

Chapter 7

Comparing school funding policy arrangements

7.1 Prior to the September 2013 federal election, the Coalition had committed to a "unity ticket" with then Prime Minister Kevin Rudd on school funding. The Coalition position was widely reported, as it contrasted sharply with previous comments from the Shadow Spokesman on Education the Hon Christopher Pyne MP that a Coalition Government would honour only the first year of the NPSI funding. *The Australian* reported the Hon Tony Abbott MP (then Leader of the Opposition) explaining the "unity ticket" as:

"There is no difference between Kevin Rudd and myself when it comes to school funding," the Opposition Leader said at an independent school in Melbourne.

"We will honour the agreements that Labor has entered into. We will match the offers that Labor has made. We will make sure that no school is worse off.

"The essential difference between Labor and the Coalition going into the coming election is not over funding, it's over the amount of control that the commonwealth government should have. Under the Coalition, you'll get the funding but you won't get the strings attached."¹

7.2 In late November 2013, the new Education Minister, the Hon Christopher Pyne MP, angered State and Territory Governments by announcing that the Abbott Government would remove the NPSI model and renegotiate agreements with all states and territories.² The *ABC* reported Minister Pyne as saying that the Abbott Government would honour funding for 2014, but a new model would be implemented after that date.³ In regards to the Prime Minister's "unity ticket" pledge, Minister Pyne was quoted by the *ABC* as saying:

"The way our system works is no government can bind any future government - what one government does, another government can undo," he said.

"I made it very clear before the election that I didn't buy up to the Labor Party model. We said that we would have the same funding envelope and we will."⁴

1 'Coalition joints Labor's Gonski 'unity ticket'', *The Australian*, Justine Ferrari, 3 August 2013. www.theaustralian.com.au/national-affairs/coalition-joins-labors-gonski-unity-ticket/story-fn59niix-1226690519042#

2 'Coalition joints Labor's Gonski 'unity ticket'', *The Australian*, Justine Ferrari, 3 August 2013.

3 'Coalition to ditch Gonski model and renegotiate school funding agreements, says Education Minister Christopher Pyne', *ABC news*, 27 November 2013, www.abc.net.au/news/2013-11-26/pyne-adamant-gonski-school-funding-needs-overhaul2c-despite-st/5116978.

4 'Coalition to ditch Gonski model and renegotiate school funding agreements, says Education Minister Christopher Pyne', *ABC news*, 27 November 2013.

7.3 Statements by the Prime Minister, the Hon Tony Abbott MP, in early December 2013 appeared to change the Coalition's policy on school funding again. The *ABC* reported the Prime Minister as saying that the Coalition's election commitment was to 'match the funding total, not the model used to distribute it'.⁵ At this time, the Prime Minister was reported as saying that funding would be steady over four years:

"Under the Coalition, schools will get the same quantum of funding over the four years that they would have under Labor had it been re-elected. In fact, they will get a little bit more," he told Channel Ten on Sunday.

"I think Christopher [Pyne] said schools would get the same amount of money and schools - plural - will get the same amount of money.

"We are going to keep the promise that we actually made, not the promise that some people thought that we made, or the promise that some people might have liked us to make."⁶

7.4 At a joint press conference on 2 December 2013, the Prime Minister and the Minister for Education provided a further statement of the Abbott Government's position on school funding, this time committing to funding the NPSI funding for four years. A further commitment was made to provide \$1.2 billion to Western Australia, Queensland and the Northern Territory which had not signed agreements to be participating states under the *Australian Education Act 2013*.⁷

7.5 The joint statement on 2 December 2013 was reported as a 'backflip' and the media linked the change in policy to the widespread criticism of Minister Pyne's statements in November.⁸

7.6 That there had been widespread consensus and support for the recommendations of the Gonski Review and the agreements under the NPSI was clear from the anger of State and Territory Governments at the Coalition's policy change post-September 2013. *The Australian* documented the reactions of a number of states:

Mr O'Farrell [then Premier of NSW] led the charge, attacking Mr Pyne's performance and revealing he had written to the Prime Minister seeking his involvement to avoid a worsening standoff.

"I continue to be concerned in the way in which the federal Education Minister...is dictating this debate through the media and not doing what any

5 'PM Tony Abbott says Coalition never promised to keep Labor's Gonski school funding plan', *ABC news*, 2 December 2013, www.abc.net.au/news/2013-12-01/abbott-on-gonski/5127330.

6 'PM Tony Abbott says Coalition never promised to keep Labor's Gonski school funding plan', *ABC news*, 2 December 2013.

7 Prime Minister, the Hon Tony Abbott MP, Minister for Education, the Hon Christopher Pyne MP, joint press conference transcript, 2 December 2013, www.pm.gov.au/media/2013-12-02/joint-press-conference.

8 Jonathan Swan, 'Gonski reversal: Tony Abbott backflips, puts \$1.2b into schools', *The Sydney Morning Herald*, 2 December 2013, www.smh.com.au/federal-politics/political-news/gonski-reversal-tony-abbott-backflips-puts-12b-into-schools-20131202-2yl79.html.

other reasonable minister, state or federal, would do, which is pick up the phone and explain what the hell is going on," he said.

NSW Education Minister Adrian Piccoli joined Labor state education ministers in accusing Mr Pyne of breaking an election promise of a "unity ticket" on Gonski and labelling any shift away from needs-based modelling as a "body-blow" for education. "He [Mr Pyne] must be the only person in Australia who thinks the SES (socioeconomic status) model is a good model," Mr Piccoli said. "The Gonski panel said 'no' [to the SES model] (and) if you walk into any school in NSW every teacher and principal would say 'no'."

South Australian Labor Premier Jay Weatherill said there had been a hardening of resolve among all states ahead of Friday's meeting, saying: "We're not going to let the federal government backslide on their commitment to school funding." He stopped short of committing to legal action.

[Former] Tasmanian Education Minister Nick McKim, also the state's Greens leader, said his and other states would be "demanding" Mr Pyne provide "the full \$2.8 billion of (Gonski) funding".

"This is one of the most spectacular broken promises in Australian political history," Mr McKim said.⁹

7.7 It is clear from the commentary from September 2013 to May 2014, when the Federal Budget partially clarified the Abbott Government's changes to school funding, that there has been substantial confusion around the Abbott Government's intentions. This confusion, and the resulting uncertainty, as well as the funding changes such as indexation, are examined in this chapter.

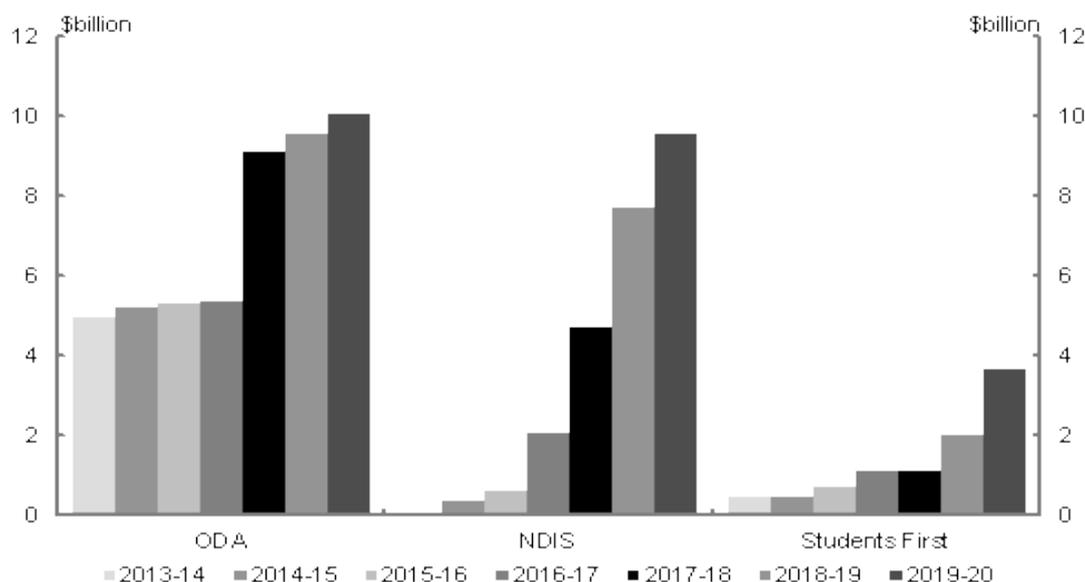
Comparing NPSI and Students First: funding

7.8 The Students First model over the period 2013-14 to 2016-17 matches the funding allocated under the NPSI. Funding is distributed using the formulas contained in the *Australian Education Act 2013*, with the caveat that amendments to the Act have been foreshadowed. Importantly though, the Students First model does not include the funding that would have been allocated for years five and six of the NPSI. This funding represents the bulk of the Australian Government funding in the NPSI:

9 Matthew Denholm, Lauren Wilson, 'Tony Abbott urged to overrule Christopher Pyne on Gonski switch', *The Australian*, 27 November 2013, www.theaustralian.com.au/national-affairs/policy/tony-abbott-urged-to-overrule-christopher-pyne-on-gonski-switch/story-fn59nlz9-1226769119215#.

\$7 billion.¹⁰ A representation of the progression of the NPSI funding appeared in the Mid-Year Economic and Fiscal Outlook (MYEFO) published in December 2013:¹¹

Figure 13—Progression of ODA, NDIS and NPSI funding over forward estimates¹²



7.9 The MYEFO noted in relation to the chart:

The projections for [Students] First assume all States and Territories participate and there are no changes to the former Government's policy except those announced publicly on 2 December 2013.¹³

7.10 The Students First funding, as documented in the MYEFO chart, demonstrates that additional annual funding from the Commonwealth increases from \$0.5 billion in 2013-14 to \$3.7 billion by 2019-20:¹⁴

10 The Budget 2013-14 shows expenditure on NPSI from 2013-14 to 2016-17 as being \$2966.8 million, out of the \$9.8 billion over six years specified in the National Plan for School Improvement Budget May 2013 document (see Australian Government, National Plan for School Improvement, May 2013, www.budget.gov.au/2013-14/content/glossy/gonski_policy/download/NPSI.pdf).

11 Australian Government, MYEFO 2013-14 Part 3: Fiscal Outlook, p. 21, http://budget.gov.au/2013-14/content/myefo/download/2013_14_MYEFO.pdf.

12 It should be noted that in the MYEFO 2013-14, the funding for Students First is also the funding which would have been allocated under NPSI. Australian Government, MYEFO 2013-14, Chart 3.1, www.budget.gov.au/2013-14/content/myefo/html/chart_data.htm#chart3.1.

13 Australian Government, MYEFO 2013-14, Chart 3.1 www.budget.gov.au/2013-14/content/myefo/html/chart_data.htm#chart3.1.

14 Australian Government, MYEFO 2013-14, Chart 3.1 www.budget.gov.au/2013-14/content/myefo/html/chart_data.htm#chart3.1.

Table 8—MYEFO breakdown of school funding

(\$b)	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Students First	0.5	0.5	0.7	1.1	1.1	2.0	3.7

7.11 This funding trend in MYEFO reflects the NPSI funding specified for participating states, even though the funding is re-titled as Students First (due to the change of government at the September 2013 federal election).¹⁵

7.12 The 2 December 2013 joint announcement by the Minister for Education, the Hon Christopher Pyne MP and the Prime Minister, the Hon Tony Abbott MP, was the first instance in which the Abbott Government had confirmed that school funding under Students First would match that under the NPSI for only the first four years of the policy.¹⁶

7.13 In May 2014, the 2014-15 Federal Budget showed the Abbott Government's decision not to match the NPSI funding for years five and six and implementing a modest rate of indexation of school funding from 2018:

The Government will provide an additional \$54.1 million in 2017-18 to maintain real Commonwealth school funding beyond the 2017 school year. From the 2018 school year onwards, total school funding will be indexed by the Consumer Price Index, with an allowance for changes in enrolments.¹⁷

7.14 At the committee's public hearing on 16 May 2014, Mr Cook from the Department of Education advised that indexation from the end of 2017 (as detailed in the 2014-15 Budget) would be CPI plus enrolment growth:

CHAIR: Mr Cook, I am sorry to interrupt, but it might be useful if all of us clarify these points as we go. When you say 'CPI enrolment growth', what does that mean exactly?

Mr Cook: It is plus. It is enrolment growth on average is around two per cent. You have that, plus CPI, which is projected to be 2.5 per cent. So there is your growth of 4.5 per cent.

CHAIR: If your enrolment grows two per cent—

Mr Cook: On average. I am giving an average level here. What it means at the individual school level is, if you have 50 more children in your school,

15 See Appendix 4, National Education Reform Agreement – NSW Budget 2013-14, Additional Funding Breakdown and Department of Education and Child Development, South Australian Government, answers to questions on notice, 30 April 2014.

16 Prime Minister, the Hon Tony Abbott MP, Minister for Education, the Hon Christopher Pyne MP, joint press conference transcript, 2 December 2013, www.pm.gov.au/media/2013-12-02/joint-press-conference.

17 Australian Government, Budget 2014-15, Part 2: Expense Measures, Education, www.budget.gov.au/2014-15/content/bp2/html/bp2_expense-09.htm.

there is an enrolment growth and you will get funding for 50 more children. The alternative is, if you get 50 more children, all you are going to get is consumer price index and that is not where the government has gone. The government has been very clear that, if you get more children in your school, then your budget will increase. It will increase at a student level also by 2.5 per cent CPI.

CHAIR: All you doing is adjusting enrolment and applying CPI.

Mr Cook: That is correct. It is enrolment plus CPI.

CHAIR: It is essentially the CPI on the basis that you do not limit enrolment changes.¹⁸

7.15 On this point, the committee questions the use of enrolment growth as a component of indexation. The Department of Education provided no rationale for the inclusion of enrolment growth in calculating the indexation rate for school funding, nor the way in which Mr Cook had reached his calculation of 2 per cent enrolment growth.

7.16 The ABS reported that enrolment growth in 2013 was 1.5 per cent on the enrolments in 2012 which itself had represented a growth of 1.4 per cent on 2011 levels. Previous years had seen enrolment growth of less than 1 per cent per annum.¹⁹ The ABS noted that growth in enrolments were significantly greater at primary level than at secondary level.²⁰

Commonwealth spending cuts of approximately \$30 billion

7.17 The Budget Overview noted in relation to the indexation arrangements:

In this Budget the Government is adopting sensible indexation arrangements for schools from 2018, and hospitals from 2017-18... These measures will achieve cumulative savings of over \$80 billion by 2024-25.²¹

7.18 The following chart shows the dramatic effect of moving to CPI indexation on the funding arrangements going forward for both schools and hospitals.

18 Mr Tony Cook, Associate Secretary, Early Childhood, Schools and Youth, Department of Education, *Committee Hansard*, 16 May 2014, p. 37.

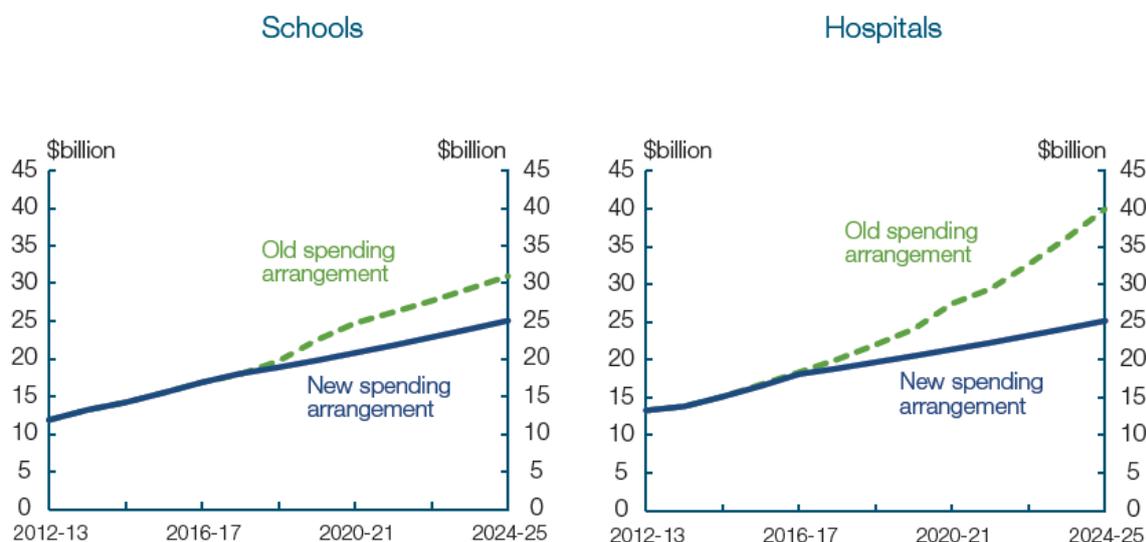
19 Australian Bureau of Statistics, *Publication 4221.0 – Schools Australia 2013*, www.abs.gov.au/AUSSTATS/abs@.nsf/Latestproducts/4221.0Main%20Features42013?opendocument&tabname=Summary&prodno=4221.0&issue=2013&num=&view

20 Australian Bureau of Statistics, *Publication 4221.0 – Schools Australia 2013*, www.abs.gov.au/AUSSTATS/abs@.nsf/Latestproducts/4221.0Main%20Features42013?opendocument&tabname=Summary&prodno=4221.0&issue=2013&num=&view

21 Australian Government, Budget 2014-15, Overview, p. 7, www.budget.gov.au/2014-15/content/overview/download/Budget_Overview.pdf.

Figure 14—Demonstration of future 'savings' achieved by indexation of funding for schools and hospitals post 2017²²

More sustainable spending arrangements for schools and public hospitals



7.19 At its public hearing on 16 May 2014, the committee sought advice from the Department of Education regarding the exact amount of 'savings' detailed in the above chart. Department officials were not able to explain to the committee how much of the \$80 billion worth of cuts would come from schools. They took the questions on notice. However, the response provided on 2 June 2014 to the question was that the Department of Treasury would have to provide the information.²³

7.20 When following up the answer during Budget Estimates on 4 June 2014, committee members were advised by the Department of Education to seek advice directly from the Department of Treasury. The following extract from Budget Estimates demonstrates the reluctance of the Department of Treasury to provide a response:

Senator WRIGHT: I would like to have a bit of a better understanding about the proportion of the \$80 billion reduction in hospitals and schools funding flagged in the budget papers, which relates to school funding. What proportion of that figure will come from schools?

Mr Ray: Earlier we took a question on notice which would go to the precise numbers. Senator Wong asked us, effectively, to provide the detail of the gap between the two lines in the chart and we took that on notice.

Senator Cormann: We will provide that on notice.

22 Australian Government, Budget 2014-15, Overview, p. 7, www.budget.gov.au/2014-15/content/overview/download/Budget_Overview.pdf.

23 Department of Education, answer to question on notice (no. 6) and question in writing (no. 13), 16 May 2014.

Mr Ray: But I did say earlier that the schools number is something less than \$30 billion, and something more than [\$50 billion] is the hospitals.²⁴

7.21 The decision to apply CPI indexation from 2018 was described by the Department of Education at Budget Estimates as a 'whole of government change' which would 'affect more than schooling'.²⁵ When asked if the department had done any modelling work to ascertain the effect on student outcomes of the move to CPI indexation, department representatives advised:

We did not do that work because the move to CPI indexation is beyond schooling. It was a whole of government decision, so it was not work that we put forward.²⁶

7.22 The department has also previously stated that it has no forecast data on which to make a determination about projected indexation from the end of 2017.²⁷

7.23 That the significant difference in funding for schools in years five and six of implementation of the funding model was a very real concern expressed almost universally by submitters and witnesses. Mr Chris Bonnor provided the committee with a summation of these deeply held concerns:

...we need to remember that the Gonski recommendations were welcomed by almost all players in school education. If we fall short of what was agreed, and if the funding does not go beyond four years, the argument about improving equity is going to degenerate to what we had before—that is, a redistribution of the resources we have. I have lived through that in my career. I do not want to go there again, and I hope you would not either.²⁸

7.24 The Association of Independent Schools of South Australia told the committee quite clearly that without the funding previously committed by the Rudd/Gillard Governments for years five and six, South Australian independent schools would fall behind. Mrs Grantskalns, Chief Executive of the Association of Independent Schools of South Australia explained:

It is in years 5 and 6 that the money to support individualised programs and school-based programs for those students is delivered. There is no genuine extra money, really, for the first four years for our schools, so it is years 5 and 6 where schools will be supported to deliver all that they would want to be able to deliver. Schools are actively engaging with those students; it is not that they are not doing their very best to meet the needs. But it is also true that money is helpful in doing that, for a whole range of reasons:

24 Mr Nigel Ray, Executive Director, Department of Treasury, Senate Economics Legislation Committee, *Budget Estimates Hansard*, 4 June 2014, p. 134.

25 Ms Lisa Paul AO PSM, Senate Education and Employment Legislation Committee, *Budget Estimates Hansard*, 4 June 2014, p. 82.

26 Ms Lisa Paul AP PSM, Secretary, Department of Education, Senate Education and Employment Legislation Committee, *Budget Estimates Hansard*, 4 June 2014, p. 82.

27 Department of Education, answers to questions on notice (no. 1, no. 2), 16 May 2014.

28 Mr Chris Bonnor, private capacity, *Committee Hansard*, 1 May 2014, p. 35.

because of the access it can give you to a wider curriculum, to co-curricular programs and to all kinds of experiences that cost money. So the fact that we fall further behind every year for the next four years makes years 5 and 6 critical if we are ever to get to the point where we have some equity with other schools in other states.²⁹



From the left: Senator Sean Edwards, Senator Penny Wright (Deputy Chair), Mr Stephen Palethorpe (Committee Secretary), Senator the Hon Jacinta Collins (Chair), and Senator Deborah O'Neill. The committee conducted a public hearing and site visit at the Immaculate Heart of Mary School, Adelaide, 30 April 2014.

7.25 In NSW, *The Daily Telegraph* quoted Secondary Principals Council president Ms Lila Mularczyk as saying that the NSW State Government's contribution for years five and six alone would not be enough to adequately fund schools; the Australian Government's contribution was vital:

“Without the final years of the Gonski fairer funding model, young people in our schools are denied additional access to programs and teachers to narrow their learning gap. This may include paraprofessionals to support disengaged students and infrequent school attenders or students requiring additional learning needs support because of poor language proficiency or students with learning or physical disabilities.”³⁰

29 Mrs Carolyn Grantskalns, Chief Executive, Association of Independent Schools of South Australia, *Committee Hansard*, 30 April 2014, p. 18.

30 Alicia Wood, 'How Abbott reneging on school funding leaves NSW in a hole', *The Sunday Telegraph*, 21 June 2014, www.dailytelegraph.com.au/news/nsw/how-abbott-reneging-on-school-funding-leaves-nsw-in-a-hole/story-fni0cx12-1226961266248.

7.26 The NSW Teachers Federation cited research by former deputy Director-General of Education in NSW Dr Jim McMorrow which stated that the Abbott Government's changes to funding arrangements would take \$2.67 billion away from schools over the period 2018-2020.³¹

7.27 The NSW State Government has confirmed that it is committed to the funding arrangements over the six years, no matter what funding is provided by the Australian Government.³² The day after the 2014-15 Federal Budget, the NSW Treasurer, the Hon Andrew Constance, told ABC Radio that the Abbott Government funding cuts will have 'major ramifications' in NSW schools resulting in a \$1.6 billion 'hit' in years five and six.³³

7.28 At the recent NSW Nationals party conference, the Hon Adrian Piccoli, NSW Education Minister spoke in support of a motion calling on the Australian Government to commit to the six years of the NPSI agreements. *The Australian* quoted the minister as saying that he had signed the NERA because it represented a significant benefit to regional schools:

“Our performances are embarrassing, and should be embarrassing to all Australians, in terms of the differences between regional NSW and metropolitan.

“Why was I the strongest advocate across all education ministers? I think it’s because I’m the only National Party minister. Our electorates benefit the most.”

Mr Piccoli agreed the federal budget deficit needed to be addressed, but it was about the choices. For example, the federal government had decided to increase defence spending, he said.³⁴

7.29 By contrast the Victorian State Government noted that it could not determine the levels of federal funding going forward due to the lack of clarity from the Abbott Government, and this affected the overall amount of funding available for schools in Victoria:

We look forward to the federal budget this evening, and we will have some clarification regarding the ongoing funding, for example, in the year 16-17. School years do not finish halfway through the year, so we are seeking

31 New South Wales Teachers Federation, 'Abbott's cuts to Gonski funding will rip \$2.67 billion away from public schools', media release, 16 June 2014, www.nswtf.org.au/news/2014/06/16/abbott%E2%80%99s-cuts-to-gonski-funding-will-rip-267-billion-away-public-schools.html

32 See Appendix 4, National Education Reform Agreement – NSW Budget 2013-14, Additional Funding Breakdown.

33 NSW Treasurer, the Hon Andrew Constance, ABC Radio National, Breakfast, 14 May 2014, www.abc.net.au/radionational/programs/breakfast/80-billion-cut-from-state-health-and-education/5451532.

34 Mark Coultan, 'NSW Nationals call for full Gonski funding', *The Australian*, 14 June 2014, www.theaustralian.com.au/national-affairs/policy/nsw-nationals-call-for-full-gonski-funding/story-fn59nlz9-1226953844158#.

commitments for school years as well to give some certainty to our schools. We look forward to some clarity from the federal government this evening as it hands down its budget. But there is no year-by-year breakdown of what is going to be spent over the next six years. As I said, two of those years are outside the forward estimates. We have identified \$1.6 billion of new funding that is going into our schools this year as a result of the funding agreement, on top of the [\$1.2 billion] that is already existing. As I said, the remainder of the money is held in the central contingency, just like we do not put the total capital spend for the next four years in the forward estimates. The money is added to as each year's budget is done. This is our first year since the funding agreement, and in subsequent budgets, when I am back here next year talking to you, I will be able to talk about the next component or the next instalment from the federal and state funding that has gone into our budgets.³⁵

7.30 Despite these uncertainties, the day after the 2014-15 Federal Budget, the Victorian Treasurer, the Hon Michael O'Brien, told ABC Radio that regardless of the actions of the Abbott Government, Victoria was committed to the funding arrangements for years five and six.³⁶

7.31 Participating states are struggling to hold to the agreements signed as part of the NPSI. This demonstrates the strength of the consensus reached between the Rudd/Gillard Governments and the participating states and territories and the importance of certainty of funding through the medium-term (that is, out to years five and six). In an article for *The Conversation* website in late November 2013, Professor Louise Watson, Director of the Education Institute at the University of Canberra, described the importance of the consensus reached with states and territories by the previous government on education funding as a legacy which was now gone:

The funding agreements now being reviewed by [Minister] Pyne were based on a bipartisan national consensus between state and federal governments which recognised the need for school reform and was committed to evidence-based school improvement.

They represent the culmination of efforts by both Labor and Coalition governments since the late 1980s to move beyond the "blame game" that was typical of federal interventions in the past. Given current concerns about the performance of Australian schooling, the new federal education minister places much at risk by trampling over this legacy.³⁷

7.32 The following chapter—chapter 8—examines the key concerns raised by submitters and witnesses during the committee's inquiry. A consistent feature of the

35 The Hon Mr Martin Dixon MP, Minister for Education, *Parliament of Victoria Public Accounts and Estimates Committee Hansard*, 13 May 2014, p. 7.

36 Victorian Treasurer, the Hon Michael O'Brien, ABC Radio National, Breakfast, 14 May 2014, www.abc.net.au/radionational/programs/breakfast/80-billion-cut-from-state-health-and-education/5451532.

37 Professor Louise Watson, 'Gonski is gone by can anything be salvaged?', *The Conversation*, 27 November 2013, <http://theconversation.com/gonski-is-gone-but-can-anything-be-salvaged-20704>.

concerns raised is difficulties faced by those who have to implement the changes as the Abbott Government transitions school funding from NPSI to Students First.

Committee comment

7.33 Despite these strong commitments from State and Territory Governments to the needs-based funding arrangements, the committee is disappointed about the refusal of many State and Territory Governments to participate in the inquiry.³⁸ Submissions were received from the Northern Territory, Queensland, the Australian Capital Territory, and South Australia. However only South Australia, the Northern Territory, and Tasmania chose to attend the committee's public hearings. Western Australia and Queensland at first agreed to attend hearings, but declined at the last moment, causing great inconvenience to the committee and other witnesses.

7.34 New South Wales refused to appear at hearings or provide a submission, despite the committee giving invitations for the State Government to attend three different public hearings. Regardless of the public commitment of the NSW Premier the Hon Mike Baird MP to the importance of school funding,³⁹ the NSW Department of Education and Communities was singularly uncooperative with the committee's requests for assistance and information. Most recently, the committee requested a copy of the presentation by the department to Mr Gonski referred to during his May 2014 Jean Blackburn Oration:

One of the most satisfying hours I have spent in the last 12 months was attending at their invitation a meeting with the department of education in New South Wales. There a well prepared and thought through presentation given by senior members of that department put up on the screen the essence of our proposed needs based approach and demonstrated that so much of it has and is being implemented in New South Wales.⁴⁰

7.35 The Minister for Education, the Hon Adrian Piccoli MP, in response to the committee's request for the presentation, declined to provide the information, arguing that as the material was out of date it would be 'of limited use to the committee'.⁴¹

7.36 Further, the committee is disturbed by the inability or unwillingness of the Commonwealth Department of Education to properly answer questions put regarding the implementation of the Students First funding arrangements. It particularly concerns the committee that the Department of Education was apparently shut out of the decisions surrounding the CPI indexation of Commonwealth school funding on the basis that it was a 'whole of government change' which would 'affect more than

38 Queensland, Western Australia, Victoria, New South Wales, and the Australian Capital Territory governments all declined to participate in the committee's inquiry.

39 Alexandra Smith, 'Mike Baird to maintain push for full Gonski funding', *Sydney Morning Herald*, 29 April 2014, www.smh.com.au/national/education/mike-baird-to-maintain-push-for-full-gonski-funding-20140429-zr1at.html.

40 David Gonski AC, Jean Blackburn Oration, University of Melbourne, 21 May 2014, p. 17.

41 Tabled document, letter from the Minister for Education NSW, the Hon Adrian Piccoli MP, dated 17 June 2014.

schooling'. Of equal concern was the fact that the department was unable to explain the quantum of reduced spending from the education portfolio (which is in the vicinity of \$30 billion over the period 2017-18 to 2024-25).

7.37 Of even greater concern to the committee is the apparent disintegration of the consensus around school funding which had existed prior to the Abbott Government's changes to the funding arrangements.

7.38 The committee is deeply disappointed by the conduct of those states which have not participated and the actions of the Australian Department of Education. The committee considers that such behaviour is likely to increase the state of confusion over school funding in Australia.