



Effects of the Budget on individuals and businesses



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 cards (one card for each group)
- A list of hypothetical budget decisions or policies from the most recent Budget.

Suggested activity sequence

- 1 Organise the class into 6 groups.

Note: groups can be made up of any number of students, depending on your class size. If necessary, use a *grouping strategy* to decide on the composition of groups.

- 2 Generate hypothetical budget decisions or choose policies from the most recent Budget. If possible, select more than one decision for each group to consider.

Possible policies

- Increase or decrease in direct taxes (income tax, company tax).
- Increase or decrease in indirect taxes (GST, excises).
- Increase in government spending on welfare, education, health or infrastructure.

- Decrease in government spending on welfare, education, health or infrastructure.
- Changes to labour market regulations.

- 3 Give each group **one** *Role card*.
- 4 Groups discuss how the decision will affect the person or entity on their role card.

Tip: Use a *discussion strategy* to support student collaboration and participation, such as providing each group with a set of *Talking cards*.

Possible prompts

- How do you feel about the decision?
- How will the decision affect you?
- How will the decision affect your behaviour in relation to:
 - income
 - spending
 - savings
 - investment
 - confidence?

Remind students to use the circular flow of income when making their predictions.

- 5 Each group presents their views (from the perspective of the person they are representing) to the class.
- 6 As a class, discuss the effects of the decision on different stakeholders, any differences they identified and the reasons for these differences.