

## The Truth about Private Schools in Australia

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EXECUTIVE SUMMARY

The superior performance of private schools, on average, is commonly attributed to greater financial resources, selection of brighter students, or attributes of private school students and their families that give them advantages over public school students.

This *Issue Analysis* addresses misconceptions about the nature of private schooling and explores the reasons why private and public schools differ.

**Fact 1: Private schools do not drain money from public schools.**

Private school students, whose parents contribute to public education through taxes and then pay for their children's education again through fees, actually cost the state less.

**Fact 2: Private schools have spent less per student than public schools.**

From 1990 until 1997, average expenditure per private school student was lower than the average expenditure per public school student.

**Fact 3: Private schools are not 'elitist'.**

More than 30% of students in private schools are from families with an income of less than \$41,600 per annum. Both public and private schools have significant proportions of students across the full range of family income levels. Furthermore, very few private schools are academically selective.

**Fact 4: Private schools achieve better results than public schools.**

Performance data by school sector are very difficult to obtain. However, it appears that private school students achieve better academic results, on average, than public school students, and are more likely to complete school to Year 12. This effect remains even after controlling for family background, including income.

**Fact 5: Private school students have better post-school outcomes.**

Private school students are more likely to participate in post-school education and are less likely to be unemployed.

**Fact 6: Parents choose private schools for many reasons, not just academic performance.**

Surveys indicate that private school parents believe that these schools provide a better environment for their child to achieve their potential, and better discipline and school order.

Rather than regarding the success of private schools as being at the expense of public schools, it is time to think about how to ensure that all children gain the quality of education available in private schools and the handful of exceptional public schools. However, while the stalemate between the holders of performance information and researchers is maintained, we can only demonstrate what is *not* most important to a child's education with little chance of identifying what *is*.

# THE TRUTH ABOUT PRIVATE SCHOOLS IN AUSTRALIA

The division of schools in Australia into public and private sectors inevitably leads to comparisons. The growth in the private sector in recent years has renewed debate over the relative merits of public versus private education.

Some public schools consistently excel in academic achievement, but sadly they are the exception. Students who attend private schools are more likely to complete Year 12, get better results, have higher rates of university entry, and lower rates of unemployment. Not surprisingly, more and more parents are 'opting out' of the public system, often by making large financial sacrifices.

The superior performance of private schools is commonly attributed to greater financial resources, selection of brighter students, or attributes of private school students and their families that give them advantages over public schools students. A review of the relevant statistics and research proves this is not necessarily the case.

This *Issue Analysis* addresses misconceptions about the nature of private schooling and explores some of the reasons why private and public schools differ. 'Private schools' refers to both Catholic and independent private schools unless otherwise specified.

## **Fact 1: Private schools do not drain money from public schools.**

Unlike many other countries, private schools in Australia are partially government funded. Public funding of private schools is allocated on a per student basis, calculated as a percentage of the cost of educating a child in a public school, called the Average Government School Recurrent Costs (AGSRC). The amount of government funding a private school receives currently depends upon the private assets and income of the school—the greater the 'apparent private income' of the school, the lower the government funding.

From 2001, funding of private schools will be based on an index of the socioeconomic status of the school population. Thus, schools with the wealthiest families will receive the lowest level of funding (13.7% of AGSRC) and schools with the poorest families will receive the highest level of funding (70% of AGSRC) (*The Independent Teacher* 1999).

Funding of public schools is primarily borne by State governments, but public funding of private schools is principally a Federal government responsibility. The Enrolment Benchmark Adjustment (EBA) was developed to avoid cost shifting by State governments to the Federal government when private school enrolments increase. The EBA operates on the reasoning that more children in private schools mean fewer children in public schools and a consequent saving to the State. Therefore, when increases in private school enrolment exceed increases in public school enrolment (compared to a 1996 benchmark), the Federal government claims 50% of the saving that it estimates has been made by the State.

Parents of children in private schools are taxpayers. The proportion of their tax that goes into the government funding of education is the same as that for the parents of children in public schools. Yet the parents of private school students receive a much smaller proportion of this back in the form of education services. The remainder of their tax stays in the public system. These parents, because they prefer not to send their child to a public school, are faced with

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further out-of-pocket expenses for school fees. Therefore, they pay for their child's education twice, and in doing so they are effectively subsidising the public system.

**Fact 2: Private schools have spent less per student than public schools.**

Data from the Australian Bureau of Statistics, collected and analysed by Harrison (1996) and Gannicott (1997), indicate that until recently the private school sector has in fact spent less per student, on average, than the public school sector, when all expenses are taken into account.

Public school costs are published without including superannuation and long service leave payments, so they should be inflated by around 15% to make them comparable with private school sector costs. From 1990 to 1997, these adjusted public school expenditures exceeded private school expenditures. It should be noted that these are averages and do not reflect the great variation in cost per student in the high fee and low fee private schools, but variation in expenditure between schools is also true for public schools.

**Table 1. Expenditure per student in public and private schools 1990-1998**

Year	Private (\$)	Year	Public (\$)	Public adjusted* (\$)
1990	4080	1989-90	4064	4463
1992	4371	1991-92	4421	5037
1994	4972	1993-94	4757	5428
1996	5632	1995-96	5063	5772
1998	6728	1997-98	5615	6457

\* adjusted to include superannuation and long service leave entitlements.  
*Source:* MCEETYA 1998; DETYA unpublished data

**Fact 3: Private schools are not 'elitist'.**

Elitism in the context of private schooling is generally understood to mean financial elitism. That is, the perception that private schools only accept students from wealthy families. Census data from the Australian Bureau of Statistics prove this not to be the case. In 1996, for the first time, the Census asked people with school-age children in which school sector their child was enrolled.

More than 30% of students in private schools are from families with an income of less than \$41,600 per annum. This is almost the same proportion as students from families with incomes of \$62,400 or more per annum. The other 40% of students lie between these two income brackets. Also important is the fact that 17% of students in public schools are from households with incomes of \$62,400 or more.

Therefore, the generalisation that private school students have rich parents and public school students have poor parents is untrue. Although the balance is toward higher income families in private schools, both public and private schools have significant proportions of students across the full range of family income levels. The high profile, high fee private schools represent only a small proportion of private schools; many have quite low fees.

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**Table 2. Household incomes of public and private schools students, 1996, percentage distribution of students**

Household Income (per annum)	Public (%)	Private (%)
<\$10,400	2.7	1.9
\$10,400 - \$25,999	21.4	12.0
\$26,000 - \$41,599	21.7	16.2
\$41,600 - \$62,399	20.6	21.1
\$62,400 - \$77,999	8.2	10.5
\$78,000 - \$103,999	4.8	7.7
\$104,000+	4.0	10.0
Not stated	16.5	20.6
Total	100.0	100.0

*Source:* Australian Bureau of Statistics 1996

Surveys of parents of children in independent private schools have indicated that these families often take on a second job primarily to cover school fees and expenses. If this is the case, the figures presented here will be deceptive because a sizeable proportion of the households in the higher income bracket might be there only because a second income is required to meet school fees.

Another misunderstanding behind the claim of elitism is that private schools select the brightest students, which explains their superior academic performance. In fact, very few private schools are *academically* selective. In the majority of cases, entry is comprehensive and the only criterion is the ability to pay the requisite fees. Thus, private schools are *financially* selective. According to Mr Terry Chapman, Executive Director of the Association of Independent Schools in NSW (AISNSW), even when there is competition for places in a school, most schools still avoid the temptation of selecting on the basis of ability, and conduct enrolments on a first-come-first-served basis.

**Fact 4: Private schools achieve better results than public schools.**

It is very difficult to obtain data pertaining to achievement differences in the various school sectors. These data are collected in the Longitudinal Surveys of Australian Youth, but are never published. Relevant performance data held by the Departments of Education are also unavailable and unpublished, serving only to raise suspicions about what these data might reveal. However, comparisons of the little available raw performance data provide evidence that private school students perform better, on average, than public school students and are more likely to complete school to Year 12.

Gannicott (1997) estimated the probability of success in the New South Wales Higher School Certificate (success defined as achieving at least two students in the top 1,000) according to the type of school. Students in state selective schools had the highest probability of success in the HSC, followed by students in independent private schools, and then Catholic school students. State school students had the lowest probability of success overall, with the size of the school having no effect.

Gannicott (1998) also examined the average NSW Tertiary Entrance Ranks (TER) of students in different types of schools in 1994 and 1996. A TER is the relative ranking of a student's results: a TER of 70 means that the student did better than 70% of all students eligible for a TER that year. Independent private schools had a higher average TER than Catholic private schools, which in turn had a higher average TER than public schools. Arguably, such comparisons are crude, but until more data becomes available there is little basis for debate.

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**Table 3. Average Tertiary Entrance Rank (TER) by school type, 1994 and 1996**

Type of school	Average TER 1994	Average TER 1996
Public school	44.25	45.10
Catholic systemic private school	52.00	50.35
Catholic independent private school	60.95	60.15
Other independent private school	69.85	70.55

*Source:* Gannicott (1998: 27)

The information on school completion is unequivocal, however. Private schools have higher retention rates to Year 12. In private schools, retention to Year 12 is 84.2% and in public schools it is 66.4% (ABS 2000).

These analyses confirm that private school students achieve a higher level of academic performance overall and have a greater likelihood of school completion than public school students. The important question, however, is why this might be so.

The superior academic performance of private schools is often attributed to the selection of students with strong academic abilities. As noted earlier, this is rarely true. Another common explanation is that private schools achieve better results because they have more financial resources. However, data on expenditure per student in the different school sectors show that public schools spend more per student than do private schools. Likewise, there is virtually no difference in pupil-teacher ratios between public and private schools—15.0 pupils per teacher and 14.9 pupils per teacher respectively (ABS 2000).

Moreover, both Australian and overseas studies provide evidence that private schools positively influence school performance and school completion above and beyond the influence of student characteristics (Williams 1987; Graetz 1990). That is, all student-related factors being equal, private schools students still perform better. This suggests that school-related factors are important.

Data from the Longitudinal Surveys of Australian Youth have shown that private school students are more likely than public school students to complete school to Year 12, even after controlling statistically for differences in family background. This relative advantage decreased from the 1980s to the 1990s, so that there was a fairly small effect of school type on school completion for the most recent survey group (Long, Carpenter & Hayden 1999). However, the effect of school type was still a significant influence on post-school education participation, through the mediating factor of school achievement (see Fact 5).

A study by the Melbourne Institute of Applied Economic and Social Research (Kelley 1995; Kelley & Evans 1999) confirmed these findings when comparing independent private schools with public schools and Catholic private schools with public schools. The authors concluded that private schools seem to achieve better educational results for their students than do public schools on a variety of measures. This does not appear to be due to differences in the family background of private school students, although these are significant, but to something else. This is most likely something that the schools themselves do, which supports earlier studies that reached the same conclusion regarding school performance and school completion.

**Fact 5: Private school students have better post-school outcomes.**

Academic performance and school completion are of critical importance in determining post-school outcomes. The superior academic performance of private school students is reflected in their lower levels of unemployment and greater participation in higher and further education.

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The academic performance of the school was not among the highest priorities for parents when choosing a school.

The Longitudinal Surveys of Australian Youth (LSAY) revealed that students from private schools were more likely to have entered higher education from Year 12 and to have participated in higher education by age 19. This remained the case even after controlling for background family variables (Long, Carpenter & Hayden 1999). As previously discussed, however, increases in the initially low school completion rates in public schools in the 1980s meant that the effect of school type on school completion was only slight in the most recent survey group. However, the influence of school type on university entrance increased in this time, with *school achievement* becoming a more important influence on university entrance.

The LSAY also found that attendance at a private school tended to reduce the chance of being unemployed after leaving school (Marks & Fleming 1998). Destinations of school leavers recorded by the Australian Bureau of Statistics (1999) are congruent with this finding. A further consequence of differences in post-school outcomes, which has not been investigated in research, is the attendant differences in earning potential.

**Table 4. Destination of school leavers by school attended in previous year, 1998, per cent of school leavers**

	Year 12 School Leaver		Year 10/11 School Leaver	
	Public (%)	Private (%)	Public (%)	Private (%)
Higher education	37.6	61.2	1.9	3.2
TAFE or equivalent	20.0	16.8	29.4	52.8
Other study	3.2	5.9	4.4	9.1
Employed	25.7	12.6	28.2	17.7
Unemployed	9.2	1.7	23.3	14.1
Not in the labour force	4.3	1.8	12.8	3.1
Total	100.0	100.0	100.0	100.0

*Source:* Australian Bureau of Statistics 1999

**Fact 6: Parents choose private schools for many reasons, not just academic performance.**

When parents are choosing a school for their child, academic performance is seldom the highest priority. This is equally true of parents of both public and private school students.

A survey conducted by the Australian Institute of Family Studies (AIFS) revealed that the values of parents of public and private school students are very similar (Weston 1998). All parents ranked the following factors highest: teachers; control of drugs, guns and violence; relevance of the curriculum; approachability of the school; and absence of discipline problems. An emphasis on good academic results ranked eleventh or twelfth in importance. Indeed, there were very few aspects of schooling in which the importance ratings differed.

If the priorities of parents in all school systems are so similar, why do some parents choose private schools?

Recent surveys conducted in Victoria, New South Wales, Western Australia and Queensland asked parents to specify their reasons for sending their child or children to an independent private school. Each survey reported similar results. In both cases, as in the AIFS survey, the academic performance of the school was not among the highest priorities for parents when choosing a school (Association of Independent Schools of Victoria 2000; Association of Independent Schools of Queensland 2000).

In the Queensland survey, the three most important reasons cited by parents for choosing a school were: (1) 'prepares pupils to reach their potential'; (2) 'good discipline'; and (3) 'encouragement of responsible attitude to school work'. 'Strong academic performance' was eighth on the list.

In Victoria, New South Wales and Western Australia, parents saw independent private schools as 'more stable, more responsive to the needs of individual pupils, offering a wider range of facilities, attempting to better cater for the social, cultural and (if required) spiritual needs of the pupils.' They felt that these schools offered parents an 'active and genuine partnership with teachers and the principal'.

These surveys indicate that parents do not choose independent private schools for their children exclusively on the basis of academic performance. Instead, they seek an environment in which their children can develop to the full extent of their capabilities, including, but not confined to, their academic abilities.

When comparing independent private schools with public schools, the major theme that emerged was not differences in academic standards and curriculum, but issues of discipline and order. The surveyed parents felt that the behaviour and attitudes of students in public schools were unacceptable, and this was a prime factor in 'opting out' of the public system for many.

### **Conclusion**

As it stands, the school system is inequitable and inefficient—public school parents do not get the quality of education they should expect, and private school parents are forced to double-pay for their children's education, less a small subsidy.

To achieve fairness in funding, new thought is required. Possible alternatives to the current arrangements include education bursaries for all children or education tax rebates. By directing public funding of education through parents rather than through the education providers, parents can exercise greater autonomy and choice.

As for the quality of education, the evidence strongly suggests that private schools offer their students something that goes beyond financial resources and the influence of family background. What this might be is still a matter for discussion and an important area for future research. There are a number of points on which public schools and private schools might differ, including the quality and dedication of teaching staff, autonomy of the principal, and variations in curriculum and instruction.

One of the key factors in the superior performance of private schools seems to be the better discipline and order in private schools. It is clear that the order or 'ethos' common in private schools establishes an environment in which academic and other abilities are best fostered and most valued.

It is acknowledged here that private schools have greater scope to determine their discipline policies. Yet it should also be recognised that it might be precisely this freedom and independence that is pivotal. Private schools also compete for students and therefore for funding. This compels private schools to keep standards high. Still another feature of private schools is the higher level of satisfaction and involvement of parents. Public schools, if they are to achieve parity with private schools, might look to emulate the characteristics of successful private schools.

Rather than regarding private schools' success as being at the expense of public schools, it is time to think about how to ensure that all children gain the quality of education available to the children in private schools and the handful

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of exceptional public schools. Such evaluation is being hindered by the lack of available information about school performance. While the stalemate between the holders of this information and researchers is maintained, however, we can only demonstrate what is not most important to a child's education with little chance of identifying what is.

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