MA99 EDUCATION

# Nature of Business: Summary 01

NSW BUSINESS STUDIES STAGE 6 SYLLABUS 2010 FOR HSC 2028

Every figure is dated and sourced, so you can quote it as written. Read this the week before an assessment.

## 1. The topic on one page

| DOT POINT | KEY POINT | EVIDENCE |
|---|---|---|
| **Nature of a business** | It combines resources to produce goods or services, usually for profit | 2,814,778 actively trading businesses, 30 June 2026 (ABS) |
| **Goods and services** | Goods are tangible and can be stored; services are intangible and cannot | WGAC sells goods; PwC sells services; GYG sells both |
| **Role of business** | Profit, employment, incomes, choice, innovation, entrepreneurship and risk, wealth, quality of life | GYG 15,000+ restaurant staff; WGAC donations over $20m (March 2026) |
| **Size** | ABS: small under 20 employees, medium 20 to 199, large 200 or more | 97.3 per cent of businesses small, June 2025 (ASBFEO) |
| **Local, national, global** | Where it operates, not where it started | GYG: Newtown 2006, Brisbane 2010, Singapore 2013 |
| **Industry** | Primary, secondary, tertiary, quaternary, quinary. Classify the activity | Toyota Altona (secondary); GYG (tertiary); PwC (quaternary) |
| **Legal structure** | Sole trader, partnership, private company, public company, government enterprise | PwC “Other Partnership”; Good Goods Pty Ltd; GYG Ltd; Australia Post GBE |
| **Choice of structure** | Size, ownership and finance. Real businesses change structure | GYG: Pty Ltd (2007), public company (2020), listed (2024) |
| **Global expansion** | Method of entry carries the risk | GYG: Asia by master franchise worked; US company owned, exit May 2026 |
| **Expansion into Australia** | A global business can change how it serves a market | Toyota built cars here 1963 to 2017; number one in 2025 |
| **Tertiary to quinary growth** | External influences: trade, technology, incomes, social change | Toyota cited free trade agreements (2014); GYG app 25 per cent of sales |
| **External influences** | Ten. The business responds; it does not control | March 2020 panic buying: WGAC sales up to 12 times normal |
| **Internal influences** | Products, location, resources, management, culture. The business decides | GYG kept menu prices below cost growth (FY25, FY26) |
| **Stakeholders** | Interests conflict. Name two groups and the trade | GYG customers against margins; PwC partners against public duty |
| **Life cycle** | Establishment, growth, maturity, post-maturity | JB grew 27.2 per cent (FY04), 4.8 per cent (FY26) |
| **Decline** | Usually several causes. Name the trigger and the cause | Dick Smith: $60m stock write-down, debt, rebates, dividend |
| **Cessation** | Voluntary (owners choose) or involuntary (forced, usually insolvency) | GYG US (voluntary); Dick Smith receivership and liquidation |
| **Liquidation and stakeholders** | Creditors paid in legal order; shareholders last | Dick Smith creditors at least $260m short (ABC, 13 July 2016) |

# 2. The facts to quote

## Who Gives A Crap (Good Goods Pty Ltd): the start-up

**Founding.** Registered as a Pty Ltd on 22 December 2011 (ABN Lookup). Indiegogo campaign, July 2012: $50,000 target, founder Simon Griffiths sat on a toilet for 50 hours (LBB Online; Broadsheet). Two earlier ventures "were not viable long-term".

**Growth.** 3 founders (2012), 50 staff (April 2019), nearly 300 (September 2026). Nearly 40 countries. US 2016; Whole Foods April 2024; Tesco 247 UK stores 2025. Bootstrapped about nine years, then $41.5 million from investors (September 2021).

**Influences.** March 2020 panic buying: daily sales doubled, then 12 times normal; store closed to new customers (Fortune, 18 October 2020). August 2025 restructure: about 50 roles, 19 per cent of staff, because of time zones and cost.

**Stakeholders.** 50 per cent of profits donated; over $20 million by March 2026 (econews, 25 March 2026).

## Guzman y Gomez: from one restaurant to a listed company

**Establishment.** 18 months planning from 2005; Newtown, October 2006; by 2009 close to 100 staff and over $5 million revenue (Dynamic Business, 22 December 2009).

**Structure.** Pty Ltd from 2007; public company 22 October 2020; listed 20 June 2024 at $22, closing at $30 (up 36 per cent); a $335.1 million offer, $200 million of it new shares (GYG prospectus, 14 June 2024; ABC News, 20 June 2024).

**FY26.** 284 restaurants (Australia 255: 93 corporate, 162 franchise; Singapore 24; Japan 5). Network sales $1,377.8 million, up 17.9 per cent. $171 million cash, no debt (GYG FY26 results, 21 August 2026).

**Global.** Asia by master franchise: network sales $87.1 million, up 17.9 per cent. US company owned from 2020: FY25 segment EBITDA loss $13.2 million; exit announced 22 May 2026, cost US$30 million to US$40 million.

## JB Hi-Fi: every legal form and a slowing growth rate

**Structure.** One store, East Keilor, 1974; sold 1983; management buy in with private equity as a Pty Ltd, July 2000; JB Hi-Fi Limited 24 March 2003; floated October 2003 (JB Hi-Fi Group Investors; ABN Lookup).

**Growth to maturity.** Sales $355.8 million (FY03) to $452.4 million (FY04), up 27.2 per cent. Group $11,064.0 million in FY26, up 4.8 per cent. JB Hi-Fi Australia quarterly growth in FY26: 6.0, 6.5, 4.0, 0.3 per cent. 355 stores, over 17,000 staff.

**Strategies at maturity.** HOME stores; New Zealand (26 stores); online; The Good Guys for $870 million (2016); 75 per cent of e&s for $47.8 million (2024).

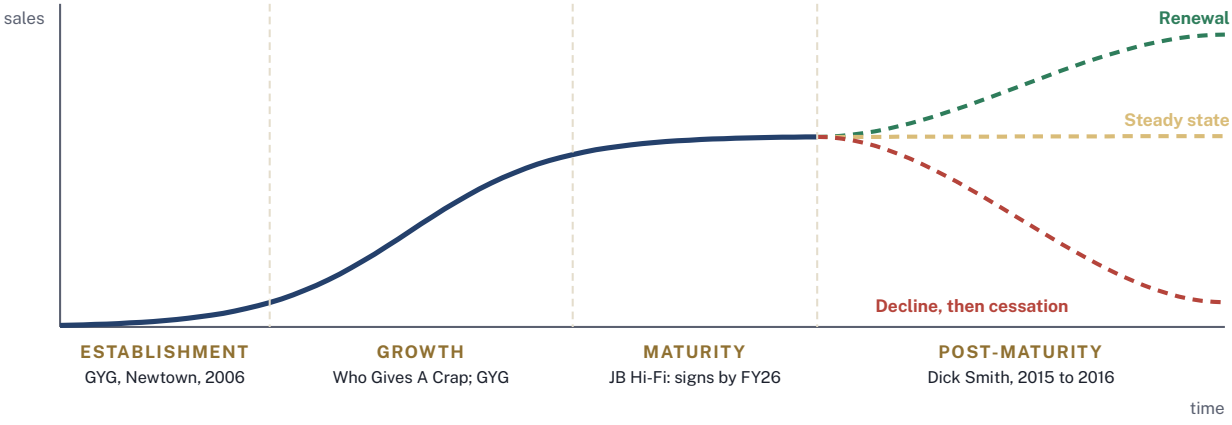



Figure 1 · The business life cycle, with real businesses placed on it. Placements are MA99's reading of the evidence. Generic shape, not data.

### Dick Smith Electronics: decline and liquidation

**Life cycle.** $610 start in Artarmon, 1968; Woolworths owner 1982 to 2012; Anchorage Capital bought it for $115 million (November 2012) and floated it at about $520 million (December 2013).

**Decline.** $60 million (20 per cent) stock write-down, November 2015. Net debt about $40 million. Receivers appointed by NAB and HSBC, January 2016. 393 stores and about 3,300 staff at the collapse.

**Stakeholders.** Employees paid in full. Gift cards not honoured. Creditors at least $260 million short. Shareholders: $25 million settlement, about $5.08 million to members (2021). CEO and CFO breached their duty of care over an $11.8 million dividend (DSHE Holdings v Potts [2022] NSWCA 165).

### PwC Australia: a partnership

"Other Partnership" on ABN Lookup. Partners approve the CEO "via independent partner ballot" (19 August 2026). 23 new partners on 1 July 2026. Tax leaks scandal: government advisory business sold for $1 (July 2023); revenue $3.4 billion (FY2023) to $2.1 billion (FY2025), a fall of 38 per cent.

## 3. What to do with it

### The five sentences that carry most of the marks

Classify by the measure, and say which measure: "Who Gives A Crap had 50 staff in 2019, a medium business by the ABS count."

Separate public from listed: "GYG became a public company in October 2020 and listed in June 2024."

Link an external influence to an internal decision: cost inflation met by GYG's pricing. Place a business on the life cycle with growth rates, not adjectives. Name the trigger and the cause of decline separately: Dick Smith's December sales were the trigger; stock bought on debt was the cause.

### The six mistakes that cost the most

Writing that profit is the only reason a business exists. Calling a business small because it is young.

Writing that a franchise is a legal structure: it is an establishment option, taught in Business planning. Calling suppliers internal because the business deals with them every day.

Treating post-maturity as one outcome. Writing "everyone lost money" in liquidation instead of naming each group, its problem and its figure.

## 4. The last check before the assessment

Tick each line only when you can do it on blank paper, without these notes. Every line left at "not yet" is where your next hour of study goes.

| CAN I DO THIS WITHOUT NOTES? | YES | NOT YET |
|---|---|---|
| **Give eight contributions of business, each with a real example.** | | |
| **Classify GYG four ways, with dates.** | | |
| **Name a real partnership and a real government business enterprise.** | | |
| **Explain GYG's two methods of global expansion and their results.** | | |
| **Sort ten influences into external and internal using the control test.** | | |

| CAN I DO THIS WITHOUT NOTES? | YES | NOT YET |
|---|---|---|
| **Calculate JB's FY04 and FY26 growth rates.** | | |
| **List Dick Smith's stakeholders and what each lost.** | | |

> If you can only do one thing before the assessment, learn one business for each dot point, with a date.

## About this resource

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### Scope

NSW Business Studies, Year 11. Written to the NSW Business Studies Stage 6 Syllabus 2010, Nature of Business, for students sitting the HSC in 2028. A new Business Studies syllabus is first examined in HSC 2029. Every worked context uses real, sourced businesses (Who Gives A Crap, Guzman y Gomez, JB Hi-Fi, Dick Smith Electronics and PwC Australia), with figures dated and sourced; any business in a practice stimulus that is not real is labelled hypothetical, and every number was recomputed from its inputs before printing.

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