



MEDIA RELEASE

FOR IMMEDIATE RELEASE

DATE: 13 FEBRUARY 2024

TAX CHANGE COULD JEOPARDISE SCHOLARSHIPS

Independent Schools Australia (ISA) has warned student scholarships, many of which go to Indigenous Australians and students from low socio-economic backgrounds, may be axed if the government took away the ability for parents and communities to make tax-deductible school donations.

Australia's 1,209 Independent schools educate 690,000 students and employ 115,000 passionate educators. Most of these schools charge annual average fees of less than \$5,500 per year. The Productivity Commission's recommendation in its draft report *Future Foundations for giving*, has created a huge amount of concern for these schools, which educate one in six Australian students.

"Many Independent schools are providing scholarships and bursaries that support families and students from Aboriginal and Torres Strait Islander backgrounds, or students facing barriers due to socio-economic background and range of other factors," ISA Chief Executive Officer Graham Catt said. "We must do all we can to protect that."

"These programs are generally based on merit and provide thousands of Australian families with the option to choose the education that suits their child best, or reflects their values and beliefs."

The Commission proposes that education charities would be able to obtain deductible gift recipient (DGR) status only for specific activities that have an equity objective, without the need to be registered as a Public Benevolent Institution.

"The inference of this wording is that scholarships based on merit would no longer have DGR status, and that would reduce educational opportunities for thousands of disadvantaged students and families, Mr Catt said.

"Merit-based scholarships provide alternative education pathways for students who may otherwise not be able to access those educational opportunities."

The number of Aboriginal and Torres Strait Islander students at Independent schools has grown 5.8 per cent per year in the past decade, faster than the overall Aboriginal and Torres Strait Islander population increase of 3.8 per cent. Students with disability represent 22 per cent of the Independent school population.

Thirty-four per cent of independent schools are in rural and remote Australia and 97 per cent have less than 2,000 students - 11 per cent with fewer than 50.

The Commission has also told the government it should limit the ability of Independent school communities to help their schools build critical infrastructure. Currently, parents, alumni and communities provide 86 per cent of the funding for capital works at Independent schools, many of whom receive no government help for their student's facilities.

“Removing DGR status for school building funds in non-government schools will shift more of the financial burden to these families, who are already struggling to deal with cost-of-living pressures.”

ISA is the national peak body representing 1,209 Independent schools with 688,638 enrolled students (full time equivalent), accounting for approximately 17 per cent of Australian school enrolments and a workforce of 115,090 people.

For more see ISA submission: [Productivity Commission Draft Report into Philanthropy](#)

ENDS

ISA Media Contact: Gemma Daley, M 0418 148821, E gemma.daley@isa.edu.au