### ANSWER THE FOLLOWING QUESTONS.

1. **What is the purpose of taxation?**

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1. The three levels of government in Australia charge taxes to provide services for the community. The Federal Government, State and Territory Governments, and Local Governments each raise different types of taxes to provide a range of services.

Research to find examples and definitions for some of these taxes, and examples of how each level of government uses the money raised from tax.

An example is provided for you below.

**Use the table on the next page to record your findings.**

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| **Examples of taxes charged by the federal government** | **Definitions for these taxes** | **Examples of services funded by the federal government from tax revenue** |
| * Personal income tax * GST (Goods & services tax) | 1. **Personal income tax** is paid to the Australian *government* from your wages as you earn throughout the year. 2. **GST** is a broad-based tax of 10% on most goods and services sold or consumed in Australia. GST is distributed to states and territories. | * Defence * Immigration |

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| **List THREE OTHER examples of taxes charged by the federal government.** | **Provide definitions for TWO of these taxes.** | **List FIVE OTHER examples of services funded by the federal government from tax revenue.** |
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| **List THREE examples of taxes charged by state and territory governments.** | **Provide definitions for TWO of these taxes.** | **List FIVE examples of services funded by state and territory government from tax revenue.** |
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| **Name ONE example of a tax charged by local governments.** | **Provide a definition for this tax.** | **List FIVE examples of services funded by local governments from tax revenue.** |
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