

Giving a Gonski

In December 2011 David Gonski presented to the federal government his landmark report on school funding. Its radical recommendations meant that Gonski's name entered the language as representing equity and excellence in education. So who is David Gonski and how did a wealthy merchant banker reach such conclusions? Anne Summers reports.



“It wouldn’t have worked if his name was Smith,” Angelo Gavrielatos says as he recalls his decision in February this year to adopt “I give a Gonski” as the Australian Education Union’s campaign slogan.

THE FEDERAL PRESIDENT of the AEU says that many in the public education sector were uneasy when David Gonski was appointed in 2010 to head up the federal government’s review of schools funding. Gonski was, after all, in addition to his many business roles, the chairman of the exclusive Sydney Grammar School and he was Chancellor of the University of New South Wales (UNSW), where there had been union criticism of some industrial matters on campus. These misgivings were soon replaced by enthusiasm.

“I consider the choice of David as inspired,” Gavrielatos told me. He formed this view early on in the review process, after several meetings with Gonski, and had it utterly confirmed when what is now known as the Gonski Report identified a lack of equity in the current system of funding as well as an overall deterioration in standards, even in private schools.

“It was what we’d been saying for years,” Gavrielatos says of Gonski. “He produced a great body of work that has redefined the education debate in Australia.” So, how to get the government to agree to recommendations, especially the key proposed “schooling resource standard” that would allocate a specific dollar amount per student and which came with a \$5 billion price tag?

➤ [See GONSKI REPORT here](#)

The existing AEU slogan “For our future” was hardly rousing, but Gavrielatos was initially reluctant to accept the rather risqué alternative proposed by his staff. Once he was convinced, however, and the web-based and social-media campaigns got underway, kids and teachers around the country were wear-

ing little green “I give a Gonski” buttons.

A few weeks after the campaign started, Gavrielatos thought to phone David Gonski: “I hope you don’t mind”. Gonski replied that he thought it was “a masterstroke”.

It must also have been a moment of quiet vindication for the man who had had to make his way through public primary school with an unusual name and a strange accent to find that name now synonymous with fairness and equality in Australian education.

The AEU campaign has been extraordinarily successful: the government has agreed to adopt virtually all of Gonski’s recommendations and in late November introduced legislation into federal parliament that enshrined this commitment. (Agreements about funding with the states and other key stakeholders are needed before full implementation can begin.)

ON THE FACE of it, a wealthy businessman like Gonski seemed an unlikely champion for the underprivileged.

As Gonski himself said in a recent speech, “Why did a Labor government choose a resident of Point Piper, who is a dreaded merchant banker, who was educated at a private school, who chaired a private school for eight years and sat on the board of that school for 18, and who is not an educational professional, to review the funding of school education in Australia?” The answer surely is that Julia Gillard, when she was Education Minister, had the acuity to see something of her own yearnings in Gonski. Like her, he is an immigrant and like her, this



**GONSKI REPORT****FRIENDS
OF GONSKI**

Frank Lowy is regarded as a mentor by Gonski who has served on the Westfield Trust board, been an advisor to Lowy, ran the ill-fated Westfield Capital Corporation during the 1980s and succeeded Lowy as chairman of the board of trustees at the Art Gallery of New South Wales (and was in turn succeeded by Stephen Lowy).

defines him in ways that might surprise those who only know him through his stellar business career. And like her, Gonski understands perfectly “the importance and potency of education” that allowed his own father, the son of an unskilled poor immigrant, to become a brain surgeon.

Alexander and Helene Gonski and their four children arrived in Sydney from South Africa in May 1961. David, their eldest, was seven. They were one of 47 families who came to Australia in the wake of the Sharpeville massacre (where police shot and killed unarmed demonstrators); families who were, according to Dr Suzanne Rutland, a University of Sydney academic who has studied Jewish immigration, “the really idealistic wave” of South African immigrants.

It was a second emigration for Alexander Gonski who, at the age of ten, had left Lodz in Poland for South Africa where, with the help of scholarships, he studied medicine, eventually becoming a leading neurosurgeon in Cape Town, heading the Groote Schuur Hospital and training surgeons. One of his students was Christiaan Barnard, who later performed the world’s first human heart transplant.

Alexander was not inclined to leave this satisfying and privileged life but Helene insisted.

“I was the instigator, I just loathed apartheid,” she told me. “The last straw was when the University of Cape Town was closed to Africans after Sharpeville”.

Gene Sherman, the Sydney philanthropist and art entrepreneur, whose family arrived in Melbourne in 1964, remembers her father saying the system “is going to corrupt us all”. You were either complicit or you would end up in jail. Four of Sherman’s eight high-school teachers went to prison.

Helene Gonski was also conscious that she had three sons in a country where military service was compulsory for whites.

“She did not want her boys to fight in a war she did not believe in,” says her son David.

Despite the financial restrictions on taking money out of South Africa, the Gonskis were far better off than many other migrants at that time. Their first home was a flat in Double Bay and Alec had been hired to establish a department of neurosurgery at Prince Henry Hospital, the designated teaching hospital of the newly formed Faculty of Medicine at UNSW. Only when he started did he discover the department was to be housed in a hospital that until very recently had catered only for infectious diseases.

“Why did a Labor government choose a resident of Point Piper, who is a dreaded merchant banker, who was educated at a private school, who chaired a private school for eight years ... to review the funding of school education in Australia?”

David started at Double Bay primary school and while he soon moved onto Sydney Grammar, he never forgot the “little hut” that was his classroom. It was temporary back then, but it is still there.

“I think it would be good if that little hut, apart from being a relic of my past, was replaced,” he told a *Sydney Morning Herald* journalist earlier this year.

They knew hardly anyone, and David was lonely at school. “I was very aware that a number of my friends were not with me,” he told me. “I had to make new friends.” One of them was an American boy whom David impressed by saying that his father was “a head doctor from Africa”. The boy’s parents were most disappointed when they met Dr Gonski, recalls his wife, and found that he was

white, not a witch doctor and did not have a bone through his nose.

In their rush to get away from South Africa, the family had neglected to do their due diligence. “We were a bit stupid in some ways,” says Helene Gonski. One thing that had escaped their notice was the White Australia policy. “That was a bit of a blow,” she says. She made up for it by getting involved in Aboriginal causes.

DAVID GONSKI, who is 59, is a very unusual man. In the testosterone-charged corridors of power in the Sydney CBD, where ego is certainly not a dirty word, he is unfailingly courteous and polite, unassuming, humble even.

“The worst criticism of him is: can he really be that nice?” says Janine Perrett of Sky TV Business. He does not play golf or follow a code. To look at him, with his graying curly hair, his biggish brown glasses framing a face that often flushes deep red when he is upset or excited, his far-from-fashionable blue shirt and the building security pass hanging from his belt, you would not for a moment think that this is one of the most powerful men in Australia.

He has been the go-to man for business and governments for at least a decade now, consigliere to Packers, Murdochs and Lowys, director of blue-chip companies such as ANZ, Fairfax, ASX and Westfield, chair of numerous arts boards, a silken presence across multiple networks, always available, always getting the job done, along the way picking up an Order of Australia that in 2007 was upgraded to an AC.

Yet, for all this, he never forgets he is still an outsider. “I am there because I do the job,” he tells me. “That’s all I offer. I am certainly not there because I am blue blood or whatever.” Two years ago, Gonski sat on more than 40 boards. Today he is down to a mere 14 as he shed business roles to play a bigger part in the public sector. He chairs four companies: Coca-Cola Amatil, Investec Bank, Ingeus Ltd, the company owned by Thérèse Rein, the wife

of former Prime Minister Kevin Rudd, and Swiss Re Life & Health, an insurance business. He is a consultant to Transfield Holdings.

The rest of his current CV lists non-business work. He is chancellor of UNSW and chairs its Foundation and oversees the Advisory Committee for its Centre for Social Impact (CSI). He chairs the federal government’s National E-Health Authority, which is overseeing the introduction of electronic health records, is on the SBS and ABC Nomination Panel, a member of Infrastructure NSW and a director of Australian Philanthropic Services Ltd. He is also chairman of Sydney Theatre Company (STC), making him Cate Blanchett’s boss for another year until her contract as co-Artistic Director with her husband Andrew Upton ends. And in March this year David Gonski was controversially appointed chairman of the Future Fund of Australia, the nation’s \$77 billion sovereign wealth fund.

That job required him to relinquish a consultancy with investment bank Morgan Stanley Australia Limited, a directorship of Singapore Airlines and his chairmanship of the ASX. Even so, he is extraordinarily busy.

Each of these boards has numerous sub-committees and Gonski is on most of them. He never misses a meeting, he reads and annotates all the papers, and he has regular scheduled meetings with the top people who run each of the organizations he chairs. He also engages with all manner of people associated with the work of his boards, for instance, negotiating with bureaucrats in Arts NSW a lease extension for the STC. Then there’s the short-term government advisory tasks not on the résumé, or acting as a judge for *The Australian Financial Review’s* Women of Influence Awards. Plus the many speeches (which he writes himself), the board dinners, the receptions. And he never misses an STC opening night.

How does he make the time to do it all?

“I was trained extremely well as a lawyer on how to use my time,” Gonski says. He points out that he does not actually run anything so he has no responsibilities for staff.

FRIENDS OF GONSKI



Jillian Segal is deputy Chancellor of University of New South Wales, a director of ASX and, along with a number of leading businesspeople such as Roger Corbett, has offices at Investec. She is from one of 47 Jewish families who, along with the Gonskis, came to Australia from South Africa in the early 1960s.

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GONSKI REPORT

He is well organized, super efficient, keeps meetings short and focused, he delegates and, according to virtually every one of the dozens of people I spoke to, he has a phenomenal capacity for work. He is at his desk by 7 most mornings and puts in a twelve-hour day. When he has a dinner, he does not drink, and excuses himself early.

“Board papers to read,” he says by way of apology. The Future Fund’s papers alone are several hundred pages each month, and that’s not counting the sub-committees papers.

Being chairman means people come to you. The Schools Review mostly met in the Investec offices, on the 23rd floor of Sydney’s Chifley Tower, which is where the Future Fund now meets and where I had my two interviews with Gonski. The diary is set well ahead and to say it is not very flexible would be an understatement; recently there were conniptions when someone at UNSW suggested changing the graduation dates. The Chancellor’s diary could not accommodate this and the changes were not made.

Why does he do so much? Why does he need to have so many fingers in so many pies?

As someone who is not an admirer put it: “Is Sydney so devoid of talent that one man has to do all those jobs?” Another says the concentration of power in one person is “almost corrupt”, adding “The joke around town is, how many times a day does David have to ring himself!”

Gonski’s answer is disarmingly simple. “My own drive is definitely based on being an immigrant. I know as an immigrant you’ve got to prove yourself every day.”

Perhaps strange in a boy who arrived here aged seven, but there is no doubt he feels it keenly. Leaving South Africa, he said, “broke up the tight and very nice existence we had previously. It made us much more unsure of ourselves”.

He retains a softened South African accent.

Some of those who work with him sense “a high need to be liked”, or even a paradoxical sense of insecurity. He is the consummate insider, the wielder of immeasurable covert power, who at heart still feels like an outsider.

So there was no way he was going to refuse when Julia Gillard rang him early in 2010 and “put a very good case” for why a review of schools funding was needed. According to Amanda Lampe, Gillard’s chief of staff at the time and now responsible for corporate affairs and government relations at the ASX, Gonski “was the kind of person we wanted”: “He is very smart, has gravitas, [is] incredibly well connected across the board, understands independent schools because of his Sydney Grammar connection and disadvantage because of his philanthropy.” As when he accepted the Future Fund two year later, taking on the Schools Funding Review meant shedding other roles, moving further away from a life of strictly business to one more of service and giving.

Gonski embraced the opportunity.

“He definitely wants to make a difference—to make his mark on the country,” says Jennifer Bott, who worked with Gonski at the Australia Council and, until recently, ran the UNSW Foundation. He threw himself into the 18-month-long review with characteristic fo-

In the testosterone-charged corridors of power in the Sydney CBD, where ego is certainly not a dirty word, he is unfailingly courteous and polite, unassuming, humble even.

rensic energy. He made certain demands: he wanted Kathryn Greiner, businesswoman and a former chair of Loreto Convent Kirribilli to join the panel already selected by Gillard, and he wanted Terrey Arcus to help him get the right focus on the issues. Arcus is a management consultant with Port Jackson Partners, which he founded with Fred Hilmer in 1991,

FRIENDS OF GONSKI



Terrey Arcus

Worked as Gonski’s deputy at the Australia Council and was a consultant on the schools funding review, both jobs done on a voluntary basis. Arcus founded business consultancy Port Jackson Partners with Fred Hilmer in 1991. His wife, Anne, served on the Sydney Grammar School Trust with Gonski.

**GONSKI REPORT****FRIENDS
OF GONSKI****Fred Hilmer**

Now vice-chancellor of University of New South Wales where Gonski is Chancellor. Formerly CEO of John Fairfax Holdings (1998 – 2005), where Gonski was a director (1993 – 2005). He is a director of Westfield Holdings (Gonski was a director of the Westfield Group 1986 – 2011). Founder of Port Jackson Partners with another Gonski friend, Terrey Arcus, in 1991.

and a long-time associate of Gonski's. He was Gonski's deputy chair at the Australia Council, a job that, like the schools review, both he and Gonski did without taking a fee.

The review was, says Arcus, "an intensely process-oriented political task" that involved a listening tour of the country, meetings with a large array of stake-holders, visits to 80 schools and other organizations, combing through 7000 submissions as well as managing the high-level review panel that comprised former ALP politician Carmen Lawrence; Ken Boston, who used to run the NSW education system; Peter Tannock from the Catholic education sector; the economist Bill Scales; and Greiner.

Gonski was utterly determined to deliver "a funding system that ensured differences in educational outcomes are not the result of differences in wealth, income, power or possessions", as he put it in a speech recently. Like Peter Karmel, another Jewish Australian who also went onto head the Australia Council and who was tapped by Gough Whitlam forty years earlier to do the first commonwealth review of schools funding, Gonski wanted to make his mark.

"I am there because I do the job," he tells me. "That's all I offer. I am certainly not there because I am blue blood or whatever."

"David used to say, 'I want to get a High Distinction for this'," says Kathryn Greiner.

DAVID GONSKI is married to Orli Wargon, an American-born paediatric dermatologist who, like her husband, is a patron of the arts. She served for some years on the board of Belvoir Street Theatre. They have

three children: Michael, a lawyer at Freehills, Kate, who is about to graduate in medicine, and Tim, who is studying law.

Gonski is the man he is today, he says, because of his parents and the influence of three men: the late Justice Kim Santow, business tycoon Frank Lowy and businessman turned philanthropist Fred Street. Together they have shaped his belief that succeeding in business is not enough. His father once contemptuously dismissed someone as "just a businessman".

Gonski has said he does not want his own son to remember him as someone who cut somebody's fees in an underwriting or took over a widget factory. "I have to contribute so that I make [my children] proud," he told an Australian Institute of Management publication in 2007. "And so that I, frankly, make myself proud." Young David was put off medicine by being forced to accompany his father on his hospital rounds at weekends. Sydney University Law School was the place to go in the 1970s if you were headed for a major law firm but Gonski chose the newly established school at the UNSW, which was more oriented towards social justice, and combined it with a commerce degree.

Gonski liked that it used the Socratic method of teaching, "the way Harvard does it". He won the university medal for law in 1977 and went straight to work at Freehills, Australia's oldest law firm (at the time called Freehills, Hollingdale and Page). Two years later at age 25 he was the youngest partner in the firm's history, working his guts out on mergers and acquisitions—"I had to establish my name in those days as a lawyer"—and on his way to commercial glory, when Santow, who had recruited him, said, that's not good enough, you have to start giving back.

Gonski frequently quotes Santow's dictum that to be a complete, rounded individual one must have "generosity of spirit". Under Santow's tutelage, Gonski quickly made his mark in commercial law. At age 28, he managed the merger that created the National Australia Bank and handled CSR's takeover of Thiess

Holdings. In 1986 he left the law and began his ill-fated career as a deal-maker, presiding over the disastrous investments of Westfield Capital Corporation Limited (WCC), losing \$303 million in 1988/89.

“I am not an entrepreneur by nature,” says Gonski reflecting on the experience. “I am better at doing the deal than working out exactly what the deal is.” He is proud that he was able to rebuild his career and that the losses were minimized because of Lowy’s acumen. “The company did not go into insolvency or anything like that,” he tells me.

Gonski established his own boutique advisory firm, Wentworth Associates Pty Ltd,

in 1988, which he sold to Investec Bank in 2001, and started on the trajectory to where he is today.

Despite his unparalleled networks, Gonski’s world is perhaps surprisingly contained. He “embeds himself”, says Daniel Petre, the philanthropist who headed Microsoft in Australia whose contract Gonski negotiated when he joined the Packer empire.

Gonski does this with organizations (Investec, Fairfax, ASX, Freehills, for instance) and with people. UNSW, where his father worked, and he and his children studied, where he is now Chancellor, where colleagues with past affiliations work for him, fund pet



**GONSKI REPORT****FRIENDS
OF GONSKI****John and
Jenny Green**

Former Macquarie Banker and now Pantera Press publisher and novelist, John Green was an inaugural student at UNSW Law School, spent time at Freehills and in 2011 donated \$500,000 to establish scholarships for disadvantaged students to attend UNSW Law School, a donation that was welcomed by chancellor Gonski. Gonski and his wife have collected bronze pieces by Jenny Green, who is an award-winning sculptor.

projects or sit on Council—people like Deputy-Chancellor Jillian Segal (ASX), Vice-Chancellor Fred Hilmer (Fairfax), Jennifer Bott (Australia Council), Terry Davis (CEO, Coca-Cola Amatil), John M. Green (Freehills, ASX, UNSW Law School) and Petre. The Art Gallery of New South Wales (AGNSW), where he replaced Frank Lowy as President and was in turn succeeded by Stephen Lowy and where Kim Santow was a Trustee. Sydney Grammar, where he went to school, then joined its Trust and became chairman; he recruited Anne Arcus, (wife of Terrey), Louise Herron (Investec, now heading the Sydney Opera House) and ex-Fairfax CEO David Kirk, who is now Chairman.

This is perfectly normal business behaviour, says Gonski. You want at your side “people who are excellent or the people you think can do things, the people you trust, the people you’d like to be in the trench with”.

GONSKI IS keenly sought as a mentor by both men and women and has been known to schedule 6 a.m. meetings to accommodate someone who is having a crisis. His friends and close colleagues praise Gonski unreservedly: his loyalty, his work ethic, his exceptional intelligence, his generosity with his time and counsel, the way he will always promptly return a call or a text message.

Businesswoman Wendy McCarthy is a one of a number of high-profile women who have nothing but praise. He is “a thoughtful considered man who has learned a lot in the past ten years”. One thing he has learned is “to soften the image of what is a good businessperson”, he told a conference in September. “It used to be male, tall, tough and ruthless.” Being a chairman is like conducting an orchestra, Gonski says. People who have sat on his boards say he is masterful at making every individual feel valued for their contribution even if in the end they are overruled. It is a testament to Gonski’s skill that there are rarely discontented



- **Gonski Report** Review of Funding for Schooling. Final Report. December 2011
- **A Future Fair for All** School funding in Australia. Deputy Prime Minister’s speech 15 April 2010
- **Gonski Fact Sheet** issued by Australian Education Union
- **The Full Gonski** We have compiled a set of links to responses to the Gonski Report, including from commonwealth and state governments, media analysts and education stakeholders.

leaks from his boards.

Yet you don’t get to where Gonski is without making enemies. “He’s known to be very skilful at boardroom assassination,” says a lawyer who has worked with him. He always gets what he wants, says another. Hugh Mackay, the social researcher and writer, was chairman of Sydney Grammar until 2003 when, he tells me, Gonski ousted him in what had become a very unpleasant situation.

DAVID GONSKI IS now a very wealthy man and able to “give back”. With prompting from Santow, using the example of Lowy (who, like Richard Pratt, believed that wealthy Jews should not just give to Jewish causes) and with the guidance of Fred Street, who is an innovative philanthropist, funding,

He is the consummate insider, the wielder of immeasurable covert power, who at heart still feels like an outsider.

for instance, a major program that allows disadvantaged kids to become immersed in opera, Gonski began not just to give himself but to apply his legal brain to how he could get others to do the same. He was keen to create a culture of philanthropy similar to that in the United States so he persuaded then Prime Minister John Howard to enable wealthy individuals to establish DIY philanthropic funds, now known as Private Ancillary Funds (PAFs).

“Being a lawyer,” says Bruce Bonyhardy, president of Philanthropy Australia, “he realized that without a ready-made structure, people would not do it.”

In 2001 Gonski came up with the concept of a model trust deed that could be placed on the Australian Tax Office website, and which “created the ability to get a donation to a privately controlled foundation”, says Freehills partner John Emerson. “He thought of the idea. I did the drafting.”

There are now 1000 PAFs totaling \$3 billion which, Gonski told a conference of philanthropists in September, distributed \$200 million in grants in 2010/11. He expects their number to “grow and grow”.

Gonski’s own giving runs into the millions and is generally to organizations he has chaired, such as the STC, Sydney Grammar, UNSW and the Bundanon Trust. But he is also “a philanthropic entrepreneur in service delivery”, says Peter Shergold, now chancellor of the University of Western Sydney and former head of the Department of Prime Minister and Cabinet under John Howard, and the inaugural head of Gonski’s CSI. Gonski’s Foundation partnered with Investec Bank’s Foundation and the Royal Flying Doctor Service, putting up \$2.5 million earlier this year to fund 128 dental clinics in outback communities.

“There is no question,” says Daniel Petre, “that in the area of philanthropy he has been the most influential person in Australia and has brought about the most positive change.”

Gonski also got Howard to agree to tax reform to enable workplace giving: 157,000



people gave \$37.5 million in pre-tax dollars to charities in 2011/12, which was matched with \$13 million from their employers. It is no surprise that the Gonski re-

port recommended mechanisms to facilitate needy schools gaining access to philanthropic funds. Currently donations to private schools are tax deductible but those to government schools are not.

ON SATURDAY 14 April this year, five months after Gonski had delivered his report, Prime Minister Julia Gillard hosted a lunch at The Lodge for the panel members and their partners. It was she who had started the review exactly two years earlier, first by creating MySchool and continuing with NAPLAN, which together provided previously non-existent data on schools and student performance. “We could never have done the review without NAPLAN,” Gonski has said.

What Gonski learned from doing the review shocked him into developing the radical response that will forever bear his name. He learned there was “a growing tail between those who suffer disadvantage and those who don’t,” he said in a recent speech, “and this seemed totally unjust to me”. He learned that, if they wish to attract funding, disabled children can only go to government schools. He learned there is no planning as to where new schools should be built and what kind of schools they should be. Most of all, he learned that the current education system is arbitrary, unfair and ineffective. It must change, he said.

Perhaps, in a country where so much has been built on the dreams and labour of immigrants, it should not be surprising that a girl born in Barry, Wales, who never got over the injustice of her intelligent father being denied an education, and a boy from Cape Town, South Africa, who had thrived on the best education money can buy in Sydney, should together “give a Gonski” by striving to change the game for ensuing generations. ❖

FRIENDS OF GONSKI



Daniel Petre

Former head of Microsoft in Australia, established Ecorp for the Packer family’s PBL (where Gonski was a Packer advisor when Petre joined). He is on the Advisory Council for the Centre for Social Impact, the organization founded by Gonski at UNSW to facilitate philanthropy-related research, and was a major donor towards its establishment.



Louise Herron

Now CEO of the Sydney Opera House, has worked at Investec, chaired Belvoir Street Theatre when Gonski’s wife, Orli Wargon, was on the board, and is a Trustee of Sydney Grammar School.