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A call for articles

There is always a need for articles for The EBE Journal.

Articles written by teachers are of great value because teachers have the subject knowledge and skills in their area of expertise.

Contributing to the journal is one way to demonstrate the national professional teaching standards at any of the four career stages – Graduate, Proficient, Highly Accomplished or Lead. It is also an effective way to engage in professional dialogue and sharing with other teachers.

All sources are acknowledged and copies of published articles can be attached to your C.V.

ALL ARTICLES AND/OR ENQUIRIES SHOULD BE DIRECTED TO:

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Economics and Business Educators NSW
3B Smalls Road Ryde NSW 2112
Phone: (02) 9886 7786
Fax: (02) 9886 7673
Email: admin@ebe.nsw.edu.au

Articles may be emailed with text double spaced and proofread. Please ensure that all tables, diagrams and figures included with your paper are of a suitable quality for reproduction.

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This is the final journal for 2014. There is lots to read and use in this edition, including articles which will increase your understanding of Economics, Business Studies, Legal Studies and Commerce and articles about how to teach these subjects to teenagers.

2014 EBE NSW Annual General Meeting

As a result of the elections held as part of the EBE NSW Annual General Meeting on 1 December 2014, a new Board of Directors has been elected. The Board of Directors for 2014/2015 are:

President: Mr Joe Alvaro (Marist College North Shore)

Vice President: Ms Cheryl Brennan (Illawarra Christian School)

Vice President: Ms Kate Dally (Birrong Girls High School)

Treasurer + Company Secretary*: Ms Bronwyn Hession (Board of Studies, Teaching and Educational Standards NSW)

Director: Mr Andrew Athavle (William Carey Christian School)

Director: Mr Matthew Bookallil (Knox Grammar School)

Director: Ms Kate Keeley (The University of Sydney)

Director: Ms Anna Tsoutsa (Auburn Girls High School)

Director: Mr Nicholas Ward (Ryde Secondary College)

Director: Dr Sarah Wright (Australian Catholic University, Strathfield)

* Bronwyn Hession was appointed Company Secretary at the Board of Directors Ordinary Meeting on 1 December 2014 (following the AGM).

The President’s Report to the 2014 EBE NSW AGM and the EBE NSW Financial Statements for the year ended 30 June 2014 have been included in this edition of the journal.

We have a diverse Board consisting of outstanding educators to keep the association moving forward for another year, with educators from government and non-government schools, as well as universities and the Board of Studies, Teaching and Educational Standards NSW. I also sit on the Board of the Professional Teachers’ Council NSW and EBE Director, Bronwyn Hession, is President of Business Educators Australasia. Welcome to all our new Board members.

At the 2014 AGM, we heard from our guest speaker, Lyn Kirkby. Lyn is an EBE NSW member and a former President of EBE NSW. She is currently Senior Policy Officer – Teacher Accreditation at the Board of Studies, Teaching and Educational Standards NSW. Lyn gave us an update on what is happening with regards to teacher accreditation as we all move towards the national professional standards for teachers. I thank Lyn for her most informative presentation.

The Board of Directors meet twice during each school term. If you have any questions and/or suggestions that you would like the Board to consider, please email admin@ebe.nsw.edu.au.

Review of the Australian Curriculum – Final Report released

The Review of the Australian Curriculum Final Report was released in October 2014. This report includes information about the Australian Curriculum: Economics and Business and the Australian Curriculum: Civics and Citizenship. The Review makes 30 key recommendations which will need to be examined by all Australian education ministers before any action is taken. The Review’s 1,600 submissions and the research papers from subject matter specialists are also being made public with the release of the Review’s Final report. EBE NSW made a submission to the review which is available on the EBE NSW website. The Australian Government has also released an initial response to the Review of the Australian Curriculum’s Final Report. More information is available at...
www.studentsfirst.gov.au/review-australian-curriculum EBE NSW will be looking closely at this report. If you have any feedback about the report, please send it to admin@ebe.nsw.edu.au.

EBE NSW wins 2014 ASIC MoneySmart Week Award
On 2 September 2014 EBE NSW Director, Bronwyn Hession and myself attended the ASIC MoneySmart 2014 Awards Presentation Dinner to accept a Highly Commended Award for EBE NSW in the Education category on behalf of the EBE NSW Board of Directors, staff and members. The MoneySmart Week Awards recognise the outstanding achievements in financial literacy across five categories, including education. It was a great evening where we celebrated the outstanding achievements of organisations, like EBE NSW, and individuals working to improve the financial literacy of Australians. More information about our award can be found in the “EBE NSW News” section of the journal.

EBE NSW receives Certificate of Appreciation
At the 2014 Professional Teachers’ Council NSW Presentation Evening on 25 November 2014, EBE NSW received a Certificate of Appreciation “in recognition of the association’s voluntary contribution during 2014 to quality education, the students of NSW and the teaching profession”. Congratulations to all the teacher associations and individuals who were recognised at the 2014 PTC NSW Presentation Evening. More information can be found on the Professional Teachers’ Council NSW website (www.ptc.nsw.edu.au).

2014 CPA Plan Your Own Enterprise (PYOE) Competition
Congratulations to the NSW and national winners of this year’s CPA PYOE competition. EBE NSW recognized the PYOE NSW winners at our annual NSW awards ceremony on 20 October 2014 at the Sydney office of CPA Australia together with Mr Anthony Matis, General Manager of Education, CPA Australia. At the ceremony, prizes and certificates were awarded to the NSW student winners and their teachers. For more information see “EBE NSW News” and the President’s Report to the 2014 EBE NSW AGM in this edition of the journal.

2014 Business Educators Australasia Biennial Conference
I attended the 2014 Business Educators Australasia Biennial Conference on 2 and 3 October 2014. It was held in Fremantle, Western Australia and allowed teachers of the subject matter we teach from all over Australia to get together and reflect, learn and discuss the challenges and opportunities in this current educational climate. A hot topic of discussion was the Australian Curriculum: Economics and Business and the Australian Curriculum: Civics and Citizenship where we heard about ways it was being responded to around Australia. I presented a session at the conference titled, “The Australian Consumer Law: A Young Peoples’ Friendly Guide Using a Real World Approach”. The PowerPoint presentation and the handout from this session is available from the Business Educators Australasia website (www.bea.asn.au). Go to “Events”, then “Conferences”. You will also find material from some of the other sessions on the BEA website. The conference was a stimulating professional learning experience giving teachers of our subject matter a rare opportunity to get together at a national level.

ASX Schools Sharemarket Game 2, 2014
Congratulations to Travis Griffith (Year 10, Georges River Grammar, NSW) who won this year’s ASX Schools Sharemarket Game 2. More information is available in the article “ASX School Sharemarket Gane 2, 2014” in this edition of the journal. I encourage members who have not yet incorporated this game into their teaching and learning programs to give it a try in 2015. Registrations for Game 1, 2015 open on 12 February 2015. There is a well-resourced website to assist teachers running the game and students playing the game, including online videos. The ASX Schools Sharemarket Game could also be used to design and teach a Commerce “School-developed Option” (see page 48 in the current Board of Studies, Teaching and Educational
President’s report

Standards NSW Commerce syllabus). Using the strategies of past winners can be an effective way to engage and support students who are playing the game. These strategies can be found in this edition of the journal and past issues of the journal which are available in the members section of the EBE NSW website.

2014 Commonwealth Bank Foundation Teaching Awards

Congratulations to the fifteen teachers from across Australia who were recognised earlier this year with a Commonwealth Bank Foundation Award for their outstanding contributions to developing the financial literacy skills of young Australians. EBE NSW has interviewed two of these winners for this edition of the journal.

2015 EBE NSW Annual Conference

The 2015 EBE NSW Annual Conference will be held on Friday 15 May 2015 at Club Burwood RSL. Be sure to save this date so as to not miss out on all the professional learning, resources and networking that will be available at this major conference for teachers of the subject matter we teach. And be sure not to miss out on all the other professional development events EBE NSW has planned for 2015. More information will be available on the EBE NSW website and in the EBE NSW e-newsletters.

2014 Board of Studies, Teaching and Educational Standards NSW HSC Business Studies, Economics and Legal Studies Examinations

EBE NSW welcomes feedback from members about the 2014 Board of Studies, Teaching and Educational Standards NSW HSC Business Studies, Economics and Legal Studies examinations. What did you think? Any problems? Strengths? Please email feedback to admin@ebe.nsw.edu.au

EBE NSW International Teacher Profile

In this edition of the journal we include another profile on an Australian teacher who has gone out of their comfort zone to teach in a school outside of Australia. Thankyou to EBE NSW member, Don Sommerville, who was interviewed for this edition of the journal.

Articles needed for the next issue of “The EBE Journal”

All members are invited to submit an article for publication in the next edition of “The EBE Journal” (please email us at admin@ebe.nsw.edu.au). Contributing to the journal is one way to demonstrate the national professional teaching standards at any of the four career stages – Graduate, Proficient, Highly Accomplished or Lead. It is also an effective way to engage in professional dialogue and sharing with other teachers.

EBE NSW Helpdesk

As always EBE NSW Directors are available to members for advice and assistance (helpdesk@ebe.nsw.edu.au) in relation to the teaching and learning of Business Studies, Commerce, Economics and Legal Studies. I hope you enjoy this edition of the journal and that the content provides you with useful professional reading and contributes to your professional development.

I would like to thank all members for their support of EBE NSW this year. I enjoyed meeting many of you at our many events this year and learning from each other at these events. All good wishes for a Happy Christmas.

Joe Alvaro
President, Economics and Business Educators NSW
EBE NSW News

EBE NSW wins 2014 ASIC MoneySmart Week Award

On 2 September 2014, EBE NSW President, Joe Alvaro and EBE NSW Director, Bronwyn Hession attended the ASIC MoneySmart 2014 Awards Presentation Dinner to accept a Highly Commended Award for EBE NSW in the Education category on behalf of the EBE NSW Board of Directors, staff and members. The MoneySmart Week Awards recognise the outstanding achievements in financial literacy across five categories, including education.

The award citation and judges’ comments appear below:

Economics and Business Educators (EBE NSW) has been supporting secondary teachers of financial literacy and their students on an ongoing and sustained basis since its creation in 1968. EBE NSW specialises in providing classroom and syllabus focused professional development courses for teachers of financial literacy. Designed by practicing classroom teachers and academics, these courses encourage interaction between high quality stakeholders in financial literacy and teachers who are on the frontline, teaching financial literacy in classrooms. EBE NSW has designed, conducted and evaluated professional development events focusing on financial literacy over the years, including:

- 2014 EBE Annual Conference;
- Revamping and Resourcing Commerce; and
- The EBE Journal – Journal of the Economics and Business Educators NSW.

The EBE NSW has also been very active in advocating for the inclusion of financial literacy in the Australian Curriculum and engaging teachers with consultation processes. As financial literacy is given increased attention in the curriculum, EBE NSW will continue to design and implement effective professional development courses using the expertise and skills of its members and its connections with stakeholders in the financial literacy sector.

Judges Comment

The Judges highly commended Economics & Business Educators NSW for the great work they are doing, and the importance of their work in the community. They have been a key player for several decades and have made a major contribution to financial literacy. Economics & Business Educators NSW have played a vital role connecting the corporate and education sectors to reinvigorate secondary school subjects and hold a respected annual conference.

EBE NSW congratulates Wingham High School who was awarded the Outstanding Achievement Award in the education category and commends the excellent work the school is doing in the area of financial literacy. And congratulations to Enactus University of Western Australia who also won a Highly Commended Award in the education category.

For more information about the awards, visit Award Year 2014 – MoneySmart Week.
EBE NSW President, Joe Alvaro (right) and EBE NSW Director Bronwyn Hession (left) with the 2014 ASIC MoneySmart Week Award for EBE NSW

EBE NSW Director and President of Business Educators Australasia, Bronwyn Hession awarded Fellowship of the Australian College of Educators

Congratulations to EBE NSW Director and President of Business Educators Australasia, Bronwyn Hession, who was awarded a Fellowship of the Australian College of Educators at the 2014 Australian College of Educators Annual Conference in Adelaide. This is a most prestigious award which recognises Bronwyn’s hard work and passion in the area of education, including professional teacher associations. EBE NSW congratulates Bronwyn on this award. The award citation appears below:

Citation for the Award of a 2014 Fellowship Australian College of Educators – Bronwyn Hession

Bronwyn Hession is an outstanding educator, having contributed to education at the school level within the Catholic system, at the national and state level in each of her chosen subject areas, to the associated professional subject associations and to the state Curriculum, Assessment and Credentialing Authority. Bronwyn has a passion for teaching and the learning of all students. Her quiet determination and integrity have positioned her as a highly respected and authentic educational leader who inspires others across the profession to ‘make a difference’.

Bronwyn’s policy advice in diverse organisational contexts has been characterized by high level strategic and ‘learning centred’ thinking and has been highly valued by senior management. Her contribution to Registration and Accreditation processes for NSW non-government schools and for the registration of home school providers has been significant.

Her advice has encouraged significant initiatives in the professional learning of teachers in both her subject areas and for school management more generally.
Bronwyn’s contribution to the profession is driven by her absolute passion for professional teachers’ associations and she has made a significant contribution to meetings and conferences out of work hours, culminating in her leadership of the national and state associations for teachers of Economics and Business education. She is recognised for her work on the review of the NSW HSC with Professor Barry McGaw. In addition she has undertaken a range of significant research projects in areas including evaluation, school improvement, using performance data, professional standards and professional learning. She is a worthy recipient of the award of Fellowship of the Australian College of Educators.

In addition, at the 2014 Australian College of Educators NSW Wyndam Medal and Awards Dinner on 8 August 2014 at Homebush, Sydney, Bronwyn Hession received an Outstanding Educator Award “for her outstanding contribution to the development of curriculum and professional learning programs across all sectors in the NSW education system.”
Teachers attend EBE NSW PD field trip course at South Coast Correctional Centre

A group of teachers travelled to the South Coast Correctional Centre on 2nd July 2014 to complete an EBE NSW PD course centred around the prison and to what extent this aspect of our legal system achieves justice. This course supplemented Session 6 (“Management of offenders in the South Coast Correctional Centre”) at the EBE NSW Legal Update Conference held on 2 August 2013. The South Coast Correctional Centre commenced operation on the 10th of December 2010 to accommodate 600 offenders, both male and female, classified and on remand. The Centre provides 395 maximum and medium security male beds, 154 minimum security male beds and 62 minimum security female beds. After a talk from prison staff, participants were taken on a guided tour of the prison where they were able to gain knowledge connected to the syllabuses they teach in the classroom and ask questions. EBE NSW thanks the staff from the prison for making this experiential PD course available for the teachers who attended and assisting them in programming and presenting lessons based on this arm of government. It is not too difficult for teachers to access parliament and courts, however it is more challenging for teachers to access the prison part of the legal system. Some positive feedback was received from participants:

- “Presenters were fantastic. The tour was great and much information was passed on.”
- “Very interesting.”
- “Excellent!”
- “Awesome PD. Will be great to tell the kids about it.”
- “Staff excellent – interesting to hear some positive initiatives being implemented.”
- “Fantastic experience. A real eye-opener and some very valuable info.”
- “Great opportunity and fantastic PD.”
- “All presenters were fantastic and gave a lot of useful information.”
- “Excellent tour and information provided by staff.”
- “I just wanted to say thank you again for organising the trip to South Coast Correctional Centre. It was an experience I will never forget and I learnt so much. Your efforts to organise these types of experiences are very much appreciated.”
SPECIAL EVENT

Prison time powerful PD

SARAH DUGGAN

SPENDING a day exploring the insides of a working prison is by no means your average professional learning experience. But for a group of legal, business and commerce teachers from New South Wales, the opportunity to experience first-hand what life is like behind the security fence has proven to be a deeply valuable learning exercise. Run by Economics and Business Educators NSW (EBE NSW), the day’s excursion to the South Coast Correctional Centre set to kick off on October 24, the one-day event will expose this year, variety is by far the most fitting. Set to kick off on October 24, the one-day event will expose teachers, it can also range from academic workshops to choose from, at a guided tour of the facilities.

Joe Alvaro, president of EBEN-SW, says the unique event, which is due to be run again next year, is designed to be closely linked to the Australian Curriculum.

“It had particular relevance for the Crime topic in the Legal Studies syllabus and the Law and Society and Law in Action topics in the commerce syllabus. The centre is a working gaol, offering a variety of employment and vocational training opportunities, so in this sense it was relevant for teachers of business studies,” he says.

Alvaro believes that the chance to engage in experiential learning enabled the teachers to develop a more comprehensive understanding of the sentencing, punishment and rehabilitation aspects of the legal system – an understanding they can now pass on to their students.

“A day in the life of an inmate was looked at, including the various programs available ... alcohol and drugs, anger, domestic violence, numeracy and literacy, loss and grief, parenting skills ... traineeships are offered. Inmates, for example, can be found making car bumper bars for the private sector and washing linen for hotels in the ski fields,” Alvaro explains.

Considering that students are required to evaluate how successfully the legal system achieves justice for offenders, victims and society, Alvaro says the excursion gave participants the knowledge they need to engage their own students in a successful full critical analysis.

“Teachers witnessed first-hand what they were learning ... and will be able to use their experience as a teaching strategy and resource in the classroom, capturing student interest by saying ‘during my time in a prison...’ using a case study approach and real life experiences.”

* Reprinted with permission from “Australian Teacher Magazine”, October 2014
EBE NSW PD Event
“Current Economic Events and Monetary Policy with Dr David Orsmond” – 13 August 2014

A group of Economics teachers attended the Reserve Bank of Australia (Martin Place, Sydney) to participate in the EBE NSW PD event, “Current Economic Events and Monetary Policy with Dr David Orsmond” on 13 August 2014. This event was held in association with the Reserve Bank of Australia. Dr Orsmond is Deputy Head of Economic Analysis Department at the RBA and heads the Bank’s Regional and Industry Analysis Section. Participants gained an update on current economic events and increased their understanding of monetary policy, at the bank that conducts monetary policy. There was also a Q and A session. The course was an excellent opportunity for Economics teachers to gain valuable up to date information to share with their 2014 HSC Economics students. Some feedback received from participants included:

- “Really helpful update. Timely.”
- “Good knowlegable lecture. Good discussions in question answer sessions.”
- “Great length of time and topics covered. Good informal format and a very engaging, knowledgable speaker.”
- “Good knowledge of what is taught in the syllabus, and therefore areas of confusion/ contention. Good – small but to the point number of graphs.”
- “An excellent presenter, delivered in a highly entertaining manner and at an appropriate level. Excellent engagement with audience.”
- “Excellent presentation – Orsmond is such a fantastic speaker, always learn more from him.”
- “V. informative as sepecifically related to HSC syllabus.”
- “What a great presenter. I would love to get students to hear David speak who can do so in such a clear and comprehensible way.”
- “Excellent.”
- “Great event. Great to hear a person in his position’s thoughts on the economy.”

EBE NSW thanks the staff of the RBA for working with us to organise this PD event, and in particular Dr David Orsmond.

EBE NSW PD Event – “Legal Update Conference” held on 14 October 2014

EBE NSW held its annual Legal Update Conference at NSW Parliament House on 14 October 2014. This NSW Board of Studies, Teaching and Educational Standards (NSW BOSTES) endorsed PD event enabled participants to hear from the following experts in the legal world speak on the following topics:

- Judges, the criminal trial process and punishment – Judge Peter Zahra, District Court NSW
EBE NSW News

- The A21 Campaign: A non-legal response to human trafficking and slavery – Joshua Henry, Media and Communications Coordinator, The A21 Campaign
- The role of the Australian Human Rights Commission and the Race Discrimination Commissioner – Dr Tim Soutphommasane, Race Discrimination Commissioner
- The role of the ICAC NSW in preventing, investigating and exposing corruption – Yvonne Miles, Principal Officer- Corruption Prevention, Independent Commission Against Corruption (ICAC NSW)
- Thomas Kelly Youth Foundation: A non-legal response to alcohol-fuelled violence – Ralph Kelly, Founder of the Thomas Kelly Youth Foundation

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EBE NSW President Joe Alvaro (right) presents Ralph Kelly (left) from the Thomas Kelly Youth Foundation with a donation to support the work of the Foundation at the EBE NSW Legal Update Conference.

The presentation by Ralph Kelly was very informative and moving as he spoke about alcohol fuelled violence that robbed Thomas Kelly (his son) of his life.

EBE NSW presented Ralph Kelly with a donation of $200 at the conference in support of the Thomas Kelly Youth Foundation and its important work.

Conference evaluation forms indicate that participants found this conference to be very valuable and useful:

- “Excellent presentation – so useful to have a perspective from a sitting judge.”
- “Excellent speaker. Very engaging and a great resource for the classroom.”
- “Valid and current info. that will be used and passed on to students.”
- “I didn’t know how much I previously didn’t know. This was very informative.”
- “My first time in NSW Parliament House – fitting venue!”
- “The direct links to the syllabus were extremely helpful.”
- “Excellent!! Good to hear issues from someone who has truly experienced them.”
- “It’s the only one I come to because of the quality of speakers. Well done.”
- “Sometimes I leave PD sessions feeling like I haven’t learned anything, and that I’m attending just to ‘tick a box’. This conference has easily been the best PD I’ve been to. Every session was well presented, the speakers were interesting and I learned a lot! Thankyou.”

EBE NSW thanks the following supporters of this event:
- Random House Books
- Allen and Unwin
- Createl Publishing
- Rule of Law Institute of Australia
- Pascal Press

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EBE NSW PD Event
“Teaching Year 12 HSC Business Studies, Economics or Legal Studies for the first time?” held on 8 September 2014

The above NSW Board of Studies, Teaching and Educational Standards (NSW BOSTES) endorsed EBE NSW PD event was an outstanding success with Year 12 Business Studies, Economics and Legal Studies teachers coming together to hear from experienced subject experts and learn...
from each other. EBE NSW Director Andrew Athavle presented the Business Studies session, EBE NSW Vice – President Stuart Jones presented the Economics session and EBE NSW President Joe Alvaro presented the Legal Studies session. Participants were teachers beginning to teach the current NSW BOSTES HSC Business Studies, Economics and Legal Studies courses. The event was also open to teachers who wanted a refresher course. Participants were able to hear about effective teaching and learning strategies designed to engage students, current developments in their subject area and assessment procedures and techniques. Teachers also received some teaching and learning resources to take back to their classroom. Some feedback received from participants included:

- “Great speaker, very engaging and well organised.”
- “Great resources.”
- “Friendly and comfortable made asking questions easy. I feel much more confident about Business Studies in the future. Very well run with excellent take home resources.”

- “Giving examples of lesson plans and assessment tasks worked really well in providing me with great ideas and strategies.”
- “The resources were greatly appreciated.”
- “This was extremely helpful.”
- “Great explanation of how to structure assessments and practical ideas for group work, flipping the classroom and collaboration.”
- “Speakers – highly professional and engaging.”
- “I am an experienced educator – 39th year in the classroom. Session was a refresher. Thank you.”

EBE NSW thanks the following supporters of this event:
- Chartered Accountants
- Createl Publishing
- Rule of Law Institute of Australia
- User Friendly Resources
- Mr Noel Whittaker
EBE NSW Field Trip for Teachers – “CHOICE Lab and Testing Facility Guided Tour” – 24 September 2014

A group of Business Studies and Commerce teachers participated in a CHOICE Lab and Testing Facility Guided Tour on 24 September 2014 at CHOICE (57 Carrington Road Marrickville NSW). During this experiential professional development course, participants increased their understanding of how CHOICE (the public face of the Australian Consumers’ Association) protects consumers as a non-legal mechanism and how CHOICE tests hundreds of products each year. Mr George Perry (Director Commercial and Finance) spoke to participants about the work of CHOICE and answered questions. Participants were then able to tour the CHOICE labs under the guidance of Mr Chris Ruggles, Digital Team Leader. Labs visited included the CHOICE Kitchen Lab, CHOICE Computer Lab, CHOICE Sound Lab, CHOICE Toy Lab, CHOICE Refrigerator Lab, CHOICE Baby Products Lab, CHOICE Small Appliances Lab and the CHOICE Laundry Lab. Participants also took away some resources to assist them in the classroom.

Some feedback received from participants included:

• “An excellent activity – very informative – provides practical experience to assist with teaching about CHOICE.”
• “Interesting and insightful – made me reinvigorated in terms of consumer education.”
• “One of the most informative PD sessions I have done.”
• “Thank you for organising this and strengthening my experience and knowledge for consumers etc. in Commerce and Business Studies.”
• “Valuable exercise in order to better inform students and to actively encourage them to be better informed, actively engaged and pro CHOICE.”
• “An excellent and informative presentation.”

Participants will be able to improve student learning outcomes in relation to the consumer rights aspect of financial literacy as a result of attending this course. EBE NSW thanks the staff of CHOICE for working with us to organise this professional development event, and in particular George Perry and Chris Ruggles. If you have any suggestions for EBE NSW field trips in 2015, please email admin@ebe.nsw.edu.au
EBE NSW News

2014 EBE NSW CPA Plan Your Own Enterprise Competition
NSW Awards Ceremony – 20 October 2014

EBE NSW recognized the Plan Your Own Enterprise (PYOE) NSW winners at our annual NSW awards ceremony on 20 October 2014 at the Sydney office of CPA Australia together with Mr Anthony Matis, General Manager of Education, CPA Australia. At the ceremony, prizes and certificates were awarded to the NSW student winners and their teachers. Congratulations to the following winners and their teachers from NSW:

- Division 1 (Individual entry) – Emma Quoyle, Loreto Normanhurst for her business plan “Em Corp” (Teacher: Ms Alexandra Osborne).
- Division 2 (Group entry) – Nikita Chawla and Priyanka Visvalingam, MLC School for their business plan “Salty Memories” (Teacher: Ms Helen Kondos)

Although our NSW winners were not successful at this year’s Australasian judging and awards ceremony, they are to be commended on their excellent business plans. Congratulations to the following students who were the national winners in this year’s competition:
EBE NSW News

Division 1 (Individual entry) – Angus Wither (Western Australia), Wesley College, for his business plan, “Life Housekeeping”.

Equal Division 2 (Group entry) – Stewart Jackson and Toby Burnell (Tasmania), The Hutchins School, for their business plan, “expressO”.

Equal Division 2 (Group entry) – Anthony Maxfield and Paedan Monaghan (Victoria), Hopetoun P–12 College, for their business plan, “Foreshore Flix”.

CPA Australia sponsors the PYOE Competition and EBE NSW acknowledges its support of students and teachers through this competition. All students who submitted an entry have been sent a Certificate of Participation.


Held at the SP Jain School of Global Management at Sydney Olympic Park, this BOSTES NSW endorsed course was presented by Dr Mo Kader who has significant experience and knowledge with regards to the marketing function of businesses. Using a case study approach, Dr Kader gave a stimulating and interesting syllabus linked presentation.

Some feedback received from participants included:
- “Found it very valuable to gain further interesting case studies to incorporate into my teaching practices.”
- “A really engaging speaker.”
- “Excellent material presented and great style of speaker. Excellent examples/case studies relevant to today’s learners.”
- “The presenter presented very well. He has given me lots of ideas and case studies to assist me with teaching this topic to my Year 12 Business Studies class.”
- “Great examples and resources to use in the classroom.”
- “Well tailored to syllabus.”
- “Focus of presentation was content – which is what I liked most about it.”

EBE NSW thanks Ms Biljana Vojdanoska, Marketing Manager (SP Jain School of Global Management) for helping EBE NSW to organise this PD event and Dr Mo Kader for his presentation.
Economics and Business News Bites

Compiled by Joe Alvaro, Marist College North Shore

Singapore Airlines forms an alliance with Air New Zealand

Singapore Airlines has formed an alliance with Air New Zealand. This alliance will enable Air New Zealand to be more effective in the Asia-Pacific region and result in Singapore Airlines flying its A380 superjumbos on a daily basis between Singapore and Auckland. The alliance will allow Air New Zealand passengers access to code-share travel on Singapore Airlines flights to destinations in south-east Asia, Europe and Africa. Air New Zealand also formed a strategic alliance with Cathay Pacific in 2013.


Vodafone losing customers

Vodafone lost 137,000 mobile subscribers in the six months to 30 June 2014, to reach 5.2 million. The company says a “saturated” mobile environment has stifled growth. Telstra currently dominates the mobile market with 15.8 million subscribers. Optus is in second place with 9.43 million subscribers.


Chief Executive of James Hardie receives pay package worth more than $11 million

James Hardie’s annual report has revealed that the chief executive, Louis Gries, received a pay and perks package worth $11.65 million for the year to March 2014. In May 2014 the building products business reported that it more than doubled full-year net profit to $106 million.


- BOSTES NSW Commerce (2003) – Core Part 1.2 – Personal Finance

Are newsagencies in the post-maturity stage of the business life cycle?

Sydney Cove Newsagency in the Rocks in Sydney closed down on 27 May 2014 due to rent related issues. A spokesperson from the Sydney Harbour Foreshore Authority commented that according to industry research, “newsagencies, as a retail category, are in significant decline”.

Fairfax’s Chullora plant closes

The presses at Fairfax’s Chullora plant closed on 6 June 2014. The 50,000 square metre printing plant was completed in 1995 at a cost of $340 million. The plant was world class. At peak capacity, in 2006, Chullora was printing 92 separate production runs a week. The press will be sold off as scrap metal. The bulk of Fairfax’s NSW newspapers will now be printed at the company’s North Richmond plant. EBE NSW was fortunate to be able to organise an industry visit to the Fairfax Printers Plant at Chullora last year on 27 September 2013, enabling a group of Business Studies and Commerce teachers to experience a guided tour of the plant. See a report on this industry visit in “The EBE Journal” (Issue 2, 2013).

* References: “Stop press: Chullora plant closes after 19 years” by Tim Elliot in The Sydney Morning Herald, 7 – 8 June 2014


Telstra key highlights for FY14

The 2014 Telstra Annual Report reveals:
– $4.3B net profit after tax (up from 14.6% from FY13)
– $217M social and community contributions
– 46% online customer transactions (up from 40% in FY13)

* Reference: Telstra Notice of Annual General Meeting 2014


Annual battle of brands

Brand Finance Australia has released its latest list of leading brands in the nation. Brand Finance Australia determines a brand’s value in the royalties a company would theoretically have to pay to license the brand if they did not own it. Australia’s most valuable brand is Woolworths, with a value of more than $12 billion, whereas the other supermarket giant, Coles, slipped into fourth place with a value of $7.097 billion. Telstra is Australia’s second most valuable brand, with its value up 59% to $9.3 billion. In third place is BHP Billiton, with a value of $7.377 billion. Qantas remains Australia’s most valuable airline brand, however it has slipped further down the overall rankings, from 14th to 17th. ANZ is the most valuable bank brand in Australia at $6.6 billion. Its ‘Asian strategy’ is proving successful; ANZ sponsorship hit the jackpot this year with Li Na’s win at the Australian Open (as a result an estimated 70 million Chinese viewers were exposed to the ANZ brand). Billabong continues to struggle, falling further to 75th place in 2014 from 43rd. Richard Haigh, Director of Brand Finance Australia said “The decision to write off the brand on the company’s balance sheet seems to have been premature to say the least. Billabong continues to attract investors willing to attempt a revival. Though weakened, there is undoubtedly value remaining.

– “Qantas slips, Telstra climbs in annual battle of brands” by Jennifer Sexton and Paul Gilder in The Daily Telegraph (28 March 2014)

Legal News Bites

Compiled by Joe Alvaro, Marist College North Shore

New provocation laws
A new law which will make it harder for people to use “provocation” as an excuse for murder passed the NSW Parliament on 14 May 2014. “We have reformed an old law that was seen as biased against women and blaming the victim for their own murder by ‘causing’ the offender to lose their self-control. Now a person accused of murder can no longer use their partner’s wish to end the relationship or a belief they have been unfaithful as an excuse in court. The new partial defence of provocation cannot be used by someone who kills a person merely because they made a non-violent sexual advance towards them. However, we have ensured that “extreme provocation” remains available as a defence in some cases, including those of women murdering their partners after being subjected to prolonged domestic violence or abuse,” Attorney General Brad Hazzard said.

Extreme provocation can still be used as a partial defence where the conduct of the deceased:
– amounts to a serious indictable offence and
– caused the accused to lose self-control and
– could have caused an ordinary person to lose self-control to the extent of intending to kill or inflict grievous bodily harm.


* Syllabus link: BOSTES NSW HSC Legal Studies (2009) – Topic 1 – Crime (Defences to criminal charges)

New Victim Impact Statement laws
Reforms allowing family members of homicide victims to have their Victim Impact Statements considered in sentencing have passed the NSW Parliament. “We want to give families of victims of homicide a greater voice in sentencing and that is what we are delivering through these legislative reforms. Victim Impact Statements allow victims to tell the offender, and the court about the impact of the crime on their lives. These statements can be immensely empowering and help parents, partners or siblings get closure. Such statements by victims of crime can already be considered in cases like sexual or physical assault, but until now statements from surviving family members could not be taken into account by a judge in sentencing for matters involving unlawful death in NSW. Our reforms allow family members to make a statement that could form part of the judge’s consideration. Unlike Labor, we don’t believe in forcing family members to have their statement considered, we understand that some families might feel anxious about how well they express themselves or be worried about potential cross-examination by the offender’s legal representative. No family member will be pressured or forced to give a Victim Impact Statement under our reforms,” Attorney General Brad Hazzard said.


* Syllabus link: BOSTES NSW HSC Legal Studies (2009) – Topic 1 – Crime (The role of the victim in sentencing)
New ADVO laws

Senior police are now able to issue provisional Apprehended Domestic Violence Orders (ADVOs) to provide immediate protection for victims, Attorney General Brad Hazzard and Police and Emergency Services Minister Stuart Ayres announced today. “Provisional ADVOs are issued in situations where a person urgently needs protection from domestic violence. Police officers of the rank of sergeant or above can now issue the provisional orders and in most cases will no longer have to go through the process of applying to a court registrar or authorised justice. Most ADVOs are sought outside of business hours but victims can be assured that the process of obtaining emergency protection will be swift – regardless of what time the domestic incident occurs,” Mr Hazzard said. The changes to the Crimes (Domestic and Personal Violence) Act 2007 also enable police officers to detain or remove a defendant from the scene to secure the victim’s safety. “Officers will be able to direct the defendant to accompany them to the police station while the provisional ADVO is being sought and served and can arrest any defendant who refuses to comply with directions. This will reduce the risk of defendants fleeing before the order is served and will enable victims to safely remain in their home – rather than having to seek emergency shelter,” Mr Ayres announced in May 2014.


* Syllabus link: BOSTES NSW HSC Legal Studies (2009) – Topic 1 – Crime (Police powers) and Option 3 Family (Dealing with domestic violence)


An appeal has succeeded in nearly doubling the prison sentence given to Sydney man Kieran Loveridge for the one-punch death of teenager Thomas Kelly and several assaults on the same night. Mr Kelly, 18, died after being randomly punched by Loveridge as he walked with his girlfriend in Kings Cross in July 2012. Loveridge was sentenced last November to a minimum of five years and two months in prison over that attack and three other random assaults on the same night. After a community backlash, the New South Wales Director of Public Prosecutions (DPP) launched an appeal against the leniency of the sentence. A three-judge panel in the NSW Court of Criminal Appeal has quashed the original sentence. Loveridge will now serve at least 10 years and two months in prison, while the maximum jail term is now 13 years and eight months.


* Syllabus link: BOSTES NSW HSC Legal Studies (2009) – Topic 1 – Crime (Sentencing and punishment – Appeals)
Banned and jammed: mobile phone jamming jail trial extended

The NSW Liberals & Nationals Government is leading the way for prisons to be phone-free zones, extending the trial of a mobile phone jamming trial at Lithgow Correctional Centre, Attorney General and Minister for Justice Brad Hazzard said in July, 2014. The 12 month trial at the maximum security jail in Central West NSW will inform all Australian States and Territories’ Corrections authorities about the wider implementation of jamming technology, which has been used in other countries including the United States and New Zealand. “Corrective Services NSW has been making headway against contraband in prisons with targeted deterrence and detection which have resulted in more seizures of contraband, including mobile phones. Mobile phone use by inmates is a significant problem both locally and internationally, because of the threat it poses to the security of jails and the security of the community as some inmates try to continue to their criminal activities while locked up. Jamming means inmates can no longer thumb their nose at the system and the contraband value of a mobile phone becomes worthless,” Mr Hazzard announced in July 2014.


Deaf jurors?

There have been no deaf jurors in trials in Australia, but in 2006 the New South Wales Law Reform Commission called for blind as well as deaf citizens to no longer be excluded from jury duty. A mock trial is now being staged in the Parramatta District Court, during which two deaf jurors will rely on accredited Auslan interpreters to follow the proceedings. The trial is based on an actual criminal case and is being presided over by ex-District Court judge Chris Geraghty. Legislation does not directly exclude deaf people from jury service, only those who are “unable, because of sickness, infirmity or disability, to discharge the duties of a juror”. However, no deaf person has sat on a jury in Australia.


Bail Act reforms pass parliament

Changes to the Bail Act that will help safeguard the community and make it harder for serious offenders to get bail have been passed by NSW Parliament. See the media release, “Bail Act Reforms Pass Parliament” (2014) at www.justice.nsw.gov.au.

* Syllabus link: BOSTES NSW HSC Legal Studies (2009) – Topic 1 – Crime (Bail or remand)

NSW jails to go smoke free

NSW Attorney General and Minister for Justice Brad Hazzard – with support from Health Minister Jillian Skinner – has declared that NSW jails will become smoke-free in 12 months. “NSW has substantially cleaned up its act on smoking and now it’s time for the same thing to happen inside the prison gates,” Mr Hazzard said. “From August 2015, smoking will be banned in NSW prisons. Inmates should have the same healthy lifestyle opportunities that those outside enjoy, and take that with them when they return to the community. “About 17% of the community smoke and the rate is declining. Yet 75%-80% of inmates continue to smoke,” Mr Hazzard said. See the media release, “No ifs or butts – NSW jails to go smoke free” (2014) at www.justice.nsw.gov.au.

Judge awards teacher $1.27 million over “feral” classes

A Supreme Court judge has formally awarded a former teacher more than $1.27 million in damages after he developed chronic depression when forced to teach the worst behaved students. Peter Doulis, 48, sued for negligence, saying he had suffered a mental breakdown after he was allocated an unduly heavy workload of “feral” classes at Werribee Secondary College between 1998 and 2004.

* Reference: “Judge awards former Werribee teacher Peter Doulis $1.27 million over ‘feral’ classes” (16 September 2014) by Mark Russel in “The Age”


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Educating the Final Filter
Lessons from Centro regarding
Financial Literacy for
Company Directors

Philip Ross – Associate Professor,
School of Business, University of Western Sydney

Attention is now well and truly on the financial literacy of directors across Australia, following the landmark ruling that Centro directors breached the Corporations Act by approving financial statements in 2007 that did not present a true and fair view of the corporations affairs. Directors across Australia might be well versed in financial terminology, but those who struggle to link the complex web of business strategy and business risk might now be feeling a little nervous when they look over the books. Considering corporate collapses are often caused when business strategies are developed in isolation from their financial implications, perhaps it’s time to discuss how best to educate the directors who might be feeling the heat.

A significant spotlight has been turned on the financial literacy skills required by directors in a landmark decision by Federal Court Judge John Middleton regarding directors’ responsibilities. Justice Middleton ruled in favour of ASIC’s claim that the directors of Centro Properties, Centro Property Trust and Centro Retail Trust breached sections of the Corporations Act by approving financial statements for the 2006/07 financial year that failed to comply with relevant accounting standards.

Justice Middleton noted that if the directors had acted as Senior Counsel for ASIC suggested, as the final filter, taking care to read and understand the accounts, errors relating to classification of current and non-current debt may have been discovered earlier than they were (par 582). There have been suggestions that the expectations arising from this case, and placed upon directors in undertaking this final filter role, will result in an exodus of directors from public company boards as director’s responsibilities for issues such as the truth and fairness of financial statements are becoming increasingly onerous.

It is appropriate to further examine the issue of financial literacy of directors in light of the significant implications of these suggestions. Justice Middleton’s statement that ‘Whilst there are many matters a director must focus upon, the financial statements must be regarded as one of the most important (par 567)’ leaves little doubt regarding the future role of director’s responsibilities for financial statements.

Justice Middleton considered that ‘all that was required of the directors in this proceeding was the financial literacy to understand basic financial conventions and proper diligence in the reading of financial statements (par 573).’ If substantial numbers of non-executive directors are without accounting qualifications, how can this perceived deficiency in skills be overcome and what form of education is needed?

To some extent this question is answered by Justice Middleton’s indication that a director must at least understand the terminology used in financial statements (par 567). However, by implication the judgement requires directors to be able to link the complex web of business strategy and business risk, as played out in...
the elements of the financial statements. This requires directors to go beyond a simple understanding of terminology.

Justice Middleton refers to this when indicating a reading and understanding of financial statements would require a director to ‘consider whether the financial statements were consistent with his or her own knowledge of the company’s financial position (par 17)’. This knowledge must arise from the director having an understanding of the business of the corporation, being informed about the activities of the corporation, monitoring the corporate affairs and policies of the corporation and being familiar with the financial status of the corporation. All of these activities should be undertaken by the director with a questioning mind (par 17).

Financial literacy education in respect to financial statements typically concentrates on understanding financial statements in a vacuum – without an examination of business strategies and risks associated with these strategies, nor how these issues impact on financial statements and the various ratios that can extracted from the financial statements. There are numerous examples of corporate collapse, both in Australia and overseas, where it appears business strategies have been developed in isolation from any consideration as to the financial implications of these decisions.

The need to effectively link these concepts is apparent in the case of educating directors. The question of compulsory education of directors in these areas also arises given they are at the apex of the structure of direction and management of the company and that their ‘actions may have a profound effect on the community, and not just shareholders, employees and creditors (par 14).’ The fact that directors are required to approve the financial statements and resolve that they give a true and fair view must add weight to the argument for compulsory education. Any education program must also consider the minimum competencies that would be expected of directors in respect to financial literacy.

Associate Professor Ross writes and presents in the areas of forensic accounting, auditing, financial accounting, management accounting and business risk assessment. He is also a member of The Institute of Chartered Accountants and has consulted to private and public sector organisations in the areas of auditing and business risk assessment. Prior to pursuing a career in academia, Associate Professor Ross spent many years in private and public sector roles in auditing and accounting. He has presented at over 50 conferences and seminars around the world and he has published in national and international accounting and auditing journals.
Implications of the Global Financial Crisis

Dr Wilson Sy

Abstract

The global financial crisis has provided clear evidence that the global financial system, including that of Australia, is founded on flawed economic theories. There is no scientific justification for sophisticated risk management, complex institutional structures or intrusive regulation. Australian financial system reforms should simplify corporate structures by restoring Glass-Steagall type separation, discourage anti-competitive conglomeration, reduce system leverage and prohibit over-the-counter derivatives in regulated institutions, decrease secrecy of complex institutional regulation, and increase consumer protection through transparent disclosure of regulatory data.

Introduction

The current Financial System Inquiry (FSI) reviews the 1997 Wallis Inquiry, the developments since those reforms and the global financial crisis (GFC). The FSI Interim Report indicates that many deeper implications of the GFC and recent developments have either not been understood or been simply ignored, largely because the assumptions have not changed. But the assumptions should change.

Observation

It may not be widely recognized that it was the economic paradigm, including academic theories and assumptions, which drove endogenously regulatory and systemic processes causing the GFC. The economic paradigm assumes that the GFC is exogenous and therefore does not provide a framework for understanding that it was itself the main cause of the GFC. This is a key defect in all current efforts to reform the global financial system.

With the economic paradigm remaining firmly in place, there can only be cosmetic changes to the Australian financial system, given the assumptions. The Interim Report stated that “the Inquiry considers that the financial system must satisfy three principles: efficiently allocate resources and risks, be stable and reliable, and be fair and accessible”. This submission argues that the GFC shows that the global financial system has not efficiently allocated resources and risks, has not been stable and reliable, and has not been fair and accessible.

The Lucky Country

Perhaps there is a prevailing sentiment in Australia that “if it ain’t broke, don’t fix it”, as Australia congratulates itself often enough for weathering the GFC better than most countries. However, despite the complacency, the FSI provides a rare opportunity to explore and express alternative reasons behind the lucky country.

Observation

Australia’s financial system is a part of the global financial system. Australian thinking on banking and finance is largely derived from the rest of the world, particularly from the United States.

The Global Financial Crisis

Australian developments typically lag the leaders by six to 12 months, and sometimes by up to a decade – the case of mortgage securitization, for example. This “follow the leader” approach has worked to Australia’s advantage in the GFC, when the leaders fell over a cliff while Australia watched in horror.

Like other countries, Australia did not see the crisis coming and it did not do anything substantially differently, before the event, to forestall its potentially harmful effects. Its regulators were equally asleep. However, it had more resources to take remedial action after the fact because the Government, being less advanced in pursuing wrong economic policies, had less public debt than those of other countries. The resource boom from China’s stimulus also played a role in maintaining Australian economic growth.

The Slowpoke

Australia was slow in realizing its dream of becoming the major financial services centre of the Asia Pacific region. This failure was a blessing in disguise, because the GFC originated from the leading financial services centres of America and Europe.

Observation

_Australia’s complacency about its financial system is not well-founded. Its relatively better economic performance in the global financial crisis is due to being less advanced in pursuing the wrong economic policies of the larger developed countries._

When the US housing bubble burst in 2008, the Australian bubble was only half inflated, being equivalent to the stage of development of the US in about 2003. Australian mortgage securities were growing strongly to about 25 per cent of all housing loans, whereas in the US they had already grown to about 50 per cent. Securitization was considered desirable, according to academic theory, because it represented market-based lending which spreads the lending risk to a larger number of investors, in a process called disintermediation, thus avoiding the risk of failure of banking intermediaries in a housing market crisis.

We have learned from the GFC that exactly the opposite is true: securitization increases the risk of banking and financial system failure, contrary to the efficient market hypothesis of resource allocation. Academic theories have never been checked adequately against scientific evidence and they are based on unrealistic assumptions of moral and rational individuals making well-informed decisions in open and transparent markets.

Academic Fallacies

It is distressing to realize that most people in business and government have been taught many flawed academic theories as economic science. If Australia follows America, then Australia’s future can be foreseen in America today (with 46 million on food aid). Even students are protesting now against being taught mainstream economics as though it is the truth or the only truth. They have enough sense to know what they learn today will appear tomorrow as the policies of business and government. Indeed, the policies of business and government today have been based on yesterday’s economic theories, which we now know were wrong and unscientific.

There are too many serious economic fallacies taught in university to mention them all in this brief submission. There is one assumption which is central to the economic development of financialization, globalization and regulation of the past few decades. The “invisible hand”

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Global Financial Crisis

is an article of faith in mainstream neoclassical economics and is the assumption behind laissez-faire economic policies of the last few decades – e.g. financial deregulations.

A previous chairman of the US Federal Reserve, Greenspan, noted[^3]: “As I saw it, from 1995 forward, the largely unregulated global markets, with some notable exceptions, appeared to be moving smoothly from one state of equilibrium to another. Adam Smith’s invisible hand was at work on a grand scale.” Few in charge of the financial system had disagreed with the belief of its leader.

However, the GFC proved clearly that blind faith in the “invisible hand” was unfounded when markets suddenly failed - in particular, mortgage securities markets disappeared virtually overnight when few understood how this could happen so suddenly, with regulators caught totally unprepared.

**Observation**

The “invisible hand” is not an adequate basis for understanding markets. In fact, by assuming markets work miraculously by themselves, the “invisible hand” has prevented sufficient research efforts to understand how, when and why markets work.

One well-known cause of market failure is information asymmetry. But there is little detailed understanding of how or when this develops. The “invisible hand” of classical economics may well work for goods markets where buyers and sellers voluntarily transact directly for their own welfare. But financial markets have layers of intermediaries who interpose in the transactions in managing the money of other people. The true buyers and sellers often suffer from information asymmetry.

In fact, there are many markets today which are sufficiently dysfunctional to be considered failed markets. But they are largely unrecognized or simply ignored, because market failures are either defined out of existence or considered unimportant in mainstream neoclassical economics. The official assumption is: market failures and bubbles are unforeseeable, because they are exogenous. It is assumed that regulators do not cause nor can they prevent market failures – their job is to deal with the consequences[^4] when they happen.

**Flawed Regulation**

Many, particularly among free-market adherents, fear that the acknowledgement of possible market failures will lead to more government interference and more regulation. Clearly, any government interference based on political ideology and not based on sound scientific understanding can do more harm than good.

More regulation is not necessarily the answer, because, before the GFC, there was already substantial regulation, at least in terms of the amount of reporting to regulators. Regulators did not know what to do with all the information they collected and the information alone was insufficient to prompt them to act before the crisis. The reason is due to the flawed concept of regulation based on the law which is either to punish wrongdoers or to enforce an adherence to legislated rules.

**Observation**

The current conception of financial regulation is based on failures - failures to comply with the law. Laws are enacted from past failures and failures cause laws to be legislated to prevent their reoccurrence. But financial innovations make those laws quickly irrelevant, because those laws may not apply to new products and new markets, which will then be new sources of future failures.

Regulatory failures are usually rewarded with bigger budgets for “the bloodhounds to chase”[^4]

[^4]: Greenspan stated on several occasions that the regulator’s job “to mitigate the fallout when it occurs and, hopefully, ease the transition to the next expansion.” This idea contradicts the rationale that there is any value in supervision before a crisis occurs – regulators deal only with failures.
the greyhounds”. The consequence of the flawed concept of regulation is never ending cycles of failures and new laws, which we have witnessed over the years. Regulation should have the objective of making the financial system work well for all participants (i.e. everybody) and not just for selected “stakeholders” through law enforcement.

Regulation should be concerned not only with managing the regulated, either supervising or punishing them with the law, but also with helping the public to make more informed choices and decisions, using the data regulators collect. The public should be better informed to avoid questionable providers, institutions or products and risk aversion by the public would prevent potential problems from growing large and unseen until systemic failure.

For example, complaints about certain institutions or products are routinely collected by regulators mainly for investigating possible breaches of the law and enforcement. Such information would be useful and should be disclosed to the public, even when no laws appear to have been broken, because complaints may indicate market dysfunction which needs attention, even if problems are not directly related to the existing law.

Observation

Current financial regulation based on law enforcement and secret supervision creates an over dependence on the regulators for protection. This creates moral hazard in the financial system where everyone takes more risks on the understanding that the government is responsible for any regulatory failure.

The record of regulatory failures to protect individuals and the economy has been evident in recent years, with large numbers of scandal, fraud or crisis, both in Australia and overseas. The financial system should help, rather than hinder, everyone helping themselves by being better informed and by taking on more of their own responsibilities.

Recommendation

Where possible, regulators should publish complaints received from the public on financial service providers, institutions and products, using readily available internet technology.

If real regulatory action occurs only after failures of markets or institutions, the least the government could do is to help ordinary people protect themselves by being better informed, should they want to take the trouble to do so.

Institutional Supervision

One of the pillars of Australian financial regulation is institutional supervision to ensure soundness of financial institutions to meet their promises and obligations. The GFC exposes irresolvable contradictions to institutional supervision in Australia and particularly overseas.

Observation

The concept behind the US Federal Reserve, the UK Financial Services Authority and the Australia Prudential Regulation Authority (APRA) is seriously flawed because it is based on secret dealings between regulators and regulated institutions.

For example, only a few years after APRA was set up, a major general insurer, HIH, failed. Was APRA asleep and did not know what was going on? Or, if APRA did know what was going on, did it allow HIH to fail? Or again, if APRA did know what was going on, was it unable to supervise HIH’s survival? What additional skills or knowledge does APRA have that HIH’s board of directors does not have? On what basis does APRA have the right or the responsibility to decide which institution is allowed to fail?

Clearly, if the regulator is responsible for the regulated, their interests would merge and the regulator’s interest in the survival of the regulated institution would conflict with its interest of ensuring a competitive market which must allow failures under capitalism. Secrecy was maintained in Australia during the GFC
Global Financial Crisis

when Westpac and NAB came close to failure. Insolvency was forestalled during 2008 and 2009 through a combined emergency loan of US$5.5 billion from the Term Auction Facility provided by the US Federal Reserve.

Lehman Brothers was allowed to fail in the global financial crisis by US regulators, who were then widely criticized for endangering the survival of the financial system. Thereafter, the “too big to fail” concept was developed and no other large financial institution was allowed to fail again. The incentive was thus created for every financial institution to become as big as possible. The “too big to fail” banks only got bigger as a result.

The institutional supervision part of financial regulation leads eventually to an incestuous relationship between the regulator and the regulated. The corruption created could lead to a system which is not fit for the purpose of meeting the objectives set out in the terms of reference of the Inquiry.

**Observation**

_Institutional supervision in secrecy can create various types of corruption. The first is the corruption of the principle of capitalism, where any private enterprise should be allowed to fail and not be saved by government assistance. The second corruption is the “revolving door” where individuals can work for personal gain at the expense of the public largely without consequence or even being noticed. The third is the corruption of market function by obtaining and retaining insider information or the creation of information asymmetry to the disadvantage of investors._

Countries with large regulated institutions display all the forms of corruption mentioned here and display the greatest dysfunction in entrepreneurial capitalism, in both personal and market integrity. Available economic data show clearly that these countries are on the path to rapid economic decline. It is reasonable to question how the corruption and the dysfunction may increase systemic risk.


**Systemic Risk**

The GFC has provided strong evidence that flawed academic theories have been used in credit risk models by banks and credit rating agencies to provide wrong and unreliable credit ratings for many types of credit securities and derivatives. In the GFC, institutional supervision failed to reject unsound credit risk models or to challenge them on their technical accuracy because they were simply accepted as the economic paradigm.

**Observation**

_The fine tuning that is implied by the internal ratings-based (IRB) model of risk management of major banks is not scientifically proven. All such models are based on the ergodic fallacy, which is the assumption that historical statistics are the same as future statistics. The global financial crisis has provided strong evidence which falsifies this assumption – future risks may be unknowable._

Fine tuning risk management to reduce the margin of safety is an oxymoron, because the risk that the mathematical models are wrong has not been taken into account to justify the complacency implied by the fine tuning. In the GFC, the numbers of defaults and levels of losses greatly exceeded credit risk model predictions, not by percentages, but often by several times.

Given grossly inadequate performance of credit risk models, it would take many years of proper scientific research for new models to be used safely. Regulatory permission for authorized deposit-taking institutions (ADIs) to fine tune their risk management with credit risk models should be recalled, pending further research and investigation.

Moreover, the IRB models are primarily used by large banks, with adequate resources, to argue unjustifiably for lower capital requirements.

The increased leverage of big banks gives them a cost advantage over smaller banks, making the big banks riskier and making them even bigger than “too big to fail”.

**Recommendation**

The IRB approach should be abandoned to provide greater simplicity, systemic safety and competitive neutrality for all authorized deposit-taking institutions (ADIs) regardless of size or resources. Regulators generally do not have the same incentives or resources to challenge properly the IRB models, which under-estimate risk based on accepted, but flawed, academic theories. IRB models effectively allow big banks to set their own capital requirements, thus providing a cost of capital advantage over smaller ADIs.

Credit risk models have not changed substantially since the GFC, which showed that they were misleading, inaccurate and actually increased systemic risk. Many credit risks are unquantifiable, either because there is insufficient data or there is no relevant data. Pretending that the only risks which matter are the risks the credit models have quantified would be a serious under-estimation of risk, which contradicts the objectives of stability and reliability.

**Contagion Risk**

In the era of financialization, derivatives held the promise of reducing financial system risk through the use of new instruments for risk management for financial institutions. Exactly the opposite happened: systemic risk increased. Financial markets have been more and more volatile as the use of derivatives increased over time.

While derivatives can be used to reduce the risk of a given balance sheet, the risk reduction is in practice compensated, or more than compensated, by an increase in the size of the balance sheet itself, leading to net increased risk and leverage of the institution, offset theoretically by “insurance” through derivatives with other counter-parties. The illusion of better risk management led to the institutions taking more and more risk.

**Observation**

The result of using derivatives is a financial system with increased leverage, with highly geared institutions all insuring one another through derivatives, creating effectively one single highly leveraged system where individual institutions are locked together through mutual obligations. This system is extremely fragile because one single institutional failure could potentially cause systemic collapse, through “contagion”.

The regulators who allowed this to happen obviously were not concerned about systemic stability. The global financial system has become a fragile entity due to the use of more than 700 trillion dollars of over-the-counter (OTC) derivatives. A system where all elements are inter-locked has no benefit of risk diversification or resilience which comes from having many independent elements. Through mutual insurance, the system becomes more like one single entity, with little tolerance for the failure of any one of its parts.

The consequences of failure of the global financial system have to be suffered by the rest of society. This is exactly what has happened since the emergence of the GFC, which has extracted so much from society that the global economy risks collapse into depression. The global financial system badly needs to de-risk and to increase stability by eliminating interconnectedness as much as possible through the prohibition of mutual insurance using OTC derivatives.

OTC derivatives are virtually impossible to regulate, because they are inventions of financial engineering. The complicated mathematical calculations are difficult to check, being often exploratory and not scientifically verified. It would be wasteful for regulators to try to keep up with the understanding of instruments of arbitrary complexity. Judging by their published research, regulators have never demonstrated competence or authority in the sophisticated mathematics used for derivatives.

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Notional value of outstanding contracts, Bank for International Settlement (BIS) statistics: [http://www.bis.org/publ/otc_hy1405.htm](http://www.bis.org/publ/otc_hy1405.htm)
The fact that OTC derivatives are essentially unregulated and their values could be “mark-to-model” or “mark-to-myth” means there is enormous scope for fraud, where trillions of dollars of losses could be hidden. They also provide a powerful tool for manipulating markets on ordinary exchanges by hiding offsetting trades with counter-parties in the OTC market to create a false market direction.

Regulated financial institutions should be forbidden to use over-the-counter (OTC) derivatives. The use of plain vanilla derivatives traded on organized exchanges should be restricted to within certain prescribed limits.

**Recommendation**

*Over-the-counter derivatives should be prohibited because they are difficult to regulate and they lead to unacceptable systemic risk.*  
*At the very least Australian deposit-taking institutions should be encouraged to free themselves of derivatives and be able to advertise themselves as “derivatives free” (if that is the case) to get recognition for lower risk from credit rating agencies.*

Most OTC derivatives have been used by gigantic global financial institutions such as JP Morgan Chase, Citibank, Goldman Sachs and Bank of America. While they trade mainly with each other, somehow they all manage to declare profits from their derivatives books. How everyone can win in a zero-sum game is a mystery, which regulators have not bothered to investigate. OTC derivatives for these institutions have the potential to be the equivalent of the off-balance sheet accounting for Enron in the 1990s.

**Big Risk**

The argument for being “big” is usually based on benefits from the economy of scale which however, serves only the self-interest of big corporations, because the benefits are captured highly visibly and admirably as profits for those corporations. But the losses are taken invisibly and silently by the rest of society, with a net “dead-weight social loss” to the society as a whole. The undesirability of monopoly and oligopoly for society as a whole is well-understood.

Financial institutions become big largely through conglomeration of separate businesses - for example, through merger of investment banking, commercial banking, funds management, stockbroking and so on. The “one stop shop” concept of vertical integration creates a long chain of fee extraction points for conglomerates and enables them to hide and transfer costs along the chain to maximize profit for shareholders. The systematic wealth transfer to shareholders is a major cause of wealth inequality in society today.

The opacity of the true costs for different elements of the chain creates information asymmetry and prevents competition among the different businesses representing those different elements. The result for society is the high fees and costs for consumers and investors in banking and superannuation which we witness today. Product disclosures required by regulation are merely lengthy legal documents disclaiming liabilities of the product providers rather than informative documents which help consumers make sound financial choices.

**Observation**

*Australian banks and superannuation funds have created multi-layered service structures to lengthen the chain of fee-collection points to maximize profit for shareholders, at the expense of society as a whole. Vertically integrated firms have the ability to hide and transfer costs, increasing information asymmetry and reducing market competition.*

When big banks complain that there is sufficient competition, they are talking about competition among their peers to make the most profit, not about market competition to benefit consumers. If they had their way they would want to get even bigger, to be more “efficient”,

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by taking over or eliminating their competitors. Such thinking is very narrowly focussed on the self-interest of one institution and its stakeholders.

The efficiency gain from economy of scale in the operation of one single institution, which is highly visible, is not sufficient compensation for a much greater, but less visible, efficiency loss in the market. The world is about to learn, particularly since the GFC, that having large profitable financial institutions may be paradoxically bad for the economy and for society as a whole. The total benefit to society is reduced (as we have always known) and the benefit is concentrated in the hands of the monopolists and oligopolists at the expense of everyone else, leading potentially to unsustainable wealth disparity. As stated above, Australian developments lag behind those of UK and US, which provide lessons and early warnings.

**Recommendation**

*If a financial institution is “too big to fail” then it is simply too big. Anti-trust laws should be applied to break up big corporations.*

Of the different lines of business of a big financial conglomerate, the biggest part in terms of capital usage, market exposure and system risk is investment banking and principal trading because of the high leverage of the business from extensive use of derivatives. There is good reason why financially speculative investment banking should not comingle in anyway with economically essential commercial banking.

Traditional commercial banking ran quite satisfactorily when separated from speculative trading activities of investment banking under the Glass-Steagall Act. For many years, traditional bank failures were nothing like the financial system failure in the GFC, which occurred less than ten years after the repeal of the Glass-Steagall Act in 1999.

Attempts in the US to re-introduce some form of separation of investment banking from commercial banking through “ring fencing” of the Dodd-Frank Act lack any acceptable logic, for the following reasons:

- The economically essential commercial banking does not benefit from the trading activities of investment banking, but is exposed to speculative failures through joint ownership by a parent company;
- Shareholders are disadvantaged from being forced to invest in a conglomerate and would benefit from investing in separate businesses in various proportions, according to their risk appetites;
- Regulators do not have the incentives or resources to challenge effectively the conglomerates under complex laws when conglomerates are financially well-resourced.

Regulation through the enforcement of complex laws is ineffective. Several years into the GFC, nearly every major global financial conglomerate has been fined millions or billions of dollars for money laundering, market rigging, securities fraud, etc., without any palpable change in behaviour. The sizes of their fines, large though they may appear, are negligible compared to their profits or their balance sheets. Paying fines would be factored into the cost of doing business. In any case, they continue to receive trillions of dollars of public financial assistance.

There is every reason to believe that “ring fencing”, like “Chinese walls”, “invisible hand”, “the emperor’s new clothes”, etc. is probably an imaginary device to help wishful thinking. Ring fencing is based on complex regulation and is

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9 David Morgan, international panel member and ex-CEO of Westpac argued over many years for abandoning the “four pillars” policy to lower bank fees (e.g. [http://www.news.com.au/finance/markets/westpac-chief-rattles-four-pillars/story-e6frfm30-1111112476119](http://www.news.com.au/finance/markets/westpac-chief-rattles-four-pillars/story-e6frfm30-1111112476119))

10 See for example, [http://www.huffingtonpost.com/eric-zuesse/us-is-now-the-most-unequa_b_4408647.html](http://www.huffingtonpost.com/eric-zuesse/us-is-now-the-most-unequa_b_4408647.html)
costly to implement in many ways – therefore, unlikely to be effective.

**Recommendation**

*Since financial speculation involving derivatives is impossible or costly to regulate, it should not be regulated. Instead, investment banking should be separated from other banking activities, treated like hedge funds, as completely private enterprises.*

There has been no convincing argument or any evidence to show how financial speculation benefits society as a whole. Countries which have the greatest activities in financial speculation have also the worst overall economies, relative to their peers.

**Summary**

Financialization, which was the driving force behind the Wallis Inquiry held a lot of promises – many of which were dashed in the GFC and are unlikely to be met:

- greater trading volume and active management did not lead to more accurate market prices, as seen in greater market volatility and market failures;
- more asset bubbles did not lead to better allocation of resources;
- major countries with larger financial sectors show greater secular declines in economic growth.

The financial sector facilitates financial exchange and wealth redistribution, but its activities do not enhance wealth creation – just the opposite happened in the finance-dominated countries. Australia’s four major banks, capitalized at $469 billion, account for nearly 28 percent of ASX 200 listed companies; together with five other financial institutions they account for one third of the Australian equity market.

It is not obvious that an economic structure with a very dominant financial services sector is a cause for celebration. If this sector were doing a good job of channelling finance and efficiently allocating resources, there would be no concern about whether the financial system is positioned “to best meet Australia’s evolving needs and support Australia’s economic growth”, which is one of the primary focuses of this Inquiry.

While Australia is not a vanguard of change, the FSI should make provisions which will make changes easier and less traumatic, if major changes do eventuate from global development. Changes in economic thinking and education – manifested in popular movements, in new geopolitical alignments, etc. – are already in progress. For example, students are protesting against the harmful economics education they are receiving. Movements such as Occupy Wall Street are protesting against the growing wealth inequality and high unemployment. The BRICS countries are now creating an alternative currency system to bypass the existing US-dollar based system.

Even within the existing flawed framework, Australia should seek to reduce risk and simplify the financial system wherever possible by:

- being more sceptical of unproven and unscientific economic theories;
- being less dependent on the illusion of complex regulation to protect society;
- breaking up big institutions into smaller independent units to increase competition;
- simplifying the regulatory processes to create system robustness;
- informing ordinary people with data and facts to help them protect themselves.

To conclude with a parable: “Once upon a time, a man was unaware that he lived in a flood-prone area. He did not have insurance. A flood came but he was left unscathed. He congratulated himself on his fine judgement. Then another flood came. He lost his house and was swept away.”

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The Problem with a ‘Living Wage’

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A recent internet meme making the rounds on Facebook compares minimum wages and the prices of Big Macs in the United States and Australia. The minimum wage is more than double in Australia (US$16 per hour versus US$7.25 per hour in the United States), while the price of a Big Mac is about the same in both countries (around US$4.50).

Despite the much higher minimum wage in Australia, unemployment rates in both countries are both around 6% and the Australian unemployment rate remained at this lower level in recent years, while the US suffered from double-digit unemployment at the height of the Great Recession.

If the minimum wage appears to have little impact on the unemployment rate or prices (although other restaurant prices are noticeably higher in Australia, as any tourist will tell you in about 10 minutes upon their arrival in Oz), why are economists generally opposed to mandating a “living wage” to reduce income inequality?

Non-economists might assume that the answer is simple: economists are pro-business. But we’re not. We’re pro-market, not pro-business.

**Pro-Market, Pro-Virtue**

The possibly surprising reason economists tend to oppose a “living wage” is virtue. In particular, if the goal is to reduce inequality, mandating someone else to pay a higher wage is not a particularly virtuous way to do this.

This is because it prevents an employer and potential employees from engaging in mutually beneficial exchange. At least this is how I saw it as a teenager in Canada struggling to find a summer job during a recession. My frustration with the minimum wage policy was one of the reasons I became an economist later in life.

In typical teenage fashion, I indulged in reductio ad absurdum arguments at the time, wondering why proponents of a “living wage” kept such earthly ambitions. If they truly thought such a policy would have few unintended consequences, why didn’t they propose mandating a “heavenly wage” that would allow all of us to drive Porsches through the pearly gates?

My cynicism was mostly incited by the fact that minimum wage and living wage laws cost politicians nothing (except possibly votes from small business owners). I detected a distinct lack of virtue in a costless mandate from government about what wage a high school student could work for.

If progressive politicians really wanted to be more virtuous in helping the poor and reducing income inequality, they should do something that would no doubt be very hard for them. They should listen to Milton Friedman.

Milton Friedman, of course, opposed minimum wages because they hindered the proper functioning of markets. Instead, he argued for a guaranteed minimum income, whereby...
everyone (man, woman, and child) would receive a lump-sum income payment to cover basic needs (in practice, he argued for implementation of the program in the form a negative income tax).

Because it does not restrict mutually beneficial exchange or create disincentives to work, a guaranteed minimum income is less distortionary than a minimum wage or a welfare program.

Like a welfare program, a guaranteed minimum income is costly, which is its source of virtue, but a hindrance to implementation. Friedman opposed “means testing” to limit who qualifies for the income payment, although a means test is probably the only way to make such a program financially viable.

However, a graduated means test could reduce the disincentives to work compared to a sudden threshold and make the program more affordable. And, in general, any increase in focus on income rather than employment status would be an improvement over most existing welfare programs in term of incentives to work.

**Minimum wages might be okay, but progressive taxes are better**

I’ve mellowed since my teenage years in terms of my views about minimum wages (though not about “living wages”). Having also lived in the United States and Australia, I can now see the problems with a very low minimum wage and some benefits of a higher minimum wage.

For example, in the United States, service workers often receive tips in addition to their minimum wage (tipping is much less common in Australia). But they would clearly be better off receiving their compensation and benefits all in one payment, as they do in Australia.

And minimum wages may simply be much more politically feasible than a guaranteed minimum income, with or without means testing. As a wise friend once told me, we should never let the best be the enemy of the good.

At the same time, I recognize the typical hypocrisy of middle age in my mellowing views. Compared to when I was younger, I can now sometimes afford the higher restaurant prices in Australia. And youth unemployment in Australia is quite high and has been increasing relative to the rest of the population in recent years. It is hard to believe this is completely unrelated to a minimum wage that is close to AU$20 per hour in many service industries.

Ultimately, though, I think economists of all political stripes (even Friedrich von Hayek professed to be in favour of a guaranteed minimum income!) have it right that the focus in addressing income inequality should be more on progressive taxes and less on a “living wage.”

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Globalisation

The effect of globalisation on secondary and tertiary business education

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The term ‘globalisation’ is heard very commonly around the world and it is a truly accepted phenomenon in the business arena. Whilst many people associate globalisation with the way that we do business, the definition in fact applies to virtually all aspects of human life. Through globalisation, economies and societies have become integrated worldwide as a result of the free-flowing goods, services, capital, people and ideas.

There is no doubt that globalisation has increased in recent years as a result of technological advances and the reduced costs of making international transactions. Accordingly, countries are becoming further interconnected and interdependent on one another. There are both proponents and opponents of the enormous economic, political, social, cultural and technological changes that have come with globalisation. Few however, believe that it is ever likely to retract.

Governments in support of free markets contribute significantly to economic globalisation through schemes that see things like reduced tariffs and eased foreign investment rules. Australia is a perfect example of such programs with a free trade agreement recently signed with Japan, and the same looking possible to be done with China.

The conundrum for educators, therefore, is clear: how do we prepare students for a globalised society? This article will examine two spheres of student preparedness as they relate to globally-minded graduates. These are academic knowledge and personal readiness.

Before we proceed further however, it is important to take a step back and explore what employers in are seeking from today’s workforce. A review of employer surveys and senior executive interviews over the past twelve months reveal some expected answers like teamwork, leadership, work experience, extracurricular activities and academic results. But a number of new trends are also entering the top ten lists of desired graduate attributes. These are:

• Cultural skills: will you be able to mix well and communicate with not only current employees, but your company’s clients from around the world?
• Global intelligence: do you have experience in understanding how different cultures and industries work across borders?
• A second language: can you speak it fluently and not just at A-level?

At the secondary level, overseas trips of a few weeks duration are a thing of the past, with state-supported formal exchange programs now providing an opportunity for students to enrol in an overseas high school for a period of between one term to one year.


Whilst the focus of secondary exchange programs is to allow Australian students to experience another culture, the curriculum of the host country undoubtedly extends the experience further. In addition to developing soft and interpersonal skills within a new culture, the student has the opportunity to acquire significant theoretical knowledge behind that particular country’s historic, economic, political, legal and business environments.

For the majority of Australian students who do not undertake an international exchange, there remain some opportunities within senior student curriculums whereby more globally-minded citizens may emerge. Schools are no doubt finding ways to educate their students through a global perspective, but more can still happen in the classroom. This particularly plays true as we see the emergence of global skills gaps, where due to globalisation, companies want their next generation of employees to have a worldwide, rather than an Australian, view on society.

The International Baccalaureate Diploma is the most well-known high school curriculum with such a worldwide focus. It emphasises global engagement, multilingualism and cultural understanding across its broad range of subjects.

Given tertiary studies (in most cases) immediately precede entry to the full-time workforce, it is not surprising that these institutions have for a longer time recognised the shift towards an interconnected world. At the basic level, international exchange and study tours opportunities are once again commonplace in every business degree.

The Australian Government’s New Colombo Plan is perhaps the most recent acknowledgement on the way globalisation is shaping our world. The initiative recognises that the Australian workforce needs to become more “Asia-aware” in the future. This is achieved via publically-funded undergraduate scholarships, internships, mentorships, clinical placements, practicums and research.

At the forefront of global education however is incorporating transnational study as part of degree curriculums. A number of universities are entering dual-institution partnerships. Students of the Queen’s School of Business in Canada, for example, complete half of their degree in Ontario before moving to ESADE Business School in Barcelona, Spain. Partnered programs like this are widespread and include many location opportunities across Europe, Asia and America.

Some colleges have taken the next step and established their own campuses in multiple locations, thereby providing an exclusive degree without partners, whilst still allowing students to graduate with immense global potential. INSEAD Business School has a modular MBA program where students study in Fontainebleau, Singapore and Abu Dhabi.

Both undergraduates and postgraduates at the S P Jain School of Global Management have a similar course structure. The School has established campuses in Dubai, Singapore and Sydney, strategically selected to expose student to the business practices and cultures of the Middle-East, Asia and the Western world, respectively.

S P Jain’s multi-campus model involves Bachelor of Business students studying their first year in Singapore, second year in Dubai and final semesters in Sydney. Whilst the intensive one year masters programs include one four-month term in each location.

What the next step will be for global secondary and tertiary business education is unknown. What is known however is that the globalised world in which we live in only likely to become more connected. Educators will be required to regularly evaluate society from a global perspective and ensure they are delivering student outcomes that will enable graduates to succeed across all country borders.

The austere measures contained in the proposed Commonwealth budget have been justified by fears that Australia’s public debt is expanding rapidly and dangerously, and must be arrested through a dramatic change in fiscal policy. These fears are misplaced.

Australia does not face any present or imminent debt crisis. Australia’s deficit and accumulated debt are both low, relative to international experience and Australia’s own history. According to the Organization for Economic Cooperation and Development, the current net debt (for all levels of government) in Australia is equivalent to 13.8 percent of GDP – less than one-fifth the average debt burden carried by other industrial economies (and an even smaller fraction of the debt in countries like the U.S., the U.K., and Japan). Since the GFC, debt has grown less rapidly here than in other countries. Interest rates paid on Australian debt are at record-low levels (and likely to stay that way for years), further reducing the burden of net interest payments. In short, Australia’s ability to manage public debt is very strong.

The major cause of the current gap between revenues and expenditures of the Commonwealth government is continued cyclical weakness in macroeconomic performance. The employment rate has declined markedly, and continues to decline in the face of recent lay-offs and weak job-creation. Incomes have been growing at their slowest pace in decades (consequently constraining consumer spending). These trends, combined with large tax cuts during the early stages of the mining boom, have undermined tax revenues from personal income taxes, corporate income taxes, and the GST.

The most effective route to restored fiscal balance is to help more Australians find work, earn incomes, and pay taxes. But major and unnecessary reductions in government program spending and public sector employment would have the opposite effect.

The goal of fiscal policy is not simply to eliminate the deficit as quickly as possible, nor is it to generate surpluses (government is not, after all, a “profit-making business”). The timing and method of deficit reduction must be balanced with other economic and social goals, including job-creation, infrastructure needs, and social conditions. Governments’ economic responsibility is to establish policies which support Australian firms, workers, and communities to utilise their full potential to work, produce, generate income, and sustainably consume.

When spending and demand conditions in the private sector of the economy are sub-optimal (as they have been, and continue to be), government has a responsibility to play a leading role in supporting economic activity and job-creation. At times, this responsibility requires deficit financing of public programs and infrastructure investments.

There are many projects and priorities which would enhance Australia’s productive capacity in the future, and hence are deserving of more government support, not less. These include investments in transportation, energy conservation and alternative energy, and affordable housing. When a new public investment project enhances the economy’s long-run
productive potential, it is economically prudent to finance it with public debt (just as private firms and households finance long-lived investments with their own debt).

The true goal of fiscal policy is the need to ultimately stabilise the level economic activity at full employment. We should not be satisfied until unemployment is back to rates Australia enjoyed in the early post war decades. Debt and deficits should not be targets in their own right but simply treated as by-products of the required fiscal strategy.

International agencies (such as the International Monetary Fund and the G-20) have urged extreme caution in future fiscal retrenchment, for fear that indiscriminate spending reductions will undermine growth and job-creation – ultimately defeating the goal of fiscal balance. They have acknowledged that past policies of austerity in other countries have had large negative effects on growth and employment.

Australia should not make the same mistake. Major spending reductions by the Commonwealth government are economically unnecessary and socially damaging. The first priority of Australian fiscal policy should be to strengthen investment, employment, and growth. Government can and should pursue this priority without jeopardizing its long-run fiscal strength and stability.

Signed,

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Explaining the business world in HSC extended responses

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Introduction

The Business Studies Higher School Certificate (HSC) examination in New South Wales requires students to show their knowledge of business theory and also to apply this theory to case studies. One of the ways that students demonstrate their knowledge is by writing the extended response in the HSC examination. In order to succeed in the examination, students not only need to know the content of Business Studies, they also have to know how to write about Business Studies.

Writing about Business Studies can be considered subject-specific literacy. The Australian Curriculum makes it clear that ‘all teachers are responsible for teaching the subject-specific literacy of their learning area’, not just English teachers. For this reason, Business Studies teachers need ‘a clear understanding of the literacy demands and opportunities of their learning area’ (ACARA, 2013, pp. 9-10). This article aims to help teachers and students understand the literacy demands of one of the parts of the HSC examination for Business Studies: the extended response in Section IV of the examination paper, worth 20% of the examination mark. The findings in this article are drawn from a research project that identified the language features of successful HSC answers in Business Studies and then trialled the teaching of these features in HSC classes in two schools (Weekes, 2014). This article reports on one aspect of the research project, namely, the importance of explanations in Business Studies extended responses. Firstly, the importance of explanations in Business Studies will be explored, followed by findings about how cause and effect language is used by students who achieve the highest marks in the extended response. Teaching suggestions will also be provided, to offer practical support for teachers and students in composing successful HSC examination answers in Business Studies.

The importance of explaining in Business Studies

Explaining is an important aspect of the Business Studies syllabus. In the Preliminary course outcomes, a student ‘explains the business life cycle’ (P3.1) and ‘explains the responsibilities of business to internal and external stakeholders’ (P3.2), and also ‘explains the relationship between the internal and external factors on business’ (P4.2). Similarly, in the HSC course, a student ‘explains the impact of the global business environment on business’ (H1.1) and ‘explains management theories and strategies and their impact on business’ (H3.1) (Board of Studies NSW, 2009, pp. 10-11). In the glossary provided by the Board of Studies (2014), to ‘explain’ is to ‘relate cause and effect; make the relationship between things evident; provide why and/or how’. Given the many requirements to ‘explain’ in the Business Studies syllabus, it is vital that students can write about different kinds of cause and effect relationships, such as the influences on the business environment and business activities, and the effect of business decision making.

Explaining is also foregrounded in the Australian Curriculum for Economics and Business. In the Year 10 achievement standards, for example, students are required to ‘explain why
and how governments manage economic performance to improve living standards. They provide explanations for variations in economic performance and standards of living within and between economies… and also explain the short- and long-term effects of these decisions. They explain how businesses improve productivity’ (ACARA, 2014a, p. 39). These standards in the Australian curriculum, similarly to the NSW Board of Studies syllabus, highlight the centrality of explaining in the subject of Business Studies.

Even though the NSW syllabus for Business Studies requires students to ‘explain’, there is relatively little guidance in official documents for how to compose a written explanation. Marking criteria for the extended response, for example, tends to be quite generalised, requiring students to ‘demonstrate knowledge and understanding relevant to the question’ and ‘apply a relevant case study’ (Board of Studies NSW, 2013b). It is not clear, however, exactly how the case study is to be applied and there is no guidance about how to relate or connect a case study to syllabus content. As for the structure of the answer as a whole, only a vague outcome is provided, to present a ‘sustained, logical and cohesive response’.

Markers’ comments, released each year after the HSC examinations, provide summaries of evaluations of student answers for that year. Like the syllabus, these comments are presented in the form of dot points. Sample answers are similarly brief. For example, an extended response question in the 2012 HSC examination was ‘Why are ethical behaviour and government regulation important in marketing?’ The sample answer was arranged in dot points, an excerpt of which follows:

Answers could include:
• Government regulation
• consumer laws
• deceptive and misleading advertising
• price discrimination
• implied conditions
• warranties

(Board of Studies NSW, 2013a, p. 7)

The sample answer refers to the dot points of the syllabus but it does not foreground the points as ‘reasons’ to explain ‘why’ government regulation, for example, is important in marketing.

Given that there is little direct guidance for teachers or students on how to write an explanation in an extended response, it may be helpful to look at the kinds of examination questions that are typical in Section IV and how students can compose answers to these questions.

Analysis of HSC questions in Section IV

The extended response questions in Section IV of the HSC examination tend to require students to write explanations. Analysis of 14 extended response questions from the HSC examinations from 2007-2013 indicate that explanatory reasoning and writing are required, to some extent, in every extended response. Two thirds of HSC questions in the past seven years have explicit links to explanations by including wordings in the questions such as ‘why’, ‘how’ and ‘explain’. For example, the questions from 2012 clearly require an explanatory answer:

Question 26: Why are ethical behaviour and government regulation important in marketing?

Question 27: How can different sources of funds help a business achieve its financial objectives?

(Board of Studies NSW, 2012, p. 18)

In these two questions, students are explicitly asked to explain factors that impact on business actions and decisions. In 2013, however, the extended response questions ask students to ‘assess’, or evaluate different management strategies, so the link to explanations is not as clear.

Question 27: Assess strategies that management may use to respond to influences on operations.

Question 28: Assess strategies that management may use to respond to key influences on human resources.

(Board of Studies NSW, 2013b, p. 18)
Even in these types of questions, where students are required to make a judgement about the effectiveness of management strategies, there are still implicit links to cause and effect. These questions state that management will ‘respond’ to ‘influences’ on the business. To answer these questions effectively, students still need to explain how the ‘influence’ is a factor that impacts on the business, and then to ‘assess’ the effectiveness of measures put in place by the business to address the influences. As will be explained below, ‘influence’ suggests an indirect link to cause and effect. Whether implicitly or explicitly stated, extended responses require students to explain. Therefore, it is important for students to demonstrate mastery of explanatory writing.

**Explaining in the extended response**

Most extended responses for the HSC examination belong to the explanation family of *genres* (Martin & Rose, 2008; Rothery, 1994). Genre describes the purpose of a text, that is, what kind of job it performs in the culture. Examples of these kinds of purposes include persuading, exchanging information and explaining. In schooling, genres are typically realised in types of texts, such as arguments, reports or explanations. Explanations ‘are concerned with explaining how processes happen’ (Martin & Rose, 2008, p. 150). As has been explored above, explaining how external and internal factors influence business activities, and explaining the consequences of business actions, are central to the subject of Business Studies.

To write an explanation, students must use the language of cause and effect (Martin & Rose, 2008). This cause and effect language is most commonly realised in *conjunctions*. A conjunction is a ‘word that joins other words, phrases or clauses together in logical relationships’ (ACARA, 2014b). When speaking, we often show causal relationships by using conjunctions such as ‘because’ or ‘so’. For example, these two sentence use conjunctions of cause (shown in bold):

- Businesses expand **so** they can increase sales and find new markets
- Businesses expand **because** they want to increase sales and find new markets

A research project that examined successful writing in HSC examination answers found that cause and effect language is used often and repeatedly by students who achieve the highest grades (Weekes, 2014). Students who achieve a ‘Band 6’ in the extended response tend to use many conjunctions, even though the syllabus does not state these explicitly. Analysis of successful student writing available in the Standards Packages showed that students often use conjunctions to describe purpose (e.g. *so as, in order to*), cause (e.g. *because, so, since, therefore*), means (e.g. *by, thus*) and condition (e.g. *if, provided that, unless*) (Halliday & Matthiessen, 2004, p. 540). These conjunctions help students to write about cause and effect in a direct way, creating clear links between business actions and profitability and business success or failure.

One short section of a successful Business Studies answer from the Standards Packages will be analysed to show how these chains of cause and effect are created in successful extended responses. This answer is explaining reasons for international expansion of a business.

> In order for this business to substantially grow it needed to move beyond the national boundaries and trade in the international market place to maximise sales.

Global businesses also expand because of the desire to achieve economies of scale. By increasing production the business is able to reduce costs and thus increase profit which is the ultimate goal.

*(Q29 Exemplar Sample 1, Board of Studies NSW, 2002)*

This paragraph has been separated into clauses and arranged in Table 1, with the conjunctions highlighted. In just nine clauses, there are five conjunctions of consequence: ‘*in order for*, ‘*to*…’, ‘*because of*, ‘*by*’ and ‘*thus*’. Conjunctions of addition (e.g. *and*) are also important for
linking extra messages about business activities.

**Table 1:** Conjunctions within one paragraph of a successful Business Studies answer

<table>
<thead>
<tr>
<th>Conjunction</th>
<th>Text</th>
</tr>
</thead>
<tbody>
<tr>
<td>in order for</td>
<td>In order for this business to substantially grow it needed to move beyond the national boundaries</td>
</tr>
<tr>
<td>and</td>
<td>and trade in the international market place</td>
</tr>
<tr>
<td>to</td>
<td>to maximise sales.</td>
</tr>
<tr>
<td>because of</td>
<td>Global businesses also expand because of the desire to achieve economies of scale.</td>
</tr>
<tr>
<td>by</td>
<td>By increasing production the business is able to reduce costs and thus increase profit which is the ultimate goal</td>
</tr>
</tbody>
</table>

Consistent conjunctions also point to the significance of profitability as a central concept in Business Studies. Most purposes are explicitly stated through ‘in order to’ conjunctions, or in a shortened form, ‘to’ (to achieve company goals, to maximise revenue and profits, to avoid/minimise tax). Causes are framed in terms of what businesses desire (because of the desire to achieve economies of scale) and also describe what businesses have to do to achieve their goals (by increasing production), yet the ultimate purpose is still to grow profits and reduce costs.

This analysis shows how important it is for students to understand and write about cause and effect in Business Studies. In fact, successful writing in Business Studies often follows a general pattern, where the business grows for the purpose of increasing profits and reducing costs.

Business takes some form of action

**so** it can reduce costs and increase profits.

This pattern of cause and effect is known as an implication sequence (Martin & Rose, 2007, p. 75). Implication sequences that explain how a business can succeed by reducing costs and increasing profits are found in most successful HSC Business Studies answers. While these two effects are closely related if not simultaneous (i.e. by reducing costs one would also increase profits), successful answers tend to alternate between the two.

In contrast, less successful HSC answers tend to describe rather than explain. This means that students do not use explicit language of cause and effect, and instead, simply define or elaborate on meanings. Two examples will be provided from students who participated in the research project, to illustrate the limitations of purely descriptive writing, and the potential of explanatory writing. In the first example, when writing about establishment options for a business, Kate states several considerations for establishing a new business. One of these considerations is choosing a suitable location for the new business. However, Kate does not link location to profitability or costs.

Choosing a location can also make or break a business. The business owners need to find premises that are visible and easily accessible to the target market. *(Excerpt from Kate’s extended response)*

To make this writing more like a ‘Band 6’ Business Studies explanation, Kate needs to create an implication sequence, and make the link between the location and profitability more explicit, such as in the following example, shown in bold.

Choosing a location can also make or break a business. The business owners need to find premises that are visible and easily accessible to the target market so sales can increase and profits can be maximised.

In the bold wordings added to Kate’s answer, the conjunction ‘so’ links the choice of location to improved sales and improved profitability. This kind of explicit cause and effect relationship is also missing from another example, this time by Alan, who is writing about pricing strategies. Alan is recommending competitive pricing for a new business.

Price: The business will probably base their price on competitors. As they are new to
the market, it is important to compare it to a competitor’s price to achieve a standardisation for the product. (Excerpt from Alan’s extended response)

While Alan has made an appropriate recommendation, he has not explained why competitive pricing is important. By using cause and effect language more explicitly, this link can be made and Alan has the potential to demonstrate a deeper understanding of the factors driving business success. For example, by adding a conjunction ‘in order to’ and linking the statement directly to profits, the writing becomes more similar to successful HSC answers.

Price: The business will probably base their price on competitors. As they are new to the market, it is important to compare it to a competitor’s price to achieve a standardisation for the product in order to ensure competitive pricing and allow for profits.

These examples use conjunctions to explicitly link business strategies and decisions with profitability. This technique has been found to be commonly used by students who achieve a Band 6 result in their extended responses in the HSC examination.

In addition to conjunctions, cause and effect relationships can be shown in a more implicit way. Instead of conjunctions like ‘so’ and ‘because’, logical relationships are implied in words like ‘reason’, ‘factor’, ‘influence’ and ‘consequence’. In this case, the cause or effect is represented as a thing, a noun. The syllabus, for example, contains dot points that list ‘reasons for expansion’ including ‘increase sales/find new markets’ (Board of Studies NSW, 2009, p. 35). There are no conjunctions used here, and the cause and effect relationships are contained in the noun, ‘reason’. Conjunctions of cause and effect are not always explicit in the syllabus which means that students may need to be taught about explicit and implicit ways to write about cause and effect.

Using cause and effect language

One implication of this analysis is that students and teachers need to learn how to explicitly and implicitly refer to cause and effect. A handy reference list of cause and effect words can be found in Table 2. It is possible for teachers and students to use this list as a resource for writing, so that business activities can be explained, whether explicitly through conjunctions of cause (e.g. because, as a result of) or implicitly through nouns (e.g. cause, reason). This table also lists prepositions that may be useful (e.g. through) and also adjectives (e.g. contributing) and verbs (e.g. affects).

Table 2: cause and effect words for Business Studies

<table>
<thead>
<tr>
<th>conjunction</th>
<th>as, because, since, in case, as a result of, so that, in order to, in order that, as long as, if, in case, unless, on condition that, thus</th>
</tr>
</thead>
<tbody>
<tr>
<td>preposition</td>
<td>because of, due to, as a result of, for, through</td>
</tr>
<tr>
<td>adjectives</td>
<td>contributing, resulting, causal</td>
</tr>
<tr>
<td>verb group</td>
<td>causes/was caused by, leads to, results in, contributes to, creates, makes happen, gives rise to, generates, means, brings about, affects, influences, enables, allows for, affects, impacts</td>
</tr>
<tr>
<td>noun</td>
<td>cause, effect, factor, reason, consequence, result, purpose, outcome, basis, motivation, rationale, goal, aim, objective</td>
</tr>
</tbody>
</table>

By using the words in Table 2, teachers can help to build students’ repertoire of language when writing explanations, which could improve student marks in extended responses. In addition to cause and effect language, a further skill required by students is to use case studies as examples of business theory. The next
section explains how students can construct a paragraph that explains a point of business theory and then effectively uses a case study to exemplify it.

Using case studies in an explanation

Business Studies students are required to include case studies in their answers, but the syllabus provides little guidance on how this is to be achieved. Nevertheless, case studies can easily be linked to syllabus points at the level of the paragraph, as an analysis of successful answers has revealed. Research into successful Business Studies writing has uncovered a pattern comprising two parallel cause and effect sequences, or implication sequences, one for business in general, and one for the case study, as represented in Figure 2.

Figure 2: Parallel implication sequences showing link between business theory and case study.

<table>
<thead>
<tr>
<th>Cause and effect 1 (business in general)</th>
<th>Cause and effect 2 (case study)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business takes some form of action</td>
<td>A case study company takes action</td>
</tr>
<tr>
<td>… so it can reduce costs and increase profits.</td>
<td>… so it can reduce costs and increase profits.</td>
</tr>
</tbody>
</table>

The parallel implication sequences in Figure 2 represent an ‘ideal’ type, a synthesis of writing in many successful paragraphs. Dozens of successful paragraphs in high achieving answers have been found to use aspects of these parallel implication sequences. This analysis has resulted in a paragraph scaffold that helps students construct their own implication sequence, using business theory and a case study. This scaffold has been summarised below as a SPIN FX paragraph.

Writing a SPIN FX paragraph in Business Studies

When teaching students about the features of explanatory writing during the research project, a catchy mnemonic was devised as part of this research project, to help students to remember the key features of explanatory writing. The device, SPIN FX, was developed, where each letter represents a stage in a paragraph:

- **SP** means ‘syllabus point’, or point of business theory
- **IN** means ‘in other words’, where the syllabus point is explained
- **F** means ‘effect on the business’, that is, to increase profits and to reduce costs
- **X** means ‘example’ or case study.

An example of a SPIN FX paragraph is shown in Figure 3. The syllabus point covered in this paragraph involves use of technology as a way of reducing prices and costs (a ‘price/cost strategy’) which can help businesses achieve competitive advantage. One of the students participating in the research project, Luke, created a SPIN FX paragraph that successfully shows cause and effect relationships in the manner of other successful HSC writers. He clearly restates the syllabus point, elaborates on the point and explains the effect of technology on lowering costs. In a parallel move, Luke then follows the same sequence for the case study, IKEA, the furniture manufacturer and retailer which uses technology in the form of furniture flat packages in order to achieve an effect of ‘lower costs and higher profits’. His successful SPIN FX paragraph is shown in Figure 3.
The SPIN FX paragraph is an example of a practical way to help students learn how to write an effective explanation in Business Studies. A SPIN FX paragraph like the one in Figure 3 does more than just show students ‘how to write’ in the HSC examination. At the same time, it also shows students how to think and reason in Business Studies. A SPIN FX paragraph acts as a framework students can use to understand business theories (i.e. how different kinds of business structures and activities impact on profits) and as a scaffold students can use to analyse case studies (i.e. how each case study exemplifies business activities aimed at increasing profits). This process can help move students beyond simple descriptions to powerful explanations.

**Conclusion**

This article has argued that explanatory writing is critical to success in extended responses in the Business Studies HSC examination. In fact, this discussion has also revealed the cause and effect relationships that are at the heart of the disciplinary knowledge in Business Studies. By explicitly writing about influences on businesses, and about the impact of business decisions on profitability, supported by case studies, students can demonstrate their mastery of the content of Business Studies. A table containing useful cause and effect language for Business Studies students has been provided, along with a suggested paragraph format, a SPIN FX paragraph, that teachers and students may find helpful in composing explanations. These resources can be used by teachers to offer students regular opportunities to practise disciplinary ways of writing, with the aim of achieving success in the extended response in the HSC examination for Business Studies.

**References**


EBE NSW Helpdesk

Need help teaching a syllabus dot point or information about teaching and learning resources?

EBE NSW Directors are available for advice and assistance to members in relation to the teaching and learning of Business Studies, Commerce, Economics and Legal Studies.

Email: helpdesk@ebe.nsw.edu.au
Imagine that you run a travel agency. A customer has come to you with a budget of $10 000 to spend. They want to have a holiday outside of Australia. They want to visit at least two countries. They would like to see some natural and cultural sights in the places that they visit.

The customer has asked for you to put together a travel package to meet these requirements.

Task One – Customer profile
a) What questions would you ask to make sure that you provide the right trip? Prepare a customer questionnaire. Fill in the questionnaire as if you were the customer. (4)

b) Write a profile of your customer. (6)

10 marks

Task Two – Planning the trip
Now start planning their trip for them – include the following information:

a) Where will your customer be going? In what months/season? (2)

b) For each country prepare a brief fact file which looks at currency, government, religion, language, people, industry, natural and cultural sites. (8)

c) Means of travel for all stages of the trip. (4)

d) Official documents needed. (2)

e) Advice on what to wear. (2)

f) Possible problems and advice on how to deal with them. (2)

20 marks

Task Three – The itinerary
a) Write a day by day account of the trip for the customer – include pictures and graphics.

10 marks

Task Four – The budget
a) How much will the whole trip cost?
b) What spending money do you advise your customer to take?
c) Prepare an outline for the client.

10 marks

Task Five – Putting it together
a) Now put all of your information together in a booklet for your customer – make it attractive.

10 marks

Total marks available: 60 marks
<table>
<thead>
<tr>
<th>Marking Criteria</th>
<th>Marks and Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Task 1</strong></td>
<td>/10</td>
</tr>
<tr>
<td>Appropriate questionnaire. (4 marks)</td>
<td></td>
</tr>
<tr>
<td>Relevant profile of customer. (6 Marks)</td>
<td></td>
</tr>
<tr>
<td><strong>Task 2</strong></td>
<td>/20</td>
</tr>
<tr>
<td>Relevant season. (2 marks)</td>
<td></td>
</tr>
<tr>
<td>Two good fact files. (8 marks)</td>
<td></td>
</tr>
<tr>
<td>Appropriate means of travel. (4 marks)</td>
<td></td>
</tr>
<tr>
<td>Official documents. (2 marks)</td>
<td></td>
</tr>
<tr>
<td>Clothing advice. (2 marks)</td>
<td></td>
</tr>
<tr>
<td>Problems and advice. (2 marks)</td>
<td></td>
</tr>
<tr>
<td><strong>Task 3</strong></td>
<td>/10</td>
</tr>
<tr>
<td>Itinerary with pictures and graphics.</td>
<td></td>
</tr>
<tr>
<td><strong>Task 4</strong></td>
<td>/10</td>
</tr>
<tr>
<td>Budget – cost and spending money.</td>
<td></td>
</tr>
<tr>
<td><strong>Task 5</strong></td>
<td>/ 10</td>
</tr>
<tr>
<td>Attractive final product.</td>
<td></td>
</tr>
<tr>
<td><strong>Final mark:</strong></td>
<td>/60</td>
</tr>
</tbody>
</table>
Communication skills are a feature of the syllabuses in the Human Society and its Environment learning area. For example in the Board of Studies, Teaching and Educational Standards NSW Commerce Years 7-10 syllabus (June 2003) one of the course outcomes states that a student “communicates commercial and legal information using a variety of forms” (4.8). When the syllabus refers to “Literacy” on page 17, it states that “in the development of independent research work and exploration of commercial and legal case studies students will communicate their ideas in oral, graphic and written forms”.

On page 66, “presentations” are identified as an appropriate assessment technique. The syllabus states that “in Commerce students are encouraged to engage in the learning process by using a range of learning styles which promote analytical, critical, creative and reflective thinking. Presentations provide opportunities for students to develop and demonstrate their skills and reflect upon the performance of others”.

In order for teachers to cater for a range of learning styles in their classroom and allow students to show what they know and understand in a variety of ways, communication skills should be assessed using both written and oral tasks. Below are some strategies that teachers can use when planning and conducting oral presentations so as to ensure a high quality assessment task is experienced by students. An example of an assessment task for Commerce using the oral presentation method is also provided.

Teach students about effective oral presentations skills

Some students approach an oral presentation task by researching the question, writing an answer and then reading their answer in front of the class from their cue cards or A4 paper. Unfortunately the marks for these students cannot be high as this does not constitute an effective oral presentation. An oral presentation should have students talking to the audience not reading to them. Spending some time in class discussing what constitutes an effective oral presentation can help students to focus on how they will present the information they have researched. The following information on how to give an effective oral presentation should be communicated to students.

How to give an effective oral presentation

1. Research your oral presentation carefully, making sure you are answering the question set.
2. Use a variety of sources of information – e.g. television programs, newspapers, websites
3. Practice presenting your oral report out aloud. You may want to create an audience (e.g. family, friends, pets, the mirror). The more prepared you are the more effective your oral presentation will be when you eventually have to complete the assessment task. Prepare, prepare, prepare.
4. Use an extensive range of resources during your presentation. For example:
Communication Skills

• the whiteboard – e.g. when you want to emphasis a concept or term. Write using large and neat writing, so people can read it, including those at the back of the classroom.
• computer. Check that everything works before the due date of your presentation.
• posters.
• handouts (do not just give these out, refer to them during the presentation – “as you can see in the diagram on page ....”). Hand these out before your presentation so you do not waste time during your presentation, as this can take up a lot of time when you only have six minutes to present.
• audio/video resources – e.g. a news story, a short interview, a talkback radio call.
• photographs.
• pictures (“a picture is worth a thousand words”, but do not just have it displayed, point to it and refer to it).
• newspaper headlines (sometimes the whole article is not needed during your presentation, a headline displayed on PowerPoint can be sufficient).
• newspaper/magazine articles.
• letters to the editor.
• music.

5. 30 million PowerPoint presentations are prepared in the world everyday and 25 percent have said they have fallen asleep during a presentation. Avoid “death by PowerPoint” by using the following strategies:
• Be neat
• Avoid “text-heavy, cluttered slides riddled with bullet points using every available piece of slide space”. “A good slide will communicate your point quickly – in fewer than five seconds and then allow the focus to turn back to the presenter” ( Featherby, 2009).
• Do not read word for word from your slides.
• Make sure the audience can see the screen – do not stand directly in front of the screen.
• Do not just include words on your slides – add pictures, graphs, statistics, diagrams, mind-maps, newspaper headlines etc.
• Use your slides to show names of Acts, cases and international documents and instruments that you refer to.
• Do not just show your slides without referring to them and pointing to relevant parts of the slide to support what you are saying (e.g. do not just say “that is a picture” and then quickly change the slide). But do not turn your back to the audience.
• If you are running short of time and there are parts of the question you still have not covered, skip some slides

6. The following strategies will help you deal with your nerves:
• Know your subject well. Do you “know your stuff”?
• Get excited about being able to share your research and presentation with the audience. Voice coach Monique Rissen-Harrisberg says “nerves are a good thing, especially if one knows how to use that excess adrenalin and convert it into an enthusiastic, excited feeling” (“Q and A Love your work”, The Sun-Herald Magazine, 18 January 2009).
• Be well-prepared. This will increase your confidence. Practice giving your presentation out aloud many times.
• Be organised. Are all your palm cards in order? Are your PowerPoint slides in order?
• Breathe deeply to get rid of your fear inducing hormones before and during your presentation. During your presentation you can do this during pauses and at the end of some sentences. Communications specialist Greg Cowther says “good preparation is often in the breathing. I advise people to breathe in for five seconds, hold their breath for five seconds and exhale for seven seconds. It helps the butterflies and the sound of your voice” (“Beating back the butterflies”, The Sydney Morning Herald, 16–17 January 2010).

7. Remember:
• Introduction – try to capture the attention of the audience (e.g. a question, a quote, a
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short story, some visual material). Listening to oral presentations for a whole period can get very tiring, especially if you get chosen to present towards the end.

• Use the muscles in your mouth – open your mouth and use the muscles found in that part of your body. Do not mumble.
• Volume – make sure your voice is loud and clear. If people cannot hear you they will lose interest in your presentation.
• Pitch – make sure your tone is varied. Avoid a monotone voice.
• Eye contact – make sure you look at your audience. Do not just look at the teacher, one or two students, the back wall or the carpet.
• Gestures – use appropriate gestures – don’t stand too still
• Pace – don’t speak too fast or too slow.
• Use pauses – short periods of silence can help the audience process your presentation more effectively and give you a chance to make sure you are coming across to the audience in a clear manner. For example you can pause at the end of a sentence.
• Use of palm/cue cards – don’t just read your palm/cue cards (preparing your oral presentation carefully and practicing it is one way to avoid relying heavily on your palm/cue cards). One approach is to use dot points and then expand on these orally. Do not drop each palm/cue card on the floor after you finish with it as this can be distracting and it is not professional.
• Posture – stand up straight. Do not lean on anything, do not sit down in front of your computer and do not put your hands in your pocket.
• Structure – tell the audience what you are going to tell them, tell them and at the end tell them what you told them. Present your content in a logical order.
• Pronunciation – make sure you can pronounce all words correctly. Sometimes students will come across a word they cannot pronounce and say something like “I don’t know how to say that word”. This is evidence for the marker of a lack of preparation. A free online dictionary of English pronunciation is available at www.howjsay.com where you can submit a word and hear it pronounced correctly.
• Timing – remember the length of time you have to give your presentation. If your presentation is longer than the time you have to present it in while you are practicing it, you will need to shorten it. Ask someone to listen and time you.
• Avoid the “top-three voice crimes – mumbling, speaking with a high pitch and a monotonous voice” – according to voice coach Monique Rissen-Harrisberg (Q and A Love your work”, The Sun-Herald Magazine, 18 January 2009).
• Thank the audience at the end of your presentation.

Classroom management during oral presentations

Below are some tips to help with classroom management during oral presentations:

1. Oral presentations should be conducted during normal class time as this enables the presenter to have a healthy size audience and thus experience how an oral presentation would occur in the real world. Oral presentations in front of the teacher only should be avoided except under exceptional circumstances.
2. Make it clear to students before the oral presentations begin that silence is expected from the audience and that no comments must be made during the presentations. Tell students the conditions must be exactly the same as if a written examination was occurring.
3. Demand full attention. Do not allow students in the audience to use laptops, read or complete study/homework during the oral presentations, explaining that the speaker could get distracted if this is happening and that it is not respectful. Tell students that each presentation is an opportunity for them to increase their understanding of the subject matter. Explain to the class that it is not always easy for a student to give an oral presentation in front of their peers.
4. Students should be selected at random to complete their oral presentations as this will save time and achieve fairness. Teachers should avoid asking the class “who would like to go first?” and “who would like to go next?

5. If a student has handouts to distribute to the audience, these should be handed out before the oral presentation begins. Handing them out during the presentation can waste time, disrupt the silent atmosphere in the classroom and cause some students to lose concentration.

6. If a student/s is talking/whispering during a presentation a silent look/stare by the teacher will usually be effective in getting the student/s back on task, rather than the teacher using their voice which can distract the speaker and the rest of the audience.

7. If oral presentations are occurring for the duration of a double period, allow students to stand and stretch half way through the double period.

8. Students who need to go to the toilet during oral presentations should be asked to wait outside until the oral presentation is finished before they re-enter the classroom.

9. Teachers should remain objective after each oral presentation, avoiding comments and thanking the speaker by name, so as to ensure a smooth flow from one oral presentation to another.

Example of an oral presentation assessment task

**Key Learning Area:** Human Society and its Environment  
**Subject:** Year 10 Commerce  
**Assessment Task No.:** _______  
**Total marks:** 20  
**Weighting:** _______  
**Type of task:** Research and Oral presentation  
**Topic assessed:** Core Part 2.2 Employment Issues  
**Due date:** ___________

Oral presentations will begin in your first lesson after this time.

* All components of oral task presentations will be collected on the due date and will be reissued to each student when he performs his oral presentation. No new material will be allowed to be introduced into a student’s work after the assessment date. Students will be randomly selected to complete their presentation at the beginning of the process. The day a student is asked to do their task is their assessment date. Failure to do the task will result in a zero mark.

**Length:** 7 minutes*  
* Oral tasks must follow the time limit issued. A student going over the time limit will be stopped and only the work presented in the time limit will be marked

**Outcomes assessed:**  
5.1 applies consumer, financial, business, legal and employment concepts and terminology in a variety of contexts  
5.2 analyses the rights and responsibilities of individuals in a range of consumer, financial, business, legal and employment contexts
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5.3 examines the role of law in society
5.4 analyses key factors affecting commercial and legal decisions
5.5 evaluates options for solving commercial and legal problems and issues
5.6 monitors and modifies the implementation of plans designed to solve commercial and legal problems and issues
5.7 researches and assesses commercial and legal information using a variety of sources
5.8 explains commercial and legal information using a variety of forms
5.9 works independently and collaboratively to meet individual and collective goals within specified timelines

Task Rubric

In your answer you will be assessed on how well you:
• organise and communicate your knowledge and understanding effectively.
• apply relevant information about your chosen occupation and employment issues.
• explain the investments you have selected and the reasons behind your decisions.
• use commercial concepts and terms appropriately.
• present a sustained, logical and cohesive response in the form of an oral presentation

Question:
Research a chosen occupation* and present an oral presentation based on the occupation. In your report you must:
• Identify and describe the occupation (including the award that applies to the employees who work in the occupation).
• Classify the occupation according to industry (primary, secondary, tertiary, quaternary or quinary) and outline why you have chosen that particular industry for your occupation.
• Describe the personal requirements needed for the occupation.
• Describe the education and training needed for the occupation.
• Explain the legal rights and responsibilities of a person who works in the occupation you have chosen and the role that trade unions play for the employees who work in the occupation
• Discuss the advantages and disadvantages of the occupation.

* You are not allowed to choose an occupation that has already been chosen by another Student in your class. Each student must choose a different occupation. Your Commerce teacher must also approve of the occupation you have chosen. Inform your Commerce teacher of the occupation you have chosen. First in, first served.

Bibliography

You must submit a bibliography of the resources used to complete the assessment task, using “A Guide To Writing Bibliographies Based On The Harvard Style”.
# Communication Skills

## Marking Guidelines

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>* Clearly identifies the occupation and provides a comprehensive description of the occupation.</td>
<td>17 – 20</td>
</tr>
<tr>
<td>* Classifies the occupation according to the correct industry and clearly outlines why the industry has been chosen.</td>
<td></td>
</tr>
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<td>* Provides detailed characteristics and features of the personal requirements needed for the occupation.</td>
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<td>* Provides detailed characteristics and features of the education and training needed for the occupation.</td>
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<td>* Comprehensively explains the legal rights and responsibilities of a person who works in the occupation chosen and the role that trade unions play for the employees who work in that occupation.</td>
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<td>* Provides a range of advantages and disadvantages of the occupation, comprehensively explaining each one.</td>
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<tr>
<td>* Effectively communicates in oral form, presenting a sustained, logical and well structured oral presentation, incorporating an extensive range of resources, which involves more than just reading a response to the class.</td>
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<td>* Presents an oral presentation within the time allocation.</td>
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<td>* Submits a bibliography consisting of an extensive range of sources of information and written according to College guidelines.</td>
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<td>* Identifies an occupation and provides a description of the occupation.</td>
<td>13 – 16</td>
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<td>* Classifies the occupation according to the correct industry and outlines why the industry has been chosen.</td>
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<td>* Provides characteristics and features of the personal requirements needed for the occupation.</td>
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<td>* Explains the legal rights and responsibilities of a person who works in the occupation chosen and the role that trade unions play for the employees who work in that occupation.</td>
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<td>* Provides a range of advantages and disadvantages of the occupation, explaining each one.</td>
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<td>* Effectively communicates in oral form, presenting a logical and well structured oral presentation utilising a range of resources, which involves more than just reading a response to the class.</td>
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<td>* Presents an oral presentation within the time allocation.</td>
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<td>* Submits a bibliography consisting of a range of sources of information and written according to College guidelines.</td>
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<td>* Identifies an occupation and provides an outline of the occupation. May not identify the correct award that applies to the employees who work in the occupation.</td>
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<td>* Classifies the occupation according to the correct industry and identifies reasons why the industry has been chosen.</td>
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<td>* Outlines the personal requirements needed for the occupation.</td>
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<td>* Provides a range of advantages and disadvantages of the occupation, outlining each one.</td>
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<td>* Communicates in oral form with the presentation structured to address the task using some resources, which involves more than just reading a response to the class.</td>
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<td>* Presents an oral presentation within the time allocation.</td>
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<td>* Submits a bibliography consisting of a range of sources of information and written according to College guidelines.</td>
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Communication Skills

Sample feedback comments for students

• Less reliance on notes needed. Practice more at home.
• Less than 7 minutes – you had time to develop some parts of your presentation further.
• Answer more fully to the directive terms in the questions.
• Well researched content. Pay more attention to your oral communication skills.
• Use more visual resources in order to maintain the attention and interest of the audience.
• Clear voice.
• Refer more to the content on your slides while speaking to the audience.
• Some slides are text heavy.
• A well researched and well presented task which addresses the set question.

References


Featherby, L. 2009.”Ten laws to evade death by PowerPoint” Marketing, February 2009, p.86


(My Career)
How many students studied HSC Economics, HSC Business Studies and HSC Legal Studies in 2014?

Joe Alvaro
Marist College North Shore

The Board of Studies, Teaching and Educational Standards NSW Official Media Guide for the 2014 Higher School Certificate (available on the BOSTES NSW website) reveals that Business Studies was the fourth most popular subject in NSW with 16,287 (males = 53% and females = 48%) students, after English, Mathematics and Biology. Legal Studies had 10,322 (males = 39% and females = 61%) students and Economics 5,213 (males = 64% and females = 36%) students.

The Sydney Morning Herald reported in the article “PDHPE emerges as one of HSC students’ most popular subjects” (14 October 2014) that Legal studies and PDHPE (Personal Development, Health and Physical Education) are the fastest growing major courses in the HSC, as students increasingly choose to study subjects out of interest rather than picking courses that were once prerequisites for university entry. The article reveals that Legal Studies has seen a 23 per cent growth in enrolments in the past five years. In the article Board of Studies, Teaching and Educational Standards NSW President Tom Alegounarias said there was an “enormous range of study interests” and students were choosing subjects with future jobs in mind. “More and more students are looking to what they might want to do with their life, not just at university, and more and more young people are imagining the domains in which they would like to work,” Mr Alegounarias said. “They may not necessarily see a job but they want to begin equipping themselves for the service-type economy they are going into. “Students are recognising more and more the benefits of having different types of study, so kids enjoy maths because it is a break from all the writing of English and history, and equally they enjoy PDHPE because it is a change from the other subjects.”

Mr Alegounarias said the HSC was more relevant now than it had ever been and students were free to choose subjects that interested them and they were good at. “It is no longer the case that your options are what your school offers based on the timetable, and students are seeking out the options they want,” he said.

The BOSTES NSW Official Media Guide for the 2014 HSC also reveals that:

- 76,679 students were enrolled in at least one Higher School Certificate course. 37,731 or 49% were male and 38,948 or 51% were female.
- 69,346 students completed the Higher School Certificate program in 2014.
- 314 candidates were enrolled in HSC courses outside of NSW, including in international schools in Hong Kong, Indonesia, Malaysia, Papua New Guinea and Singapore.
- The majority of HSC candidates in NSW came from the Sydney metropolitan area: 44,824 against 31,393 in the BOSTES’ non-metropolitan regions.
- The five most popular language subjects were French (1,503), Japanese (1,363), Chinese (914), Italian (665) and Spanish (372).

The number of students studying HSC Economics continues to be concerning and EBE NSW would like to see more students...
learning the important subject matter in the Economics syllabus. Professor John Lodewijks, wrote an excellent article for The Australian on 8 July 2013 titled “The case for economics”. There is a link to this article on the EBE NSW website (click on “News”, then “Latest news”). EBE NSW also contributed to an article in “Business Spectator” in 2012 titled “Retuning Australia’s Economic Debate” which focused on the number of students choosing to study Economics. This article was reprinted in “The EBE Journal – Journal of the Economics and Business Educators NSW” (Issue 2, 2012) which is available in the members section of the EBE NSW website.

How can we increase the number of students studying Economics, in particular female students? Please email EBE NSW (admin@ebe.nsw.edu.au) if you have any ideas.

Needing practice HSC examination papers for your students?

- Economics  •  Business Studies  •  Legal Studies

Give your students that extra examination practice!
Our examinations are written by EBE NSW directors.

Order form available at – www.ebe.nsw.edu.au
ASX Schools Sharemarket Game 2, 2014

Amanda Mior
Sharemarket Game Coordinator

Game 2 for 2014 saw the successful launch of the rebuilt Game. ASX completely rebuilt the Game to incorporate feedback from teachers to make their job easier running the Game. The Game now has new look, new features and now is tablet and mobile friendly.

Over the Game period, the market was quite volatile, first with a big move up and then falling significantly over September and early October only to then turn around and start moving upwards again. This made for a very challenging Game with only 14% of syndicates finishing in profit with the average portfolio value being $48,020.

Highlights from the Game period:

• The All Ordinaries (XAO) was down 3.6%

• The best performing sector was utilities up 4.58%. It was the only sector that finished in positive territory.

• The worst performing sector was consumer discretionary down -10.34% followed by Energy down -9.6%

• The top stock was Indophil Resources (IRN) up 40% due to a takeover offer followed closely by Australian Pharmaceutical Industries up 36%, Boart Longyear (BLY) and Transfield Services (TSE) were both up over 35%.

• The worst performing stocks were Red Fork Energy (RFE) and Vocation (VET) both down over 70%

National 1st Winner

Travis Griffith
Travis is in Year 10 at Georges River Grammar

Portfolio Value: $59,470

Travis bought and held for the Game. The stocks he invested in were BBG – Billabong, MYT – Mighty River Power, ORA – Orora and QAN – Qantas.

Strategy: “This was my 6th time playing this Game and I have never had very much success. This time I took the Game more seriously to see how well I could do. Before I bought shares…I conducted research on the companies. I had a look at how their share prices were fluctuating, what events were coming up in their company’s calendar and when/if the companies were paying out dividends. I looked at a few different companies and chose those that I thought would perform the best and bought the number of shares necessary to create a portfolio that would grow. From there, I left my portfolio alone and watched as it grew. As the sharemarket does, my portfolio continued to fluctuate. It wasn’t long before I was in the top rankings for NSW and the overall rankings. I continued to observe my portfolio and it continued to grow. In the last few days my portfolio spiked and took me from 7th to first and I retained this ranking till the final day.”

Visit the Game site and sign up for an email when registrations open for Game 1 2015 on 12 February: www.asx.com.au/sharegame
2014 Commonwealth Bank Foundation Teaching Award Winners

Fifteen outstanding teachers from across Australia were recognised in late July with a 2014 Commonwealth Bank Foundation Teaching Award for their remarkable contribution to building the essential money management skills of young Australian students.

During a special ceremony hosted by the Commonwealth Bank Foundation in Sydney, the fifteen teachers received their award from Commonwealth Bank Chief Executive Officer and Foundation Chair, Ian Narev. Mr Narev acknowledged each teacher for their admirable efforts in running or developing innovative programs to educate Australian kids about money and finance.

The winning teachers were chosen from over 250 quality applicants from across Australia and represent teachers from New South Wales, Queensland, Victoria and the Northern Territory. Each teacher was awarded $10,000 to develop or expand their financial learning program, as well as $2,000 as a personal award.

Mr Narev said he was proud of how the program assists teachers to develop and grow their financial education initiatives in schools across the country.

“We believe it is very important to support teachers who are working hard to improve their students’ financial literacy. This will improve the students’ financial wellbeing in the long term,” he said.

“2014 marks the third year of the Commonwealth Bank Foundation Teaching Awards. Every year, we continue to discover engaging and innovative programs from inspirational teachers.”

The 2014 Award winners were recognised for innovative programs such as the ‘Pleasant Snacks’ shop that increases students’ money skills, a ‘Business Academy’ that allows students access to ‘real’ information about money management, personal economics and entrepreneurship, and a number of profitable school cafés. All winning programs portrayed a high standard of planning, creativity and originality, setting the bar once again for next year.

For more information on the 2014 winners and their specific programs and the Teaching Awards or to register your interest in applying for the 2015 Teaching Awards program visit www.commbank.com.au/teachingawards

Two winners of the 2014 Commonwealth Bank Foundation Awards have been interviewed for this edition of the journal – primary school teacher, Jane Fincher and secondary school teacher and EBE NSW Member, Malcolm Freak.
Q&A with 2014 Commonwealth Bank Foundation Teaching Award Winner, Jane Fincher, Morpeth Primary School.

Where do you teach?
I teach a stage 2 (years 3 and 4) class at Morpeth Public School. This is my second year at Morpeth Public.

How much attention is given to financial literacy in the primary school syllabuses at the moment?
In the new NSW Mathematics K-6 Syllabus for the Australian Curriculum there is an increased focus on financial literacy, particularly in years 5 and 6. In Early Stage 1 (Kindergarten), in addition to learning the language of money, students learn to exchange money for goods in play situations. By Stage 3 (years 5 and 6), students are expected to use knowledge of addition and subtraction facts to create a financial plan, record numerical data in a simple spreadsheet and give reasons for selecting, prioritising and deleting items when creating a budget. There is an increased emphasis on the use of strategies, reasoning and problem solving skills in obtaining solutions to financial problems.

How do you feel about being recognised with the Commonwealth Bank Foundation Teaching Award?
The Morpeth Public School community and I were thrilled to be recognised in the Commonwealth Bank Foundation Teaching Awards. The financial assistance provided by this award has allowed me to develop and expand my program so that I can deliver a quality financial literacy program in our school. On a personal level, the experience of working collaboratively with Commonwealth Bank Foundation staff and other award recipients has been invaluable.

What drove you to develop your financial literacy initiative?
My children’s primary school ran an enterprise economy program and I saw first-hand the financial knowledge and skills that they gained from their participation. Today, with the increased use of electronic banking, many children believe that money comes from a “hole in the wall”. By participating in
my program, students learn to work, earn, create wealth and make financial decisions in spending that wealth.

**In what ways do you expect your financial literacy program will impact your students and their understanding of money management?**

The Morpeth Environmental Economy combines financial literacy with environmental and enterprise education. Students operate a bank account to accumulate school currency, earned through employment, recycling bounties or business initiatives. A corporate structure run by trained students controls all operations, assisted by staff and community members. There are opportunities for all students K–6 to participate. Students are paid by cheque. Interest is paid each term and market days, auctions and quests enable students to spend their earnings. Through their active participation in this program, students create enterprising ways to generate income, encountering ethical and business dilemmas similar to those they will face as adults.

**How will the Commonwealth Bank Foundation Teaching Award help you further develop your program?**

The Morpeth Environmental Economy was introduced in 2013 and has grown in 2014. Currently 73% of students operate a bank account and participate in Economy activities. The Commonwealth Bank Foundation Teaching Award will allow me to purchase quality classroom resources, materials and equipment for our office and resources for our garden project. The award will also assist in ensuring the sustainability of the program by allowing me time to visit other classrooms and train students and staff in Economy operations. An app is currently being developed to assist student bankers in processing transactions and maintaining digital bank records.
Q&A with 2014 Commonwealth Bank Foundation Teaching Award Winner, Malcolm Freak, Duval High School.

Where do you teach?
I am the Head Teacher of Social Science at Duval High School in Armidale NSW. Although, I am currently enjoying some long service leave.

What subjects do you teach?
Commerce, Economics and Business Studies.

How do you feel about being recognised with the Commonwealth Bank Foundation Teaching Award?
Receiving a Commonwealth Bank teaching Award was a great honour. In particular meeting Commonwealth Bank CEO Ian Narev was quite exciting.

What drove you to develop your financial literacy initiative?
I believed that there was a lack of quality online teaching resources for the NSW Commerce syllabus. When the opportunity arose to develop a website I felt that it was natural for it to be aimed at financial literacy so as to help fill this void.

In what ways do you expect your financial literacy program will impact your students and their understanding of money management?
The program has been extremely successful. Since we won the award over 2000 people have completed www.commercequiz.com. This includes schools from all sectors and schools from all the eastern states. In particular the “Top Schools” page of the website has been extremely popular due to the competition between different schools.

How will the Commonwealth Bank Foundation Teaching Award help you further develop your program?
The Commonwealth Bank Foundation Teaching Award will enable us to cover the cost of running the website commercequiz.com for the next three years. Therefore all schools can access the site free of charge until at least 2017. We have also expanded the number of topics on the commercequiz.com website so that the entire commerce syllabus is covered. A class set of iPad minis was also purchased for Duval High School. These iPads will enable students to easily view textbooks, browse the web and to access the commercequiz.com website.

How important is it for secondary school students to be taught financial literacy?
Financial literacy is an extremely important aspect of education that benefits everyone regardless of their background, age or income. It provides life long skills that will enable students to avoid financial pitfalls and to successfully negotiate the financial landscape. The success of a nation’s financial literacy program can be gauged by analysing the quality of life of its aged/retired population.
What are some of the challenges facing the teaching of financial literacy in secondary schools?
There are enormous challenges in all secondary schools. Specifically with respect to financial literacy there seems to be questions on where exactly it fits into the curriculum eg Maths, Commerce, Business Studies. This varies depending on which state/territory you are in. In NSW, Commerce is the main vehicle for the teaching of financial literacy yet less than half the students in the state complete the subject.

A society with poor financial literacy skills only puts an increased burden on the government’s welfare expenditure.

Premier’s First State Super Financial Literacy Scholarship 2013

Elena Gray
St Patrick’s Marist College, Dundas

An amazing professional development opportunity to study excellence in financial literacy education was given to me when I was awarded a Premier’s Teacher Scholarship. First State Super provided financial support to undertake a study of successful financial literacy programs through the social sciences area, delivered as part of the curriculum in England, Scotland and in the USA. This included visits to schools across the UK and USA and to leading cultural institutions, such as the New York Stock Exchange, the Chicago Federal Reserve Bank, the Bank of England and the Museum on the Mount in Edinburgh. I also investigated programs in finances devised and delivered by volunteers for charitable organisations, such as the NGO ‘The Money Charity’ in the UK and ‘Moneythink’ in Chicago.

As a high school teacher I am interested that students are making simple to complex financial decisions on a daily basis, on their own behalf and increasingly for their families. Because of this there is a critical need for young people to possess sound financial capability and to understand that their financial decisions have ramifications in their quality of life, financial security and independence.

Teachers in secondary schools have long recognised that the school curriculum needs to make better connections with the intellectual and social needs of students in adolescence. Financial capabilities are one such connection as developing sound financial skills is one marker on the successful passage from adolescence to young adulthood.

Consumer and financial literacy can be used to teach curriculum content in real-life contexts within the learning areas, making the teaching and learning more engaging and relevant to students. This approach requires planned integration of financial literacy across the school curriculum rather than provided as one off programs. (Review of the National Financial Literacy Strategy Background report April 2013).

Although Australian 15 year old students performed above average in the PISA 2012 financial literacy assessment it must be recognised that in New South Wales, where there are defined syllabuses, areas of learning such as financial literacy, that are across the curriculum rather than provided as one off programs. (Review of the National Financial Literacy Strategy Background report April 2013).

Elena Gray (left) receiving her NSW Premier’s Teachers Scholarship from former Premier of NSW Barry O’Farrell
Financial Literacy Scholarship

necessary condition of financial literacy. On the other hand there are large areas where the content of mathematical literacy and financial literacy do not intersect. Knowledge about financial matters and capability in applying such knowledge and reasoning in financial contexts (in the absence of any specifically mathematical content) characterise much of financial literacy: money and transactions, planning and managing finances, risk and reward and financial landscape. Business studies, commerce, geography and history provide strong syllabus links that provide the opportunity for sound financial education.

I was welcomed by Education Scotland. The officers told me of their strong links between teachers, industry and government. The relationship is collaborative and open. This leads to better outcomes for students, as all parties are stakeholders with an equal say. I believe that Government should better their strategy of involving teachers and industry to improve teaching and learning in NSW schools. Education policy and curriculum would be improved in NSW if the voices of teachers were heard – especially classroom teachers who have regular face-to-face teaching hours. This best practice has proven successful – and NSW should follow this lead by establishing regular cross-exchange of expertise and experience between these key stakeholders, leading to increased professional experiences for teachers.

NSW Premier’s Teacher Scholarship reinforced the importance of continuing professional development for teachers. I am thankful for this opportunity which was awarded to me under the auspices of the Premier of NSW and supported by my employer the CEO Parramatta diocese and my school, St Patrick’s Marist College, Dundas.

NSW Premier’s Teacher Scholarships are available for teachers in Government, Catholic or Independent Schools and TAFE NSW Institutes across New South Wales to undertake a five week study tour. The next round of scholarships will be opening early 2015.

The successful applicant can undertake a study tour of some of the world’s best institutions and centres of learning either locally or overseas.

Assistance with your application is available, contact the Premier’s Scholarships Secretariat on (02) 9836 9169 or (02) 9836 9032. The secretariat will also be able to provide assistance in identifying a subject specific critical mentor for you to discuss your application.

Global Perspectives – a framework for the development of active global citizenship in NSW schools

The framework has been developed by the Global Education Project NSW (GEPNSW) in response to the mandatory Australian curriculum cross-curriculum priorities and general capabilities.

In NSW, the Board of Studies, Teaching and Education Standards (BOSTES) has included these, and identified additional, essential content to be integrated into all Key Learning Areas. In NSW this is called Learning across the curriculum.

The Global Perspectives – a framework for the development of active global citizenship in NSW schools:

- compliments the BOSTES Learning across the curriculum
- underpins and supports the delivery of global education through the BOSTES syllabuses
- provides K–12 teachers with a practical guide to assist in the development of teaching and learning programs that equip students with the essential knowledge and understanding, skills and processes, values and attitudes that help them to participate in our increasingly diverse world
- supports the Stage 5 course from 2014. Stage 5 Active Global Citizenship, a 100 hour BOSTES Board Endorsed Course: (http://www.ptc.nsw.edu.au/gepnsw/curriculum/bostes-stage-5-endorsed-course-active-global-citizenship). This course:
  - prepares students, for effective and responsible participation in society
  - develops globally competent individuals:
    (i) who are aware, curious, and interested in learning
    (ii) able to use the big ideas, tools, methods, and languages that are central to any discipline
    (iii) to develop their research skills, including investigation and analysis; and action, critical thinking and ethical decision-making
    (iv) to develop personal efficacy, community engagement and workplace skills.

To support this work GEPNSW provides teachers with a range of Global Education resources for use in the classroom. They can be accessed at: resources or http://www.ptc.nsw.edu.au/gepnsw/gepnsw-home

Supporting the integration of a global perspective across the curriculum
1. What are you doing in Hong Kong?
I left Australia in 2000 wanting a new challenge both personally and professionally. After spending 7 years in Mainland China, I applied for a teaching position at the Australian International School here in Hong Kong.

2. How did you find yourself in this job?
Teaching positions at our school are advertised in The Sydney Morning Herald and The Australian newspapers, and this is how I first became aware of a teaching vacancy. I applied, was short listed and went through the usual interview and reference check process.

3. How long have you been at the school?
I have been at the school for eight years

4. What is your role at the school?
Head of HSIE Yrs. 7–12

5. What were you doing before you found yourself teaching at the Australian International School in Hong Kong?
I was Head of the Foreign Teaching Office and taught Geography and Mathematics at an international college in Jinan, Shandong Province, Mainland China.

6. What were your first impressions of Hong Kong?
Hong Kong is a dynamic city. At first, a little overwhelming but with a good mix of both Eastern and Western cultures it really is easy to settle into life here. The transport system is fantastic so very easy to get around.

7. Which Board of Studies, Teaching and Educational Standards NSW (BOSTES NSW) Human Society and its Environment (HSIE) courses are taught at the school?
We teach Yrs. 7–10 History and Geography, Elective Commerce Yrs. 9 and 10, HSC Economics, Business Studies, Modern History, Extension History, Legal Studies and Geography. Can I add that we also teach the International Baccalaureate Diploma program.

8. What are some challenges you have as you teach these subjects in Hong Kong? What are some advantages?
A major challenge is that the majority of our students in secondary are ESL students. Also trying to make Australian Geography and History relevant to students who have never lived in Australia can also be a challenge.

9. How long has the Australian International School been operating?
Who runs the school?
Next year, the school celebrates its 20th anniversary. The school is non-profit foundation, set up by four Australian organisations in Hong Kong; AustCham, The Australian Chinese Association, The Australian Consulate and the Federation of Australian Alumni.
10. Are all teachers at the school Australian?
The mix varies but at the moment the teaching staff are represented by 8 different nationalities of which 74% are Australians.

11. How many students are enrolled at the school? What are the students like who attend the school?
The school enrolls students from Reception through to Yr. 12 spread over 9 stories. The students have a tremendous work ethic, behaviour management issues are almost non-existent and students usually say ‘thank you’ to their teacher at the end of each lesson. The AISHK HSC cohort regularly rank in the prestigious top 100 schools as listed in *The Sydney Morning Herald*.

12. Could you give us an update with regards to the economy in Hong Kong?
As teachers we are somewhat insulated from the day to day economic issues. However, from my observation, the economy is quite stable with a moderate 2.7% economic growth rate. Inflation is currently 3.5%. The ‘Occupy Central’ movement (the ongoing protest against Beijing’s interpretation of free universal suffrage) is sure to have some impact on economic growth and investment in the near future.

13. What’s happening in the business world there in Hong Kong at the moment?
Hong Kong still positions itself as an important financial centre of Asia and is seen by most as a gateway to Mainland China. This position is currently being challenged by developments in Shanghai and a few business are relocating there and also in Singapore.

14. What advice do you have for Business Studies, Commerce, Economics and Legal Studies teachers wanting to teach in Hong Kong?
I wish I had found the International scene years ago. Teaching in an international setting is professionally rewarding and living in another culture is exciting but also challenging. There is a steady demand for well qualified teachers in the areas of Business, Commerce and Legal Studies in many Asian countries and jobs are regularly advertised. My advice, is if you are keen to work overseas, learn something about the culture and make an effort to learn a little of the language. You must be flexible and don’t go with the attitude that the ‘Australian’ way is necessarily the best way.

15. Has your patience ever been tested?
No not really. As I said earlier, teaching in Asia is very rewarding as the students are so polite, appreciative and they, and their parents value education.

16. What do you like most about living and working in Hong Kong?
The life style is fast paced and there is always something to do. However, if you wish a slower pace, then there are heaps of options in the outer islands or the New Territories where you can enjoy the beautiful beaches or long hikes in the many National Parks. The transport is efficient and cheap and the people are friendly. Personally I have never seen any aggression and one can travel on the last train at night and feel perfectly safe. Real estate is expensive but daily living expenses are so much cheaper than Australia, and let’s not forget the standard tax rate of 15% on net income.

17. What do you miss most about Australia?
Friends and Family of course. I Skype every week and travel home at least once, sometimes twice a year.
President’s Report to the 2014 Economics and Business Educators NSW Annual General Meeting (1 December 2014)

It is my pleasure to present the Economics and Business Educators NSW (EBE NSW) President’s Report for 2014. Since the last EBE Annual General Meeting (AGM) on 21 October 2013, it has been a productive and exciting year for EBE NSW as we have sought to serve our members and their students and support them in the classroom as they have taught the Board of Studies, Teaching and Educational Standards NSW (BOSTES NSW) Economics, Business Studies, Legal Studies and Commerce courses, providing them with high quality educational services. EBE membership numbers continue to be strong and have increased this year compared to last year as shown in the EBE NSW Financial Statements for the year ended 30th June 2014. Our members are made up of teachers in both government and non–government schools in NSW, Australian international schools overseas, student teachers and members classified as “corporations”. I wish to thank our members for their support of the association and participation in our activities this year.

Our roles of support and advocacy have been especially important in recent times as we witness a climate of educational change, including reduced funding for government curriculum authorities which has resulted in a reduction of support services from these authorities for teachers of Economics, Business Studies, Commerce and Legal Studies. In addition developments with regards to the Australian Curriculum, Assessment and Reporting Authority (ACARA) Australian Curriculum, the move to the National Professional Standards for Teachers, the release of the NSW Government Great Teaching, Inspired Learning Blueprint for Action policy and the amalgamation of the NSW Board of Studies and the NSW Institute of Teachers into BOSTES NSW have provided us with both challenges and opportunities and will continue to do so into the future.

EBE NSW would be unable to achieve its vision and goals without the knowledge, skills and time of the educators who are members of the EBE NSW Board of Directors. Ten educators made up the Board of Directors this year:

- Joe Alvaro
- Andrew Athavle
- Cheryl Brennan
- Kate Dally
- Bronwyn Hession
- Stuart Jones
- Kate Keeley
- John Lodewijks
- Pauline Sheppard
- Rhonda Thompson

We had a diverse Board this year with educators from government, Catholic, Christian and independent schools, as well as BOSTES NSW and universities. One of our directors, Bronwyn Hession, continues to be President of our peak national subject association, Business Educators Australasia, of which EBE is an affiliate member. Our connections to BEA are important to teachers and students in NSW because this is the channel through which we increasingly have input in matters relating to the Australian curriculum and other critical national matters which impact on us here in NSW. I also sit on the Board of the Directors of the Professional Teachers’ Council NSW, of which we are a member organization. This diversity has enabled EBE to better serve the interests of all...
members and remain strategically focused as it carried out its activities and faced the educational challenges of this year. Full Board meetings have been held regularly and Board members have also been able to communicate regularly online. We are grateful to Club Burwood RSL for allowing us to use their meeting rooms for our Board meetings at no cost.

I would like to thank all the Board members for all their work and willingness to give to the teaching profession and assist teachers to improve student learning outcomes. It is not always easy juggling the demands of a full time job and carrying out the important and useful work we do for EBE NSW on a pro bono basis, and I would like to acknowledge the contributions of all Board members. I also add a vote of thanks to Board members who carried out the added responsibilities as an Executive Board member. Thankyou to Kate Dally and Stuart Jones as Vice – Presidents, Bronwyn Hession as Treasurer and Pauline Sheppard as Company Secretary.

EBE NSW continues to provide members with access to effective, syllabus friendly, classroom focused and cost friendly professional development courses to assist teachers in providing meaningful and engaging learning experiences in the classroom. We are especially committed to supporting beginning teachers as they face the challenging and demanding early years of teaching. We have implemented a busy professional development program this year carefully prepared to meet the professional learning needs of teachers:

3. “2014 EBE NSW Annual Conference” – 16 May 2014
4. “South Coast Correctional Centre Field Trip” – 2 July 2014
5. “Current Economic Events and Monetary Policy” – 13 August 2014
7. “CHOICE Lab and Testing Facility Field Trip” – 24 September 2014
8. “Legal Update Conference” – 14 October 2014

EBE NSW was represented at the 2014 Business Educators Australasia Biennial Conference on 2 and 3 October 2014 in Western Australia where I presented a conference session titled, “The Australian Consumer Law: A Young Peoples’ Friendly Guide Using a Real World Approach”. This was a most successful national conference and I congratulate the conference organizing committee on their efforts.

EBE NSW Board members Andrew Athavle, Kate Dally, Stuart Jones and Pauline Sheppard and myself designed and conducted presentations at various professional development courses throughout the year, enabling members to benefit directly from the expertise of EBE Board members during these courses. I thank these directors for these contributions and all our other presenters this year.

All our courses are evaluated by attendees and we use this information to learn about what is working well and what needs improving. Overall evaluations this year indicated that the content of our professional development courses are meeting the professional learning needs of teachers and student teachers attending.

EBE NSW (through the Professional Teachers’ Council NSW) is a BOSTES NSW endorsed provider of professional development for the maintenance of accreditation at Proficient, Highly Accomplished and Lead levels, and a number of our members use professional development hours from our courses to meet their accreditation requirements with BOSTES NSW. Courses that are endorsed are advertised on the BOSTES NSW website which enables us to benefit from this additional method of promotion. A number of our courses this year were BOSTES NSW endorsed, thanks to the work of EBE NSW Director Bronwyn Hession and I thank her for her expertise in this area.

Further professional development was available to members through the EBE NSW Helpdesk (helpdesk@ebe.nsw.edu.au) enabling them
to access directors for advice and assistance in relation to the teaching and learning of Economics, Business Studies, Legal Studies and Commerce this year.

EBE continued the selling of the following **EBE NSW publications** this year which are designed to enhance teaching and learning programs in schools:

- The EBE Book of Economics Questions for HSC Students
- The Yellow Book of Business Terms
- Annual EBE Trial HSC Examinations (Business Studies, Economics and Legal Studies). The EBE Trial HSC Examinations give EBE Directors another opportunity to share their expertise and experience with members.

The examinations are a major annual publication project. I thank my fellow EBE NSW Directors for their commitment to this work and enabling teachers to access high quality assessment material. Special thanks to EBE NSW Director Kate Dally who coordinated this project.

“The EBE Journal – Journal of the Economics and Business Educators NSW” continues to be provided in an electronic format which is accessible by members on the EBE website. Past issues of the journal are also available on the website, which enables members to access professional reading and resources which are available in the journals. I would like to thank our Journal Editors Kate Dally and John Lodewijks for all their work on “The EBE Journal” and all the contributors to the journal this year. EBE NSW has a long history of providing a journal to members and we are committed to continuing this EBE NSW membership benefit into the future. The journal is especially important for our members in remote areas. One of our members from an Australian international school provided the following feedback with regards to our journal, “I really enjoy and gain great value from the journals as it can be somewhat isolating in terms of access to current subject specific material”.

We continued to run the **CPA Australia Plan Your Own Enterprise Competition** this year in association with Business Educators Australasia, which enables students in NSW and around Australia to develop their business planning skills. I would like to thank our PYOE NSW Coordinator, Rhonda Thompson, for all her work in coordinating the competition in NSW this year, including the coordinator of the NSW shortlisting process. Cheryl Brennan, Kate Dally, Stuart Jones, Rhonda Thompson and myself were on the NSW shortlisting panel this year, and we were impressed with the standard of entries in NSW.

We were able to recognize the PYOE NSW winners at our annual NSW awards ceremony on 20 October 2014 at the Sydney office of CPA Australia together with Mr Anthony Matis, General Manager of Education, CPA Australia. At the ceremony prizes and certificates were awarded to the NSW student winners and their teachers. I congratulate the following winners and their teachers from NSW:

- Division 1 (Individual entry) – Emma Quoyle, Loreto Normanhurst for her business plan “Em Corp” (Teacher: Ms Alexandra Osborne).
- Division 2 (Group entry) – Nikita Chawla and Priyanka Visvalingam, MLC School for their business plan “Salty Memories” (Teacher: Ms Helen Kondos)

Although our NSW winners were not successful at this year’s Australasian judging and awards ceremony, they are to be commended on their excellent business plans. I congratulate the following students who were the national winners in this year’s competition:

- Division 1 (Individual entry) – Angus Wither (Western Australia), Wesley College, for his business plan, “Life Housekeeping”.
- Equal Division 2 (Group entry) – Stewart Jackson and Toby Burnell (Tasmania), The Hutchins School, for their business plan, “expressO”.
- Equal Division 2 (Group entry) – Anthony Maxfield and Paedan Monaghan (Victoria), Hopetoun P–12 College, for their business plan, “Foreshore Flix”.

CPA Australia sponsors the PYOE Competition and EBE NSW acknowledges its support of students and teachers through this competition.
President’s Report

This competition is an excellent way for EBE to interact directly with students of the courses we represent and their parents.

Another way we interacted directly with students this year was through our HSC student seminars at the 2014 Western Sydney Careers Expo at the Sydney Showground. EBE NSW Director Bronwyn Hession presented the seminar titled “HSC Economics – Exam Preparation” and I presented the seminar titled “HSC Business Studies – Exam Preparation”.

We provided these free of charge, enabling students to hear about strategies to maximise their examination marks in HSC Economics and HSC Business Studies.

The EBE NSW website continues to be a major source of up to date information in relation to the vision and goals of EBE NSW. We outsource the upkeep of the technical side and design of the website to our webmaster, Rob Berry, while maintaining oversight of the content that appears on the website. We thank Rob for his assistance with the website and for his knowledge and skills in this area.

As can be seen in the graphs on the next page there continues to be an increase in the number of visitors to the EBE NSW website.

EBE NSW website statistics as at 23 November 2014

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[Graphs showing monthly website statistics]
President’s Report

We have also continued to produce regular e-newsletters which are emailed to members (and made available on the EBE NSW website), enabling members to receive all the latest news with regards to the teaching and learning of Economics, Business Studies, Commerce, and Legal Studies directly into their email inbox.

Improving the quality of the courses we represent and responding to curriculum change remains an ongoing feature of our work. EBE NSW is well placed to improve the quality of our courses and respond to curriculum developments as we have members who are teachers in schools, active in the classroom, committed to their students and passionate about the curriculum.

This year EBE NSW made a submission to the 2014 Federal Government Review of the Australian Curriculum (part of the Coalition’s Students First policy) in the context of the Australian Curriculum in Economics and Business and the Australian Curriculum in Civics and Citizenship. The final report from the Review of the Australian Curriculum was also released this year, including information on the Australian Curriculum: Economics and Business and Australian Curriculum: Civics and Citizenship. The Review makes 30 key recommendations which will need to be examined by all Australian education ministers before any action is taken.

At the 2014 Business Educators Australasia Biennial Conference on 2 and 3 October 2014 in Western Australia EBE NSW Director Bronwyn Hession and myself were able to join with educators from all around Australia, and reflect on and discuss the challenges and opportunities of the Australian Curriculum: Economics and Business and Australian Curriculum: Civics and Citizenship. EBE NSW will continue to actively monitor and respond to developments in the ongoing Australian Curriculum development process and contribute to what we hope will be quality, satisfying and future focused Economics, Business and Civics and Citizenship courses for our members and their students.

I represented EBE NSW at the 14th Annual Meeting of Human Society and its Environment Professional Teachers’ Associations, Tertiary Educators and Advisors from NSW Department of Education and Communities on 28 November 2014. HSIE professional teaching associations and tertiary educators in the area of HSIE came together to discuss the Australian Curriculum, learn from each other and discuss ways HSIE professional teaching associations could support HSIE pre-service teachers. Tertiary educators and professional teachers’ associations such as EBE are an essential link between teachers, schools and the curriculum. EBE recognizes the importance of connecting with the future teachers of the courses we support who are studying at university and promoting the importance to them of becoming a member of EBE. This year we continued to offer a student teacher membership category which is heavily discounted and student membership discounts to all our professional development courses.

At this meeting we heard from Dr Jennifer Lawless, Board Inspector, HSIE from BOSTES NSW who gave us an “HSIE 2014 Update”. As Jennifer will be retiring from BOSTES NSW this year, we had the opportunity to farewell her and thank her for all her work for the HSIE key learning area. Jennifer was a guest speaker at an EBE Board of Directors meeting on 17 February 2014. I wish her all the best for the future.

In recognition of the important work EBE NSW is doing in the area of financial literacy, we were presented with a 2014 ASIC MoneySmart Highly Commended Award (Education Category) which I accepted on behalf of the EBE NSW Board of Directors, staff and members at the presentation dinner on 2 September 2014. EBE NSW is proud of its work in the area of financial literacy and it was an honour to receive this award on behalf of the association.

The award citation and judges’ comments appear below:

*Economics and Business Educators (EBE NSW) has been supporting secondary teachers of financial literacy and their students on an ongoing and sustained basis since its creation in 1968. EBE NSW specialises in providing classroom and syllabus focused professional development courses for teachers of financial literacy. Designed by practicing classroom teachers and academics, these courses*
President's Report

encourage interaction between high quality stakeholders in financial literacy and teachers who are on the frontline, teaching financial literacy in classrooms. EBE NSW has designed, conducted and evaluated professional development events focusing on financial literacy over the years, including

• 2014 EBE Annual Conference;
• Revamping and Resourcing Commerce; and
• The EBE Journal – Journal of the Economics and Business Educators NSW.

The EBE NSW has also been very active in advocating for the inclusion of financial literacy in the Australian Curriculum and engaging teachers with consultation processes. As financial literacy is given increased attention in the curriculum, EBE NSW will continue to design and implement effective professional development courses using the expertise and skills of its members and its connections with stakeholders in the financial literacy sector.

Judges Comment

The Judges highly commended Economics & Business Educators NSW for the great work they are doing, and the importance of their work in the community. They have been a key player for several decades and have made a major contribution to financial literacy. Economics & Business Educators NSW have played a vital role connecting the corporate and education sectors to reinvigorate secondary school subjects and hold a respected annual conference.

On the 25th of November 2014, at the 2014 Professional Teachers’ Council NSW Presentation Evening, EBE NSW was presented with a Certificate of Appreciation in recognition of EBE’s voluntary contributions during the year to quality education, the students of NSW and the teaching profession.

On the subject of awards, we were very proud of EBE NSW Director, Bronwyn Hession, who was awarded a Fellowship of the Australian College of Educators at the 2014 Australian College of Educators Annual Conference in Adelaide. This is a most prestigious award which recognises Bronwyn’s hard work and passion in the area of education, including professional teacher associations. In addition, at the 2014 Australian College of Educators NSW Wyndam Medal and Awards Dinner on 8 August 2014 at Homebush, Sydney, Bronwyn Hession received an Outstanding Educator Award “for her outstanding contribution to the development of curriculum and professional learning programs across all sectors in the NSW education system”. Congratulations Bronwyn.

I wish to thank our two office staffmembers, Annette Davies and Alan Hearle, for their knowledge, skills and support this year. They have shared the vision of the Board and have made significant contributions to all our projects. We are grateful to the NSW Department of Education and Communities for providing us with cost friendly office space at their Ryde premises.

I acknowledge the continued support provided to EBE NSW by Business Educators Australasia, as our umbrella national subject association and in particular thank the President of BEA, Bronwyn Hession, for her leadership of the organization and the Executive Officer of BEA, Christine Reid, for all her work. We look forward to continuing to work with BEA in the future.

EBE NSW is in a healthy financial position and acknowledges the ongoing support of CPA Australia. We are also grateful to our office staff, Ms Annette Davies and Mr Alan Hearle for their careful attention to the financial matters of the organization. More information about the financial position of the association can be found in the “EBE NSW Financial Statements For The Year Ended 2014.”

The following EBE NSW directors have notified the Board of their intentions to resign from the Board this year:

• John Lodewijks
• Stuart Jones
• Pauline Sheppard
• Rhonda Thompson

I thank all the above educators for giving to EBE NSW and sharing their knowledge, skills and passion.

Rhonda Thompson joined the EBE NSW Board in 2001 and completes 13 years of service to EBE NSW. I thank Rhonda for this long time
commitment and all her efforts over the years in supporting teachers of the courses we represent. Rhonda’s contribution to EBE was recognized with an Outstanding Professional Service Award at the 2010 Professional Teachers’ Council NSW Annual Presentation Evening.

Pauline Sheppard joined the EBE NSW Board in 2007 and has made significant contributions to the association, including undertaking the role of Company Secretary and presenting at our professional development courses.

Stuart Jones joined the EBE NSW Board in 2011 and has made significant contributions to the association, including undertaking the role of Conference Convenor for our highly successful 2014 Annual Conference this year and presenting at our professional development courses.

John Lodewijks joined the EBE NSW Board in 2012 and has been our tertiary representative during this time. He has made significant contributions to the association, including designing the Economics trial HSC examinations, co-editing “The EBE Journal” and presenting our Australian Curriculum: Economics and Business webinars during the consultation phases of the curriculum.

Despite our many achievements we cannot afford to be complacent as we look to the future. Funding by the government for many significant projects in the area of education continues to decrease, educational change continues to increase and teacher associations like EBE NSW are being called upon to do more and more with limited resources. Many challenges and opportunities await us in the future:

• We need to continue to pay attention to developments in the area of education which impact on our members at the Federal and NSW Government levels and making our views known when appropriate.

• We need to continue to monitor the development of the Australian Curriculum: Economics and Business and Australian Curriculum: Civics and Citizenship in the light of the 2014 Federal Government Review of the Australian Curriculum.

• We need to ensure that our professional development courses are responsive to new emerging teaching and learning strategies and technologies.

• Exciting opportunities await us as the NSW Government “Great Teaching, Inspired Learning – A Blueprint for Action” policy continues to be implemented, including 16.4 (“the profession will be supported to inform and provide registered teacher professional learning”) and as all teachers begin to move to the National Professional Standards for Teachers. This all has potential to build our capacity to provide professional learning opportunities to a wider audience.

• We need to continue to maintain the financial stability of our association and invest our finances more wisely so as to generate greater returns and to consider further ways we can use funds to add more value to membership of EBE.

• We need to continue to pay attention to governance issues and update our constitution.

• We must be on a path of continuous improvement, maintain high standards in all we do and continue to encourage and develop excellence in the teaching and learning of Economics, Business Studies, Legal Studies and Commerce, which we know contain critical and powerful knowledge and skills that we want young people to leave school with and build on throughout their lives.

EBE NSW has been an active association over the past year, representing and supporting teachers and students of the BOSTES NSW Economics, Business Studies, Legal Studies and Commerce courses. Our association has made a very significant contribution to education this year and has played a significant part in furthering the teaching profession and assisting teachers to improve student learning outcomes.

I again thank all the EBE NSW directors and the EBE NSW office staff for their efforts this year and for assisting me in my role as President. I also thank all the EBE NSW members for their support of EBE NSW. I look forward to working together again as we begin a new year.

Joe Alvaro
Economics and Business Educators NSW
President
1st December 2014
ECONOMICS AND BUSINESS EDUCATORS NSW
ACN 002 677 750
(A Company Limited by Guarantee)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30TH JUNE, 2014

HARLEY, RUSSELL & DAY
Chartered Accountants

2/172 Liverpool Road
ENFIELD NSW 2136

Phone: (02) 9744 6922
Fax: (02) 9744 6747
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ECONOMICS AND BUSINESS EDUCATORS NSW
ACN 002 677 750
(A Company Limited by Guarantee)

DIRECTORS’ REPORT

Your Directors present their report on the accounts of the Company for the year ended 30th June, 2014.

NAME OF DIRECTORS
The names of Directors in Office at any time during the year and up to the date of this report are:-

Joe Alvaro
Pauline Sheppard
Rhonda Thompson
Cheryl Brennan
Kate Dally
Bronwyn Hession
Andrew Athavle
Stuart Jones
Dr John Lodewijks
Kate Keeley

PRINCIPAL ACTIVITIES
The principal activities of the Association during the period were to operate as a professional association of teachers and provide teaching materials for use by the teachers and students.

MEMBERS 2014 2013
Complimentary 19 19
Corporation 3 2
Individual 94 78
Individual – Rural & Remote 6 7
Life 12 12
School 237 226
Student/Retire 13 12
Concessional 6 -
390 356

SIGNIFICANT CHANGES
During the period there was no significant change in the nature of the principal activities of the Association.

TRADING RESULTS
The profit from operation for the period (after no Provision for Income Tax and no depreciation) amounted to $3,601 (2013: $9,158).

REVIEW OF OPERATIONS
Movements in significant items of Revenue are as follows:-

<table>
<thead>
<tr>
<th>Item</th>
<th>2014</th>
<th>2013</th>
<th>Increase/(Decrease)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>10,114</td>
<td>13,618</td>
<td>(3,504)</td>
<td>(25.73)%</td>
</tr>
<tr>
<td>Subscriptions</td>
<td>44,289</td>
<td>39,385</td>
<td>4,904</td>
<td>12.45%</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>65,488</td>
<td>58,892</td>
<td>6,596</td>
<td>11.20%</td>
</tr>
</tbody>
</table>

CHANGE IN STATE OF AFFAIRS

DIRECTORS’ INTEREST
The Association does not have a Share Capital nor does it have any related corporations, hence no Director has an interest required to be declared by Section 307(c).

AUDITORS
Harley, Russell & Day, Chartered Accountants, continues in the office in accordance with Section 327 3(b) of the Corporations Law.
ENVIRONMENTAL REGULATION
The Company’s operations are subject to various environmental regulations under both Commonwealth and State legislation. The Directors are not aware of any breaches of the legislation during the financial year which are material in nature.

EVENTS SUBSEQUENT TO BALANCE DATE
There is, as at the date of this report, no matter of circumstances which have arisen since 30th June, 2014, that have significantly affect or may significantly affect:-

(i) the operations of the Company;
(ii) the result of those operations; or
(iii) the state of affairs of the company, subsequent to 30th June, 2014.

INFORMATION OF DIRECTORS

<table>
<thead>
<tr>
<th>#</th>
<th>Name of Director</th>
<th>Occupation</th>
<th>Special Responsibilities</th>
<th>Board Meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Joe Alvaro</td>
<td>Assistant HSIE Coordinator Marist College North Shore</td>
<td>President</td>
<td>8 0</td>
</tr>
<tr>
<td>2</td>
<td>Kate Dally</td>
<td>Head of Social Sciences Birrong Girls High School</td>
<td>Joint Vice President</td>
<td>7 1</td>
</tr>
<tr>
<td>3</td>
<td>Stuart Jones</td>
<td>Head Teacher HSIE Inaburra School</td>
<td>Joint Vice President</td>
<td>7 1</td>
</tr>
<tr>
<td>4</td>
<td>Pauline Sheppard</td>
<td>Legal Studies and Business Studies Teacher Hills Adventist College</td>
<td>Company Secretary</td>
<td>8 0</td>
</tr>
<tr>
<td>5</td>
<td>Bronwyn Hession</td>
<td>Inspector, Registration and Accreditation Office of the Board of Studies Teaching and Educational Standards, NSW</td>
<td>Director</td>
<td>6 2</td>
</tr>
<tr>
<td>6</td>
<td>Dr John Lodewijks</td>
<td>Adjunct Professor IRRC/Australian School of Business University of New South Wales</td>
<td>Director</td>
<td>6 2</td>
</tr>
<tr>
<td>7</td>
<td>Rhonda Thompson</td>
<td>7-12 Literacy Adviser CEO Sydney Southern Region</td>
<td>Director</td>
<td>4 4</td>
</tr>
<tr>
<td>8</td>
<td>Andrew Athavle</td>
<td>Head Teacher HSIE William Carey Christian School</td>
<td>Director</td>
<td>2 6</td>
</tr>
<tr>
<td>9</td>
<td>Kate Keeley</td>
<td>Lecturer Sydney University</td>
<td>Director</td>
<td>2 6</td>
</tr>
<tr>
<td>10</td>
<td>Cheryl Brennan</td>
<td>Head Teacher Business Studies Illawarra Christian School (from 2/12/13)</td>
<td>Director</td>
<td>5 0</td>
</tr>
</tbody>
</table>

HSIE - Human Society and Its Environment
DIRECTORS’ BENEFITS
Since the end of the previous financial year, no Director has received or become entitled to receive any benefit by reason of a contract between the Association and themselves or with a firm of which they have substantial interest.

INDEMNITY
The Company has not, during or since the financial year, in respect of any person who is or has been an officer or Auditor of the Company or of a related body corporate:

(a) Indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or
(b) Paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

LIKELY DEVELOPMENTS
It is intended to continue the Association’s activities on a similar basis to the past financial year, when possible improvements in accordance with the object of the Association will be carried out consistent with a conservative utilisation of available funds.

AUDITORS INDEPENDENT DECLARATION
The Auditor’s Independent Declaration for the year ended 30th June 2014 has been received and can be found on page 4 of this report.

DATED AT LEICHHARDT THIS
18TH DAY OF NOVEMBER 2014
IN ACCORDANCE WITH A
RESOLUTION OF THE DIRECTORS

JOE ALVARO- PRESIDENT

PAULINE SHEPPARD- COMPANY SECRETARY
ECONOMICS AND BUSINESS EDUCATORS NSW
ACN 002 677 750
(A Company Limited by Guarantee)

AUDITOR’S INDEPENDENT DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF ECONOMICS AND BUSINESS EDUCATORS NSW

I declare to the best of my knowledge and belief, during the year ended 30th June 2014 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

DATED AT LEICHHARDT
THIS 16TH DAY OF NOVEMBER, 2014

HARLEY, RUSSELL & DAY
Chartered Accountants

GARRY WILLIAM DAY
Registered Company Auditor
# Statement of Comprehensive Income

For the Year Ended 30 June 2014

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trading Profit</td>
<td>8,282</td>
<td>9,176</td>
</tr>
<tr>
<td>Subscriptions</td>
<td>44,289</td>
<td>39,385</td>
</tr>
<tr>
<td>Copyright Royalties</td>
<td>1,778</td>
<td>154</td>
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<tr>
<td>Interest Received</td>
<td>557</td>
<td>700</td>
</tr>
<tr>
<td>Conferences &amp; Business Plan Competition</td>
<td>7,627</td>
<td>1,852</td>
</tr>
<tr>
<td>DET Funding- PTC Print &amp; Post Grant</td>
<td>3,841</td>
<td>5,648</td>
</tr>
<tr>
<td>Sponsorship</td>
<td>3,727</td>
<td>11,135</td>
</tr>
<tr>
<td>Sundry Income</td>
<td>98</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>69,199</td>
<td>68,050</td>
</tr>
</tbody>
</table>

|                        |       |       |
| **Expenses**           |       |       |
| Less Total Expenses    | 65,488| 58,892|

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Profit</td>
<td>3,711</td>
<td>9,158</td>
</tr>
<tr>
<td>Income Tax</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Comprehensive Income</strong></td>
<td>3,711</td>
<td>9,158</td>
</tr>
</tbody>
</table>
**ECONOMICS AND BUSINESS EDUCATORS NSW**

*A.C.N. 002 677 750*

*(A Company Limited by Guarantee)*

**STATEMENT OF FINANCIAL POSITION**

**AS AT 30 JUNE 2014**

<table>
<thead>
<tr>
<th>Notes</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
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**CURRENT ASSETS**

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<tr>
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</thead>
<tbody>
<tr>
<td>Cash Assets</td>
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<tr>
<td>Receivables</td>
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<tr>
<td>Other Assets</td>
<td>4</td>
<td>1,020</td>
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<tr>
<td><strong>TOTAL CURRENT ASSETS</strong></td>
<td></td>
<td><strong>127,246</strong></td>
</tr>
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**TOTAL ASSETS**

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<tr>
<td><strong>127,246</strong></td>
<td><strong>119,278</strong></td>
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**CURRENT LIABILITIES**

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<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Payables</td>
<td>5</td>
<td>5,197</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>5</td>
<td>23,587</td>
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<tr>
<td><strong>TOTAL CURRENT LIABILITIES</strong></td>
<td></td>
<td><strong>28,784</strong></td>
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**NET ASSETS**

<p>| | | |</p>
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<tbody>
<tr>
<td></td>
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</tr>
<tr>
<td><strong>98,462</strong></td>
<td><strong>94,751</strong></td>
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</tbody>
</table>

**MEMBERS EQUITY**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance 30th June, 2013</td>
<td></td>
<td>94,751</td>
</tr>
<tr>
<td>Net Profit (Loss) for the year.</td>
<td>3,711</td>
<td>9,158</td>
</tr>
<tr>
<td><strong>98,462</strong></td>
<td><strong>94,751</strong></td>
<td></td>
</tr>
</tbody>
</table>

*The accounting notes should be read in conjunction with these accounts.*
### ECONOMICS AND BUSINESS EDUCATORS NSW

_A.C.N. 002 677 750_
(A Company Limited by Guarantee)

#### STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Accumulated Funds at 1 July 2013</td>
<td>94,751</td>
<td>85,593</td>
</tr>
<tr>
<td>Profit(Loss) for the year</td>
<td>3,711</td>
<td>9,158</td>
</tr>
<tr>
<td>Accumulated Funds at 30 June 2014</td>
<td>98,462</td>
<td>94,751</td>
</tr>
</tbody>
</table>
NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

BASIS OF PREPARATION

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure requirements and interpretations issued by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. These financial statements do not comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB").

ADOPTION OF NEW AUSTRALIAN ACCOUNTING STANDARDS

The organisation has elected to apply the following pronouncements to the annual reporting period beginning 1 July 2011:

- AASB 1053 application of Tiers of Australian Accounting Standards and AASB 2010 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

The early adoption of AASB 1053 enables the organisation to be part of the Tier 2 reporting requirements for general purpose financial statements. The Tier 2 reporting framework comprises the recognition and measurement requirements of Tier 1 but substantially reduced disclosure requirements. The organisation is eligible to adopt the new Australian Accounting Standards - Reduced Disclosure Requirements and has adopted the requirements of the standard effective for the financial year ended 30 June 2014.

REPORTING BASIS AND CONVENTIONS

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Revenue Recognition

Sales Revenue
Sales Revenue comprises revenue earned from the sale of publications and books. Sales revenue is recognised when the goods and services are provided.

Asset Sales
The gross proceeds of asset sales are included as revenue of the entity. The profit or loss on disposal of assets is brought to account at the date an unconditional contract of sale is signed.

Interest Income
Interest income is recognised as it accrues.

Financial Reporting by Segment
The company is engaged in the conduct and promotion of educational benefits for members of the company, and only at the location of its registered office at Leichhardt, NSW, Australia.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2014

ECONOMICS AND BUSINESS EDUCATORS NSW
A.C.N. 002 677 750
(A Company Limited by Guarantee)

<table>
<thead>
<tr>
<th>Notes</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Note 2 - CASH ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Petty Cash</td>
<td>100</td>
<td>600</td>
</tr>
<tr>
<td>Cash at Bank - General Account</td>
<td>95,206</td>
<td>82,692</td>
</tr>
<tr>
<td>Cash on Deposit</td>
<td>22,964</td>
<td>22,407</td>
</tr>
<tr>
<td></td>
<td>118,270</td>
<td>105,699</td>
</tr>
<tr>
<td>Note 3 - RECEIVABLES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors - Trade</td>
<td>7,956</td>
<td>10,635</td>
</tr>
<tr>
<td></td>
<td>7,956</td>
<td>10,635</td>
</tr>
<tr>
<td>Note 4 - OTHER</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepayment</td>
<td>1,020</td>
<td>2,944</td>
</tr>
<tr>
<td></td>
<td>1,020</td>
<td>2,944</td>
</tr>
<tr>
<td>Note 5 - PAYABLES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables &amp; GST</td>
<td>836</td>
<td>(518)</td>
</tr>
<tr>
<td>Members Fees in Advance</td>
<td>22,352</td>
<td>20,669</td>
</tr>
<tr>
<td>PAYG</td>
<td>360</td>
<td>421</td>
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<tr>
<td>Creditors and accruals</td>
<td>4,361</td>
<td>3,087</td>
</tr>
<tr>
<td>Superannuation Payable</td>
<td>875</td>
<td>868</td>
</tr>
<tr>
<td></td>
<td>28,784</td>
<td>24,527</td>
</tr>
</tbody>
</table>

Note 6 - COMPANY LIMITED BY GUARANTEE
The Memorandum of Association provides the liability of members is limited.

The Company is Limited by Guarantee. In the event of the company being wound up the liability of each member (both during the time he/she is a member and within one year afterwards) is limited to one hundred dollars ($100).

Note 7 - PROVISION FOR EMPLOYEE ENTITLEMENTS
Holiday Pay, Sick Leave and Long Service Leave have not been provided on the basis of the relevant state Legislation and Award including all amounts legally payable as at the date of the Balance Sheet and any amounts payable under contingencies provided for in respect of employee termination.

Note 8 - DIRECTORS' EMOLUMENTS
No Emoluments were received by any Director of the Association.

Note 9 - INCOME TAX
Based on the provision of the Income Tax Assessment Act, 1936 (amended) the Company does not face any liability for the current year.
ECONOMICS AND BUSINESS EDUCATORS NSW
A.C.N. 002 677 750
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2014

<table>
<thead>
<tr>
<th>Notes</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

Note 10 - AUDITORS' REMUNERATION

Amounts received or due and receivable for audit: $3,200  $3,100

Note 11 - STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE, 2014

Cash Flow from Operating Activities
Receipts from Customers 45,795  26,222
Payments to Suppliers and Employees (78,070) (60,433)
Interest Received 557  700
Subscriptions Received 44,289  39,385
Net Cash Flow provided by (used in) Operating Activities $12,571  5,874

Cash Flow from Investing Activities
Payment for Plant & Equipment -
Net Cash provided by (used in) Investing Activities -
Net Increase (Decrease) in Cash Held 12,571  5,874
Cash at 30th June, 2013 105,699  99,825
Cash at 30th JUNE, 2014 2 $118,270  105,699

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE, 2014

1. Reconciliation of Cash
For the purposes of this statement of cash flows, cash includes Cash on Hand and Cash at Bank. Cash at the end of the Financial Year as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:

Cash on Hand 100  600
Cash at Bank 95,206  82,692
Deposits at Bank 22,964  22,407
$118,270  105,699

Reconciliation of Net Cash Provided by/(Used in) Operating Activities to Operating Profit
Operating Profit/(Loss) 3,711  9,158
Decrease/(Increase) in Prepayments 1,924  2,108
Decrease/(Increase) in Receivables 2,679  (9,608)
(Decrease)/Increase in Payables 1,300  1,390
(Decrease)/Increase in Members fees in advance 1,683  2,726
(Decrease)/Increase in Creditors & Accruals 1,274  100
Net Cash Provided by/(Used in) Operating Activities $12,571  5,874

10
ECONOMICS AND BUSINESS EDUCATORS NSW
ACN 002 677 750
(A Company Limited by Guarantee)

DIRECTORS' DECLARATION

In the opinion of the Directors of Economics and Business Educators NSW-

1. the attached financial statements and notes are in accordance with the Corporations Act 2001;
   (a) comply with Accounting Standards and the Corporations Regulations 2001; and
   (b) give a true and fair view of the financial position as at 30th June, 2014 of the
       performance for the year on that date of the company.

2. in the directors' opinion there are reasonable grounds to believe that the company will be able
   to pay its debts as and when they become due and payable.

DATED AT LEICHHARDT THIS
17TH DAY OF NOVEMBER, 2014
IN ACCORDANCE WITH A
RESOLUTION OF THE DIRECTORS

JOE ALVARO - PRESIDENT

PAULINE SHEPPARD - COMPANY SECRETARY
ECONOMICS AND BUSINESS EDUCATORS NSW
ACN 002 677 750
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR’S REPORT
TO THE MEMBERS


We have audited the accompanying financial report of Economics and Business Educators NSW (“the company”) which comprises the Statement of Financial Position as at 30 June 2014 the Statement of Comprehensive Income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors’ declaration.

Directors’ Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors’ Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Economics and Business Educators NSW would be in the same terms if provided to the directors as at the date of this auditor’s report.
ECONOMICS AND BUSINESS EDUCATORS NSW
ACN 002 677 750
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR’S REPORT
TO THE MEMBERS

Auditor’s Opinion

In our opinion:

a. the financial report of Economics and Business Educators NSW is in accordance with the Corporations Act 2001, including:
   
   (i) giving a true and fair view of the company’s financial position as at 30 June 2014 and of the performance for the year ended on that date; and
   
   (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.

DATED AT SYDNEY
THIS 11TH DAY OF
NOVEMBER, 2014

HARLEY, RUSSELL & DAY
Chartered Accountants

GARRY WILLIAM DAY
Registered Company Auditor
ECONOMICS AND BUSINESS EDUCATORS NSW
ACN 002 677 750
(A Company Limited by Guarantee)

DISCLAIMER

The additional financial data presented on the following three pages consist of the Trading Statement and Revenue and Expenditure Account and are in accordance with the books and records of the Economics and Business Educators NSW, which have been subjected to the auditing procedures applied in our statutory audit of the Company for the year ended 30th June, 2014. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given.

In accordance with our firm policy, we advise that neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any person (other than the company) in respect of such data, including any errors or omissions therein, arising through negligence or otherwise however caused.

DATED AT SYDNEY
THIS 21ST DAY OF
NOVEMBER 2014

HARLEY, RUSSELL & DAY
Chartered Accountants

GARRY WILLIAM DAY
Registered Company Auditor
<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>10,114</td>
<td>13,618</td>
</tr>
<tr>
<td>Purchases</td>
<td>(1,832)</td>
<td>(4,442)</td>
</tr>
<tr>
<td>GROSS PROFIT</td>
<td>$ 8,282</td>
<td>$ 9,176</td>
</tr>
</tbody>
</table>
### ECONOMICS AND BUSINESS EDUCATORS NSW

A.C.N. 002 677 750

*(A Company Limited by Guarantee)*

**REVENUE AND EXPENSE ACCOUNT FOR THE YEAR ENDED 30TH JUNE 2014**

<table>
<thead>
<tr>
<th>Description</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Profit Trading Account</td>
<td>8,282</td>
<td>9,176</td>
</tr>
<tr>
<td>Subscriptions Received</td>
<td>44,289</td>
<td>39,385</td>
</tr>
<tr>
<td>Copy right royalties</td>
<td>1,778</td>
<td>154</td>
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<tr>
<td>Sponsorship</td>
<td>2,727</td>
<td>11,135</td>
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<tr>
<td>DET Funding- PTC Print &amp; Post Grant</td>
<td>3,841</td>
<td>5,648</td>
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<tr>
<td>Bookseller fees</td>
<td>1,145</td>
<td>1,954</td>
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<tr>
<td>Sandry Income</td>
<td>98</td>
<td>-</td>
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<tr>
<td><strong>Interest Received</strong></td>
<td>62,160</td>
<td>67,452</td>
</tr>
<tr>
<td>Macquarie Investment</td>
<td>557</td>
<td>700</td>
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<tr>
<td><strong>Economics &amp; Business Studies Teachers Conference</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less - Expenses</td>
<td>(9,324)</td>
<td>(6,080)</td>
</tr>
<tr>
<td><strong>BEA/EBE NSW National Teachers Conference</strong></td>
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<td></td>
</tr>
<tr>
<td>Less - Expenses</td>
<td>-</td>
<td>2,328</td>
</tr>
<tr>
<td><strong>Teaching Year 11 for The First Time Teachers Conference</strong></td>
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<tr>
<td>Less - Expenses</td>
<td>(1,415)</td>
<td>(786)</td>
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<tr>
<td><strong>Teaching Year 12 for The First Time Teachers Conference</strong></td>
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<tr>
<td>Less - Expenses</td>
<td>(2,476)</td>
<td>(1,600)</td>
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<tr>
<td><strong>Commerce Teachers Conference</strong></td>
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<tr>
<td>Less - Expenses</td>
<td>(1,297)</td>
<td>-</td>
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<tr>
<td><strong>Legal Update Teachers Conference</strong></td>
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<td></td>
</tr>
<tr>
<td>Less - Expenses</td>
<td>(2,260)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Fairfax Industry Teachers Tour</strong></td>
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<td></td>
</tr>
<tr>
<td>Less - Expenses</td>
<td>(464)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Webinars</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less - Expenses</td>
<td>(878)</td>
<td>-</td>
</tr>
<tr>
<td><strong>BST Topic Seminars</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less - Expenses</td>
<td>(1,164)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Business Plan Competition</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less - Expenses</td>
<td>(2,161)</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL INCOME</strong></td>
<td>$ 69,199</td>
<td>$ 68,050</td>
</tr>
</tbody>
</table>
**ECONOMICS AND BUSINESS EDUCATORS NSW**

A.C.N. 002 677 750

*(A Company Limited by Guarantee)*

**REVENUE AND EXPENSE ACCOUNT FOR THE YEAR ENDED 30TH JUNE 2014**

<table>
<thead>
<tr>
<th>Description</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL INCOME (Brought Forward)</td>
<td>$69,199</td>
<td>$68,050</td>
</tr>
<tr>
<td><strong>Less - Operating Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The EBE Journal- Printing and Production</td>
<td>2,380</td>
<td>1,139</td>
</tr>
<tr>
<td>Bad Debts</td>
<td>208</td>
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</tr>
<tr>
<td>Accountancy &amp; Audit</td>
<td>3,400</td>
<td>3,100</td>
</tr>
<tr>
<td>Bank Charges &amp; Late Fees</td>
<td>1,769</td>
<td>1,039</td>
</tr>
<tr>
<td>Capitation Fees</td>
<td>4,988</td>
<td>5,076</td>
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<tr>
<td>Computer Software, support and expenses</td>
<td>599</td>
<td>795</td>
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<tr>
<td>Conference</td>
<td>1,253</td>
<td>1,205</td>
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<tr>
<td>Donations</td>
<td>100</td>
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<tr>
<td>General Expenses</td>
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<td>760</td>
</tr>
<tr>
<td>Insurance</td>
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<tr>
<td>Internet (includes Web hosting)</td>
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<tr>
<td>Office Relocation</td>
<td>972</td>
<td>256</td>
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<td>Lodgment Fee - Company Return</td>
<td>44</td>
<td>43</td>
</tr>
<tr>
<td>Postage &amp; Freight</td>
<td>1,361</td>
<td>1,401</td>
</tr>
<tr>
<td>PO Box Fees</td>
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<td>133</td>
</tr>
<tr>
<td>Printing, Stationery/Copy Paper</td>
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<td>2,032</td>
</tr>
<tr>
<td>Rent</td>
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<td>1,750</td>
</tr>
<tr>
<td>Salaries</td>
<td>32,057</td>
<td>27,393</td>
</tr>
<tr>
<td>Staff Gratuities</td>
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<tr>
<td>Superannuation</td>
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</tr>
<tr>
<td>Telephone</td>
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<td>1,380</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>65,488</td>
<td>58,892</td>
</tr>
<tr>
<td><strong>NET PROFIT</strong></td>
<td>$3,711</td>
<td>$9,158</td>
</tr>
</tbody>
</table>