

AUSTRALIAN COUNCIL FOR THE DEFENCE OF GOVERNMENT

SCHOOLS

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TAX POLICY AND SEPARATION OF CHURCH AND STATE

As election noise ramps up, Prime Minister Morrison promises to denude the Treasury and [reward the wealthy income earners by \\$77 billion over ten years](#) while Opposition leader Bill Shorten commits verbal trip ups on superannuation policies and promotes his climate change credentials with a Turnbull style proposal. Shorten has also got the moral initiative with promises to alleviate financial stresses on victims of cancer.

Yet the Morrison Government has been caught out diverting millions in capital funding to wealthy private schools for dance studios, fitness areas and cafes while giving nothing to public schools to cope with rising enrolments.

An AEU investigation has found that money from a capital fund designed to benefit schools that can't raise their own funds, has been shifted into elite schools.

Many of the grants were made by the Morrison and Turnbull Governments after capital funding for public schools was stopped in 2017. Details of the funding for wealthy private schools was originally obtained by the AEU under Freedom of Information laws and has now been [published online](#).

Perhaps it is time we had a public debate between the Federal Minister for Education and the Shadow Minister.

On 8 May 2019, the election campaign got emotional, with Bill Shorten calling out the Murdoch paper's attempt to denigrate his deceased 'barrister' mother, a gutsy lady from a working class background who availed herself of the Whitlam era of free university education.

But after three debates between Morrison and Shorten, there is little discussion of the forced taxpayer funding of religious educational institutions or even, given the Israel Folau case, religious liberty. Their answers on this latter during the 8 May debate were mealy mouthed at best.

It seems as if both major parties have agreed that the 'State Aid' issues are in the 'too hard' basket. The Murdoch Press says, 'It's Still the Economy Stupid'. But the DOGS response is, 'It's Still the Tax system Stupid'. Who is going to be taxed, and who is going to benefit from the largesse of the Federal Treasury? Morrison is screaming that Shorten is going to tax the Australian citizenry. Shorten points to the 'big end of town' and multinationals who minimise their tax. But nobody mentions the wealthy religious multinationals which are totally exempt and are gifted billions of dollars on an annual basis to segregate our next generation.

So let's look at the tax system.

Tax policy is a complicated subject, and you'll find lots of opinions about it – often heated ones. While Australians may disagree on how much they should be taxed and what those taxes ought to pay for, there's one thing we should all agree on:

No taxpayer should be compelled to subsidize religion.

Unfortunately, since the DOGS case in 1981 we have drifted from this idea. Religious institutions in Australia receive ever increasing billions of dollars for the running of their Institutions. The Catholic Church for example, is one of the wealthiest institutions exempt from taxation obligations, as well as one of the largest employers in Australia. But until the current Presidency America has held the line on matters of Church and State. Founding Fathers in America in 1776, like those in Australia in 1898, were seeking to protect religion, not harm it, when they ensured that religious institutions would support themselves and not depend upon the State.

Until recently America led the way in refusing to tolerate entanglement of religion with the State.

But under the Trump regime things are rapidly changing in this arena. [Americans United for Separation of Church and State provides the following information.](#)

Private school voucher plans that use public funds to subsidize private religious schools are operating in some states, and President Donald Trump and Education Secretary Betsy DeVos have [proposed a nationwide tuition tax credit scheme](#) (a type of backdoor voucher plan) that would cost billions.

In addition, “faith-based” initiatives continue to proliferate. Under Trump, some taxpayer-subsidized religious institutions have boldly declared that they have a right to take money from the public yet refuse to serve certain classes of people, a situation Americans United is [challenging in federal court in South Carolina.](#)

The framers of the American Constitution in 1776 believed that houses of worship should not receive tax dollars. They didn't feel this way because they were hostile to religion – far from it. While they clearly believed that forcing people to support religion against their will was a violation of the fundamental right of conscience, the Founding Fathers also understood that expecting faith communities to stand on their own feet was good for religion.

In 1785, James Madison penned the [“Memorial and Remonstrance Against Religious Assessments”](#) – a broadside that blasted a proposal to force all residents of Virginia to pay a tax to support Christian ministers.

The document is essentially a list of 15 reasons why church taxes are a terrible idea. The entire thing is brilliant, but point seven is especially relevant today:

“Because experience witnesseth that ecclesiastical establishments, instead of maintaining the purity and efficacy of Religion, have had a contrary operation. During almost fifteen centuries has the legal establishment of Christianity been on trial. What have been its fruits? More or less in all places, pride and indolence in the Clergy, ignorance and servility in the laity, in both, superstition, bigotry and persecution. Enquire of the Teachers of Christianity

for the ages in which it appeared in its greatest lustre; those of every sect, point to the ages prior to its incorporation with Civil policy.”

Far be it from me to paraphrase Madison, but he’s essentially saying here that evidence shows that church taxes haven’t helped religion, they’ve ruined it. He points out that the Christian faith received state support for 1,500 years, and this led the clergy to become arrogant and lazy. It also sparked ignorance among lay members and fostered persecution. Madison recommends that you ask ministers – they’ll tell you that Christianity did better before it took state money.

Madison was right, and we can see evidence of this in the world today. Consider the countries that still have taxpayer-supported, state-sponsored religion. They tend to be either nightmarish theocracies or places where religion plays a largely ceremonial role but dwindling numbers of people actually bother to attend services.

America needs to re-embrace one of its founding principles: No one should be taxed to pay for the religion of another. On Tax Day, recommit to that idea yourself and [work with Americans United](#) to buttress it.

P.S. Benjamin Franklin also had a [great quote](#) on this topic: “When a Religion is good, I conceive that it will support itself; and when it cannot support itself, and God does not take care to support, so that its Professors are obliged to call for the help of the Civil Power, ’tis a Sign, I apprehend, of its being a bad one.”

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