AUSTRALIAN COUNCIL FOR THE DEFENCE OF GOVERNMENT SCHOOLS

Press Release #1077

Private Schools and their Building Fund Tax Perks

Private schools are enjoying an infrastructure bonanza while public schools go begging for basic facilities and even prestigious selective schools like Melbourne High are crumbling.

The answer lies, not only in direct funding inequities but in the tax system. For private schools are – the mind bogles – 'Charities"!

In 2023 it looked as if some of the nation's wealthiest private schools could lose their ability to raise multimillion-dollar building funds as part of mooted changes to tax deductibility rules for charitable donations.

Schools including Sydney's Shore, Kambala and SCEGGS Darlinghurst, as well as Scotch, Xavier and Wesley in Melbourne, would have been among the losers from Productivity Commission recommendations for changes to exclude some education-related activities from deductible gift recipient rules.

The Proposal

- The Productivity Commission suggested removing tax deductions for school building funds.
- The commission stated that these funds did not offer a wide community benefit.
- They argued that wealthy donors could turn tax breaks into private benefits for high-fee schools.
- About 5,000 school building funds across Australia risked losing their special tax status. [1, 2, 3, 4, 5]

Under pressure, The Albanese government dropped the plan in July 2024.

The result:
So called independent and private schools continue to receive millions of dollars in tax free donations for new buildings.

According to ***Maani Truu*** the Education correspondent for the Financial Review on 30 August 2026, Ten of the country's most exclusive private schools collectively raised more than $70 million from donations and bequests last year, driven by ambitious funding campaigns targeting parents and alumni to bankroll 12-lane swimming pools and library upgrades. The list of benefactors playing the tax system on behalf of the country's wealthiest private schools lifts the curtain on the resources being pumped into the educational facilities for the sons and daughters of Australian oligarchs.

Hobart's The Hutchins School tops the list of reported revenue from donations at $11,990,968, in a leaderboard dominated by NSW and Victorian institutions. But that figure includes major payments made to the building fund in earlier years, which were brought into the school's account in 2025 to facilitate the construction of the NJ Edwards Hub – a mammoth gymnasium which will include basketball courts, an indoor swimming pool and weights and cardio facilities.

The school's annual giving report puts the total value of donations last year at $1.88 million – the majority of which will go towards infrastructure.

Moriah College, a Jewish school in Sydney's east, reported almost $11 million in revenue from donations last year via its foundation, which led a fundraising drive for a new building. The organisation is listed as funding infrastructure works and "innovative programs" for students, as well as scholarships and bursaries.

The Scots College, which is currently at the centre of a firestorm over sexual assault allegations concerning three of its students, reported almost $9 million in revenue from donations. The Scots College Foundation, which includes a building and scholarship fund for the school, separately posted almost $6.9 million.

Among the school's prominent recent donors is Servcorp founder Alf Moufarrige, who contributed $1 million or more towards funding the school's new open-air aquatic facility, which has been budgeted to cost $15 million.

Two-thirds of the 25-metre outdoor pool, due to be completed by next year, will be funded by donors, who can buy naming rights for the grandstand, scoreboard, swimming lanes and water polo goals.

The Bellevue Hill school is also fundraising for two dormitories, estimated to cost about $20 million each. One donor gave $2.7 million towards the Bannockburn dormitory project, according to the school's giving report. Sarah *and Lachlan Murdoch, the parents of former students, are listed as donating $100,000 or more.*

Alan Rydge, chairman of cinema, hotel and ski-resort group EVT, is reported as the largest donor so far to the Glengarry dormitory project, after giving $500,000 or more.

An earlier $5 million donation by the Murdochs funded the establishment of a scholarship in principal Ian Lambert's name last year, the school said. Businessman Charles Kiefel and luxury real estate agent Brad Pillinger also have new scholarships in their names.

Xavier College, one of Melbourne's oldest schools, brought in $6,726,000, while Melbourne Girls Grammar reported $6,411,946 – including $4.93 million in bequests.

Newington College in Sydney's inner west, Barker College in the north-west and Cranbrook in the city's east all reported donation revenue upwards of $5.5 million last year, according to the charities' disclosure.

Newington's donation haul was up 177 per cent on the previous year, according to the school's giving report, with the $4.3 million going towards building projects including a new dining hall at the school's Eungai Creek campus on the NSW north coast.

Barker College almost doubled its 2025 "giving day" goal, raising more than $833,000 from almost 1000 donors – including $20,000 from Dick and Pip Smith, according to the fundraising page.

At the newly co-ed Cranbrook, overlooking Sydney Harbour, donors can secure a plaque on a seat at the basketball courts, theatre or aquatic centre for a donation of $10,000 or more to the building fund as part of the "take your seat" campaign.

Geelong Grammar School – which reported donations of $4,737,000 – last year began a $5 million renovation of the library and outdoor education store at its Timbertop campus in Victoria's high country, made famous by King Charles' two-term stint there in 1966. The project has received $2 million in donations each from media scion John B Fairfax and philanthropist Andrew Farran, both alumni of the school, which boasts the most expensive fees in the country.

Melbourne Grammar School reported $4,374,625 from donations.

In 2025, at least 14 schools reported donations and bequests revenue higher than $3 million – all but one in NSW and Victoria. That tally includes the Melbourne Indigenous Transition School in Richmond, which caters to students from regional and remote communities in the Top End and throughout Victoria.

The Productivity Commission has called for school building funds to be excluded from the tax perks. A 2024 commission report found school or college building funds were the second-largest category of entities eligible for tax deductions – behind public benevolent institutions.

Some non-government schools can access infrastructure funding through the government's capital grants program – but this is distributed on a needs basis, meaning high-fee schools are typically excluded.

Private school fees across the country increased on average 7 per cent this year, according to analysis by The Australian Financial Review, pushing the cost of enrolling a Year 12 student above $50,000 at a handful of prestigious institutions.

Related

***Maani Truu** is The Australian Financial Review's education correspondent, covering schools and higher education from Parliament House in Canberra. She was previously a federal political reporter at the ABC.*

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