

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.

