

# Government Senators' Dissenting Report

## Introduction

This dissenting report was prompted for several reasons.

First and immediately, to correct the inaccuracies and bias in the majority report developed with a clear political agenda and which has eschewed the evidence on school education in Australia today.

Second, and more importantly to seek to place future school funding in relation to the Commonwealth, which is all this Senate Committee can and should be considering, in a better context than has occurred throughout these hearings and in the debate, if it can be called that, which preceded the Senate Committee's appointment.

Third, to outline core principles which should drive Commonwealth school education policy for the future and to focus discussion and hopefully future education policy to those issues that matter most – namely the policies needed to improve education outcomes of students.

The Commonwealth's funding arrangements for schools became an area of settled public policy by the early 1970s. After years of acrimonious partisan and sectarian debate, there was strong bipartisan support for Australia's unique school system where the states and territories were responsible for school policy, and most of the funding, with additional Commonwealth support. Such Commonwealth funding was needs based and reflected principles of equity, fairness and choice. Irrespective of the type of government, of course, there was a residue of confusion about how the funding system worked, and myths abounded regarding funding models and criteria.

Sadly, this bipartisan support and rational debate was swept aside following the release of the *Gonski Review of Funding for Schooling* (henceforth called the Gonski Review) in November 2011.

Certainly, there were legitimate reasons as to why the Rudd Government instigated the Gonski Review:

- the current funding arrangements to states were drawing to an end;
- there were changes in Australia's school population;
- concerns about the nation's international comparative school education performance; and
- the need to clarify public contributions to schooling.

Appointing a public inquiry, like the Gonski Review, independent, expert advice to collect information, establish the facts, dispel the myths and provide evidence based recommendations to government on school funding. This approach by government has a long tradition in Australian public policy.

Unfortunately, the Gonski Review failed as a public inquiry on multiple fronts: in terms of process; improving public debate; promoting agreement and in providing clear evidence for its recommendations.

Instead, it reignited old debates, creating fissures rather than consent and agreement. Most importantly, the Gonski Review focussed solely on government funding. This may not have been the intention of the Gonski Review, but nevertheless, this is what has occurred. And since its completion in December 2011, the findings of the Gonski Review have been used by some to further their own political/ideological purpose.

Government Senators completely agree that adequate funding is essential for any education system to operate effectively, but it is only a means to an end and that end must be to improve education quality. Quality of and excellence in education must be measured in terms of student affect.

The issue is what constitutes ‘adequate’ funding for quality education, as in other areas of public policy, is not just about expenditure levels, but also about effectiveness and also value for money. In school education spending levels, as international research attests, is no guarantee of education performance. Some high-spending countries perform poorly, while those spending comparatively less do better. Despite this evidence, any discussion of this in the Australian context has been met with derision.

The Gonski Report was hijacked, by vested interests, by well meaning, but not always, well informed commentators and others. Consequently, other important policy initiatives which could affect education performance, were ignored or obscured in this obsession about funding levels rather than what works to improve education quality and outcomes for students. During these last four years Australia has missed the boat and our education performance has continued to decline. A number of witnesses made this point, but they have largely been ignored. Ms Michelle Green Chief Executive of Independent Schools Victoria summarised the current school funding policy debate, and in doing so she noted the gap in expectations:

We note that millions of dollars was spent during the 676 days between the initial announcement of the review of funding for schooling and the final report. This gave us a lot of time to consider options. A total of 7,357 submissions and 977 pages of interim and final reports were published. Now, 774 days from the then government's initial response, we are discussing the new funding model. What do we find? Independent Schools Victoria is well known for strong economic analysis and our research, which is detailed in our submission, clearly shows that the new funding model is based on poor evidence that is not robust and was not thought through. The model is not sustainable and will cause, we believe, public policy problems within the next five years for governments and for schools—government schools as well as non-government schools. There is a gap between people's understanding of the model, what is actually being delivered and what is happening in schools. Our concern is that the general public in Australia perceives that, once the funding model is in place, the

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issue is resolved, but we know that there is likely to be continuing instability, continuing questions and continuing discussions.<sup>1</sup>

### ***Key principles***

This dissenting report is based on four core principles:

**First**, quality should be the prime driver and ultimate goal of all education policy. Although quality is often talked about by the many interested parties involved it is rarely defined and too often it is lost in the rhetoric about funding levels, equity (itself poorly defined and contested) and mismatched use of evidence. While quality education is multidimensional and hard to define this dissenting report believes its key elements are about improving student performance in the classroom across clear and agreed areas of education performance – literacy, numeracy and science and in a wider range of skills and competencies that do not always lend themselves to simplistic indicators.

**Second**, this dissenting report seeks to re-anchor discussion about school funding in the realities of the Commonwealth government's actual constitutional responsibilities, historic roles in this area, current responsibilities, actual capacities and the nation's very real current financial constraints.

This means accepting the federal system and the dominant role of the states and territories in both school funding and school management. According to the last available figures (2011-12) the Commonwealth is only responsible for 15 per cent of the total expenditure of public schools and the states for the remaining 85 per cent. Government Senators recognise that there is a role for the Commonwealth to promote national goals and to work collaboratively with the states and territories.

The problems of increased regulation not just on states, but also on individual schools needs to be remembered. As will be discussed later, such intrusion, embodied in the current *Australian Education Act 2013* is one of the problems identified by many stakeholders, but conveniently overlooked in the majority report. The Department of Education advised the committee of the significant response it had received to its initial consultation work on the *Australian Education Act 2013*:

**Mr Cook:** The states and territories have indicated a number of areas, including things like a view that there is too much power, I guess, delegated in the federal minister in their ability in the current act to require states and territories to take particular courses of action, such as policy actions, for example. There is concern about some of the specific goals that are outlined in the act in relation to PISA growth and things like that. It is probably fair to say generally that states and territories would have a preference that certain aspects of the act be less specific and provide less power to a federal minister, with the view that they are the ones who are actually responsible for school education and for seeking improvements in schools.

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1 Ms Michelle Green, Chief Executive, Independent Schools Victoria, *Committee Hansard*, 3 April 2014, p. 10.

**Mr Hehir:** The main sections tend to be the section 77, section 105 and section 22 sort of areas. But they are the areas where the Australian government minister has the power. So they are the broad areas they are looking at.<sup>2</sup>

Moreover, some major Commonwealth programs, while well-intentioned have wasted funds and achieved little. For instance, the previous government provided \$540 million from 2008-12 to the states and territories to improve literacy and numeracy to targeted schools. The Australian National Audit Office's (ANAO) National Partnership Agreement on Literacy and Numeracy report examined the program and found no significant difference in NAPLAN outcomes between schools participating in this National Partnership and not. Further evaluation is due, but these results are not promising notwithstanding the time lags involved.

A **third** principle of this dissenting report is that parental contributions and a vibrant non-government sector adds to a nation's education capacities and should not be seen as an aberration or somehow undermining the foundations of a democracy. OECD reports<sup>3</sup> highlight how education systems have welcomed private investment from parents, non-government organisations and enterprises in schools, a move driven by economic necessity but also with the object of offering greater choice for parents and spurring creativity and innovation within schools. Also, public funding for privately managed schools have helped those from lower socio-economic backgrounds exercise choice and attend schools in the non-government sector. Again, the debate about school funding has deteriorated into a de facto attack on the non-government sector, often distorting the facts and using statistics selectively. Again, the Gonski Review failed to give this issue the study it deserved.

**Fourth**, this dissenting report strongly supports 'needs' based funding and providing additional and targeted assistance to the disadvantaged. Contrary to the majority report, "needs-based funding" did not begin with the Gonski Review. Commonwealth school funding has always been needs based and as will be highlighted later, as have state and territory school funding systems. But, the effectiveness of these funding arrangements in improving results both in Australia and internationally has increasingly been questioned. Increasing evidence stresses the need for education policies that focus on quality rather than just the socio-economic background of students. The United Kingdom Government's 2010 White Paper on Schooling (*The Importance of Teaching, The Schools White Paper*) concluded:

The very best performing education systems show us that there need be no contradiction between a rigorous focus on high standards and a determination to narrow attainment gaps between pupils from different parts of society; between a rigorous and stretching curriculum and high

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2 Mr Tony Cook, Associate Secretary Early Childhood, Schools and Youth, Department of Education and Mr Martin Hehir, Deputy Secretary Schools and Youth, Department of Education, *Committee Hansard*, 16 May 2014, p. 33.

3 OECD 2012, *Public and Private Schools: How Management and Funding Relate to their Socio-Economic Profile*, Paris: OECD

participation in education; or between autonomous teachers and schools and high levels of accountability. Indeed, these jurisdictions show us that we must pay attention to all of these things at once if our school system is to become one of the world's fastest improving.<sup>4</sup>

There is need for wider debate on this issue. The fact that in Australia despite massive funding to the disadvantaged there has been little improvement in their education outcomes must be a real concern. We need to ask ourselves why this is so, not in terms of seeking to reduce spending, but in terms of seeking to make a real difference, to focus on spending that works rather than seeing education only in terms of quantity of money rather than quality of outcomes. Numerous witnesses highlighted the need for targeted funding.

In summary, the remainder of this dissenting report will focus on:

- Reviewing the Gonski Report and its implementation
- Education reforms that matter
- Current government's reforms agenda and spending program

### **Reviewing the Gonski Report and its implementation**

Given that the whole focus of the Senate Committee's inquiry was essentially a review of the whether the Gonski model was being implemented or not rather than exploring its Terms of Reference, then it is important to revisit the Review. Evidence garnered over the course of the inquiry highlights important basic issues concerning the original Gonski report and thus the arguments used by a number of participants in the inquiry.

#### ***The Schooling Resource Standard***

**First**, the key underlying concept of the Gonski Report, the Schooling Resource Standard (SRS) is used as the basis of funding schools. According to the Melbourne Institute of Applied Economic and Social Research, the SRS is "flawed" and "puzzling" in its assumption that there is a close correlation between funding levels for certain reference schools that performed at particular education standards. The Institute commented thus:

This leads us to conclude that the actual Schooling resource Standards used in the Gonski Report are ...arbitrary, and despite the veneer of technical sophistication in their construction, do not have a sound methodological basis.<sup>5</sup>

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4 UK Department for Education, 2010, *The Importance of Teaching, The Schools White Paper 2010*, London: UK Government

5 Justman, M., and Ryan, C., 2013, "What's wrong with the Gonski report: Funding Reform and Student Achievement", Melbourne Institute for Applied Economic and Social Research, Policy Brief No 1/13, 7

This view was shared by others who appeared before the Committee but unfortunately have received little attention in the majority report.

For example at the committee's public hearing on 1 May, Professor Henry Ergas made particular note of the Gonski Review's link between disadvantage and student educational outcomes. His comments rated only a brief mention in the majority report, yet the issue is clearly one which rates more extensive consideration. For instance, Professor Ergas noted:

On that, if I may address the question that was raised with the previous witnesses about the evidence on the relationship between SES and school performance. The point that I was making—and it is not a point I am in any way alone in making, and I believe that in my submission I cited at least one other source that addresses this question in considerable detail—was that when you look at the relationship between one variable and another you have to try to control for the many things that are going to influence that other variable. If you want to look at the relationship between weight and health, you have to try to take account of whether people smoke or not in doing so. If you do not do that, you will get results that are simply unreliable.

It is very difficult in education to untangle those relationships. Indeed, in any complex causal social situation it is by its nature difficult to do so. But one of the important factors is that, as I said, when you look at the relationship between SES and outcomes, you need to in some way correct for heterogeneity between schools, or the fact that schools are not identical. We have known that in the literature since the 1960s. If you fail to do that, you will bias the results—I mean 'bias' in a statistical sense. You will not get an accurate indicator.<sup>6</sup>

### ***Increasing spending***

**Second**, the evidence that increased spending leads to improved education outcomes as argued in the Gonski report and which forms much of the debate since, must be challenged. The evidence for this is lacking in the report and by those who have taken this view since.

Those arguing against the approach taken by the ALP/Green minority government, such as economist Ms Judith Sloan, point to the Gonski Report's failure to justify the record additional spending (\$5 billion per annum) called for in its recommendations:

This lack of relationship between per-student spending and student performance is one of the core weaknesses of the Gonski Report. The report advocates additional annual spending of \$5 billion a year (on top of an estimated \$6.5bn). But apart from the political need to ensure that no school

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6 Professor Henry Ergas, private capacity, *Committee Hansard*, 1 May 2014, p. 61.

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is made worse off by the change to the funding formulas, the case is never made to justify such a massive increase.<sup>7</sup>

### *Loadings*

**Third**, the formula and evidence underpinning some of the loadings was not evidence-based.

Professor Henry Ergas questioned the justification for the Gonski Review's distribution of increased funding through the disadvantage loadings. Professor Ergas argued that once a level of funding was reached, there was little evidence that further increases would have any benefit.<sup>8</sup> Professor Ergas submitted that the Gonski Review had not provided evidence to support spending on loadings for disadvantage as it had not established a link between concentrated disadvantage and poorer student performance. On the contrary, Professor Ergas submitted that:

The data the [Gonski] report presents suggests performance deteriorates linearly as the concentration of students from low SES areas rises...the relation between concentration of disadvantage and outcomes is a straight line, not one that drops off more steeply as concentration increases. Nor is there any evidence in the report that suggests that overcoming the impacts of concentrated disadvantage requires more than proportionate rises in spending as the level of concentration increases. As a result, the structure of the loadings from disadvantage lacks an evidentiary basis. That is undesirable in itself, but to add to the problems the possible consequences of those loadings are almost difficult to credit.<sup>9</sup>

In the view of Government Senators, to truly 'Give a Gonski' it is necessary to remember that the principle of the Gonski Review recommendations was to change school funding policy so that funds could be used to target areas of most need. As Dr Boston explained, the Gonski Review was clear that within the proposed new funding model, there was much to be worked out. The loadings, particularly for disability, being a prime example:

...the resource standard, the model in the document...which is the proposed model for the schooling resource standard, is a model. There are no dollars attached to it. It is a schema, and our recommendation was that that and the loadings be tested with the national school resourcing body in order to decide precisely what the figures should be, what the loading should be, whether that sloped line should be exactly sloped at that level or stepped or concave or convex—all that had to be negotiated with the national schools resourcing body responsible to all the ministers, and that never happened. Instead, it was done unilaterally with different deals being done with

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7 Ms Judith Sloan, 'Why I don't give a Gonski for more school spending', *The Australian*, 28 August 2012, [www.theaustralian.com.au/opinion/columnists/why-i-dont-give-a-gonski-for-more-school-spending/story-fnbkvnk7-1226459316708](http://www.theaustralian.com.au/opinion/columnists/why-i-dont-give-a-gonski-for-more-school-spending/story-fnbkvnk7-1226459316708)

8 Professor Henry Ergas, Private Capacity, Committee Hansard, 1 May 2014, p. 58.

9 Professor Henry Ergas, Private Capacity, Committee Hansard, 1 May 2014, p. 58.

different states, and that is when it came apart. We cannot say that Gonski finally tied down all the numbers—it did not. The step to tie down all the numbers was never taken and, as the Independent Schools Council pointed out to your inquiry, we now have 27 different models around the country, all having some sort of needs-based component to them, but none of them being the pure Gonski. It is a mess.<sup>10</sup>

In its submission, Independent Schools Victoria argued, using the low socio-economic (SES) loading, that the loadings are:

- complex and lack transparency;
- have no evidence base;
- invite incentives for 'gaming' by schools, sectors and states; and
- are unfair in their treatment of different schools and sectors.<sup>11</sup>

Others were also critical of the quality of the Gonski Review's research including much of the specially commissioned consultancy work. For example Mr Ross Fox, Executive Director of the National Catholic Education Commission advised the committee of the NCEC's concerns about the Gonski Review's commissioned research:

Allen Consulting Group had one of the four research tasks. They produced the model. Gonski has very little technical discussion of the model. Lots of us were very critical of the Allen model and, indeed, still are. The idea that you set the standard of all Australian schools on the basis of NAPLAN results alone, then isolate the schools and say, 'These are the highest performing schools,'—on NAPLAN and nothing else—'what do they cost?' and make that the basis of all your funding—<sup>12</sup>

These flaws are not acknowledged in the final majority report.

The majority report also suggested that the Government has not implemented the disability loading. Inquiries into the *Australian Education Act 2013* highlighted that the previous government had not revealed a loading and had no agreed definition.

The Australian Government has already introduced a funding loading to support students with disability which commenced in 2014. The loading is provided for students with disability in government and non-government schools on the same basis.

There is more Commonwealth funding for students with disability than ever before. \$4.8 billion for students with disability is available over the forward estimates within this Budget. This includes \$1.1 billion for 2014-15; \$1.2 billion for 2015-16; \$1.3 billion for 2016-17; \$1.3 billion for 2017-18.

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10 Dr Ken Boston, Private Capacity, Committee Hansard, 16 May 2014, p. 3.

11 Independent Schools Victoria, *Submission 59*, pp. 5-10.

12 Mr Ross Fox, Executive Director, National Catholic Education Commission, *Committee Hansard*, 13 March 2014, p. 26.

The 2014 loading is set at 186 per cent of the base per-student Schooling Resource Standard (SRS). This means a loading of \$17,244 for primary students and \$22,679 for secondary students.

Students in special schools are eligible to attract a loading that is 223 per cent of the SRS in recognition of the complex needs of these students. This is \$20,674 for primary students and \$27,190 for secondary students.

Government Senators welcome the advice that the Government is continuing to work with state and territory governments and non-government education authorities on the data collection process. All parties agree that accurate information is needed before a more refined loading can be calculated.

In addition, the Abbott Government has honoured its commitment to provide an extra \$100 million to extend the More Support for Students with Disability initiative in the 2014 school year. This funding has provided a boost to help improve teacher skills and increase the inclusiveness of schools, a fundamental action for improving students with disability outcomes and experience of schooling.

### *A national system*

**Fourth**, the Gonski Review and its advocates believed that one of the goals of the new funding arrangements would be to create a national ‘needs’ based funding system, that was sector blind and less complex than previously.<sup>13</sup> Independent Schools Council of Australia (ISCA) summed up the current complicated mess that was partly contributed to by the Gonski Report, but greatly exacerbated by the rushed, politically driven agenda of the Gillard and Rudd governments prior to the September 2013 election:

It is clear that the current situation with school funding in Australia is anything national. With each state and territory government and the Commonwealth government operating different funding arrangements across three schooling sectors, there are at least 27 different funding models in operation. This is even more complex than the previous arrangement.<sup>14</sup>

Other independent commentators and analysts have concurred with this assessment.<sup>15</sup>

Contrary to rhetoric of the ALP/Green Opposition, there was no national school funding system. Only three states and territories signed in full (NSW, ACT and SA); two only signed the heads of agreement (VIC and TAS); and three did not sign at all

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13 See for example Dr David Zyngier writing in *The Conversation* on 27 November 2013 on 'Ditching Gonski: what's so unfair about funding based on need?', <https://theconversation.com/ditching-gonski-whats-so-unfair-about-funding-based-on-need-20795>

14 Mr Bill Daniels, Chief Executive Officer, Independent Schools Council of Australia, *Committee Hansard*, 13 March 2014, p34.

15 Justman and Ryan, op cit., pp4-5. Caldwell, B., 2014, Realigning the governance of schools in Australia: Energising an experimentalists approach, Centre for Strategic Education, Seminar Series 233, April.

(WA, Qld and NT). Moreover, the signatory states negotiated different implementation arrangements government and non-government sectors will redistribute funds according to their own needs and methodologies. These problems have not been acknowledged in the majority report and Government Senators are disappointed that despite clear evidence the majority report repeats tired rhetoric rather than the facts.

### ***Centralised control and federal-state relations***

**Fifth**, the Gonski Review and its politicised implementation via the *Australian Education Act 2013* has added to the confusion about government responsibility for school education by continuing old battlegrounds in schools funding: state versus federal government funding and government versus non-government schools.

Government Senators consider that the measures currently in place in the *Australian Education Act 2013* fail to acknowledge the constitutional responsibility and long experience that State governments have had in delivering mass education. In fact, the operation of the *Australian Education Act 2013* as forcibly legislated by the ALP/Green minority government erodes the states' responsibility to run public schools.

In an article for *The Conversation* website, Professor Cheryl Saunders analysed the reforms incorporated in the *Australian Education Act 2013*. The article examines the argument by then Opposition Spokesman the Hon Christopher Pyne MP and various state premiers, that the reforms represented a significant shift in Commonwealth power over states. Professor Saunders' view was that the reforms were an unprecedented shift in power:

In brief, Pyne and the states are right. This is a significant shift...Schools are a state responsibility, historically and constitutionally. However, while the states run public schools and oversee schooling, the Commonwealth since the Menzies government has contributed to funding using tied or conditional grants. While the states are not legally obliged to accept these payments, their financial circumstances make it effectively impossible to refuse.

So, while the Commonwealth has been involved in education for many years, the new laws, regulations and related agreements signify unprecedented federal power over schools at a far more detailed level than previously.<sup>16</sup>

Constitutional law expert Professor Anne Twomey agreed with Professor Saunders' analysis:

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16 Professor Cheryl Saunders, Professor Anne Twomey, 'FactCheck: are the Gonski school reforms a federal power grab?', *The Conversation*, 11 July 2013, <http://theconversation.com/factcheck-are-the-gonski-school-reforms-a-federal-power-grab-15458>

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I agree with this assessment. The Commonwealth will obtain potentially wide powers with respect to schooling in the states through this Act [*Australian Education Act 2013*] and its broad regulation-making powers. It may be that the Commonwealth does not intend to use these powers in an intrusive manner, but this can't be guaranteed for future governments.

It is not possible to describe the [Rudd/Gillard] government's education reforms as simply a means to achieve better funding for schools. If that was the sole aim, it could be done by providing the money without new conditions and powers. This legislation clearly goes beyond that aim by significantly expanding Commonwealth power.<sup>17</sup>

Professor Saunders' conclusion is particularly telling, with its implicit contrast between the aims of the Gonski Review recommendations and the reality of the ALP/Green minority government's school funding reforms:

Reallocating funds to schools on the basis of need is one thing. But the 2012 Gonski report into Australia's education system also emphasised the importance of respecting the expertise and experience of the states in running schools, and the new federal laws fall short of this. You can debate whether this is a good or bad thing for education, but it is undeniable.<sup>18</sup>

Recent history shows that the ALP/Green minority government did not achieve an agreement with all states and territories as claimed; it was never able to work together with the other governments to implement its needs-based model. In the opinion of Government Senators, this is because the previous government tried to impose its view on the state and territory governments, rather than working cooperatively with them.

The majority report suggests, there was "overwhelming consensus" for all the changes proposed under the Gonski mantle by the previous government. This is simply incorrect. Three states and territories did not sign up. Two only signed the heads of agreement. The negotiation processes were long winded and secret.

It is clear to Government Senators that having successfully implemented a needs-based funding system that includes agreements with all states and territories, the Government should continue to work to resolve the command and control problems in the *Australian Education Act 2013*.

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17 Professor Cheryl Saunders, Professor Anne Twomey, 'FactCheck: are the Gonski school reforms a federal power grab?', *The Conversation*, 11 July 2013, <http://theconversation.com/factcheck-are-the-gonski-school-reforms-a-federal-power-grab-15458>

18 Professor Cheryl Saunders, Professor Anne Twomey, 'FactCheck: are the Gonski school reforms a federal power grab?', *The Conversation*, 11 July 2013, <http://theconversation.com/factcheck-are-the-gonski-school-reforms-a-federal-power-grab-15458>

### ***Excessive regulation***

**Sixth**, closely related to this intrusion into state government areas of responsibility was the way the Gonski funding model operated. As highlighted above, there were different agreements and different starting times for the states in relation to the new funding model.

The majority report does not discuss the evidence presented to the committee regarding the inherent problems with the *Australian Education Act 2013*. Government Senators believe these issues must be overcome if needs-based funding is to be successful. A clear example is the evidence from Mr Cook, Department of Education, regarding the arbitrary and unfair nature of the SRS:

The Schooling Resource Standard is actually what is overall, a combination of both a student price and loadings. So, technically, the Schooling Resource Standard includes both loadings and a per student price. But, if you take WA and the ACT, for example...they possibly will have a view that for them the SRS was not a model that was going to work, because they were getting much less Commonwealth funding purely on the basis that, as a state, they had decided to invest more than other states and territories. Therefore, as a state, because you have invested so much, the Commonwealth is not going to give you as much to reach a particular arbitrary standard.

The government will no doubt have a policy view around where we go into the future. At the moment, as I indicated, in the budget papers, the government's view is that applying arbitrary percentages to an arbitrary standard did not give a fair amount of Commonwealth funding to each state and territory, because some were disadvantaged because as a state they had invested more than other states and territories...<sup>19</sup>

How this matter has been tackled by the present Government is discussed later in this report.

Another example is the evidence from the Department of Education on the states and territories which are keen to amend the *Australian Education Act 2013* and remove the overbearing and unnecessary legislative compliance constraints:

**Mr Cook:** The states and territories have indicated a number of areas, including...a view that there is too much power...delegated in the federal minister in their ability in the current act to require states and territories to take particular courses of action, such as policy actions... There is concern about some of the specific goals that are outlined in the act in relation to PISA [Programme for International Student Assessment] growth... It is probably fair to say generally that states and territories would have a preference that certain aspects of the act be less specific and provide less power to a federal minister, with the view that they are the ones who are actually responsible for school education and for seeking improvements in schools.

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19 Mr Cook, Associate Secretary Early Childhood, Schools and Youth, Department of Education, *Committee Hansard*, 16 May 2014, pp. 47-48.

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**Mr Hehir:** The main sections tend to be the section 77 [Ongoing policy requirements for approved authorities], section 105 [Minister may give a direction in relation to an implementation plan] and section 22 [Conditions of financial assistance—implementing national policy initiatives relating to school education]... But they are the areas where the Australian government minister has the power. So they are the broad areas [states and territories] are looking at.<sup>20</sup>

Also, given Australia's regional and rural features Government Senators consider that this is a further argument for states and territories to be able to exercise control over the allocation of school funding for rural and regional students.

Australia is a continent of extremes, in particular extreme distances. However, the definition of 'rurality' or remoteness can vary depending on the circumstances of each state and territory and the location of population centres. The Victorian Auditor-General, Mr John Doyle observed that there could be differences in what is regarded as rural depending on school location and he was not aware of a widespread definition of 'rural'. Further, Mr Doyle noted:

But I would argue that even on the fringe of the metropolitan area, where there is perhaps a lack of public transport and what have you, you have issues that are very similar to those in a rural subdivision type school.<sup>21</sup>

Government Senators contend that it is state and territory governments which are best placed to make decisions about the allocation of school funding as they have in-depth knowledge of their state or territory demographics. A definition made at the national level, without reference to differences in each state and territory, risks creating inequity of funding.

This excessive intrusion was not limited just to state and territory governments. It impacted on both non-government sector and government sectors in varying ways. For instance, Section 77 (d) of the *Australian Education Act 2013* required all schools to provide detailed school improvement plans imposed a far reaching onerous demand on more than 9,500 individual schools across Australia. This will have a disproportionate impact on some schools, especially small schools in the non-government sector. In principle treating all schools the same may be desirable but the reality of our system is that schools in different sectors operate very differently. Small non-government schools do not have the resources of a large state bureaucracy to provide support for such demanding administrative requirements.

There is no mention in the majority report executive summary about these concerns.

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20 Mr Cook, Associate Secretary Early Childhood, Schools and Youth, and Mr Martin Hehir, Deputy Secretary Schools and Youth, Department of Education, *Committee Hansard*, 16 May 2014, p. 34.

21 Mr John Doyle, Victorian Auditor-General, *Committee Hansard*, 16 May 2014, p. 20.

## Education reforms that matter

What is most disappointing to Government Senators has been the almost total focus on funding as a means to improve education outcomes and to tackle issues of equity by the majority report and public debates. This ignores evidence that has long been available but too often ignored by successive governments and vested interests: that simplification of more money does not work in practice.

### *Funding levels and education performance*

There is no evidence that spending is a predictor of education performance. The evidence and research, much of it presented to the Committee clearly shows this.

The common argument promoted by the AEU and other advocates of increasing education funding is that more money equals better educational outcomes. However, as Dr Jennifer Buckingham wrote in 'School Funding on a Budget', increased funding for schools does not translate to improved educational outcomes:

Cross-country analyses of international tests have consistently found no correlation between spending on education and student performance—countries that spend more on school education do not always perform better. Furthermore, when a country increases funding to its schools, there is no guarantee of a corresponding improvement in performance. Therefore, at a system level at least, there is no evidence that increasing spending on schools leads to improved performance.<sup>22</sup>

Many others have confirmed this analysis. This is not ideological, but reflects Australian and international evidence.

Proponents of the increased school funding argument, such as the AEU, the Australian Labor Party, the Australian Greens, and some academics like Dr David Zyngier, cite Australia's poor performance in the OECD's PISA as evidence that further funding is needed to stop Australia falling behind other countries.<sup>23</sup> The objects of the *Australian Education Act 2013* also reference international standards:

- (i) for Australia to be placed, by 2025, in the top 5 highest performing countries based on the performance of school students in reading, mathematics and science;
- (ii) for the Australian schooling system to be considered a high quality and highly equitable schooling system by international standards by 2025;<sup>24</sup>

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22 Dr Jennifer Buckingham, *School Funding on a Budget* (published as part of the TARGET30 Reducing the Burden for Future Generations paper series), Centre for Independent Studies, T30.09, [www.cis.org.au/images/stories/target30/t30.09.pdf](http://www.cis.org.au/images/stories/target30/t30.09.pdf), p. 11.

23 Ms Charis Palmer, 'Australia closing equity gap, but education performance slipping: OECD', *The Conversation*, 13 February 2013, <http://theconversation.com/australia-closing-equity-gap-but-education-performance-slipping-oecd-12195>

24 *Australian Education Act 2013*, subparagraphs 3(1)(a)(i) and (ii).

PISA results should, however, be taken in context. Dr Jennifer Buckingham has stated that factors such as the increased number of countries participating in PISA, the addition of the East Asian OECD 'partner economies', and that participating countries 'may have mean scores that are not statistically different', that is that they are so close as not to indicate real differences in performance.<sup>25</sup> Authors Mr Stewart Riddle, Professor Bob Lingard, and Mr Sam Sellar advised that PISA results should be used by governments more to 'see how their education systems "stack up" against others on the reading, science and mathematical skills of 15 year-old school students' but should remember that:

However, this measure can't tell us everything about the quality of education systems. It is a simple measure that doesn't take in the complexities of education. Its newly found prominence comes at a time when we need more nuance in the education debate, not less.<sup>26</sup>

The emphasis placed on PISA scores is a symptom of the simplification of the education funding debate which took place under the ALP/Green minority government. Achieving educational excellence and equity is complex in its practice and its implementation. Linking additional funding to aspirations of greater PISA results, as the *Australian Education Act 2013* and the NPSI do, reduces the complexity of school funding policy to the erroneous equation of more funding equals better results. This is simply an innumerate approach to the evidence.

Further, the PISA results show that highest performing countries are not necessarily the highest spending countries. Finland, widely regarded as the trendsetter in education quality, has demonstrated that 'high participation rates and widespread equity coupled with good learning results have been established without increasing educational spending'.<sup>27</sup>

In fact the Gonski Review findings were not focused on more funding; they were aimed at redistributing funding so that it could be targeted strategically to address areas of greatest need.<sup>28</sup>

In hindsight, Mr David Gonski himself regretted the decision to include in the report 'calculations of what...a new school resource standard were likely to cost.'<sup>29</sup> Mr Gonski explained:

In retrospect, the decision to mention the number clouded the entire response to our review. Major media outlets talked of further billions for

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25 Dr Jennifer Buckingham, 'Don't panic about PISA', *ABC Online The Drum*, 4 December 2013, [www.abc.net.au/news/2013-12-04/buckingham-pisa-panic/5133364](http://www.abc.net.au/news/2013-12-04/buckingham-pisa-panic/5133364)

26 Mr Stewart Riddle, Professor Bob Lingard, Mr Sam Sellar, 'Australia's PISA slump is big news but what's the real story?', *The Conversation*, 3 December 2013, <http://theconversation.com/australias-pisa-slump-is-big-news-but-whats-the-real-story-20964>

27 Sahlberg, P. , "Education policies for raising student learning: The Finnish approach," *Journal of Education Policy*, Vol 22, No 2, March 2007, pp147-171.

28 Dr Ken Boston, *Submission 29*, p. 1.

29 Mr David Gonski AC, Jean Blackburn Oration, University of Melbourne, 21 May 2014, p. 10.

education and no doubt those who had to find the amount were very bluntly reminded of what was involved.

In fact our review was more subtle than asking just for more money.<sup>30</sup>

The ALP/Green minority government's focus on funding has been detrimental to sound debate based on evidence rather than self-interest, emotions and hysteria. As some commentators viewed the situation following the 2013 federal election:

...the crucial issue is how and where that money is best spent.

And this is where the Labor government made a fatal error and lost control of the school funding debate. It focused on the extra \$14.5 billion it was pouring into the system rather than the fundamental structural reform the Gonski model heralds.

The problem facing Pyne is not that the Gonski model is bad and unworkable; the problem is the way Labor mishandled its implementation. It would be a mistake for him to throw out reforms that provide a fair, transparent and equitable way of giving schools the money they need.

The Gonski reforms redistribute money to schools that need it most, but the main message conveyed over the past two years was that Gonski means more money. It was fed by the perception that Labor was offering sweetheart deals to get states to sign up.<sup>31</sup>

Mr David Gonski himself has more recently also admitted:

Monies may have increased (in Australia) but not been given in the correct areas. Other countries may be more adept in where they put their money.<sup>32</sup>

Again, the majority report, like the AEU have ignored the evidence about Australia's funding levels compared to other countries. ACER's 2013 review of the PISA results concluded that in relation to adequacy of resources for schools. Australian scores were well above the OECD average, indicating that, relative to other OECD countries, Australian schools on average had access to a high quality of educational resources.<sup>33</sup>

This is not the picture that is painted about Australia by some. Depending on the years chosen Australian spending on schools has been slightly above or slightly below the OECD average, but overall total spending on primary and secondary schools between 1987-88 to 2011-12 has doubled in real terms, with the government sector getting a bigger proportion. Much of this funding has gone to increasing the number of teachers<sup>34</sup> and reducing the class sizes which on one assessment giving Australia the

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30 Mr David Gonski AC, Jean Blackburn Oration, University of Melbourne, 21 May 2014, pp 11–12.

31 Ms Justine Ferrari, 'Implement the Gonski model as the fairest way of funding schools', *The Australian*, 29 November 2013, [www.theaustralian.com.au/national-affairs/opinion/implement-the-gonski-model-as-the-fairest-way-of-funding-schools/story-e6frgd0x-1226770833511](http://www.theaustralian.com.au/national-affairs/opinion/implement-the-gonski-model-as-the-fairest-way-of-funding-schools/story-e6frgd0x-1226770833511).

32 Gonski, D., 'David Gonski speaks out on implementation of education reforms,' Transcript, ABC, 22 May 2014.

33 Thomson, S., et al, 2013, PISA 2012: How Australia measures up, Melbourne, ACER, p263.

34 Productivity Commission, 2012, Schools Workforce, Canberra: Commonwealth Government.

smallest classrooms in the OECD<sup>35</sup> and according to others giving Australia, slightly larger classrooms.<sup>36</sup> The point is not to argue the semantics of these issues, but to highlight that in terms of spending, teacher numbers (and pay), and classroom sizes, Australia performs relative well.

### *The equity argument*

There is confusion about what is meant by equity in relation to education. Too often it is seen the same as equality of outcomes rather than in terms of improving access to adequate resources. These issues require further detailed discussion. Suffice to point out that according to the 2012 PISA results Australia is a high equity country with socio-economic background being less important in affecting student performance than the OECD average.<sup>37</sup> What the evidence does show in relation to Australia is that real inequality occurs within schools rather than between them. What matters is the class a student attends than the school. This reinforces the notion that teacher quality really matters. As evidenced by school principals of both government and non-government witnesses.<sup>38</sup> Further, too much weight is given to the ability of schools to overcome the other factors that have long been shown to affect student performance—family background and not just wealth.

### *Restoring funding certainty and developing a national needs based school funding system*

There has been considerable debate in the public arena, repeated in the majority report, that the Abbott Government has reduced school education funding and introduced wide ranging cuts and that these “significant cuts jeopardise the widespread improvements in student outcomes.” No evidence is offered to support this claim. Further, putting aside partisanship, the true nature of the present government’s funding arrangements have not been explained or acknowledged in the majority report. Another unfortunate omission.

The majority report argued that the Abbott Government's Students First policy, under which the National Plan for School Improvement (NPSI) funding will be reviewed and amendments proposed to the *Australian Education Act 2013*, is a reversal of the pre-election commitment to school funding. In reality, as the Hon Christopher Pyne MP, Minister for Education, has repeatedly stated since the 2013 federal election, the

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35 Thomson, op cit., pp264-265.

36 OECD, Education at a Glance 2013, Paris: OECD.

37 Dr Jennifer Buckingham, 'Don't panic about PISA', ABC Online The Drum, 4 December 2013, [www.abc.net.au/news/2013-12-04/buckingham-pisa-panic/5133364](http://www.abc.net.au/news/2013-12-04/buckingham-pisa-panic/5133364)

38 For example see discussion regarding the need for using funding strategically to improve teacher quality: Mr David Adamson, Principal of the Essendon Keilor College, Melbourne *Committee Hansard*, 3 April 2014, p. 53 and Ms Karen Money, Principal of William Ruthven Secondary College, Melbourne, *Committee Hansard*, 3 April 2014, p. 54.

Government will provide the same amount of funding as the former Government for schools.<sup>39</sup> This commitment is reflected in the 2014-15 Budget, with the Abbott Government's allocation of recurrent spending \$64.5 billion in recurrent funding for Students First over the forward estimates.<sup>40</sup>

In fact, in addition to matching the funding across the forward estimates, the Government has successfully concluded negotiations with Western Australia, Queensland and the Northern Territory, providing an additional \$1.2 billion for these governments; funds which the ALP/Greens minority government cut from schools in these states.

With agreements with Western Australia, Queensland and the Northern Territory in place, all states and territories and the non-government sector, now have clear arrangements for school funding for the next four years. Working cooperatively with the state and territory governments to 'improve education outcomes all around Australia'<sup>41</sup> is a key part of the Students First Policy. It allows state and territory governments to operate free from interference of the Australian Government.

Government Senators observe that certainty of funding was a clear issue and concern for sectors, states and schools throughout the failed attempt by the ALP/Greens minority government to achieve a national needs-based funding arrangement. This was particularly so during the two attempts made by the ALP/Greens minority government to legislate for the reforms.<sup>42</sup> This frustration was evidenced by all parties throughout inquiries of the Senate Education and Employment Committee and the Select committee.

In fact, the Abbott Government has achieved what the previous government promised, but could not deliver—a national needs-based system. In June 2014, the Secretary of the Department of Education, Ms Lisa Paul, confirmed that the Government has delivered the first national needs-based funding model.<sup>43</sup>

Implementing a national needs-based funding model across Australia could not have been achieved without the cooperation of the states and territories. This was demonstrated by the Rudd/Gillard Government's failure to achieve agreement with all

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39 'Tony Abbott rejects claims of broken election promise on Gonski school funding', *ABC News*, 27 November 2013, [www.abc.net.au/news/2013-11-27/government-denies-breaking-election-promise-on-school-funding/5119204](http://www.abc.net.au/news/2013-11-27/government-denies-breaking-election-promise-on-school-funding/5119204)

40 2014-15 Budget, Budget Paper 3, Federal Financial Relations, pp 34–37.

41 Australian Liberal Party, 'The Coalition's Policy for Schools: Students First', August 2013, <http://lpaweb-static.s3.amazonaws.com/13-08-29%20The%20Coalition%27s%20Policy%20for%20Schools%20-%20policy%20document.pdf> p. 4.

42 Senate Education, Employment and Workplace Relations Legislation Committee Report 'Australian Education Bill 2013' p. 1; Senate Education, Employment and Workplace Relations Legislation Committee Report 'Australian Education Bill 2012 [Provisions]' p. 8.

43 Ms Lisa Paul AO PSM, Secretary, Department of Education, Senate Education and Employment Legislation Committee, *Budget Estimates Hansard*, 4 June 2014, p. 86.

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states and territories due to its refusal to negotiate. Western Australian Premier, the Hon Colin Barnett MLA, noted the NPSI was never going to achieve real action on school funding:

I think the Commonwealth, the new Commonwealth Government, is right to go back to square one, keep the money on the table, but you must have a consistent approach. You can't have the Commonwealth discriminating between states or having one policy on education in one state and another policy elsewhere.<sup>44</sup>

The Abbott Government's Students First policy allows state and territory governments to continue to implement the needs-based funding models they were already working to implement or had already established, as **Table 1** below demonstrates. Mr Cook advised that all states have some form of needs-based funding, as indicated by research done by the Department of Education:

What I can say—having worked in education in two other states but also talking to every single state based on the consultations we did over the last two or three years—is that every state has a form of needs based state funding model, as do the Catholic systems, where they all have funding for indigeneity and for low SES. They may have different definitions as to how they define low SES. They all have funding allocations based on the size and location, particularly the larger states. You would expect WA, Queensland and New South Wales all factor that in. Some states have that very explicitly and publicly available. If you go to Victoria, on the education website, you can download their student resource package, which is their needs based funding formula. It gives you very clear directions as to what dollars a school that is 100 kilometres from Melbourne would get based on location and all that sort of stuff.<sup>45</sup>

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44 'States furious about Gonski funding changes', *ABC Radio – PM Program*, 26 November 2013, [www.abc.net.au/pm/content/2013/s3899480.htm](http://www.abc.net.au/pm/content/2013/s3899480.htm)

45 Budget Estimates Committee Hansard, 4 June 2014, p. 94.

**Table 1—State/Territory school funding policies**

State/ Territory	Current school funding policy	Needs-based model?
Queensland	Great Results Guarantee <sup>46</sup>	✓
NSW	Resource Allocation Model <sup>47</sup>	✓
ACT	Enhanced School Based Management <sup>48</sup>	✓
Victoria	Student Resource Package <sup>49</sup>	✓
South Australia	School Funding Reform <sup>50</sup>	✓
Tasmania	Fairer Funding Model <sup>51</sup>	✓
Western Australia	Excellence and Equity: Strategic Plan for WA Public Schools 2012-2015 and Classroom First Strategy <sup>52</sup>	✓
Northern Territory	The NT Government aims to provide quality education services to all students, no matter where they live. <sup>53</sup>	✓

46 Queensland Government, Great Results Guarantee School Funding Fact Sheet, <http://education.qld.gov.au/schools/grants/resources/great-results-guarantee.pdf>

47 New South Wales Government, School Funding Resource Allocation Model, [www.dec.nsw.gov.au/about-the-department/our-reforms/local-schools-local-decisions/reform-agenda/resource-allocation-model](http://www.dec.nsw.gov.au/about-the-department/our-reforms/local-schools-local-decisions/reform-agenda/resource-allocation-model)

48 ACT Government, *Submission 78*.

49 Victorian Government, Schools Funding Reform Fact Sheet, [www.education.vic.gov.au/Documents/about/departments/vlc\\_fundingfact.pdf](http://www.education.vic.gov.au/Documents/about/departments/vlc_fundingfact.pdf)

50 South Australian Government, School Funding Reform, [www.decd.sa.gov.au/SchoolFundingReform/](http://www.decd.sa.gov.au/SchoolFundingReform/)

51 Tasmania Government, Schools Funding Model, [www.education.tas.gov.au/documentcentre/Documents/Better-Schools-Tasmania-Funding-Model.pdf](http://www.education.tas.gov.au/documentcentre/Documents/Better-Schools-Tasmania-Funding-Model.pdf)

52 Western Australian Government, Strategic Directions, [www.education.wa.edu.au/home/detcms/navigation/about-us/public-education-at-a-glance/our-strategic-directions/](http://www.education.wa.edu.au/home/detcms/navigation/about-us/public-education-at-a-glance/our-strategic-directions/)

53 Northern Territory Government, Submission 31. The submission notes that 'Strategic priorities include improving educational outcomes for Indigenous students, increasing autonomy in schools to enable greater local decision making about how resources are allocated to respond to local needs, and greater community involvement in the management of schools.'

### *Spending issues*

Throughout the hearings there have been allegations that the current Government has broken its promises and reduced school spending. This criticism increased after the May budget concerning spending over the forward estimates.

The Abbott Government's achievements in terms of school education spending include:

- Funding is more under the government in the current forward estimates than the previous government having restored \$1.2 billion taken out by the previous government and distributed to the previous non-signatory states of Queensland, Western Australia and Northern Territory;
- Commonwealth recurrent and capital spending from 2013-4 to 2017-18 increased for all sectors by \$4.9 billion – a 37.2% increase;
- For each of the financial years Commonwealth recurrent and capital funding will grow to the states and territories and non-government sector and by:
  - 8.7 per cent in 2014-15
  - 8.9 per cent in 2015-16
  - 8.9 per cent in 2016-17
  - 6.6 per cent in 2017-18<sup>54</sup>

**Table 2** below further summarises Commonwealth funding to all states and territories and sectors over the forward estimates. The increases speak for themselves.

### *Post 2017 funding arrangements*

There has been considerable debate about the funding for years five and six under the original Gonski model and promises made by the previous government. The complaint is that as the present government has not committed beyond 2018 it was thus heralding in further cuts to spending and therefore undermining the school system. This debate was particularly rampant prior to the release of the Government's first budget in May. The criticism escalated after the budget when the government's new funding arrangements, which involved increasing recurrent school funding growth to the states and territories based on movements of Consumer Price Index (CPI) plus enrolments, was publicised through discussion at Budget Estimates. These funding arrangements were different to, and amounted to \$30 billion in cuts. However, the promises made by the previous government were not budgeted for in the forward estimates. The ABC Fact Check on this issue is instructive. It concluded:

The Government did not cut \$30 billion from schools in the May budget. It says it will change the rate of increase from 2018, which is beyond the current budget period and term of Parliament.

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54 All figures based on Budget Paper 3, p36.

The \$30 billion figure used by Ms Ellis is based on adding up 10 years of difference between the increases that Labor says it would have funded (4.7 or 3 per cent per year) and an estimate of the rate of increase that the current Government says it will apply (the CPI). It is a component of the \$80 billion in savings that the Government itself is trumpeting.<sup>55</sup>

The Opposition has yet to confirm that it would fund years five and six if they were in office. To date they have been equivocal on this issue. It is a pity that the Opposition Senators did not clarify their parties' position in the majority report.

What the Government has instigated after 2018 are not cuts but slower growth after years of increasing spending on education by all governments, but especially by the Commonwealth, during the last two decades. The use of CPI is consistent with the rest of Commonwealth funding and is fiscally responsible in light of the current budget situation.

There are further changes. From 2018 onwards Commonwealth funding to each state and territory will be based on the same percentage (currently estimated at 19.1 per cent) of the fully loaded SRS. States and territories were previously on different transition paths to the desired SRS level in terms of amounts they would receive from the Commonwealth and the rate at which additional funding is paid. This was based on how far they were originally below the SRS in 2014 and the deal negotiated (or not) with the Commonwealth. Under the previous model, states that funded their schools at relatively low levels compared to the SRS (such as Victoria which was at 82 per cent of the SRS in 2014), would receive higher additional Commonwealth funding compared to states who had funded their schools well (WA was above 90 per cent of the SRS in 2014). Hence, in 2017 Commonwealth funding would have been 20.5 per cent of the SRS for Victoria, but only 15 per cent of the SRS for WA (in other words far less). To simply index the 2017 funding amounts based on the above distribution across the states and territories by CPI and enrolments separately would continue this unfairness. So, the Government has foreshadowed that from 2018 all states and territories get notionally the same SRS contribution from the Commonwealth (19.1 per cent), but this redistribution is indicative only and as stated in the Budget Paper 3, "final state allocations ... are subject to formal negotiations."<sup>56</sup>

This is a more honest and fairer approach than previously.

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55 *ABC Fact Check*, 'Is the Abbott Government cutting \$30 billion from school funding?', July 2014. 2

56 Budget Paper 3, p36.

**Table 2—Commonwealth funding to all states and territories and sectors over the forward estimates**

Growth over the FEs (13/14 - 17/18) by sector

Current Government arrangements (includes \$1.2b extra at MYEFO and 14/15 budget measure parameters); per BP3 p36

OPTION		2013-14 (\$m)		\$m		13/14 to 14/15		\$m		14/15 to 15/16		\$m		15/16 to 16/17		\$m		16/17 to 17/18		TOTAL
State	Sector	SPP+NP	SFF	Total	2014-15	\$ growth	% growth	2015-16	\$ growth	% growth	2016-17	\$ growth	% growth	2017-18	\$ growth	% growth	2018-19	\$ growth	% growth	\$ g
NSW	Gov	671.7	735.7	1,407.4	1,551.8	144.4	10.3%	1,716.5	164.7	10.6%	1,964.3	247.8	14.4%	2,105.2	140.9	7.2%				
NSW	Non-Gov	1,323.7	1,376.4	2,700.1	2,831.8	131.7	4.9%	3,008.2	176.4	6.2%	3,203.7	195.5	6.5%	3,356.8	153.1	4.8%				
VIC	Gov	486.9	548.4	1,035.3	1,171.3	136.0	13.1%	1,291.4	120.1	10.3%	1,388.6	97.2	7.5%	1,424.2	35.6	2.6%				
VIC	Non-Gov	1,088.7	1,134.1	2,222.8	2,348.0	125.2	5.6%	2,522.9	174.9	7.4%	2,706.3	183.4	7.3%	2,855.8	149.5	5.5%				
QLD	Gov	440.7	523.1	963.8	1,128.1	164.3	17.0%	1,300.2	172.1	15.3%	1,492.5	192.3	14.8%	1,626.1	133.6	9.0%				
QLD	Non-Gov	876.7	918.2	1,794.9	1,927.3	132.4	7.4%	2,101.1	173.8	9.0%	2,274.0	172.9	8.2%	2,422.5	148.5	6.5%				
SA	Gov	149.8	184.3	334.1	379.1	45.0	13.5%	401.3	22.2	5.9%	424.3	23.0	5.7%	457.8	33.5	7.9%				
SA	Non-Gov	330.0	338.3	668.3	694.8	26.5	4.0%	737.3	42.5	6.1%	782.9	45.6	6.2%	819.4	36.5	4.7%				
WA	Gov	220.0	245.1	465.1	528.2	63.1	13.6%	597.7	69.5	13.2%	664.8	67.1	11.2%	824.8	160.0	24.1%				
WA	Non-Gov	437.8	461.0	898.8	970.6	71.8	8.0%	1,064.6	94.0	9.7%	1,157.0	92.4	8.7%	1,235.3	78.3	6.8%				
TAS	Gov	51.3	71.3	122.6	147.8	25.2	20.6%	159.5	11.7	7.9%	172.2	12.7	8.0%	179.5	7.3	4.2%				
TAS	Non-Gov	85.4	89.8	175.2	186.6	11.4	6.5%	201.9	15.3	8.2%	218.0	16.1	8.0%	229.2	11.2	5.1%				
ACT	Gov	31.7	36.2	67.9	73.4	5.5	8.1%	76.1	2.7	3.7%	79.5	3.4	4.5%	95.8	16.3	20.5%				
ACT	Non-Gov	79.1	86.1	165.2	174.3	9.1	5.5%	185.6	11.3	6.5%	197.6	12.0	6.5%	204.3	6.7	3.4%				
NT	Gov	28.3	63.8	92.1	133.8	41.7	45.3%	146.8	13.0	9.7%	161.5	14.7	10.0%	158.4	-3.1	-1.9%				
NT	Non-Gov	50.2	59.6	109.8	125.8	16.0	14.6%	133.7	7.9	6.3%	144.5	10.8	8.1%	152.4	7.9	5.5%				
Australia	Gov	2,080.4	2,407.8	4,488.2	5,113.6	625.2	13.9%	5,689.5	576.0	11.3%	6,347.5	658.2	11.6%	6,871.8	524.1	8.3%				
Australia	Non-Gov	4,271.6	4,464.1	8,735.7	9,260.4	524.1	6.0%	9,956.7	696.1	7.5%	10,684.9	728.7	7.3%	11,277.2	591.7	5.5%				
Australia	All	6,352.0	6,871.9	13,223.9	14,374.0	1,149.3	8.7%	15,646.2	1,272.1	8.9%	17,032.4	1,386.9	8.9%	18,149.0	1,115.8	6.6%				

### ***Where the Commonwealth fits in school education***

While it may not be relevant to the ALP/Green ideology of centralisation, Government Senators have a deep and abiding respect for the issue of where does the Commonwealth government in our federation fit in relation to school funding and the education system as a whole, fit?

It needs to be reiterated, that the Commonwealth is not the major funder or policy authority in this area, a fact conveniently ignored by those pursuing their own political agenda. Its approximate share of total government funding to schools (i.e. Commonwealth) to government schools is only 16.6 per cent and to all schools 32.6 per cent. In relation to the SRS, the Commonwealth only provides a relatively small contribution to the SRS—the vast majority of funding for government schools is still provided by the states and territories (up to 85 per cent).

The importance of understanding the Commonwealth actual role in funding schools, its ability to react appropriately at a local level and its Constitutional powers to develop school education policy, cannot be exaggerated.

### **Conclusion: Future debate for real education reform in Australia**

#### ***Ending the sloganeering***

Sadly, for the government Senators, the recent debate about school funding that has occurred since the Gonski Review was announced in 2010 has become politicised and driven by ideology. At times it has been reduced to sloganeering, epitomised by the Australian Education Union's 'Give a Gonski' campaign.

The AEU maintained that if someone does not support the recommendations of the Gonski Review, then they do not care about student outcomes. As Dr Jennifer Buckingham wrote in *The Australian* in April 2013:

The "I Give A Gonski" campaign gives the impression that the proposed school funding reforms represent a big, fat cheque for public education. The implication is that if you don't "give a Gonski", you don't care about schools.<sup>57</sup>

This emotive framing of education funding policy has been detrimental to public debate. As Judith Sloan, economist, wrote in *The Australian*:

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57 Dr Jennifer Buckingham, 'Gonski reforms at risk of failure to launch', *The Australian*, 5 April 2013, [www.theaustralian.com.au/national-affairs/opinion/gonski-reforms-at-risk-of-failure-to-launch/story-e6frgd0x-1226612773677](http://www.theaustralian.com.au/national-affairs/opinion/gonski-reforms-at-risk-of-failure-to-launch/story-e6frgd0x-1226612773677)

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So do I give a Gonski? Probably not because what I mean by giving a Gonski is not what others, particularly the Australian Education Union, mean by it.<sup>58</sup>

The hysterical language used by the AEU has obscured the realities of education policy funding, in particular that increasing funding without any targeting, results in diminished returns represented by an unsatisfactory educational outcome.

The common argument promoted by the AEU and other advocates of increasing education funding is the simplistic assumption that more money equals better educational outcomes. However, as Dr Jennifer Buckingham wrote in 'School Funding on a Budget', increased funding for schools does not translate to improved educational outcomes:

Cross-country analyses of international tests have consistently found no correlation between spending on education and student performance—countries that spend more on school education do not always perform better. Furthermore, when a country increases funding to its schools, there is no guarantee of a corresponding improvement in performance. Therefore, at a system level at least, there is no evidence that increasing spending on schools leads to improved performance.<sup>59</sup>

The 'Give A Gonski' campaign represented a substantial commitment of resources by the AEU and teachers' unions around Australia. Some of that spending is represented below in **Table 3**, based on the evidence gathered by the committee during its inquiry.

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58 Ms Judith Sloan, 'Why I don't give a Gonski for more school spending', *The Australian*, 28 August 2012, [www.theaustralian.com.au/opinion/columnists/why-i-dont-give-a-gonski-for-more-school-spending/story-fnbkvnk7-1226459316708](http://www.theaustralian.com.au/opinion/columnists/why-i-dont-give-a-gonski-for-more-school-spending/story-fnbkvnk7-1226459316708)

59 Dr Jennifer Buckingham, *School Funding on a Budget* (published as part of the TARGET30 Reducing the Burden for Future Generations paper series), Centre for Independent Studies, T30.09, [www.cis.org.au/images/stories/target30/t30.09.pdf](http://www.cis.org.au/images/stories/target30/t30.09.pdf), p. 11.

**Table 3: Education union spending on the 'I Give A Gonski' campaign**

Organisation	Amount
AEU Federal Office	The AEU's 2012 and 2013 audited reports show total expenditure on our National Public Education Campaign (Schools and TAFE Funding Campaigns). Expenditure for 2012 was \$2,900,427. Expenditure for 2013 was \$4,396,574. <sup>60</sup>
State School Teachers' Union of Western Australia (SSTUWA)	The SSTUWA's 2013 audited reports show total expenditure on our Gonski campaign was \$24,732.01. The budget for the 2014 Gonski campaign is \$66,000. <sup>61</sup>
Queensland Teachers' Union	In 2013 the Australian Education Union – Queensland Branch contributed \$394,000 to the public education campaign. The Queensland Teachers' Union spent \$32,504 on Gonski related campaign activities. The Queensland Teachers' Union budget makes no allocation to campaigning in 2014, although campaign reserves may be allocated for this purpose. The Australian Education Union – Queensland Branch will make a contribution of \$237,333 to the public education campaign and paid advertising. <sup>62</sup>
NSW Teachers' Federation	NSW AEU: Public education campaign fees \$186,714; Public Education Campaign Advertising: \$996,552. <sup>63</sup>
AEU Victoria Branch	The AEU Victorian Branch spent \$159,000 in 2013 on campaign activities relating to the Gonski campaign. At this stage we are unable to provide details of any expenditure for 2014. <sup>64</sup>

The 'Give A Gonski' campaign included posters, buses, social media campaigns and television advertisements. On 3 February 2013, the AEU launched a television advertisement which ran nationwide for two weeks. Included as part of the launch were buses with campaign advertising.<sup>65</sup> The 'Give A Gonski' campaign was active during the lead up to the 2013 federal election, with a lively social media presence

60 Australian Education Union Federal Office, answer to question on notice, 13 March 2014, p. 1.

61 State School Teachers' Union of Western Australia, answer to question on notice, 29 April 2014, p. 1.

62 Queensland Teachers' Union, answer to question on notice, 1 April 2014, p. 2.

63 NSW Teachers' Federation, answer to question on notice, 1 May 2014, p. 1.

64 Australian Education Union Victorian Branch, answer to question on notice, 3 April 2014, p. 1.

65 Kym Agius, 'Gonski ad campaign launched', *The Australian*, 3 February 2013, <http://www.theaustralian.com.au/news/latest-news/more-action-on-gonski-needed-poll/story-fn3dxiwe-1226567572494>

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which distilled this complex issue to slogans and emotive rhetoric. The result has been distorted public debate and a lack of opportunity to understand the policy issues around school funding.

In the opinion of the Government Senators, the fact that the 'Give A Gonski' campaign ran predominantly during the year of the 2013 federal election, was a major component in politicising the school funding debate, and limiting the scope for sensible policy discussion. It also contaminated the focus of these hearings.

### *Next steps*

In terms of future discussion debate and policy development we need to do better. A quality education system in an increasingly competitive world is not a luxury, but a necessity.

We cannot tackle issues of equity unless our education system is of high quality and has the flexibility to deliver the range of services needed to improve student improvement in the classroom.

The evidence is clear about what makes for a quality education system:

- increasing school and principal autonomy;
- having quality teachers appropriately selected, trained in rigorous and relevant courses with high levels of responsibility and accountability;
- a professional teacher workforce; and
- increased parental engagement to nurture learning and promote life-long practices outside the school room.

In the view of Government Senators, the majority report of the select committee is disappointing. Instead of identifying common ground on which consensus around school funding can be built, the majority report adds to the emotive rhetoric which is stifling common sense policy debate on school funding.

Government Senators encourage the Opposition and minor parties to remove the emotion from the school funding debate and work with the Government to focus policy development on ensuring all Australian students receive an education which equips them to be the very best they can be, irrespective of the school they attend or the state they live in. As a function of their birthright each Australian citizen is equitably entitled to an excellent education, no matter where they live or which school they attend.

**Senator Chris Back**  
**Liberal Senator for Western Australia**

**Senator Bridget McKenzie**  
**Nationals Senator for Victoria**

**Senator John Williams**  
**Nationals Senator for New South Wales**