

SAVE OUR SCHOOLS

Education Policy Brief

Private Schools Do Not Have an Entitlement to Taxpayer Funding

There is a good case for government funding of private schools whose resources are below what is needed to ensure an adequate education for all children. Governments have a responsibility to ensure that children educated in the private sector are not disadvantaged in their access to quality education by their parents' choices. Their education should not be allowed to suffer because their parents choose to send them to an under-resourced school.

Similarly, disadvantaged students such as low SES, Indigenous, remote area and disability students should be entitled to the same funding loadings whether they attend public or private schools. As part of ensuring access to quality education, governments also have an obligation to regulate private schools to ensure students receive a high quality, fully rounded education and to ensure their personal safety and welfare.

However, private schools whose private-sourced income exceeds a community standard, such as the base Schooling Resource Standard (SRS) used for the Gonski funding model, should not be entitled to baseline funding by governments. The argument that all children, including those attending high fee, exclusive schools, are entitled to government assistance for their education is a spurious argument. Government funding compounds their large resource advantage over public schools.

The entitlement argument for public funding of private schools serves to support advantage and privilege in education outcomes. Taxpayer funding should not be directed at providing some students with additional advantages over and above those available by virtue of a privileged family background. To devote public resources to extending the advantages of a student from a wealthy background over a student from a disadvantaged background is to enhance social inequity. Such use of taxpayer funds provides even greater opportunities for the privileged to gain the intrinsic rewards of education such as access to economic resources as well as positions of social status and power in society. It means that scarce funds are diverted from serving those with high learning needs to those with few needs. Government funding for private schools can only be justified on the basis of need. Those with annual fees of \$20,000 or more a year are not in need.

Families have the right to seek a particular education for their children outside the public system. This choice may be directed at a religious-based education, an alternative philosophy of education, a specialist education in music, the arts, etc., acquiring a positional or status good, entrance to a social network, a particular behaviour or dress code or some other goal. School fees are the price families pay for choice of education. It is not the responsibility of governments to fund their choice. Instead, it is the responsibility of governments to ensure that every child is able to achieve an adequate education and to improve equity in education outcomes.

A related argument employed by defenders of government funding for elite private schools is that families whose children attend these schools are entitled to government funding because they pay taxes. This is another spurious argument. The purpose of taxation is to provide services of benefit to society. People who do not avail themselves of publicly provided services are not thereby entitled to

claim a certain proportion of taxation revenue to fund their private choices. This is not the purpose of taxation.

All citizens pay taxes for community services such as public transport, police, paramedics, fire brigades, libraries, garbage removal, street repairs and public education regardless of whether or not they use these services. Governments do not subsidise families if they choose to use their own car instead of public transport, use private security arrangements to protect their home instead of relying on the police, use private recreation and leisure facilities such as a backyard pool instead of the public swimming pool or buy their own books instead of using public libraries.

Another argument of defenders of taxpayer funding of well-off and elite private schools is that it saves governments money because students in these schools get less government funding than those in public schools. It is true that government funding of well-off private schools is on average less than per student funding in public schools, although there are many cases where private schools receive more government funding than public schools. However, this is no justification for government funding. Families who use their own car, implement their own home security and fire prevention measures, buy their own leisure facilities or buy their own books all reduce the cost of public services, but they are not thereby entitled to taxpayer funding for those private choices.

Far from saving governments money, funding of well-off private schools adds unnecessary costs to governments because it is not based on need. There are several forms of this over-funding of private schools.

One is where the per student income from fees and donations of wealthy private schools exceeds the base SRS. In these cases, government funding is not needed for these schools to achieve the SRS and it extends their resource advantage over public and other private schools that are only funded to the SRS.

A similar form is where private schools whose income from private sources is less than the SRS, but whose base per capita grant provides them with a higher average total income per student than the SRS. The extra government funding also gives these schools a resource advantage over public schools that are only funded at the SRS.

The level of over-funding from these two forms is the aggregate of the difference between the base per capita grant for each private school and the funding that would be required to equalise the total average income student and the SRS.

It is difficult to estimate the actual amount of over-funding because the relevant data is not readily available, particularly for school systems that are block funded. An approximate estimate can be obtained by comparing the excess of total government funding over the amount that would be required to equalize average total income per student in private and public schools.

Research by Save Our Schools shows that there are over 200 wealthy private schools whose income from fees and private donations alone exceeds the average income per student in public schools [[Well-off Private Schools Are Over-Funded by \\$3 Billion a Year](#)]. These schools received over \$1 billion in recurrent funding from the Federal and state/territory governments in 2013. If their government funding was terminated, they would still have a higher income per student than the average public school. This funding is a complete waste. It is wasted on gold plating facilities, lavish marketing budgets to hire boutique public relations firms to promote their school and scholarships to cream off high achieving students from other schools. It would be better used to support under-resourced public and private schools.

On top of this, there are over 1,000 other private schools whose private income is below the average income per student in public schools but whose government funding provides them with a higher average income than public schools. The excess funding for these schools amounted to \$1.8 billion in 2013.

These figures are likely to substantially under-estimate the actual over-funding because the base SRS is significantly less than the average income per student in public schools which includes funding loadings for various categories of disadvantaged students and school size. There are likely to be many more private schools than estimated above whose total income per student with government funding exceeds the SRS. Nevertheless, the estimates indicate that the total over-funding of private schools whose total income per student exceeds the SRS is well over \$3 billion a year.

All the arguments by defenders of privilege in education fail to distinguish between the different social roles of private and public schools. They imply that private schools have the same public purposes as public schools and accept the same public responsibilities. However, they do not. Public schools are required to take all comers regardless of background or capacity to pay. Private schools do not take on the task of providing access to education for all children, only those who can pay or who might enhance the academic standing of the school and its marketing capacity. Private schools can exclude students on the basis of perceived academic ability, unacceptable behaviour, religious beliefs and inability to pay fees.

There is no justification for providing several billions in government funding to schools that are the preserve of well-off families. It is a complete waste of taxpayer funds. It means that less funding is available for schools serving the education needs of low income, Indigenous students and students with disabilities. It means fewer teachers, fewer support staff, lower salaries, fewer books and less equipment. That is, less of everything that matters for those who need it most.

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