

## Payroll tax will hit moderate fee Catholic schools and parents

CECV Executive Director Jim Miles says the State government payroll tax on non-government schools will rip up to \$1 million dollars from the operating budgets of moderate fee schools impacting teaching and learning programs, school fees, and building refurbishments.

Mr Miles said the State government had today confirmed that a fee threshold of slightly above \$8,000 will be used to target non-government schools for the new tax.

'Many of the schools being targeted by the government are not wealthy, elite schools. They are schools with hardworking, middle-class families who now face fee increases or cuts in programs.

'How can you tell a not-for-profit organisation like a Catholic school that they will be up to \$1 million worse off each year and not expect significant consequences,' he said.

Rita Grima, Principal of St Columba's College, Essendon which charges annual tuition fees of between \$10,000 and \$11,000, said the school could be up for a bill of around \$800,000 next year.

'This is money we obviously have not budgeted for. We would need to look at our staffing and programs, our refurbishment plans, and school fees to fill the budget gap.

'We have families from a variety of socio-economic backgrounds. Why should our families be asked to help balance the State budget? They already work hard to contribute a significant amount of money to their children's education, saving the taxpayer tens of millions of dollars,' Ms Grima said.

Mr Miles said the new payroll tax equates to an unprecedented 10% cut to government funding for non-government schools, based on forecast tax revenues.

'Some Catholic schools could actually become a funding source for the Victorian Government – they could pay more in payroll tax than they receive in state recurrent grants.

'Arguments that this policy change makes non-government schools consistent with government schools do not make any sense. To make it truly consistent, non-government schools would pay the tax to themselves – just like the government sector.'

'And it certainly isn't consistent with Australian Government policy. The Australian Government's funding model expects many schools to have fees above \$8,000 to operate at the resource standard. Now, the Victorian Government is punishing them for doing what the Australian Government expects them to do,' Jim Miles said.

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