Educational Reform and Change in Australia

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Bio
Brian Caldwell is Managing Director and Principal Consultant at Melbourne-based Educational Transformations and a former Dean of Education at the University of Melbourne and the University of Tasmania. He is Deputy Chair of the Board of the Australian Council for Educational Research. His books have helped shape developments in several nations, notably the trilogy on self-managing schools (1988, 1992 and 1998). Other books include Re-imagining Educational Leadership (2006), Raising the Stakes: From Improvement to Transformation in the Reform of Schools (2008), Why not the Best Schools (2008) and Our School Our Future (2010). Changing Schools in an Era of Globalization will be published in 2011.
Abstract

There are several seemingly intractable problems in education in Australia and efforts to address them are gathering momentum even though educational reform and strategies for school improvement have been underway for nearly four decades. These problems include the disparity in achievement between high and low performing students (PISA, 2006), including distressingly low levels of success for the nation’s indigenous students (MCEETYA, 2008; MCEETYA, 2009); a fragmented approach to school governance across the six states and two territories, where constitutional powers to make laws in relation to education lie; continuing and often debilitating debates about school choice, especially in relation to public (government, state) schools and private (non-government, independent) schools; and the content of curriculum and approaches to learning and teaching. Despite these problems, Australia’s students generally perform well in international tests of student achievement such as the Program for International Student Assessment (PISA) and the Trends in Mathematics and Science Study (TIMSS) (Gonzales, 2008; PISA, 2006; TIMSS, 2007). There is, however, a general view that the country could do much better, not only in addressing the aforementioned problems, but in ensuring that the system of education at all levels helps ensure that Australia will thrive in an era of globalization. The economic crises as the first decade of the 21st century drew to a close impacted Australia to a lesser degree than comparable countries. However, the need to set priorities in how to address the problems is critical.

In this paper I will describe the policy framework for current efforts in school reform, with a focus on the emergence of what has been termed ‘new federalism’; summarize trends in decentralization, community engagement, choice and accountability; highlight what is emerging as the ‘hot topic’ in 2011 – private schools;
and assess the significance of these developments in the international arena. The first part of the paper draws from a more detailed account in Caldwell (2011a) while the last part on private schools draws on Caldwell (2010) and Caldwell (2011b).

Policy framework

Much of the reform effort is connected with the challenge of achieving what has been termed ‘new federalism’. As noted above, constitutional powers to make laws in relation to education lie with the states but the federal or commonwealth government has a very important role to play because of its financial powers. For example, it is the only level of government that has the power to raise funds through an income tax, and it must make decisions on how grants will be disbursed to the states and territories. There can only be a truly national approach if there is broad agreement across both levels of government and an arguably unprecedented effort is being made to achieve such an outcome.

International observers in most other countries will be surprised that a national framework is not already in place, since this is the normal arrangement elsewhere. In this respect, considering nations around the Asia Pacific, Australia is more like Canada and the United States. Indeed, the constitution that established Australia as a nation in 1901 is in many respects modeled on that of the United States, including education, with the challenge of developing a national perspective much greater in the latter, with 50 states, than in Australia, with six states. There is, for example, no national curriculum in the United States and the likelihood of developing one is remote, whereas Australia is close to introducing one. Canada presents another contrast, with the federal government in that country having virtually no role in school education except for indigenous students and children of military personnel.
It has proved to be politically difficult for Australia to create a national framework but there has been a major breakthrough since late 2007 when the Rudd Labor Government took office. This framework is critically important in the overall reform agenda across the nation.

It is important to note that ‘national’ in this context has a different meaning to ‘federal’ or ‘commonwealth’. The former refers to an outcome that reflects a consensus or agreement among different levels of government, federal as well as state and territory. ‘Federal’ or ‘commonwealth’ refers exclusively to decisions of the government at that level. For many years, that level of government was known as the Federal Government or the Commonwealth Government, although, in recent years, Australian Government has been adopted, whereas the state and territory governments use the names of their jurisdictions, such as the Victorian Government or Government of Victoria.

Given the alignment of powers in Australia’s constitution, efforts to create a national framework in education can only succeed if there is agreement among governments at the state and territory levels. The Australian Government must be party to such agreements because of its power to make grants to the states and territories. Such frameworks have been established on particular issues, usually on a multi-year basis, with four-year quadrennial periods being the norm for financial grants to the states and territories. These are usually conditional grants, that is, the state or territory has to meet particular conditions in return for the receipt of funds.

New federalism
The idea of ‘new federalism’ gained currency in early 2008 and is in part an outcome of all governments in Australia being of the same political persuasion (Labor), as well as palpable need, given the fragmented nation of much of the existing policy framework across the nation (the pattern was broken in late 2008 when Labor lost power in Western Australia and more recently, in 2010, in Victoria). Key features of the new agreements include dramatic reduction on special purpose payments to states and territories, greater flexibility in the use of such payments at the state and territory levels, and new arrangements for education. These new arrangements were intended to help achieve an ‘education revolution’, the slogan adopted by the Labor Party in early 2007 to describe its intentions, and which has become the code word for policy after its election to government later that year.

An explanation of what constituted an education revolution was provided in August 2008 by former Prime Minister Kevin Rudd and Deputy Prime Minister Julia Gillard, who also served at the time as Minister for Education, Employment and Workplace Relations, framed by the following rationale (Rudd & Gillard, 2008, p. 5; see also Rudd, 2008) that highlights economic, social and individual benefits:

The Rudd Government is committed to creating an education revolution to build a world class education system, which would establish Australia as one of the most highly educated and skilled nations.

This commitment recognizes the central role that education plays in the economic, social strength of our nation. Education not only drives productivity but also empowers individuals to reach their full potential, and helps overcome disadvantage.

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1 It is likely that the Government of New South Wales will change from Labor to Liberal-National Coalition at a state election in late March 2011.
2 Gillard replaced Rudd as leader of the Australian Labor Party and Prime Minister in June 2010. She led the Labor Party to a narrow win in the federal election of August 2010. Rudd is now Minister for Foreign Affairs.
Beyond economic growth, education creates social benefits that help build social capital. Societies with a strong commitment to education enjoy higher levels of civic participation, greater social cohesion, lower levels of crime and disadvantage, and a more trusting, equitable and just society.

An early illustration of the new federalism in action was the establishment of the National Curriculum Board (NCB) in April 2008. The NCB was re-named with expanded powers in 2009 and is now the Australian Curriculum, Assessment and Reporting Agency (ACARA). ACARA brings together, for the first time, the functions of curriculum, assessment and reporting. The Australian Institute for Teaching and School Leadership (AITSL) was established in January 2010.

Rudd and Gillard acknowledged that there were many excellent schools in Australia and that 15 year-olds did significantly better than the OECD average in the Program for International Student Assessment (PISA). However, they drew attention to the decline of performance in PISA in reading literacy from 2003 to 2006, the ‘long tail’ of underperformance linked to disadvantage, the decline in performance at the top end of achievement from 2003 to 2006, and the concentration of the ‘tail’ among Indigenous students and students from low socio-economic status families. They built the case for reform in terms of the nation’s productivity and declared that improving student outcomes is a national priority. Priorities in three ‘core areas’ were set: (1) raising the quality of teaching; (2) strategies based on high expectations and engagement and transitions for every student, especially those in disadvantaged communities; and (3) improving transparency and accountability of schools and school systems at all levels (Rudd & Gillard, 2008, p. 12).
Agreement was reached in November 2008 on strategies and funding arrangements, barely three months from the date of the Rudd and Gillard announcement described above. This reflects a high and rare degree of agreement and momentum that was carried forward in 2009, with a national curriculum from 2013. Other outcomes include agreements with the states and territories on increased funding for school buildings (Building the Education Revolution) (DEEWR, 2009a), the adoption of ICT (the Digital Education Revolution) (DEEWR, 2009b), greater transparency in the reporting of student achievement and school performance (National Assessment Program – Literacy and Numeracy) (NAPLAN), the creation of a web site (My School) to provide a higher level of transparency on the performance of schools, standards for teaching and school leadership, and higher levels of autonomy for public schools.

Decentralization, community engagement, choice and accountability

A famous commentary on the assumptions underlying Australian education was offered in 1955 by Freeman Butts, a distinguished Fulbright Scholar, visiting from Columbia University, who undertook an extensive and comprehensive study of education in Australia. Butts observed:

I have been struck by the fact that the centralized Departments of Education in Australia, for all their power, are hemmed in by parliament, by cabinet, by ministers, by public service boards, by teachers’ tribunals, by appeals and arbitration boards, by public works departments, and by treasury and budget officials. These are all outside the fold of professional educators. It is assumed that these groups are qualified to make decisions about education, but it is also assumed that other non-professional persons in the community are not expected to be able to make qualified or valid judgments about education. (Butts, 1955, p. 14)
Butts acknowledged that ‘it is true, of course, that much discussion and conferring may go on between top officials and lower ones, but the impression I received is that there is relatively little of it, although there is a variety of practice here’ (Butts, 1995, p. 15). Butts wondered ‘whether you miss something of the vitality, initiative, creativeness and variety that would come if the doors and windows of discussion were more open up and down the educational edifice’ (Butts, 1995, p. 17). The following is a brief summary of developments since 1955 in relation to decentralization, community engagement, choice and accountability.

Decentralization was a common element of the restructuring movement that began in the 1980s and continues to the present. Some like Victoria have gone further than others, with 94 percent of the state’s recurrent education budget now decentralized in school global budgets. It is noteworthy that the Bracks Labor Government increased this proportion following the earlier initiatives of the Kennett Liberal-National Coalition Government in a parallel to what the Blair Labour Government did in Britain in extending the local management program of the Thatcher Conservative Government.

Australia is working to an unfinished agenda in relation to community engagement. Limited engagement was described by Butts (1995) as noted above. Questions were still being raised in 1973 with the Interim Committee of the Australian Schools Commission (1973) observing that ‘after almost one hundred years of public education a reappraisal of relationship of the school to the wider society is taking place in Australia, as it is in most industrialized nations. The isolation of schools is being questioned’, but declaring that ‘antipathy towards and apathy about community participation in the governance of schooling is widespread throughout Australia’.
The idea that the school should be ‘the nucleus of the community’ in the sense described above, has not taken hold to any great extent and it is still regarded as an innovation. The Prime Minister and Deputy Prime Minister’s statement on the education revolution in 2008 drew attention to initiatives elsewhere, declaring that ‘The United Kingdom’s full service extended schools initiative demonstrates the importance of allowing schools to develop tailored plans to meet the priorities of the local area by bringing different strands of extended service provision together into a coherent approach’ and flagging further reform to ‘achieve stronger links between schools and the services available in local communities that will support their students’ engagement in learning’ (Rudd & Gillard, 2008, p. 29).

Recent years have been characterised by the inter-twining of three issues: needs-based funding, the exercise of choice, and the nature of public education. There has been general acceptance of needs-based funding across the political spectrum and more generally within the Australian community. The debate has been largely about what constitutes need, how it is measured, and what quantum of funds should be delivered. Some stakeholders have preferred a mainly per capita approach (that is, a basic grant for all) with a needs-based component, but a pure form of a per capita approach along the lines of a voucher has been rejected, either on ideological or pragmatic grounds, and there appears little prospect of it being adopted. Determining need and the quantum of support has been the focus of much of the debate in recent times, with the complex categorization in the Education Resources Index (ERI) giving way to the Socio-economic Status (SES) model introduced in the Howard Liberal-National Coalition years and sustained by the Rudd-Gillard governments, at least until 2013 after a review set up in 2010 (see below). Until the election of the Rudd Government, the Labor Party has sought to limit (or even eliminate) funding to what
are portrayed as ‘wealthy independent schools’, a stance described in some public commentary as maintaining the ‘class divide’ or continuing to fight a ‘class war’. It seems unlikely that it will adopt this stance in the future.

There has always been agreement that Australian parents have the right to choose a non-government school for their children (see Wilkinson, et al., 2006, for an historical account of choice and state aid to private schools). However, there now seems to be broad acceptance of the view that all those who choose a non-government school should receive some financial assistance by way of government grants. Nevertheless, the issue is the extent to which the exercise of choice in favor of a non-government school should result in the allocation of public funds, particularly if the non-government school that is chosen charges high fees and is resource rich. This may be the clearest example in the contemporary setting of education policy and education funding reflecting a broader development in society. The same development is evident in health care and, increasingly, in all human services. At the federal level, both the Liberal-National Coalition and Labor accept the notion of choice. At issue is how the exercise of choice should be supported with public funds and, in particular, where this leaves government schools that are losing market share in all states.

The nature of public education is also an issue. For some, the concept now extends to all schools that are in receipt of public funds, with an expectation that there should be a common framework of accountability. For others, public education is still synonymous with government education, that is, schools that are funded, built, owned, operated and staffed by government. These proponents maintain their opposition to the steady increase in funding for non-government schools in its different forms and the quantum of funds in the allocation. They see the apparent neglect of the
government sector, as manifested in the quality of facilities and the disparity in services and support for staff and students.

A notable development is the strengthening of frameworks for accountability. Funds will not be granted by the federal government unless pre-conditions are agreed and rigorous reporting is required to demonstrate fidelity in implementation. Although recipients of federal aid have always been required to be financially accountable, the nature of state aid to non-government schools today would be unrecognizable to early proponents.

The federal government more than ever before is the dominant distributor of public funds for all public sector services in Australia. It has played a major role for decades through its sole power to levy income tax and re-distribute some of the proceeds through the work of the Commonwealth Grants Commission. The states levy a range of smaller taxes to support their efforts in areas of state responsibility. The picture has changed in dramatic fashion since 2000 with the advent of the Goods and Services Tax, levied and collected by the federal government, but delivered in entirety to the states.

These views of the role of the federal government in matters of policy prescription, service provision and rigorous accountability, suggest that there is a larger issue to be resolved, namely, the nature of federalism in Australia and the role of the federal and state governments in the provision of education in government and non-government sectors. There are several scenarios for how this issue will be played out.

In summary, there appears to be broad acceptance in Australia that needs-based funding and choice should be the basis of state aid to non-government schools,
although differences in policy and practice on the emphasis to be given to each of these may change with a change in government. The mechanisms for determining need and the associated quantum of funds will be the subject of more-or-less continuous refinement, as they are in systems of government schools that operate with a high degree of decentralization, as is the case in Victoria.

**The key policy issue in 2011**

The hottest topic Australia in early 2011 is private schools: funding arrangements, accountability frameworks, and the impact of their sustained growth on the future of public schools in the country.

The Australian model of publicly supported private schools is rare if not unique among developed nations. All private schools receive support from government on a sliding scale that takes into account community characteristics. Some private schools receive almost all of their funds from the public purse. At the same time, all are free to set fees to cover the cost of tuition.

There are many instances around the world where private schools are publicly funded, but no other country allows such school to set fees to any level that the market will bear. Some private schools in Australia charge fees of US$30,000 per year even though they also receive government funds.

As illustrated in Table 1, the trend to private schooling has been sustained over four decades. The global financial crisis has had no discernible impact.

The shift to private schools is most evident at the secondary level, especially for the final years. Table 2 shows the distribution of students by sector in year 12 in 2008. In large capital cities such as Brisbane, Melbourne, and Sydney, public schools now serve a minority of students in year 12.
2011 is a special year for three reasons. First, funding arrangements are under review. This process occurs every four years, but this is the most far-reaching review since 1973. In Australia, the federal government directs the largest share of school funding to private schools. At the state level, governments direct the largest share to public schools. There is fierce public debate. Should private schools receive any public funding, given that public schools are in such a fragile state? Assuming that they should, what should be the share of each sector, and how should that share be determined? To what extent should private schools be held accountable for how they use public funds? How should the federal and state governments divide responsibility for funding schools?

The federal government has appointed a review panel chaired by David Gonski, a former board member of a private school. Abandoning funding for high fee, independent schools is unlikely since a proposal along these lines was a factor in Labor’s defeat in the 2004 federal election. It is also unlikely that recommendations and their implementation will calm the waters; the debate is likely to continue indefinitely.

The second reason for national and international interest is concerned with transparency and accountability. As noted above, the performance of all public and private schools is available on the My School web site (=). The web site reports student performance on national tests of literacy and numeracy (NAPLAN) and basic descriptive and demographic data. But the web site also reports the performance of each school in years 3, 5, 7, and 9 and compares them to ‘like schools’ anywhere in the country and schools in the same geographic location. The March 2011 version reports changes in performance of students who took the tests two years ago, thus
providing a value-added measure for each school. Significantly, the report for each school describes its sources of revenue and the current state of its finances. The financial reports are particularly contentious. Indeed, a first attempt to launch the latest version of My School was aborted in December 2010 when many schools especially private schools challenged the financial reports.

The third reason for consideration of private schools relates to the future of public schools. As students move along in their education, they are more likely to attend private schools, even though these schools charge fees. Even in disadvantaged communities, large numbers of students in capital cities bypass local public schools to attend private schools. There is little evidence that the much-vaunted ‘education revolution’ of the federal Labor Government is having much of an impact and the hoped for ‘cooperative federalism’ described in previous columns is breaking down as governments of different political persuasion (Liberal National Coalition) have been elected in two of the six states, with one more change likely at the end of March (see footnote 2) (they were formerly Labor governments).

Terms like ‘coercive federalism’ or ‘competitive federalism’ are now cropping up in policy discourse. National testing and creating long lists of standards for teachers and school leaders may not be the answer. Rebuilding large numbers of run-down public schools hasn’t reversed the trend of students attending private schools. The jury is still out on whether granting public schools higher levels of autonomy will make much of a difference, despite international evidence that the best-performing public school systems tend to grant relatively high levels of autonomy to their schools in budgeting and staffing. Little progress is being made in the reform of teacher education. Student achievement in national (NAPLAN) and international (PISA) tests has plateaued or declined.
Interestingly, Australia has no counterpart to charter schools (USA) or academies (England). None may be needed, given the high level of choice within and between public and private sectors. Indeed, Australia has a virtual voucher scheme to the extent that significant public funding follows students to their schools of choice. This could well be irreversible.

**International significance of developments in Australia**

Developments in Australia have international significance because four major issues are also faced by other nations. These are (1) the roles and responsibilities of different levels of government; (2) the funding of public and private schools, (3) the balance of centralization and decentralization in the governance of schools; and (4) related to (3) securing an optimal balance of autonomy, accountability and choice. Addressing these issues in Australia as elsewhere is important in establishing a framework to successfully achieve school reform, a major theme of which is securing improvement, given the gaps in achievement of high and low performing students.

Australia has wrestled with these issues for more than four decades and there is a constantly shifting settlement depending to some extent on policies of government but also because of fundamental changes in society and the nature of schooling. The situation that has been reached at the start of the second decade of the 21st century is that, while constitutional powers in relation to education lie with the states, far-reaching if not unprecedented agreements have been reached between governments at all levels on a framework within which reform will proceed. This is a significant achievement.
How public and private schools shall be funded from the public purse has been at the centre of policy debates for more than a century. Whereas constitutional arrangements and a broad community consensus have led to a settlement in most nations, a comprehensive sustainable framework has yet to be reached in Australia. There is general support for the view that both sectors should be funded but the mechanism for delivering this support remains contentious. What is arguably unique about the current situation in an international context is that both sectors are supported and schools in the private sector can charge fees. In fact, Australia’s tradition of ‘free, compulsory and secular’ public education is itself under threat as more governments levy fees and charges that are ‘borderline’ in respect to whether they support or do not support the costs of tuition. One way of interpreting the current situation is that Australia has a de facto voucher system. These developments warrant attention in other nations.
References


Independent Schools Council of Australia (ICSA) 2009, *Snapshot 2009*. ISCA, Deakin West ACT.


Table 1: Enrollment changes by sector, expressed as a percentage of all enrollments, 1970-2008 (Independent Schools Council of Australia, 2009)

<table>
<thead>
<tr>
<th>Year</th>
<th>Public</th>
<th>Private</th>
<th>Catholic</th>
<th>Independent</th>
<th>Total</th>
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<tbody>
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<td>1970</td>
<td>78%</td>
<td>18%</td>
<td>4%</td>
<td>22%</td>
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<tr>
<td>1980</td>
<td>78%</td>
<td>18%</td>
<td>5%</td>
<td>23%</td>
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<tr>
<td>1990</td>
<td>72%</td>
<td>20%</td>
<td>8%</td>
<td>28%</td>
<td></td>
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<tr>
<td>2000</td>
<td>69%</td>
<td>20%</td>
<td>11%</td>
<td>31%</td>
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<td>2008</td>
<td>66%</td>
<td>20%</td>
<td>14%</td>
<td>34%</td>
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</tr>
</tbody>
</table>

Table 2: Percentage distribution of students by sector in year 12 in 2008 (Australian Bureau of Statistics, 2009)

<table>
<thead>
<tr>
<th>Public</th>
<th>Private</th>
<th>Catholic</th>
<th>Independent</th>
<th>Total</th>
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<tr>
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