

## **To the Productivity Commissioners attending:**

I write to advise my disturbance with the draft Future Foundations for Giving Report recommendation to eliminate existing income tax deductibility arrangements relating to private education and the provision of (non-government) school facilities in Australia. I believe that if the recommendations in the Report were to be implemented by government, they would ensure an indirect detrimental retrogression of Australian society as we know it.

The value of learning, and the wide-spread education of the members of a community, has been realised and valued for millennia. The earliest testament to this realisation lies in the ruins of ancient societies that remain visible today, providing an insight to the human intellect and capability that then existed, and the obvious importance that attached to that is evident. Following the Middle Ages, the 15<sup>th</sup> century ushered in the Renaissance period when learning and culture were rediscovered, following what is widely described as the 'Dark Ages' when human civilisation endured a long period of retrogression and loss of knowledge. In short, history has both taught us the value of educating humanity, as well as the consequence of depreciating or neglecting this practice.

The benefit to a society of an educated population is beyond our capability to calculate its value; the obverse gives some clue when we consider less advantaged societies where education remains limited to only some of their members.

In 1954, the then Menzies Liberal-National government began financially subsidising Catholic Church schools on the rationale that, as the Church already had the educational facilities and teaching capability, the government could (effectively) out-source the provision of education of significant numbers of students through the Church's facilities. This came with the benefit of relieving the government of investing in the physical infrastructure that they would otherwise have had to provide, whilst the operational cost to government was considerably less.

This provision of education outside of the publicly funded system came with the requirement that parents would contribute to the financial cost involved, and with that was installed the necessary incentivisation to encourage parents to choose such schooling alternative for their children. This arrangement provided an each-way benefit: the government fulfilled its obligation to educate the population whilst being spared significant capital cost that would otherwise have been required; whilst the families involved enjoyed the ability to choose a more tailored education for their children, but, not unreasonably, at additional cost. Ingeniously, the government secured the partial subsidisation of educational costs from the private sector.

The result now is that the Australian population is universally educated, in contrast with the situation slightly more than a century earlier when a significant proportion of the population was illiterate.

The education of a child, whilst unquestionably a beneficial venture, is an expensive undertaking, and such expense will not ameliorate to any degree by closing down private funding sources. To remove existing deductibility and charitable arrangements from donations relating to the provision of education will disincentivise this practice and ultimately shift the funding requirement back onto the public purse.

In attempting to 'read between the lines' of the draft report, I suspect that a principal underlying concern being raised by the Productivity Commission relates to religious content being included in teaching programs. In an increasingly secular society, it is not unreasonable to suggest that such content becomes of benefit to an increasingly smaller cohort of society and therefore of increasingly

less benefit to society as a whole. To resolve this aspect, I believe that it is well within the capability of government to insist that education be provided in a completely secular way.

I would urge the Productivity Commission to consider carefully the full implications of changing existing non-government educational funding arrangements, as the outcome of doing so is foreseeably unlikely to provide any benefit at all, least of all to public fiscal management. I also wonder whether the Productivity Commission has further work to do to identify exactly what it wishes to achieve from this review.

Yours faithfully

(name withheld)