

Relief for some Catholic school communities but no school should be subject to payroll tax

While today's announcement by the Victorian Government of an increase in the threshold for non-government schools subject to payroll tax will be a relief for some school communities, the CECV remains fundamentally opposed to the new policy.

'No Catholic school should be subject to payroll tax,' CECV Executive Director, Jim Miles said.

'Catholic schools are not-for-profit community services working to provide the best quality education they can for Victorian children, while also remaining affordable and accessible for families who seek a Catholic education.

'Schools subjected to the new tax will face cuts to their learning and teaching programs, building and refurbishment plans, or need to increase fees at a time when cost of living pressures are already biting hard,' he said.

Mr Miles said the increase in fee threshold to determine school eligibility to \$15,000 is welcome and shows the government recognised its original proposal was unreasonable.

'At least the decision to increase the fee threshold means that fewer families will be impacted than originally proposed.

'But we are deeply troubled that the Victorian Government will no longer fund some non-government schools. Some schools are going to pay more in payroll tax than they receive in state recurrent grants. No other state nor the Commonwealth Government has such a policy.

'It should also be made clear that the government sector, in effect, pays payroll tax to itself. It's completely misleading to say this new tax results in equal treatment of school sectors. Government schools don't cut teachers or programs because of payroll tax.

'We want to work in partnership with the government to help build a world-class education system for all Victorian children, regardless of which school they attend.

'This unprecedented, ad hoc, and unfair approach to school funding runs counter to this ideal.

'We will continue to engage with the Victorian Government to help ensure this measure is a short-term response, and that schools' funding policy is developed in a fair and consultative manner moving forward. Why else did government set up in legislation a cross-sector School Policy and Funding Advisory Council?

'At times like this it is important the state government is reminded of the contribution already made by the one in five Victorian families who choose a Catholic education for their children through their annual school fees.

'These contributions by hard-working Victorian families already save taxpayers hundreds of millions of dollars each year,' Jim Miles said.

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