

Name: _____

Goods & Services Tax

Since Australia introduced the *GST* (Goods and Services Tax) most items you buy include the *GST* of 10% except fresh fruit and vegetables. Items used to grow the fresh fruit and vegetables however, do attract the *GST*. Things such as fertilizer, sprinkler systems, petrol to run the pumps that are used for watering, crates or packaging used, tools and implements all attract *GST*. Once the fresh vegetables have been used in a prepared salad and sold as a meal they do attract *GST*. Fresh corn does not attract *GST* but frozen corn does because it has been processed. The same is for fruit; once fruit has been cut up into a fruit salad and sold as such it also attracts *GST*. Check out the items in the column and use a calculator to work out the *GST* component of each one.

| Price excluding GST | Price including 10% GST |
|-----------------------|-------------------------|
| music tape \$24.95 | |
| newspaper \$2 | |
| video tape \$28.35 | |
| umbrella \$21.15 | |
| sunglasses \$17.85 | |
| tomatoes \$3.30 kg | |
| pencil \$0.95 | |
| eraser \$2.50 | |
| bus ticket \$2.10 | |
| envelopes \$2.25 | |
| lettuce \$3.00 | |
| book \$12.70 | |
| potatoes \$1.25 kg | |
| frozen peas \$2.98 | |
| printer \$ 485 | |
| sliced meat \$9.95 kg | |
| watering can \$4.75 | |
| puff pastry \$4.80 | |
| shoes \$79 | |

Does the *GST* sound fishy to you, is it fair, or is it a shark of a deal?

Discuss your thoughts about *GST* in a group.

