

AUSTRALIAN COUNCIL FOR THE DEFENCE OF GOVERNMENT SCHOOLS

Press Release 1022

Private Schools Serving Richest Families in Australia Are Over-funded by Nearly \$1 Billion

Promoters of public education are always in danger of being called ‘sectarian’ if they confront the religious private school interest. Criticism of the role played by religious interests in the decline of Australian education on an international level is generally avoided. Those on the left have generally been shy of confronting such religious interests, instead bleating about the ‘needs’ of disadvantaged children – as the poor have gotten poorer. But the ridiculous public funding of rich private schools has, since the return of State Aid to the private sector in 1964, always been fair game for outrage.

And so it should:

[The following is a summary of a new Education Research Paper by Save Our Schools.](#) The paper can be downloaded below.

<https://saveourschools.com.au/funding/private-schools-serving-richest-families-in-australia-are-over-funded-by-nearly-1-billion/#more-5611>

There are 392 private schools in Australian whose families have an Adjusted Taxable Income (ATI) 0 of \$200,000 or more:

- 8 have an ATI of over \$400,000;
- 50 have an ATI of \$300,000-\$400.000;
- 334 have an ATI of \$200,000 to \$299,000.

Commonwealth Government over-funding of private schools is heavily concentrated in schools serving the richest families in Australia.

Commonwealth funding figures are available for 194 schools with a family ATI of \$200,000 or more. Of these 194 schools, 140 are over-funded by \$861.7 million for the period 2022-2028 inclusive. These schools comprise only 5.5% of all private schools but account for 30% of the estimated total over-funding of all private schools of \$2.85 billion over the period. The top 50 over-funded schools with a median ATI of \$200,000 or more are over-funded by \$545.5 million.

The total over-funding of schools serving families with an ATI of \$200,000 or more could be about \$1.7 billion if the other 198 schools for which individual funding figures are unavailable because they part of block funded school systems have a similar proportion of over-funded schools and a similar level of over-funding.

The hundreds of millions in over-funding is just the tip of the iceberg because of defects in the Commonwealth system of recurrent funding of private schools, other Commonwealth funding not included in the recurrent funding model and over-funding by state governments.

The method of funding private schools under-estimates the capacity of families with children in private schools to pay fees because it ignores other sources of income. It does not include income and payments made by grandparents – the Bank of Mum and Dad. These include payment of school fees, house deposits, childcare and help with other purchases.

The funding model for private schools also ignores lucrative sources of income of high-fee schools such as donations to school building and other funds, investment income, rental income and income from the hire of facilities. A recent report by the Productivity Commission found donations to school building and other funds in 2020-21 amounted to \$230 million across 1,455 schools

Other Commonwealth funding such as the \$1.2 billion Choice and Affordability slush fund is ignored in assessing the financial need of private schools.

Private schools are also over-funded by several state governments. For example, data drawn from a report by the National Schols Resourcing Board shows that the states over-funded private schools by \$480 million in 2022.

There are huge differences in the funding shares of public and private schools. Private schools across Australian are funded at 104.9% of their SRS in 2024 while public schools are funded at only 87.6%. Private schools in all states except the Northern Territory are funded at over 100% of their SRS while public schools in all states except the ACT are funded at 90% or less. In 2024, public schools across Australia are under-funded by about \$6.8 billion.

While new funding agreements are yet to be agreed between the Commonwealth and nearly all states, they will continue the under-funding of public schools because of accounting tricks that defraud public schools. The states will be permitted to claim expenditures that are specifically excluded from how the SRS is measured as part of their share of funding public schools.

These accounting tricks defraud public schools about \$2.4 billion in funding in 2024. Public schools will be still under-funded 17 years after the Gonski report recommended full funding at 100% of their SRS

Trevor Cobbold puts forward a simple 3-point plan to end the current stand off as follows:

- The Commonwealth Government increase its share of funding for public schools from 20% to 25% of their SRS.
- State governments renounce the accounting tricks in the current agreements and increase their share of funding public schools to 75% of their SRS.
- The Commonwealth and state governments end their over-funding of private schools.

DOGS COMMENT

The problem with this ‘same old story of the failed Needs policy’ and outrage at public funds diverted to wealthy private schools approach is that it ignores the impossibility that any private religious sector either is or could be anything else but – private, selfish, intolerant, misleading, unaccountable, hooked into greed rather than need. and in no way interested in the public good.

The only tolerable and indeed tolerant way forward is to admit to the failed State Aid experiment of the last six decades, withdraw public funding of private schools and take over any schools that cannot be genuinely independent.

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