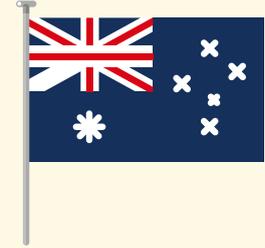




The Budget – Getting the balance right for voters



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

Resources needed

- What is a democracy? – Video
- Budgets and budgeting – Visualiser
- Moneysmart budget planner

Suggested activity sequence

Part A: Exploring the meaning of a representative democracy

- 1 Pose the question: What does the term 'democracy' mean?

Explain that the system of government in Australia has its origins in Ancient Greece where all male citizens of Athens had equal political rights, freedom of speech, and the opportunity to participate directly in the political arena.

Note that all citizens having a right to vote on a government decision is referred to as 'direct democracy' but, for practical reasons, modern democratic systems have developed to be 'representative democracies'. This means citizens vote for a member of a parliament or a councillor to represent their interests and make decisions and policies on their behalf.

- 2 Play: This video provides an overview of some of the key features of democracy.

What is a democracy?

Use an internet search engine to search for 'What is democracy video ahrc'.



- 3 Explain that we vote for people to represent us in our parliaments and councils, and to run the country on our behalf. Running the country includes managing our finances and every year proposing a Budget.
- 4 Discuss the meaning and importance of budgeting using the 'What is a budget?' and the 'Why budget?' slides of the *Visualiser*.
- 5 Explain that a 'government budget' is a planning document that accounts for the money (revenue) to be collected through tax and sets out the intended items to be paid for (expenditure).



Part B: Exploring household budgets and the implications of 'surplus' and 'deficit'.

- 1 Explain that creating a household budget will help students' understanding of the budgets made every year by governments.
- 2 Display the 'Calculating a household budget' slide of the visualiser. Discuss the difference between income and expenses.

Go to moneysmart.gov.au and search for 'budget planner'.

- 3 Students use the *Moneysmart budget planner* and, with support, explore its functions noting the importance of + and – signs.
- 4 Students work in pairs to calculate an annual household budget.
- 5 Display discussion questions on the visualiser for each pair to discuss.
- 6 Review and discuss student responses.
- 7 Explain that getting the balance right between household income and intended expenses is the same type of judgement governments must make in relation to annual budgets.
- 8 Pose the question:

If the government does not have the right balance between income (revenue/tax) and expenditure (goods and services provided), what action can citizens take at election time?

Part C: Identifying influences on government spending

- 1 Review students' understanding that governments must manage money and that citizens can vote out a government if it does not have the right balance between raising and spending revenue (tax).

- 2 Note that at an election, voters consider whether the government has made the case for:
 - increasing OR reducing tax (government revenue)
 - borrowing money to cover a deficit
 - removing OR decreasing spending on particular goods and services
 - preferencing one type of spending or saving over another.

- 3 Pose the question: What factors influence government spending?

- 4 Brainstorm factors that impact on government spending and discuss how particular factors impact on voters.

- 5 Students gather print and digital media news articles that are current (within the past 3 months) that relate to:
 - an item of government expenditure, or
 - a change in taxation policy, or
 - government debt (deficit)/savings (surplus).

- 6 Review articles and post them on a classroom news wall. Articles of similar content are not accepted.

- 7 Use a *gallery walk* to enable students to read the articles that have been posted. Invite students to respond to the prompt:

How would you respond to this issue if you were a voter?

- 8 Students write a short summary of how voters may be influenced by government decisions about how to collect or spend taxpayers' money.