



Our spending and GST



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

Resources needed

- Goods and services tax – Explainer
- Spending diary
- GST calculator

Suggested activity sequence

Note: this activity can be introduced in the first lesson, but the majority of the lesson will take place one week later as students are required to keep a spending diary in this time period.

Part A: Spending diary

- 1 Explain to students that they are all taxpayers, even if they do not have a job. Tell students that they pay tax on most of the goods and services they buy. This is known as the goods and services tax, or GST.
- 2 As a class, read the *Explainer*.
- 3 Set students the spending diary challenge. Over the next week, you will keep a *Spending diary*. Use the diary to record everything you spent money on – include everything such as mobile phone costs or top-ups, bus fees and snacks.

Explain that the spending diary includes students identifying the amount of GST they paid if applicable.

Part B: Using information from students' spending diaries

- 1 At the end of the week, students add up their total spending and amount of GST they paid. They also list items that were GST-free.

Refer students to the *GST calculator*.

- 2 Invite each student to add their totals to the class tally sheet. Post a chart on the wall or record totals on the board.

Student name (or number)	Goods and services with GST		GST-free goods and services
	Total spent	GST paid	Item name

- 3 Add the total amount of money students in the class paid in GST over the course of the week.
- 4 Invite student reflections on the amount of GST they paid as a class. Possible prompts include:
 - Were you surprised at how much tax we pay?
 - How do you think the government spends this tax revenue?
 - How do you feel about contributing to the provision of government services?



- 5** Discuss the items listed under the GST-free column and discuss why these items are GST-free. Possible prompts include:
- What do these items have in common?
 - Are these items essential?
 - Is it fair that these items are GST-free? Why?

Part C: Businesses and GST

- 1** Explain to students that the money they pay in GST is collected by businesses and paid to the government through the ATO.
- 2** Usually businesses report and pay the GST they collected to the ATO quarterly.
- 3** Ask:
 - Imagine that all the items purchased by the class were purchased from one supplier. In simple terms, how much would this business pay in GST for this week?
 - What was the total price of goods before GST was added?