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Hobart – Australia's most affordable government and faith-based education

Hobart is Australia's most affordable city for a government and faith-based education¹, according to exclusive research released today.

The ASG Planning for Education discovered unlike Adelaide, where the forecast cost of a government education rose, Hobart fell \$4,094 compared to last year to \$41,738² for a child born in 2018. The cost of a government education in the Tasmanian capital is \$24,582 below the national metropolitan average (\$66,320) and \$33,525 cheaper than Melbourne (\$75,263), Australia's most expensive capital for a government education.

The ASG research also discovered the estimated cost of a faith-based education in Hobart fell \$12,470 compared to last year to \$188,742. The forecast cost of a faith-based education in Hobart is 22 per cent below the national metropolitan average (\$240,679). This is \$63,124 more affordable than Brisbane (\$251,866), home to Australia's most expensive faith-based education.

The index discovered a different result for parents considering the private school system for their children, with Hobart forecast to be the nation's third most expensive capital for a private education.

Despite the forecast cost of a private education in the Tasmanian capital falling \$2,517 compared to last year, parents could still fork out \$431,473 per child according to ASG's data. Hobart parents can expect to pay \$115,941 less than their Sydney counterparts (\$547,414), home to Australia's most expensive private education. But it is \$62,900 more than Brisbane (\$368,573) families, who boast Australia's most affordable private education.

The fall in the forecast cost of education has been heavily influenced by slower price rises within secondary education.

Despite the fall in the forecast cost of education across Hobart's private, faith-based and government systems, 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 that Hobart parents who plan to educate their child in the private school system over 13 years could pay \$55,363 for other non-fee education costs, more than parents with children at faith-based schools (\$51,159) and government schools (\$26,921).

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

² 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.

Local mother Sheree Risbey says being with ASG gave her a lot of faith to give her children the best education, after their father suddenly passed away.

"My husband died when Nicholas (18 years old) was two years old. My super was cleaned out because I had to live, buy another house, and my daughter, Olivia was doing dance lessons and it was very important to me not to take her out because you don't muck around with education.

"When ASG told me I'd be receiving financial assistance, and Nicholas would still be eligible for a scholarship payment I was really blown away. It also made it a lot easier for me to say to Nicholas he could do whatever he aspired to.

"Since Year 8, Nicholas has attended a Catholic school in Launceston, so that money partially covered the cost of school uniforms and blazers which cost \$1,500 on top of \$4,500 for school fees each year. We live in a remote area called Waterhouse, so we also bought Nicholas a car for \$10,000, so he could drive instead of taking the bus to school, which took up three hours of travel time each day."

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 Hobart 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 Hobart families could spend on average \$41,738 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 foresechange, 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

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

| | Location | Public | Faith-based | Private |
|-------------------------------------|--------------|----------|-------------|-----------|
| National | Metropolitan | \$66,320 | \$240,679 | \$475,342 |
| | Regional | \$50,641 | \$176,554 | \$347,572 |
| Australian Capital Territory | Metropolitan | \$50,145 | \$234,975 | \$424,844 |
| New South Wales | Metropolitan | \$71,614 | \$251,143 | \$547,414 |
| | Regional | \$52,369 | \$173,304 | \$357,530 |
| Queensland | Metropolitan | \$58,352 | \$251,866 | \$368,573 |
| | Regional | \$50,757 | \$198,012 | \$366,298 |
| South Australia | Metropolitan | \$60,722 | \$246,702 | \$374,147 |
| | Regional | \$47,316 | \$188,745 | \$251,705 |
| Tasmania | Metropolitan | \$41,738 | \$188,742 | \$431,473 |
| | Regional | \$50,687 | \$176,035 | \$359,961 |
| Victoria | Metropolitan | \$75,263 | \$223,318 | \$536,683 |
| | Regional | \$51,899 | \$163,583 | \$381,184 |
| Western Australia | 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 | % |
|--------------------|-----------|-----------|----|
| Government | \$53,756 | \$66,320 | 23 |
| Faith-based | \$156,104 | \$240,679 | 54 |
| Private | \$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

Media contact

For further information or to arrange an interview with ASG COO Bruce Hawkins or an ASG member please contact:

David McHugh
Clout PR & Content
0455 225 688
david@cloutpr.com.au

Nicole Gundi
ASG
0448 167 578
ngundi@asg.com.au