

UPDATE ON
NEW PRIVATE SCHOOLS
RECEIVING
ESTABLISHMENT GRANTS

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New Private Schools

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This paper is a brief analysis of some aspects and characteristics of private schools opened since the introduction of establishment grants. It therefore covers the period 1999 to 2002.

It supplements and in part updates two previous papers on this topic.¹

Number of New Private Schools 1999 - 2002

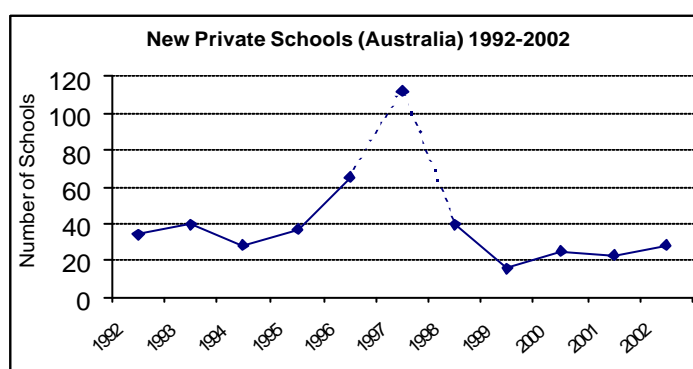
Table 1

State or territory	1999	2000	2001	2002	Total
ACT	1		1	1	3
NSW	3	5	3	10	21
NT				1	1
QLD	2	4	7	8	21
SA		2	4	1	7
TAS		2			2
VIC	2	6	3	5	16
WA	1	6	5	2	14
Total	9	25	23	28	85

Table 1 shows the number of new private schools opened each year.² In this table new school covers any school opening for any age range.

Graph 1 New Private Schools (Australia) 1992 – 2002³

Graph 1 gives the national count since 1992. It can be seen that the number of new schools each year is highly variable. The last four years are below the average for the 90s.



¹ "Trends in New Private Schools" R. Martin, 1999, available at <http://www.aeufederal.org.au/Debates/TrendsInNNGSchools.html>) and R. Martin, 2002, "New Private Schools Receiving Establishment Grants" available at <http://www.aeufederal.org.au/Debates/Estgrants2002.pdf>

² Establishment Grants apply only to schools opened after 11 May 1999, therefore the figure for 1999 in Table 1 is an incomplete year.

³ Note: The 1997 New Schools figure includes a "backlog" of schools which were previously operating but not eligible for funding who became eligible once the New Schools Policy was abandoned.

Tables 2, 3 and 4 show the number of new schools (or parts of schools) in the three age ranges Primary, Junior Secondary and Senior Secondary.⁴

Table 2 New Primary Schools or schools with operations in the Primary Sector

State or territory	Year Opened				Total
	1999	2000	2001	2002	
ACT			1	1	2
NSW	2	4	2	5	13
NT					0
QLD		2	6	6	14
SA		2	4		6
TAS		1			1
VIC	1	5	1	5	12
WA	1	5	3	1	10
Total	4	19	17	18	58

Table 3 New Junior Secondary Schools or schools with operations in the Junior Secondary Sector

State or territory	Year Opened				Total
	1999	2000	2001	2002	
ACT	1				1
NSW	1	1	1	6	9
NT				1	1
QLD	2	2	2	2	8
SA		1	2		3
TAS		1			1
VIC	1	2	3	2	8
WA		4	3	1	8
Total	5	11	11	12	39

Table 4 New Senior Secondary Schools or schools with operations in the Senior Secondary Sector

State or territory	Year Opened				Total
	1999	2000	2001	2002	
ACT					0
NSW	1		1	1	3
NT					0
QLD	2	2		2	6
SA			2	1	3
TAS		1			1
VIC	1	1	1		3
WA		2	1		3
Total	4	6	5	4	19

⁴ A school counted once in Table 1 may be counted more than once in Tables 3 -5 if it covers more than one age range. For this reason totals in 3 -5 do not tally with those in Table 1.

Number of Students in New Private Schools

Tables 5-8 give the number of students in these new schools. It should be noted this does not include increases in enrolments in schools existing prior to 1999. Calculations in previous papers suggest that new schools account for about 10% of the growth in private school students in any year. However, the number of students involved in the four years in this paper (7712.5) is below the average of 3162 per annum in the previous study.

Table 5 - 2002 Student Numbers for New Private Schools (Total)

State or territory	Year Opened				Total
	1999	2000	2001	2002	
ACT	13.4		46	102	161.4
NSW	135	408	536	444	1523
NT				26	26.0
QLD	178	495.6	904.5	460.2	2038.3
SA		150	628.2	262.2	1040.4
TAS		30.3			30.3
VIC	77	596	153.1	167.2	993.3
WA	18	1520.2	310.6	51	1899.8
Total	421.4	3200.1	2578.4	1512.6	7712.5

This Table confirms the trend noted in the previous papers for a growing increase in enrolments in Queensland. There is also a noticeable increase in SA and WA, whilst the Victorian and NSW totals are considerably lower than previously.

Table 6 – 2002 Primary Student Numbers in New Private Schools

State or territory	Year Opened				Total
	1999	2000	2001	2002	
ACT			46	102	148.0
NSW	83	257	231	311	882.0
NT					0
QLD		134.6	831.5	325	1291.1
SA		133	507.4		640.4
TAS		18			18.0
VIC	21	227	6	134.2	388.2
WA	18	450.2	178.6	10	656.8
Total	122	1219.8	1800.5	882.2	4024.5

Table 7 - 2002 Junior Secondary Student Numbers in New Private Schools

State or territory	Year Opened				Total
	1999	2000	2001	2002	
ACT	13.4				13.4
NSW	30	151	213	109	503
NT				26	26
QLD	130.6	288	73	109.8	601.4
SA		17	76.4		93.4
TAS		2			2
VIC	43	158	134.1	33	368.1
WA		442	123	41	606
Total	217	1058	619.5	318.8	2213.3

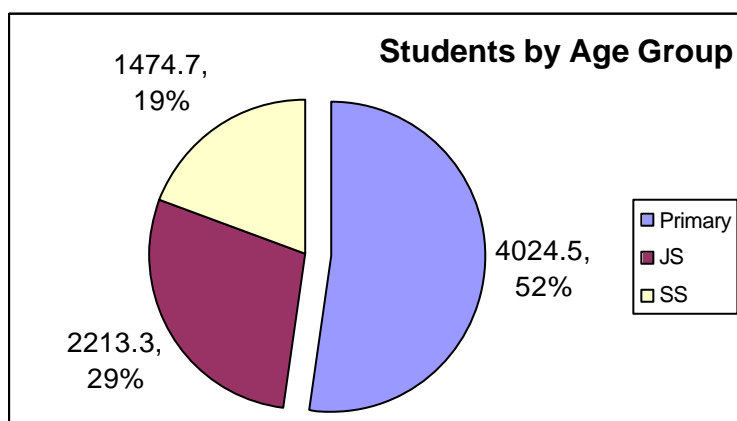
Table 8 - 2002 Senior Secondary Student Numbers in New Private schools

State or territory	Year Opened				Total
	1999	2000	2001	2002	
ACT					0.0
NSW	22		92	24	138
NT					0.0
QLD	47.4	73		25.4	145.8
SA			44.4	262.2	306.6
TAS		10.3			10.3
VIC	13	211	13		237
WA		628	9		637
Total	82.4	922.3	158.4	311.6	1474.7

Students by Age Group

Graph 2 shows the proportion of the total in primary and the two secondary ranges. The pattern of allocation is the opposite of the private sector as a whole, where the proportion increases with age. However, the previous papers did not consider this statistic and it is not possible to tell whether it is a characteristic of new schools or a more general, and worrying, trend.

Graph 2



Level of Assistance

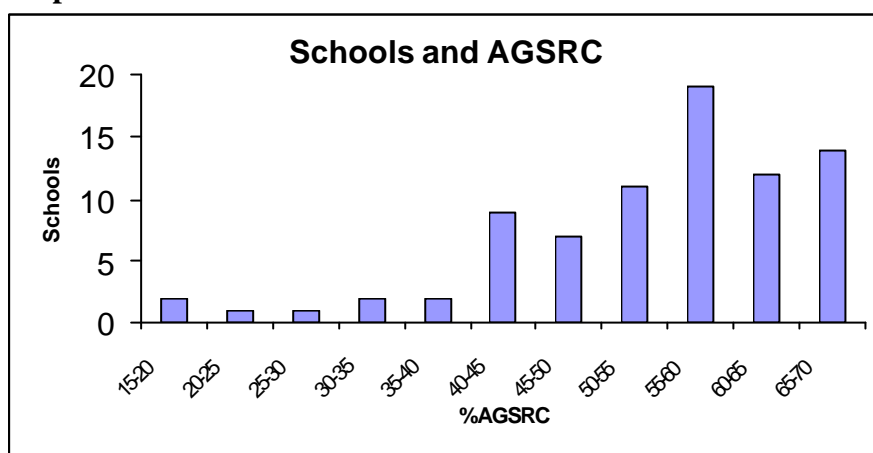
All new schools are allocated an SES rating. Unlike those created prior to 1999, they cannot be funded on an indexed version of the old ERI. This is creating the anomaly whereby those schools classed as "Funding Maintained" may have the same SES rating but receive higher Commonwealth payments. To that extent, the older schools are given preferential circumstances. At some point in the future one can anticipate the new schools seeking to get parity with the now overfunded "Funding Maintained" schools.

The SES ranking leads directly to a Commonwealth payment based on a per cent of Average Government School Recurrent Costs (AGSRC)⁵. (The unfairness of this I have dealt with elsewhere). The following graphs are based on this latter figure.

Commonwealth funding arrangements allocate schools to a range between 13.7% and 70% of AGSRC. However, schools are not allocated equally across the range. All Catholic systemic schools (except the ACT) are deemed to be at 56.2%, whilst the average all for Independent schools is 48.7%.

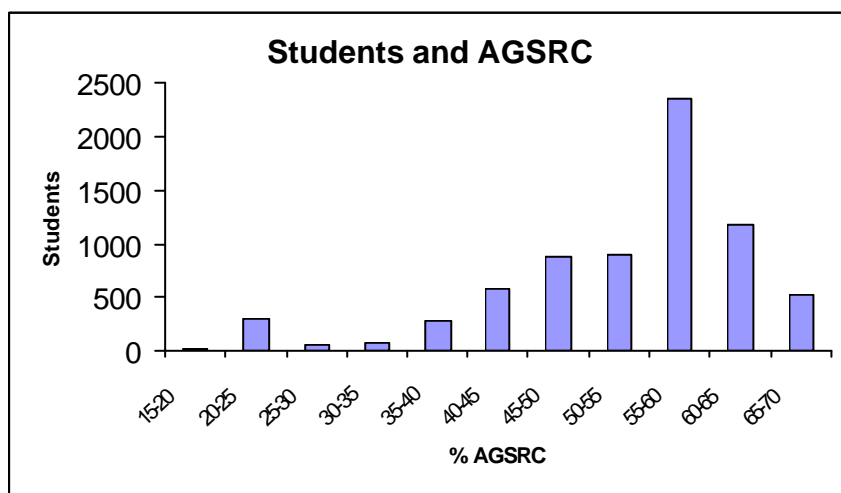
Graph 3 shows the number of the new schools allocated to AGSRC ranges.

Graph 3



Graph 4 shows the number of students within AGSRC ranges.

Graph 4



The average of new Independent schools is 53.3%, indicating some increase in the level of dependency on government funding.⁶

⁵ For the relevant table see Table 4, page 3 of Part 3 in the Commonwealth Administrative Guidelines for schools at <http://www.dest.gov.au/schools/guidelines/quadrennial/2001-04/2003-AppendixCD-Funding.pdf>

⁶ Note there are three Catholic schools on 56.2% included in Graph 7.

School Size

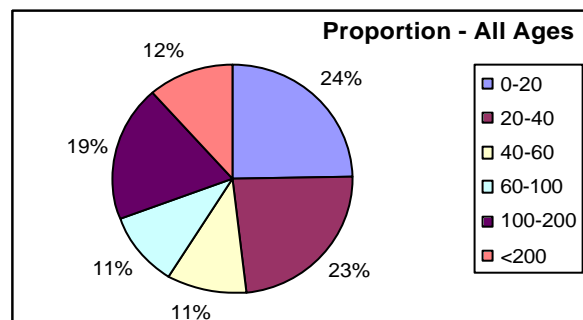
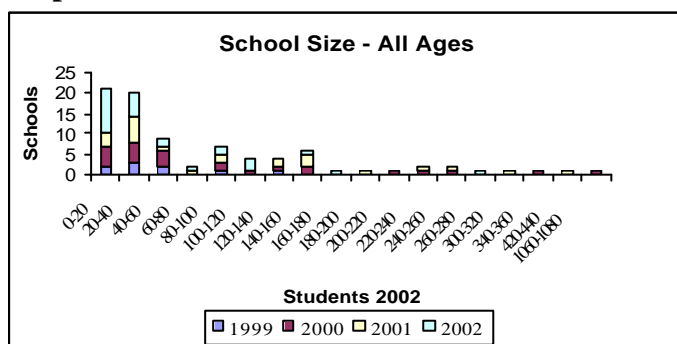
The following graphs are based on enrolments as at Census 2002. Therefore schools opened in 1999 are in their fourth year of operation, schools opened in 2000 in their third, and those in 2001 in their second.

It should also be noted that the schools eligible for Establishment Grants is itself a contentious issue,⁷ and it is highly debatable whether some of the schools in the list are in fact new schools. This is particularly the case with some of the larger schools. For instance, the Australian Islamic College has the largest total enrolment at 1071, but is one of the schools whose eligibility for Establishment Grants was the subject of questions in Senate Estimates. Whilst it is not considered practical to discount these dubious “new” schools, the effect on the figures here is to make new school size look bigger.

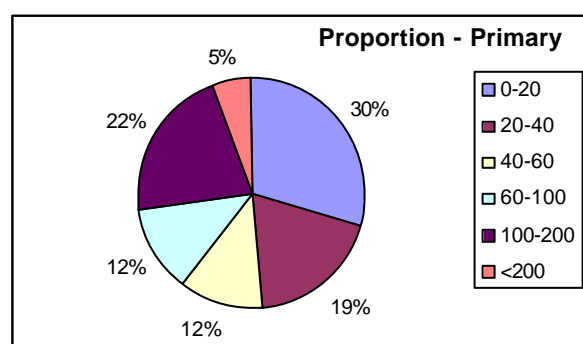
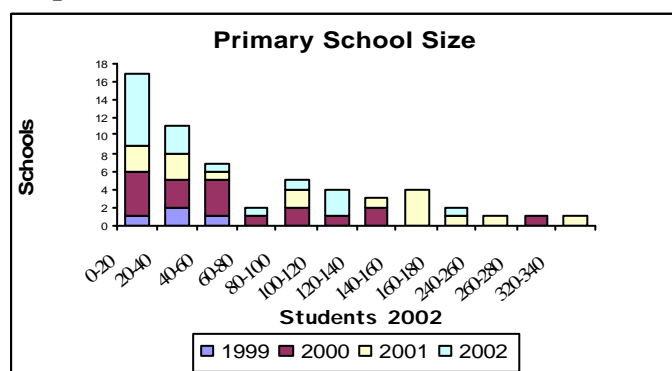
Two graphs are presented for each age group. The first looks at the number of students per school in the specified range, sub-divided by year of start. The second presents the total in each specified number range as a proportion of the total students for that age group.

Graph 5 considers school size across all age ranges, whilst Graphs 6, 7, and 8, consider Primary, Junior Secondary and Senior Secondary respectively.

Graph 5

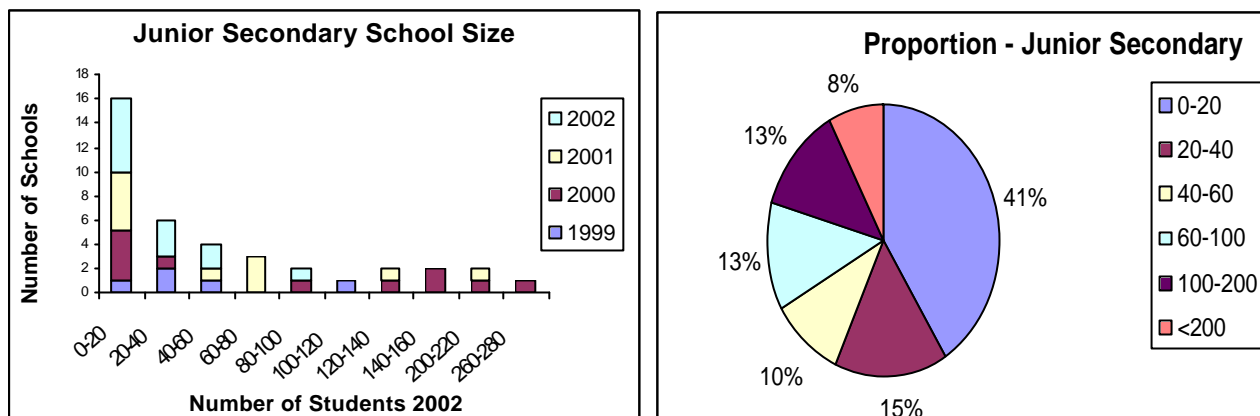


Graph 6

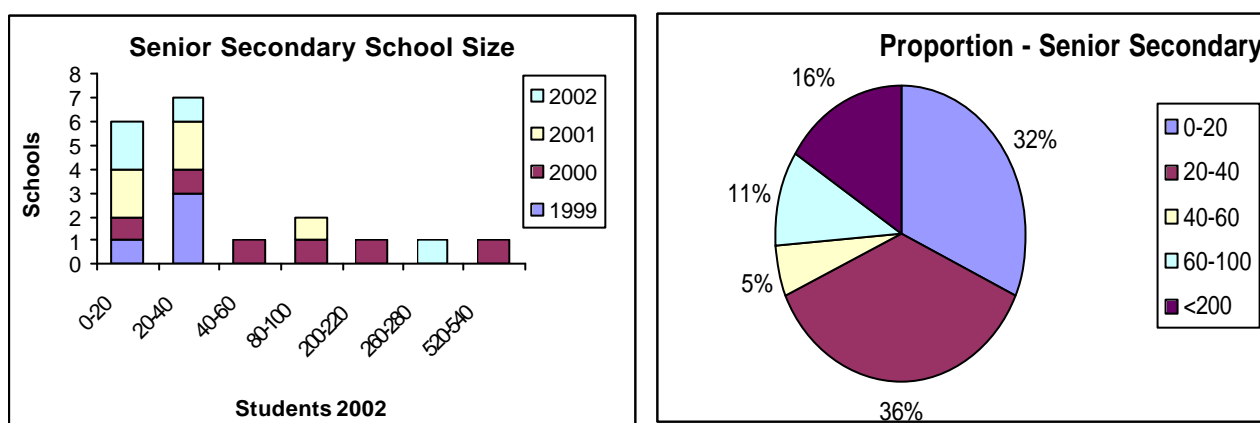


⁷ See “Private school, establishment grants: Kemp hands out to bogus schools” Jane Nichols, 2001, available at <http://www.aefederal.org.au/Debates/PrivateSchEstGrants.html>

Graph 7



Graph 8



The general smallness of these schools – in some cases even four years after opening, stands out. Even when counting students across the full age ranges, over 60% of the schools have 60 or less students. Nearly half have less than forty students.

Perhaps most surprising is that at the Senior Secondary level two thirds have 40 or fewer students, and that the graph indicates that this is not a feature of them only having one year of students.

Similarly, two thirds of junior secondary students are in schools with less than 60 students in that age range. Primary schools are not much larger.

Whilst it is possible that schools phase in year levels, anecdotal evidence suggests this is not usually the case, and the lack of growth in many of the older new schools suggests this is not happening.

This raises a considerable number of questions. The fact is that, except in exceptional demographic/geographic circumstances, state or territory governments would consider such schools economically and educationally unviable. It is highly likely that many of these new private schools are themselves operating on the margins of viability.

The variety of curriculum offerings must be severely limited in the case of secondary schools, and in the case of primary, composite classes would seem to be a necessity in many cases.

It is also ironic to note that, at a time when state or territory governments are reluctant to lower class sizes for public schools, private schools are being allowed to open where they cannot possibly “fill” one class per year level.

A recent DEST publication⁸ has the following to say regarding the capital implications:

Of all characteristics, enrolment size was the one that was most likely to be associated with higher than average rectification costs per metre....

A possible contributing factor to the higher than average costs recorded for a number of very small schools may relate to the practice of establishing operations in ‘second hand’ or adapted buildings which tend to be older and may, as a consequence, have high associated maintenance costs. (p.38)

It also ominously points out:

Because the costs of providing even a basic set of school facilities is so high, very few communities are able to meet the entire cost of constructing a new school from private resources. The level of capital assistance provided by the Commonwealth and State governments is therefore likely to have significant influence on the number of new non-government schools that are able to commence in any given year. (p.71)

The reality is, however, that there are no restrictions on the number of new schools. Governments will be confronted with increasing their capital assistance or allowing sub-standard facilities.

Conclusion

The fundamental question that is raised by all this is why a government would choose to encourage the opening of small, unviable, highly funded dependent schools. This is made worse by the fact they are probably generally in areas where there are larger and more viable schools (probably both public and private) already in existence. Such schools are likely to need considerable assistance in the future. Even worse, why do students who move to these schools receive an additional subsidy from the Commonwealth, in the form of an Establishment Grant, whilst they are not eligible for that subsidy if they stay in their larger more viable school?

A further question raised is the extent to which governments, both Commonwealth and state or territory, will be persuaded by the powerful private school lobby to become responsible for ensuring that these schools operate at average government school levels. Those parents who are deliberately choosing to move their children to high cost, uneconomic small schools, cannot morally lay claim to a greater proportion of assistance in the future.

Proposals for “needs based” policies are undermined by the deliberate creation of needy schools which drain resources from those with a more legitimate claim to the public purse.

⁸ “Taking Stock: Report of the Non-Government Schools Infrastructure in Australia 2000/2001”, available from <http://www.dest.gov.au/schools/publications/2002/infrastructure.htm>

A fundamental issue in the debate over private school funding must be the wisdom of giving policy priority to the creation of new, small, unviable schools which will remain highly dependent on public funding and even so will be at the lower end of resource capacity.

It would seem to make better policy sense to institute planned provision of schools to which all new schools are subject and, except in areas of population development, concentrate the limited education budget on consolidating the capacity of existing schools.