

Australia's private high school problem: unequal, expensive, and falling behind

Australia has one of the world's most privatised high school systems. These schools charge families high and rising fees and receive significant government funding, all without delivering substantially better results. While there is no evidence that the significant expense of privatised school education has boosted Australia's education performance, it is clear that private schools have succeeded in segregating Australia's rich and poor between expensive private schools and underfunded public schools.

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SUMMARY

Australian private schools are growing rapidly, Australian families are paying more than ever to educate their children, and the cost of public subsidies to privatised schooling continues to rise, yet international comparisons show these increasing costs are not leading to better educational outcomes. While total funding for private schools is growing rapidly, the public education system remains severely underfunded according to the Commonwealth Government's own benchmarks.

Over 40% of Australian high school students now attend private schools, the second-highest rate of private schooling in the developed world, behind only Chile. In the US,

only 9% of children attend high schools that charge fees, and only 8% do so in the UK. If the trend in Australia over the last two decades continues, most Australian high school students will be educated in private schools by 2055.

As private school enrolments grow, Australian public schools face a funding shortfall of over \$4 billion each year. The Australian Education Union has found that most private schools receive more funding per student from federal and state governments than equivalent public schools.

Only one Australian jurisdiction, the ACT, fully funds public schools as defined by the Commonwealth benchmarks. Meanwhile, seven of eight jurisdictions fully fund their private schools, and many private schools are substantially overfunded.

Australian families spend more on high school education per student than in any other developed country. This is because of Australia's unusually high rate of private schooling and very high private school fees. Combined, they mean Australian families spend an average of \$4,967 for each year of high school, more than in New Zealand, the United Kingdom or the United States.

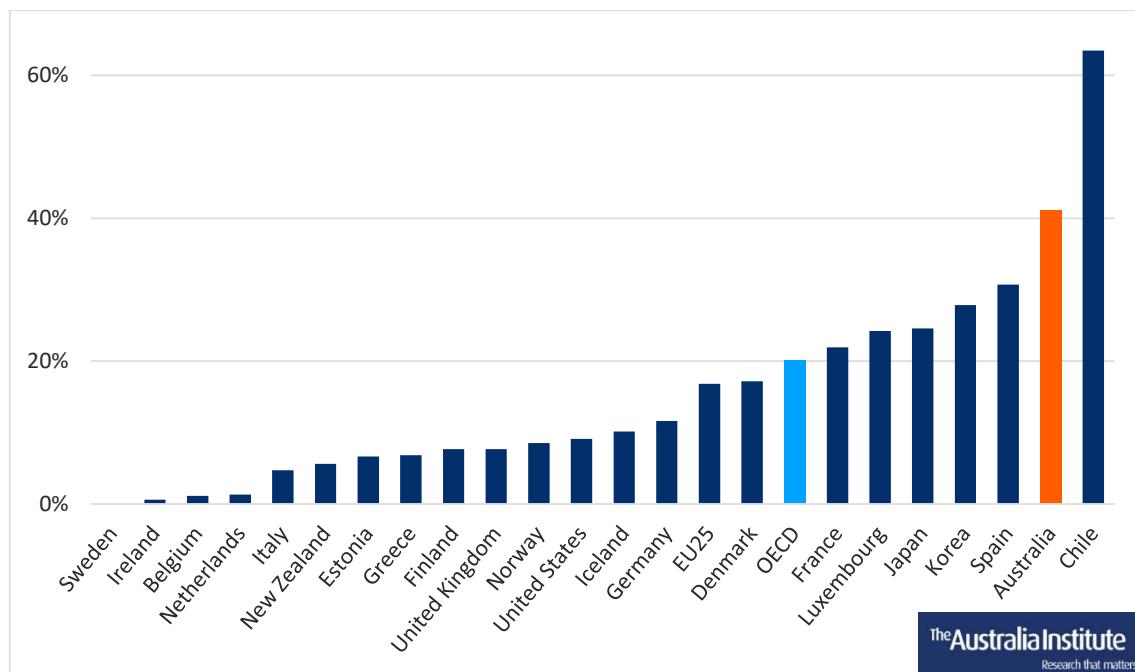
Despite their high price tag, private schools do not provide a notably better education than public schools. While they often appear to get better outcomes in standardised tests, this is overwhelmingly because their students are from wealthier backgrounds. Students from richer families tend to perform better for reasons such as their parents' education and access to tutoring. Unsurprisingly, children from richer families are both more likely to benefit from such advantages and to attend fee-charging private schools. Australian education is fast becoming a tale of two school systems: private schools, which can afford to spend millions on non-educational facilities like swimming pools and ski lodges, and public schools, which can't afford to repair their classrooms. But those swimming pools aren't actually improving educational performance – for students or the country.

In short, the Australian system of privatised schooling is costly and creates an ever-growing gap between the non-educational experience of students at wealthy private schools and students at underfunded public schools. Without policy change, the inequality between private and public education will continue to grow, and Australian students, along with the Australian community and economy, will suffer.

AUSTRALIA'S HIGH SCHOOLS ARE AMONG THE MOST PRIVATISED IN THE WORLD

More than two in five Australian high school students now attend a fee-charging private school (Figure 1). This means Australia has one of the most privatised high school (secondary education) systems among the developed economies of the Organisation of Economic Cooperation and Development (OECD). Only Chile, where swathes of the economy were privatised by the dictatorial Pinochet regime in the 1980s, has a more privatised education system than Australia.¹

Figure 1: Share of secondary students in fee-charging private schools



OECD (2023) "Distribution of enrolled students and graduates by type of institution", average of lower-secondary and upper-secondary categories, <https://data-explorer.oecd.org>

Australia's system of private school subsidies is unusual

In most OECD countries, private schools that receive public funding are not allowed to charge fees.² For example, while large portions of the student population attend privately run (often religious) schools in the United Kingdom, Sweden, Belgium and the

¹ San Martín (2024) "What can we learn from the privatisation of education in Chile?", <https://latinoamerica21.com/en/what-can-we-learn-from-the-privatization-of-education-in-chile/>

² Rowe (2024) "Australian families spend far more on private schooling than many other countries. Here's why that's a problem", <https://theconversation.com/australian-families-spend-far-more-on-private-schooling-than-many-other-countries-heres-why-thats-a-problem-232700>

Netherlands, these schools are heavily subsidised by governments and cannot charge fees, though they can accept donations. These are not “private” schools in the way Australians commonly understand them.

Australian private schools are free to charge any fees they like and choose which students to admit, even though they simultaneously receive government funding.³ Unsurprisingly, as rising income inequality drives rapid growth in the incomes of the wealthiest household the most expensive private schools have increased their fees well in excess of the consumer price index (CPI). Indeed, since June 2000, the price of high school education has grown by nearly three times the rate of overall inflation.⁴

While some commentary has focused on whether private schools are becoming ‘too expensive’, in reality, the opposite is the case; the most expensive schools need to keep increasing their fees to ensure that only the wealthiest families can afford to send their children there. If there was a shortage of parents willing and able to pay \$55,000 per year to send one child to school,⁵ then the schools would be cutting down on their employment of groundskeepers for their turf cricket pitches and other non-educational amenities. In economic terms, elite private schools are a ‘positional good’, which means that, like expensive handbags and luxury cars, the extreme price of the product is one of the features that the customer actually desires. Just as some people like to own the biggest house on the street and be seen to have the most expensive car to drive, many Australian parents receive status from sending their children to the most expensive schools and/or see value in ensuring that their children will be surrounded by other children whose parents can afford fees that cost more than millions of Australians earn in a year.⁶

Bizarrely, the rapid increase in private school fees does not deliver savings for the government, but simply leads to even greater expenditure on the cricket grounds,

³ McMorrow and Connors (2025) “The inflation myth propping up private school privilege”, <https://johnmenadue.com/post/2025/11/inflation-a-curse-or-a-blessing-for-private-schools/>

⁴ Australian Bureau of Statistics (2025) “Consumer Price Index, Australia, September Quarter 2025”, <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/sep-quarter-2025>

⁵ Harris and Kowal (2026) “We looked at fees at 32 private schools. One is charging almost \$55,000”, <https://www.smh.com.au/national/nsw/we-looked-at-fees-at-32-private-schools-one-is-charging-almost-55-000-20260113-p5ntpf.html>

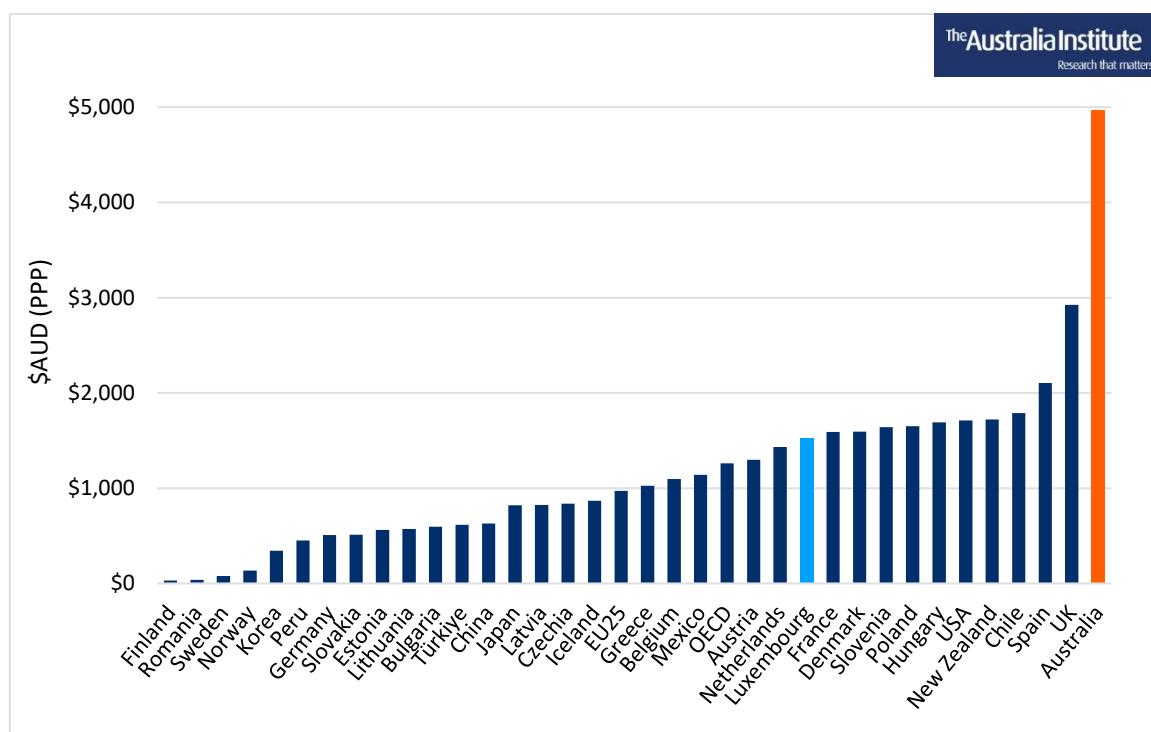
⁶ Sydney Morning Herald (2020) “Pandemic ends trend of big fee rises at state’s most expensive schools”, <https://www.smh.com.au/national/victoria/pandemic-ends-trend-of-big-fee-rises-at-states-most-expensive-schools-20201205-p56koe.html>; Coates, Moloney, Bowes (2025) “What do Australians earn and own? Grattan Institute’s 2025 budget cheat sheet might surprise you”, <https://grattan.edu.au/news/what-do-australians-earn-and-own-grattan-institutes-2025-budget-cheat-sheet-might-surprise-you/>

swimming pools, rifle ranges and other non-educational amenities displayed so prominently in private school marketing materials.

AUSTRALIA'S HIGH SCHOOL SYSTEM IS EXPENSIVE

Australian families spend more on high school education per student than in any other developed country. This is because of Australia's unusually high rate of private schooling and very high private school fees. Combined, they mean Australian families spend an average of \$4,967 for each year of high school, across both public and private schools. This is more than in New Zealand, the United Kingdom, the United States, and every other country in the OECD, as shown in Figure 2.

Figure 2: Average family spending per high school student annually⁷



OECD (2023) "Expenditure on educational institutions per full-time equivalent student", average of lower-secondary and upper-secondary categories, <https://data-explorer.oecd.org>

⁷ Average annual household expenditure (as opposed to government or other private expenditure) on general secondary education per high school student in 2022.

Australian families spend four times the OECD average (\$1,262) per year to send a child to high school. But as below, despite this high level of private spending, the educational performance of the Australian high school system is falling.⁸

Two key drivers of the high costs of high school education are Australia's high rates of private high school education and the high fees charged by these schools, neither of which is linked to improved educational outcomes.

Australia's high fees

On average, it costs an Australian family \$11,000 per year to send their child to a private high school,⁹ though fees can be as high as \$55,000.¹⁰ Only New Zealand (where private schools receive far less government funding than is provided in Australia) and Greece (where they receive no government funding) appear to have higher average private school fees.¹¹ The high fees paid by parents in NZ and Greece also do not have a major impact on the average cost of sending a child to high school in those countries because of their comparatively low rates of private school education: 6% and 7%, respectively.¹²

Other countries spend more equitably than Australia

Many OECD countries spend more money per high-school student (when public and private funding is combined) than Australia, including Norway, Finland, and South Korea (where families spend only a small amount on private school fees). However, in those countries, far fewer students attend fee-charging private schools, and governments contribute a much larger share of the total cost for high school

⁸ De Bortoli, Underwood and Thomson (2023) *PISA in Brief 2022: Student performance and equity in education*

⁹ OECD (2023) "Expenditure on educational institutions per full-time equivalent student", household spending on private educational institutions

¹⁰ Harris and Kowal (2026) "We looked at fees at 32 private schools. One is charging almost \$55,000", <https://www.smh.com.au/national/nsw/we-looked-at-fees-at-32-private-schools-one-is-charging-almost-55-000-20260113-p5ntpf.html>

¹¹ Seymour (2025) "Supporting school choice", <https://www.beehive.govt.nz/release/supporting-school-choice>; Cholezas (2018) "Private education in Greece", *Greek Economic Outlook*, https://www.kepe.gr/images/oikonomikes_ekselikseis/issue-37-en/private-education-in-greece-joannis-cholezas.pdf, pp. 80-95

¹² OECD (2023) "Distribution of enrolled students and graduates by type of institution", average of lower-secondary and upper-secondary categories

education. In other words, in Australia, the costs of educating young people are borne much more heavily by parents rather than the general public.

EXPENSIVE PRIVATE SCHOOLS DON'T LEAD TO BETTER EDUCATION

Parents often send students to private schools based on the misperception that such schools are able to offer their children a better education.¹³ Australia's growing rate of private school education suggests that this perception is strengthening. Indeed, as of 2023, Australians were significantly more likely to think their state/territory's private schools were performing well than their public counterparts.¹⁴ However, this perception does not reflect the reality found in the data.

In Australia and around the world, standardised tests are often used as the basis of inter-school and inter-education system comparisons. Standardised tests are not a perfect measure of school performance.¹⁵ However, they are useful as a direct way to compare the quality of different methods and systems of education provision and to compare changes in the measured performance of systems over time. The international PISA and domestic NAPLAN are two of the main tests used by Australian governments for these comparative purposes.¹⁶

In both PISA and NAPLAN, Australian Catholic and Independent schools tend to perform better than public schools. However, this apparent overperformance of private schools is almost entirely driven by the socio-economic backgrounds of their students.¹⁷ A wide range of studies show that students from wealthier families perform better academically for a variety of reasons, including the education of the parents, the amount of time spent by parents teaching pre-school and primary school children to read, disparities between languages spoken at home and at school and

¹³ Larsen et al (2023) "The public–private debate: school sector differences in academic achievement from Year 3 to Year 9?", *The Australian Educational Researcher*, pp. 275-277

¹⁴ Biddle (2023) "Attitudes towards education in Australia", *ANU Centre for Social Research and Methods*, p 13, <https://polis.cass.anu.edu.au/research/publications/attitudes-towards-education-australia>

¹⁵ Larsen (2024) "Are Australian students' academic skills declining? Interrogating 25 years of national and international standardised assessment data", *Australian Journal of Social Issues*, s. 4, <https://onlinelibrary.wiley.com/doi/full/10.1002/ajs4.341>

¹⁶ Larsen (2024) "Are Australian students' academic skills declining? Interrogating 25 years of national and international standardised assessment data", *Australian Journal of Social Issues*, s. 1, <https://onlinelibrary.wiley.com/doi/full/10.1002/ajs4.341>

¹⁷ Larsen et al (2023) "The public–private debate: school sector differences in academic achievement from Year 3 to Year 9?", *The Australian Educational Researcher*, pp. 300-301

access to tutoring.¹⁸ Unsurprisingly, children from wealthier families who are more likely to have benefited from such advantages are also more likely to go to fee-charging private schools. In turn, the apparent difference in the raw performance of the private and public school systems is dominated by the backgrounds of students attending the schools rather than the teaching ability of the schools.

In primary school NAPLAN results, public schools perform better than Catholic schools, and on par with independent schools, once socio-economic background is adjusted for.¹⁹ This shifts slightly at a secondary level, where public schools perform better than Catholic schools but slightly worse than independent schools.²⁰

This pattern is mirrored in the international PISA tests, which show Australian public high schools perform better than fee-charging Catholic schools and only marginally worse than independent private schools after adjusting for students' socio-economic background.²¹ Notably, the gap between Australian public and private schools in PISA results has actually declined since 2009 due to the greater declines in the performance of private schools, as shown in Figure 3.

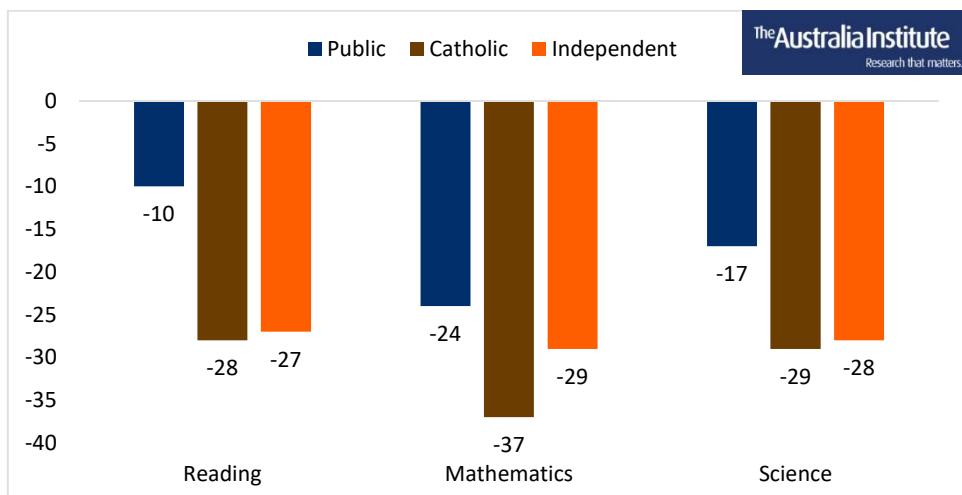
¹⁸ See for example: Lamb et al (2015) *Educational opportunity in Australia 2015: who succeeds and who misses out*, p. 25, <https://apo.org.au/node/58167>; Vadivel et al (2023) "The Impact of Low Socioeconomic Background on a Child's Educational Achievements", *Education Research International*, <https://onlinelibrary.wiley.com/doi/10.1155/2023/6565088>; Connors & McMorrow (2015) "Imperatives in Schools Funding: Equity, sustainability and achievement", pp.53-58, <https://research.acer.edu.au/aer/14/>

¹⁹ Larsen et al (2023) "The public–private debate: school sector differences in academic achievement from Year 3 to Year 9?", *The Australian Educational Researcher*, pp. 300-301

²⁰ Larsen et al (2023) "The public–private debate: school sector differences in academic achievement from Year 3 to Year 9?", *The Australian Educational Researcher*, pp. 300-301

²¹ De Bortoli, Underwood and Thomson (2023) *PISA in Brief 2022: Student performance and equity in education*, pp. 14-15, <https://research.acer.edu.au/ozpisa/56/>

Figure 3: Decline in PISA scores by school sector and category, 2009-2022



Source: De Bortoli, Underwood and Thomson (2023) *PISA in Brief 2022: Student performance and equity in education*; Cobbold (2023) “Private schools had the biggest decline in PISA Results”, <https://saveourschools.com.au/funding/private-schools-had-biggest-decline-in-pisa-results/>

While private school fees have been rising much more rapidly than the CPI over the past decade, Figure 2 makes clear that the relative performance of private schools has declined over the same period. Put another way, despite Australian private schools sometimes charging fees as high as \$55,000 per year, that price tag far from guarantees a better education.²² In the case of Catholic schools, parents are paying significant amounts to receive what is, on average, a lower-quality education than if they sent their children to public schools.

AUSTRALIAN PUBLIC SCHOOLS ARE UNDERFUNDED

Australian governments choose to provide significant public support to ‘private’ schools that charge high fees and spend large amounts of money on non-educational amenities and facilities. At the same time, they also choose not to provide enough funding to the public school system to meet the Commonwealth government’s own benchmarks.²³

²² Harris and Kowal (2026) “We looked at fees at 32 private schools. One is charging almost \$55,000”, <https://www.smh.com.au/national/nsw/we-looked-at-fees-at-32-private-schools-one-is-charging-almost-55-000-20260113-p5ntpf.html>

²³ Department of Education (2019) “Review of needs-based funding requirements”, p. 30, <https://www.education.gov.au/national-school-resourcing-board/review-needs-based-funding-requirements>

Under such unequal circumstances, the ability of Australian public schools to educate their students on par with their private counterparts is significant and surprising, considering public high schools face a funding shortfall of over \$4 billion each year.²⁴ The Australian Education Union has found that 56% of private schools receive more per-student funding from Australian governments than public schools with similar sizes, locations, levels of education and student needs.²⁵ In other words, most private schools receive more public funding per student than nearby public schools with the same educational needs.

The benchmark typically used to evaluate Australian school funding is the Schooling Resource Standard (SRS), which is a baseline per-student level of funding determined by a range of factors, including socio-economic disadvantage, disability, and Aboriginal and Torres Strait Islander status of the student body.²⁶ For non-government schools, the SRS is reduced by an estimate of parents and guardians' capacity to contribute (CTC), which estimates their ability to contribute financially to the school's operating costs based on their socio-economic status.

Only one Australian jurisdiction, the ACT, funds public schools at the level prescribed by the SRS. For non-government schools, this pattern is reversed, with seven of eight jurisdictions funding private schools to 100% or more of the SRS.²⁷ Private schools will only be weaned off this overfunding by 2029.²⁸ Meanwhile, public schools will have to wait until at least 2034 to receive their full SRS funding entitlements under the 2025 Better and Fairer Schools Agreement.²⁹

²⁴ Australian Education Union (2024) *A decade of inequity: How Australian governments have funded private schools above public schools since 2013*, <https://www.aeufederal.org.au/publications/research-papers>

²⁵ Australian Education Union (2024) *A decade of inequity: How Australian governments have funded private schools above public schools since 2013*, <https://www.aeufederal.org.au/publications/research-papers>; SBS (2024) “As high as \$7k per student: The funding gaps between private and public schools revealed”, <https://www.sbs.com.au/news/article/the-funding-gap-between-private-and-public-school-students-revealed/losih77r0>

²⁶ Department of Education (n.d.) “Schooling Resource Standard”, <https://www.education.gov.au/recurrent-funding-schools/schooling-resource-standard>

²⁷ Department of Education (2019) “Review of needs-based funding requirements”, p. 30

²⁸ Duffy (2025) “Significant progress made to end school funding wars as two more states sign on for public school funding deal”, <https://www.abc.net.au/news/2025-01-24/albanese-school-funding-announcement-gonski-review/104855794>

²⁹ Department of Education (2025) “The Better and Fairer Schools Agreement (2025-2034)”, <https://www.education.gov.au/recurrent-funding-schools/national-school-reform-agreement/better-and-fairer-schools-agreement-20252034>

While the Northern Territory has the lowest funding for both government and non-government schools, non-government schools in the NT receive 98% of their SRS funding, whereas government schools receive just 81%.

The 2025 Better and Fairer Schools Agreement binds the Commonwealth, states and territories to fully fund all schools up to the SRS baseline by 2034.³⁰ If fully implemented, this would be a long overdue step towards reducing the stark disparities between public and private schools in Australia. However, the lengthy nine-year timeline for its implementation will still leave most current public school students with an underfunded education for the entire duration of their school life.

Australia's schooling system has become increasingly segregated

From 2006 to 2015, most developed countries reduced the share of disadvantaged students attending disadvantaged schools, a key measure of socio-economic segregation.³¹ In Australia, the opposite was true, with disadvantaged students becoming 5% more concentrated in disadvantaged schools – the second-highest increase in the developed world. This not only leads to increased disparities between disadvantaged and advantaged students, but also makes Australia's schooling system substantially less efficient as a whole.³²

³⁰ Department of Education (2025) "The Better and Fairer Schools Agreement (2025-2034)", <https://www.education.gov.au/recurrent-funding-schools/national-school-reform-agreement/better-and-fairer-schools-agreement-20252034>

³¹ Department of Education (2023) *Improving Outcomes for All*, p. 78, <https://www.education.gov.au/review-inform-better-and-fairer-education-system/resources/expert-panels-report>; OECD (2018) *Equity in Education: Breaking Down Barriers to Social Mobility*, https://www.oecd.org/en/publications/equity-in-education_9789264073234-en.html

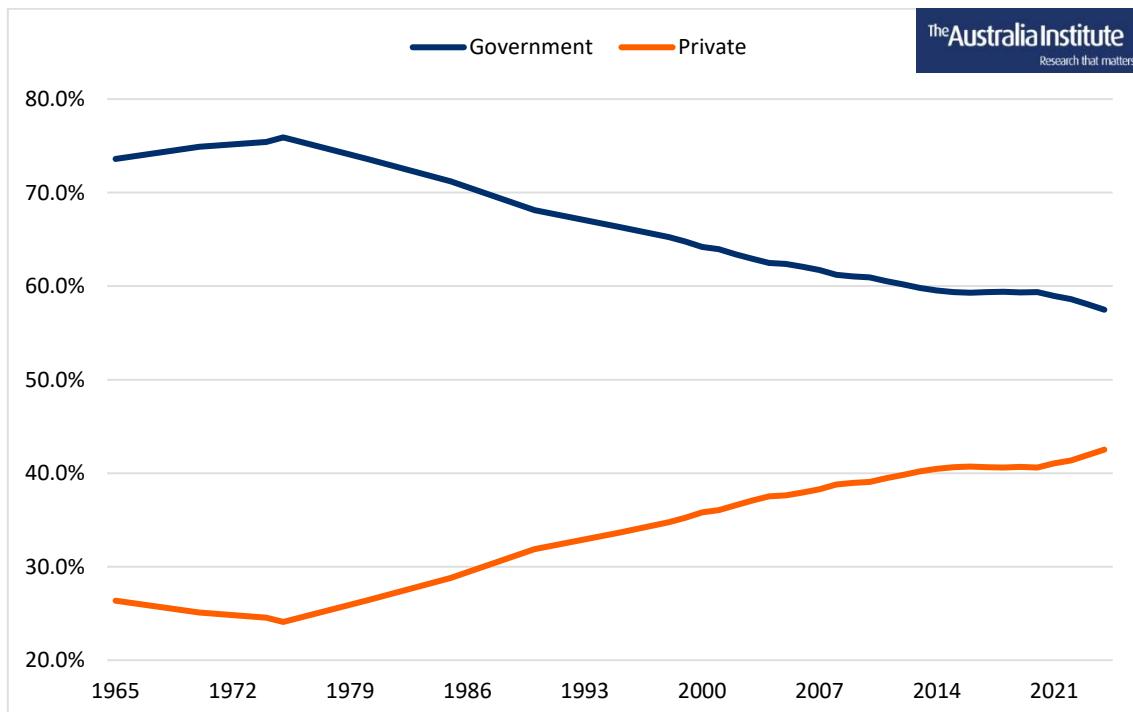
³² Sciffer (2025) "The Systemic Inefficiency of Australian Schools: A Policy and Measurement Review", *Australian Journal of Social Issues*, <https://onlinelibrary.wiley.com/doi/full/10.1002/ajs4.70004?msockid=1ced98a1bdf16c581db98ea1bcd96d11>

PRIVATE SCHOOLS ARE GROWING

In the United States, 9% of high school students attend fee-charging private schools. In the United Kingdom, only 8% do.³³ And in both those countries, private schools teach fewer students than they did a decade ago.³⁴

In Australia, however, private schools have grown dramatically over the past five decades. As shown in Figure 4, private high schools now teach over 42% of students, up from just 24% in 1975.

Figure 4: Share of Australian students in public and private high schools



Source: Australian Bureau of Statistics (2025) "Number of full-time and part-time students, 2006-2024", <https://www.abs.gov.au/statistics/people/education/schools/latest-release>; Australian Bureau of Statistics' National School Statistics for 1965, 1970, 1974-75, 1980, 1985, 1990, 1995 and 1998-2005, <https://www.abs.gov.au/statistics/people/education/schools>

In 2006, just under 38% of Australian high school students were in either Catholic or independent private schools. By 2024, that rose to 42.5%, with the growth coming

³³ OECD (2023) "Distribution of enrolled students and graduates by type of institution", average of lower-secondary and upper-secondary categories

³⁴ National Center for Education Statistics (2024) "Private School Enrollment", <https://nces.ed.gov/programs/coe/indicator/cgc/private-school-enrollment>; UK Government (2025) "School characteristics", statistics.service.gov.uk/data-catalogue/data-set/9556adc9-c5f3-4b9c-af2e-01e2a5e5901e

mostly from non-Catholic private schools. The rise was gradual, with around 0.25% of students shifting from the public to the private system each year. If that trend were to continue, most Australian high school students would be educated in private schools by 2055.

In addition to private schools steadily growing their market share and student numbers, the fees they charge are also rapidly increasing. Across Australia, fees are 7% higher for 2026 than they were in 2025.³⁵ Private schools regularly blame inflation for rising fees.³⁶ However, the average 2025-26 fee hike was more than double the rate of inflation.

CONCLUSION

Australian private schools are growing, and the public education system remains severely underfunded according to the preferred indicator of successive governments, the SRS.

Growing inequality in Australia's school system risks entrenching a two-tiered education system and leaving disadvantaged students behind.

Australian families spend more on high school education per student than in any other developed country. This is because of Australia's unusually high rate of private schooling and very high private school fees. Combined, they mean Australian families spend an average of \$4,967 for each year of high school, more than in New Zealand, the United Kingdom or the United States.

These problems have their roots in Australia's high rate of private-school education, an outlier compared with other developed countries. And, unlike in countries such as the United Kingdom and the United States, Australian private schools are growing. If the trend over the last two decades continues, most Australian high school students will be educated in private schools by 2055.

Australia's school system is highly unusual, the product of a series of deliberate choices by Australian governments, choices that will lead to a highly unequal Australia without a change in course.

³⁵ Bowes and Penny (2025) "Private school fees to rise at more than double the rate of inflation", <https://www.afr.com/work-and-careers/education/private-school-fees-to-rise-at-more-than-double-the-rate-of-inflation-20251114-p5nfgn>

³⁶ McMorrow and Connors (2025) "The inflation myth propping up private school privilege"

As it stands, wealthy Australian private schools like Scots College in Sydney and Geelong Grammar can afford to build private swimming pools while underfunded public schools can't even repair some of their classrooms.³⁷

That said, despite these severe funding gaps, public high schools perform roughly on par with, or better than, their independent and Catholic counterparts, and the growth in private schooling has not led to better academic results for Australian students.

The current system is costly and increases the social distance between the education of students at well-funded private schools compared with those at underfunded public schools. Without a change in course, the inequalities between private and public education will continue to increase, and Australian students, along with our society and economy, will suffer for it. If money were diverted from private schools that can afford to waste it on rifle ranges, and towards public schools to afford more teachers and textbooks, the benefits to Australia would be significant.

³⁷ Carroll and Morris (2025) "Scots College built a \$60 million library, but where are all the books?", <https://www.smh.com.au/cbd/scots-college-built-a-60-million-library-but-where-are-all-the-books-20250912-p5mukw.html>