

AUSTRALIAN COUNCIL FOR THE DEFENCE OF GOVERNMENT SCHOOLS

PRESS RELEASE 500#

TAXATION EXEMPTIONS: EXPENDITURES IN FAVOUR OF THE RICH

10 January 2013

The Australian Education Debate is top-heavy with facts, figures, testing procedures and statistics.

Yet there is a crucial figure that is constantly left out of the private school funding equation: taxation expenditures which generally go by the name of taxation exemptions.

Julia Gillard is looking for at least **\$4 billion** for Australian public schools. Perhaps she should be looking at the non-for profit profiteering sector to find it.

Kenneth Davidson



Kenneth Davidson in the *Age* of 24 December 2012 *Rash Financial deals Dilute Philanthropy* at <http://www.smh.com.au/opinion/society-and-culture/rash-financial-deals-dilute-philanthropy-20121223-2btp6.html#ixzz2HWIa99> details the manner in which charitable donations to public-private partnerships are being used to enrich private financiers of health and education.

As he notes, philanthropy in Australia is big business. The best guess is that the not-for-profit sector consumes about **\$4 billion a year in tax expenditures**.

Educationists need to discover how much should be added to the annual private school subsidy.

According to a 2010 Productivity Commission report, the sector is growing at twice the rate of the Australian economy, partly in response to pressure from the rich to wind back the welfare state and outsource government social services. Subsidization of private schools fits this policy very nicely.

Leverage available to the rich distort charitable and philanthropic priorities in the direction favoured by the rich. Funding of private schools provides a private, as distinct from a public benefit.

The tax deductible donations for elite private schools hardly benefit the majority who are effectively excluded from these institutions by lack of income?

We don't know the actual figures because most of the information is unavailable or difficult to find.

Max Wallace, in his Purple Economy (2008) argues that exemptions for charities are effectively concealed tithes on all taxpayers. At the same time church attendance has plummeted.

Central to supernatural proselytising is their lobbying success in achieving more public money for private, religious schools. Public education has been betrayed by compliant politicians from both sides as they run what are effectively soft theocracies: democracies compromised by supernatural charities and their tax exemptions.

Taxpayer disquiet has generated some action at the federal level. The federal government managed to get through Parliament legislation setting up the Australian Charities and Not-for-Profit Commission, in the face of opposition from the Coalition. The commission will create a register which may provide some information. But the Catholic bishops are not unhappy with its requirements and the Commissioner has herself erstwhile connections with the Catholic sector.

Even so, the Coalition has promised to abolish the commission if it wins next year's election.

After all, the private school sector has plenty of taxation expenditures to keep out of the State Aid equation.

THE DOGS RADIO PROGRAM

3CR

855 ON THE AM DIAL

12.00 NOON SATURDAYS