

**Tuesday 16 January, 2018**

## **Canberra – one of Australia's most affordable cities for an education**

Canberra is one of Australia's most affordable cities for an education according to exclusive research released today.

The ASG Planning for Education Index discovered the forecast costs of a private, faith-based<sup>1</sup> or government education in the nation's capital are all below the national metropolitan average for a child born in 2018.

The index revealed parents in Canberra could spend \$424,844<sup>2</sup> or \$50,498 below the national metropolitan average (\$475,342) for a private education, and \$122,570 less than their Sydney counterparts (\$547,414) who boast Australia's most expensive private education.

The index also discovered the forecast cost of a private education in Canberra has fallen \$22,463 compared to last year.

In contrast the forecast cost of a faith-based education in Canberra has risen \$1,781 in the past year to \$234,975, however it remains one of Australia's cheapest cities for a faith-based education. The forecast cost of a faith-based education in Canberra is \$5,704 below the national metropolitan average (\$240,679) and considerably more affordable than Brisbane (\$251,866), the nation's most expensive capital.

The ASG Planning for Education Index also discovered the forecast cost of a government education in Canberra (\$50,145) has dropped \$1,867 in the past year. Canberra is second only to Hobart (\$41,738) as having Australia's most affordable government school system and is \$16,175 below the national metropolitan average (\$66,320). It is also \$25,118 cheaper than Melbourne (\$75,263), the nation's most expensive city for government education.

The forecast fall in the cost of Canberra's private and government school systems, was heavily influenced by slower price rises within secondary education. However, the overall cost of education has skyrocketed 61 per cent in the past decade, dwarfing the 34 per cent rise in wage growth in the same period.

School fees continue to be a major education expense, but many parents fail to appreciate the additional expenses associated with funding a child's education. This includes extracurricular activities, computers, travel expenses, uniforms, school excursions and camps.

Based on more than 13,500 responses, the ASG Planning for Education Index forecasts Canberra parents who plan to educate a child in the private school system over 13 years could pay \$55,664 for other non-fee education costs, considerably more than parents with children at faith-based schools (\$43,456) and government schools (\$40,392).

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<sup>1</sup> A faith-based education includes religious schools e.g. Catholic, Anglican, Uniting Church, Buddhist, Islamic or Hindu.

<sup>2</sup> These figures have been rounded and are provided as a guide only. ASG cannot guarantee that they will represent the actual costs of education for a particular child.

ASG member Danielle Kerlin says she's held off buying a house so that she can afford her son's education.

"Jonah (year 9) has been at a Steiner school since year 3 and it's one of the most expensive schools in Canberra. I run my own business but I've also had to get a second job to balance out all the costs and guarantee there's enough money coming in.

"This year I'll be paying about \$9,500 in school fees and \$600 a term for all of Jonah's extracurricular activities. He's done swimming all the way through and more recently, martial arts. So the costs definitely add up with fees and uniforms.

"I always knew costs would go up over the years, but it's a commitment and a worthwhile investment. I had Jonah quite young, so there's still time to a buy house later on."

ASG COO Bruce Hawkins says despite the forecast fall, the cost of education has risen at more than double the rate of inflation over the past 10 years, and outstripped the growth in wages over the same period.

"The cost of education has soared by 61 per cent compared to the average growth rate in wages of 34 per cent. This means that education costs are demanding a far greater share of the family wallet than in the past, placing more burden on the average family, already challenged by the rising cost of living.

"The research reveals a child's education is one of the most significant investments a family could make. If you have three children, the cost of education at a Canberra private school could top \$1.2 million. That's significantly more than the purchase price of the average family home.

"The index also debunks the myth, a government education is a free education, with the latest figures showing Canberra families could spend on average \$50,145 per child on a so-called, free education.

"ASG advocates parents use a disciplined approach by putting a few dollars aside each week, so they can financially afford to meet their children's educational goals and aspirations," says Mr Hawkins.

Independent statistician and Managing Director of foreseexchange, Charlie Nelson says it's unlikely parents will feel the fall in the forecast cost of education.

"Households are in the midst of a double whammy. Wages are stubbornly growing by less than two per cent a year, while essentials like electricity and motor fuel are rising faster than inflation.

"With less discretionary money to spend, it's going to be very hard to pay for the costs of education, which means parents who have saved will be in a better position in the long run."

For more information about ASG call 131 ASG (131 274) or visit [www.asg.com.au](http://www.asg.com.au)

## Summary of total forecast education costs for a child born in 2018

|                                     | Location     | Public   | Faith-based | Private   |
|-------------------------------------|--------------|----------|-------------|-----------|
| <b>National</b>                     | Metropolitan | \$66,320 | \$240,679   | \$475,342 |
|                                     | Regional     | \$50,641 | \$176,554   | \$347,572 |
| <b>Australian Capital Territory</b> | Metropolitan | \$50,145 | \$234,975   | \$424,844 |
| <b>New South Wales</b>              | Metropolitan | \$71,614 | \$251,143   | \$547,414 |
|                                     | Regional     | \$52,369 | \$173,304   | \$357,530 |
| <b>Queensland</b>                   | Metropolitan | \$58,352 | \$251,866   | \$368,573 |
|                                     | Regional     | \$50,757 | \$198,012   | \$366,298 |
| <b>South Australia</b>              | Metropolitan | \$60,722 | \$246,702   | \$374,147 |
|                                     | Regional     | \$47,316 | \$188,745   | \$251,705 |
| <b>Tasmania</b>                     | Metropolitan | \$41,738 | \$188,742   | \$431,473 |
|                                     | Regional     | \$50,687 | \$176,035   | \$359,961 |
| <b>Victoria</b>                     | Metropolitan | \$75,263 | \$223,318   | \$536,683 |
|                                     | Regional     | \$51,899 | \$163,583   | \$381,184 |
| <b>Western Australia</b>            | Metropolitan | \$54,766 | \$235,017   | \$401,191 |
|                                     | Regional     | \$44,280 | \$142,320   | \$277,694 |

*A very small number of responses were received from the Northern Territory in the most recent survey. As such, the provision of cost estimates for the Northern Territory in isolation would be highly unreliable and therefore have not been included. It is recommended that those in the Northern Territory refer to the national figures or the figures for adjoining states as a basis for planning. These estimated costs are provided as a guide only and ASG cannot guarantee that they will represent the actual costs of education for a particular child.*

## Estimated average costs to educate a child born in 2008 and 2018 across metropolitan Australia

|                    | 2008      | 2018      | %  |
|--------------------|-----------|-----------|----|
| <b>Government</b>  | \$53,756  | \$66,320  | 23 |
| <b>Faith-based</b> | \$156,104 | \$240,679 | 54 |
| <b>Private</b>     | \$295,214 | \$475,342 | 61 |

### Editor's notes

ASG conducts the ASG Planning for Education Index annually, asking parents to estimate education costs, which cover preschool, primary and secondary schools in Australia. Cost estimates are based on 13,500 responses collected by ASG.

ASG offers a range of education scholarship plans, which provide families with a tax effective means of saving for future education costs. ASG also offers families with a payment service that takes the financial pressure off parents, families and guardians. It allows them to pay school fees, and other education related expenses as billed by the school in manageable instalments over the year.

ASG is a member owned organisation, helping to create educational opportunities for children. ASG has been helping families and their children for more than 40 years. During this time, more than 540,000 children have been enrolled with ASG and more

than \$2.8 billion in education benefits and scholarship payments returned to members.  
For more information visit: [www.asg.com.au](http://www.asg.com.au)

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