

# EXECUTIVE SUMMARY

Australia is losing the education game. We will not return to the winner's list until we address inequity in our schools. Funding lies at the core of that inequity.

The 2011 "Gonski" Review of Funding for Schooling ('First Gonski Review') found, among other things, that an increased concentration of disadvantaged students in certain schools has a negative impact on educational outcomes overall. To address this, it called for a needs-based model that would direct resources to where they were most urgently required.

This recommendation won near unanimous political, public and professional support, but was not implemented to any meaningful extent. Although limited extra money was put into some schools, there was insufficient change to the way funds were allocated. As a result, the problems in our school system have compounded and educational outcomes have worsened.

Six years of *My School* data support this claim. The most recent statistics, released in March 2017, confirm the deteriorating trend apparent in previous years, and throw new light on the changing nature of our school system. Our analysis reveals that:

- We are no more 'funding the need' than we did six years ago.
- Equity between schools is plateauing or deteriorating.
- Larger and more advantaged schools are growing; smaller and more disadvantaged schools are shrinking.
- School intakes are becoming more polarised, with the strugglers especially left behind, literally in a class of their own.
- Overall student achievement continues to drift.
- The gap in outcomes between advantaged and disadvantaged students is not narrowing.

- Schools are becoming more hierarchical, less representative of local communities and less connected to them.

Despite the promise of Gonski, resources have not been shifted to where they are most needed. It remains true that the most-needy students are enrolled in government schools, and the least needy in independent schools, with Catholic schools in between. The First Gonski Review's primary aim was to improve educational quality by prioritising increases in support for the most disadvantaged students, but this isn't happening in the way intended. In the years since the First Gonski Review panel began its work, combined state and federal funding for non-government schools grew by around 6 per cent per annum, while funding for government schools grew at only half that rate.

This means much funding since Gonski has been ineffective, because it has gone to where it will have the least impact – to students who are already relatively advantaged and achieving well. It also means that the distinction between "private" and "public" schools is disappearing – at least in financial terms – while unsustainable differences remain in their operation, accountabilities and especially their obligations.

Yet this report should not be read as another salvo in the unedifying contest between government, Catholic and independent schools. The overarching problem exists within as well as between the sectors and is much more insidious: it is that we are tilting the playing field in favour of those who need the least help and against those who need the most.

In our 2016 report, *Uneven Playing Field: the state of Australia's schools*, we urged for the First Gonski Review findings and recommendations to be revitalised and put once again at the centre of schools' reform. In May and June this year, the Turnbull

Government announced initiatives to support national implementation of needs-based funding, providing renewed hope that we may see the creation of the equitable funding model for which we have long advocated. More recently (mid-June) it has reportedly agreed to the creation of a National Schools Resourcing Body to audit and monitor funding and expenditure, and review the funding mechanism.<sup>1</sup> Failure to establish such a body in the past lies behind much of the inequity and inefficiency of current school funding. It has also proposed accelerating its current funding commitment.

The Government also announced that David Gonski AC would chair a new inquiry, the Review to Achieve Educational Excellence in Australian Schools ('Second Gonski Review'). This Second Gonski Review will examine the most effective teaching and learning strategies and initiatives that can be deployed in our schools to improve student performance across the board. In order to fulfil the terms of reference successfully, the panel will need to understand why our national performance has declined, and that involves examining the deteriorating state of equity in our schools right now.

The First Gonski Review produced solutions that could have worked if they had been adopted. This new window for long-term education reform is too important to fail on the mistakes of the past. It should

build on the findings and recommendations of Gonski 1.0, while addressing new and increasingly evident problems.

We propose that, after delivering on the terms of reference, the Second Gonski Review conduct a further investigation on barriers in our current school's framework that risk preventing the implementation of both Gonski Reviews. This should include barriers such as:

- ongoing inefficiencies in the way schools are provided and resourced; and
- inconsistencies in the obligations on all schools that are substantially publicly funded.

The Second Gonski Review should then develop a further set of recommendations aimed at removing such barriers.

As such we also propose that a task force be established to monitor progress being made against the recommendations of both Gonski Reviews and the commitments of federal and state governments, and to report publically on them at regular intervals. These initiatives are crucial to ensure that this second opportunity to establish consistent needs-based funding is not squandered, and that our policymakers truly deliver on the promise of a more equitable and effective future for Australia's school system.