



Discipline-based Learning
Strand

THE HUMANITIES – ECONOMICS

REVISED EDITION JANUARY 2008



Contents

| | |
|---------------------------------------|----|
| Discipline-based Learning..... | 3 |
| The Humanities..... | 4 |
| Introduction..... | 4 |
| Structure of the Humanities | 4 |
| National Statements of Learning | 6 |
| Level 1 | 8 |
| Level 2 | 9 |
| Level 3 | 11 |
| The Humanities – Economics..... | 13 |
| Introduction..... | 14 |
| Structure of the domain | 15 |
| National Statements of Learning | 15 |
| Level 4 | 16 |
| Level 5 | 18 |
| Level 6..... | 20 |
| Glossary | 22 |

Revised Edition January 2008

This edition incorporates minor amendments to the domain introductions and learning focus statements to indicate their relationship with the National Statements of Learning.

Discipline-based Learning

The domains within the Discipline-based Learning strand form a body of knowledge with associated ways of seeing the world and distinct methods of exploring, imagining and constructing that world.

Broadly in line with academic literature and consistent with practice in many schools, the Victorian Essential Learning Standards identify the Arts, the Humanities, English and Languages Other Than English, Mathematics and Science as the disciplines for the curriculum over the stages of learning from Prep to Year 10.

Within the Discipline-based Learning strand the learning domains are:

- The Arts
- English
- The Humanities – Economics
- The Humanities – Geography
- The Humanities – History
- Languages Other Than English (LOTE)
- Mathematics
- Science

Students who develop a deep understanding of the concepts contained in the discipline-based domains are able to apply their knowledge in many different ways. The degree to which they are able to transfer their knowledge depends largely on the degree to which students have achieved mastery over Physical, Personal and Social and Interdisciplinary learning.

Research suggests that students develop deeper understanding of discipline-based concepts when they are encouraged to reflect on their learning, take personal responsibility for it and relate it to their own world. These approaches are explicitly defined in the Physical, Personal and Social Learning domains such as physical education and personal learning.

Students are better able to develop, demonstrate and use discipline-based knowledge and skills when they are able to employ interdisciplinary knowledge, skills and behaviours described in the domains of Communication; Design, Creativity and Technology; Information and Communications Technology; and Thinking Processes.

The Humanities

Introduction

The Humanities in Prep to Year 10 involve the study of human societies and environments, people and their cultures in the past and the present. The Humanities provide a framework for developing in students the key ideas and concepts that enable them to understand the way in which people and societies have organised their world under particular conditions and made meaning of it.

The Humanities take as their subject matter human behaviour. They provide unique ways to understand how and why groups of people have settled where they have, organised their societies, developed means of generating and distributing wealth, developed codes, laws and belief systems, related to other groups of people and interacted with their physical environment.

The Humanities encourage use of research skills and inquiry processes. Students learn to plan an investigation and ask key questions. They question and analyse a range of data and sources including artefacts, photographs, maps, stories, special events, interviews, site visits and electronic media. They form conclusions supported by evidence and present information in a variety of ways.

Structure of the Humanities

The Humanities discipline is organised into four domains:

- The Humanities – (Levels 1–3)
- The Humanities – History (Levels 4–6)
- The Humanities – Geography (Levels 4–6)
- The Humanities – Economics (Levels 4–6).

During Levels 1 to 3, students are introduced to basic concepts related to history, geography and economics under a general umbrella of 'The Humanities'. Each level includes a learning focus statement with standards introduced from Level 3. Specific learning focus statements and standards for Economics, Geography and History are introduced at Level 4.

The following table provides a summary of the structure of the Humanities.

| DOMAIN | DIMENSION | LEVEL 1 | LEVEL 2 | LEVEL 3 | LEVEL 4 | LEVEL 5 | LEVEL 6 |
|-----------------------------------|------------------------------------------|-------------------------------|---------|---------|----------------|---------|---------|
| The Humanities | Humanities knowledge and understanding | Learning focus statement only | | | Not applicable | | |
| | Humanities skills | | | | | | |
| The Humanities – Economics | Economic knowledge and understanding | Not applicable | | | | | |
| | Economic reasoning and interpretation | | | | | | |
| The Humanities – Geography | Geographical knowledge and understanding | | | | | | |
| | Geospatial skills | | | | | | |
| The Humanities – History | Historical knowledge and understanding | | | | | | |
| | Historical reasoning and interpretation | | | | | | |

Shaded boxes represent levels in each domain that have formal standards against which student achievement will be assessed and reported.

A glossary is included which provides definitions of underlined terms (see page 22).

Learning focus

Learning focus statements are written for each level. These outline the learning that students need to focus on if they are to progress in the domain and achieve the standards at the levels where they apply. They suggest appropriate learning experiences from which teachers can draw to develop relevant teaching and learning activities.

Standards

Standards define what students should know and be able to do at different levels and are written for each dimension. Standards that focus on historical and geographical knowledge and understanding are introduced at Level 3. Specific standards for Economics, Geography and History are introduced at Level 4.

Dimensions

Standards in the Humanities are organised in two dimensions:

- Humanities knowledge and understanding
- Humanities skills.

Humanities knowledge and understanding

The *Humanities knowledge and understanding* dimension focuses on key humanities knowledge and concepts. Students learn about their immediate and local community and environment and are introduced to the history and geography of their country and the diversity of culture and environment. Through structured activities they learn the concepts of time – chronology and sequencing, change and continuity – and spatial concepts of location, distance, scale and distribution.

Humanities skills

The *Humanities skills* dimension focuses on the development of basic inquiry skills including observation, the collection of various types of evidence, asking and answering questions about evidence and presenting information in a variety of ways.

National Statements of Learning

The Victorian Essential Learning Standards (VELS) incorporate the opportunities to learn covered in the national [Statements of Learning](http://www.curriculum.edu.au/mceetya/the_statements_of_learning,11893.html) (www.curriculum.edu.au/mceetya/the_statements_of_learning,11893.html). The Statements of Learning describe essential skills, knowledge, understandings and capacities that all young Australians should have the opportunity to learn by the end of Years 3, 5, 7 and 9 in English, Mathematics, Science, Civics and Citizenship and Information and Communication Technologies (ICT).

The Statements of Learning were developed as a means of achieving greater national consistency in curriculum outcomes across the eight Australian states and territories. It was proposed that they be used by state and territory departments or curriculum authorities (their primary audience) to guide the future development of relevant curriculum documents. They were agreed to by all states and territories in August 2006.

Definitions of underlined terms are provided in the Glossary (page 22)

During 2007, the VCAA prepared a detailed map to show how the Statements of Learning are addressed and incorporated in the VELs. In the majority of cases, the VELs learning focus statements incorporate the Statements of Learning. Some Statements of Learning are covered in more than one domain. In some cases, VELs learning focus statements have been elaborated to address elements of the Statements of Learning not previously specified. These elaborations are noted at the end of each learning focus statement.

Level 1

Learning focus

As students work towards the achievement of Level 3 standards in the Humanities, they draw on their own experience to help them understand the world around them. Through activities such as developing personal and family timelines, examining photographs and buildings, and visits from community members, they learn about the concepts of time – chronology and sequencing, and change and continuity.

Through reading and listening to narratives, including personal stories, and participating in celebrations students begin to learn about the cultures and histories that have contributed to Australian society and by seeing and hearing about other places outside their experience they begin to consider how and why other times and places are different from their own.

Students develop an awareness of spatial concepts through structured experiences within their immediate environment. They investigate the relative location, direction and distance of their home, school, classroom, local parks, shops and other significant features of their environment and begin to understand the geography of their local area. They learn to give and follow simple directions, and describe location relative to other people and places using everyday spatial terms such as front/back, up/down, right/left, near/far, above/below. They draw simple pictorial maps from their developing mental maps of familiar environments.

Students explore how and why natural factors (for example, changes in the weather) and human activities (for example, the closing of a park) affect their lives. They develop basic narratives that link events in their own experience. Participating in activities such as wearing protection from the sun, saving energy, saving water, and recycling, they develop their awareness of environmental issues.

Standards

In the Humanities, standards for assessing and reporting on student achievement are introduced at Level 3. Specific standards for Economics, Geography and History are introduced at Level 4. The learning focus statements for Levels 1 and 2 provide advice about learning experiences that will assist students to work towards the achievement of the Humanities standards at Level 3 (which focus on historical and geographical knowledge and skills) and the Economics standards at Level 4.

Definitions of underlined terms are provided in the Glossary (page 22)

Level 2

Learning focus

As students work towards the achievement of Level 3 standards in the Humanities, they develop their understanding of the concepts of time – chronology and sequencing, and change and continuity – through a study of changes in the local community over time. By comparing the experiences and artefacts of their daily lives with those of their parents, grandparents and other community members, students reflect on how life at home and in the community has changed.

Students develop their awareness of spatial concepts and use terms that demonstrate an understanding of absolute and relative locations. With guidance, they recognise and point to their street, town or city and state on an appropriate map. They recognise the globe as a model representation of Earth and can locate Australia and other places with which they have links. Students learn to identify and name physical features and distinguish them on the basis of variables, including size (scale/height/distribution) and colour. Through observation, they investigate and describe elements of the natural and built environments in their local area.

By examining artefacts and listening to the oral history of relatives, teachers and community members, students become aware of the various types of geographical and historical evidence. They begin to make basic comparisons between 'then' and 'now' and learn to construct simple timelines to show their understanding. By observing the characteristics of different places, and prompted by questions, students think about environmental differences, locally and in other parts of Australia and the world, and why these differences exist. They begin to grasp the role and importance of the various cultural groups that make up the Australian community, including Aboriginal and Torres Strait Islander communities. They explore what their local area might have looked like before European settlement.

Students are introduced to the concept of resources and their management, and begin to understand how resource use reflects community interdependence and economic sustainability. They begin to understand how local resources are used to make products which meet local people's needs and the needs of people in other places. They also begin to understand that resources from other places may be used to make products locally to meet their needs.

Definitions of underlined terms are provided in the Glossary (page 22)

Standards

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Level 3

Learning focus

As students work towards the achievement of Level 3 standards in the Humanities, they apply the concepts of time, continuity and change through a study of the history and traditions of Australians. They examine stories, artefacts and other evidence from the past and present to learn about Australian society and its origins, such as the history of national symbols, including the flag, and key commemorations and celebrations such as Anzac Day and Labour Day. They examine the histories of the cultural groups represented in their classroom, community and nation. They learn to sequence some key events on a timeline and write simple explanations of events.

Students investigate the human and physical characteristics of their local area and other parts of Victoria and consider features of their local community that have changed over time. They learn about settlement patterns, major land uses, communication networks, and the location and variety of national parks in Victoria. They begin to make some simple comparisons between local and other Victorian environments: natural features, climate, land use and types of human activities. Students develop awareness and understanding of the effects of people's interactions with their environment and the ways in which these affect their lives. Students begin to visualise and describe location and direction using simple alphanumeric grids and compass points. They learn to use atlas maps and a globe to locate and name the states and territories of Australia.

Students learn to distinguish between basic needs and wants (for example, food, clothing, shelter, and affection), saving and spending, buyers (consumers) and sellers (producers), and goods and services. They develop an understanding of the role of money and identify ways to save; for example, using a savings account, and begin to understand the importance of budgeting. They examine and compare different types of work and specific jobs.

Definitions of underlined terms are provided in the Glossary (page 22)

Standards

Humanities knowledge and understanding

At Level 3, students describe and sequence some key events in Australian history, some key commemorations and celebrations including Anzac Day, and key aspects of the histories of cultural groups that make up their class, community and nation. They describe how aspects of places in their local area have changed over time. From direct observation or observation of a variety of media, they describe the human and physical characteristics of their local area and other parts of Victoria. They describe how people use and affect different environments in Victoria.

Humanities skills

At Level 3, students use a range of historical evidence, including oral history, artefacts, narratives and pictures, to retell events and describe historical characters. They develop simple timelines to show events in sequence. They explain some of the differences between different types of historical evidence, and frame questions to further explore historical events. Students draw simple maps and plans of familiar environments observing basic mapping conventions. They identify the location of places on a simple map using an alphanumeric grid and describe direction using the four cardinal compass points. Using atlas maps and a globe, they locate and name the states and territories of Australia.

The Humanities – Economics

Introduction

Economics is the study of how different societies allocate scarce resources to satisfy the wants and needs of its members. As with any social science, economics is concerned with human social behaviour: the behaviour of individuals and the interaction among them. Economics is also concerned with how to best manage resource scarcity and addresses the requirements for human survival and economic sustainability.

Economic decisions taken by individuals, groups, businesses and governments have implications for the welfare of individuals, families, communities, countries, regions and geopolitical unions of nations. All people are touched by economic decisions on multiple occasions every day. Economics plays a critical and, often, contested role in local, state, national and international public policy. Life globally is dominated by economic transactions and it is the quality of economic decision-making at all levels of society that significantly determines the wellbeing of individuals and nations.

The study of Economics assists students to better understand how wealth is generated and distributed, and to understand:

- microeconomic concepts that explain how businesses and markets operate
- macroeconomic concepts that help to explain how a nation's economy works.

It enables students to understand the importance of entrepreneurship and enterprise in generating a healthy economy.

Economics provides students with the knowledge and skills to engage with economic matters and to consider the effects of alternative economic decisions on themselves and others. They are then in a better position to:

- act rationally and ethically when making economic and personal financial decisions
- appreciate the complexity of economic decision making
- understand the economic decisions made by others.

Not only can they manage their personal affairs better, they can be more effective and productive members of society as they are capable of making reasonable judgments on public policy issues that have a bearing on their personal prospects and those of the nation.

Definitions of underlined terms are provided in the Glossary (page 22)

Structure of the domain

The Economics domain is organised into three sections, one for each level of achievement from Level 4 to 6. Each level includes a learning focus statement and a set of standards organised by dimension. A glossary is included which provides definitions of underlined terms (see page 22).

Learning focus

Learning focus statements are written for each of Level 4, 5 and 6. At Levels 1 to 3, basic concepts related to history, geography and economics are included under a general umbrella of 'The Humanities'. Learning focus statements outline the learning that students need to focus on if they are to progress in the domain and achieve the standards at the levels where they apply. They suggest appropriate learning experiences from which teachers can draw to develop relevant teaching and learning activities.

Standards

Standards define what students should know and be able to do at different levels and are written for each dimension. In the Humanities, standards for assessing and reporting on student achievement are introduced at Level 3. These focus on historical and geographical knowledge and understanding. Specific standards for Economics apply from Level 4.

Dimensions

Standards in the Economics domain are organised in two dimensions:

- Economic knowledge and understanding
- Economic reasoning and interpretation.

Economic knowledge and understanding

The *Economic knowledge and understanding* dimension focuses on economic concepts, principles, methods and models. Students learn how their needs and wants are met and understand their roles as producers, workers and consumers and recognise the impact of market forces. They learn that economic decisions are about the allocation of resources in producing goods and services and about the distribution of the proceeds of production and that these decisions have local, national and global consequences. They explore the importance and the role of enterprise and entrepreneurship in the production process and in the construction, development and prosperity of an economic system.

Students learn how to manage their personal finances and how to be informed consumers. They explore the world of work in order to develop the ability to make informed decisions about their future education and training needs, and employment.

Students investigate factors affecting the Australian and international economies and the role of government in establishing conditions for economic activity and they develop the ability to use economic knowledge and understanding to evaluate economic decisions and policies.

Economic reasoning and interpretation

The *Economic reasoning and interpretation* dimension covers the nature of economic thinking. Students learn to use and practise rational, objective decision making by applying economic reasoning, including the fundamental economic concepts of opportunity cost and cost-benefit analysis, to solve problems which assist them in understanding the economy, society and environment. They develop an ability to identify, collect and process data from a range of sources, including electronic media, and to interpret tables, charts and graphs displaying economic data. They learn to clarify and justify personal values and attitudes about issues affecting the economy, society and environment. They develop an understanding of the strengths and limitations of economic reasoning and its relationship to other sources of decision making.

National Statements of Learning

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Level 4

Learning focus

As students work towards the achievement of Level 4 standards in Economics, they learn about the nature of the economic problem (scarcity): that is, that our needs and wants are unlimited but the resources available to satisfy these wants are limited. They explore how the community defines, classifies and uses resources. They learn about the processes of consumption, production and distribution in meeting needs and wants, and the role of consumers, workers and producers in the economy. They consider factors affecting their spending and why it is important to be an informed consumer when making spending decisions. They investigate the importance of personal money management and the role of banking, budgeting and saving.

Students consider the nature and meaning of work and its relationship to other activities in people's lives, including leisure. They examine various types of work and enterprise in a range of settings, including home, school and the community, and identify the different natures of paid and unpaid work.

Students use the inquiry process to plan investigations about economic issues in the home (for example, which mobile phone or pair of runners to buy), school (for example, which bus company to hire for an excursion) or local community (for example, whether a small factory or residential townhouses should be built on a vacant lot next to the school) and form conclusions supported by evidence.

Students practise contesting ideas, debating and using evidence to form and express opinions on economic issues that interest and/or have an impact on themselves and on society, particularly their local community.

They expand their economic vocabulary to include such terms as *consumption*, *production*, *distribution*, *enterprise* and *identify*, and learn to collect and process data from a range of sources, including electronic media.

Standards

Economic knowledge and understanding

At Level 4, students describe the nature of the economic problem (scarcity) and explain how selected goods and services are produced and distributed. Students describe the difference between needs and wants, and their own roles as producers and consumers of goods and services. They explain the need to be an informed consumer. They explain the role of work in society and distinguish between paid and unpaid work. They compare different types of work and enterprise in the local community. Students demonstrate basic understanding of personal money management and the role of banking, budgeting and saving.

Economic reasoning and interpretation

At Level 4, students use the inquiry process to plan economics investigations about economic issues in the home, school or local community and form conclusions supported by evidence.

Level 5

Learning focus

As students work towards the achievement of Level 5 standards in Economics, they develop an understanding of the nature of scarcity, opportunity cost and resource allocation, and how these influence the Australian economy.

They consider the use, ownership and management of resources in personal, business and community contexts, and participate in activities in which they begin to appreciate that economic choices involve trade-offs that have both immediate and future consequences. They learn that a market, consisting of buyers and sellers, is one method of allocating resources. Students begin to identify markets in which they participate, and how the interaction of buyers and sellers influences prices. They explore how access to resources is a significant factor in determining income levels and appreciate that people's incomes, in part, reflect choices they have made about education, work, careers and skill development.

Students develop personal financial literacy skills and an understanding of the importance of being an informed consumer. They practise making informed consumer decisions. They consider the nature of current and future work opportunities and factors that influence such opportunities. They learn about the nature of business and business ownership, and begin to gain an understanding of concepts such as risk-taking, competition, and supply and demand.

Students learn about the role of government in influencing economic activity and managing the economy.

Students use the inquiry process to plan economic investigations, analyse and interpret data, and form conclusions supported by evidence. For example, students investigate the way resources are allocated in various markets such as the housing market, the Australian Football League players' market, the local community market and the chocolate market. They begin to form and express opinions on economic issues that interest and/or impact on them personally, or locally and nationally.

Standards

Economic knowledge and understanding

At Level 5, students explain the nature of the economic problem and how economic choices involve trade-offs that have both immediate and future consequences. They explain key factors that influence the Australian economy, including the quantity and quality of factors involved in production, resource use, ownership and management, and types of businesses. Students make informed economic and consumer decisions, demonstrating the development of personal financial literacy. They describe factors that affect choice of employment and opportunities for current and future work, and explain the relationship between education, training and work opportunities. Students identify and describe ways the government influences economic outcomes at the personal, local and national level.

Economic reasoning and interpretation

At Level 5, students use the inquiry process to plan economics investigations, analyse and interpret data, and form conclusions supported by evidence. They form and express opinions on economic issues that interest and/or impact on them personally, or locally and/or nationally.

Level 6

Learning Focus

As students work towards the achievement of Level 6 standards in Economics, they develop their understanding of how the Australian economy is managed, particularly within the international economic context. They analyse how macroeconomic and microeconomic policies and programs advanced by governments and other institutions affect them and their fellow citizens. They examine the role of exchange, trade and globalisation in influencing Australia's standard of living. They develop an understanding of enterprise attributes and skills, and describe the impact of innovation and enterprise on the economy and society.

Students investigate the relationship between economic growth, ecological sustainability and the standard of living, and explore what it means to be an ethical producer and consumer. They begin to reflect on the role of values in the economic decision making of producers, consumers and governments.

They develop skills in using economic reasoning, including cost-benefit analysis, to research economic issues and propose solutions for economic problems of global significance. They research economic problems and argue the validity or otherwise of their own hypotheses. Economic problems could include examples such as why the price of a can of soft drink varies depending on where it is sold; whether welfare is a right or a privilege; and whether tolls should be charged on new freeways. Such research assists students in understanding, clarifying and justifying values and attitudes about issues affecting the economy, society and the environment.

Students extend their personal financial literacy skills and understanding about the role of savings and investment. They examine vocational pathways and education and training requirements, considering possible work and career options. They develop skills and strategies for transition to employment and further education and training, including job seeking, job application and interview skills.

Standards

Economic knowledge and understanding

At Level 6, students describe how markets, government policies, enterprise and innovation affect the economy, society and environment in terms of employment, economic growth, the use of resources, exports and imports, and ecological sustainability.

They analyse how goods and services are produced and how markets work. They predict how prices will change when there is either a surplus or shortage, and explain how this might influence the behaviour of consumers and producers. They analyse the role and significance of exchange, trade and globalisation in influencing Australia's standard of living. They discuss and explain what it means to be an ethical consumer and producer and identify examples of ways values can affect the economic decision making of consumers, producers and governments.

Students analyse the role that governments and other institutions such as banks, the Australian Council of Trade Unions (ACTU) play in the economy, and evaluate their performance in achieving appropriate economic outcomes for individuals and for society. They explain the role and significance of savings and investment for individuals and for the economy, and demonstrate the skills required to successfully plan and manage personal finances.

Students predict the economic consequences of proposed government policies and make informed choices among alternative public policy proposals. Students explain the impact of macroeconomic and microeconomic policies on themselves and others, including businesses.

Students analyse vocational pathways and education and training requirements and identify possible career paths and opportunities. They demonstrate skills required for moving from school to employment or further education.

Economic reasoning and interpretation

At Level 6, students use economic reasoning, including cost-benefit analysis, to research and propose solutions to economic issues and problems of global significance, and to clarify and justify values and attitudes. They plan and conduct investigations in order to research an economic problem and/or argue the validity or otherwise of their own hypotheses. They use relevant economic concepts and relationships to evaluate economic propositions, proposals and policies, and debate the costs and benefits of contentious economics-related issues of local, national or international concern.

Students interpret reports about current economic conditions, both national and global, and explain how these conditions can influence decisions made by consumers, producers and government policymakers. Students demonstrate an awareness of the impact of values and beliefs on economic issues, and how differences may be identified, negotiated, explained and possibly resolved.

Glossary

cost-benefit analysis

A cost-benefit analysis provides an economic framework which can be used to evaluate the viability of proposed solutions to issues or problems, in terms of the associated costs and benefits. The information gathered through this analysis assists decision making about resource allocation and the likely consequences of proposed solutions.

financial literacy

The ability to make informed judgments and to take effective decisions regarding the use and management of money.¹

human and physical characteristics

- human characteristics refer to features of human activities such as farms, settlements, cities, ski resorts, shopping centres.
- physical characteristics refer to features of the natural environment such as rivers, mountains, forests, climate, coasts.

macroeconomic

The study of economics concerned with the behaviour of the economy as a whole, focusing on the overall (aggregate) performance.

microeconomic

The study of a small part of the economy such as businesses, industries or households.

spatial concepts

Spatial concepts are the organising concepts common to all branches of geography. From Level 1 through to Level 6, and beyond, spatial concepts can be used and applied according to the stages of learning – laying the foundations, building breadth and depth, and developing pathways. Although there are many organising concepts, there are nine commonly recognised concepts:

- **location:** Where natural and built phenomena are found on the surface of the Earth. A place has an absolute location measured accurately by co-ordinates, and a relative location measured by distance and direction from one place to another.
- **scale:** The term 'scale' includes two uses.
 - o The map scale shows the relationship between measurements on a map and the actual measurements on the ground. Map scales are expressed in words, by a line scale, or as a representative fraction.

A large scale map covers a small area with detail; a small scale map will cover a larger area with less detail.

- o The observational scale refers to the size of an area being studied. A range of scales includes the following:
 - § **local scale:** Involves the smallest area and is immediate to wherever the study is taking place. Fieldwork is conducted at the local scale.
 - § **regional scale:** Covers a larger area than the local scale. The study of the Murray–Darling Basin is at a regional scale.
 - § **national scale:** Focuses study on a nation, for example, the Australian government's response to a global phenomenon.
 - § **international scale:** Considers two or more nations. The combined efforts of several Asian nations would be an example.
 - § **global scale:** Considers a significant proportion of the Earth, for example, the distribution of rainforests across the Earth.
- **distance:** The space between different locations on Earth. The absolute or linear distance is measured in units such as metres and kilometres. The relative distance is the length of time it takes to travel from one location to another, cost involved and the convenience of the journey.
- **distribution:** The arrangement of things at or near the Earth's surface viewed at a variety of scales.
- **region:** A definable area of the Earth's surface which contains one or more common characteristics that distinguish it from other areas. Regions are different for different groups of people. For example, Oakleigh South (local), Gippsland (regional), Australia (national), Sub Saharan Africa (international).
- **spatial change over time:** The degree to which an area has changed its geographic characteristics, features or patterns of use over a period of time. Change occurs at varying rates at different times and may be considered at different scales. For example, the redevelopment of the Melbourne Docklands since the 1990s would look at distribution, spatial association between things, movement and spatial interaction.

- **movement:** The change in location of one or more things across the Earth's surface. Movement includes direction, method, rate, nature and volume.
- **spatial association:** The degree to which things are similarly arranged over space. Spatial association compares distribution patterns. A strong spatial association occurs where two distributions are similar. Weak association describes little similarity. No association occurs when two distributions are dissimilar.
- **spatial interaction:** The strengths of the relationships between phenomena and places in the environment, and the degree to which they influence or interact with each other. Over time, the impact of people on the environment changes and the environment in turn changes people.

opportunity cost

The next best use to which the limited productive resources could have been used in the production process.

¹ This is an official definition given by Australian Securities and Investment Commission (ASIC)

First published February 2005
Revised Edition published January 2008

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