

What should we do with Gonski?

Reviewing the Review – An Analysis of
the Gonski Review of School Funding

April 2012

ABBREVIATIONS

ABS	Australian Bureau of Statistics
ACER	Australian Council for Educational Research
COAG	Council of Australian Governments
ISCA	Independent Schools Council of Australia
DEEWR	Department of Employment, Education, Training and Workplace Relations
NAPLAN	National Assessment Program – Literacy and Numeracy
PISA	Programme for International Student Assessment
SRS	Schooling Resource Standard

Independent Schools Queensland commissioned this paper to promote informed debate on policy issues in school education.

The author accepts full responsibility for the views expressed herein. Independent Schools Queensland does not necessarily support all of these views.

1. Aims of Issues Paper

The Public Policy Institute of the Australian Catholic University has been commissioned by Independent Schools Queensland (ISQ) to prepare a research paper analysing the recently released report of the *Gonski Review of Funding for Schooling* (henceforth called the Gonski Review and/or Gonski Report) from a public policy perspective.

This follows three reports the Public Policy Institute completed last year for the Independent Schools Council of Australia (ISCA). These were:

- **Equity and Education** (April 2011)
- **Choice and Values** (May 2011)
- **Parental Contributions to Education** (November 2011)

Copies of these papers are available from www.acu.edu.au/ppi or by contacting the Public Policy Institute.

The PPI also made a considerable contribution to inform public debate about this important issue of school funding through numerous articles and commentaries in the national media and addresses at major conferences and other public events. These are also available from the PPI website.

While there has been, and will continue to be, extensive detailed discussion about the intricate details of the Gonski Report from the perspective of education, teachers, unions, government and non-government schools and the various groups within those sectors and Commonwealth and state governments, this research report has a different focus. It seeks to assess the Gonski Review and its recommendations from a public policy perspective.

This involves reviewing the Gonski Report in terms of its process as well as its substance. There is considerable literature about the importance of an effective process in developing 'good' policy (Althaus et al 2007; Edwards et al 2001; Queensland Government 2000). As Bridgman and Davis (1998:27) suggest:

Experience shows that good process is integral to consistently good policy. While some very poor policies have grown out of the most rigorous process, it is rarer for good policy to grow from a haphazard approach.

Good process means having clear steps in collecting views and information, using appropriate instruments for that role, and in analysing the data gained and communicating the results of that analysis at appropriate intervals to clarify the issues, establish benchmarks and to identify areas of disagreement. Of course, good process, while contributing to the development of 'good' policy can only go so far. It alone cannot lead to 'policy heaven' where all issues are agreed, all differences resolved and key policy problems resolved.

It also means assessing the Gonski Report in terms of its policy thrust. All policy must face tests other than just good process. This is where 'good' policy fits. This concerns the use of evidence in its policy proposals (Banks 2009) and the 'doability' of those proposals in terms of cost, effectiveness, benefits, administrative arrangements and legal and constitutional boundaries. Ultimately all policy proposals must also pass the 'good' politics test in terms of who is willing to pay, how much and the level of support from both stakeholders and the broader public (see Edwards et al 2001:184; Prasser 2006a). 'Good' politics matter and must be considered in relation to any new policy initiative or major review of a long standing policy like school funding.

Consequently, this paper will assess the Gonski Review from three perspectives:

- **First**, in terms of process with particular reference to its role **as a public inquiry**, a long used mechanism in Westminster democracies and especially in relation to education policy in Australia. This means assessing the Gonski Review in terms of how its processes compare with the long used roles and processes of other public inquiries. The issue is whether the Gonski Report is "*one of the best independent reports to government for many years*" (Bartos 2012) or was a poorly run inquiry, a lost opportunity as both a review and policy renovator (Prasser 2011).
- **Second**, as a **contributor to public policy** in the specific field of education in relation to its: breadth, selection of appropriate issues, tackling of policy 'problems' and use of evidence, and where the Gonski Report fits in the continuum of Australian education policy development.
- **Third**, by assessing the Gonski Report from these two previous perspectives the paper also seeks to consider the options facing the independent school sector in how it should respond to the Gonski Report's recommendations and its current array of post-reporting processes. What are the risks and rewards and options facing the independent school sector in relation to these? Some suggestions are made.

The paper is structured into four sections:

- **Gonski as a public inquiry – what should we expect and what Gonski did**
- **Gonski as a contributor to policy – what it recommended and how these match with 'good' policy development**
- **Responding to Gonski – risks and rewards**
- **Conclusions**

2. Gonski as a public inquiry

Defining public inquiries and why they are appointed

Public inquiries as a means to investigate allegations of impropriety or to provide advice on some particular policy issues have a long history in Westminster democracies. Prior to federation the Australian colonies, emulating the practice in the United Kingdom, appointed numerous public inquiries across a vast array of topics. The new Commonwealth appointed its first public inquiry only a few months after parliament began to sit. Indeed, one of the earliest pieces of legislation passed by the new 1901 Parliament, introduced by then Attorney-General Alfred Deakin, was the *Royal Commissions Act 1902* to give appropriate powers to the aforementioned hastily appointed royal commission. Since then, more than 128 royal commissions and 500 general public inquiries have been appointed by successive Commonwealth governments. Many more have been appointed by the states. The recent 2011 *Queensland Flood Commission of Inquiry* and the 2009 *Victorian Bushfire Royal Commission* are contemporary examples of one type of public inquiry often appointed – inquiries into natural disasters.

Public inquiries are temporary, ad hoc bodies appointed by executive government with clear terms of reference and reporting timeframes, with membership drawn from outside of government including neither current public servants nor elected officials. Membership may be independent, expert, representative of key stakeholders or a combination of these. Their processes and reports, unlike those of consultants or internal departmental reviews, are to be public

Public inquiries can take various forms – some are royal commissions or similar type bodies appointed under specific legislation with real powers of investigation, to call witnesses, to take evidence under oath and to compel testimony and to protect witnesses from defamation. Inquisitorial inquiries investigating allegations of wrongdoing, impropriety or seeking to identify the causes of some catastrophic event or accident are usually of this type. Other inquiries may be appointed without any underpinning legislation and operate in a more informal way. These can be reviews, taskforces, committees and working parties that gain support and cooperation by their status and the importance of their topic. They are usually what are called ‘policy’ inquiries seeking to resolve some particular problems by the knowledge and expertise they bring to bear including ‘evidence’ collected from interested parties.

Public inquiries can be appointed for rational problem-solving reasons – to gather facts, conduct research, garner expert advice, provide analysis, test ideas, assess options and to provide ‘solutions’ to policy problems. In the case of inquisitorial inquiries, they may also be expected to allocate responsibility and to identify the causes of some crisis event. Public inquiries are meant to make recommendations about the issue they have been asked to address. They are not just another

academic research report, but must connect to the practical aspects of public policy in the application of their proposals (Prasser 2006b: 70-78; Stutz 2008).

As public inquiries involve a significant investment of public resources we expect them to have transparent processes, to gather information effectively and to digest the evidence, establish the facts, to consider alternatives and to test possible solutions with an engaged public before making recommendations to government. Public inquiries can also perform the legitimate role of promoting not just understanding about complex issues, but also in forging agreement about the nature and extent of an issue and building consensus about what to do so as to overcome partisan rejection, stakeholder sabotage and policy inertia.

At the same time, public inquiries do serve political purposes. Some of these may be legitimate and pragmatic – to highlight concern, to show interest, to flag new policy directions and to give governments time to think and assess situations. Sometimes these political purposes can be of the more politically expedient variety – to delay and even avoid decision making, to manage issues off the agenda, to pacify or to occupy stakeholders with no intention of policy action, to co-opt critics and to legitimise decisions already made through the public inquiry processes of consultations, public submissions and draft and final reports (Prasser 2006b: 78-89).

Whether a public inquiry is appointed for legitimate reasons or just for political expediency is not always easy to discern, but some tests include:

- Terms of reference – how wide, restrictive
- Membership – how independent, expert, partisan, self-interested
- Timeframes and resources – how rushed
- Processes - how open, transparent, research-based
- Recommendations – how evidence/research-based, biased, connected to terms of reference
- Post inquiry processes – how well planned for progressing recommendations

Of course, for many the ultimate test of any public inquiry is whether their recommendations are implemented or not. Non-implementation suggests an inquiry was some stage managed activity to get the government off an embarrassing political hook, to smother an issue or no more than a symbolic expression of concern. Looming elections and sensitivity concerning particular issues or personnel figure here. Certainly non-implementation of recommendations, as one observer noted, is the area where there is the “greatest degree dissatisfaction” with inquiries (Bulmer 1983: 441) reflecting the view that public inquiries are “not so much for digging up the truth, but for digging it in” (Herbert 1961: 263-4). And governments have been known to undermine the very inquiries they have appointed by all sorts of means – accepting them ‘lock, stock and barrel’ without proper resource allocations or even understanding of what they may mean to organisations culturally or professionally; neglect; bureaucratising them through a complicated range of public service committees; promising even further consultation; criticising them – from

nitpicking to outright attack of both the report and the inquiry members (Prasser 2006b: 146-150).

Assessment of the Gonski Review

Clearly, the Gonski Review is a public inquiry of the policy advisory type. It was appointed in April 2010 by the then Deputy Prime Minister and Minister for Education, Julia Gillard, in the Rudd Labor Government. It was to “provide recommendations to the Minister ... on the future funding arrangements for schooling” with particular reference to transparency, fairness, financial sustainability and effectiveness. There was a range of other sub-issues for Gonski to assess such as: links between funding and school outcomes; funding mechanisms; the role of families and parents; education partnerships; and federal-state relations (see **Appendix 1**).

The Gonski Review was appointed for legitimate policy reasons. The need for an objective and comprehensive exploration of school funding was widely accepted. Current funding arrangements are greatly in need of repair. Having an independent, well resourced, expert committee outside of executive government to review such a difficult policy issue is accepted as an effective mechanism and an opportunity for sound and lasting reform. The use of public inquiries to advise Commonwealth and state governments about education – from primary to secondary schools, technical education and universities, has also long been a feature of public policy development in Australia (Smart and Manning 1986; see **Appendix 2** for list of Commonwealth public inquiries in education since 1949).

Also, although funding the non-government sector has long been an area of settled public policy supported by both sides of politics, there has remained a residue of confusion and deliberate perpetration of myths about how funding works, who gets what, and why, and who pays.

There were other drivers for the review. Issues of the quality and performance of the Australian education sector have become a concern given regular international reporting that indicates some slippage in Australia’s results and international standing. Further, the development of more open processes of school reporting within Australia have triggered debate about individual school and sector performance as well as achievement by particular groups of students. Another factor is the continuing drift of enrolments to the non-government sector since the last major review of funding under the Howard Government in 1998. The issue as perceived by some is that this reflects lopsided funding arrangements that favour the non-government sector. Concern about the elitist issue, that non-government schools cause social divides and undermine democratic citizenship, has also been raised (see Reich 2007: 711; PPI Issues Paper 2 2011: 5-6).

Then Deputy Prime Minister Gillard (2010) summed up these issues and in particular the need for cool assessment of the issues by an external independent review when explaining why she had appointed the Gonski Review:

It [school funding] ignites such passion because how we resource schools goes directly to the aspirations that Australians have for the future – for their children, for their communities, for their sense of potential and fairness in Australian society. In the past, the question of school funding has been used to divide the Australian community, to pit school against school and school system against school system. My intention is not to follow this path, but to seek a constructive and open approach to the questions of school funding.

The Gonski Review had the trappings of a good public inquiry, operating transparently, consulting extensively and relying on research, but it failed on several counts.

First, after its initial public consultation, the Gonski Review produced an *Emerging Issues* paper which documented the predictable range of conflicting views, but stopped well short of exploring their policy implications. Effective consultation is more than just listening. It needs to improve understanding of other perspectives and challenge fixed positions. Gonski failed to do this.

Second, the Gonski Review garnered significant amounts of information from more than 7,000 submissions. While the Review would claim that its processes were transparent with all this information housed on a website located within the Department of Employment, Education, Training and Workplace Relations (DEEWR), these were in an undigested and indigestible form. This obfuscates rather than clarifies the substantive issues under review. Another failure.

Third, the Gonski Review appeared too close to and dependent on DEEWR. While public inquiries often have close links to their sponsoring department, they need to show that they are not captive and remain at arm's length. This is especially important in relation to school funding where DEEWR is not seen as an independent player. The ongoing politicisation of the Australian Public Service has had a detrimental effect on the offering of independent advice to governments (Stewart 2008).

Fourth, the Gonski Review most seriously failed during this process in its unwillingness to provide any detailed analytical commentary on the 600 pages of output from its four major commissioned research studies released at the end of August. This research underpinned the Review's final conclusions, yet the Gonski paper that accompanied this research did no more than note what the researchers were asked to investigate, giving no inkling of their main conclusions. Instead, stakeholders were given an unreasonably short time to draw their own conclusions from the research. By not producing its own discussion paper and response to the research and submissions that would reflect the expert knowledge and experience of its eminent members, the Gonski Review failed to meet the standard of a sound public inquiry. Instead, those making submissions were left with their own views

intact and unchallenged, and the task of analysing and responding to the commissioned research studies was left to individual stakeholders and the public.

Moreover, there were particularly important issues in those research studies that the Gonski Review needed to address if it was to be an effective independent inquiry. In two of the four studies, these refer to the rather blatant ideological underpinning of the supposed objective studies. For instance, the Nous Group's research report (Nous 2011) on *Schooling Challenges and Opportunities*, commissioned by the Gonski Review, was based on the contestable, if not flawed, premise that Australian schools exercise a high degree of academic selectivity. It was also based on a narrow measure of school outcomes and was selective in its own reliance on research. A public inquiry has an obligation to oversee commissioned work so that it is objective and balanced and considers all relevant research and data, including findings from reputable sources that may not fit neatly with the researchers' own predispositions. It is disappointing that the Gonski Review in its final report relied so extensively on such a flawed research report as that provided by the Nous group.

The Nous Group report (Nous Group 2011) could have examined a wider set of measures for school effectiveness than PISA results, such as Year 12 outcomes. It could have analysed the extensive national and international research that demonstrates how school-related factors such as choice, autonomy and accountability make a difference to achievement and reduce the dependence of student achievement on socio-economic background.

Similarly the study undertaken for the Review on the effectiveness of funding for disadvantaged students (Rorris et al 2011) adopts a distinctly anti non-government schools stance, ignores a substantial body of evidence that take a counter view, and draws unsubstantiated conclusions.

This bias undermines the Gonski Review's credibility as a public inquiry particularly as the final report placed considerable reliance on both the Nous Group and Rorris research (17 and 11 citations respectively). If a public inquiry is incapable of considering all the evidence, digesting it and engaging meaningfully with stakeholders over its implications, then as a mechanism of government policy-making it is as flawed as the public bureaucracy has proven to be.

3. Gonski as policy developer in school funding

The policy objective set by the Rudd and Gillard Governments for the Gonski Review is effectiveness in promoting excellent educational outcomes for all Australian students. These twin policy goals of excellence and equity, consistent with the Melbourne Declaration, are foremost in the Review's terms of reference (**Appendix 1**). The terms of reference also call for consideration of a range of other policy issues, including choice and diversity, private investment, baseline funding and the role of the different layers of government.

While all these policy issues are mentioned in the Gonski Report, there is an overwhelming emphasis on the one policy objective of equity, arguably to the detriment of the equally important goal of excellence. The Report fails to consider the large body of research about the major factors associated with higher school achievement and puts its faith in "the money myth" – the assumption that additional funding is what is needed, despite evidence that the important factor in education achievement is not how much funding is provided, but how funding is invested.

The Report does not examine the effectiveness of different funding approaches in different contexts, nor assess the particular strengths of the Australian schooling system, characterised as high performing, average equity and with a strong government and non-government sector. There is minimal, if any, analysis of other policy goals such as choice and the role of private investment. In proposing 'rebalancing and realignment' of Commonwealth and state roles and responsibilities, the review appears to be replacing one complex but transparent and understandable system with an equally complex approach. As a result, the Report does not provide a strong policy rationale either for the major changes it proposes, or for continued public support for non-government schooling.

In reviewing the Gonski Report as a contributor to public policy, six key areas have been selected:

- 1. Excellence**
- 2. Equity**
- 3. Choice and diversity**
- 4. Private investment in schooling**
- 5. Commonwealth and state responsibilities**
- 6. Base grant entitlement for all students**

Policy Issue 1: Excellence

Policy objective

The starting point for Gonski is Australia's declining school performance and the need to raise school achievement across the board. This quest for better education outcomes is traditionally at the heart of public investment in schooling, for the sake of national productivity and economic growth.

Present situation

As Gonski reports, based on PISA 2009 results, Australia has a relatively high-performing schooling system when measured against international benchmarks. During the last decade however, the performance of Australian students has declined at all levels of achievement, notably at the top end. This decline at the top has contributed to a fall in Australia's international position:

- In 2000, only one country outperformed Australia in reading and scientific literacy and only two outperformed Australia in mathematical literacy. By 2009, six countries outperformed Australia in reading and scientific literacy and 12 outperformed Australia in mathematical literacy;
- Australia is the only high performing country whose performance in literacy has shown a significant decline between 2000 and 2009;
- ACER has noted, as "a more worrying trend", the decline in the reading achievement of boys – more boys are failing to achieve at the lower levels, and fewer students of either sex achieve at the higher levels.

In addition to this declining performance across the board, Australia has a significant gap between its highest and lowest performing students. This performance gap is greater in Australia than in many OECD countries, particularly those with high-performing schooling systems, although Australia's classification as an 'average equity' country in 2009 is actually an improvement on its low-equity classification in 2000. This improvement is explained by the fact that a smaller number of students from high socioeconomic backgrounds are performing at the highest proficiency levels – that is, by the reduction in performance at the top end.

Gonski's proposals

The main Gonski proposals directed at improving outcomes are the development of a schooling resource standard (SRS), to be calculated as the cost of achieving excellent results, and for additional recurrent funding to flow to concentrations of disadvantage (Indigenous, low SES, remote) and disability.

The Report pays scant attention to the decline in performance at the top, apart from a brief reference:

In addition to supporting the performance of educationally disadvantaged students, Australia must continue to focus on maintaining the performance of its highest achieving students. Australia cannot afford to improve its social gradient line at the expense of lowering the performance of these students.
(Gonski:106)

No funding measures are proposed to this end.

Instead, Gonski's recommendations focus on the particular categories of students not meeting minimum standards. A direct connection is made between low levels of achievement and educational disadvantage, particularly among students from low socioeconomic and Indigenous backgrounds and those attending remote schools. The increased funding proposed is to be directed to those students and schools, especially schools experiencing concentrations of disadvantage.

Policy critique

The Gonski Report does not relate the data on Australia's declining performance in PISA during the last ten years to data showing a considerable increase in per student funding during the same period. Nor does the Report discuss the extensive body of research that questions the connection between funding levels and schooling outcomes, even though this is well-covered in research commissioned by the Inquiry itself (Deloitte Access Economics 2011; Allen Consulting Group 2011).

The Grattan Institute reports an increase in education expenditure between 1995 and 2006 of 41% (in real terms) (Jensen et al 2010). The Prime Minister (Gillard 2012) referred to an increase of this size on 20 February 2012:

The Australian Government has demonstrated its commitment to investing in education since 2007 through the billions of extra dollars it has put into Australian schools, almost doubling the spending of the previous government and delivering major national reforms.

The Productivity Commission's Report on Government Services 2012 cites annual increases in public expenditure per student between 2005-06 and 2009-10 of 2.1% - 2.7% in government schools and 0.7% in non-government schools. Yet this increased funding has not led to better outcomes.

Research cited in the Allen Consulting report (2011) commissioned by the Gonski Review confirms the weak relationship between spending and education outcomes, and calls for a greater concern with capacity building:

coming up with the 'right' funding formula is not the heart of the matter since money, always necessary but not sufficient (NBNS), still needs to be translated into effective resources [including compound, complex and abstract resources usually ignored in policy discussions]. (drawn from Norton Grubb 2009, The Money Myth – School Resources, Outcomes and Equity)

Grubb (2009:288) advocates replacing the myth of money with improved approaches to school resources:

Money can be spent with few effects on outcomes ... The only alternative then is to work over-time to understand a different approach to schooling, to implement the many interconnected elements necessary for a complex and constructivist approach, and to provide both the complex array of school resources and the non-educational policies necessary to realise this vision.

A similar message is delivered by experts examining the success factors for schooling in Finland (Sahlberg 2011: 57):

there is no correlation between the quality of an education system as measured by the PISA study and the level of financial investment in education.

The report by Ben Jensen et al from the Grattan Institute released in February 2012, only days before the Gonski Report, highlighted the fact that increased education expenditure often comes with disappointing results. The four high performing countries studied (Hong Kong, Korea, Shanghai, Singapore):

focus on the things that are known to matter in the classroom, including a relentless, practical focus on learning and the creation of a strong culture of teacher education, research, collaboration, mentoring, feedback and sustained professional development. . . . [They] are not afraid to make difficult trade-offs to achieve their goals.

The research evidence therefore points clearly to dangers in overplaying the importance of resources, rather than acting through school and system initiatives. The school and system factors which have a known association with higher education outcomes, such as a focus on the early years, school autonomy (in certain dimensions), teacher quality, accountability for results, choice and competition (combined with information and appropriate accountability), effective targeted funding and parental engagement, are well known and well canvassed in national and international research studies.

While the Gonski Report mentions the need for additional resources to be invested in improved teaching practices, strengthened leadership to drive school improvement, early intervention for students at risk of underperformance, flexible implementation to address local needs and measures to encourage parent and community engagement (Gonski: 145), its funding recommendations are limited to per student grants.

Policy Issue 2: Equity

Policy objective

The Commonwealth, states and territories have a shared commitment to pursue both excellence in schooling and equity, defined in the Melbourne Declaration as “not only equality of opportunity, but also more equitable outcomes.” Under the *National Education Agreement*, jurisdictions have committed to deliver high quality schooling that will promote social inclusion and reduce the educational disadvantage of children, especially Indigenous children.

Present situation

The main equity policies pursued under the *National Education Agreement* are integrated strategies for low socio-economic status (SES) school communities, and a range of investments directed at ‘Closing the Gap’ in educational outcomes between Indigenous and non-Indigenous students.

The evidence of underperformance by groups classified as disadvantaged from NAPLAN and PISA results is clear: a higher proportion of Indigenous students, students from lower socioeconomic backgrounds, and students from remote schools are not achieving minimum standards.

The Report underlines this association between underperformance and student background and stresses the compound effects of disadvantage.

Gonski’s proposals

The Gonski Review (Gonski: 105) defines equity in schooling as “ensuring that differences in educational outcomes are not the result of differences in wealth, income, power or possessions.” In the report, the Panel also accepts the OECD definition that equity in schooling involves both **fairness** and **inclusion**: fairness implies that personal and social circumstances are not an obstacle to achieving educational potential; inclusion is about ensuring that all students reach at least a basic minimum level of skills.

The Review finds that Australia has a high concentration of disadvantaged students in certain schools, with a large number of the most disadvantaged schools in the government sector and concludes that it is these disadvantaged students and schools that must be targeted if the equity of educational outcomes is to be improved. The Gonski Report cites research showing that the composition of a school’s population has a significant impact on the outcomes achieved by all students at the school and finds that this is particularly significant in Australia in the

light of evidence that some parts of the schooling system are becoming increasingly stratified according to socioeconomic status (Gonski:111).

Reducing educational disadvantage through additional recurrent resources is given the highest priority in the new funding model. The increased funding is expected to:

- capture variation in performance within categories of disadvantaged students;
- significantly increase support to schools that enrol students who experience multiple factors of disadvantage; and
- significantly increase support to schools that have high concentrations of disadvantaged students. (Gonski: Recommendation 5)

Additional equity funding provided through loadings on the *Schooling Resource Standard* (SRS) will replace targeted programs. The loadings will be designed to represent the additional efficient cost, funded from all sources, to give schools with a particular characteristic or with particular types of students the same opportunity to achieve nationally agreed educational outcomes as schools that do not attract loadings. They are not a guarantee that such schools will achieve those outcomes as this depends also on the effectiveness with which those resources are deployed (Gonski: 166).

The loading for disadvantage will apply irrespective of school sector.

Policy critique

The Gonski Report does not acknowledge that its definition of equity is contestable and devotes little attention to exploring different concepts of equity, to discussing the limitations on schools to overcome wider individual and social disadvantage or to noting the need for other government policies, such as health, housing and welfare, to enable students from all backgrounds to succeed. Nor does the report consider the issue of resilience, highlighted in recent OECD studies that have found that across OECD countries, nearly one-third of disadvantaged students are identified as “resilient,” meaning that they perform better in reading than would be predicted from their socioeconomic backgrounds. Simply attributing educational need to socioeconomic background is a questionable approach.

There is no evidence in the Gonski Report to support its contention that “directing additional resources towards the most disadvantaged students is a cost-efficient strategy that will have the greatest impact on improving overall performance” (Gonski:108). In support of its recommendation for the phasing out of targeted funding programs, the Panel points out that over the last decade many state and territory governments have moved away from discrete targeted programs towards funding disadvantaged students and schools through per student-based funding formulas, where resources may be provided as a loading or a weighting to a school’s base resource allocation (Gonski:129). No evidence of the effectiveness of this change is given, and contrary to the proposed change, research suggests that

improved outcomes for disadvantaged students are most likely to come from education strategies targeted at particular needs, based on evidence about what works for particular students in particular contexts.

Nor is there any exploration in the report of the effectiveness of different approaches to addressing disadvantage, even after noting in various parts of the report that:

- the number of students from low socioeconomic backgrounds across Australia may be large, and the available funding is being spread too thinly (Gonski: 132);
- there were insufficient nationally consistent data to establish effectiveness (Gonski: 135); and
- it is too early to know whether National Partnerships are leading to improvement (Gonski: 139-140) (although the COAG Reform Council reports show “no consistent improvement nationally”).

Research commissioned by the review from the Australian Council for Educational Research (ACER) to identify ways of improving the effectiveness of funding for disadvantage failed to show the effectiveness of funding for disadvantaged students, particularly students from low SES backgrounds, on educational outcomes. (Rorris et al, 2011).

As mentioned above, there is a substantial body of research showing that additional funding in itself, especially when it is widely dispersed, will not improve education outcomes for disadvantaged students. Instead, investing in quality education, directing public funding to strategies, approaches and programs that are known to result in high quality educational outcomes, is seen as the way to reduce the dependence of student achievement on social background.

Along these lines, the most recent OECD report on equity in education (OECD 2012) proposes a number of system and school-related strategies to improve equity:

- 5 system-design elements, the most relevant of which are (3) managed school choice, and (4) funding strategies responsive to needs (eg quality early childhood care, weighted funding for disadvantaged students, balance between autonomy and accountability);
- 5 school-related elements to help disadvantaged students, including:
(1) strengthened school leadership; (2) supportive school learning environment; (3) quality teachers; (4) high expectations and effective classroom strategies; and (5) better parent-school links.

Policy Issue 3: Choice and diversity

Policy objective

Various objectives are pursued by governments in adopting policies of school choice, including improved school and student performance through increased competition and stronger accountabilities, more diversity and innovation, greater efficiency and a reflection of liberal values of individual freedom. Support for school choice, both within the public school system and between government and non-government schools, is seen as an appropriate policy response to the diversity of values and attitudes in modern Australian society.

Present situation

For decades, Australian governments have supported policies promoting parental choice in schooling, to reflect the values of parents and allow for religious and educational difference. The resulting diversity in non-government schooling has been seen as positive, leading to parental satisfaction, education innovation and higher achievement levels.

The Gonski Review's terms of reference asked the Panel to consider "the role of government funding in providing choice among diverse schools." Public funding for non-government schooling was introduced in 1974 in order to raise the standards of non-government schools to an acceptable level so that parents had a viable choice. Over time, public funding has extended access to non-government schooling to more families and, at the same time, ensured that all schools remain accountable for their public purposes.

Gonski's proposals

The Gonski Report observes "the high degree of choice" in Australian schooling, with the existence of a large non-government sector supported by public funding. The Panel accepts as a fundamental principle that funding should support a diverse range of school provision and allow choice by parents alongside their responsibility (in most cases) to make a more substantial private contribution when electing to enrol a child in a non-government school (Gonski:149). While the Report refers to some benefits in choice, the Panel's own view of choice appears less than enthusiastic:

Choice in schooling has also been linked to a number of benefits to the schooling system as a whole (Gonski: 11); and

. . . choice is a value supported by many – non-government schools may provide an education that is consistent with a family’s values, or may be regarded as providing a quality education, fostering strong academic and non-academic outcomes. However, not all Australian parents are able to access or afford such choice in schooling, particularly those from low socioeconomic backgrounds. (Gonski: 12)

Some parts of the community have voiced concern about the consequence of Australia’s competitive market for school education. These concerns centre on the alleged segregation of students into schools with markedly differing socioeconomic compositions, largely based on the ability and willingness of parents to pay fees. This segregation is considered to have been exacerbated by the government sector’s gradual loss in market share to the non-government sector, resulting in the government sector educating an increasing proportion of educationally disadvantaged students. It is suggested that this has impacted on the capacity of some government schools to provide a quality education for all students. (Gonski:12)

The Gonski Report also refers to the Nous Group’s findings on inefficiencies in the establishment of new non-government schools and has made proposals for greater accountability and coordinated planning around the use of public funds in the establishment of new schools (Gonski:100).

Policy critique

While the Gonski Report concludes that arrangements for public funding should continue to foster diversity and allow choice by parents, there is no recognition in the report of the substantial volume of research linking choice with higher levels of achievement and equality of opportunity, apart from a passing reference to the OECD finding that schooling systems that provide choice between government and non-government schools result in notably improved academic outcomes across the system (Gonski:12).

The OECD study mentioned (Woessmann et al: 2007) provides evidence that choice and competition drive up standards and that various forms of school accountability, autonomy and choice policies combine to lift student achievement to substantially higher levels.

The OECD research found that policy initiatives of choice, autonomy, accountability and per capita funding are interrelated and mutually reinforcing and any one policy will not be effective without the others:

In sum, institutional reforms that ensure informed choice between autonomous schools may be expected to improve student achievement

because they create incentives for everyone involved to provide the best learning environment for students (Woessmann et al 2007:17).

OECD cross-country analysis provides evidence of a causal link between the degree of choice in an education system and performance. Not only has choice been found to link with higher levels of achievement for those students exercising choice, there is also evidence that choice in a schooling system adds to the achievement level of all students, thus enhancing equality of opportunity. The benefits of choice are stronger when combined with autonomy and accountability, and when private schools receive public funding. In Australia, the higher performance of non-government schools measured by national and international testing and end of school results is attributed in part to the effects of choice, creating incentives for schools to meet parental expectations.

Policy Issue 4: Private investment in schooling

Policy objective

Public support for non-government schooling combined with parental contribution has the effect of increasing the total investment in education. Several principles underpinning the design of a sound funding model are particularly important in pursuing a policy objective of encouraging private investment in education, including:

- **Adequacy:** The extent to which funding levels are sufficient to support the delivery of high quality education, given the cost of providing this service. Therefore, adequacy underwrites both equity and effectiveness;
- **Incentive:** The extent to which the funding model does not generate disincentives for schools/school systems to procure other sources of funding;
- **Neutrality:** the extent to which the system creates a level competitive playing field between providers of different ownership structures;
- **Fairness:** to what extent funding arrangements treat schools and students equally across sectoral or system boundaries;
- **Sustainability:** the extent to which total government outlays are sustainable given fiscal conditions and other policy priorities;
- **Choice:** the extent to which funding supports diverse school provision able to respond to the range of parental preferences and student needs.

Present situation

At present, the private contribution of parents to non-government schools represents 43 per cent of total funding – 58 per cent for independent schools and 28 per cent for Catholic schools – up from about 34 per cent twenty years ago. This compares with a contribution of around six per cent from parents and communities for government schools.

Australia is unusual among OECD countries in having a high share of 'private' schooling, with 34% of students attending non-government schools. While Australia is below the OECD average in terms of public expenditure on schooling, at 3% GDP compared with the OECD average of 3.5%, our private expenditure, at 0.6% is above the OECD average of 0.3%. This is explained by our large non-government school sector.

Gonski's proposals

A fundamental principle in the proposed funding arrangements is that schools with similar characteristics and student populations should have similar access to public funding, taking into account, in the non-government sector, the capacity for a contribution from private resources. The Panel notes that parents electing to enrol a child in a non-government school have a responsibility (in most cases) to make a more substantial private contribution:

In general, parents choosing to enrol their children in a non-government school know that fees are expected and believe that this is a worthwhile investment for the benefits it provides their children (Gonski: 175).

In the government sector, full public funding is accepted, with any private contribution towards the school adding to its available resources. A minimum public contribution of 20% to 25% of the schooling resource standard is proposed for non-government schools. Beyond this minimum, the public contribution would be reduced as a proportion of the SRS as the capacity of the school and parents to contribute to the cost of schooling increases. The anticipated private contribution would be set at a minimum of 10 per cent of the SRS (Gonski: 175). The Gonski Report notes that if governments fully funded the difference between the SRS and what parents and others actually contribute to schools, incentives for private contribution would be weakened. It would also lead to different levels of public funding for non-government schools with similar capacity to contribute from private sources (Gonski: 178).

The Gonski Review therefore accepts that some non-government schools will have total resources in excess of the resource standard. Nor will schools be penalised if they do not raise private income or fees equivalent to the anticipated private contribution (Gonski: 173).

The Review also recognises that in certain circumstances, parents sending their children to a non-government school have no or only a very limited capacity to make a financial contribution. These schools would be fully publicly funded.

In addition to parental investment through fees for non-government schools, the Gonski Report canvasses the possibility of greater philanthropic giving to all schools, noting the magnitude of the investment required to improve Australia's schooling performance and make substantial progress in reducing inequity of educational outcomes (Gonski:179-180).

Policy critique

While the Gonski Report notes that parents are an important funding partner and mentions their significant contribution in the non-government sector, the extent of this investment, the saving it represents to the public purse (estimated at \$8 billion), and the potential for private contribution to make public investment in education more sustainable into the future is not acknowledged.

Nor does the Report acknowledge the benefits to achievement and equity found in several OECD studies in a strong “government dependent private” school sector:

Students perform better in countries with more choice and competition as measured by the share of privately managed schools, the share of total school funding from government sources, and the equality of government funding between public and private schools. (Woessmann et al 2007:4)

The Gonski Report appears to accept the private contribution of parents as inevitable rather than valuable or desirable while, on the other hand, philanthropic giving is seen as beneficial to students and to be encouraged. By creating incentives for private investment in schooling, governments increase the total pool of resources available for education and free up public funds for other purposes. Private investment in schooling has been found to bring benefits for society, beyond the benefits to individual students including:

- higher academic achievement, contributing to national economic growth and social well-being;
- greater equity, reducing the dependence of student achievement on social background and expanding choice;
- higher resource levels for schools, for investment in quality teaching and learning; and
- more efficient use of public revenue.

The Gonski proposals for public funding based on pooled resources recognise that schools with similar student and other characteristics, regardless of sector, require the same total resources (Gonski:173). This serves to close the divide between government and non-government schooling, reflecting the Panel’s aspiration for a funding system that is less marked by strong sectoral division, yet preserves the distinction between the sectors in relation to parental contribution without any discussion of the policy implications of seeking a private contribution for public schooling.

Policy Issue 5: Commonwealth and state responsibilities

Policy objective

The shared responsibilities for school funding under Australia's federal system are reflected in arrangements agreed by the Council of Australian Governments (COAG). COAG is the framework for the Commonwealth and states to work cooperatively towards mutually agreed objectives in important areas of public policy such as education. The COAG processes are intended to maximise intergovernmental cooperation, clarify the roles and responsibilities of each level of government and reduce overlap and duplication in order to improve the quality and effectiveness of government services.

Present situation

One of the complexities of school funding has long been the shared arrangements between the Commonwealth and states, whereby the Commonwealth has the major responsibility for recurrent funding for non-government schools and the states have the major funding responsibility for government schools.

For decades, the Commonwealth has also provided additional funding for all schools, traditionally through specific purpose programs, to pursue national objectives such as equity. The complexity of these shared funding responsibilities has fuelled many misconceptions and distortions in the school funding debate.

Gonski's proposals

The Gonski Report recognises the constitutional responsibility of the states and territories for the delivery and management of schooling, noting the need for "a strong degree of autonomy to meet the needs of their state or territory, school communities and student population." The Report also recognises that the outcomes of schooling are a national issue, influencing the economic and social wellbeing of all Australians (Gonski: 193).

The Report discusses in detail the partnership arrangements between the Commonwealth and states which have developed over recent years under the COAG umbrella.

The Gonski Report finds the present arrangement of Commonwealth and state responsibilities for school funding "out of date, confusing, misleading, unbalanced and undesirable" (Gonski: 179). In calling for a "realignment" and "rebalancing" of roles, the Report (Gonski: 150) proposes that:

- funding arrangements should embody the partnership that has developed between Australian governments and the non-government school sector in funding and delivering schooling in Australia;
- the roles and responsibilities of these parties need to be articulated clearly so that they are located at the most appropriate level; and
- there needs to be greater coherence in how the funding arrangements operate overall, so that schools are funded appropriately for need regardless of sector and jurisdiction.

The national approach put forward by the Panel is intended to address the imbalance between levels of government in funding all schools and in supporting disadvantaged students. The Report envisages funding policies being set at a national level, with states/ territories and non-government school systems being entrusted to make decisions about allocation based on local needs and considerations.

The Report asserts a clear need for the Australian Government to play a greater role in funding government schools. This bigger role for the Commonwealth is seen as necessary to lift the outcomes of a greater number of students, because of the comparatively poor state of government school infrastructure and to address the higher concentrations of disadvantaged students in government schools. A bigger role for the Commonwealth would also align with its responsibility under the *National Education Agreement* to support students with particular needs and the shared responsibility of governments to support improved outcomes of Indigenous students.

At the same time, the Panel acknowledges the Commonwealth's funding obligations to non-government schools. To maintain this commitment, it sees that increases of Commonwealth funding to government schools, to bring them up to the required resource standard, would come either at additional cost, or through a realignment of responsibilities, with the states and territories playing a greater role in funding non-government schools.

In the Panel's view, this shift in responsibility would have clear benefits. The net effect, the Panel suggests, would be additional funding for the states and territories, with their increased funding for non-government schools more than outweighed by additional Australian Government funding for government schools (Gonski:180).

Policy critique

These proposals involve significant change to current Commonwealth and state funding responsibilities, in what has long been a particularly sensitive area of federal relations. Several commentaries on the Gonski Report point to the difficulties of reaching agreement on changed federal arrangements ("Futile federalism lesson fails to probe real issues," "Wait for uproar from states on a grand political bargain,"

“Federal takeovers are toxic, not a tonic”) and have questioned the need for or value of the proposed shift in responsibilities.

The realignment Gonski proposes has no strong rationale in the report. What the benefits might be, how changed responsibilities will have an impact on achievement and disadvantage, and what incentives would be necessary are not elaborated. The rationale for greater Commonwealth involvement appears to be its greater revenue raising capacity.

The often-observed slow and ponderous nature of the COAG processes, and the frustration expressed by the COAG Reform Council at the lack of progress with initiatives under the COAG umbrella, cast doubt on the likely effectiveness of such reform.

The implications for non-government schools and their relationships with the Commonwealth and state governments are unclear, although the messages in the Gonski Report about accountability could signal heavier government involvement:

governments [would] . . . focus on ensuring that the . . . non-government sector [is] publicly accountable for the educational outcomes achieved by students from all sources of funding. (Recommendation 6)

The loss of autonomy that could result from increased accountability could have an impact on school effectiveness, given evidence from research that the performance advantages of private schools are negated if governments restrict schools' decision-making powers.

Policy Issue 6: Base grant entitlement for all students

Policy objective

A fundamental tenet of current education funding policies is that all Australian students are entitled to a public funding contribution for their schooling. The policy rationale for this is that every child has a basic right to public funding. The community obligation to support the education of all children at some level is founded on the public as well as a private benefit in the schooling of every child. The Prime Minister has referred to this as a ‘citizenship entitlement.’

Present situation

Since the 1970s, a base entitlement for all students has been an integral part of non-government school funding models. The present funding benchmark is the Australian Government School Recurrent Costs (AGSRC). Government school students attract the full AGSRC while non-government school students attract a proportion of the

AGSRC as a minimum grant, and a further proportion as needs-based funding, according to the SES score of a school.

Gonski's proposals

A critical part of the architecture of the proposed new school funding arrangements is the replacement of the AGSRC with a forward-looking benchmark, the Schooling Resource Standard, which will explicitly link school recurrent funding to the costs of achieving nationally agreed outcomes. Government school students will attract the full amount of the SRS; non-government school students will attract at least a minimum public contribution, of 20 to 25 per cent of the SRS, for those schools with the highest capacity to contribute.

Policy critique

While Gonski's proposals preserve the funding of a base amount for all students, the Report gives no rationale for this approach, making reference only to the Australian Government's announcement that no school will lose a dollar per student as a result of this Review. The Panel has framed its recommendations accordingly:

An implication of the Australian Government's announcement that no school will lose a dollar per student as a result of this review is that there should be a minimum level of public funding for schools regardless of the capacity of the school to contribute or of its actual contribution to the funding for the schooling of its students. This minimum public contribution would apply to a very small number of high-fee-paying schools, as is the case now under the SES funding model. (Gonski: 173)

The Panel considers that a level between 20 to 25 per cent of the schooling resource standard per student amounts without loadings would be appropriate. This is approximately equivalent to the current minimum level of combined Australian Government and state and territory funding received by those non-government schools which are funded under the SES model and which have an SES score of 130 or above. . . . this would meet the government's expressed policy intent and could be administered efficiently. (Gonski: 176)

The absence of a policy rationale for this critical component of non-government school funding could be a problem in future if budgetary circumstances change.

In the light of these policy concerns, **Section 4** considers the risks and rewards of the independent school sector working with the Gonski Review and the post-inquiry processes that have now been established.

4. Responding to Gonski – risks and rewards

Initial responses to the Gonski Report in the media were cautiously favourable. Coverage focused on details such as the expected price tag of \$5 billion, the superficially appealing concept of an outcomes-based resources standard, and the extent of education disadvantage and under-achievement revealed in the Report. The secrecy of the inquiry process however meant that immediate stakeholders had only a short time to digest the content of the 250-plus page report and journalists and the wider public were obliged to give their initial responses after only a cursory read.

Initial responses

The immediate post-Gonski coverage was notable for the absence of the heated sectoral argument that was dominant during the course of the review.

While reserving its position on detail, the Commonwealth Government has undertaken to pursue the recommendations. Within a policy frame emphasising “quality education [enabling] each person to achieve their full potential, giving individuals and their families access to better opportunities,” the Commonwealth has in fact made stronger statements than the Gonski Report itself in favour of a base grant for all students (“I do believe that as effectively a citizenship entitlement, people are entitled to see government support for the funding of their child's education”), choice (an essential principle in a new funding model for government is that it must help to achieve “choice and support for a diverse range of schools”) and non-government schooling (the nation has “moved on from debates about funding private schools”)(Gillard 2012).

Education stakeholders have tended to welcome the Gonski Report with guarded optimism, waiting for details to unfold and governments to clarify their reactions. The repeated assurances that no school would lose funding as a result of the review, and the possibility of increases in school funding, have been important factors in the positive response from school groups.

Some of the post-report commentary has focused on the Commonwealth Government's announcement of a further process of consultation, testing and modelling, and references to the need for budgetary restraint, seeing in this deferral of decisions a reluctance to commit to the Review's findings or expenditure requirement. This drawn-out process of decision-making, where a two-year inquiry has produced a dense and lengthy report containing 41 recommendations and 26 findings has led into a further extensive process of public discussion and consultation with stakeholders, is seen by many as an indictment of the decision-making capacity of government and evidence of the wastefulness of the expensive public inquiry process.

Two aspects of the content of the Gonski Report in particular have attracted thoughtful public comment, namely federalism and the Report's emphasis on the quantum of funding. The Report's proposals on changes to Commonwealth/state responsibilities have been criticised as being unwarranted and unlikely to come to fruition, with some observers suggesting that no case has actually been made in the report for the changes proposed (Sloan 2012). Commentators have little confidence in the "clogged and unwieldy" processes of COAG and ministerial councils or the prospect for achieving the "unprecedented cooperation and goodwill" needed for school funding reform, particularly in the changed political landscape following recent state elections.

The other substantive criticism of the Gonski Report is its focus on money. As one commentator said, "It is simply wrong to think that differences in outcomes between different classes of schools (in whatever sectors) are the simple consequences of differences in resources poured in, with or without bonuses for disadvantage" (Waterford 2012). Commentary which debunks the money myth has considerable evidence to draw on, including readily available ABS, Productivity Commission and COAG Reform Council data on funding and achievement over time, comparative information from the MySchool website, and research from Australia and other countries. It is surprising that this was not addressed in the Gonski Report.

Rewards and risks

To date, all stakeholders have been willing to cooperate in testing and assessing the impact of the Gonski proposals. Given the secrecy of the inquiry process itself, it is clearly important for all school groups to be involved in this phase of development, to have a seat at the table and represent the interests of their constituents. While the prospect of additional funding is attractive to all groups, the climate of collaboration in the immediate aftermath of Gonski may well dissolve if detailed modelling with real school data shows that some schools or sectors are unfairly disadvantaged or stand to lose funding in the long term under the new arrangements.

On the face of it, the Gonski proposal for a resource standard based on outcomes to be applied to all schools for recurrent funding, and to be used for indexation, is appealing and logical. In principle, it has the benefit of treating like schools equally, regardless of sector, for the purposes of public funding, and reflecting educational needs rather than actual costs. It may be, however, that the difficulties of designing and calculating the standard in a fair and transparent way have been underestimated, along with the costs.

Risks are attached to making a commitment to a new funding model for financial reasons without firm policy support for non-government schooling. A firm policy foundation is a critical feature of a sound funding model that can withstand fluctuations in the budgetary cycle. Without recognition of the value of the sector to achieving national education objectives and without a strong commitment to policies

such as choice, diversity and autonomy that have enabled the sector to grow and thrive, non-government schools could easily be targeted when funding cuts have to be made. The report of an inquiry leading to reform would generally be a key instrument of legitimation for a new system and would remain influential in shaping and adjusting the system in the light of changing circumstances. Policy stances absent from the Report are therefore vulnerable.

Other risks signalled in the Gonski Report include the possibility of greater government involvement in the operation of non-government schools, restrictions on the establishment of new schools (“there needs to be greater accountability and coordinated planning by all sectors around the use of public funds in the establishment of new schools” – Gonski: 100) and more bureaucratic processes for the allocation of funding as a result of the establishment of new funding bodies, a greater reliance on COAG processes and more involvement of the states and territories in non-government school funding.

The focus of the Gonski recommendations on recurrent funding and the phasing out of targeted funding programs may represent a lost opportunity to implement reforms more likely to have a positive effect on student achievement. If the Commonwealth Government is able to increase education expenditure, there is much evidence to suggest that additional funds would be better invested in teacher quality, the early years and effective classroom practices than be widely dispersed in recurrent funding. As Ben Jensen (2012: 11) suggests, despite growing global agreement on what works in schools and the fact that successful systems are implementing what works, in many countries, including Australia, there is a disconnect between policy and classrooms. Choosing the wrong “drivers for reform” means there is little chance of achieving the desired result, while a “right” driver will achieve better measurable results for students (Fullan: 2011).

A further risk associated with implementation of the Gonski proposals is the possibility of unintended consequences from the emphasis on disadvantage rather than quality. The Gonski proposals are not based on evidence of the effectiveness of this approach, and there is certainly a body of research that suggests this is the wrong focus to bring about higher achievement. Worse than the risk of wasting resources, however, is the possibility of losing successful features of the present school funding arrangements such as support for choice and autonomy and encouragement of academic excellence.

Options for the non-government sector

Through involvement in the processes of assessing and testing the proposed new funding model, the non-government sector has the opportunity to test the policy commitments of government and secure assurances on important policy principles. There is also the opportunity to question the rationale for particular changes, require evidence of effectiveness and keep a watchful eye on the known success factors for non-government schooling, so that they are not lost in the enthusiasm for 'reform.'

In summary, the non-government sector and independent schools in particular, have four main options:

1. Accept Gonski – 'lock, stock and barrel' – do not question any of its underlying rationale or emphasis as outlined above and hope the money arrives;
2. Negotiate on those issues that most affect the sector such as autonomy, but focus on how the new funding formula might best be structured to suit the sector's needs;
3. Accept the revised system, but gain critical policy commitments from government – especially in the run-up to an election;
4. Reject Gonski and do not waste time and resources on the post-inquiry processes it has spawned, arguing instead for:
 - Patch-up of existing system
 - Seek further review but not a public inquiry
 - Wait for a change of government.

5: Conclusions

What is disappointing about the whole Gonski Review process is that so much was promised, so much was needed, so much was expected and, at least according to this paper's assessment, so little has been delivered.

As a public inquiry the Gonski Review was flawed. As a policy developer the Gonski Review has failed to deliver policy proposals that are not only 'doable,' but understandable and convincing to the broader public - a necessary element of major policy change. Given the numerous other major inquiries that have been held in education in the past (although the most recent ones may not be the best models), there is no good reason for the Gonski Review processes not to have been better conducted and for the final report not to have been a sound base for making changes where needed to the present system.

Perhaps it is unfair to blame the Gonski Review completely for this result. It is a reflection of wider systemic failure of national government, the policy-makers in the bureaucracy as well as the politicians in Parliament.

Since 2007 there has been a large number of public inquiries appointed by the Rudd and Gillard governments and the evidence is mounting to show that, regardless of whether they were appointed in haste or after long gestation periods, the results have been the same – a greater lack of policy follow-up, progress and action than would usually be expected for these bodies (Mannheim 2011; Wiltshire 2011). Something is definitely wrong with the present state of Australian policy-making at the national level (Aulich and Evans 2010).

The changed political environment with Australia's first minority federal government in 50 years may be a factor. The emergence of the Green Party in both the House of Representatives and, more importantly in the Senate, where they can exercise greater influence, is another. The Greens Party policy gives priority to public education and the Party has been highly critical of non-government school funding.

Private schools have done very well since the Howard government massively increased their subsidies in 2000, and federal Labor continued the biased and damaging funding model. All new money should go public schools . . . (NSW Greens 2012)

Inquiry reports need political champions with sustained interest and real power for successful implementation. This is lacking federally. The current Federal Minister for Education is genuine and sincere, but he lacks authority and the Prime Minister who established the Gonski Review in her previous post is too distracted with political survival and a host of other problems to really take the interest needed to implement the Gonski Report with all its flaws and to negotiate with the range of interests needed for real reform to occur.

Sadly, one of the apparent initial achievements of the Gonski Review – the ending of the vitriol and distortion of arguments about funding the non-government sector – has also dissipated. Recent media reports of school funding and student performance are based on either inaccurate assessment of data or deliberate misreporting of the evidence and have refueled prejudice and bias in this area, making progress difficult to achieve (see Ferrari 2012).

What is going to happen in the near future? Nothing! The current arrangements based on the existing models are likely to be “tweaked” and extended for at least a couple of years. Meanwhile, vast Commonwealth and state public service resources will be wasted in numerous committees, COAG processes and briefings until that decision is announced. If Australia cannot handle reform in school funding, it says little about our ability to tackle the bigger issues awaiting more urgent action.

Regrettably, contrary to what consultant Stephen Bartos says, the Gonski Review, was not one of Australia’s finest.

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APPENDIX 1

**TERMS OF REFERENCE GONSKI REVIEW OF
FUNDING FOR SCHOOLING**

Final Terms of Reference for the Review of Funding for Schooling

The Review of Funding for Schooling will report to the Minister with responsibility for school education.

Purpose

The review will provide recommendations to the Minister with responsibility for school education on the future funding arrangements for schooling in Australia for the period beyond 2013.

The review's recommendations will be directed towards achieving a funding system for the period beyond 2013 which is transparent, fair, financially sustainable and effective in promoting excellent educational outcomes for all Australian students.

In making its recommendations, the review should consider the following issues:

Supporting educational outcomes

1. The role of funding arrangements in supporting improved educational outcomes, including:
 - a) links between school resourcing and educational outcomes; and
 - b) funding allocation mechanisms that address current barriers to educational achievement such as English language proficiency, indigeneity, location, disability and special needs, and other disadvantaged groups such as low socio-economic areas and other concentrations of disadvantage.
2. The roles of families, parents, communities and other institutions in providing or supporting educational partnerships with schools.

Allocation of funding

3. The roles of the Australian and state and territory governments in providing funding for schooling.
4. The baseline level and allocation of funding for schools, including:
 - a) costs of ensuring all students have access to a world class education;
 - b) factors influencing growth in costs and whether current indexation arrangements are appropriate;
 - c) supply and demand considerations including the likely growth and distribution of demand and student need, based on current student enrolment trends and projections;
 - d) cost drivers of school funding, including teaching, capital, technology and other costs of schooling;
 - e) place of voluntary and private contributions and other income sources in school funding arrangements for government and non-government schools; and
 - f) role of government funding in providing parents with choice among diverse schools.

Funding mechanisms

5. The most effective means of distributing funding for schooling, including:

a) the different funding models used in states and territories and relevant overseas examples, especially in high performing school systems, and how these may link to outcomes in their respective education systems;

b) the best funding mechanism(s) for delivering optimal educational outcomes, financial efficiency and sustainability, including whether a basic entitlement for every student is required and how this could be defined and determined;

c) ways to increase the simplicity, transparency and effectiveness of school funding arrangements, including the forms of school and system-level autonomy within those arrangements that best support improved educational outcomes; and

d) the transitional assistance that should be offered to schools in making the transition to any new system.

5. Accountability and regulation

6. What forms of accountability, transparency and regulation are necessary to promote high standards of delivery and probity among schools receiving public funding, and the data required to monitor and assess these standards of delivery and educational outcomes.

APPENDIX 2

**COMMONWEALTH PUBLIC INQUIRIES INTO
EDUCATION AND RELATED AREAS**

1949-2012

Commonwealth Education Public Inquiries 1949-2012

Rudd-Gillard Governments (2007-)

Baird Review into International education in Australia (2009-2010)

Behrendt Review of Aboriginal Higher Education Access and Outcomes (2011-)

Bradley Review of Higher Education (2008)

Gonski Review of Funding for Schooling (2009-2012)

Knight Review of Student Visa Program (2010-2011)

Lomax-Smith University Base Funding Review (2010-2011)

Orgill Building the Education Revolution Implementation Taskforce (2010)

Howard Government (1996-2007)

National Review of Nursing Education

Review of Closer Collaboration between Universities and Major Publicly Funded Research Agencies

Review of Higher Education

Hawke-Keating (1983-1996)

Civic Experts Group

Committee of Inquiry into Higher Education Funding

Committee of Review into the Impact of Radford College on A.C.T. Schools

Committee of Review of Private Overseas Students Policy

Committee to Review Australian Studies in Tertiary Education

Committee to Review Higher Education Research Policy

Committee to Review T.A.F.E. Funding

Industry Taskforce on Leadership and Management Skills

National Review of Nurse Education in the Higher Education Sector

National Review of Teacher Education in Mathematics and Science

Quality of Education Review Committee

Review Committee of Training Costs Related to Award Restructuring

Review of Agriculture in Australia's Colleges and Universities and Related Education

Review of Australian Maritime College (1988)

Review of Australian Maritime College (1995)

Review of Computing Studies and Information Sciences Education

Review of Efficiency and Effectiveness in Higher Education

Review of Engineering Education

Review of National Language Policy

Review of the Accounting Discipline in Higher Education

Review of the Commonwealth's New Schools Policy

Review of the Institute of Advanced Studies, Australian National University

Review of the National Board of Employment, Education and Training

Review of University Management

Fraser Government

Committee Appointed to Examine the Desirability and Feasibility of Introducing a System of Loans for Australian Post-Secondary Students

Committee of Inquiry into Education and Training

Committee of Inquiry into Management Education

Committee of Inquiry into Nurse Education and Training

Committee of Inquiry into Recognition of Overseas Qualifications in Australia

Inquiry into Teacher Staff in A.C.T. Schools

National Inquiry into Teacher Education

Professional Staffing for A.C.T. and Northern Territory Schools

Whitlam (1972-1975)

Assessment Panel on the Design for the Governance and Organisation of Education in the A.C.T.

Australian Pre-Schools Committee of Enquiry into Care and Education of Young Children

Committee of Inquiry into Public Libraries

Committee of Inquiry into Technical Education in the Australian Capital Territory

Committee of Inquiry into the Teaching of Languages of the Major Migrant Groups in Australian Primary and Secondary Schools

Committee of Review into the School of Public Health and Tropical Medicine

Committee of Review of the Tertiary Education Assistance Scheme

Committee on Australian Technical and Further Education

Committee on Open University: Open Tertiary Education in Australia

Committee on Post-Secondary Education in Tasmania

Committee on the Location, Nature, and Development of Institutions of Tertiary Education in Sydney, Melbourne, and the Albury-Wodonga Region

Inquiry into Education for Community Recreation Workers

Schools in Australia: Interim Committee for the Australian Schools Commission

Study of Possible Development of Studies in Languages and Linguistics, including Aboriginal Linguistics, in Australian Universities

Working Party on Transition from Secondary Education to Employment

Holt – McMahon (1966-1972)

Committee of Inquiry into Academic Salaries (1964)

Committee of Inquiry into Awards in Colleges of Advanced Education

Committee of Inquiry into Salaries of Lecturers and Senior Lecturers in Colleges of Advanced Education

Committee to Investigate and Plan Future Nursing Education in the A.C.T.

Commonwealth Advisory Committee on the Teaching of Asian Languages and Cultures in Australia
Expansion of Medical Education: Committee on Medical Schools

Inquiry into Academic Salaries (1972)

Secondary Education for Canberra: Working Committee on College Proposals for the Australian Capital Territory

Special Committee on Teacher Education

Menzies (1949-1966)

Committee of Inquiry into Academic Salaries

Committee of Inquiry into the Need for a College of Advanced Education in the Australia Capital Territory

Committee on Australian Universities

Committee on the Future of Tertiary Education in Australia

Committee on Higher Education in Papua and New Guinea

National Library Inquiry Committee