 300). The difference is $1\,271\,197 - 848\,300 = 422\,897$. (c) Net change = $460\,461 - 375\,331 = +85\,130$ businesses. More people started businesses than closed them, which tells us that, on balance, Australians saw market opportunities worth acting on in 2025–26 — and the high entry and exit rates together show a market economy in which gaps are constantly found, filled and sometimes abandoned. (d) Figure 4 shows the size pattern; a reason is that most businesses begin with one owner's savings and serve a local area, where a few staff (or none) are enough — and growing larger needs money and risk that many owners do not want.

Q10 (model layout). A strong poster keeps one column per business and one row per feature, like Figure 10. Example rows for a local gym and a local hairdresser: product types — the gym sells a service (training) with some goods (drinks); the hairdresser sells a service with goods (shampoo). Structure — the gym trades as "Pty Ltd", so a company;

the hairdresser trades under one person's name, so a sole trader. Size — the gym has 8 staff and hundreds of members; the hairdresser has 2 chairs and 1 assistant. Target market — the gym aims at adults within 5 km who want coached training; the hairdresser aims at locals of all ages. Goals — the gym wants to add a second location; the hairdresser wants a steady income and a loyal client list. Stating the clue for each guess (signage, receipts, web pages) is what makes the comparison honest.

Sources and retrieval notes

- **Curriculum (scope authority):** Victorian Curriculum 2.0, Economics and Business, Levels 7–8 band, content description VC2HE8K03 with elaborations .E01–.E04 as numbered over the elaborations that survive §2A (VCAA data file; the file's fifth elaboration of this CD is excluded per TOC §2A and carries no id).
- **ABS:** Australian Bureau of Statistics, *Counts of Australian Businesses, including Entries and Exits, June 2022 – June 2026*, cat. 8165.0, released 18 August 2026; data file 8165DC01, downloaded 26 August 2026. Figures used: 2 814 778 total businesses and 996 203 employing businesses at 30 June 2026 (Figures 1, 4); size bands and the 97.4% small-business share (Figure 4); counts by legal form — companies 1 271 197, sole proprietors 848 300, trusts 498 865, partnerships 196 015 (Figure 6); industry groups, added to give primary 178 940, secondary 578 698, service 2 055 445 (Figure 3); entries 460 461 (16.9%) and exits 375 331 (13.8%) for 2025–26 (Figure 9). The sector totals are this workbook's grouping of ABS industry groups (primary: agriculture, forestry and fishing plus mining; secondary: manufacturing, construction, electricity, gas, water and waste; service: the remaining groups).
- **ASIC:** Australian Securities and Investments Commission, the page on registering a company (asic.gov.au), visited 26 August 2026 — a company is its own legal person, separate from its owners; a private company's owners are its shareholders; company names may end "Pty Ltd".
- **Woolworths Group:** "About us" (woolworthsgroup.com.au), visited 26 August 2026 — Australia's largest retail company; about 372 000 shareholders; more than 190 000 team members across Australia and New Zealand.
- **Figures:** all ten figures in this section are original, made for this workbook by the scripts `src/gen_1c_purposes.py`, `gen_1c_products.py`, `gen_1c_sectors.py`, `gen_1c_sizes.py`, `gen_1c_ownership_table.py`, `gen_1c_structure_counts.py`, `gen_1c_plus_minus.py`, `gen_1c_target_market.py`, `gen_1c_opportunity.py` and `gen_1c_comparison.py`. Sunrise Bakery and Harbour Fresh are model businesses written for this workbook; they are not real businesses.

Content description: VC2HE8K03 (Levels 7 and 8)

Taught without the elaboration at export position 5 — the First Nations elaboration named in the note at the front of the book — dropped per TOC §2A (First Nations exclusion register): **excluded entire**, unnumbered, retained here as a linkage and audit record only; 1C is taught through the four surviving elaborations and all contexts in this section are neutral.

Draws on: VC2HE8K03.E01 (taught) · VC2HE8K03.E02 (taught) · VC2HE8K03.E03 (taught) · VC2HE8K03.E04 (taught).

Entrepreneurship: how it drives business success

Content description: VC2HE8K04 (Levels 7 and 8)

One clause of this content description — a First Nations element named in the note at the front of the book — is excluded from this book under the series content policy, and the elaboration carrying that case study is excluded entire and carries no id here. This section teaches VC2HE8K04 through its remainder, with neutral case studies only.

This section draws on elaborations VC2HE8K04.E01, VC2HE8K04.E02 and VC2HE8K04.E03. E02 and E03 carry VCAA's Sustainability cross-curriculum priority tag.

This section answers the band's fourth key question: **What is entrepreneurship? How do the skills and traits of entrepreneurs help a business succeed?** Every year, hundreds of thousands of Australians start a business — and hundreds of thousands of businesses close. What separates the ones that last? We follow one idea all the way through: an entrepreneur spots a gap or a niche in a market, builds a business around it, and brings knowledge, skills and capabilities that raise the odds of success. Then we test that idea against real Australian data.

Theory

1. Two words to know: entrepreneur and entrepreneurship.

An **entrepreneur** is a person who sets up a business, and who owns and runs it while taking on its money risks. The word came into English from French, from *entreprendre*, “to undertake” — an entrepreneur is someone who *undertakes* something: they put in their own time and money with no guarantee it will work.

Entrepreneurship is the art or science of innovation (trying new ideas) and risk-taking for profit in business. It is the doing-word for what the entrepreneur does.

Source: Wiktionary, ‘entrepreneur’ and ‘entrepreneurship’, retrieved 26 August 2026.

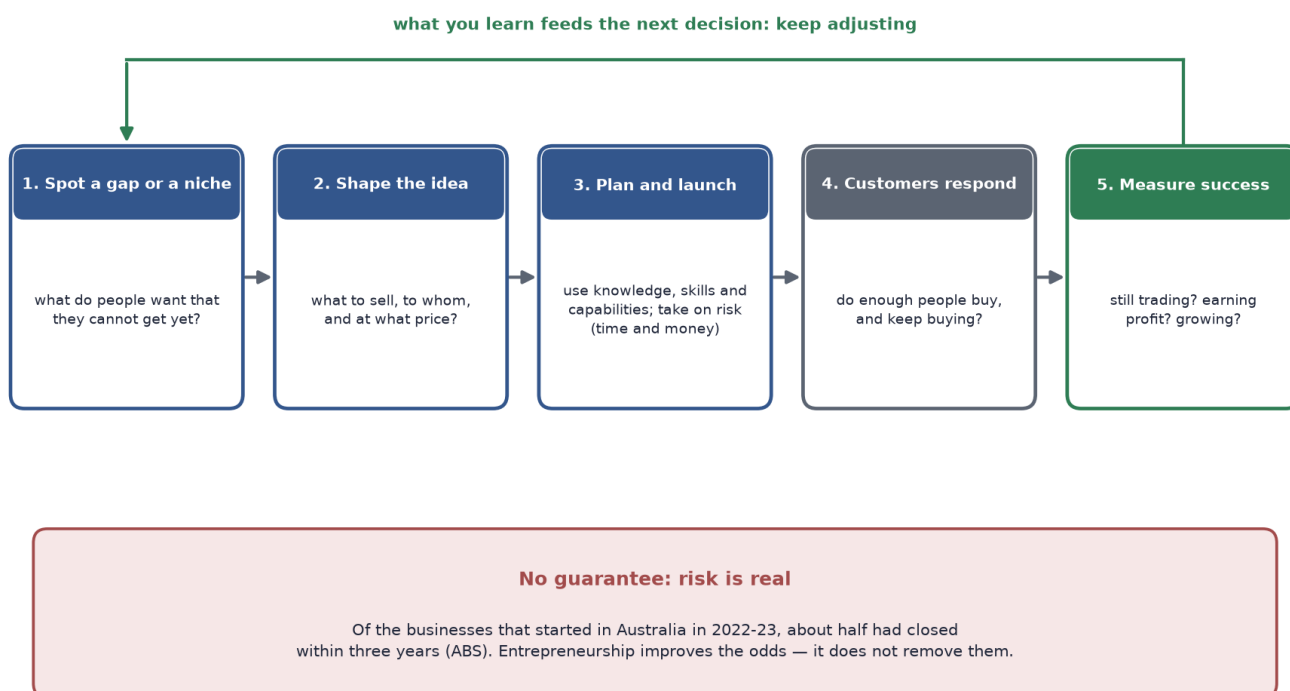
2. ‘Business success’ — a term this section must define (VC2HE8K04).

VCAA's curriculum never defines “business success”, and people do not always mean the same thing by it. Some people would call a small business a success if it gives its owner a good living and happy customers, even if it never grows. Others say a business only succeeds if it grows and makes a profit. Both views are reasonable, so this section says exactly how it will measure success — three visible tests:

1. **Still trading** — the business has survived; it has not closed.
2. **Profit** — the money left over after every cost is paid.
3. **Growth** — more customers, more stores, more sales.

With those tests in mind, the link from entrepreneurship to success is a chain, not a magic trick:

From opportunity to business success: the chain this section follows



A five-step flow chart running from ‘spot a gap or a niche’ through ‘shape the idea’, ‘plan and launch’, ‘customers respond’ and ‘measure success’, with a feedback arrow carrying what is learned back to the first step, and a caution box noting that of the businesses started in Australia in 2022-23 about half had closed within three years.

Read the chain against the three tests: steps 1-3 are what the entrepreneur *does*; step 4 is the market’s answer; step 5 is the three tests applied. The feedback arrow matters as much as any step — successful businesses keep adjusting after they launch.

3. Finding room in a market: gaps and niches (VC2HE8K04.E01).

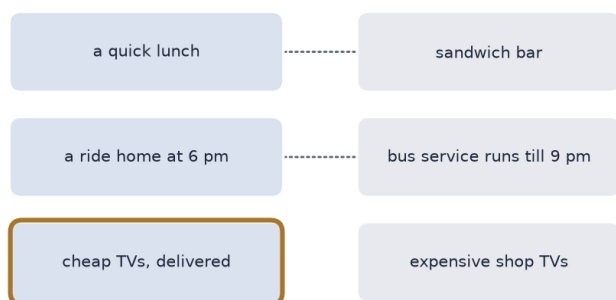
A market is “established” when businesses already serve it. Even in an established market, there is room for a new business in two ways:

- A **gap** in the market is a want that no product in the market serves yet. Nobody offers the thing, so a business that offers it faces no rivals at first.
- A **niche** is a small, specific part of the market that few businesses serve. The big players serve everybody in a general way; a niche business serves one group *well*.

Two ways to find room in a market: gaps and niches

A GAP in the market

a want that no product in the market serves yet



the highlighted want has no product that serves it yet = the GAP

A NICHE in the market

a small, specific part of the market that few businesses serve



An entrepreneur can build a business around either: fill the gap, or serve the niche better than anyone else.

A concept diagram in two panels: on the left, a gap in the market, shown as a want — cheap TVs, delivered — that no product serves yet; on the right, a niche in the market, shown as surfers who need warm wetsuits sitting inside the whole market for sports gear, with Rip Curl, founded in Torquay in 1969, named as the business that began making wetsuits for this exact group.

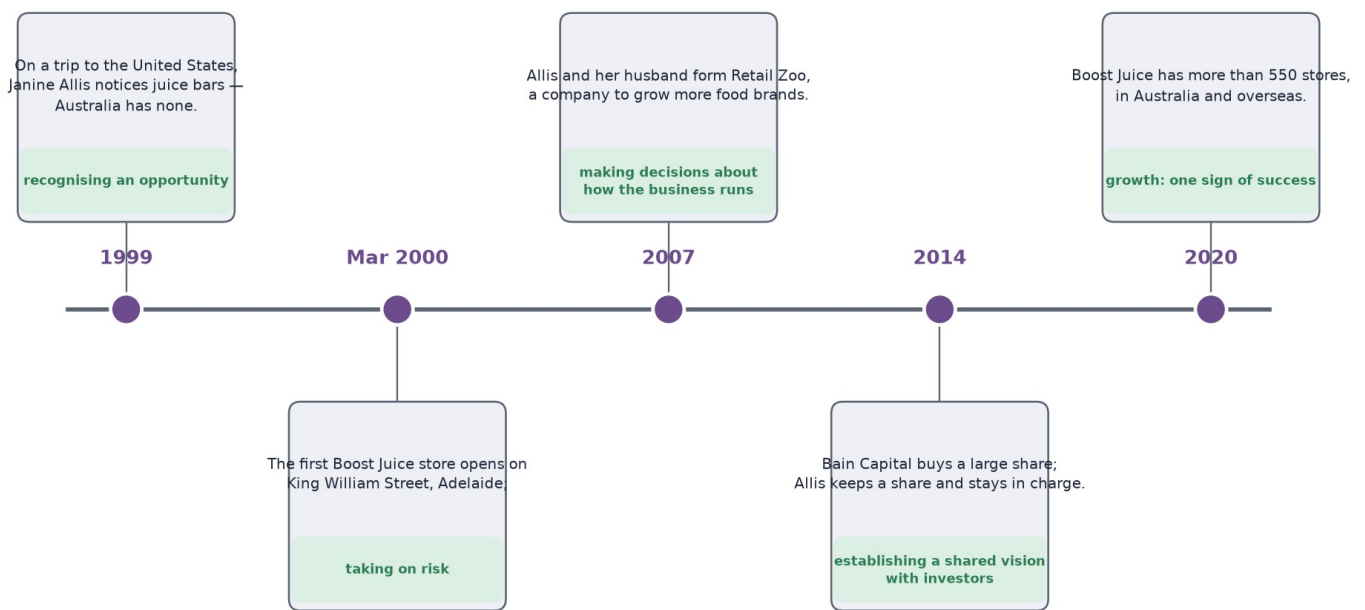
Rip Curl is a classic niche story. The big sports-gear makers of the 1960s did not make wetsuits for cold-water surfers — the group was too small for them. Rip Curl, founded in Torquay in 1969, began making wetsuits for that exact group a year later, using material know-how borrowed from diving. Serving a niche better than anyone else can grow a small Victorian surf business into a global brand.

Source: Wikipedia, 'Rip Curl', retrieved 26 August 2026.

4. Case study: Boost Juice — from a spotted gap to a growing business (VC2HE8K04.E01, E02).

In 1999, Janine Allis visited the United States and noticed juice bars on the streets — Australia had none. That observation was a gap in a market: Australians might want fresh juice made in front of them, and no business offered it. In March 2000 she opened the first Boost Juice store on King William Street, Adelaide.

Case study: how Boost Juice grew from one store



Sources: Wikipedia, 'Boost Juice' and 'Janine Allis' (store count as at 2020), retrieved 26 August 2026.

A timeline of Boost Juice with five events: in 1999 Janine Allis notices United States juice bars on a trip (recognising an opportunity); in March 2000 the first store opens on King William Street, Adelaide (taking on risk); in 2007 Allis and her husband form Retail Zoo (making decisions about how the business runs); in 2014 Bain Capital buys a large share while Allis keeps a share and stays in charge (establishing a shared vision with investors); by 2020 Boost Juice has more than 550 stores in Australia and overseas (growth, one sign of success).

Follow the timeline against the success tests from step 2. Boost Juice is *still trading* more than twenty-five years after the first store; it *grew* from one store to more than 550 in Australia and overseas; and along the way the business made choices — forming Retail Zoo in 2007 to grow more food brands, and taking on a big investor in 2014 while Allis kept a share and stayed in charge — that show an entrepreneur making good decisions about the way the business is run.

Sources: Wikipedia, 'Boost Juice' and 'Janine Allis', retrieved 26 August 2026.

5. What an entrepreneur brings: knowledge, skills and capabilities (VC2HE8K04.E02).

The curriculum names four entrepreneurial capabilities, and the Boost Juice timeline shows all four:

- **recognising opportunities** — seeing a gap or a niche before others do (Allis saw juice bars working overseas and imagined them here);
- **establishing a shared vision** — getting workers, investors and customers behind one goal (investors bought into Retail Zoo and later into Boost Juice because the plan was clear);
- **a preparedness to undertake risk** — putting in time and money with no guarantee it will work (opening the first store was a bet);
- **making good decisions about the way the business is run** — choosing what to sell, at what price, and to whom, and adjusting when things change.

What an entrepreneur brings: four capabilities (VC2HE8K04.E02)



The same four capabilities can be seen in most successful business stories.

A hub-and-spoke diagram with 'knowledge, skills and capabilities of the entrepreneur' at the centre and four spokes: recognise opportunities (*Boost Juice: juice bars existed in the United States but not in Australia*), establish a shared vision (*Retail Zoo: investors bought in because the plan was clear*), undertake risk (*Kogan.com: started with TVs sold from a family garage*), and make appropriate decisions (*Kogan.com: cut out the middle steps to keep prices low*).

Notice what the diagram does *not* show: luck, or a famous name. The same four capabilities appear in most successful business stories, which is why the curriculum treats them as things a person can learn and show, not as personality traits you are born with.

6. New technology and competitive advantage (VC2HE8K04.E03).

A **competitive advantage** is something a business has or does that rivals cannot easily copy — a lower price, a faster service, a product nobody else sells. One of the strongest ways to gain a competitive advantage is innovation with new technology. Three Australian examples from this century:

Three technology-led ways entrepreneurs changed Australian markets (VC2HE8K04.E03)

Everyday need	The old way	The new, technology-led way	Australian evidence
Getting a ride	taxi ranks and phone bookings	a phone app matches you with a nearby driver	Canberra became the first Australian city to regulate ride-booking (October 2015); Australian-owned GoCatch also entered the market
Ordering takeaway	ring the shop, or go and queue	food delivery apps list menus, take your order and deliver it	Menulog, founded in Sydney in 2006, grew to 30,000+ restaurant partners; Just Eat bought it for \$855 million in 2015; it closed in Australia in 2025
Buying electronics and homewares	shops buy through middle steps, then mark prices up	online retail sells direct to you, cutting out the middle steps	Kogan.com, founded in Melbourne in 2006, first sold TVs online from a family garage; it listed on the ASX in 2016

Sources: Wikipedia, 'Menulog', 'Kogan.com', 'Canberra' and 'Legality of ridesharing companies by jurisdiction', retrieved 26 August 2026.

A four-column table of three technology-led changes to Australian markets. Getting a ride: the old way was taxi ranks and phone bookings; the new way is a phone app that matches you with a nearby driver; Australian evidence — Canberra became the first Australian city to regulate ride-booking in October 2015, and Australian-owned GoCatch also entered the market. Ordering takeaway: the old way was ringing the shop or going and queueing; the new way is food delivery apps that list menus, take your order and deliver it; Australian evidence — Menulog, founded in Sydney in 2006, grew to more than 30,000 restaurant partners, was bought by Just Eat for 855 million dollars in 2015, and closed in Australia in 2025. Buying electronics and homewares: the old way was shops buying through middle steps and marking prices up; the new way is online retail selling direct and cutting out the middle steps; Australian evidence — Kogan.com, founded in Melbourne in 2006, first sold TVs online from a family garage and listed on the ASX in 2016.

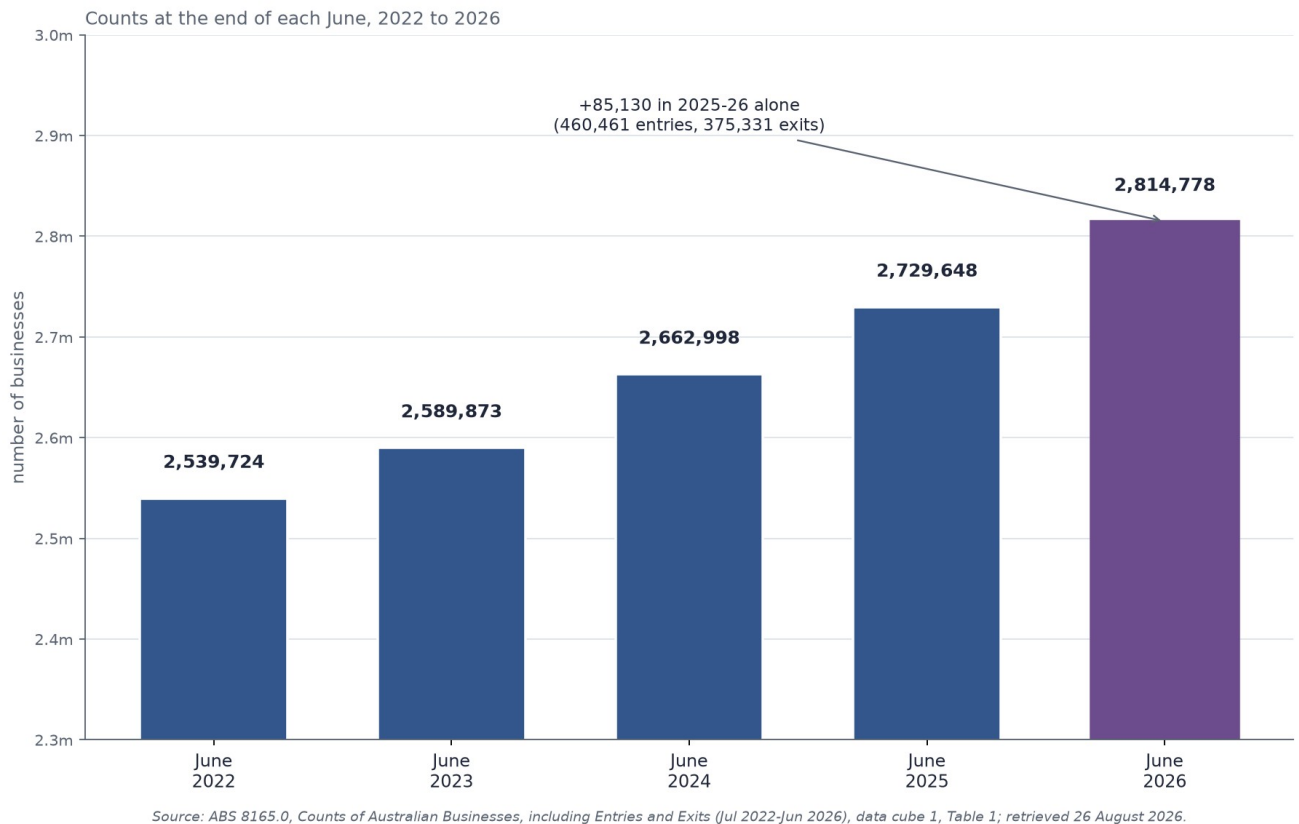
- **Ride share.** Before 2015, getting a ride meant a taxi rank or a phone booking. Ride-booking apps matched a rider with a nearby driver through a phone. Canberra became the first Australian city to regulate ride-booking, in October 2015, and Australian-owned GoCatch entered the market too — this was not only an overseas idea arriving here; Australians built and regulated it.
- **Food delivery apps.** Menulog, founded in Sydney in 2006, let you order from thousands of restaurants through one app; it grew to more than 30,000 restaurant partners and was bought for \$855 million in 2015. Yet Menulog closed its Australian service in 2025, after rivals took the market. The lesson is part of this topic too: a competitive advantage won with new technology must be defended, or a faster rival takes it.
- **Online retail.** Ruslan Kogan started kogan.com in Melbourne in 2006, selling flat-screen TVs online from his parents' garage. By selling direct over the internet, he cut out the middle steps — the wholesalers and distributors whose costs shops had to cover — and sold cheaper than the shops. The business grew, listed on the ASX in 2016, and reported \$221.3 million in gross sales in its first listed year.

Sources: Wikipedia, 'Menulog', 'Kogan.com', 'Canberra' and 'Legality of ridesharing companies by jurisdiction', retrieved 26 August 2026.

7. The data: how many businesses start, and how many survive?

Entrepreneurship is not a rare activity in Australia. The Australian Bureau of Statistics (ABS) counts every actively trading business each June:

Actively trading businesses in Australia

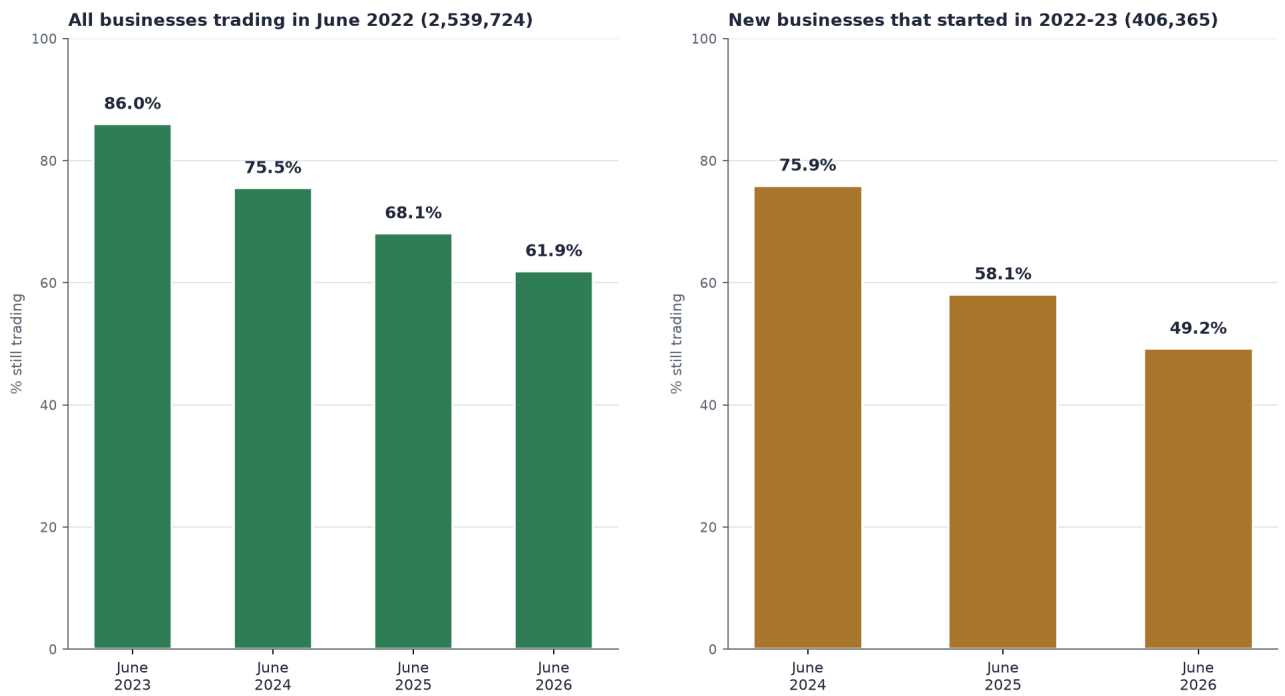


A bar chart of actively trading businesses in Australia at the end of each June from 2022 to 2026: 2,539,724; 2,589,873; 2,662,998; 2,729,648 and 2,814,778, with an annotation that in 2025-26 alone the count rose by 85,130, from 460,461 entries and 375,331 exits.

In 2025-26 alone, 460,461 businesses started (entries) and 375,331 closed (exits) — a net rise of 85,130. Hundreds of thousands of entrepreneurial decisions, every single year.

But the success chain's caution box is honest about risk, and so is the data. The ABS also tracks how long businesses last:

Business survival in Australia: many businesses close, and most close early



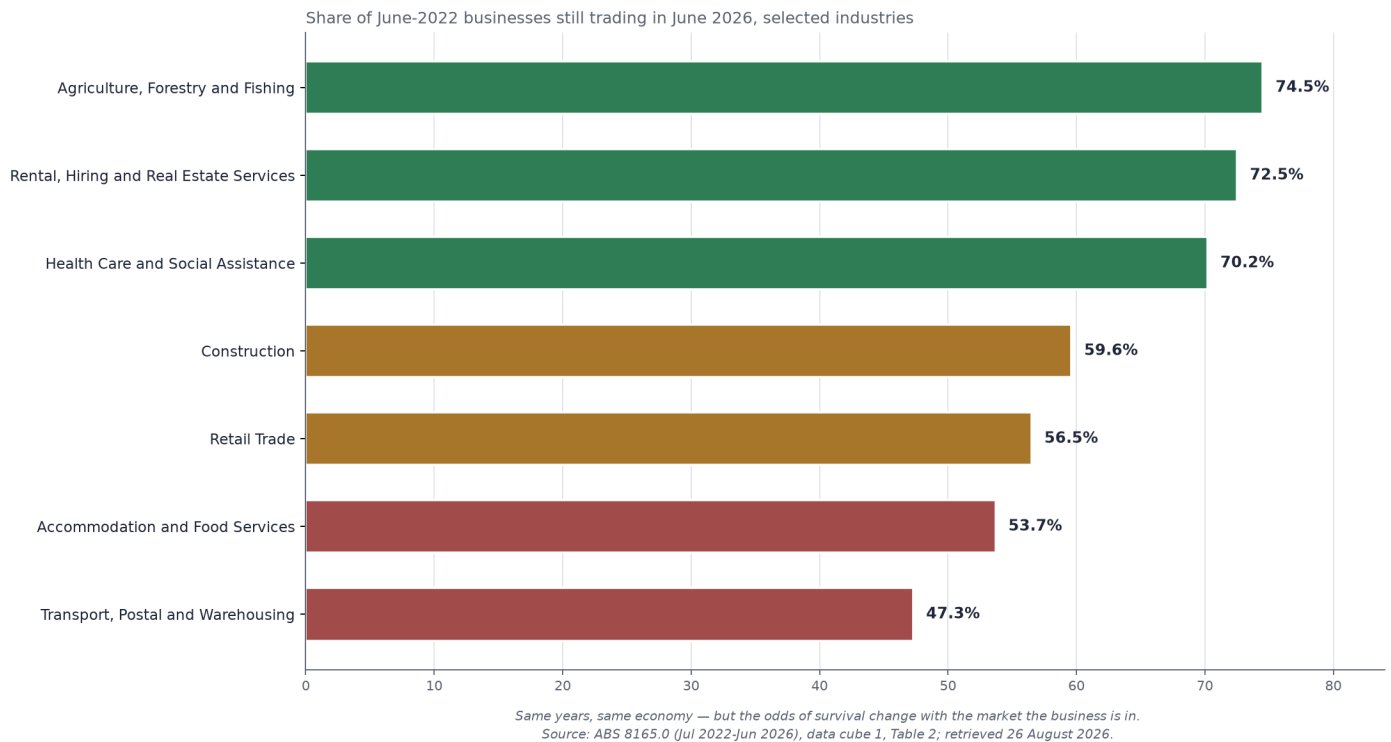
Source: ABS 8165.0, Counts of Australian Businesses, including Entries and Exits (Jul 2022-Jun 2026), data cube 1, Tables 5 and 6; retrieved 26 August 2026.

Two bar charts. Left: of all businesses trading in June 2022, 86.0 per cent were still trading in June 2023, 75.5 per cent in June 2024, 68.1 per cent in June 2025 and 61.9 per cent in June 2026. Right: of the 406,365 new businesses that started in 2022-23, 75.9 per cent were still trading in June 2024, 58.1 per cent in June 2025 and 49.2 per cent in June 2026.

Of the businesses that started in 2022-23, only 49.2 per cent were still trading by June 2026 — about half had closed within three years. Risk is real: most businesses that fail, fail early.

And survival is not the same in every market:

Survival differs by industry



A horizontal bar chart of the share of June-2022 businesses still trading in June 2026, by industry: Agriculture, Forestry and Fishing 74.5 per cent; Rental, Hiring and Real Estate Services 72.5 per cent; Health Care and Social Assistance 70.2 per cent; Construction 59.6 per cent; Retail Trade 56.5 per cent; Accommodation and Food Services 53.7 per cent; Transport, Postal and Warehousing 47.3 per cent.

Same years, same economy — yet a business started in agriculture was far more likely to survive four years than one started in transport. The market a business enters changes its odds.

Source: ABS 8165.0, Counts of Australian Businesses, including Entries and Exits, July 2022–June 2026, released 18 August 2026, data cube 1, Tables 1, 2, 5 and 6; retrieved 26 August 2026.

8. Pulling it together: a balanced answer to the key question.

So how do the skills and traits of entrepreneurs help a business succeed?

- Entrepreneurship is the *source* of new businesses: without people prepared to undertake risk, the 460,461 entries of 2025-26 — and the products, services and jobs inside them — simply do not happen.
- Entrepreneurs who spot opportunities early (Allis with juice bars, Rip Curl with cold-water surfers, Kogan with online TVs) start ahead of rivals; those who establish a shared vision, take on risk wisely and make appropriate decisions keep that lead.
- Technology-led innovation can create a competitive advantage that rivals cannot quickly copy — and the Menulog story warns that an advantage not defended can be lost.

But the honest reading of the data is that entrepreneurship raises the odds of success; it does not guarantee it. About half of new businesses close within three years, and survival differs by industry — so market conditions and timing matter as well as the entrepreneur. A balanced conclusion is the one the success chain shows: entrepreneurial knowledge, skills and capabilities make success more likely, step by step, while the feedback arrow — learning and adjusting — is what keeps a business alive after the launch.

Worked examples

Example 1 — scaffolded

Complete a 'spot the gap' canvas for a familiar place: your school canteen. A student survey and a look at the canteen menu gave the facts below. Fill in steps 3 and 4.

Facts: Students said they want a hot, healthy lunch for under \$6, fresh fruit, and a shorter queue at recess. The canteen now sells cold sandwiches and pastries, and opens one serving window for only 20 minutes at lunch.

Working	Comment
Step 1 — What do customers want? A hot, healthy lunch under \$6; fresh fruit; a shorter queue.	List wants exactly as customers say them. These came from the survey.
Step 2 — What is offered now? Cold sandwiches and pastries; one window, 20 minutes.	List what the market (here, the canteen) already serves.
Step 3 — The gap: hot, healthy food under \$6 is wanted but not offered; the queue is longer than the serving time allows.	A gap is the space <i>between</i> the two lists: wanted, but not served.
Step 4 — The opportunity: a hot-food window with two servers and a \$5.50 lunch deal; fruit at the counter for quick grabs.	An opportunity is a business idea that <i>fills</i> the gap you named in step 3.

The completed canvas looks like this:

Worked example 1: a completed 'spot the gap' canvas (the school canteen)

Step 1 — What do customers want?

Students said: a hot, healthy lunch for under \$6; fresh fruit; a shorter queue at recess.

Step 2 — What does the canteen offer now?

Cold sandwiches and pastries; one serving window open for only 20 minutes at lunch.

Step 3 — Where is the gap?

Hot, healthy food under \$6 is wanted but not offered; the queue is longer than the serving time allows.

Step 4 — What is the opportunity?

A hot-food window with two servers and a \$5.50 lunch deal; fruit sold at the counter for quick grabs.

The gap (step 3) is the link between what customers want and what they can get. The opportunity (step 4) is a business idea that fills it.

A completed four-step 'spot the gap' canvas for a school canteen: step 1 lists what customers want (a hot, healthy lunch under six dollars, fresh fruit, a shorter queue); step 2 lists what the canteen offers now (cold sandwiches and pastries, one window for 20 minutes); step 3 names the gap (hot, healthy food under six dollars wanted but not offered, queue longer than serving time); step 4 states the opportunity (a hot-food window with two servers and a five-dollar-fifty lunch deal, fruit at the counter).

Example 2 — scaffolded

Read the Boost Juice timeline the way an entrepreneur would: for each event, name the capability it shows.

Working	Comment
Event: 1999, Allis notices United States juice bars; Australia has none. → Capability: recognising an opportunity.	She saw a gap in a market before anyone here did.
Event: March 2000, first store opens in Adelaide. → Capability: preparedness to undertake risk.	Opening a store costs money with no guarantee — that is the risk undertaken.
Event: 2014, Bain Capital buys a large share; Allis keeps a share and stays in charge. → Capability: establishing a shared vision.	A big investor only joins if the vision is clear and shared.

You do not need a famous business to practise this: any story of a business starting — even the canteen in Example 1 — can be read against the four capabilities.

Practice questions

Scaffolded

Q1. Use the word bank to complete the sentences. *Word bank: entrepreneur · entrepreneurship · niche · gap · profit*

- (a) A person who sets up a business and takes on its money risks is an _____.
- (b) The money left over after every cost is paid is _____. (*done for you: profit*)
- (c) A want that no product in the market serves yet is a _____.
- (d) A small, specific part of the market that few businesses serve is a _____.
- (e) The art or science of innovation and risk-taking for profit in business is _____.

Q2. Gap or niche? Say which each business idea is filling, and give the reason from the definition. (*The first is done for you.*)

- (a) (*done*) A shop that only sells shoes in very large sizes — **niche**: it serves one specific group of the shoe market better than anyone else.
- (b) A delivery service for suburbs where no business delivers anything.
- (c) A café that only serves food for babies and toddlers.
- (d) A phone repair service in a town that has none.

Q3. Use the business counts graph. (a) How many businesses were actively trading in June 2022? (b) How many in June 2026? (c) Show, with one subtraction, how the 2025-26 entries and exits produce the +85,130 rise marked on the graph.

Q4. Use the survival graphs. (a) What share of all June-2022 businesses was still trading in June 2025? (b) What share of the 2022-23 new businesses was still trading in June 2026? (c) By June 2026, 61.9% of the June-2022 businesses were still trading, but only 49.2% of the 2022-23 starters. Give one reason the June-2022 group shows the higher share.

Q5. Match each Boost Juice event to the capability it best shows. (*The first is done for you.*)

Event	Capability
(a) (<i>done</i>) 1999: notices juice bars overseas, none in Australia	recognising an opportunity
(b) 2000: opens the first store with her own money at stake	
(c) 2007: forms Retail Zoo with a clear plan to grow more brands	
(d) 2014: brings in a big investor while keeping a share and staying in charge	

Choose from: *establishing a shared vision · making good decisions about the way the business is run · preparedness to undertake risk.*

Q6. Use the technology table. For the takeaway row: (a) name the old way; (b) name the new, technology-led way; (c) name one business from the Australian evidence column and say who took the risk in that story.

Unscaffolded

Q7. Kogan.com sold TVs online, direct to buyers, cutting out the middle steps that shops had to buy through. Explain, using the term *competitive advantage*, how this gave Kogan.com an edge over ordinary shops.

Q8. Two equally capable entrepreneurs start businesses in the same year — one in Agriculture, Forestry and Fishing, one in Transport, Postal and Warehousing. Use the industry survival graph to explain why their odds of still trading four years later are not the same, and give the two survival shares.

Q9. Menulog was bought for \$855 million in 2015 and closed its Australian service in 2025. Using the feedback arrow on the success chain, explain what this story shows about how long a competitive advantage lasts.

Q10. Extended response (6-8 lines). Using the business counts graph and the survival graphs together, draw a conclusion about entrepreneurship and business success in Australia between 2022 and 2026. Interpret both graphs (as practised in section 3C of Chapter 3), use at least two figures from them, and give one reason your conclusion is balanced rather than one-sided.

Answers

- Q1.** (a) entrepreneur; (b) profit; (c) gap; (d) niche; (e) entrepreneurship. Each word from the bank is used exactly once.
- Q2.** (b) gap — no business delivers anything there yet, so the want is unserved. (c) niche — a small, specific part of the café market (families with little kids) served better than anyone else. (d) gap — a want (phone repairs) with no product serving it in that town.
- Q3.** (a) 2,539,724. (b) 2,814,778. (c) $460,461 - 375,331 = 85,130$.
- Q4.** (a) 68.1%. (b) 49.2%. (c) The June-2022 group is a group of *survivors* — every business in it had already made it to June 2022 — while the starters group is counted from its first, hardest years, including the businesses that failed early.
- Q5.** (b) preparedness to undertake risk; (c) making good decisions about the way the business is run; (d) establishing a shared vision.
- Q6.** (a) Ring the shop, or go and queue. (b) Food delivery apps list menus, take your order and deliver it. (c) Menulog — its founders took the risk: they built the app and signed up restaurants with no guarantee anyone would order.
- Q7.** Shops buy through wholesalers and distributors, and each middle step adds cost that ends up in the shop price. Selling direct online cut those costs, so Kogan.com could charge less (or earn more on each sale) — a price rivals could not easily match. That hard-to-copy edge is the competitive advantage.
- Q8.** Survival to June 2026 was 74.5% for Agriculture, Forestry and Fishing but only 47.3% for Transport, Postal and Warehousing. The entrepreneur's capabilities are the same in both stories, but the market is different — so success depends on market conditions as well as on the entrepreneur.
- Q9.** A competitive advantage is not a one-time win: rivals copy and improve, so the advantage must be defended. Menulog's early lead with food delivery apps was overtaken by rivals; the feedback arrow says a business must keep learning and adjusting (step 5 feeding step 1) or the chain breaks.
- Q10.** See fully-worked solution.
-

Fully-worked solutions

- Q1.** Each blank is a definition from Theory step 1 and step 3: (a) the person = entrepreneur; (c) unserved want = gap; (d) small specific part = niche; (e) the doing-word = entrepreneurship. Check by reading each completed sentence back against the definitions.
- Q2.** The test is the definition. Ask: *is the want unserved by anyone (gap), or served badly by most and well by few (niche)?* (b) “no business delivers anything” → unserved → gap. (c) cafés exist, but almost none serve only babies and toddlers → small specific part → niche. (d) “a town that has none” → unserved → gap.
- Q3.** Read the bar labels: June 2022 = 2,539,724; June 2026 = 2,814,778. The annotation gives entries and exits for 2025-26: $460,461 - 375,331 = 85,130$, which is exactly the rise from 2,729,648 (June 2025) to 2,814,778 (June 2026).
- Q4.** (a) Left graph, June 2025 bar: 68.1%. (b) Right graph, June 2026 bar: 49.2%. (c) The June-2022 group shows the higher share (61.9% vs 49.2%). Reason: it is a group of *survivors* — every business in it had already made it to June 2022 — while the starters group counts from day one, including the first-year failures. Early years are the hardest, so a group measured from birth shows lower survival.
- Q5.** (b) Her own money at stake with no guarantee = risk undertaken. (c) Choosing to form a new company to grow more brands is a decision about the way the business is run. (d) An investor joining while the founder stays in charge shows a vision both sides share.
- Q6.** (a) The old way: ring the shop, or go and queue. (b) The new way: a food delivery app lists menus, takes your order and delivers it. (c) Menulog's founders took the risk: they built the app and signed up restaurants with no guarantee anyone would order.

Q7. Model chain of reasoning: middle steps (wholesalers, distributors) each add cost → shops must cover those costs in their prices → Kogan.com sells direct online, so those costs disappear → lower price for the same TV → customers choose the cheaper offer → that price edge, built on a hard-to-copy way of selling, *is* the competitive advantage.

Q8. Model chain: read the two bars (74.5% vs 47.3%) → the difference is the industry, not the person → therefore the entrepreneur's capabilities raise the odds *inside* a market, but the market itself sets part of the odds → success is shared between the entrepreneur and the market conditions.

Q9. Model chain: 2015 — Menulog's technology-led advantage is worth \$855 million to a buyer → rivals enter and copy the model → 2025 — the service closes in Australia → conclusion: an advantage won with innovation is temporary unless defended → the feedback arrow (measure, learn, adjust) is the defending habit; without it, step 5 does not feed back into step 1 and the chain stops.

Q10. Model response (6-8 lines): Between 2022 and 2026, Australia's business count rose every year, from 2,539,724 to 2,814,778, on the back of huge entries (460,461 in 2025-26 alone) — entrepreneurship is widespread and continuously adds new businesses. At the same time, the survival graphs show that of the 2022-23 starters only 49.2% were still trading by June 2026, so most new businesses that fail, fail early. A balanced conclusion is that entrepreneurship drives both the growth in business numbers and the churn of entries and exits: it creates opportunity and growth for those whose skills — recognising opportunities, taking on risk, making good decisions — match their market, while the survival data shows success is never guaranteed and depends also on market conditions.

Why people work and where incomes come from

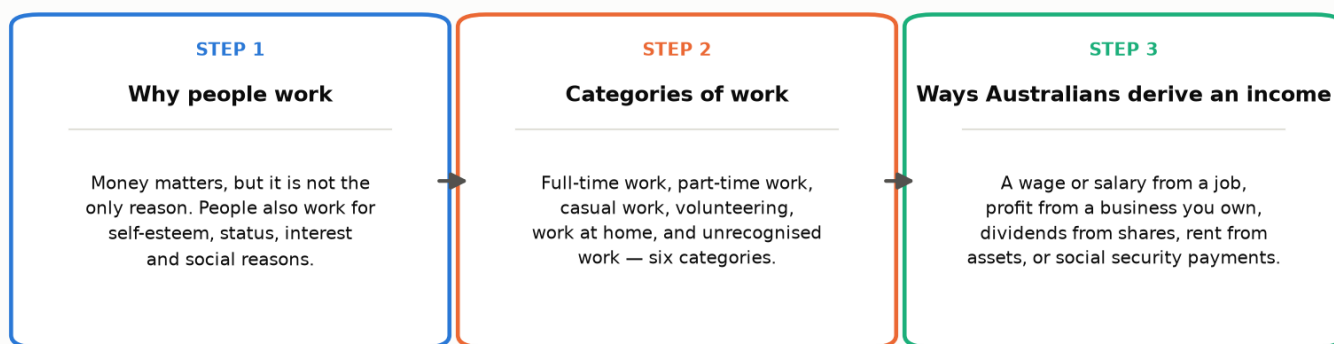
Strand: Knowledge and Understanding · Sub-strand: Work Content description: **VC2HE8K05** (Levels 7 and 8)

This section is built around the band's key question: **Why do people take on work, and what kinds of work are there?** It draws on the curriculum's elaborations VC2HE8K05.E01–E05:

- VC2HE8K05.E01 the six categories of work
- VC2HE8K05.E02 how work shapes a person's identity and their role in a community
- VC2HE8K05.E03 why work matters to the whole community, volunteering included
- VC2HE8K05.E04 the five ways Australians derive an income
- VC2HE8K05.E05 ranking your own reasons for working

How this section works: one question, three steps

Key question: *Why do people take on work, and what kinds of work are there?*



You will finish by ranking the reasons YOU would work, from most to least important.

Three-step plan for this section: step 1 why people work, step 2 categories of work, step 3 ways Australians derive an income

Theory

Part 1 — Why people work (VC2HE8K05.E02, .E03, .E05)

Think of the adults you know. Most of them work, and most will keep working even in weeks when work is tiring. Why?

The obvious answer is **money**. Work pays, and that pay buys food, a place to live, clothes, and savings for later. But ask an adult *why they work* and money is rarely the only answer. The other common reasons are shown in the table below.

Five common reasons people work

Money is the most obvious reason — but ask adults why they work and most will list several.

Reason	What it means	Example
To earn money	Work pays for the things you need and want: food, a place to live, clothes, and savings for later.	A store worker's wages pay their phone bill and bus fare, and some goes into savings.
Self-esteem	Feeling good about what you can do, and feeling that what you do is worth something.	A learner who masters the till and the coffee machine starts to feel more confident.
Status	The respect that can come with a job, a role or a position that others value.	Being known in the town as the baker, the team captain, or the head nurse.
Interest	Doing work you enjoy, or work you want to learn more about.	An animal lover taking a weekend job at a vet clinic.
Social reasons	Being with other people, making friends and being part of a group.	A weekend job where you meet new people and become part of a team.

Different people put these reasons in a different order — and the same person's reasons can change over a lifetime.

Table of five common reasons people work: money, self-esteem, status, interest and social reasons, with what each means and an example

A word about status. In this section, *status* means the respect and standing that other people attach to a job or a role — the head chef of a busy kitchen has status in that kitchen. The word has other meanings in everyday life (the status of a delivery, say), but that is not the sense used here.

Work also becomes part of **who a person is** (VC2HE8K05.E02). “What do you do?” is one of the first questions people ask when they meet someone new, and the answer — “I’m a nurse”, “I run a bakery” — says something about that person to everyone else. Doing work well builds *self-esteem*: feeling good about what you can do. And work puts people into groups — a team, a crew, the people who rely on you — so it shapes a person’s role within a community.



Mind map titled “Work gives more than money”: work connects to income, identity and self-esteem, status, social connections and community contribution, and together these raise living standards of both kinds, material and non-material

Work matters to the whole community, not just the worker (VC2HE8K05.E03). A community needs its work done: food grown and sold, buses driven, kids taught, sick people cared for, sport coached, streets cleaned. When that work is done well, everyone’s **living standards** — how well people live — go up.

Living standards come in two kinds:

- **Material living standards** — the goods and services that income can buy: food, housing, health care, phones, transport.
- **Non-material living standards** — the parts of life that money cannot buy: friendships, purpose, respect, feeling safe, time with family.

Paid work lifts both kinds. So does the unpaid kind.

Not all work is paid. Volunteers work without pay to help other people or the community. The next figure shows how much of that work Australians do.

Volunteer work: work that is not paid, but still matters

23%

of Australians did unpaid volunteer work in the 12 months before the survey (May-June 2025) — almost one person in four.

618 million hours

of volunteer work were given in that time — hours that communities relied on.

Volunteers coach sport, help at schools and charities, and support people in need. They are not paid — the income question does not apply, but the work is real and the community counts on it.

Source: ABS, General Social Survey: Summary Results, Australia, 2025. Retrieved 26 August 2026.

Two stat tiles: 23 per cent of Australians did unpaid volunteer work in the 12 months before the 2025 survey, and 618 million hours of volunteer work were given

Almost one Australian in four did volunteer work in the year before that survey, giving **618 million hours** — coaching sport, helping at schools and charities, supporting people in need. No income is paid for it, but the community counts on it, which is exactly why volunteer work counts as work.

Part 2 — Categories of work (VC2HE8K05.E01)

Work is not one single thing. It comes in six categories, shown in the next table. Three of them — full time, part time and casual — are the common ways paid work is arranged in Australia. The other three remind us that plenty of real work is unpaid or invisible.

Six categories of work

Work is more than a paid job. These six categories all count as work.

Category	What it means	Example
Full time	Usually 35 hours or more a week. Ongoing, regular hours, and usually paid leave (sick days and holidays).	A nurse rostered for 38 hours a week at a hospital.
Part time	Regular, ongoing work with fewer hours than full time. Paid leave still applies, in line with the hours worked.	A student with a set 12-hour week at a supermarket.
Casual	No guaranteed hours — shifts are offered as needed. A higher hourly rate is paid instead of paid leave.	A cafe hand who gets shifts only when the cafe is busy.
At home	Paid work that is done from home — for an employer, or running your own business.	A customer-service officer taking calls from home.
Unrecognised	Work that is unpaid and not counted in official statistics: housework, cooking, caring for children or other family members.	A parent cooking, cleaning and looking after young children.
Volunteer	Unpaid work done to help other people or the community, usually through a group or organisation.	Coaching a junior soccer team, or helping at a food charity.

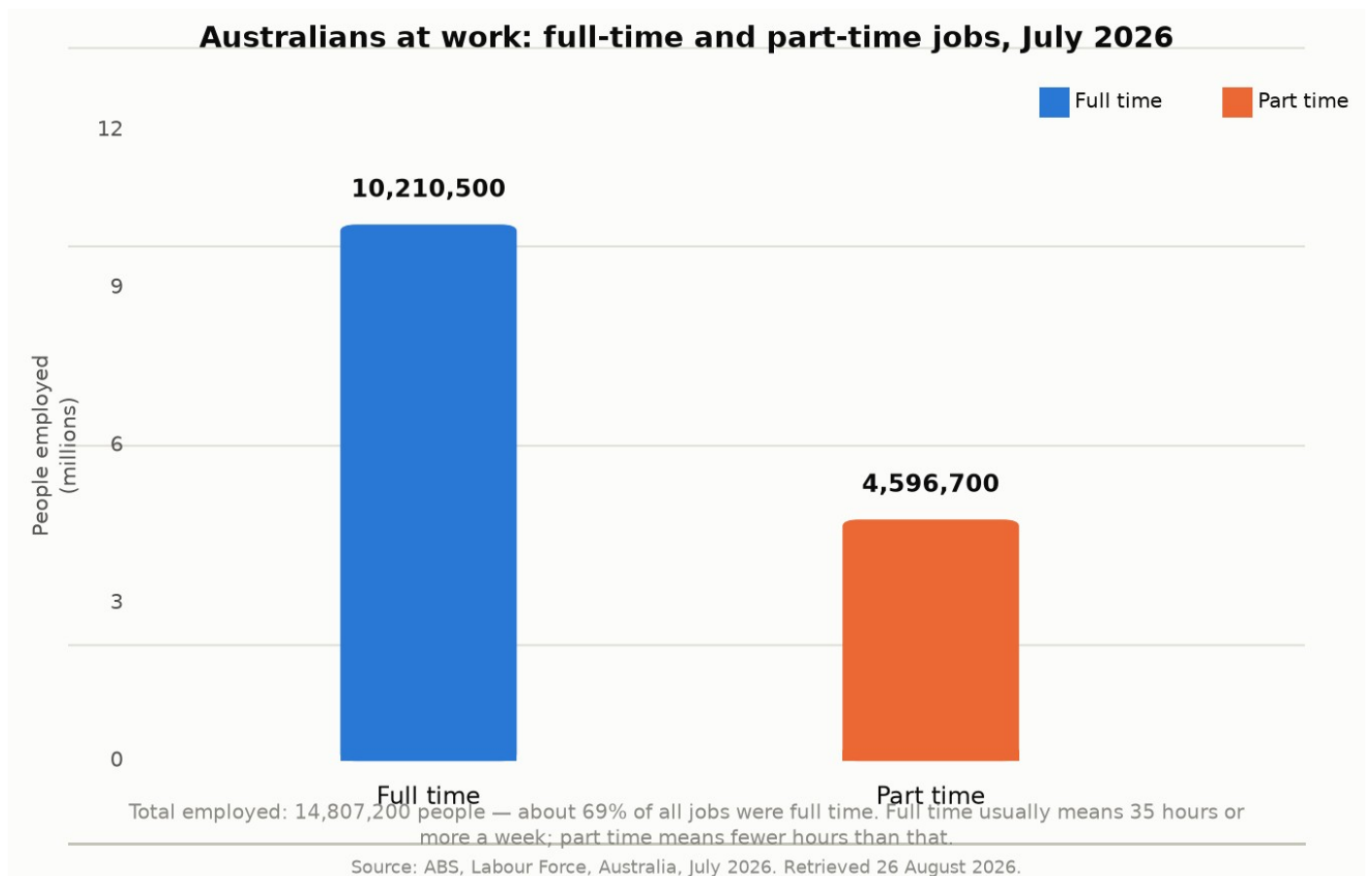
Full time, part time and casual are the three most common employment arrangements for paid work in Australia.

Table of the six categories of work, with what each means and an example: full time, part time and casual, at home, unrecognised, volunteer

Two terms to hold on to:

- **Casual work** is paid work where shifts are offered as they are needed. A casual worker has no guaranteed hours and no paid sick days or holiday pay; instead, a higher hourly rate is paid.
- **Unrecognised work** is real work that is never counted in official statistics because no money changes hands: the cooking, cleaning and caring done inside families every day.

How big are the paid categories? The Australian Bureau of Statistics (ABS) counts who is working every month. In **July 2026**, of the **14,807,200** people employed in Australia, **10,210,500** worked full time and **4,596,700** worked part time — about **69%** of all jobs were full time.



Bar chart of employed persons in Australia, July 2026: full time 10,210,500 and part time 4,596,700, total employed 14,807,200

The line between the two categories is drawn at 35 hours: *full time* usually means **35 hours or more a week**, and *part time* means fewer hours than that. That single number is how statisticians tell the two categories apart.

Part 3 — Five ways Australians derive an income (VC2HE8K05.E04)

A big reason people work is to get an **income** — money coming in. But a wage or salary is only one of **five** ways Australians derive an income.

Five ways Australians derive an income

A wage or salary is the most common way — but it is not the only way.

Way	What it means	Example
A wage or salary from a job	You work for someone else and get paid for your hours or your role.	A store worker's wage; a teacher's salary.
Profit from a business you own	You run your own business. Your income is the profit left after the business pays its bills.	A family bakery takes home its profits.
Dividends from shares	You own part of a company. The company may pay you a share of its profits, called a dividend.	Shares in a supermarket company pay a dividend.
Rent from assets	You let someone else use something you own, and they pay you rent.	Rent from a house or a van that you own.
Social security payments	A regular payment from the government to people who need support — for example, older Australians, people with a disability, or people looking for work.	The Age Pension; payments for job seekers.

Many Australians get income from more than one of these ways at the same time — a wage plus rent, or a business plus dividends.

Table of the five ways Australians derive an income: a wage or salary from a job, profit from a business you own, dividends from shares, rent from assets, and social security payments, with what each means and an example

A word about social security. In Australia, *social security* is the system of regular payments from the government that support people who need support — for example, older Australians who have finished working, people with a disability, or people looking for work. It is one of the five ways income can be derived, and it is the one that does not require paid work at the time.

Owning a business is how a lot of Australian incomes begin. At 30 June 2026 there were **2,814,778** businesses actively trading in Australia — most of them small and local, like a cafe, a hairdresser, a farm or a corner shop. The owners of those businesses may draw an income from the business they run.

Business ownership is one way Australians derive an income

2,814,778

businesses were actively trading in Australia at 30 June 2026

Each of these businesses has an owner — or owners — who may draw an income from the business they run.

Many of these are small, local businesses — a cafe, a hairdresser, a builder, a farm or a corner shop.

Source: ABS, Counts of Australian Businesses, including Entries and Exits, June 2026 (released 18 August 2026). Retrieved 26 August 2026.

Stat tile: 2,814,778 businesses were actively trading in Australia at 30 June 2026; each business has an owner or owners who may draw an income from it

Most Australians receive income from more than one of the five ways at once — a wage plus rent, or a business plus dividends.

Worked examples

Income is usually quoted per hour or per week, so to compare two incomes, work them out over the same period. A full year is the usual choice (there are 52 weeks in a year).

Example 1 — scaffolded

A part-time worker is paid \$25.00 an hour and works 12 hours a week. Find the income over one week and over one year.

Working	Comment
$\$25.00 \times 12 = \$300.00$	Hourly pay times hours worked gives the pay for one week.
$\$300.00 \times 52 = \$15,600$	Weeks in a year times weekly pay gives the income for the year.

The part-time worker's income for the year is **\$15,600**.

Example 2 — scaffolded

The average weekly pay for full-time adults in Australia was **\$2,160.00** in May 2026 (ABS). Find the income over one year at that rate.

Working	Comment
$\$2,160.00 \times 52 = \$112,320$	Weekly pay times 52 weeks gives the income for the year.

A full-time worker on the national average earns about **\$112,320** over a year — more than seven times the part-time income in Example 1. The gap comes from both more hours and a higher hourly rate. Fewer hours each week means a smaller income, which is the trade a part-time worker accepts in return for more free time.

From hours to income: two worked calculations

A) A full-time worker on the national average

Average full-time weekly pay **\$2,160.00**

Weeks in a year **52**

Income for the year **$\$2,160.00 \times 52 = \$112,320$**

The average weekly pay for full-time adults in Australia was \$2,160.00 in May 2026 (ABS, Average Weekly Earnings).

B) A part-time weekend job

Hourly pay **\$25.00**

Hours each week **12**

Pay for one week **$\$25.00 \times 12 = \$300.00$**

Income for the year **$\$300.00 \times 52 = \$15,600$**

A made-up example (like a weekend job at a cafe or shop). Fewer hours each week means a smaller income for the year.

Pay is usually quoted per hour or per week. To compare jobs, work out the income over the same period — a full year here.

Weekly figure source: ABS, Average Weekly Earnings, Australia, May 2026 (released 13 August 2026). Retrieved 26 August 2026.

Two worked pay calculations side by side: a full-time worker on the national average earns \$2,160 a week and \$112,320 a year; a part-time worker on \$25 an hour for 12 hours a week earns \$300 a week and \$15,600 a year

Example 3 — unscaffolded

A casual worker is paid \$32.00 an hour and works 9 hours in one week. (a) Find the income for that week. (b) If the same hours and pay continued for all 52 weeks, find the income for the year.

And now that the five ways and the six categories are on the table, the section's last task is yours: where do *you* sit on the reasons?

Practice questions

Scaffolded

Q1 (VC2HE8K05.E02, .E05) Match each person to the reason that best explains why they keep working. Use each reason once: *money, self-esteem, status, interest, social reasons*.

- Lee keeps helping at the weekend market stall because the stall team has become his second family.
- Priya chose her job because she has loved animals since she was little and wants to learn more about them.
- After months of practice, Tomas can now run the whole front counter on his own, and he feels proud of it.
- Nadia loves that her town knows her as the person who runs the bakery.
- Owen takes the Saturday shift because the rent on his flat is due on Monday.

Q2 (VC2HE8K05.E01) Put each worker into one of the six categories of work: *full time, part time and casual, at home, unrecognised, or volunteer*.

- A truck driver works 40 hours a week for the same company and gets four weeks of paid holiday a year.
- A student works a set 10 hours a week at the local supermarket.
- A fruit picker is offered work week by week, only while the harvest lasts.
- A designer does her paid work for a city business from her kitchen table.
- A dad gets up at night to feed a new baby and cooks the family dinner every day.
- On Sunday morning a teenager sets up goals and marks lines for the local soccer club.

Q3 (VC2HE8K05.E01) True or false? Fix any false statement so it becomes true.

- a) A casual worker is guaranteed the same shifts every week.
- b) A part-time worker usually works fewer than 35 hours a week.
- c) Volunteer work is not really work, because no income is paid for it.
- d) Cooking and caring inside a family are examples of unrecognised work.

Q4 (VC2HE8K05.E04) Match each person to the way they derive their income: *a wage or salary from a job, profit from a business you own, dividends from shares, rent from assets, or social security payments.*

- a) Every Friday, Kai is paid for his hours at the hardware shop.
- b) Amara owns the corner cafe; after the bills are paid, what is left is her income.
- c) Grandpa owns shares in a big company, and each year the company sends him part of its profits.
- d) Lena owns a second house, and the people living there pay her rent each month.
- e) After finishing work at 70, Rosa receives a regular payment from the government.

Q5 (VC2HE8K05.E04) Ben has a weekend job: 8 hours a week at \$25.00 an hour. (a) Find Ben's pay for one week. (b) Find Ben's income over a year of 52 weeks.

Q6 (VC2HE8K05.E02, .E03) Look at the "Work gives more than money" mind map. (a) Name two things work gives besides money. (b) For each one you named, say whether it raises material living standards or non-material living standards, and why.

Un scaffolded

Q7 (VC2HE8K05.E05) Complete your own copy of the ranking table below, putting the five reasons in order for *you* (1 = most important, 5 = least important). Then write two sentences explaining why your number-1 reason sits at the top.

My ranking: why would I work?

Put the five reasons in order for YOU: 1 = most important, 5 = least important. There is no right answer.

Reason	My rank (1-5)	Why I ranked it there
To earn money		
For self-esteem		
For status		
For interest		
For social reasons		

Compare your ranking with a classmate's. Where you both put the same reason first, ask each other why.

Blank ranking table for the five reasons people work, with columns for my rank from 1 to 5 and why I ranked it there

Q8 (VC2HE8K05.E02) Ask an adult you know: "Why do you work?" Write down three of their reasons in your own words, then match each one to a reason from Part 1 — or explain why it does not fit any of the five.

Q9 (VC2HE8K05.E03) Name two things volunteers do in your own town or city. For each, write one sentence on what your community would lose without that volunteer work.

Q10 (VC2HE8K05.E04) Write out the five ways Australians derive an income. For each way, give one example that was **not** used in this section.

Q11 (VC2HE8K05.E01) Your cousin says: “Casual work is always better than part-time work, because the hourly rate is higher.” Give one reason casual work suits some people, and one reason it does not suit others. (Section 3E will later use this comparison to weigh costs and benefits.)

Answers

Example 3. (a) $\$32.00 \times 9 = \$288.00$ for the week. (b) $\$288.00 \times 52 = \$14,976$ for the year.

Q1. a) social reasons. b) interest. c) self-esteem. d) status. e) money.

Q2. a) full time. b) part time. c) casual. d) at home. e) unrecognised. f) volunteer.

Q3. a) False — a casual worker has no guaranteed hours; shifts are offered as needed. b) True. c) False — volunteer work is still work; it is unpaid work that helps other people or the community. d) True.

Q4. a) a wage or salary from a job. b) profit from a business you own. c) dividends from shares. d) rent from assets. e) social security payments.

Q5. (a) $\$25.00 \times 8 = \$200.00$ a week. (b) $\$200.00 \times 52 = \$10,400$ a year.

Q6. Acceptable answers pair a non-money gain from the mind map with the correct kind of living standard; for example: *income is not one of the two, since the question asks for gains besides money; friendships through work raise non-material living standards because money cannot buy them, while the goods a wage buys raise material living standards.* Award the reasoning: the gain is named, the kind is chosen, and the choice is explained.

Q7. Any complete ranking (1–5, each used once) with two sentences that actually explain the top rank. There is no right order — the marking is on the explanation.

Q8. Accept any three reasons recorded in the student's own words with a sensible match to money, self-esteem, status, interest or social reasons, or a clear argument that a reason is a new one.

Q9. Accept any two real volunteer activities with one sentence each that names what the community would lose (for example: without volunteer coaches, the junior teams would have no one to run them).

Q10. Accept the five ways (a wage or salary from a job; profit from a business you own; dividends from shares; rent from assets; social security payments) each with a fresh, correct example — for instance, a wage from a paper round, a market garden as a business, shares in a tech company, rent from a spare garage, a payment while looking for work.

Q11. Accept one cost and one benefit of casual work reasoned from its features. For example: it suits people who want freedom over which shifts they take and a higher hourly rate; it does not suit people who need steady hours and paid sick days, because hours can fall to zero in a quiet week.

Fully-worked solutions

Example 3.

Working	Comment
$\$32.00 \times 9 = \$288.00$	Hourly pay times hours worked gives the pay for one week.
$\$288.00 \times 52 = \$14,976$	Weeks in a year times weekly pay gives the income for the year.

Q5.

Working	Comment
$\$25.00 \times 8 = \$200.00$	Hourly pay times hours worked gives the pay for one week.
$\$200.00 \times 52 = \$10,400$	Weeks in a year times weekly pay gives the income for the year.

Sources

All real-world figures in this section carry a source and a retrieval date, per house rules.

1. **ABS, Labour Force, Australia, July 2026:** total employed 14,807,200; full time 10,210,500; part time 4,596,700. Australian Bureau of Statistics, abs.gov.au. Retrieved 26 August 2026.
2. **ABS, Average Weekly Earnings, Australia, May 2026** (released 13 August 2026): full-time adult average weekly total earnings \$2,160.00. Australian Bureau of Statistics, abs.gov.au. Retrieved 26 August 2026.
3. **ABS, Counts of Australian Businesses, including Entries and Exits, June 2026** (released 18 August 2026): 2,814,778 actively trading businesses at 30 June 2026. Australian Bureau of Statistics, abs.gov.au. Retrieved 26 August 2026.
4. **ABS, General Social Survey: Summary Results, Australia, 2025** (data collected 1 May–28 June 2025): 23% of Australians did unpaid voluntary work in the previous 12 months; 618 million hours of volunteer work. Australian Bureau of Statistics, abs.gov.au. Retrieved 26 August 2026.

Worked examples and question contexts not marked with a source are invented for this workbook. The 35-hour full-time line follows the ABS definition used in the Labour Force survey. See Section 1F for how these categories of work are changing, and Section 3E for weighing the costs and benefits of casual versus part-time work.

How work is changing in Australia — and what may come next

Curriculum trace. Content description VC2HE8K06 (Levels 7 and 8). This section draws on elaborations VC2HE8K06.E01, VC2HE8K06.E02, VC2HE8K06.E03, VC2HE8K06.E04 and VC2HE8K06.E05. It is framed by the band key question: *How do businesses respond to new opportunities and to changes at work?* Every task in this section builds your progress toward the Levels 7–8 band achievement standard, which is stated at the end of Level 8.

Key words. **employee** (a person who works for a business or organisation and is paid a wage); **employer** (the business or organisation that pays them); **casual employee** (an employee with no set hours agreed ahead of time, paid a higher hourly rate instead of sick leave and holiday leave); **independent contractor** (a person who runs their own one-person business and is paid to do a job for someone else); **gig economy** (work where single jobs or “gigs”, like a delivery or a ride, are picked up through an app); **occupational health and safety (OHS)** (the rules and habits that keep workers safe and healthy at work); **trade union** (an organisation workers join so they can speak with one voice about pay and conditions); **award** (a legal safety net that sets the lowest pay and conditions for an industry); **super** (extra money an employer must pay on top of a wage, saved for when a worker retires); **minimum wage** (the lowest weekly pay an adult worker can lawfully be paid); **trend** (the direction something is moving over time); **driver** (a force that pushes change to happen); **logical prediction** (a claim about the future built from a real trend, named drivers, and a check on what could prove it wrong).

Theory

Work in Australia today: a snapshot. Before we can talk about change, we need a clear picture of now. The snapshot below brings together the official numbers you will use all through this section.

Work in Australia today - a snapshot of official figures



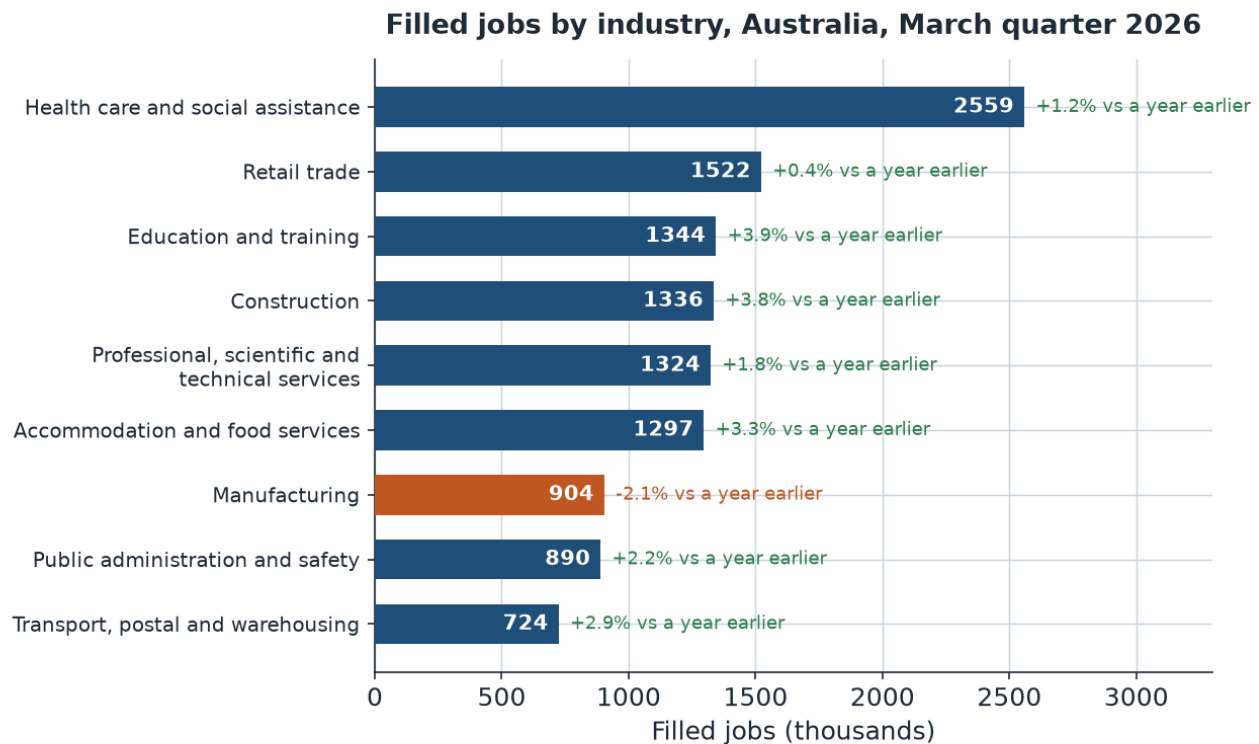
Sources: ABS Labour Force (Jul 2026, released 20 Aug 2026); ABS Labour Account (Mar qtr 2026); ABS Insights into the Australian labour market; ABS Working arrangements (Aug 2025); ABS Average Weekly Earnings (May 2026); Fair Work Commission minimum wage. Retrieved 26 August 2026.

Eight tiles of official statistics about work in Australia today: 14,807,200 people employed in July 2026; a 4.5 per cent unemployment rate; 2,559,100 jobs in health care and social assistance; a \$1,004.90 weekly minimum wage; 36 per cent usually working from home; 1 in 15 holding more than one job; 2.4 million casual employees; and \$2,083.70 average weekly pay for full-time adults.

Read the snapshot like an economist: every number is a *fact about now* that can become *evidence* for a claim about change. Two facts to notice straight away. Health care and social assistance is Australia’s biggest employing industry (ABS, Labour Account, Australia, March quarter 2026, released 5 Jun 2026). And the national minimum wage, set each year by the Fair Work Commission’s annual wage review, was \$1,004.90 a week (\$26.44 an hour) from 1 July 2026 (official minimum wages fact sheet). All figures in the snapshot were retrieved 26 August 2026.

How work has changed over time (VC2HE8K06.E01). Change shows up in six places, and you can check each one against real data.

- **The types of jobs available.** Some jobs shrink and some grow. The figure below shows the nine biggest employing industries in March quarter 2026. Health care and social assistance (2,559,100 filled jobs) is more than three times the size of transport, postal and warehousing (724,100). Manufacturing is the only industry in the list with fewer jobs than a year earlier (−2.1%). Source: ABS, Labour Account, Australia, March quarter 2026 (released 5 Jun 2026). Retrieved 26 August 2026.

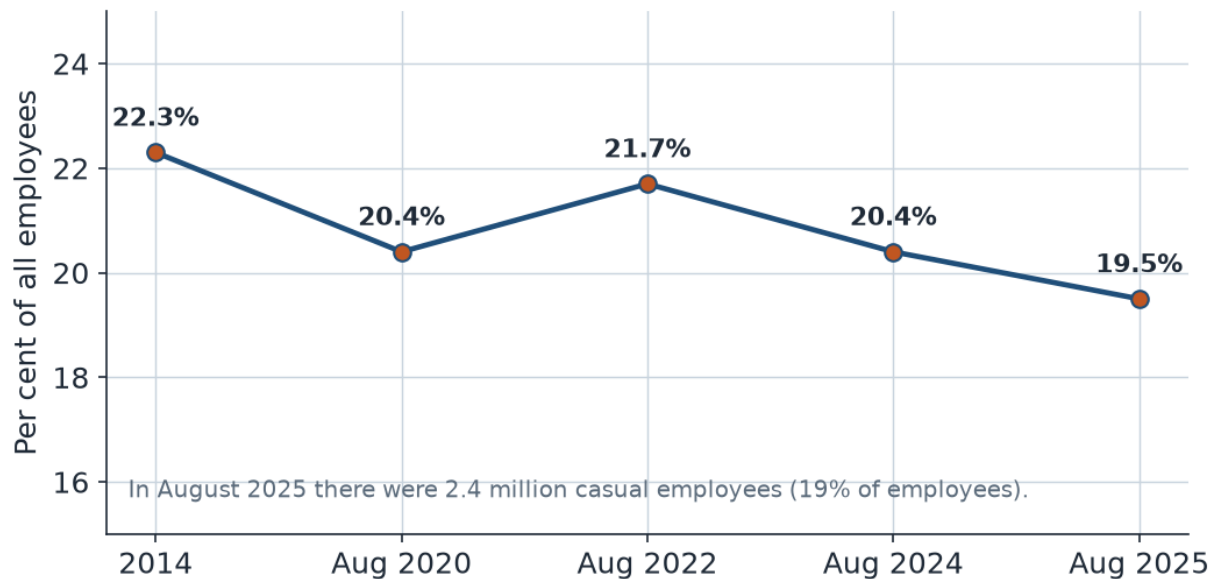


Source: ABS, Labour Account, Australia, March quarter 2026 (released 5 Jun 2026). Total filled jobs: 16,185,000.
Retrieved 26 August 2026

Horizontal bar chart of filled jobs by industry in Australia, March quarter 2026, led by health care and social assistance at 2559 thousand jobs and manufacturing the only falling industry at minus 2.1 per cent in a year.

- **The tasks done inside a job.** Many job titles are old, but the daily tasks are new. A farmer now reads satellite maps and flies drones; a teacher presents from a screen; a shop assistant scans, but also packs online orders. The title stays, the tasks change.
- **The status of a job.** Status — what a community thinks a job is worth — moves too. Nursing, teaching and aged care are now seen as skilled jobs with university training behind them, while some old jobs lost status as machines took over their hardest tasks.
- **Career length and employment patterns.** Many people piece together more than one job at once: in March 2025 about 1 in 15 employed people held more than one job (ABS, Insights into the Australian labour market, 6 Jun 2025). Retrieved 26 August 2026. The mix of employment patterns has also shifted. The next figure tracks **casual employees** — workers with no hours agreed ahead of time.

Casual employees as a share of all employees, Australia



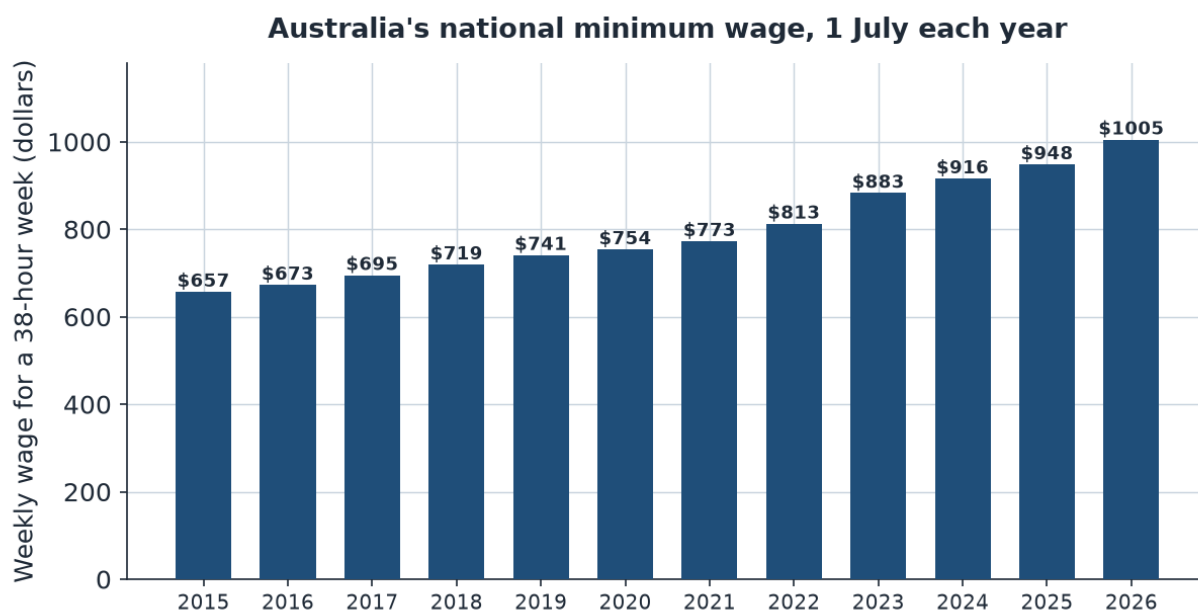
Source: ABS, Working arrangements, August 2025 (released 12 Dec 2025). Retrieved 26 August 2026

Line graph of casual employees as a share of all employees in Australia, from 22.3 per cent in 2014 down to 19.5 per cent in August 2025, with a note that 2.4 million casual employees is 19 per cent of employees.

In August 2025 there were 2.4 million casual employees, 19% of all employees (ABS, Working arrangements, August 2025, released 12 Dec 2025). Retrieved 26 August 2026. Interesting detail from the same release: about 73% of casual employees said they *prefer* casual work, which reminds us that the same arrangement can suit one worker and not suit another.

- **Occupational health and safety (OHS).** OHS is the body of rules and habits that keeps workers safe and healthy at work, and it has grown a lot stronger over time. In 2021–22, about 497,300 Australians (3.5% of workers) had a work-related injury or illness, and the most common cause was lifting, pushing, pulling or bending (24% of cases) (ABS, Work-related injuries, 2021–22). Retrieved 26 August 2026. Rules about safe lifting, sun protection on building sites, and reporting hazards were all won over time — they are part of “how work has changed” just as much as new machines are.
- **Laws affecting workplaces.** Australian work is shaped by laws that were fought for, one generation at a time:
 - **1907 — the Harvester decision.** A national wage court set a “basic wage” (7 shillings a day) that a fair employer could pay an unskilled worker — the great-grandparent of today’s minimum wage. Source: Fair Work Commission, history of the Commission. Retrieved 26 August 2026.
 - **1969 and 1972 — equal pay cases.** In 1969 the national wage case granted equal pay to women doing the same work as men; in 1972 it extended that to work of equal value. Source: Fair Work Commission, history of the Commission. Retrieved 26 August 2026.
 - **Super.** Employers must currently pay super at 12% of a worker’s earnings, and from 1 July 2026 “Payday Super” requires it to be paid every payday instead of once a quarter (ASIC Moneysmart; Australian Taxation Office). Retrieved 26 August 2026.
 - **2026 — new rules for platform work.** Fair Work Commission minimum standards for on-demand delivery workers (such as food delivery riders) began on 17 August 2026, and new protections stop platforms from unfairly “deactivating” a worker — that is, switching off their app access with no reason and no chance to respond (Fair Work Commission). Retrieved 26 August 2026.

The minimum wage itself is reviewed every year. The next figure shows how it has moved since 2015.

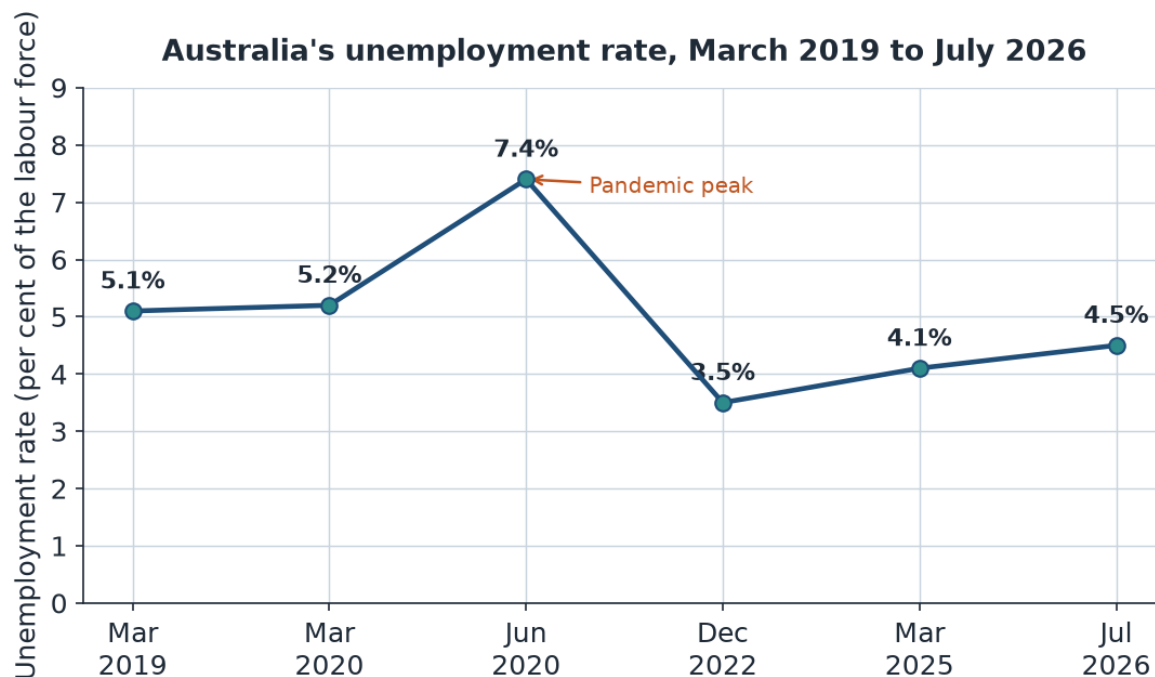


Source: Fair Work Commission annual wage review decisions, as published in the Fair Work Ombudsman minimum wages fact sheet (rate from 1 July 2026: \$1,004.90 per week, \$26.44 per hour). Retrieved 26 August 2026

Bar chart of Australia's national minimum wage on 1 July each year, rising from \$657 a week in 2015 to \$1,004.90 a week in 2026.

From \$656.90 a week in 2015 to \$1,004.90 a week in 2026: every step is an annual wage review decision of the Fair Work Commission, as published in the official minimum wages fact sheet. Retrieved 26 August 2026.

- **The health of the labour market.** Finally, change shows up in how easy or hard it is to get a job. The unemployment rate tells us the share of the labour force that wants work and is looking for it but does not have it.

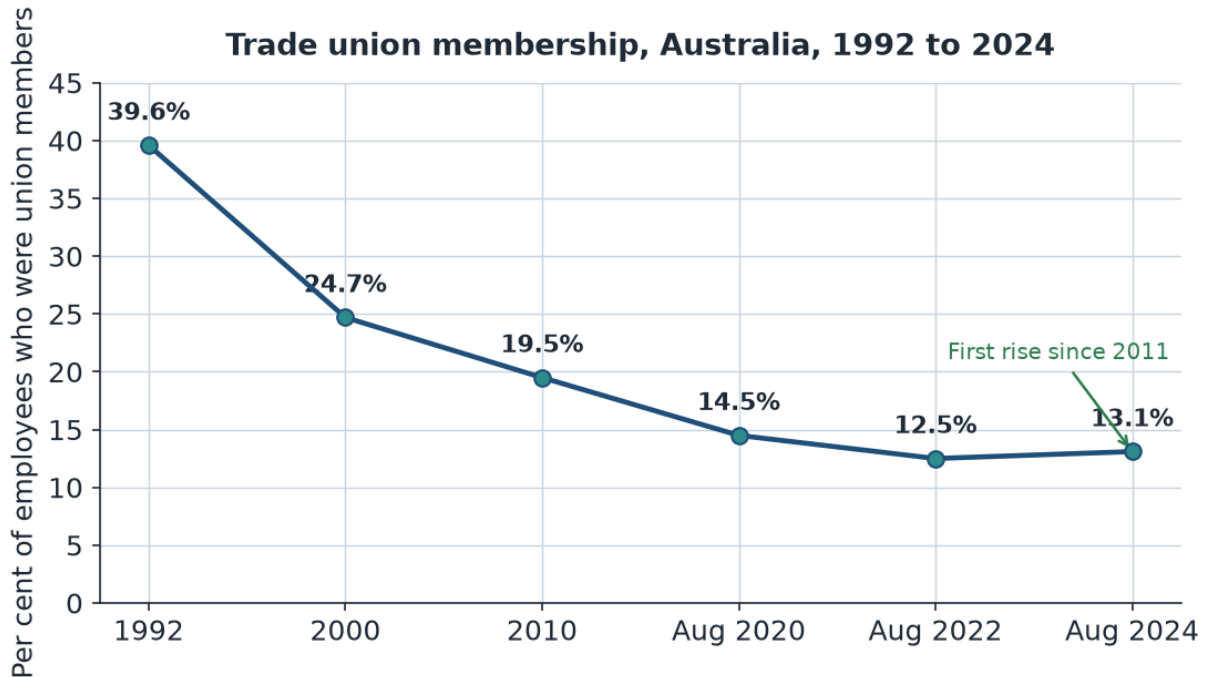


Source: ABS, Insights into the Australian labour market (6 Jun 2025) and ABS, Labour Force, Australia, July 2026 (released 20 Aug 2026). Retrieved 26 August 2026

Line graph of Australia's unemployment rate from 5.1 per cent in March 2019, peaking at 7.4 per cent in June 2020 during the pandemic, falling to 3.5 per cent by December 2022, and sitting at 4.5 per cent in July 2026.

In July 2026, 14,807,200 Australians were employed and the unemployment rate was 4.5% (ABS, Labour Force, Australia, July 2026, released 20 Aug 2026). Retrieved 26 August 2026. The pandemic peak of 7.4% (June 2020) and the low of 3.5% (December 2022) show how fast the labour market can turn when world events change (ABS, Insights into the Australian labour market, 6 Jun 2025). Retrieved 26 August 2026.

- **Worker voice: unions.** One more long change: the share of employees in a **trade union** fell from 39.6% in 1992 to 12.5% by August 2022 — then rose to 13.1% (1.6 million members) in August 2024, the first rise since 2011 (ABS, Trade union membership, August 2024, released 9 Dec 2024). Retrieved 26 August 2026.

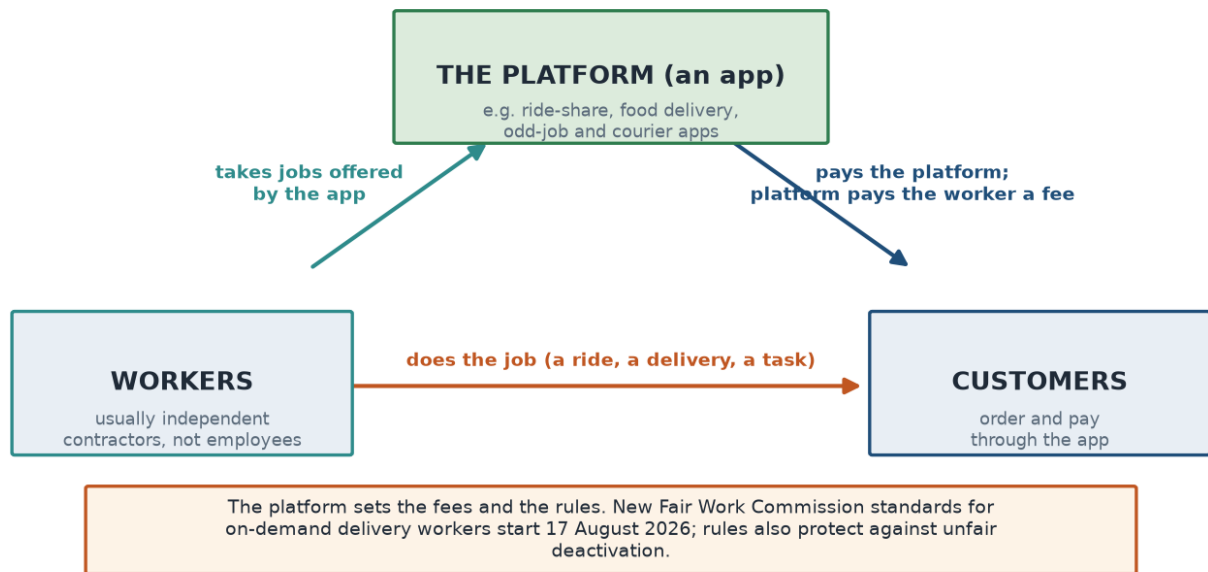


Source: ABS, Trade union membership, August 2024 (released 9 Dec 2024). 1.6 million employees were members in August 2024. Retrieved 26 August 2026

Line graph of trade union membership in Australia falling from 39.6 per cent of employees in 1992 to 12.5 per cent in August 2022, then rising to 13.1 per cent in August 2024, the first rise since 2011.

Case study: the gig economy, and a second change — working from home (VC2HE8K06.E02). The **gig economy** is work arranged through an app or platform: a customer orders, the platform offers the job, and a worker accepts it for a fee. Most gig workers are **independent contractors**, not employees — they are running a one-person business, which means more freedom but no sick leave, no holiday leave and no employer super. The model below shows the three-way connection.

How gig (platform) work connects people



ClassBasics original model for VC2HE8K06 (the gig economy). Date per Fair Work Commission, retrieved 26 August 2026.

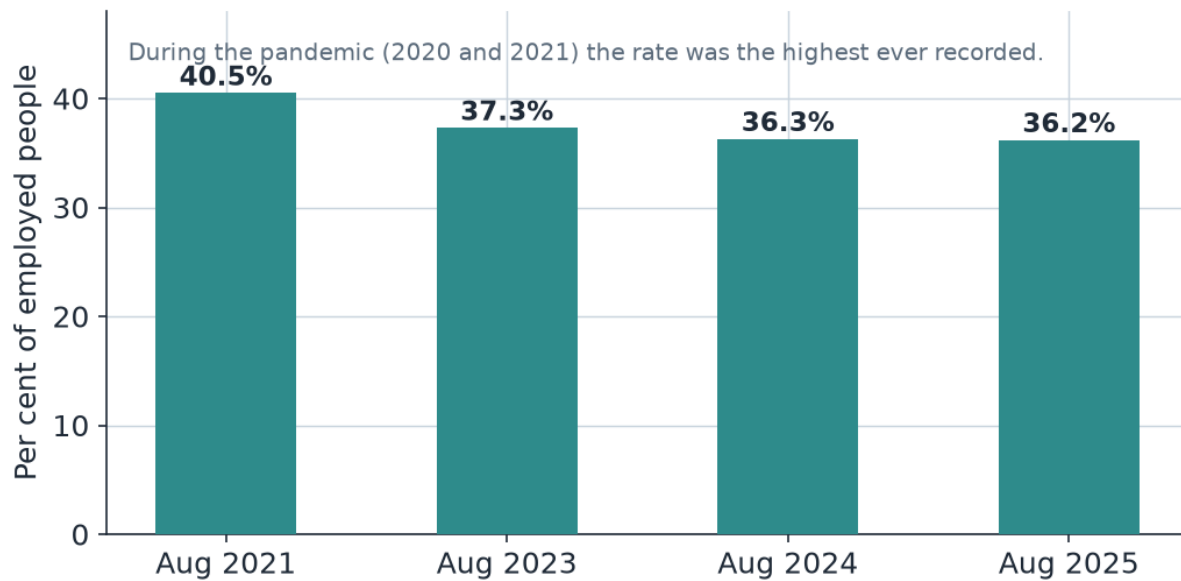
Labelled model of gig work: workers take jobs offered by the platform app, customers order and pay through the app, the worker does the job for the customer, and the platform sets the fees and the rules, with new Fair Work Commission standards from 17 August 2026.

Now steelman both sides — that is, put each side's *best* case, not its weakest.

- **A gig worker's best case for gig work:** I choose my own hours; I can work nights around study or family; the app gives me customers I could never find on my own; and I can start earning this week with no boss and no interview.
- **A gig worker's best case against gig work:** the platform sets my fee and can change it; a quiet week means no income and no sick pay if I am ill; and until the new 2026 standards, the app could switch me off with no explanation.
- **A platform's (employer's) best case for gig work:** I only pay for jobs actually done; I do not carry sick leave, holiday leave or super costs; and I can serve customers at 2 a.m. without keeping staff on the clock.
- **A platform's best case against gig work:** contractors are harder to train and control, so quality varies; and new laws (like the 17 August 2026 standards) add costs and rules that employees' employers already know how to handle.

A second big change, accelerated by the pandemic, is **working from home**. The next figure shows the share of employed Australians who usually work from home.

Employed people who usually work from home, Australia



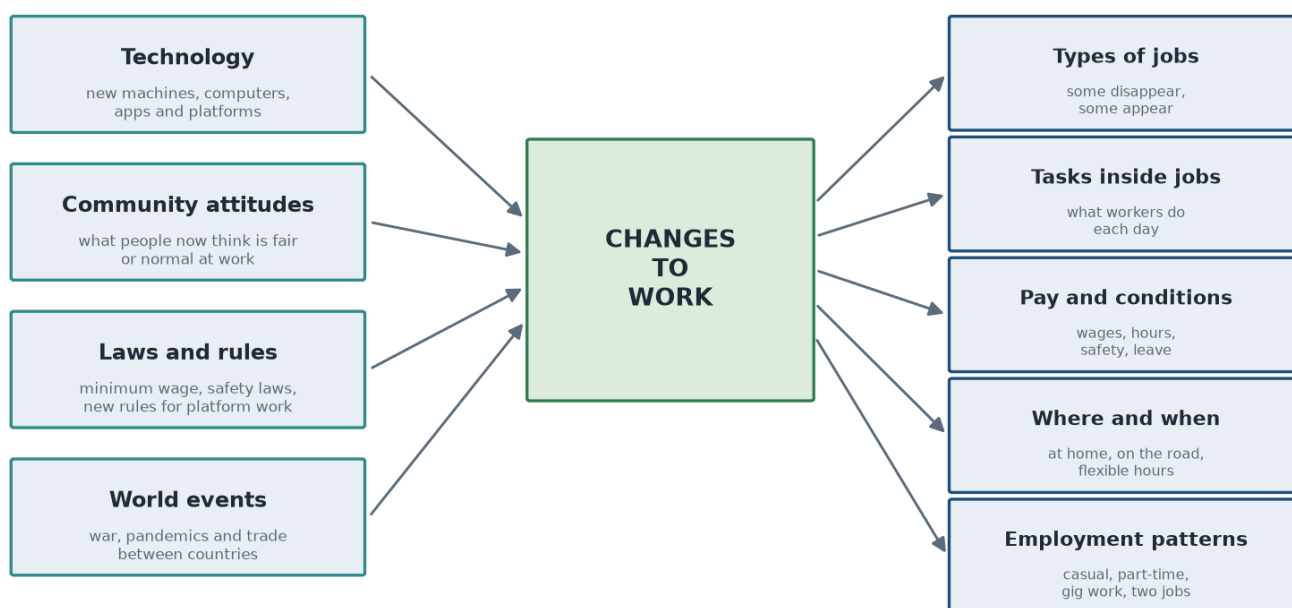
Source: ABS, Working arrangements, August 2025 (released 12 Dec 2025). Retrieved 26 August 2026

Bar chart of employed people who usually work from home in Australia: 40.5 per cent in August 2021, the pandemic high, then 37.3, 36.3 and 36.2 per cent in August 2023, 2024 and 2025.

Before 2020, working from home was rare and unusual; during the pandemic it jumped to the highest level ever recorded, and by August 2025 it had settled at 36.2% — about one employed person in three (ABS, Working arrangements, August 2025, released 12 Dec 2025). Retrieved 26 August 2026. Notice the shape of the change: a sudden jump caused by a world event, then a settle-down — not a return to the old normal. That pattern is exactly what E02 wants you to analyse: who gains, who loses, and what stays changed.

What pushes work to change (VC2HE8K06.E03). Four big drivers push on work, and the changes show up in the six places we listed under E01. The model below is the map for every “why has work changed?” question in this section.

What pushes work to change, and where the changes show up



ClassBasics original model for VC2HE8K06 (contemporary factors that promote workplace change).

Labelled model showing four drivers of change — technology, community attitudes, laws and rules, and world events — pushing on work, with the changes showing up in types of jobs, tasks inside jobs, pay and conditions, where and when work happens, and employment patterns.

- **Technology.** New machines, computers, apps and platforms create some jobs and remove others (see the jobs table further down).
- **Changing community attitudes.** What people think is fair or normal at work changes: equal pay became normal because attitudes changed first; so did seatbelts on work vehicles, sunscreen on building sites, and expecting to answer email at home.
- **Laws and rules.** Minimum wages, safety laws, super and the new platform-work standards all re-shape what a job comes with.
- **World events.** War, pandemics and trade between countries move jobs around: the pandemic sent a third of the workforce home and jumped online shopping and delivery work almost at once.

One debate here is contested, so steelman both sides again. *Side one:* new technology destroys jobs — every robot or computer program doing a task means one fewer worker needed for that task. *Side two:* new technology also creates jobs — the jobs table below shows that the same technology that removed lift operators and switchboard operators helped create app developers and drone pilots. The careful position is neither “robots take everything” nor “nothing ever changes”: technology removes some tasks, creates other jobs, and changes most jobs in between.

The 30-year interview (VC2HE8K06.E04). One of the best ways to see change is to ask someone who has lived it. Your task in this section: interview someone with more than 30 years in the workforce about the changes their job has gone through — **their hours worked, their wages and conditions, the skills required, and their job satisfaction.** The question bank below gives you a start; the two rules of a good interview are (1) start with open questions (“Could you tell me about...?”) and (2) always ask one follow-up question (“Why was that?” “How did that change?”).

Interview question bank: someone who has worked for 30+ years

Hours worked

- What were your usual hours when you started?
- Have your hours changed? Why?
- Did you work overtime? Was it paid?

Wages and conditions

- What was your first pay, roughly?
- How was your pay set - award, bargain or contract?
- What leave and safety rules did you get?

Skills required

- What skills did you need at the start?
- Which new tools or technology did you have to learn?
- Which of your old skills are no longer used?

Job satisfaction

- What do you enjoy most about the work?
- What has become better or worse over time?
- Would you choose this work again? Why?

ClassBasics original model for VC2HE8K06.E04. Start questions with 'Could you tell me about...?' and always ask a follow-up question.

Model interview question bank in four groups — their hours worked, their wages and conditions, the skills required, and their job satisfaction — with three example open questions in each group.

When you report back, turn the story into evidence: “My interviewee started in 1990 on \$X a week, typed letters, and now...” — a life story is data you cannot get from a chart.

Jobs that disappeared, jobs that emerged, and logical prediction (VC2HE8K06.E05). The table below gives the shape of the elaboration: five jobs that have all but vanished over the past century, five that appeared within the past 50 years, and five predicted for the next 50.

Jobs of the past, present and future		
Jobs that have almost disappeared (last 100 years)	Jobs that have emerged (last 50 years)	Predicted jobs (next 50 years)
Telephone switchboard operator why / driver: calls are now connected by computers	App developer why / driver: phones became small computers (2000s)	Robot repair technician why / driver: more robots working with people
Lift operator why / driver: automatic lifts run themselves	Ride-share driver why / driver: apps match riders with drivers (2010s)	Vertical farm operator why / driver: food growing indoors in cities
Tram conductor why / driver: ticket machines and travel cards	Social media manager why / driver: businesses advertise online (2010s)	Aged-care coordinator why / driver: more older Australians needing care
Telegraph operator why / driver: phones and the internet send messages	Drone pilot why / driver: cheap, reliable drones arrived (2010s)	Renewable energy technician why / driver: the shift to wind and solar power
Ice delivery worker why / driver: electric fridges in every home	Solar panel installer why / driver: rooftop solar spread widely (2000s+)	Data privacy officer why / driver: more rules to protect personal data

ClassBasics original teaching example for VC2HE8K06.E05. The 'predicted' column shows the FORM of a logical prediction (trend + driver), not a fact.

Three-column table: jobs that have all but vanished over the past century (switchboard operator, lift operator, tram conductor, telegraph operator, ice delivery worker); jobs that appeared within the past 50 years (app developer, ride-share driver, social media manager, drone pilot, solar panel installer); and predicted jobs for the next 50 years (robot repair technician, vertical farm operator, aged-care coordinator, renewable energy technician, data privacy officer), each with its driver.

Look at the *reasons* column, not just the job titles: every disappeared job was removed by a driver (technology, mainly machines doing the task), and every emerged job was created by a driver. That is the key idea behind a **logical prediction**. In this course we use an operational definition — a definition built from what you must *do*: a logical prediction is a claim about the future that names (1) a real trend, (2) the drivers pushing it, and (3) what could prove it wrong. A prediction without those three things is a guess. The five-step model below is the method.

Five steps to a logical prediction about the future of work



ClassBasics original model for VC2HE8K06 (a prediction about the future of work). Job figure per ABS Labour Account, March quarter 2026.

Five-step flowchart for making a logical prediction about the future of work: find a real trend; name the drivers; ask what else must be true; state the prediction with evidence; say what could prove you wrong.

The predicted column of the jobs table is there to show you the *form* of a logical prediction (trend plus driver), not to tell you the future as fact. Nobody knows what 2076 looks like — but a prediction built the careful way can be argued for, checked, and improved. That skill is what this section exists to grow.

Worked examples

Example 1 — scaffolded

Use the working-from-home figure (36.2% of employed people usually worked from home in August 2025) to fill in a four-cell analysis of working from home.

	Advantages	Disadvantages
Employee	No travel time or cost; easier to fit work around family and study.	Harder to switch off at the end of the day; less face-to-face contact with workmates, so training and friendships suffer.
Employer	Needs less office space; can hire good staff who live far away.	Harder to check work is on track; new starters are harder to train; team spirit can fade.

Comment: a four-cell analysis is only finished when all four cells have a real entry — “good for one side” is not the same as “good for everyone”. Notice that some rows are mirrors (less office space is an employer gain, but the employee’s quiet home office is the same fact seen from the other side).

Example 2 — scaffolded

Build a logical prediction from the health-care trend, using the five steps.

Step	What we write
1. Find a real trend	Health care and social assistance is Australia's biggest employing industry with 2,559,100 filled jobs (March quarter 2026), and it is still growing (+1.2% in a year) (ABS, Labour Account).
2. Name the drivers	Australians are living longer, so more people need care; governments fund aged care and disability care; technology creates care roles rather than removing them.
3. Ask what else must be true	The trend holds only if demand for care keeps growing and governments and families keep paying for it.
4. State the prediction with evidence	By 2050, more Australians will work in health and aged-care jobs than today, because that industry is already the largest and is still growing.
5. Say what could prove you wrong	Robots or computer programs doing much of the care work; or governments choosing to spend less on care.

Comment: step 5 is what makes the prediction *logical*. A prediction that cannot be proven wrong cannot be checked — and checking is how we learn.

Example 3 — unscaffolded

Analyse the gig economy for employees and employers. Give two advantages and two disadvantages for **each** side, and finish with one sentence on what the 17 August 2026 Fair Work Commission standards change for workers.

Model thinking (full version in the solutions): draw the four cells; fill each from the gig model figure; then note that the new standards shift one disadvantage (unfair deactivation, and pay below a floor) from the worker's column toward the platform's column.

Practice questions

Scaffolded

Q1. Use the snapshot figure. (a) How many people were employed in Australia in July 2026? (b) Which industry employs the most people, and how many filled jobs did it have? (c) What was the national minimum wage per week from 1 July 2026?

Q2. Use the unemployment figure. (a) What was the unemployment rate at the pandemic peak, and when was it? (b) What was it in July 2026 — higher or lower than March 2019? (c) Use the minimum wage figure: what was the weekly minimum wage in 2015, and in 2026?

Q3. Sort these four changes into the correct place from the E01 list (*types of jobs / tasks inside a job / pay and conditions / employment patterns*): (a) a tram driver now also sells tickets through a machine they look after; (b) more people work as casual employees with no set hours; (c) the minimum wage rose to \$1,004.90 a week in 2026; (d) app developer did not exist as a job 50 years ago but does now.

Q4. Use the word bank to complete the working-from-home table: one entry per cell. *Word bank: no travel costs; harder to train new starters; less office space to pay for; work life spills into home life.*

	Advantage	Disadvantage
Employee	?	?
Employer	?	?

Q5. Match each change to its main driver: *technology / changing community attitudes / laws and rules / world events*.

(a) The pandemic sent many office workers home in 2020. (b) Most people now think it is not acceptable to work a whole day without a safe way to report a hazard. (c) Apps can match a rider with a dinner order in seconds. (d) From 1 July 2026, employers must pay super every payday.

Q6. You will interview your neighbour, who has worked as an electrician for 32 years. Using the interview question bank, write (a) two open starting questions (one about skills, one about wages and conditions) and (b) one follow-up question for the answer “I had to learn a whole lot of new gear.”

Un scaffolded

Q7. Complete a four-cell analysis of the gig economy (advantages and disadvantages for the worker *and* for the platform), using the gig model figure. Two entries per cell.

Q8. Make your own logical prediction about work in 2050 using all five steps. Your step-1 trend must come from the filled-jobs-by-industry figure (pick any industry with a clear direction), and your step 5 must name a real thing that could prove you wrong.

Q9. Two students argue. Mia says: “Technology destroys jobs, so by 2076 there will be almost no jobs left.” Tom says: “Technology changes jobs — it removed lift operators but created drone pilots, so new kinds of jobs will keep appearing.” Using the jobs table and the drivers model, decide which claim is more logical, and say what each student would need to show to prove their case.

Q10. Mini-report (5–6 sentences): “One way work in Australia has changed since 2000.” Use at least two sourced numbers from this section (for example from the working-from-home, casual, union or minimum-wage figures), and end each number with its source in brackets.

Answers

Q1. (a) 14,807,200 people. (b) Health care and social assistance, 2,559,100 filled jobs (March quarter 2026). (c) \$1,004.90 a week.

Q2. (a) 7.4%, June 2020. (b) 4.5% — lower than March 2019's 5.1%. (c) \$656.90 in 2015; \$1,004.90 in 2026.

Q3. (a) Tasks inside a job. (b) Employment patterns. (c) Pay and conditions. (d) Types of jobs.

Q4. Employee advantage: no travel costs. Employee disadvantage: work life spills into home life. Employer advantage: less office space to pay for. Employer disadvantage: harder to train new starters.

Q5. (a) World events. (b) Changing community attitudes. (c) Technology. (d) Laws and rules.

Q6. Sample: (a) "Could you tell me about the tools and skills you needed when you started?" and "How was your pay set when you began — by an award or by a deal with your boss?" (b) "What was the hardest new piece of gear to learn, and why?"

Q7. See the fully-worked solution for a model set of eight entries.

Q8. Any prediction that shows all five steps, with a real step-1 trend from the industry figure and a genuine step-5 check.

Q9. Tom's claim is more logical. See solution.

Q10. Any 5–6 sentences that use two sourced numbers correctly, with sources in brackets.

Fully-worked solutions

Example 3

Worker advantages: (1) chooses when to work, so work fits around study or family; (2) the app supplies customers, so earning can start with no advertising, no shop and no interview. **Worker disadvantages:** (1) no sick leave, holiday leave or employer super, and a quiet week is an unpaid week; (2) the platform sets the fee and the rules, and before the new standards could switch a worker off with no explanation. **Platform advantages:** (1) pays only for jobs done, with no sick-leave, holiday-leave or super costs; (2) can serve customers at any hour without keeping staff on the clock. **Platform disadvantages:** (1) contractors are harder to train, so service quality varies; (2) new rules such as the 17 August 2026 minimum standards add costs and paperwork. **Closing sentence:** the 2026 standards move two worker disadvantages — pay with no floor, and unfair deactivation — toward the platform's side of the table, which is exactly how a law change shows up in a four-cell analysis.

Q7

Model eight entries. *Worker advantages:* freedom over hours; fast start with customers supplied by the app. *Worker disadvantages:* no paid leave or employer super; income varies week to week and the platform sets the fee. *Platform advantages:* labour cost matches demand (pay per job only); no leave or super bills. *Platform disadvantages:* less control over quality and training; new 2026 standards raise costs and add rules. Credit requires two entries per cell and one sentence linking the figure (the platform sets fees and rules) to the worker's biggest disadvantage.

Q8

Model answer using construction. *Step 1 (trend):* construction had 1,335,500 filled jobs in March quarter 2026 and grew 3.8% in a year — faster than health care's 1.2% (ABS, Labour Account). *Step 2 (drivers):* new homes and infrastructure keep being built; machines are not yet able to do most on-site tasks; government spending on housing. *Step 3 (what else must be true):* people keep moving to Australian cities, and governments keep funding building projects. *Step 4 (prediction):* by 2050, construction will still be one of Australia's top-five employing industries, because it is large now and growing faster than most. *Step 5 (could prove wrong):* a long slowdown in building, or factory-made building methods removing many on-site jobs. Any answer with a genuine trend from the figure, named drivers, and a step 5 that could actually happen earns full credit.

Q9

Both students notice a real pattern, but they predict in different ways. Mia's claim ("almost no jobs left") takes one true fact — technology removes some tasks — and stretches it to everything; her step 5 is missing, because she does not say what could prove her wrong. Tom's claim names both directions at once: the jobs table shows technology removing lift operators and switchboard operators *and* creating app developers and drone pilots, so "technology changes the mix of jobs" fits more of the evidence. To prove their cases: Mia would need to show a coming technology that can do nearly every task humans are paid for, including the new tasks; Tom would need to show that the new jobs keep appearing in numbers as big as the old jobs disappear. The more logical claim is Tom's, because it is built from the fuller trend and it can be checked. (Credit also for a well-argued answer that sides with Mia *and* supplies her missing step 5.)

Q10

Model mini-report. One big way work in Australia has changed since 2000 is *where* work happens. In August 2021, 40.5% of employed people usually worked from home — the highest ever recorded — and even after the pandemic eased, 36.2% still usually did in August 2025 (ABS, Working arrangements, August 2025). Before 2020 that number was far smaller, so a habit that was rare became normal for about one worker in three in only a few years. A second change is how pay is protected: the national minimum wage rose from \$719.20 a week in 2018 to \$1,004.90 a week from 1 July 2026 (Fair Work Commission annual wage reviews, per the official minimum wages fact sheet). Together, the two numbers show that work changed in place *and* in pay in the same 25 years. (Credit: two sourced numbers used correctly, sources in brackets, and one clear "what changed" claim.)