



Impact of tax on individual and business decisions



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

Resources needed

- Role of tax in influencing decisions – Visualiser
- Tax and you – Interactive
- GST-free goods and services
- The impact of tax on individual and business decisions – Data sheet
- The impact of tax on individual and business decisions – Worksheet
- The impact of tax on individual and business decisions – Assessment

Part A: The impact of tax on purchasing decisions

- 1 Display page 1 of the *visualiser* to explain how and why the government uses taxes to encourage or discourage the consumption of some goods and services. If you want to deepen learning, display and explain the remaining slides on the visualiser. As you do, invite student responses to the questions on each page.
- 2 Students complete *Tax and you – interactive* to consolidate their understanding about what goods and services are taxed, subsidised or tax-free.

Part B: Exploring how tax can influence decisions with a case study of GST

- 1 Remind students that all Australians pay GST on most goods and services they buy. As a class, read the *GST explainer*.
- 2 Discuss the following, modelling responses where necessary:
 - How does not applying GST incentivise individuals to buy these goods and services? (for example, choosing to buy fresh fruit and vegetables over processed foods, the choice to buy medicine, the choice of sending children to childcare).
 - Why does the government incentivise the purchase of GST-free goods and services?
 - What are the costs and benefits of not charging tax on these goods and services?

Part C: Preparing for the assessment

- 1 Organise students into mixed ability groups.
- 2 Give each student a copy of the *data sheet* and *worksheet*.
- 3 Groups collaboratively read each worksheet question, the related source materials and develop a response. Students individually record their group's response on their own worksheet.
- 4 Ask students to re-read the stimulus (data sheet) for homework and bring their completed worksheet and data sheet to the next lesson.



Part D: Assessment task

- 1** Students complete the *assessment task* in exam conditions. They should have access to both their worksheet answers and stimulus material. Allow about 60 minutes for them to complete the task.
- 2** Collect the assessment task and use student responses to make judgments about student performance in relation to the achievement standard.