

**AUSTRALIAN COUNCIL FOR THE DEFENCE OF  
GOVERNMENT SCHOOLS  
PRESS RELEASE 895  
PRIVATE SCHOOLS BRAWL TO GET THEIR  
SNOUTS DEEPER IN THE FUNDING TROUGH**

In three groundbreaking reports from Nine Media, i.e. the Sydney Morning Herald and The Age, Ben Schneiders and Royce Millar have exposed the extraordinary wealth of some of AUstralia's private schools. The first is ['Australia's top private schools are growing richer and faster than ever'](#) June 18. The second is ['Top private schools build up multimillion-dollar investment portfolios'](#) June 19. The third is ['Bags of money and the old school tie: Private schools and their impact on Melbourne'](#) June 20.

On some similar themes is 'Colleges build a head of steam and leave many fuming' in the *Sun Herald* June 20. <https://www.abc.net.au/7.30/private-school-funding-creating-a-political-brawl/13404616>

Perhaps the most telling commentary on these extraordinary figures illustrating the excessive greed of the private eDucation sector, is an article by Trevor Cobbold published on John Menadue's *Pearls and Irritations* website.

**Private schools brawl to get their snouts deeper in the funding  
trough**

DOGS reproduce it with the comment that people like Trevor Cobbold are still hopeful that some kind of "Needs" policy can be imposed by Australian governments on the private sector.

DOGS disagree with this belief. Events have proved, time and again, that the private sector is just that – private. Its main raison d'être is the private, not the public good. Schools attached to all manner of religious sects have 'gamed' the system again and again. First, in the early days of Whitlam's Needs policy, with 'bottom of the schoolyard schemes', and later, with more open lobbying in the Howard era. In the last ten years, their preferential treatment vis a vis the public systems have become a national scandal of even growing billions of dollars proportion.

Yet our governments have rewarded blatant greed, sexual abuse of children and lack of accountability for public money – with ever increasing billions.

The answer to the equity, civic and political problems in Australian education is to stop State Aid to private schools; take over the private schools we already pay for; and leave those who can stand on their own financial feet to be - truly independent.

Here is what Trevor Cobbold has to say:

### **[Private schools brawl to get their snouts deeper in the funding trough](#)**

By [Trevor Cobbold](#)

Jun 28, 2021

Photo: Brisbane Grammar

*A coalition of Independent schools complained (on the ABC 7.30 Report) that they are disadvantaged by the Morrison Government's new funding model because their funding increase is not as big as others. They want yet another special deal from the Morrison Government as do many other Independent schools.*

The new Independent school group called the [Coalition of Metropolitan and Outer Regional Schools \(COMAIRSA\)](#) wants more Commonwealth funding. They claim they will receive less funding under the Morrison Government's new [Direct Measure of Income \(DMI\)](#) funding model than under the previous Turnbull model. However, [according to the Commonwealth Education Minister, Alan Tudge](#), the schools "will continue to have funding increases locked in, all the way out to 2029".

Figures supplied to [Senate Estimates in March 2020](#) show that several COMAIRSA schools will receive large increases in Commonwealth funding. For example, funding for Canterbury College in Queensland, which featured in the [7.30 Report](#), will increase by \$3.3 million between 2020 and 2029. Flinders Christian Community College in Victoria will receive a \$4.7 million increase. Several schools in the Coalition, including Bacchus Marsh Grammar, whose principal is leading the campaign, are also members of the Ecumenical Schools Association of Victoria whose funding will increase by \$27.9 million over the period. Only a few schools will have their funding cut because they are already heavily over-funded.

The COMAIRSA claims 73 member schools, although its website lists only 21. Apart from a few exceptions, those listed on its website are all highly advantaged schools. The My School website shows that 18 of these schools are in the top quartile of the Index of Community Socio-Educational Advantage (ISCEA).

These 18 schools have a high proportion of students from advantaged families and very few from disadvantaged families. Low socio-educational status students comprise only on average 4% of enrolments while 50% are from the top SES quartiles and over 80% are from the top two quartiles. Only 1% of their students are Indigenous. Their average government (Commonwealth and State) funding was nearly \$13 million in 2019 and nearly \$10,000 per student. Their average total income was just under \$24,000 per student.

It really is a classic case of well-off schools trying to get their snouts deeper into the taxpayer trough.

The other three schools in COMAIRSA are not disadvantaged by any means as their ISCSEA scores are well above the national average and around 50% or more of their students are from the top two SES quartiles. Their government funding totals nearly \$50 million per year, their average government funding is \$12,286 per student and their average total income is \$18,845 per student.

The principal of Bacchus Marsh Grammar (a P-12 school) told the *7.30 Report* that “Our people are Menzies’ ‘forgotten people’, they are Howard’s ‘battlers’, and they do ask the question, why a conservative government is doing this to them.” This would be laughable if it wasn’t so serious. Only 5% of the school’s students are from low SES families while 76% are from the top two SES quartiles and it has no Indigenous students according to My School. Its total income per student in 2019 was \$21,422.

This compares with average funding for two local public schools, Bacchus Marsh PS and Bacchus Marsh College, of only \$13,399 per student. Yet, these two schools have a much larger proportion of low SES students – 46% in the case of the College and 24% in the case of the primary school. This highlights the unfairness of the school funding system. Public schools have much more to do than private schools with much less income.

The new brawl again exposes deep divisions within the private school sector over the DMI. Independent school associations bitterly resent the ruthless campaign by Catholic school associations which contributed to the downfall of the Turnbull Government. Morrison gave Catholic schools a funding increase of \$3.7 billion to 2029 to buy peace but cut funding for Independent schools by \$218 million. The [Choice and Accountability Fund](#) provided \$445 million over ten years to compensate Independent schools for their loss under the DMI, but Catholic schools get the lion’s share at \$727 million.

While the Independent Schools Australia (ISA) [welcomed Morrison’s special deal](#) as a “fair and reasonable resolution of the current funding issues” it held deep reservations about the model including its [impact on some types of schools](#).

Several ISA affiliates are unhappy with the deal and are putting pressure on the Morrison Government to deliver more funding. In a [briefing to affiliates in December last year](#), Independent Schools Queensland’s executive director David Robertson said “the new funding arrangements are likely to feature heavily in the next Federal election”. He recently told the [Courier-Mail](#) he was concerned the DMI model had a “disproportionately negative impact” on some regional schools.

The Chief Executive of Independent Schools Victoria, Michelle Green, [has expressed concern](#) about the long-term impact on Independent schools in regional areas and says the DMI was introduced before it was “properly tested and validated”.

The campaign by COMAIRSA also reveals divisions within ISA. It is highly critical of distribution of funding provided through the Choice and Affordability Fund which is allocated at the discretion of state affiliates. COMAIRSA says this funding is “[less accessible](#)” for regional schools than for inner metropolitan schools. It wants a bigger slice of the pie.

COMAIRSA and ISA affiliates are clearly building a campaign for the next Federal election to get another special funding deal from the Morrison Government. COMAIRSA wants a [“zero disadvantage clause”](#) so that schools do not lose funding due to the DMI model. In other words, another “no losers” deal.

The Morrison Government has demonstrated it will bend over backwards to keep the peace with private schools. Within weeks of taking office in August 2018, it had negotiated a \$4.4 billion funding deal with Archbishop Anthony Fisher to buy peace with the Catholic Church after its ruthless campaign against the Turnbull Government’s modest moves to reduce over-funding. This deal was negotiated long before the arrangements for the DMI were determined. The deal was so beneficial that Fisher admits that the Catholic school system has [“never had it so good”](#). Look out for another special deal for Independent schools in the coming months.

The introduction of the DMI and the Choice and Affordability Fund ensures that Catholic and Independent schools will be [over-funded by a total of \\$3.7 billion](#) between 2022 and 2029 – \$1.9 billion for Catholic schools and \$1.8 billion for Independent schools.

Even this is just the tip of the over-funding iceberg because the DMI funding model is so riven with flaws that the financial need of private schools is massively over-estimated. It under-estimates the capacity of families to contribute because it ignores school fees paid by grandparents as well as other income provided to their children, non-taxed income from capital gains, and non-disclosed income in Australia or income held in overseas bank accounts and tax havens.

It also excludes school wealth and ignores private donations to schools and capital gains income from the investments. An investigation by [The Age and The Sydney Morning Herald](#) estimated the wealth of Australia’s 50 top private schools at \$8.5 billion, including [multi-million dollar investment portfolios](#). These investments generate dividends and franking credits which are not taxed and nor are they subject to capital gains tax when sold to fund new school buildings.

Meanwhile, public schools are vastly underfunded. [Save Our Schools](#) has estimated that public schools will be under-funded by a total of \$73.7 billion over the period 2019 to 2029 under the current funding agreements between the Commonwealth and the states which are systematically biased against public schools.

The vision of the Gonski report to focus education policy and funding on reducing inequity in education has been extinguished by successive Federal Coalition governments. There is now no option but to return to the drawing board and design a new funding model to address disadvantage and improve equity in education. A new model should build on the principles of the original Gonski report and be free of the conditions and special deals imposed by the Gillard Government that subverted the integrity of the model.

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