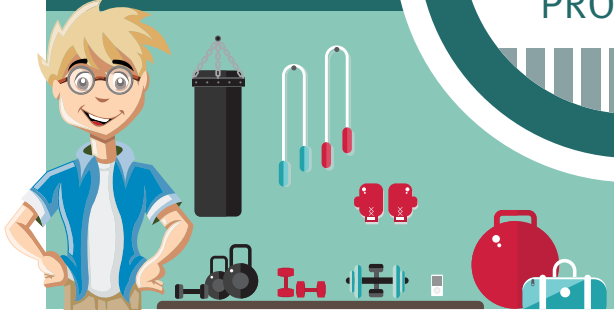


# BUY SMART PROGRAM

## CONTRACTS



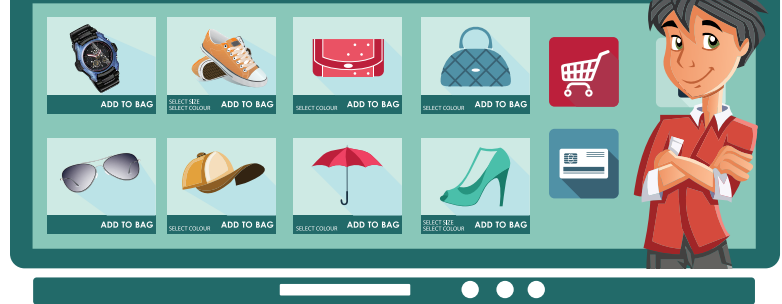
## ADVERTISING



## BUDGETING



## ONLINE SCAMS



## SHOPPING AROUND



## CONSUMER RIGHTS



## BUYING A CAR



## ENTER NOW



Teachers' resource kit—Secondary

Office of Fair Trading | [www.qld.gov.au/buysmartcomp](http://www.qld.gov.au/buysmartcomp)



# Buy Smart program



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## Teacher's note:

Information on consumer rights and responsibilities is available from the Office of Fair Trading's website at [www.qld.gov.au/fairtrading](http://www.qld.gov.au/fairtrading)

Teaching guides and curriculum mapping for this resource are available at: [consumerlaw.gov.au/resources-and-guides/teachers](http://consumerlaw.gov.au/resources-and-guides/teachers)

## For more information contact:

### Office of Fair Trading

GPO Box 3111, Brisbane Qld 4001



[www.qld.gov.au/buysmartcomp](http://www.qld.gov.au/buysmartcomp)



13 QGOV (13 74 68)



[buysmart@qld.gov.au](mailto:buysmart@qld.gov.au)

# For teachers

## Buy Smart program—a guide for teachers

Welcome to the Buy Smart program, designed to teach Queensland's youth lifelong skills and awareness on consumer issues.

Students, like other groups in society, are consumers. When they hop on the school bus, line up at the tuckshop, buy a mobile phone, lay-by the latest computer game or buy a new outfit, they are consumers. But are they 'smart' consumers? Are they able to make informed choices, ask the right questions and seek help when they don't get what they paid for or when the service is not what they were expecting?

Spending money wisely is something we all must learn. We all need good consumer and financial skills to navigate through the wide range of choices we have when buying products or services. Providing young people with these skills helps to establish good habits and responsible attitudes from an early age.

### This kit contains:

- information on how you can use the Buy Smart program
- classroom, teacher-led and independent activities
- information on school incursion sessions
- information about entering the Buy Smart competition.

Resources in this kit can be downloaded and used together or separately to suit your lesson plans.

Additional information and resources can be found on the Buy Smart website at: [www.qld.gov.au/buysmartcomp](http://www.qld.gov.au/buysmartcomp)

## How to integrate the Buy Smart program into the classroom

Teachers can use the Buy Smart program in various Years 7–12 curriculum areas including:

- Business
- Legal studies
- Business and economics
- Career development
- Information and Communication Technologies and Design
- Mathematics.

## The Buy Smart Competition

The Buy Smart Competition is an integral part of the program. Run annually by the Office of Fair Trading, the Buy Smart Competition is designed to increase students' knowledge and understanding of financial and consumer issues, such as saving, budgeting, credit, buying a mobile phone and spending wisely.

**The Buy Smart Competition also has the added bonus of prize money for the winning schools and students!**

## How you can use it

### As an assessment piece

Buy Smart Competition entries are ideal as a student's final assessment piece for many different subjects. The school curriculum is packed! Using the competition as an assessment piece alleviates the need to try and squeeze in yet another activity in an already overflowing schedule.

### As a reinforcement tool for unit/subject work

Buy Smart Competition entries can reinforce work taught in a way that directly reflects the curriculum or your school's subject plans. As the competition encourages self-learning and creativity, it can be a fun and expansive way for students to encapsulate what they have formally learnt in the classroom.

The competition may also be useful in the development of communication skills through writing letters of complaint, exploring the role of marketing and advertising, presentation techniques and community education.

### As a framework for unit/subject work

While the Buy Smart Competition is aligned to units and subject work where consumerism is the primary focus of learning, it can easily be applied to other subject areas. The competition is versatile in terms of what constitutes a project. As long as content is based on a consumer or financial literacy issue, how it is delivered can be entirely driven by teachers.

### As an extra-curricular activity for extension students or learning support

The Buy Smart Competition provides an excellent opportunity for extension students to expand the scope of their studies. It is the perfect showcase for innovation, creative thinking and resourcefulness. Students are encouraged to 'think big' or 'outside the box' in developing new ways to communicate a message to others.

Likewise, learning support students can also benefit from entering the Buy Smart Competition as it can give context to learning in a fun way. For example, a learning support student won a Commendation prize for a simple yet effective PowerPoint presentation on consumer rights.

### As 'life skills' education

Students not working towards an OP or participating in Vocational Education and Training (VET) can also benefit from entering the Buy Smart Competition. The competition can teach important financial and consumer skills and encourage critical thinking necessary for future independent living. Students can explore areas that specifically interest them, including buying a car, mobile phone contracts, online shopping and the rights and responsibilities of businesses and consumers.

Culturally and linguistically diverse students can also use the competition to explore Standard Australian English, as well as gain valuable knowledge of the Australian market and their rights and responsibilities within it.





# School incursion sessions

You can book one of our officers to visit your class for an engaging and interactive presentation on one of our Buy Smart topics (typically 45–70 minutes duration). Email us at [buysmart@qld.gov.au](mailto:buysmart@qld.gov.au) to find out more.

Schools in rural or remote areas are welcome to participate. Please contact us to discuss.

## Years 7–12

### Safer online shopping and avoiding digital media scams

- Developing critical thinking tactics to be scam-aware when shopping online
- Evaluating an online platform's security, including checking for secure URL and payment options, before inputting personal or financial details
- Recognising how scammers use tactics such as emotional manipulation in order to target victims
- Evaluating the legitimacy of unsolicited email or social media contact
- Understanding the importance of personal information security to reduce the risk of financial detriment and/or identity theft

## Year 7

### Shoppers, traders and 'the marketplace'

- Exploring how consumers and businesses interact in a market economy
- Considering methods for becoming a more informed consumer
- Working with budgets and savings plans
- Recognising the factors that influence price
- Introducing basics of marketplace regulation
- Considering situations where a consumer may or may not legally return a product

## Years 8–9

### Consumer rights and responsibilities

- Elaborating on how market regulation creates fairness for consumers and business
- Exploring consumer protection rules around misleading and unethical sales practices
- Distinguishing false advertising from creative 'puffery'
- Introducing rules about 'consumer guarantees'
- Understanding when and why businesses must offer remedies for faulty products or services

## Years 10–12

### What is the Australian Consumer Law?

- Introducing the legal context of the Australian Consumer Law (ACL)
- Exploring how consumers can engage with the ACL when in conflict with a trader
- Understanding the role of ACL regulators
- Exploring how the ACL enforces consumer protections against illegal sales practices
- Demonstrating how 'consumer guarantees' provide an avenue for resolving civil disputes

### Buying your first car

- Understanding how buying a first car is a 'major' consumer purchase
- Evaluating key considerations when buying from private sellers or motor dealers
- Avoiding car-sale scams (such as online)
- Recognising how consumer protection laws apply to motor vehicle sales
- Recognising the types of checks to do if buying, particularly in a private sale



# Introduction activity



## Introduction to consumer law and fundamental consumer rights

Who/what is a consumer and what do they do?

.....

.....

.....

What type of consumer are you?

.....

.....

.....

What sorts of things do you consume?

.....

.....

.....

Think about yesterday and try and recall what you consumed.

.....

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.....

In 1962, John F Kennedy declared four fundamental consumer rights. In 1985, the United Nations added another four and these eight rights are now recognised internationally. Explain what you think they mean in your own words.

1. The right to safety

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2. The right to be informed

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3. The right to choose

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4. The right to be heard

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5. The right to redress

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6. The right to education

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7. The right to a healthy environment

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8. The right to satisfaction of basic needs

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For each item in the following list, identify which of the eight fundamental consumer rights is not met:

- A raincoat that is not waterproof.
- Canned food that contains foreign material.
- Improper labelling of clothing.
- A school without toilets.

In Queensland, the Office of Fair Trading is responsible for ensuring businesses operate in a fair and safe marketplace and consumers are well educated about their rights and responsibilities.

Why do you think such an agency is necessary?

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Which sections of the community might be the most vulnerable to practices that take unfair advantage of consumers?

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## Case study

**Read (or role play) this scenario and answer the following questions...**

PERSON 1: Check out my new mobile! I already downloaded heaps of apps. This one helps me with guitar chords, and I can record my songs on this one.

PERSON 2: Cool. What about streaming?

PERSON 1: Music, TV, movies. Anywhere I am.

PERSON 2: So jealous. What is it, a cap or a plan?

PERSON 1: I think it's a cap. The parents have me on this one where I get \$450 value for just \$50 a month.

**The next day...**

PERSON 2: Oi, come here a minute. I'm trying to work out E-flat diminished 9 on my guitar. Can I use your phone?

PERSON 1: No can do. Parents took my phone. I kind of went \$200 over my limit. I have to repay Mum before I get it back.

PERSON 2: Seriously, why didn't you read the terms and conditions? You've got nobody to blame but yourself.

**Now answer these questions.**

Why is it important to read and understand the terms and conditions?

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List at least three mistakes made.

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# Protecting consumers in Australia

## Case study

### Read the extract and answer the following questions.

It was a warm day in the town of Paisley, outside of Glasgow, Scotland in 1928 when Mrs May Donoghue and a friend stopped for a drink at a small café.

Mrs Donoghue ordered a small bottle of ginger beer. The shopkeeper poured the cold soft drink into a glass for Mrs Donoghue.

Mrs Donoghue then drank her ginger beer only to receive a terrible shock when she looked into the bottom of her empty glass. There lay the decomposed remains of a snail!

Needless to say Mrs Donoghue was very distressed. A dead snail had contaminated her drink. She not only became upset, but sick as well and had to take time off work to recover.

The shopkeeper assured her that he was not in the habit of adding dead snails to his customers' drinks. It was then determined that the snail had been sealed in the bottle at the time it was manufactured.

Mrs Donoghue decided to sue the manufacturer for shock, gastro-enteritis, mental depression and loss of wages. This was the first time such a legal action had been taken against a manufacturer. Because it was the first case of its type it went all the way to the House of Lords in England!

Here the House of Lords decided that the manufacturer had been negligent. They argued that people who make products have a duty of care to those who will buy their products (consumers). They should be responsible enough to ensure their products are safe and will not harm consumers.

The House of Lords then said that if a product is found to be unsafe and harmful to a person, that person has a legal right to seek compensation from the manufacturer. Compensation usually takes the form of a monetary sum. Unfortunately for Mrs Donoghue, the manufacturer died before the case was finalised and she only received 200 pounds (about \$700).

But, most importantly, Mrs Donoghue's persistence in taking the manufacturer to court helped governments all over the world realise that consumers needed protection. The truth is that not everyone can afford to take a manufacturer to court if they are unhappy with a product. In Mrs Donoghue's case a law firm offered their services for free to help her take her case to the House of Lords. Now there are laws that protect consumers from manufacturers who produce unsafe or harmful products or who conduct business in an unfair way.

What fundamental consumer right was not met in the case involving Mrs Donoghue?

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What was so significant about this case? Discuss the issue of 'duty of care'.

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**Source:** *Issues in business law: protecting consumers in Australia*, David Parker, Senior Lecturer, Victoria University of Technology.

Why do you think governments have become involved in protecting consumer rights?

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Give an example of situations today where this principle is applied.

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## Further discussion

How has the practice of buying goods changed in terms of who should be wary?

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Does a contract between a consumer and supplier or manufacturer have to be in writing?

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What is the difference between a civil and a criminal action?

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What is the purpose of the *Competition and Consumer Act 2010 (Cth)*?

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Why would pyramid selling be seen as diminishing consumer rights under the Act?

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# Budgeting activity



## Budget planning

A budget is a very good way to keep track of your money. When you keep a track of the money coming in and the money going out, you have a better idea of how much you can save for something special.

### The three steps to saving

The three steps to saving are:

1. working out how much you need to save
2. preparing a budget
3. adjusting the budget to make sure you can save the amount you need.

### Take the family saving challenge

Imagine that you and your family are planning a trip to Movie World for the day. You will need to do some research into the cost of a day at Movie World (taking into account transport, entry fees, food, drinks and souvenirs).

Work out how much it would cost your family to go to Movie World: \$ .....

This becomes your savings target.

Now it is time to examine your family's budget to see how long it will take you all to save towards the day out.

Use the budget planner below to determine where your family spends its money each week. Remember, some bills come monthly so you may have to work out how much to put aside each week towards that bill.

Budget planner	Money in	Money out
<b>Income</b>		
Take-home pay		
Other		
<b>Expenses</b>		
Household expenses		
Rent or other payments		
Electricity		
Gas		
Water		
Rates		
Telephone—home		
Telephone—mobile		
Maintenance (e.g. lawn mowing, general yard and house repairs)		
<b>Insurance</b>		
House insurance		
Car insurance		
Contents insurance		
Health insurance		
Life insurance		

Budget planner	Money in	Money out
<b>Shopping</b>		
Clothes/shoes		
Groceries		
Other		
<b>Entertainment</b>		
Holidays		
Sport		
Eating out/socialising		
Movie tickets		
Music downloads		
Club memberships		
Internet access		
Pay TV/streaming services		
Other		
<b>Education</b>		
Books		
Fees		
Loans and repayments		
<b>Personal loan repayments</b>		
Hire purchase/rental		
Credit/store cards		
<b>Travel and car expenses</b>		
Public transport		
Car repairs/servicing		
Petrol		
Car registration		
Car loan		
<b>Weekly income</b>		
<b>Subtract weekly expenses</b>		
<b>Income after expenses</b>		



Write the amount you have left over here: \$ .....

How much can you put aside for Movie World? \$ .....

How long will it take until you can go to Movie World? .....

Consider if there are areas of your budget that you could change to help you save faster.

Write your suggestions here and then determine how much earlier you may be able to go to Movie World.

# Managing your money—budgeting

Jodie is working as an administrative assistant for a stationery company and earns \$400 per week (after tax). She has decided she wants the new iPhone, which will cost \$420.

Jodie knows she needs to prepare a budget to make sure she saves the money.

She sets out her weekly expenses as:

Rent	\$120
Kitty (contribution to food bill)	\$60
Other food and drink	\$30
Bills	\$40
Fares	\$15
Clothes, toiletries	\$30
Entertainment	\$65



## Activity

1. Work out the following:

a) How much is Jodie able to save each week?

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.....

b) How long will it take her to pay for the iPhone?

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2. Discuss: Which of Jodie’s expenses are ‘fixed’ and which are ‘variable’?

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3. What are three things Jodie could do to save more money?

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4. If Jodie decided to walk to work, how much sooner will she get the iPhone?

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## Budget categories

When preparing a budget it is important to consider all your expenses throughout the year. Use this guide to help you identify what specific expenses your family may have under these main categories.

Try to determine how much your family would spend weekly and annually.

Budget activity		
Category	Estimated weekly spend	Estimated annual spend
<b>Home</b>		
Rent/mortgage		
Property taxes		
Insurance (renter's or homeowner's)		
Telephone		
Gas and electric		
Water		
Household supplies		
Homewares		
Furniture and appliances		
Cleaning		
Yard or pool care		
Maintenance and repairs		
<b>Total home:</b>		
<b>Food</b>		
Groceries		
Breakfast out		
Lunch out		
Dinner out		
Coffee/tea		
Snacks		
<b>Total food:</b>		

Budget activity		
Category	Estimated weekly spend	Estimated annual spend
<b>Clothes</b>		
Clothing		
Accessories		
Shoes		
Laundry, dry cleaning and mending		
<b>Total clothes:</b>		
<b>Personal</b>		
Toiletries		
Medication/medicine		
Health insurance		
Cosmetics (make up)		
Haircuts		
Beautician		
Massage		
Gym membership		
Donations		
<b>Total personal:</b>		
<b>Transportation</b>		
Insurance		
RACQ (road service club)		
Registration		
Petrol		
Maintenance and repairs		
Car wash		
Parking and tolls		
Public transport		
Taxis		
<b>Total transportation:</b>		

## Budget activity

Category	Estimated weekly spend	Estimated annual spend
<b>Entertainment</b>		
Music downloads		
Software or applications (for computers, iPods, iPhones etc.)		
Movie tickets		
Pay TV/streaming services		
Concerts, theatre or ballet		
Museums		
Sporting events		
Hobbies and lessons		
Books and/or magazines		
<b>Total entertainment:</b>		
<b>Travel (holidays)</b>		
Accommodation		
Food		
Insurance		
Transportation		
<b>Total travel:</b>		
<b>Gifts</b>		
Holidays (e.g. Easter, Christmas)		
Birthdays and anniversaries		
<b>Total gifts:</b>		



# Money in the real world

## Task

You are to create a budget based on a set income. You will need access to newspapers and the internet to complete this activity, as well as enlist the help of the person at home responsible for paying your household bills.

## Scenario

### Imagine your dream career.

Now search the employment section of your newspaper or use job search websites to find out about a position in that field at an entry level (assume you have attained the basic qualifications). Write out the key details:

.....

.....

Note the advertised salary for the position: .....

Go to the Australian Tax Office’s website ([www.ato.gov.au](http://www.ato.gov.au)) and find out about tax rates. Depending on how much money you earn each year, you must pay a portion of it in tax to the federal government.

Write down how much money you will earn after tax: .....

Now, divide that amount by 52 to determine your weekly income: .....

You now need to find a place to live. Based on the location of the position, search relevant newspapers or the internet to find accommodation that you think would be suitable. Write the details down here including how much you will pay in rent each week.

.....

.....

Paying rent is not going to be your only expense. You will also need to pay bills for electricity and/or gas and phone. And don’t forget about home contents insurance. Ask the person responsible for paying the bills in your home to help you work out what you might pay for these expenses each week.

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Now you have to think about transport. If in Queensland, you may be relying on public transport to get to work so access the Translink website [www.translink.com.au](http://www.translink.com.au) to find out how much you will have to pay in commuter fees.

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Living away from home you might like to consider basic private health cover. Search online for a package that suits your needs.

Add the weekly amount: .....

Now you can think about the fun stuff! What expenses are you likely to have each week in relation to socialising (e.g. movies, eating out/ socialising, sport, gym memberships, magazines, etc.)?

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How about your food bill? Go to an online store such as Woolworths [www.woolworths.com.au](http://www.woolworths.com.au) or Coles [www.coles.com.au](http://www.coles.com.au) and work out how much you might spend on groceries each week.

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Now that you are working you also have to consider keeping your wardrobe up to date.

How much are you likely to put aside towards new clothing each week? .....

You'll want to enjoy your holidays when you get them. In order to enjoy them you will have to put some money away each week. Calculate what type of holiday you would like (usually you have four weeks a year of holidays when working full time) and how much it will cost including travel expenses, food and spending money. How much will you need to save each week to enjoy your dream break?

.....

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.....

Okay, we're nearly there. What about savings for a laptop, a car or even a property deposit? How much can you commit to each pay?

.....

.....

.....

## Now we are ready to look at your budget

Write your weekly income: ..... (a)

Put the total of all your expenses: ..... (b)

When you subtract (b) from (a), is there any left over (surplus) or not (deficit)? .....

## Final analysis

### At home

*Discuss* your budget and the final outcome with the person at home responsible for your household budget. Consider the following questions in your discussion:

- How accurate do you think you were in your calculations?
- Is money going to be tight?
- Do you have to make any changes to your budget? What will they be?
- Have you been realistic?
- How does this budget compare with your real household budget?
- What other expenses might there be? Consider setting up a unit properly, if you had a car, an internet connection and a mobile phone. How much money would be good to have saved in the bank before you moved out of home to help you manage the transition successfully?

### At school

*Discuss* with your partner/team members the fact that you did have to live on a very tight budget. It may be hard to resist the lure of a credit card that would allow you to borrow an amount of money to buy extras or things that you need. What sorts of things might you purchase on a credit card if you were living away from home for the first time? What advantages would there be in having a credit card? Can you think of any negatives associated with a credit card?





## Do I need a credit card?

Before you sign up for a credit card think carefully about what you are getting yourself into.

### Why get a credit card? The pluses and minuses

- Plus:** Getting a credit card can be easy. You can have access to extra money almost straight away.
- Minus:** Easy access to money comes at a price. There are always extra fees to pay. It doesn't mean the lender thinks you can afford the card; they are only interested in getting you signed up. You need to decide if you can really afford it.
- Plus:** I can pay for things straight away; I don't need to save up.
- Minus:** You might buy things you don't really need just because you can. Remember you still pay for it eventually, with interest. Ease of payment does not mean ease of repayment.
- Plus:** Sometimes you need a credit card to buy things on the internet or over the phone.
- Minus:** Yes, but consider a debit card rather than a credit card—that way you are using your own money.
- Plus:** I can buy things on sale when I see them and save money.
- Minus:** Often the interest charged on your card will be more than the money you save on a sale item.
- Plus:** Some companies let you increase your credit limit even when you owe money on your card.
- Minus:** This is a way to get you to spend more of their money. You will end up owing more than you can afford.
- Plus:** I don't have to pay back the full amount on my credit card. The lender only asks for a set amount each month—I can manage that!
- Minus:** If you only pay back the minimum amount you will end up paying back more in interest charges and find it hard to ever pay off your card—particularly if you continue to use it.
- Plus:** If a credit card helps me get out of a tough situation it can't be all that bad!
- Minus:** Consider if there are any other alternatives before you use the card. A credit card may seem like an easy way to get a bit of extra money in tough times. But it still means you have borrowed the money from someone—and whenever you borrow money you usually have to pay back extra.
- Plus:** I'm pretty good with money; I think I can handle a credit card.
- Minus:** Maybe. But if you are good at budgeting you can live without a credit card. If you regularly put money aside to cover ongoing expenses and even emergencies you will be able to cope with busy financial times.
- Plus:** Having a credit card means I will never miss a good deal.
- Minus:** Deals come around all the time. Better to budget and save wisely, and that next deal may end up being better anyway.



## Types of credit

There are many different types of credit designed to help you find easy ways to pay for goods and services. But remember, all types of credit involve lending you money at a price—you will usually pay extra for the convenience of using someone else's money.

When you leave school, you may find yourself using credit through a:

- credit card—a card that gives you access to a set amount of money to spend where you like
- store card—a credit card to be used in that store only, usually with a set limit
- mobile phone agreement—usually you pay for the phone/service as part of your regular bill rather than having to pay any costs up front
- personal loan—a small loan for a car, laptop, etc. that enables you to repay the money over a number of years
- student loan—usually organised through your place of study. You don't have to pay back the money until you start working full time.
- buy now, pay later (ie. Afterpay)—offered by approved retailers, they allow you to order or purchase a product immediately and delay payment.
- payday lending—for those who need money fast but fees and charges can be higher than other types of credit.



### Activity 1

Research examples of each type of credit listed and complete the following questions:

- Find out the average interest rates charged and the time period for repayment on each option.
- Analyse the consequences of taking longer to repay the borrowed money under each option (i.e. how much extra could you end up paying?).
- Imagine you had to purchase a computer urgently. Would a credit card or personal loan be the best option? Why?
- Investigate how the Study Assist system works. This is a system that enables you to borrow money for tertiary studies. What are the advantages and disadvantages of this system?
- Why might a prepaid mobile phone be the best option for someone on a low income?

### Activity 2

Choose two money-lending organisations and find out about the financial services they provide.

An organisation might be a:

- bank
- insurance company
- merchant bank
- home loan lender
- building society
- credit union
- finance company.

Describe the credit options they have available in relation to:

1. credit cards
2. personal loans
3. home loans
4. other credit or loans.

*Discuss* your findings with team members and then present to the class.

## Credit cards—using them wisely

Jim has a credit card that he uses for most of his purchases.  
Read his recent statement below and answer the questions that follow.

### EASI CREDIT BANK

Mr Jim Miller  
98 Strange Street  
Brisbane Qld 4000

Statement issued	4 May 2017
Account number	9867 2347 0987 6283
Payment due date	29 May 2017
Minimum amount due	\$25.00
Opening balance	\$56.75
New charges	\$262.03
Payments	\$144.35
Closing balance	\$174.43

### CREDIT CARD STATEMENT

<b>Credit limit</b> \$2000	<b>Available credit</b> \$1825.57	<b>Annual rate</b> 16.05%	<b>Daily rate</b> 0.04397%
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Date	Reference number	Transaction details	Amount
12 Apr	DSJS79303YU77E339	Pizza Palace Taringa	\$26.50
13 Apr	DJDD3363G3BE8BHS	Goodbuy Supermarket I'pilly	\$61.10
14 Apr	455443743BDJDTQI	Payment Received	\$144.35
17 Apr	87657454357G55VZ	Cinema Online 1134	\$22.00
22 Apr	7364648NCJHBD77D	World of Wheels Island Park	\$57.50
24 Apr	XDBSW86464HFWSK	Pizza Palace Taringa	\$19.90
28 Apr	DJDD3363G3AD7CIT	Goodbuy Supermarket I'pilly	\$54.43
01 May	T673Y3D829294754T	Pizza Palace Taringa	\$19.90
03 May	93457223VDJCFSERJ	FID Government Duty	\$00.70

- Did Jim owe any money on his credit card at the beginning of this statement?
- What is the total purchase amount in the period shown?
- What is the total Jim had to pay by the due date to avoid any credit charges?
- Jim paid only the minimum amount due and spent \$230 in the next month. He also had a government duty of \$00.70. How much interest was Jim charged in the next statement issued on 5 June? Jim's account charges interest from the statement's issue date for any amount not paid by the due date. Show your working.
- What was the total amount of the next statement?
- On Jim's card, cash advances do not have an interest-free period. If he takes out a \$100 cash advance on 7 July, how much interest will be charged on 4 August?
- Discuss:* What do you think are some of the strategies for using a credit card without getting into trouble with credit?

## Credit card agreements—what the terms mean

### Annual percentage rate

Credit card companies disclose the interest rate in several ways, but you want to look at the annual percentage rate (APR). This is the amount of interest, transaction fees and other charges that you will pay per year, expressed as a percentage. Although the APR is an estimate (it will vary a bit depending on how many transaction fees you incur and how large a balance you carry), federal law requires that it be calculated in a standard way. It is the best indicator of the actual interest you will pay.

If you never carry a balance on your credit card, then the APR is not important. You won't ever pay interest. But, if you don't pay your bill in full each month, the APR is crucial. Obviously, the lower the APR, the better. But be sure to read the fine print. Some cards have a low 'introductory rate' (also called a 'teaser rate'). After a few months, the interest rate will skyrocket. Also, sometimes the advertised rate only applies to certain people, such as those earning a high income. The card company charges a much higher rate to those who don't qualify—which could mean an unpleasant surprise when your first bill arrives.

### Interest

This is the extra money you repay in addition to the money you borrowed.

### Interest rate

This is the amount of interest you will pay expressed as a rate. For example, 12% per annum, even working on simple interest, this means that for every \$1000 you borrow you will have to pay back \$120 extra each year!

Most of the time debts on credit cards are calculated on a monthly rate at compounding interest—so if you put \$1000 on your credit card in January 2018 and do not pay anything until January 2019 your amount owing will be \$1126, if you do not pay anything until January 2020 it will be \$1269 but by the end of January 2021 it will be \$1430! If you do not pay anything for 10 years, your total bill for \$1000 would end up being \$3300!

### Grace period

This is the interest-free period of time between the purchase date and the bill due date. It is usually available only to those who do not carry a balance. If you pay your bill in full each month, make sure you have a grace period. Otherwise, you'll pay interest from the date of your purchase. If you carry a balance, a grace period is not important.

### Annual fees

Some credit card companies charge you a flat fee (in addition to interest and other charges) for using their card. Some do not. Check the fee details and make a realistic payment plan to work out the best option for you.

### Transaction fees

Most credit card companies also charge fees for cash advances and apply penalties if you pay the bill late or go over your credit limit. Check the fine print to see how high these charges can go.

### Higher interest rates for cash advances and late payments

Virtually all credit cards charge higher interest rates for cash advances. With some cards, if you make late payments the company imposes a new, much higher interest rate. If you think you might pay late once in a while (be realistic), check out these interest rates. Some exceed 20%.

### Rebates, loyalty programs and other perks

Many credit cards now allow you to earn cash back, free air travel, discounts on goods and services, funds for charity or other bonuses by using the card. Don't sign up for a card based on these perks alone—be sure to consider the other card terms as well. If you will pay high interest and high annual fees, you might be better off without the perks. You can use the money you save to buy airline tickets or contribute to your favourite charity.



# Enhancing—Complaints, cars, credit and you



## Making a complaint

### Different approaches

As a consumer, you have legal rights when you purchase goods and services in Australia. Goods and services must meet certain standards and, in some cases, you may be legally entitled to a refund if these standards are not met.

When you have a problem with a good or a service you have purchased, you have a number of choices when it comes to expressing your concerns and asking for a remedy:

- phoning the business
- speaking to the business in person
- writing a letter or email to the business.

Each approach has advantages and disadvantages. Can you suggest one advantage and one disadvantage for each approach?

Phone:

.....

.....

In person:

.....

.....

Letter or email:

.....

.....

### What do you want to achieve by complaining?

When making a complaint it is important to be very clear about your purpose (what you want to achieve through this activity). For example, you might contact the seller to:

- express your anger
- express your disappointment
- ask for clarification
- demand compensation (redress)
- to persuade him/her to provide a replacement product or alternative service
- to provide information on the service they provided to you.

### How to complain

Before you complain check your consumer rights under the law.

Regardless of which complaint method you choose, you need to be aware of the language you use and your tone. It is important to remember that a calm, rational approach to a problem is more effective than yelling or making heated accusations.

Preparation is important when making a complaint. You should consider the following before continuing the matter. This list serves as a guide to how you might conduct a conversation or structure a letter of complaint. Remember try to avoid emotive or threatening language.

### Clearly identify the product or service and the seller

- When did you buy or order the good or service? Be specific about dates and details.
- What actually happened when you purchased or collected it?
- What is the problem?
- How has the good or service failed to meet your expectations or the seller's claims?
- How do you feel about what has happened?
- What would you like the business to do about the problem (a replacement, credit, your money back)?
- What types of things might the business say or write?
- How do you expect the business will respond?
- How would you like to be contacted in relation to this matter?

### How the Office of Fair Trading can help

Sometimes, despite your best efforts, businesses may be reluctant to offer a refund, compensation or improve their service. If this is the case, you can contact the Office of Fair Trading, which can approach the business on your behalf. Fair Trading officers are experienced in consumer law and are able to follow up on complaints if businesses are not fulfilling their obligations to their customers.

When contacting the Office of Fair Trading, you need to provide as much information as possible about the transaction and what happened to ensure it can be followed up successfully.

Visit the Office of Fair Trading website  
**[www.qld.gov.au/fairtrading](http://www.qld.gov.au/fairtrading)**  
for information on how to make a complaint.

## Activities

### Scenario 1

On the last day of your holidays at the Gold Coast you buy a USB of photos from rides at the theme park. After driving home, you load the photos onto your computer to find the wrong person in the photos. You live on the north side of Brisbane and it will be very difficult to return to the theme park in person. You still have the receipt for the USB, which also contains a contact phone number for the store at the Gold Coast. There is a ticket office store at your local shopping centre.

You decide that you are going to deal with the business directly in relation to this problem either by phone or in person. What are you going to do?

With a classmate, role play your attempt at a solution in front of the class.

### Scenario 2

You buy some gaming software from a computer store having a sale. You select the item from the basket at the front of the store advertising 'Sale items—all half price'. When you pay for the item at the counter you noticed that there was another sign behind the counter, 'No refunds on sale items'. When you take the software home your gaming system does not accept the CD.

You are very upset and return to the store the following afternoon. However, the shop assistant says you could not have a refund because the item was on sale. You ask to see the manager but are told he is not in the store. What can you do now?

### Scenario 3

On New Year's Eve, Brisbane Electrical Repairs (1 Investigation Drive, Toowong) collected your TV to repair the HDMI input. You paid a \$30 pick-up and return fee as well as \$100 up front towards parts and servicing. After discussing the problem with you, the repairer said he would have the TV returned to you by the second week in January. It is now mid-February.

When you spoke to the repairer this week he said that he was having some bad luck and hadn't been able to fix the TV. When you expressed concern over the time it was taking he assured you that he would have it returned by the following week.

In the meantime, you purchased a cheaper TV because your family could not manage without one, especially over the school holidays.

Because you have not received any satisfaction from the repairer you decide to contact the Office of Fair Trading. Decide whether you want to write a letter or complete the online complaint form at [www.qld.gov.au/fairtrading](http://www.qld.gov.au/fairtrading)



# Second-hand cars: how to avoid the pitfalls

You have \$ ..... with which to purchase your first car. Consider that you will need to cover not only the price of the car but insurance, vehicle inspection, compulsory third party insurance, registration, stamp duty and any other extras such as floor mats and window tinting.

## What features do you need?

Consider the engine size. If you want something for city driving that is very economical consider a small 1–1.6 litre car. Larger engines are better for transporting more than two passengers and lots of highway driving. Do you need air-conditioning? Can you drive a manual or an automatic? Do you need four doors or will a two-door hatch do?

## Start looking

Look at the used-car sections of the weekend papers to select your top three models. Make note of all details advertised in relation to each model.

1: .....  
.....  
.....

2: .....  
.....  
.....

3: .....  
.....  
.....

Access the RACQ website at [www.racq.com.au](http://www.racq.com.au) to find out if there have been reviews of these models. Take note of any mechanical concerns. Write down any key pluses and minuses for each model. Circle your preferred model.

1: .....  
.....  
.....

2: .....  
.....  
.....

3: .....  
.....  
.....



## Extra costs

Find quotes for the following based on your preferred model.

- Insurance \$ .....
- Compulsory third party insurance \$ .....
- Transfer of registration \$ .....  
(find more information at [www.tmr.qld.gov.au](http://www.tmr.qld.gov.au))
- PPSR Certificate \$ .....  
(find more information at [www.ppsr.gov.au](http://www.ppsr.gov.au))
- Vehicle inspection \$ .....  
(find more information at [www.racq.com.au](http://www.racq.com.au))
- Vehicle registration duty (previously called ‘stamp duty’) \$ .....  
(find more information at [www.osr.qld.gov.au](http://www.osr.qld.gov.au))
- Extras (e.g. window tinting, floor mats) \$ .....
- Total \$ .....

## Using a licensed dealer

The Office of Fair Trading recommends that used-car buyers consider going through a licensed motor dealer. The price may be a little more expensive than from a private seller, but this approach offers greater protection to the buyer. For example, you can have a cooling-off period of one business day and you have a guarantee of clear title, which means that you are protected against having the car repossessed if anyone owes money on it or if it turns out to be stolen.

Be careful to check that the dealer isn’t selling the car on behalf of a private seller—what is often called ‘on consignment’—if that is the case you do not have access to these extra conditions or the cooling-off period.

## How to avoid buying a ‘bomb’

RACQ has developed ‘Ten tips for buying a car’ ([www.racq.com.au](http://www.racq.com.au)) to help consumers avoid the pitfalls of buying a second-hand car.

1. **Choosing the vehicle**—buy the type, make and model of car that best suits your needs, and your pocket. Always research the market first so that you know what to expect in terms of value for money.
2. **Financing**—never accept a loan or finance agreement just because it’s quick, easy or convenient. It may be at a high interest rate. Shop around for competitive finance before going car shopping.
3. **Consumer protection**—Licensed dealers must offer a cooling-off period and statutory warranty on most used vehicles they sell.
4. **Make safety a priority**—choose a car with a high Australasian New Car Assessment Program (ANCAP) ([www.ancap.com.au](http://www.ancap.com.au)) or used car safety rating ([www.racq.com.au](http://www.racq.com.au)) and comprehensive safety features.
5. **Independent inspections**—always have a used car inspected by a qualified mechanic before you decide to buy it. Don’t rely on the safety certificate or statutory warranty! Make an independent inspection report a written condition of the contract and don’t accept the car unless you are satisfied with its condition and any agreed repairs have been carried out.
6. **Put things in writing**—ignore any promise, warranty or guarantee that isn’t in writing, or that is conditional in any way.
7. **Background checks**—if buying a used car privately, contact the Insolvency and Trustee Service Australia, which administers the Personal Property Securities Register (PPSR), on **1300 007 777** or [www.ppsr.gov.au](http://www.ppsr.gov.au) to check if there is any outstanding finance owing on the vehicle. Check the Written Off Vehicles Register (WOVR) ([www.tmr.qld.gov.au](http://www.tmr.qld.gov.au)) to make sure the car has not previously been severely damaged and is classified as a write-off.



8. **Signing a contract**—never sign a contract until it's complete, you have thoroughly read and understood it, you are sure you want the car, you can afford it and it is in the condition you are prepared to accept. Once you sign it, it's usually yours. With new vehicles, write on the contract prior to signing, the colour which must be supplied and the date by which it must be delivered. If a dealer does not deliver as agreed, the contract will be cancelled and deposit money refunded.
9. **Important documents**—always get a copy of any contract and warranty documents you sign and a copy of the safety certificate. Remember to check the safety certificate is valid and all vehicle details are correct.
10. **Insurance**—insure your car with a company you feel you can trust to give you good value-for-money cover and an efficient claims service.

## What if you need a loan to buy a car?

Getting a loan from a bank or finance company or even the motor dealer is how many people afford to buy their first car. But the more you borrow, the more you have to pay back. Consider that the lender will charge interest, which means you end up paying back more than you borrowed and more than the car is worth in most cases. Things to consider before deciding to borrow money for a car include:

- what are the interest rates/charges
- how much are the loan repayments
- what is your budget (how much money will you have left to go out?)
- how long it will take to pay back
- are there any additional fees on top of the interest
- is it worth it to have a car?

## Used-car inspection checklist

Don't rely on the seller to tell you about the car you are interested in buying. Check everything out for yourself and then get a professional to check it thoroughly as well (e.g. RACQ vehicle inspector).

Develop your own vehicle checklist. What sorts of things would you be looking for when searching for a good quality used car? Consider things you might check on the outside of the car, inside and under the bonnet, and what to look out for when you start the engine. When you think you have thought of everything, check the sample list. How thorough were you?

### From the outside

- Check the bodywork—are there any bumps, ripples, mismatched colours and panels out of alignment?
- Is there any rust around the doors, body and boot or under the carpet?
- Use a soft fridge magnet to check whether body filler has been used to fill rusted out areas. Tip: the magnet won't stick to body filler.
- Is the suspension okay? Tip: push down on one corner and let go. If the car bounces more than once it has worn shock absorbers.
- Are the tyres worn unevenly? Check the spare tyre as well.
- Do all the windows wind up and down and do the locks work?
- Check doors open and close properly, and that the key works in all locks.

### Sitting in the driver's seat

- Check the odometer reading. Tip: a low distance reading is not a foolproof guide to the state of the engine. Worn pedal pads and floor mats often indicate extensive wear and tear.
- Check all the instrument gauges work.
- Check the headlights work on low and high beam.
- Check the tail lights, brake lights, indicators, horn and windscreen wipers.
- Check the seatbelts are in good condition.
- Check the upholstery, headlining, trim and carpets are in good condition. Can the head rests and seats be moved easily?
- Check the radio, air conditioning, fan and interior light all work properly.

### Open the bonnet

- Check the water in the radiator. Tip: clear or green is good. Rusty water or water at a low level means a lack of care or a faulty cooling system. Check the fins and the thin metal parts of the radiator and make sure they are not rusty or crumbling.
- If the hoses are soft and spongy they may need replacing.
- Check the dipstick. Tip: The oil should be between the dipstick markers and blackish in colour. If the oil is milky or grey in colour there may be problems.
- Check the transmission oil is cherry pink in colour.

### Turn on the engine

- Start the car and let it idle. Listen for strange noises, such as rattling or knocking in the engine compartment.
- Rev the engine several times while looking out the rear window. If there is smoke, it could mean engine problems.
- Do the brakes feel firm when you press down?
- The clutch should have some free motion before resistance increases sharply.

## Marketing to consumers

Consumers are powerful. Where consumers choose to spend their money can make or break a store, product or service. Therefore, business owners have to continually develop ways to attract new customers and retain their existing ones. They are constantly communicating to the marketplace why their products and services are the best. The way products and services are marketed and advertised is increasingly important in a competitive global marketplace.

### Labelling

How a product is packaged can make a considerable difference in how attractive it is to customers and whether it will stand out from the other products on the supermarket shelf. For example, a picture of a famous sports star on the packet may help sell a product, as well as the 'Made in Australia' symbol.

Write a list of breakfast cereal packets or other products familiar to the students. Ask them to evaluate based on a simple five point scale (5 = excellent, 1 = poor). Students may like to suggest other categories.

	Product 1	Product 2	Product 3	Product 4
Use of colour				
Attractive graphics/images				
Nutritional information (amount of information and rating, if any, and how easily you understand it)				
Manufacturing information (including Country of Origin labelling)				
Other elements				
Overall appeal				

At the conclusion of this activity, students could investigate the issue of product labelling in further detail. Consumers have a right to be well informed. Are current labels sufficient to enable consumers to make good choices? Is some information excluded and does this mean consumers are not getting the full picture about the product (where it is made, what it contains, etc.)?

### Advertising

Watch television advertisements and choose four to comment on and recording the following:

- day and time
- product or service being offered
- description of ad
- target audience
- message being communicated.

#### Example:

- Monday 5 pm
- Cadbury chocolate
- Two children getting family photo taken, then in break, moving eyebrows making noises to dance music
- Families
- Cadbury chocolate is fun and enjoyable for all the family.



Ad 1:

- a) .....
- b) .....
- c) .....
- d) .....
- e) .....

Ad 2:

- a) .....
- b) .....
- c) .....
- d) .....
- e) .....

Ad 3:

- a) .....
- b) .....
- c) .....
- d) .....
- e) .....

Ad 4:

- a) .....
- b) .....
- c) .....
- d) .....
- e) .....

When you have completed this task discuss your findings with the class. Discussion points could include:

- The overall effectiveness of the advertisements.
- Whether the underlying messages are realistic, obvious or misleading.
- What important information is not being included and what consumers are not being told about this product?
- Why you think the manufacturers chose to advertise this product on television?
- How might these products stack up against their competitors?
- Would you consider purchasing these products after seeing the ad?
- What types of language choices have been made to appeal to the audience (use of emotive language, persuasive techniques)?
- The use of stereotypes.
- Why people might be persuaded to buy this product based on the advertisement?

Advertising appeals to our needs and wants, such as:

- to be accepted
- to be beautiful
- to be attractive
- to be liked
- to be rich
- to be happy.

Try to come up with at least five more ‘appeals’ and create a class list. Now review your advertisements and identify which appeals are being made to consumers. Can these products really change your life and make things happen? Discuss the importance of viewing advertising critically in relation to consumer spending.

## Catalogues and online advertising

View a range of product advertisements (in catalogues or online) from stores offering similar products for sale. Select a product type rather than specific model (e.g. TV, digital camera) to compare and make note of:

- how the product is presented in the various advertisements
- what language is used to describe the product
- what features are available on each product
- prices from various stores
- extra offers being made with the product at any store
- special terms and conditions relating to the sale printed in the catalogue (e.g. only available at certain stores, for a certain time period, no lay-bys).

Make a list of what other extra information you would like to know about the product before purchasing (e.g. asking friends or relatives about which brand they prefer), noting any special features and company return policy.

### Discussion points

Have a small group discussion about the ‘look’ of various catalogues and what message that sends to consumers. For example, cheaply printed hardware catalogues using minimal colour are designed to send the message that the company keeps costs down so that the consumer can buy goods cheaply. A glossy, colour catalogue for a furniture manufacturer is designed to appeal to consumers who are prepared to pay more for quality. Are these techniques about value for money? Is it still wise to shop around? Why?

## Case study

Sophie saw an advertisement for a laptop with built-in Wi-Fi and Bluetooth connectivity. The offer also included three months of free subscriptions to a particular internet provider’s Wi-Fi hotspot service as well as to multiple streaming services. Sophie needed a new computer, but assumed she wouldn’t be able to afford it. On the off chance, she went to the shop to check out the laptop.

The sales assistant told her there was no upfront payment, only a monthly payment of \$79.95 for 36 months. Sophie worked out that she would only have to pay about \$20 a week—even she could afford that! Not wanting to miss out, Sophie signed up straight away.

On the way home, Sophie messaged her friend Nic to tell her about her deal. Nic messaged back with an article she’d read about companies ‘bundling’ subscriptions into their computer deals and locking customers into these subscription for up to three years. Many customers were attracted to those first three months but didn’t read their contracts to find out what the charges would be for the rest of the contract.

Sophie read the fine print in her contract and discovered she would be paying a lot more than \$20 a week after the first three months of ‘free’ access.

### Discussion points

In pairs or small groups, discuss and answer the following questions:

1. If you were Sophie, what would you have done differently before signing the contract?
2. What questions could you have asked the sales assistant?
3. What are the disadvantages of being locked into a long-term contract?
4. Are there disadvantages of the deal being locked to one particular internet provider?

As a class, discuss how ‘limited time offers’ can sweep people up with the promises of a great deal. Why is it still important to read and consider the details of the offer (even if it means missing out)? And what can Sophie learn from Nic’s example of staying informed about these kinds of issues?



## Using credit

Credit is one way to pay for goods and services. In simple terms, credit is a promise to pay back, with interest, money borrowed from another person. Credit is rarely free; it is usually paid for through interest and other fees and charges.

Credit can be a handy way to pay for goods and services if you don't have the ready cash or you want something straight away. But if you cannot manage your repayments, it can be an easy way to get into serious debt very quickly. Types of credit include mobile phone agreements, store credit cards, personal loans (e.g. for a car), pay day lenders, 'buy now, pay later' services and credit cards from a bank with specified limits for general use.

With credit cards there is a strong temptation to buy products you don't really need because it seems like you have the money available. But it still has to be paid for—the trap many people fall into is not paying off their credit cards within a set time, and then having to pay interest on the amount of money they have borrowed.

### Case study

Jeremy has a brand new credit card with a limit of \$1000. It is supposed to be for emergencies but Jeremy sees a tablet computer he has had his eye on for some time on special for \$420. He figures that by the time he can save enough money the tablet will be back to its normal price of \$520—and so he uses his credit card and buys the tablet that day.

Jeremy's credit card has an interest rate of 19 per cent per annum. He has a special deal with his card provider that if he pays off the full amount within a month he will not be charged interest. He just has a small annual fee to pay for having the card at \$35 a year. That means if he pays back the full \$420 in the first month after buying the tablet he will be okay.

But Jeremy doesn't have enough money to do that and only pays back \$30. So, after the first month, Jeremy still owes \$390—plus the \$35 annual fee. With a balance of \$425 Jeremy will also have to pay interest of \$6.73. That makes a new total of \$431.73. Jeremy is no better off than he was a month ago.

You can see that if Jeremy continues to make minimum repayments each month, the tablet is going to end up costing him quite a great deal more than the special price of \$420. He will certainly have paid for the privilege of owning his tablet sooner.

Jeremy fell into the trap of 'buy now, pay later', which is a common marketing technique used by stores today. It may sound like a good idea—enjoy your goods now and worry about paying for them later—but it will cost you in the long run.

### Questions

- Imagine you were shopping with Jeremy the day he saw the tablet on special. What advice would you give him?
- What might be a more realistic slogan to use when describing credit?

## Tips for choosing the right credit card

Credit can be a handy way to pay for goods and services if you can manage your repayments. There are different types of credit card available. Cards may have:

- an annual fee or no annual fee
- an interest-free period or interest is charged from the day of purchase.

### If you are considering a credit card

- What kind of scheme will best meet your needs (annual fee with an interest-free period or no annual fee with lower interest from date of purchase)?
- Shop around for the lowest rate of interest.
- Be aware of financial charges—government fees and banking charges charged to your account.
- Check the fine print on your contract and make sure you understand conditions before you sign up.
- Work out your budget and fix a realistic limit on your card.
- Avoid increasing your limit at times like Christmas or when on holidays.
- Pay bills promptly to keep interest charges to a minimum.
- Avoid cash advances—with most schemes you pay interest charges on cash advances.
- Keep all your receipts to check the charges when your bill arrives.
- Protect your card and account numbers—don't keep your pin or account number in your wallet.
- If you lose your card or it is stolen, report it immediately.

## Alternatives to credit

Think of alternatives such as lay-by.

Work out whether you really will be saving money by the time you pay off your card—it may not be such a bargain after all!

### BRAVE steps to credit

**B**udget for your repayments.

**R**esearch deals and charges.

**A**void impulse buys.

**V**alue your freedom—fix a realistic limit for your card so that you are not paying off debt.

**E**very credit charge is a debt—try alternatives to credit.

# Online shopping

## Is it safe?

Shopping via the internet is a reality in today's busy world. But not all internet shopping sites are safe to use. Remember not all sites will be based in Australia—you might have to wait for your goods to come from overseas. Other considerations are that the sites may not be set up by reputable companies and they may not be secure, which means your credit card details can be accessed by other people.

The Office of Fair Trading has developed a 10-point checklist to help you ensure your online shopping experience is a positive one.

### 1. Know the business

Buy from sites you know and trust. Check the company has a physical address and phone number.

### 2. Know the product

Make sure the product is legal and will work in Australia. Check for a valid guarantee.

### 3. Check the contract

Are the terms and conditions OK? Are the delivery details OK? Can you return goods if faulty? Who pays for postage on returns?

### 4. Check the cost

Have you got a good price? Look for hidden extras like currency conversion, taxes, customs duties, delivery fees, packaging and postage.

### 5. Check for privacy

How will your personal details be used? Only provide personal information if satisfied.

### 6. Confirm the order

You should be given the chance to confirm or reject your order before paying.

### 7. Keep records

Print out your order before sending and make a note of any reference numbers. Ask for a tax invoice or receipt. Check credit card statements against orders and tax invoices, and report discrepancies immediately.

### 8. Pay securely

Use secure sites that have a closed padlock symbol on display or an 'https' address. Don't provide financial information not required for the sale.

### 9. Resolve problems

Contact the trader and resolve problems as soon as possible. Contact the Office of Fair Trading or relevant industry dispute scheme if you need help.

### 10. Look out for scams

If something seems 'too good to be true', it probably is.



## Activity

Think of a product you would like. Search the internet and find at least three sites where you could buy this product online.

Complete the following table based on the 10-point checklist from the previous page. When you have completed the table, identify your preferred site and list at least five reasons why you think it would be safe to use.

	Product 1	Product 2	Product 3
Site name and address			
Price (Check currency and hidden costs)			
Is product information available?			
Payment options			
Is it a secure site? How can you tell?			
Delivery details			
Contract terms			
Does the site require lots of personal information?			
What will they do with it?			
Can you confirm the order?			



# Consumer worksheets



## Sample survey: consumer education research

Sample survey for high school students on the topic of mobile phones

SECTION 1: Personal details			
1. Gender:	<input type="checkbox"/> Male	<input type="checkbox"/> Female	<input type="checkbox"/> Other/rather not say
2. Age:	<input type="checkbox"/> Under 12	<input type="checkbox"/> 12	<input type="checkbox"/> 13
	<input type="checkbox"/> 14	<input type="checkbox"/> 15	<input type="checkbox"/> 16
	<input type="checkbox"/> 17	<input type="checkbox"/> 18+	<input type="checkbox"/> Rather not say
SECTION 2: Income, saving and spending			
3. Do you receive a regular income?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
4. How do you receive this income?	<input type="checkbox"/> Job	<input type="checkbox"/> Pocket money	
5. How much do you earn per week?	<input type="checkbox"/> Under \$5	<input type="checkbox"/> \$5–\$10	
	<input type="checkbox"/> \$10–\$50	<input type="checkbox"/> \$50–\$100	
	<input type="checkbox"/> More than \$100		
6. Do you have a budget/saving plan?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
7. How much of your income do you save?	<input type="checkbox"/> Under a 1/4	<input type="checkbox"/> 1/4–1/2	
	<input type="checkbox"/> More than 1/2	<input type="checkbox"/> Changes each week	
SECTION 3: Mobile phone use			
8. Do you use a mobile phone regularly (as in more than three times per week)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No (Go to question 20)	
9. Which features do you access most?	<input type="checkbox"/> SMS	<input type="checkbox"/> Phone calls	
	<input type="checkbox"/> Camera	<input type="checkbox"/> Streaming services	
	<input type="checkbox"/> Message bank	<input type="checkbox"/> Other internet use	
10. Are you more likely to:	<input type="checkbox"/> Make calls or write messages	<input type="checkbox"/> Receive calls or messages	
11. Who owns your phone usage?	<input type="checkbox"/> Parent/guardian	<input type="checkbox"/> You	<input type="checkbox"/> Other
12. Who pays for your phone?	<input type="checkbox"/> Parent/guardian	<input type="checkbox"/> Both	
	<input type="checkbox"/> You	<input type="checkbox"/> Other	

### Mobile phone use continued

- |   |   |  |
|---|---|--|
| 13. What type of plan are you on?   | <input type="checkbox"/> Prepaid  | <input type="checkbox"/> No plan           |
|   | <input type="checkbox"/> 12 month contract  | <input type="checkbox"/> 24 month contract |
| 14. How much does your phone usage cost per week?   | <input type="checkbox"/> Under \$10   | <input type="checkbox"/> Under \$20        |
|   | <input type="checkbox"/> Under \$50   | <input type="checkbox"/> More than \$50    |
| 15. Do you find it difficult to pay your phone bill?  | <input type="checkbox"/> Yes  | <input type="checkbox"/> No                |
|   |   | <input type="checkbox"/> Sometimes         |
| 16. How much research did you or your parents/guardians do before purchasing the phone or entering a contract?                    | <input type="checkbox"/> Lots—we compared at least 5–6 different companies<br><input type="checkbox"/> Minimal—we went with the names we knew/the company we have our home phone with<br><input type="checkbox"/> No research |  |
| 17. Are you aware there is considerable material available on the internet to help you find the best plan to suit your lifestyle? | <input type="checkbox"/> Yes  | <input type="checkbox"/> No                |
|   |   | <input type="checkbox"/> Maybe             |
| 18. How many different mobile phone providers do you believe operate in Australia?  | <input type="checkbox"/> Over 30  | <input type="checkbox"/> Over 15           |
|   |   | <input type="checkbox"/> Over 5            |
| 19. Do you think you have the best mobile phone deal for your lifestyle?  | <input type="checkbox"/> Yes  | <input type="checkbox"/> No                |
|   |   | <input type="checkbox"/> Not sure          |

### SECTION 4: Media use

- |   |  |   |
|---|--|---|
| 20. Rate in order of use which media you access most frequently (1 being most used):                      | <input type="checkbox"/> Internet            | <input type="checkbox"/> Television         |
|   | <input type="checkbox"/> Billboards          | <input type="checkbox"/> Newspapers         |
|   | <input type="checkbox"/> Brochures           | <input type="checkbox"/> Radio              |
|   | <input type="checkbox"/> Bus shelter posters | <input type="checkbox"/> Magazines          |
|   | <input type="checkbox"/> Video clips         | <input type="checkbox"/> Streaming services |
| 21. For the media you selected as 1 in Question 20, how many hours per week would you spend accessing it? | <input type="checkbox"/> 0–5 hrs             | <input type="checkbox"/> 5–10 hrs           |
|   | <input type="checkbox"/> 10–15 hrs           | <input type="checkbox"/> 15–20 hrs          |
|   | <input type="checkbox"/> 20–25 hrs           | <input type="checkbox"/> More than 25 hrs   |
| 22. When making decisions about items you purchase, who influences you the most?                          | <input type="checkbox"/> Parents             | <input type="checkbox"/> Brothers/sisters   |
|   | <input type="checkbox"/> Friends             | <input type="checkbox"/> Teachers           |
|   | <input type="checkbox"/> Celebrities         |   |
| 23. In your opinion, how important is it to keep up with the latest trends?                               | <input type="checkbox"/> Very                | <input type="checkbox"/> Not very           |
|   |  | <input type="checkbox"/> Depends            |

24. What are your favourite advertisements or film clips?

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25. Why do you like them?

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# A very good reason to celebrate!

Did you know consumer rights are celebrated across the world? On 15 March every year, consumer organisations around the globe observe World Consumer Rights Day to promote the basic rights of consumers everywhere.

It's easy to assume in our modern society that consumer rights have always existed and that people have always been protected from poor or unsafe products, unfair business practices and dishonest dealings. In fact, consumer protection is a relatively new concept and one that is important as our shrinking global market becomes increasingly accessible.

World Consumer Rights Day celebrates when US President John F Kennedy formally addressed the issue of consumer rights during a historic address to the US Congress in 1962. 'Consumers by definition, include us all,' Kennedy said. 'They are the largest economic group, affecting and affected by almost every public and private economic decision. Yet they are the only important group... whose views are often not heard.'<sup>1</sup>

Over time, the consumer movement expanded the four basic rights presented by Kennedy into a set of eight basic consumer rights:

1. The right to satisfaction of basic needs—to have access to basic essential goods and services: adequate food, clothing, shelter, health care, education, public utilities, water and sanitation.
2. The right to safety—to be protected against products, production processes and services that are hazardous to health or life.
3. The right to be informed—to be given the facts needed to make an informed choice, and to be protected against dishonest or misleading advertising and labelling.
4. The right to choose—to be able to select from a range of products and services, offered at competitive prices with an assurance of satisfactory quality.
5. The right to be heard—to have consumer interests represented in the making and execution of government policy, and in the development of products and services.
6. The right to redress—to receive a fair settlement of just claims, including compensation for misrepresentation, shoddy goods or unsatisfactory services.
7. The right to consumer education—to acquire knowledge and skills needed to make informed, confident choices about goods and services, while being aware of basic consumer rights and responsibilities and how to act on them.
8. The right to a healthy environment—to live and work in an environment that is non-threatening to the well-being of present and future generations.

These eight basic consumer rights are implemented in Australia through the work of regulatory bodies such as the Queensland Office of Fair Trading. In addition the government has legislation which endorses these rights—the Australian Consumer Law (ACL).



<sup>1</sup> John F. Kennedy, XXXV President of the United States 1961–1963 Special Message to the Congress on Protecting the Consumer Interest March 15, 1962.

# Consumer rights in Australia

## The Ruby Hutchison story

In Australia, a conference called the National Consumer Congress is held each year to celebrate World Consumer Rights Day. Consumer groups, community organisations and government bodies attend the conference to discuss key issues impacting consumers and businesses and develop strategies to improve consumer justice and welfare.

On the eve of the National Consumer Congress is a special event known as the Ruby Hutchinson Memorial Lecture, an address designed to 'keep the spirit of Ruby alive in Australian consumer affairs'.<sup>2</sup>

Ruby Hutchison was Australia's leading lady of consumer advocacy. Like President Kennedy, she had a passion for consumer rights.

Born on 15 February 1892 in Footscray, Melbourne, Ruby was the third of ten children. When she was four years old the family moved to the Western Australian goldfields, settling first at Cue, then Day Dawn and finally at Meekatharra. It was in this remote mid-west region of Western Australia that Ruby Hutchison's political interests took root.

Ruby married miner Daniel Buckley at age 17 and the couple had seven children before their marriage dissolved in 1928. A single mother amidst the grip of the 1930s Great Depression, Ruby supported her children by dressmaking and running a boarding house.

It was these difficult years of experiencing first-hand the hardships of simply 'making ends meet', followed by the uncertainty of World War II that cultivated her passion in politics, women's rights and social justice.

In 1938 she married labourer Alexander Hutchison. With her children grown up, Ruby attended Stott's Business College in Perth and the University of Western Australia's summer schools in 1941 where she studied public administration, public speaking, psychology and languages. She pursued her political ambitions and in 1954, became the first woman Member of the Legislative Council of Western Australia and the state's fourth woman parliamentarian. World War II was over and Australia was in an economic and population post-war boom.

Despite the prosperous times, consumers had almost no protection and Ruby started receiving many complaints from her constituents about the poor quality of goods. This inspired Ruby. She had heard of overseas consumer organisations such as the US Consumer Research and the British Consumers' Association and thought something similar should be established in Australia.

In 1959 Ruby travelled to Sydney and discussed her idea with a group of like-minded citizens. After several discussions at the Sydney Town Hall, they decided to create a group to produce a magazine informing consumers about their rights and about the value and safety of different products. This group was called the Australasian Consumers' Association (ACA) (renamed the Australian Consumers' Association in 1963).

The ACA's first magazine launched in April 1960 and was distributed to a modest 500 subscribers. However its popularity and membership grew quickly. Fiercely protective of its integrity, the ACA would not accept any funding from government or outside bodies, or allow any advertising in its magazine. The group wanted to ensure its independence and impartiality. Ruby herself insisted any products to be tested were to be purchased anonymously, the same as any other consumer.

Today this highly respected organisation is better known as CHOICE. It has over 160 000 members and continues to publish consumer information, conduct rigorous and scientific product reviews and provide advice across a range of goods and services.

Ruby's passion for protecting people in a post-war Australia brought about an enormous change for Australian consumers. Not only was her drive and determination responsible for the development of CHOICE, one of the country's consumer advocate organisations, but she brought consumer protection issues to the fore of political and social consciousnesses. We enjoy a fair and safe marketplace today thanks to the hard work and dedication of people like Ruby, Australia's own leading lady of consumer advocacy.



State Library of Western Australia

### Years 7–9: Questions and discussion points

- Why do you think Ruby Hutchison wanted to protect consumers?
- Explain what might happen if we did not have consumer laws from the perspective of consumers and the perspective of businesses?
- Explain what is meant by a 'shrinking global market'?

### Years 10–12: Questions and discussion points

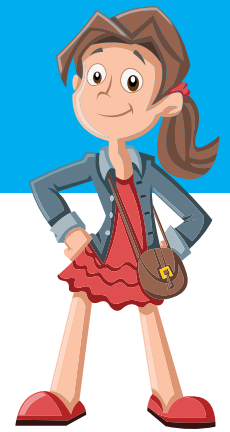
- Explain what is meant by a 'shrinking global market'?
- Explain how the Australian Consumer Law (ACL) embodies the first set of basic consumer rights?
- Consumer rights became a prominent political issue in the 1950s and 1960s. What world events do you think prompted this interest and why?

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2 Ruby Hutchison, *The Memorial Lecture*, 2013.

# The Buy Smart Competition



As part of the Buy Smart program, students are encouraged to enter the annual Buy Smart Competition to continue thinking about consumer and marketplace issues. For a chance to win a share in over \$15,000, the competition asks students individually or as a group to create a project surrounding a Fair Trading consumer issue.

The competition is open to Queensland students in Year 4 to Year 12.

The Buy Smart website ([www.qld.gov.au/buysmartcomp](http://www.qld.gov.au/buysmartcomp)) has further information surrounding:

- Criteria and prizes
- Previous winners and example entries
- Activities and resources (including a puzzle book)

Download the **student entry kit** for tips, development worksheets and our entry form.

To encourage participation at your school, download and print a copy of our **Buy Smart Competition poster**.



# Entry feedback sheet



This feedback sheet is designed to help your classmates develop a more effective entry in the Buy Smart Competition. Consider their chosen consumer issue, audience and key message, and evaluate whether or not you think they have produced a successful presentation. Be constructive and thoughtful in your responses.

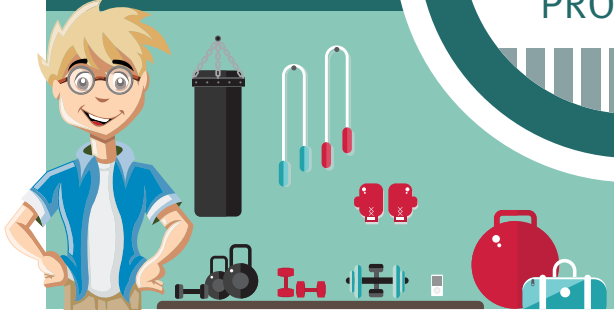
Student
Topic
Form of presentation
Did you understand the purpose of this presentation? Yes <input type="checkbox"/> No <input type="checkbox"/>
How would you describe the purpose in your own words?
Who do you think this particular message was aimed at?
Do you think this audience would understand this message and act on it? Yes <input type="checkbox"/> No <input type="checkbox"/> Why?

What aspect of the presentation did you find most effective?										
What aspect of the presentation did you find least effective?										
If you could offer a suggestion for improving the presentation what would it be?										
Overall, what rating would you give this presentation if 10 is excellent and 1 is poor?										
<table border="1"><tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td><td>9</td><td>10</td></tr></table>	1	2	3	4	5	6	7	8	9	10
1	2	3	4	5	6	7	8	9	10	
Any final comments?										



# BUY SMART PROGRAM

## CONTRACTS



## ADVERTISING



## BUDGETING



## ONLINE SCAMS



## SHOPPING AROUND



## CONSUMER RIGHTS



## BUYING A CAR



## ENTER NOW

