

The independent schooling sector is an influential contributor to the development of Queensland’s knowledge, skills and innovation base and ultimately the advancement of the state’s human capital. The sector provides high quality schooling services to more than one in seven young Queenslanders or about 15 percent of the state’s school-age population. Educating 120,000 young Queenslanders requires a substantial workforce of highly skilled professionals, including principals, teachers and support staff. Maintaining the buildings, facilities and grounds of these schools also requires a significant local workforce.

Contribution of Independent Schools to the Queensland Economy and Employment

An Australian-first analysis of the annual economic significance of independent schools to the Queensland economy was commissioned by Independent Schools Queensland (ISQ) and released this year. [The report by AEC Group](#) – a global consultancy firm with expertise in economic modelling – quantified for the first time the annual economic contribution independent schools make to the Queensland economy and the regional economies in which they operate. At a statewide level the report revealed that independent schools:

- contributed **\$4.1 billion to the Queensland economy** including \$1.9 billion directly to Gross State Product (GSP) and \$2.2 billion indirectly through flow-on demand
- supported **31,000 full-time jobs** including 14,600 direct jobs and 16,300 indirect jobs – that’s one full-time job for every 3.7 students enrolled at independent schools
- contributed **\$2.4 billion in employee wages and salaries**; and
- delivered an **extra \$263 million to GSP through the enhanced education outcomes** of independent school students.

To put these figures in context, according to the report the direct economic contribution of independent schools is similar to Queensland’s entire accommodation industry, which includes all hotels, motels and serviced apartments. The report also found that independent schools supported more jobs than Queensland’s rail transport industry.

The Economic Contribution of Independent Schools in the Regions

At a regional level, independent schools are important and stable employers and jobs generators, particularly in areas of high population growth. According to the AEC Group report the “contribution of independent schools to many of these regions is greater proportionally than to Queensland as a whole” (See Table 1).

Table 1. Annual Economic Contribution of Independent Schools by Local Government Area (direct and indirect)

Region	Economic Contribution of Independent Schools	Full-time Jobs Supported	Contribution to Wages and Salaries
Gold Coast	\$642M	4,605	\$373M
Sunshine Coast	\$399M	2,854	\$222M
Logan	\$337M	2,360	\$204M
Ipswich	\$222M	1,723	\$134M
Toowoomba and Southern Downs	\$176M	1,403	\$105M

Note: Economic modelling by AEC Group was based on the latest data available from 2013-14 and 2014. Sunshine Coast includes Noosa LGA.

One Bold Policy Idea to Encourage Jobs Growth

New Enrolments and New Schools Generate Jobs

As the AEC Group report demonstrated, Queensland independent schools, through their direct and indirect operations and activities, provide stable and secure jobs for tens of thousands of Queenslanders. Employment growth has been on a positive trajectory to cater for the ongoing expansion of the independent schooling sector. Between 2000 to 2015, the number of full-time students enrolled in Queensland independent schools increased by 44,558 students or 62 percent. Over a similar period, the number of independent schools grew from 155 in 2001 to 192 in 2015 (ISQ Sector Statistics, 2015). Together enrolment growth and the construction of new schools and expanded school facilities, create a strong pipeline of new jobs and employment opportunities across the state.

Creating Jobs - A New Approach to Financing School Construction

Over the past three years ISQ has been working with the State Government and Queensland Catholic Education Commission (QCEC) to map future demand for schools. This first-ever cross-sector collaboration identified the need to establish between 99 and 119 new schools by 2031 in top growth areas such as, Yarrabilba, Coomera and Flagstone (Queensland Schools Planning Commission, Second Report to the Minister for Education, Training and Employment, 2014).

Based on an average cost of \$30 million to build a state primary school and \$50 million to build a state secondary school, state and federal governments and the community, are facing a \$4 billion to \$5 billion school construction bill. According to an economic impact study commissioned by the Urban Development Institute of Australia (UDIA), \$1 million invested in the property development industry generates 11.8 full time direct and indirect jobs (UDIA 2016-17 Pre-Budget Submission). Applying this jobs formula would see Queensland's \$5 billion worth of new schools (up to 2031) generate 59,000 construction-related jobs. In addition, the ongoing direct and indirect jobs created by the operation of these new schools would be in the order of 20,000 (based on AEC Group report modelling).

Based on population projections and school enrolment trends, about half of the new schools needed will be in the non-state school sector. In a tight fiscal environment where state and federal government budgets are under pressure, and in the face of rising land costs, innovative planning and financing solutions must be investigated to meet this multi-billion-dollar future capital investment to ensure the creation of these schools and the jobs linked to them. Ensuring the regulatory environment that governs school planning also encourages capital investment in non-state schools is critical. ISQ is working with the Queensland Government and QCEC to ensure streamlined and equitable school planning processes are enshrined in two new Planning Bills currently being finalised.

Across the world, there is an emerging trend towards new capital investment enterprises which channel increasing levels of private funds into social enterprises and infrastructure. ISQ is currently analysing a range of innovative financing options, including Social Impact Bonds (also known as Social Benefit Bonds) and the more widely known Public Private Partnerships, which leverage private investment to build social infrastructure. The Queensland Government is currently testing Social Benefit Bonds in three pilot areas that address disadvantage. The NSW Government has already undertaken a number of programs with early success. Estimates put Australia's social impact investment market at \$32 billion within 10 years (IMPACT-Australia, 2013).

The application of Social Impact Bonds to infrastructure, such as schools, is an idea worthy of further exploration with government, financial institutions and current leaders in this emerging investment space. The productive use of private funds to build schools would not only safeguard the future construction and teaching jobs tied to their establishment, but would also free up significant government capital funds to generate employment in other sectors – a double jobs injection for the state.