

SAVE OUR SCHOOLS

Research Paper

**Government Funding for Elite Private Schools:
An Upper Class Welfare Policy**

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Summary

A new round of fee increases in private schools in 2010 points to the need for an overhaul of Commonwealth Government funding of private schools. Australia's wealthiest families are being subsidised under private school funding arrangements without regard to need. The Socio-Economic Status (SES) funding model is an upper class welfare policy.

Many elite schools in Sydney and Melbourne now charge fees in excess of \$20 000 per year and many have increased their fees by over \$10 000 since 2001. Yet these schools continue to receive increasing funding from the Commonwealth Government while levying higher and higher fees. Many get over \$4 million a year, with two receiving \$12 million and \$9 million a year. Geelong Grammar, the most expensive school in Australia, gets nearly \$4.5 million. Several get over \$3000 a student, despite fees of over \$20000.

These elite private schools have received a massive boost in funding from the SES funding model introduced by the Howard Government in 2001 and continued under the Rudd Government. Government funding for many elite schools has increased by two to three times. The average funding increase for several NSW high fee schools from 2001 to 2010 was 113% per student and 190% per student for several Victorian schools. For three schools the increase was 300% or more.

The percentage increases Commonwealth funding per student in these schools has far outstripped increases in total funding per student in government schools. It was about double the increase in NSW government schools and about four times the increase for Victorian government schools. Fee increases in these private schools since 2001 were almost equivalent to the total funding per student in government schools in NSW and Victoria.

Schools charging \$20 000 and more per student are the preserve of the wealthiest families in Australia. The large fee increases have put elite private schools further beyond the reach of most families, despite claims that the SES funding scheme would put downward pressure on fees. Affordability of these schools has declined significantly for all other households. On average, it declined by 30% in NSW and by 17% in Victoria between 2001 and 2009.

These huge fee and government funding increases have delivered a massive resource advantage over government schools. Funding per student available to elite private schools is generally at least double government school expenditure. In the case of Geelong Grammar it is three times as high.

The resources available to elite private schools appear to be about double those available to government schools. In NSW, many elite private schools had total funding of \$24 000 to over \$26 000 per Year 12 student compared in 2009 to \$12 035 for government secondary students in 2007-08. In Victoria, many had total funding of between about \$22 000 and \$24 000 per Year 12 student compared to \$10 817 for government secondary students. Geelong Grammar with total funding of \$29 993 per Year 12 student had nearly three times the resources of Victorian government schools.

Government schools are further disadvantaged because they enrol higher proportions of students with complex learning needs that incur higher costs. Students from low SES families, Indigenous students and students with disabilities comprise a much higher proportion of government school enrolments than they do in elite private schools. As a result,

government schools face much higher costs than the elite private schools in meeting student needs. They have far more to do with fewer resources.

It was claimed that the SES funding model would direct government funding according to need. However, it has conspicuously failed in this regard. Rather than being a 'needs-based' scheme, it an upper class welfare scheme.

There can be no justification for providing government funding to schools that are the preserve of the wealthy. It means that less funding is available for schools serving the most disadvantaged students, Indigenous students and students with disabilities. The diversion of millions of dollars a year to schools least in need while those most in need are denied the full funding they require is an indictment of the SES funding scheme.

The Prime Minister and the Federal Minister for Education cogently argued the flaws in the SES funding scheme back in 2000. They both stated that the scheme is unfair in providing windfall gains to the wealthiest schools in Australia.

The Prime Minister said that the SES funding scheme does not "...reflect a fair outcome for this nation's future funding of the school system and need[s] to be redressed". Julia Gillard said that "...there is a flaw in the methodology" of the scheme and that "...this SES model is not the powerful tool we need".

Their analyses remain as cogent today. They should replace the SES scheme with a new funding scheme which better links funding to need and takes account of the different social purposes of government and private schools.

High private school fees

The New Year saw a new round of fee increases for Australia's most expensive schools. Many increased their fees by 5-7%, or five times the current rate of inflation. Many now charge over \$20 000 per student in Year 12 [Tables 1 & 2]. Very high fee-paying schools are often termed 'elite' schools because they can only be afforded by the wealthiest families.

Ascham School in Sydney will charge \$26 200 for Year 12 in 2010, while another Sydney girls' school, SCEGGS at Darlinghurst, will charge \$25,878. Year 12 fees at Kambala, another Anglican girls' school in the eastern suburbs of Sydney, are \$26 172. Year 12 fees at the exclusive Sydney boys' school, The Kings School, are \$24 730. Fees at many other schools exceed \$20 000, including Barker College, Kincoppal, Newington, Presbyterian Ladies College, Pymble Ladies College, Reddam House and St. Catherine's.

Other Sydney schools whose fees exceeded \$20 000 in 2009 are also expected to increase their fees in 2010. These include Cranbrook (\$24 288), Knox Grammar (\$20 865), SHORE (\$20 940), Sydney Grammar School (\$22 941) and St. Andrew's Cathedral School (\$20 850).

Geelong Grammar in Victoria is the most expensive private school in Australia with Year 12 fees of \$27 770. Several elite Melbourne schools have fees over \$20 000 a year, including Carey Grammar (\$20 540), Haileybury College (\$21 955), Lauriston (\$22 960), Melbourne Girls' Grammar (\$21 948), MLC (\$20 115), PLC (\$21 432), Scotch College (\$22 572), St. Leonards College (\$21 206), St. Michael's Grammar (\$21 700) and Trinity Grammar (\$20 300).

Other schools whose fees exceeded \$20 000 in 2009 are also expected to increase their fees in 2010 include Melbourne Grammar (\$21 300) and Wesley College (\$20 366).

SES funding fails to halt fee rise

When the Commonwealth Socio-Economic Funding (SES) scheme for private schools was introduced it was claimed that it would reduce private school fees and make them more affordable for families. It was a key argument repeatedly used to justify the new scheme.

Former Prime Minister, John Howard, said that fees at many private schools would fall as a result of the increase in funding for private schools provided by the scheme [*The Australian*, 30 September 2000]. The former Commonwealth Education Minister, David Kemp, argued that the SES funding scheme would put downward pressure on school fees and make them more affordable for families [for example: *Sydney Morning Herald*, 12 May 1999; *The Age*, 29 September 2000; *The Age*, 10 October 2000; *The Age*, 4 October 2001]. He even said that the scheme would have a "democratising impact" on private schools [*The Age*, 24 November 2000] and that categorisation of schools such as Cranbrook, the Scots College and SCEGGS as wealthy was "totally fallacious" [*Daily Telegraph*, 30 August 2000]. He said some of these schools were needy.

Kemp's successor, Brendan Nelson, often repeated the claim that the scheme would put downward pressure on fees [for example: *Sydney Morning Herald*, 1 June 2003]

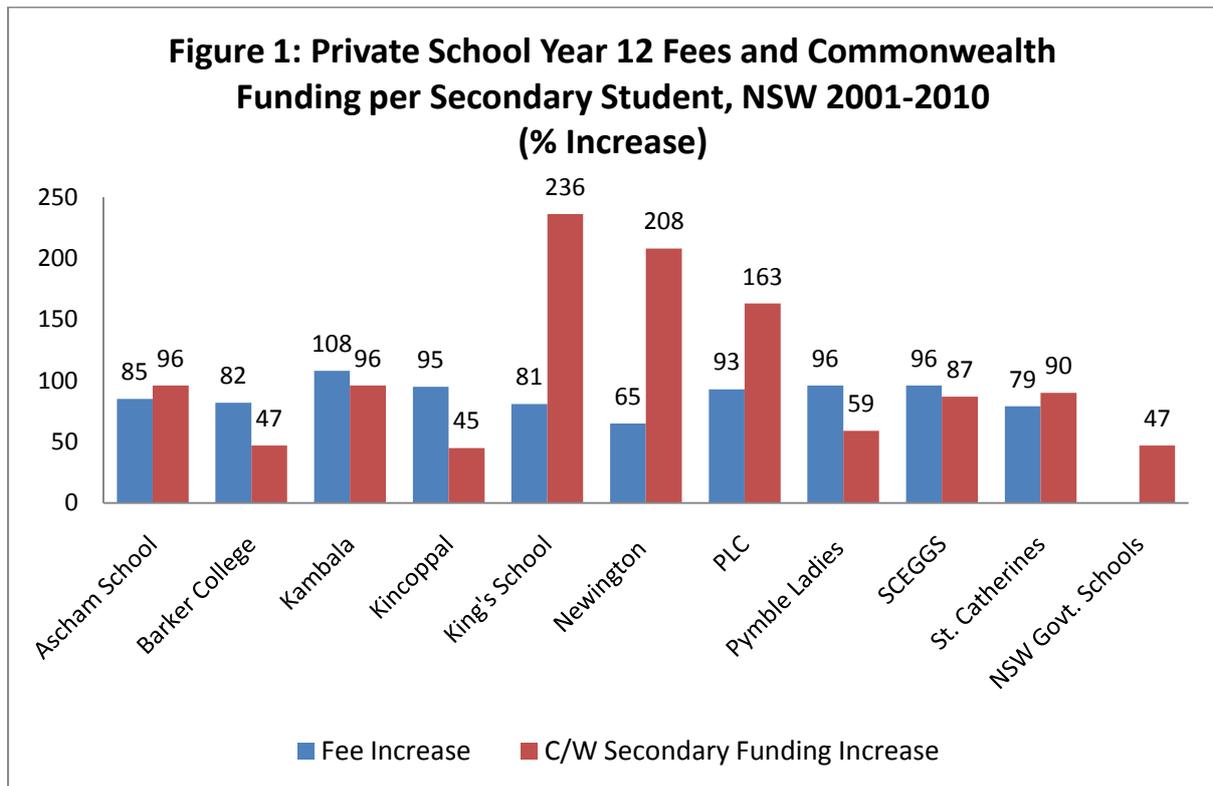
Principals of schools such as Scotch College, St. Michael's Grammar and Wesley College said at the time that the new SES scheme would allow them to reduce fees [*Herald-Sun*, 24 August 2000; *Herald-Sun*, 31 August 2000; *The Age*, 29 September 2000]. Many others said

it would serve to curb future fee increases. The acting principal at the time at Geelong Grammar said that his school’s extra \$1.7 million would make the school more available to a greater number of students from diverse backgrounds [*The Age*, 22 November 2000].

None of this has come to pass. These claims have proved to be false time and again since 2001 as private school fees have gone ever upwards. Elite private schools have been increasing their fees well beyond the rate of inflation since 2001, despite increasing levels of government funding. Fee increases have generally ranged from 5-10% a year.

Year 12 fees in elite Sydney schools increased by 65 to 108% from 2001 to 2010 [Figure 1]. Seven schools increased their Year 12 fees by over \$10 000 per student. Fees at Kambala increased by \$13 602 per student, Ascham increased its fees by \$12 008 and SCEGGS by \$12 663.

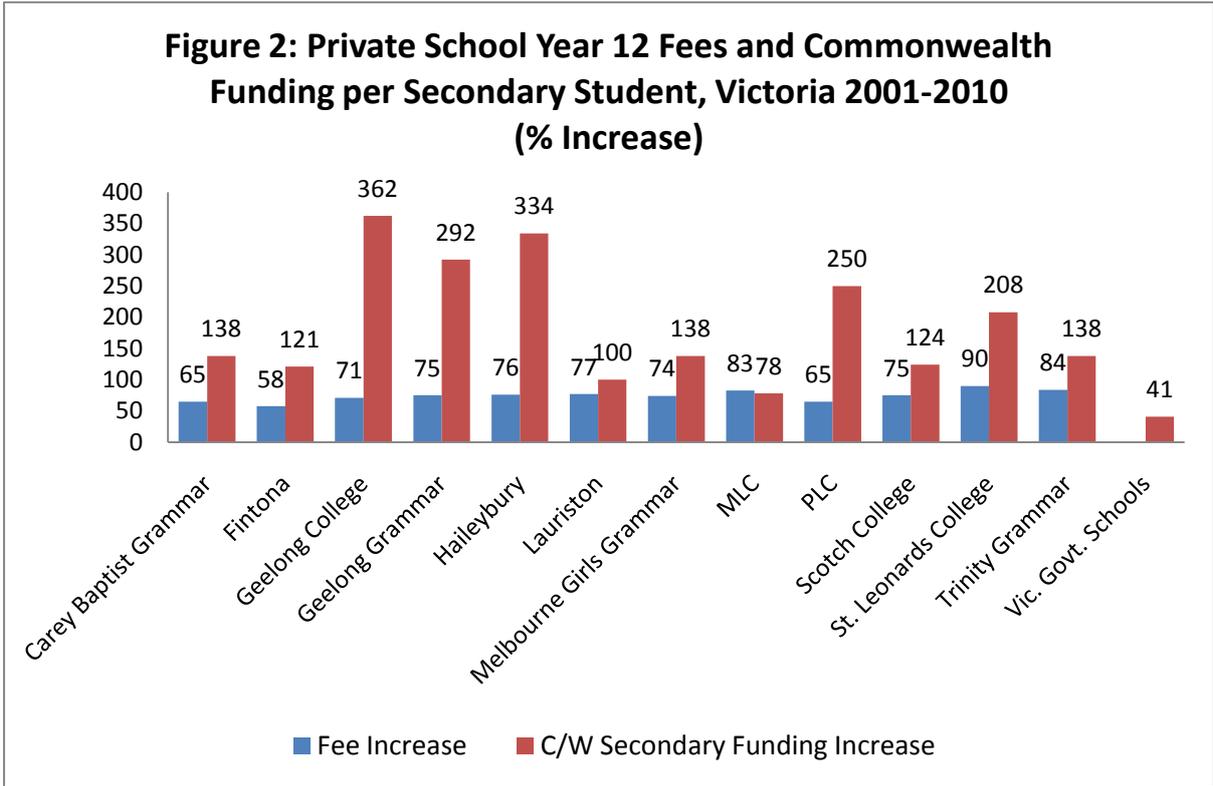
The average Year 12 fee increase since 2001 for the schools in Figure 1 was \$10 492, an increase of 88%. This increase is almost equivalent to average total recurrent expenditure (excluding user cost of capital) for NSW government schools, which was \$10 863 per student in 2007-08, the latest year for which these figures are available.



Source: See Data Note

Fee increases in Melbourne elite schools were generally less than in Sydney, increasing by between 58 and 90% between 2001 and 2010 [Figure 2]. Eight increased their Year 12 fees by more than \$9 000 between 2001 and 2010. Geelong Grammar increased its fees by \$11 880 per student, St. Leonard’s College increased fees by \$10 042 and Lauriston by \$9 985.

The average increase for the schools in Figure 2 was \$9 217, an increase of 74%. In comparison, total recurrent expenditure (excluding user cost of capital) for Victorian government schools was \$9 738 per student in 2007-08.



Source: See Data Note

While elite private schools were never affordable to most families they are now even less so. Their fees are now a much higher proportion of average earnings than they were in 2001. Affordability has declined by 30% in NSW and 17% in Victoria since 2001 [see Table 3]. In 2009, the average fees of the NSW schools listed in Figure 1 were 35% of annual average earnings compared to 27% in 2001. Similarly, the fees of the Victorian schools listed in Figure 2 were 34% of average earnings in 2009 compared to 29% in 2001.

The ever-continuing increase in fees has ensured that these schools remain the preserve of the wealthy. No one else can afford \$20 000 a year or more on school fees.

Massive increases in Commonwealth government funding

The SES funding scheme introduced by the Howard Government and continued under the Rudd Government has diverted millions of dollars to the most privileged sector of Australian society. It is truly an upper class welfare scheme.

Many Sydney elite schools are due to receive about \$4 million or more in total Commonwealth funding in 2010, including Kings School, Newington, PLC and Pymble Ladies College [Table 1]. In effect, the Commonwealth Government is paying the salaries of 40 teachers or more in these schools.

Many of these schools will receive over \$2 000 per student from the Commonwealth, including Kincoppal at Rose Bay, Kings School, Newington, PLC, Pymble Ladies College, Reddam House, St. Andrews Cathedral School, St. Catherine's and Sydney Grammar. King's and PLC will receive over \$3 000 per student.

Commonwealth Government funding per secondary student in many of these schools has more than doubled since the introduction of the SES funding arrangements in 2001 [Figure 1]. For two schools, it increased by over three times what would have been provided in 2001 by the previous funding arrangements - the Education Resources Index (ERI) scheme. It increased by 236% for the Kings School and by 208% for Newington. Funding more than doubled for Pymble Ladies College (163%) and nearly doubled for several including Ascham (96%), Kambala (96%), SCEGGS (87%) and St. Catherine's (90%). Funding also more than doubled for St. Andrew's Cathedral School (166%) and doubled for Sydney Grammar (100%).

The average funding increase per secondary student since 2001 for the schools in Figure 1 was 113%. In comparison, total Commonwealth and State government expenditure per secondary student in NSW government schools increased by 47% over the seven years from 2000-01 to 2007-08, the latest year for which figures are available.

In Victoria, Haileybury College is estimated to receive \$12.7 million in total Commonwealth funding in 2010, Caulfield Grammar \$9.3 million, Wesley College \$7.5 million and the prestigious Geelong College will get \$5.3 million [Table 2]. The most expensive school in Australia, Geelong Grammar, will get nearly \$4.5 million. Several others will receive over \$4 million, including Carey Grammar, MLC and PLC. In effect, the Government is paying the salaries of 120 or more teachers at Haileybury, over 90 at Caulfield Grammar, 75 at Wesley College, over 50 at Geelong College and 45 at Geelong Grammar.

Geelong College and Haileybury will receive over \$4 000 per student in Commonwealth funding. Geelong Grammar, the most expensive school in Australia, will get \$3 456 per student. Caulfield Grammar, PLC, St. Leonard's College and Wesley College will receive nearly \$3 000 or more per student and many others will receive over \$2 000 per student.

Commonwealth funding per secondary student in all these schools except MLC has doubled or more since 2001 and for five schools it increased by more than 3 or 4 times the funding that would have been provided under the old ERI scheme in 2001 [Figure 2]. Funding per student at the prestigious Geelong College increased by a massive 362% and by 334% at Haileybury. It even increased by 292% for Geelong Grammar, the most expensive school in Australia.

Other elite schools for which funding doubled or more since 2001 include Carey Grammar (138%), Caulfield Grammar (236%), Fintona (121%), Lauriston (100%), Melbourne Grammar (129%), Melbourne Girls' Grammar (138%), PLC (250%), Scotch College (124%), St. Leonard's College (208%), Trinity Grammar (138%) and Wesley College (250%).

The average increase in funding per student for the schools in Figure 1 was 190%. This is probably about four times the average increase in total expenditure in Victoria government schools over the same period. Total Commonwealth and State government recurrent expenditure per student in Victorian government schools increased by 41% over the seven years from 2000-01 to 2007-08. Yet, at the time the SES scheme was introduced, Dr. Kemp claimed that "schools serving the wealthiest communities will get essentially no increase in funding" [*The Advertiser*, 8 September 2001].

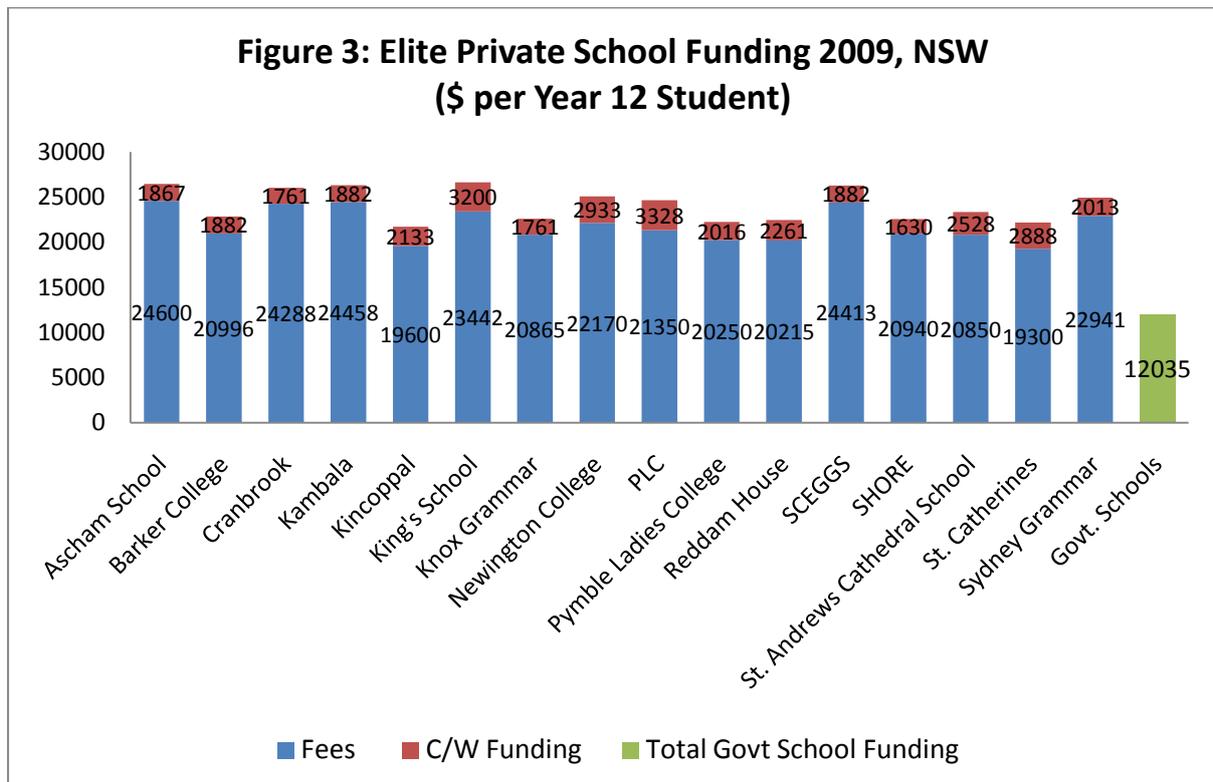
Elite private schools have massive resource advantage

The huge fees of elite private schools and their government funding provide them with resource levels far in excess of what is available to government schools. This is demonstrated

in Figures 3 and 4 which show estimates of the resources available to elite private secondary schools in 2009 and average expenditure for all government secondary schools in NSW and Victoria for 2007-08, the latest year for which figures are available. Private school resources are estimated as the total of Year 12 fees plus Commonwealth funding per secondary school student. The government school estimate is average expenditure per secondary student excluding the user cost of capital, a cost which private school funding does not have to cover.

The figures for private school resources are misleading to the extent that Year 12 fees exceed average secondary fees for these schools. However, these figures also exclude State government funding and payroll tax, which are included in the government school figures. Other fees, donations and bequests are also excluded from the private school figures as are several government subsidies, including tax deductions for donations to building and library funds which are a significant hidden subsidy (see Attachment, Data note). Another major difference is that school bus transport is included in government school expenditure figures but not in private school figures. System-related costs are excluded from the government secondary school figures.

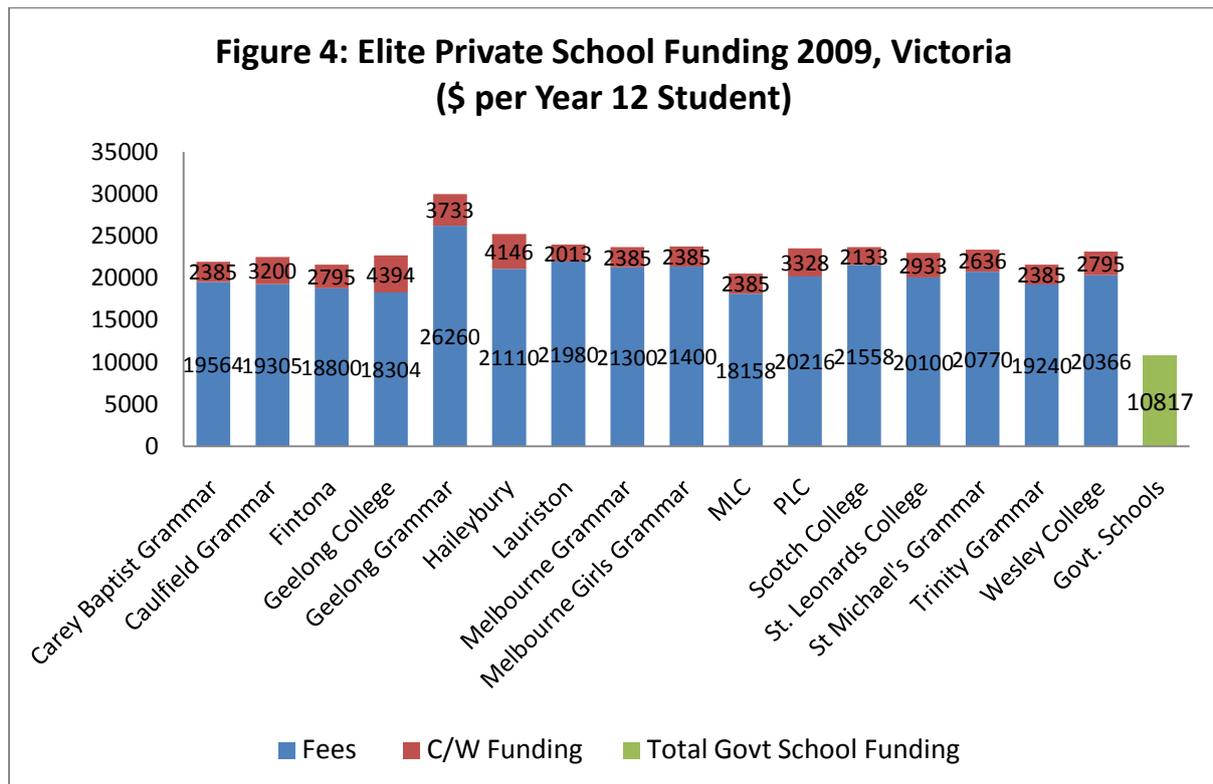
Subject to these qualifications, Figures 3 and 4 suggest that the large increases in Commonwealth SES funding, together with the large fee increases, have delivered elite private schools a massive resource advantage over government schools. The resources available to elite private schools appear to be about double those available to government schools. In NSW, many elite private schools had total funding of \$24 000 to over \$26 000 per Year 12 student in 2009 compared to \$12 035 for government secondary students in 2007-08.



Source: See Data Note

In Victoria, many elite private schools have over double the resources available to government schools. Many had total funding of between about \$22 000 and \$24 000 per Year 12 student in 2009 compared to \$10 817 for government secondary students in 2007-08.

Geelong Grammar with total funding of \$29 993 per Year 12 student had nearly three times the resources of Victorian government schools.



Source: See Data Note

Government schools are further disadvantaged because they enrol higher proportions of students with complex learning needs that incur higher costs. Students from low SES families, Indigenous students and students with disabilities comprise a much higher proportion of government school enrolments than they do in elite private schools. For example, students from low income families comprise about 40% of government school enrolments in NSW and Victoria compared to 22% in non-Catholic private schools, and the proportion would be much less than this in the elite private schools. The proportion of students with disabilities in total government school enrolments in NSW and Victoria is over 5% compared to about 1% in all Anglican schools. Indigenous students comprise about 5% of NSW government enrolments but less than 1% of all Anglican enrolments.

As a result, government schools face much higher costs than the elite private schools in meeting student needs. They have far more to do with fewer resources.

Overseas research studies show that the funding required for low income students to achieve at adequate levels is two to three times the cost of educating an average student. Yet, in Australia it is students from the most privileged families who receive two to three times the level available to government schools. It is government schools which cater for the high proportion of low SES students, Indigenous students and students with disabilities. Huge increases in government funding have gone to the least needy schools in Australia, while those most in need, government schools, continue to be denied the funding they require to provide an adequate education to all their students.

The wealthy do not have an entitlement to government funding

The Federal Leader of the Opposition, Tony Abbott, justifies funding elite private schools with the argument that every Australian child is entitled to government assistance towards his or her education [*The Australian*, 5 January 2010]. It is a spurious argument designed to support government funding for the privileged.

It is the role of government in education to ensure an adequate education for all children and public funding is essential for this task. To this end, governments have a responsibility to ensure that children educated in the private sector are not thereby disadvantaged in their access to education. There is a case for funding private schools whose resources are well below what is needed to ensure an adequate education for all children. Government also has an obligation to regulate private schools to ensure students receive a high quality, fully rounded education and to ensure their personal safety and welfare.

However, there is no case to provide government funding to private schools whose resources exceed what society is prepared to provide for all other children, that is, those enrolled in government schools. Public funding should not be directed at providing some students with additional advantages over and above those obtained by virtue of a privileged family background. To devote public resources to extending the advantages obtained from a wealthy background over a student from a disadvantaged background is to enhance social inequity.

Such use of public funds provides even greater opportunities for the privileged to gain the intrinsic rewards of education and access to economic resources as well as positions of social status and power in society. It effectively places more value on enriching the lives of those so favoured than those who are not as well favoured in society.

The entitlement argument for public funding of private schools serves to support advantage and privilege in education outcomes. It means that scarce funds are diverted from serving those with high learning needs to those with few needs. It provides an added resource advantage for well-off families.

Government funding for private schools can only be justified on the basis of need. Those paying \$20 000 or more are not in need.

The Opposition Leader's argument also implies that families whose children attend private schools are entitled to government funding because they pay taxes. However, the purpose of taxation is to provide services of benefit to society. People who do not avail themselves of publicly provided services are not thereby entitled to claim a certain proportion of taxation revenue to fund their private choices.

All citizens pay taxes for basic community services such as public transport, police, paramedics, fire brigades, libraries, garbage removal, street repairs and public education regardless of whether or not they use these services. Governments do not subsidise families if they choose not to use taxis instead of public transport, use private security arrangements to protect their home instead of police services or use private recreation and leisure facilities such as their backyard pool instead of the municipal pool.

The argument also fails to distinguish between the different social roles of private and government schools. It implies that private schools have the same public purposes as government schools and accept the same public responsibilities. However, they do not. Private schools can exclude students on the basis of perceived academic ability, unacceptable behaviour and inability to pay fees. Their facilities are not available for public use. Government funding should not be provided to private schools whose whole existence is based on the principle of selection and enhancing privilege.

Private school funding should be based on social purpose and need

It was claimed that the SES funding model would direct government funding according to need. However, it has failed in this regard. It has delivered a massive resource advantage to elite private schools. Rather than being a 'needs-based' policy, the current private school funding scheme is an upper class welfare policy.

Several features of the SES scheme ensure it benefits wealthy private schools.

First, when it was first introduced the scheme provided a massive windfall gain of \$50 million for the 62 wealthiest schools in Australia by increasing their funding rate. Since then, these schools have continued to receive funding increases based on increases in government school costs.

The Federal Education Minister said at the time that there were "very concerning statistics in terms of fairness", while the Prime Minister said that it was "an issue of general equity". Both Kevin Rudd and Julia Gillard noted that the SES scheme would provide an additional \$800 000 a year to the wealthiest schools, while government schools would only receive a miserly \$4 000 extra a year [Hansard, House of Representatives, 4 September 2000: 20054, 20067-68]. Julia Gillard emphasised:

Those statistics ought to concern anybody in this place who is worried about fairness and equity in our school funding models.

The Prime Minister said:

We have grave problems with this misallocation, this windfall allocation, to category 1 schools, which are that category of school that does not need this money at the end of the day. [Hansard, 4 September 2000: 20068]

Second, it is based on the average SES of geographical areas, which include both higher and low income families. As higher income families are more likely to attend private schools, schools can receive a lower SES rating and, therefore, higher funding because they enrol high income students from low SES regions. As Julia Gillard told the House of Representatives at the time the SES legislation was debated:

....there is a flaw in the methodology....the model may lose veracity in highly differentiated areas where wealth and poverty live cheek by jowl....it is possible for the census collector district averaged data not to be very representative of the individual households involved. [Hansard, 4 September 2000: 20053]

Third, schools receive funding without regard to their capital resources. As Julia Gillard has observed in her contribution to the debate on the legislation:

...the model makes no allowance for the amassed resources of any particular school....over the years many prestige schools have amassed wealth – wealth in terms of buildings and facilities, wealth in terms of the equipment available, wealth in terms of alumni funding raising, trust fund, endowment funds and the like....This is a gaping flaw....a very big flaw, one that needs to be addressed. [Hansard, 4 September 2000: 20053]

A fourth flaw is that increases in SES funding are linked to average government school costs so that any funding for targeted equity groups in government schools automatically flows on in part to private schools even if they do not enrol any of these students or enrol a much lower proportion than in government schools. As Gillard also noted:

...it could be argued that the model is flawed, proceeding as it does on the basis of the average government school recurrent costs figure. [Hansard, 4 September 2000: 20052]

A further anomaly is that over 50% of private schools and over 60% of private school students are funded at higher levels than is warranted by their assessed socio-economic status because the Howard and Rudd Governments have provided a ‘no losers’ guarantee to maintain funding to these schools. As Gillard has further noted, the scheme strictly applies “only to a minority portion of the non-government system”.

A Commonwealth Department of Education review of the SES model found that these schools were over-funded by more than \$2 billion over four years to 2008. It says that private schools will get up to \$2.7 billion more than they are strictly entitled to under the current four-year funding agreement. Many of the wealthiest schools are over-funded by \$2000-\$3000 per student each year.

The Prime Minister has stated that the SES funding scheme does not “...reflect a fair outcome for this nation’s future funding of the school system and need[s] to be redressed” [Hansard, 4 September 2000: 20070]. Julia Gillard has concluded that “...this SES model is not the powerful tool we need” [Hansard, 4 September 2000: 20052].

However, the Prime Minister and the Education Minister have failed to follow up their criticisms of the scheme with action. They have refused to stop the diversion of millions of dollars of taxpayer funds to the benefit of a few thousand wealthy families whose children attend elite private schools.

The SES scheme should be replaced with one that links government funding to the social purposes of schools and to actual student need. Future funding for private schools should be designed to ensure a basic level of resources for all schools, above which funding should be based on need. The role of government funding of private schools should be to ensure that each school has the appropriate resources to provide an adequate education for all students and that students with special learning needs and from targeted equity groups are fully supported.

The basic elements of this funding approach are:

- An in-school baseline component that is determined by rating each private school against the social role of government schools. This could be determined by criteria such as inclusive enrolment practices, suspension and exclusions policies, curriculum requirements and the level of fees that are determined in the registration process. Private schools whose social purpose is categorised as similar to government schools would receive a similar amount of baseline funding as government schools;
- An additional funding component for students with identified learning needs in literacy and numeracy and for low SES, Indigenous and special education students.

The maximum baseline government funding entitlement would go to those private schools which did not apply religious, ethnic or academic tests for enrolment; which accepted the same procedures on suspensions, expulsions and transfers as government schools; and which had a minimum level of fees. Schools with more restrictive practices would be entitled only to lesser funding.

The maximum funding entitlement would be less than the average baseline funding for government schools because private schools do not perform the same public role as the government system in ensuring local access to schools and to special schools. Private schools would not receive the funding component for government schools to perform their special public purposes.

However, students with identified literacy and numeracy learning needs, students from low SES families, students with disabilities and Indigenous students in private schools would receive the same level of government funding support as those enrolled in government schools. So, private schools where these students comprise a larger proportion of enrolments than in government schools would receive higher funding.

Such a funding scheme would better serve students most in need rather than those least in need as under the current arrangements.

Attachment

Table 1: Fees and Commonwealth Funding for NSW Elite Private Schools: 2010 (\$)

School	Fees (Year 12)	Total C/W Funding	C/W Funding per Student	C/W Funding per Secondary Student	Fees + C/W Secondary Funding
Ascham	26 200	1 743 124	1 799	1 979	28 179
Barker College	22 152	3 739 048	1 913	1 979	24 131
Cranbrook	(24 288)	2 132 655	1 701	1 832	
Kambala	26 172	1 604 189	1 821	1 979	28 151
Kincoppal	20 900	1 611 117	2 047	2 261	23 161
Kings School	24 730	4 572 081	3 211	3 392	28 122
Knox Grammar	(20 865)	3 154 832	1 573	1 761	
Newington	23 454	4 359 242	2 893	3 109	26 563
PLC	22 580	4 099 054	3 300	3 528	26 108
Pymble Ladies	21 900	3 997 660	1 911	2 137	24 037
Reddam House	21 730	1 236 411	2 181	2 397	24 127
SCEGGS	25 878	1 602 623	1 769	1 882	27 760
SHORE	(20 940)	2 423 288	1 549	1 630	
St. Andrew's	(20 850)	3 221 378	2 596	2 680	
St. Catherine's	20 450	2 316 690	2 726	2 962	23 412
Sydney Grammar	(22 941)	3 369 011	1 821	2 013	

Source: See Data Note

Table 2: Fees and Commonwealth Funding for Elite Victorian Private Schools: 2010 (\$)

School	Fees (Year 12)	Total C/W Funding	C/W Funding per Student	C/W Funding per Secondary Student	Fees + C/W Secondary Funding
Carey Grammar	20 540	4 773 552	2229	2 397	22937
Caulfield Grammar	(19 305)	9 262 594	3221	3 392	
Fintona	19 740	1 217 035	2772	2 962	22702
Geelong College	19 312	5 275 331	4407	4 658	23970
Geelong Grammar	27 700	4 402 554	3456	3 957	31657
Haileybury	21 955	12 692 335	4086	4 376	26331
Lauriston	22 960	1 584 471	1877	2 013	24973
Melbourne Grammar	(21 300)	3 692 120	2036	2 311	
Melbourne Girls Grammar	21 948	1 953 202	2292	2 397	24345
MLC	20 155	4 746 770	2301	2 397	22552
PLC	21 432	4 260 953	3313	3 528	24960
Scotch College	22 572	3 945 363	2152	2 261	24833
St. Leonards	21 206	4 701 518	2918	3 109	24315
St. Michaels	21 700	2 998 022	2515	2 680	24380
Trinity Grammar	20 300	2 914 635	2265	2 397	22697
Wesley College	(20 366)	7 547 798	2803	3 528	

Source: See Data Note

Table 3: Elite Private School Affordability

State	Average Fees (\$)		Average Annual Earnings (\$)		Fees/Average Earnings (%)		Change in Affordability 2001-2009
	2001	2009	2001	2009	2001	2009	
NSW (10 schools)	12 500	22 058	46 332	63 336	27	35	-30%
Victoria (12 schools)	12 431	20 558	42 484	60 788	29	34	-17%

Source: See Data Note

Data Note

Data Sources

1. Figures for school fees are for Year 12 tuition, although in some cases additional fees such as IT levies are included. The figures are derived from various newspaper reports and school websites. They exclude other fees and donations. The figures in brackets in Tables 1 and 2 are fees in 2009. The selection of elite private schools was determined by the availability of published fees for 2001, 2009 and 2010. It is assumed that the rate of increase in Year 12 fees reflects the general rate of increase in each school's fees for all Year levels.
2. Commonwealth funding estimates for private schools in 2001 are for what would have been provided under the Education Resources Index arrangements. The figures are derived from 2006-07 Senate Estimates, Answer to Question on Notice E525_07, Attachment A: http://www.aph.gov.au/Senate/committee/eet_ctte/estimates/sup_0607/dest/index.htm.
3. Commonwealth funding estimates for 2009 and 2010 are derived from 2009-10 Senate Estimates, Answer to Question on Notice EW0109_10, Attachment A: http://www.aph.gov.au/Senate/committee/eet_ctte/estimates/bud_0910/index.htm. The figures exclude state government funding as data for individual private schools are not available.
4. Government school funding refers to total Commonwealth and State government expenditure, excluding the notional user cost of capital. The figures are derived from the National Report on Schooling in Australia 2008 and the Report on Government Services 2003. The government school funding increase is for 2001-02 to 2007-08.
5. Average annual earnings figures are for August 2001 and August 2009 and are derived from the Australian Bureau of Statistics, Average Weekly Earnings, Australia (6302.0).

Government and private school funding data comparability

Figures 3 and 4 compare private school funding in Year 12 with expenditure on government secondary schools. Private school funding is estimated as the total of Year 12 fees plus Commonwealth funding per secondary school student in each school. Government school expenditure is average expenditure per secondary student excluding the user cost of capital.

The figures for private school funding are misleading to the extent that Year 12 fees exceed average secondary fees for these schools. However, these figures also exclude State government funding and payroll tax, which are included in the government school figures. They also exclude funding from other fees, donations and bequests as well as in-kind donations.

In addition, several government subsidies are excluded including taxation concessions and a range of services provided by state and territory Departments of Education. Private schools often have free access to professional resources, such as resource centres and curriculum development resources, and assessment services, such as Year 12 examinations and provision of university entrance scores. In some cases, the cost of these services is attributed to government school expenditure.

School bus transport subsidies are excluded from private school funding but included in government school expenditure figures. The administration of government funding, registration and public accountability arrangements is excluded from private school funding while out-of-school costs associated with central office administration is excluded from government school expenditure.

The user cost of capital is excluded from government school expenditure and no estimates are available of the cost to government of making land and capital expenditure grants to private schools rather than investing these funds elsewhere or retiring debt.