

**Tuesday 16 January, 2018**

## **Sydney – Australia's most expensive city for a private education**

Sydney is Australia's most expensive city for a private education, according to exclusive research released today.

The ASG Planning for Education Index forecasts Sydney parents could spend \$547,414<sup>1</sup>, for a child born in 2018. This is \$72,072 more than the national metropolitan average (\$475,342) for a private education.

The survey revealed the forecast cost of a private education in Sydney is \$10,731 more than the same education in Melbourne (\$536,683) and \$178,841 more expensive than Brisbane, Australia's most affordable city for a private education. The index also discovered the forecast cost of a private education in Sydney has fallen \$27,726 compared to last year.

In contrast, the forecast cost of a faith-based education<sup>2</sup> in Sydney stayed relatively stable, rising by \$281 in the past year to \$251,143. The New South Wales capital is Australia's second most expensive city for a faith-based education, \$10,464 above the national metropolitan average (\$240,679) and just shy of Brisbane (\$251,866), the nation's most expensive capital city.

The ASG Planning for Education Index also discovered the forecast cost of a government education in Sydney (\$71,614) has dropped \$3,466 in the past year. Sydney is second only to Melbourne (\$75,263) as having Australia's most expensive government school system, \$5,294 above the national metropolitan average (\$66,320) and \$29,876 more than Hobart (\$41,738), Australia's most affordable capital for government 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 for children born in 2018, across Sydney's private and government schools, 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 Sydney parents who plan to educate a child in the private school system over 13 years could pay \$61,632 for other non-fee education costs. This is considerably more than parents with children at faith-based schools (\$51,517) and government schools (\$48,810).

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<sup>1</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.

<sup>2</sup> A faith-based education includes religious schools e.g. Catholic, Anglican, Uniting Church, Buddhist, Islamic or Hindu.

ASG member Daven Timms says by the time his three children finish high school he would have easily spent around \$156,000 just on their extracurricular activities.

"Our children, (Eve, Year 11), (Eden, Year 9) and (Sierra, Year 6) all attended public primary schools which offered an excellent education. But when we moved Eve and Eden to Barker College in Hornsby, there was a significant increase in fees along with the continuing cost of extracurricular activities.

"We've put the kids through dance, swimming, piano and little athletics, and two are now involved in school bands. These extracurricular activities and the musical instruments are very expensive and Eve is also a competitive rower. But our kids have all developed their resilience, determination and endurance as a result of the activities.

"We couldn't have done it without ASG, and we put away into the different funds to meet their secondary school expenses and for when they go to university. The returns are coming in now and it really helps because of the tax advantages."

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 Sydney private school could top \$1.6 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 Sydney families could spend on average \$71,614 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](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)