



# Real Help for Families

Expanding the Education Tax Rebate

**Stand up for Australia.  
Stand up for real action.**

# EXECUTIVE SUMMARY

The Coalition is committed to supporting families.

We believe in easing the pressure of increasing costs of living to empower parents to make choices about the educational opportunities available to their children.

Before the 2007 election, in response to a Coalition commitment, Labor promised to introduce a \$4 billion Education Tax Rebate. Labor has since cut funding available through the Rebate by \$1.6 billion – a clear broken promise to Australian families.

To help assist parents and families, the Coalition will increase and expand the existing Education Tax Refund.

The Coalition will:

- **Increase the rebate to up to \$500 per year per child in primary school.**  
Eligible parents will be able to claim a fifty percent rebate for up to \$1000 of education-related expenses for each child in primary school.
- **Increase the rebate to up to \$1000 per year per child in secondary school.** Eligible parents will be able to claim a fifty percent rebate for up to \$2000 of education-related expenses for each child in secondary school.
- **Significantly expand the types of expenses to which the rebate will apply.**  
Under the Coalition, eligible expenses will include:
  - School fees
  - School camps and excursions
  - Special education costs for children with disabilities, like dyslexia
  - Extra-curricular activities such as music, dance or drama lessons
  - Tutoring costs
  - Musical instruments required for lessons
  - School photos
  - Sporting fees and equipment.
- **Commence the expanded rebate from 1 January 2011.**  
This means that eligible parents will be able to claim the rebate for expenses incurred for the next school year.

These measures represent a significant expansion of the Education Tax Rebate.

This expansion of the Education Tax Rebate will provide real assistance to parents – and help ease pressure on family budgets.

# HOW LABOR HAS FAILED

After three years of Labor, Australia is heading down the wrong track.

Reckless spending, nearly \$90 billion of debt, a \$57 billion deficit - and Labor Government borrowings of more than \$100 million every day have put the Australian economy in a highly vulnerable position.

Labor's debt has also put upward pressure on interest rates at a time when Australian families are struggling to meet increased costs of living.

Australian parents work hard to give their children the best possible start in life through a quality education, yet pressure on household budgets is making it tougher and tougher to meet everyday costs associated with sending children to school.

Sending a child to school seems to involve a never ending stream of ongoing costs and all parents want to ensure their child is included in as many school activities as possible, and don't want them to be the one left out.

Before the 2007 election the Coalition pledged to introduce a Family Education Tax Rebate for parents. The Rebate was designed to help families meet the costs related to the education of their children. A broad range of eligible expenses was proposed, including school fees.

In response, Labor proposed a similar rebate, but limited the types of expenses eligible. It was limited to computers and stationery and the uptake for claims was poor, in large part because students were promised a free computer by Labor under the so-called 'Computers in Schools' programme.

Importantly, Labor excluded school fees from the rebate, despite the fact that school fees represent a significant financial burden for many parents.

Labor has also failed to properly implement their rebate, resulting in low take-up by eligible families. This has meant eligible parents have missed out on \$1.6 billion of assistance they were originally promised over four years to 2012-13.

Labor's recent extension of the Rebate to cover school uniform costs is welcomed, but it is too little too late for families who have struggled to meet these costs for the last three years.

Only the Coalition recognises that the cost of children's education involves much more than simply getting them online or paying for a uniform.

Parents make a wide range of choices about the education of their children and more often than not these choices incur an expense. Whether it is school fees, private tutoring, excursions, costs of education equipment and incidentals to support children with special needs or learning difficulties, or after school music lessons, the costs of education take up an increasingly significant portion of household income.

# THE COALITION'S PLAN FOR REAL ACTION TO HELP PARENTS MEET THE COSTS OF EDUCATION

The Coalition has a plan for real action to help families with school and education-related costs.

The Coalition will extend and improve the existing Education Tax Rebate so that it provides significantly more assistance to parents and families.

Specifically the Coalition will:

## **1. Increase the Rebate for primary school costs**

The Coalition will increase the rebate from \$390 to up to \$500 per year per child in primary school. Eligible parents will be able to claim a fifty percent rebate for up to \$1000 of education-related expenses for each child in primary school.

## **2. Increase the Rebate for secondary school costs**

For the higher costs incurred at secondary school, the Coalition will increase the rebate from \$779 to up to \$1000 per year per child in secondary school. Eligible parents will be able to claim a fifty percent rebate for up to \$2000 of education-related expenses for each child in secondary school.

## **3. Expand the types of expenses covered by the Rebate**

The Coalition will significantly expand the Rebate to include the following expenses:

- Government and non-government school fees
- Camps and excursions
- Special education costs for children with disabilities, like dyslexia
- Extra-curricular activities, such as music, dance or drama lessons
- Tutoring costs
- Musical instruments required for lessons
- School photos
- Sporting fees and equipment.

## **4. Give relief to parents in the next school year**

The Coalition will provide relief to families as soon as possible.

Subject to the passage of legislation, the Rebate will apply for all eligible expenses incurred from 1 January 2011.

This will mean eligible parents will be able to claim the Rebate for expenses incurred in relation to the start of the 2011 school year.

<b>LABOR'S REBATE</b>	<b>THE COALITION REBATE</b>
Can claim 50% rebate for up to \$780 per primary school child (= \$390)	Can claim 50% rebate for up to \$1000 per primary school child (= \$500)
Can claim 50% rebate for up to \$1558 per secondary school child (= \$779)	Can claim 50% rebate for up to \$2000 per secondary school child (= \$1000)
Total for family with one primary school student and one secondary school student:  \$1169	Total for family with one primary school student and one secondary school student:  \$1500
<p><b>Labor's Eligible Expenses</b></p> <ul style="list-style-type: none"> <li>• Laptops</li> <li>• Home computers and associated costs</li> <li>• Home internet connection</li> <li>• Printers</li> <li>• Education software</li> <li>• School text books</li> <li>• School stationary</li> <li>• Uniforms</li> </ul>	<p><b>Coalition's Eligible Expenses</b></p> <ul style="list-style-type: none"> <li>• Laptops</li> <li>• Home computers and associated costs</li> <li>• Home internet connection</li> <li>• Printers</li> <li>• Education software</li> <li>• School text books</li> <li>• School stationary</li> <li>• Uniforms</li> <li>• Government and non-government school fees</li> <li>• Special education costs for children with disabilities, like dyslexia</li> <li>• Camps and excursions</li> <li>• Extra-curricular school activities, such as music, sports, dance and drama lessons</li> <li>• Tutoring costs</li> <li>• Musical instruments</li> <li>• Sporting fees &amp; equipment</li> <li>• School photos</li> </ul>

# ELIGIBILITY FOR THE COALITION'S FAMILY EDUCATION TAX REBATE

The Rebate will be able to be claimed by parents, guardians or carers responsible for the payment of education costs for children.

The Rebate will be claimed through the lodgement of a tax return. For those people who have little or no taxable income, the full amount will be refunded through a yearly tax return.

The full Rebate will be available to all recipients of Family Tax Benefit A.

Independent students who meet the existing guidelines will also be eligible for the increased amounts.

## COSTING

The Coalition will commit an additional \$760 million over the forward estimates towards the expansion of the Education Tax Rebate.

This funding will be provided from the nearly \$24 billion in recurrent savings that have been identified by the Coalition over the forward estimates.

These savings are a result of cutting Labor's waste and mismanagement and redirecting funding from inefficient and poorly performing Labor Government programmes.

2010-11 \$M	2011-12 \$M	2012-13 \$M	2013-14 \$M	TOTAL \$M
136	196	208	220	760

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