# Commerce Years 7-10: Option 1 – our economy

## Table of contents

[Commerce Years 7-10: Option 1 1](#_Toc61513186)

[Option 1: Our Economy 3](#_Toc61513188)

[Outcomes 3](#_Toc61513189)

[Learning sequence 1: Performance of the Australian economy 4](#_Toc61513190)

[Indicators and influences on performance 4](#_Toc61513191)

[Key indicators of performance 7](#_Toc61513192)

[Learning sequence 2: International trade and the Australian economy 9](#_Toc61513193)

[Australia as a trading nation 9](#_Toc61513194)

[Australia’s trade patterns 10](#_Toc61513195)

[Interdependence of economies 11](#_Toc61513196)

[Impact of government on trade 11](#_Toc61513197)

[Learning sequence 3: Global influences on the Australian economy 13](#_Toc61513198)

[Interactions between international and domestic business cycles 13](#_Toc61513199)

[Impact of changes in the global economy 15](#_Toc61513200)

[The rise and influence of the global economy 16](#_Toc61513201)

[Learning sequence 4: Current issues 18](#_Toc61513202)

[Global issues affecting a local economy in Australia 18](#_Toc61513203)

## Option 1– Our economy

Students investigate Australia’s place in the global economy, measurement of economic performance, trade patterns, the impact of changes in our economy and the implications of these changes for consumers, businesses and broader society. They investigate global influences on Australia’s economy.

## Outcomes

A student:

* **COM5-1** applies consumer, financial, economic, business, legal, political and employment concepts and terminology in a variety of contexts
* **COM5-2** analyses the rights and responsibilities of individuals in a range of consumer, financial, economic, business, legal, political and employment contexts
* **COM5-4** analyses key factors affecting decisions
* **COM5-5** evaluates options for solving problems and issues
* **COM5-7** researches and assesses information using a variety of sources
* **COM5-8** explains information using a variety of forms
* **COM5-9** works independently and collaboratively to meet individual and collective goals within specified timeframes

**Related Stage 4 outcomes**: COM4-1, COM4-2, COM4-4, COM4-5, COM4-7, COM4-8, COM4-9.

Outcomes referred to in this document are from [Commerce Years 7-10 Syllabus](https://educationstandards.nsw.edu.au/wps/portal/nesa/k-10/learning-areas/hsie/commerce-7-10-2019) © NSW Education Standards Authority (NESA) for and on behalf of the Crown in right of the State of New South Wales, 2020

## Learning sequence 1 – performance of the Australian economy

Students:

* examine the indicators of, and influences on, the performance of the Australian economy, including: (ACHEK050, ACHEK051)
	+ ways of assessing the performance of the Australian economy, for example standard of living, economic growth, income distribution and environmental sustainability (ACHEK050)
	+ government economic policy tools – macro (monetary policy/fiscal policy) and micro (trade, education, productivity) (ACHEK052)
* research the performance of the Australian economy using key indicators, including: (ACHEK050)
	+ economic growth rates, unemployment trends, inflation rates and sustainability indexes
	+ possible reasons for its performance
	+ a comparison of its performance with one other economy in the Asia region

### Indicators and influences on performance

**Teacher note:** Background information: Australia’s economic performance can be influenced by a range of government policies and tools (Macro and Micro policies) that can influence the demand and supply of goods and services in Australia. The success of these policies can be measured by a range of indicators such as standard of living, income distribution and economic growth. It is important for students to understand how decisions made by the government can impact their standard of living in Australia.

|  |  |
| --- | --- |
| Terminology  | Definition  |
| Standard of living | The degree of wealth and material comfort available to a person or community |
| Economic growth | The increase in the amount of goods and services produced over a period of time |
| Income distribution | How an economy’s total income is distributed amongst its population |
| Environmental sustainability | The use of natural resources at a rate that will support future generations |
| Macroeconomic policy | Policies that impact the total demand for goods and services within an economy |
| Monetary policy  | A macroeconomic policy that can be used to change the interest rate to influence the level of economic activity. |
| Fiscal policy | A macroeconomic policy whereby the government adjusts its spending and taxes to influence the level of economic activity.  |
| Microeconomic policy | Policies that impact the total supply of goods and services within an economy |
| Productivity  | The rate at which goods and services are produced – influenced by the labour skills and technology. |
| Unemployment | Someone who is of working age, but is not engaged in employment or looking for employment |
| Inflation  | The rate at which the price of goods and services is increasing.  |

* Define the indicators used in assessing the performance of the Australian economy:
	+ standard of living
	+ economic growth
	+ income distribution
	+ environmental sustainability.
* Write each of the above indicators in the middle of a A3 sheet of paper. List or paste images of positive and negative examples of the indicators. Provided below is a table to of positive and negative for the scenario activity.

|  |  |  |
| --- | --- | --- |
| Indicator | Positive examples | Negative examples |
| Standard of Living | Good standard of living – comfortable home, access to healthcare | Poor standards of living – limited access to education, unsafe community |
| Economic Growth | Access to jobs | People are unemployed, underemployed |
| Income distribution | Equal income distribution - people can afford to buy their needs and wants | Unequal income distribution – people working in more than one job. |
| Environmental sustainability | Sustainable use of environment - recycling, using renewable energy  | Unsustainable use of environment - using single use plastic, burning fossil fuels. |

**Teachers note: Scenario – Ozland's economic issues,** students will need to be familiar with macroeconomic and microeconomic policy tools.

**Monetary policy –** increasing interest rates will decrease borrowing (consumers and businesses), decrease consumer demand for goods and services, and decrease business investment and expansion. Decreasing interest rates will increase borrowing (consumers and businesses), increase consumer demand for goods and services, and increase business investment and expansion.

**Fiscal policy –** Increasing government expenditure and decreasing taxation will increase consumer demand for goods and services, and increase investment in areas such as education, infrastructure, health etc. Decreasing government expenditure and increasing taxation will decrease consumer demand for goods and services and decrease investment.

**Scenario:**

Ozland is currently experiencing a range of economic issues. The government and economic advisors are at a loss as to how they can resolve these issues. The government has called in experts to make some policy suggestions to help Ozland improve their standard of living, economic growth, income distribution and environmental sustainability.

The economic issues affecting Ozland include: the standard of living, economic growth, income distribution and environmental sustainability.

Tools at the government's disposal:

**Macroeconomic policy tools**: Monetary Policy, Fiscal Policy,

**Microeconomic policy tools**: conducting trade, improving education, productivity enhancements (for example technology, upskilling labour force)

* **In small groups, read the fictional scenario for Ozland and examine the 4 issues that the country is facing.** Each group can devise policy changes or make decisions that will improve the economic performance of the country.
* Each group must imagine that they are a group of economic experts who will be meeting with government leaders and economic advisors to present policies which may be implemented to address the identified issues. Policies must be justified and the impact each policy will have on each issue must be explained. Ideas may be presented as a report, annotated illustration or digital presentation.

**Issues that need to be addressed:**

1. **Standard of Living -** consumers in Ozland are currently finding it difficult to afford good quality homes. The clothes produced in their country are of poor quality. Public transport can only be accessed near metro areas and hospitals are poorly staffed. After conducting a poll, data has shown that people in Ozland are not satisfied with their quality of life.
2. **Economic Growth –** consumer and business confidence is low. Businesses have made the decision to produce more goods when consumers start demanding more goods and services. Business managers cannot pay their employee wages and are struggling to keep them employed.
3. **Distribution of Income** - most of the population in Ozland are struggling to afford all the necessities they need to sustain a good standard of living. While they are able to afford basic food and clothing, consumers are dissatisfied that they are unable to purchase some luxuries such as eating at a nice restaurant for dinner. Many community members are starting to resent the minority who can afford nice homes, cars and private medical care.
4. **Environmental Sustainability –** Ozland has a multitude of natural land and water resources. Much of it as remained untouched and all members of the Ozland community are proud of their natural environment, while they see it as a significant resource, they are worried about how they can use what is available to them sustainably.

### Key indicators of performance

**Teacher note:** A good way for economists to get an idea of how economies are developing and growing is to compare their domestic economy with one that is similar in status (developed versus developing). This section of the syllabus will require internet access.

The [sustainability competitiveness index](http://solability.com/the-global-sustainable-competitiveness-index) measures the current and future capability of countries or economies to general and or sustain income and wealth for its population. Countries are ranked based on: natural capital, resource intensity, intellectual capital, social cohesion and governance.

Conduct research on the key indicators of economic performance for Australia and one other economy in the Asia region. Data should be included for the present year and the two previous years. Create an annotated illustration comparing Australia and the other country’s performance. The following table can be used as a guide for research.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Indicators | Australia | Reason for ranking | Asian economy | Reason for ranking |
| Economic growth rates |  |  |  |  |
| Unemployment trends |  |  |  |  |
| Inflation rates |  |  |  |  |
| Sustainability index - rank |  |  |  |  |

## Learning sequence 2 – International trade and the Australian economy

Students:

* investigate Australia as a trading nation and its place within the rising economies of Asia and broader global economy, including: (ACHEK038)
	+ Australia’s major trading partners
	+ Australia’s major exports and imports of goods, services and resources (ACHEK038)
* examine changes in Australia’s trade patterns including the reasons for changes, and possible future trends
* investigate the interdependence of Australia with other global economies (ACHEK039)
* analyse the impact of government on Australia’s international trade, including the significance of trade agreements

### Australia as a trading nation

**Teachers note:** Australia as a trading nation: Students need to understand that Australia is a trading nation and prioritises the creation of trading relationships with countries around the world. These trade agreements benefit Australia’s export markets and import markets. The Department of Foreign Affairs and Trade website provides a range of interactive websites that show the extent of Australia’s trade around the world, its position in the rising economies of Asia and the broader global economy.

* Access the [Department of Foreign Affairs](https://dfat.gov.au/TRADE/RESOURCES/TRADE-AT-A-GLANCE/Pages/default.aspx) website that shows Australia’s top ten trading partners, major exports and major imports.
* Label 10 pieces of butchers paper with Australia’s top ten trading partners, do not rank them. Split the page in half and label each half ‘exports’ and ‘imports’. Place the papers around the room and identify where Australia imports and exports from and which countries. Then rank each country in order of what is believed to be the largest and smallest of the top 10 trading partners.
* Compare results with those displayed on the website. Facilitate a discussion using the questions below as a guide:
	+ Why are these countries Australia’s Top 10 trading partners?
	+ Is it important for Australia to maintain good relationships with these countries?
	+ What could happen if Australia stopped trading with one of its top trading partners?

### Australia’s trade patterns

**Teacher Note:** Australia’s trade patterns have changed over time as political relationships and technology have developed. [The Department of Foreign Affairs and Trade](https://tradethroughtime.gov.au/) (DFAT) have developed an interactive website with lesson ideas that can be used to develop activities to facilitate discussions detailing the reasons for changes in Australia’s trade patterns and predictions of future trends.

When viewing the timeline, notice that all numbered boxes above the timeline are in green, these refer to events related to Australia’s trade decisions and events. The numbered boxes below the timeline in brown refer to global trade decisions and events. Each numbered box can be opened that may lead to further reading or videos. Note: the numbers on the box refer to the number of events that will be displayed.

* View the [DFAT trade through time](https://www.dfat.gov.au/publications/minisite/tradethroughtimegovau/site/index.html) website to examine an interactive timeline of Australia’s trading patterns from pre-federation to the 2010s.
* Discuss Australia’s changing trade patterns.
* Open the 2010 decade on the timeline and view each year in this decade. Summarise the major events that could impact Australia’s economy using the following questions as discussions starters:
	+ What are some of the changes in Australia’s exports in the decade starting from 2010?
	+ How can tourism, as a growing export, impact Australia’s economy?
	+ How can education, as a growing export, impact Australia’s economy?
	+ How can negotiations regarding e-commerce impact Australia and the world?
* Create an overview of some of the events listed below. Notice the importance of free trade and economic negotiations with Asian economies, the growing significance of service based industries (tourism and education) over minerals, energy and agriculture, and the intention to commence e-commerce negotiations. Some major events in each year include:
	+ 2010 – Australian dollar reaches parity with the US dollar for the first time, AANZFTA enters into force
	+ 2011 – iron exports grow, merchandise trade with China reaches $100 billion
	+ 2012 – more than half a million Chinese tourists visit Australia, Australia is the 12th largest economy in the world
	+ 2013 – minerals and energy grow in importance while agricultural exports fall
	+ 2014 – Australia signs economic and trade agreements with China, Japan and Korea. Trade agreement with Korea enters into force.
	+ 2015 – China and Japan trade agreements enter into force, tourism in Australia booms
	+ 2016 – Australia’s tourism industry exceeds 2020 targets set by the government, Australia signs partnership agreement with 11 countries in the Trans-Pacific Partnership.
	+ 2017 – 700,000 international students enrol into Australia’s education system helping education exports reach record levels, international visitors spend 41.3 billion dollars in Australia (new high).
	+ 2018 – China is Australia’s largest source of tourists; Australia starts trade negotiations with the European Union
	+ 2019 – 76 WTO members, including Australia confirm intention to commence e-commerce negotiations. Australia signs FTA with Hong Kong and Indonesia.

### Interdependence of economies

**Teachers’ Note:** Students have been exposed to trade agreements in the previous syllabus dot point and will have background knowledge of the types of imports and exports that are traded between Australia and its top ten major trading partners.

The trading game usually takes students 60-90 minutes to complete. Students will needs to be in small groups and teacher will assign resources at the beginning of the game to reflect each groups status as a more or less developed country.

* Access the [trading game](https://www.christianaid.org.uk/schools/trading-game) and read through the instructions provided. The aim of the game is to trade and transform resources to become the highest grossing country in the given time span.
* In small groups assess the resources that your country has been given to determine if you are a more or less developed country. Follow the instructions to complete the trading game.
* Use the [Think-Pair-Share](http://www.visiblethinkingpz.org/VisibleThinking_html_files/03_ThinkingRoutines/03d_UnderstandingRoutines/ThinkPairShare/ThinkPairShare_Routine.html) technique to examine the interdependence of countries within a global economy. Use your experience in the trading game to discuss the following questions in your groups:
	+ Which countries benefited most from trading? Explain why.
	+ Would countries have been able to increase production of goods and services independently? Why or why not?
	+ What would happen if the developing countries ran out of resources?
	+ Did any countries form agreements or make deals with one another? Did this benefit both countries equally? Explain why.

### Impact of government on trade

**Teacher Note:** The Australian government acknowledges the economic and social impact international trade can have on Australia’s economic performance and living standards. Therefore, one of the roles of the Australian government is to negotiate trade agreements with other countries. The following types of agreements exist:

**Multilateral trade agreements -** trade agreements between multiple economies.

**Bilateral trade agreements –** trade agreement between two countries.

* As an introduction, use [logic modelling](https://education.nsw.gov.au/teaching-and-learning/professional-learning/evaluation-resource-hub/logic-modelling) to access prior knowledge and to ‘explain what could happen if a country such as China or Japan cancelled their trade deal with Australia’.
* Create an illustrated annotation or infographic that depicts a trade agreements negotiated by the Australian government with **one** of Australia’s Top Ten trading partners. These partners include:
1. China
2. Japan
3. USA
4. Republic of Korea
5. Singapore
6. India
7. New Zealand
8. United Kingdom
9. Thailand
10. Malaysia
* Conduct research using, DFAT [Trade at a Glance](https://dfat.gov.au/trade/resources/trade-at-a-glance/Pages/goods-by-country.aspx), [Fact sheet by countries](https://dfat.gov.au/trade/resources/Pages/trade-and-economic-fact-sheets-for-countries-economies-and-regions.aspx) and [Trade agreements](https://dfat.gov.au/trade/agreements/Pages/trade-agreements.aspx). Use the table below to guide research which can then be used to develop an infographic.

Japan Australia Economic Partnership Agreement (JAEPA) 2015

|  |  |  |
| --- | --- | --- |
|  | Australia | Trading partner (Japan) |
| Official language |  |  |
| Currency |  |  |
| Head of state |  |  |
| Head of government |  |  |
| Population size |  |  |
| Top 5 bilateral exports |  |  |
| Value of bilateral exports |  |  |

## Learning sequence 3 – Global influences on the Australian economy

Students:

investigate the interactions between the international and domestic business cycles, including: (ACHEK050)

* the impact of changes in global markets, for example labour, prices
* the impact of changes in the global economy on confidence, interest rates and exchange rates (ACHEK051)
* examine the rise and influence of the global economy, for example trade and financial flows, investing, global market for labour, the international business cycle

### Interactions between international and domestic business cycles

**Teacher note:** Students need to understand that trends exist between international and domestic business cycles. For some economies, their domestic business cycle may experience similar fluctuations in the international business cycle. For other economies, their domestic business cycle may be different to the international business cycle as they may be performing better than the global economy. It is important to consider the factors affecting these fluctuations and how the government responds to stabilise the economy.

|  |  |
| --- | --- |
| Terminology | Definition |
| Gross world product (GWP) | the combined gross national income of all the countries in the world |
| Gross domestic product (GDP) | the total value of goods and services produced in a country during one year |
| Gross national income (GNI) |  the sum of a country's gross domestic product plus the net income from overseas transactions |
| Business cycle | the rise and fall in the production output of goods and services in an economy |
| International business cycle | changes in the level of economic activity in the global economy over time |
| Domestic business cycle | changes in the level of economic activity in the domestic economy over time |
| Fluctuation | changing numbers or quantities of something |
| Economic growth | an increase in the production of goods and services, compared from one time period to another |
| Exchange rates | An exchange rate is the price of a country's currency in terms of another currency |
| Purchasing power of a currency | the quantity of the currency needed to purchase a given unit of a good |

* Watch [Business cycle: economic expansions and contractions](https://www.youtube.com/watch?v=VwRJzVEUclA) (duration 1:30) making summary notes then answer the following questions:
	+ What is the business cycle?
	+ What are the stages of the business cycle?
	+ What do economies or governments want for their business cycle?
* Create a simple and hypothetical scenario to understand the key terms. For the activity, provide:
	+ one global product all economies produce, for example, bananas
	+ global price for the product for example $2.00 per banana
	+ non-fictional economies to represent the world or global economy
	+ a mix of quantities of the global product for each economy for two consecutive years.
* Use the tables below to calculate:
	+ total bananas sold by all economies for both years
	+ gross domestic product for 20x2 if each banana is sold for $2.00
	+ total Gross National Income of all economies in both years

20X1

|  |  |  |  |
| --- | --- | --- | --- |
| Economy | Bananas | Gross Domestic Product (GDP) | Gross National Income (GNI) |
| Monkeyville | 4000 | $8000 | $11000 |
| Gorilla Town | 6000 | $12000 | $20000 |
| Chimp County | 3000 | $6000 | $1000 |
| Baboon Hills | 7000 | $14000 | $16000 |
| Totals |  |  |  |

20X2

|  |  |  |  |
| --- | --- | --- | --- |
| Economy | Bananas | Gross Domestic Product (GDP) | Gross National Income (GNI) |
| Monkeyville | 5000 | $ | $12000 |
| Gorilla Town | 5000 | $ | $18000 |
| Chimp County | 8000 | $ | $17000 |
| Baboon Hills | 7000 | $ | $15000 |
| Totals |  |  |  |

* Use the data to identify the application of key terms:

**Economies experiencing economic growth:**

* + Which economies experienced an increase in gross domestic product? Gross national income?
	+ Which economies did not experience an increase in gross domestic product? Gross national income?

**Fluctuations in the domestic business cycle:**

* + Gross domestic product for each economy from 20X1 to 20X2, for example, increase or decrease
	+ gross national income for each economy from 20X1 to 20X2, for example, increase or decrease

**Fluctuations in the international business cycle:**

* + What was the change in total gross national income or gross world product from 20X1 to 20X2, for example, increase or decrease in economic growth

**Links between the domestic and international business cycles:**

* + Which economies experienced an increase in gross national income when there an increase in gross world product from 20X1 to 20X2 are in sync with each other or experience economic growth simultaneously.

### Impact of changes in the global economy

* Use the [PMI tool](https://app.education.nsw.gov.au/digital-learning-selector/LearningActivity/Browser?cache_id=7ebeb) to show the impact of an increase in gross world product on interest rates and exchange rates. For example, the increase in confidence and spending that results in inflation. Furthermore, the increases in the cost of living for individuals.
* Watch [Imports, Exports, and Exchange Rates: Crash Cours](https://www.youtube.com/watch?v=geoe-6NBy10&list=PL8dPuuaLjXtPNZwz5_o_5uirJ8gQXnhEO&index=15)e (duration 10:10). As an introduction to exchange rates, play the video from 5:32 to create a comprehension activity or use as a teacher resource to:
	+ define exchange rates
	+ outline the example of the Mexican peso and United States dollar
	+ describe the impact of an increase in the exchange rate
	+ define what an appreciation is and outline its impact on trade.
* Watch [Currency conversion simplified](https://www.youtube.com/watch?v=BLg8YmmGe0c) (duration 3:30), to understand how currency conversion works. Create summary notes that:
	+ identify the two examples used
	+ explain the working out for each example
	+ use some contemporary examples using the current value of the Australian dollar and calculate the value of the currency needed for another currency
* Develop an exchange rate activity for the Australian dollar and compare it to the most traded currency, United States dollar, one advanced economy for example. Japan, Germany and one developing country, for example, Vietnam, Venezuela. The activity should include:
	+ the use of current exchange rate data [Reserve Bank of Australia](https://www.rba.gov.au/statistics/frequency/exchange-rates.html),[Travelex](https://www.travelex.com.au/rates/currency-converter)
	+ a list of common products to purchase or compare currencies

Answer the following questions to interpret the data:

* + Which currency is the most expensive for the Australian dollar?
	+ Which currency is the least expensive for the Australian dollar?
	+ Which currency has the greatest purchasing power? Why?
	+ Which currency has the least purchasing power? Why?
	+ Why is it important to compare currencies when making online purchases?
* Conduct research using the [Big Mac Index](https://www.comparethemarket.com.au/big-mac-index/) to compare the purchasing power of currencies between Australia, developed countries, for example, Japan, Germany and developing countries, for example, Brazil, Venezuela, India. The activity uses the McDonald’s Big Mac index to determine the price of that product anywhere in the world. The activity answers the following questions for comprehension:
	+ How does the index work?
	+ Outline one example of the index in action
	+ How can the index help travel plans?
* Record the price of a Big Mac in each country. Answer the following questions about the data:
	+ What is the price difference between developed and developing countries?
	+ What the countries have the most and least expensive? Why?
	+ Is this usefulness or reliability index?

### The rise and influence of the global economy

* Examine the impacts of the 2008 global financial crisis (GFC) on the global economy, the international business cycle and Australia’s business cycle using the following sources:
	+ [Reserve Bank of Australia](https://www.rba.gov.au/education/resources/explainers/the-global-financial-crisis.html)
	+ [The 2008 Financial Crisis: Crash Course Economics](https://www.youtube.com/watch?v=GPOv72Awo68) (duration 10:10)
	+ [The Crisis of Credit Visualized](https://www.youtube.com/watch?v=bx_LWm6_6tA) (duration 11:10).
* Use the videos above and the [Logic modelling](https://app.education.nsw.gov.au/digital-learning-selector/LearningActivity/Browser?cache_id=347e2) tool to show the timeline of events leading up to the 2008 global financial crisis
* Construct a one-page written summary of the GFC to:
	+ identify the main causes of the crisis
	+ describe how the crisis happened, including the causes of the crisis
	+ discuss the spill over effects on labour, economic growth, employment, banks, government policies
	+ explain how governments responded to the crisis
	+ explain how the crisis affected Australia.
* Conduct an [asynchronous discussion](https://app.education.nsw.gov.au/digital-learning-selector/LearningActivity/Browser?cache_id=2f241) to critically discuss the possibilities of a future global financial or economic crisis. Consider questions such as:
	+ Will a global economic crisis happen again?
	+ What reasons could contribute to it? What is happening now that might lead up to another financial crisis?
	+ What crisis is happening in [Venezuela](https://www.telegraph.co.uk/venezuelan-economic-crisis/)? Will the crisis in [Venezuela](https://www.cnbc.com/2019/08/02/venezuela-inflation-at-10-million-percent-its-time-for-shock-therapy.html) impact the global economy? Why or why not?
* **Extension activity** - create a one-page snapshot or summary of Australia’s economic performance over the course of two years. Identify some of the glossary terms in action. Use the links below for data and graphs for gross world product and Australia’s gross domestic product or national income trends - [Worldometers](https://www.worldometers.info/gdp/), [World Bank](https://data.worldbank.org/indicator/ny.gdp.mktp.cd), [Reserve Bank of Australia](https://www.rba.gov.au/chart-pack/world-economy.html), [Trading Economics](https://tradingeconomics.com/australia/gdp) and [RBA growth stats](https://www.rba.gov.au/chart-pack/au-growth.html).
* Use the [International Monetary Fund Economic Outlook video](https://www.imf.org/external/mmedia/view.aspx?st=Categories&variable=Economic%20Outlook&variableId=7) updates for an overview of the international business cycle to discuss:
	+ current trends in places or with data
	+ current issues in places or with data
	+ forecasted projections for economic growth
* Use the [Logic Modelling](https://app.education.nsw.gov.au/digital-learning-selector/LearningActivity/Browser?cache_id=347e2) discussion tool to provide an easy-to-follow chart on the impacts of changes in the international business cycle can increase or decrease global prices for a product. Consider what happens to the:
	+ confidence level in spending on goods and services by individuals and businesses
	+ level of demand for goods and services
	+ level of supply of goods and services to match consumer demand
* Use the [Parking Lot](https://app.education.nsw.gov.au/digital-learning-selector/LearningActivity/Browser?cache_id=347e2) discussion tool to ensure a clear understanding of the impacts on changes in the business cycle on global prices for a product.

## Learning sequence 4 – Current issues

Students:

investigate a contemporary global issue affecting a local economy in Australia, and analyse the selected issue in relation to causes, impacts on individuals and the economy, and government policy responses, for example:

* unemployment
* environmental degradation
* inequality in the distribution of income and wealth
* inflation
* the setting of interest rates and the role of the Reserve Bank of Australia
* the place of multinational corporations within the Australian economy

### Global issues affecting a local economy in Australia

**Teacher note**: Students need to investigate one of the examples from the suggested list of global issues affecting a local economy in Australia. It is important to understand the nature of the global issue, the main causes of the global issue, how the global issue affects individuals, the economy and the governments’ response to the global issue. It is best to choose a contemporary issue that students can easily relate to or access resources to learn about.

* + Conduct a [brainstorming](https://app.education.nsw.gov.au/digital-learning-selector/LearningActivity/Browser?cache_id=347e2) discussion to identify a range of contemporary issues facing the Australian economy.
* Examine one of the global issues affecting a local economy in Australia, for example, environmental degradation.
* Create a multimodal presentation using Microsoft PowerPoint, [Prezi](https://prezi.com/education/), [PowToon](https://www.powtoon.com/home/), Ted talk, diorama or [whiteboard animation](https://www.renderforest.com/presentation-videos/educational-presentations). The presentation needs to include:
	+ an outline the global issue
	+ a description of the local economy, including recent trends in economic growth, total income, employment, expenditure
	+ a description of the importance of the local economy to the overall economy, including recent trends in economic growth, income, employment, expenditure
	+ an explanation of the relationship between the global issue and the local economy
	+ the social, environment and economic impacts of the global issue on the local economy
	+ the government’s response or management strategy to address the global issue and promote environmental sustainability
	+ making recommendations for minimising the global issue and its impact on the local economy, ensuring environmental sustainability