

**AUSTRALIAN COUNCIL FOR THE DEFENCE OF GOVERNMENT  
SCHOOLS**

**PRESS RELEASE 816**

**TAXATION EXEMPTIONS AND PRIVATE SCHOOL RATES**

The Direct subsidisation of private education in Australia from the Coalition Government is now running at [approximately 181.6 billion of federal funding over the next 10 years compared to that for public education of \\$128.8. billion funding](#) This does not take into account direct funding from State Governments. All these known figures represent the tip of a very slippery iceberg.

**Taxation Exemptions: The Hidden Iceberg**

They do not take into account taxation exemptions, or, from the point of view of the tax offices and citizens, taxation expenditures. These include non-payment of income tax, GST capital gains tax stamp duty, land tax municipal rates etc. etc. It is almost impossible to get these figures from the federation or State taxation authorities.

Public school supporters who are heartily sick of the largesse shown by Coalition and State Governments to the private sector while public schools go begging - are not the only restive groups that have had enough.

Municipal Councils have had enough of rate exemptions. And, like the DOGS, Councils have been keeping tabs on rates foregone since at least the 1970s. The figures involved represent income foregone for many roads and local services. Since Councils are at the bottom of the taxation food chain, with burdensome responsibilities, in Victoria, they have had more than enough.

**Push for Private Schools to Pay Rates.**

On November 5, 2019, in *The Age* Jewel Topsfield and Royce Millar informed us that in a submission to the state government's rates review, the Municipal Association of Victoria, representing 79 Councils claims 12 per cent of the City of Melbourne's rates base is exempt.

The submission argues that the rates system is not fair or equitable for all rate payers. It calls for the abolition of rates exemptions received by organisations that no longer serve just the local community, as they did in previous centuries, but compete in state, national and even international markets.

These include private schools, universities, power stations and solar and wind farms, mines, religious properties used for commercial purposes (such as retirement villages), gaming

venues on Crown land and Crown land used for commercial purposes (such as timber reserves and port land).

“Mum and dad home owners and small businesses are paying their council rates,” says MAV president Coral Ross.

“Exempt private and commercial activities should also pay a fair and equitable share of rates.”

### **Some Interesting Facts and Figures**

In an interesting twist of fate, homeowners in the wealthy leafy suburbs of east Melbourne are hardest hit. The City of Boroondara, in Melbourne’s eastern suburbs, has 69 properties owned by private schools, according to the submission.

These properties are exempted from paying almost \$1.4 million in general rates each year, the MAV estimates, which is the equivalent of 0.94 per cent of residential rates.

The MAV says private schools and universities have a long-standing exemption from paying rates.

“While this once could have been justified, given how private schools and universities have evolved over time to the commercial institutions they are today, this rate exemption cannot be justified on fairness and equity grounds,” the submission says.

It says many private schools charge significant fees and lease their facilities to commercial operators, such as swim schools.

The private school lobby is responding as one might expect. But a panel chaired by former City of Melbourne chief executive Kathy Alexander is overseeing the rates review.

It will report to the local government minister, Adem Somyurek, in March 2020.

**DOGS WILL WATCH THIS SPACE WITH INTEREST.**

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