



Independent Schools  
Council of Australia

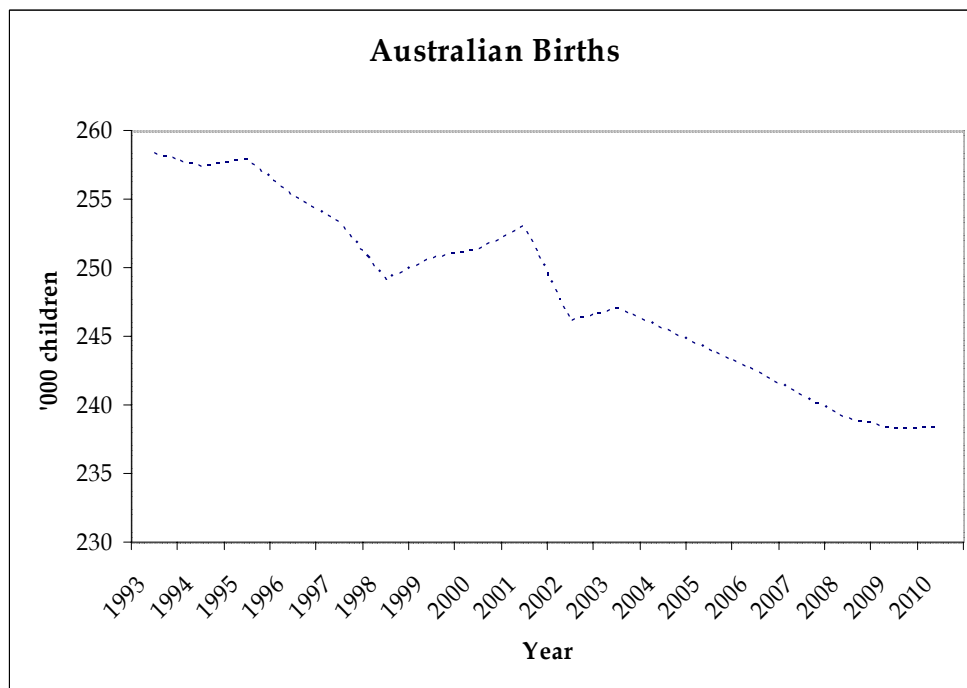
## ENROLMENT TRENDS IN INDEPENDENT SCHOOLS

### Independence

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Australia's birth rate is declining. As a consequence, by 2008 Australia's school age population will also begin to decline, heralding a highly competitive environment for the schools sector. It is an environment in which independent schools will be particularly vulnerable: few can draw on broader systemic support and all face the political difficulty of operating under regulators who are themselves schooling providers and therefore 'competitors'. However, if current enrolment trends continue, the immediate outlook for independent schools remains positive.



SOURCE: Australian Bureau of Statistics

In 2004, the Independent Schools Council of Australia (ISCA) analysed trends in enrolments in independent schools from 1996 to 2003. We then linked this data with

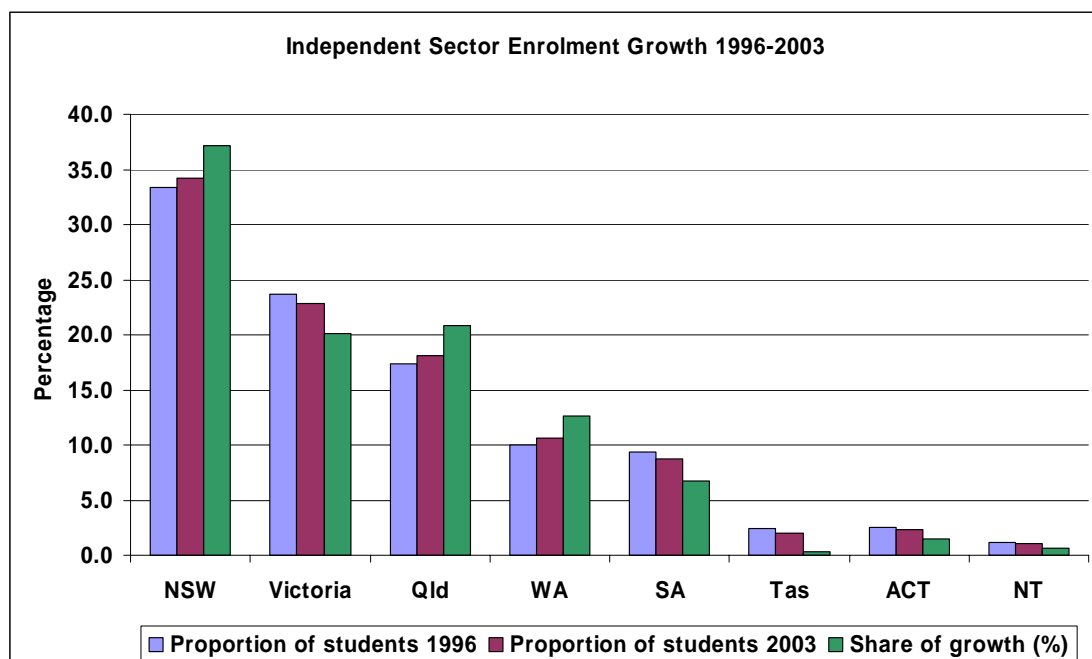
Australian Bureau of Statistics (ABS) population projections to estimate enrolment growth in the independent sector to 2010. In a nutshell, the analysis indicates that the strong, steady growth experienced by the sector over the last decade will continue but at a slower pace as growth in the school age population first slows and then declines.

### Growth rates

The independent sector grew by 104,605 students from 1996 to 2003, representing an average annual enrolment growth over this period of 3.6 per cent. Growth occurred in all states and territories, with the strongest rate of growth over this period occurring in Western Australia (4.5 per cent), Queensland (4.1 per cent) and New South Wales (3.9 per cent).

Growth in the independent sector has sometimes been sourced by media commentators to the establishment of new schools. The data indicate, however, that while growth in new independent schools has been rapid and has contributed significantly to overall sector growth, it is the growth in longer-established schools that has contributed most to sector growth.

From 1996 to 2003 the average annual rate of enrolment growth in the smaller schools (that is, schools with fewer than 250 students on average from 1996 to 2003) was 9.1 per cent, and the increase in their enrolments contributed 29 per cent of the total growth of the sector. By contrast schools with an average enrolment of between 501 and 1000 students grew at an average annual rate of only 2.9 per cent, but contributed 33 per cent of total sector growth. Schools with an average enrolment of between 251 and 500 students grew at an average annual rate of 4.9 per cent and contributed 20 per cent of total independent sector growth. The larger schools (1001+ students) experienced an average annual rate of enrolment growth of 1.7 per cent, but still contributed 18 per cent of total sector growth.



Since 1990 there has been a net growth of 79 schools in the independent sector. Of particular note is the growth in the number of combined (that is, primary and secondary)

independent schools. In 1990 there were 346 combined independent schools and in 2004 there were 570. This indicates the vigour with which independent schools are growing vertically, that is, growing up with their students or growing down by offering classes at lower year levels. Schools are also growing horizontally, that is, adding additional classes of a year level already offered.

### **Enrolment trends**

It should be noted that in this article only national data are presented and that patterns of – and opportunities for – growth vary by state, territory and region. For example, the birth rate is projected to decline steadily in all states except Queensland and the Northern Territory. School enrolments in Queensland will also be affected by the relatively high rate of migration to that state from other states, although population growth in that state is not uniform and tends to be concentrated in particular regions.

Another factor that must be taken into account in projecting enrolment trends is the link between some schools with a religious affiliation and their supporting communities. There is a strong correlation, for example, between the Catholic population of a state and overall enrolment levels in Catholic schools. A similar correlation exists for Jewish schools and can be expected to have an effect on the growth of Islamic schools in the longer term.

An analysis of enrolment data by school affiliation shows the following trends in the period 1996 to 2003. The affiliation descriptors are those used by the Department of Education, Science and Training (DEST) to categorise schools and as specified by schools in their DEST Non-Government School Census returns.

#### ***Anglican***

From 1996 to 2003 Anglican schools accounted for 26 per cent of all enrolments in the independent schools sector and a third of all enrolments for independent schools with over 1000 students. The overall average annual rate of enrolment growth for Anglican schools in this period was 3.8 per cent, but for the smaller Anglican schools it was 27 per cent. Growth in the smaller schools has been even more rapid in recent years. Since 1999 the average annual rate of growth for these schools was more than 40 per cent.

The growth in enrolments in Anglican schools occurred largely in NSW. There also was significant growth in Queensland, though from a small base.

#### ***Non-Denominational***

Non-Denominational and Inter-Denominational schools accounted for 16 per cent of all enrolments in the independent schools sector. These schools experienced an average annual rate of enrolment growth of 4.0 per cent from 1996 to 2003.

#### ***Christian***

(This category comprises those schools that declare themselves to be ‘Christian Schools’ in the Non-Government Schools Census undertaken annually by DEST. It does not reflect membership of an organisation representing groups of independent schools.)

Schools in this category accounted for 9.0 per cent of sector enrolments, and their average annual rate of growth over 1996 to 2003 was 4.7 per cent. Enrolment growth was slightly higher than average in WA (5.9 per cent) and Victoria (5.4 per cent).

The rate of growth for the smaller Christian schools (that is, schools with fewer than 250 enrolments) was 9.1 per cent – similar to the Australia-wide figure.

### ***Lutheran***

Lutheran schools account for 6 per cent of independent sector enrolments and experienced growth averaging 4.4 per cent annually from 1996 to 2003. Half of the enrolment growth was in Queensland, with the growth concentrated in schools with less than 250 students. In other states (notably SA and Victoria), the greatest rate of growth occurred in schools with enrolments between 250 and 500.

### ***Moslem***

Enrolments in Islamic schools showed the fastest rate of growth (11 per cent annually) of all the affiliations over the period 1996 to 2003. This growth was largely concentrated in NSW, Victoria, WA and to a lesser extent SA. However, enrolments at Islamic schools are still relatively small, accounting for only 2.5 per cent of total independent sector enrolments.

The data suggest that the rate of growth for Islamic schools is slowing – it was below the average at 7.0 to 8.0 per cent in 2002 and 2003. However, the growth to date has largely been at primary level and there is potential for continued growth as these students progress to secondary level.

### ***Catholic***

Enrolments at independent Catholic schools accounted for 11.5 per cent of total independent sector enrolments in 2003 compared with 21 per cent in 1996. This reflects the decision by some independent Catholic schools to transfer to the Catholic systemic sector, not enrolment decline.

Independent Catholic schools experienced an average annual rate of growth of 1.2 per cent for the period 1996 to 2003. This is marginally higher than the average growth rate for Catholic systemic schools.

### **Enrolment projections to 2010**

ISCA's enrolment projection model estimates that, on these current trends, enrolments in the independent sector will continue to grow, but that the rate of growth will slow as the growth in the school-age population slows and then declines. From a growth rate of 3.6 per cent in 2003, by 2010 the projected growth rate is 1.7 per cent, with an average annual growth rate in the period 2003 to 2010 of 2.2 per cent.

By 2010, continued growth on current trends would bring the independent sector's share of total school enrolments to a national average of some 16.6 per cent, further closing the gap in size between the independent sector and the Catholic systemic sector. The Catholic sector is projected to remain largely static to 2010 on current trends. In some

states independent sector enrolments are projected to outstrip enrolments in the Catholic sector.

### **Competitors have the advantage**

While current enrolment trends indicate strong continuing demand for independent schooling, the enrolment projections show that the future operating environment of schools will become increasingly competitive. The role of state and territory governments as both regulators and providers leaves independent schools particularly vulnerable.

With a decline in the school-age population imminent, regulations governing the establishment and expansion of non-government schools could well be revisited by those state and territory governments that already have them in place. Where no such regulations are currently in place, their introduction has already been recommended by government reviews or is the subject of debate.

While the states in one respect benefit from enrolments in the non-government sector – as the bulk of the very substantial costs of educating a school student are shifted to the federal government and families – they are also very reluctant to wear the political cost of closures when faced with excess capacity in their own schools.

State and territory governments have already shown their willingness to squeeze the independent sector financially; for example, by reducing funding through changed supplementation arrangements or closing or limiting access to interest subsidy schemes. As reductions in government funding inevitably result in an increased fee burden on families, they serve to widen the cost gap between independent schools and the ‘free’ state alternative.

Some state and territory governments have also been quite open in their attempts to compete with the non-government sector in a more positive way, for example through reduced class sizes, or by increasing the diversity of schooling options available in the government sector. Magnet, lighthouse or specialist schools, opportunity classes and selective schools are examples of the latter.

### **Economic outlook**

The independent sector has enjoyed a decade of steady growth at a time when the overall school population has been increasing, when disposable incomes and private wealth have been increasing and during a period of strong national economic growth. The school population is now about to decline and the Australian economy is beginning to slow.

At the same time, the predictions are for a continued strong jobs market. However, while employment levels are high, so are household debt levels. Survey and anecdotal evidence indicates that the majority of families in the independent sector meet the cost of fees from disposable income rather than savings plans or other arrangements. In the short term, interest rate rises would therefore seem to pose a greater risk to the sector than a slowing of the economy.

## **Power of the consumer**

Census data show that families in the independent sector come from all socio-economic strata, confirming that choice of an independent school has as much to do with willingness to pay as capacity to pay. The high priority that parents place on finding a good fit between a school and their children, and the preparedness of families to work hard to meet the cost of their choice, can be expected to ameliorate the negative effect on enrolments of any downturn in economic conditions.

Social change is also working in favour of sector growth. There is now a wider context in which families evaluate the cost of education provision. Many families are now used to paying for child care services, often at a rate considerably higher than that of primary school fees in independent schools. The nature of the child care and education services families seek is also changing and this is reflected in the increasing number of independent schools that have early childhood education or pre-schooling facilities, or that offer day-boarding arrangements.

Parents have become demanding consumers of education and other services for their children, and their choice is widening. At the secondary level in particular, choice includes not just school-based programs but courses offered by community and further education providers and the soon-to-be established Australian Technical Colleges.

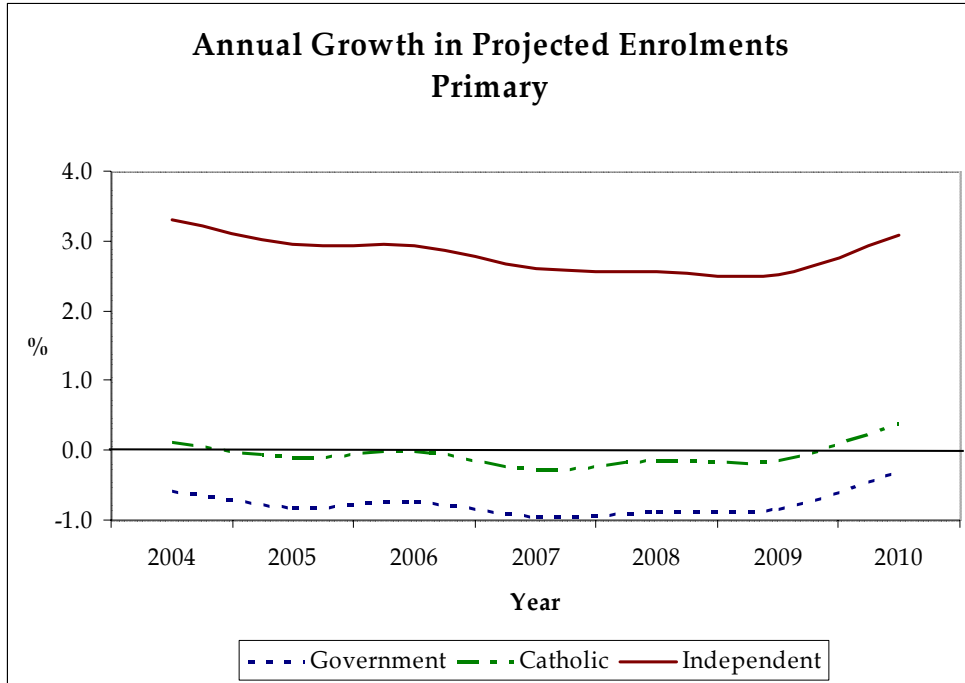
Independent schools have long demonstrated an ability to respond, adapt and innovate to meet the changing needs of students and families. This will certainly stand them in good stead as they face an increasingly competitive environment.

**ENDS**

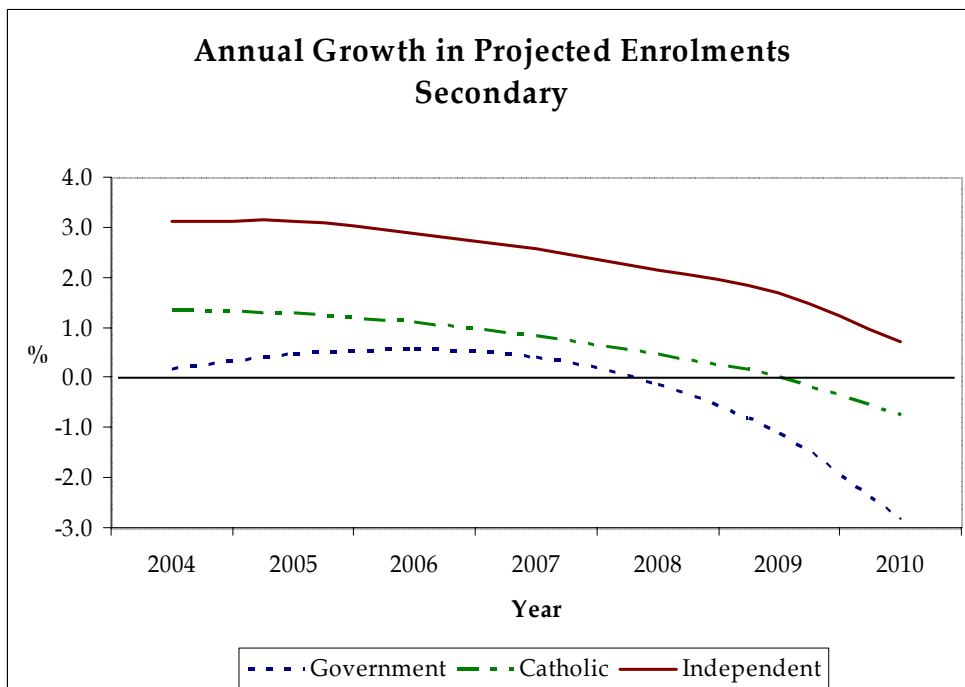
## **DATA SOURCES**

Enrolment trend data have been derived from the Non-government Schools Census undertaken annually by the Australian Department of Education, Science and Training. Enrolment projections have been based on a continuation of recent enrolment trends together with Australian Bureau of Statistics population projection data.

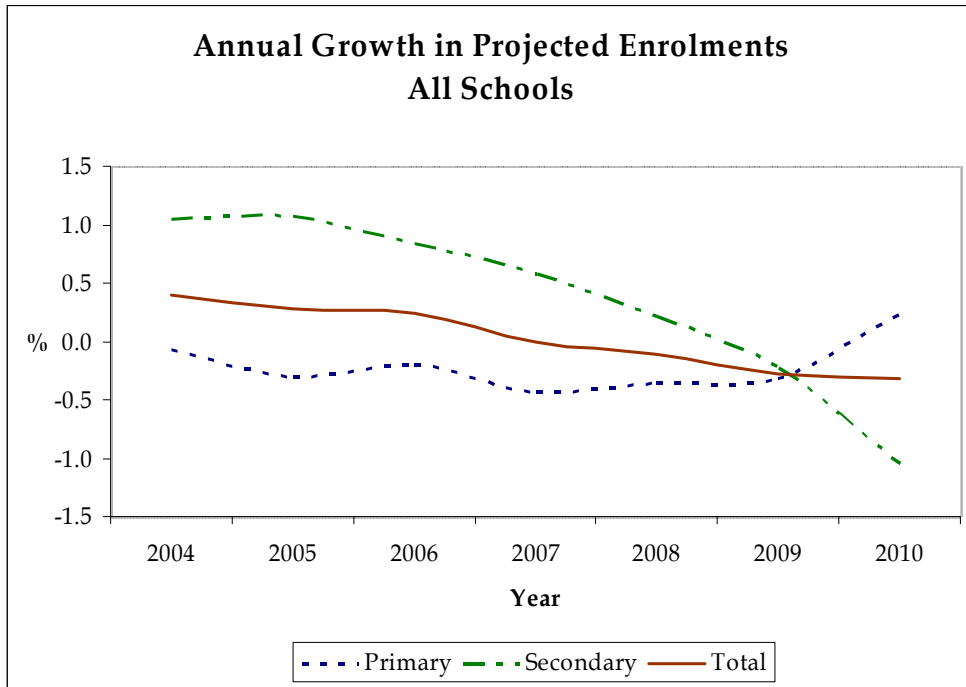
NOTE: In the following three graphs, the apparent sharp upswing in primary enrolments in 2010 and the corresponding sharp downturn in secondary enrolments is caused by the decision in WA in 2001 to hold back half the kindergarten population from proceeding to Year 1. By 2010 the primary enrolment figures in WA will reflect full year cohorts in each grade, but only a half cohort in the first year of secondary school. In terms of total enrolments (represented by the unbroken line in the third graph), the school-age population will begin to decline from 2008.



SOURCE: Independent Schools Council of Australia



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Independent Schools Sector: Growth by State and Level 1996-2003										
	1996	1997	1998	1999	2000	2001	2002	2003	Increase	Average annual growth (%)
<b>NSW</b>										
Primary	43895	46265	48753	51459	54572	57413	59369	61675	17780	4.5
Junior Secondary	53912	55935	57718	59700	61806	64105	66482	68883	14971	3.5
Senior Secondary	22095	22683	23279	24666	25353	26037	27354	28259	6164	3.6
<b>Total NSW</b>	<b>119902</b>	<b>124883</b>	<b>129750</b>	<b>135825</b>	<b>141731</b>	<b>147555</b>	<b>153206</b>	<b>158817</b>	<b>38915</b>	<b>3.9</b>
<b>Victoria</b>										
Primary	31267	32421	33784	35489	36940	37744	39109	40002	8736	3.2
Junior Secondary	36338	37230	37671	38756	39966	41383	42885	44473	8135	3.2
Senior Secondary	17520	17861	18219	18781	19335	20132	20881	21700	4180	3.4
<b>Total Victoria</b>	<b>85124</b>	<b>87512</b>	<b>89674</b>	<b>93026</b>	<b>96241</b>	<b>99259</b>	<b>102875</b>	<b>106175</b>	<b>21051</b>	<b>3.2</b>
<b>Qld</b>										
Primary	26386	28139	25462	32369	34357	35878	37734	40192	13807	6.2
Junior Secondary	23230	23921	29132	24697	25438	25762	26328	27174	3944	1.6
Senior Secondary	12667	13388	14154	14960	15204	15622	16252	16758	4091	3.5
<b>Total Qld</b>	<b>62284</b>	<b>65448</b>	<b>68747</b>	<b>72025</b>	<b>74999</b>	<b>77261</b>	<b>80314</b>	<b>84125</b>	<b>21841</b>	<b>4.1</b>
<b>WA</b>										
Primary	14965	16033	14244	17486	18679	19898	20467	21221	6256	5.0
Junior Secondary	13519	13836	16751	14824	15596	16433	17273	18225	4705	4.1
Senior Secondary	7498	7824	8017	8328	8563	9046	9569	9780	2282	3.8
<b>Total WA</b>	<b>35983</b>	<b>37694</b>	<b>39012</b>	<b>40639</b>	<b>42837</b>	<b>45377</b>	<b>47308</b>	<b>49226</b>	<b>13243</b>	<b>4.5</b>
<b>SA</b>										
Primary	17128	17880	15680	18542	19354	19911	20578	21164	4036	3.5
Junior Secondary	10454	10999	13752	11227	11244	11133	11495	11877	1423	0.9
Senior Secondary	5965	6434	6756	6845	6953	7176	7425	7525	1560	2.6
<b>Total SA</b>	<b>33547</b>	<b>35313</b>	<b>36188</b>	<b>36614</b>	<b>37551</b>	<b>38220</b>	<b>39498</b>	<b>40565</b>	<b>7019</b>	<b>2.5</b>
<b>Tas</b>										
Primary	3849	3727	3744	3737	3778	3833	3831	3915	66	0.8
Junior Secondary	3774	3720	3627	3554	3473	3503	3545	3746	-28	1.0
Senior Secondary	1215	1282	1363	1402	1433	1443	1432	1466	250	1.8
<b>Total Tas</b>	<b>8839</b>	<b>8729</b>	<b>8734</b>	<b>8693</b>	<b>8684</b>	<b>8778</b>	<b>8808</b>	<b>9127</b>	<b>288</b>	<b>1.1</b>
<b>ACT</b>										
Primary	2615	2617	2660	2778	2876	3006	3211	3386	771	4.6
Junior Secondary	4520	4604	4675	4778	4854	4996	5118	5301	781	2.5
Senior Secondary	2039	2036	2058	2028	1944	2014	2050	2045	6	0.3
<b>Total ACT</b>	<b>9174</b>	<b>9257</b>	<b>9393</b>	<b>9584</b>	<b>9673</b>	<b>10015</b>	<b>10379</b>	<b>10731</b>	<b>1557</b>	<b>2.7</b>
<b>NT</b>										
Primary	2015	2044	1811	2186	2250	2281	2252	2454	440	3.7
Junior Secondary	1860	2042	2259	2131	1999	1919	2156	2122	262	0.8
Senior Secondary	460	484	538	491	525	518	490	450	-10	-2.7
<b>Total NT</b>	<b>4335</b>	<b>4570</b>	<b>4608</b>	<b>4808</b>	<b>4774</b>	<b>4717</b>	<b>4898</b>	<b>5026</b>	<b>691</b>	<b>1.8</b>
<b>Australia</b>										
<b>Primary</b>	<b>142119</b>	<b>149125</b>	<b>146137</b>	<b>164045</b>	<b>172806</b>	<b>179963</b>	<b>186552</b>	<b>194009</b>	<b>51890</b>	<b>4.4</b>
<b>Junior Secondary</b>	<b>147608</b>	<b>152287</b>	<b>165585</b>	<b>159668</b>	<b>164376</b>	<b>169232</b>	<b>175282</b>	<b>181800</b>	<b>34192</b>	<b>2.9</b>
<b>Senior Secondary</b>	<b>69460</b>	<b>71992</b>	<b>74383</b>	<b>77500</b>	<b>79310</b>	<b>81987</b>	<b>85452</b>	<b>87982</b>	<b>18522</b>	<b>3.3</b>
<b>Total Australia</b>	<b>359186</b>	<b>373405</b>	<b>386105</b>	<b>401213</b>	<b>416491</b>	<b>431183</b>	<b>447286</b>	<b>463791</b>	<b>104605</b>	<b>3.6</b>

**Independent Schools Sector: Projected Enrolment Growth by State and Level**

	2003	2004	2005	2006	2007	2008	2009	2010	Increase	Average annual growth (%)
<b>NSW</b>										
Primary	61675	64073	66395	68895	70905	73352	75779	78089	16414	3.2
Secondary	97142	100302	103523	106724	109750	112161	114239	116586	19444	2.3
<b>Total NSW</b>	<b>158817</b>	<b>164376</b>	<b>169918</b>	<b>175619</b>	<b>180655</b>	<b>185513</b>	<b>190018</b>	<b>194675</b>	<b>35858</b>	<b>2.7</b>
<b>Victoria</b>										
Primary	40002	40791	41498	42168	42872	43596	44298	44987	4985	1.6
Secondary	66173	68296	70662	73093	75252	77361	78862	80372	14199	2.5
<b>Total Victoria</b>	<b>106175</b>	<b>109087</b>	<b>112160</b>	<b>115261</b>	<b>118124</b>	<b>120956</b>	<b>123160</b>	<b>125359</b>	<b>19184</b>	<b>2.2</b>
<b>Qld</b>										
Primary	40192	41735	43168	44664	46269	47598	48943	50287	10095	3.0
Secondary	43932	45353	46949	48345	49650	50744	51572	52179	8247	2.1
<b>Total Qld</b>	<b>84125</b>	<b>87088</b>	<b>90117</b>	<b>93009</b>	<b>95919</b>	<b>98342</b>	<b>100514</b>	<b>102466</b>	<b>18341</b>	<b>2.5</b>
<b>WA</b>										
Primary	21221	22105	22887	23634	24251	24836	25470	27603	6382	4.1
Secondary	28005	28926	29762	30495	31180	31713	32257	29849	1844	-0.4
<b>Total WA</b>	<b>49226</b>	<b>51032</b>	<b>52649</b>	<b>54128</b>	<b>55430</b>	<b>56549</b>	<b>57727</b>	<b>57452</b>	<b>8226</b>	<b>1.6</b>
<b>SA</b>										
Primary	21164	21744	22243	22688	23141	23467	23807	24141	2978	1.6
Secondary	19402	19697	19828	19918	19981	20167	20324	20511	1109	0.8
<b>Total SA</b>	<b>40566</b>	<b>41442</b>	<b>42071</b>	<b>42607</b>	<b>43122</b>	<b>43634</b>	<b>44131</b>	<b>44652</b>	<b>4087</b>	<b>1.2</b>
<b>Tas</b>										
Primary	3915	3967	3960	3993	3979	3983	3983	4005	90	0.2
Secondary	5212	5340	5599	5774	5914	6021	6088	6109	897	1.7
<b>Total Tas</b>	<b>9127</b>	<b>9307</b>	<b>9559</b>	<b>9768</b>	<b>9893</b>	<b>10005</b>	<b>10071</b>	<b>10114</b>	<b>987</b>	<b>1.1</b>
<b>ACT</b>										
Primary	3386	3511	3637	3759	3852	3973	4084	4201	815	2.9
Secondary	7345	7563	7769	7926	8102	8195	8241	8270	925	1.2
<b>Total ACT</b>	<b>10731</b>	<b>11074</b>	<b>11406</b>	<b>11685</b>	<b>11954</b>	<b>12168</b>	<b>12325</b>	<b>12471</b>	<b>1740</b>	<b>1.8</b>
<b>NT</b>										
Primary	2454	2479	2517	2561	2606	2664	2739	2828	374	2.4
Secondary	2572	2687	2742	2801	2865	2862	2821	2769	197	0.0
<b>Total NT</b>	<b>5026</b>	<b>5166</b>	<b>5259</b>	<b>5362</b>	<b>5470</b>	<b>5526</b>	<b>5560</b>	<b>5597</b>	<b>571</b>	<b>1.2</b>
<b>Australia</b>										
<b>Primary</b>	<b>194009</b>	<b>200406</b>	<b>206305</b>	<b>212362</b>	<b>217874</b>	<b>223469</b>	<b>229103</b>	<b>236142</b>	<b>42133</b>	<b>2.7</b>
<b>Secondary</b>	<b>269782</b>	<b>278165</b>	<b>286834</b>	<b>295076</b>	<b>302693</b>	<b>309223</b>	<b>314404</b>	<b>316644</b>	<b>46862</b>	<b>1.9</b>
<b>Total Australia</b>	<b>463791</b>	<b>478571</b>	<b>493139</b>	<b>507439</b>	<b>520567</b>	<b>532692</b>	<b>543508</b>	<b>552786</b>	<b>88995</b>	<b>2.2</b>
<b>Growth (%)</b>		<b>3.2</b>	<b>3.0</b>	<b>2.9</b>	<b>2.6</b>	<b>2.3</b>	<b>2.0</b>	<b>1.7</b>		

**Note:** 2010 is the year that the 'half-year' cohort of WA school children, created through the implementation of the Scott report, will proceed from primary to secondary school. The impact on the independent schools sector in WA is likely to be a decline in the level of enrolments between 2009 and 2010.