

**AUSTRALIAN COUNCIL FOR THE DEFENCE OF  
GOVERNMENT SCHOOLS  
PRESS RELEASE 909  
PRIVATE SCHOOLS CONTINUE TO RORT  
THE SYSTEM.  
‘The Rich get Richer ....’**

The Private education sector in Australia have rorted the Needs policy since it was introduced by the Whitlam Government in 1973. The wealthy schools have always made sure that they received their pound of taxpayer’s flesh. But the latest example of the favouritism shown these institutions by the Morrison government, beggars belief.

When the plague reached Australia and the country locked down, the Federal Treasurer panicked when he saw the Centrelink queues. He came up with the \$88 billion ‘Jobkeeper’ scheme, and, forgetting all the hype about the public debt, placed the coming generations into hoc. Jobkeeper was designed for private – not public - businesses that would lose money.

In his haste Treasurer Frydenberg neglected to introduce a claw back clause in the legislation for those businesses that in fact made a profit out of the pandemic. And profits were made at taxpayer’s expense to the tune of at least \$27 billion.

Private schools and universities received large payments from the scheme and their staff were paid, but public universities and schools did not.

[Michael Roddan](#), a Senior companies reporter from the [Financial Review](#) on October 6 has investigated the private school handouts and discovered that private schools, including the most wealthy received \$750 million from the federal government’s scheme. Trevor Cobbold has taken the matter further on John Menadue’s Pearls and Irritations:

Wealthy schools pocket millions in JobKeeper funds despite profits

By [Trevor Cobbold](#)

Oct 13, 2021

*Blessed are the rich! The payments to elite schools despite their healthy bottom lines and vast assets highlight the pressing need for education funding reform.*

New figures show that 700 private schools, including many of Australia's most exclusive ones, raked in \$750 million in JobKeeper payments while running surpluses in the millions. This is on top of the billions in overfunding provided under the Morrison government's special deals for private schools.

The average payment was more than \$1 million per school. School financial statements lodged with the [Australian Charities and Not-for-Profits Commission](#) show that many elite schools received millions more than this while making profits, and some even increased their profits with the help of JobKeeper.

In Sydney, for example, The King's School received \$7 million, Moriah College \$6.8 million, St Joseph's College \$6.7 million and Glenaeon Rudolf Steiner School \$2 million. Yet they all made profits in 2020 — The King's School \$6.9 million, Moriah College \$9.4 million, St Joseph's \$1.2 million and Glenaeon Rudolf Steiner School \$1.5 million.

Australia's wealthiest school, Geelong Grammar, got \$10.7 million from JobKeeper. Melbourne's Wesley College received \$18.2 million, Penleigh and Essendon Grammar \$9.2 million, Bialik College \$7 million and St Leonard's \$6.2 million. Yet Wesley College made a profit of \$2.2 million, Penleigh and Essendon Grammar \$6.5 million, Bialik College \$6.7 million and St Leonard's a massive \$11 million.

The pattern was repeated around Australia. In Queensland, Brisbane Grammar got \$3.2 million, Toowoomba Grammar \$4.2 million, The Cathedral School of St Anne and St James \$3.9 million and Northside Christian College \$3.8 million. They all made profits in 2020 — Brisbane Grammar \$3.8 million, Toowoomba Grammar \$3.8 million, The Cathedral School \$3.6 million and Northside Christian \$5.4 million. In Perth, the exclusive Hale School received \$7.5 million and made a profit of \$8.3 million while Guildford Grammar got \$5.2 million and made a profit of \$5.8 million.

Why such schools received JobKeeper payments when making profits is beyond comprehension. It is disgraceful and immoral that the wealthiest private schools in the country accepted millions of taxpayer dollars from JobKeeper while running surpluses of millions.

Their avarice is obscene. It is another example of the ruthless robbing of taxpayers by the wealthy. These schools pride themselves on their religious values. If they had any conscience, they would give the money back.

Many of these wealthy schools even increased their profits with the help of JobKeeper. For example, Moriah College turned a loss of \$1.3 million in 2019 before Covid into a \$9.4 million profit in 2020, and Bialik College turned a loss of \$20,000 into a profit of \$6.7 million. Penleigh and Essendon Grammar tripled its profit from \$2 million to \$6.5 million while St Leonard's doubled its profit from \$5.6 million to \$11 million. Northside Christian College increased its profit by five times from \$1 million to \$5.4 million, Toowoomba Grammar from \$800,000 to \$3.8 million and Guildford Grammar from \$800,000 to \$5.8 million.

JobKeeper was designed to allow businesses, schools and other organisations to retain staff while facing major losses of revenue due to Covid. However, these wealthy schools were not going to the wall. They didn't need JobKeeper to stay afloat. They have highly secure financial cushions to weather downturns in revenue courtesy of their high fees and multimillion-dollar assets.

The average fees of nearly all the above schools are more than \$20,000 per student with several over \$30,000. Only the wealthy can afford such fees. For example, the average fee income of The Kings School in 2019 was \$32,897 per student and 69 per cent of students

were from the top socio-economic status (SES) quartile and 93 per cent from the top two quartiles. Recurrent Commonwealth and NSW government funding was \$11.9 million in 2020.

Average fee income at Wesley College was \$29,720 per student and 70 per cent of its students were from the top SES quartile and 92 per cent from the top two quartiles. It received \$19.5 million in recurrent funding from the Commonwealth and Victorian governments. Fee income at Brisbane Grammar was \$26,031 per student, with 88 per cent of students from the top SES quartile and 98 per cent from the top two quartiles. It received \$11.4 million in recurrent funding from the Commonwealth and Queensland governments.

Nearly all of these schools have assets of around \$100 million and several such as The Kings School, Geelong Grammar and Wesley College have assets of around \$200 million. They include multimillion-dollar financial investments that could easily have been drawn on to retain staff. Their massive physical assets provided a sound basis to resort to bank loans instead of ripping off the taxpayer.

A justification used by private schools for their JobKeeper payments was to cover revenue losses due to far fewer international students as a result of the border closure during Covid. This was a furphy. JobKeeper payments were made on the basis of overall revenue losses, not revenue losses in one part of a business.

Relatively few of the schools receiving JobKeeper relied heavily on boarding students and the income from boarding fees only accounted for a small part of the total revenue for many. For example, boarding fees at Brisbane Grammar represented only 3 per cent of the school's total income in 2020. The small reduction of \$400,000 in its boarding school revenue was more than offset by its JobKeeper payment of \$3.2 million and increased income from normal fees of over \$1 million.

Ballarat Grammar was a similar case. Its boarding fees made up only 8 per cent of its total income in 2020 and its reduction in boarding income of \$1 million was more than covered by its JobKeeper payment of \$5.9 million and increased income from normal fees of nearly \$400,000.

Another anomaly was at The Kings School where income from boarding fees actually increased by \$2.6 million in 2020, which offset a reduction in income from normal fees of \$2 million. Yet it received \$7 million from JobKeeper.

JobKeeper was lavished on private schools but denied to universities that were in similar circumstances to schools, such as Geelong Grammar, that are more reliant on international students and boarders. [The federal treasurer said recently](#) that one reason universities were denied JobKeeper was because their business model was over-reliant on international students. Yet he opened the floodgates for private schools when they lost less revenue from fewer international students. What hypocrisy!

JobKeeper has also opened up a new avenue of taxpayer funding for private schools. Government funding has never included boarding facilities but now private schools will be clamouring at governments to fund their boarding schools to buffer any decline in revenue. [Independent Schools Australia](#) has already called on the National Schools Resourcing Board to investigate recurrent costs of boarding schools in rural and remote areas to ensure their viability.

The new figures on JobKeeper payments were provided to the Senate Inquiry on the Coronavirus Economic Response Package Amendment Bill last week by the Australian Taxation Office in response to questions by Senator Rex Patrick. However, they don't reveal the full extent of the government largesse to private schools under the cover of Covid.

Hundreds of other private schools each received \$100,000 cash flow stimulus payments that could well total another \$100 million. The government continues to refuse to release data on these payments.

Private schools have been showered with money by governments [over the past decade](#). Government funding per student increased by \$1919 for Catholic schools and by \$1893 for independent schools from 2009 to 2019 compared to only \$469 per student for public schools.

This is set to continue for the rest of this decade. The combination of special deals for private schools by the Morrison government and continuing overfunding by several state governments will ensure that private schools will be overfunded to 2029 by [an estimated \\$5 billion](#). Cumulative underfunding of public schools will amount to about \$74 billion.

JobKeeper for wealthy private schools has compounded the vast inequality in school funding in Australia. It highlights the need for thorough reform of school funding.

[Trevor Cobbold](#)

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**DOGS note that** the windfall enjoyed by the wealthy private schools in Australia is symptomatic of the contempt with which these exclusivist institutions treat the Australian taxpayer. Granting them public money has been tried and found wanting. The only way to reign in their rorting of the tax system is to stop State Aid.

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