

For immediate release

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Price hikes contribute to high cost of education

Nationwide survey reveals the cost of private education is estimated to grow twice the rate of government schooling

Parents planning to send their child to private school in the future will need to prepare for significant cost increases over the next five years, according to an independent survey commissioned by the Australian Scholarships Group (ASG).

The national survey revealed the cost of education across Australia is expected to escalate during 2012-17, with private schooling increasing by up to 25 per cent – double that of the government system.

ASG, a not-for-profit education benefits provider, surveyed more than 12,000 of its Members on the total cost of education for children in metropolitan centres and regional areas, which included education-related expenses such as school fees, extra-curricular activities, travel, clothing, necessities and computers.

ASG's General Manager, Development Frida Kordovoulos said the research was clear: the rising costs of education will have a significant impact on family budgets regardless of which schooling system parents choose for their child.

"Whether parents are planning to send their child to a government or private school, the increasing costs of education over the next five years are expected to have a significant impact on household finances, particularly those not prepared for the hidden education-related expenses associated with educating a child," said Ms Kordovoulos.

Parents who choose government schooling for a child born in 2012 can expect to pay up to \$65,829 over the 14 years of their schooling, with families opting for private education expected to pay up to \$428,723.

"While parents of government students can expect to pay significantly less for their children's education, there was insignificant difference between the rise in costs for private education in metropolitan and regional areas," said Ms Kordovoulos.

The survey showed the rise in cost for a regional child entering the private school system in 2012, compared to a child born in the same year was 24 per cent. Similarly, costs rose 25 per cent in metropolitan areas.

However, Ms Kordovoulos warned that no school would be immune to the increasing education costs anticipated across Australia.

"The rising costs associated with the price of education are expected to affect every child, every parent and every school no matter where you live," said Ms Kordovoulos. "This could prove increasingly challenging for families already feeling the pinch in today's tough economic environment."

"Parents often overlook the total cost of education when budgeting as they tend to focus mainly on the annual school fees. However, it's the many hidden costs such as clothing, travel, books, sporting and musical equipment, computer and internet access, and the various extracurricular costs related to camps, outings, private tuition and classes that are often not accounted for."

Ms Kordovoulos said families who were not prepared for the future could find the costs of education are a shock to the family budget.

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"Your child's future is too important to leave to chance, so we encourage parents to start saving for education at an early age, and it doesn't need to be arduous. The Australian Scholarships Group recommend that for as little as \$11 a week – the cost of three coffees – that parents can benefit from a savings program that will ensure their child's future education, whether that be full time study at university or TAFE," said Ms Kordovolous.

ASG Member Michelle Huppe of Mount Waverley, Victoria, stated she and her husband had started an education fund with ASG to ensure they were well prepared for their children's future schooling costs.

"We wanted to give ourselves plenty of time to save the money needed to ensure we provide our children with the best possible options for gaining a suitable education," said Mrs Huppe. "Putting that extra bit aside for future schooling costs means there will be more money available when our children get to secondary school to help with payments, and it helps combat any unexpected future financial pressures."

It's also given Mrs Huppe peace-of-mind that she can choose the school system that will give her children a solid foundation for success in the future.

Key figures:

Schooling costs for child born in 2012: Regional Australia (14 year education: includes pre-school and prep)

- Government – up to \$51,644
- Systemic (Catholic) – up to \$158,170
- Private – up to \$284,099

Schooling costs for child born in 2012: Metropolitan Australia (14 year education: includes pre-school and prep)

- Government – up to \$65,829
- Systemic (Catholic) – up to \$212,920
- Private – up to \$428,723

For summary sheets of the cost of education in metropolitan and regional areas please visit:

www.asg.com.au/edcosts

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About the Australian Scholarships Group (ASG)

ASG is a not-for-profit specialist education benefits provider that offers parents a proven and proactive way to nurture and fund their children's education. ASG has supported parents to provide education opportunities for their children for nearly 40 years. Find out more about ASG's Education Program™ at www.asg.com.au or phone 1800 648 945.