

Economic Significance of Independent Schools to the Queensland Economy

2020 UPDATE



**Key
Findings**

RESEARCH PAPER
June 2020

Key Findings



DISCLAIMER

Economic Significance of Independent Schools to the Queensland Economy, 2020 Update was prepared by AEC Group Pty Ltd (AEC). AEC utilised economic modelling, analysing school data, 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 2017-18.

The report was commissioned by Independent Schools Queensland, a not-for-profit, representative body for independent schools across the state.

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COVER IMAGES, FROM LEFT TO RIGHT:
Calvary Christian College – Townsville;
Ipswich Grammar School

Independent schools are important contributors to Queensland’s school system, educating about one in seven young Queenslanders. As our state and nation grapple with the economic fall-out of the COVID-19 pandemic, this report reveals the critical role the independent schooling sector must continue to play to support jobs, build new social infrastructure, welcome fee-paying international students and build human capital.

Independent Schools Queensland commissioned AEC Group – a global consultancy firm with expertise in economic modelling – to update the Australia-first report it provided on the sector in 2016 (using 2013-14 data). This latest report by AEC (using 2017-18 data) provides analysis of the economic significance of independent schools to the Queensland economy and the local economies in which they operate and shows that contributions have continued to grow.

The headline findings from the report (see summary infographic) 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.

According to the report, *Economic Significance of Independent Schools to the Queensland Economy, 2020 Update*, independent schools contributed \$4.88 billion to Gross State Product (GSP), both directly and indirectly through employment, infrastructure investment and international student programs in 2017-18.

This economic contribution represents an average of \$40,300 per Queensland independent school student – an average return of \$3.66 for every \$1 of state and federal government investment.

The independent school sector is a significant employment generator, supporting 33,560 full-time direct and indirect jobs worth \$2.95 billion in wages and salaries – the equivalent of 1 full-time job for every 3.6 independent school students.

The report reveals the influence and impact of independent schools – which educate 15% of school-age Queenslanders – extend beyond strong academic and civic outcomes.

In the four years since the last report, this updated analysis shows the independent school sector added an extra \$735 million to GSP (18%), and supported 2,702 extra jobs (9%) worth \$530 million in additional wages (22%) between 2013-14 and 2017-18.

Over the same period, the sector grew by 6,000 enrolments to 121,000 students, and an additional 15 schools to 205 schools. At the start of the 2020 school year, 218 independent schools enrolled almost 129,000 students.

In the current environment every dollar and job generated by independent schools are vital to state and regional economic recovery in the short and long term.

The report reveals, outside Brisbane, the three highest-contributing local government areas to GSP and jobs were: the Gold Coast (\$881.8 million GSP; 5,964 jobs), Sunshine Coast/Noosa (\$495.4 million; 3,291 jobs) and Moreton Bay (\$365.6 million GSP; 2,642 jobs) (see regional infographic).

The AEC report also estimated families who chose independent schools for their children, instead of a fully-funded place at a state school, freed up \$1.02 billion in capital and recurrent government funding for other essential services, or in the current environment, COVID-19 recovery projects.

These are substantial financial contributions, particularly in a tight fiscal environment. In the education sector this combined funding would be equivalent to building five new P-12 schools and employing an additional 10,150 beginning teachers.

This report shows that encouraging private investment in education pays enormous dividends. The private-public partnership between tax-paying independent school families and governments is a successful and enduring partnership which must continue with the support of ongoing public investment.

The findings highlight the vital need for both State and Federal 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

AEC Group, for Independent Schools Queensland, utilised economic modelling, analysing verified school data, 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 2017-18.

Independent Schools contribute

\$4.88bn → **Queensland economy***

= \$2.14bn direct
\$2.74bn indirect



1 school contributes \$24m

Independent Schools support

33,560 → **\$2.95bn**
full-time jobs **wages & salaries**

= 16,234 direct jobs
17,326 indirect jobs



Every 3.6 students support 1 full-time job



Independent Schools provide

\$1.02bn **savings**
to taxpayers

= \$212m capital savings (infrastructure)
\$812m recurrent savings

Capital savings** equivalent to 5 new P-12 schools



Recurrent savings** equivalent to 10,150 beginning teachers

Enhanced education outcomes by Independent School students deliver

\$217.1m
extra to GSP*



Higher % Year 12 graduates enrolled in Bachelor degrees

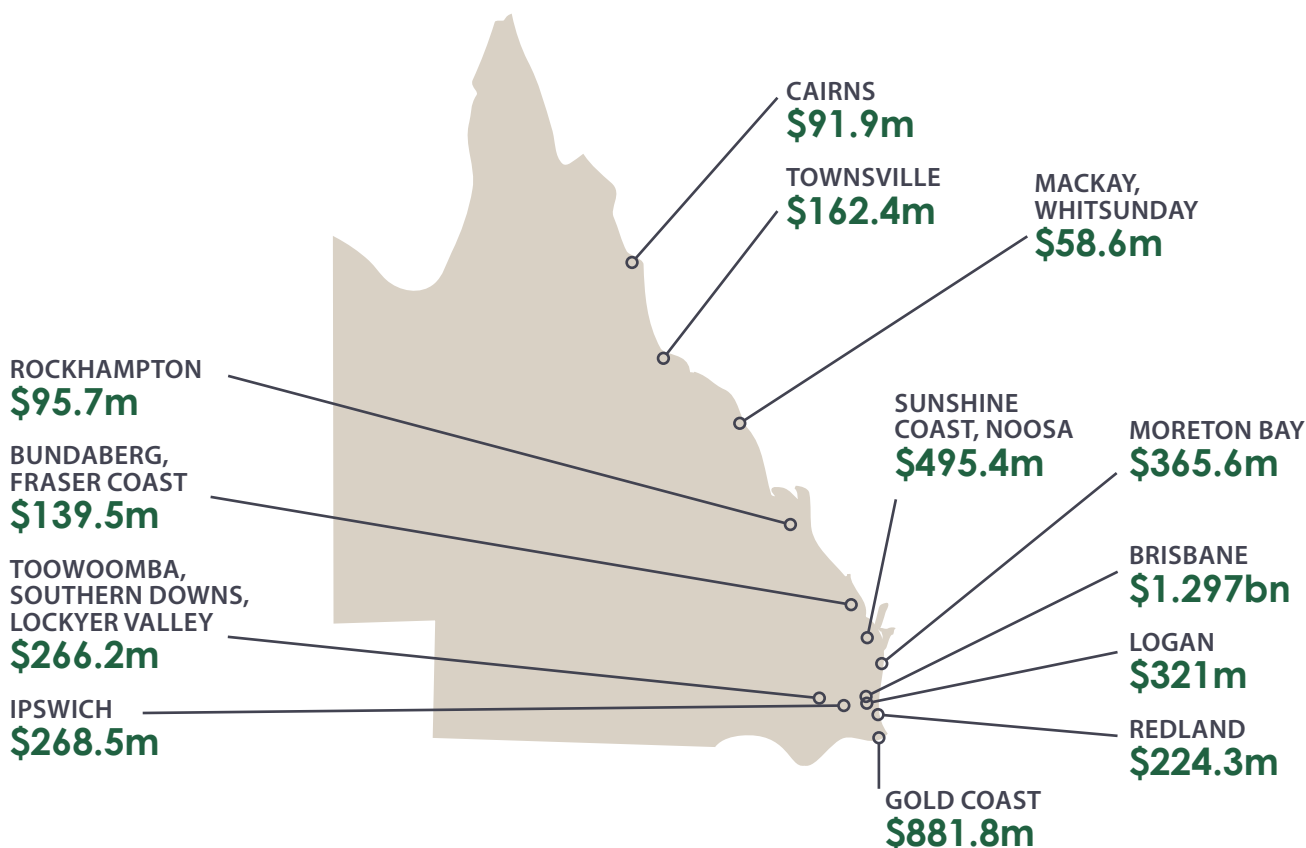
Higher average PISA test scores

* Gross State Product

** Sources: ISQ. (2019). *Independent Schools Infrastructure: Planning to Maintain Choice – 2019 Update*; and, Award Rate for beginning state school teacher plus superannuation.

Annual Economic Significance of Independent Schools to REGIONAL QUEENSLAND

Source: AEC Group, for Independent Schools Queensland, utilised economic modelling, analysing verified school data, 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 2017-18.



REGION (2017-18)	WAGES & SALARIES	FULL-TIME JOBS SUPPORTED ¹
Cairns	\$59.2m	690
Townsville	\$98.0m	1,163
Mackay, Whitsunday	\$38.1m	452
Rockhampton	\$58.4m	689
Bundaberg, Fraser Coast	\$87.6m	1,023
Sunshine Coast, Noosa	\$288.8m	3,291
Moreton Bay	\$219.9m	2,642
Toowoomba, Southern Downs, Lockyer Valley	\$164.3m	1,875
Brisbane	\$799.5m	8,572
Ipswich	\$161.2m	1,840
Logan	\$199.2m	2,346
Redland	\$128.3m	1,445
Gold Coast	\$524.2m	5,964

1 (direct and indirect)

International students



In 2018, about 40% of the state's 205 independent schools were registered to offer programs to fee-paying international students on student visas.

Independent schools attracted **\$49.7m** revenue from fee-paying international students



\$28m in direct economic activity (GSP)
290 full-time jobs (\$16.1m wages)



Independent Schools Queensland

choice & diversity

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Independent Schools Queensland Ltd
ACN 614 893 140 ABN 88 662 995 577

Head Office
Level 1, 96 Warren Street, Spring Hill Q 4000
PO Box 957, Spring Hill Q 4004
P (07) 3228 1515 E office@isq.qld.edu.au

www.isq.qld.edu.au