
CATHOLIC SCHOOL PARENTS FACE \$370 MILLION BILL UNDER 15 PER CENT GST

Parents of students in Catholic schools could pay an additional \$370 million annually if a 15 per cent goods and services tax was imposed on school fees, the National Catholic Education Commission has warned.

According to figures from the Australian Curriculum, Assessment and Reporting Authority, Catholic school parents paid almost \$2.5 billion in fees to support their children's education in 2013 – the most recent financial data available.

"If the proposal to extend GST to cover education that the Council of Australian Governments will consider on Friday were to become law, Catholic school parents would be paying several hundred dollars more each year per student, on average," NCEC executive director Ross Fox said.

If GST were applied to education, Catholic school parents would pay an additional \$248 million at the current 10 per cent rate and more than \$373 million at 15 per cent.

Mr Fox said much progress has been made on the school funding debate, but the possible imposition of GST risks throwing that into disarray.

"For the past five years, Australia has discussed and debated the aspiration for a sector-blind, needs-based model," Mr Fox said.

"Current funding arrangements are not sector-blind in the sense that only Catholic and independent schools are required to raise fees from parents, depending on the background of families."

Mr Fox said when proponents suggest GST on school fees would be a progressive tax measure and only affect wealthier families, they ignore realities in Australian schools.

"The data clearly show that Catholic schools enrol many economically disadvantaged and students in government schools include many advantaged families and students," he explained.

"Two-thirds of students are in government schools, where there is no compulsory fee.

"Before the introduction of the GST in 2000, the expert Tax Consultative Committee recommended that education be exempt from GST because parents of students in non-government schools would otherwise be disadvantaged," Mr Fox said.

"Nothing has changed in that respect.

"Proponents of the GST on Catholic and independent schools must provide a rationale for why students being educated in non-government schools should pay an extra 15 per cent."

Mr Fox said in addition to failing the fairness test, GST on education could push many parents away from non-government schools because they would no longer be able to afford school fees.

"A \$370 million fee increase in the years ahead for Catholic school families would be a cruel Christmas present for COAG to deliver tomorrow," Mr Fox concluded.