

**15<sup>th</sup> September 2004**

## **Media release**

For comment please contact Clive Hamilton 02 6125 1270 (bh) 0413 993 223  
Richard Denniss 02 6125 1270 (bh) 0419 222 511

---

### **Funding cuts to boost exclusivity of private schools**

Labor's plan to cut Federal Government funding to elite private schools will help reinforce their exclusivity, and that is exactly what the schools want, according to Dr Clive Hamilton, Executive Director of The Australia Institute, a Canberra based public interest think tank.

"Exclusive schools did not lower their fees when the Howard Government began increasing their funding in 2000. In fact, fees at elite private schools have been growing much faster than inflation. Increases in Commonwealth funding have been spent on more lavish facilities," said Dr Hamilton.

"The last thing the parents of children at elite private schools want is for their schools to become affordable to the masses. Parents are willing to pay a great deal for the snob value of sending their children to elite schools."

According to a Newspoll survey conducted for The Australia Institute, 58 per cent of Australians believe that elite private schools promote snobbery in Australia.

"It makes no sense to talk about making elite schools accessible to ordinary Australians. They will blame Labor for any increase in fees, but most parents will happily pay up," said Dr Hamilton.

Exclusive private schooling is what economists call a 'positional good', something that becomes more desirable as its price rises. People are willing to spend large amounts of money on positional goods, such as exclusive private schools and Rolex watches, because they demonstrate the superior social position of their owners.

"The role of exclusive private schools as a positional good has been under threat in recent years as more and more middle-income people have aspired to enrol their children in them", said Dr Hamilton.

"Waiting lists have been growing and the schools have been finding it harder to select the 'right' students to admit. Higher fees at exclusive private schools will reduce the number of people seeking entry and restore the exclusivity desired by parents."

The class divisions promoted by elite schools explain why in the Institute's Newspoll survey 57 per cent of Australians say they do not believe that policies to increase enrolments at private schools are good for Australia.

[www.tai.org.au](http://www.tai.org.au)