

Economic Significance of Independent Schools to the Queensland Economy

An AEC Group Report Prepared for Independent Schools Queensland

Key Findings

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Independent schools are important contributors to Queensland's school system educating about one in seven young Queenslanders. Their commitment to excellence in all areas of teaching and learning is evidenced by the achievements of their students and staff. Despite their influential role in shaping the state's past, current and future leaders, thinkers and creators, limited analysis has been undertaken to quantify the economic value of independent schools to Queensland.

Independent Schools Queensland commissioned AEC Group – a global consultancy firm with expertise in economic modelling – to address this knowledge gap. The report by AEC provides an Australian-first analysis of the economic significance of independent schools to the Queensland economy and the local economies in which they operate.

The headline findings (see summary infographic at right) from the report are illuminating and clearly demonstrate the valuable economic contribution independent schools make to Queensland Gross State Product (GSP) through their operations and activities and to generating jobs and wages for Queenslanders.

The report gives context and meaning to the data by providing comparisons with other industries. It found the direct economic contribution of independent schools to GSP in 2013-14 was similar to the state's entire accommodation industry which comprises all hotels, motels and serviced apartments and greater than the state's sport and recreation industry.

At a regional and local level, modelling by AEC illustrates the important economic contribution independent schools make to their local communities. In dollar terms independent schools made the highest total contributions to the local economies of the Gold Coast (\$642 million) and the Sunshine Coast (\$399 million). However as a percentage of total local economic activity, the contribution of independent schools to Ipswich, Logan and Redland (over 2.5 percent) was proportionally more than to Queensland as a whole (1.4 percent).

Independent schools operate with funding support from three key stakeholders – the Australian and Queensland Governments which together account for about 50 percent of independent school funding with the remaining 50 percent met by parents.

In 2014 parents allocated, from their after-tax income, \$218 million towards school infrastructure. Independent school parents invest \$3 for every dollar provided by governments. These capital contributions combined with their investment in school tuition represent a significant saving to governments. The report shows that by not taking up a fully-funded place at a state school, independent school students are reducing the financial burden on governments, and therefore taxpayers, by about \$804 million in recurrent funds annually. These are substantial financial contributions, particularly in a tight fiscal environment.

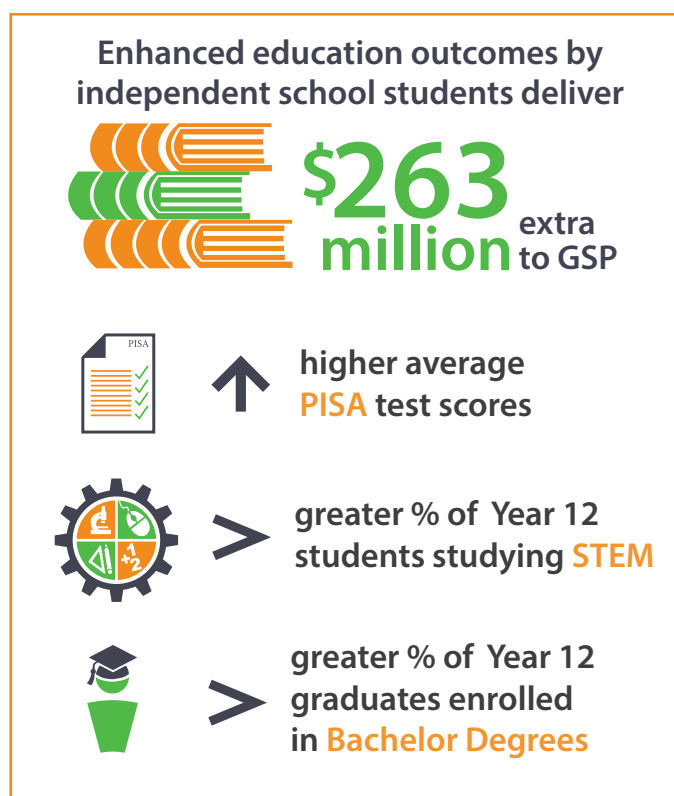
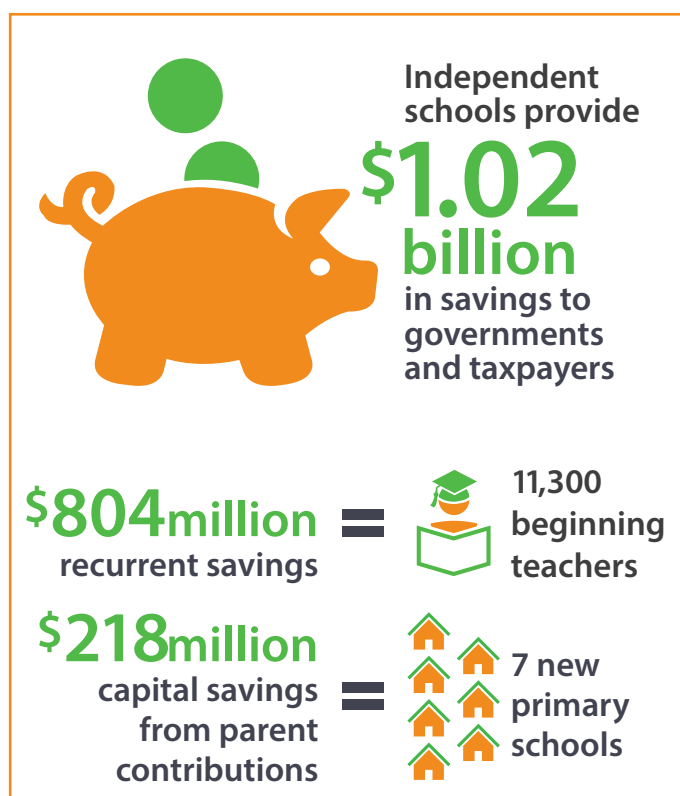
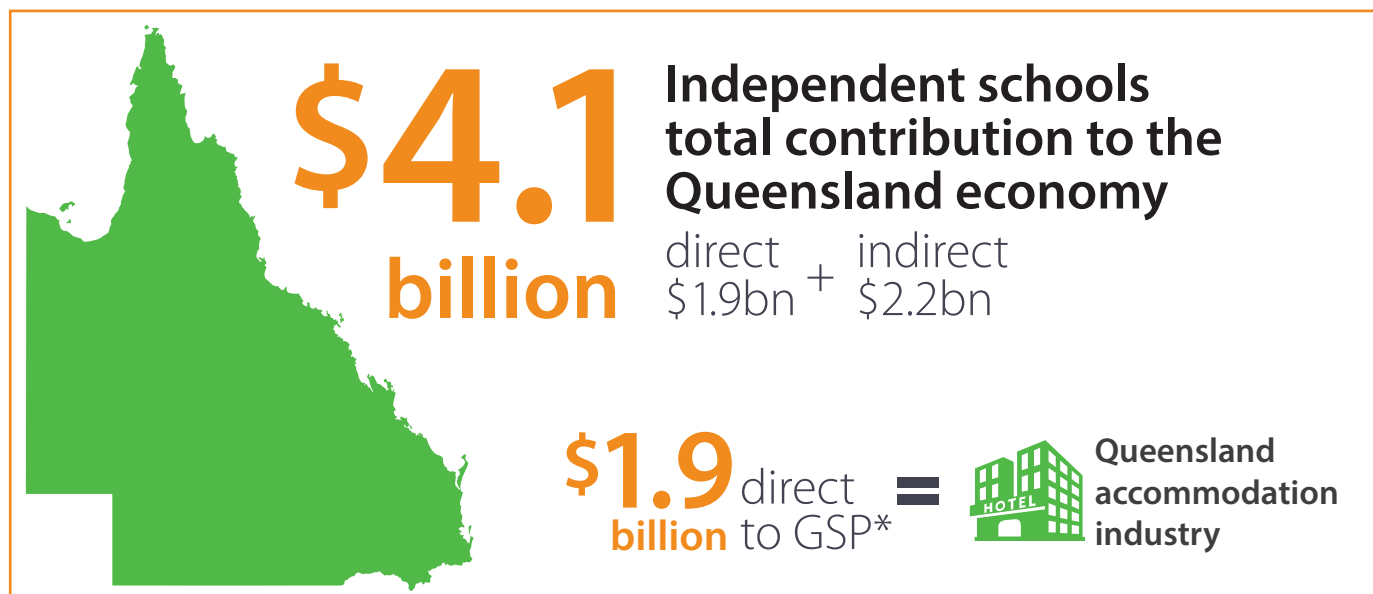
This report makes a first attempt at attributing a dollar value to the economic benefits which flow from the academic performance of independent school students. It draws on OECD research that indicates the enhanced education outcomes achieved by independent school students can be linked to a growth in GSP of \$263 million.

Schools know that success has many measures. This report adds another dimension to the achievements of independent schools and the contributions their principals, teachers, students and parents make to Queensland and their local communities. The findings highlight the vital need for both Federal and State Governments to continue to support choice in schooling through funding and regulatory arrangements that enable independent schools to play their part in educating future generations of Queenslanders.



David Robertson
Executive Director
Independent Schools
Queensland

Annual Economic Significance of Independent Schools to Queensland



Economic modelling undertaken by AEC Group for Independent Schools Queensland using 2014 school data and financial year ABS and other agency data to produce an indicative annual profile of contributions to the Queensland economy and *Gross State Product (GSP) for 2013-14. Full report on website www.isq.qld.edu.au

More information

Visit the website at
www.isq.qld.edu.au/our-schools-our-future



Shari Armistead Director (Strategic Relations)
T: (07) 3228 1543 **E:** sarmistead@isq.qld.edu.au

*Front cover images (clockwise): St Peters Lutheran College;
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