

**AUSTRALIAN COUNCIL FOR THE DEFENCE OF GOVERNMENT  
SCHOOLS**

**Press Release 707**

**GONSKI 2.0 Just Another Smoke and Mirrors**

**Needs-Greeds” Policy**

There never has and there never will be a genuine ‘Needs” policy in Australian education funding.

The only way to educate ALL of the Australian children ALL of the time is to have a genuine FREE education system which is open to all children and offensive to none.

We have this in the Public systems of Australia. Yet time and again we sell them short in favour of a greedy, irresponsible, hypocritical and corrupt private sector.

Trevor Cobbold of Save our Schools has woken up to the hoax and is providing the figures at <http://www.saveourschools.com.au/funding/gonski-20-provides-even-more-over-funding-for-private-schools>

and <http://www.saveourschools.com.au/funding/gonski-20-is-a-40-gonski>

while Natasha Bitá of the Daily Telegraph has revealed the elite private schools that finish their financial year with ‘surpluses’ even greater than their direct public funding. At <http://www.adogs.info/statistics/catholic-and-elite-schools-bank-huge-surpluses-may-23-2017>

DOGS are waiting for the Save Our Schools group to reach the No State Aid position. They are almost there.

A group of teachers have already arrived back at the DOGS position. Watch this space.

Trevor Cobbold notes:

Gonski 2.0 is a hoax on a grand scale...and Gonski 2.0 entrenches inequity in education.

Under Gonski 2.0, the majority of Independent and Catholic schools across Australia will be over-funded while the large majority of public schools will remain under-funded. There will be a fourfold increase in the percentage of Independent schools who are over-funded from 17% in 2017 to 65%.

Many high SES and elite private schools will have their over-funding increased, many will move from being funded below their Schooling Resource Standard (SRS) to being over-funded, and many that are already over-funded will remain over-funded even though it will be reduced as a percentage of their SRS.

The over-funding will continue and increase for many because the Commonwealth Government will fund private schools to 80% of their SRS under Gonski 2.0 without regard to the existing level of state and territory government funding of private schools. Many private schools and private school systems are already funded at over 20% of their SRS by state governments. By funding these schools and systems to 80% of their SRS by 2026-27, the Turnbull Government will increase their over-funding unless state governments decide to cut back, which is unlikely because they have increased funding for private schools in recent years....

The Catholic education authorities are whining because over-funding for their elite schools is either being directly cut or future funding increases will be less than SRS indexation. However, many of these schools will still be over-funded. For example, Monte Sant' Angelo Mercy College and Jesuit schools in Sydney will be funded at 162% of their SRS under Gonski 2.0 and Loreto Kirribilli will be funded at 160%. In contrast, many disadvantaged public schools will be funded at less than 90% of their SRS.

Catholic education authorities are also complaining about the phasing out of the system weighted average funding arrangements that apply to Catholic systemic schools. This special deal has historically provided more privileged funding for Catholic schools. Yet, there is no reason for them to whine under Gonski 2.0. All Catholic systems will be funded at over 100% of their SRS or very close to it.

Complaints about funding cuts to ACT Catholic systemic schools are entirely misplaced. These schools received a huge funding boost through a special deal negotiated with the Catholic Church by the Labor Government in order to win acceptance for Gonski 1.0. It was a gross corruption of the Gonski principle of needs-based funding and provided these schools with millions of dollars of over-funding.

All members of the Parliament who support greater equity in education, particularly Labor and the Greens, must reject the amendments to the Education Act proposed by the Government that allow for an increase in over-funding of private schools. Instead, they should present amendments to ensure that all over-funding of private schools is phased out.

### **School sector over-funding**

Under Gonski 2.0, average government funding (Commonwealth and state/territory government) of Independent schools will exceed their SRS in the ACT, NSW, Queensland, Victoria and Western Australia while Independent schools in the Northern Territory, South Australia and Tasmania will be funded at their SRS [Chart 1]. Independent schools in the

ACT will be funded by 12% more than their SRS, Western Australian schools by 9% and NSW schools by 7%.

Catholic systemic schools in the ACT, NSW, Queensland and Western Australia will also be over-funded. Western Australian Catholic schools will be funded by 8% more than their SRS. Catholic schools in Tasmania and Victoria will be funded at their SRS while those in the Northern Territory and South Australia will be only slightly below.

In contrast, public schools will remain significantly under-funded in NSW, Northern Territory, Queensland, South Australia and Victoria. In particular, public schools in the Northern Territory and Victoria will only be funded at 87% and 86% of their SRS, respectively. Funding for public schools in the ACT and Western Australia will exceed their SRS and funding for Tasmanian public schools will be slightly below their SRS. Northern Territory public schools will actually have their funding reduced from 90% of their SRS in 2017 to 87%.

There will also be an immense increase in the number and percentage of over-funded Independent schools (separate data for Catholic systemic and public schools is not published). In 2017, 17% of Independent schools are over-funded and this will increase to 65% under Gonski 2.0 [Chart 2]. Nearly 90% of Independent schools in the ACT will be over-funded, 83% in Western Australia, 75% in Queensland and 72% in NSW. One-third to one-half of schools in South Australia, Tasmania and Victoria will be over-funded while 56% of Northern Territory Independent schools will be getting more than their SRS.

The biggest increases in over-funded Independent schools will be in NSW, Northern Territory, Queensland and Western Australia with increases of 50 percentage points, 45 points, 65 points and 68 points respectively. It will be a three-fold increase in NSW, a five-fold increase in the Northern Territory, over a seven-fold increase in Queensland and over a five-fold increase in Western Australia.

The reason for this massive increase in over-funding for private schools is that the Turnbull Government will fund private schools to 80% of their SRS without regard to the existing level of state and territory government funding of private schools. Many private schools and systems are already funded at over 20% of their SRS by state governments. By funding these schools and systems to 80% of their SRS, the Turnbull Government is ensuring that they will be over-funded by 2026-27 or earlier unless state governments decide to cut back their funding. This is unlikely because they increased inflation-adjusted funding per student in private schools by 6.9% between 2009-10 and 2014-15.

The over-funding estimates here are derived from data on total government funding (A) and Commonwealth Government funding (B) as a percentage of school and school system SRS provided to Senate Estimates last year by the Commonwealth Department of Education. This allows estimation of the state government contribution (C) to SRS ( $C=A-B$ ). The SRS for schools and school systems for Gonski 2.0 are calculated as  $C+80\%$ , the 80% of SRS being the cap on Commonwealth Government funding of private schools.

The analysis assumes that Commonwealth funding increases will at least match indexation of the SRS. It must increase by more than indexation of the SRS if the Government is to achieve its target of 80% of SRS for private schools and 20% of SRS for public schools by 2026-27.

Future indexation of the SRS will be 3.56% for 2019 and 2020 and a floating rate with a minimum of 3% from 2021. The Gonski 2.0 funding estimates on the Department of Education website are based on at least 3% increase per year, except for about 300 schools that receive smaller increases or have their funding cut. Funding is increased by at least 3.4% per year for all schools except about 350.

The analysis also assumes that state governments maintain their contribution to SRS by increasing funding in line with SRS indexation. This is based on the statement by the Prime Minister and the Minister for Education that state governments will be required, as a condition of Commonwealth funding, to maintain their current level of funding per student adjusted for inflation. This means their funding should increase in line with SRS indexation. However, this condition is not included in the amendments to the Australian Education Act before the Parliament and it is not clear how the Government will enforce it.

### **Over-funding of individual schools**

Many high SES and other private schools in all states and territories will have their total funding increased to over 100% of their SRS under Gonski 2.0 because state government funding already exceeds 20% of their SRS.

### **NSW**

In NSW, there are 216 private schools and systems that are funded at over 20% of their SRS by the state government. Many of these are high socio-economic status (SES) and wealthy schools. For example, SCEGGS Redlands with 84% of its students in the top socio-educational advantage (SEA) quartile is already funded at 46.11% of its SRS by the NSW Government and its Commonwealth funding will be increased from 75.53% to 80% of its SRS under Gonski 2.0. Its total government funding will increase from 122% to 126% of its SRS [Chart 3]. Sydney Grammar School with 98% of its students in the top SEA quartile will have its government funding increased from 123% of its SRS to 127% because its state government funding is 47% of its SRS. Many other high SES private schools will have their funding increased beyond their SRS.

Many NSW private schools that are currently grossly over-funded by the Commonwealth Government and will have their funding cut or reduced as a percentage of their SRS under Gonski 2.0 will still be significantly over-funded because of state government funding. For example, the group of Jesuit Catholic schools will be funded at 162% of their SRS [Chart 4]. Total government funding of Monte Sant' Angelo Mercy College with 75% of its students in the top SEA quartile will be at 162% of its SRS. Total government funding for Loreto Kirribilli with 80% of its students from the top SEA quartile will be funded at 160% of its SRS. Queenwood with 81% of its students in the top SEA quartile will be funded at 149% of its SRS. There are many other high SES schools whose total government funding will exceed 100% of their SRS under Gonski 2.0 and only a selection is identified in Chart 4.

### **Victoria**

In Victoria, there are 76 private schools and systems currently funded at over 20% of their SRS by the state government. Funding for these schools will exceed 100% of their SRS following increased Commonwealth Government funding to 80% of their SRS. Here the funding increases tend to favour relatively high SES schools rather than the very high SES schools as in NSW. For example, Yeshivah-Beth Rivkah College with 38% of its students in the highest SEA quartile and 68% in the top two SEA quartiles will have its total government

funding increased from 103% of its SRS to 109% [Chart 5]. Castlemaine Steiner School with 42% of its students in the top SEA quartile and 80% in the top two quartiles will have its funding increased from 104% of its SRS to 111%.

Many very wealthy private schools will still be over-funded even though their Commonwealth Government funding will be reduced as a percentage of their SRS. For example, total government funding of Christ Church Grammar School with 87% of its students in the top SEA quartile will be at 112% of its SRS [Chart 6]. St. Catherine's School in Toorak with 74% of its students in the top SEA quartile will be funded at 109% of its SRS and Lauriston Girls School with 83% of its students in the top SEA quartile will be funded at 108% of its SRS.

### **Queensland**

In Queensland, there are 106 private schools and systems whose state government funding exceeds 20% of their SRS. Total government funding of these schools will exceed 100% of their SRS when Commonwealth Government funding gets to 80% of their SRS under Gonski 2.0. This includes many high SES private schools. For example, St. Aidan's Girls School with 77% of its students in the top SEA quartile will have its total government funding increased from 119% to 123% of its SRS [Chart 7]. The Presbyterian and Methodist group of schools will have their average funding increased from 105% to 111% of their SRS.

In addition, several very high SES private schools whose Commonwealth funding will be directly cut or will decline as a percentage of their SRS under Gonski 2.0 will still be over-funded. These include Brisbane Grammar, Brisbane Girls Grammar, Hillbrook Anglican School and Cannon Hill Anglican College.

### **Western Australia**

In Western Australia, there are 96 private schools and systems whose state government funding exceeds 20% of their SRS. Funding for these schools will also exceed 100% of their SRS when Commonwealth Government funding is increased to 80% of their SRS. They include many of the highest SES schools in the state. For example, Christ Church Grammar with 77% of its students in the top SEA quartile will have its total government funding increased from 119% to 123% of its SRS [Chart 8]. Scotch College with 81% of its students in the top SEA quartile will have its funding increase from 135% of its SRS to 139%.

In addition, several very high SES private schools whose Commonwealth funding will be reduced as a percentage of their SRS under Gonski 2.0 will still be over-funded. These include Methodist Ladies College, Presbyterian Ladies College, The Quintilian School, Banksia Montessori and Beehive Montessori.

### **South Australia**

In South Australia, there are 22 private schools and school systems whose state government funding exceeds 20% of their SRS. Funding for these schools will also exceed 100% of their SRS when Commonwealth Government funding is increased to 80% of their SRS. They include many of the highest SES schools in the state. For example, Scotch College with 77% of its students in the top SEA quartile will have its government funding increased from 93% of its SRS to 104% [Chart 9]. St. Peter's College with 72% of its students from the top SEA quartile will have its government funding increased from 94% of its SRS to 104%.

## **Tasmania**

In Tasmania, there are 10 private schools and school systems whose state government funding exceeds 20% of their SRS. Funding for these schools will also exceed 100% of their SRS when Commonwealth Government funding is increased to 80% of their SRS. They include several of the highest SES schools in the state. For example, The Friends School with 73% of its students in the top SEA quartile will have its government funding increased from 95% of its SRS to 104% [Chart 10]. Scotch Oakburn College with 55% of its students in the top SEA quartile and 83% in the top two quartiles will have its funding increased from 90% of its SRS to 102%.

## **Catholic school over-funding**

Many non-systemic high SES Catholic schools, mostly in NSW, are vastly over-funded because of a special deal hatched with the Howard Government and maintained by the Gillard Government. Under the old SES funding model, many independent Catholic schools were funded at a higher rate per student than they were entitled to if they were funded according to their assessed socio-economic capacity. This was the result of the Howard Government's "no losers" guarantee under the SES model. This privileged funding continued under Gonski 1.0 according to Julia Gillard's edict that "no school will lose a dollar".

The extent of the over-funding is staggering in many instances. For example, Loreto Kirribilli is currently funded at 277% of its SRS, Monte Sant'Angelo Mercy College is at 268% of its SRS, the Jesuit schools in NSW are at 266% of their SRS [Chart 11]. To the Government's credit, it has recognised that this is a gross corruption of the principle of needs-based funding and intends to reduce the over-funding under Gonski 2.0. However, these schools will still be significantly over-funded under Gonski 2.0. For example, Loreto Kirribilli will be funded at 160% of its SRS and Monte Sant' Angelo Mercy College and the Jesuit schools at 162% of their SRS.

The extent of over-funding of Catholic schools in the ACT is particularly scandalous. Non-systemic schools such as Daramalan and Marist Colleges are vastly over-funded. Daramalan is currently funded at 193% of its SRS and Marist is funded at 178%. The over-funding of Daramalan amounted to about \$7 million in 2016 and about \$6.8 million for Marist. Under Gonski 2.0, they will be still over-funded: Daramalan at 123% of SRS and Marist at 122%.

ACT Catholic systemic schools are also significantly over-funded because of a special deal between the previous Labor Government and the National Catholic Education Commission on the participation of Catholic schools in Gonski 1.0. The average system-weighted SES score of 101 negotiated for ACT Catholic systemic schools was not derived from the SES score of each individual school. Instead, as set out in a Ministerial Determination under the Education Act, the SES score is set as the average SES score for all Catholic systemic schools across Australia. The actual average SES score of 117 for ACT Catholic schools is very much higher than the average for Australia of 101.

This special deal is a gross corruption of the Gonski principle of needs-based funding. The SES score of every Catholic systemic school in the ACT is above 101, ranging from 111 to 128. The disparities between these scores and the deemed system score of 101 ensures much higher government funding than if they were funded at their individual SES score. For example, the funding of St. Bede's PS in Red Hill with an SES score of 128 would be 20% of the base SRS if it were funded according to its SES score. However, its actual funding under

the special deal for ACT Catholic schools is 86.5% of the base SRS. As a result, the school was over-funded by \$1.0 million in 2016, or by \$6,329 per student. Similarly, St. Clare's College is funded at 72.5% of its base SRS instead of 35.31% according to its SES capacity score of 118. As a result, it was over-funded by about \$3.5 million in 2016. The total over-funding of Catholic systemic schools in the ACT was about \$50 million.

Complaints by the leaders of the Catholic Church in Australia and Catholic education leaders about cuts in funding or lower funding increases for high SES schools under Gonski 2.0 are disgraceful. They are difficult to reconcile with the professed Christian faith of these leaders. They indicate that there is a huge gulf between what Catholic leaders and ordinary people believe to be reasonable. Catholic leaders are betraying their own congregations by demanding that the vast over-funding of their most privileged schools and families be retained instead of being used to support disadvantaged schools and students. The Government and Labor should firmly reject these demands for high SES Catholic schools to continue to be over-funded.

It should also be noted that Gonski 2.0 does not challenge the privilege granted to Catholic education systems that allows them to distribute their government funding according to their own model without being required to reveal how the money is distributed. The only change proposed under Gonski 2.0 is that the total amount of block funding for Catholic systems will be determined according to the assessed SES of each Catholic systemic school rather than according to the system-weighted average determined in negotiation between the Catholic Church and the previous Labor Government. Catholic education authorities will remain free to determine how they distribute their taxpayer funding and will not be required to reveal their distribution model. Reports by the National Audit Office, the Gonski review, the Victorian Auditor-General and Save Our Schools provide compelling evidence that Catholic education authorities do not fully re-distribute taxpayer funding on a needs-basis.

### **Over-funding of private schools must be eliminated**

The claim by the Turnbull Government that it is reducing over-funding private schools is a hoax on a grand scale. It has played a 'smoke and mirrors' trick by reducing over-funding for a very small number of private schools while massively boosting over-funding for many more schools and retaining over-funding for others.

Gonski 2.0 is a grotesque distortion of needs-based funding. It will result in a huge diversion of taxpayer funds to the school sectors least in need. The large majority of private schools will be over-funded because the Turnbull Government has guaranteed to fund them to 80% of their SRS without regard to the fact that many private schools are funded at more than 20% of their SRS by state governments. It is making only a token reduction in already existing Commonwealth over-funding. Public schools, which enrol over 80% of disadvantaged students, will remain under-resourced because they will be dependent on state governments to fund them to 100% of their SRS. This is highly unlikely because state governments have cut inflation-adjusted funding per student in public schools in recent years and there is no requirement for them to increase it under Gonski 2.0.

The Prime Minister claims that Gonski 2.0 is fair: "It's fair, it's needs-based and it's consistent", he says. The Minister for Education, Simon Birmingham, says that the distribution of schools funding under Gonski 2.0 "will be needs-based and we are committed to fairness and equity as core values across all parts of our education system".

But, Gonski 2.0 is neither an equitable or fair funding model. No funding model that increases over-funding for high SES private schools while failing to adequately support public schools can be considered fair or equitable. Instead, Gonski 2.0 entrenches inequity in education.

It is up to the Senate to reject the ‘smoke and mirrors’ trick of Gonski 2.0. A particular responsibility falls to Labor, the Greens, and the Xenophon team to oppose the Government’s amendments to the Education Act that allow for increased over-funding of privileged private schools. Instead, they should present amendments to ensure that all over-funding of private schools is phased out.

Trevor Cobbold

[Charts on Over-Funding of Private Schools Under Gonski 2.0.pdf](#)

[Gonski 2.0 Provides Even More Over-Funding for Private Schools.pdf](#)

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