$10M FOR COLLEGE ACCUSED OF UNPAID TAXES AND WAGES

Private school funding row flares

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Taxpayers have been handing $10m a year to a private school embroiled in legal action over allegedly unpaid taxes and teacher wages, prompting demands for better oversight of private schools.

The federal Education Department has revealed it first looked into the financial compliance of Brindabella Christian College in Canberra four years ago – yet handed it $927,370 this month.

In a statement, the department said it had switched to making monthly payments to the school – instead of payments three times a year – in 2022.

"Schools can have their payments made monthly when there are concerns about governance and or financial management," it said.

"The department has written to the board of Brindabella Christian College emphasising its obligations to meet staff entitlements as a priority."

The Independent Education Union lodged a complaint with the Fair Work Ombudsman on Wednesday, allegedly the school had failed to pay teachers, leaving them "distressed about paying bills, rent and mortgages".

The Australian Taxation Office launched legal action in the Federal Court last week over an $8m tax debt.

Education Department deputy director in charge of schools Meg Brighton told a Senate estimates hearing in Canberra on Thursday the department had written to the school on Monday after learning about the wage dispute.

"We wrote to the school about the non-payment of wages and ... reminded (them) their obligation was to ensure Australian government funding was spent ... not on litigation matters and they should be prioritising payment of wages," she said.

Ms Brighton said the federal Education Department had been paying the school $10m a year.

Greens education spokeswoman Penny Allman-Payne asked if the department "considers it a risk that it has a lack of oversight over private schools".

"This is not the first time we've seen a school receiving significant amounts of public money not meeting its obligations," she said.

Ms Brighton said the department had made a decision in 2021 about the school's "fitness to receive government funding", which was appealed through the Administrative Appeals Tribunal.

"In 2023, the AAT imposed a large range of conditions on the school," she said.

"Our compliance action with the school has been going on for quite some time.

"There have been concerns raised about ... the school's ability to meet its obligations."

Independent senator for the ACT David Pocock said he had spoken to parents who were concerned about the "glacial pace at which things move forward".

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>
> MEG BRIGHTON
> DEPARTMENT OF EDUCATION
> DEPUTY DIRECTOR, SCHOOLS

"What's the holdup here?" he said.

"Do you have any concerns about how funds provided by the taxpayer have been spent by the school given the multimillion-dollar tax debt the ATO alleges has been accrued, and the apparent admission from the board chair in correspondence to staff and parents ... that they are approximately $1m short for the month of February?"

Ms Brighton replied: "We have compliance action afoot. We have written to the board to remind them commonwealth recurrent funding can't be used for litigation, We are concerned that they are reporting not being able to meet their obligations.

"We have consistently expressed a concern about the entity, particularly about governance, matters of fit and proper persons and their failure to meet their reporting obligations to us."

The college charges its 1200 students up to $15,400 per year in tuition fees.

In an unrelated question, Senator Allman-Payne said she was "continuing to hear from private school parents about bullying, a lack of transparency and the difficulty of withdrawing their students when they're getting slugged with fees".

She asked the department if it had a policy to stop private schools "penalising parents with fees" when they pull out of a school over bullying.

Ms Brighton said the federal government had announced a review into schools' policies and systems to deal with bullying, which "has significant impacts on students and their families".

Senator Allman-Payne said the government was "handing over extraordinary amounts of money to private institutions" and should hold them to account for student safety.

"I think it's fair to say the accountability and standards that public schools are held to are much higher in terms of bullying and harassment," she said.