

AUSTRALIAN COUNCIL FOR THE DEFENCE OF GOVERNMENT SCHOOLS

Press Release 1012

PRIVATE SCHOOL DON'T SAVE TAXPAYER DOLLARS – WHY NOT MAKE THEM PUBLIC SCHOOLS?

Back in the day, in 1964 when the Catholic school in Goulburn went on strike, the major argument for State Aid was that private school parents saved the government money by not sending their children to the local public school.

In 2024, 62 years and many many billions later – recurrent funding is now running at \$18 billion a year in federal funding alone. Yet private school lobbyists are still trying to push this highly questionable 'economic' argument.

Julie Hare from the [Financial Review](#), on March 14 2024 reported that Mr McInerney, the Catholic NSW chief executive claims that federal and state governments spend \$4.6 billion less than they would if all students were enrolled in public school. He also boasted that the growth in enrolments in non-government schools was a clear illustration of "people voting with their feet."

If the 'economic argument' for State Aid was ever convincing it has certainly lost any credibility in the last two decades.

Julie Hare gives the following Australia government subsidy figures:

In 2024, recurrent funding for schools is estimated to total \$29 billion, including \$11 billion for government schools, \$10 billion to Catholic schools and \$8 billion to independent schools.

This means that approximately one third of Australian children in private schools receive \$18 billion while two thirds in public schools receive \$11 billion. What a topsy turvy picture!

Around one-third of Australian children attend a non-government primary school, rising to over 40 per cent in secondary school. However, Tom Greenwell, a school teacher and writer said current funding arrangements undermine parental choice, rather than supporting it. “Despite significant taxpayer funding, non-government schools are free to charge fees as they please, and this inevitably excludes low-income families,” Mr Greenwell said.

The parents of disadvantaged children do not have the choice of fee paying schools. Only the free public system is open to them.

Greenwell said low-fee Catholic schools were so heavily subsidised they were effectively public schools. He questioned the McInerney analysis. “Any serious attempt to calculate taxpayer savings also has to measure the willingness of parents to directly pay for their child’s education if a government subsidy is reduced or removed,” Mr Greenwell said. “For decades, non-government schools in Australia have been subsidised without basic rigour and prudence.”

But the total federal/State funding situation is more complex. Education researchers from the University of Sydney, University of Wollongong and University of Canberra collaborated with practitioners on new research which raised questions about the equity, efficiency and efficacy of Australia’s unusual hybrid system of schools, where students are educated in government, Catholic and independent sectors.

Their report, ‘[The School Money-Go-Round: Balancing the claims about school funding](#)’, was released at national and international affairs and culture publication [Inside Story](#) on 16 March 2020. . Chief among the myths dispelled in the report is the belief that the existence of non-government schools in Australia represents a saving to taxpayers.

“The logic is that if privately educated children went to public schools, then taxpayers would spend a lot more than the subsidy private schools receive from state and federal governments,” said report co-author [Rachel Wilson](#), Associate Professor in Educational Assessment, research methods and evaluation at the University of Sydney’s [School of Education and Social Work](#).

“Some have claimed that saving to be anything up to \$8 billion in recurrent funding each year.

“But our analysis of the My School funding data shows that, at least in the case of two-thirds of non-government schools, government funding produces no savings at all.”

The researchers said this is because non-government schools are now funded at the same or higher level as similar public schools.

“We now have, at the very least, two equivalently-funded school systems – with one of them substantially advantaged by additional and unregulated private funding, while enjoying a lesser set of rules and obligations,” Dr Wilson said.

In fact, governments would have come out ahead if all new school enrolments since 2011 had gone to public schools, Dr Wilson said.

“To do that would have involved capital expenditure, of course, but even the capital savings created by competing school sectors are less than a third of the amounts frequently claimed,” she said.

The report also explores:

- How a partially subsidised choice of schools has become, in two thirds of schools, a fully subsidised choice – and a dominant policy driver
- The educational, equity and social consequences of this approach
- Whether the obligations and expectations of government and non-government schools should be more similar See loren.smith@sydney.edu.au

DOGS POSITION

The economic argument never did hold water. Not in 1964 and not in 2024.

The major calculations available from MySchool website are for annual recurrent government expenditure with minimal capital expenditure information.

1. No calculation has ever been done of the private assets, income and endowments of the religious organisations running private schools. The assets of the Australian Catholic church, for example, are more than \$500 billion according to one of its own adherents.
2. Nor has any up to date calculus been done of the taxation expenditure – otherwise known as exemptions enjoyed by the private religious sector.

For example, private schools enjoy exemption from payroll tax while public schools do not. Some minimal figures are available from local Councils where taxpayers are becoming restive at the exemptions available for very valuable private school real estate.

3. Nor has any proper calculation been done of the public education services made available to private schools through curriculum, transport and other services. These figures are counted into the expenditure on public school children. Private schools have always liked to have their cake and eat it.

4. Finally, no calculation is available for the social and economic ills being perpetuated on our society by the private sector as it forces the public schools to take its 'rejects' – which they are happy to do - and deprives a growing number of disadvantaged children the resources they both need and deserve.

McInerney complained of 'class envy' and 'populism' when confronted with unrest from the public sector, but it is the private religious sector which is perpetuating a class system on the next generation of Australian children and attempting to relegate disadvantaged and poor children to what they wish to describe as a 'wastebasket' public system.

But the truth of the matter is – the private sector is parasitic on the main public system and as the host is deprived of sufficient funding - as billions and billions in funds are diverted to the private sector - so do the results in the International tests and the cohesiveness of our democratic society.

The funding of the denominational or religious system was found to be too expensive and bad policy in the nineteenth century. To continue a bad policy is akin to insanity. It is time Australia followed Finland and Germany and public funded only public schools.

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