



Media Statement

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Statement by Mr Bill Daniels, Executive Director, Independent Schools Council of Australia

Independent School Fees

The independent schools sector consists of over 1,100 independent schools which operate as self-managing not-for-profit organisations. The school governing boards or councils along with school principals are responsible for the operation and management of independent schools, including setting fees and determining policies in relation to scholarships, bursaries, fee concessions and assistance for families.

Surveys which focus on the fee structures of a select number of schools have limited relevance to the independent school sector as a whole. Findings do not reflect the entire independent sector, and tend to ignore the wide diversity of its schools in terms of type, location, size and levels of government funding.

Independent schools can only operate by balancing the financial support provided by parents, the school community, the Australian Government and state or territory governments. Some students receive as little as \$1,150 per annum from the Australian Government while others receive up to \$7,450. The circumstances of each school are unique. Simplistic reports of the fee levels of individual schools ignore this fact of life.

Comparisons between fee increases and the CPI are also erroneous. According to the Australian Government, since 1994, the costs of educating a student in a government owned school have increased on average by 5.7% each year for primary students and 4.7% for secondary students. The CPI over this period has increased on average by only 2.7% each year. It is mischievous to compare movements in fees with the CPI.

For most independent schools, teachers and staff salaries represent approximately 70 per cent of school costs. However, independent schools must also meet the full costs of operating the school, including information and communication technology upgrades, escalating government regulatory and compliance costs, teacher training, curriculum development, debt servicing and the additional costs of providing for students with special needs.

Independent schools operate with a comprehensive range of accountabilities to parents and school communities. School governing bodies are very conscious of the impact of movements in their fee structures and try to minimise fee increases to ensure that the schools remain affordable to their school community.

The Commonwealth Government's Socio-Economic Status (SES) funding model for non-government schools is a needs-based model in which relative need is determined according to the socio-economic status of a school's community. The higher a school's SES score, the less public funding its students receive. Students attending schools with a lower socio-economic profile are eligible for more public funding.

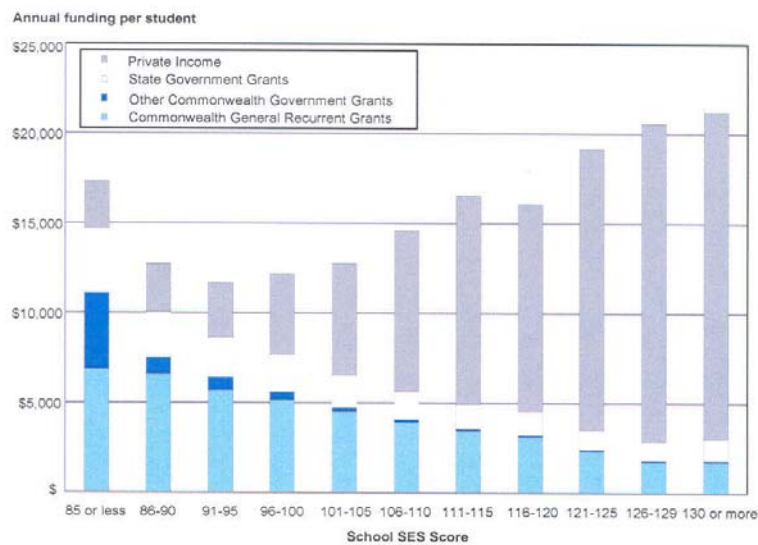
A secondary student attending an independent school with a high SES score of 130 is eligible for a minimum grant of \$1,459 while a student at a school with a low SES score of 85 or less is eligible for a maximum grant of \$7,453.

The Australian National Audit Office reported in 2009 that independent schools rely heavily on private investment and parental contribution with approximately 60 per cent of their income coming from private



sources. Importantly it also confirmed a correlation where the higher a school's SES score, the greater it relied on private contribution and fees and the less it received from government sources to meet its operational costs.

The ANAO examined the extent to which private funding for non-government schools rises with SES scores. The table below shows that the falls in per-student general recurrent grants (i.e. government funding) according to the SES score of an independent school are being offset by necessary increased private funding. (Source: ANAO Audit Report NO 45 2008-09 Funding for Non-government Schools Page 81).



Source: ANAO analysis of non-government schools Financial Questionnaire data.

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Further information regarding the funding arrangements for independent schools can be found at www.isca.edu.au.