

**Tuesday 16 January, 2018**

## **Perth one of the most affordable cities for education**

Perth is one of Australia's most affordable cities for a government, faith-based<sup>1</sup> or private education, according to exclusive research released today.

The ASG Planning for Education Index discovered unlike Adelaide, where the forecast cost of a government education rose, Perth fell by \$2,022 compared to last year, to \$54,766<sup>2</sup> for a child born in 2018. This is \$11,554 below the national metropolitan average (\$66,320) and \$20,497 cheaper than Melbourne (\$75,263), Australia's most expensive capital for a government education.

ASG's research also discovered the estimated cost of a faith based education in Perth fell slightly (\$693) compared to last year to \$235,107. A faith-based education in Perth is \$5,572 less than the national metropolitan average (\$240,679). This is \$11,187 more affordable when compared to Brisbane (\$251,866), Australia's most expensive city for a faith-based education.

The index discovered similar results for parents considering the private school system for their children, with Perth forecast to be one of the nation's most affordable capitals for a private education.

The forecast cost of a private education in the West Australian capital fell by \$6,436 compared to last year to \$401,191 per child. The estimated cost of a private education in Perth is 16 per cent less than the national metropolitan average (\$475,342). This is \$146,223 cheaper than Sydney (\$547,414) according to ASG's data.

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 for children born in 2018, across Perth's private, faith-based and government schools, the overall cost of education has skyrocketed 61 per cent in the past decade. This has dwarfed 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 Perth parents who plan to educate a child in the private school system over 13 years could pay \$47,790 for other non-fee education costs. This is slightly more than parents with children at faith-based schools (\$42,911) and government schools (\$36,542).

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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 and mother of three, Gwen Harper says she has to actively budget so she can send her two eldest children, Zanthia (Year 2) and Atheena (5 years old) to a Catholic primary school and give them educational opportunities she struggled for.

"I purchased their uniforms second hand to save on costs, and from the first week of January, I set up a direct debit to pay off school fees and extracurricular activities across the year. It costs approximately \$3,000 per year for both of the girls, and for me it's quite a bit, but when you break it up it's only about \$70 a week.

"We don't go out much and we don't have a lot of play money, but putting their education first is a real priority, so they can do better than what we did. I've just completed my Events Management Diploma and it's taken me 10 years to get here. My mum wishes that she had ASG for us, so I want to give our children pathways and options we didn't have the luxury of having".

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 Perth 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 Perth families could spend on average \$54,766 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)

**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](mailto:david@cloutpr.com.au)

Nicole Gundi  
ASG  
0448 167 578  
[ngundi@asg.com.au](mailto:ngundi@asg.com.au)