

# The Gonski “needs-based” school funding fraud in Australia

## Part 1: Accelerating the corporatisation of schools

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Ever since its launching in December 2011, David Gonski’s 260-page report, *Review of Funding for Schooling*, otherwise known as simply “Gonski,” has been at the centre of the crisis and dysfunction within Australia’s primary and secondary public schools. Largely based on the privatisation agendas that have created mayhem in public education in the US, UK and around the world, the review was commissioned by then Labor Prime Minister Julia Gillard, ostensibly to overcome gross inequities between the three Australian school sectors—public, Catholic and independent, or “corporate,” the latter two comprising the non-government sector. [1]

In reality, the report has achieved precisely the opposite. At the very outset, Gillard underscored its real aim when she promised that, under Gonski’s new “needs-based” funding initiative, no school would receive “a dollar less” in government funding. Her promise was aimed at placating the powerful private school lobby and assuring it that, far from declining, the federal government’s funding of the private sector would continue to rise. As well, long-standing special deals would continue to be honoured—at the direct expense of the grossly underfunded public sector.

Gonski’s new funding mechanism is deliberately opaque and confusing, and discriminates heavily against public schools. Nevertheless, during the past six years the trade unions, Labor and the Greens have peddled the Gonski “needs-based” lie, orchestrating noisy campaigns under the slogan, “Give a Gonski!” Their aim has been to legitimise the new regime among hundreds of thousands of students, teachers and parents, who have become deeply hostile to the ongoing attacks on public education.

### Who is David Gonski?

David Gonski has long been a central figure within the highest echelons of Australian finance capital and big business. The *Sydney Morning Herald* noted in 2012: “The name Gonski has been synonymous with power and influence in Sydney for three decades. Many of Australia’s power circles in business, arts and society intersect with the South African immigrant. He has been an advisor and had the ear of the richest men in the country, including Westfield founder Frank Lowy, the late Kerry Packer, Rupert Murdoch and Kerry Stokes. It’s estimated that Gonski sits on more than 40 [corporate] boards.”

In 2011, when Gillard appointed him to review school funding, Gonski was serving as chairman of the Australian Stock Exchange. Shortly afterwards, he was made head of the \$100 billion Australian government sovereign wealth fund. In other words, he was and is among the most trusted lieutenants of the corporate, financial and political elites.

The selection of Gonski, rather than someone with experience and expertise in education, underscored the fact that the Labor government’s real agenda was to accelerate the privatisation and corporatisation of Australia’s school system. Already, around 30 percent of primary school and more than 40 percent of high school students are educated in the

private system. And the number is continuing to grow. Altogether, over one third of Australian students are taught in the private sector, one of the highest rates in the OECD.

That the private and religious sectors receive government funding at all is bound up with the historical origins of Australian schooling. These lie in British colonial settlement in the late 18th century, and the convict penal system, which continued until the late 1860s. At that time, “nearly all the British/Irish population was dependent on government, with neither the church nor chaplains independent of government.” [2]

A large variety of schools emerged, catering to convicts and emancipists (ex-convicts) as well as to “the emergent free settler and ‘exclusivist’ (non-convict, well-off, ‘respectable’) families. Convict children were regarded as part of the “criminal class,” [3] and their meagre education focused primarily on discipline, order and punishment. Other schools catered specifically to different religious denominations associated with their counterparts in Britain. All of these schools were dependent for their existence, to a greater or lesser degree, on government funding. [3]

Elite schools only emerged with the development and consolidation of a distinct upper class. For these, too, the government supplemented private parental fees. Some, like the Knox School in Sydney, still exist, around a century and a half later, as corporate schools, run by boards and independent of the public and Catholic school systems.

Gonski’s primary assignment in 2011 was to justify the continuation and expansion of what, by the 1980s, had morphed into huge amounts of government funding to the private sector. This was driven, in part, by a crisis in the late 1960s in the Catholic school system, which had traditionally catered to children from poor families. A rapid population increase during the post-war “baby boom,” had created major financial strains on already stressed Catholic schools, threatening a flood of students wanting to enrol into the public system. To forestall a collapse, the government agreed to provide extra funds to the Catholic sector.

Between 2006 and 2015, government funding to public schools, catering to approximately two thirds of all students, increased from \$33 billion to \$40.3 billion—a 22 percent increase. In the same period, government funding to private schools, with just over a third of all students, went from \$9 billion to \$12.8 billion—a 42 percent increase, supplementing the billions already received annually by this sector from school fees, bequests and donations.

Gonski proposed to extend, not overcome, this differentiation. In his review he concluded that the government should spend *an extra* \$1.25 billion on private schools every year. This, however, was concealed, as far as teachers, parents, students and the wider public were concerned, under the cover of “needs-based” funding.

**The Schooling Resource Standard (SRS), NAPLAN and “needs-based” funding**

At the core of Gonski's report was a new formula—the Schooling Resource Standard (SRS). It is this key aspect of the new, opaque funding system that remains shrouded in mystery.

What is clear, however, is that the SRS ties school funding directly to NAPLAN (National Assessment Program—Literacy and Numeracy) standardised test results. Both the aim and effect of this symbiotic relationship has been to transform NAPLAN test scores into the “Key Performance Indicator (KPI)” of every aspect of school education, by measuring student, teacher and school performance solely according to the narrowest of categories: student results in numeracy and literacy tests. These tests are currently administered annually to students in Years 3, 5, 7 and 9, but plans are now afoot to introduce a new phonics and numeracy test to children in Year 1, i.e., to six-year-olds.

The SRS is calculated on a per-student basis, with a standard amount of money for all primary school students, and another for all secondary students, whether in the public, Catholic, or the corporate school system. While the per student amount is not actually handed directly to parents, the SRS is another major step towards the implementation of an education “voucher” or “user-pays” system, where parents are given a “voucher” to “purchase” education for their children at the school of their “choice.” Of course genuine choice will be confined to the wealthy, who, unlike working-class parents, are able to afford augmenting a standardised voucher to send their offspring to one or other of the many expensive, elite corporate schools. Much beloved by the extreme right, a voucher system would transform all remaining public schools into self-funding, private “edu-businesses,” competing with their rivals for “clients,” i.e., students.

In determining the actual dollar amount of the SRS, Gonski enlisted the services of the Allen Consulting Group (ACG), one of the largest managing consultant firms in Australia. In his final report, steeped in corporate terminology, Gonski emphasised that the “effectiveness of this investment” of “limited public funds” had to be demonstrated by “credible and robust evidence.” The focus of his funding policy would be on “achievement of outcomes, evidence, performance and accountability.” He was referring, not to students’ intellectual curiosity, or their capacity for critical thought, creativity and humanity, or their fascination for science, mathematics, history, languages, or literature, but to their NAPLAN test scores, upon which the performance of all students, teachers and schools is increasingly being assessed.

Allen Consulting Group began by establishing a NAPLAN numeracy and literacy “student benchmark” that each student should achieve. It then selected a range of “reference schools,” where students were already consistently meeting that benchmark, based on already existing NAPLAN data as reported on the *My School* website. The “reference schools” could be drawn from any or all of the three school sectors. These schools’ *My School* financial data were then used as the basis for calculating the per student amounts in the SRS.

In 2011, the reference schools were selected from “those where at least 80 percent of students are achieving above the national minimum standard for their year level, in both reading and numeracy, across each of the three years 2008 to 2010.” In some of the reference schools, 90 percent of students were achieving this result.

The report’s methodology raises a number of serious concerns:

(1) The federal government pays 80 percent of the SRS for students in private schools, but just 20 percent for those in public schools. The remaining 80 percent for public schools and 20 percent for private schools is supposed to be paid by state and territory governments, whose resources are far less substantial than those of the federal government. Moreover, the states and territories, invariably under financial stress, have cut the amounts they pay to public schools over the past several years, and there is no obligation for them to redress that situation.

(2) “School resourcing” is not simply a matter of the amount of money

received by a school in a calendar year, which is the definition contained in Gonski’s SRS and on the *My School* website. Many elite private schools, for example, and some of the best public schools—invariably catering to wealthier families—benefit from the ongoing legacy of more than a century of private funding—to the tune of many hundreds of millions of dollars—for infrastructure, specialist staff, facilities, technology, equipment, grounds, and other “extras.” While the per-student annual funding under Gonski may be *notionally* the same for students in all schools, school resources in impoverished working-class areas bear no resemblance to those within the enclaves of the super-rich. But such information is not included in *My School* financial data and is ignored in Gonski’s funding calculations.

(3) The report declares that the SRS can be increased by additional “loadings” for students with disabilities, of indigenous background, with low English proficiency, and low socio-economic background. But, unlike its treatment of the SRS itself, there are no precise details as to how these “loadings” will be calculated, or what amounts will actually be forthcoming. According to the Gonski report, “it is not possible to provide an indicative estimate of loadings at this time” because the required national data was unavailable.

(4) Gonski’s funding formula is not “needs based.” It is based on funding only an 80 percent “above minimum standard” student achievement rate. To fund the remaining 20 percent of students, who currently score the lowest results, and to create the conditions where this low-achieving cohort is able to rise above the minimum standard, far more funding would be required than for any other 20 percent student cohort. In effect, Gonski is happy to abandon these students. But that, in many cases, means abandoning whole schools, because those most needy, those responsible for teaching the greatest number of pupils with serious learning, psychological, behavioural, language and family difficulties, have far more than 20 percent of their students failing to reach the minimum standard. In fact, some of the neediest schools have up to 80 percent of their students falling below the standard. These schools should be receiving far more funding per student than any within the “reference group.” Instead, they are effectively penalised, reinforcing their disadvantaged status and the bleak outlook for their students.

(5) There is a deeply regressive conception underlying the Gonski report: it accepts the status quo in school education. It is not aimed at overcoming the vast social and educational inequities that have existed for more than a century and half, and which have deepened, particularly during the past 30 years. Instead, its assumption is that the past is irrelevant, and the current situation at every school is basically “ground zero.”

(6) When initially implementing “Gonski,” Gillard tied school funding to a series of conditions, including so-called “school improvement” schemes that were aimed at preparing “underperforming” public schools for amalgamation or closure, especially those in working-class areas. She also announced annual teacher “performance reviews”—threatening teachers with dismissal for alleged failures to boost standardised test scores—and foreshadowed the introduction of “performance pay,” potentially tying teacher salaries to these scores. Gonski’s failure to even acknowledge, let alone redress, the longstanding crisis in public education, has thus created a vicious circle in the most disadvantaged schools. Teachers are placed in the invidious position of having to lift student NAPLAN test scores or suffer serious professional consequences. This becomes a major disincentive to teaching at such schools. The resultant tendency for higher teacher turnover rates becomes another factor in compromising these schools’ test results. The outcome can be, and will increasingly become, the amalgamations and closures that Gillard foreshadowed at the outset.

*To be continued*

**Notes**

[1] This is the terminology adopted by authors Craig Campbell and Helen Proctor, in the Introduction to their book, *A History of Australian Schooling*, [Sydney: Allen & Unwin, 2014] p.xv. They explain: “When writing about the high-fee ‘independent’ schools, we have tended to default to the term ‘corporate,’ as used by Sherington and co-authors (1987), which recognises that these schools are usually governed by corporate bodies—that is, they are not part of the bureaucratic systems directly run by government or by the Catholic Education Offices.”

[2] Campbell and Proctor, *A History of Australian Schooling*, p.10

[3] Ibid, pp. 6–13

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