



# Tax reform



This sequence is intended as a framework to be modified and adapted by teachers to suit the needs of a class group.

## Resources needed

- Tax reform as aggregate supply policy - Explainer
- Modelling tax reform – Visualiser
- Modelling tax reform – Teacher’s notes
- Case study of a tax reform – Investigation

## Suggested activity sequence

- 1** Introduce the topic by explaining that students will be investigating one tax reform to discover whether it was an effective strategy for improving the nation’s productive capacity.
- 2** Students read the *Explainer*.

### Tip

If required, encourage students to use the *Reading for meaning strategy* as they read the *Explainer* or to take notes using the *Cornell note taking system*

- 3** Discuss with students the different types of tax reforms that are available to governments and brainstorm any examples students can provide.

- 4** Use the *Visualiser* to model how tax reform might grow Australia’s productive capacity. See the *Teacher’s notes* for an explanation of how tax cuts (aggregate supply policy) will boost the sustainable level of national production while lowering the general price level.
- 5** Use a *grouping strategy* to organise students into groups of 4.
- 6** Give each group member a different tax reform to investigate:
  - company tax
  - PAYG tax
  - general tariffs
  - abolition of the Carbon tax and the MRRT.
- 7** Students complete the *Investigation* in relation to the tax reform they have been allocated.
- 8** Each group member shares their findings with their group.
- 9** Groups discuss the trade-offs associated with each tax reform.
- 10** As a class discuss the trade-offs students identified.
- 11** *Think-pair-share*: Do the benefits of the tax reform outweigh the trade-offs? Why?