

# SAVE OUR SCHOOLS

## Education Policy Comment

### 50 Wealthy Private Schools Raked In Over \$600 Million in Donations & Investment Income

The wealthiest, most exclusive private schools in Australia are raking in millions of dollars in donations and investment income. These millions are ignored in assessing the need for government funding. This is a major flaw in how private schools are funded. The flaw means the schools are massively over-funded by the taxpayer. Funding of private schools must be overhauled.

New figures obtained from the [Australian Charities and Not-for-profits Commission \(ACNC\)](#) show that 50 private schools received \$611 million in donations and investment income over five years from 2017 to 2021 (see table below). Donations totalled \$461 million and investment income was \$50 million. Just 10 schools raked in \$291 million, or nearly one-third of the total of donations and investments. The average income from these sources was \$12.2 million per school over the five years. This is in addition to their income from fees and other charges.

The top 10 schools were: Melbourne Grammar (Vic) \$43.2M; SHORE (NSW) \$37.9M; Christ Church Grammar (WA) \$36.3M; The Scots College (NSW) \$33M; Geelong Grammar (Vic) \$32M; Scotch College (Vic) \$31.4M; Cranbrook (NSW) \$21.4M; Brisbane Grammar (Qld) \$20M; Moriah College (NSW) \$19.1M and Caulfield Grammar (Vic) \$17M.

Donations and investment income of these wealthy, exclusive schools dwarfs other private income of public schools. The average privately sourced other income of Victorian public schools in 2020 was \$279 per student. By contrast the donations and investment income of Melbourne Grammar was \$5,055 per student and \$5,784 per student at Geelong Grammar. The average such income of NSW public schools in 2020 was \$154 per student. By contrast the donations and investment income of SHORE averaged \$4,533 per student and \$3,243 per student at The Scots College.

These are very wealthy and exclusive schools. Their average fees in 2021 were \$24,423 per student. Many have fees of around \$30,000 or more per student. The fees at Sydney Grammar were \$40,700 per student. Ninety per cent or more of students in 40 of the 50 schools were from the top two socio-educationally advantage quartiles. The proportion in the other ten schools ranged from 83 to 89%.

These 50 private schools also received \$539 million in funding by the Commonwealth and state governments in 2020. This funding was determined without regard to their donations and investment income.

Under the current Commonwealth funding method, private school funding is determined by the capacity of families to pay fees. This is measured by the adjusted taxable income of families as reported by the Australian Taxation Office. It ignores other very lucrative sources of income for private schools such as donations and investment income.

In addition to fees and other charges, these schools raise additional funds through multiple tax-exempt organizations such as foundations, building funds, scholarship funds and others. For example, SHORE raises funds through its SHORE Foundation which has assets of \$42 million. The King's School Foundation has building, scholarship and bursaries funds and has assets of \$50 million.

Melbourne Grammar raises funds from its Foundation Endowment Fund with assets of \$56 million and a building fund. Geelong Grammar raises funds from its Endowment Trust, with assets of \$31 million, a Scholarship Foundation with assets of \$40 million, a building fund and a foundation.

Scotch College (Vic) has numerous trusts and beneficial funds that provide funding for the school. Indeed, it has so many that it had a [special Act of the Victorian Parliament](#) passed in 2001 to enable it to pool the investment of those trust funds in one or more common funds to minimise administrative costs of operating each fund and increase its investment income. The Scotch College Foundation has assets of \$100 million.

These donations also reduce the tax burden of the donors, so even more money goes to private, not public benefit.

The failure to include donations and investment income in determining Commonwealth funding of private schools is a major flaw in the current funding model. It results in over-estimation of the financial need of private schools and massive over-funding by the taxpayer. While including other school income in determining the financial need of private schools would be a step forward to a more equitable funding system it is not sufficient because there are other major flaws in the model.

A major flaw is the assumption that the parents of students pay the school fees and other charges. This is demonstrably untrue. Many private school students have their fees at least partly paid by their grandparents. The funding model also ignores other income provided by grandparents such as money for house renovations, household assets such as whitegoods, furniture and IT equipment, cars, holidays and medical expenses that free up family income to be spent on school fees. [Over 50% of parents help their adult children](#) with a variety of expenses including school fees. The Bank of Mum and Dad is reputed to be the [9<sup>th</sup> largest home lender in Australia](#). As a result of this direct and indirect financial support for families, which is not recorded in adjusted taxable income, the capacity of private school parents to pay school fees is vastly under-estimated and private schools are consequently massively over-funded by taxpayers.

Even apart from these flaws, the current funding model is over-funding many wealthy schools according to its own criteria. Private schools are supposed to be funded at 80% of their Schooling Resource Standard (SRS) by the Commonwealth Government and the remaining 20% by state governments. However, many of these exclusive schools are already hugely over-funded by the Commonwealth. For example, in NSW Loreto Kirribilli was funded at 143% of its SRS in 2022 by the Commonwealth instead of 80% and St Aloysius' College was funded at 140%. Melbourne Grammar was funded at 107%. Brisbane Grammar was funded at 133% and St Mary's Anglican Girls School in Perth was funded at 140%

The over-funding of Loreto Kirribilli is estimated by Save Our Schools at \$2.3 million in 2022 and \$2.4 million for St Aloysius' College. Melbourne Grammar was over-funded by \$1.7 million while Brisbane Grammar and St Mary's Anglican Girls School were over-funded by \$3 million. The total over-funding of 38 of the 50 schools was \$57.6 million. Seven schools were funded at slightly less than 80% in 2022 but will be funded at 80% in 2023. Figures for the other five schools could not be obtained.

The current funding model for private schools needs a complete overhaul. The Commonwealth Government's funding model purports to assess the financial need of schools for taxpayer funding but it ignores millions of dollars in donations and investment income received by private schools and additional income provided to families by grandparents of children in private schools. It is a highly inequitable funding system. It unfairly over-funds private schools while massively under-funding public schools.

At the very least, income from donations and investments should be included in the assessment of the financial need of private schools. A more significant first step would be to end all government funding for wealthy, exclusive high fee private schools. They don't need taxpayer funding. It is a complete waste and simply adds to their huge resource advantage over public schools. It is funding that would be better used to support disadvantaged students and schools where additional funding will have much greater impact on improving education outcomes than the taxpayer money being squandered on wealthy schools.

A comprehensive overhaul of the current system is needed to overcome other fundamental flaws. A new system should be governed by the principle that government funding for private schools should only fill the gap between private income and a revised SRS. The base SRS should be set as the cost of highly successful public schools with minimum disadvantage. Funding for private schools should be conditional on meeting social obligations and education standards. Private schools whose private income is above the SRS should not receive government funding because it extends their resource advantage over public schools.

18 March 2023

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## 50 Top Schools for Income from Donations and Investments

School	State	Donations 2017-2021 (\$)	Investment Income (2017-2021 \$)	Total (\$)	Govt Funding 2021 (\$)	Fees per Student 2021	C/W Share of SRS 2022 (%)
Melbourne Grammar	Vic	26,679,820	16,501,702	43,181,522	8,186,472	29,216	107
SHORE	NSW	25,431,667	12,422,028	37,853,695	6,047,663	28,039	78
Christ Church Grammar School	WA	25,127,100	11,158,073	36,285,173	11,191,693	25,032	85
The Scots College	NSW	31,788,233	1,172,680	32,960,913	9,080,571	35,032	na
Geelong Grammar	Vic	16,346,000	15,705,000	32,051,000	13,157,323	20,198	93
Scotch College*	Vic	30,153,645	1,231,815	31,385,460	7,385,441	31,407	92
Cranbrook	NSW	20,252,566	1,191,143	21,443,709	5,957,420	36,481	85
Brisbane Grammar	Qld	12,362,538	7,644,757	20,007,295	14,589,652	26,149	133
Moriah College	NSW	18,953,007	154,887	19,107,894	14,620,916	19,261	78
Caulfield Grammar	Vic	10,398,468	6,590,370	16,988,838	19,195,304	26,943	86
Ormiston College	Qld	12,848,683	360,355	13,209,038	12,524,048	10,163	91
Loreto Kirribilli Anglican Church Grammar	NSW	11,208,472	1,962,610	13,171,082	9,379,134	22,435	143
Qld	10,378,461	1,348,735	11,727,196	12,479,736	21,734	na	
SCEGGS, Darlinghurst	NSW	10,014,996	1,304,229	11,319,225	3,440,262	34,433	80
Wesley College	Vic	10,324,060	485,552	10,809,612	32,325,016	28,412	89
Ivanhoe Grammar	Vic	1,706,069	8,875,659	10,581,728	14,151,917	24,453	99
The King's School	Vic	4,361,000	5,927,269	10,288,269	19,628,052	31,915	85
Bialik College	Vic	8,074,774	2,109,778	10,184,552	10,597,346	15,147	83
Korowa	Vic	9,679,040	452,588	10,131,628	6,553,982	24,699	78
Xavier College	Vic	10,042,020	60,504	10,102,524	8,751,003	29,532	na
Ascham	NSW	9,150,275	287,574	9,437,849	4,820,973	36,752	87
Scotch College	SA	6,666,942	2,610,299	9,277,241	7,180,527	22,385	112
MLC	Vic	6,419,760	2,452,214	8,871,974	17,174,697	29,797	98
Kincoppal-Rose Bay	NSW	6,954,165	1,814,197	8,768,362	4,463,979	25,912	99
Sheldon College	Qld	8,082,116	655,286	8,737,402	12,693,994	12,027	88
All Saints Anglican School	Qld	8,188,371	309,596	8,497,967	18,047,635	10,750	91
Emmanuel School	NSW	7,200,718	1,187,136	8,387,854	8,319,111	19,704	98
Pembroke School	SA	7,502,678	639,212	8,141,890	10,310,999	22,190	111
Knox Grammar	NSW	6,744,412	1,279,220	8,023,632	11,544,430	29,106	97
Newington College	NSW	1,823,955	5,874,253	7,698,208	11,182,469	27,095	126
Prince Alfred College	SA	7,323,514	308,368	7,631,882	8,642,524	20,830	92
St Aloysius' College	NSW	4,642,735	2,823,296	7,466,031	8,483,491	19,274	140
Wesley College	WA	7,010,597	427,743	7,438,340	6,199,373	21,459	123
Sydney Grammar	NSW	3,185,297	4,093,134	7,278,431	7,114,586	40,709	87
Siena College	Vic	6,823,926	212,704	7,036,630	6,823,145	14,208	na
St Joseph's College	NSW	4,931,103	2,065,646	6,996,749	13,168,839	29,751	na

<b>School</b>	<b>State</b>	<b>Donations 2017-2021 (\$)</b>	<b>Investment Income (2017-2021 \$)</b>	<b>Total (\$)</b>	<b>Govt Funding 2021 (\$)</b>	<b>Fees per Student 2021</b>	<b>C/W Share of SRS 2022 (%)</b>
Brisbane Girls Grammar	Qld	2,432,624	4,453,333	6,885,957	8,581,888	25,034	120
St Catherine's School	Vic	4,893,401	1,529,992	6,423,393	6,003,592	30,270	78
Lauriston	Vic	3,671,033	2,726,320	6,397,353	9,396,921	29,932	86
King David School	Vic	6,083,308	34,395	6,117,703	4,589,308	18,394	77
St Catherine's School	NSW	2,669,002	2,840,781	5,509,783	5,489,783	31,330	122
Haileybury	Vic	4,248,448	1,143,000	5,391,448	38,270,766	24,661	97
St Mary's Anglican Girls' School	WA	3,616,601	1,767,384	5,383,985	13,355,426	20,613	140
Brighton Grammar	Vic	4,520,698	714,390	5,235,088	10,677,426	24,403	100
Brisbane Boys College	Qld	2,483,585	2,736,063	5,219,649	8,408,496	22,142	101
Clayfield College	Qld	2,483,585	2,736,063	5,219,649	3,577,837	18,916	101
Somerville House Sunshine Coast	Qld	2,483,585	2,736,063	5,219,649	8,879,958	20,920	101
Grammar	Qld	2,483,585	2,736,063	5,219,649	14,102,834	12,767	101
Mount Sinai College	NSW	5,083,228	121,647	5,204,875	3,605,980	9,341	74
Melbourne Girls Grammar	Vic	4,983,324	39,168	5,022,492	8,808,419	29,786	99
<b>Total</b>		460,917,191	50,014,275	610,931,466	539,162,357		
<b>Average per school</b>		9,218,344	3,000,286	12,218,629	10,783,247	24.423	96

**Sources:**

1. Donations and investment income: Australian Charities and Non-for-profits Commission.
2. Total government funding and school fees: My School
3. Commonwealths share of the Schooling Resource Standard (SRS): Senate Education and Employment Committee, Budget Estimates 2021-22.

**Notes:**

1. Donations and investment income for Scotch College (Vic) are for four years 2017-2020.
2. Donations and investment income for Brisbane Boys College, Clayfield College, Somerville House and Sunshine Coast Grammar are an average of the figures for the Presbyterian and Methodist Schools Association of Queensland.