



**COMMENT** BILL DANIELS

# THE GONSKI REPORT

Bill Daniels, Executive Director of the Independent Schools Council of Australia, outlines major challenges to implementing recommendations arising from the federal Review of Funding of Schooling.

**THE** federal Review of Funding of Schooling, led by David Gonski, was charged with developing ‘a funding system which is transparent, fair, financially sustainable and effective in promoting excellent educational outcomes for all Australian students’. In response, the Review report, released in February 2012, has proposed far-reaching change in the way schools are funded in Australia.

The report makes a case for a ‘clear, coherent and logical’ funding model

design which would enable resources to be directed where they are needed most. Its main recommendation is for an innovative student-based approach to recurrent funding which would replace existing programs, apply consistently to both government and non-government schools and require a shift in roles and responsibilities between Commonwealth and state and territory governments.

While the impact of the new model on the operation of individual schools and systems is unknown at this stage,

the independent sector takes several important assurances from the report:

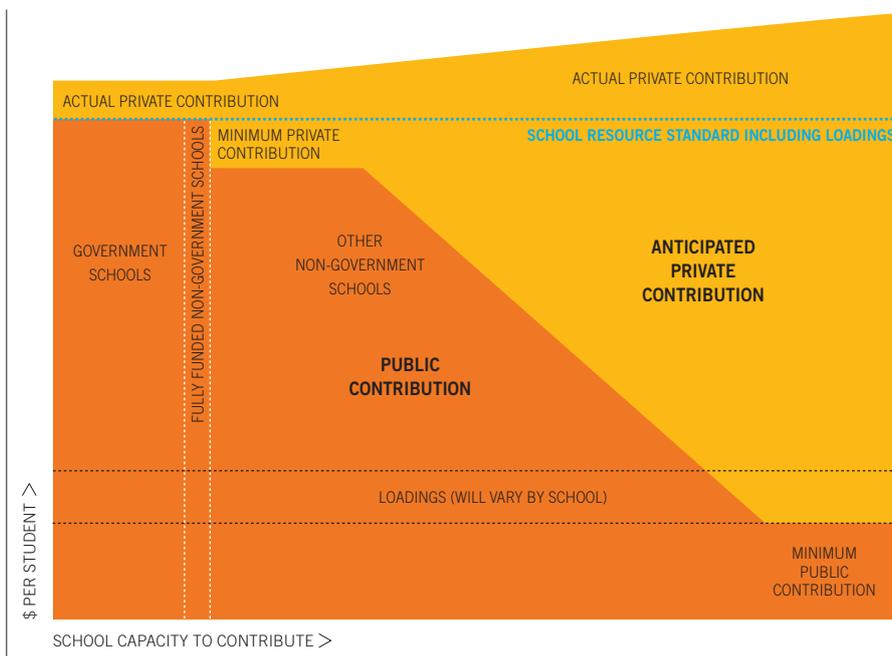
- No school will lose funding per student as a result of a change to funding arrangements (although no assurance has been made about whether this is in real terms)
- Funding indexation is to continue, based on schooling costs
- There is no disincentive to private investment
- The autonomy of independent schools is to be preserved.

Further, all non-government schools will be entitled to a base per student grant. This was underlined by Prime Minister Julia Gillard in her press conference following the report’s release. The Prime Minister said, ‘On the question of funding for all schools, I do believe that as effectively a citizenship entitlement, people are entitled to see Government support for the funding of their child’s education’.

## Needs-based model

The centrepiece of the Review’s approach to recurrent funding is a new schooling resource standard (SRS) to underpin all

**FIGURE 1** PROPOSED MODEL FOR FUNDING THE SCHOOLING RESOURCE STANDARD  
 DIAGRAM TAKEN FROM REVIEW OF FUNDING FOR SCHOOLING – FINAL REPORT, DECEMBER 2011. USED WITH PERMISSION.



Under the Gonski model, government schools would continue to be fully publicly funded, and would receive the full amount of the SRS plus any loadings for disadvantage. Non-government schools would receive from government both a minimum 20 to 25 per cent of the resource standard as a base grant, and an additional proportion based on the anticipated level of a school’s private contribution. This would be calculated as a measure of the capacity of the school community to contribute and applied consistently to all non-government systems and schools. A minimum private contribution of at least 10 per cent of the SRS will be anticipated of all non-government schools, except for the few schools which serve students or communities with very high levels of need. Special schools, majority Indigenous schools and remote sole provider schools in the non-government sector may be eligible for full public funding.

How practical the proposed model is can only be assessed by applying the various elements to the real world of schools.

general recurrent funding. This would take the form of a separate per student dollar amount for each primary and secondary student and would replace the Australian Government School Recurrent Costs (AGSRC) both as a benchmark and for indexation.

The report recommends that greatly increased resources be provided to address the key dimensions of educational disadvantage, identified as low socioeconomic status, Indigenous background, English language proficiency, disability and school remoteness. These resources would be distributed by loadings on the SRS and would apply irrespective of schooling sector. Both the standard and loadings would be indexed annually based on changes in schooling costs in the reference schools.

Of particular importance to independent schools is the proposal for equitable funding for students with a disability across sectors. Implementing this recommendation relies on ongoing work to establish nationally consistent data on the additional costs of supporting students with a disability.

### Challenges ahead

The Australian Government has welcomed the report but has not yet indicated its response to the proposals, except in the case of a recommendation to expand capital funding, which it is unlikely to support.

The Government has initiated extensive further discussion with state and territory governments, education authorities, teachers, principals, parents and the public, to test the feasibility of the comprehensive changes recommended.

A major hurdle to eventual implementation will be the willingness of state and territory governments to give up or take on new school funding responsibilities and costs, and work with the proposed new national schools resourcing body.

The price tag of reform is a further challenge in a climate of budgetary restraint. This has been conservatively estimated by the Gonski report at about \$5 billion a year at 2009 prices, but is likely to be much higher as the full costs of achieving excellent outcomes, funding disability and disadvantage, and financing incentives for the states and territories to take part in the new arrangements are worked through.

An additional challenge is timing. Current federal funding arrangements for schools are legislated up to 31 December 2013, leaving scant time for detailed modelling and resolution of inter-governmental agreements prior to the drafting of new legislation.

The role of the federal Opposition, independents in the House of Representatives and Australian Greens in facilitating the passage of funding legislation is yet to be fully established. The independents and Australian Greens have previously expressed their support for increased funding to government schools, but remain untested in relation to non-government schools. The Coalition has already raised some concerns with the proposed model. As legislation will be required to pass federal Parliament before any new model can be applied in 2014, the political aspect of the reform package is something the Government will be required to address in coming months.

At this point, the reforms remain a theoretical model, a model that is conceptually appealing in its simplicity and fairness although untested in its capacity to make a real difference to education performance in Australia. The suitability test will in the end

rely heavily on the accuracy of the data collected and how this data is incorporated into the proposed funding model.

At time of writing ISCA has no access to the Review panel's modelling, and previous concerns with school data accuracy and collection methodology reinforce our sensitivity about potential quality issues. How practical the proposed model is can only be assessed by applying the various elements to the real world of schools.

The independent sector itself will face a challenge in relation to the management of and support for disadvantaged students through the proposal to cancel targeted program funding and incorporate additional loadings direct to schools through general recurrent payments. State and territory associations of independent schools (AISs) have an established infrastructure to maximise the utility of funding and support for disadvantaged students. If, as Gonski suggests, these funds are simply absorbed into recurrent payments, it will be difficult to continue to maintain the existing expertise, professional development, support services, structures and relationships that have been developed over the last 20 years. The report does, however, recognise the role of the Block Grant Authorities, which would continue to allocate capital funding in the non-government sector.

There are still a number of concerns to be resolved to achieve what could be considered a satisfactory outcome for the independent sector. We caution the Government against establishing an overly bureaucratic process and emphasise the need to ensure that new administrative arrangements do not add to the regulatory red tape currently impacting on independent schools.

The sector looks forward to working constructively with all stakeholders to achieve tangible outcomes that lift the quality of education in Australia. ■

Bill Daniels is a member of the Schools Funding Reference Group announced by Minister for School Education, The Hon. Peter Garrett, on 9 March 2012. AHISA's National Chair, Andrew Barr, is also a member of the Reference Group.