

Proposed public education contribution fee for 457 visa holders

The state government is introducing a fee for families on 457 visas whose children attend public schools in South Australia.

These proposed changes would bring South Australia in line with some other Australian states and territories and how they manage contributions towards public education.

Proposed changes

From January 2017, newly arriving 457 visa holders will be required to contribute to the cost of educating their children in government schools.

This requirement will then extend to all 457 visa holders from 1 January 2018.

The amount payable would be based on family circumstances and payment would be made when a child or young person is enrolled in a government school.

Students would continue to be allowed to enrol in their local schools (subject to availability).

Contribution fees

The annual contribution payable by a family in South Australia on a 457 visa for 2017 would be:

- \$5,100 for each primary school student
- \$6,100 for each high school student

This amount would be charged for the eldest child in a family, with the fees for all siblings attracting a 10% discount.

The proposed changes would allow parents to elect to pay the contribution:

- upfront annually
- per semester
- per term, or
- in regular instalments.

Materials and service charges

A separate materials and service charge already applies to all students enrolled in government schools, with the amount charged varying between schools. This charge will continue to be collected by the school that each student attends.

Preschool fees

No separate fees would be charged for children attending preschool, although existing fees charged by individual preschools will continue to apply.

How income affects the contribution

A contribution fee would not be charged unless the holder of the 457 visa and their spouse/partner earns a combined gross income of more than \$57,000. Gross income includes salary sacrifice amounts and overtime payments.

Means testing

A means-test would be used, so that a family with one child at school would not pay the full contribution rate until the gross family income reaches \$77,000. The threshold at which maximum fees are payable is increased by \$10,000 for each additional child.

For example, a family with 3 school aged children would not pay full fees unless gross family income is \$97,000 per year or more.

Determining your contribution fee

You can determine your potential contribution fee by following these steps:

1. Calculate the full fees payable. This will be:
 - \$5,100 for each government primary school aged student
 - \$6,100 for each government high school aged student

Take into account the 10% discount available for second and subsequent children from the same family.
2. Figure out your anticipated annual gross family income (including salary sacrifice and overtime payments) rounded down to the nearest whole \$1000.
3. Figure out which threshold applies – for which the full contribution is payable – based on the number of children attending government schools.
 - for 1 child this is \$77,000
 - for 2 children from the same family this is \$87,000
 - for 3 children from the same family this is \$97,000

Increase by \$10,000 for each additional child.
4. Where the family income calculated at step 2 exceeds the threshold calculated at step 3, the full contribution calculated at step 1 will apply.

Percentages of full fees

Where the family income is more than \$57,000, but less than the threshold calculated at step 3, a percentage of the full fee calculated at step 1 is payable.

The relevant percentage will depend on the number of children attending a government school.

For one child, the contribution percentage payable increases by 5% for each additional \$1000 of income above \$57,000. The percentage payable on this additional income changes with the number of children. For example:

- 2 children by 3.33%
- 3 children by 2.5 %

Exemptions

Where the family income calculated at step 2 is \$57,000 or less, no contribution would be payable.

A full or partial waiver of fees for exceptional cases of hardship would be available.

If you are on a 457 visa and become a permanent resident you would no longer have to pay the contribution. You would need to provide evidence to the department so that your new residency status can be registered.

Example 1

Tomas commences work under a 457 visa arrangement and will be paid a gross income of \$67 000 pa. He is accompanied by his wife, who is not in paid work, and their eight-year-old daughter, who is enrolled at the local government primary school. His contribution payable would be calculated as follows:

- Step 1: Primary school rate of \$5100 is the full contribution rate
- Step 2: Gross family income is \$67 000
- Step 3: Relevant family income threshold at which full fees are payable is \$77 000
- Step 4: As the gross family income is between \$57 000 and \$77 000, Tomas will not be required to pay the full contribution rate. His income is \$10 000 above the \$57 000 limit, so the fee payable will be $10 \times 5\% \times \$5100 = \2550 .

Example 2

Aisha commences work under a 457 visa arrangement and will be paid a gross income of \$61 200 pa. She is accompanied by her husband, who is working part time and earning \$20 400 p.a., and their two children. Both children attend government schools; one in secondary school, the other in primary school. The contribution payable would be calculated as follows:

- Step 1: The full contribution rate is $\$6100 + (\$5100 \times 90\%) = \$10\ 690$
- Step 2: Gross family income, (rounded down to the nearest whole \$1,000), is \$81 000
- Step 3: Relevant family income threshold at which full contribution is payable is \$87 000
- Step 4: As the gross family income is between \$57 000 and \$87 000, Aisha will not be required to pay the full contribution fee rate. Her family income is \$24 000 above the \$57 000 limit, so the fee payable will be $24 \times 3\frac{1}{3}\% \times \$10\ 690 = \$8\ 552$.

Example 3

Lucinda is a sole parent who commences work under a 457 visa arrangement, and will be paid a gross income of \$200 000. She is accompanied by her three children, each of whom attend government schools; one in secondary school, the other two in primary school. The contribution payable would be calculated as follows:

- Step 1: The full contribution rate is $\$6100 + ((\$5100 + \$5100) \times 90\%) = \$15\ 280$.
- Step 2: Gross family income is \$200 000
- Step 3: Relevant family income threshold at which full fees are payable is \$97 000
- Step 4: As the gross family income is above \$96 000, Lucinda will be required to pay the full contribution rate of \$15 280.

457 visas in Australia

The [457 visa](#) is the most commonly used program for Australian or overseas employers to sponsor skilled overseas workers to work in Australia temporarily.

They might be employed for up to 4 years and can bring any eligible family members who have unrestricted work and study rights in Australia.

Previously, 457 visa holders whose children attend South Australian government schools have only been required to pay the materials and services charge set by their child's school.

A worker is not entitled to a 457 visa if gross annual income payable is **less than** \$53, 900.

Contact

For more information or questions about how the proposed fee would operate, contact the department.

Phone: 8226 1000 Email: deccustomers@sa.gov.au