

Mathematics Level 7

Chapter 2 — the work-and-money spine

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Contents

Section	Page
Why people work — and where income comes from	2
How work is changing in Australia — and what comes next	13
Marketplace rights and responsibilities: legal and ethical	27
Smart shopping: buying well and avoiding scams	42
Tax in Australia: what we pay and what it funds	56
Planning your money: budgets, goals and big purchases	67

Why people work — and where income comes from

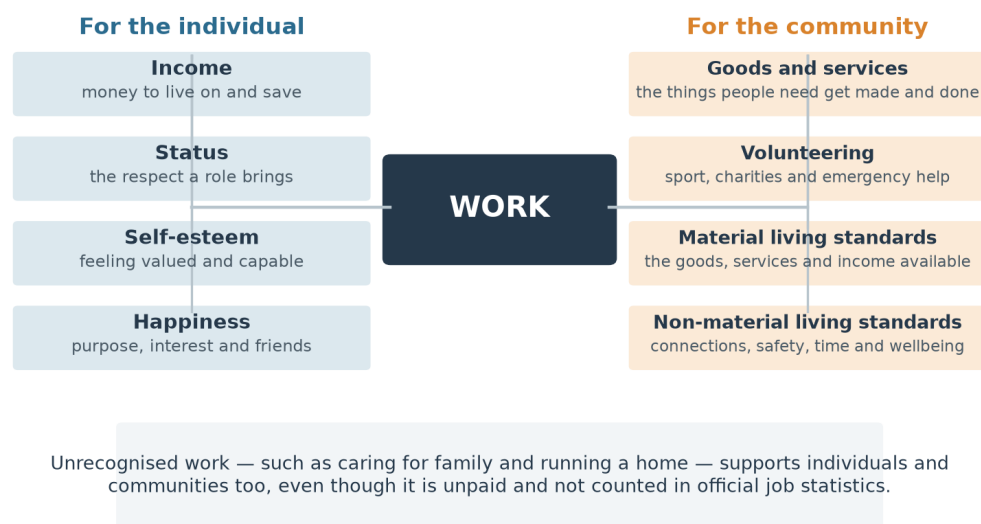
Most adults you know spend a big slice of each week at work — but pay is only part of the story. In this section you will look at **why** people work and at the different ways Australians can receive an **income** (money that a person or household gets regularly).

Curriculum focus. Victorian Curriculum 2.0, Economics and Business, Levels 7–8 band. This section covers content description **VC2HE8K05** — why people work, and the range of ways Australians receive an income — using all five of its elaborations, **VC2HE8K05.E01** to **VC2HE8K05.E05**.

Theory

Why people work. Ask ten adults why they work and you will hear more than “for the money” — though money usually comes first, because an income pays for food, housing, transport and the things people enjoy. People also work for **self-esteem** (feeling valued and capable), **status** (the respect and position a role brings), **interest** (the work itself is enjoyable) and for **social reasons** (work is where many friends are made). Work also gives people an identity and a role in their community: “I’m a nurse”, “I’m a teacher”, “I coach the under-10s”. The concept map below puts these ideas together.

What work does for people and communities



ClassBasics Economics and Business 8 · Section 2A · VC2HE8K05.E02-E03

Concept map showing what work gives the individual — income, status, self-esteem and happiness — and the community — goods and services, volunteering, and living standards in both material and non-material ways — with a note that unrecognised work supports both too.

The six categories of work. Not all work looks like a 9-to-5 job. Economists group work into six categories, and one person can sit in more than one category at once.

The six categories of work

One person can fit into more than one category at a time — for example, a part-time student who also volunteers at a sports club.

Category	What it means	Paid?	Example
Full-time work	Usually about 38 hours a week, with regular hours and paid leave (such as annual leave).	Yes	A full-time nurse at a hospital
Part-time work	Regular hours of less than 38 hours a week, with paid leave in proportion to hours worked.	Yes	A retail assistant who works every Saturday and Sunday (16 hours)
Casual work	No guaranteed hours from week to week and no paid leave, but a higher hourly rate (the casual loading) makes up for this.	Yes	A café helper who is rostered on as needed
Work at home	Paid work a person does from home, for example running an online store.	Yes	A parent who assembles and sells hampers from home
Unrecognised work	Work that official statistics do not count and that is not paid, such as housework and caring for family members.	No	Cooking, cleaning and looking after a younger sibling
Volunteer work	Unpaid work done through an organisation to help others or the community.	No	Coaching a junior soccer team or helping at a food bank

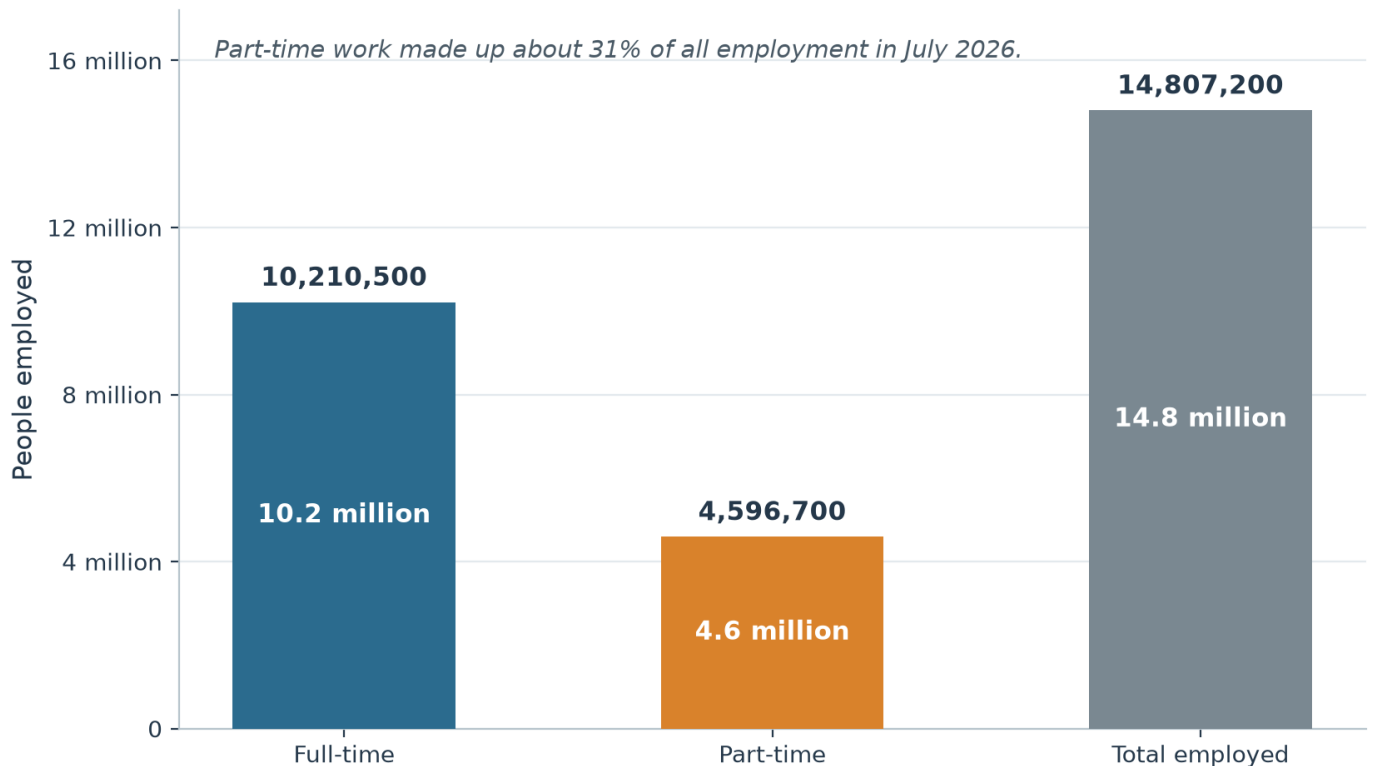
ClassBasics Economics and Business 8 · Section 2A · VC2HE8K05.E01

Table of six kinds of work — full-time jobs, part-time jobs, casual shifts, work at home, unrecognised work and volunteer work — showing what each category means, whether it is paid, and an example of each.

A **wage** is pay calculated per hour; a **salary** is a fixed amount each year, paid in regular instalments. A **casual loading** is the extra percentage added to a casual worker's hourly rate to make up for having no paid leave. **Unrecognised work** is unpaid work that official figures do not count, such as housework and caring for family. **Volunteer work** is unpaid work done through an organisation to help others or the community.

How common is part-time work? Very. The official counts for July 2026 look like this:

Working Australians, July 2026

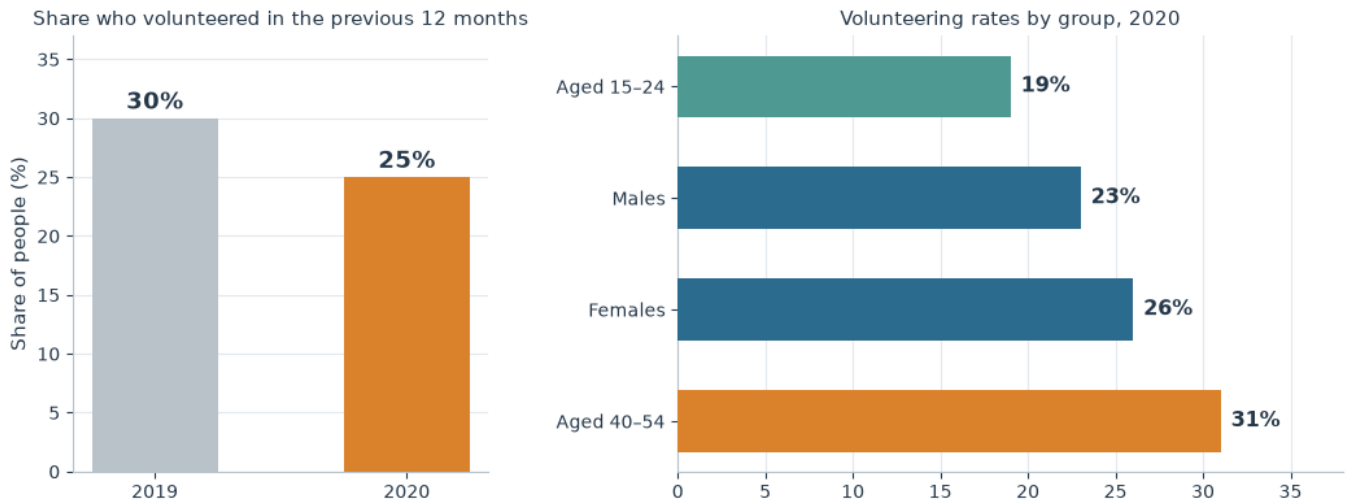


Source: ABS, Labour Force, Australia, July 2026 (released 20 August 2026) · ClassBasics Economics and Business 8

Bar chart of employed Australians in July 2026: 10,210,500 full-time, 4,596,700 part-time and 14,807,200 total employed; part-time work made up about 31% of all employment.

Work and the community. Work does not only help the worker. Paid work produces the goods and services a community runs on — the bakery bakes, the bus driver drives, the nurse nurses. Volunteer work adds hours the community would otherwise have to pay for: in 2020, one in four Australians aged 15 and over volunteered through an organisation.

Volunteering in Australia (ABS General Social Survey 2020)



In 2020, unpaid voluntary work through an organisation contributed 489.5 million hours to the community — down from 596.2 million hours in 2019.

Source: ABS, General Social Survey: Summary Results, Australia, 2020 (released 29 June 2021) · ClassBasics Economics and Business 8

Two-panel chart of volunteering in Australia from the ABS General Social Survey 2020. Left: 30% of people aged 15 and over volunteered in 2019 and 25% in 2020. Right: 2020 rates by group — aged 15–24: 19%; males: 23%; females: 26%; aged 40–54: 31%. In 2020 volunteering contributed 489.5 million hours, down from 596.2 million in 2019.

All of this work lifts **living standards** — how well people live. **Material living standards** are the goods, services and income available to people; **non-material living standards** are the things money does not directly buy, such as health, safety, free time, friendships and feeling part of a community. A busy sports club run by volunteers is rich in both.

Five ways Australians get an income. Earning a wage or salary is the way most people know, but it is not the only way. The curriculum names five:

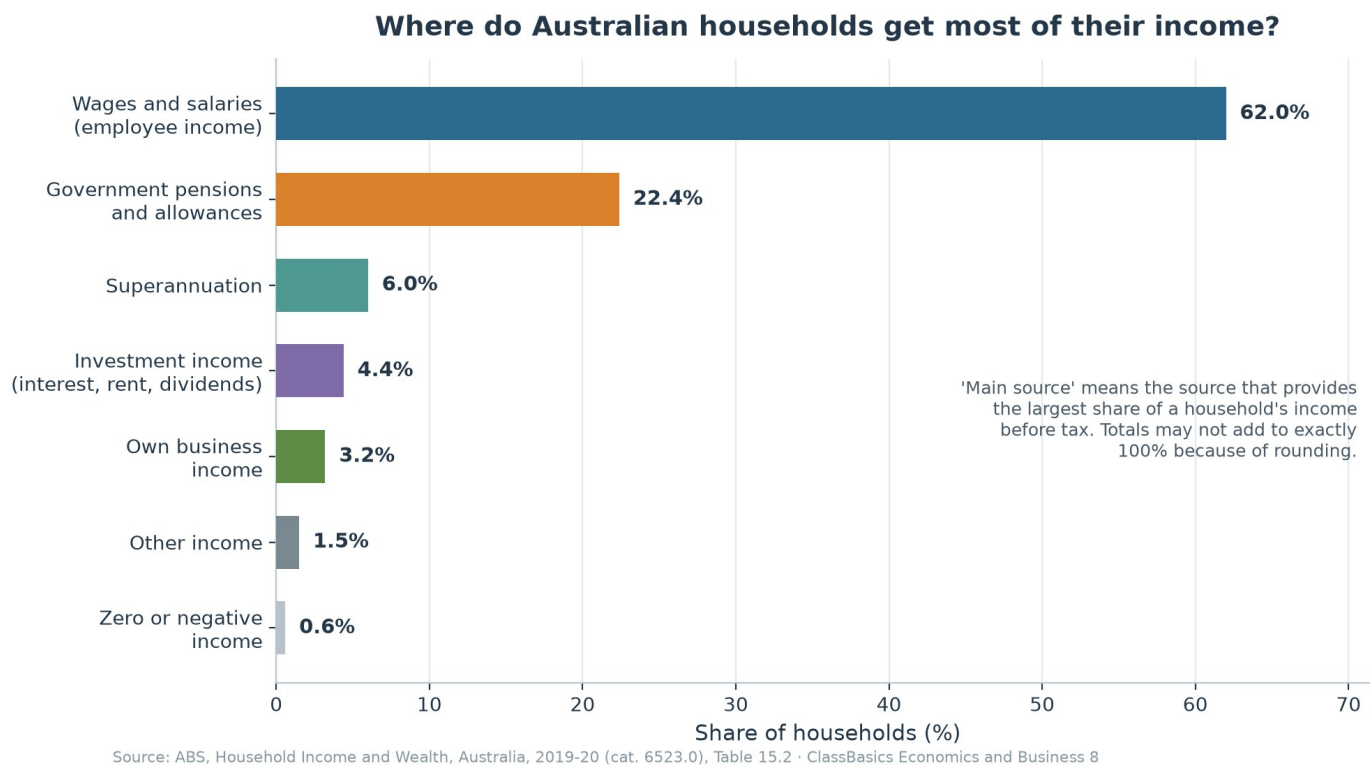


ClassBasics Economics and Business 8 · Section 2A · VC2HE8K05.E04

Concept map of five ways Australians get an income: a wage or salary from a job; profit from a business you own; returns from shares; rent from property; or a government payment such as a social security benefit — each with a one-line explanation.

In these boxes: a **shareholder** owns shares — a slice of a company — and a **dividend** is a share of the company's profit paid to shareholders; **rent** is what someone pays to use an asset you own; and a **social security benefit** is a payment from the government that supports people, such as the Age Pension, JobSeeker Payment, Youth Allowance or Carer Payment. (A sixth source you may hear about is **superannuation** — savings employers must put aside for a worker's retirement.)

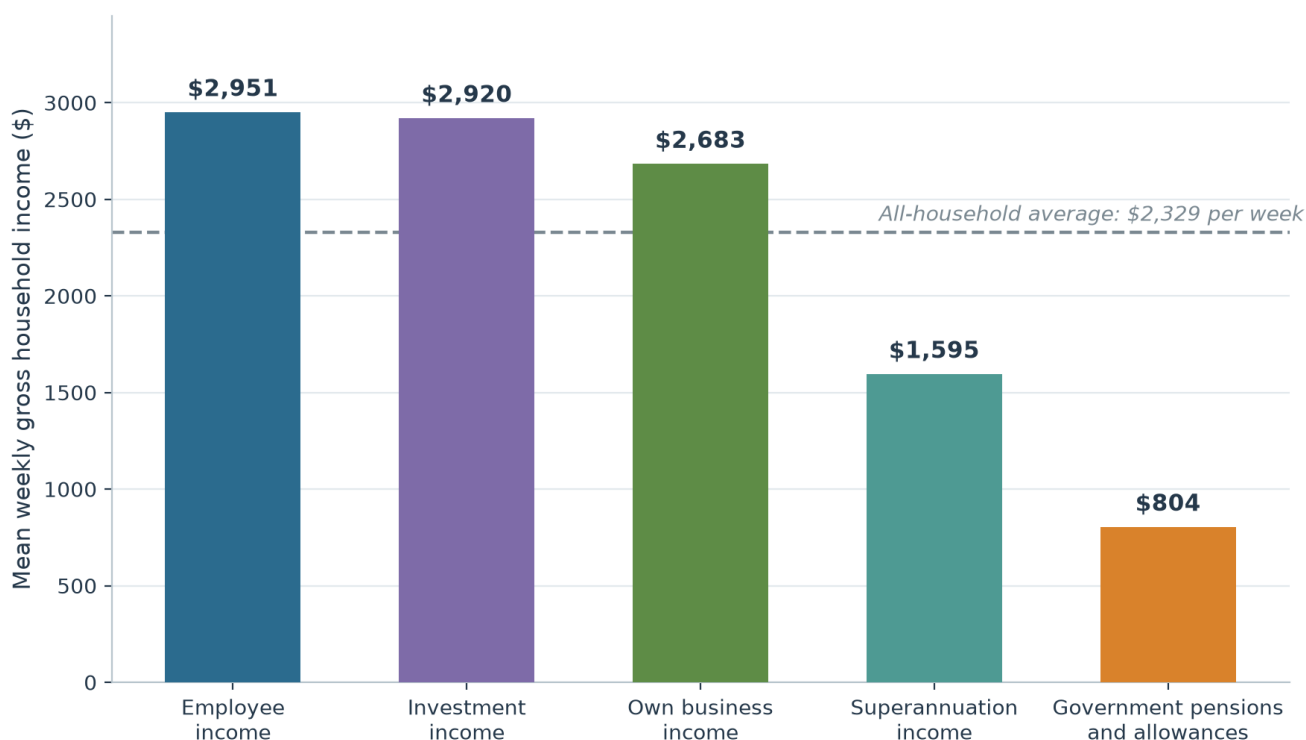
What the real data shows. In 2019–20 the ABS asked Australian households where most of their income came from. Wages and salaries were the main source for about six in ten households:



Horizontal bar chart of Australian households by main source of income, 2019–20: wages and salaries 62.0%; government pensions and allowances 22.4%; superannuation 6.0%; investment income 4.4%; own business income 3.2%; other income 1.5%; zero or negative income 0.6%.

And the size of an income differs by its source. Households whose main source was employee income or investment income sat well above the all-household average, while households mainly relying on government pensions and allowances sat below it:

Income level differs by its main source, 2019–20



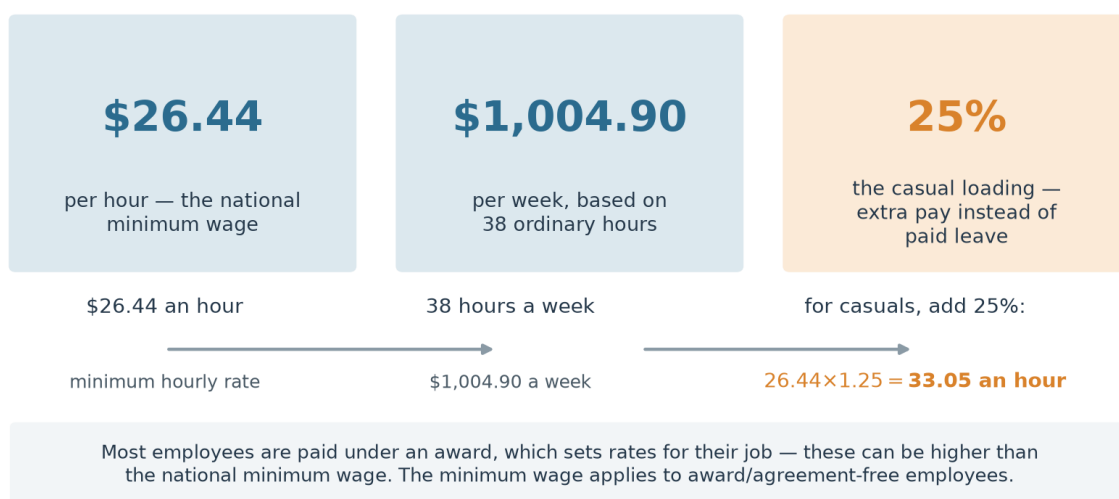
Source: ABS, Household Income and Wealth, Australia, 2019–20 (cat. 6523.0), Table 15.1 · ClassBasics Economics and Business 8

Bar chart of mean weekly gross household income by main source, 2019–20: employee income \$2,951; investment income \$2,920; own business income \$2,683; superannuation income \$1,595; government pensions and allowances \$804; the all-household average of \$2,329 per week is shown as a dashed line.

The wage floor. Most employees in Australia are paid under an **award** — a legal pay rule for a job or industry — and no employee can be paid below the national minimum wage, which the Fair Work Commission reviews every year. From 1 July 2026:

The national minimum wage from 1 July 2026

Set each year by the Fair Work Commission in its Annual Wage Review



Source: Fair Work Commission, National Minimum Wage Order 2026 (PR799279), cl 4.1 and cl 5.1, made 19 June 2026 · ClassBasics Economics and Business 8

Facts panel for the national minimum wage from 1 July 2026: \$26.44 per hour; \$1,004.90 per week based on 38 ordinary hours; and a 25% casual loading, so casuals get at least \$33.05 per hour. Most employees are paid under an award, which can set higher rates.

The minimum wage is a contested policy. Many argue it should rise faster so that full-time workers keep up with the cost of living; others warn that pushing it up too far could leave some employers hiring fewer workers. The Fair Work Commission weighs both sides in its review each year.

Ranking the reasons. Economists know that people weigh the reasons for working in different ways — there is no single “right” ranking. Your turn to think like an economist: rank the reasons for someone you know and for yourself (the ranking sheet below is one you can copy into your notes).

Rank the reasons: why do people work?
Think of someone you know who works. Number the reasons below from 1 (most important) to 6 (least important) — first for them, then for yourself. There are no wrong answers.

Reason for working	Their rank	My rank
To earn money (an income) so they can pay for the things they need and want		
Self-esteem feeling good about themselves and what they can do		
Status the respect and position that comes with a role		
Interest and enjoyment the work itself is interesting or fun		
For social reasons to meet people, make friends and be part of a team		
One more reason (you write it) add a reason that matters to you or to them		

Compare your two rankings.
Which reason moved the most between 'them' and 'me'?
People weigh these reasons in different ways — ranking them is how we compare what people value. (VC2HE8K05.E05)

Printable ranking sheet listing reasons people work — to earn money, for self-esteem, for status, out of interest and for the fun of it, plus social reasons and one reason the student adds — with a column to rank each reason for someone the student knows and a column to rank it for themselves.

Worked examples

Example 1 — scaffolded

A casual café helper aged 22 is paid the national minimum wage. She works 18 hours in one week (1 July 2026 rates). What is the least she must be paid for that week?

Working	Comment
Casual rate = $\$26.44 \times 1.25 = \$33.05$ per hour	Casuals get the 25% loading on top of the minimum hourly rate.
Pay = $18 \times \$33.05 = \$594.90$	Multiply the hourly rate by the hours worked.
Check: 18 hours is a little under half of a 38-hour week, and half of \$1,004.90 is \$502.45 — but the casual rate is 25% higher than the ordinary rate, so the pay should land a bit above \$502.45. It does: \$594.90. ✓	Compare with a known figure to check the answer is sensible.

Example 2 — scaffolded

Use the 2019–20 household income data (the two ABS charts in the Theory).

Working	Comment
(a) Most common main source: wages and salaries, 62.0% of households.	Read straight off the first chart — the longest bar.
(b) Government pensions and allowances: 22.4%, so about 22 households in every 100.	A share “per 100” is exactly what a percentage means.
(c) Households with employee income as main source: 6,032,300 out of 9,732,400. Check: $6,032,300 \div 9,732,400 \approx 0.62 = 62\%$. ✓	The count and the percentage agree.
(d) The fictional Lee household: mum’s wage \$54,000 a year, dad’s market-stall profit \$18,000, bank dividends \$400. Main source? The wage — it is the largest share of the household’s income.	“Main source” means the source providing the largest share.

Practice questions

Scaffolded

- Q1.** Use the first concept map (what work does for people and communities). (a) Name two things work gives a person besides money. (b) Which box on the “individual” side means “feeling valued and capable”? (c) Give one reason a person might stay in a job that pays very little.
- Q2.** Use the six categories of work table. (a) Which category has no promised hours and no paid leave, but a higher hourly rate? (b) Which two categories are unpaid? (c) A parent makes and sells gift hampers from home, about 20 paid hours a week. Which category fits best?
- Q3.** Use the July 2026 employment chart. (a) How many people were employed in total? (b) Show that part-time work was about 31% of all employment. (c) How many more people worked full-time than part-time?
- Q4.** Use the national minimum wage panel (rates from 1 July 2026). (a) State the minimum wage per hour and per week. (b) Show the casual minimum rate of \$33.05 an hour. (c) A casual worker does a 6-hour Saturday shift. What is the least they must be paid?
- Q5.** Use the five-ways concept map and the household income charts. (a) Match each story to one of the five ways: (i) a dividend from a bank share; (ii) rent from a granny flat; (iii) the Age Pension; (iv) profit from a food truck. (b) Which single way is the main income source for most Australian households, and what share of households relied on it in 2019–20? (c) Name two of the five ways a person can get income without working hours.
- Q6.** Use the volunteering chart. (a) What share of people aged 15 and over volunteered in 2020? In 2019? (b) By how many percentage points did the share fall? (c) Which group shown had the highest volunteering rate in 2020, and what was it?

Unscaffolded

- Q7.** Explain in two or three sentences why a retiree might volunteer each week at a local food bank even though the work is unpaid. Use at least two of: self-esteem, status, social reasons, community.
- Q8.** Use the chart of mean weekly income by main source (2019–20). (a) Which main-source group had the highest mean income, and which the lowest? (b) Suggest one reason households whose main source is investment income sit near the top. (c) A household whose main source is government pensions and allowances received about \$804 a week on average. About how much is that per year? (Assume 52 weeks.)
- Q9.** The Patel household runs a newsagency, rents out a granny flat and owns bank shares. List their three income ways and say which is most likely their main source, with a reason.

Q10. Complete the ranking sheet for yourself (top three reasons for working one day) and explain your number 1 in one or two sentences.

Source inquiry

Q11. Read the source card, then answer (a)–(d).

Source card — ABS, General Social Survey: Summary Results, Australia, 2020 (released 29 June 2021; retrieved 26 August 2026). “In 2020, 25% of people aged 15 years and over participated in unpaid voluntary work through an organisation, down from 30% in 2019... In 2020, unpaid voluntary work through an organisation contributed 489.5 million hours to the community, down from 596.2 million hours in 2019.” Volunteering rates in 2020: aged 15–24: 19%; males: 23%; females: 26%; aged 40–54: 31%.

- (a) State the share of people who volunteered in 2019 and in 2020.
 - (b) Work out the change in total hours volunteered between 2019 and 2020.
 - (c) 2020 was the year of coronavirus lockdowns in Australia. Give one reason this might explain the fall, and say whether your idea is a fact from the source or your own inference.
 - (d) Does volunteering mainly lift material or non-material living standards? Explain your choice, and give one way it lifts the other kind too.
-

Answers

- Q1.** (a) Any two of: status, self-esteem, happiness/purpose, friends. (b) Self-esteem. (c) Any sensible reason, e.g. they love the work, the friends, or the role it gives them.
- Q2.** (a) Casual work. (b) Unrecognised work and volunteer work. (c) Work at home.
- Q3.** (a) 14,807,200. (b) $4,596,700 \div 14,807,200 \approx 0.31 = 31\%$. (c) $10,210,500 - 4,596,700 = 5,613,800$.
- Q4.** (a) \$26.44 an hour; \$1,004.90 a week. (b) $\$26.44 \times 1.25 = \$33.05$. (c) $6 \times \$33.05 = \$198.30$.
- Q5.** (a) (i) Investment in shares; (ii) rental of assets; (iii) social security benefit; (iv) owning a business. (b) Wages and salaries (employee income), 62.0% of households. (c) Any two of: investment in shares, the rental of assets, and a social security benefit.
- Q6.** (a) 25% in 2020; 30% in 2019. (b) 5 percentage points. (c) People aged 40–54, at 31%.
- Q7.** Sample: the work gives her self-esteem and keeps her friendships going (social reasons), and she values what it adds to her community — pay is not the only reward from work.
- Q8.** (a) Highest: employee income (\$2,951 a week); lowest: government pensions and allowances (\$804). (b) Any sensible reason, e.g. building enough wealth to live on dividends and rent usually takes a large income or inheritance first. (c) $\$804 \times 52 = \$41,808$.
- Q9.** Owning a business (newsagency profit), rental of assets (granny flat), investment in shares (dividends). Main source most likely the business — for most working owners the business profit is the biggest share of household income.
- Q10.** Personal answer; check the reason given actually explains the ranking.
- Q11.** (a) 30% (2019); 25% (2020). (b) $596.2 - 489.5 = 106.7$ million fewer hours. (c) Any sensible reason, e.g. lockdowns closed many volunteering sites and made contact risky — this is an inference: the source shows the fall but not its cause. (d) Mainly non-material (friendships, purpose, community connection); it also lifts material standards by providing services the community would otherwise pay for, and skills that can lead to paid work.
-

Fully-worked solutions

- Q3.** (b) Part-time share = $4,596,700 \div 14,807,200 = 0.3104\dots \approx 31\%$. (c) Full-time minus part-time: $10,210,500 - 4,596,700 = 5,613,800$ more full-time workers.
- Q4.** (b) The loading adds 25%: $\$26.44 \times 1.25 = \$33.05$ per hour. (c) $6 \text{ hours} \times \$33.05 = \$198.30$. Check: $6 \times \$33 = \$198$, plus $6 \times 5c = 30c$, so \$198.30. ✓
- Q6.** (b) A percentage point is a simple difference between two percentages: $30\% - 25\% = 5$ percentage points. (Note: this is not the same as a 5% fall — $5 \div 30 \approx$ a sixth.)
- Q8.** (c) $\$804 \times 52 = \$804 \times 50 + \$804 \times 2 = \$40,200 + \$1,608 = \$41,808$ per year.
- Q11.** (b) Hours fell from 596.2 million to 489.5 million: $596.2 - 489.5 = 106.7$ million fewer hours volunteered. Check: $489.5 + 106.7 = 596.2$. ✓
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Sources

All sources retrieved 26 August 2026 unless stated.

- Fair Work Commission, *National Minimum Wage Order 2026* (PR799279), made 19 June 2026, cl 4.1 and cl 5.1 — \$26.44 per hour, \$1,004.90 per week, 25% casual loading.
- Fair Work Ombudsman, minimum wage pages — confirms the 1 July 2026 rates.

- ABS, *Labour Force, Australia*, July 2026 (released 20 August 2026) — employed, full-time and part-time counts.
- ABS, *Household Income and Wealth, Australia, 2019–20* (cat. 6523.0, released 28 April 2022), Tables 15.1 and 15.2 — the most recent release of this survey.
- ABS, *General Social Survey: Summary Results, Australia, 2020* (released 29 June 2021) — volunteering shares and hours.
- Victorian Curriculum F–10 Version 2.0, Economics and Business — VC2HE8K05 and elaborations E01–E05.

How work is changing in Australia — and what comes next

Your grandparents' first job, your parents' first job and your first job will probably be three different worlds. In this section you will see **how** work in Australia has changed — the jobs themselves, the hours and patterns of work, safety, and the laws that cover workplaces — **why** it changes, and how to make **logical predictions** about the work of the future.

Curriculum focus. Victorian Curriculum 2.0, Economics and Business, Levels 7–8 band. This section covers content description **VC2HE8K06** — how work in Australia is changing, and what today's trends suggest about the work of the future — using all five of its elaborations, **VC2HE8K06.E01** to **VC2HE8K06.E05**.

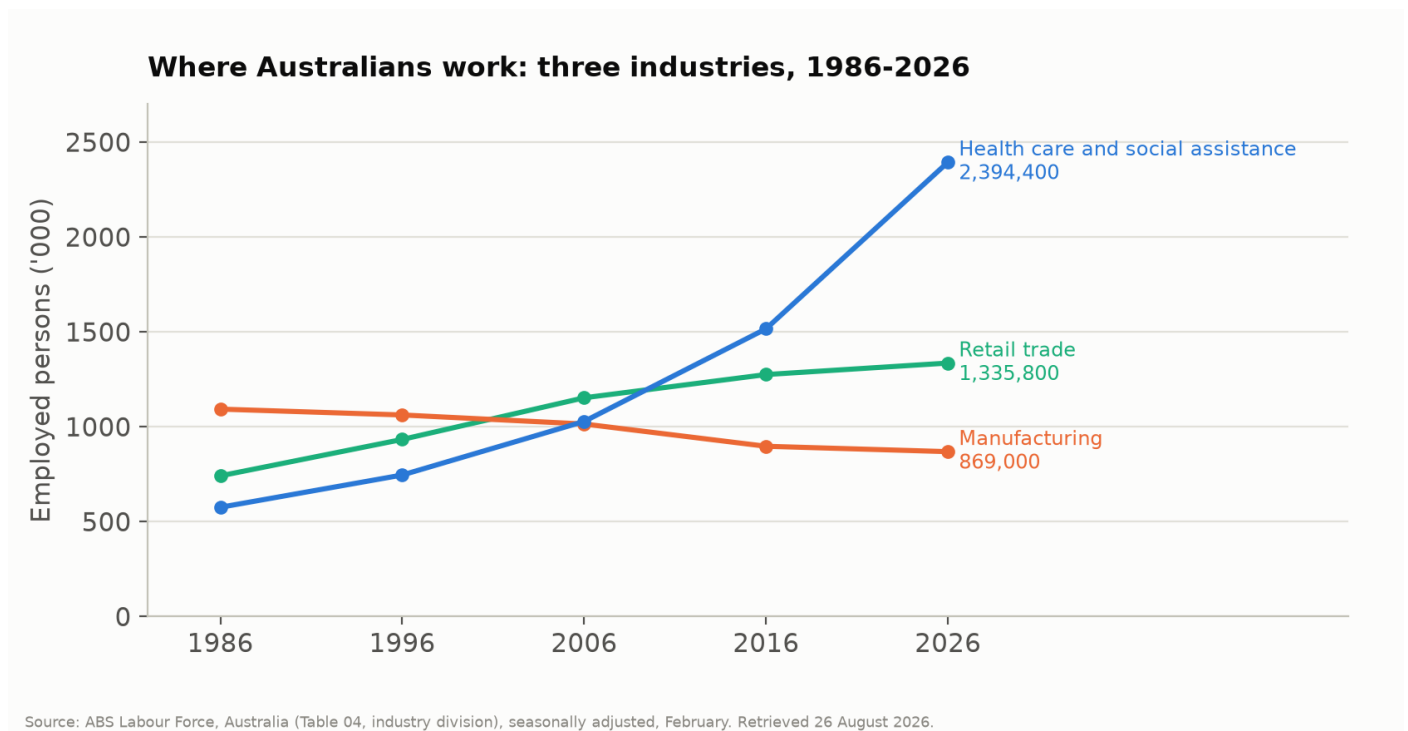
Theory

What “the nature of work” means. When economists say the nature of work has changed, they mean one or more of these six things has changed:

- **the types of jobs available** — which jobs exist and how common they are;
- **the status of a job** — the respect and position a role carries (see 2A);
- **the tasks done in a job** — a bank clerk once added up accounts by hand; today the same job is mostly customer service and software;
- **career length and employment patterns** — how long people stay in one job or one career, and how work time is shared out: full time, part time or casual (the categories you met in 2A);
- **occupational health and safety (OHS)** — the laws, rules and habits that keep workers safe and healthy at work;
- **laws affecting workplaces** — the rules that set pay, leave, hours and rights at work.

Each of the next parts looks at one of these through real Australian data.

1. The jobs themselves have changed. Forty years ago, factories and offices dominated the story. They still matter, but look at what happened to three industries between February 1986 and February 2026:

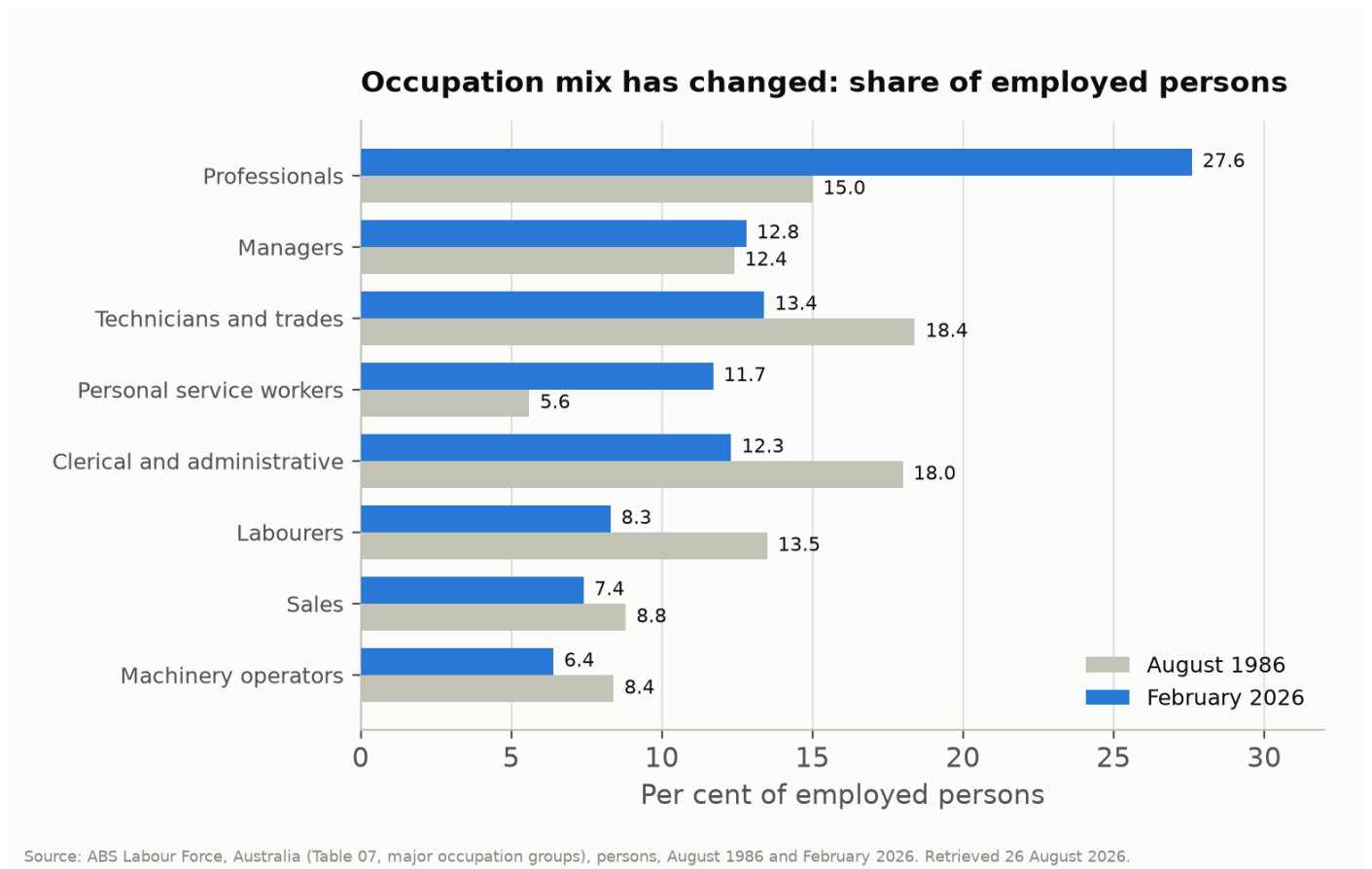


Line chart of employed persons in three Australian industries, February each year from 1986 to 2026: manufacturing fell from 1,093,100 to 869,000; retail trade rose from 741,500 to 1,335,800; and health care and social assistance rose from 575,800 to 2,394,400, becoming the largest of the three by 2016.

Source: ABS, Labour Force, Australia (Table 04, industry division), adjusted for seasonal swings, February.
Retrieved 26 August 2026.

In 1986, of these three, manufacturing was the biggest employer and health care the smallest. By 2026 that had completely flipped: health care and social assistance employed 2,394,400 people — nearly three times the 869,000 in manufacturing. An ageing population, more funding for care, and better medicine that lets people live longer all pushed care work up, while machines and overseas competition trimmed factory work.

The occupation mix changed just as clearly. The ABS sorts every job into a major group; here is each group's share of all employed persons in August 1986 and February 2026:



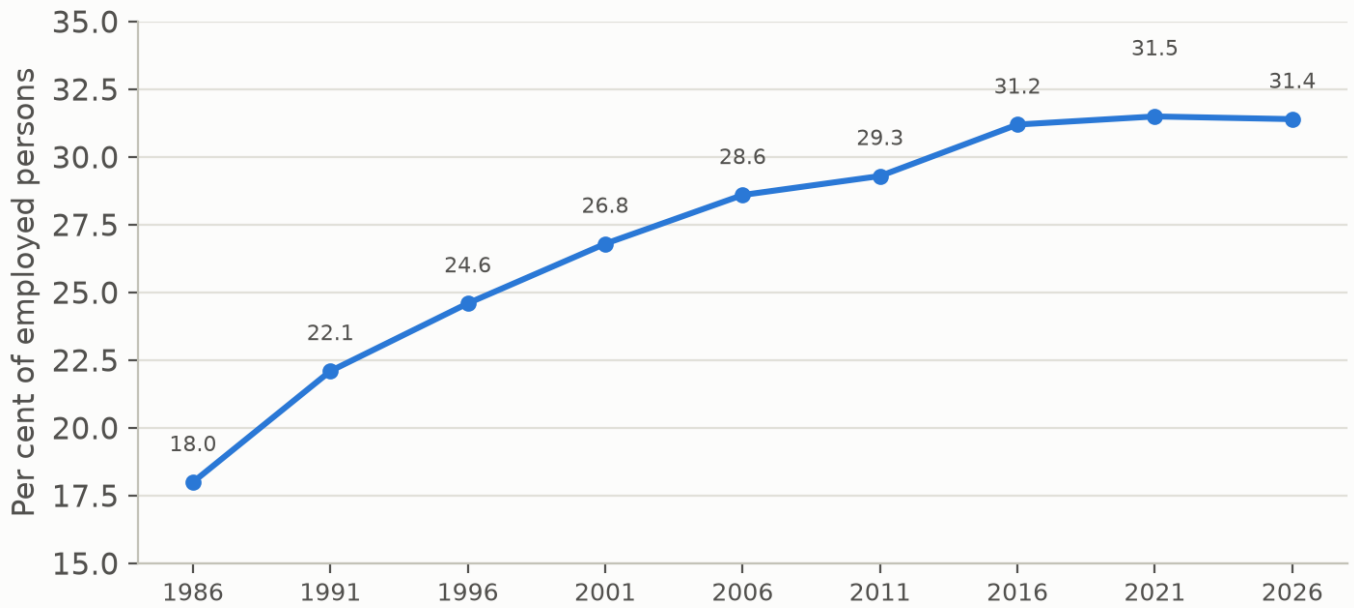
Paired horizontal bar chart of the share of employed persons in each major occupation group, August 1986 versus February 2026: professionals rose from 15.0% to 27.6%; managers 12.4% to 12.8%; technicians and trades 18.4% to 13.4%; personal service workers 5.6% to 11.7%; clerical and administrative workers 18.0% to 12.3%; labourers 13.5% to 8.3%; sales 8.8% to 7.4%; machinery operators and drivers 8.4% to 6.4%.

Source: ABS, Labour Force, Australia (Table 07, major occupation groups), persons. Retrieved 26 August 2026.

Two moves tell the story. **Professionals** (teachers, nurses, engineers, accountants, software people) jumped from 15.0% to 27.6% of all workers — the biggest group by 2026. And **clerical and administrative workers** (the people who handle paperwork and records) fell from 18.0% to 12.3%, because computers took over typing, filing and calculating. The typing pools and switchboards of the mid-1900s employed thousands; those rooms are now software. When the tasks inside a job are taken over by machines, the job shrinks or disappears — and the status that went with it changes too.

2. Employment patterns have changed. In 1986, fewer than one in five employed Australians worked part time. The share climbed for thirty years and now sits at about one in three:

Part-time work: share of employed persons, February each year



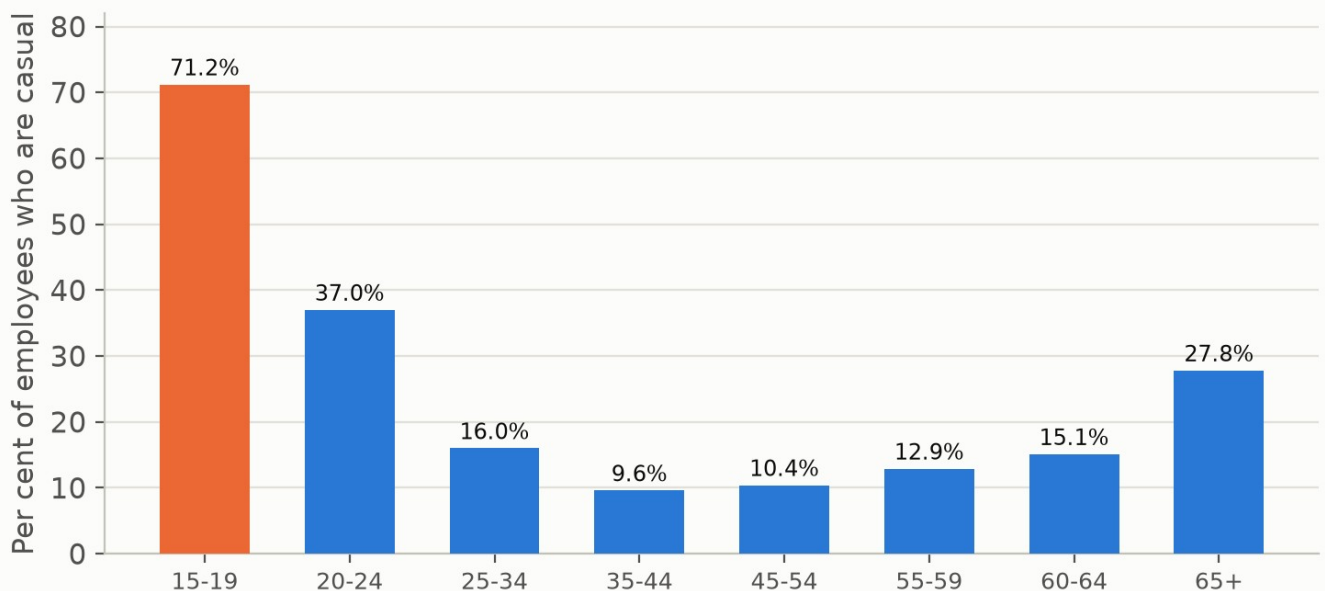
Source: ABS Labour Force, Australia (Table 001), seasonally adjusted. Retrieved 26 August 2026.

Line chart of the part-time share of employed persons, February each year from 1986 to 2026: 18.0% in 1986 rising steadily to 22.1% (1991), 24.6% (1996), 26.8% (2001), 28.6% (2006), 29.3% (2011), 31.2% (2016), 31.5% (2021) and 31.4% (2026).

Source: ABS, Labour Force, Australia (Table 001), adjusted for seasonal swings. Retrieved 26 August 2026.

Casual work shows a different pattern. In August 2025, 19.5% of employees were casual overall — but the rate depends strongly on age:

Casual work is most common among younger workers, August 2025



Source: ABS Working Arrangements, August 2025 (Table 7). Casual rate = casual employees / all employees. Retrieved 26 August 2026.

Bar chart of the share of employees who are casual by age group, August 2025: 15–19 years 71.2%; 20–24 years 37.0%; 25–34 years 16.0%; 35–44 years 9.6%; 45–54 years 10.4%; 55–59 years 12.9%; 60–64 years 15.1%; 65 and over 27.8%.

Source: ABS, *Working Arrangements, August 2025 (Table 7)*, released 12 December 2025. Casual rate = casual employees ÷ all employees. Retrieved 26 August 2026.

More than seven in ten employed 15–19 year-olds are casual — your first paid job in a café or shop is very likely to be casual (and 2A showed you the 25% casual loading that comes with it). The rate then falls through the working years and rises again after 65, when many workers choose casual or part-time hours as they wind down. Industries matter too: in August 2025, 58.0% of accommodation and food services employees and 35.1% of retail employees were casual.

Career length has changed as well. A working life today usually holds many different jobs and sometimes a whole second career, so training no longer ends when school does. That is a change in pattern, not just in jobs.

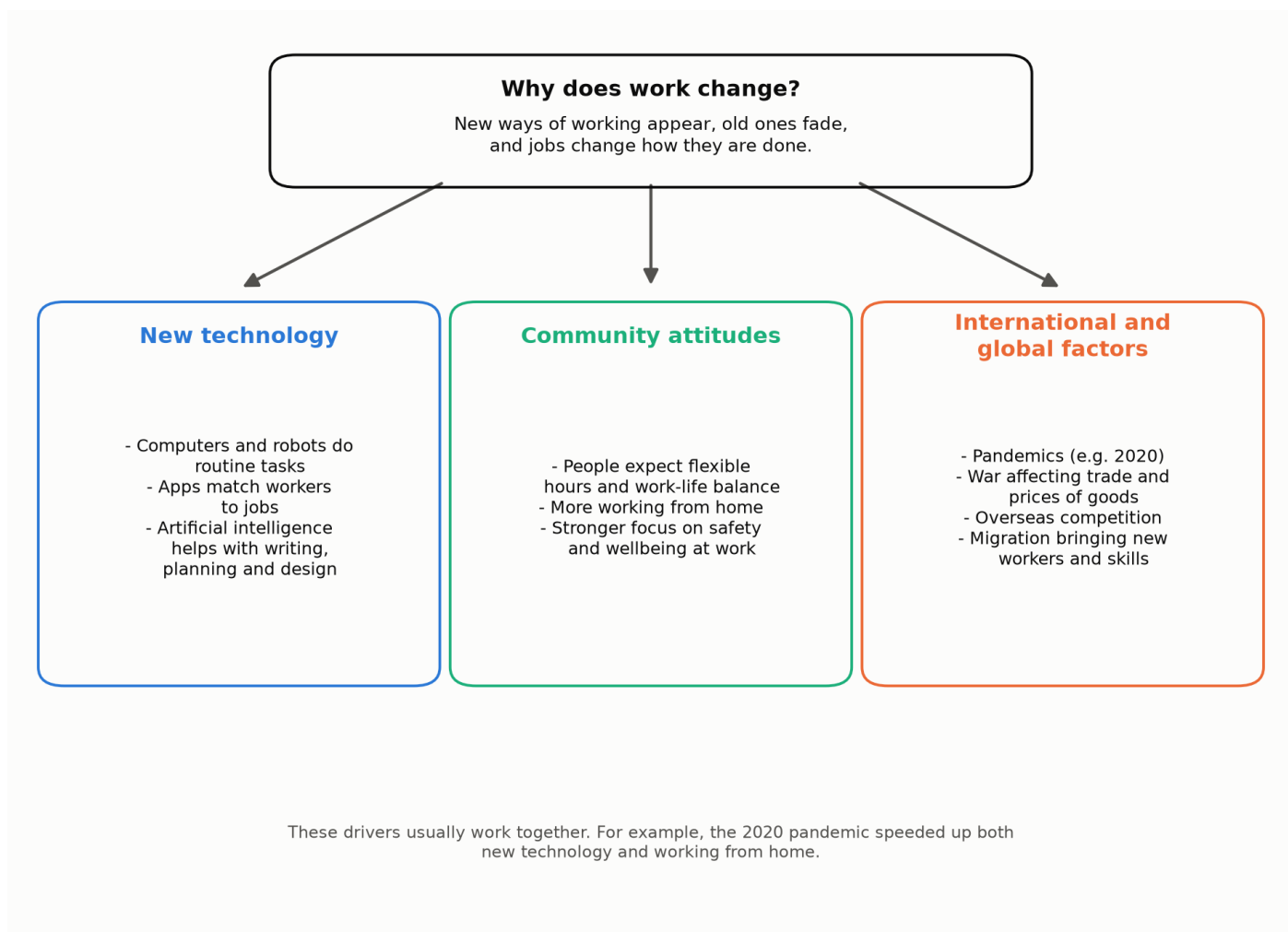
3. Safety and laws have changed. A century ago, many workplaces were dangerous and workers had few rights. Today, **occupational health and safety (OHS)** law sets duties on employers: Victoria's is the *Occupational Health and Safety Act 2004*, and from 2011–2012 most other states and territories adopted the common *Work Health and Safety* laws. The **Fair Work Act 2009**, Australia's national workplace law, built the modern system: the national minimum wage reviewed each year (2A) and the National Employment Standards — eleven minimum standards covering maximum weekly hours, leave and notice of dismissal.

One more change is visible in who speaks for workers. A **trade union** is an organisation that bargains with employers over pay and conditions on behalf of its members. In 1992, 40% of employees were union members; by August 2024 that had fallen to 13.1% — a big shift in how pay and conditions are won.

Source: ABS, *trade union membership data, August 2024 (released 9 December 2024) and August 1992*. Retrieved 26 August 2026.

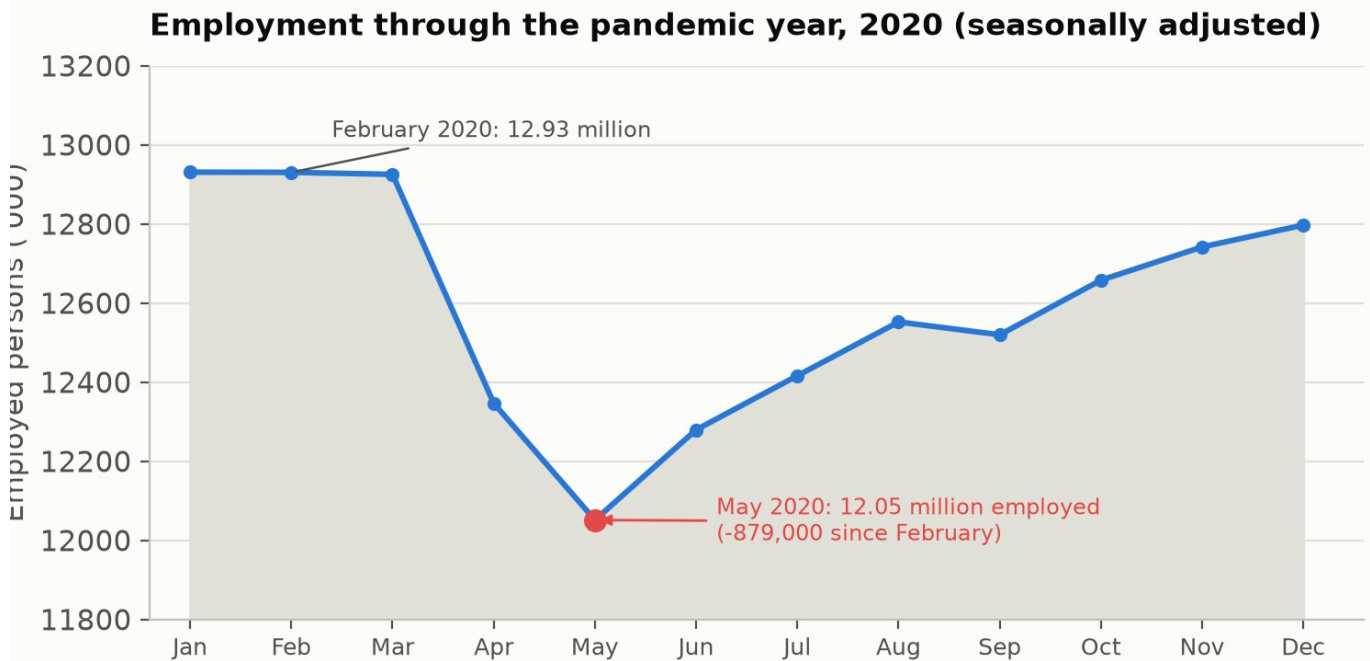
And the law keeps changing right now: the *Fair Work Legislation Amendment (Closing Loopholes No. 2) Act 2024* created the first national rules for platform workers — its regulated-worker provisions started on 26 August 2024, unfair-deactivation claims opened on 26 February 2025, and new minimum standards for on-demand food and drink delivery workers begin on 17 August 2026. Law chasing new technology is itself part of the changing nature of work.

4. Why work changes: three contemporary drivers. Most workplace change traces back to three drivers, and they usually work together:



Model with a top box, “Why does work change?”, branching to three labelled boxes. New technology: computers and robots do routine tasks; apps match workers to jobs; artificial intelligence helps with writing, planning and design. Community attitudes: people expect flexible hours and work-life balance; more working from home; stronger focus on safety and wellbeing at work. International and global factors: pandemics (for example 2020), war affecting trade and prices of goods, overseas competition, and migration bringing new workers and skills.

A global factor can hit the whole labour market in weeks. In 2020, pandemic lockdowns shut parts of the economy and employment fell off a cliff:



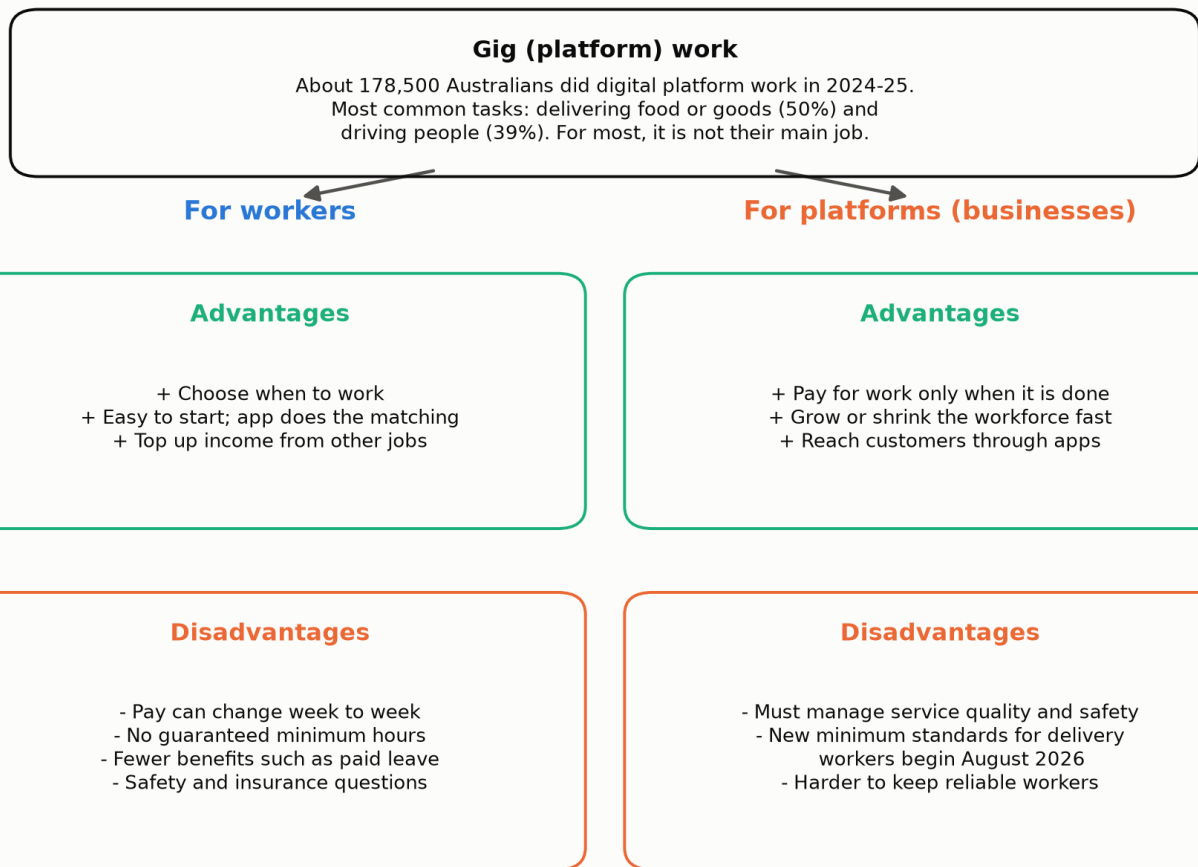
Source: ABS Labour Force, Australia (Table 001), total employed persons, seasonally adjusted. Retrieved 26 August 2026.

Line chart of total employed persons, adjusted for seasonal swings, month by month through 2020: 12,931,100 in January and 12,930,600 in February; falling to 12,346,900 in April and a low of 12,051,600 in May (879,000 below February); then recovering to 12,797,400 by December.

Source: ABS, Labour Force, Australia (Table 001), total employed persons, adjusted for seasonal swings. Retrieved 26 August 2026.

Between February and May 2020, 879,000 fewer people were employed — a fall caused not by anything workers chose, but by a virus that began overseas. At the same time, the pandemic speeded up two other drivers: businesses adopted new technology faster (video calls, online ordering), and working from home became normal for office jobs (part 6 below). War works the same way from a distance: conflicts overseas disrupt trade and push up the price of fuel and goods, which changes what Australian businesses can afford and which jobs grow.

5. One change up close: the gig economy. The **gig economy** is work in which people take single jobs — “gigs” — matched through a digital platform, such as food delivery or ride share, instead of ongoing employment. In 2024–25, about 178,500 Australians did digital platform work in the previous 12 months; the most common tasks were delivering food or goods (50%) and driving people (39%), and for most it was a side job, not their main one. Weighing it up for **both** sides:



Source: ABS Working Arrangements, August 2025; Fair Work Commission, regulated worker laws.
Retrieved 26 August 2026.

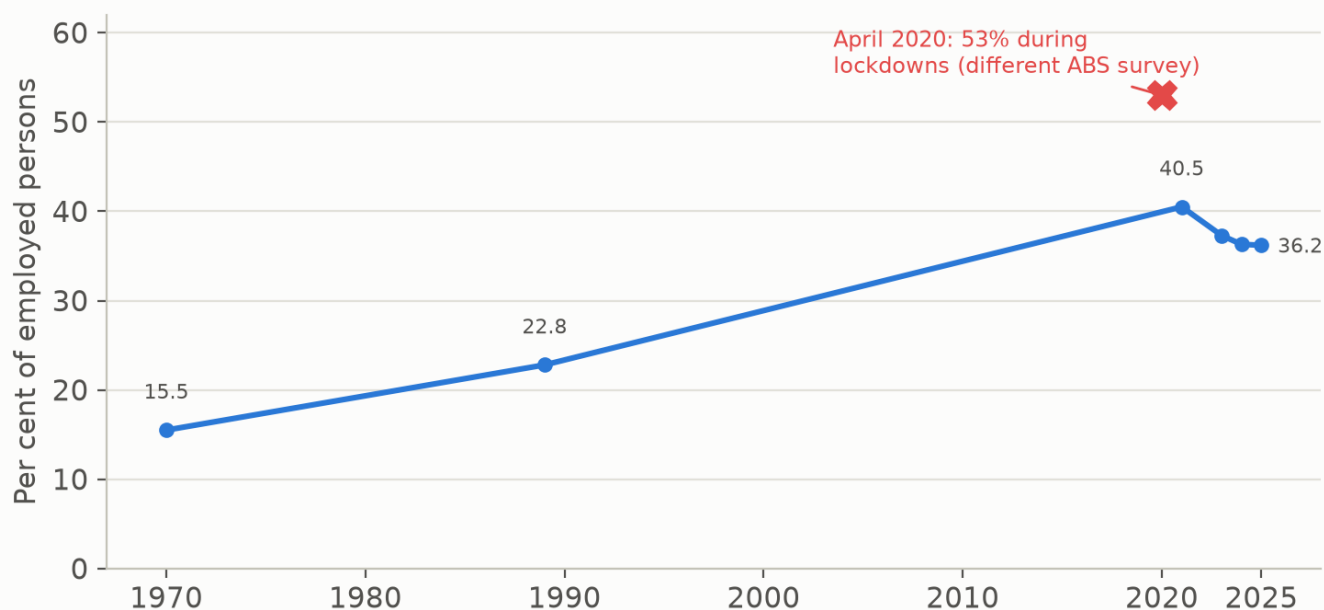
Two-by-two model of the gig economy. For workers: advantages are choosing when to work, being easy to start because the app does the matching, and topping up income from other jobs; disadvantages are pay that can change week to week, no guaranteed minimum hours, fewer benefits such as paid leave, and safety and insurance questions. For platforms (businesses): advantages are paying for work only when it is done, growing or shrinking the workforce fast, and reaching customers through apps; disadvantages are managing service quality and safety, new minimum standards for delivery workers beginning August 2026, and finding it harder to keep reliable workers. Header facts: about 178,500 Australians did digital platform work in 2024–25, and for most it is not their main job.

Source: ABS, Working Arrangements, August 2025, released 12 December 2025; Fair Work Commission, regulated worker laws. Retrieved 26 August 2026.

Notice the symmetry: the same feature — “no guaranteed hours” — is freedom from the worker’s side and cost-saving from the platform’s side, and a risk from the worker’s side and a reliability problem from the platform’s side. The 2024 Closing Loopholes laws (part 3) are Australia’s response to exactly this trade-off.

6. One change up close: working from home. Working from home is older than the internet — but rare — and the pandemic turned it into a normal week for millions:

Working from home: share of employed persons, 1970-2025



Source: ABS Working Arrangements, August 2025 (released 12 December 2025); April 2020 peak from ABS Household Impacts Survey. Retrieved 26 August 2026.

Line chart of the share of employed persons who usually worked from home, 1970 to 2025: 15.5% in 1970, 22.8% in 1989, jumping to 40.5% in August 2021 after a pandemic peak of 53% in April 2020 (a different ABS survey, shown as a separate marker), then 37.3% (2023), 36.3% (2024) and 36.2% (2025).

Source: ABS, Working Arrangements, August 2025 (released 12 December 2025); April 2020 peak from the ABS Household Impacts of COVID-19 Survey. Retrieved 26 August 2026.

Weighing the change for both sides: **employees** gain flexibility — in 2025 the most common reason given for working from home was to choose or fit own hours — and time saved from travel; they can lose the social side of work and find it harder to “switch off”. **Employers** can save on office space and reach workers in any city; they can lose easy team training and worry about coordination. And the change is uneven: a nurse, a bricklayer or a checkout operator cannot work from home at all, so the pattern varies by occupation — 59% of managers and professionals usually worked from home in 2025, compared with 21% of other workers.

7. Jobs that disappeared, jobs that emerged, jobs to come. Over the last 100 years some jobs mostly faded away as machines, self-service and new technology replaced them; over the last 50 years new technology and new services created jobs nobody’s grandparents had; and the next 50 will do the same again:

Mostly gone (last 100 years)	Emerged (last 50 years)	Predicted examples (next 50 years)
1. Switchboard operator 2. Typist (typing pools) 3. Lift (elevator) operator 4. Milk deliverer 5. Street lamp lighter Why? Machines and computers took over; home delivery faded; electricity replaced gas street lights.	1. App developer 2. Social media manager 3. Cyber security analyst 4. Solar panel installer 5. Disability support worker Why? New technology; new services people want; new laws and funding (e.g. NDIS from 2013).	1. Aged care worker 2. Robotics technician 3. Renewable energy technician 4. Drone operator 5. Online learning designer Why? An older population; automation; cleaner energy; delivery and farming by air.

These lists are a starting point: research and check each example, then build your own.
Jobs and Skills Australia projects total employment to grow about 2.0 million (13.3%) in the 10 years to May 2035, with health, care and technology among the fastest-growing areas (updated 23 January 2026; retrieved 26 August 2026).

Three-column chart. Mostly gone in the last 100 years: switchboard operator, typist (typing pools), lift (elevator) operator, milk deliverer, street lamp lighter — because machines and computers took over, home delivery faded, and electricity replaced gas street lights. Appeared in the last 50 years: app developer, social media manager, cyber security analyst, solar panel installer, disability support worker — because of new technology, new services people want, and new laws and funding such as the NDIS from 2013. Predicted examples for the next 50 years: aged care worker, robotics technician, renewable energy technician, drone operator, online learning designer — because of an older population, automation, cleaner energy, and delivery and farming by air. Footer: these lists are a starting point; research and check each example, then build your own.

The predictions column is not a guess-game. A **logical prediction** about the future of work names a driver and follows the trend it sets. Two anchors make yours logical:

- **Jobs and Skills Australia** projects total employment to grow by about 961,000 (6.5%) over five years and about 2.0 million (13.3%) over the ten years to May 2035, with health, care and technology among the fastest-growing areas.
- The drivers in part 4: an older population lifts care work; automation lifts the people who build and fix the machines; cleaner-energy policy lifts renewable-energy work.

Source: Jobs and Skills Australia, employment projections (updated 23 January 2026). Retrieved 26 August 2026.

8. Your E04 task: interview a long-serving worker. The curriculum asks you to interview a person who has been working for 30 years or more and find out what has changed in their job — the hours, the pay and conditions, the skills needed and how satisfying the work is. Here is a question bank to adapt — a good interview uses open questions (questions that cannot be answered with “yes” or “no”):

Theme	Sample open question
Hours worked	“How many hours did you work when you started, and how has that changed?”
Wages and conditions	“What was your starting pay, and what leave and

Theme	Sample open question
	conditions did you get then compared with now?"
Skills required	"What skills did the job need when you started that it doesn't now — and what new ones does it need?"
Job satisfaction	"What do you enjoy more now than at the start, and what do you miss?"
Biggest change	"If you could show a 14-year-old one change in your work, what would it be?"

Record the answers, and bring them back to the six changes at the top of this section: which of the six does each answer illustrate?

Worked examples

Example 1 — scaffolded

Use the industry chart (part 1) and the occupation-mix chart (part 1) to describe how Australian work changed between 1986 and 2026.

Working	Comment
(a) Manufacturing: 1,093,100 (Feb 1986) → 869,000 (Feb 2026). Change: $869,000 - 1,093,100 = -224,100$.	A fall of 224,100 factory jobs. Read both values, then subtract.
(b) Health care and social assistance: 575,800 → 2,394,400. Change: $2,394,400 - 575,800 = +1,818,600$.	A rise of over 1.8 million jobs — the biggest move on the chart.
(c) Professionals' share: 15.0% → 27.6%, a rise of 12.6 percentage points; clerical and administrative share: 18.0% → 12.3%, a fall of 5.7 percentage points.	Difference between two percentages = percentage points (2A).
(d) Match each change to a driver: (a) machines and overseas competition → technology and global factors; (b) older population and more care funding → community change; (c) computers doing paperwork → technology.	A description becomes an explanation once you name the driver.
(e) Conclusion: the number of jobs grew, but the <i>mix</i> of jobs changed — fewer factory and paperwork jobs, more professional and care jobs.	"The nature of work changed" must be backed by a change you can point to.

Example 2 — scaffolded

A delivery rider says: "The app gives me freedom — I log on when I want." A platform manager says: "We only pay when a delivery happens." Use the gig-economy model (part 5) to weigh the change for both sides.

Working	Comment
(a) Worker advantage in the quote: choose when to work.	The rider names flexibility — the model’s first worker advantage.
(b) Employer advantage in the quote: pay for work only when it is done.	The manager names cost flexibility — labour cost follows demand.
(c) Worker disadvantage that pairs with (a): no guaranteed minimum hours, so income can change week to week, with fewer benefits such as paid leave.	The same feature (hours are not guaranteed) is the freedom <i>and</i> the risk.
(d) Employer disadvantage that pairs with (b): keeping reliable workers is harder when hours are not guaranteed; quality and safety must be managed at a distance.	Symmetry: each side’s advantage carries its own cost.
(e) The law’s response: the Closing Loopholes No. 2 Act 2024 started regulated-worker rules on 26 August 2024, with minimum standards for on-demand delivery workers from 17 August 2026.	Laws change too — part of “the nature of work”.
(f) Balanced answer: the gig economy adds flexible earning for workers and flexible staffing for platforms, at the price of less security for workers and less control for platforms; new minimum standards shift some of that security back.	A fair analysis reports both sides of both sides.

Practice questions

Scaffolded

Q1. Use the part-time share chart. (a) What share of employed persons worked part time in February 1986? In February 2026? (b) Describe the trend between 1986 and 2026 in one sentence. (c) Give one reason an employer might offer part-time hours.

Q2. Use the casual-rate-by-age chart (August 2025). (a) Which age group had the highest casual rate, and what was it? (b) State the rate for 25–34 year-olds. (c) Suggest one reason the rate is so high for 15–19 year-olds. (d) Suggest one reason the rate rises again from age 65.

Q3. Use the 2020 employment chart. (a) How many people were employed in February 2020? In May 2020? (b) Work out the fall between those two months. (c) Which of the three drivers (part 4) caused this fall?

Q4. Use the drivers model. Sort each change under the best driver: (i) robots stacking shelves in a warehouse; (ii) more employees expecting to work from home some days; (iii) a war overseas pushing up fuel prices for Australian businesses; (iv) an app that matches dog walkers to owners.

Q5. Use the working-from-home chart. (a) What share of employed persons usually worked from home in 1970? In 2025? (b) Explain the jump to 40.5% by August 2021 and the separate 53% peak marker. (c) Give one advantage and one disadvantage of working from home for an employee.

Q6. Use the occupation-mix chart. (a) Which group’s share grew the most between 1986 and 2026? By how many percentage points? (b) Which group’s share fell the most? By how many percentage points? (c) Link the fall in (b) to one job from the “mostly gone” column of the jobs chart.

Unscaffolded

Q7. Using two different statistics from this section, explain two ways the nature of work in Australia has changed since the 1980s. Name a driver for each change.

Q8. Analyse working from home as a change affecting workers: give one advantage and one disadvantage for **employees** and one advantage and one disadvantage for **employers**, then end with one sentence weighing the change overall.

Q9. Carry out your E04 interview: plan four open questions (use the question bank as a model), interview a person who has been working for 30 years or more, and record four ways their job has changed — in the hours, the pay and conditions, the skills needed or how satisfying the work is. Tag each recorded change with the matching one of the six changes from the top of this section.

Q10. Build your own E05 lists: five jobs that have mostly vanished over the past 100 years with a reason each; five jobs that appeared during the last 50 years; and five jobs you predict for the next 50 years. Every prediction must name its driver — that is what makes it logical.

Source inquiry

Q11. Read the source card, then answer (a)–(d).

Source card — compiled from ABS, Characteristics of Employment, Australia, August 2025 and Working Arrangements, August 2025 (released 12 December 2025; retrieved 26 August 2026). * In August 2025 there were 2.4 million casual employees: 19% of all employees and 17% of all employed persons. The ABS described casual employment as continuing to decline. * 17% of employees had no minimum guaranteed hours, down from 18% a year earlier. * Casual rates by age: 15–19 years 71.2%; 25–34 years 16.0%; 65 and over 27.8%. * About 178,500 people did digital platform work in 2024–25, down 11% from 200,940 in 2023–24.

- (a) How many employees were casual in August 2025, and what share of employees was that?
 - (b) Work out the change in the number of platform workers between 2023–24 and 2024–25.
 - (c) The card says casual employment is “continuing to decline”, yet 71.2% of employed 15–19 year-olds are casual. Explain in one or two sentences why both facts can be true at once.
 - (d) Is the statement “the gig economy is shrinking” a fact from the card or an inference? Give one reason the card supports it and one reason it might not continue.
-

Answers

Q1. (a) 18.0% (1986); 31.4% (2026). (b) The part-time share rose steadily from 1986 to about 2016 and then levelled off at around one in three workers. (c) Any sensible reason, e.g. to match staff hours to busy and quiet times, or to give workers flexibility.

Q2. (a) 15–19 years, 71.2%. (b) 16.0%. (c) Any sensible reason, e.g. most teens study as well, and first jobs in shops and cafés are usually casual. (d) Any sensible reason, e.g. older workers often choose fewer, flexible hours as they wind down.

Q3. (a) 12,930,600 (February); 12,051,600 (May). (b) 879,000. (c) An international or global factor — a pandemic that began overseas.

Q4. (i) New technology. (ii) Community attitudes. (iii) International and global factors. (iv) New technology.

Q5. (a) 15.5% (1970); 36.2% (2025). (b) Pandemic lockdowns made working from home necessary for many office jobs in 2020–21 (the 53% April 2020 peak came from a separate ABS survey during lockdowns); the share then settled near 36%. (c) Any one advantage (e.g. flexibility, no travel) and one disadvantage (e.g. missing coworkers, hard to switch off).

Q6. (a) Professionals, up 12.6 percentage points (15.0% to 27.6%). (b) Clerical and administrative workers, down 5.7 percentage points (18.0% to 12.3%). (c) e.g. typist or switchboard operator — paperwork and call-connecting were taken over by computers.

Q7. Sample: (1) the part-time share rose from 18.0% (1986) to 31.4% (2026) — employment patterns changed as workers and employers chose flexibility (community attitudes); (2) health care employment grew from 575,800 to 2,394,400 while manufacturing fell — an older population and technology changed the job mix.

Q8. Sample: employees gain flexibility but can lose the social side of work; employers save on office space but lose easy team training; overall, the change suits office work but bypasses hands-on jobs entirely.

Q9. Check: four open questions, a real interviewee with 30+ years of work, four recorded changes, each tagged to one of the six changes.

Q10. Check: 5 + 5 + 5 jobs, a reason for each disappeared job, and a named driver for every prediction.

Q11. (a) 2.4 million; 19%. (b) $200,940 - 178,500 = 22,440$ fewer platform workers. (c) The overall share can fall while teens stay mostly casual, because casual work is concentrated at the start and end of working life — if fewer workers overall are at those ages, or more move to permanent jobs, the total declines. (d) An inference: the card shows a one-year fall (2023–24 to 2024–25); support: the number fell 11%; against: one year does not prove a long-run trend.

Fully-worked solutions

Q3. (b) Fall = February – May = $12,930,600 - 12,051,600 = 879,000$ fewer employed persons. Check: $12,051,600 + 879,000 = 12,930,600$. ✓

Q6. (a) Professionals: $27.6 - 15.0 = 12.6$ percentage points. (b) Clerical and administrative workers: $18.0 - 12.3 = 5.7$ percentage points. (The other falls: labourers 5.2, technicians and trades 5.0, machinery operators and drivers 2.0, sales 1.4 — so the clerical fall of 5.7 is the largest.)

Q11. (b) $200,940 - 178,500$: $200,940 - 178,000 = 22,940$; $22,940 - 500 = 22,440$. So 22,440 fewer people did platform work — an 11% fall, matching the card. ✓ (c) A share and a trend are different lenses: 71.2% says what is true *inside* the 15–19 group; “continuing to decline” says what is true for *all* employees together. Both hold when casual work stays concentrated in young (and older) ages while the whole workforce relies on casual work less.

Q8 model paragraph. For employees, working from home adds real flexibility — the top reason given in 2025 was fitting own hours — and cuts travel time; against that, some miss coworkers and find it hard to stop working at day’s end. For employers, smaller offices cut costs and hiring is not limited to one city; against that, training a team and

building habits are harder at a distance. Weighed overall, the change is large for office work and close to zero for hands-on work: 59% of managers and professionals usually worked from home in 2025, against 21% of other workers — so “the future of work” looks different depending on the job.

Q10 model predictions (three of five). (1) Aged care worker — driver: an older population, already visible in the health-care line’s rise from 575,800 (1986) to 2,394,400 (2026). (2) Robotics technician — driver: automation; every machine that replaces a routine task needs a person to build, program and fix it. (3) Renewable energy technician — driver: policy and community attitudes shifting to cleaner energy, as solar work already shows in the “emerged” column. Each names a driver and follows a trend already in this section’s data — that is what “logical” means here.

Sources

All sources retrieved 26 August 2026 unless stated.

- ABS, *Labour Force, Australia* (Table 001, total employed and part-time; Table 04, industry division; Table 07, major occupation groups), adjusted for seasonal swings, February 1986–February 2026 and monthly 2020.
- ABS, *Working Arrangements, Australia, August 2025* (released 12 December 2025) — working from home shares 1970–2025 and reasons; casual rates by age and industry (Table 7); digital platform work counts and tasks.
- ABS, *Characteristics of Employment, Australia, August 2025* (released 12 December 2025) — 2.4 million casual employees, 19% of employees, share with no minimum guaranteed hours.
- ABS, *Household Impacts of COVID-19 Survey*, April 2020 — 53% worked from home during lockdowns.
- ABS, trade union membership, August 1992 and August 2024 (released 9 December 2024) — 40% and 13.1% of employees.
- Jobs and Skills Australia, employment projections (updated 23 January 2026) — +961,000 over five years; about +2.0 million (13.3%) to May 2035.
- *Fair Work Act 2009* (national); *Occupational Health and Safety Act 2004* (Victoria); the common Work Health and Safety laws (2011–2012); *Fair Work Legislation Amendment (Closing Loopholes No. 2) Act 2024* (national) — regulated-worker provisions from 26 August 2024, unfair-deactivation claims from 26 February 2025, delivery-worker minimum standards from 17 August 2026.
- Victorian Curriculum F–10 Version 2.0, Economics and Business — VC2HE8K06 and elaborations E01–E05.

Marketplace rights and responsibilities: legal and ethical

Curriculum link: VC2HE8K07 (Strand: Knowledge and Understanding; Sub-strand: Consumer and financial literacy; Levels 7 and 8). This section draws on elaborations .E01 (sorting rights and responsibilities — for both consumers and businesses — into legal ones and ethical ones), .E02 (warranties, cooling-off periods and returning faulty goods) and .E03 (mandatory and voluntary standards, and recalls of unsafe products).

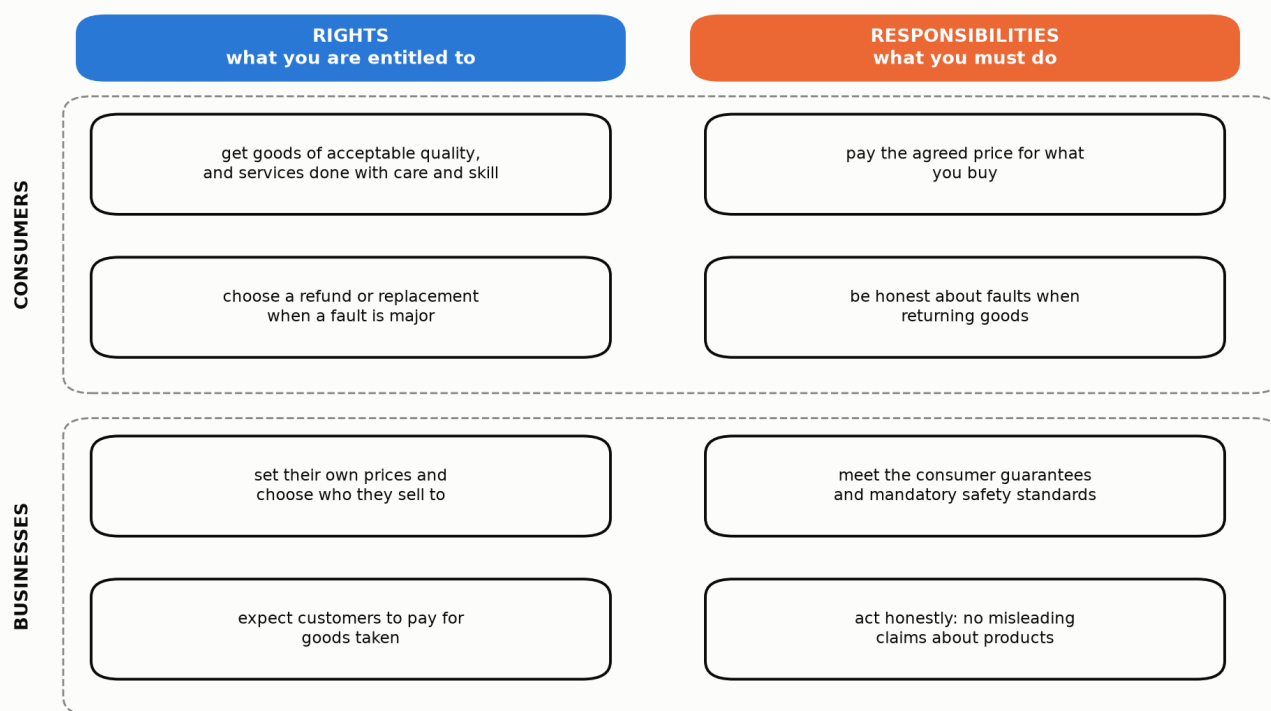
Learn

Rights and responsibilities are not the same thing

A **right** is something you are owed: a thing you may claim or expect. A **responsibility** is something you must do: a duty you carry, whether or not anyone is watching. Every market trade puts a consumer on one side and a business on the other, and each side has both rights and responsibilities.

A map of rights and responsibilities

Two questions: who holds it, and is it something they are owed or something they must do?



Some are legal (written in law and enforced). Others are ethical (about right and wrong).

A four-box map titled “A map of rights and responsibilities”. The columns are RIGHTS (what you are entitled to) and RESPONSIBILITIES (what you must do); the rows are CONSUMERS and BUSINESSES. Consumer rights: get goods of acceptable quality and services done with care and skill; choose a refund or replacement when a fault is major. Consumer responsibilities: pay the agreed price for what you buy; be honest about faults when returning goods. Business rights: set their own prices and choose who they sell to; expect customers to pay for goods taken. Business responsibilities: meet the consumer guarantees and mandatory safety standards; act honestly with no misleading claims about products.

The map shows the balance: your right to a safe product is someone else’s responsibility to make and sell it safely.

Legal or ethical?

Rights and responsibilities each come in two kinds. A **legal** right or responsibility is written in law: a court or a government body can make it happen or punish its breach. An **ethical** right or responsibility is about right and wrong: it may not be written in any law, but people can still judge it, and you can still defend it with reasons.

Legal rules and ethical rules — how they differ

	LEGAL	ETHICAL
What are they?	Rules made by parliaments and the courts	Standards of right and wrong held by people and communities
Who makes sure they are followed?	Regulators and courts, such as the ACCC	Conscience, customers and what the community expects
What happens if they are broken?	Fines, orders to pay money back, or court action	Loss of trust; customers and the community turn away
Example	A shop must give a remedy for goods that are faulty	A shop chooses packaging that creates less waste

The law is a floor, not a ceiling: everything legal is required, but the right thing to do can go further than the law asks.

A two-column chart titled “Legal or ethical?”. The legal column: written in law; backed by courts, regulators and penalties; for example the consumer guarantees and mandatory safety standards. The ethical column: about right and wrong; backed by conscience, trust and reputation; for example telling a customer a fault you were never asked about, or treating workers with fairness beyond the legal minimum. A middle band shows that many duties are both, such as acting honestly.

New word — ethical. In this section, *ethical* means to do with right and wrong in how our choices affect other people. It is a contested word: thoughtful people disagree about where the line sits, so in this section an ethical claim is always backed with reasons, and the quality of the reasoning is what counts — not which side you land on.

One tool for testing an ethical choice is to ask, “what if everyone did it?” Philosophers call this the **universalisability** principle: a rule is a good rule only if it still works when everyone follows it. The idea is most famously put by Immanuel Kant in his 1785 book *Groundwork* (full title in the figure below). Two more tests sit beside it, as the next figure shows.

A three-question test for an ethical decision

Businesses and consumers can both use it.

1 What if everyone did it?

If every business — or every shopper — acted this way, would the market still work? Philosophers call this the universalisability principle (Immanuel Kant, *Groundwork of the Metaphysics of Morals*, 1785): a good rule should still be a good rule when everyone follows it.



2 Who is affected — and is anyone harmed?

List everyone touched by the decision: customers, workers, the local community, the environment. A decision that quietly pushes a cost onto someone else deserves a second look.



3 The law is the floor — is this the right thing to do?

Being legal is the minimum. The ethical question is whether the action is fair and honest beyond what the law forces.

A decision that passes all three questions is one you can defend with reasons, not just feelings.

*A three-step card chart titled “A three-question test for an ethical decision”. Card 1: “What if everyone did it?” — the universalisability principle, from Immanuel Kant’s 1785 book *Groundwork* (the card prints the book’s full title): a good rule should still be a good rule when everyone follows it. Card 2: “Who is affected — and is anyone harmed?” — list everyone touched by the decision: customers, workers, the local community, the environment. Card 3: “The law is the floor — is this the right thing to do?” — being legal is the minimum; the ethical question is whether the action is fair and honest beyond what the law forces.*

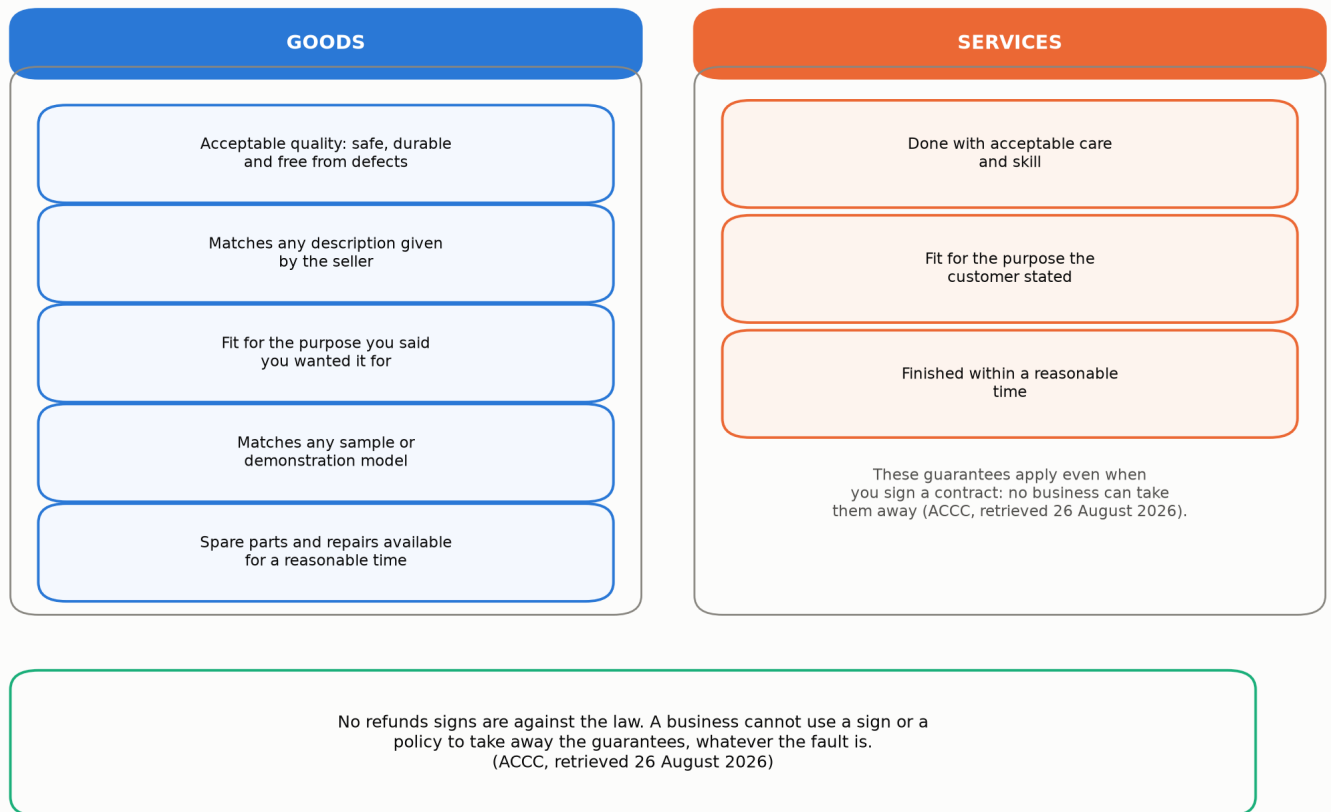
The consumer guarantees: automatic legal rights

In Australia, consumer protection lives in the **Australian Consumer Law**, or ACL.

New word — Australian Consumer Law (ACL). The ACL is, in the words of the official consumer law website, “a set of rules on consumer rights and business responsibilities in Australia” (consumerlaw.gov.au, retrieved 26 August 2026). It is one national law, enforced by the Australian Competition and Consumer Commission (ACCC) together with state regulators.

New word — consumer guarantee. A *consumer guarantee* is an automatic legal right that rides along with every purchase of goods or services. It applies even if it is never written down, and nothing a business says or signs can take it away (ACCC, retrieved 26 August 2026).

The consumer guarantees apply automatically to every purchase



Guarantees are legal rights. They exist whether or not the business mentions them.

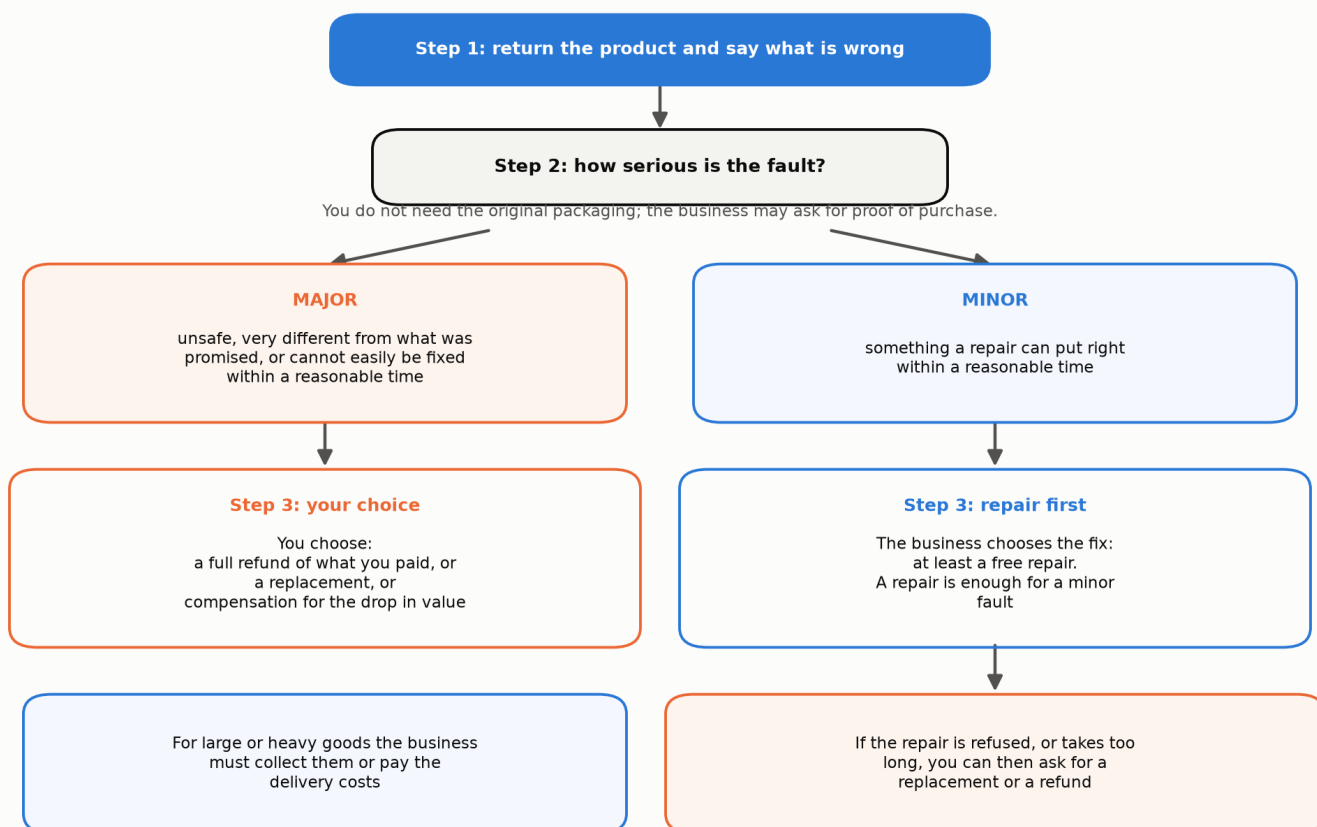
A two-panel chart titled “The consumer guarantees apply automatically to every purchase”. **GOODS** panel: acceptable quality (safe, durable and free from defects); matches any description given by the seller; fit for the purpose you said you wanted it for; matches any sample or demonstration model; spare parts and repairs available for a reasonable time. **SERVICES** panel: done with acceptable care and skill; fit for the purpose the customer stated; finished within a reasonable time. A box below reads: “No refunds” signs are against the law; a business cannot use a sign or a policy to take away the guarantees, whatever the fault is (ACCC, retrieved 26 August 2026).

These guarantees are **legal** rights: they are written in the ACL, and a business that ignores them is breaking the law. The matching **legal** responsibility on the business side is to meet every guarantee, every time.

When goods fail: returning them and getting a remedy

New word — remedy. A *remedy* is what you get when a consumer guarantee is not met: a repair, a replacement, a refund, or money for the drop in value. Which one applies depends on how serious the fault is.

Something you bought has a problem — what can you get?



Based on the Australian Consumer Law (ACCC, retrieved 26 August 2026)

A flowchart titled “Something you bought has a problem — what can you get?”. Step 1: return the product and say what is wrong. Step 2: how serious is the fault? (You do not need the original packaging; the business may ask for proof of purchase.) MAJOR branch (unsafe, very different from what was promised, or cannot easily be fixed within a reasonable time): Step 3, your choice — a full refund of what you paid, or a replacement, or compensation for the drop in value; for large or heavy goods the business must collect them or pay the delivery costs. MINOR branch (something a repair can put right within a reasonable time): Step 3, repair first — the business chooses the fix, at least a free repair; if the repair is refused or takes too long, you can then ask for a replacement or a refund. Based on the Australian Consumer Law (ACCC, retrieved 26 August 2026).

The process for returning goods is part of the law too: you do not need the original packaging, the business may ask for proof of purchase (a receipt is best, but a bank statement or a witness can count), and for large or heavy goods the business must collect them or pay the delivery costs (ACCC, retrieved 26 August 2026). The matching responsibility on your side is honesty: returning a product you broke yourself and blaming the maker is a breach of the ethics of the trade, even before any law is involved.

Warranties sit on top of the guarantees

New word — warranty. A warranty is a promise a maker or seller adds about a product, on top of the automatic guarantees — for example, “we will fix any fault for two years”.

Three layers of protection — from strongest to optional

cannot be removed

Layer 1 The base

Consumer guarantees — automatic, free, and set by law.
They cannot be removed by anything a business says or does.

free, must be honoured

Layer 2 Free + added

Manufacturer warranty — extra promises, usually for a set time.
They must be honoured, and they sit on top of the guarantees —
they can never replace them.

optional: your choice

Layer 3 Paid + optional

Extended warranty — extra cover you can choose to buy.
Optional: businesses must not pressure you into it, and it must
be explained before you pay.

A manufacturer warranty must state that its benefits are in addition to your legal rights.

ACCC, retrieved 26 August 2026

A three-layer diagram titled “Three layers of protection — from strongest to optional”. Layer 1, the base: consumer guarantees — automatic, free, and set by law; they cannot be removed by anything a business says or does (side label: cannot be removed). Layer 2: manufacturer warranty — extra promises, usually for a set time; they must be honoured, and they sit on top of the guarantees — they can never replace them (side label: free, must be honoured). Layer 3: extended warranty — extra cover you can choose to buy; optional, and businesses must not pressure you into it (side label: optional, your choice). A footnote reads: a manufacturer warranty must state that its benefits are in addition to your legal rights (ACCC, retrieved 26 August 2026).

The key rule is order: the guarantees are the floor, a manufacturer warranty is a free extra layer that must be honoured, and an extended warranty is a product you may or may not buy. A warranty that tried to replace your guarantees would be worthless, because guarantees “can’t be taken away by anything a business says or does” (ACCC, retrieved 26 August 2026).

Cooling-off periods: a short window to change your mind

New word — cooling-off period. A *cooling-off period* is a set time after some kinds of purchase during which you may change your mind, cancel the deal, and get your money back — even though the product is perfectly fine.

Cooling-off periods: two clocks that let you change your mind

Panel A — a “no-knock” sale (door-to-door or telemarketing)



The count starts on the first business day after you sign; weekends and public holidays do not count.

Cancel simply by telling the seller; the seller must return any money you paid at once.

Panel B — a used car from a licensed motor car trader



Cancel in writing

Conditions: accepting delivery of the car during the 3 days means you lose the right to cool off;

the dealer may keep the greater of \$100 or 1% of the price; and there is no cooling-off if the car is bought

in a company name or is a commercial vehicle (Consumer Affairs Victoria, retrieved 26 August 2026).

Worth knowing

If the seller breaks the door-to-door or telemarketing rules, the cooling-off period can extend to 3 or 6 months.

You can cancel even if you have used the product; if the seller does not collect it within 30 days, you can keep it.

Cooling-off is not the same as refund rights: cooling-off lets you change your mind; refunds deal with faulty goods.

A cooling-off period is a legal right for a limited time after some purchases.

ACCC (unsolicited agreements) and Consumer Affairs Victoria (used cars), retrieved 26 August 2026.

A two-timeline chart titled “Cooling-off periods: two clocks that let you change your mind”. Panel A, a door-to-door or telemarketing sale: the count starts on the first business day after you sign; weekends and public holidays do not count; the window closes 10 business days later; cancel simply by telling the seller, and the seller must return any money you paid at once. Panel B, a used car from a licensed motor car trader: 3 clear business days after signing (the ticks read 1, 2, 3); cancel in writing; conditions — accepting delivery during the 3 days means you lose the right; the dealer may keep the greater of \$100 or 1% of the price; and there is no cooling-off if the car is bought in a company name or is a commercial vehicle (Consumer Affairs Victoria, retrieved 26 August 2026). A “Worth knowing” box adds: if the seller breaks the door-to-door or telemarketing rules, the cooling-off period can extend to 3 or 6 months; you can cancel even if you have used the product; if the seller does not collect it within 30 days, you can keep it; and cooling-off is not the same as refund rights, which deal with faulty goods.

Notice what a cooling-off period is **not**: it is not a general right to return anything you regret. Australian consumer law gives no change-of-mind right for an ordinary shop purchase — that would be an ethical or shop-policy matter, not a legal one. Cooling-off periods are legal rights reserved for situations where the buyer was pressured (a seller at the door) or the purchase is big and fast (a used car).

Business responsibilities: mandatory and voluntary standards

New word — mandatory standard. A *mandatory standard* is a safety rule set in law. A product must meet it before the law allows it to be sold in Australia; selling a product that breaks one is an offence (Product Safety Australia, retrieved 26 August 2026).

New word — voluntary standard. A *voluntary standard* is an agreed set of safety or quality guidelines that businesses choose to follow. The law does not force them, but many businesses meet them anyway, because safe products build trust and avoid recalls.

Product standards: the rules a product must — or may — meet

MANDATORY STANDARDS	VOLUNTARY STANDARDS
compulsory — set by law	optional — a business chooses them
• A product must meet them before it can legally be sold in Australia. • Supplying goods that do not comply is an offence. • Product Safety Australia lists 50 mandatory standards (retrieved 26 August 2026). • Examples: 8 cover baby and toddler products, 6 cover kids' toys. • New standards keep arriving: toppling-furniture rules began 4 May 2025; infant sleep product rules begin 19 January 2026. • Button battery standards aim to reduce the risk of severe internal burns.	• The law does not require them, but a business may choose to meet them. • They can signal quality or safety to customers, such as an industry standard a maker advertises on the box. • They can be dropped at any time — nothing forces the business to keep them. • Meeting one is a selling point; failing one can break trust even when no law was broken.

Mandatory standards are the legal floor for product safety; voluntary standards are a business's own promise above it.

Source: Product Safety Australia, retrieved 26 August 2026

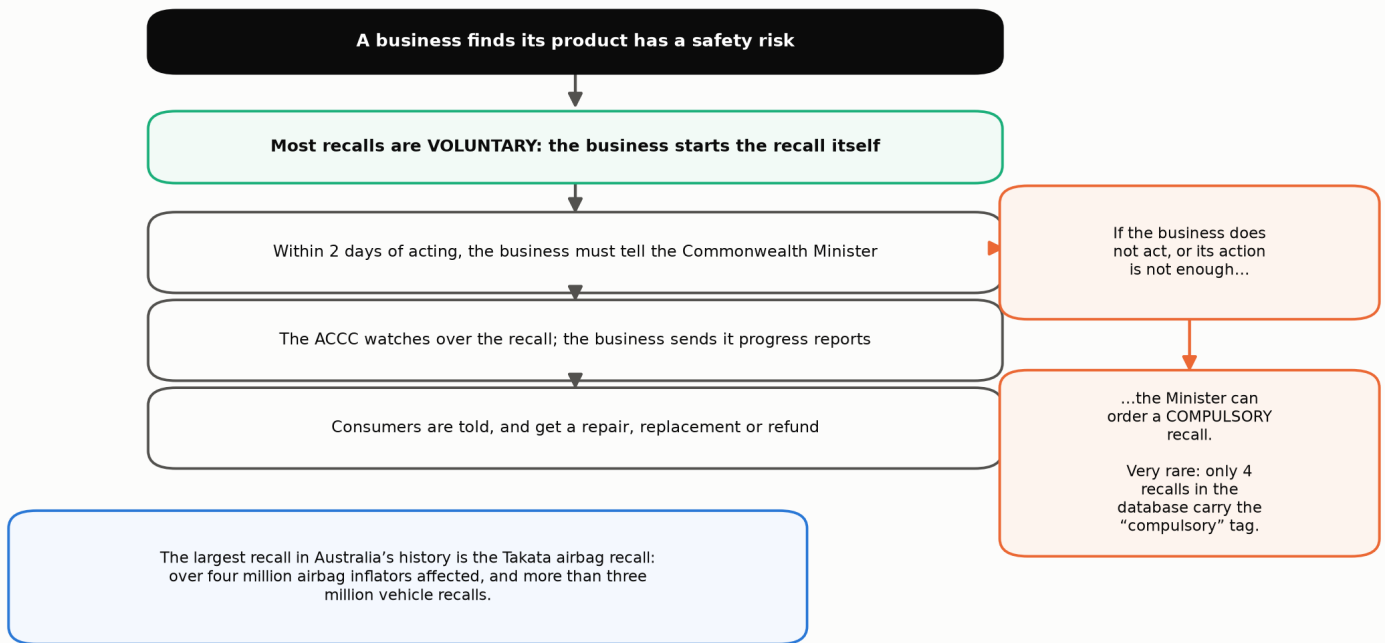
A two-column chart titled “Mandatory and voluntary standards”. Mandatory column: set in law; must be met before a product can be sold; breaking one is an offence; examples from the 50 mandatory standards — 8 for baby and toddler products, 6 for kids’ toys, a toppling-furniture standard that began on 4 May 2025, infant sleep product standards beginning 19 January 2026, and button battery standards that cut the risk of severe internal burns. Voluntary column: agreed guidelines businesses choose to follow; going beyond the law builds trust and prevents harm; example: a toy maker testing to a tougher voluntary standard than the law requires.

Australia lists 50 mandatory standards, many of them for the products least able to protect their own users: babies, toddlers and kids (Product Safety Australia, retrieved 26 August 2026). Some are recent: a mandatory standard for toppling furniture began on 4 May 2025, and new standards for infant sleep products begin on 19 January 2026 (Product Safety Australia, retrieved 26 August 2026).

Product recalls: responsibility after the sale

New word — product recall. A *product recall* is the process a business uses when a product it has already sold turns out to be unsafe: it tells consumers about the risk and offers a repair, a replacement or a refund.

How a product recall works



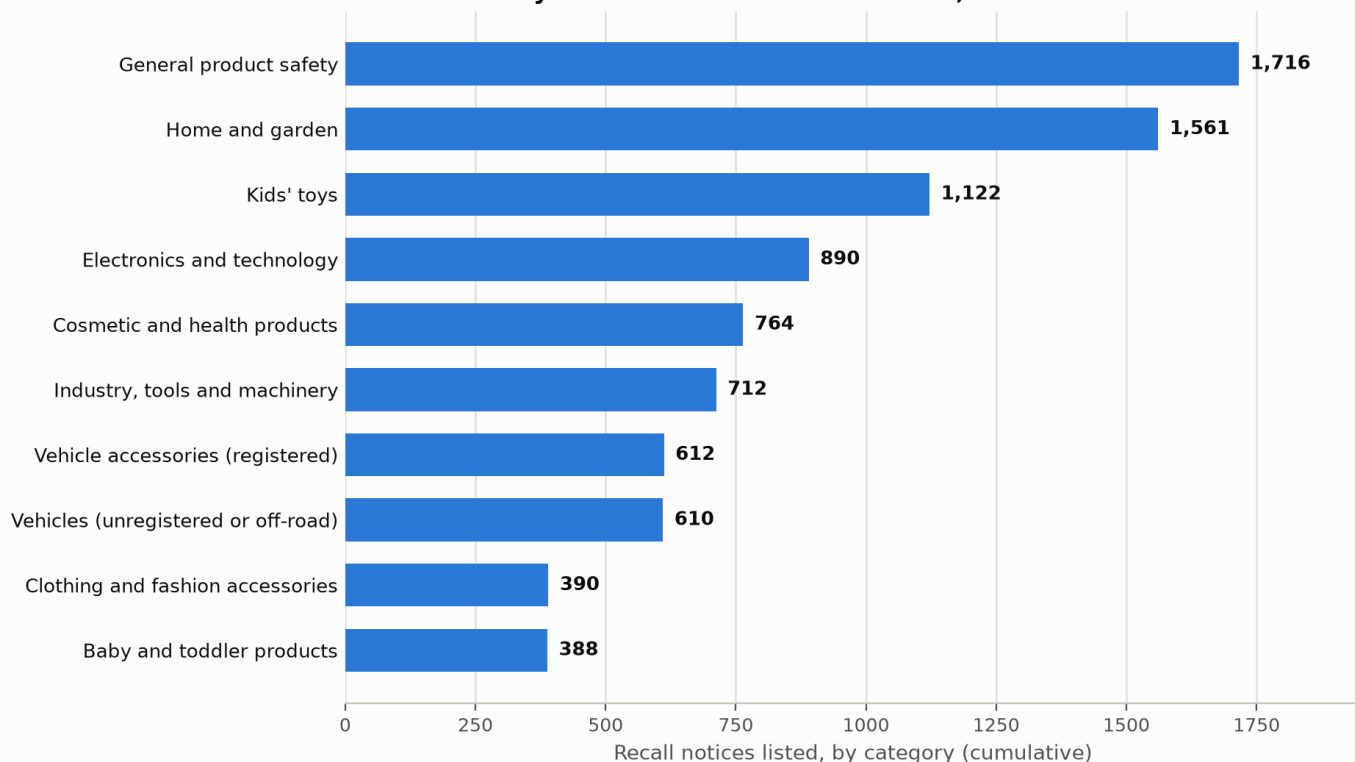
Based on Product Safety Australia, retrieved 26 August 2026

A recall is a business taking responsibility after the sale — most of the time, by choice.

A flowchart titled “How a product recall works”. A business finds its product has a safety risk; most recalls are voluntary — the business starts the recall itself; within 2 days of acting, the business must tell the Commonwealth Minister; the ACCC watches over the recall and the business sends it progress reports; consumers are told and get a repair, replacement or refund. A side branch: if the business does not act, or its action is not enough, the Minister can order a compulsory recall — very rare, only 4 recalls in the database carry the “compulsory” tag. A blue box notes the largest recall in Australia’s history is the Takata airbag recall: over four million airbag inflators affected, and more than three million vehicle recalls. Based on Product Safety Australia, retrieved 26 August 2026.

Recalls are where ethical, social and legal responsibility meet. The legal part: a business that recalls must notify the Commonwealth Minister within 2 days, and if its action is not enough the Minister may order a compulsory recall — rare, with only 4 compulsory tags in the whole Product Safety Australia database (Product Safety Australia, retrieved 26 August 2026). The ethical and social part comes first, though: most recalls are voluntary, which means a business choosing, at its own cost, to put people ahead of profit.

Product recalls in Australia, by product category
Product Safety Australia recall database — 8,226 notices listed in total



Retrieved 26 August 2026. A recall can be listed under more than one category, so these counts add to more than 8,226.

A horizontal bar chart titled “Product recalls in Australia, by product category”, from the Product Safety Australia recall database (8,226 notices listed in total, retrieved 26 August 2026). Notices by category, largest first: General product safety 1,716; Home and garden 1,561; Kids’ toys 1,122; Electronics and technology 890; Cosmetic and health products 764; Industry, tools and machinery 712; Vehicle accessories (registered) 612; Vehicles (unregistered or off-road) 610; Clothing and fashion accessories 390; Baby and toddler products 388. A footnote notes that a recall can be listed under more than one category, so the counts add to more than 8,226.

The database shows where safety problems actually land: home and garden goods, kids’ toys, electronics and baby products sit near the top — which is exactly why so many mandatory standards aim at those shelves.

Worked examples

Example 1 — with help

On Thursday 6 August 2026, Priya signs a contract at a licensed Melbourne car dealer for a used car priced at \$12,000, and pays a \$600 deposit. She does not take the car home. On the weekend she rethinks it and cancels in writing, inside the cooling-off period. (a) Show that she is in time. (b) Work out how much of her deposit comes back (Consumer Affairs Victoria, retrieved 26 August 2026).

Working	Comment
Signed Thursday 6 August; the count starts the next business day.	The day of signing is not a “clear” day.
Clear days: Fri 7 (1), Mon 10 (2), Tue 11 (3).	Saturday and Sunday are not business days.
The window closes at the end of Tuesday 11 August; Priya cancels inside it, and never accepted delivery.	Accepting delivery would have ended the right.
1% of \$12,000 = \$120. Compare \$120 with \$100; the greater is \$120.	The dealer may keep the greater of \$100 or 1% of the price.
\$600 – \$120 = \$480 returned.	The rest of the deposit must come back.

So Priya is in time, and \$480 of her \$600 deposit returns to her.

Example 2 — with help

A seller knocks on Dayo's door and, after an hour of talk, Dayo signs an agreement for a vacuum cleaner on Friday 7 August 2026. Work out the last day Dayo can cancel under the cooling-off period for unsolicited agreements (ACCC, retrieved 26 August 2026).

Working	Comment
The count starts on the first business day after signing: Monday 10 August is day 1.	The signing day itself does not count.
Days 1–5: Mon 10, Tue 11, Wed 12, Thu 13, Fri 14.	Weekends are not business days.
Days 6–10: Mon 17, Tue 18, Wed 19, Thu 20, Fri 21.	Ten business days, counted one by one.
The window closes at the end of Friday 21 August 2026.	Dayo cancels simply by telling the seller; any money paid must be returned at once.

And if the seller had broken the door-to-door rules — for example by refusing to leave when asked — the cooling-off period could stretch to 3 or 6 months instead (ACCC, retrieved 26 August 2026).

Practice questions

With help

Q1. Use the rights-and-responsibilities map. Sort each item into consumer right, consumer responsibility, business right or business responsibility: (a) paying the agreed price; (b) receiving goods of acceptable quality; (c) setting your own prices; (d) meeting mandatory safety standards.

Q2. Legal, ethical, or both? Give a one-line reason each time. (a) A shop refuses a refund for a toaster that is unsafe. (b) A shopper returns a game they simply finished, claiming it was faulty. (c) A business recalls an unsafe product and fixes it for free. (d) A business gives part of its profit to a local food bank.

Q3. Use the guarantees chart. Name the guarantee that is broken in each case. (a) A phone dies after three weeks of normal use. (b) A jacket sold as “waterproof” soaks through in light rain. (c) A repairer scratches your watch while servicing it.

Q4. Use the remedy flowchart. Major or minor fault, and who chooses the remedy? (a) A new bike's frame is cracked and unsafe to ride. (b) A bike bell is loose and a five-minute fix tightens it.

Q5. True or false, with a reason: “Once you buy an extended warranty, the consumer guarantees no longer apply to your purchase.”

Q6. Tom signs a contract on Wednesday 5 August 2026 for a used car priced at \$20,000 from a licensed dealer, paying an \$800 deposit. (a) Count the 3 clear business days and name the last day he can cancel. (b) If he cancels in time without accepting delivery, how much of the deposit comes back? (Consumer Affairs Victoria, retrieved 26 August 2026.)

On your own

Q7. Two views are often put forward: “Businesses should only have to follow the law”, and “Businesses carry responsibilities beyond the law”. Steelman both: give the strongest reason a thoughtful person could offer for each view. (You are marked on the fairness and strength of your reasons, not on which view you prefer. A strong answer presents both with equal care before weighing them.)

Q8. A café quietly shrinks its cups by 20% while keeping the same price. Nothing in law is broken. Apply the three-question ethical test to the café's choice, and reach a decision you can defend with reasons.

Q9. Use the recalls-by-category bar chart. (a) Which category carries the most notices, and how many? (b) The ten category counts add to more than 8,226. Explain why that is not a mistake. (c) What does the chart suggest about

where product-safety risks concentrate, and which two groups of consumers the mandatory standards are most protecting?

Q10. A friend says, “Consumer law lets me return anything within 10 days if I change my mind.” Explain exactly what is wrong with that claim, naming the real legal rights it confuses.

Source inquiry

Read the short source, then answer the questions.

Source A — shortened from the ACCC’s guarantees and refunds pages, retrieved 26 August 2026. “Signs such as ‘no refunds’ or ‘no refunds on sale items’ are against the law. A business cannot take away the consumer guarantees with a sign, a receipt note or a store policy. When a product fails to meet a guarantee, the customer is owed a remedy.”

S1. Who published this source: a government regulator, a single business, or a school? What is it about Source A that tells you?

S2. Source A was retrieved on 26 August 2026. Why does that date matter when you rely on it?

S3. A shop window says “sale items: exchange only”. Use Source A to explain why that sign is against the law.

S4. Would Source A be a good source for the 3-clear-business-days rule on used cars? Say which source you would trust for that rule instead, and why.

Answers

Q1. (a) Consumer responsibility. (b) Consumer right. (c) Business right. (d) Business responsibility.

Q2. (a) Legal — the guarantees are law, and an unsafe toaster breaks them. (b) Ethical — honesty in returns is a consumer responsibility, not a legal fault in the goods. (c) Both — recalls carry legal duties, and acting quickly is also the ethical and social part of running a business. (d) Ethical only — giving to a food bank is above what any law requires.

Q3. (a) Acceptable quality (safe, durable, free from defects). (b) Matches description (and fit for purpose). (c) Acceptable care and skill (a service guarantee).

Q4. (a) Major — unsafe and not easily fixed; the consumer chooses refund or replacement. (b) Minor — a quick repair puts it right; the business chooses the fix, at least a free repair.

Q5. False. The guarantees are automatic and cannot be removed; a warranty only adds to them.

Q6. (a) Clear days: Thu 6, Fri 7, Mon 10 — the last day to cancel is Monday 10 August 2026. (b) 1% of \$20,000 = \$200, which is greater than \$100; \$800 – \$200 = \$600 comes back.

Q7. Any two well-reasoned positions. Strongest-for view 1: the law is clear, equal and enforced, so “follow the law” gives every business the same rules and customers a real remedy; adding unwritten duties makes it hard to know what is required. Strongest-for view 2: the law is only a floor — it lags behind new harms and cannot cover every choice, so businesses that stop at “legal” can still do real damage to people, workers and the environment; responsibility means doing right where the law is silent.

Q8. Any decision defended through all three questions. Example: (1) If every seller shrank the product instead of raising the price, trust in all prices would break down — the rule fails universalisability. (2) Affected: customers pay more per sip than they believe; the café gains what customers quietly lose. (3) Legal is the floor; hiding the shrink is not honest. Decision: the choice is unethical unless the café tells customers the size has changed.

Q9. (a) General product safety, with 1,716 notices. (b) A single recall can be listed under more than one category, so categories overlap and the counts add past the 8,226 total. (c) Risks concentrate in the home, in kids’ products and in electronics; the standards lean hardest on baby, toddler and toy products — the consumers least able to protect themselves.

Q10. There is no general legal change-of-mind right. The 10-business-day window applies to unsolicited (door-to-door or telemarketing) agreements, and separate short windows apply to some other purchases such as used cars from licensed dealers; for an ordinary shop purchase, the legal rights are the consumer guarantees, which cover faults — not regret. A shop may offer change-of-mind returns as a policy, but that is a promise, not the law.

S1. A government regulator (the ACCC). It states what “the law” requires of all businesses, which a single shop or a school would not do.

S2. Rules and guidance pages can change, so the date tells you when the summary was true; you would re-check the page before relying on it.

S3. Source A says a business cannot use a sign or policy to take away the guarantees; “exchange only” on sale items tries to do exactly that, so it is against the law.

S4. No. Source A is about the national guarantees; the 3-clear-business-days rule is a Victorian state rule for licensed motor car traders. The right source is Consumer Affairs Victoria (consumer.vic.gov.au), which states that rule.

Full solutions

Q1. A right is owed to you; a responsibility you must do. Paying the agreed price is something the consumer must do — a consumer responsibility. Receiving goods of acceptable quality is owed to the consumer — a consumer right. Setting prices is a choice the business may make — a business right. Meeting mandatory safety standards is a duty the business carries — a business responsibility.

Q2. (a) Legal: the toaster breaks the acceptable-quality guarantee, and refunds for major faults are law, so the shop is breaking a legal duty. (b) Ethical: the game was not faulty, so no legal right is involved; the shopper's duty here is the ethical one of honesty about faults when returning goods. (c) Both: recalls carry legal duties (notify the Minister within 2 days), and choosing to act quickly at own cost is the ethical and social side of business. (d) Ethical only: no law requires giving profit away, so this is responsibility beyond the law.

Q3. (a) Acceptable quality: a phone that dies in three weeks of normal use is not durable and carries a defect. (b) Matches description: "waterproof" is a description the jacket fails (and it is not fit for the purpose you bought it for). (c) Acceptable care and skill: a service must be carried out carefully; scratching the watch fails that guarantee.

Q4. (a) Major: a cracked frame is unsafe and is not a quick fix, so the fault is major and the consumer chooses — a full refund or a replacement. (b) Minor: a loose bell is something a repair puts right in minutes, so the business chooses the fix and must at least repair it free.

Q5. False. The consumer guarantees are automatic and "can't be taken away by anything a business says or does" (ACCC, retrieved 26 August 2026); an extended warranty is an extra, optional layer on top of them, never a replacement.

Q6. (a) The day of signing (Wed 5 August) is not a clear day. Clear business days: Thu 6 (1), Fri 7 (2), then the weekend does not count, Mon 10 (3). The last day Tom can cancel is Monday 10 August 2026, provided he has not accepted delivery. (b) The dealer may keep the greater of \$100 or 1% of the price: 1% of \$20,000 = \$200, which is greater than \$100. So $\$800 - \$200 = \$600$ is returned to Tom.

Q7. View 1, steelmanned: law is written, public and enforced by regulators and courts, so "the law and nothing but the law" gives one clear rule for every business and a real remedy for every customer; vague extra duties leave businesses guessing and let each customer invent a new duty. View 2, steelmanned: the law is a floor, not a ceiling — it arrives after harms appear, covers only what lawmakers foresaw, and cannot reach every daily choice; a business that asks only "is it legal?" can still hurt customers, workers, neighbours and the environment within the law, so real responsibility includes doing right where the law is silent. A strong answer presents both with equal care before weighing them.

Q8. Question 1, what if everyone did it: if every seller quietly shrank the product at the same price, buyers would stop trusting any price or package, and the market itself would work worse — the rule does not survive being universal. Question 2, who is affected: customers lose value without knowing it; the café gains exactly what they lose; honest rival cafés lose business to a trick. Question 3, the law is the floor: shrinking the cup is legal, but the ethical question is honesty, and hiding the change fails that test. Defensible decision: the choice is unethical unless the size change is openly stated; with open statement, customers can choose, and the choice becomes defensible.

Q9. (a) General product safety leads with 1,716 notices. (b) The footnote explains it: a recall can be listed under more than one category, so one notice can be counted twice; the categories are overlapping tallies, not pieces of one whole. (c) The tallest bars are the home, kids' toys, electronics and baby products — everyday goods used by people who cannot test them for safety themselves. That is why the mandatory standards lean hardest on baby, toddler and toy products: the law concentrates its protection on the consumers least able to protect themselves.

Q10. The claim mixes up three different things. First, Australian consumer law contains no general right to return goods just because you changed your mind. Second, the 10-business-day cooling-off window belongs to unsolicited agreements — door-to-door and telemarketing sales — and separate, shorter windows (like 3 clear business days) apply to particular purchases such as used cars from licensed dealers. Third, the real legal rights for an ordinary purchase are the consumer guarantees, which give remedies for faults, not for regret. If a shop offers change-of-mind returns, that is its own policy and a promise to keep — good ethics and good service, but not the ACL.

S1. A government regulator: the ACCC. Source A speaks about what the law requires of every business in Australia (“against the law”, “a business cannot”), which only a body that states and enforces the law would do; a single business would describe its own policy, and a school would not declare what is against the law.

S2. Because guidance pages and rules can be updated, the retrieval date tells you when the summary was checked and true. Before relying on the fact, you would open the page again and see if it still says so.

S3. Source A states that the guarantees cannot be taken away by a sign or a policy, and that “no refunds on sale items” style signs are against the law. “Sale items: exchange only” tries to remove the remedies for faulty sale goods, so on Source A’s rule it is against the law.

S4. No. Source A covers the national consumer guarantees, while the 3-clear-business-days cooling-off rule for used cars is a Victorian rule for licensed motor car traders. The source to trust for it is Consumer Affairs Victoria (consumer.vic.gov.au, retrieved 26 August 2026), the state body that states and explains that rule.

Smart shopping: buying well and avoiding scams

Content description code VC2HE8K08. This section draws on elaborations .E01 (Scamwatch scam types and a warning brochure or poster), .E02 (smart shopping strategies), .E03 (Consumer Affairs Victoria: buying online safely, faulty products, refunds and repairs) and .E04 (the ATO on identity security and scams). All statistics are real and were retrieved on 26 August 2026.

Theory

The size of the problem. A **consumer** is anyone who buys goods or services, and a **scam** is a trick that gets you to hand over money or personal details by pretending to be something it is not. Scams are not small. In 2025, Australians reported 481,523 scams and lost about \$2.2 billion to them — up 7.8% on the year before (*Targeting Scams 2025*, the National Anti-Scam Centre’s report for Scamwatch, retrieved 26 August 2026). The chart below shows the last five years.



Bar chart of money lost to scams in Australia each year from 2021 to 2025, in billions of dollars

Every year the total is bigger than the cost of a new hospital or a new freeway. That is why governments run anti-scam centres, and why knowing the strategies in this section is part of being an informed consumer.

Know the scams (.E01). You cannot spot a trick you have never met. Scamwatch, the Australian government’s scam website, lists the common scam types; the table below summarises ten of them.

Ten financial scams to know

Scam type	How it works
Phishing scam	Fake emails, texts or calls pretend to be from a trusted name, like a bank or the ATO, to steal bank details, passwords or logins.
Investment scam	A fake 'opportunity' promises big returns. The money you put in is taken, and any 'profit' you are shown is not real.
Romance scam	Someone builds a fake friendship or relationship online, then asks for money or gifts.
Shopping scam	Fake online stores sell goods that never arrive, or that are nothing like the description.
Jobs and employment scam	An offer of easy money for little work asks you to pay first, or to hand over personal details.
Unexpected money scam	You are told you have won a prize or are owed a refund - but you must pay a 'fee' to get it.
Threat scam	Someone threatens you - with arrest, for example - to frighten you into paying or giving out details.
Remote access scam	You are talked into giving someone access to your phone or computer, and they take money while 'helping' you.
Identity theft	Criminals use stolen details - like your name, birthday or tax file number - to take out loans or claim refunds in your name.
Donation scam	A fake charity asks for donations after a disaster or big event.

Descriptions adapted from the scam types listed on the Scamwatch website (scamwatch.gov.au, Australian Government), retrieved 26 August 2026.

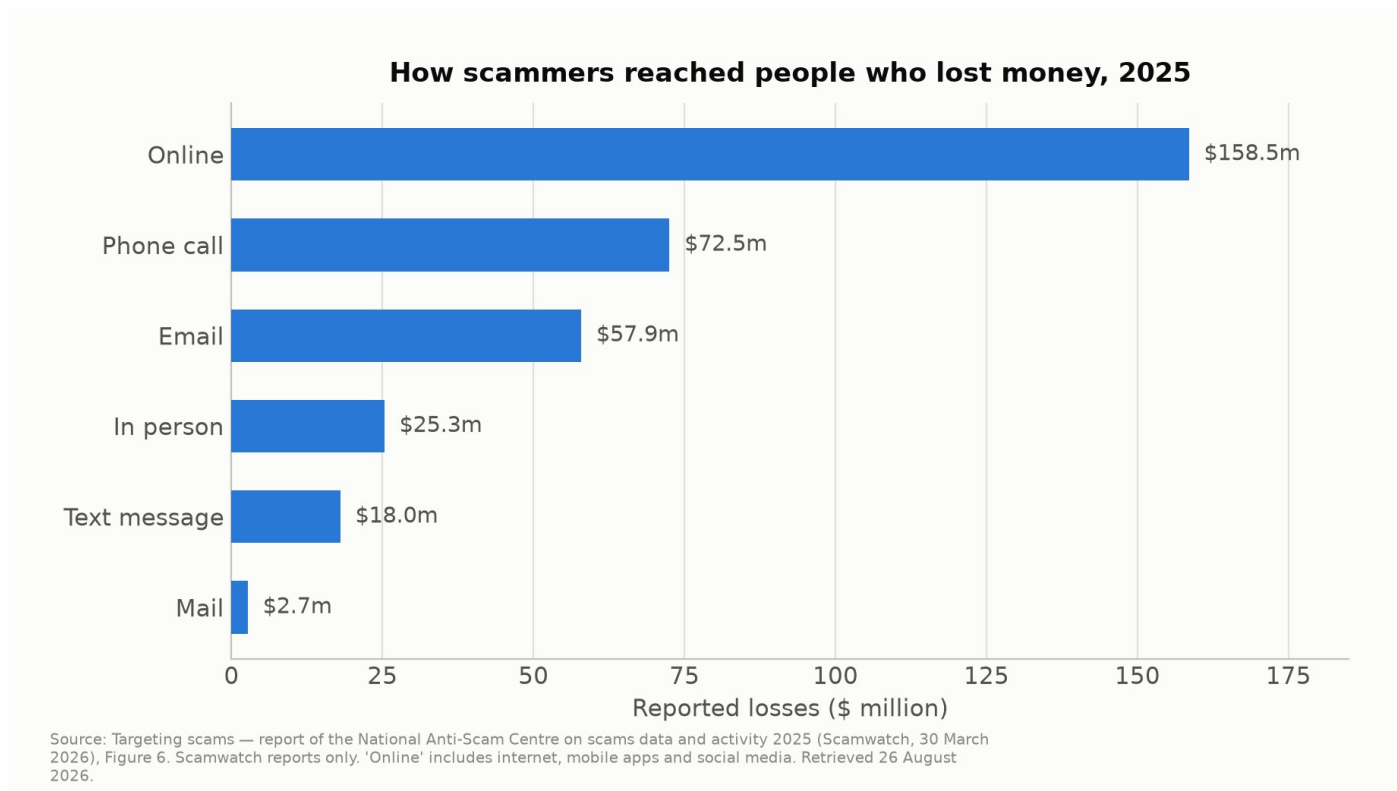
Table listing ten common scams in Australia and what each one does

The money is not spread evenly across these types. Five types caused most of the losses in 2025, and investment scams were by far the biggest.

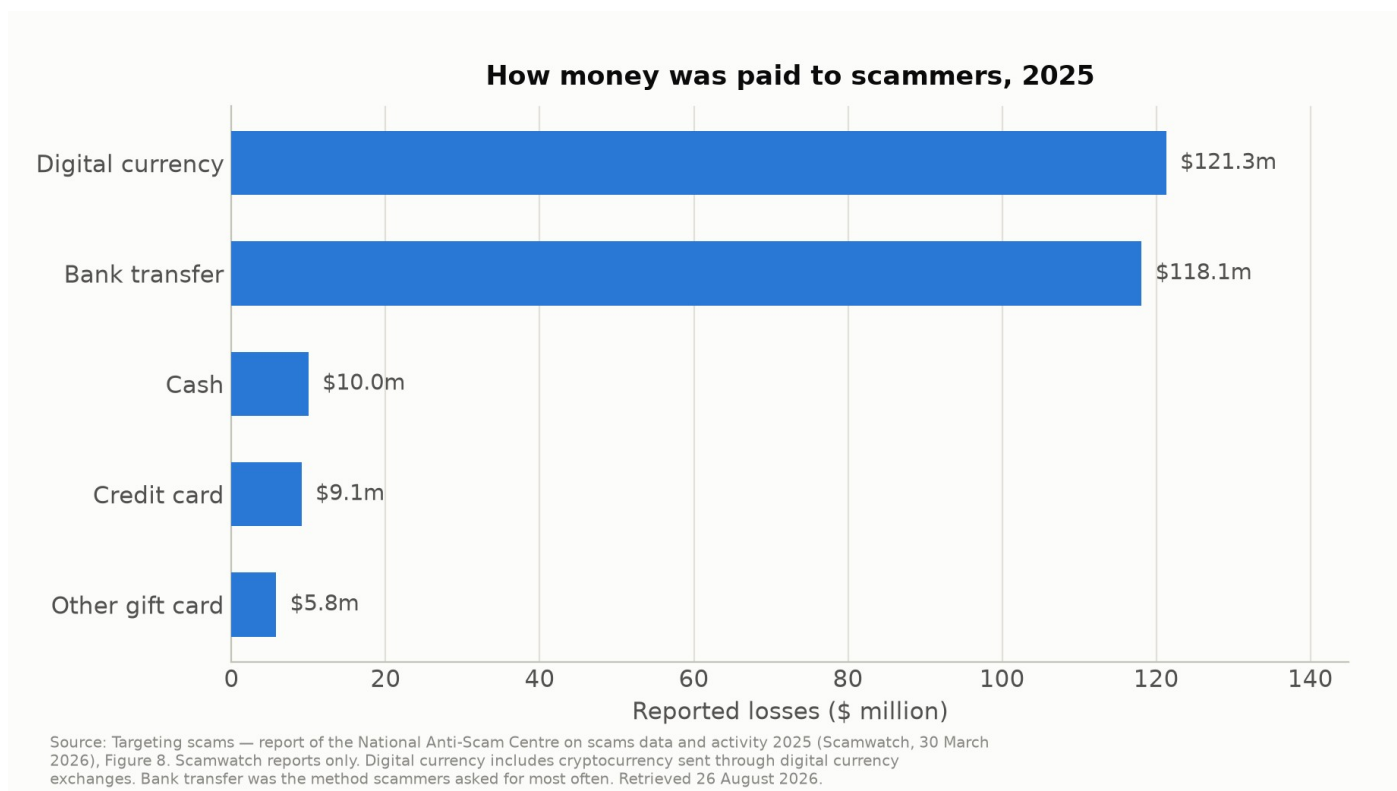


Bar chart of the five scam types with the biggest reported losses in Australia in 2025, led by investment scams

How scams reach you, and how the money leaves. Scamwatch's 2025 reports with losses show where the contact came from and how the money was paid. Reading these two charts is a smart consumer's first habit: the risk is biggest online, and scammers most want you to pay in ways that are hard to reverse, such as digital currency or a bank transfer.



Bar chart of reported scam losses in 2025 by how the scammer first made contact, with online the largest

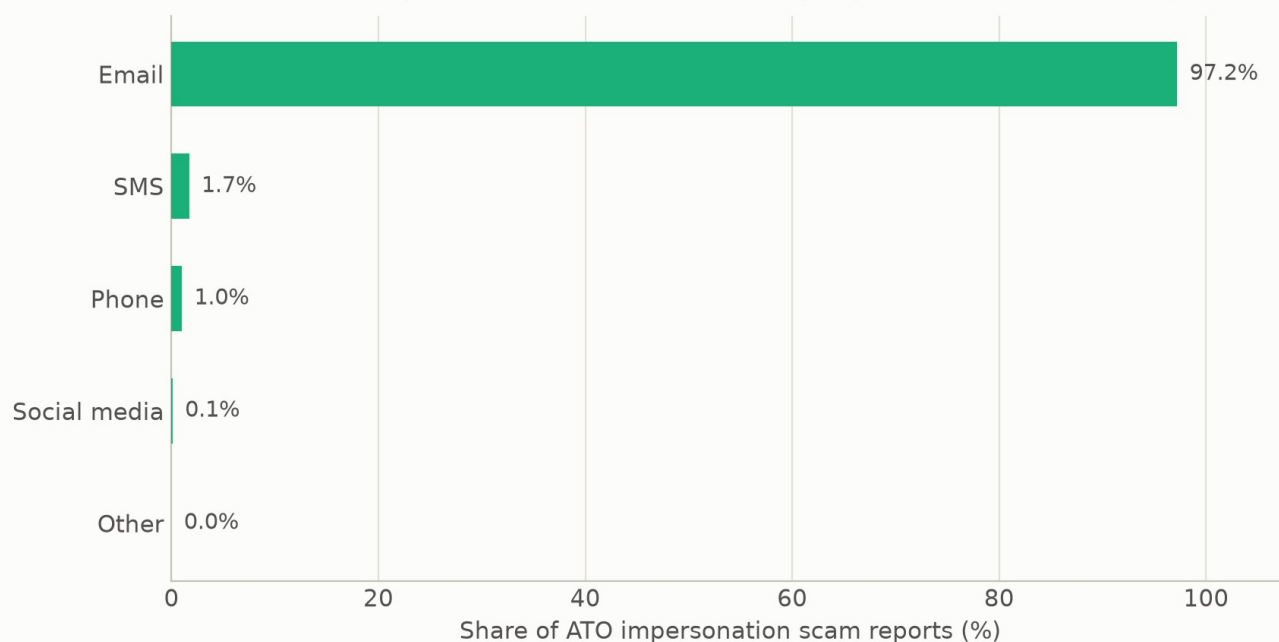


Bar chart of reported scam losses in 2025 by payment method, with digital currency and bank transfer the largest

Credit cards and trusted payment services sit lower on that chart because they can reverse a payment or protect you when something is fake. That is a strategy, not an accident: *how* you pay is one of the choices a smart consumer controls.

When someone pretends to be the ATO (.E04). One of the most common tricks is a message that pretends to be the Australian Taxation Office (ATO). In the 2025-26 financial year, 97.2% of ATO impersonation scams reported to the ATO arrived by email (ATO scam data, page last updated 21 July 2026, retrieved 26 August 2026).

How ATO impersonation scams reached people, 2025-26 financial year

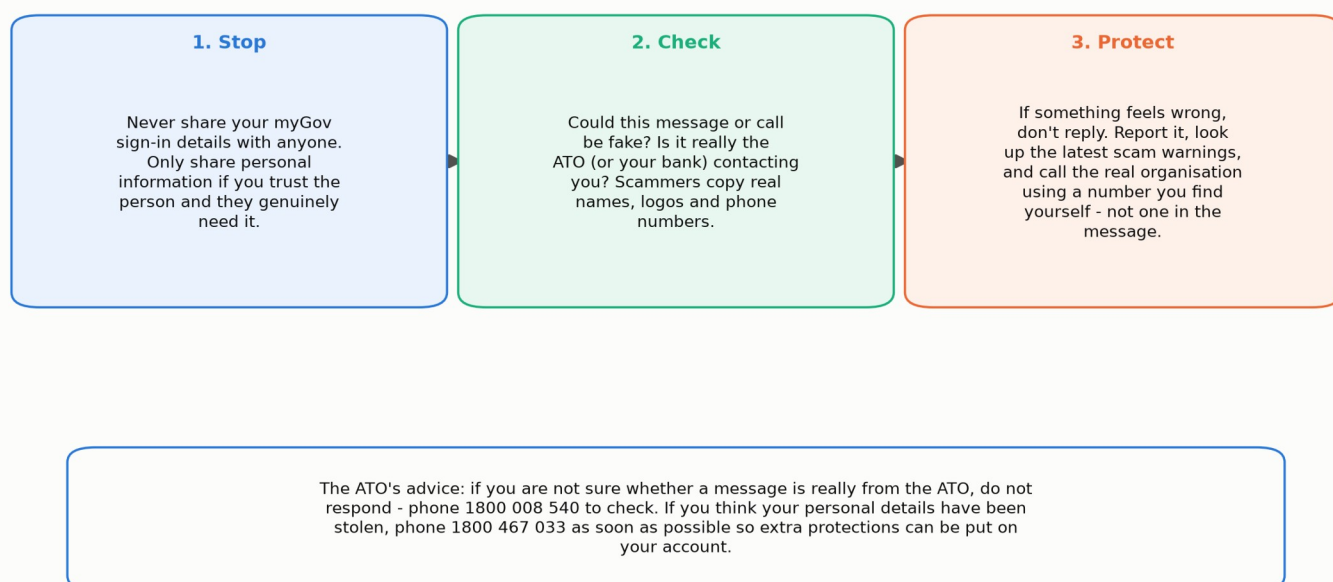


Source: Australian Taxation Office, 'Scam data', Table 2 (year-to-date, 2025-26 financial year), page last updated 21 July 2026. 'Other' includes letters and face-to-face approaches. Retrieved 26 August 2026.

Bar chart showing that email was the channel for 97.2% of ATO impersonation scam reports in 2025-26

The real ATO publishes what it will **never** do: it never sends unexpected links or QR codes; it never asks for your tax file number (TFN), bank details or myGov logins by email or text; it never threatens you with arrest or with cancelling your TFN; and it never tells you to pay with gift cards or digital currency. Real ATO emails end in `ato.gov.au`. When a message makes you feel rushed or scared, that feeling is the trick working. The ATO's advice is a three-step habit: **Stop, Check, Protect**.

Stop. Check. Protect. - what to do about a suspicious message



Steps from the Australian Taxation Office, 'How to stay scam safe' (ato.gov.au), page last updated 11 May 2026, retrieved 26 August 2026.

Three-step flow diagram: *Stop, then Check, then Protect*, with the ATO phone numbers 1800 008 540 and 1800 467 033

Scammers want more than a one-off payment: they want the details that let them *be* you. The table below shows what identity thieves look for and how to protect each item.

What identity thieves want - and how you protect it

The information	What a thief can do with it	How you protect it
Your full name, date of birth and address	Scammers use them to open accounts in your name.	Do not share them online; shred old letters that carry them.
Your tax file number (TFN)	It can be used to claim tax refunds or steal your super in your name.	Give it only to people who truly need it: your employer, your bank, your tax agent, the ATO.
Your myGov and ATO logins	They let a scammer into many government services at once.	Never share them with anyone, and never type them after clicking a link in a message.
Bank and card details	They let a scammer spend your money or move it.	Type web addresses yourself; never give details in reply to an unexpected call, text or email.
Passwords	One stolen password can open several accounts.	Use long passphrases, a different one per account, and a second sign-in step where you can.
If you think your information has been stolen, phone the ATO on 1800 467 033 (8 am to 6 pm, Monday to Friday). Extra protections can be placed on your ATO account. Victims can spend years repairing identity theft - the cheapest protection is never handing the details over in the first place.		

Based on the Australian Taxation Office, 'How to stay scam safe' (ato.gov.au), page last updated 11 May 2026, retrieved 26 August 2026.

Table of the personal information identity thieves want, what a thief can do with it, and how you protect it

Smart shopping (.E02). Most of the time, being a consumer is just shopping well. Smart shopping is a routine before, while and after you pay, not a single clever trick.

The smart shopper checklist

Before you buy	While you pay	After you buy
✓ Compare the price at several sellers, including delivery costs.	✓ On websites, look for the padlock symbol that shows the site is secure before paying.	✓ Keep receipts and confirmation emails as proof of purchase.
✓ Compare unit prices (price per 100 g, per litre, per item) for groceries.	✓ Pay in ways that protect you, such as a credit card or a trusted payment service.	✓ Check your bank or card statement for charges you did not make.
✓ Read reviews and check the seller is real - look up a business number if you need to.	✓ Read the terms, and watch for extra charges or pre-ticked boxes.	✓ Know your consumer guarantees (see this section) - a store sign cannot take them away.
✓ Check the refund and return policy before you pay.	✓ Never send your card number by email or message.	✓ If something is wrong, act quickly: contact the seller first, then get help if needed.

Checklist built from Consumer Affairs Victoria, 'Safety tips online shopping' (consumer.vic.gov.au), retrieved 26 August 2026, and the smart-shopping strategies taught in this section.

Three-column checklist of smart shopping habits: before you buy, while you pay, and after you buy

Two habits from that checklist carry real economics. First, **compare unit prices** — the price per 100 g, per litre or per item — because the bigger pack is not always cheaper, and a delivery cost can turn a “cheaper” online price into a dearer one. Second, **the way you pay matters**: research the seller, look for the padlock symbol that shows the site is secure, and prefer payment methods that protect you, such as a credit card or a trusted payment service. Consumer Affairs Victoria (CAV), the Victorian government consumer agency, gives the same advice on buying online safely (consumer.vic.gov.au, retrieved 26 August 2026).

When things go wrong: your rights (.E03). Every purchase in Australia comes with **consumer guarantees** — automatic promises in the Australian Consumer Law that goods are of acceptable quality, match their description and do what they should, and that services are done with care and skill. These guarantees apply even when a store’s own warranty has run out, and a sign that says “no refunds” cannot remove them. CAV explains what happens when a product is faulty: the fix depends on whether the problem is **major** or **minor**, and a **remedy** is what the law gives you — a refund, a repair, a replacement, or money back for the drop in value.

Faulty product? Major and minor problems have different remedies

	Major problem	Minor problem
What it means	A problem a reasonable buyer would not have put up with: the product is unsafe, very different from its description, or does not do what it should.	A smaller problem that can be fixed within a reasonable time.
Who chooses the remedy	You do.	The seller does.
Your options	Reject the product and choose a refund or a replacement, or keep it and be paid back for the drop in value.	The seller can repair it, replace it, or refund it. If they do not fix it in time, you can reject it, or get it fixed somewhere else and claim the reasonable cost back.
Example	A washing machine motor burns out after three months.	A jacket zip that sticks and can be replaced.

Based on Consumer Affairs Victoria, 'Guarantees that apply automatically' and 'Faulty products' (consumer.vic.gov.au), under the Australian Consumer Law, retrieved 26 August 2026.

Table comparing a major problem with a minor problem in a faulty product, who chooses the remedy, and your options

Just as important: the law does not give an automatic refund for every reason. Knowing the difference makes you a stronger consumer, because you know exactly when the law is on your side.

No automatic right to a refund - these reasons are not enough

Situation	What it means
You changed your mind	You bought it, then decided you no longer wanted it.
You ordered the wrong product	You picked the wrong size, colour or model yourself.
You found it cheaper somewhere else	Another shop sells the same thing for less.
You knew about the fault	The fault was pointed out to you, or you could see it, before you bought the item.
You damaged it by misusing it	The problem happened because of how you used it, not because of the product.
It is normal wear and tear	The item simply wore out as expected over time.

A store can still choose to offer you an exchange or a refund as a goodwill gesture - and it must keep any promise it makes in its own return policy. But the law does not force a refund for the reasons above.

Based on Consumer Affairs Victoria, 'Guarantees that apply automatically' (consumer.vic.gov.au), under the Australian Consumer Law, retrieved 26 August 2026.

Table of six situations, such as changing your mind or normal wear and tear, where there is no automatic right to a refund

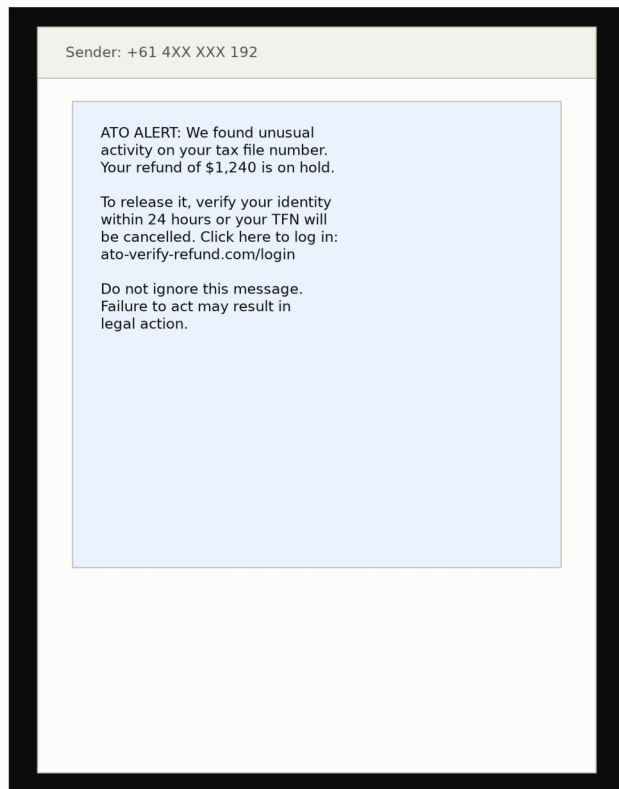
Putting it together. The strategies of a smart consumer stack up in four layers: know the scam types (.E01), build a smart shopping routine and choose safe ways to pay (.E02), know your guarantee rights when something is faulty (.E03), and protect your identity with Stop-Check-Protect (.E04). And when a trick gets through — because even careful people get targeted — reporting it to Scamwatch, your bank or the ATO stops the same trick catching the next person.

Worked examples

Example 1 — scaffolded

Mia received the text message shown below. Use the ATO's published warning signs to decide whether it is real, and what Mia should do.

A message Mia received on her phone



1. Urgency and threats

'within 24 hours', 'your TFN will be cancelled', 'legal action' - fear and hurry are how scams rush you.

2. Asks you to 'verify' personal details

the real ATO never asks for personal details by SMS.

3. A link in an unexpected message

the real ATO never sends a link you did not expect.

4. A web address that is not ato.gov.au

'ato-verify-refund.com' is not the ATO - real ATO emails end in ato.gov.au.

5. You were not expecting it

an unexpected message about a refund you knew nothing about is one of the ATO's own warning signs.

This message is invented for this worked example. Its clues copy the real warning signs listed by the ATO.

A phone screen showing a suspicious text message that pretends to be from the ATO, with five warning signs listed beside it

Working

Clue 1: “within 24 hours”, “legal action”

Clue 2: it asks her to “verify” personal details

Clue 3: it contains a link

Clue 4: the address is ato-verify-refund.com

Clue 5: Mia was not expecting any message about a refund

Decision: five warning signs — the message is a scam.

Action: Stop (do not click, do not reply), Check (phone the ATO on 1800 008 540 using a number she finds herself), Protect (report it, and tell an adult she trusts).

Comment

Real organisations give you time. Urgency and threats are how scams stop you thinking.

The ATO never asks for personal details by text.

The ATO never sends an unexpected link or QR code.

Real ATO emails end in ato.gov.au. This address is not the ATO.

An unexpected message about money you knew nothing about is one of the ATO’s own warning signs.

One sign is enough to stop; five is certain.

This is the Stop-Check-Protect routine from the ATO.

Example 2 — unscaffolded

Tomas buys a \$950 laptop from an online store. When it arrives, the screen is cracked and it will not charge. The store replies: “We can repair it in six weeks. That is your only option.” Advise Tomas.

The laptop fails two consumer guarantees at once: it is not of acceptable quality, and it does not match its description. A reasonable buyer would not put up with this — it is a **major** problem. For a major problem, the *consumer* chooses the remedy: Tomas can reject the laptop and choose a refund or a replacement, or keep it and be paid back for the drop in value. The store’s claim that repair is the “only option” is wrong — that choice belongs to the store only for a *minor* problem. Tomas should reply in writing asking for a refund or replacement, keep his receipt and the store’s messages as proof of purchase, and if the store refuses, take it to Consumer Affairs Victoria (consumer.vic.gov.au), which can help him enforce his guarantees.

Practice questions

Scaffolded

Q1. Match each story to a scam type from the catalogue figure (.E01): (a) Dee “invests” \$2,000 on a website a stranger recommended, and the website will not let her withdraw it; (b) a text says Australia Post holds a parcel and she must pay a \$3 fee at a link; (c) a caller says he is from “the tax office” and she must pay a fine with gift cards today.

Q2. Use the top-five scam types chart (2025, combined reports): (a) which scam type caused the biggest losses, and how much was lost to it? (b) about how many times bigger were its losses than romance scam losses? (c) the top five made up about 60% of all reported losses, and the total was about \$2.2 billion. Add the five bars and check that the sum is close to 60% of \$2.2 billion.

Q3. Each message below breaks one of the ATO’s “never” rules (.E04). Name the rule for each: (a) an email you did not expect contains a button to “log in and check your refund”; (b) a caller says you will be arrested within an hour unless you pay now; (c) a text says your TFN will be cancelled unless you reply with your bank details.

Q4. Smart shopping numeracy (.E02). Shop A sells 500 g of almonds for \$6.50. Shop B sells 2 kg for \$24.00. (a) Find the unit price (price per 100 g) at each shop. (b) Which shop is the better value before delivery costs? (c) Shop B is online and charges \$5.00 delivery. Which is the better value now? What strategy does this show?

Q5. Major or minor (.E03)? For each fault, decide which it is and say who chooses the remedy: (a) a \$1,400 fridge stops cooling after two months of normal use; (b) a jacket zip sticks and can be replaced in a day; (c) a phone you bought last week will not turn on at all.

Q6. Anna buys a \$60 jumper (.E03). (a) She changes her mind the next day. Does the law give her an automatic refund? Which table row is this? (b) The shop’s sign says “30-day returns on all items”. Does the shop have to take the jumper back? Why? (c) At home she finds a hole in the seam. Which rule applies now, and what can Anna choose?

Unscaffolded

Q7. List three strategies from the smart shopper checklist that protect a buyer *before* any money moves, and for each, name the risk it reduces (.E02).

Q8. Use the contact-method chart (Scamwatch reports with losses, 2025): (a) add the losses for phone calls and email; (b) how much more was lost online than that combined figure? (c) give one reason why online contact may cause the biggest losses.

Q9. A text says: “Your bank account will be locked in 2 hours. Click here to confirm your details.” Apply Stop-Check-Protect: explain what you would do at each step and why (.E01, .E04).

Q10. A store tells Kay: “Your \$1,200 phone is 14 months old, so the warranty is over. Nothing to be done.” The phone stopped working on its own with normal use. Explain, using consumer guarantees, why the store’s statement can be wrong, and what Kay can ask for if the problem is major (.E03).

Source inquiry

Q11. Read the source, then complete the task (.E01).

Source A — In 2025, shopping scams were the most reported scam type with losses on Scamwatch: 12,248 reports and \$10.8 million lost. Common signs include prices that look too good to be true, sellers with no reviews or contact details, and websites that look almost right but are not. (*Targeting Scams 2025*, Scamwatch; CAV online-shopping safety advice; retrieved 26 August 2026.)

- (a) Using Source A and the scam catalogue, design a one-page warning brochure or poster for Year 7 students about shopping scams. It must show: three warning signs, two safe habits (one about checking the seller, one about how to pay), and where to report a scam.
 - (b) Under your brochure, list the two sources you drew on and why a reader can trust them.
-

Answers

Q1. (a) investment scam | (b) phishing (fake Australia Post link) | (c) impersonation — the real ATO never demands gift cards. **Q2.** (a) investment scams, \$837.7 million | (b) about 6 times | (c) $\$837.7\text{m} + \$166.8\text{m} + \$139.9\text{m} + \$97.6\text{m} + \$69.9\text{m} = \$1,311.9\text{m}$; 60% of $\$2,200\text{m} \approx \$1,320\text{m}$ — close, so the chart and the 60% claim agree. **Q3.** (a) the ATO never sends an unexpected link | (b) the ATO never threatens arrest | (c) the ATO never asks for bank details or your TFN by text. **Q4.** (a) A: $\$1.30$ per 100 g; B: $\$1.20$ per 100 g | (b) Shop B | (c) B now costs $\$29.00$ for 2 kg = $\$1.45$ per 100 g, so Shop A is better value; always compare the *total* cost, including delivery. **Q5.** (a) major; the consumer chooses | (b) minor; the seller chooses | (c) major; the consumer chooses. **Q6.** (a) no — “changed your mind” is not an automatic-right row | (b) yes — a store must keep the promise in its own return policy | (c) a faulty product is a guarantees problem; as a major fault (a hole in a new jumper), Anna chooses a refund, replacement or repair. **Q7.** e.g. compare prices and unit prices (risk: overpaying); check the seller is real (risk: fake store); check the refund policy (risk: being stuck with a fault). **Q8.** (a) $\$72.5\text{m} + \$57.9\text{m} = \$130.4\text{m}$ | (b) $\$158.5\text{m} - \$130.4\text{m} = \$28.1\text{m}$ more | (c) e.g. online it is easy to fake a store, reach many people at once, and hide who is behind it. **Q9.** Stop: do not click or reply — urgency is a trick. Check: the bank never asks for details by text; find the bank’s real number yourself (on the back of your card). Protect: report it and warn others; if you clicked, call the bank straight away. **Q10.** Guarantees apply on top of any warranty and are not fixed at 14 months — a $\$1,200$ phone should last longer, so this can be a major problem; Kay can choose a refund or a replacement (or keep it and be paid back for the drop in value). **Q11.** (a) brochure shows 3 signs + 2 habits + report-to (Scamwatch / bank / ATO) | (b) e.g. Scamwatch (government scam data) and CAV (Victorian government consumer agency) — official sources with dated data.

Fully-worked solutions

Q1. (a) Money handed over for a fake return that never arrives is the investment scam. (b) A fake message copying a trusted organisation (Australia Post) with a link to steal details or fees is phishing. (c) Pretending to be the tax office and demanding gift cards is impersonation — the real ATO never asks for gift cards.

Q2. (a) The longest bar is investment scams at $\$837.7$ million. (b) $\$837.7\text{m} \div \$139.9\text{m} \approx 5.99$, so about 6 times bigger. (c) Sum of the five bars: $837.7 + 166.8 = 1,004.5$; $+ 139.9 = 1,144.4$; $+ 97.6 = 1,242.0$; $+ 69.9 = \$1,311.9\text{m}$. Sixty per cent of $\$2,200\text{m}$ is $\$1,320\text{m}$. The sum ($\$1,311.9\text{m}$) is close to $\$1,320\text{m}$, so the two figures agree (the small gap is rounding).

Q3. (a) The ATO never sends an unexpected link or QR code. (b) The ATO never threatens arrest or legal action to rush you. (c) The ATO never asks for your TFN or bank details by text — and never says your TFN will be cancelled to scare you.

Q4. (a) A: $\$6.50 \div 5 = \$1.30$ per 100 g. B: $\$24.00 \div 20 = \$1.20$ per 100 g. (b) Shop B is cheaper per 100 g. (c) With delivery, B costs $\$24.00 + \$5.00 = \$29.00$ for 2 kg: $\$29.00 \div 20 = \$1.45$ per 100 g. Now Shop A ($\$1.30$) is the better value. Strategy: compare the total cost you will actually pay, not the sticker price — delivery can flip the answer.

Q5. (a) A fridge dying after two months is not acceptable quality and cannot be quickly fixed — major; the consumer chooses the remedy. (b) A zip that can be replaced in a day is a minor problem; the seller chooses repair, replacement or refund. (c) A phone that will not turn on at all is a major problem; the consumer chooses.

Q6. (a) No. Changing your mind is on the “no automatic right” table, so the law does not force a refund. (b) Yes. A store can choose to offer better-than-law returns, and it must keep any promise in its own policy — the 30-day sign is now a promise the shop must honour. (c) A hole in a new jumper means it is not of acceptable quality: the consumer guarantees apply. A seam failing on a new item is a major problem, so Anna chooses a refund or a replacement (or repair).

Q7. Any three from the “before you buy” column with a matching risk: compare prices at several sellers including delivery (overpaying); compare unit prices (choosing a dearer pack); read reviews and check the seller is real (fake stores and shopping scams); check the refund and return policy before paying (being stuck when a fault appears).

Q8. (a) $\$72.5\text{m} + \$57.9\text{m} = \$130.4\text{m}$. (b) $\$158.5\text{m} - \$130.4\text{m} = \$28.1\text{m}$ more lost through online contact. (c) Online, a scammer can copy a real store’s look, contact thousands of people at once, and disappear quickly — so more people are reached and harder-to-reverse payments are asked for.

Q9. Stop — do not click the link or reply; “2 hours” is urgency pressure, a known scam trick. **Check** — banks do not ask you to confirm details through a text link; without using the link, check the account through the bank’s own app or the number on the back of the card. **Protect** — do not hand over any details; report the text (to the bank and through the scam-reporting services), and if any details were already entered, call the bank immediately so the account can be protected.

Q10. Consumer guarantees are automatic rights in the Australian Consumer Law; they sit on top of a store warranty and do not expire on the warranty’s date. A reasonable buyer expects a \$1,200 phone to work far longer than 14 months with normal use, so the guarantee of acceptable quality has likely failed as a major problem. For a major problem the consumer chooses: Kay can ask for a refund or a replacement, or keep the phone and be paid back for the drop in value. If the store refuses, CAV (consumer.vic.gov.au) can help her enforce the guarantees.

Q11. (a) A strong brochure includes: **three warning signs** from Source A/the catalogue (a price too good to be true; no reviews or contact details for the seller; a website address that is not quite right); **two safe habits** (check the seller: look up reviews and a business number before paying; pay safely: use a credit card or trusted payment service, never send card details by email or message); and **where to report** (Scamwatch, and your bank if money moved). (b) Trust comes from the source being official and dated: Scamwatch is the Australian government’s scam site with national data, and CAV is the Victorian government consumer agency — both carry retrieval dates and are not selling anything.

Tax in Australia: what we pay and what it funds

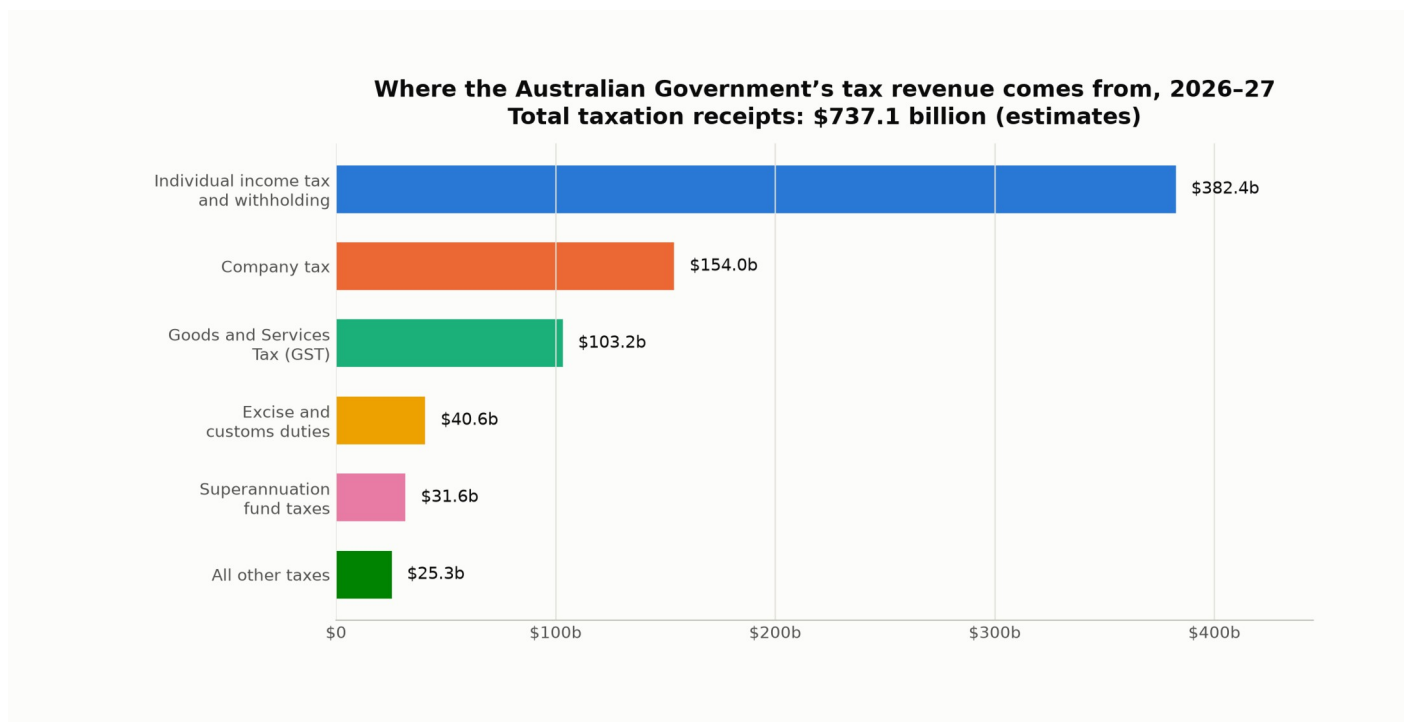
Curriculum link — VC2HE8K09 (Knowledge and Understanding · Consumer and financial literacy)

- VC2HE8K09.E01 — young workers and tax: why they pay, when it starts, and the ATO services for them
- VC2HE8K09.E02 — taxpayer rights and responsibilities, through questions about when a TFN is needed, how income tax is worked out, what to do about wrong withholding, and how to lodge a return
- VC2HE8K09.E03 — the online pathway: getting a TFN, setting up myGov, linking the accounts, and lodging a return
- VC2HE8K09.E04 — working out the income tax owed on different earnings, using the ATO site

Theory

A **tax** is a compulsory payment to the government, and governments collect taxes so they can pay for the things a whole community uses — schools, hospitals, roads, defence and social security. In Australia most federal taxes are collected by the **Australian Taxation Office (ATO)**. This section follows the money in both directions: what a young Australian with a job pays, and what the government spends it on.

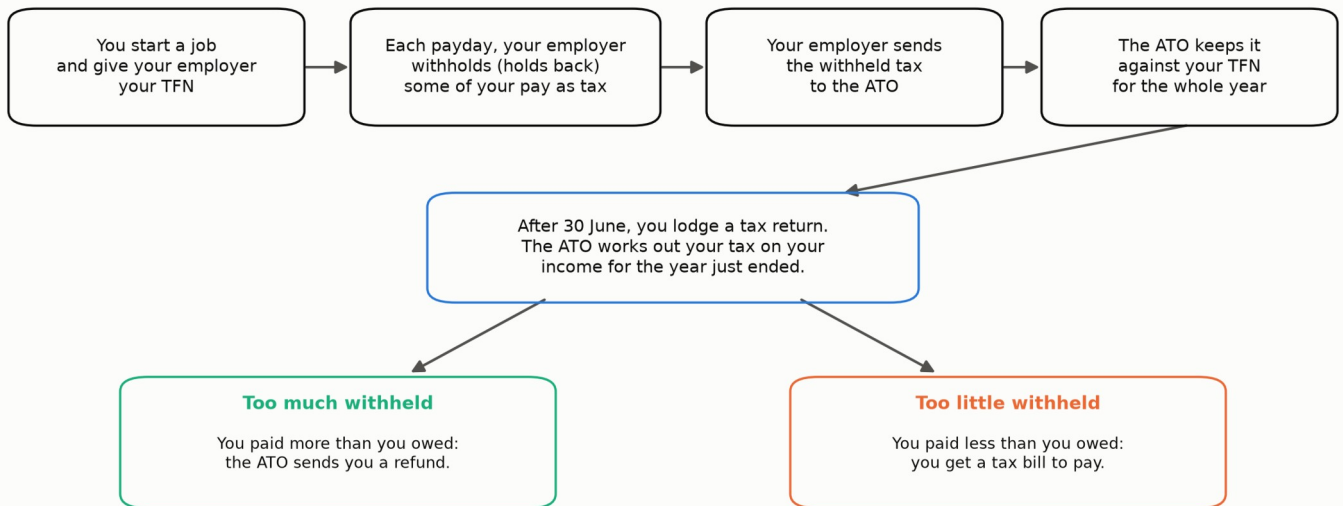
Where the money comes from. The money a government takes in is called **revenue**. In the 2026–27 financial year the Australian Government expects to collect about **\$737.1 billion** in tax and other revenue. As the chart shows, the single biggest source is income tax paid by individuals.



Horizontal bar chart of expected Australian Government revenue by source in 2026–27: individuals' income tax \$382.4 billion, company tax \$154.0 billion, GST \$103.2 billion, excise and customs duties \$40.6 billion, taxes on super (retirement savings) \$31.6 billion and all other revenue \$25.3 billion, totalling \$737.1 billion.

The income-tax journey of a young worker. When you start a job you need your own **tax file number (TFN)** — a free number the ATO uses to identify you, which stays yours for life. Each payday your employer **withholds** some of your pay and sends it to the ATO on your behalf. After the income year ends on 30 June you **lodge** (send in) a **tax return** — a form telling the ATO exactly what you earned and what was withheld. The ATO then works out what you actually owed for the year. If more was withheld than you owed, you get the difference back as a **refund**; if less was withheld than you owed, you get a **tax bill** for the difference.

How tax moves from your pay — and how it can come back



TFN = tax file number. The ATO is the Australian Taxation Office.

Flow diagram of the income-tax journey: you start a job and give your employer your TFN; your employer withholds tax from each pay and sends it to the ATO; the ATO holds it against your TFN; after 30 June you lodge your tax return; the result is either a refund when too much was withheld or a tax bill when too little was withheld.

Getting a TFN. You can apply for a TFN at any age, and it is free. The fastest path is online through the ATO website, especially if you already have a myID digital identity; the other path is an online form plus a visit to Australia Post with your identity documents. Either way the ATO usually issues your TFN within 28 days. You then give the number to your employer. If you do not give it to them within 28 days of starting, they must withhold tax from your pay at the **top rate of tax** — so delaying your TFN means less take-home pay while you wait. The ATO services young Australians use most — the free online TFN application and **myTax**, the simple online return — are both reached through the ATO website and a **myGov** account (your one login for government services), which you link to the ATO.

Two ways to apply for your tax file number

Both ways are free, and the ATO says you can apply at any age.



Your TFN is yours for life. Keep it private — the main people who need it are your employer, your bank and the ATO.

Source: Australian Taxation Office, "What is a tax file number?" and "Australian residents – TFN application" (retrieved 26 August 2026).

Two-path diagram for getting a tax file number: the fastest path (15 or over with a myID strong identity strength) applies online and is matched by digital identity; the other path prints an application summary and visits Australia Post within 30 days with identity documents; both end with the ATO issuing the TFN within 28 days, and the number is yours for life.

How income tax is calculated. Income tax is worked out on your **taxable income** — what you earned for the year after any allowed deductions. Australia uses brackets: each part of your income is taxed at its own **marginal rate**, and the first part — the **tax-free threshold** of \$18,200 — pays no income tax at all. Earning a dollar more never moves your whole income into a higher bracket; only the dollars above each line are taxed at the higher rate. Most taxpayers also pay the **Medicare levy** of 2% of their taxable income on top of their income tax. The rates below are the ATO resident rates for 2026–27; thresholds change every financial year, so always check the current ones on the ATO website.

Australian resident income tax rates, 2026–27

These rates apply to your taxable income for the year 1 July 2026 to 30 June 2027.

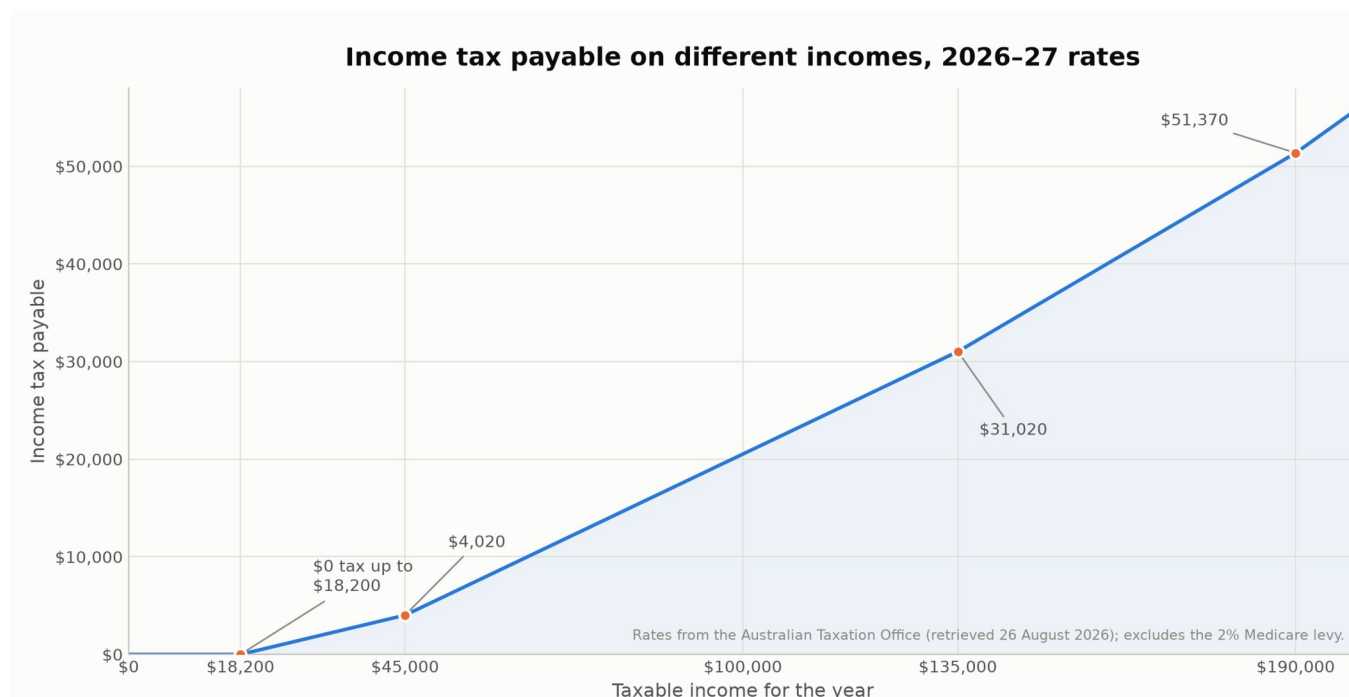
Taxable income	Tax on this income
\$0 – \$18,200	Nil (this is the tax-free threshold)
\$18,201 – \$45,000	15c for each \$1 over \$18,200
\$45,001 – \$135,000	\$4,020 plus 30c for each \$1 over \$45,000
\$135,001 – \$190,000	\$31,020 plus 37c for each \$1 over \$135,000
\$190,001 and over	\$51,370 plus 45c for each \$1 over \$190,000

These rates do not include the Medicare levy of 2%.

Source: Australian Taxation Office, "Tax rates – Australian resident",
ato.gov.au (page updated 13 August 2026; retrieved 26 August 2026).

Table of Australian resident income tax rates for 2026–27: \$0–\$18,200 nil (the tax-free threshold); \$18,201–\$45,000 15c for each \$1 over \$18,200; \$45,001–\$135,000 \$4,020 plus 30c for each \$1 over \$45,000; \$135,001–\$190,000 \$31,020 plus 37c for each \$1 over \$135,000; \$190,001 and over \$51,370 plus 45c for each \$1 over \$190,000. The table notes these rates do not include the 2% Medicare levy.

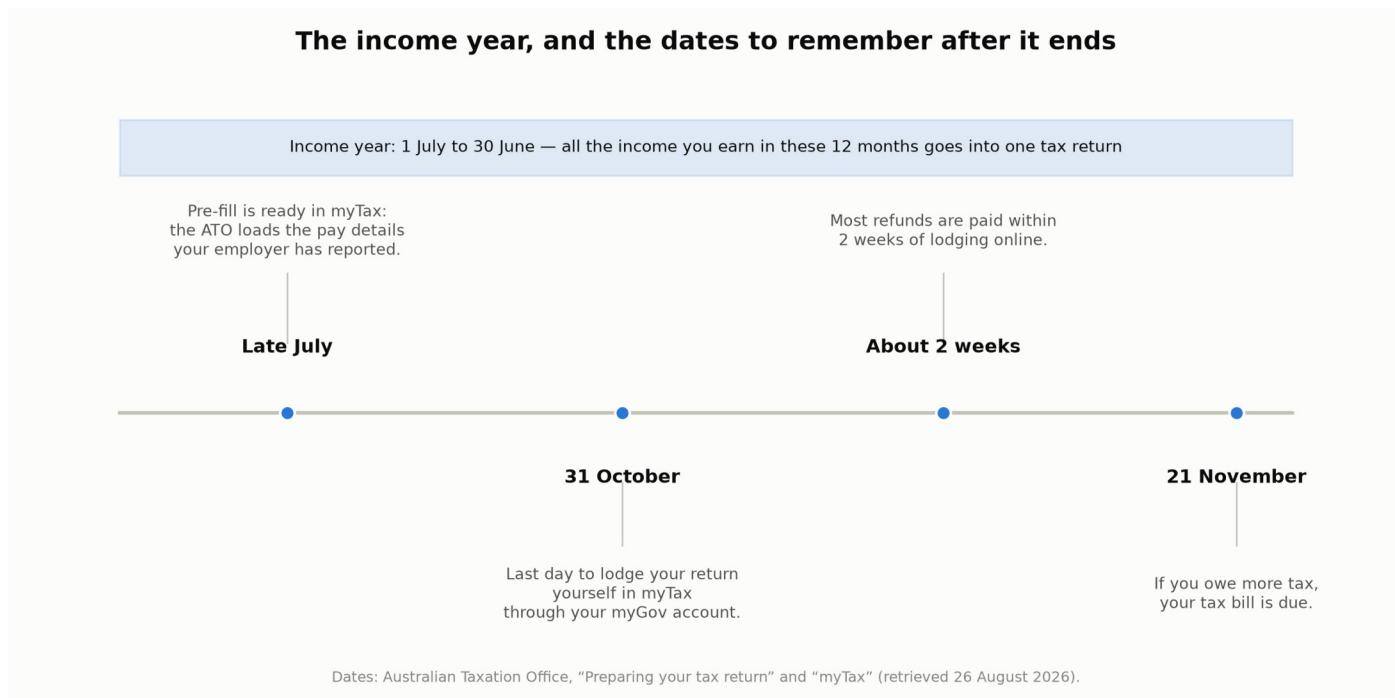
The graph shows the same idea as a picture: tax payable climbs slowly in the 15% bracket, then faster in each higher bracket. The orange dots mark the bracket lines at \$18,200, \$45,000, \$135,000 and \$190,000.



Line graph of income tax payable against taxable income from \$0 to \$200,000 using 2026–27 rates: flat at \$0 up to the \$18,200 tax-free threshold, then rising with a steeper slope in each higher bracket, with the joins marked at \$4,020, \$31,020 and \$51,370.

Lodging a return — the year in dates. The income year runs from 1 July to 30 June. From late July, the ATO pre-fills most of your return in myTax with the figures your employers sent it. If you lodge yourself through myGov, the

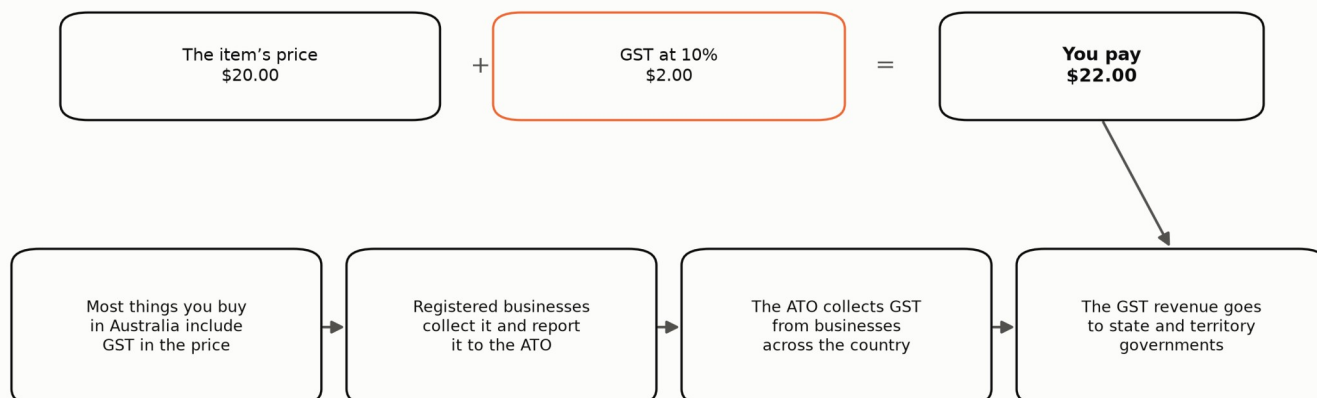
last day is usually **31 October**, most refunds arrive within about two weeks, and any tax bill is due by **21 November**. If you think the tax being taken out of your pay is wrong — too much or too little — first ask your employer to fix your withholding; lodging your return at year end squares everything up with the ATO either way.



Timeline of the income year: a span bar from 1 July to 30 June labelled the income year; from late July the pre-filled return is ready in myTax; 31 October is the last day to lodge yourself through myGov; most refunds arrive about two weeks after lodging; any tax bill is due 21 November.

Other taxes: GST, company tax and excise. Income tax is not the only tax. The **goods and services tax (GST)** is a broad-based tax of 10% on most things you buy; registered businesses collect it in their prices and pass it on to the ATO, and the revenue is paid to the state and territory governments. Companies pay **company tax** on their profits, and **excise** and customs duties are charged on goods such as fuel, alcohol and tobacco — which is why part of the price of a litre of petrol is tax.

How the 10% GST is collected — and where the money goes



In 2026–27, GST payments to the states are expected to be about \$109.8 billion.

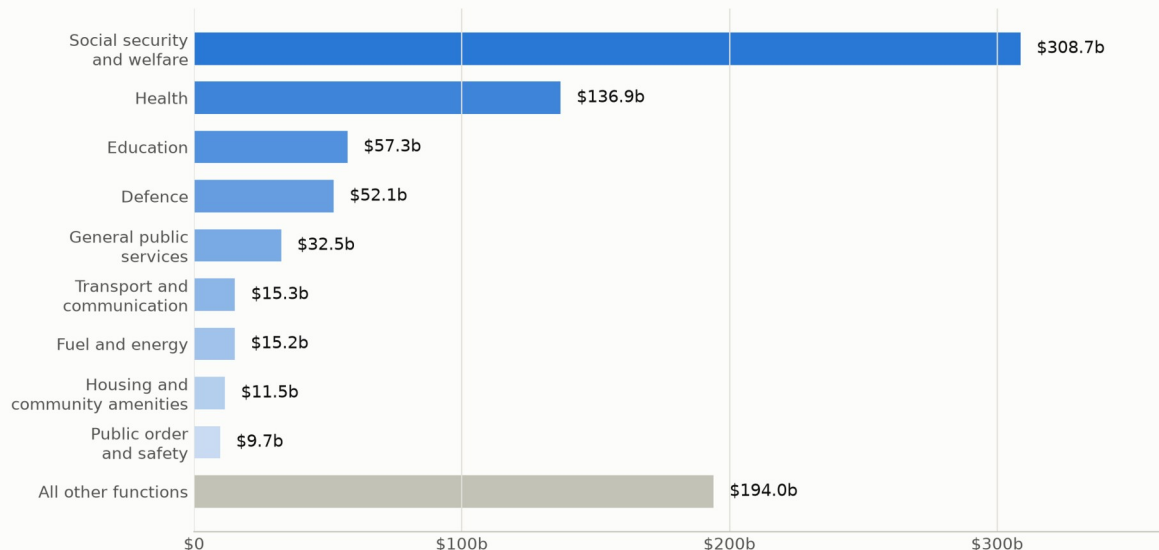
GST: Australian Taxation Office, "How GST works" (updated 22 June 2023; retrieved 26 August 2026).

State payments: Australian Government Budget 2026–27, Budget Paper No. 3, Part 1 (retrieved 26 August 2026).

Diagram of the GST: a \$20.00 item price plus \$2.00 GST equals \$22.00 paid; a four-step flow shows most purchases include GST in the price, registered businesses collect and report it to the ATO, the ATO collects it, and the revenue goes to state and territory governments; in 2026–27 those payments are expected to be about \$109.8 billion.

Where the money goes. In 2026–27 the Australian Government expects to spend about **\$833.3 billion**. The chart shows what that buys: the largest share, \$308.7 billion, is **social security and welfare** (such as the age pension and family payments), then health, education, defence and the rest. Because the government plans to spend more than it expects to collect, it must borrow the difference — that gap is the **budget deficit**. Taxation revenue is what funds nearly all of it.

Where Australian Government expenses go, 2026–27 Total expenses: \$833.3 billion (estimates)



Horizontal bar chart of expected Australian Government spending by function in 2026–27: social security and welfare \$308.7 billion, health \$136.9 billion, education \$57.3 billion, defence \$52.1 billion, general public services \$32.5 billion, transport and communication \$15.3 billion, fuel and energy \$15.2 billion, housing and community amenities \$11.5 billion, public order and safety \$9.7 billion, and all other functions \$194.0 billion, totalling \$833.3 billion.

Worked examples

Example 1 — scaffolded

Dev, 16, has a part-time job at a bakery. In 2026–27 his taxable income is \$16,800, and his employer has withheld \$520 in income tax. Does Dev get a refund or a tax bill, and how much?

Working

Taxable income: \$16,800.
\$16,800 is below \$18,200.
Income tax payable: \$0.
Already withheld: \$520.

Comment

Dev reports what he earned in his tax return.
The tax-free threshold covers all of his income.
No part of his income sits in a taxed bracket.
His employer sent \$520 to the ATO from his pay.

Refund: $\$520 - \$0 = \$520$.

Too much was withheld, so the ATO sends it all back.

Worked example 1 — Dev's first tax return (2026–27)

Dev, 16, earned \$16,800 in the year. His employer withheld \$520 in income tax.

Working	Why
1. Taxable income: \$16,800	This is what Dev earned and must report in his tax return.
2. Find the bracket: \$16,800 is below \$18,200	The tax-free threshold means the first \$18,200 pays no income tax.
3. Income tax payable: \$0	Dev owes no income tax for the year.
4. Withheld so far: \$520	His employer already sent \$520 to the ATO from his pay.
5. Refund: $\$520 - \$0 = \$520$	Dev lodged a return, so the ATO sends all \$520 back.

Because Dev's income is low, the ATO also works out that he owes no Medicare levy.

Income tax rates: Australian Taxation Office, 2026–27 resident rates (retrieved 26 August 2026).

Worked example 1 table: Dev earned \$16,800 in 2026–27 with \$520 withheld; because his income is below the \$18,200 tax-free threshold his income tax is \$0 and the full \$520 is refunded; a note adds that his income is low enough that he owes no Medicare levy.

Example 2 — scaffolded

Leo, 19, works full time at a warehouse. In 2026–27 his taxable income is \$52,600, and his employer has withheld \$7,900 in income tax. What does Leo owe in total (income tax plus the Medicare levy), and does he get a refund or a bill?

Taxable income: \$52,600.

Leo reports the full amount in his return.

First \$18,200: \$0 tax.

The tax-free threshold covers this part.

\$18,201 to \$45,000: $\$26,800 \times 15\% = \$4,020$.

15c of tax on each \$1 in this bracket.

\$45,001 to \$52,600: $\$7,600 \times 30\% = \$2,280$.

30c of tax on each \$1 in this bracket.

Income tax: $\$4,020 + \$2,280 = \$6,300$.

Add the tax from each bracket.

Medicare levy: $2\% \times \$52,600 = \$1,052$.

Most taxpayers pay the levy on top.

Owed: $\$6,300 + \$1,052 = \$7,352$. Withheld: $\$7,900 \rightarrow \$7,900 - \$7,352 = \$548$ was withheld too much.
refund **\$548**.

Worked example 2 — Leo's return across two brackets (2026–27)

Leo, 19, earned \$52,600 in the year. His employer withheld \$7,900 in income tax.

Working	Why
1. Taxable income: \$52,600	Leo reports the full amount he earned in his tax return.
2. First \$18,200: no tax	The tax-free threshold covers this part.
3. \$18,201 to \$45,000: $\$26,800 \times 15\% = \$4,020$	15c of tax on each \$1 in this bracket.
4. \$45,001 to \$52,600: $\$7,600 \times 30\% = \$2,280$	30c of tax on each \$1 in this bracket.
5. Income tax: $\$4,020 + \$2,280 = \$6,300$	Add the tax from each bracket.
6. Medicare levy: $2\% \times \$52,600 = \$1,052$	Most taxpayers also pay the 2% Medicare levy.
7. Owed: $\$6,300 + \$1,052 = \$7,352$ Withheld: $\$7,900 \rightarrow$ refund \$548	Too much was withheld, so the ATO refunds $\$7,900 - \$7,352 = \$548$.

Income tax rates and the 2% levy: Australian Taxation Office, 2026–27 resident rates (retrieved 26 August 2026).

Worked example 2 table: Leo earned \$52,600 in 2026–27 with \$7,900 withheld; the first \$18,200 pays no tax, the next \$26,800 is taxed at 15% giving \$4,020 and the top \$7,600 at 30% giving \$2,280, so income tax is \$6,300; adding the 2% Medicare levy of \$1,052 he owed \$7,352, so the \$7,900 withheld gives a refund of \$548.

Practice questions

Scaffolded

Q1. Priya earns \$17,500 in 2026–27. Use the rates table to find her income tax payable. (Ignore the Medicare levy in Q1–Q3, Q5 and Q7–Q9.)

Q2. Tom's taxable income is \$30,000. (a) How many dollars of his income sit in the 15% bracket? (b) Hence find his income tax payable.

Q3. Use the second row of the rates table to show why a person earning exactly \$45,000 pays \$4,020 in income tax.

Q4. Ana's taxable income is \$80,000. (a) Show that her income tax is \$14,520. (b) Add the 2% Medicare levy to find the total she owes.

Q5. Use the line graph: read the income tax payable on a taxable income of \$135,000, then check your reading using the third row of the rates table.

Q6. A hoodie is priced at \$20 before GST. (a) Find the GST added. (b) Find the price you pay. (c) A basketball costs \$44 including GST. Find the GST included in that price.

Unscaffolded

Q7. Find the income tax payable on a taxable income of \$19,000 in 2026–27.

Q8. Find the income tax payable on a taxable income of \$46,000 in 2026–27.

Q9. Find the income tax payable on a taxable income of \$120,000 in 2026–27.

Q10. Mia's taxable income is \$45,000 and her employer has withheld \$5,000 in income tax. Ignoring the Medicare levy, does Mia get a refund or a tax bill, and for how much?

Q11 — source-based inquiry.

Source A (adapted from the Australian Taxation Office, ato.gov.au; retrieved 26 August 2026): *If you start a new job and do not give your employer your TFN within 28 days, your employer must withhold tax from your pay at the top rate of tax.*

- (a) Explain in two or three sentences why a new worker who delays applying for a TFN takes home less pay. (b) The extra money withheld is not lost for ever: explain when and how the worker gets it back if they did not actually owe it.
-

Answers

Q1. \$0 (below the tax-free threshold). **Q2.** (a) \$11,800; (b) \$1,770. **Q3.** $\$45,000 - \$18,200 = \$26,800$ at 15% = \$4,020. **Q4.** (a) $\$4,020 + \$10,500 = \$14,520$; (b) \$16,120. **Q5.** \$31,020. **Q6.** (a) \$2.00; (b) \$22.00; (c) \$4.00. **Q7.** \$120. **Q8.** \$4,320. **Q9.** \$26,520. **Q10.** Refund of \$980. **Q11.** (a) Without a TFN the employer must withhold at the top rate of tax, far more than most new workers owe, so each pay is smaller. (b) When they lodge a tax return after 30 June, the ATO works out what they actually owed and refunds the extra that was withheld.

Fully-worked solutions

Q1. \$17,500 is below the \$18,200 tax-free threshold, so no part of Priya's income is taxed: income tax payable = **\$0**. (Like Dev in Example 1, she would get back anything that was withheld.)

Q2. (a) The first \$18,200 pays no tax, so the amount in the 15% bracket is $\$30,000 - \$18,200 = \mathbf{\$11,800}$. (b) $\$11,800 \times 15\% = \mathbf{\$1,770}$.

Q3. \$45,000 sits at the top of the second bracket. The amount over \$18,200 is $\$45,000 - \$18,200 = \$26,800$, taxed at 15c for each \$1: $\$26,800 \times 0.15 = \mathbf{\$4,020}$ — exactly the figure the third row starts from.

Q4. (a) First \$18,200: \$0. Next \$26,800 (up to \$45,000): \$4,020. The remaining $\$80,000 - \$45,000 = \$35,000$ at 30%: \$10,500. Income tax = $\$4,020 + \$10,500 = \mathbf{\$14,520}$. (b) Medicare levy = $2\% \times \$80,000 = \$1,600$, so total owed = $\$14,520 + \$1,600 = \mathbf{\$16,120}$.

Q5. The orange dot on the graph at \$135,000 reads **\$31,020**. Check: \$4,020 plus 30c for each \$1 over \$45,000 gives $\$4,020 + (\$135,000 - \$45,000) \times 0.30 = \$4,020 + \$27,000 = \mathbf{\$31,020}$. ✓

Q6. (a) $\text{GST} = 10\% \times \$20 = \mathbf{\$2.00}$. (b) Price paid = $\$20 + \$2 = \mathbf{\$22.00}$. (c) A price that includes GST is 11 equal parts (10 of price + 1 of GST), so the GST inside \$44 is $\$44 \div 11 = \mathbf{\$4.00}$.

Q7. Only the dollars over \$18,200 are taxed: $\$19,000 - \$18,200 = \$800$ at 15% = **\$120**.

Q8. First \$18,200: \$0. Next \$26,800 at 15%: \$4,020. The remaining $\$46,000 - \$45,000 = \$1,000$ at 30%: \$300. Total = $\$4,020 + \$300 = \mathbf{\$4,320}$.

Q9. First \$18,200: \$0. Next \$26,800 at 15%: \$4,020. The remaining $\$120,000 - \$45,000 = \$75,000$ at 30%: \$22,500. Total = $\$4,020 + \$22,500 = \mathbf{\$26,520}$.

Q10. Income tax on \$45,000 is \$4,020 (as in Q3). Her employer withheld \$5,000, which is more than she owed, so Mia gets a **refund** of $\$5,000 - \$4,020 = \mathbf{\$980}$.

Q11. (a) The top rate of tax takes 45c from every dollar of the worker's pay. Most new workers earn far too little to owe that much, so while they have no TFN far more is withheld from each pay than they will end up owing. (b) After the income year ends on 30 June the worker lodges a tax return; the ATO then works out the tax actually owed at the worker's real rates, and the extra that was withheld at the top rate is sent back as a refund — so the money was held, not lost.

Sources for this section (all retrieved 26 August 2026): Australian Taxation Office, "Tax rates – Australian resident" (page updated 13 August 2026); ATO, tax file number and myGov/myTax lodgment pages; ATO, "How GST works"; Australian Government Budget 2026-27, Budget Paper No. 1, Statements 5 and 6, and Budget Paper No. 3, Part 1. Tax rates and thresholds change each financial year — check the ATO website for the current year.

Planning your money: budgets, goals and big purchases

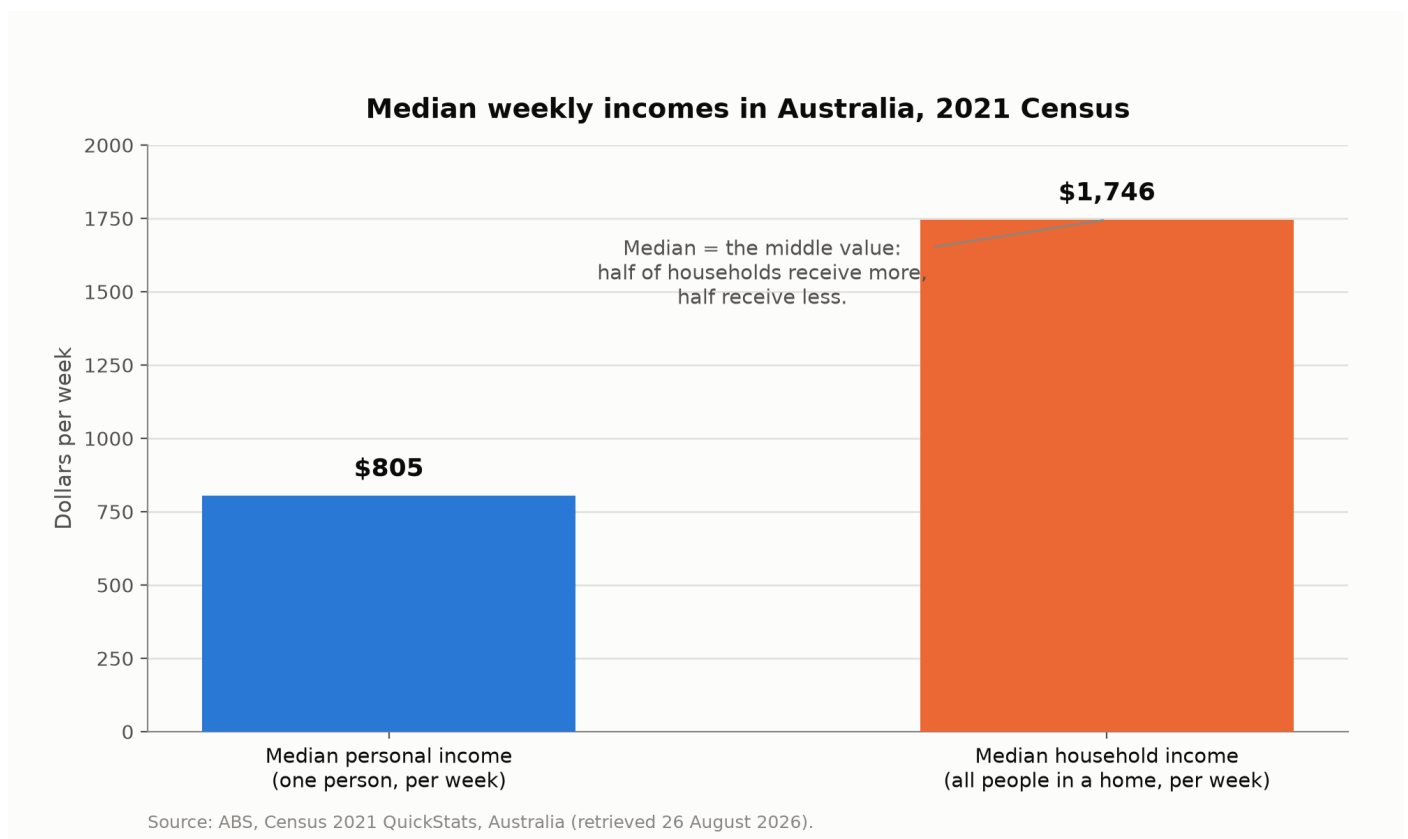
Curriculum link — VC2HE8K10 (Knowledge and Understanding · Consumer and financial literacy)

- **VC2HE8K10.E01** — the big money moves, step by step: a loan, a first bank account, a share purchase or a major buy like a car or house
- **VC2HE8K10.E02** — personal money goals for 12 months, 5 years and 10 years out, each with ways to reach it
- **VC2HE8K10.E03** — the Moneysmart site: its online activities on banking, budgets, loans, credit, debt and investing

Band key question, in our words: what does planning your money involve, and why does it matter?

Theory

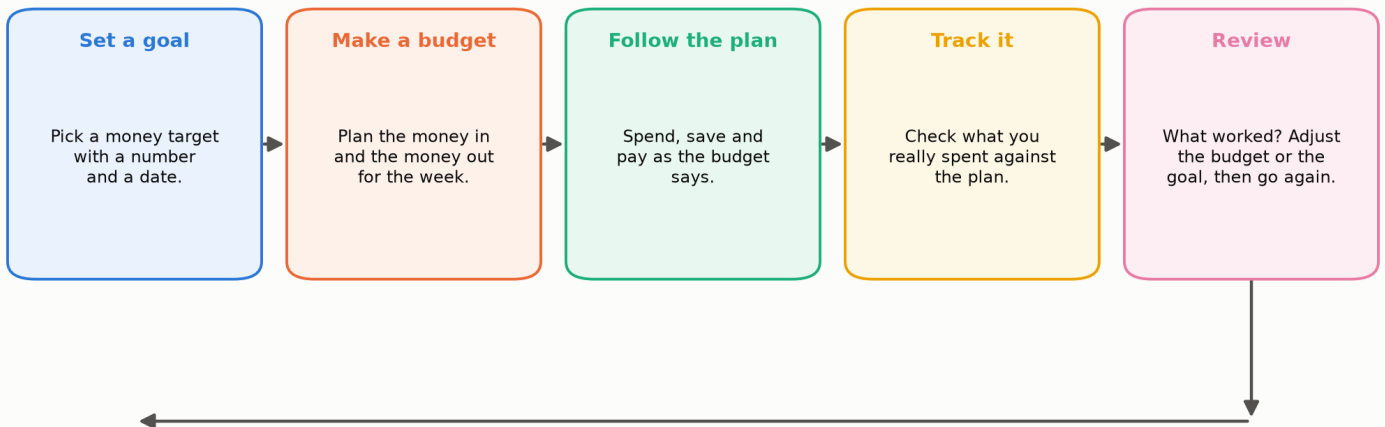
The Victorian Curriculum uses the term **financial planning** but does not define it. This section therefore treats it as the habit of deciding what you want your money to do, then writing down how — a cycle of setting a goal, making a budget, following it, tracking it and reviewing it — and every question here is answerable on that definition alone. It matters because money is limited: almost every household receives less than it could spend, so the choices have to be planned. The Census shows the size of that limit: in 2021 the middle Australian household — the **median**, with half of households receiving more and half receiving less — received **\$1,746 a week**, and the middle individual worker received **\$805 a week**. A plan is how a household makes its money cover needs first, goals second and wants with what is left.



Bar chart of median weekly incomes in Australia from the 2021 Census: median personal income \$805 a week and median household income \$1,746 a week, with a note that the median is the middle value, so half of households receive more and half receive less.

The planning cycle. Financial planning is a cycle, not a one-off job. You set a goal with a number and a date, make a budget that moves money toward it, follow the plan, track what you really spent against the plan, then review: what worked? The review sends you back to the goal with a sharper plan, and the cycle goes again. Every step is small; the plan is what joins them together.

Financial planning is a cycle, not a one-off job



The review sends you back to your goal — plans get sharper each time around.

Every step is small. The plan is what joins them together.

Flow diagram of the financial planning cycle with five stages joined by arrows — set a goal (pick a money target with a number and a date), make a budget (plan the money in and the money out for the week), follow the plan (spend, save and pay as the budget says), track it (check what you really spent against the plan), review (what worked? adjust the budget or the goal, then go again) — with a return arrow from review back to the goal.

A budget puts the plan on paper. A **budget** is a plan of the money coming in and the money going out for a set time. The money in is your **income**; the money out is your spending. Spending splits into **needs** — the must-pays, like fares and a phone — and **wants**, the nice-to-haves. **Saving** is money set aside for a goal, and a budget treats it as a must-pay too: you pay yourself first, before wants. The working rule is needs first, saving second, wants get what is left. Marcus's budget below follows that rule, and it balances: money in equals money out.

Marcus's weekly budget

Money in	
Saturday job at the bakery	\$40.00
Pocket money	\$15.00
Total money in	\$55.00
Where it goes	
Myki fares (needs)	\$12.00
Phone plan (needs)	\$8.00
School supplies (needs)	\$5.00
Saving — laptop fund	\$18.00
Wants — what is left	\$12.00
Total money out	\$55.00
Money in \$55.00 = money out \$55.00 ✓ The budget balances.	

Needs first, saving second, wants get what is left.

Table of Marcus's weekly budget: money in is a \$40.00 Saturday job at the bakery plus \$15.00 pocket money, totalling \$55.00; where it goes is myki fares \$12.00, phone plan \$8.00 and school supplies \$5.00 as needs, saving for a laptop fund \$18.00, and wants \$12.00, totalling \$55.00; a balance strip shows money in \$55.00 equals money out \$55.00, so the budget balances.

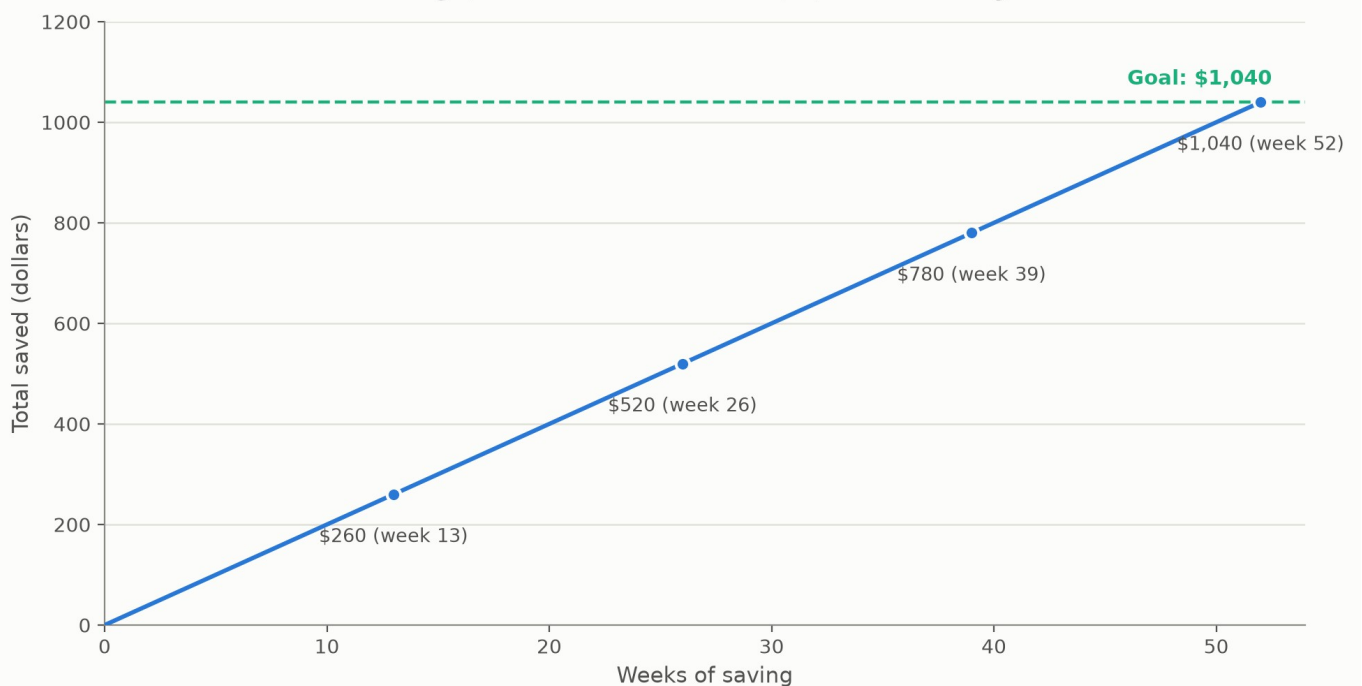
Goals: a number and a date. A goal without a number and a date is a wish. The useful habit is to set one goal for the next 12 months, one for five years and one for ten, and to write a strategy — a way of getting there — for each. Ava's three goals below all grow from the same small habit, \$20 a week, and the strategy for each longer goal is to keep the habit going as life adds more money. Small weekly saving adds up in a way that is easy to underestimate: \$20 a week is \$1,040 a year.

Ava's three goals — one habit, three horizons



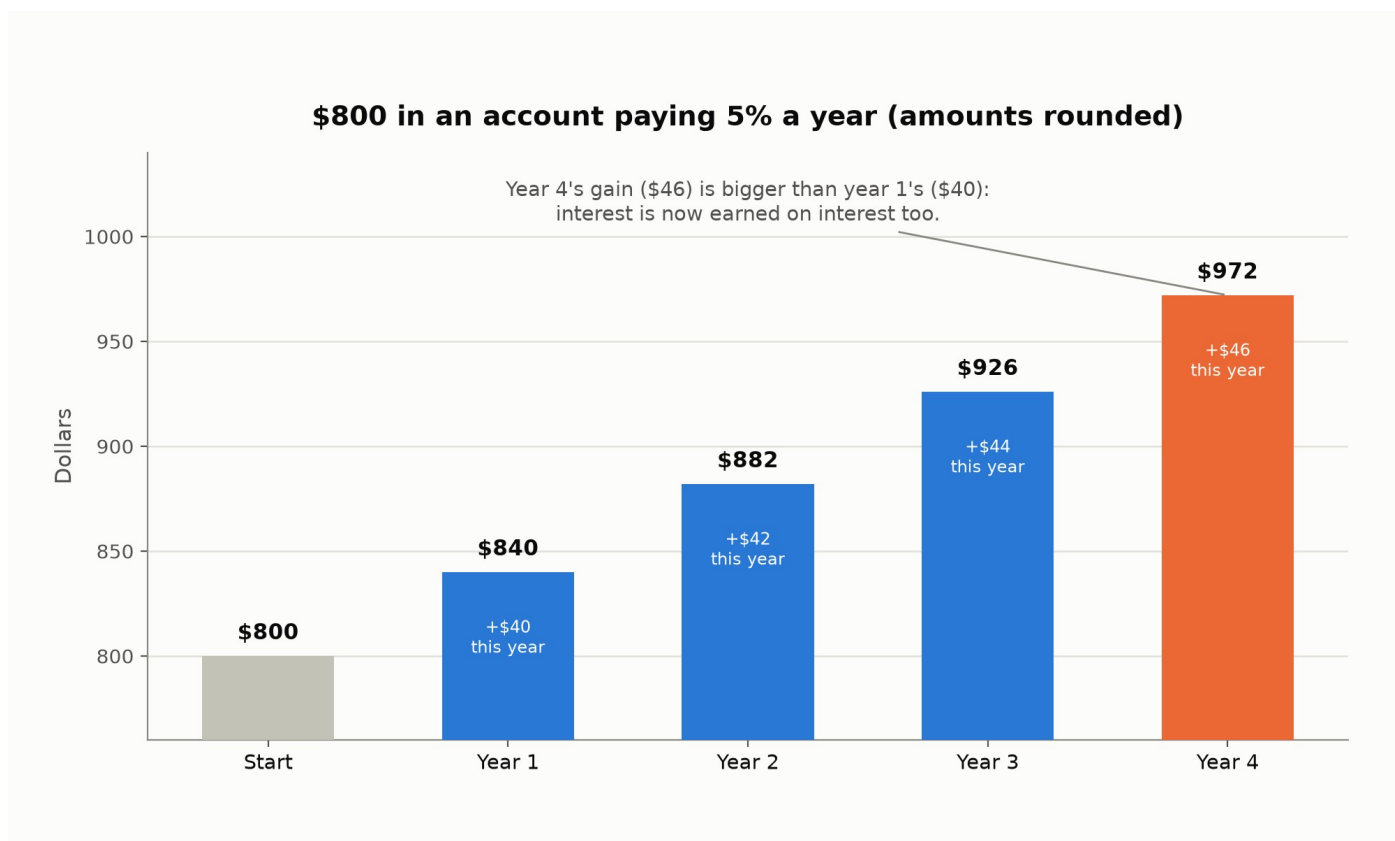
Timeline diagram of Ava's three goals: in 12 months \$1,040 for a laptop with the strategy save \$20 a week into its own savings account; in 5 years \$5,200 for a car fund with the strategy keep \$20 a week and put holiday-job money straight in; in 10 years \$15,000 as a head start on a house deposit with the strategy keep the habit and add half of every pay rise. A note says each goal has a number and a date, and that \$20 a week adds up to \$1,040 a year.

Saving \$20 a week reaches \$1,040 in one year



Line graph of total saved against weeks of saving at \$20 a week: a straight line from \$0 reaching \$260 at week 13, \$520 at week 26, \$780 at week 39 and \$1,040 at week 52, where it meets a dashed goal line labelled Goal: \$1,040.

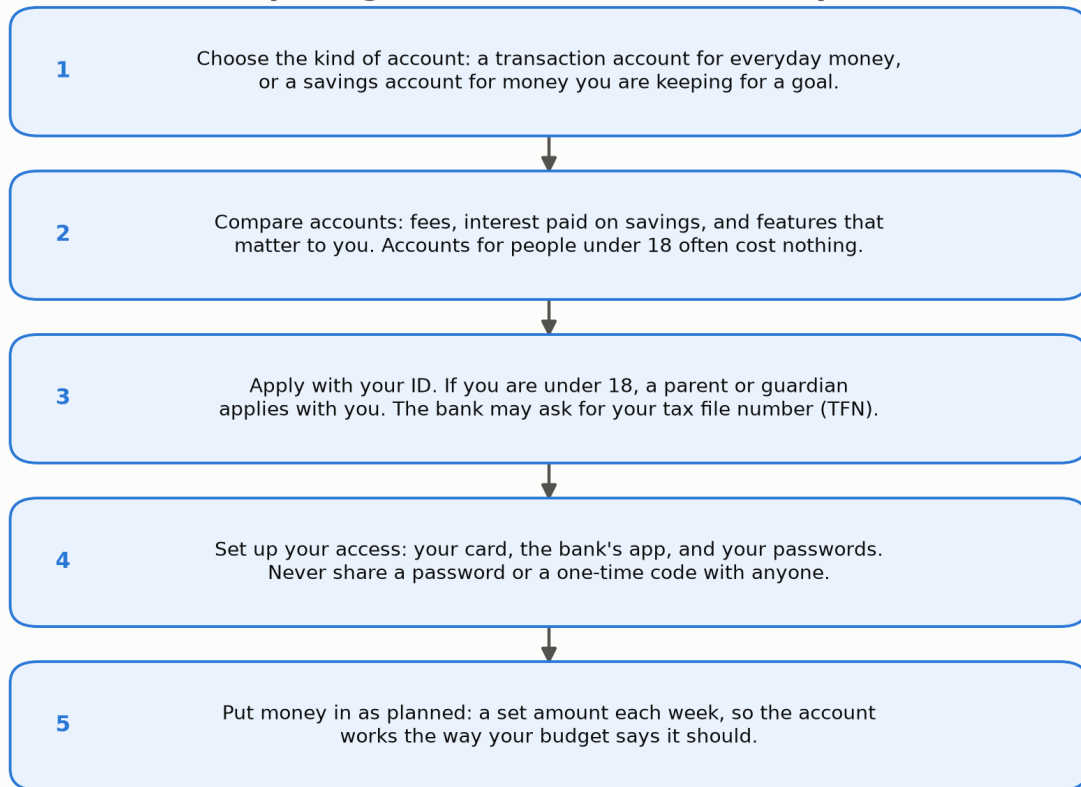
Interest: the reason saving grows. When money sits in a savings account, the bank pays you for keeping it there: **interest**, quoted as a percentage of your money per year. The growth is **compound interest** — interest is added to your money, and from then on you earn interest on the interest too. In the chart below, \$800 at 5% a year earns \$40 in year 1 but \$46 in year 4, because by then the bank is paying interest on four years of added interest. Over ten years, compounding is quietly one of the biggest helpers a saver has.



Bar chart of \$800 in an account paying 5% a year for four years: \$800 at the start, \$840 after year 1 (a \$40 gain), \$882 after year 2 (a \$42 gain), \$926 after year 3 (a \$44 gain) and \$972 after year 4 (a \$46 gain), with a note that year 4's gain is bigger than year 1's because interest is now earned on interest too.

Opening a bank account — the steps. A **transaction account** holds everyday money for spending; a **savings account** holds money you are keeping for a goal and is where interest is paid. If you are under 18, a parent or guardian — the adult who is responsible for you by law — applies with you, and accounts for young people often cost nothing. Money in an Australian bank is protected by the Australian Government's Financial Claims Scheme up to \$250,000 per person per bank. The five steps below are the whole job — and step 4 is a safety rule as much as a setup step: never share a password or a one-time code with anyone.

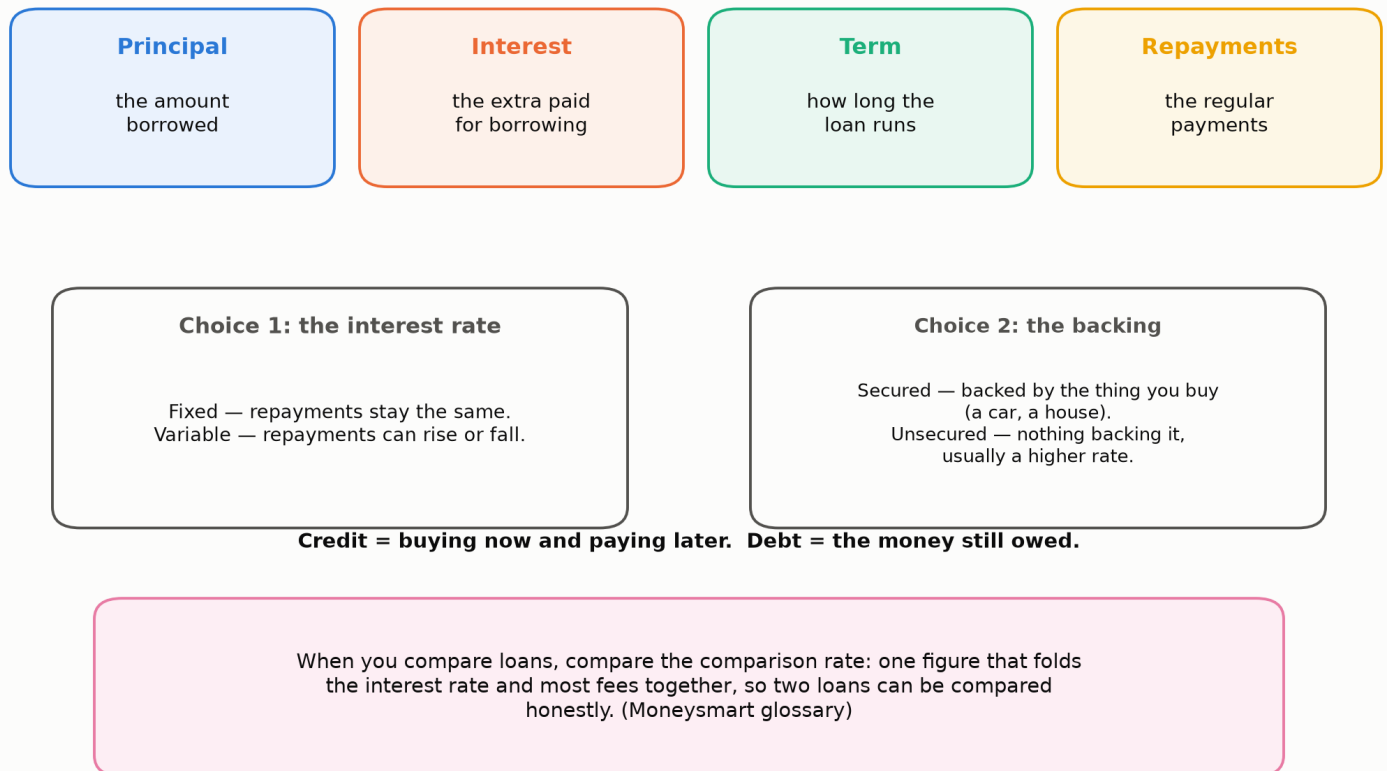
Opening a bank account — five steps



Flow diagram of five steps for opening a bank account: 1 choose the kind of account, a transaction account for everyday money or a savings account for money kept for a goal; 2 compare accounts on fees, interest paid on savings, and features that matter, noting accounts for people under 18 often cost nothing; 3 apply with your ID, with a parent or guardian applying with you if you are under 18, and the bank may ask for your tax file number (TFN); 4 set up your card, the bank's app and your passwords, never sharing a password or a one-time code with anyone; 5 put money in as planned, a set amount each week, so the account works the way your budget says it should.

Taking out a loan — the words first. **Credit** is buying now and paying later; **debt** is the money still owed. Every loan is described by four words: the **principal** (the amount borrowed), the **interest** (the extra paid for borrowing), the **term** (how long the loan runs) and the **repayments** (the regular payments). Two choices shape every loan: whether the rate is **fixed** (repayments stay the same) or **variable** (repayments can rise or fall), and whether the loan is **secured** (backed by the thing you buy, like a car or a house) or **unsecured** (nothing backing it, usually a higher rate). When you compare loans, compare the **comparison rate**: one figure that folds the interest rate and most fees together, so two loans can be compared honestly.

The anatomy of a loan



Labelled diagram of the anatomy of a loan: four boxes for principal (the amount borrowed), interest (the extra paid for borrowing), term (how long the loan runs) and repayments (the regular payments); two panels for the choices, fixed versus variable interest rate and secured versus unsecured backing; a note that credit means buying now and paying later and debt means the money still owed; and a strip quoting the Moneysmart glossary: when you compare loans, compare the comparison rate, one figure that folds the interest rate and most fees together.

Borrowing is one of those things sensible people disagree about, honestly, on both sides. Done carefully, a loan moves something big and useful into reach now — a car to get to work, a home to live in — and spreads its cost across the years you use it, which can be cheaper than years of saving while prices rise. On the other side, every loan adds interest to the true price, and the repayments keep coming even in a bad month: missed repayments bring fees now and make the next loan harder to get, which is how debt stacks up. The test a budget applies is not “is borrowing good or bad?” but “does this repayment fit my money even in a bad week?”

The loan steps follow from that test: budget first, compare with the comparison rate, check the term and the fixed-or-variable and secured-or-unsecured choices, read the whole contract before signing, then repay on time, every time.

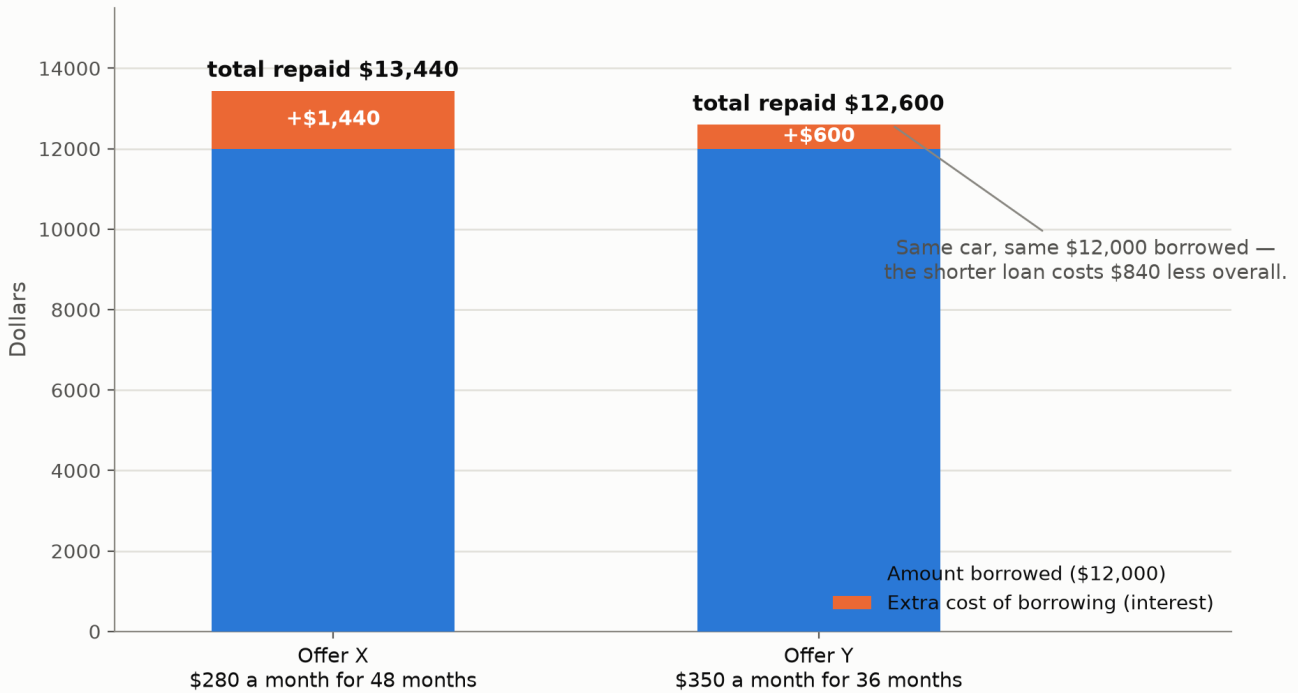
Taking out a loan — five steps



Flow diagram of the five loan steps: 1 start with your budget and work out the biggest repayment you can make every month even in a bad week, borrowing only what fits; 2 compare loans using the comparison rate, one figure that folds the interest rate and most fees together; 3 check the features — the term, whether the rate is fixed or variable, and whether the loan is secured or unsecured; 4 read the whole contract then sign, asking about every fee and what happens if you miss a repayment before you sign, not after; 5 repay on time every time, because missed repayments bring fees now and make the next loan harder to get.

The chart below works the test on two real offers for the same \$12,000 car loan. Offer X is cheaper month to month; Offer Y costs less overall, because the loan is paid off two years sooner and interest stops two years sooner. Neither offer is a trick: the right one is the one whose repayment fits the borrower's budget in a bad week **and** whose total cost they accept.

Two offers on the same \$12,000 car loan



Stacked bar chart of two offers on the same \$12,000 car loan: Offer X repays \$280 a month for 48 months, totalling \$13,440, so \$1,440 of interest; Offer Y repays \$350 a month for 36 months, totalling \$12,600, so \$600 of interest; a note says the shorter loan costs \$840 less overall.

The biggest purchase: a house. Most homes are bought with a **deposit** — the buyer’s own saved money, paid up front, often 20% of the price — plus a **mortgage**, a secured loan for the rest. On a \$600,000 house that is a \$120,000 deposit and a \$480,000 mortgage. The price tag is not the whole cost either: checks, legal work and moving often add around \$30,000, and the biggest of these extra costs is **land transfer (stamp) duty**, a state tax the buyer pays on the purchase. In Victoria, first-home buyers pay less duty, or none at all, on homes up to \$750,000 (State Revenue Office).

Buying a \$600,000 house — where the money comes from



The deposit is the buyer's own savings, paid up front. The mortgage is repaid over many years, with interest.

Plus other buying costs — often around \$30,000 extra

Land transfer (stamp) duty — the biggest of these costs; in Victoria eligible first-home buyers pay less duty, or none, on homes up to \$750,000 (State Revenue Office Victoria)
Building and pest checks · legal work · moving costs

So the true price of a \$600,000 house is closer to \$630,000 on moving day.

Diagram of buying a \$600,000 house: a bar split into a 20% deposit of \$120,000 (the buyer's own savings, paid up front) and an 80% home loan (mortgage) of \$480,000, repaid over many years with interest; a panel of other buying costs, often around \$30,000 extra, led by land transfer (stamp) duty — in Victoria first-home buyers pay less duty, or none, on homes up to \$750,000 — plus building and pest checks, legal work and moving costs; a note that the true price of a \$600,000 house is closer to \$630,000 on moving day.

Purchasing shares — owning a piece of a business. A **share** is a small piece of ownership in a company; people who hold shares are paid part of the company's profit when the board chooses to share it out, and that payment is a **dividend**. Shares in Australian companies are bought and sold on the Australian Securities Exchange (ASX) through an online broking service — a **broker** is a business that buys and sells shares for you — and if you are under 18 an adult holds the account. Unlike a savings account, a share price moves up and down and nothing is promised, which is why the usual strategy is **diversification** — spreading your money across many companies so one bad company cannot hurt you much — and holding for years, not weeks. Moneysmart's "Shares — how to buy and sell" page walks through the same steps.

Moneysmart — free money help from the Australian Government. Moneysmart (moneysmart.gov.au) is run by ASIC, the government agency that polices banks and lenders, and everything on it is free. Its three topic areas line up with this section: banking and budgeting, then loans, credit and debt, and finally investing and planning. The class activity below sends you there.

The three topic areas this section uses — and where to click

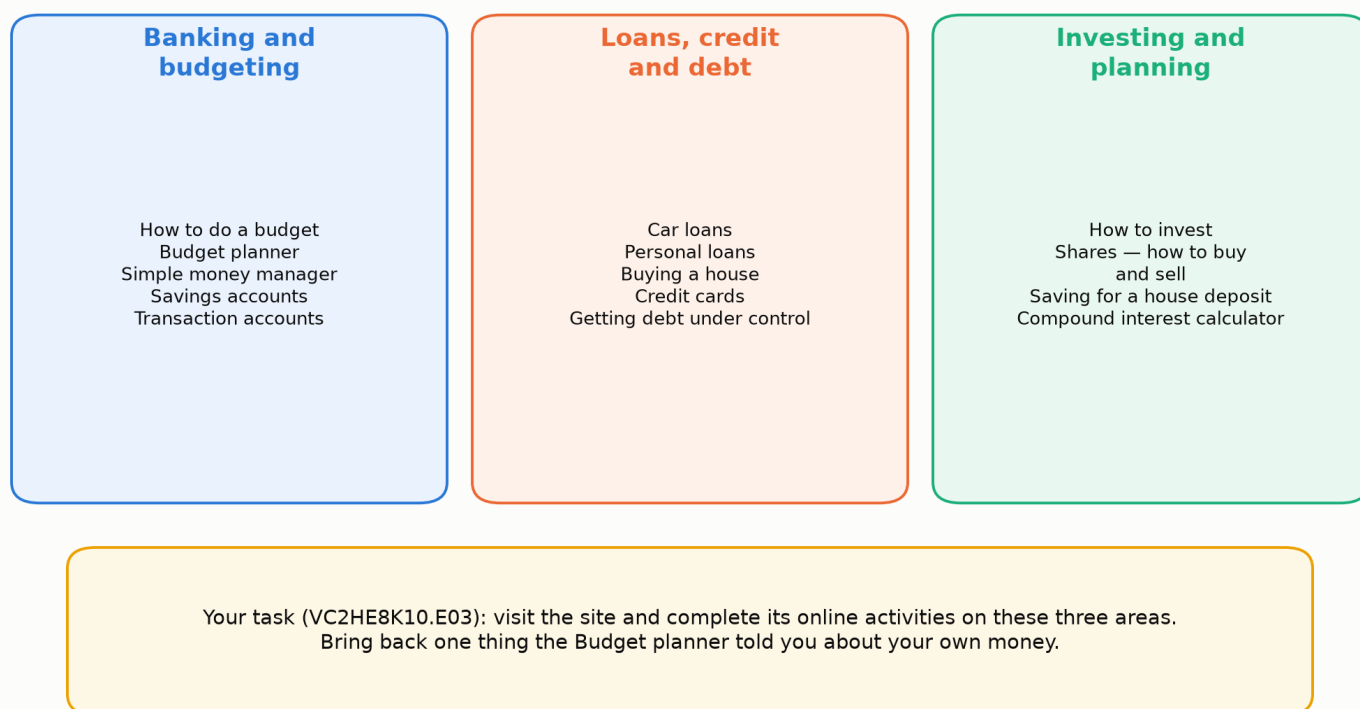


Diagram of the Moneysmart website's three topic areas used by this section: banking and budgeting (how to do a budget, Budget planner, Simple money manager, savings accounts, transaction accounts), loans credit and debt (car loans, personal loans, buying a house, credit cards, getting debt under control), and investing and planning (how to invest, shares — how to buy and sell, saving for a house deposit, compound interest calculator); a task strip says to visit the site, complete its online activities on these three areas, and bring back one thing the Budget planner told you about your own money.

Worked examples

Example 1 — scaffolded

Marcus has the weekly budget shown in the figure in Theory: \$55 in, \$25 needs, \$18 saving, \$12 wants. (a) Show that the budget balances. (b) Marcus decides to move \$2 a week from wants to his laptop fund. How many weeks until the fund reaches \$520?

Working	Comment
Money in: $\$40 + \$15 = \$55$.	Saturday job plus pocket money.
Needs: $\$12 + \$8 + \$5 = \$25$.	Myki, phone, supplies — the must-pays.
Saving: \$18.	Paid to the laptop fund before wants.
Wants: $\$55 - \$25 - \$18 = \$12$.	What is left, not what comes first.
Check: $\$25 + \$18 + \$12 = \$55 = \text{money in}$. ✓	(a) Money out equals money in, so the budget balances.
New saving: $\$18 + \$2 = \$20$ a week.	The \$2 moves from wants to the fund.
$\$520 \div \$20 = 26$ weeks.	(b) Twenty-six weeks of \$20 reaches \$520.

Example 2 — scaffolded

A borrower needs \$12,000 for a car. Offer X: \$280 a month for 48 months. Offer Y: \$350 a month for 36 months. Find the total repaid and the interest on each offer, and explain the trade-off a borrower is really choosing between.

Working	Comment
Offer X: $\$280 \times 48 = \$13,440$.	Total repaid on X.
Offer Y: $\$350 \times 36 = \$12,600$.	Total repaid on Y.
Interest X: $\$13,440 - \$12,000 = \$1,440$.	The extra paid for borrowing on X.
Interest Y: $\$12,600 - \$12,000 = \$600$.	The extra paid for borrowing on Y.
$\$13,440 - \$12,600 = \$840$.	Y costs \$840 less overall: it is paid off 12 months sooner.
$\$350 - \$280 = \$70$ a month.	But Y's repayment is \$70 a month heavier.
Trade-off: cheaper overall versus cheaper each month.	The right offer is the one whose repayment fits the budget in a bad week and whose total cost the borrower accepts.

Practice questions

Scaffolded

- Q1.** Use Marcus's budget figure. (a) What do Marcus's needs cost each week? (b) His bakery job rises to \$45 a Saturday. If needs and saving stay the same, what do wants get now?
- Q2.** Ava's 5-year goal is a \$5,200 car fund, built from \$20 a week alone. Show that \$20 a week for 5 years reaches \$5,200. (Use 52 weeks in a year.)
- Q3.** Use the saving line graph. (a) Read the total saved at week 26. (b) Check your reading with one multiplication.
- Q4.** Use the compound interest chart (\$800 at 5% a year). (a) What is the money worth at the end of year 4? (b) How much bigger is the year-4 gain than the year-1 gain? (c) Explain in one sentence why the gains get bigger even though the rate stays 5%.
- Q5.** (a) Name the two kinds of bank account and say which one suits a laptop fund. (b) Which step of opening an account is a safety rule, and what does it say?
- Q6.** Match each fact about Offer X (\$12,000, \$280 a month for 48 months, backed by the car) to its loan word: (a) the \$12,000 borrowed; (b) the 48 months; (c) the \$280 a month; (d) the car backing the loan.

Unscaffolded

- Q7.** A borrower needs \$15,000. Offer P: \$400 a month for 48 months. Offer Q: \$520 a month for 36 months. (a) Find the total repaid on each offer. (b) Find the interest paid on each offer. (c) Which offer costs less overall, and by how much? (d) Give one honest reason a borrower on a tight budget might still choose the other offer.
- Q8.** A house sells for \$640,000 and the buyers put down a 25% deposit. (a) Find the deposit in dollars. (b) Find the mortgage. (c) Name two buying costs, other than the price, from the Theory section.
- Q9.** Write your own goal plan: one 12-month goal with a number and a date, the weekly saving it needs, and one strategy to keep it going; then one 5-year goal and a strategy for it.
- Q10.** (a) What is a share? (b) What is a dividend? (c) Explain how spreading money across many companies lowers the risk of owning shares.

Q11 — source-based inquiry.

Source A (adapted from the Moneysmart glossary, moneysmart.gov.au; retrieved 26 August 2026): *The comparison rate includes the interest rate and most fees and charges, shown as a single percentage, so you can compare the true cost of loans.*

- (a) Explain in your own words why two loans advertising the same interest rate can have different comparison rates. (b) One loan advertises an interest rate of 7.5% and a comparison rate of 9.1%. What does that gap tell you about its fees? (c) Why is the comparison rate the honest figure to compare?

Class activity (VC2HE8K10.E03)

Visit moneysmart.gov.au and complete its online activities in the three areas shown in the figure in Theory: banking and budgeting, then loans, credit and debt, and finally investing and planning. Put your own money in and out into the site's Budget planner. Bring back to class one thing the planner told you about your own money that you did not know.

Answers

Q1. (a) \$25. (b) \$17. **Q2.** $\$20 \times 52 = \$1,040$ a year; $\$1,040 \times 5 = \$5,200$. **Q3.** (a) \$520; (b) $\$20 \times 26 = \$520$. **Q4.** (a) \$972; (b) \$6 (\$46 against \$40); (c) interest is added to the money, so each year's interest is earned on a bigger balance. **Q5.** (a) A transaction account for everyday money and a savings account for money kept for a goal; the savings account suits a laptop fund. (b) Step 4: never share a password or a one-time code with anyone. **Q6.** (a) principal; (b) term; (c) repayments; (d) secured. **Q7.** (a) P \$19,200, Q \$18,720; (b) P \$4,200, Q \$3,720; (c) Q, by \$480; (d) P's repayment is \$120 a month lighter, so it may be the only one that fits a tight budget in a bad week. **Q8.** (a) \$160,000; (b) \$480,000; (c) any two of land transfer (stamp) duty, building and pest checks, legal work, moving costs. **Q9.** Answers vary; a full answer has a number and a date on each goal and a strategy that matches it. **Q10.** (a) A small piece of ownership in a company. (b) A payment of part of a company's profit to its shareholders. (c) If one company does badly, the others in the spread are unharmed, so the loss is small. **Q11.** (a) Their fees differ, and the comparison rate folds fees in. (b) Its fees and charges are high — they add the worth of 1.6% a year to the true cost. (c) It shows interest and most fees as one figure, so a loan with low interest but high fees cannot hide.

Fully-worked solutions

Q1. (a) Needs: $\$12 + \$8 + \$5 = \$25$. (b) New money in: $\$45 + \$15 = \$60$. Wants get what is left after needs and saving: $\$60 - \$25 - \$18 = \$17$.

Q2. $\$20 \times 52 = \$1,040$ in one year, and $\$1,040 \times 5 = \$5,200$ in five years — so \$20 a week alone reaches the car fund exactly.

Q3. (a) The graph reads **\$520** at week 26. (b) Check: $\$20 \times 26 = \$520$. ✓

Q4. (a) **\$972**. (b) $\$46 - \$40 = \$6$. (c) Each year the interest is added to the balance, so the next year's 5% is calculated on a bigger balance — interest earning interest.

Q5. (a) A **transaction account** holds everyday money; a **savings account** holds money kept for a goal and pays interest on it — so the laptop fund belongs in a savings account. (b) Step 4, setting up access: never share a password or a one-time code with anyone.

Q6. (a) **Principal** — the amount borrowed. (b) **Term** — how long the loan runs. (c) **Repayments** — the regular payments. (d) **Secured** — backed by the thing bought.

Q7. (a) P: $\$400 \times 48 = \$19,200$. Q: $\$520 \times 36 = \$18,720$. (b) P: $\$19,200 - \$15,000 = \$4,200$. Q: $\$18,720 - \$15,000 = \$3,720$. (c) Q costs less overall by $\$19,200 - \$18,720 = \$480$. (d) P's repayment is $\$520 - \$400 = \$120$ a month lighter; a borrower whose budget cannot carry \$520 in a bad week would honestly choose P and accept paying \$480 more for the smaller repayment.

Q8. (a) 25% of $\$640,000 = \$640,000 \div 4 = \$160,000$. (b) $\$640,000 - \$160,000 = \$480,000$. (c) Any two of: land transfer (stamp) duty; building and pest checks; legal work; moving costs.

Q9. Sample answer: 12-month goal — save \$780 for a camp by 30 June next year, which needs \$15 a week, strategy: move the \$15 into a savings account each Saturday before spending anything. 5-year goal — \$3,000 toward a car, strategy: keep the \$15 a week and add all birthday and holiday money. Check your own answer against the rule: a number and a date on each goal, and a strategy that actually gets there.

Q10. (a) A share is a small piece of ownership in a company. (b) A dividend is a payment of part of the company's profit to the people who hold its shares. (c) With money spread across many companies, one company doing badly hurts only its small slice of the spread, so no single bad company can do much damage.

Q11. (a) The comparison rate folds in most fees and charges as well as the interest rate. Two loans with the same interest rate but different fees therefore have different comparison rates. (b) The 9.1% comparison rate against 7.5% interest says the fees and charges are heavy — they add the worth of 1.6 percentage points a year to the true cost of the loan. (c) Because it shows interest and most fees together as one percentage, the comparison rate stops a lender from advertising a low interest rate while hiding the cost in fees — it is the true cost of the loan, and true costs are what can honestly be compared.

Sources for this section (all retrieved 26 August 2026): Australian Bureau of Statistics, Census 2021 QuickStats, Australia (median weekly personal and household income); Moneysmart (moneysmart.gov.au, run by ASIC) — banking and budgeting, then loans, credit and debt, and finally investing and planning topic pages, tools list and glossary (comparison rate, share, dividend, diversification, and the Financial Claims Scheme protection of \$250,000 per person per bank); State Revenue Office Victoria — land transfer (stamp) duty and the first home buyer duty concession for homes up to \$750,000. Interest rates, fees, duties and account features change — check Moneysmart and the SRO for current figures.