

AUSTRALIAN COUNCIL FOR THE DEFENCE OF GOVERNMENT SCHOOLS

Press Release 699

Follow the Money: The \$7 billion Gonski Funding is Miniscule when compared with Taxation Expenditures (Concessions) for the Wealthy.

The wealthy have never wanted to pay for the education of those less fortunate than themselves – through an equitable taxation system.

Public Education and the Common Good always suffer when the wealthy escape their fair share of Taxation. For the last forty years in Australia this has been very much the case. The social contract is in tatters as the robber barons make a mockery of our taxation system and run all the way to their tax havens. According to [research published by the International Monetary Fund](#), Australia has one of the highest tax expenditures in the world. It tops the list of 16 OECD countries with tax expenditures amounting to 8.5% of GDP.

In Australia, at the moment, the cost of the last two years of the Gonski funding plan was originally estimated at \$7 billion, that is, an average of \$3.5 billion a year. The Turnbull government claims that they cannot afford it. When one considers what the corporates are NOT paying in taxes, there is something obscene about this claim.

[The 2016 Tax Expenditures Statement](#) released by the Treasury in January show that tax concessions mainly used by the wealthy will cost the Federal Budget \$43.7 billion in 2016-17. In particular, superannuation concessions will cost \$33.1 billion and the capital gains concession \$9.6 billion.

[The latest Mid-Year Economic and Fiscal Outlook \(MYEFO\) report](#) estimates that the cost of these concessions will blow out to \$50 billion by 2019-20, an increase of \$6.3 billion in three years. The cost of the superannuation concessions will increase to \$40.8 billion and while the cost of the capital gains concession will increase to \$9.1 billion.

Although the DOGS regard the Gonski funding plan as an Australian-style voucher system masquerading under the guise of a ‘Needs’ policy, those at the coal face in public education – the teachers and students - confronted with a tragic lack of resources and disadvantaged children in their classrooms, are desperate for crumbs from the table of the wealthy under any circumstances.

And the Gonski \$7 billion which State school teachers and parents are chasing fades into insignificance when compared with the above mentioned tax expenditures i.e. the taxation concessions provided by Mr Turnbull to the Australian wealthy – including, no doubt, himself.

And the \$7 billion becomes miniscule when placed alongside the total taxation expenditure figure that includes concessions provided, not only to wealthy individuals, but also to wealthy private schools and religious organisations because they are labelled ‘charities’.

Gonski funding could be easily financed by reducing the revenue forgone to the wealthy through the superannuation, capital gains, negative gearing and other tax concessions and by reducing tax evasion. The refusal of the Turnbull Government to seriously challenge the tax benefits of the wealthy and fully implement the Gonski plan demonstrates that its priority is to support privilege at the expense of the disadvantaged.

Trevor Cobbold of Save Our Schools, a financial analyst who worked in the Productivity Commission on 23 March 2017 has done the figures at <http://www.saveourschools.com.au/funding/tax-concessions-for-the-wealthy-deny-adequate-funding-for-disadvantaged-students>

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