

The real financial cost of educating children



How much could you expect to pay for your child's schooling?

ASG's Education Cost Estimates

Figures covered in the following document assume that a child will attend preschool at four years of age and attend school at five years.

As the school year structure in South Australia differs to the rest of the country, please refer to asg.com.au/edcosts for individual state and territory breakdowns.

If you want to speak with one of our advisors on planning for your child's future - call us at Sydney Financial Planning on (02) 9328 0876 to discuss your options.

Metropolitan Australia Estimated Schooling Costs: Child born in 2017

School Type	Year	Government	Systemic (Eg Catholic)	Private
Preschool*	2021	\$2,818	\$5,525	\$8,506
(Kindergarten or Early Childhood Centre)		(National figures, based on 15 hours per week)	(National figures, based on 15 hours per week)	(National figures, based on 15 hours per week)
State Child Is Attending School		VIC QLD NSW WA TAS NT No Government preschool fees for ACT	VIC QLD NSW WA TAS NT	VIC QLD NSW WA TAS NT
Primary		(Years Prep to Year 6 [7 years])	(Years Prep to Year 6 [7 years])	(Years Prep to Year 6 [7 years])
Prep	2022	\$3,405	\$8,145	\$18,476
Year 1	2023	\$3,465	\$8,421	\$19,249
Year 2	2024	\$3,526	\$8,713	\$20,063
Year 3	2025	\$3,590	\$9,678	\$20,918
Year 4	2026	\$3,659	\$9,341	\$21,819
Year 5	2027	\$3,731	\$9,018	\$22,761
Year 6	2028	\$3,805	\$10,033	\$23,754
Total Primary		\$25,181	\$63,349	\$147,040
Secondary		(Years 7 to 12 [6 years])	(Years 7 to 12 [6 years])	(Years 7 to 12 [6 years])
Year 7	2029	\$6,277	\$24,845	\$47,851
Year 8	2030	\$6,457	\$26,177	\$50,577
Year 9	2031	\$6,651	\$27,593	\$53,473
Year 10	2032	\$6,857	\$29,098	\$56,548
Year 11	2033	\$7,071	\$30,694	\$59,814
Year 12	2034	\$7,301	\$32,391	\$63,284
Total Secondary		\$40,614	\$170,798	\$331,547
School Costs -TOTAL		\$68,613	\$239,672	\$487,093

How ASG Education Costs Estimates Were Calculated

Assumptions:	These figures assume that a child will attend preschool at four years of age and attend school at five years. As the school year structure in South Australia differs to the rest of the country, please refer to asg.com.au/edcosts for individual state and territory breakdowns
Source:	<p>ASG conducted an online education costs survey among its members during September 2015. The surveys covered preschool, primary and secondary school. In all, ASG received more than 5,600 survey responses. The survey asked parents to estimate the costs associated with tuition fees and levies (including voluntary contributions), extracurricular activities, clothing, necessities such as books and stationery, travel expenses and computer costs (including internet) that they paid for their children in preschool, primary, or secondary schooling at government, systemic (eg Catholic), and private centres and schools.</p> <p>Estimates of expenditure, being based on a sample rather than a census, are subject to sampling error. As such there is a level of uncertainty about actual expenditure, which depends on the sample size and inherent variability of expenditure. In order to reduce this uncertainty, cost estimates for 2016 were derived using a combination of 2013 survey data, adjusted for inflation reported by the Australian Bureau of Statistics (ABS), and survey data from 2015. A survey was not conducted in 2016. Therefore the annual CPI change for the relevant categories reported by the ABS has been applied to costs obtained last year to derive base costs for analysis this year.</p>
Location:	ASG's Education Costs survey collected metropolitan and regional costs data based on information supplied by its members.
Education Costs Data:	National, state and territory education costs estimates are available from ASG's website – www.asg.com.au . ASG encourages parents to estimate the future costs of their children's education using ASG's Education Costs Calculators – www.asg.com.au/education-calculator ASG provides the media with the estimated 2017 school costs and the total costs of schooling for a child born or beginning preschool in 2017. This information is available at: www.asg.com.au/edcosts
Summary Amounts:	Summary amounts include tuition fees and levies (including voluntary contributions), extracurricular activities, clothing, necessities, travel expenses and computer costs (including internet). ³
Fees:	Includes total tuition and/or annual fees, charges, levies (including voluntary levies), and fundraising contributions before government assistance.
Extracurricular:	Includes items such as outings, camps, private tuition/coaching, music lessons, instruments and sports equipment, sport/gym/drama/art/dance classes, or any other extracurricular activity costs appropriate to the stage of schooling for each child. ⁵
Clothing:	Includes school-related special clothing requirements, basic school uniform – summer and winter, blazer, shoes, sports kit appropriate to the stage of schooling for each child. ⁶
Necessities:	Includes items such as stationery, textbooks, school bags, art and craft materials, and other necessities appropriate to the stage of schooling for each child.
Travel:	Includes items such as car travelling expenses (calculated on the basis of travel for one child), public transport tickets and school buses
Computer:	Includes computer hardware and software (eg purchase or rental of desktop computer and/or laptop computer, software applications and programs, computer levies, etc) and internet access costs at home and/or at school. Computer and internet costs were not included in the preschool estimates.

How ASG Education Costs Estimates Were Calculated - continued

<p>Indexation:</p>	<p>To provide these estimates, derived 2017 costs are increased at an average growth rate, based on the past 10 years of the relevant Consumer Price Index (CPI). Projecting future economic performance is not ASG's area of expertise and it makes no claims to this effect. Nevertheless, an allowance for inflation must be made in order to provide meaningful estimates of future education costs. The projected costs are all in current dollar terms, as this is the basis which most consumers understand. There has been no adjustment for the time value of money. Future price movements will be subject to factors such as the dollar exchange rate, government policy, and other factors which ASG makes no attempt to predict.</p> <ul style="list-style-type: none"> * Preschool education is projected to increase at an average annual rate of 5.08% over the next 20 years. * Primary education is projected to increase at an average annual rate of 5.08% over the next 20 years. <p>Secondary education is projected to increase at an average annual rate of 6.23% over the next 20 years.</p> <ul style="list-style-type: none"> • Extracurricular activities are projected to increase at an average annual rate of 2.10% over the next 20 years. • Children's clothing and footwear costs have actually dropped over the past 10 years, and are projected to continue decreasing at an average annual rate of 0.56% over the next 20 years. • Necessities are indexed by the Books CPI Sub-Index which is projected to increase at an average annual rate of 0.57% over the next 20 years. • Transport costs are projected to increase at an average annual rate of 0.55% over the next 20 years. • Computers and computer-related costs have actually dropped over the past 10 years, and are projected to continue decreasing at an average annual rate of 3.90% over the next 20 years, as technology improves and is more widely adopted according to the computing and telecommunications sub-index. • All education is projected to increase at an average annual rate of 5.18% over the next 20 years • The All Groups CPI index is projected to increase at an average annual rate of 2.35% over the next 20 years. This is consistent with the Reserve Bank of Australia's target of keeping inflation within the band 2% to 3% per year, on average.
<p>Weighting:</p>	<p>Note: Preschool costs are presented as national averages based on participation. For primary and secondary school costs, the national average has been calculated from the state data. Because ASG has more members in some states, the national average was weighted to reflect the Australian population of people aged five to 18 years.</p>
<p>Important note:</p>	<p>These figures are the average estimated costs and represent the highest amount parents and families could expect to pay. Figures have been rounded and are provided as a guide only. ASG cannot guarantee that they will represent the actual costs of education for a particular child.</p>

Source: ASG - Australian Scholarship Group Friendly Society Limited - 2017.

Suite 13, Level 2, Edgecliff Mews
201 New South Head Road
Edgecliff, NSW 2027

T 02 9328 0876
F 02 9326 1438

email@sdneyfinancialplanning.com.au
www.sdneyfinancialplanning.com.au

We are a Certified Quality Advice Practice, awarded by AMP. Certification is based on our industry qualifications, demonstrated best practice operations and proven success in meeting the financial planning needs of clients.

William Bruce Bracey trading as Sydney Financial Planning and W Bracey Sydney Financial Services is an authorised representative of Charter Financial Planning Limited, ABN 35 002 976 294, AFS Licence No. 234665, member of the AMP Group.

This document provides general information only. Before making any financial or investment decisions, we recommend you consult a financial planner to take into account your particular investment objectives, financial situation and individual needs. Charter Financial Planning and its Authorised Representatives do not accept any liability for any errors or omissions of information supplied in this document.

