

## **SAVE OUR SCHOOLS**

### **Education Policy Comment**

# **Well-off Private Schools Are Over-Funded by \$3 Billion a Year**

In general, there is no case for governments to fund private schools to a level beyond what they are prepared to fund public schools. However, government funding enables some 1,400 private schools to have more resources than public schools. It costs the taxpayer about \$3 billion a year that would be far better spent on supporting disadvantaged public and private schools.

There are two aspects of government over-funding of private schools. The first is that privately-sourced income from fees and donations of wealthy private schools exceeds the total income per student in public schools. Government funding for these schools extends their resource advantage.

The second is that there are many private schools whose income from private sources is less than total income per student in public schools, but whose government funding is more than that which would provide them with the same average total income per student as public schools. The extra government funding also gives these schools a resource advantage over public schools.

The My School website shows that there are 217 wealthy private schools in metropolitan and provincial areas in Australia whose income from fees and private donations alone exceeds the average income per student in public schools. These schools received \$1.02 billion in funding from the Federal and state/territory governments in 2013 - \$746 million from the Federal Government and \$270 million from state/territory governments (see Table below).

These schools have a high proportion of students from the most advantaged families in Australia. Their average score on the Index of Community Socio-Educational Advantage (ICSEA) is 1162 compared to the average for public schools (excluding special schools) of 1003. The mean ICSEA value is 1000.

Government funding for these schools compounds their resource advantage. If their government funding was terminated, they would still have a higher income per student than the average government school.

The average government funding per student in these wealthy schools was \$5,214 in 2013. It enables them to have double the total income of the average public school. Their average income per student was \$25,696 compared to \$12,576 for all public schools, a difference of \$13,120 per student.

Many of the most exclusive private schools receive millions of dollars in taxpayer funding. For example: Haileybury College - \$17.9 million; Caulfield Grammar - \$13.6 million; Wesley College (Melbourne) - \$11 million; Trinity Grammar (Sydney) - \$10.4 million; Newington College - \$8.5 million; Xavier College (Melbourne) - \$8 million; Pymble Ladies College - \$7.9 million.

In addition to these schools, there are another 1,186 schools whose private income from fees and donations is below that of the average income per student in public schools, but whose government funding provides them with a higher average income than public schools. The excess funding amounts to \$1.8 billion a year - \$1.33 billion from the Federal Government and \$476 million from state/territory governments.

These over-funded private schools also have a higher proportion of students from more advantaged families. The average ICSEA value of these schools is 1054 compared with the average for public schools (excluding special schools) of 1003 and the mean value of 1000.

The total over-funding in 2013 was \$2.8 billion, including \$2.08 billion from the Federal Government and \$746 million from state and territory governments. It is likely to be over \$3 billion in 2015. Clearly, then, the Federal and state governments could make considerable savings which could be re-invested in disadvantaged government and private schools. Increasing resources for disadvantaged students would do more to improve national levels of educational achievement.

The estimated difference between the average total income per student of the 1,403 private schools and that of public schools is likely to be an under-estimate because the average income of public schools includes remote area and special schools while the private schools do not include any remote area or special schools. The per student cost of remote area and special schools is much higher than the average so the actual difference between the average income per student in metropolitan and provincial private schools and public schools will be even greater.

There is no sustainable case for continuing to provide taxpayer funds for schools which enables them to be better resourced than government schools, apart from the unusual circumstance where a private school has a higher proportion of disadvantaged students than the average for public schools. Private schools do not have an innate right to government funding. The purpose of government funding for private schools should be to support under-resourced schools and disadvantaged students to ensure adequate standards, not to increase the level of advantage already enjoyed by the well-off.

The over-funding of private schools has not produced better school results. The weight of evidence from academic studies shows that government schools do at least as well as private schools in national and international test results after adjusting for differences in the socio-economic composition of schools. The evidence from My School is that government schools do as well as private schools with a similar socio-economic profile. In particular, high SES government schools do just as well as elite Catholic and Independent schools, and substantially better in many states, with less than half the funding of the elite schools.

The extra resources provided by governments is mostly wasted on gold plating facilities, lavish marketing budgets to hire boutique public relations firms to promote their school and scholarships to cream off high achieving students from other schools.

The \$3 billion in over-funding would be better invested in disadvantaged public and private schools. The saving to the Federal Government alone of \$4 billion over two years would make a significant contribution to funding the \$7 billion in Federal funding originally planned for the final two years of the Gonski plan.

It is simply a test of will. Is the Turnbull Government willing to reduce government funding of the already-advantaged and re-invest it in reducing disadvantage in education to improve the lives of the low income students, improve workforce skills and participation and increase productivity?

If the Prime Minister really believes in the need to develop an innovative, agile, knowledge-based economy it should be a straightforward choice. A high performing education system with minimum levels of disadvantage means a high performing economy.

6 January 2016

Trevor Cobbold  
National Convenor

## Government Over-funding of Private Metropolitan and Provincial Schools 2013

Private School Type	No.	Average ICSEA	Federal Govt Over-funding (\$M)	State Govt Over-funding (\$M)	Total Govt Over-funding (\$M)	Total Income per student (\$)	Govt. Funding per student (\$)
<b>Private Income Exceeds Total Public School Income</b>							
Combined	148	1161	589.7	215.8	805.5	25,649	5,277
Primary	31	1185	14.7	6.2	20.9	23,298	4,242
Secondary	38	1166	141.4	47.6	189.0	26,209	5,085
Total	217	1162	745.8	269.6	1,015.4	25,696	5,214
<b>Total Income Exceeds Public School Income</b>							
Combined	477	1067	709.4	259.6	969.0	15,405	9,051
Primary	385	1038	74.1	31.3	105.4	14,378	10,695
Secondary	324	1040	550.9	185.5	736.4	15,455	10,576
Total	1,186	1054	1,334.4	476.4	1,810.8	15,333	9,791
<b>Grand Total</b>	<b>1,403</b>		<b>2,080.2</b>	<b>746</b>	<b>2,826.2</b>		

Source: My School

**Notes:**

1. Over-funding is defined here as the excess of total government funding over the amount that would be required to equalize average total income per student in private and public schools.
2. Remote area, very remote area and special schools are not included for private schools, but are included in average public school income.
3. Total government over-funding for schools whose total income exceeds that of public schools is pro-rated between the Federal and State/Territory Governments according to the ratio for each school type where private income exceeds the income of public schools.
4. The average ICSEA values are weighted averages.

**SOS - Fighting for Equity in Education**

<http://www.saveourschools.com.au>

<https://twitter.com/SOSAust>

[saveourschools690@gmail.com](mailto:saveourschools690@gmail.com)