

The Gillard School Funding Plan is a Watershed but is Not the Full Gonski

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The new school funding plan passed by the House of Representatives yesterday is a potential watershed for school funding in Australia. It breaks new ground in the history of school funding with its focus on increasing equity in education. Its adoption of Gonski's equity goals and principles sets the foundation for the future.

The plan provides the biggest increase in funding in living memory, certainly in the last 40 years. It proposes a \$14.5 billion increase in school funding over the six years from 2013-14 to 2018-19. It is expected that the Federal Government will contribute \$9.8 billion of this increase and state/territory governments will contribute the remaining \$4.7 billion.

Every state will benefit, although some more than others. NSW, Victoria, Queensland and Tasmania would get increases of \$4000-5000 per student over the six years and the Northern Territory an increase of about \$7,500 per student. Western Australia, however, will get very little – only about \$800 per student over the six years.

The small increase for Western Australia is difficult to understand and I am at a loss to explain it without further details of the model. The ACT will get \$1,610 per student even though its average expenditure per student in government schools is slightly higher than in WA and it has a much lower proportion of low income and Indigenous students and has no remote area students. On this basis, the Barnett Government has a good case for a better deal and it is hard to understand why it is not willing to negotiate on behalf of its disadvantaged students. The ACT Government negotiated and got more funding. By refusing to negotiate, the Barnett Government has abandoned the state's low income, Indigenous and remote area students.

The new funding model will provide a huge benefit to government schools Australia wide. Of the total \$14.5 billion, \$12.1 billion will go to government schools compared to \$1.4 billion to Catholic schools and \$1 billion to government schools. If fully delivered and effectively distributed and used, it could make a major contribution to reducing the huge gap in school achievement between rich and poor throughout the country, which at age 15 amounts to two to three years of learning.

Low achievement is strongly associated with low socio-economic status (SES) students and Indigenous students. About 75 per cent of low income students and 85 per cent of Indigenous students are enrolled in government schools. Government schools therefore have far more to do with their resources than private schools. Yet, government schools have much fewer resources than Independent schools and similar resources to Catholic schools.

The school sector with the greatest resources has the lowest proportion of disadvantaged students. Total funding per student in Independent schools is 40 per cent higher than government schools - \$16,309 per Independent student compared to \$11,645 per government school student. However, Independent schools enrol only 10 per cent of low income students and 5 per cent of Indigenous students. These figures show how skewed and inequitable the current funding system is. It is this inequity that the Gonski model seeks to redress. This is the fundamental importance of the Gonski model.

In adopting the Gonski model, the Gillard plan represents a marked change of direction in school funding in Australia. Instead of a primary focus on funding for school choice as in the Howard Government's SES funding model, the new model gives priority to reducing the effects of disadvantage on education outcomes. The focus of the new model is equity. It

guarantees a minimum resource standard for every school in the country and provides additional funding loadings for various forms of disadvantaged students: low SES, Indigenous, remote area, language background other than English and students with disabilities.

The Gonski model has put the supporters of privilege in education on the defensive. Only the most extreme advocates of privilege can deny that improving equity in education outcomes is the central priority and, when they do, they are seen for what they are – a rich elite removed from the realities of the daily lives of our most disadvantaged families and students and lacking in any sense of common decency and humanity.

Another watershed in the new model is that it breaks the link between government funding for private schools and average government school costs. This is a highly significant change. The link is a major source of inequity in school funding. Every time state governments increase funding for disadvantaged students in government schools, a portion of it flows through to private schools including the most privileged and richest private schools.

The link to government school costs has allowed private schools to double dip on government funding. Not only do private schools get direct grants from the Federal and state/territory governments but they get indirect funding increases via increased funding to government schools. Private schools with none or very few disadvantaged students receive windfall gains from any increases in funding for disadvantaged students in government schools. Under the new model, the Geelong Grammars and Sydney Grammars of the world will no longer be able to double dip on the taxpayer on the backs of disadvantaged students.

The funding increase is not the full Gonski

However, although the Prime Minister's plan adopts the Gonski framework, it is not the "full Gonski".

At this stage, we only have details of the Federal Government funding program. The Budget Papers show that most of its \$9.8 billion increase is back-loaded on to the last two years of the six-year transition period and is beyond the traditional four-year forward estimates of government budgets. Only \$2.8 billion will be provided from 2013-14 to 2016-17, leaving \$7 billion to be provided in the last two years of the transition period.

There will be at least two Federal elections before the bulk of the Gonski funding can be delivered. Consequently, there can be no guarantee that the full \$7 billion for the final two years of the transition period will ever be delivered, especially under an Abbott-led government.

Moreover, the large part of the \$2.8 billion increase to 2016-17 is to be financed by the termination of existing programs. Five national partnership programs are to be terminated over the next four years and their funding re-directed to the Government's National Program for School Improvement (NPSI). The funding allowed for in the forward estimates for these programs over 2013-14 to 2016-17 was \$2.3 billion.

Thus, very little new funding will be allocated to the Gillard plan over the next four years - only a mere \$0.5 billion.

Moreover, it is unlikely that the full Gonksi increase will be delivered at the end of the transition period. The Gonski recommendation was for an additional \$6.5 billion a year in 2013-14 dollars. Allowing for indexation, the actual final transition year funding increase in 2018-19 should be about \$8 billion in 2018-19 prices. This does not seem to be in the ballpark of the Government's planning.

The low SES funding is too little to be effective

A second major concern about the Gillard plan is that the additional funding to be allocated to disadvantaged students is relatively small and, in the case of low SES students, is to be spread over a much large number of students than proposed by the Gonski report. The increase for low SES students is likely to be too little to make any significant difference to student outcomes or to reducing the gap between rich and poor, although all schools will welcome the extra funding.

According to information released by the Federal Government, 83 per cent of the total increase in funding will go to schools whose funding is below the national resource standard and 17 per cent will be allocated to the various disadvantage funding loadings. Low SES students will receive 7.4 per cent of the increase, students with disabilities 5.4 per cent, students in regional and remote locations 2.1 per cent and Indigenous students 0.9 per cent. This means that disadvantaged students will get about \$2.5 billion of the total increase over the next six years with about \$1 billion of this going to low SES students. This is much less than the \$3 billion provided by Low SES Communities national partnership over seven years.

Of course, many disadvantaged schools may gain additional funding because they are currently below the national resource standard. However, it is not possible to determine how much they will get at this stage as many medium to high SES government schools are also funded at less than the national resource standard.

There are two significant differences between the Gonski and Gillard models as regards funding for low SES students. First, the Gillard model provides slightly more generous funding loadings. Its range of loadings begins at 15 per cent of the resource standard compared to 10 per cent in the Gonski model.

Second, while the Gonski report recommended a funding loading for every student in the lowest 25 per cent of SES backgrounds, the Gillard plan spreads the funding much more broadly. It provides a loading for every student in the bottom 50 per cent, with students in the lowest quartile receiving bigger loadings. It means that more than 95 per cent of schools will receive low SES funding.

The Government's case for funding loadings for the second lowest SES quartile is that a significant group of these students achieve much lower outcomes than students with above average SES background. This is true. The 2009 PISA results show that while 24 per cent of 15 year-old students in the lowest SES quartile were below the international reading benchmark, 15 per cent of students in the second lowest SES quartile were also below the benchmark. In mathematics, 28 per cent of students in the lowest quartile and 17 per cent of students in the second lowest quartile were below the benchmark. In science, the respective figures were 23 and 13 per cent. Thus, there is a strong case for additional funding for students in the second lowest quartile as well.

The issue is whether the low SES funding loadings are large enough to make a significant difference to the results of these students. The evidence suggests not.

Overseas research studies show that the additional expenditure required for low income students to achieve at adequate standards is up to double or more the cost of educating an average student. This implies loadings of 1.0 or more.

Under the Gillard model, the maximum funding loading for low SES students is 0.5 and this applies only to schools that have over 75 per cent of their enrolments from the lowest SES quartile. Low SES secondary school students in these most highly disadvantaged schools will only receive an extra \$6,096 compared to \$12,193 if the loading was set at 1.0.

Even this maximum loading will apply to only a tiny proportion of all low SES students. According to the My School website only 331 schools (265 government, 29 Catholic and 37 Independent) would have qualified for this loading in 2012. The total enrolment in these schools was just under 30,000, of which about 25,000 can be assumed to be in the lowest SES quartile. In 2012, there were approximately 600,000 students in the lowest SES quartile. Therefore, only about four per cent would qualify for the maximum low SES loading in the Gillard model, a loading which itself is well below the loadings suggested by research studies.

More special deals for private schools

A third issue with the Gillard plan is that it will be even more riven by special deals than Howard's SES model. Just as the integrity of the SES model was undermined by special deals with Catholic and Independent school organisations, new special deals are being negotiated that will undermine the integrity and coherence of the Gonski model.

The Prime Minister has already broken with the principles of the Gonski model by promising Cardinal Pell that Catholic schools will retain their current share of federal funding. This introduces a new link between government school funding and Catholic school funding. Federal funding for government schools will apparently not be permitted to outstrip funding for Catholic schools, even though government schools enrol much higher proportions of disadvantaged students than Catholic schools – Catholic schools only enrol 16 per cent of low income students and 9 per cent of Indigenous students compared to the government school proportions of 75 and 85 per cent.

The special deal will allow Catholic schools to double dip on Federal funding. In addition to their direct funding under the new model, they will receive additional funding to compensate them for any loss of enrolment share to government schools or other private schools. For example, if the number of disadvantaged students in government schools increases this would draw increased Federal funding for those schools and decrease the share of Catholic school funding in total Federal funding. Instead, Catholic schools will receive additional funding to maintain their current share, even though their enrolments of disadvantaged students are unchanged, increase by less than in government schools or decline. Similarly, an increase in enrolments in other private schools will draw an increased percentage of Federal funding, for which Catholic schools will be compensated.

This new special deal adds to one that was incorporated into the Gonski model at the behest of the Federal Government. The focus on improving equity in education in the Gonski model was diluted by a new “no losers” guarantee for medium to high SES private schools. This is

the Government's promise that no school will lose a dollar of funding under the new model. This means that medium and high SES schools that have large privately sourced funding will continue to receive government funding and maintain a large resource advantage over lower SES government and private schools.

Gillard's new "no losers" guarantee also protects the special deals done by the Howard Government to maintain "over-funding" of some 40 per cent of private schools. These are the so-called "funding maintained" (FM) schools that were allowed to keep funding they would have otherwise lost if the SES model had been strictly applied. The over-funding amounted to \$615 million in 2010 according to the Gonski report. All of this funding goes to well-off private schools - none of it goes to low SES private schools. These schools get to keep their over-funding under the Gillard plan, although it will be indexed at slightly less than for other schools.

The new "no losers" guarantee and the new link between Catholic school funding and total Federal funding means that the exceptions, incoherence and inequities in the Howard Government's funding model criticised by the Gonski report will also be a feature of the Gillard model. And, we have yet to see what special deal Gillard gives Independent schools.

Extending the market in education

A further problem is that the accompanying plan for school improvement will extend market-based features of education. In particular, national testing and reporting on science will be introduced, state education authorities are encouraged to adopt performance pay, and increased school autonomy is a condition of the future funding.

The extension of national testing to science and more reporting of school results on My School and in league tables in newspapers will harm education further. I don't need to spell out to you the effects in terms of narrowing the curriculum and teaching.

There is little evidence that performance pay or greater school autonomy increase student achievement. At best, the evidence is mixed, but generally the weight of evidence from research studies is that they have little effect on student results. School autonomy also tends to reduce collaboration between schools and increase social segregation and inequity in education.

Gonski offers more than the Coalition

Unfortunately, the Gillard Government has made an unholy mess of Gonski. Not only has it delayed implementation for far too long and made it hostage to the election campaign, but it has not adopted the full Gonski. The funding increase committed over the next four years is only a small percentage of the full Gonski and it is largely financed by re-cycled funds; its funding for disadvantaged students is far too low and is too widely dispersed to make any significant difference; and the integrity and coherence of the framework has been destroyed by more special deals with private schools.

As if this is not enough, the small funding increase is being used as a vehicle to extend the market in education through more testing and reporting of school results, performance bonuses for principals and teachers, and more autonomy for principals.

However, having the principles of the Gonski model enshrined in legislation would be a major step forward and the more states that sign up the greater its significance. It would be a major achievement. It would provide the foundation for school funding in the future and offer

the hope and opportunity for a “full Gonski”. It would indeed be a watershed in the history of school funding in Australia.

Having the Gonski principles enshrined in legislation will also make it harder for a Coalition government to revert to the unfair and incoherent SES model. This is why it is so important to continue the pressure on governments to sign up. This is why Abbott and Pyne are leaving no stone unturned to stop Coalition governments signing up and why they are so angry with Barry O’Farrell and Adrian Piccoli in NSW.

The other Liberal state premiers are playing cheap politics - turning their backs on increased funding for disadvantaged schools and students for party political gain. Some 36 per cent of all Victorian and Queensland students are from low income families, but the Napthine and Newman governments are prepared to put their education and future at risk by refusing to sign up to the new model. It is unconscionable.

We cannot expect anything from a Coalition government. The Coalition has refused to commit to the Gonski model. It voted against the Education Bill in the House of Representatives. Tony Abbott says that the current system “is not broken” and not in need of fundamental change. The Coalition has no commitment to reducing disadvantage in education. According to Tony Abbott it is private schools that are the victims of an “injustice” because they get less public funding than government schools. The Coalition is ruthless in its protection of privilege in education. As Abbott has said, supporting the funding of Independent and Catholic schools is “in our DNA”.

Whatever happens at the next election, Gonski has given us something to fight for in the longer term. The Gonski model is the foundation on which to build the future. It is vital to meeting the biggest challenge facing Australian education – reducing the large achievement gap between rich and poor. This has to remain our fundamental priority in education policy.

In conclusion, I would like to pay tribute to the campaign that the Australian Education Union has run in support of Gonski. It has been a tremendous effort in a most extenuating and difficult political climate. On behalf of SOS and, I am sure, other supporters of public education everywhere, I would particularly like to congratulate the efforts of Angelo and his colleagues and express our heartfelt gratitude for your commitment and tenacity in fighting for a better deal for government schools and disadvantaged students.

Thank you.

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