



Independent Schools
Council of Australia

GROWTH DRIVES CAPITAL DEMAND

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Sustained enrolment growth in the independent schools sector over the last 15 years is the major contributor to overall capital costs in the sector. A review last year of Australian Government capital funding for non-government schools also found that curriculum change, the move to a common school starting age, the push for smaller class sizes and rising building costs were factors driving increasing capital expenditure in the sector ('Private schools in costly boom', Aust, 29/1/07, p5).

About 90 per cent of total capital expenditure in the independent sector is contributed by parents and school communities. Only 10 per cent of the sector's capital funding is contributed by the taxpayer through government capital grants, state or territory government interest subsidies or loan schemes, or through tax concessions on donations to school building funds.

ISCA believes there is a strong case for an increase in Australian Government capital funding for independent schools.

Of the \$1.5 billion in Australian Government capital grants to schools available over the 2005 to 2008 period, approximately \$155 million will go to independent schools. This is less than its relative share of grants under the Australian Government's capital funding programme. In 2003-04, students in government schools received on average \$110 in capital funding from the Australian Government. Students in Catholic systemic schools received \$78 and students in independent schools \$62.

The bulk of grants available to independent schools under the Australian Government's capital funding programme are distributed to school communities with the least capacity to raise funds. In 2004, 65 per cent of the total capital funding to the independent sector went to schools with a socio-economic status ranking of less than 100. (The SES scale ranges

from 85 to 130.) Ninety-one per cent of grants went to schools with an SES score of less than 110.

Families of students in independent schools are contributing significantly to Australia's expenditure on education – some \$3 billion annually in operating costs and close to \$800 million per year in capital expenditure. While the capital assistance provided by the Australian and state and territory governments is highly valued by the sector, parents expect governments to partner them in financing their children's education. A further injection of capital funding to the sector would be welcomed both as a recognition of the needs arising from sustained enrolment growth and as further incentive for parental contribution.