

Should high income earners pay a levy if they send their children to government schools?

A reader's letter to the Deputy Prime Minister and Minister for Education,
the Hon Julia Gillard

Dear Julia,

Firstly, congratulations on obtaining government and for being deputy Prime Minister - nice to finally have a woman in such a position. I realise you are very busy but hope you find the time to consider my idea. I believe it would be fair and deliver an enormous amount of extra money that would then be available for educational purposes. I will be upfront in saying that my eldest child (11yrs) goes to private school (starting last year). It has taken considerable effort and sacrifice to do so and we have made certain choices (i.e. not to pursue other things such as purchase of investment properties - very inexpensive holidays etc.).

I perused a report (purportedly independent) from the Association of Independent Schools of Victoria - the upshot being that the average cost to federal and state governments combined for each child in a government school costs \$9700 and the average cost to federal and state governments for each child in a private school being \$4,547. Accordingly the amount saved by the taxpayer being \$4469 for each child at a private school. Therefore any policies which may encourage parents to remove children from private schools and place them in public schools may be quite costly.

Idea – Why not reconsider the perspective we use about private schooling. For private health insurance - if you can afford private health insurance and choose not to do so you have to pay an extra levy otherwise you burden the public system for a service you can well afford. Why not do the same thing for schooling? You could work out a formula but it could be something like this:-

If the combined income of parents is \$100,000 and they have children but choose public schools then maybe they could pay an education levy of \$1000 per child per year (or make the combined income criteria slightly higher for each additional child? - you can work out the details). If the combined income of parents is \$150,000 then they pay \$1500 per child. If the income is \$200,000 then they pay \$2000- per child.

I'm not sure of how many parents would be in this position but would guess that the majority would not. However there would still be a substantial amount who would (i guess?). I don't know how much revenue this would net - or if you could levy less (maybe start at \$500 and increase in increments of \$200?? - which may make the levy system more palatable and still bring in sufficient revenue?) - this would seem to be fair as you would not be forcing them to move to private schooling (much higher costs) but on the other hand - those who could afford to save the taxpayer money by using the private system would be making a fairer contribution to the education of Australians in the same way that those using the public health system contribute more when they can in fact afford private health insurance.

Hope you find time to let me know what you think.

Regards,
Susan

Susan has forwarded to the Parents' Website the following response on behalf of Minister Gillard prepared by the Department of Education, Employment and Workplace Relations

Dear Susan

Thank you for your email of 15 February 2008 to the Hon Julia Gillard MP, Minister for Education, concerning funding for schools. The Minister has asked me to reply on her behalf.

The Australian Government provides funding to both state government and non-government schools as part of a funding partnership involving state and territory governments and parent communities. In funding schools, the Government is keen to see that any funds provided are linked more closely to outcomes so people can measure whether the funds being invested are actually delivering real and improved services to the Australian community.

The Government recognises the critical importance of schooling in establishing the future educational wellbeing of all Australian children. This is demonstrated by its support for the framework of principles for the funding of schools that have been endorsed by state and territory governments through the Ministerial Council on Education, Employment, Training and Youth Affairs. These principles include that public funding across different schools and sectors is distributed fairly and equitably through a consistent approach to assessing student needs and with regard to the total level of resources available for students.

I have noted your comments and suggestions about setting an education levy for parents who send their children to private schools as part of the funding arrangements. The Government has committed to maintain the current funding arrangements for the 2009-2012 funding period to provide funding certainty to schools while consultation with school sectors for the forthcoming four-yearly funding round take place. The Minister has recently advised that school funding arrangements beyond 2012 will, in due course, be reviewed in an open and transparent process.

The Minister has indicated that she will be working with her state and territory colleagues to raise standards in education in every school to ensure that every child can reach their full potential.