

**AUSTRALIAN COUNCIL FOR THE DEFENCE OF GOVERNMENT
SCHOOLS
PRESS RELEASE 832
NEW 'NEEDS' POLICY CRITERIA
YET ANOTHER SICK JOKE**

A new method of assessing 'Needs' of private (NOT PUBLIC) schools has been invented to replace the discredited socio-economic status of both private and public schools.

The adjusted taxable income of private school parents is to be used as a measure of their capacity to contribute to a private (but not a public) school.

Given the capacity of wealthy private school families to game the tax system, together with the almost \$5 billion in extra State Aid accompanying the changeover, this measure can only be regarded as yet another sick joke in the "Needs" policies saga.

Trevor Cobbold from Save Our Schools, in a Report to the Senate Education and Employment Legislation Committee on the *Australian Education Amendment (Direct Measure of Income) Bill 2020* listed the key problems with the new method as follows:

- *Adjusted taxable income does not fully measure the capacity of families, especially high income families, to contribute because it does not include non-disclosed income held in Australia and in overseas bank accounts and tax havens, non-taxed capital gains, the wealth of families and income and assets held in family trusts. Research by the Australian Taxation Office indicates that high wealth individuals and private companies are understating income by several billion dollars a year. These groups are likely to include families with children in private schools, especially high fee schools.*
- *Direct income measures of family capacity to contribute, including adjusted taxable income, also do not fully measure the financial need of schools because they exclude the wealth of schools and private donations to schools.*
- *Use of adjusted taxable income as the sole measure of capacity to contribute in private schools under-estimates the capacity to contribute of families, over-estimates the financial need of schools and leads to greater government funding than warranted.*
- *The analysis done by the National Schools Resourcing Board did not acknowledge the gaps in Adjustable Tax Income (ATI) as a measure of capacity to contribute and the financial need of schools. Currently, there is no substantive publicly available data or analysis to be able to firmly conclude that adoption of ATI will provide a significantly more accurate measure of the capacity to contribute and the financial need of schools.*

The additional \$3.4 billion in funding for the switch to the direct income measure has all the hallmarks of another special deal for private schools which provides more funding for private schools than warranted. The Commonwealth Government has failed to provide any modelling to justify the \$3.4 billion increase. <https://saveourschools.com.au/funding/new-method-of-assessing-financial-need-of-private-schools-has-major-flaws/#more-4250>

Trevor Cobbold went on to make recommendations related to ‘tweaking’ a Needs policy.

DOGS position is as follows:

DOGS have never compromised their position on State Aid and separation of religion from the State.

DOGS note that if Needs based funding based on parents’ taxable income was given to public schools throughout Australia, the vast bulk of any genuinely ‘Needs’ based funding would be given to the public, not the private sector.

Given current bipartisan support for State Aid this is unlikely to happen.

Various Needs policies have come and gone for sixty years and the growing inequities in education funding increase with each new tweaking of the system. Why? Because private, unaccountable religious schools continue to game the system for their own benefit and those of the privileged in Australian society.

The only way forward is back to a No-State Aid, Public is public and Private is private position.

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