

AUSTRALIAN COUNCIL FOR THE DEFENCE OF GOVERNMENT SCHOOLS

Press Release 1030

Private religious schools are not only depleting the Public Treasury by billions of dollars. They also enjoy taxation exemptions – which are really taxation expenditures – by virtue of the fact that they are legally categorised as ‘charities’.

These billions of dollars in taxation expenditures are rarely, if ever, quantified. But just occasionally, the burden they place upon public services reaches the Press. For example, Municipal Councils are responsible for many very basic services but enjoy only a little more than 3% of the total Australian taxation income. They find the exemption from rates of large private schools with extraordinary land holdings extremely burdensome.

So - it is not surprising that in the last week in North Sydney where the local Council has asked the local private schools – some of the wealthiest and most prestigious landholders in the country – to pay ‘voluntary taxes’.

Perhaps the Council takes the moralising of these schools so seriously that they expect them to practice what they preach. The following excerpt from an article by Lucy Carroll and Megan Gorrey from the *Sydney Morning Herald* of December 11, 2024 is of considerable interest.

[Broke and desperate for cash, North Sydney Council asks top private schools to pay voluntary rates](#)

By [Lucy Carroll](#) and [Megan Gorrey](#)

December 11, 2024 — 7.30pm

A cash-strapped local council will ask some of Sydney's wealthiest private schools to pay voluntary rates in a bid to raise \$1 million in extra revenue, claiming rising student numbers are piling pressure on parks and public space.

North Sydney councillors voted on Monday night to request private schools and a university in its area pay optional rates, or an “in-kind contribution”, on their property holdings.

A mayoral minute also suggested the council publish an “honour roll” on its website of schools and institutions that chose to pay the fees.

The North Sydney local government area is home to six high-fee independent schools, including Shore, Wenona, St Aloysius, SCECGS Redlands, Loreto Kirribilli and Monte Sant’ Angelo Mercy College. Next year, Reddam House will open a new campus in a heritage-listed Harry Seidler-designed building in McLaren Street.

North Sydney Mayor Zoe Baker said some of the largest landowners in the area were private educational institutions.

“Private schools own approximately 152,566 square metres in the LGA and if that were rated as a business it would result in additional rate revenue of over \$1 million.”

Speaking at Monday’s meeting, Baker said she was “not proposing to name and shame [schools], I’m proposing the opposite – an honour roll”.

The move to seek voluntary rates comes as the council faces a financial crisis amid surging costs from the troubled \$122 million North Sydney Olympic Pool redevelopment. In October, the council warned it would need to make “critical decisions” to salvage its finances.

The council is separately considering selling a street to SCEGGS Redlands after the school offered to buy a cul-de-sac – Monford Place – next to its Cremorne campus.

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A report by consultants Morrison Low published in 2023 found rate exemptions for schools and other organisations in NSW cost councils about \$270 million a year.

Baker wrote to principals last year at several private schools to [discuss sharing facilities and sports grounds](#) with communities.

The council plans to approach private schools and the Australian Catholic University, which has a campus on Edward Street, to voluntarily pay rates from

July next year. The rates would contribute to maintenance of roads, footpaths and open space, the mayoral minute said.

"The North Sydney LGA is one of the densest education precincts in the country, with 21 primary and secondary schools," Baker said.

"When the rate exemptions were originally applied to schools, hospitals and places of public worship more than a century ago, the exemption was there to support a social good or community benefit.

"No one anticipated the major expansion of private schools and universities over the past 20 or 30 years as significant landholders, acquiring large numbers of residential properties in surrounding streets that then become rate exempt."

A spokesperson for Shore said the school had "a long history of making its grounds regularly available for the use of the broader community," adding that some use was pro bono, while some was on a user-pays basis. The school said it pays rates on the 17 properties it owns in surrounding streets.

When asked about the council's plan to ask schools to pay voluntary rates, the spokesperson said: "As we've only recently become aware of this matter, we're not in a position to comment further."

Baker's mayoral minute noted concerns about schools' use of public parks, including Marist Catholic College students accessing St Leonards Park and Ted Mack Civic Park during the day.

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"This is occurring at a time when our population is increasing, the demands on existing public open space for passive and active recreation is at an all-time high," the minute said.

Several schools have recently embarked on major building projects. Loreto Kirribilli recently opened its seven-storey "Spiritus innovation centre", part of a \$100 million multi-decade masterplan. St Aloysius is upgrading buildings, while Shore has lodged an application to lift student numbers by 450.

Next year, Reddam House, which relinquished its government funding in 2019 to become fully for-profit, will open a new 1500-student campus in North Sydney.

Nearby all-girls school Wenona raised multiple objections to Reddam's new campus, questioning if another private school was needed in the high-density area. Wenona owns several properties in the streets surrounding its main Walker Street campus, including an \$8.7 million house purchased in April.

The council's papers said that Marist Catholic College was constructing a five-storey building and using nearby parks for "timetabled playground-style activities."

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A Sydney Catholic Schools spokesperson said Marist Catholic College was "disappointed to read about these concerns in the mayoral minutes, rather than through a dialogue with our local representatives.

"We wholeheartedly endorse ... working with council to manage the use of public, open spaces, and will willingly collaborate on the development of guidelines for the use of those spaces," they said.

A 2013 report by Deloitte Access Economics, commissioned by Local Government Association of NSW, said exemptions for schools and other organisations placed an unfair burden on other ratepayers.

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