The Great School Fraud

Howard Government School Education Policy
1996-2006

Trevor Cobbold

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Key Points

1. The Howard Government has transformed the delivery of school education in Australia by increasing:
   - The role of markets in education on a national basis;
   - Privatization of schooling; and
   - Federal control over curriculum, teaching, assessment and reporting.

2. The transformation in school education has been assisted by three great frauds perpetrated by the Howard Government.
   - Fraud no. 1 is that there is a crisis in Australian education;
   - Fraud no. 2 is that markets in education will improve student achievement;
   - Fraud no. 3 is that increased school choice will help low income families.

3. There is no crisis in school outcomes in Australia.
   - Government claims that over 30 per cent of students do not achieve adequate literacy standards are rebutted by international and national test data.
   - Australia has amongst the best average school outcomes in the world.

4. The weight of major international research studies shows that privatization, choice and competition between schools does not improve student achievement.
   - Student outcomes in Australia have not increased since 1999.

5. Research studies show that markets and privatization in education generally:
   - Fail to increase innovation and diversity in curriculum and pedagogy;
   - Reduce collaboration between schools;
   - Increase effective choice largely only for the middle class;
   - Contribute to socio-economic and racial segregation in schooling;
   - Increase disparities in performance between schools; and
   - Exacerbate social inequalities in student achievement.

6. The Howard Government is increasing the social divide in school education.
   - The Independent private school sector and the most wealthy private schools have received the largest increases in Federal funding;
   - Socio-economic inequality in reading achievement in Australia is amongst the highest for the high-income OECD countries;
   - The large gap in Year 12 completion rates between high and low SES students has increased since 1996, especially in recent years;

7. The Howard Government’s school education policies are beset by two major contradictions:
   - The Government supports the role of markets and limited government, but has increased private school dependence on government funding;
   - The Government supports the federal system and states’ rights, but has vastly increased federal control over school education.
Key Quotes

….the education system is consistently conferring privilege on those who already have it and denying it to those who do not.
[Professor Barry McGaw, Director, Melbourne Education Research Institute, University of Melbourne; former Director of Education at the OECD]

Education for all and equality of opportunity have echoed very faintly in Australia in recent years, and have been drowned by the incantation of choice and entitlements.
[Professor Jack Keating and Associate Professor Stephen Lamb, Faculty of Education, University of Melbourne]

…secondary schooling in Australia has become increasingly segregated and unequal.
[Professor Margaret Vickers, School of Education, University of Western Sydney]

The passionate crusade by Howard ministers to weed out the so-called cultural bias of the education establishment is threatening to distort our national priorities. There is irrefutable evidence that, on most international benchmarks, Australia has high education standards. Our most pressing education problem is not average quality but inequalities of access and outcomes. It is here that Australia does lag behind other countries.
[Fred Argy, Visting Fellow, Crawford School of Economics and Government Policy, Australian National University]

…given the continued evidence of strong links between socio-economic status and educational outcomes, it can be argued that Australian schooling in its current form is merely reproducing and reinforcing the patterns of privilege and disadvantage that already exists in families and communities. This lack of social mobility and access to equal opportunity does not accord with our aspirations of democracy.
[Ellen Koshland, President, Education Foundation Australia]
Overview

The Howard Government has transformed the delivery of school education in Australia. It is developing a national school system under the control of the Federal Government and which incorporates an extension of market-based measures to promote choice and competition as well as increased privatization of schooling.

This transformation has been assisted by the perpetration of three great frauds on the Australian public in order to transform the delivery of school education in Australia. At the same time, it has largely ignored the critical problem facing the Australian schooling system – a high degree of social inequity in school outcomes. Indeed, the transformation wrought by the Howard Government is exacerbating the social divide in education. In essence, the Howard Government has restored mainstream political acceptance and legitimacy of privilege in education.

The transformation in school education

The Howard Government has supported the development of a market-based education system by extending choice and competition on a national basis. This has been largely driven through increased privatization of schooling supported by increased Federal funding for private schools; reduced restrictions on new private schools; and the establishment of privately-operated technical colleges with privileged funding arrangements. Increased choice and competition in schooling has also been supported by requirements for reporting school results and increasing school autonomy. As well, the stage has been set to integrate school education more extensively in the global education market.

The privatization of schooling has accelerated under the Howard Government. Private school enrolments increased by 22 per cent during 1996-2006 compared to an increase of 16 per cent over the previous ten years. In contrast, government school enrolments increased by one per cent during 1996-2006. The number of private schools increased by 168 in 1996-2006 compared to 46 in 1986-1996 and 95 per cent of the increase under the Howard Government was in the Independent school sector. The number of government schools decreased by 186 in the same period.

This shift was supported by a massive boost in Federal funding for private schools, especially under its new SES funding model. Between 1999-2000 and 2004-2005, Federal funding for government schools increased by $261 per student compared to an increase of $1584 for each private school student. The increase for government schools was 33 per cent compared to 54 per cent for private schools. Total funding by all governments for each private school student increased by about three times the increase in government school funding over much of the period of the Howard Government.

At the same time, the Federal Government has increased its control over school education in several key aspects. It has developed national approaches to curriculum, teaching, assessment and reporting standards and certification. It has extensively utilized its
funding powers to ensure state and territory government compliance to its priorities. Its stated goal is to have one national school education system, in which case, state and territory governments would become mere administrative centres for the implementation of Federal Government school education policies.

The Government is also increasing its direct influence over government schools by providing substantial amounts of funding directly to schools rather than through state and territory governments.

There are two fundamental contradictions embedded in this transformation. First, the Howard Government is an advocate of the role of markets and limited government, but it has vastly increased funding for private schools and increased their dependence on government. This has involved an expanded education bureaucracy. Second, the Liberal Party has traditionally been a firm supporter of states’ rights and the division of powers in a federal system of government. However, the Howard Government has vastly increased federal government control over a range of policy areas, including school education, which is the constitutional responsibility of state governments.

The transformation of school education has been aided by three great frauds perpetrated by the Howard Government.

**Fraud no. 1: there is a crisis in school education**

The first fraud has been to create the myth of a crisis in our schools in order to transform the delivery of school education. The Howard Government has unashamedly lied about the state of school outcomes, unfairly attacked the quality of teaching and disparaged curriculum in order to impose Federal control over school education, extend the role of the market in the delivery of education and increase the privatization of schooling. As part of this fraud, it has undermined public confidence in schools, especially government schools.

The extent of the fraud is revealed by some basic figures on student outcomes in Australia. The Prime Minister and successive Federal Education Ministers have claimed that over 30 per cent of Australian school students do not achieve adequate literacy standards. This claim is refuted by international and national test data.

The Programme for International Student Assessment (PISA) results for 41 countries in 2003 shows that 15 year-old students in Australia have amongst the best average results in the world, with only Finland achieving statistically significantly higher average results. Only 12 per cent of Australian students were not achieving expected literacy standards compared to 19 per cent for all OECD countries. Australia had the second highest proportion of students at the highest reading proficiency level (15 per cent). Only New Zealand had a higher proportion of students at this level (16 per cent) while the OECD average was 8 per cent.

National literacy benchmark results in Australia for 2005 show that 7 per cent of all Year 3 students did not achieve the reading and writing benchmarks while 12 per cent of Year
5 students did not achieve the reading benchmark and 7 per cent did not achieve the writing benchmark. About 10 per cent of Year 7 students did not achieve the reading benchmark and 8 per cent did not achieve the writing benchmark.

Australia also ranks highly in terms of its results in science and mathematics.

Australia’s outstanding school results suggest that the foundations of teaching and curriculum in our schools are solid. This is not to say that there is not room for improvement in teaching and curriculum. There is, and some of the changes implemented by the Federal Government should be seen as positive steps. However, the overall evidence on school results does not justify the denigration of schools, especially government schools, that has been a feature of the Howard Government.

Despite this evidence, the Howard Government continues to assert that over 30 per cent of students are failing in Australia’s schools. It has consistently failed to produce independent evidence to support this claim.

Given the large hiatus between claim and reality, the whole basis of the Howard Government’s approach to school education must be questioned. Why has it embarked on a transformation of school education when Australia’s results are so good?

There are several answers to this question.

First, the Howard Government has an ideological commitment to enhancing the role of markets in society and reducing the size of the public sector. The imposition of a market-driven approach to school education reflects the broader extension of markets into other areas of social policy under the Howard Government. Underneath all the rhetoric and coded qualifications, the government sector is seen as a “public bad” to be denigrated and down-sized while the market sector is seen as a “public good” to be enhanced at all costs. Government school education is an obvious target for this treatment because it forms such a significant component of the public sector in Australia.

The privatization of schooling is fundamental to this project. It allows the extension of the “user pays” principle of markets to education which reduces government expenditure and the call on taxation. The Government has been quite explicit about this rationale.

Another reason why the Government has embarked on the transformation of school education is that it sees school education a key site of the “culture wars” and the long campaign of the Liberal Party against radical or progressive thought. The Howard Government wishes to establish greater control over what is taught in schools so as to eliminate challenges to traditional and conservative views about society. There has been a consistent theme of the importance of a traditional academic curriculum, teaching the basics and learning facts rather than the development of understanding and critical analysis. It has promoted conservative values and an unthinking, uncritical patriotism through attacks on critical analysis of Australian history and society. Not only does this
threaten the role of critical thinking in modern education but it is essentially anti-
democratic.

An essential component of this is to exert greater control over what teachers do. This is to be achieved through greater control over curriculum, greater control over teacher training and increased standardization of teachers’ work.

A fundamental objective of the Government is also to reduce the influence of teacher unions in education policy. The Australian Education Union (AEU) provides the major organizational support for public education in Australia. The Government sees the AEU as a significant opponent of its policies on school funding, teaching and curriculum. The Government has systematically attacked the union and excluded it from participation in Government advisory bodies and forums. It attributes much of the blame for the mythical crisis in school education to the influence of teacher unions, in particular, the AEU. This attempt to reduce the influence of the AEU is also in line with the broader attack on unions in general under the Howard Government aimed at reducing their role in the determination of salaries and working conditions.

**Fraud no. 2: markets in school education deliver better outcomes**

The fundamental premise behind the school education policies of the Howard Government is that increased choice and competition will improve student achievement. This premise is not sustained by the weight of international research evidence. Markets are more likely to exacerbate the social divide in education outcomes.

The Government bases its claim for the extension of markets in school education on a few influential studies that purport to demonstrate that choice and competition in schooling has a significant positive effect on student achievement. These studies have been shown to be not robust and their conclusions over-stated as the evidence does not support claims of a large or significant effect on student achievement. In particular, the claimed effect of charter schools appears to be much over-stated once differences in student background are taken into account. For example, the most recent sophisticated quantitative study of the effect of charter schools published by the US Department of Education shows that average achievement in charter schools is lower than those for public non-charter schools.

The weight of evidence from the best designed and most comprehensive research studies is that competition between schools does not improve student achievement once student and family background characteristics are taken into account. These studies show that:

- Increased choice and competition between government schools has little impact on student achievement;
- Student outcomes in charter schools in the United States are more often than not lower than in traditional government schools;
- Private school competition has little to no effect on student achievement in government schools;
• There is little difference between student outcomes in private schools and government schools.

In addition, there are a few studies available on the impact of charter schools on the performance of traditional public schools and their results are mixed. Studies of the impact of small voucher programs in the United States that allow students to attend private schools are also mixed. Studies of large-scale voucher programs show little effect on overall student achievement, but a significant increase in disparities in school performance.

While few research studies have been undertaken in Australia, the evidence suggests that the Howard Government’s enhancement of market mechanisms has had little impact on average levels of student achievement. There has been no improvement in the proportion of students achieving the national literacy and numeracy benchmarks since 1999, allowing for statistical uncertainty associated with the measures.

The results of research on government and private school performance in Australia are mixed once student background characteristics are taken into account. Some show higher student achievement and completion rates in Catholic and Independent schools than for government school students while others show higher university results by students from government schools.

At best, the overall evidence on the effects of markets in education on student achievement is mixed and is a shaky foundation for the education policies of the Howard Government. On the other hand, there are significant disadvantages associated with market-based policies and privatization. They:

• Fail to increase innovation and diversity in curriculum and pedagogy;
• Reduce collaboration between schools;
• Increase effective choice largely only for the middle class;
• Contribute to socio-economic and racial segregation in schooling; and
• Increase disparities in performance between schools; and
• Increase social inequalities in student achievement.

A range of research studies, including an OECD review, demonstrate that expectations that competition and choice would foster innovation in education are largely unfulfilled in practice. Markets in school education appear to contribute to standardization rather than innovation in classroom practice. They tend to strengthen curriculum conformity rather than encourage diversity. Increasing competition between schools can also come at the cost of reducing collaboration and co-operation. Marketing and promotion of schools appears to be a more common response to competition than curriculum and teaching innovation. Such findings are also evidenced in Australia.

Markets in education are also likely to lead to greater social inequity and social segregation in schooling. A range of studies conclude that socio-economic and/or racial segregation in schools has increased in Chile, Denmark, Great Britain, New Zealand, Scotland, Sweden and the United States over the last decade or so and that choice and
competition in schooling has contributed to this. While some studies dispute this finding, it is supported by the general weight of research evidence. School choice and competition appears to contribute an additional layer to existing patterns of neighbourhood and school segregation as it offers increased opportunity for high income white flight from socially mixed local schools. Private schools in particular are characterized by strong socio-economic and racial homogeneity.

Many studies in different countries have also found that there is greater sorting of students by ability between schools where choice of school is available. Competition for students has increased performance differences between schools. Increased competition in school education tends to re-distribute high achieving students and students from well-off families between schools as the most popular schools tend to ‘cream-off’ high achieving students from other schools.

**Fraud no. 3: school choice will help low income families**

The Howard Government claims that its funding model for private schools is designed to increase choice for low income families and is targeted towards schools with the greatest need. However, the most well-resourced school sector and schools have received the largest increases in Federal funding under the new arrangements. Moreover, it is middle and high income families who are able to take advantage of choice and it is often schools who choose the parents rather than parents who choose the school.

The SES funding model has served to increase funding for the most privileged sections of the community. The Independent private school sector is the best-resourced sector and has the largest proportion of students from high income families of any school sector. Yet, it has received the largest increases in Federal funding under the SES model. Federal funding for Independent schools increased by $1658 per student between 2000 and 2005 compared to $1427 per Catholic school student. This reversed the pattern of increase in previous years when Catholic schools received the highest funding increases. In percentage terms, Federal funding for Independent schools increased by nearly double that for the Catholic sector.

Some of the wealthiest schools in Australia receive high levels of Federal funding. Some 40 per cent of all Independent private schools are funded beyond their entitlement under the SES model and this proportion has increased since the introduction of the new arrangements. Many Catholic schools are also funded beyond their SES entitlement.

Choice of school tends to be restricted to those families who know what the choices are, how to access them and who do not need support to get to a school. Parent choice is often constrained by low income, lack of transport, distance and family needs. A number of studies in Canada, Chile, England, New Zealand, Spain and the United States have found that parents who actively choose schools are better educated and have higher levels of income than those who do not. This is also the case in Australia and is reflected in the social composition of students in private schools compared to government schools.
Private school fees and charges in specialist government schools remain a significant barrier to effective choice for low income families. Despite the large increase in Federal government funding, private school fees have continued to increase by much more than the rate of inflation and constitute a significant barrier to choice of school.

There is also evidence from England, New Zealand, Sweden and the United States that admission criteria are often used to select students and this may constrain effective choice just as much as residential area requirements under zoning. Many parents may have their choices denied by school admissions policies and formal and informal selection procedures. In these circumstances, schools choose the parents rather than parents choosing the school.

In Australia, private schools and specialist government schools have considerable power over which students they enroll and selection processes are designed to sort out the high achieving students.

**Social inequity in school outcomes is being ignored**

The Howard Government has ignored the most critical issue facing school education in Australia. This is the extensive social inequity in education outcomes constituted by the large gap between the outcomes of students from high socio-economic status (SES) families and those from low SES families.

Australia has a high quality but low equity education system. There is a large difference between the highest and lowest outcomes for 15-year olds in Australia in comparison with other high achieving countries. The PISA 2003 Study shows that Australia has the largest range of outcomes of the top ten achieving countries apart from New Zealand. The score range between the 5th and 25th percentiles for Australia is the largest of the top ten achieving countries apart from New Zealand and Norway.

Australia also has above-average inequality in student performance between socio-economic groups. Socio-economic inequality in reading literacy achievement for 15-year old students in Australia is higher than for the nine highest performing countries in literacy, apart from the United Kingdom. It is amongst the highest for the high-income OECD countries. There is also a very large gap between the achievement of low SES and high SES 15-year olds in mathematics and science. Similarly, there is a large gap in Year 12 completion rates for low and high SES students and the gap has increased markedly in recent years.

According to the former Director for Education at the OECD, Professor Barry McGaw, the most socially disadvantaged students in Australia lag about eighteen months to two years behind the reading ability of the poorest students in Canada, Japan, Finland and South Korea. Despite holding pretensions to an egalitarian society, he says that Australia's performance in educating its socially disadvantaged children was of a similar standard to the more entrenched class societies of Britain and the United States.
The National Goals for Schooling in Australia commit Australian governments to a dual equity goal, among others, that all students achieve a minimum standard or level of education and that the learning outcomes of educationally disadvantaged students and ATSI students improve and come to match those of other students. The Howard Government has pursued only a weak version of this goal. It has largely ignored the second. Indeed, it has dismissed claims that a social divide exists in the Australian school system. It even rejects the significant influence of socio-economic factors on student achievement and has called this well-documented research finding a “statistical artefact”. As a result, the large differences in outcomes for students from different social backgrounds are likely to persist.

This failure of education policy has significant social implications. For as long as school outcomes for low SES or ATSI students remain well below those than for other students, much talent is wasted by society. In addition, health and other social problems tend to be more concentrated in such social groups. Apart from the cost to individuals there is also an economic cost. It means that the general skill level in the economy is lower than its potential and that governments incur greater health, crime management and social welfare costs.

It also constitutes a major social inequity. It means that low SES and ATSI students are condemned to accepting lower income and lower status occupations and less influence in society. High SES students will continue to consolidate their access to positions of influence and wealth in society through privileged access to higher education and the higher paying occupations and status positions in society.

**Increasing the social divide in school education**

Rather than improving school outcomes, the primary effect of the Howard Government’s school education policies is to increase the social divide and privilege in Australian education. While the Prime Minister is fond of deflecting criticisms of his Government’s school education policies by labeling his critics as consumed by “class envy”, the fact is that the Howard Government has implemented the most discriminatory, class-based education policy in recent memory. It has favoured higher income families and their children rather than those from low socio-economic backgrounds.

There is a strong social hierarchy in Australia’s school system between government, Catholic and Independent schools. Government schools have much higher proportions of students from low income families than either Catholic or Independent schools. Independent schools have a much higher proportion of students from high income families than the Catholic sector while Catholic schools have a higher proportion than government schools.

This social hierarchy is being compounded by the Howard Government’s funding and privatization policies. As noted above, it has provided much larger increases in funding to private schools than government schools. Within the private sector, the largest funding increases have gone to the most privileged sector and schools.
As there has been no diminution in the rate of fee increases since the introduction of the SES funding model, private schools will remain the bastions of relative privilege they have long been despite the large increase in Federal subsidies. It is mainly middle and high income families who can afford fees and the transport and other costs associated with attending private schools. Private schools can also use their enrolment policies to maintain the social hierarchy in school composition.

Increased privatization of schooling and competition between schools is likely to further entrench social segregation of students between school sectors and between schools. Increased social segregation tends to increase academic segregation because of the strong relationship which exists in Australia between socio-economic background and student achievement. Increased academic segregation means increased disparities in average school performance. It is also likely to exacerbate social inequalities in student outcomes as higher concentrations of students from low SES backgrounds in schools tend to lead to lower levels of achievement.

The essential egalitarian values of Australian society are threatened by the transformation of school education being imposed by the Howard Government. Increasing privatization and competition in schooling is not consistent with the achievement of greater equity, and may well promote further inequality, both in terms of outcomes for groups defined by socio-economic differences and in terms of outcomes for different ethnic groups. Social inequity and social segregation in school education feeds social and racial intolerance, division and conflict. Continuing school education inequalities constitute a serious breach of the Australian value of a “fair go for all”.

15
1. Introduction

The Howard Government has been in office for just over a decade. It came to power with a philosophy of personal self-reliance, individual responsibility and freedom of choice and enterprise.

Liberal’s believe in a society that gives people incentive, we believe in a society that gives people choice about how they lead their own lives. We also believe in a society that encourages self-reliance, a society without self-reliance is a society which is doomed to decline. So those three great things of incentive and choice and self-reliance are great Liberal principles. [Howard 2001b]

The Liberal Party’s philosophy is always to maximise choice….choice is the golden thread that tries to connect all of our policies–from the private health insurance rebate, to funding for schools, to workplace relations and to give families choice about the work and family arrangements they desire. [Howard 2005c]

It was committed the role of markets and competition in promoting these qualities and as the most desirable and effective means to ensure economic prosperity and build wealth. Its approach to government was to promote choice and competition in all aspects of government policy, implement greater reliance on markets and reduce the role of government in Australian society.

Our belief in self-reliance and individual responsibility means that we favour private initiative, competition and choice over government direction of resources and society. [Howard 2004b]

This approach was seen as the antidote of the failure of the welfare state.

The centralised welfare state based on bureaucratic provision of services has now been recognised in many countries as not merely an inefficient and wasteful way of providing for those who need assistance, but arranged around incentives where service to the client was often the lowest of priorities. Too often this welfare state was disempowering and alienating in its scale and remoteness from the ordinary person. The reconstruction which is now occurring is powered by the desire of people for more respect and responsiveness from their governments, for more control over their own lives and incomes and for a better standard of life. It is also being forced by the need for our societies to be capable of dynamic and adaptive change in the face of the uncertainties of the global economy and the technological revolutions which are under way. [Kemp 1999a]

Fred Argy has described the policies of the Howard Government as:

‘…hard liberal’ policies….that are about changing goals and values, with a decided bias in favour of the private sector relative to the public sector and individualism relative to egalitarianism. [Argy 2003: 128]

Part of the job had already been completed for it in places and started in others. The Hawke and Keating Governments had opened up the economy to the forces of globalization with the reduction in protection, freeing the exchange rate from controls and the reduction in controls on the flow of capital to and from Australia. The ALP Governments had also begun the process of increasing competition in the public sector and privatizing government enterprises. They also made a start on breaking down the
national industrial relations system and introducing enterprise bargaining. As Paul Kelly has so ably outlined, the Hawke and Keating governments dismantled the remaining three pillars of the Deakinite or Australian Settlement established at Federation – industry protection, arbitration and extensive government intervention [Kelly 1992].

This “creative destruction” of the features of a bipartisan consensus that operated for almost a century provided the platform for the Howard Government to extend the reliance on markets. It continued the process in the economy and deepening it in industrial relations. It also extended it to social and education policy where people are expected to take care of their own welfare and social needs through the family and resort to the market. This approach is being applied to health and welfare policy, employment services, vocational training and university education [for example, see Gray 2004; Mendes 2003; Saunders 2002]. The Howard Government has single-mindedly pursued a policy of privatization in these areas of economic and social policy. The basic objective is to reduce or limit the growth of the size of the public sector.

While much of Australia’s social expenditure is subject to means testing, health and education are largely provided universally. Privatisation, aided by government subsidies, has been used by successive governments to limit the growth of government expenditure in these areas. It has been dramatically expanded under the Howard Government through the tax rebate on private health insurance and increased financial support for private schools.

This approach is complemented by fiscal and industrial relations policies. Reducing taxation is the touchstone for a reduced role by government. Reduced taxation is said to expand the choices of individuals and families in using their resources. Reductions in taxation also make it difficult to increase expenditure on government provided social services. In a federal system, it serves also to put increasing pressure on state government expenditure and revenue.

Centralized industrial relations systems were seen as a source of union power and a key policy goal was to change industrial relations regulation and reduce union influence in the work place. Teacher unions were a target of these changes.

The Howard Government has been prepared to use its funding and regulatory powers to intervene in, and override, traditional state and territory prerogatives in a number of policy areas. This has been a feature of its approach to education.

This paper outlines the school education policies of the Howard Government over the past 10 years. Its initial purpose is to describe the main policies. It then draws on international experience of market-based policies in education to provide an overall assessment of the impact of Federal Government policies. The paper does not attempt to review or assess each policy component or program.
2. School education priorities: an overview

School education goals
The Federal Government’s approach to school education is based upon some key philosophical principles about the role of school education in society.

The Liberal Party platform states that the education system should give all children the opportunity to develop their potential [Liberal Party 2003]. It says that the education system should maximize the opportunities available to all children and seek to overcome limitations on opportunities imposed by disadvantage. It also sees the education system as fundamental to ensuring continued economic prosperity and international competitiveness of the Australian economy.

These principles are echoed in a number of statements by leading government spokespeople on school education. For example:

The Government's main objectives for schooling derive firstly from our desire to see a strengthening of the educational foundations of our democratic society, and secondly from our belief that the quality of our education is the surest guarantee that Australia will meet the challenges of competition in the global economy and provide our citizens with jobs and opportunities in the years ahead. [Kemp 1999b; see also Kemp 1998b, 1999a, 2000a]

Dr. Nelson re-affirmed these goals on several occasions. For example, in a keynote statement in 2005 he emphasized the need for all children to have access to a first rate education so they can contribute to society and to achieve their full potential [Nelson 2005b]. He also stated that a high quality school education system is needed to provide a skilled workforce that is adaptable to industry needs.

Economic imperatives are an important factor driving the Government’s school policies. It is committed to developing the skills need to support a strong competitive economy and to contribute to sustained economic growth. A strong innovative economy requires a highly skilled workforce and this depends, in the first instance, on a high quality school system.

…the quality of schooling will be crucial in ensuring the adaptability, prosperity, and strength of this society in the face of the challenges of a highly competitive global economy. Providing employment opportunities is the greatest social and economic challenge we face. [Kemp 1997a]

…not only will the battle for the fulfilment of human potential in making Australia truly internationally competitive be fought in our schools, it is within our classrooms that it will be won or lost. [Nelson 2005f]

Improving school outcomes is a component of a broader policy agenda directed at building a knowledge-based economy and improving Australia’s international competitiveness.

Education, science and training now, more than at any other time, are crucial to Australia’s economic growth and social well-being. The links between sound public policy in these areas and strong and sustainable economic growth have never been more apparent – nor of greater importance. [Nelson 2005c]
This economic imperative for improving education to better support science and
innovation and to improve work skills has also been emphasized by the current Federal
Minister for Education.

Now, more than ever, the prosperity of Australia depends on education, on science and innovation, and on
building and maintaining a world-class skills base. The excellence of our schools, our universities and our
research institutions is central to our capacity to engage globally, both through collaboration and
competition. [Bishop 2006a]

The Federal Government has also emphasised the right of all students to a good
education.

It is the right of every young Australian to have access to an education system, which meets their
fundamental educational needs. This is their democratic right-students who leave school still struggling
with basic literacy and numeracy skills are being disempowered. Their effective participation in our society
is severely limited. We cannot pretend to have achieved educational equity or social justice in our school
system until we can guarantee all young people this fundamental educational right. [Kemp 1999b]

Another component has also been added recently by the current Education Minister, Julie
Bishop. She also sees education as central to building a civilized society by developing
civility as a common value and standard expected by the community.

Our schools have a duty, or should have a duty to champion a sense of civility, good manners, tolerance
and respect in their students. [Bishop 2006j].

The principle of choice plays a crucial role in the Federal Liberal Party’s approach to
education. Choice is central to the overall philosophy of the Federal Liberal Party. It is
seen as a fundamental democratic right.

Choice is a democratic right. It is also a powerful tool of influence when wielded by individuals and
families. [Kemp 1998b]

The Australian Government remains committed to school choice as a fundamental democratic right.
[Nelson 2004g]

We have been the champion of choice. [Howard 2005f]

Freedom of choice in education is seen as the way to give expression to different needs
and interests. It is a way to allow families to express these differences as they strive to
achieve what is important for them in life. The Liberal Party Platform states that “the
right to choose should not be just a privilege for the rich” [Liberal Party 2003: 15].

The Government advocates a traditional, conservative education. This has been clearly
stated by the Prime Minister:

I am also an unabashed supporter of what Kevin Donnelly calls a ‘conservative approach to curriculum’ -
competitive examinations, teacher-directed lessons and the importance of academic disciplines. [Howard
2007a].

In this view, the curriculum should be based around traditional academic disciplines and
academic rigour should be emphasized. The role of teachers is to impart knowledge and
concepts and formal competitive examinations are essential to assess what children have learned. The Prime Minister has bemoaned what he says as a retreat from the routine of examinations in schools [Howard 2007b]. He has said that imparting specific knowledge and rigorous testing of student achievement is the one proven path to individual achievement and social mobility [Howard 2007a].

In support of this agenda, the Government sees its role as to root out progressive theories and “education fads” from the school education system that have been imposed by education producer groups, including state education bureaucracies, curriculum designers and the teacher unions.

**Key problems in Australian school education**

The Howard Government’s case for change in Australian school education is built around some strong criticisms. The charges are profound. In essence, school education stands accused of failing to provide adequate outcomes a large proportion of students; promoting an education whose values and content does not meet the needs and expectations of much of Australian society, indeed, it is seen as antithetical to Australian values and traditions in many respects; and which is hamstrung by differing standards and requirements of eight different education systems.

Several main criticisms have been offered:
- A large proportion of children do not achieve adequate literacy standards;
- Families on modest and low incomes are being denied a choice to access private schools;
- The reporting of student and school results is inadequate and lacks accountability;
- The curriculum of schools is out of step with society’s expectations and needs;
- The processes for improving teacher quality are inadequate;
- Teacher unions have too much influence on education policy and curriculum; and
- The state-based system of schooling causes inconsistency and inefficiency in standards and regulations.

**School outcomes**

The main argument presented by the Howard Government for change in school education is that a large proportion of students do not achieve adequate literacy standards. It is argued that the extent of student under-achievement is of crisis proportions. The figures usually cited are 30 per cent or one-third of students not achieving expected standards.

In September 1997, Dr. Kemp released the results of the National School English Literacy Survey undertaken in 1996 that he said showed that about one-third of primary school students in Australia could not read or write to an adequate standard [Kemp 1997c]. In subsequent years, Dr. Kemp regularly cited these results in support of the case for new policies and programs in school education [for example, see Kemp 1998b, 1999b, 1999e]. He said they demonstrated that Australia had a serious literacy problem amongst its children.
..the findings were a national disgrace, indicating a third of all children in Australia were at risk of being disadvantaged for life…
It is now clear Australia has a serious literacy problem among its children….
The system is failing tens of thousands of children. It is feeding the unemployment queue and denying children basic skills to participate fully in society. This situation has been allowed to drift on for too long. It must not be tolerated. [Kemp 1997c]

Even at the time, the figures used by Dr. Kemp were surrounded by controversy [see Appendix A]. The results of the initial report published by the Australian Council for Educational Research showed much lower levels of unsatisfactory performance than those cited by Dr. Kemp. He used figures from a second report on the survey which had been prepared at his request.

Dr. Nelson also took up the line of a literacy crisis in Australian schools. For example:

There are a lot of parents …who are finding out that their children at the age of eight or nine are barely literate. I am concerned that there are far too many children who are leaving primary school and secondary school who are barely literate for a variety of reasons. [Milburn 2004]

He said that those who think Australia's teaching of reading is world class need to:

… spend a little bit of time with children that have spent four, five or six years in the Australian education system and then say to you: 'I didn't realise it's the black stuff you read.' [Burke 2004]

He was also quoted as saying that one in five Year 5 students could not pass a basic reading test in some parts of Australia, that almost a third of students aged 14 lacked basic reading skills and that trainee teachers themselves are having trouble reading [Maiden 2004b; The Advertiser, 9 November 2004]. Furthermore:

… we've got about 30 per cent of Australian children leaving the school system functionally illiterate, having trouble with basic spelling, grammar, punctuation. [Wroe & Leung 2005; see also Nelson 2005f; Maiden 2005]

Another charge by Government Education Ministers was that literacy standards had not improved over the past 20 years despite high expenditure on school education. Support for this came from a study conducted by the Australian Council for Educational Research which found that the percentage of fourteen year old Year 9 students who failed to attain the basic skills of literacy was 28% in 1975 and relatively unchanged at 30% in 1995.

Clearly education policy and practice has failed to improve the literacy standards of a significant proportion of young people. [Kemp 1996e]

Dr. Nelson also weighed in on declining literacy standards:

We certainly know from the Australian Council for Educational Research that literacy standards for 14-year-olds have declined over a 30-year period. We are not performing as well as we did internationally. [Maiden 2005]

Ms. Bishop has also claimed that academic standards in schools are declining [Bishop 2007b].

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The Government’s claims are undermined by the results of national literacy assessments in Years 3, 5 and 7 and by the results of the OECD Programme for International Student Assessment (PISA) for 15-year old students in 2000 and 2003. They show that the proportion of students in primary and high schools who are significantly behind expected levels of literacy development for their age is relatively small, but significant [see Appendix A]. At most, it appears that up to about 12 per cent of students are not achieving expected standards.

National benchmark results for literacy in Years 3 and 5 are available for 1999-2005 and in Year 7 for 2001-2005 [MCEETYA 2007]. In 2005, only 7 per cent Year 3 students did not achieve the national reading and writing benchmarks while the proportion of Year 5 students that did not achieve the benchmarks was 12 and 7 per cent respectively. About 10 per cent of Year 7 students did not achieve the reading benchmark in 2005 and 8 per cent did not achieve the writing benchmark.

The PISA 2003 results show that of the 41 participating countries, only Finland achieved better results than Australia in reading. Only 12 per cent of Australian 15-year old students were below the expected reading levels for their age, compared to an OECD average of nearly 20 per cent. Australia achieved similar results in the PISA 2000 Study.

Literacy outcomes have also improved dramatically over the last 25 and 50 years. An Australian Bureau of Statistics survey of adult literacy in 1996 showed much higher levels of literacy in the younger age groups compared to older age groups. Only 10 per cent of the 20-24 age group had very poor literacy skills compared to 22 per cent of the 45-54 group and 32 per cent of those aged 55-64.

The head of the ACER, Dr. Geoff Masters, has stated that there is no evidence of declining literacy standards in Australia:

In Australia, there is no evidence that levels of literacy have declined significantly in the past two decades. [Masters 1997b]

Whatever the motivations of those who claim that education standards are plunging, that our schools are failing and that efforts to specify desired learning outcomes have contributed to this supposed decline, there is no support for these claims in international evidence. [Masters 2005]

This conclusion has been echoed by Professor Barry McGaw, former director for education at the OECD [Patty 2006b]. Professor Jack Keating from the University of Melbourne has accused the Prime Minister and the Education Minister of endorsing false statements that undermine Australia’s education reputation [Keating 2007].

Thus, despite national and international test results that indicate only a small proportion of students are not achieving adequate outcomes, the Federal Government has persisted with its claim that there is a crisis in school outcomes in Australia. The current Federal Minister for Education has claimed, variously, that 30 or 35 per cent of students are not achieving adequate literacy standards; for example:
International testing shows that 30 per cent of our 15-year olds are not reaching appropriate numeracy and literacy levels – we need to lift the standards across the country. [Morton 2006; see also ABC News 20 November 2006; Hatcher 2006; Livingstone 2006]

Most recently, Ms. Bishop has claimed that about one-third of Australia’s 15-year olds are functionally illiterate and are being failed by the school system [ABC 2007].

Government spokespersons have largely failed to address this gulf between government statements and the evidence from school literacy and numeracy tests, although Ms. Bishop has claimed that the PISA results show that 30 per cent of Australian students failed to achieve the reading ability necessary for further learning [Bishop 2007a]. This is a serious misreading of those results.

PISA defines reading literacy as using “reading for learning”, or the ability to apply reading for other uses, rather than the technical skills acquired in learning to read. It has five reading proficiency levels [OECD 2001: 47]. Level 5 is the most advanced level and involves ability to deal with difficult texts and to complete sophisticated reading tasks. Level 1 proficiency includes being able to find explicitly stated pieces of information, to recognise the main theme or author’s purpose in a text and make a connection between common everyday knowledge and information in the text. Students who do not progress beyond Level 1 are likely to experience problems in some spheres of adult life while students who have not achieved Level 1 proficiency are likely to be seriously disadvantaged in their lives beyond school [Lokan et.al. 2001: 71, 78]. Students at below Level 1 may still have the technical capacity to read but have serious difficulty in using reading as an effective tool to advance their knowledge and learning in other areas while students at Level 1 can only apply reading to most basic tasks [OECD 2001: 48]. The OECD warns that if a country has a large proportion of students below Level 1, or even at Level 1, a significant proportion of children are not acquiring the reading knowledge and skills they need to participate fully in society.

Thus, Level 2 can be considered a minimum benchmark proficiency level. In 2003, 88 per cent of 15 year-old students in Australia were at Level 2 and above. About 8 per cent were at Level 1 and 4 per cent below Level 1. Thus, there is a total of 12 per cent of students who can only use reading for the most basic tasks, and many of these may still have the technical capacity to read. It is a far cry from the Minister’s claim that one-third of students are functionally illiterate.

Restrictions on choice of school

The Liberal Party was highly critical of the previous Labor Government’s New Schools Policy. The Policy placed a ceiling on the level of Federal funding that could be received by new private schools by limiting the total number of new enrolments that could attract funding. There were also restrictions on the total amount of funds that were available to an individual school. This was seen as “inequitable and unfair” because it restricted the funding available to low fee schools, especially Christian schools, and penalized low income families by restricting their access to private schools [Kemp 1996d; ABC 1996].
Reporting and accountability

When the Howard Government took office, literacy and numeracy testing and reporting arrangements were in place in each state and territory except the ACT. However, there was little national data on school outcomes and little comparability in the reporting of outcomes between jurisdictions. The Government was highly critical at the lack of information on student results both nationally and at the school level. For example:

It is alarming that there has been no publicly available national assessment of the standards of literacy of Australia's school students for almost two decades…
The cult of secrecy is something that must be overcome if we are to achieve real improvement. [Kemp 1996e]

For too long, parents have been kept in the dark as to how well our schools are performing. Information that is critically important for parents to make meaningful decisions about school choice, to hold schools accountable, and to identify underperforming schools is frequently difficult to obtain or is non-existent. [Nelson 2004d]

The Government viewed this lack of information about student achievement as a barrier to the exercise of parent choice of school and to improving school outcomes.

Nationally comparable reporting is vital in improving the effectiveness of all Australian schools. Better reporting and better accountability are crucial in providing parents and the community with the information they need to make informed choices about schooling…
Good accountability relies on good reporting – at all levels, the school level, the systemic authority or State level, and nationally…. Making information about educational outcomes widely available is central to building community support for schools. The community, which provides the high level of funding needed to operate the schooling system, has a basic right to full and comprehensive information about how well its schools are doing their job, locally as well as at the broad systemic level. [Kemp 1999b]

Dr. Nelson also made reporting to parents on student progress a major national issue as well. He was highly critical of the nature of reporting to parents on student progress [2004a, 2004f, 2004g; Howard & Nelson 2004a, 2004b]. He criticized student reports for not reporting progress against national benchmarks in literacy and numeracy, not reporting progress against classmates, not reporting grades achieved and for often not couched in plain language that parents can easily understand.

Much of the blame for the lack of information available about schools was attributed to the influence of teacher unions [Nelson 2004a].

Curriculum

Successive education ministers have criticized the quality of what is taught in Australian schools. The main criticisms concern inconsistencies in the curriculum between states and territories and the watering down of curriculum standards.

Inconsistencies in curriculum between states and territories have been much criticized by Ministers for Education. Dr. Nelson said that Australia has eight different curricula and the educational standards in one jurisdiction do not always match the educational standards in another [Nelson 2004g]. In particular, he criticised inconsistencies of Year 12 curriculum standards and content between jurisdictions [2005f]. The current
Education Minister has questioned why it is necessary for each state to develop its own curriculum [Bishop 2006g].

Curriculum standards have also been questioned. The Prime Minister has said that some curriculum material is “incomprehensible sludge”, “deadening and saccharine” and contains too much “modernist junk” [Howard 2006d, 2007a; Sydney Morning Herald, 5 July 2006].

Ms. Bishop has implied that curriculum standards are too low. She has said that the curriculum should aim for high standards and not accept the lowest common denominator [Bishop 2006g]. She says that state governments have let “trendy educational fads” be taught in schools at the expense of traditional academic subjects.

The community is demanding an end to fads and wants a return to a commonsense curriculum. [Bishop 2006g]

Dr. Nelson said that the content and standards of the Year 12 curriculum in some states and territories is not satisfactory. For example:

…the debate about English literature with an increasing emphasis on critical literacy and contemporary texts ignores the responsibility that we have to transfer the soul from generation to the next. Significant damage will be done to this nation’s future if most young people do not leave school having been acquainted with Shakespeare, Hardy, Austen, White, Steinbeck and many others. [Nelson 2005f]

The Prime Minister has strongly criticized the “dumbing down” of the English curriculum in succumbing to popular culture and political correctness at the expense of traditional quality literature. For example:

…the teaching of English has been allowed in some cases to drift into a relativist wasteland, where students are asked to deconstruct texts using politically-correct theories in contrast with the traditional view that great literature has something profound to say about the human condition. [Howard 2007a; see also Grattan & Rood 2006]

…we need a curriculum that encourages an understanding of the high quality literature and not the rubbish. [Grattan & Rood 2006]

Over the period of the Howard Government, various Government leaders have also criticized the content and scope of school curricula. For example, criticisms were made about the lack of knowledge by students about Australia’s democratic institutions, a lack of values education in government schools and a failure to teach Australian history in a systematic way. These criticisms were the precursor of a more active role by the Federal Government in curriculum issues.

An early criticism of school curricula was that students lack knowledge about Australia’s democratic institutions and their history. For example, Dr. Kemp stated that 70% of Year 9 and 10 students did not know the name of the lower house of the Federal Parliament, and over 90% had little idea of the number of members in House of Representatives [Kemp 1996e]. He went on to say that this lack of knowledge had important implications:
In effect, we are disempowering young people by not offering them this knowledge and understanding at school. Without such an understanding we run the real risk of a democracy governed by ignorance and ruled by media manipulation and short term interests.

In 2004, the Prime Minister criticized government schools for being “too politically correct and too values neutral” [Maiden 2004a; Crabb & Guerrera 2004]. The then acting Minister for Education, Peter McGuaran, said that many government schools “are hostile or apathetic to Australian heritage and values” [Guerrera & Leung 2004; Riley et.al. 2004]. The Health Minister, Tony Abbott, accused government schools of treating all cultures and value systems as morally equivalent and of tolerating the intolerable because of political correctness [Metherell 2004].

No evidence was provided to support these criticisms. In fact, the criticisms were contradicted by a Government commissioned study published in the previous year. The study found that a range of common values were being fostered by Australian schools, both government and private schools [Zbar et.al. 2003]. It concluded that there is “a broad range of varied and excellent practices and approaches to values education in Australian government and non-government schools”. It found that these values were consistent with Australia’s democratic traditions including beliefs in equality, freedom and the rule of law, and our overall commitment to a multicultural society where all are entitled to justice and a fair go. The values being fostered include tolerance and understanding, respect and care for others, social justice, honesty, standing up for the rights of others and moral standards.

An Age editorial opined that it is difficult to discern any real difference between the values of state and private schools and that the Government’s arguments did not stand up. It went on to attribute another motivation behind the Government’s attack:

This is all about Mr. Howard’s view that there is an ongoing culture war, one that he is fighting as fiercely as when he became Prime Minister in 1996. It is not that schools are value-neutral but rather that he does not like the values taught in schools – public and private. The culture warriors know exactly what he is on about. [The Age, 22 January 2004]

The Government has criticized the approach to some subjects such as Australian history. For example, the Prime Minister has labeled the teaching of Australian history as “the fragmented stew of themes and issues” and “little more than a litany of sexism, racism and class warfare” [Howard 2006a, 2006d]. For the Prime Minister, there is too much emphasis on issues and not enough on structured narrative and facts. He believes history courses are too negative about Australian history and the traditions and achievements of Western civilization.

I think we should be taught the truth about Australian history, the truth about this country is an overwhelmingly positive one and I think we should be taught that more energetically and I think we should taught the values and the great strength of the philosophy of western civilisation.

The current Education Minister has criticized the teaching of Australian history for presenting a fragmented and incomplete picture of the national story which lacks coherence and continuity [Bishop 2006f, 2006g]. She says that instead of learning basic facts children are being taught according to an ideological agenda [Bishop 2007b].

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I believe that students should be given a good grounding in key dates, facts and events of Australian
history. They should be organized within the framework of a narrative or story…. [Bishop 2006f]

A common complaint of the Government is that curriculum has become politicized and
radical views are being imposed on students. For example, the Education Minister has
said that curriculum has been hijacked by left-wing ideologues in education authorities
and schools and that some of themes in school curriculum are straight from Chairman
Mao [Bishop 2006g; Topsfield & Rood 2006].

Parents are right to be concerned with courses of study that would have students deconstructing that trashy
reality show Big Brother, rather than learning the classics of Australian literature like Banjo Patterson, or
Shakespeare. Contemplating a movie poster rather than analysing Patrick White.
And students should not be forced to interpret Shakespeare from a feminist or Marxist perspective. They
should bring their own interpretations and values to these works of literature. History and geography
classes should not be allowed to slide into political science courses by another name [Bishop 2006g]

She said that school curriculum should be taken out of the hands of “ideologues” in state
and territory education bureaucracies.

The previous Deputy Prime Minister, John Anderson, accused some state school
curriculums of being “anti-farmer” and “deep Green” [Guerrera 2004]. The Education
Minister has stated:

…we must guard against history becoming shoe-horned into a political agenda in which versions of earlier
radical doctrines become the new orthodoxy.
History is not peace studies. History is not social justice awareness week. Or conscious-raising about
ecological sustainability. [Bishop 2006f]

A further criticism of school curricula is that there is inadequate provision for the large
majority of students not intending to attend university. Government Ministers have
argued that school education systems have failed to provide clear pathways for students
moving from school to work [Kemp 1996b, 1996e, 1999f]. Much of the curriculum in the
senior secondary years was seen as irrelevant to the needs of these students.

Teaching
The Howard Government has nominated improving the quality of teaching as a key
priority in improving student outcomes. It has stated that the pay structure for teachers
and the system of professional development of teachers are obstacles to improving the
quality of teaching.

…there are structural problems with enhancing teaching quality. Teachers are poorly organised
professionally, there are doubts over the quality and adequacy of university education faculties, and teacher
salary structures are so outdated and lacking in flexibility that it is no wonder that many turn away from the
profession in frustration. Any profession must have the ability to train, recognise and reward its best and
brightest performers. The Government is determined to tackle these challenges. [Nelson 2005b]

The Government has been critical of the quality of teacher training. For example, the then
Minister, Dr. Nelson, stated that there are problems with the training of teachers and that
there is evidence of poor standards and some faculties not being up to scratch [Nelson
According to Dr. Nelson, teacher training is overly influenced by a particular social view of the world [Grattan 2005].

The approach to professional development programs has been criticized for being disjointed and fragmented and the quality of programs and the support available for teachers and schools has been questioned [Bishop 2006g].

Government ministers have also been strongly critical of what is seen as a lack of processes for differentiating between good and bad teachers and that teachers are not paid on the basis of performance.

At the moment the most mediocre teacher is paid the same as someone who has a life-changing impact on our children. [Nelson 2004g; see also Nelson 2003b, 2003c]

This criticism has been also by the current Minister:

We need to recognize that not all teachers are equal in their ability, commitment and performance. Yet they are all paid on the same basis of years in the job, not on merit. [Bishop 2006g]

According to the Minister, the system of remuneration is damaging the profession by discouraging able teachers from entering or remaining in the system [Topsfield 2006a]. She warned of an exodus of high-quality teachers to the private school sector, which has adopted performance-based pay, unless the government school system begins to reward excellence in teaching rather than seniority.

The Government has generally failed to present any evidence on trends in the quality of teachers. There is little substantive evidence available on the quality of teaching in Australian schools and no detailed studies of changes in the quality of teaching have been carried out. At best, the evidence is often anecdotal and fragmentary. Quantitative measures of teacher quality are largely non-existent and indicative only. For example, the Committee for the Review of Teaching and Teacher Education [2003: Table 14] found that 15 percent of those in teacher education courses were from the top achievement group in terms of Year 9 school performance, compared with 27 percent of those enrolled in other university courses. However, because not all those in teacher education courses go on to become teachers, these studies are not necessarily an accurate reflection of the ability distribution of new teachers. Such studies are also typically limited to a single snapshot.

An ANU study has compared the academic aptitude of new teachers who entered the teaching profession in Australia over the past two decades [Leigh & Ryan 2006]. It found that the aptitude of new teachers has fallen considerably. Between 1983 and 2003, the average percentile rank of those entering teacher education fell from 74 to 61, while the average rank of new teachers fell from 70 to 62. However, the measure of aptitude used was the performance of teachers in standardized literacy and numeracy tests while they were themselves in Year 9 at school. As such, it is a very tenuous measure of teacher quality. It does not allow for further education, in particular, teacher training; literacy and numeracy tests are not necessarily a good measure of academic aptitude and academic aptitude is not necessarily a good indicator of teacher quality.
In contrast to the ANU study, other data suggests that the quality of applicants to teacher education has increased over the past decade. For example, the ENTER scores of Year 12 students admitted to teacher education in Victoria have improved since 1998 [Willis 2007].

Nevertheless, there is evidence of problems in teacher quality. For example, a review of teacher education in NSW found many instances of poor teaching practices in schools and that gap between the most effective and least effective pedagogy in schools appeared to be widening [Ramsey 2000].

There is also a lack of evidence about the effectiveness of different approaches to teacher education. A recent report of the Australian Parliament found that there is insufficient research evidence to come to any firm conclusions about the overall quality of teacher education in Australia [Standing Committee on Education and Vocational Training 2007]. However, the report did present some evidence of inadequacies in pre-service teacher training. For example, a significant proportion of teachers leave the profession within their first five years of teaching. Many believe that teacher education courses do not prepare teachers adequately for classroom practice. The report stated that “…while there may not be a crisis in teacher education, there is room for improvement” [Standing Committee 2007: 8].

These findings are similar to those of previous reports on teacher education. For example, a Victorian parliamentary inquiry found that there are significant gaps in the content of pre-service training courses and that trainee teachers did not receive sufficient practical training [Education & Training Committee 2005]. Areas identified as lacking among pre-service and graduating teachers included classroom management skills, development of classroom resources, student assessment and reporting strategies, and understanding what school communities expect. The NSW review concluded that teacher education cannot continue substantially within present models and structures [Ramsey 2000]. It found that teacher education in the State’s universities does not generally make strong connections with schools and that reform was needed which reconnected teacher education and schools. It was also highly critical of the failure to respond to the evidence collected in previous reviews of teacher education over two decades about the need for change to develop a quality profession focused on delivering effective learning.

Influence of teacher unions

Another criticism is that the centralized government system has failed a large proportion of students and it is dominated by powerful teacher unions that serve their own interests rather than those of students and parents. For example:

The sad voices of the opponents of choice desperately attempting to defend the rigid centralised systems inherited from the 19th Century are more and more out of tune with the times and with what we now understand about the dynamics of a democratic system.

The nature of the defenders of educational monopolies - principally the union leaders whose power rests on centralised industrial relations processes - reveals that it is a narrow sectoral self-interest which is the principal opponent of a more democratic society based on empowerment through choice.
The centralised systems have perpetuated the alienation of disadvantaged parents and the educational disadvantages of their children. [Kemp 1998b; see also Kemp 1999e]

Part of the strategy was also to attack teacher unions for pursuing “vested interests” and “dictating” the type of schooling offered to Australian children [Kemp 1999e].

At the heart of the debate on quality education for all, is the issue of who is to control the schools and what is the role of government to be. In schooling today it is a debate between those who are seeking to defend positions of centralised power (both in educational and industrial policy) and those who recognise that in a democracy it is by empowering individuals to take decisions which matter that the quality people seek can be best achieved. [Kemp 1998b]

The current Education Minister says that students, teachers and parents are being let down as many aspects of school education get hijacked by teachers unions and state education bureaucrats and that teacher unions are a barrier to reforms to improve education quality [Bishop 2007a, 2007b, 2006g].

The Prime Minister has stated that a major problem with the teaching profession “is that it's been in the stranglehold of union militancy for too long, which enforces the lowest common denominator - a mediocre outcome” [Howard 2004c]. He believes that teacher unions have too much power and are a bastion of “political correctness” in government schools [Maiden 2004a; Crabb & Guerrera 2004; MacDonald 2004]. He says they “are amongst the most ideologically based [unions] in the country” [Howard 2005d].

Many observers have commented on desire of the Howard Government to relegate teacher unions from positions of influence over school education. For example:

[The Prime Minister] …doesn't have a lot of time for the state system, the values that underpin it and the way it is funded by the state governments and managed by the teachers. He is deeply distrustful of the power and influence of the teacher unions. [Cassidy 2004; see Howard 2004j]

Another commentator has described the Federal Government’s campaign to change school curriculum and achieve more uniform national standards as a “new cultural assault on the ideological Left and the teacher unions” [Kelly 2006b]. The same commentator described the decision to make Australian history a compulsory subject in schools as “a direct response to the postmodernist and progressivist grip on humanities in schools and universities” [Kelly 2006a].

In this sense, the Howard Government’s school education policies can be seen as part of the “culture wars”, designed to create a division between the interests of the university-trained “liberal elites” and those of the “battlers” that the Howard Government purports to represent [McKnight 2005: 135-168]. According to Howard, teacher unions pursue ideology, political correctness and class envy rather than the actual interests of ordinary Australians and their children [Howard 2004f]. Ultimately, it is an issue of removing any vestige of influence of progressive education and social ideas on public policy.

Teacher unions are seen as a major force behind new educational ideas that schools should adopt more child-centred pedagogies and to recognize social justice goals in education. As Clark [2005] explains, education and cognitive development were
increasingly linked with wider social philosophies of equity and emancipation. The new, ‘relevant’ education was to be student-centred and life-centred: children became the focal point of the learning experience, their opinions needed to be better valued and understood, and personal development became an important educational goal. Such an approach is opposed vigorously by many in the Howard Government as diminishing academic standards, weakening Western traditions and politicizing the curriculum.

The attack on teacher unions and the campaign to reduce their influence on education policy is part of the approach of the Howard Government to minimize the role and influence of unions generally in Australian society. Unions were part of the “powerful vested interests” arrayed against ordinary disempowered “battlers”.

State systems

In Australia’s federal system, the states and territories have constitutional responsibility for school education. Historically, the different jurisdictions have developed different arrangements relating to school structures, school operations, curriculum, teaching, assessment and certification, reporting and so on.

We have a “rail gauge” problem in schooling: between the eight State and Territory jurisdictions there are differences in school starting ages, school structure, standards, curriculum outcomes, certificates, assessment and matriculation requirements. By the end of the decade we should have common starting ages and school structure, consistent curriculum standards, common testing and a national tertiary entrance system. [Nelson 2003b; see also Howard & Nelson 2004a; Nelson 2004g]

The crippling impact of 8 different educational systems within one nation must be addressed. [Nelson 2005e]

Several reasons have been put forward by the Government to develop greater national consistency in school education [see DEST 2004a; Howard & Nelson 2004b; Nelson 2004g]. One is to reduce the disruption of the education of children who move interstate during the course of their schooling career that can occur because of different starting ages, different years of primary and secondary schooling and differences in curriculum content at different year levels. A second reason is to reduce differences in Year 10 and Year 12 certification (on such matters as the number of required units, value of courses, contact hours and performance grades) which create confusion for employers and difficulties for young people who move around Australia for employment or further education. It is also stated that differences in assessment processes for Year 12 make comparisons between students difficult and cause confusion. Another reason is that the Government believes that standards in some jurisdictions are not of sufficiently high quality. The Government also believes that the lack of national education standards is restricting the movement of people with skills between different areas of Australia because they are concerned about the impact on their children’s education [Grattan 2005].

Dr. Nelson said that a nationally and internationally recognised and agreed system for assessing the academic standards of students completing year 12 was needed because of a lack of comparability between state and territory systems.
Currently we have different Year 12 certificates in each state and territory. There are differences in completion requirements, curriculum, the number of hours of study, compulsory subjects, and subject choice and patterns. There are also major differences in how student achievement is assessed, whether through external examinations or school based assessment, and reporting in the Year 12 certificate itself. It cannot be said with any confidence at all that the standard of a year 12 chemistry exam in Adelaide is the same as that of Sydney. [Nelson 2005e]

He also has raised the issue of having common national exams in some subjects:

I simply cannot understand, particularly in applied sciences, why it’s not possible to have a common set of exams across the country of a high standard as agreed by the nation’s leading mathematicians and scientists. [Nelson 2005f]

Behind all these reasons are considerations of international competitiveness. The Government’s concern is that different state systems undermine Australia’s ability to compete in the world economy.

The only benchmarks that will count increasingly are international ones – and they are about standards. We have to drive national consistency on standards. The responsibility of the Government is to drive this agenda.

To have eight jurisdictions with different standards is, in the long term, a prescription for international mediocrity. That’s what it’s all about in everything I do in the portfolio. [Nelson cited in Grattan 2005]

Policy priorities

These criticisms established the main policy priorities of the Federal Government. In broad terms they were enunciated by Dr. Kemp [2000a] as to:

- Raise standards of learning across the curriculum;
- Ensure that all schools and school systems can meet the educational needs of all students; and
- Improve students’ transition from school to work and to further education and training.

A further broad priority to develop greater national consistency in school education regulation was initiated by Dr. Nelson as Education Minister. An implicit goal was also to reduce the influence of teacher unions on education policy.

The main changes introduced by Dr. Kemp as the Minister for Education were to introduce new arrangements for funding private schools, revise the national goals for schooling, develop a national reporting system, a program to improve teacher quality and a range of initiatives to expand vocational education in schools. The measures included the new SES funding arrangements for non-government and government schools, restructuring of Commonwealth schools programs, abolition of the ‘New Schools Policy’ and the national performance measurement and reporting system on literacy and numeracy outcomes, incorporating agreed national standards and common elements in state and territory based assessment regimes. In addition, targeted equity programs that had been traditionally funded and administered at the national level were re-organised and new programs were introduced.
The main initiatives announced during Dr. Nelson’s period as Minister were to develop greater national consistency in several aspects of school education, an expansion of the SES method of funding non-government schools to include the Catholic school sector and the introduction of national requirements about reporting school results and reporting on student progress to parents. Other changes included the establishment of a national body for teaching standards and teacher training regulation, requirements for increased school autonomy and the establishment of technical colleges.

A detailed school policy agenda was outlined in key speeches and statements in recent years [DEST 2004a; Howard & Nelson 2004a; IBE 2004; Nelson 2003c, 2004g, 2005c]. The programme at first consisted of a 10-point agenda, but has been modified variously to an 11 and then to a 15-point agenda.

The national education framework announced in November, 2003 [Nelson 2003c] consisted of the following priorities:

- supporting the professional standing of teachers;
- attracting the best people to become teachers;
- ensuring national consistency in schooling;
- giving schools autonomy to meet community needs;
- ensuring all schools are performing well;
- providing meaningful information to parents;
- focusing on the values that young people need;
- creating safe school environments;
- accelerating Indigenous education outcomes;
- ensuring seamless transitions from school to work or further education.

By June, 2004, the agenda had been revised as follows [Howard & Nelson 2004a]:

- greater national consistency in schooling;
- better reporting to parents;
- transparency of school performance;
- greater autonomy for school principals;
- creating safer schools;
- common commitment to physical activity;
- better approaches to boys’ education;
- developing the teaching workforce;
- values education;
- accelerating Indigenous outcomes; and
- helping families with post-school choice.

Several additional priorities were included in the Liberal Party election platform for the 2004 federal election [Liberal Party 2004a, 2004b]. The main additions were:

- expanded national testing and standards;
- introduction of an Australian Certificate of Education;
- increased school infrastructure funding; and
- establishment of technical colleges throughout Australia.
Under the current Education Minister, the policy priorities established by previous Ministers continue to be implemented. Developing greater national consistency in schooling remains a key priority at present, while the emphasis has shifted to developing curriculum and teaching standards.

The politics of education has largely moved on from the issue of staff to student rations. The new frontier of educational reform in Australia is about teacher quality and curriculum. [Bishop 2006g]

The Minister has set an agenda to improve the quality of teaching by supporting the introduction of performance-based pay for teachers and a national system of compulsory professional development [Bishop 2006i]. She has said that she is looking at ways to establish an incentive fund to reward individual teachers and schools who turn out high-achieving students [Ferrari 2006b]. Under the plan schools and teachers would receive cash bonuses directly from the federal Government. She has also indicated that the Government will support the development of a nationally consistent curriculum and to ensure that principals have the power to hire and fire teachers on the basis of their performance. These priorities are to be pursued in negotiations with state and territory governments for the next quadrennium of Federal funding for schools [Bishop 2006h, 2006i, 2007a; Topsfield 2006b]. It also appears that the Minister is proposing the publication of school league tables [Topsfield 2007]. In addition, there has been speculation that the Government will make the teaching of Australian history a condition in its next school funding agreement [Salusinszky 2006].

The Minister for Foreign Affairs, Alexander Downer, recently nominated creating more selective schools within the government school system as the “next frontier” in extending school choice.

The next frontier in support of our principle of choice should be to allow parents greater choice over state schools, via the relaxing of the school zone rules and through the creation of more selective schools. Selective schools - state schools that select students on the basis of their academic achievement - are reasonably common in NSW but almost non-existent elsewhere… Selective schools provide real choice, particularly for those that cannot afford the high fees that characterise most of the other top performing schools. Selective state schools do not need to be purely academically selective; schools could specialise in music, or languages or in science and take students on that basis. The federal government has already started to do this through the commitment to create 24 technical colleges catering to year 11 and 12 students. [Downer 2006]

This policy could be also implemented as a condition of Federal Government re-current funding of government schools.

The Howard Government has adopted a dual, seemingly contradictory, approach to the pursuit of these goals. It has made school education subject to both greater market forces and increased federal control and regulation. This dual approach is outlined in the following sections.
3. Expanding the market for school education

For the Howard Government, a key means to achieve its education goals is to give the market a greater role in the delivery of school education. An early review of Dr. Kemp’s approach described it as a “competition model” of schooling and as “promoting a free-market theory of choice in education and training” [Grattan 1997]. Dr. Kemp agreed that the Federal Government’s education policy involved “a greater role for market mechanisms in the allocation of resources” [Kemp 1999a]. Indeed, he had long argued for an expansion in the role of markets in education:

…there is without doubt great scope for a substantial expansion of markets in education, and such an expansion would have great benefits not only for customers, but it must be emphasized, for providers as well. [Kemp 1991: 43]

A comprehensive overview of government policy prepared for the UNESCO International Conference on Education in 2001 by the Federal Department of Education, Training and Youth Affairs stated that it was government policy to place greater reliance on market mechanisms.

The Australian Federal government is pursuing a quality agenda across the education and training system. This encompasses the development of regulatory frameworks and administrative instruments (e.g. accreditation and reporting arrangements) as well as funding mechanisms, in particular the greater reliance on market style mechanisms, which encourage greater responsiveness of educational and training providers to students, parents and employers.

The Australian Federal government is working in a number of areas to ensure that education and training systems are responsive to the needs of their students and other stakeholders such as parents and employers. This has entailed increased user charging, the provision of information on performance to assist choice and a greater role for market mechanisms in the allocation of resources. [IBE 2001: 19, 20-21]

The report prepared for the 2004 UNESCO Conference confirmed this increasing reliance on market mechanisms to encourage greater responsiveness of educational and training providers to students [IBE 2004: 44, 47]. More recently, a national leader of the Independent Schools Council stated that the Federal Government’s approach is “market ideology applied to schools” [Daniels 2005].

The Howard Government believes that a market-based system will give more power to parents and lead to better student outcomes as schools become more responsive to student needs and innovation is encouraged.

I believe that the combination of greater overall autonomy for government schools, better reporting to parents, the development of real choice for students and parents and schools being able to maximise their strengths in teaching can lead to an upward spiral of improved educational outcomes. [Kemp 1997a]

Its ultimate vision is one where distinctions between government and private schooling are obliterated with schools all competing with each other within a common regulatory and funding framework.

What I see in the future is an Australian education system where distinctions between government and non-government schools will become outdated and increasingly irrelevant. All schools are publicly funded in
This is the context in which to view the many statements from Government education ministers that the Government does not favour one sector over another. The Government is establishing a national framework in which all schools could compete – government and private. Part of this involves breaking down bureaucratic controls that constrain government schools from competing. It also means that special features of the public education system such as the neighbourhood school must be jettisoned as a “structural weakness” that inhibits the new market vision [Kemp 1997a]. On the other hand, it involves increasing government funding for private schools and reducing entry requirements on new schools where possible so as to increase competition. Within this framework, the free operation of parent choice would determine the balance between the government and private school sectors [Kemp 1999e].

However, the Government has not attempted to develop a ‘pure’ market in school education. This would require that school education be subject to individual purchase and largely or wholly funded by private expenditure, that schools are supplied through private provision and that there are no regulatory barriers to the entry and exit of suppliers of school education. Tooley [2000] and Harrison [2004] argue that a true market in education can only be achieved if there is no state provision, no state funding, relatively minimal regulation, relatively easy entry for new suppliers and a price mechanism in operation.

A market arrangement uses competition, choice, the price mechanism and the profit motive to provide incentives and co-ordinate behaviour. It requires freedom of entry into, and exit from, the provision of education services, the same rules for all competitors, and consumers must be able to choose between competing autonomous suppliers. There must be no artificial barriers against producers entering and offering different types of schooling arrangements. [Harrison 2004: 3]

Only when all of these features are present would it be a true market in education and then quality would be maintained and enhanced.

In contrast, the Federal Government has, at least for the present, accepted the role for government in providing and funding education as well as regulating education. Its approach has been to enhance market-based mechanisms in the delivery of school education while maintaining, and even extending, the role of government. The Prime Minister has expressed this dual role in terms of providing choice and setting standards. For example:

…our educational policies so far as schools are concerned are really based on two great principles. There is the principle of high standards and there is the principle of maximum parental choice. Standards and choice are fundamental to the Liberal way as far as education is concerned. [Howard 2001e]

The term ‘quasi-markets’ is often used to describe this public policy approach [for example, see Glennerster 1991; Bartlett & Le Grand 1993; Marginson 1997]. Quasi-markets are characterized by a high degree of government regulation and intervention. In effect, they are constrained markets. Quasi-markets have been implemented by many OECD governments over the last 25 years as a way of transforming the provision of a
range of government services. Their primary, but not only, feature is the introduction of competition in the supply of government services. The case for quasi-markets is based on improving service delivery and reducing government expenditure.

The main features of quasi-markets in school education include parent choice of school, publication of school performance tables and the devolution of greater budgetary powers to school managers. Together, these changes tend to create greater competition between schools. In some cases, new types of schools have been supported to compete with the traditional government school sector. A distinguishing feature of the Australian approach is that additional competition is promoted by extensive government subsidies to private schools.

Governments also retain a regulatory role in many quasi-markets to ensure that the increase in competition is not at the expense of service quality. In school education markets, governments often continue to determine school registration, curriculum, teacher accreditation and training and assessment and certification requirements in order to maintain quality.

The Howard Government has supported the development of a market-based education system in three main ways. These are:

- Deepening local schooling markets by extending choice and competition, primarily through increased privatization of schooling;
- Development of a national market in school education; and
- Participation in the international school education market.

Choice and competition

Parent choice of school is a fundamental principle of the Howard Government’s approach. As noted above, it is seen as a democratic right, but it is also seen as a way of increasing competition between providers for customers. It includes increasing competition between non-government and government schools and between schools in the government systems.

Educational choice in Australia is expressed in the capacity of parents to choose between schools in the government sector or to select and/or establish a non-government school. [Kemp 1999d]

Competition was seen by successive Ministers for Education as essential to providing better education and increasing student achievement.

Undoubtedly one of the most powerful incentives to adapt is the application of the principle of choice - and in particular choice which leads to the allocation of resources to the institutions which better meet people’s needs, and which triggers effective action to ensure that poor performance is upgraded. [Kemp 1998b]

School choice means better educational opportunity, because it uses the dynamics of consumer opportunity and provider competition to drive service quality. [Kemp 2000a]

Choice is an important value in a democratic society and an essential foundation for school improvement, allowing programmes to be matched with particular learning needs. Choice facilitates innovation and provides for greater involvement and commitment of both parents and students. Ideally, choice encourages
schools to improve and respond to the needs of their students, making schools more accountable to students and parents. [DEST 1998a]

A fundamental principle underlying the Australian Government’s role in school education is to support the right of parents to choose the educational environment which best suits the needs of their child, whether the school of their choice is in the government or nongovernment sector. Choice in schooling leads to diversity which, in turn, allows freedom of expression, accommodates diverse beliefs and values, stimulates innovation and promotes greater accountability for schooling outcomes to parents and to the wider Australian community. [DEST 2000b: 9]

Thus, increasing competition through school choice would ensure that schools respond to parent needs and serve as an incentive for school improvement. Competition would facilitate innovation in education. Providing for greater choice and competition is also seen as a way to reduce the influence of teacher unions [Kemp 1999e].

The Government says that its policies are aimed at increasing choice for those parents who are least well served by the schooling system at present.

In particular, school choice allows parents of ‘at risk’ students to choose the school that best suits their child’s education and emotional needs, and allows parents to explore schooling alternatives before their child’s problems become too severe. [IBE 2004: 47]

Increased choice and competition in schooling is being supported by the Federal Government through:

- increased government subsidies for private schools;
- maintaining a quasi-voucher system of Federal funding for private schools;
- reduced restrictions on new private schools;
- establishing a new type of private school with privileged funding arrangements;
- reporting school results;
- increasing school autonomy.

All these mechanisms facilitate increasing differentiation in the school system; after all making choices depends on the presence of different ‘products’. They represent the main features of the quasi-market system being developed by the Government. They supplement existing state and territory regimes that support choice and competition in schooling and serve to deepen local markets in schooling.

This market-based approach to school education was not invented by the Howard Government. It has built upon changes that have been implemented to varying degrees by ALP and Coalition governments in some states and territories over the past 20 years, indeed, for 30 years in the case of the ACT. Choice within the government school sector was mostly affected by State and Territory government policies. Several governments implemented de-zoning in the 1990s; formula per capita funding of government and non-government schools has operated for many years; and several governments devolved increased financial responsibilities to schools during the 1990s. Some have established selective and specialist government schools which compete for enrolments with comprehensive schools and private schools while government support for private schooling has been available for the last 40 years or more. Some governments have also
entered into public/private partnerships in the building and management of school buildings.

It also reflects a long continuity in the basic elements of Liberal/National Party policy from the late 1980s and early 1990s. For example, the Fightback statement of November 1991 summarized the policies of a coalition government as to foster parent choice and school based management and to provide schools, parents and the community with high quality information about the levels of attainment being reached by students [L&NP 1991].

**Increased privatisation of schooling**

Private provision has a key place in this market-based system of school education. It is seen as central to providing choice for parents and to enhancing competition. The Howard Government has made funding to private schools the key component of its program to increase parent choice and competition in schooling. This is the most direct way for the Federal Government to increase choice and competition in Australia’s federal system with state government control over government schools. Privatisation of schooling in Australia has accelerated under the Howard Government.

Total government funding per student in private schools in Australia has increased by about three times the increase in government school funding in recent years. Between 1999-2000 and 2004-05, it increased by over 30 per cent compared to an increase of about 10 per cent for government schools. Nearly all government funding for private schools is provided by the Federal Government. It increased its funding for private schools by much more than its funding for government schools. Between 1999-2000 and 2004-2005, Federal funding for government schools increased by $261 per student compared to an increase of $1584 for each private school student. The increase for government schools was 33 per cent compared to 54 per cent for private schools.

The large increase in Federal Government funding has supported a significant increase in private school enrolments. Private school enrolments increased by 21.5 per cent during 1996-2006 compared to an increase of 1.2 per cent for the government sector. The private school increase for this period was much higher than in the previous ten years when enrolments increased by 16.1 per cent. Private schools accounted for 33.2 per cent of total school enrolments in 2006 compared to 29.3 per cent in 1996 and 26.4 per cent in 1986.

More private schools have opened under the Howard Government than in the previous ten years. The number of private schools increased by 168 between 1996-2006 compared to 46 between 1986-1996. Almost all of this increase occurred in the Independent school sector – it had an increase of 159 schools compared to 9 Catholic schools. The number of government schools decreased by 186 in the same period.

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1 Based on figures published in Steering Committee 2006, 2007. The funding figures are per student adjusted for inflation.
2 Derived from Steering Committee 2002, 2007. The funding figures are in current $.
3 These percentages are based on enrolment figures published in Australian Bureau of Statistics 2007.
The Government’s rationale for funding private schools is that each child should receive public funding support because there is a public benefit in the schooling of every child, whether in the government or the private system [Kemp 1999d; Howard 2001e]. The Prime Minister has stated that society should reward aspiration and effort and that all people who send their children to private schools are entitled to government funding support because they are make significant personal sacrifices that reduce the financial burden of governments [Howard 2004a, 2004i]. He considers that an important role of the Federal Government in school education is to ensure a strong private school system.

Well education, a lot of people say, let all that be run by the States. I don’t agree with that because the teacher unions would bully State Governments over time into limiting support for independent schools and I am dead against the Federal Government vacating the education field because my great fear is that the anti-independent school lobby within the teacher unions would get control of state education decisions and bully State Governments out of helping private education. [Howard 2006b]

A key feature of the Howard Government’s support for private school education was to increase choice for parents from middle and low income families. As noted above, the goal was to ensure that choice of a private school was not just a privilege for the rich but was available for all families.

The Commonwealth’s policies are aimed at helping those parents who are least served now by broadening the choices available to all parents. [Kemp 2000a; see also Kemp 1999c, 1999d]

In the last nine and a half years, this Government at a federal level has been the champion of choice in education and we have done more to expand parental choice in this country than any previous Federal Government. [Howard 2005f]

Providing financial assistance to low fee schools also provided the greatest scope for increased competition with the government sector.

The Government also supports the privatization of schooling because it assists to limit the size of the public sector in general. A consistent policy goal of the Howard Government has been to reduce the size of the government sector. Encouraging people to make private choices in education and other services reduces the call on government expenditure. Government expenditure on education is reduced as more students enroll in private schools. The Prime Minister has made this quite explicit. For example:

Providing choice in health, education and other areas of human services not only meets a community aspiration but also limits the calls made on government to fund these services. [Howard 2001a]

Every child that is sent to an independent school reduces the financial burden on state schools. [Howard 2004a]

**Abolition of the New Schools Policy**

One of the first education policy decisions of the Howard Government was to abolish the New Schools Policy of the previous Government. The New Schools Policy, which was introduced in 1985, was seen as a restriction on the number and growth of private schools, primarily through its minimum enrolment and impact assessment criteria. The criteria had included enrolment requirements, location, viability, and assessment of
potential impact on the viability of neighbouring schools. In effect, it had discouraged the proliferation of new, small schools in areas already satisfactorily serviced by both public and private schools.

From 1 January 1997, the federal requirements for new schools were abolished and all new private schools have to meet only state and territory government registration requirements.

At the same time, the Government also abolished the cap on funding categories for new private schools that had applied since 1990. Under the previous arrangements, the funding for new private schools was restricted to the lower funding categories of 1 to 6. Under the new arrangements, all new private schools became eligible for one of the full range of funding categories from 1 to 12. In addition, all existing private schools that had been subject to the category 6 funding cap since 1990 became eligible for a new funding category within the full funding range and adjustments to their Federal Government funding were applied from 1997.

These changes were a way of increasing the number of low fee schools so as to give greater choice for low income families [Kemp 1998b; Downer 2006].

**SES funding model**

From 1973 to 2001, Federal support for non-government schools was provided on a needs basis. The Education Resources Index (ERI), a measure of a school’s resources, was used to assess the relative needs of private schools since 1985. It measured need by comparing the income a school generates on its own behalf with a standard level of resources (based on government school per student costs). A Review of the ERI was conducted in 1997-1998 and the Government announced that the ERI would be replaced by a new funding approach based on the socio-economic background of students in each school.

In 2001, the Government introduced a new system of funding private schools – the so-called SES model - based on the socio-economic background of their students. It meant that the basis for government funding of private schools changed from a resource-linked funding model to one based on the estimated capacity of the school community to pay.

The new scheme involves linking student residential addresses to Australian Bureau of Statistics (ABS) national Census data to obtain a socio-economic profile of the school community and measure its capacity to support the school. Student addresses at each school are coded to an ABS collection district (CD) and each school’s community is defined in terms of the CDs from which it draws its students and the percentage of students from each CD. Schools’ SES scores are calculated as a weighted average of what are called “dimension scores” for the school’s CDs. Dimension scores are estimated separately for occupation, education and income on data on these dimensions drawn from the Census for each CD. The dimension scores are combined to produce a score based on the SES index for each CD.
The Government guaranteed that no school would be financially disadvantaged by the move to the new funding system (the “no losers” provision). Schools that would otherwise have their funding reduced under the new arrangements had their year 2000 per capita entitlements maintained by annual adjustment in line with average government school recurrent costs. These schools have been termed “funding maintained” schools. This provision affected about one-third of all independent private schools. However, the “no losers” guarantee did not apply to new schools. All new schools were to be funded according to their SES score. This meant that schools on the same or similar SES category could receive significantly different levels of funding.

Initially, the SES model also did not apply to Catholic systemic schools which had a separate funding agreement with the Federal Government. Thus, only a minority of private schools were funded under the new model.

Two significant changes were made to the SES model for the 2005-2008 quadrennium. First, Catholic system schools were included as a result of agreement between the Government and the National Catholic Education Commission. The funding entitlement of individual Catholic systemic schools is assessed according to the socio-economic status of their school community. Catholic systemic schools that would be financially disadvantaged by moving to SES-based funding will have their year 2004 per capita funding entitlements maintained in real terms, that is, they were provided with “no losers” status.

Second, arrangements were introduced to deal with schools whose 2005-2008 SES score is higher than their 2001-2004 score, that is, schools whose per capita funding would be reduced because of their higher SES score. These schools have their 2004 per capita funding level frozen until the annual supplementation or indexation that is applied to each score brings the per capita funding level of their new score in line with their 2004 level of funding. These are termed “funding guaranteed” schools. However, this provision only applies to those schools already on the SES formula. Schools on “funding maintained” status are not affected by this provision – they keep their excess funding for another 4 years, even if their SES score increases.

As a result of the special funding guarantees struck with some schools and not others, about 50 per cent or more of private schools are not actually subject to the SES model [Employment, Workplace Relations and Education Committee 2004; see also Maiden 2006c; ACT P&C Council 2004]. As a result, schools on similar SES scores can receive substantially different levels of per capita funding.

The Minister for Education recently initiated an internal review of the SES arrangements [Maiden 2006b, 2006c]. She stated that it would be a good thing if the SES formula could be applied across the board and all schools came under the one funding system.

The new funding model was presented as a way to increase funding for schools serving the neediest communities and thereby increase choice for low income families.
The new arrangements will give non-government schools drawing enrolments from low income communities a substantial increase in funding... The new arrangements will particularly extend choice to low income families. This is a significant step forward for educational equity. [Kemp 1999c; see also Kemp 1999d; 1999e, 2000a]

Ms. Bishop has stated that the system is designed to ensure that Federal Government funding for private schools targets those who need it most [Patty 2006c].

However, the operation of the model has also served to entrench and increase funding for the most privileged sections of the community. The most well-resourced school sector and schools have received the largest increases in Federal funding under the new arrangements.

Expenditure per student in the Independent school sector has long been much higher than that in the Catholic sector; for example, at the time of the introduction of the SES funding model, average total expenditure per student in the Independent sector was $9251 compared to $6251 in the Catholic sector.\(^4\) The Independent also has a much higher proportion of students from high SES family backgrounds. Census data from 2001 shows that nearly 50 per cent of students enrolled in Independent schools were from high income families compared to 34 per cent of Catholic school students [Preston 2003].

However, the Independent sector has received the largest increases in Federal funding under the SES arrangements. Federal funding for Independent schools increased by $1658 per student between 2000 and 2005 compared to $1427 per Catholic school student. This reversed the pattern of increase in previous years when Catholic schools received the highest funding increases. Between 1996 and 2000, Federal funding for Catholic schools increased by $955 per student compared to $690 per student in the Independent sector.

In percentage terms, the increase in Federal funding per student in the Independent sector was almost double that of the Catholic sector between 2000 and 2005 with an average increase of 76 per cent in Independent schools compared to 43 per cent for Catholic schools. In contrast, the average percentage increases between 1996 and 2000 were similar in the two sectors – a 46 per cent increase in Independent schools compared to 41 per cent in Catholic schools.

In addition, many of the most privileged private schools in Australia receive high levels of Federal funding under the SES arrangements. Examples include Geelong Grammar ($3.3m), PLC ($3.5m), Wesley College ($8.0m), MLC ($4.7m), Scotch College ($3.6m), Cary Grammar ($4.3m), Newington College ($4.0m), King’s School ($4.0m), Knox Grammar ($3.0m), Pymble Ladies College ($3.6m), Abbotsleigh ($2.4m).\(^5\)

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\(^4\) The expenditure figures cited in this and the following paragraph are from various issues of the National Report on Schooling in Australia.

Moreover, about 40 per cent of Independent private schools in 2005 were funded above their entitlement under the SES scale as a result of special arrangements under the scheme [Patty 2006c]. The proportion of schools in this category has increased from 23 per cent in 2001. Overall, it has been estimated that private schools across Australia are receiving at least $2 billion more than their entitlements under the strict application of the SES funding model [Patty 2006d].

Quasi-vouchers

Per capita funding of students is fundamental to making choice and competition the driving force of school education. It is necessary to give effect to market signals about school performance. The Howard Government has retained the long-standing system of per capita recurrent funding of private schools, which in effect is a quasi-voucher system – ‘quasi’ in the sense that funding follows the student without the need for a formal voucher to be issued to parents and that the level of per capita funding varies between schools.  

Quasi-vouchers have also been used to supply tutorial assistance to students outside of school by private providers. A pilot Tutorial Voucher Initiative was implemented during 2005 to provide reading tuition to children who were below the Year 3 national reading benchmark in 2003. Eligible students were entitled to $700 worth of individual tuition. The funds were not paid to parents but directly to the tutors. The scheme was administered in each state/territory by a private or government agency broker under contract following a tender process. The brokers facilitated the provision of tutorial assistance by way of contracting tutors, confirming child eligibility, providing parents with choice of tutors and managing the administration of the Initiative.

The Government has announced that the scheme will continue for at least another year, under revised administrative arrangements, as the Reading Assistance Voucher programme [Bishop 2006c]. Eligible students are those who did not achieve the Year 3 national benchmark in reading in 2006.

While a market for private tutoring services already existed, the Government subsidy for private tuition has deepened this market by making its services available to a wider group of people. The large majority of families that participated in the pilot programme had a relatively low SES background [Erebus International 2006]. As with increased Federal Government funding for low fee schools, the scheme provides access to market-based school education services for those who may not be otherwise be able to afford to do so.

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6 In her autobiography, Margaret Thatcher refers to the introduction of per capita funding in English schools by her Government as a “public sector voucher” [Thatcher 1993: 591]. Variable levels of per capita government funding for private schools in Australia, together with per capita funding of government schools, suggest that the Australian system of funding schools could be described as a “differential voucher system”. Edwards refers to this type of funding as “virtual vouchers” [2002: 114]. The advantage of such a system to governments is that it reduces the administrative costs associated with a “pure” voucher system in which vouchers are distributed to parents who then cash them in at the schools they choose.
A notable change in the revised scheme compared to the pilot scheme is that the extent of reliance on the market has been reduced. The new scheme dispenses with contracting out the management of the service to brokers and, instead, a national government body, the Curriculum Corporation, has been appointed as the national programme manager and will work with education authorities, schools and parents and caregivers to arrange the tutoring. This revision appears to be designed to overcome problems identified during the pilot project where private brokers experienced considerable difficulty in identifying eligible students and contacting their parents because of privacy issues [Erebus International 2006]. The evaluation report concluded that the programme worked best where it was supported by state governments and education authorities.

**A new system of private schools – technical colleges**

The Federal Government is directly supporting the establishment of new forms of schooling to increase choice and competition in the post-compulsory years. Beginning in 2006, 25 technical colleges will be established across Australia to provide academic and vocational education for students in Years 11 and 12.

These colleges are a new phenomenon in Australian schooling, even in terms of non-government schooling. They add a new component of choice. For the first time, the Federal Government has initiated the establishment of a particular form of school. Special governance arrangements are specified and the colleges will receive privileged funding levels that do not apply to other government or non-government schools.

The colleges are industry-led schools. They will be operated by consortia of local businesses, industry representatives, schools, TAFEs and other registered training organisations, and universities. The governing body of each college will be chaired by a local business or industry representative and with include other members from the local business community. While they may be constituted as government or private schools, it appears that virtually all of the proposed colleges are being established as non-government schools.\(^7\)

To the extent that technical colleges are constituted as government schools they would be a form of charter schools. They would operate independently of state education systems; be controlled by industry-led governing bodies; principals would have the power to engage staff; and teachers will be paid on a performance-pay basis. They would also be partially funded from private sources as funding will be sought from employers. In effect, they would be semi-privatised schools formally owned by government. However, as noted, it appears that all the new colleges have been established as non-government schools.

The colleges will be funded at higher rates than is normally available through Federal funding of schools. They will receive supplementary Federal funding on a needs basis for capital and ongoing costs to ensure they “have access to high quality facilities and offer appealing working conditions” [Parliament 2005]. The Federal Government will also

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fund each student at a college at the same rate as existing government and non-government secondary school students and it expects that State and Territory Governments will provide recurrent funding to each College at current per-student rates. This supplementary capital and recurrent funding will provide the colleges with a considerable advantage in competing with other secondary schools in each region where a college is established.

Other funding changes
In 1998, a funding re-classification assessed all Catholic systemic schools, except those in Western Australia and the ACT, at a lower resource level and provided them with increased Federal funding.

Establishment grants for new private schools were also introduced by the Federal Government in 2001. Increased capital grants were also a feature of the Howard Government’s increased funding support for private schools.

School performance measurement and reporting
To make a market work, signals are needed to influence behaviour. In the case of education, this can be provided by testing and reporting school results. This information facilitates parent choice of schools and well-performing schools will be rewarded and poor-performing schools will have incentives to improve if they are to keep ‘customers’.

The publication of school results has long been a central tenet of Coalition policy and is seen as critical to improving accountability and encouraging competition between schools.

To be able to undertake effective choices, parents must be informed. They want comprehensive information about their child’s progress and about the character and achievements of their child’s school and other potential alternative schools. [Kemp 1990]

Providing parents with clear information about literacy and numeracy outcomes at their child’s school will strengthen the capacity of parents to support the teaching at the school. The provision of clear information about educational outcomes is central to building parental and community support for schools. This information will help schools to know that they are meeting community expectations and will encourage adequate community recognition of the role of the teaching profession. [DEST 1998a]

The first steps towards a school reporting system was the development of a national performance measurement and reporting system to develop key performance measures. This involved the development of benchmark standards and performance targets to be reported on a national basis. The intention was that this would put pressure on education authorities to deliver comparable results, and to target and assist any schools and students having difficulty reaching the benchmarks [Kemp 1998b]. The establishment of agreed benchmarks or standards to measure performance was central to the new national system.

Benchmarks make clear the minimum standards that the community expects from Australia’s schools. The development and agreement of national level benchmarks permits the assessment of student performance against the agreed standard by all education systems, using their own rigorous processes. [Kemp 1999b]

8 Western Australia had already been placed in a more favourable funding category in the 1980s.
The new national system of reporting introduced in 1999 enabled a comparison of state and territory outcomes for the first time. Since then, the areas assessed and reported on have gradually been expanded and now include literacy, numeracy, science, civics and citizenship, information and communication technology (ICT), VET, and student participation and retention in schooling.

Literacy and numeracy are assessed annually by a test of all students in Years 3, 5 and 7 through state and territory based test instruments, incorporating common elements. Year 9 assessment is due to commence in 2008. Science is assessed every three years through a national test of a sample of Year 6 students. These assessments are complemented by the Programme of International Student Assessment (PISA) conducted every three years for literacy, mathematics and science for 15-year old students. National assessments for civics and citizenship and ICT occur every three years for a sample of Year 6 and Year 10 students. The first assessment for Year 6 science was carried out in 2003, civics and citizenship in 2004 and ICT in 2005. Participation and attainment in VET and to Year 12 is reported annually.

Education ministers have agreed to the introduction of common national literacy and numeracy testing in 2008 for Years 3, 5, 7 and 9 [MCEETYA 2006]. The common testing instruments have been developed as a means of improving the comparability of results between States and Territories, overcoming a number of technical difficulties associated with equating results from the different tests currently used across Australia. States and Territories will have the choice of administering the instruments as either a random sample test in addition to the state-based tests, or as a full cohort test replacing the existing tests [MCEETYA 2005].

Performance measures, benchmark standards and performance targets were developed over several years through MCEETYA and are incorporated in the regulatory conditions for Federal funding of schools [MCEETYA/PMRT 2006]. Under the Federal Schools Assistance (Learning Together – Achievement Through Choice and Opportunity) Act 2004, all education authorities are required, as a condition for Federal schools funding from 2005, to achieve performance targets specified in regulations. The targets are that all Year 3, 5 and 7 students will meet the national benchmarks in reading, writing, spelling and numeracy each year of the funding program from 2005, except for the very small percentage of students who have severe educational disabilities.

In addition, to the development of national assessments and reporting, the Howard Government has also implemented national requirements about reporting of individual school results. Dr. Nelson made the reporting of individual school results a central feature of the Federal Government’s education agenda.

Schools should publish and make readily accessible their academic outcomes, what vocational, education and training options are offered, where its graduates go, the professional standing of its teachers, absentee rates etc. If we want school choice to occur based on facts and not perception, then information is vital. I intend to introduce requirements into the next quadrennium of school funding to enrich the information on school performance that is available to parents. This is not about ‘league tables’ but about parents’ rights to full information. [Nelson 2003c]
Reporting school results and a range of other school information is now a requirement for federal funding of government and non-government schools. Information that is required to be published includes: teacher attendance and turnover; teacher qualifications; teacher participation in professional learning activities; average student attendance; the percentages of students in Years 3, 5, 7 and 9 achieving the national literacy and numeracy benchmarks; changes in students achieving the national benchmarks from the previous year; Year 12 results; student retention rates to Year 12; and parent, student and teacher satisfaction with the school.

The current education minister has signaled that new information requirements will be added to the conditions attached to Federal funding in the next quadrennium. The current requirements are for schools to publish the proportion of students achieving national benchmarks and not their actual average score results. However, Ms. Bishop has indicated her support for the publication of the raw academic scores of schools [2007a]. Despite Dr. Nelson’s oft-repeated claim that it is not the Government’s policy is not to introduce league tables of school results, Ms Bishop appears to be pre-disposed to introducing league tables of schools’ results [Topsfield 2007].

The two policies of increasing choice and reporting school results are mutually reinforcing. Choice is seen as facilitating accountability and school improvement by fostering competition for enrolments. Reporting school outcomes is said to facilitate parent choice of school by supplying information they need to make informed choices.

**School autonomy**

Competition is also promoted by the devolution of powers from central education authorities to local government schools, that is, school-based management.

Reduced regulation and greater autonomy for schools was a fundamental tenet of Dr. Kemp’s approach to school education. For example:

I would argue that the way forward, to ensure that government schools can compete effectively, is to give them greater autonomy from bureaucratic control and more freedom to exercise this leadership…. I want to be sure that these funds are going to schools which are autonomous and effective and this funding is not being used to support schools which are non-competitive and ineffective…. I believe a move to greater autonomy for government schools will provide Australia with the sort of schooling that this country needs for the next century: competitive; vibrant; diverse; and flexible. [Kemp 1997a].

The Howard Government has given its support to the devolution of powers in state and territory government school systems to provide increased autonomy to schools.

Many school systems have been moving for some time towards greater self management at the school level because it is recognised that if effective leadership is to be encouraged at this level, there must be authority to match responsibility. Greater autonomy creates the freedom for schools to improve their teaching and learning that they do not have under centralised systems. [DEST 1998a]

Dr. Nelson re-affirmed this policy principle on several occasions in recent years. For example:
The relative lack of power of the principals and school council in government schools is one of the key differences between the government and independent school sectors. Research into country performance in international comparative studies has identified school autonomy in process and personnel decisions as one of the key factors in success. We should be following the lead of these countries and follow the lead of independent schools by giving principals in government schools in Australia the power and responsibility for delivering quality education for their communities. [Nelson 2003c]

In the early years, Federal Government support for increased school autonomy was largely implemented through research funding and grants to schools to explore ways of developing greater flexibility and autonomy [for example, see Kemp 1998h].

The Government has acted to support increased school autonomy through its recurrent funding arrangements. Dr. Nelson stated that giving principals greater power over the running of their schools should be accelerated nationwide [Nelson 2003c, 2004g, 2005c]. It is now a requirement of Federal funding of schools that principals have some responsibility for budgets and some say over staff appointments.

The current education minister proposes to extend these arrangements to give principals control over the appointment of teachers [Bishop 2007a]. She has stated that she will negotiate with state and territory governments to give principals the power to hire and fire teachers.

A national market in school education

The Howard Government has promoted choice and competition in school education on a nationwide basis. Federal funding of government and private schools takes place on a national basis. Obviously, this is not a new feature. However, the Howard Government has significantly increased federal funding of private schools relative to government schools and this has served to extend choice and competition on a national basis. The privatization of schooling is occurring on a national basis. The new technical colleges are also being established nationwide.

National requirements to promote choice and competition between schools have been introduced as a condition for federal funding of schools. These include reporting of school results and other school information and increased school autonomy over education programs, staffing, budget and other aspects of the school operation. However, beyond these changes, the Howard Government has made the development of a national education system a specific policy priority in recent years [Howard & Nelson 2004a, Liberal Party 2004a; Nelson 2004g, 2005c].

A national market requires institutional arrangements, such as those relating to property rights and other government regulations and standards, which apply to all producers and consumers so that they can compete and make choices on “a level playing field”. A common national institutional framework serves to reduce the costs of providers operating in different jurisdictions and facilitate greater competition. It also reduces the
difficulties and costs incurred by consumers purchasing goods and services across the nation and, especially in relation to education, in moving between jurisdictions.

The Federal Government has embarked on a project to reduce these differences and is developing a national regulatory framework for school education. The ultimate goal is to have one Australian school education system.

I would just like to announce that the Commonwealth Government and I as the Federal Minister for Education will be starting a process which we envisage will take six or seven years our target being 2010 to drive Australia’s eight different educational jurisdictions to one education system for Australia. [Nelson 2003a]

The Government’s program has several features. Early initiatives were to revise the national goals of schooling and develop national performance monitoring and reporting arrangements. The main focus now is on the establishment national standards and regulations for other key aspects of schooling. When completed, the national school education system will comprise:

- national goals and standards;
- common elements of school structure and operations;
- national curriculum requirements;
- national regulation of teachers and teaching;
- common assessment and certification for some year levels; and
- national reporting of outcomes.

Considerable progress has been made on implementation of this ambitious program, although there have also been some setbacks. Agreement on national goals for schooling and the development and introduction of national reporting of school outcomes was achieved during Dr. Kemp’s period as Minister. During Dr. Nelson’s administration progress towards a national system was achieved through:

- an extension of national assessment and reporting of outcomes;
- development of national Statements of Learning in English, mathematics, science and civics and citizenship that all students should have the opportunity to learn by the end of years 3, 5, 7 and 9, irrespective of where they attend school;
- establishment of a national body to develop national teaching standards; and,
- greater autonomy in each jurisdiction for principals and the governing bodies of schools over education programs, staffing, budget and other aspects of the school’s operations.

However, state and territory governments have rejected Federal Government proposals to introduce a national Year 12 Certificate and have not agreed on a uniform starting age for school.

**Participation in the international market**

Another feature of the Howard Government’s program for the marketization and privatization of school education is participation in the international market for education
services. It supports the internationalization of education and is seen one of “the most ardent supporters of free trade in education” [Ziguras et.al. 2003: 359]. Participation in the international market for school education involves both enrolling overseas students in Australian schools and assisting Australian providers of school education in overseas countries.

Overseas fee-paying students have been enrolling in Australian schools for many years and the large proportion is enrolled in private schools. However, the number of enrolled in government schools increased during the 1990s and these students have become an important source of revenue for some schools [see Leung 2006a]. Overseas fee-paying students introduce an element of private provision within the public system, which raises complex issues about the appropriate attribution of costs between publicly and privately-funded students within the government system.

It is Federal Government policy to expand Australia’s education export market and, while the main focus is on the tertiary education market, school education is seen as an important part of Australia’s education export industry. The Government’s main policy statement on international education specifically states that it builds on the Government’s program for greater national consistency and improved quality in the school system [Nelson 2003d].

Both the Federal and State/Territory Governments play roles in the regulation and funding of Australia’s participation in the international school education market. The Federal Government’s role consists of promoting Australian school education abroad, providing quality assurance for Australian providers and regulating the movement of students, providers and researchers between Australia and other countries. The Federal Government is also involved in trade negotiations to reduce barriers to trade in education services, including school education.

In the long term, the development of a national market will encourage the development of a profit-making education industry that supplies a range of services to schools. This will further add to the pressure to extend the national market and to participate in the developing international market for education services. Thus far, the focus of Australia’s participation in GATS as far as education is concerned has been tertiary education and training, but little progress is being made in the negotiations. However, once completed, and this could take many years, the focus will inevitably shift to school education, especially as the education industry around school education grows domestically and internationally.

**Promotion and regulation of education exports**

In recent years, the Federal Government has revised the policy framework for international education [Nelson & Downer 2003; Nelson 2003d]. It has introduced a new regulatory framework to provide quality assurance as well as providing government programs and funding to promote the export of school education (that is, attracting overseas students to Australian schools and supporting Australian providers in overseas countries).
The Government has played a central role in providing quality assurance for overseas students. It has revised the national legal framework governing the responsibility of education institutions towards overseas students to provide assurances about the quality of education and training and to protect overseas students. Education and training ministers also recently announced the establishment of the Transnational Quality Strategy to assure the quality of education and training programs operated in other countries by Australian providers [Joint Ministers’ Communique 2005].

Australian Education International (AEI) was established to support Australian exports of education. It undertakes government-to-government liaison and promotes Australia’s education capability to educational authorities, institutions and potential students overseas. Its activities include marketing support to providers, improving quality assurance and gaining recognition for Australian qualifications. For example, it administers the Professional Services Development Programme, which is aimed at improving international recognition of Australian educational qualifications, including school qualifications. Part of the rationale for developing greater national consistency in school education, especially in Year 12 certification, is to have a uniformly recognized national school qualification that could facilitate increased enrolments in Australian schools by overseas students [DEST 2004a].

The Government’s program includes reducing regulatory barriers to the export of education. For example, it has streamlined student visa processing for students entering Australia.

Trade agreements
The Howard Government supports a more liberal trade environment for education services. It has entered into multilateral and bilateral trade agreements that establish trading rules for trade in services such as education.

The Australian Government is pursuing the reduction of barriers to the export of Australia’s education services through the General Agreement on Trade in Services (GATS). Its major objective is to use the GATS negotiations to gain access to new markets for Australian education exporters.

Australia’s basic objective for the GATS negotiations is to improve market access conditions for Australian services exporters. Australia has very significant interests in increasing the export opportunities in this sector, which is a high growth area and offers significant prospects for further growth and employment for all Australians. [DFAT 2003a: 10]

Australia is a signatory to the GATS which came into force in 1995. The GATS establishes a framework of rules for international trade in services. The agreement applies to measures by WTO Members that affect trade in services and, in principle, covers all commercially traded services. All services are covered, except those “supplied in the exercise of governmental authority”, these being defined as services which are neither
supplied on a commercial basis nor in competition with other service suppliers and services.

Under the GATS, WTO Members can negotiate commitments to open specific service sectors to foreign competition (market access) and to afford foreign suppliers the same treatment as domestic suppliers (national treatment). Members can also make commitments about the operation of their domestic regulation of services. Education is currently one of the least-committed sectors in the GATS [DFAT 2006].

A specific commitment in a services schedule is an undertaking to provide market access and national treatment for the service activity in question on the terms and conditions specified in the schedule. When making a commitment a government therefore binds the specified level of market access and national treatment and undertakes not to impose any new measures that would restrict entry into the market or the operation of the service.

Under the Keating Government, Australia entered into several commitments. The commitments on education are limited to private secondary and tertiary education, and in the ‘other’ education category which includes English language tuition. It made commitments on private secondary education, but not on public education [DFAT 2003a]. It has given market access undertakings under which Australian governments will not limit the number of providers, the number of students they may enrol, the legal form of new entrants (for example, for-profit company) or limit foreign ownership of providers. However, it has retained the option to discriminate between domestic and foreign providers in the allocation of government subsidies.

The current round of GATS negotiations was launched in January 2000 and involves negotiation through a request/offer process. The Australian Government has made specific requests for commitments on education services from 19 WTO members [Nelson 2003d], although this appears to have been revised down to 16 [DFAT 2004a]. Requests have been submitted to Australia to make full commitments on secondary education services, higher education services and other education services [DFAT 2003a]. A few have requested that Australia make full commitments on primary education services and adult education services. Others have asked for clarification as to what education services are covered under the various categories and details on National Treatment exclusions. The Howard Government has not entered any further commitments and has not made any offers relating to trade in school education [Nelson 2003d; DFAT 2004a, 2005].

The Government has stated that GATS does not threaten government school education [for example, DFAT 2003a, n.d.]. It has emphasised that GATS excludes services delivered in the exercise of governmental authority, including public education. Despite these assurances, there is considerable uncertainty about the implications of GATS for publicly provided services such as school education [see Grieshaber-Otto & Sanger 2002; Robertson 2003; Ziguras et.al. 2003]. The basis issue is whether the exemption for compulsory education would apply in those cases where there is no competition or where
education supply does not operate on a commercial basis. The problem is that Australia, like many other countries, has a mixed education system, in which the private sector also provides education and competes with the public sector.

Critics of Australia’s approach to GATS are also concerned that Australia’s current commitments on education have reduced the governments’ ability to steer the development of private education and ensure that private institutions meet equity and access targets [Ziguras et.al. 2003: 371].

Australia has entered into bilateral trade agreements with the United States, Singapore and Thailand in recent years which include provisions relating to trade in education services. Negotiations are also under way with several other countries, including China and Malaysia, on free trade agreements which will likely include trade in education services.

The Australia–US Free Trade Agreement, for example, is more far-reaching than the liberalization agreed to by the United States under the GATS in a wide range of sectors, including educational, financial and professional services. The main provisions relate to non-discriminatory treatment and mutual recognition of qualifications [DFAT 2004b]. As in the case of the GATS, the Agreement does not apply to services supplied in the exercise of governmental authority, being services supplied neither on a commercial basis, nor in competition with one or more service suppliers.
4. Federal control and regulation of schooling

Increased federal role
The Howard Government asserted a major role in school education in Australia right from the beginning.

The Commonwealth Government accepts a role of leadership in school education, for the quality of Australia's school education is of vital significance to the future of Australia. [Kemp 1996e]

A feature of the Howard Government’s school policy approach is the extent to which it has been prepared to intervene in and override traditional state and territory responsibilities. Despite the commitment to market-type mechanisms and despite extensive state government responsibility for school education, the Howard Government has overseen a significant centralization of powers over school education. State and territory government control over school education has been reduced over the past 10 years.

Until recently, the federal government role in school education largely consisted of recurrent general funding grants with few specific conditions, capital grants and special program funding for groups of students. Now, the federal government also plays a central role in directing school education in areas such as curriculum, teaching, vocational education and training, assessment and certification, performance measurement and reporting, and specifying particular school structures, activities, and how schools should operate. Its ultimate goal is to establish one national school education system and it has made considerable progress towards this.

Another significant change has been to provide substantial funding directly to government schools rather than through state and territory governments, thus giving the Federal Government a direct influence over schools.

Curriculum
The Federal Government has had an increasing influence on school curriculum. For much of its period of office it has focused on developing particular curriculum areas such as science and mathematics, civics and citizenship, values education, vocational education and employability skills, drug education, music and safe schools. Much of this involved developing national approaches to these specific curriculum areas.

However, the scope of Federal Government involvement in curriculum has expanded significantly to develop greater national consistency in the curriculum of key learning areas through the National Statements of Learning which have been endorsed by Education Ministers. The Statements identify essential elements of learning in English, mathematics, science, civics and citizenship and ICT that all students should have the opportunity to learn by the end of years 3, 5, 7 and 9. They provide common curriculum elements that are to be incorporated in state and territory curriculum documents in each
jurisdiction and, as such, are a significant development towards a national curriculum in key learning areas.

Dr. Nelson raised the prospect of Australia-wide syllabus documents in key learning areas in primary schooling following the recommendation of a report on benchmarking the Australian primary school curriculum commissioned by the Government [Nelson 2005f; Donnelly 2005]. The Government also commissioned an independent benchmarking study to compare the content, curriculum and standards of Year 12 English (including English literature), Australian history, mathematics, chemistry and physics, literature and English. Its report was published in early 2007 and found that there was substantial consistency in some subjects and significant differences in others [Matters & Masters 2007].

The Education Minister says that the report makes a compelling case for national consistency in curriculum, assessment and reporting [Bishop 2007a] She also wants the Federal Government to take “a leadership role in a fight for a back-to-basics approach across the curriculum” [Bishop 2006g]. To this end, she has advocated a common model national curriculum in core subjects controlled by a national board of studies.

We need to take school curriculum out of the hands of ideologues in the State and Territory education bureaucracies and give it to say a national board of studies, comprising the sensible centre of educators – with representatives of our State and Territories, bringing to the table the very best examples of all that the States have to offer. [Bishop 2006g]

At this stage, it is not clear what the Federal Government’s approach is to the development of a national curriculum. The ACER report recommended the development of a core curriculum for several senior school subjects that clearly specifies what all students in Australia taking that subject are expected to learn, regardless of where they live [Matters & Masters 2007: ix]. It also recommended the development of a set of achievement standards as a nationally consistent description of how well students are expected to learn the core in each subject.

The Education Minister has stated that the issue will be discussed with education ministers in the near future with the expectation that the states and territories will work together with each other and the Federal Government to establish national benchmarks for nationally consistent curricula and year 12 certificates [Bishop 2007b]. Whether this would involve a specific curriculum and a national board of studies as previously canvassed by the Minister is not clear.

The previous Education Minister, Dr. Nelson, specifically rejected the concept of a syllabus approach to a common national curriculum.

I'm actually opposed to the idea of a national curriculum throughout schooling. I think kids learning the same thing same day of the week in every part of the country is a prescription for mediocrity. [Nelson 2005a; see also Nelson cited in Grattan 2005]
The Prime Minister has said that a national curriculum would not mean that every school’s curriculum would be identical and that every classroom should be teaching the same subjects at the same time every day [Edwards 2007].

Others close to the Government have opposed the introduction of a common national curriculum. Former Education Minister, David Kemp, has said that it will be impossible to obtain state government agreement on a high quality national curriculum and that it would be a mistake to replace a state monopoly curriculum with a national monopoly curriculum [Kemp 2006].

The concept of one curriculum imposed on every school is outdated. Bishop is right to say a national interest in curriculum is not a matter of replacing the states’ monopoly with a national monopoly. This will prove to be the key policy point.

He also stated that the existence of one national curriculum creates the risk that a future national government will simply replace one national curriculum with another.

This is a view shared by others, for example:

The Minister should be supported in her desire to improve the quality of education and she has raised some valid issues. However, her proposed solution – a national curriculum – is completely the wrong way to fix the problem. Giving control to a single authority, in this case the Commonwealth Department of Education, over what’s studied by Australia’s 3 million school students is a disaster waiting to happen. It is a power that will inevitably be abused. [Roskam 2006]

Dr. Kemp proposes that the Federal Government develop its own national curriculum. However, instead of requiring all schools to adopt the one national curriculum, Dr. Kemp proposes that the Federal Government use its powers to require the states and territories to permit schools to choose any accredited curriculum, including one developed by the Federal Government.

The Howard Government has made federal funding conditional on the introduction of specific curriculum requirements across Australia. These include compulsory physical education in all schools, values education and drug education.

More recently, it has conducted a campaign for what the Prime Minister has called a ‘root and branch renewal’ of the teaching of history in Australian schools [Howard 2006a]. It has aimed to make the teaching of Australian history a critical part of the syllabus of each state and territory education authority and as a compulsory, stand alone subject during some period of high school [Bishop 2006f]. To this end, it has commissioned the development of a model Australian history curriculum. It is likely that federal funding will become conditional on adoption of history as a compulsory subject for some school years by state and territory governments. As one commentator stated:

In an audacious extension of federal power, the Howard Government is effectively seizing responsibility from the states for history teaching. [Grattan 2006]
A further aspect of the Government’s increased role in curriculum has been to provide funding to develop curriculum resources in several areas. These include science, mathematics and technology; civics and citizenship; values; music and drug education. For example, the Government sees school education as an important way of contributing to the improvement of Australia’s scientific and technological skills and has provided funding to support curriculum resources and improved teaching through programs such as the Science Education Assessment Resources (SEAR) Project, Boosting Innovation, Science, Technology and Mathematics Teaching (BISTMT) programme and the Australian School Innovation in Science, Technology and Mathematics (ASISTM) project.

The Federal Government sought incorporation of civics and citizenship as a core part of the studies of society and environment learning area within the curriculum of all states and territories. This was endorsed by state and territory education ministers. To support civics and citizenship education, the Federal Government has provided funding for curriculum materials to be developed and distributed by the Curriculum Corporation as well as the Discovering Democracy website to provide curriculum units, other online civics and citizenship education resources, professional learning, and case studies of good practice civics and citizenship education.

The Federal Government has expended considerable effort in promoting values education in schools. A national Values Education Study was commissioned by Dr. Nelson in 2002, and which was supported by state and territory Ministers at the July 2002 MCEETYA meeting. The Values Education Study was published in August 2003. It identified a set of key values from discussion with Australian school communities. Funding was provided in the 2004-05 Budget for values education in schools, including values education forums, showcasing best practice, curriculum and assessment resources, and partnership projects with parents, teachers and principals. A National Framework for Values Education in Australian Schools has been endorsed by MCEETYA.

A related approach has been to introduce elements of patriotism into school education. It is now a requirement of Federal funding that all schools should fly the Australian flag. The current Education Minister wants schools to instill respect in students for society’s institutions and to make the playing of the national anthem a normal part of a school’s life [Bishop 2006i].

A further priority has been to broaden the senior secondary curriculum through VET in school programs.

**Teaching**
The Howard Government has made improving teacher quality a key priority in improving student outcomes.

…the number one goal for all governments and educational authorities in school policy is to raise the quality, professionalism and status of teachers. From the Australian Government’s perspective, this is the highest priority across my entire portfolio. [Nelson 2004g]
While previous Federal governments have also supported the improvement of teacher quality with various programs in the past, the Howard Government is exercising an unprecedented degree of influence over teaching. It is involved in developing national teaching standards, improving the quality of teacher training and supporting performance pay for teachers. These priorities were set out in a keynote address by Dr. Nelson in the lead up to the 2004 election:

Firstly, Australia’s teachers need to formally recognise what most already do. They need a body of nationally consistent professional development standards developed by them for them. They need to proudly promote evidence of participation by teachers in them. Teachers need to actively and consistently participate in ongoing professional learning activities and be financially supported to do so by serious dollars by governments.

Further, attention needs to be given to the quality of teacher training courses. The profession itself needs to have far greater influence in this area. Other faculties also need to be more closely integrated and influential over teacher education to ensure that standards are maintained in the key subject discipline areas. More teacher practicum needs to be done as part of teacher training.

We also need to make the pursuit of a teaching career more attractive to our best and brightest students. We should be aiming to attract the best people to teaching not just at the start, but during their careers…

Finally higher pay for quality teaching must be supported. At the moment the most mediocre teacher is paid the same as someone who has a life-changing impact on our children. Other countries are working on recognising teachers with advanced qualifications and on delivering performance pay to reward the best teachers. We need to follow suit in order to keep our best teachers in the classroom and in Australia. [Nelson 2004g]

The development of national professional standards and national accreditation of teacher training courses has proceeded largely in collaboration with state and territory governments and professional associations. Teacher unions are formally excluded from the process. The strategy is to entice the agreement and participation of individual teachers and thereby undermine the role and influence of the unions [Kelly 2006b].

Professional development

In 2000, the Government launched *Teachers for the 21st Century* to improve teacher quality and leadership in schools [DEST 2000a]. It aimed to improve teacher quality and increase the number of highly effective Australian schools by: lifting the quality of teaching through targeted professional development and enhancing professional standards; developing the skills of school leaders; supporting quality school management; and recognising and rewarding quality schools, school leaders and teachers.

This policy initiative is being implemented through the Australian Government Quality Teaching Programme (AGQTP), initially known as the Quality Teaching Programme. It includes funding for Teaching Australia, professional learning activities in conjunction with state and territory governments and national projects.

A key objective is to develop nationally consistent professional standards for teachers and school leaders. To this end, the Government established the National Institute for Quality Teaching and School Leadership, now known as Teaching Australia, to develop national standards and improve the quality and status of the teaching profession. Its specific purposes were stated by the Minister [Nelson 2005h] as:
• developing professional standards for advanced teaching and for school leadership;
• developing a national approach to ensuring that universities produce quality teaching graduates;
• building leadership capacity in schools and developing the next generation of school leaders;
• rewarding excellence in the teaching profession; and
• promoting teaching as a highly desirable and important career.

The work on professional standards by Teaching Australia is directed at standards for advanced teaching and school leadership rather than graduate teacher standards. State and territory teacher registration and accreditation bodies have responsibility for determining minimum standards for employment as a teacher. Moreover, Teaching Australia has no power to enforce the application of these standards, but relies on a collaborative approach by the teaching profession in developing and applying the standards.

Other jurisdictions have developed, or are in the process of developing, professional standards for teaching and several professional associations have also developed standards for their subject areas.

The Federal Government has been involved in a process being conducted through MCEETYA to develop nationally aligned professional entry standards or graduate level standards. Under this process State/Territory employers and registration/accreditation bodies have been asked for a report on progress in aligning their requirements for employment and or registration of graduate teachers with the National Framework for Professional Standards for Teaching which was endorsed by Ministers in 2003.

The Government has also taken several initiatives to improve the quality of teacher training courses. One of the roles of Teaching Australia is to develop and implement a national accreditation system for teacher training courses. This will be a voluntary system developed with the involvement of professional bodies and key stakeholders [Teaching Australia 2006b]. This national accreditation process is likely to incorporate professional standards expected of graduates.

Under its Teachers for the 21st Century program, the Federal Government has included requirements for increased teacher practicum as part of teacher training. An inquiry has been conducted into the teaching of literacy and its recommendations have been referred to the Council of Australian Governments (COAG) for consideration [Bishop 2006d].

The Government has directly intervened into professional development of teachers to improve teaching skills. The AGQTP provides funding for the professional development of teachers in collaboration with state and territory governments. The Programme also funds national action research and sharing of resulting teaching and learning resources and best practice. Apart from the AGQTP, the Government also provides significant funding to enhance the skills and understandings of teachers in priority areas such as
literacy, numeracy, civics and citizenship, enterprise and vocational education in schools, Indigenous education and drug education.

The Government established its own inquiry into the quality and adequacy of teacher education in Australia, conducted by the House of Representatives Standing Committee on Education and Vocational Training [Nelson 2005b]. The Committee published its report in February 2007 and recommended a national approach to teacher education that integrated national professional standards, teacher registration and national accreditation of teacher education [Standing Committee on Education and Vocational Training 2007]. It proposed a common set of national professional standards for teaching to be used by all jurisdictions for the registration of teachers and the accreditation of courses.

The Government has not formally responded to the report, but Ms. Bishop has stated her support for a nationally consistent teacher training and registration process [Bishop 2007a]. The Government supports compulsory professional development linked to ongoing teacher registration.

Improving teacher quality can be achieved through a nationally consistent regime for compulsory professional development linked to ongoing teacher registration. [Bishop 2006g]

**Performance-based pay**

The Government is also committed to a system of performance pay for teachers [Nelson 2003b, 2003c, 2005f; Bishop 2006g, 2007a]. For example:

I strongly believe that we need to start giving teachers performance-based pay…We need to identify, encourage and reward our outstanding teachers. This will provide incentives for all teachers to lift their standards and aspire to deliver better results for students. [Bishop 2006g]

I have believed in performance-based pay for teachers for a long time. [Howard 2006c]

It is using its influence to implement this principle where possible. One of the conditions under which the new technical colleges will operate is to include a performance-pay element in teacher remuneration. Indeed, the Prime Minister sees the new technical colleges as trail-blazers for the introduction of performance pay for teachers.

They’re going to attract teachers on performance-based pay which is long overdue. We need to pay our better teachers a lot more and this is a way in which the Federal Government can do it. We don’t run the state schools, we don’t run the independent schools. We’re going to run these technical colleges and we can be trail-blazers through these, in remunerating teachers according to effort and ability. I want to elevate the status not only of technical education, but the status of teachers in our community. And one way of doing that is to get a breakthrough on performance based pay and it’s long overdue and I think it is going to be widely welcomed throughout the education sector generally. [Howard 2004h]

The current Education Minister has proposed that the introduction of cash bonuses for individual teachers and schools based on their performance. The bonuses would be paid directly to teachers and schools by the Federal Government, thus by-passing state and territory governments.

I'm looking at ways of rewarding individual schools and teacher performance, to shift the balance away from the state bureaucrats and state teachers unions and try to get accountability through an incentive-
Under the plan, existing Federal school funding would be broken into base funding, paid to the states, with a percentage set aside for an incentive fund. Ms Bishop said the reward scheme would form part of the next round of funding negotiations with states and territory governments.

**Vocational education and training**

Vocational education and training (VET) in schools has been a priority area for the Howard Government since it was first elected. Its goals have been to develop work force skills and to provide additional pathways for the education and employment of young people [see Kemp 1997e]. It sees the preparation of students for participation in the world of work is an essential element of the education mission of a school.

Schools are well placed to build a bridge for students from the classroom to employment. For too long schools have been isolated from the labour market. Many schools will welcome the chance to play an active role in helping students to get jobs. [Kemp 1997a]

Seventy per cent of school leavers don’t go directly from school to university. Vocational education and training pathways can play a very important part in providing a real start to their career and clear pathways for young people as they move from school to work and make that transition from adolescence to adulthood. [Kemp 1999c]

Improving the transition from school to work has remained a policy priority of the Federal Government and became a key part of the agenda for a national education system [Howard & Nelson 2004a; Nelson 2003c, Nelson 2004g; DEST 2004a].

Vocational education in schools now covers a broad range of activities including:

- VET in Schools\(^9\);
- part-time school-based New Apprenticeships;
- general vocational learning including activities, such as work experience and structured workplace learning;
- enterprise education; and
- career education, information and guidance.

The Federal Government operates programs in each of these areas [for further details of these programs, see Appendix B]. They include broadening the curriculum in the senior secondary years to include more subjects which provide industry-recognised qualifications and work placement. It has supported a range of initiatives to assist students obtain skills and qualifications recognized by industry such as industry-accredited training modules and school-based apprenticeships and traineeships. It has provided significant funding over many years to make VET part of the mainstream curriculum in the senior secondary years and to improve the transition from school to

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\(^9\)VET in Schools refers to vocational education and training that is undertaken as part of a senior secondary certificate and its completion by the student provides credit towards a recognized VET qualification within the Australian Qualifications Framework
work. It has initiated programs to improve enterprise education and careers advice. The establishment of technical colleges in several regional areas is seen as a way of improving the skill base of these regions and providing employment opportunities for students.

For the most part, the Federal Government’s initiatives are being implemented in co-operation with state and territory governments through an agreed national framework for vocational education and long-standing national arrangements such as the Australian National Training Authority and the Australian Qualifications Framework. However, the Government has also provided direct funding to Local Community Partnerships (LCPs) that administer the Government’s Structured Workplace Learning, Career and Transition Support and Adopt a School programmes rather than direct the funding through state and territory governments.

**Assessment and certification**

The Federal Government is also extending its control over aspect of school assessment and certification. It is committed to introducing an Australian Certificate of Education and has obtained the agreement of the states and territories to include common elements in their standardized testing regimes.

Dr. Nelson stated that a nationally and internationally recognised and agreed system for assessing the academic standards of students completing year 12 was needed in view of the inconsistencies between jurisdictions [Nelson 2005f]. He also raised the prospect of national exams in some Year 12 subjects.

In May 2005, the Government commissioned a study to prepare options for an Australian Certificate [Nelson 2005e]. The report was published in May 2006. It recommends that a single senior certificate is more likely to promote consistency in senior secondary arrangements, to provide comparability of student results across Australia, and to ensure nationally consistent high standards of curriculum provision [ACER 2006]. However, to date, the idea of a national Year 12 Certificate has been rejected by state and territory governments.

**School structure and operations**

The Federal Government now intervenes directly in determining school structure and operations to an unprecedented degree. Its requirements include greater school-based management, reporting to parents on student progress, a school flag pole and ceremonies and public display of specific posters.

All these requirements are now a condition of Federal funding for schools. For example, state and territory governments must commit to providing principals and the governing bodies of schools strengthened autonomy over, and responsibility for, education programs, staffing, budget and other aspects of the school’s operations within a supportive framework of broad systemic policies.
Also, schools are required to meet certain conditions on reporting to parents on student progress as a condition of Federal funding. School reports must be written in plain language while children’s achievement must be reported against national standards (where available) and reported relative to the child’s peer group at the school.

The extent to which the Howard Government is now intervening to set conditions for school operations and programs is epitomized by the requirement that all schools have a functioning flagpole and fly the Australian flag and a requirement that all schools must display posters on values education and safe schools in a prominent place. The Government requires that schools, as part of their civics and citizenship education activities, should conduct regular ceremonies to recognise the national flag and sing the national anthem to encourage students to appreciate the essential values of our democratic society and to learn more about the symbols that underpin them [DEST 2005e].

**Means of increasing federal control**

As the Federal Government has limited direct constitutional power over school education, it has had to use other means to develop the framework for a national market in schooling. The role of the Federal Government in school education has been enhanced by:

- Increased conditions for recurrent federal funding;
- Direct funding of government schools;
- Contracting out programs;
- The establishment of new Commonwealth institutions;
- Agreements forged with state and territory governments through existing federal arrangements; and
- Political campaigns to reduce state/territory government influence.

**Conditions for recurrent school funding**

The key to the increasing involvement of the Federal Government in school education is its use of funding arrangements to bring about changes by state and territory governments. This has been acknowledged in the Government’s own reports and statements. For example:

> While the basic legal framework of Australia’s education systems has not changed in the past decade, the involvement of the Australian Federal government has increased. The extent and nature of this involvement in education is very much a function of funding arrangements. [IBE 2001: 1]

Federal governments have traditionally provided special purpose payments (SPPs) to state and territory governments in a variety of areas including school education. SPPs are made under section 96 of the Constitution, which states that the Commonwealth Parliament may grant financial assistance to any State on such terms as it thinks fit. In most cases, SPPs are subject to conditions reflecting Commonwealth policy objectives or national policy objectives agreed between the Commonwealth and the States. It is because of the conditions attached to SPPs that they are sometimes referred to as ‘tied grants’.
Grants for school education include general re-current funding for school education, capital grants and funding for targeted programs. Previous Federal governments have relied largely on targeted programs to pursue specific education policies. However, the Howard Government has attached detailed conditions for both general re-recurrent funding and targeted programs that reflect Federal school education policies and to enhance its influence over school education.

Despite loud protests from many state and territory governments about the conditions attached to Federal funding for school education, they have generally complied under the threat of losing funding.

**General re-current grants for school education**

From very early on, the Government used its funding power to establish a position of dominance over state and territory governments and to force them to comply with Federal Government school education priorities. The stage was set by the Enrolment Benchmark Adjustment (EBA) introduced in the first Howard Government Budget in 1996.

The EBA was used to re-claim part of government school general recurrent grants as a consequence of the shift in the proportion of students enrolled in private schools. The Federal Government’s rationale for the EBA is that when a student moves from a government school to a non-government school, State governments make a saving in expenditure and the Federal Government pays more because government schools are largely funded by state and territory governments and the main source of government funding for private schools is the Federal Government. The Federal Government claimed that it was entitled to some of the saving because its unconditional general financial assistance grants (FAGs) to the states and territories contribute to their funding of government schools.

The EBA adjusts the share of government school general recurrent grants to the States by approximately half of the savings that are estimated to accrue to State governments as a result of enrolment drift from the government to the non-government sector. The States retained the remaining 50 per cent. The savings estimate is based the difference between an adjusted average cost per student in the government sector and the Federal Government’s subsidy to each private school student. The EBA was triggered by a shift in the share of enrolments to the private school compared to the benchmark year of 1996 and which was beyond a buffer zone.

The EBA represented a major change to Federal/State relations in education funding. The Federal Government, in effect, unilaterally levied a penalty on its recurrent funding for government schools as the proportion of enrolments in private schools increased. The measure was widely perceived as unfair because it could be, and was, triggered even when government school enrolments increased.10

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10 This was acknowledged even by supporters of the Federal Government’s funding policies. For example, see Buckingham 2000.
The ongoing controversy lead to a New South Wales Government announcement in 2000 that it would recoup $5 million of its funding from wealthy private schools and the establishment of a working party of most state and territory education ministers to review the impact of the EBA. During the 2001 election campaign, the Federal Government announced that the funds retained by the Commonwealth under the EBA would be turned into a conditional grant to those state and territory governments where the EBA is triggered to foster scientific, mathematical and technological skills.

In the 2001-02 Budget, the Federal Government provided $184.3 million over 5 years to government schools for the purposes of achieving better scientific, mathematical and technological skills, developing school based innovation and building supportive school environments in those states or territories where the EBA is triggered [DEST 2001a]. States and territories that trigger the EBA are required to submit a strategic plan outlining the measures they will take to foster scientific, mathematical, technological skills and innovation in their schools and to report on outcomes against this plan. In 2004, the program was extended for another four years to 2010-11 with further funding of $373 million [DEST 2004d].

Apart from the EBA, the Federal Government also set out to make its general re-current funding grants to state and territory governments for school education subject to more conditions that reflected its school education priorities. The extent of these conditions attached to represents a major change of approach by the Howard Government compared to those of previous governments. Over the course of the last ten years, the list of detailed conditions attached to these grants has expanded considerably.

At first, they largely consisted of a commitment to broad policy priorities, financial accountability requirements, broad educational accountability requirements and administrative guidelines. The educational accountability requirements for the 1997-2000 quadrennium included the provision of information for the National Report on Schooling in Australia, the provision of agreed reports and participation in evaluations of the outcomes of programmes of financial assistance. The 2001-2004 requirements added specific performance measures and targets in relation to literacy and numeracy achievement against agreed national benchmarks for Years 3, 5 and 7.

Under the arrangements for the current funding quadrennium (2005-2008), government and non-government schools are subject to a variety of conditions that directly impinge on traditional state powers in education. Under the Schools Assistance (Learning Together – Achievement Through Choice and Opportunity) Act 2004, education authorities and schools are required to commit to:

- Greater consistency in schooling across Australia;
- Performance targets and reporting against performance measures;
- Requirements for reporting on student progress to parents;
- Reporting of school outcomes;
- Expanded national reporting of student outcomes;
- All children being taught Australian values and the dangers of drug use;
• National curriculum standards in numeracy, literacy, civics and citizenship, science and information technology;
• Common national testing in numeracy, literacy, civics and citizenship, science and information technology;
• Providing information on expenditure on teacher professional learning;
• More autonomy for school principals over teaching appointments;
• Safer school environments;
• Participation in national system of transmitting student information between schools for students moving interstate; and
• Minimum time for physical education.

The Minister for Education responsible for this legislation, Dr. Nelson, stated at the time that the Government was prepared to use its funding as a lever to gain the compliance of state and territory governments to reducing regional differences and develop greater national consistency [Nelson 2003c].

The current Minister has also exhibited a strong willingness to use federal funding as a condition for states complying with federal school education priorities. For example, she warned the Western Australian Government that its federal funding for schools would be reviewed if it did not comply with the Minister’s request that the WA Government delay the introduction of its new Year 12 curriculum [Ferrari 2006a]. The Minister has also called on the Queensland Government to change its planned legislation on the teaching of religion in government schools [Bishop 2006e]. As noted above, she has stated that the introduction of performance-based pay for teachers will be a subject of negotiations with state and territory governments for the next quadrennium of Federal funding for school education.

Targeted programs

Previous Federal Governments have used funding for targeted programs to achieve policy objectives in school education. The Howard Government has continued this practice and made new programs available subject to conditions. For example, it imposed conditions on future funding of literacy programs. State and territory governments were threatened that Federal funds would be withheld unless they agreed to a national literacy plan and national benchmarks for literacy and numeracy [Mitchell 1997; Slattery 1997; Hill 1997; Short 1997]. Dr. Kemp stated at the time that the Government would not provide literacy program funding to any state or territory that did not provide details of how literacy levels would be increased.

We simply cannot continue to pour hundreds of millions of dollars into schools without knowing whether the money is being used in the most effective way and what the results are. The Commonwealth plan will ensure that the resources are available to meet the literacy needs of each child in the most effective way. [Kemp 1997d

It was reported at the time that the Government was prepared to contract out its literacy program to individual schools if governments did not accept the conditions set by the Federal Government [Short 1997].
Direct funding of government schools

The Federal Government has introduced several programs which provide direct funding to government schools, staff and other providers, thus by-passing state and territory governments. These include funding for school infrastructure, the new technical colleges, school innovation in science, technology and mathematics, literacy tuition and school flagpoles. It also intends to introduce scholarships for male primary school teachers.

Direct funding of government schools represents a major re-shaping of federal/state responsibilities in education, so much so that one observer has described it as a “direct assault on the states” [Anderson 2004].

The Investing in Schools program, for instance, provides $700 million to government schools over four years but state and territory governments have no say in the priorities for which the funding is to be used or how it will be allocated. The nature of the grants is completely different from the Australian Government’s Capital Grants Programme where funding priorities are determined by State and Territory governments. In contrast, the funding priorities under the new program are determined by the school’s community in conjunction with school principals. The Federal government seeks applications directly from parent committees and the money is allocated directly for schools (although payment is made through state and territory governments) on recommendations by state advisory panels established by the federal government. The projects can be managed directly by body corporate school community organizations or by state and territory governments on behalf of school parent bodies. State and territory governments are bound by agreements with the Federal Government to deliver the projects on behalf of parent committees.

During the 2004 election campaign, the Prime Minister made it very clear that his Government wanted to bypass state and territory governments by directly funding schools.

…the best way to help government schools in this capital area is for us to pay the money direct to the schools because we know the schools will get it, and we know that the parents needs in relation to those schools are going to be at least listened to. We don’t want this money disappearing into State bureaucracies and redirected. It’s not good enough for the States to say give us more money and we’ll decide how to spend it. The idea that we should just hand more money over to the States for them to decide how it’s going to be spent – we’re not just going to accept that. [Howard 2004h]

Indeed, in his campaign launch the Prime Minister went so far as to threaten any state government that tried to use its powers to restrict the Federal Government’s program.

And pity help any state government that tries to get in the way of the local P&C getting their share of this new programme. [Howard 2004g]

The new technical colleges are to be funded directly by the Federal Government. To the extent that they are constituted as private schools, this is similar to the current funding arrangements for non-systemic private schools. However, Federal funding for colleges that are constituted as government schools will be entirely different from that for existing
government schools. Currently, Federal funding for government schools is paid to state/territory governments and then allocated to schools on the basis of system allocations.

The Prime Minister also emphasized that these colleges would be run by the Federal Government in association with industry so as to deny influence by state education authorities and unions.

We'll be running them and won't be encumbered with teacher unions or any of that malarky or state education departments. [Howard cited in Hudson 2004]

In 2004, the Government introduced the Australian School Innovation in Science, Technology and Mathematics (ASISTM) project to strengthen science, technology and mathematics education in government and private schools. The scheme is administered through the Federal Government and funding is provided directly to individual schools through an application process. It provides funding for projects to build school partnerships with science-based organizations or teaching institutions; develop coordination of the teaching of science, technology and mathematics between primary and secondary schools; and to connect learning across disciplines and promote innovative approaches in schools. A second component is to place about 1,300 undergraduates and early career researchers in science, technology and mathematics in schools for a term.

The administration of the scheme contrasts with that of a larger scheme to support science, technology and mathematics education in government schools introduced in 2001 in those States which trigger the Enrolment Benchmark Adjustment. Under this scheme, called the Fostering Scientific Mathematical and Technological Skills in Government Schools, Federal funding is directed through State and Territory Governments and administered through their education authorities.

The previous Minister for Education has also indicated that the Federal Government is prepared to directly fund the training of some teachers. In 2004, the Minister announced the introduction of a scheme to provide 500 teacher scholarships for men to attract more males to the teaching profession, particularly to primary teaching, as part of its program to improve school outcomes for boys [Nelson 2004e]. However, this proposal was delayed because of the need to amend the Sex Discrimination Act. The amendment was passed in the House of Representatives but debate on it in the Senate was adjourned in June 2005 and has not been resumed to date.

The direct funding of literacy tuition by non-school providers and for school flagpoles are further examples of how the Federal Government is by-passing state and territory governments in establishing and funding school education programs.

**Contracting out programmes**

The Federal Government has also relied on contracting out some education and training services to private providers rather than have them administered through State and Territory education departments. Contracting out of services is most developed in relation to VET and careers and transition advice where the Government has established its own
nationwide administrative and funding systems for some programs. As noted above, the pilot Tuition Voucher Initiative was also contracted out to private providers.

The Federal Government has established its own nationwide administrative and funding arrangements for components of its career and transition programmes, in particular Structured Workplace Learning, Career and Transition, Adopt a School and the Job Pathway (or Youth Pathways from January 2006) Programmes. Two separate nationwide administrative and funding systems have been established for these programs, under which delivery of the services is contracted out to private providers.

Local Community Partnerships (LCPs) are used to deliver Structured Workplace Learning, Career and Transition, and Adopt a School Programmes. The Federal Department of Education, Science and Training has policy and administrative responsibility for the LCP framework.

LCPs are not-for-profit community based organizations that are organized on a regional basis across Australia. Currently, there are 213 LCP service regions across every State and Territory. LCP Management Committees must be made up of members from a variety of local regional stakeholder groups including: employer/industry groups; schools; parent groups and young people. They may also include professional career advisors, tertiary institutions, local government, Registered Training Organisations and local service providers. LCPs can employ their own staff and subcontractors [DEST 2005f].

LCPs are required to partner with industry and employer groups, schools, professional career advisers, community organisations, parents, young people, youth service providers and other government and community organisations to assist all young people aged 13-19 years to gain the skills, experience and professional guidance to help them achieve a successful transition through school, and from school to further education, training and employment.

Similar administrative and funding arrangements were also established for the Job Pathway Programme and are continued for the new Youth Pathways Programme [DEST 2005c].

The objective of the JPP was to assist at-risk young people aged 13 to 19 make a smooth transition through school and from school to further education, training or employment by providing advice and assistance targeted at their individual needs. It aimed to foster stronger links at a community level between schools, industry and young people so that young people are better prepared for the world of work and receive practical assistance in making the transition to work.

From January 2006, the Jobs Pathway Programme was replaced by the Youth Pathways Programme to focus on students most in need [DEST 2005c]. The YPP will focus on the most at risk young people and will be more specifically targeted at school retention and participation in education and training for these at risk young people. This will mean
providing more individualised assistance to those most in need of support. The programme will aim to target those young people most at risk of not completing Year 12, including those who have not yet completed year 12 and have disengaged from school in the last 12 months and are at risk of not making a successful transition from school to further education, training and employment.

There are 100 Youth Pathways service regions with one provider delivering services per region. Providers are selected on a competitive tender basis and are contracted by DEST to manage and deliver services to the targeted group of young people [DEST 2005d]. Providers have been expected to be active local organizations with established relationships with schools, other service providers, regional and community groups [DEST 2004e]. Organisations contracted to deliver services include employment agencies, group training companies, registered training and community-based organisations and schools [DEST 2005c].

**New federal institution**

A new instrument of Federal control in school education is Teaching Australia. Its purpose is to enhance the status, quality and professionalism of teachers and school leaders throughout Australia. A key function is to develop professional standards for teachers and school leaders and to accredit pre-service teacher education.

Teaching Australia is a company limited by guarantee, established under the Commonwealth Authorities and Companies Act 1997. It is the only Commonwealth company established in the area of school education. It is owned by the Minister for Education, Science and Training and operates under its own constitution, with decisions made by a board of directors from the teaching profession.

Teaching Australia is intended to be a professional organization for teachers and school leaders. Such professional bodies are typically owned and funded by their members and are accountable to the members. However, Teaching Australia is funded by the Australian Government.

Typically, the revenue of professional bodies is provided by members and commercial activities undertaken by the body. As a professional organisation that is intended by Government to be ‘by the profession for the profession’ the NIQTSL would ideally be owned and operated entirely by the profession. This would be reflected in the profession being entirely accountable for decisions about who governed it, its strategic directions, activities, funding and expenditure. However, the NIQTSL is unusual in that it is to be funded (at least initially) by the Australian Government rather than by membership… [Allen Consulting 2004: 93]

The new body does not have any process of membership, either individual or organizations. Members of the Board are not elected by the profession, instead the chair

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11 Teaching Australia was launched on 5 December 2005. Prior to then it was known as the National Institute for Quality Teaching and School Leadership (NIQTSL). The NIQTSL was set up in June 2004 as an interim body to develop a program of activities and make proposals to the Australian Government for the continuing entity. The role and powers of the new organization are outlined in Teaching Australia 2005. See also Teaching Australia 2006.
of the Board and its members are appointed by the Federal Minister for Education following nomination by a range of professional organisations.

Standards developed by Teaching Australia would not have any formal legal precedence over state and territory government regulations and guidelines. However, the existence of a set of national standards would most likely be used by the Federal Government in setting future conditions for Commonwealth funding of government and private schools. In these circumstances, state and territory governments would have little choice but to adopt them.

**Federal/state institutions**

The Federal Government has also played a leading role in the national Ministerial Council for Education, Employment, Training and Youth Affairs (MCEETYA). The Federal Government plays a major role in setting national priorities and funding agreed areas [IBE 2004: 9]. It is Federal Government policies that largely determine the agenda of MCEETYA.

At times also, COAG has taken up issues that have implications for school education, largely at the behest of the Federal Government. Examples include early childhood development and transition from school to work. As noted above, the current Minister for Education has referred the recommendations of the report on the teaching of literacy to COAG.

**Federal inquiries**

The Howard Government has established many inquiries and reviews of aspects of school education that have both indicated and staked out a role for the Government in areas of school education traditionally considered as the responsibility of state and territory governments. Examples include inquiries into teaching, curriculum and assessment and certification.

**Political campaigns**

The Federal Government has not been averse to using political strategies to enhance its role in school education. Federal Government ministers have also been adept at raising criticisms of State and Territory Government performance in school education in way that creates a climate receptive to an increased federal role [Warhurst 2006]. The Government has attempted to undermine the public credibility and legitimacy of the states’ performance and role in school education as a way of supplanting a Federal role.

The regular beat up of some form of education crisis has been a feature of this strategy. Both Drs. Kemp and Nelson regularly talked up a literacy crisis as the vehicle for political support and outflanking the advocates of public education. The Prime Minister intervenes annually to highlight some perceived failure of the system.

This approach has been most apparent with regard to increasing Federal involvement in curriculum. It has often been led by the Prime Minister; for example, his criticisms about the teaching of values, Australian history, outcomes-based curriculum and English
literature. These and other criticisms have often presaged Federal initiatives to establish greater national consistency in some aspect of schooling, resulting in increased Federal influence and control.

Re-shaping of federal/state relations

The increased federal role in school education is indicative of a more general re-shaping of federalism under the Howard Government. It has assumed a greater role in health care, industrial relations, universities and training. It has also threatened to attach conditions to the GST grants to the states [Wiltshire 2005; Lewis & Price 2006].

The Treasurer believes that the Federal Government should assume greater responsibilities. He has argued that the Commonwealth to take full responsibility for the national economy in relation to tax, in relation to interest rates, in relation to growth, in relation to jobs, in relation to industrial relations [Costello 2006b]. He also considers that the states are moving towards the role of service delivery more on the model of divisional offices than sovereign independent governments [Costello 2006a].

This centralization of power contrasts with the Liberal Party’s historical support for federalism and opposition to the centralization of government responsibilities and powers.

…the Howard Government’s monopolism is opposed to every principled element of the Australian liberal conservative tradition. From Deakin to Menzies, federalism uniformly has been asserted as a fundamental conservative constitutional value. That position of principle has now been discarded in favour of the transitory opportunities of power.

…the current attack on federalism is fundamentally opposed to conservative philosophy. This is because it is aimed purely towards the aggregation and enhancement of government power, and is directly opposed to the dispersion and division of government power embodied in all real conservative philosophy. [Craven 2005]

The basis for the dramatic expansion in Federal Government power has been the preparedness of the Howard Government to use federal financial power to override state powers. One conservative critic of the expansion of the Commonwealth’s power has stated that its use of the appropriation power of the Constitution (s. 81) “has effectively destroyed the federal union” and implemented a “de facto unitary system” [Pape 2005].

The Prime Minister response is that fears of a new centralism are based on a “complete misunderstanding of the Government’s thinking and its reform direction” [Howard 2005b]. He says that where his government seeks to change the federal-state balance, the goal is to expand individual choice, freedom and opportunity, especially where these qualities are restricted by state regulations.

The goal is to free the individual, not to trample on the States. [Howard 2005b]

Second, he argues the need for a national perspective in order to gain the benefits of greater uniformity that will help Australia improve its productivity, compete better in a highly competitive world and extend its economic prosperity. He believes that the federal system is “dysfunctional” at present and in need of reform [Howard 2004ac]. The
Government’s approach is to develop national systems in a variety of areas rather than different regulatory regimes in different jurisdictions.

For some, this is yet another terrible incursion into States’ rights. In reality, it is the Federal Government stepping in where eight different state systems are failing to deliver what the nation needs. The end result will be less, not more, bureaucracy and greater choice and opportunity for Australia’s young people. [Howard 2005b]

Together, these responses point to the development of more market-oriented systems that operate on a national basis and which are not constrained by different state regulation and bureaucracy.

The Prime Minister’s belief is that the Australian economy is more national in character than ever before and that it will continue to develop in this way in response to increasing international competition. He considers that increasing freedom of choice and competition within a national framework offers the best prospects of adapting to change and achieving prosperity [see also Howard 2005a, Howard 2005b]. This applies as much in education as other areas such as industrial relations and the economy in general. He supports the development of a national approach and standards in education.
5. **Equity in school education**

The Federal Government sees that it has a role to play in reducing educational disadvantage.

Our schooling must continue to be underpinned by a commitment to fundamental principles of equity so that students in need have those educational needs identified and action taken to meet them. [Kemp 1999b]

If schooling fails to overcome educational disadvantage the Commonwealth bears the cost of this failure through its budgetary provision for unemployment benefits and social programmes. The Commonwealth will continue to provide targeted funding for educationally disadvantaged students by supplementing the funding of Australian schools to achieve specific national objectives. The major factors which are usually seen as placing educational outcomes at risk include socioeconomic disadvantage, poverty, low parental expectation, disability, language background other than English, family or personal difficulties, geographic isolation, Indigenous background and gender. [DEST 1998a]

While ensuring access to educational opportunities for all Australians remains an important goal of Federal Government education policy, it is clear that the approach to equity in education has been transformed under the Howard Government. The objective of its policies is to alleviate educational disadvantage and in so doing it has abandoned the link between socio-economic disadvantage and poor educational achievement acknowledged by previous governments since the mid-1970s. This change of emphasis is reflected in the demise of the longstanding Disadvantaged Schools Program (DSP) and its replacement by a literacy and numeracy programme. This change involved a shift from a broad whole-of-school approach to improving equity in education to one that is focused on individual student learning needs.

The change of emphasis is also reflected in the selective pursuit of the equity goals incorporated in the National Goals for Schooling with the result that the socio-economic basis of inequity in education has been downplayed and often ignored.

More broadly speaking, as outlined above, the Howard Government has made the extension of market-based mechanisms central to its approach to improve education outcomes for those not achieving expected standards.

The Government’s main equity programmes have been directed at improving literacy and numeracy, Indigenous and boy’s education outcomes. Another aspect of the Government’s approach has been the extension of the broadbanding of equity programs begun under the previous Labor Government.

**Government equity programs**

**Literacy and numeracy**

The central focus of Federal Government’s school education policy has been to improve literacy and numeracy outcomes. It considers that ensuring all students gain at least a minimum acceptable standard in literacy and numeracy is critical in overcoming educational disadvantage.
The Australian Government considers that literacy and numeracy are the cornerstones of all learning and that it is crucial for children to develop these foundation skills at the earliest possible time in their school years. A key priority has been to focus on achieving real, sustained improvements in the literacy and numeracy skills of Australian children to better prepare them for their futures. Ensuring all students gain at least a minimum acceptable standard in literacy and numeracy is critical in overcoming educational disadvantage. This means that gaining literacy and numeracy skills is a central equity issue in education today. [DEST Literacy and Numeracy website]

Improving literacy and numeracy outcomes was an early priority of the Howard Government. At the outset, the then new Minister for Schools, Vocational Education and Training, Dr. Kemp, emphasized the policy priority to be given to literacy improvement.

The single most important thing that a school can provide to any individual is literacy skills… The gaining of literacy skills is the prerequisite to any individual participating in the community, and the focus on the achievement of these skills must be in the early years of schooling. As a society we can only provide opportunities for all our young people if they leave primary schools with appropriate literacy skills… It is clear that both for the benefit of individuals and the community literacy must be addressed as a national priority. [Kemp 1996a]

The priority to be given to literacy was also emphasized in a comprehensive program statement released by the Government in 1998:

The Government’s approach to education policies for schools focuses on the central importance of literacy and numeracy in school education, and is directed towards a national effort to improve literacy and numeracy skills for all young Australians. It recognises that effective literacy and numeracy are key skills which enable all Australians to successfully participate in schooling until the completion of Year 12, and in further study, training or work.
In Australian society proficiency in English literacy is of major importance for every Australian's personal, social and cultural development. For a modern democratic society, high levels of literacy are crucial to the quality of civic, cultural and economic activity. High levels of literacy for all Australians are required so that each individual can deal confidently with the broadening scope and multiple uses of literacy in all spheres of society. [DEST 1998a]

In support of this priority, the Howard Government has transformed several equity programmes into programmes to foster literacy development and has established a national literacy (and numeracy) plan.

In the 1996-97 Budget, the Government announced the streamlining of more than 40 targeted assistance and quality schooling programs into nine programs in the five priority areas of literacy, languages, special learning needs, school to work and quality outcomes. As part of this, the Disadvantaged Schools, the English as a Second Language and the National Early Literacy and Numeracy programmes were ‘broadbanded’ into a new Commonwealth Literacy Program from January 1997. It consisted of grants to schools

12 http://www.dest.gov.au/sectors/school_education/policy_initiatives_reviews/key_issues/literacy_numeracy/
13 Some broadbanning of equity programs had occurred under the previous Labor Government with the establishment of the National Equity Programme for Schools which brought together the Commonwealth special purpose programs in school education. This program had four main elements: Access (ESL and Special Education components); Equity (Disadvantaged Schools and Country Areas General components);
to foster literacy development and grants for national literacy strategies and projects. From 1999, the programme was revised as the Literacy and Numeracy Programme.

The new structure was intended to reflect the importance that the Government placed on improved literacy outcomes and to reduce the amount of regulation associated with Commonwealth assistance to schools. It also aimed to increase the flexibility of funding arrangements by allowing education providers greater scope to determine local priorities. In order to receive funding under the new programme, government and non-government school authorities were required, from 1998, to provide a detailed plan outlining how these funds will be used to achieve measurable improvements in literacy and numeracy outcomes.

In March 1997, Federal, State and Territory Education Ministers endorsed a National Literacy and Numeracy Plan to give effect to the national literacy goal which had been agreed to in July 1996. In addition to the agreement to develop benchmarks for students in Years 3 and 5 and to measure performance against the benchmarks, the Plan also included the following commitments:

- early assessment of all students to identify those at risk of not achieving minimum required standards in literacy and numeracy;
- early intervention to assist those students identified as at risk;
- teacher professional development to support implementation of the Plan.

In 1998, the Government released a comprehensive statement of literacy policies for schools [DEST 1998a]. The paper provided a detailed rationale of the National Literacy and Numeracy Plan together with an outline of Federal Government policies and strategies in support of the Plan. It covered funding strategies, performance measurement, professional development for teachers, research priorities, approaches to literacy teaching in the early years, teaching and learning for ESL and bilingual students, and for Indigenous students, and the importance of home-school partnerships.

From 2001, Commonwealth targeted programs were restructured to provide education authorities with more flexibility to target those students with the greatest needs. The restructure included further broadbarding of programs that provided support for literacy and numeracy and for students with disabilities. The Literacy and Numeracy Grants to Schools Programme (which was one strand of the previous Literacy and Numeracy Programme), the Special Education School Support Programme and the Special Education Per Capita Grants Programme were combined into the Strategic Assistance for Improving Student Outcomes (SAISO) Programme. The new program further streamlined administrative arrangements and gave education authorities greater flexibility to allocate Commonwealth funding to schools to achieve improved learning outcomes for students, including the flexibility to make decisions about which schools have the greatest need for additional assistance and to determine appropriate funding amounts for those schools.

National Priorities (Literacy and Learning, Students at Risk, Gifted and Talented, and Early Literacy components); and Incentives (Gender Equity and Students with Disabilities components) [Henry 2001].
In 2004, the Government announced a further restructuring of literacy and numeracy programs [Nelson 2004b]. From 2005, the SAISO, the Non-Government Centre Support and the National Projects programmes were combined into a new overarching targeted programme – the Literacy, Numeracy and Special Learning Needs Programme. This programme is now the key targeted programme of the Federal Government that provides assistance to educationally disadvantaged students, including students with disabilities, and to implement the National Literacy and Numeracy Plan. Schools grants provide supplementary funding to government and non-government school education authorities in States and Territories to improve the learning outcomes of educationally disadvantaged students, including students with disabilities, students with learning difficulties, students with a language background other than English (LBOTE), and low socioeconomic status (SES) students. The additional funding is used to support literacy and numeracy intervention programmes; additional specialist learning assistance; teachers for students with disabilities and learning difficulties; and classroom resources and equipment for students who require extra help to achieve an appropriate standard of learning.

The national allocation for the Schools Grants element is distributed using a composite allocative mechanism as follows:

- 38% of funding is distributed using a Socio-Economic Disadvantage (SES) allocative mechanism which uses 2001 census data;
- 28% of funding is distributed using a Language Background Other Than English (LBOTE) allocative mechanism which uses 2001 census data;
- 8% of funding is for the students with disabilities (SWD) per capita element based on the reported numbers of students with disabilities;
- 26% of Schools Grants funding is allocated to sectors on the basis of their share of government and non-government school enrolments.

State and Territory education authorities are responsible for the administration and distribution of Schools Grants funding. They determine where the greatest needs are for additional assistance and they decide the level of funding that is provided to support schools and students, including students with disabilities.

The Howard Government has also adopted a new approach to improving reading through its pilot Literacy Tutorial Voucher Initiative and its successor, the Reading Assistance Voucher programme. The programme provides funding for private tuition instead of funding schools to provide additional support for students not achieving expected standards. The scheme is directed at Year 3 students who have not met the national minimum reading benchmark. Parents of eligible children receive up to $700 worth of private reading tuition for their child.15

14 The following information is from the DEST website: http://www.dest.gov.au/sectors/school_education/programmes_funding/programme_categories/key_priorities/literacy_numeracy_initiatives/default.htm

Participation in the program is voluntary and the take-up rate for the pilot scheme was extremely low. The national rate was 36 per cent and it varied from 12 per cent in Victoria to 70 per cent in NSW [Erebus International 2006; Macklin 2006]. The take-up rate was influenced by difficulties in identifying eligible students and in the promotion of the scheme.

**Indigenous education**

The Government has given particular priority to improving Indigenous education outcomes. Both Drs. Kemp and Nelson maintained strong commitments to improving Indigenous student outcomes. For example:

Educational equality for Indigenous people is a goal to which I am personally very deeply committed, and throughout the time I hold this portfolio it will have top priority for me. And if I leave this portfolio without having made significant progress, major progress, seen major progress, as a result of the commitment of those of you who are here today and those who are supporting you in communities, I will be deeply disappointed. [Kemp 1998c]

Achieving educational equity for Indigenous Australians remains one of the principal educational challenges facing this nation…

The Howard Government does not accept that the continuance of significant educational inequality among different groups of Australians is acceptable [Kemp 1999f].

The major Australian Government funded programmes directed specifically towards Indigenous education and training include three longstanding programmes: the Indigenous Education Strategic Initiatives Programme (IESIP), the Indigenous Education Direct Assistance Programme (IEDA), and ABSTUDY [see Appendix C]. These programs have continued under the Howard Government, but have been substantially revised and restructured. The main focus of program changes has been to promote practices that have been shown to work, to target the areas of greatest need and to require performance monitoring. New initiatives include intensive English as a Second Language assistance for Indigenous students and the National Indigenous Literacy and Numeracy Strategy. Recent changes have also directed a greater weighting of resources to Indigenous students in remote areas, and to leverage mainstream funding for Indigenous education purposes [Nelson 2005i].

**Education of boys**

The improvement of boy’s education has been a central policy priority of the Howard Government.

It is unacceptable that 14 year old boys are doing worse in literacy tests than they were 25 years ago. Boys are lagging behind girls in operational literacy right across the school curriculum from early primary to secondary school. They are also represented two to one in the lowest 25% of educational outcomes. The Howard Government is committed to addressing the critical issues affecting boys’ education and in turn, to ensure that our children are given every opportunity to reach their full potential. [Nelson 2004c]

To help improve boys’ education outcomes, several new programs have been introduced including a lighthouse schools project and Success for Boys which focuses on ‘at-risk’ and disadvantaged boys.
Broadbanding

In addition to these changes in approach to equity in education, the Howard Government extended the practice, begun under the previous Labor Government, of ‘broadbanding’ equity and other targeted programs. This involves the provision of special purpose payments to state and territory governments as a lump sum so that education authorities can move funds between programs rather than being tied to a particular level of funding for each specific program.

The rationale for broadbanding is that it reduces the administrative costs associated with a plethora of equity programs and provides education authorities and schools with greater flexibility to allocate resources to address local needs.

The demise of the Disadvantaged Schools Program

The DSP was an early target of the Howard Government. This longstanding program was established in 1974 and was considered by many to be one of the key programs for redressing the effects of social disadvantage in education. It aimed to improve participation and outcomes of students from low socio-economic backgrounds. Since its inception it provided extra funding to schools serving the poorest 15% of students, calculated by a socio-economic status index using Australian Bureau of Statistics data. One of its key features was that it focused on whole-school change and improving school-community relationships rather than focusing on individual students [Connell et.al. 1991; see also Thomson 2002]. It operated on the basis that socio-economic disadvantage generally limits the range of educational experiences and opportunities available for students; that the concentration of disadvantage in particular communities presents particular problems for schools serving those communities; and that school structures, curriculum and teaching practices contribute to the reproduction of educational disadvantage.

The DSP was disparaged by the then schools minister, Dr. Kemp, for failing to overcome disadvantage in schooling [Kemp 2000b; 2001]. He said that the DSP was a failed programme which left 30 percent of young Australians unable to read and write properly. He also appeared to believe that the DSP was wrongly focused on socio-economic background because not every student from a low SES background has a literacy problem and it was preferable to focus on individual learning needs [Henry 2001: 32]. His view was that the target group approach unfairly labels individuals on the basis of group stereotypes. It is noteworthy that this argument was not applied to other equity programs such as those for Indigenous students, students for disabilities and boys’ education.

Under the new approach, educational disadvantage was defined in terms of literacy (and later, numeracy as well) achievement and the focus was shifted to remediation of the literacy deficits of individual students rather than changing whole school practices and programs to meet the needs of students from low SES backgrounds [Lingard 1997]. Social justice in education has been re-framed largely to mean the achievement of literacy standards [Comber et.al. 1998: 26]. In contrast, the DSP had focused on a wide range of outcomes, including improving attendance and participation, increasing

80
retention rates, involving parents in decision-making, broadening teacher repertoires and altering school policies and structures [Thomson 2002: 168].

The rationale for the focus on literacy and numeracy is that these skills are critical to student development and life long learning and that it is preferable to target resources to meeting individual learning needs in these areas and for those most in need. Another advantage was that the focus on literacy outcomes was seen as a way to improve accountability for funding whereas the outcomes sought under the DSP were notoriously difficult to evaluate. In practice, however, it seems that a large part of the time and resources provided by the DSP were devoted to literacy improvement [Thomson 2002]. Still, many practitioners have welcomed the renewed focus on literacy, both in terms of the needs of individual students and as an opportunity to re-examine whole school approaches to literacy teaching and learning [Henry 2001; Thomson 2002].

The Government’s approach has been criticized because it does not directly address the complex mix of factors which lie behind poor literacy and numeracy performance and poor school performance [Henry 2001]. It neglects the structural dimensions of educational and social disadvantage. Specifically, it has eliminated poverty and socio-economic disadvantage as the key factor behind inequity in education [Comber et.al. 1998: 26-27]. This is, perhaps, the most significant loss arising from the demise of the DSP and its substitution by a literacy and numeracy program which focuses on individual student needs. As Thomson [2002: 171] has observed:

By focusing only on literacy, numeracy and vocational education, current national policy agenda of which the CLP [Commonwealth Literacy Program] is a part, marginalize discussions about schooling as an institution in which some stocks of knowledge, dispositions and ways of being in the world are privileged, while others – social and individual identities, cultures and literacies – are made liabilities. How the school is implicated in the construction of inequalities is rendered unproblematic: just do literacy and somehow educational outcomes will be equitable!

Selective pursuit of national equity goals

While the Government has constantly exaggerated the extent of low student achievement, its stated policy goal is that all students should achieve the national benchmarks in literacy and numeracy. However, this goal is a much weakened version of the equity goals incorporated in the National Goals for Schooling and it has largely ignored the the socio-economic basis for the large gap in school outcomes between high and low achieving students.

National Goals for Schooling

The National Goals for Schooling incorporate dual equity objectives. First, they establish a set of standards and qualities to be achieved by all students when they leave school. Goal 1 sets out a range of non-academic qualities to be achieved by all students. Goal 2 states that all students should attain high standards of knowledge, skills and understanding in the agreed eight key learning areas and in numeracy and literacy. Goal 3

16 The National Goals for Schooling can be accessed on the DEST website at: http://www.dest.gov.au/sectors/school_education/policy_initiatives_reviews/national_goals_for_schooling_in_the_twenty_first_century.htm
states that all students should have access to the high quality education necessary to enable the completion of school education to Year 12 or its vocational equivalent. Together, these requirements may be stated as a “minimum standard” or “adequate” level of education to be achieved by all students.

A second equity objective is also contained in Goal 3 in that it requires that schooling be socially just. It requires that student outcomes are free from the effect of negative forms of discrimination and are free of differences arising from students’ socio-economic background or geographical location. In addition, it requires that the learning outcomes of educationally disadvantaged students and ATSI students improve and that, over time, they match those of other students. This equity objective may be stated as the social justice or “social equity” goal.

The Howard Government has pursued a weakened version of these Goals in two respects. First, its approach to improving equity is confined to the achievement of selected minimum standards and it has largely ignored the social equity goal or, at least, has ignored its major component. Second, it has been somewhat ambivalent about the goal of achieving Year 12 or its vocational equivalent for all students.

**Social inequity in school education outcomes**

Australia has a high quality, low equity school system [Keating & Lamb 2004; McGaw 2003, 2006]. School education outcomes in Australia are characterized by a relatively large gap between high and low achieving students. For example, there is a large difference between the highest and lowest outcomes in reading for 15-year olds in Australia in comparison with other high achieving countries. The PISA 2003 Study shows that Australia had the largest range of outcomes of the top ten achieving countries apart from New Zealand [Thomson et.al. 2004: 104, Table A3.10]. Australia had the twelfth highest range of reading outcomes among the 29 OECD countries. The range of outcomes for Australia in 2003 was not significantly different from that in 2000. While the range of outcomes in mathematics was lower than for many of the other top achieving countries Australia also had the highest range of science outcomes of the top ten achieving countries apart from Japan [Thomson et.al. 2004: Tables A3.1 and A3.12].

There are also large differences in performance by Australian students at the lower end of the distribution of outcomes. For example, in reading the score range between the 5th and 25th percentiles for Australia was the largest of the top ten achieving countries apart from New Zealand and Norway. It was the same as the average for the OECD countries [Thomson et.al. 2004: Table A3.10].

As noted above, the Howard Government has focused on the goal that all students achieve acceptable standards in literacy and numeracy and, to the extent that this program is successful, it should contribute to reducing the range of school outcomes. In effect, the goal is to reduce the range of outcomes between the highest and lowest achieving students by concentrating on improving the outcomes of low achieving students.
However, reducing the range of school outcomes and increasing the proportion students above minimum standards is not sufficient to achieve the social equity goal of the National Goals for Schooling. Student outcomes would still not be “free” of differences arising from different backgrounds and outcomes for low SES or ATSI students would not necessarily “match” the outcomes of other students. For example, the average outcomes of students from high SES backgrounds could still be much higher than those from low SES and ATSI backgrounds even though all students in the latter group achieved the minimum standard. Low SES and ATSI students could be clustered just above the minimum standard while the large majority of high SES students are clustered well above the standard.

Even similar average outcomes between students from different backgrounds would not be sufficient to meet the National Goals as the range of outcomes for low SES students as a group could be much larger than that for high SES students. Moreover, even if the range of outcomes and the mean were the same for each group, the distribution of outcomes could be entirely different. For example, the low SES group of students could have a greater number of students clustered below the mean and the high SES group could have a greater number of students clustered above the mean. In any of these circumstances, student outcomes would not be “free” of the effects of different student backgrounds and the outcomes for the low SES group of students would not “match” those of the high SES students.

In such circumstances, students from well-off families will still make up a disproportionate number of those achieving above the threshold and at the higher levels of attainment. This has important social implications because large inequalities in outcomes between social groups affect the life chances of individuals according to their membership of social groups. It bears on access to occupations and positions of power in society. The well-off remain in a more privileged position in society in terms of access to higher education and the higher paying occupations and status positions in society.

The National Goals for Schooling clearly involve a stronger equity concept than all students, or some high proportion of them, achieving a minimum standard. They logically require that the range and distribution of outcomes be the same for each group of students, otherwise student outcomes will not be “free” of the effects of different student backgrounds.

There is much evidence of social inequity in education in Australia. Many studies show that poor school outcomes are strongly associated with low SES backgrounds and that there is a large difference between outcomes for students from different SES backgrounds in Australia [see Appendix A; Keating & Lamb 2004]. For example, the PISA Study 2000 and 2003 studies demonstrated that students with lower SES scored less well in reading, mathematics and science than other students [Lokan et.al. 2001: 162-165; Thomson et.al. 2004: 155-167]. The PISA 2000 study found that the probability of being in the lowest 25 per cent of reading scores is about twice as likely for a low SES student than for students not in a low SES group [Lokan et.al. 2001: 174]. PISA 2003 also showed that 50 per cent of Australian 15-year old students from low SES families were
below the OECD mean for reading compared to 35 per cent of all students while 44 per cent of students from low SES families achieved at Level 2 or below on the PISA reading scale compared to 30 per cent of all students [Steering Committee 2006, Tables 3A.77 and 3A.80]. In the case of mathematics, 56 per cent of low SES students were below the OECD mean compared to 40 per cent of all students while in science the respective proportions were 55 and 39 per cent [Tables 3A.82 and 3A.85]. These figures imply much larger differences in school outcomes between students from low and high SES families.

Year 12 completion rates\textsuperscript{17} also provide an indication of the difference in school outcomes between students from different socio-economic backgrounds. Nationally, year 12 completion rates for students from low (59 per cent) and medium socioeconomic backgrounds (65 per cent) were 20 percentage points and 14 percentage points respectively below those for students from a high (79 per cent) socioeconomic background in 2005 [Steering Committee 2007: 3.63].

Moreover, the gap in completion rates between low and high SES students has increased significantly since 1996 when there was a 17 point difference [Steering Committee 2002: Table 3A.22]. In recent years, the completion rate for low SES students has slumped after some improvement for a few years while the high SES rate has continued to improve [Steering Committee 2007: Table 3A.122].

A report prepared for the Victorian Government has showed that Year 12 students from lower SES backgrounds perform less well at school than students from higher SES backgrounds [Lamb et.al. 2004]. For example, in 2000 the average tertiary entrance score for Year 12 students in the bottom quintile of SES was, on a 100-point scale, 22 points below the mean score achieved by students in the highest quintile of SES (52.9 compared with 74.9). It also found a strong relationship between the performance of schools and their SES composition. Students in high SES government secondary schools, for example, obtained an average VCE result of 30.5 compared to an average score of 24.9 in schools with large numbers of low SES students. Similar patterns exist for primary schools with average Year 5 results in high SES schools being much higher than for low SES schools.

Social background appears to be more strongly related to educational achievement in Australia than many other developed countries. For example, Australia has the highest socio-economic inequality in reading achievement of all the high performing countries in reading, other than the UK [OECD/UNESCO 2003: Table 6.10]. The Australian rate is also higher than the average for all OECD countries. The mean difference in reading literacy between the least advantaged one-sixth of students and the most advantaged one-sixth in Australia was 92 points compared to the OECD average of 82. Of 21 high

\textsuperscript{17} The completion rate is defined as the number of students who meet the requirements of a year 12 certificate or equivalent expressed as a percentage of the potential year 12 population. The potential year 12 population is an estimate of a single year age group which could have attended year 12 that year, calculated as the estimated resident population aged 15–19 divided by five.
income countries participating in the study, only Germany, USA, UK, Luxembourg, Liechtenstein, Belgium and France had a higher difference in reading literacy between students from high and low SES backgrounds than Australia.

According to the former Director for Education at the OECD, Professor Barry McGaw, the Australian ethos of a fair go was not present in the education system as it tends to entrench social differences rather than allow students to overcome them [Ferrari 2006c]. He said that the most socially disadvantaged children in Australia lagged about eighteen months to two years behind the reading ability of the poorest students in Canada, Japan, Finland and South Korea. Despite holding pretensions to an egalitarian society, he said that Australia's performance in educating its socially disadvantaged children was of a similar standard to the more entrenched class societies of Britain and the US.

The Government has sought to dismiss the evidence that there is a social hierarchy in the composition of the different school sectors. Government ministers have explicitly dismissed claims of a social divide in Australian schools [Kemp 1997a, 2000a; Nelson 2003c, 2004b]. It has also largely ignored the strong relationship between school outcomes and SES backgrounds in Australia. Dr. Nelson claimed that the influence of SES on educational attainment of school sector is low compared with other factors [2003c]. In support, he cited claims that the traditional view that SES background is the predominant influence on education outcomes is based on a “methodological and statistical artifact” and is the result of “religious adherence to the moribund ideologies of biological and social determinism”. Indeed, he said that the higher proportion of students from independent schools going on to university is because these schools “recruit bright students” and that it is ability rather than resources that explains this phenomenon. The Prime Minister says that those who criticize the social divide between rich and poor in Australia and its school system are driven by the “politics of envy” and “class envy”.

We don’t want that kind of old-fashioned class envy….I am carrying a flag against class envy. I think it is alien to what Australia is all about. I mean, we are all about people being encouraged to get ahead, not about trying to carve us up into little class tagged groups…. [Howard 1998; see also Howard 2001b, 2001c, 2001d, 2004a, 2004f, 2004i, 2004j]

He even accuses critics of the social divide in education of creating divisions in an egalitarian society.

Consequently, the Howard Government has largely ignored the social equity aspect of the National Goals for Schooling. Its policies and programs have failed to address social inequity in school outcomes with the result that large differences in outcomes for students from different social backgrounds are likely to persist.
6. Reviewing the impact of the market

The policies of the Howard Government have added to and complemented market-based policies implemented by several state and territory governments over the past 15 years. This makes it difficult to separately assess the impacts of the approaches taken at the two levels of government. A further problem is that there has been little substantive empirical research on the Australian experience with markets in education. Consequently, the potential impact of market-based policies in Australia can only be assessed indirectly by drawing on studies of similar policies in other countries and supplementing this analysis with Australian data where possible.

Similar market-based reforms have occurred in many other OECD countries over the past 25 years and there is a large literature on their impact, particularly in England and the United States. The studies reported are of varying quality and use a variety of methodologies and data that contribute to differing conclusions about the impact of choice and competition.

A critical problem in many existing studies of the impact of choice and competition is that they do not allow for contemporaneous changes in education policy, programs and funding. For example, in England, many other significant changes occurred over the same period as the introduction of choice and competition, such as the national curriculum and national testing, a national literacy and numeracy strategy, shifts in standards and increased funding for students with special needs.

…paradoxically countries that have introduced choice on a grand and uniform scale lack the characteristics of a “laboratory” with control groups: exam results in the United Kingdom have improved greatly overall since 1988, but there is no way of distinguishing the effect of the enactment in that year of open enrolment from that of a national curriculum or of national testing. [Hirsch 2002: 21]

In particular, the national literacy and numeracy strategy involved detailed teaching programs, extensive professional development for teachers and extra help for children who fall behind. Few studies take these changes into account in assessing the impact of the introduction of quasi-markets in school education.

A variety of changes have also occurred in the state-based systems of the United States that confound analysis of the impact of school reporting and this is acknowledged in some of the studies. For example:

Education is the responsibility of state governments, and states have gone in a variety of directions in the regulation, funding and operation of their schools. As a result, it is difficult to assess the impacts of individual policies without dealing with the potential impacts of coincidental policy differences. [Hanushek & Raymond 2002: 16]

Different studies look at the effects of choice and competition in different education policy and institutional contexts and few allow for these different contexts. Other studies use different data and methods in analysing similar contexts. As a result, there is often considerable controversy and conflict about the findings of particular research studies.
The Howard Government asserts that school choice policies implemented overseas have had largely positive results [Kemp 2000a]. It is said that research has demonstrated that increased competition between private and public schools has resulted in increased student achievement and improved curriculum. It is also argued that parents with greater choice are more involved in their children’s schooling.

The evidence on the impact of market-based policies on average student outcomes and overall school performance is, at best, mixed. There is a considerable weight of evidence that suggests that the claims that markets in school education deliver better student outcomes are over-stated. There is also much evidence that market-based policies:

- fail to increase innovation and diversity in curriculum and pedagogy;
- reduce collaboration between schools;
- increase effective choice largely only for the middle class;
- contributes to socio-economic and racial segregation in schooling;
- increase disparities in performance between schools; and
- increase social inequalities in student achievement.

The research relating to these aspects of the impact of market-based policies is reviewed in the following sections.
7. Competition and innovation

There seems little doubt that the combination of more open enrolments, per capita funding, school-based management and reporting of school results in several countries has led to increased competition between schools for enrolments and status. For example in England:

It seems clear that these reforms have in total increased the degree of competition between schools in local secondary schooling markets. [Adnett & Davies 2003]

Similarly, charter schools in the United States have increased competition between schools.

By the fact of their existence, charter schools often enrich the range of options available to parents in a given locality. [Lubienski 2003: 409]

In Australia, increased funding for private schools has also contributed to greater competition between schools for enrolments.

Lack of educational innovation

One of the key arguments advanced by the Howard Government in favour of increased competition is that it acts as an incentive to innovation and school improvement. In particular, it is said that greater competition between schools will lead to greater curriculum innovation and diversity in schooling. This issue has been neglected in much of the research on market-based approaches to schooling in favour of research on the impact of competition on student outcomes.

A review of choice policies prepared for the OECD found that hopes for greater diversity in curriculum have proved disappointing and largely depend on government initiatives rather than schools responding to competition [Hirsch 2002]. Indeed, the report found that school choice was just as likely to discourage educational innovation for fear of losing support from parents.

Research across four different countries (Chile, England and Wales, New Zealand, and the USA) found that expectations that competition and choice would foster innovation in education were largely unfulfilled in practice [Lubienski 2001]. To the extent that innovation occurred, it was largely administrative or structural, not curricular or pedagogical. Indeed, the review concluded that market mechanisms appear to contribute to standardization rather than innovation in classroom practice. The education systems in the review included publicly funded and privately administered schools, schools run by corporations, newly autonomous established schools, and new schools created to be free of bureaucratic constraints in order to develop innovative practices.

In England and Wales, evidence for curriculum differentiation as a competitive strategy is generally weak [Davies et.al. 2002: 93]. A review of research in the UK found that market-based approaches initially strengthened curriculum conformity rather than
encouraged diversity [Adnett & Davies 2000]. Existing schools did not initially differentiate their curriculum while new schools tended to adopt a ‘traditional’ academic approach. However, the study also found that the trend towards increased conformity was slowly being reversed.

Similarly, increased competition does not seem to have increased diversity in schools in local schooling markets [Adnett & Davies 2005: 113]. Indeed, it was the failure of the more competitive schooling environment in England to promote diverse secondary schooling that prompted the Blair Government to provide financial inducements for schools to become specialist providers of a specific curriculum in their local market [Adnett & Davies 2003: 399]. The growth of specialist schools is driven by government policy rather than schools’ responses to competition. The significant additional funding available for specialist schools appears to be the major incentive rather than educational innovation [Tomlinson 2005: 125-126].

There is also little evidence that specialist schools are especially innovative in their curriculum and pedagogy.

…schools that “specialise” in say languages or technology often have a curriculum that varies only at the margin from other schools, rather than being fundamentally different. [Hirsch 2002: 30]

Thus,

... rather than leading to greater diversity of schooling, within the English context, greater choice appears to be leading to greater uniformity and conformity. [Walford 2001: 27]

One of the major arguments for charter schools in the United States is that they will enable greater innovation and diversity than traditional public schools. Indeed, for many, charter schools are seen as “laboratories” and “R&D centres” designed to produce pedagogical and curricular innovation not possible in “bureaucratically bound” traditional schools [Lubienski 2003a: 396]. Despite this, very little research has been conducted on the operations of these schools according to a RAND research team [Zimmer & Buddin 2006]. However, a few studies have addressed the issue.

A recent review of studies of innovation in charter schools found that although organizational innovation in them is evident, “classroom strategies tend toward the familiar” and that choice and competition tends to “constrain opportunities for educational innovation and impose pedagogical and curricular conformity” [Lubienski 2003a: 395].

…charter school are implementing innovations in governance, management, and other organizational practices; and with few exceptions, rather than developing new educational practices, charter schools are embracing curricular and instructional approaches already in use in other public schools. Indeed, a substantial plurality of charter schools employ a traditional “basics” approach to instruction.

…Despite the intentions of market theorists and policymakers, charters are not “breaking the mold” in the classroom. [Lubienski 2003a: 418]

The review concluded that:
…choice and competition may lead to counterintuitive consequences. It is not simply that the introduction of market forces into school accountability structures somehow failed to increase educational innovation; rather, curriculum conformity and instructional standardization may in fact be caused by the very market mechanisms that were unleashed to address these ills. [Lubienski 2003a: 396]

This conclusion is affirmed by other general reviews of charter schools and studies of charter schools in particular states and districts. For example, one stated that “findings of truly innovative practices … are rare, and new does not always mean better” [Bulkley & Fisler 2002]. Another found that in general no new educational methods were being tried and that most charter school curriculum and instruction was already being used in public schools [Good & Braden 2000: 173].

A study of competition in two extensive local education markets in Michigan involving private schools, charter schools and traditional public schools found that competitive pressures appear to have provoked few clear curricular or programmatic innovations [Lubienski 2003b]. Rather than a diversification of new options, many schools were instead re-embracing familiar classroom practices.

A RAND study of charter schools in California found that they are less likely than conventional public schools to offer certain programs that are designed to meet the needs of specific students, such as bilingual and gifted and talented education programs [Hamilton 2003]. Both programs were approximately twice as likely to be offered by conventional public schools as by charter schools. Conventional public schools also offer many more advanced placement courses in 12th grade than charter schools.

Increased competition between schools in New Zealand does not appear to have resulted in significant innovation in schools facing competition [Wylie 2006]. Principals’ perceptions of competition do not seem to act as strong drivers to improve school programmes or approaches.

Little research appears to have been conducted in Australia on these issues. However, a small scale Western Australian study has some similar findings to those reported in overseas studies. The study found that curriculum innovation in both government and private schools was constrained by a concern for performance in common exit examinations and reputation in the wider community [Griffiths 2005]. As a result, curriculum conformity across schools is more likely than greater curriculum diversity or innovation. The study found that parents chose the elite private school in the study because of its traditional pedagogy, curriculum, and culture, indicating that private and selective schools offering a traditional curriculum remain very competitive.

One might argue that the system of increased public accountability leads to curriculum conformity not just within the elite non-government schools, but in all schools when they are ranked in publicized ‘league tables’. [Griffiths 2005: 16]

There is evidence that many schools are highly protective of their academic status and wish to maintain their image. Some schools are reluctant to provide a more diverse range of programs, especially those that may attract students with weak scholastic records and detract from the school’s academic image. They, therefore, tend not to adopt programs
such as VET in schools and school-based apprenticeships [Keating & Lamb 2004: 47]. There is considerable variation in the provision of VET in schools across school sectors. Students from independent private schools have a much lower likelihood of participation in VET in Schools than government school students while students from Catholic schools also have a lesser likelihood, although greater than for independent schools. Over the period 1999-2001, inclusion of all VET subjects on the Year 12 certificate applied to 64 per cent of government schools, 50 per cent of Catholic schools and 32 per cent of Independent schools [Lamb & Vickers 2006]. Independent schools, in line historically with their more academic preparatory role, far less frequently offered any form of VET study in Years 11 and 12. This applied to 21 per cent of Independent schools compared to 9 per cent of Catholic schools and only 4 per cent of government schools. Even when allowance is made for the differences in the SES composition of enrolments, independent schools offer far less in the way of VET in schools [Fullarton 2001].

Rather than educational innovation, a feature of the increased competitive environment in many countries is the efforts and resources devoted to the promotion and marketing of schools rather than innovation in curriculum and pedagogy. For example, competition between schools in Michigan, which has perhaps the most extensive statewide choice program in the US, has led to a dramatic increase in school marketing and promotion [Lubienski 2003b, 2005].

Rather than inducing organizations to redirect resources back into the classroom, competitive pressures appear to be encouraging some schools – often those that can least afford it – to divert money to marketing campaigns. [Lubienski 2005: 477]

Marketing of charter schools has become a commonplace in charter schools across the United States.

…where charter schools are afforded higher levels of autonomy and placed in more competitive conditions, they appear to be more likely to engage in marketing and other forms of promotion. [Lubienski 2003b: 8]

It is also a phenomenon in several countries where market-based mechanisms have been introduced in school education [Lauder et.al. 1999; Whitty 2002; Lubienski 2001, 2003b, 2006; Wylie 2006].

**Reduced collaboration between schools**

Increasing competition between schools can also come at the cost of reducing collaboration and co-operation. Market-based approaches to increase competition often neglect its impact upon the nature and extent of co-operative behaviour between schools [Adnett & Davies 2003].

Increased competition between schools can encourage the retention of one’s ‘best practice’ teaching materials and first-mover experience to gain competitive advantage [Adnett & Davies 2003: 397]. League tables, in particular, tend to promote school isolation and self-reliance and lead to a reduction in cross-school collaboration and the dissemination of best practice [Whitty et.al. 1998: 62; Adnett & Davies 2001: 3]. Schools are reluctant to share their successful practices with other schools if it means those schools could jump above them in public rankings of performance.
In New Zealand, schools facing competition are less likely to share resources or give mutual support. A survey by the New Zealand Council for Educational Research found that 38 per cent of schools who faced competition were prepared to share resources or offer mutual support to other schools compared with 58 per cent of non-competitive schools [Wylie 2006].

Lack of collaboration imposes additional costs on competitors, since they have to incur costs in developing their own materials and duplicating learning-by-doing. It may also mean the continuation of wasteful duplication of research, specialist resources and inefficient practices and methods in other schools.

Co-operation and collaboration between schools is a way of developing a professional culture to disseminate knowledge and the results of innovation if teachers and schools gain satisfaction from the acceptance of their ideas and practice by others. A sense of collaboration between schools in the interest of improving student outcomes is a way of more quickly disseminating research and new ideas and practices that may be otherwise held ‘in-school’ in a competitive environment. It is also a way of encouraging schools to reduce costs by sharing specialist resources, in-service training, curriculum development and discouraging schools from engaging in zero-sum promotional activities that waste scarce resources.

Little empirical research is available on the increases in innovation due to greater competition compared to losses of efficiency due to reduced collaboration or resources being diverted to school promotion. One conceptual review of this issue concludes as follows:

The English quasi-market processes still reward schools inappropriately and discourage mutually beneficial co-operation between schools.
We argue that competition is more likely to promote short-run efficiency and cooperation is more likely to promote long-run dissemination. Whether competition or co-operation is more likely to promote effective innovation depends on the strength of market hierarchies, first-mover advantages, and the resources required for successful innovation. [Adnett & Davies 2003: 393, 394]

It is perhaps instructive that the Blair Government has found it necessary to modify its reliance on the competitive model for school improvement by encouraging greater collaboration between schools through Education Improvement Partnerships (formerly called Foundation Partnerships). These partnerships enable groups of schools to work together to raise standards and take on wider responsibilities for the children and young people in their local community [DFES 2005]. Nevertheless, the continued emphasis on competition and diversity within the English education system creates conflicting incentives which are likely to undermine inter-school collaboration.

…as long as the league table culture dominates and schools compete for pupils, these schools are unlikely to embrace an initiative which in effect forces them to give equal priority to outcomes for pupils in neighbouring schools. [Reed 2005b; see also Ainscow 2003; Reed 2005a]
8. Choice for some

Extending school choice

Historically, under zoned school systems, choice of school was only available to those who could afford the high housing premiums associated with good schools or to those who could afford private school fees. One of the key arguments in favour of de-zoning and open enrolments to schools is that it extends to all students a privilege only previously available to high-income families. The introduction of open, or partially open, enrolment systems may widen the choices available to families whose housing location choices are constrained in that they no longer have to live near their school of choice.

There is substantial evidence from many countries that many parents utilize opportunities to choose schools for their children when such choices are available. In England, survey research shows that about 20 per cent of parents of secondary school students choose a school outside their catchment area. However, a research study shows that there is still considerable exercise of choice of school as about about half of all secondary school students in neighbourhood schooling jurisdictions in England do not attend their nearest school.

In the United States, about 15 per cent of students exercise choice of school. The percentage of students in grades 1–12 attending a “chosen” public school (a public school other than their assigned public school) increased from 11 to 15 percent between 1993 and 2003, while the percentage attending assigned public schools decreased from 80 to 74 percent. However, only about half of all families reported having a choice of school and, of these, approximately 27 percent exercised a choice of another public school, while 65 percent attended their assigned school.

There is considerable variation across the country. For example, in the Chicago public high district, more than half of all students elect to opt out of their local assigned school to attend another government school. Over 40 per cent of elementary school students in Los Angeles and a slightly lower proportion of high school students attend a school outside their neighbourhood, although the percentage of middle school students is similar to the national average.

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18 There is extensive evidence of high income families using residential location choice as a way to choose their children’s schools and house prices appear to be influenced by differences in the demand for various schools [for example, see Black 1999; Bradbury et.al. 2001; Downes & Zabel 2002; Gibbons & Machin 2003; Kane et.al. 2003; Kane et.al. 2005; Nechyba 2003; Cheshire & Sheppard 2004; Figlio & Lucas 2004; Gibbons & Machin 2006.]

19 It may also affect housing values because it changes the relative desirability of different housing locations and therefore changes their relative prices. For example, open enrolment may reduce the demand for housing in the enrolment areas of high quality schools and lead to a reduction in house prices in those areas and an increase in house prices in other locations. However, this effect is diminished to the extent that residence remains a criterion for school enrolment.

20 The balance of students attend private schools or are home-schooled.
A study of the abolition of all residence-based admission criteria for public upper secondary schools in Stockholm in 2000 to provide open choice of school shows that the proportion of students attending a school in an area other than where they live increased from 45 to 63 per cent between 1998 and 2001 [Soderstrom & Uusitalo 2005].

A study of the effects of the introduction of school choice in Finland in 1994 shows that in Helsinki the share of pupils who applied to a school other than in their catchment area in the 7th grade transfer increased from 29 to 49 per cent between 1994 and 2002 and over 80 per cent of the applicants from outside of the catchment area were enrolled in their preferred school [Seppanen 2003]. In four other cities, an average of one-third of 12 year-olds applied to a school other than their catchment area school five years after school choice was introduced, with the proportions varying between 21 and 39 per cent. In New Zealand, the distribution of students among schools was markedly different under its choice regime from that under the zoning regime [Fiske & Ladd 2000].

In Australia, the de-zoning of government schools in New South Wales, Victoria and the ACT has provided increased choice for parents. For example, in the ACT which has had a choice regime since its inception in the 1970s, the proportion of enrolments from outside the local priority area in government primary schools, high schools and colleges in 2006 was 36, 38 and 37 per cent respectively and the proportions have changed little over the past decade [ACT Legislative Assembly 2006; MACGS 1997].

However, despite the introduction of school choice residential criteria for school admission have not entirely disappeared. De-zoning is not often fully implemented and many school systems retain a residence preference criterion for enrolment that comes into play when schools become over-subscribed. In these situations, housing choice remains a way of exercising school choice. For example, in England residence still matters in gaining admission to over-subscribed schools, although the importance of residence as an admissions criterion differs both across jurisdictions and across different school types [Burgess et.al. 2004]. Nearly 90 per cent of secondary schools retained a residence criterion, among others, and many parents still pay for a higher standard of education by owning a house in an expensive neighbourhood area of a good school [West & Hind 2003; Which? 2005].

The highest ranked schools in England carried a heavy housing price premium of £61,000 for a house near a top primary school in London and £49,000 for an under-subscribed good primary school in 2004 [Gibbons & Machin 2006]. Other studies also show that houses in the catchment areas of high performance state schools command substantial premiums and that the capitalized values of these houses can be very high [Cheshire & Shephard 2004].

In the United States, no school districts have unconstrained open enrolment although nearly every state permits parents to apply for any public school within their district on a

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21 Limited school choice was available prior to 2000.
22 This claim appears somewhat overstated in view of the data presented in Lauder & Hughes [1999] which shows that the proportion of secondary school students enrolled at their local school declined from 76 to 65 per cent between 1990 and 1995.
23 This practice has been characterized as ‘backdoor selection’ and ‘selection by mortgage’ [Gibbons & Machin 2006: C91].
space-available basis [Hillman 2006]. Parents of 24 percent of students reported that they moved to their current neighborhood so that their children could attend their current school [Wirt et.al. 2004: 74].

**School choice as a privilege for the middle class**

While school choice opportunities may be increased with open enrolment arrangements the crucial question is whether these opportunities are taken up and to what extent. There is a difference between an increase in nominal choices and the ability to utilize those choices.

While direct choice of school has increased, it tends to be restricted to certain social groups in society. Choice tends to benefit those families who know what the choices are, how to access them and who do not need support to get to a school. Parent choice is often constrained by low income, lack of transport, distance and family needs. In rural areas in particular there may be little choice because there is only one school in the region.

While in principle these [school choice] options are available to all parents, from a practical standpoint they may not be accessible to parents who do not have the resources and/or the knowledge to take advantage of them. Thus, many school “choices” may only be feasible for families affluent enough to afford desirable neighbourhoods or for those who can afford transportation for their child to preferred schools outside of the traditional catchment area. [Goldhaber & Eide 2002: 160]

A recent US study of school choice concluded that the provision of transportation is an important mechanism to level the playing field in school choice.

In less affluent families, parents (or a single parent) may lack access to private transportation or may lack the time to drive their children to distant schools and so could find it infeasible to send their children to a school choice program. [Betts et.al. 2006: xvii]

There is a large body of evidence about the types of families who take advantage of choice of school options. A series of studies of different types of programs, including public and private alternatives, has found that parents who actively choose schools are better educated and have higher levels of income than those who do not [see Willms & Echol 1992; Ball 2003; Cullen et.al. 2005; Hamilton & Guin 2005]. This research indicates that it is the middle class, often mostly white, who utilize choice most in government school systems. For example, a study conducted by Gewirtz et. al. [1995] found that in England the professional middle class demonstrates a marked capacity to engage with and utilize school choice opportunities while those who do not make positive choices are almost exclusively working class. The Economic and Social Research Council of the UK found that secondary school choice is a marker of economic privilege with many working class and ethnic minority families finding their choices limited [ESRC 2005; see also Reay & Lucey 2003]. As one study found:

In large cities, such as London….parental choice has been the means by which middle-class parents have managed to maintain their relative privilege in terms of access to high-quality education. [Butler & Robson 2003: 9]

In the US, a number of studies have demonstrated that high socioeconomic status (SES) parents and white parents are more likely to exercise the option to choose a school than
other parents [see Goldring & Hausman 1999; Teske & Schneider 2001; Saporito 2003; Hillman 2006]. The most recent of these studies concluded:

Choice is more likely to be exercised by better-educated and higher-income parents, whose preference is usually for schools whose intakes preserve advantage for their children – often, in fact, neighbourhood schools. The disadvantaged are less likely to exercise choice… [Hillman 2006: 20]

Another recent US review states:

Research generally shows that, like residentially mobile families, those who transfer schools but do not change homes tend to be affluent and white. [Renzulli & Evans 2005: 400]

However, some voucher and charter schools create new options for low-income and minority students who might otherwise lack choice [Gill et.al. 2001]. Many voucher programs in the US target low-income families, although the number of such families that can use them is limited by the size of the voucher. Programs without income restrictions tend to be disproportionately used by middle- and upper-income families. Education tax subsidies are also more likely to be used by these families. Access of disadvantaged students to charter schools varies considerably. In some states, charter schools serve predominantly disadvantaged students while in other states they cater for middle class white families. Overall, there appears to be little difference in the proportion of low income students in charter schools and other public schools [Gill et.al. 2001: 153; Frankenberg & Lee 2003: 14].

A similar phenomenon has been observed in studies of markets in schooling in other countries. In Alberta, Canada, only a small proportion of parents actively engage in elementary school choice and it remains largely a middle-class phenomenon [Bosetti 2004]. A New Zealand study found that secondary school students who attended schools outside the neighbourhood were from families who had relatively high SES in comparison with their neighbourhoods [Lauder & Hughes 1999]. Thus, it appears that school location has a very strong influence in the choice of low SES families and much less influence in the choices of high SES families. As one study concluded:

…..despite policy supports in place, some parents, especially low-income minorities, did not perceive that they had free choice. [Goldring & Hausman 1999: 486]

The introduction of the nationwide school voucher program in Chile in 1981 led to a significant exodus from the public schools system, with its share of total enrolments declining from 80 to 60 per cent in a decade [Hsieh & Urquiola 2002, 2006]. This choice was largely exercised by families from higher socio-economic backgrounds. In Spain, middle class families have more chances to choose a school, due to greater resources and cultural status…middle class families have more resources as well as greater cultural capital and often do not send their children to the nearest school, but rather to one they consider better, no matter its location. As you go down the social scale you can observe that mobility is less frequent. Many social groups find the complexity of the choice too puzzling. [Bernal 2005: 779, 791]

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24 These studies are consistent with many earlier studies that indicate that educational choice is primarily exercised by white, well-off families [see Saporito 2003].
While there is some evidence that it is the well-off who tend to use information on individual school outcomes, evidence from several countries indicates that league tables are not a major factor in decisions about choice of school by most parents [Reed & Hallgarten 2003; Bosetti 2004; Betebenner et.al. 2005]. However, there is also evidence to the contrary [for example, see Adnett et.al. 2002].

In Australia, choice of a private school is mainly exercised by high income and well-educated families. Research conducted by the Australian Council for Educational Research [Beavis 2004] shows that families with high occupational status, high levels of education and high incomes are more likely to send their children to an Independent school, compared with other families who are more likely to send their children to a government school.

Schools choose parents

The elimination of the need to pay a housing premium to obtain entry to a school of choice under zoning may be substituted with other barriers such as admission criteria. School admission criteria, especially in oversubscribed schools, may constrain effective choice just as much as residential area requirements. When highly popular or successful schools reach full capacity, they achieve considerable power over their enrolments and can choose the best possible students. It is then that enrolment schemes come to be the arbiter of school choice.

Once a school reaches the point at which it has such a mechanism, it is no longer subject to the whims of the market-place. It can choose among applicants and shape the nature of its student body. It can take the smartest students and those from the most economically and socially advantaged families and refuse applicants who are not so able academically or who are likely to bring learning and behavioral problems. [Fiske & Ladd 2000: 216-217]

As a result, many parents may have their choices denied by school admissions policies and selection procedures. These arrangements may operate formally and/or informally.

There is extensive evidence that market-based policies in England led to the introduction of selective entry into high ranking schools as schools actively recruited higher attaining students in order to sustain their league table ranking [Gewirtz et. al. 1995; West et. al. 1998; Whitty et.al. 1998; Wilson 2003; Woods et. al. 1998].

Formal processes were used to select students for ‘ability’, ‘aptitude’ or ‘motivation’ and informal or ‘covert’ selection processes are used to discourage ‘undesirable’ students [Gewirtz et. al. 1995, pp. 185-6]. The latter include the less ‘able’, children with emotional or behaviour problems, students from low socio-economic communities, children with learning difficulties and other special needs. These students and their parents were also often discouraged by admission procedures that use complicated admission forms and pre-admission interviews [Wilson 2003].

Despite recent legislative changes to reduce inequitable admissions criteria in England, a significant minority of schools continue to use admission procedures and covert selection procedures to select certain groups of students and exclude others [West & Hind 2003,
…a significant minority of schools, notably those that are their own admission authorities, use a variety of criteria that appear to be designed to select certain groups of pupils but exclude others - there are thus clear opportunities for schools to 'select in' and 'select out' pupils. [West & Pennell 2004: 360]

Recent research shows that about 25 per cent of secondary schools in London use at least one ‘potentially selective’ admissions criterion, such as aptitude/ability in a subject/general ability, compatibility with the ethos of the school, child of an employee, child of a former pupil, pastoral factors, compassionate factors, or interview [Pennell et.al. 2006]. Covert selection procedures include requesting information from parents that was not directly related to their application (such as their occupation), requiring references from a child’s primary school and requesting parents to write extensively on their reasons for applying to the school or on other matters, thus offering the possibility of schools selecting applicants on the basis of literary prowess.

Other research shows that some schools used the behaviour of siblings as a criterion, enabling them to 'select out' some pupils on the basis of the behaviour of others [West & Pennell 2004: 360]. Even after interviewing children and parents was disallowed some schools persisted with ‘structured discussions’ or ‘meetings’ with parents [Tomlinson 2005: 129; Pennell et.al. 2006: 11].

Similar forms of selection of students are in evidence in charter schools in the United States. Many charters use targeted recruitment, seeking applications from students they believe would succeed, or who would respond to their approach, while not recruiting others [Orfield 2003]. Some have screening procedures that public schools are prohibited from using because the public schools are required to serve all students. Many use covert forms of selection such as requirements for meetings and interviews with pupils and parents, mandatory parental contracts and vague admissions criteria such as 'commitment to school's philosophy' or 'fit between the charter school and the family' [Hillman 2006, West 2006]. However, practice appears to vary across the states. For example, about 30 per cent of charter schools in California use academic achievement tests during the admissions process, a proportion that is similar to conventional public schools [Chau et.al. 2003]. However, charter schools are more likely than conventional public schools to interview applicants and these may be used to encourage or discourage enrollment.

In New Zealand, schools were permitted to establish their own enrolment schemes once their capacity enrolment was reached. These are procedures that schools with a surplus of applicants use to determine which students they will accept and which they will reject [Fiske & Ladd 2000]. Schools were free to determine their own criteria and they often included defining geographic catchment areas for which automatic admission would apply. These were often defined to include predominantly middle-class residential areas. Other priority criteria used by schools include priority to siblings of children already attending the school, and children of staff members and former students. Principals and boards were often given discretion as to which students were accepted and some request interviews with prospective parents.
The use of school admission and selection criteria can mean that students living near a popular school can be refused entry because they do not meet the criteria and are forced to travel to another school. For example, a study of the abolition of residence requirements in Stockholm notes that the losers in the change were those who no longer were accepted to their closest school due to competition from students living further away [Soderstrom & Uusitalo 2005].

Even if schools do not engage in ‘cream skimming’ of high achieving students they may deny entry or fail to provide programs to students whose special learning needs may result in lower average test results. For example, there is evidence that some schools in England discriminate against children with special educational needs [Whitty & Power 2000]. A study of charter schools in Washington DC showed that they are less likely than traditional public schools to serve some high need populations. Rather than ‘cream skimming’ students they ‘crop-off’ services to students whose language or special education needs make them more costly to educate [Lacireno-Paquet et.al. 2002]. On the other hand, a study of charter schools in California found the proportion of special education students and students with disabilities was similar in charter and conventional public schools. However, there were large differences between types of charter schools, with some having much lower proportions of these students.

Extending choice by government funding of private schools also creates greater opportunities for schools to select students and reject others. Private schools generally retain the right to control their own admissions while being funded by governments. Many private schools in Australia have the opportunity to be very selective in the students they enroll. There is evidence that the traditional elite schools aggressively poach high achieving students from other schools. A recent example was the revelations about the poaching of top students by Haileybury College in Melbourne from about 50 surrounding schools [Bachelard 2006a, 2006b]. Increased Federal Government funding for private schools and the publication of school results appears to have escalated competition between schools for students who will sustain or improve the prestige of a school. The establishment of specialist government high schools in some states has also given these schools considerable power over which students they enroll and selection processes are designed to sort out the high achieving students [Rood 2006b].

Suspension and expulsion of students also offers a quick and easy way for schools to manage ‘problem’ children and remove those who might perform badly in tests. There is evidence of increased student suspensions with the introduction of league tables in England [West & Pennell 2000]. Private schools also generally retain the power to suspend and exclude students while in receipt of government funding, as in Australia.

In reality, choice for parents may only be the right to express a preference and it is schools themselves who make the choice about students through their admissions policies, particularly in the case of popular over-subscribed schools. For example, only about 25 per cent of parents in England get their first choice of secondary school [Which? 2005]. A House of Commons report on English secondary school admissions concluded:
…although parental preference is the dominant theme in the relevant legislation, the extent of competition for school places in some areas has led to a shift away from parents choosing schools to school admission authorities choosing pupils. [Education & Skills Committee 2004: 76]

As researchers have noted of the English and New Zealand systems, respectively:

…the market success of some schools enabled them to select their customers; choice became a sham for many parents. [Tomlinson 2005: 219]

What began as a system of parental choice has become, for all practical purposes, a system of school choice. [Fiske & Ladd 2000: 222]

Thus, there is no real choice of school for many parents, even for many of those who attempt to make an active choice.
9. Social and racial segregation in schooling

To the extent that choice of schools is mainly exercised by middle- and higher-income families, there is potential for market-based systems to increase social segregation in schooling. A major criticism of the introduction of market-based mechanisms in schooling is that it leads to increased social segregation in terms of socio-economic status and/or race, that is, lower socio-economic families and some ethnic groups become more concentrated in some schools and higher socio-economic and white families become more concentrated in others. For example, a UK parliamentary report prompted by race riots in the north of England has warned that greater parent choice has led to the development of racially segregated schools [ODPM 2004].

Concern about increasing social and racial segregation in schooling derives from its implications for discrimination, inequity and social cohesion.

An important consideration in assessing such claims about the introduction of choice and competition between schools is that it occurred in many countries in a context of significant social segregation arising from residential choice. Advocates of quasi-markets in schooling argue that assigning students to schools by residence also results in social segregation and that the introduction of choice and competition will extend choice and reduce social segregation.

There is a large literature on measuring social segregation in urban areas and many studies use different measures and arrive at different results and conclusions. These different approaches are reflected in the literature on social segregation in schooling.

Measuring changes in social segregation in schooling is a controversial issue. For example, there are complex issues of methodology, such as the appropriate measure of social segregation, the measure of social disadvantage and data inadequacies [Gibson & Asthana 2000a; Goldstein & Noden 2003; Gorard 2000; Gorard et.al. 2003; Gorard 2004; Goldstein & Noden 2004; Gill 2005; Allen & Vignoles 2006].

Deciding how best to measure segregation is complex, combining fundamentally normative judgements about what exactly one intends to measure, with more technical judgements about the appropriate properties of the chosen measure. [Allen & Vignoles 2006: 31]

While competition and choice may contribute to increased social segregation, there is also an issue as to the extent to which any changes observed can be attributed to the introduction of quasi-markets or to other changes in education policy. In addition, there other non-educational factors that may also contribute to any observed change in social segregation and their influence is a subject of debate [Noden 2001; Gorard et.al. 2003]. Factors such as the economic cycle, changing local demographic and employment profiles and the pattern of housing development also influence social segregation in schools. Contemporaneous changes in these factors make it difficult to assess the impact of market-based mechanisms in schooling. However, some studies have attempted to examine the impact of post-residential choice on school segregation by controlling for
residential segregation, for example, by comparing segregation indexes for schools and neighbourhoods.

Several studies conclude that social segregation in schooling has increased in England, New Zealand, Scotland and the United States over the last decade or so and that the operation of quasi-markets has contributed to this.

**UK studies**

Several UK studies have found evidence of increasing social segregation in schooling associated with choice and competition in schooling.

A small scale study of 14 London secondary schools in the mid-1990s found that working class children were increasingly concentrated in schools [Gewirtz et.al. 1995]. It concluded that the introduction of quasi-market mechanisms had contributed to a “decomprehensivization” of schools with “an intensification of status hierarchies, provisional differentiation and segregation within the state system” [188].

A study of the extent of social segregation between schools of middle- and working-class pupils for the 54 Scottish communities that had at least two secondary schools revealed that between-school segregation along social class lines increased substantially with the introduction of parent choice [Wilms 1997]. The tendency was for middle class pupils to increasingly become isolated in a small number of schools within each community. Segregation increased in large and small communities alike, but the biggest increase was in the isolation of middle-class pupils in Scotland’s five largest cities (Glasgow, Edinburgh, Paisley, Aberdeen and Dundee).

Noden [2000] analysed data on 3482 English secondary schools in 128 Local Education Authorities (LEAs). It measured income segregation between schools within LEA districts and found that there was a steady rise in the average level of income segregation across schools between 1994 and 1999. Each year, there was a slight increase in the probability of students from low-income families being educated together as a result of increased segregation within the LEA. However, there was considerable variation between LEAs, with some experiencing increasing segregation and others decreasing segregation. The study does not attribute this increase to the availability of school choice as it may also be influenced by the migration of low-income families between LEAs and their housing choices. However, the study acknowledges that the increase is consistent with the hypothesis that school choice leads to greater segregation in schools.

Gibson & Asthana [2000b] analysed social segregation in 640 English non-selective state schools for the period 1992 to 1998. They found a slight decrease in overall social stratification by income levels between schools. However, they found that this aggregate trend masks polarization occurring in local education markets. They found that educational markets exacerbate existing differences between schools in terms of social status, with high status schools generally drawing a larger proportion of socially advantaged students and low status schools enrolling a greater than average increase in
students from low income families. Schools which initially had low social rank came to serve an increasingly disadvantaged student body.

Bradley and Taylor [2002; see also Bradley et.al. 2000] analysed school-level data of secondary schools in England for 1993 to 1999 in local authority district markets and found that the operation of the ‘quasi-market’ has led to a small increase in segregation by socio-economic status. Schools with good exam results in a district generally experienced a reduction in the proportion of students from poor families while schools with comparatively poor performance experienced an increase in students from poor families. They also found that social segregation has increased more in metropolitan regions, where competition between schools is more intense, than in non-metropolitan areas.

Goldstein & Noden [2003] found an increase in socio-economic segregation in English secondary schools between 1994 and 1999, with a much larger increase in social segregation in areas operating selective secondary school education systems than those do not have selection. There was also a small increase in segregation associated with schools which have control over their own admissions.

In contrast, a large-scale study of state funded primary and secondary schools in England and Wales conducted by a team at Cardiff University found a significant decline in the degree of socio-economic segregation between 1989 and 1994, relative stability from 1994 to 1997 and an increase in segregation since 1997, although not to the extent that existed in 1988 [Gorard et.al. 2003]. Segregation by ethnic group declined over the whole period 1988-2001. It found that the decline and recent rise in socio-economic segregation between schools occurred at the national, regional and most Local Education Authority and school district levels, although there was considerable local variation and some 25 per cent of LEAs experienced an increase in segregation. Consequently, the study disputes the contention that quasi-markets in school education led to increased social stratification between schools. It should be noted, however, that the fall in socio-economic segregation was highly concentrated in the recession years 1991 and 1992, which suggests a particular impact of the recession rather than an ongoing genuine change in segregation [Allen & Vignoles 2006].

Allen & Vignoles [2006] concur with Gorard et.al. [2003] that there has been no substantial across the board increase in socio-economic segregation between schools in the majority of Local Education Authorities between 1989 and 2004. However, they reject the finding that segregation decreased over the period. They also found that social segregation increased in many Local Authorities (42 per cent of LEAs), especially in London, while it fell in the others. Over the five year period of 1999 to 2004, these proportions were reversed with rising social segregation between schools in 60 per cent of LEAs and falling in 40 per cent. The study also found that LEAs with higher proportions of pupils at grammar schools and higher proportions of pupils at voluntary-aided schools are all associated with higher levels of segregation, so that the availability of choice, whether by parents or schools, is likely to have contributed to greater social segregation in schools in these areas. Indeed, one of the authors stated that “the current
pattern suggests that segregation is higher where more pupils exercise choice of schools” [Vignoles cited in MacLeod 2006].

Another stream of the research conducted by the Cardiff University team found that, in general, LEAs with higher proportions of foundation, selective or specialist schools have higher levels of socio-economic segregation between schools [Fitz et.al.2006]. Also, specialist schools that retained some autonomy over student admissions are less likely to admit students living in poverty and it was these schools that were contributing to the recent increase in levels of segregation between schools.

…combining ‘specialist school’ with ‘school autonomy’ diversification (including control over entry), as represented by voluntary aided and foundation schools, was leading to a two-tier education system. It is these schools, in effect, that have been driving the levels of segregation between schools upwards since 1996-97. [Fitz et.al. 2005: 123]

A study of ethnic segregation for government funded secondary school students in England at school and in their neighbourhood found that levels of segregation are typically high, but vary considerably across the country [Burgess et.al. 2005]. On average, school segregation was higher than the segregation of the same ethnic group in the surrounding neighbourhood. The ratio of school to neighbourhood segregation increases with the population density of the area. Higher population density creates two incentives for greater school segregation: parents have greater choice of school and schools have greater opportunities segment the market. Another study by the same research group found that segregation by socio-economic status at the Local Education Authority level varies considerably across the country and that segregation is higher where there is more choice of schools in local markets [Burgess et.al. 2004]. It also found that in areas where there is more school choice, students were more segregated by school than in their residential neighbourhood, both for socio-economic status and ethnicity.

Thus, the availability of school choice provides an additional layer of complexity on the pattern of neighbourhood and school segregation. Neighbourhood segregation continues to influence socio-economic and ethnic segregation in schools through family housing choices and school admission policies. However, post-residential choice of school also contributes to school segregation by income and ethnicity.

**US studies**

**Racial segregation**

In the United States, racial segregation in schools has long been a major issue. In 1954, the Supreme Court declared official segregation unconstitutional, while the Civil Rights Act of 1964 required the integration of schools and provided funding support for it. It provided the impetus for the integration of neighbourhood schools and instigated mandatory reassignment plans, often involving involuntary busing of students to schools outside their neighbourhood. Between 1968 and 1990, levels of racial segregation in schools declined dramatically, particularly in the South. This was achieved largely through court-supervised plans, but voluntary federally supported desegregation was
extensive in many districts. Bussing students to schools outside their neighbourhood was a critical to balancing student intakes across school districts.

The desegregation movement was weakened by a number of judicial decisions from the mid-1970s and several authors have highlighted increasing racial segregation in US schools since the early 1990s [Cashin 2004a, 2004b; Kozol 2005]. Most research has focused on this broader issue, rather than the contribution of competition and choice in schools to changes in segregation in schools.

Re-segregation in schooling
The Civil Rights Project at Harvard University has produced a series of research studies showing increasing racial segregation in public schools during the 1990s and in particular states and school districts [see Orfield 1999; Orfield & Yun 2001; Frankerberg & Lee 2002; Frankerberg et.al. 2003; Orfield & Lee 2006]. For example, Orfield & Lee [2006] conclude that black students have become increasingly resegregated in the South and Border states, while Latino students, who were excluded from serious desegregation efforts, are becoming even more segregated than black students in Southern and Western regions. In regions that were never substantially desegregated, including many metropolitan areas in the Northeast, Midwest, and West, segregation is growing in degree and complexity as the nation becomes increasingly multiracial.

Reardon et.al. [2000] analysed data for public schools in 217 US metropolitan areas between 1989 and 1995 and found that the average level of racial segregation remained largely unchanged for the period. However, average segregation between white students and their black, Hispanic and Asian peers increased while groups other than white became less segregated from one another, so that there was an overall increase in white/minority segregation in public schools. In addition, about two-thirds of metropolitan public-school segregation is between school districts, resulting largely from residential patterns, and that this contribution to white/minority school segregation increased between 1989 and 1995. About one-third of racial segregation in schools is due to segregation within school districts, resulting from residential patterns and school admission policies. They conclude that residential segregation contributes significantly to white/minority school segregation.

A study prepared for the Century Foundation [2002] found that segregation between black and white school children in American public elementary schools increased during the 1990s even though residential segregation by race decreased slightly. Clotfelter [2002] found a very slight increase in racial segregation between black and white K-12 students in schools across the United States between 1995-96 and 1999-2000.

Logan [2002] found a very small increase in segregation between blacks and whites in schools across metropolitan regions between 1990 and 2000, a period when residential segregation had declined. However, much larger increases in school segregation had taken place in some specific central-city school districts that had been released from desegregation orders in the 1990s. Similarly there were small increases in segregation between whites and both Hispanics and Asians.
A study of five large metropolitan public school districts across the US found an increase in racial segregation between black and white students in elementary schools between 1987 and 2002 in four of the districts [Clotfelter 2003]. The study also used a larger sample of school districts to extrapolate regional trends and found increasing segregation between 1989-90 and 1999-2000 in all regions except the Midwest. There are also considerable racial disparities between public school districts which contribute to overall racial segregation. Its analysis of changes in racial segregation by metropolitan area only used data for 1970 and 2000, which is not coincidental with the period of increasing school choice.

Logan and Oakley [2004] examined black-white segregation in about 1,100 school districts. While a very large decline in segregation occurred within school districts between 1968 and 1990, there was only a marginal increase between 1990 and 2000. However, segregation has increased dramatically in a number of major school districts around the country.

A recent study of racial segregation of K-12 students in the 100 largest school districts in the South and Border states using two different measures of segregation found that segregation increased between 1994 and 2004 on one of the measures and no change by the other measure [Clotfelter et.al. 2005]. The study concludes that the average level of segregation in large Southern school districts has not changed much over the last decade. However, the authors caution that the results do not consider disparities between schools in districts or disparities between districts, both of which can be quite important sources of segregation. Earlier studies found that segregation in schools across the southern states increased slightly between 1987 and 2000 despite a reduction in residential segregation, but there was considerable variation between the trends of individual states [Reardon & Yun 2002; Yun & Reardon 2002]. School segregation increased markedly in metropolitan areas in North Carolina between 1994-95 and 2000-01, a period of decreasing residential segregation [Clotfelter et.al. 2002].

Another recent study concluded that while desegregation of schools faltered during the 1990s, segregation did not increase overall so that the desegregation achieved since the 1960s has been protected [Logan et.al. 2006]. It found that the compositions of schools are changing in a way that leaves white and minority children neither more nor less separated from one another. Increasing numbers of Hispanic, black, and Asian children has caused an increase in the number of majority-minority schools and, as a result, whites are increasingly in schools with greater racial diversity. At the same time, black, Hispanic, and Asian children are more likely to be in schools where whites are in the minority. However, the study acknowledged that segregation has increased in several major school districts across the US.

Overall, the majority of research studies indicate that racial segregation in schools increased in a large number of metropolitan areas and school districts in the US during the 1990s, although the extent of segregation is still significantly less than it was in the 1960s. They also agree that residential segregation remains an important factor in school
segregation. Indeed, the weakening of judicially controlled de-segregation appears to have re-asserted the strong influence of neighbourhood segregation on segregation in schools. This change complicates the investigation of the effects of choice and competition on racial segregation in schools.

The impact of choice and competition

One avenue for assessing the impact of choice and competition in schooling on racial segregation is to examine patterns of residential and school segregation in school districts and neighbourhoods. Several studies have found that school segregation has increased in many areas while residential segregation has declined. This suggests that families are increasingly taking advantage of options to choose a school outside their neighbourhood. Thus, while the link between residential and school segregation remains, these findings show that other factors besides residential segregation, such as changes in school policy, might be contributing to these increases in school segregation.

One recent study of the 22 largest US public school districts found that racial segregation in traditional neighborhood-based public schools is greater than segregation across school catchment areas because white children disproportionately leave public schools serving more racially integrated neighborhoods [Saporito & Sohoni 2005]. Moreover, public schools that have private and/or magnet schools within their catchment areas have fewer white children than those schools that do not have nearby private or magnet schools. It concludes that open choice enrolment policies are likely to exacerbate racial segregation within large, urban school districts. Compared to traditional public schools, charter schools have a larger percentage of black students and lower percentages of Hispanic and white students.

Another recent study compared the ethnic composition of public schools to the composition of their neighborhoods in Los Angeles [Ledwith 2006]. The percentage of white students in neighbourhood schools was found to be lower than the percentage of whites resident in the neighborhood, indicating that white families were taking advantage of educational choices. In contrast, the relationship between school and neighborhood composition is similar for Black and Asian students.

A study of choice programs in the San Diego school district found that they have increased integration in schools [Betts et.al. 2006]. Non-white students are generally more likely to participate in choice programs than whites and they tend to choose schools that are ‘more white’. However, there are significant differences between particular choice programs. The Voluntary Ethnic Enrollment Program (VEEP) plays by far the strongest role in integrating whites and nonwhites in the district while integration under the open-enrolment program is significantly less than the VEEP. VEEP and the magnet program unambiguously increase the exposure of whites to nonwhites, and vice versa. The open-enrollment program increases the exposure of whites to Asians, but decreases the exposure of whites to blacks and Hispanics.

The study suggests two explanations for the different effects of the open-enrollment program. First, is the lack of busing in that program, which may discourage applications
from disadvantaged families. Second, both VEEP and magnet programs match groups of schools along both socioeconomic and racial/ethnic lines. VEEP does this by grouping together sending and receiving schools with quite different demographic profiles. The magnet program indirectly encourages integration by dividing the district into four clusters and then giving priority to students from the cluster that demographically least resembles the given magnet school over students from other clusters.

The open-enrollment program is the closest to a free market and does not give anyone higher priority. It does not provide busing, and so families with their own cars might disproportionately use this program to find better schools for their children. Nor does open enrollment build in preferences for students from certain neighborhoods. The study concluded these two other policy levers seem necessary for school choice programs to promote integration.

It could well be that such mechanisms are needed to ensure that school choice programs lead to meaningful amounts of integration. [Betts et.al. 2006: xvii]

While there are few general studies of the relationship between school choice and racial segregation across public schools in the US, several specifically focus on the impact of choice of charter schools.

Charter schools provide an additional school choice for families, one that helps parents avoid residential mobility costs and private school fees. Much of the evidence about their impact on racial segregation is typically based on simple comparisons of the racial and ethnic composition of charter schools and conventional public schools. There are few longitudinal studies.

An early review of the literature on charter schools in the US found that most charter schools have racial distributions that fall within the range of distributions of local public schools, but in some states, charter schools serve racially homogeneous populations [Gill et.al. 2001]. The main studies at this time suggested that the comparative integration of charter schools may vary widely across different states.

A study published by the Civil Rights Project at Harvard University compared the racial composition of charter schools in sixteen states relative to statewide averages. It shows that while there is considerable variation across the US, charter schools are more segregated than traditional public schools. They disproportionately enroll higher percentages of black students and lower percentages of white students compared to non-charter schools.

…charter schools in most of these states enroll disproportionately high percentages of minority students. Seventy percent of all black charter school students attend intensely segregated minority schools compared with 34% of black public school students...

Although these schools have the potential to transcend high residential segregation created by neighborhood assignment and school district boundary lines, in many cases they are even more segregated than regular public schools. [Frankenberg & Lee 2003: 7, 47]
An independent study prepared for the US Department of Education examined the profile, including race/ethnicity, of charter students relative to students in traditional schools by comparing national averages across the two groups [Finnigan et al. 2004]. It found that charter schools disproportionately serve minority students and that the overall proportion of minority students attending charter schools has been growing. Bifulco and Ladd [2005] found that, compared to traditional public schools, charter schools in North Carolina have a larger percentage of black students and lower percentages of Hispanic and white students. On the other hand, other studies of charter schools in some US states find that they disproportionately enroll white students [see Renzulli & Evans 2005].

A few studies use longitudinal student-level data to map the movement of students to charter schools. For example, Booker et al. [2005] examine how charter schools are affecting the distribution of students in California and Texas in both charter schools and the schools they leave. In both states, significant differences are apparent between students who choose to move to charter schools and those who do not, and those differences vary by their race/ethnicity. Black students in particular tend to move to charter schools that have a higher percentage of black students and are more racially concentrated than the public schools they leave. Ironically, while charter schools in these states have not become “white enclaves” the impact of choices by black families seems to lead to greater segregation and expose these students to less diversity.

Another study has compared the racial composition of California charter schools to that of the districts in which the charter schools are located [Chau et al. 2003]. It found that charter schools have a higher percentage of white and black students and a lower percentage of Asian and Hispanic students than conventional public schools within their chartering districts.

An overview of the research in California schools states:

The evidence shows that charter schools have not created “white enclaves” or “skimmed” high-quality students from traditional public schools — in fact, charter schools have proven to be more popular among black and lower-achieving students and may have actually created “black enclaves.” [Zimmer & Buddin 2006: 6]

A study of charter school composition in Arizona, widely considered to be the state most receptive to the formation of charter schools, concluded that some of the concerns raised by critics of charter schools have been realized [Dee & Fu 2004]. It found that the introduction of charter schools led to a “robust and statistically significant reduction in the percent of white non-Hispanic students in conventional public schools” [269].

A study of Michigan charter schools found that they have a much larger proportion of black students than traditional public schools because operators have largely chosen to establish schools in predominantly black neighbourhoods [Ross 2005]. The study found mixed evidence on whether charter schools had exacerbated or reduced racial segregation in traditional public schools.
A recent national study examines the racial composition of charter schools within local education markets [Renzulli & Evans 2005]. Instead of comparing the racial make-up of charter schools in a district with the racial composition of the school districts in which these schools are situated, it attempts to determine the circumstances in which “white enclave” charter schools occur. It found that as the level of integration increases in a school district, the percentage of white students in local charter schools increases as well, even after controlling for academic achievement and other factors. In contrast, white flight into charter schools will be less pronounced in districts within which schools are already significantly racially separated. These findings suggest that when districts do not have schools that serve as white enclaves, a greater percent of white students will attend local charter schools. As a result:

…charter schools left to their own devices may promote racial segregation in the public schools.
…we conclude that charter schools provide a public school option for white flight without the drawbacks of residential mobility such as job change or commute for parents. [Renzulli & Evans 2005: 413]

**Race as a factor in school choice**

Another way of assessing the impact of choice policies on school segregation is to investigate the factors that influence choice of school by parents. Several studies show that the racial composition of schools is an important factor in the choice of school by white families. One review concludes:

…these findings about parental preferences suggest that unconstrained choice in a voucher or charter program could lead to higher levels of stratification [Gill et.al. 2001: 174].

This is particularly the case in choice of private schools. A study of eight New York metropolitan areas found that whites confronted with urban public schools with even moderate concentrations of African-Americans or Latinos are much more likely to opt for private schools or choose suburban public schools [Lankford & Wyckoff 2000]. When they do choose private schools they choose those with lower concentrations of nonwhites. The effect is to make schools more racially segregated.

As a result of this sorting directly related to race, urban public schools, which already having substantially higher concentrations of nonwhites than their suburban counterparts, have become even more segregated. [Lankford & Wyckoff 2000: 38]

A study using national education data found evidence of “white flight” from public schools into private schools partly in response to minority schoolchildren [Fairlie & Resch 2002]. It found that white families are fleeing public schools with large concentrations of poor minority schoolchildren and that the clearest flight appears to occur from poor black schoolchildren.

A study of applications for magnet schools in Philadelphia found that white families tend to avoid schools with high proportions of non-white students [Saporito 2003]. Applications to leave neighbourhood schools increase as the percentage of non-white students in the school attendance area increases. This leads to greater racial segregation in the neighbourhood schools that these students leave. Race was a strong factor in parent choice even allowing for the economic background of families.
These findings have been confirmed in a very recent study using national data. It examined the relationship of parents' education level to school choice and racial segregation and found, on average, that the greater the education of white parents, the more likely they will remove their children from public schools as the percentage of black students increases [Emerson & Sikkink 2006].

**Assessment**

In summary, the US studies on school choice indicate that residential segregation remains an important factor behind racial segregation in US public schools and that “white flight” to the suburbs has contributed to increasing segregation in the last 20 years. Many white families are in a position to make an effective school choice through choice of residence. However, the higher levels of racial segregation in schools in many districts compared to the extent of neighbourhood segregation indicates that families are also exercising direct choice of school in a way that contributes to greater segregation. Race is a factor in what schools many parents choose to send their children. In particular, the increased choice available through charter schools has contributed to greater segregation, although the extent and nature of this segregation varies across the country. In some cases, charter schools have largely served minority, largely black, groups and, in others, have become bastions of white students.

In sum, state analyses largely suggest that charter schools create greater segregation of whites and nonwhites. They do indeed serve minorities, but mostly in segregated contexts. [Renzulli & Evans 2005: 401]

Other choice policies in the United States include government subsidies for private school attendance, usually termed “voucher programs” and magnet schools. These are largely small-scale programs and many target low-income and minority families. There is limited evidence available on their impact on school segregation. A review of the literature concluded that targeted voucher programs may modestly increase racial integration by putting more minority students into private schools that are largely white and that it is unlikely that these programs have caused a substantial increase in social segregation of local public schools [Gill et.al. 2001].

**Socio-economic segregation**

In contrast to the number of studies on racial segregation in US schools, few have considered changes in the impact of choice and competition on the socio-economic compositions of schools.

A study prepared for the Century Foundation [2002] found that American public elementary schools became more economically segregated in the 1990s, a trend that parallels the rise in economic segregation by residence between 1970 and 1990. In the largest 100 metropolitan areas, economic school segregation increased in the 1990s in 55 metropolitan statistical areas, was stable in 14, and lessened in 12 (with data unavailable in 19). However, the report does not assess the impact of school choice on these trends.
A few studies have shown that charter schools are likely to contribute to greater socio-economic segregation of students between schools. For example, North Carolina charter schools serve a higher percentage of students whose parents are college educated and a lower percentage of students whose parents are high school dropouts [Bifulco & Ladd 2004]. Other studies also indicate that charter schools have further segregated students on the basis of income level [Good & Braden 2000a; see also Good & Braden 2000b: 150-153].

A study of applications for magnet schools in Philadelphia found that white families tend to avoid schools with high proportions of high poverty students [Saporito 2003]. Applications to leave neighbourhood schools increase as the percentage of poor students in the school attendance area increases. This leads to greater socio-economic segregation in the neighbourhood schools that these students leave. The study concludes that:

…laissez faire school policies, which allow the unfettered movement of children in and out of schools, may further deteriorate the educational conditions for disadvantaged students left behind in local public schools. [Saporito 2003: 181]

Limited research studies suggest that voucher programs are likely to have increased socio-economic integration in the private schools involved because they largely target low-income families [Gill et.al. 2001]. Given the targeting of these programs, they are unlikely to negatively affect social stratification in public schools. On the other hand, there is some evidence that families who choose magnet schools tend to be more advantaged than other families [Gill et.al. 2001].

**Other studies**

A range of studies in other countries also point to a strong association between school choice and increased social segregation in schools.

A nationwide voucher program was introduced in Chile in 1981 whereby public funding was provided to all students, including those attending private schools. Many new private schools entered the market, and the private enrollment rate increased from 20 to 40 per cent by 1988 and surpassed 50 per cent in many urban areas. The scheme resulted in a massive exodus from public schools by families from higher socio-economic backgrounds leading a large reduction in the socio-economic status backgrounds of students in the public system [Hsieh & Urquiola 2002, 2006]. Bellei [2005] shows that public and voucher school students in Chile differ markedly in almost all of the variables associated with social class origin: students in voucher schools have, on average, more educated parents, higher family income, more books at home, and parents with higher expectations about their educational attainment. This study concludes that competition and choice in Chile’s school system over 20 years has been instrumental in creating a highly socially segregated school system.

These sorting and re-sorting mechanisms, massively applied for two decades, have shaped the Chilean school system in its current segregated features. From the demand point of view, middle and high social-class families have found that schools’ social and academic selectivity provide them a large profit of “peer effects” within schools: given the high correlation between learning outcomes and student’s social
background, when Chilean families aim at social selectivity, they obtain academic selectivity by extension. [Bellei 2005: 45]

The introduction of school choice in New Zealand has lead to substantial racial stratification between schools [Fiske & Ladd 2000]. Maori and Pacific Islander students became more concentrated in some schools and whites in other schools and overall segregation by ethnicity was higher in 1996 and 1997 than in 1991. The change appears to be attributable to the exercise of school choice rather than to changes in the residential patterns of white and Maori/Pacific Islander families. There is also limited evidence that segregation by socio-economic status also increased after the introduction of school choice [Lauder & Hughes 1999].

A study of the impact of the de-zoning of school admissions implemented in Stockholm in 2000 found that it had resulted in a large increase in school segregation along ethnic and socio-economic lines despite the intent of the change being to reduce the impact of residential segregation on school segregation [Soderstrom & Uusitalo 2005]. A recent study of ethnic residential and school segregation in Copenhagen found that when school choice is available substantial school segregation can occur despite low residential segregation [Rangvid 2006]. For most ethnic groups, segregation in schools is higher than residential segregation.

Another way of examining the impact of choice and competition on social segregation in schooling is to compare levels of segregation across countries. Jenkins et.al. [2006] have compared school socio-economic segregation in England with that in 24 OECD countries and Scotland and Northern Ireland using data from the 2000 and 2003 rounds of the Programme of International Student Assessment (PISA). It found that socio-economic segregation in schools is generally higher in countries with greater levels of school choice, although differences in the extent of parent choice of school are not strongly associated with differences in levels of social segregation between countries. Socio-economic segregation is higher in countries that have selective state secondary school systems.

Private school options have contributed to increased segregation in some US regions and school districts [Clotfelter 2002]. In Copenhagen, well-educated and high income families are more likely to choose private schools for their children and private school choice has contributed to increased segregation in schools [Rangvid 2006]. In Spain, the middle and upper classes go to private schools, while ethnic minorities, economically disadvantaged groups and immigrants attend the public sector [Bernal 2005].

**Social segregation in Australia’s schools**

Social segregation is also a feature of the Australian school education system. There is a clear hierarchy between type of school and their socio-economic composition [Mukerjee 1999; Preston 2003; ABS 2006]. Students from low socio-economic status (SES) families comprise a much higher proportion of government school enrolments than in Catholic and Independent schools.
According to the ABS Household Expenditure Survey, 26 per cent students at government schools in 2003-04 were from low-income households, compared to 17 per cent of students in Catholic schools and 16 per cent of students in Independent schools [ABS 2006]. In contrast, 26 per cent of students in Independent schools were from high income households, compared to 16 per cent at Catholic schools and only 8 per cent of students at government schools.

Using different definitions of income levels and using Census data, Preston found that over 40 per cent of government school students in 2001 were from low-income families compared to 27 per cent of Catholic school students and 23 per cent of Independent school students [Preston 2003]. In contrast, only 21 per cent of government school students were from high-income families compared to 34 per cent of Catholic school students and 47 per cent of Independent school students.  

A report prepared for the Victorian Government demonstrates that schools in Victoria are socially segregated [Lamb et.al. 2004]. Independent schools largely serve students from high SES backgrounds. In 2000, almost 50 per cent of Year 12 students in independent schools were in the highest quintile of SES compared to only 13.4 per cent of government school students and 18.8 per cent of Catholic students. Looking across social groups, Victorian government schools enroll 72.4 per cent of low SES students, compared to independent schools, which enroll only 5.3 per cent and Catholic schools that enroll 22 per cent. At the other end of the scale, independent schools enroll 42.4 per cent of all high SES students, compared to 37.7 for government schools. The study suggested that the disproportionate increase in government funding for private schools has contributed to this social segregation in schooling [Lamb et.al. 2004: 65].

The social divide in Australia’s school system has been increasing since the 1970s as a result of the increase in ‘de-zoning’ and school choice programs in Australia, including funding for private schools [Rothman 2002: 39]. A higher proportion of government school students now come from low socio-economic status backgrounds than 30 years ago [Keating 2004; Keating & Lamb 2004; Ryan & Watson 2004]. The independent school sector in Victoria has doubled its enrolments since 1975 but its social composition is now even more strongly weighted towards high SES students [Keating 2004]. Research undertaken for the Catholic Education Commission shows that Catholic schools have a falling share of enrolments from poorer families [CSES 2004, Pascoe 2004].

While this trend cannot be attributed just to the policies of the Howard Government, these policies are likely to compound the trend. This is despite the Government’s statements that its SES model of funding for private schools is intended to increase choice for low income families. The new funding regime has not diminished the rate of increase in private school fees [for example see Doherty 2004; Glover 2004; Karvelas 2004; Leung & Guerrerra 2004; Leung 2006b; Ryan & Watson 2004; Norrie 2006a, 2006b]. Private schools have used government subsidies to increase the quality of their services (that is, to reduce staff: student ratios) rather than to reduce their fees. This

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25 A similar hierarchy between school sectors exists for Indigenous students and students with disabilities [see Cobbold 2004].
strategy means that the increase in the enrolment share of private schools will not substantially altered the socio-economic composition of their student body.

The privatization of schooling in Australia has largely served the middle class and well-off. Choice of private schools is largely the preserve of middle and upper income families who can afford to pay fees and various other charges.
10. Impact on student and school achievement

The above criticisms of market-based approaches to schooling could be muted somewhat by evidence that they improve student outcomes overall. The Howard Government has cited overseas research evidence that competition between schools improves student results [Kemp 2000a]. One of the researchers cited argues that school competition is a “rising tide that lifted all boats” [Hoxby 2003].

The claimed effect of competition on student achievement has several aspects. First, it is claimed that increasing choice between government schools promotes competition between schools to recruit and maintain enrolments. Increasing competition is also assisted by implementing school-based management so that schools can operate independently and by reporting individual school results. These measures provide incentives for schools to improve student performance.

A second claim is that competition and the incentive to improve school performance is encouraged by the introduction of new forms of schooling within the government sector that compete with traditional government schools. The prime example is the introduction of charter schools.

A third claim is that private schools have superior outcomes and that competition from private schools drives better performance in the government sector.

There is a substantial literature on the impact of the introduction of parent choice and competition on student achievement and it contains much claim and counter-claim. Much of this voluminous literature consists of studies conducted in the United States and, to a lesser extent, England. The general weight of evidence in the literature calls the Government’s claims into question.

It should be noted that there are significant methodological problems in designing empirical studies to give robust results and many studies are not well designed to separate out the various factors influencing student achievement. Even those that are well-designed often provide conflicting results because they are based on different assumptions and use different data sets and statistical approaches.26

U.S. studies

There is a large and wide-ranging literature on the impact of choice and competition on student achievement in the United States, using a variety of approaches and methodologies. The US studies include studies of competition between government schools within metropolitan areas, public and private school competition, and studies of the impact of voucher and charter school programs.

26 For example, see Goldhaber & Eide 2003 on the problems in assessing the results of studies of the impact of private school competition.
Choice and competition studies

Numerous studies have examined the effects of greater choice on public school performance and student achievement, typically using across-metropolitan area variation in indices of public school concentration or measures of private school availability. The results of this literature are mixed, ranging from little effect to a modest positive impact of increased choice on school performance.

Belfield and Levin [2002] have conducted comprehensive review of this literature. They attempted to determine to what extent, and according to what measures of output, does increased competition improve educational quality. The criteria for the studies chosen for the review were that they must address educational outcomes and competitive pressures across large markets and contain an analysis on the basis of large-scale, cross-sectional data sets. Competition was constructed in terms of greater school choice for parents and students, and educational outcomes were mostly measured in terms of standardized test scores, as well as graduation/attainment, expenditures/efficiency, teacher quality, students' post-school wages, and local housing prices. They identified about 40 relevant empirical studies between 1972 and 2002 and concluded that the research shows a reasonably consistent relationship between competition and education. However, the actual effects were quite modest and many of the estimates lack statistical significance. The authors cautioned against using these findings to support policies to promote greater competition among schools.

The benefits of competition…should not be exaggerated. … a number of them may in fact be the ‘same’ benefit, but calculated in different ways. [Belfield & Levin 2002: 296]

They suggested that the benefits of increased competition must be set against any additional generated costs to justify specific policy approaches. In particular, equity issues stemming from increased competition must be considered:

…market systems rank poorly against equity criteria (e.g., by showing greater segregation and partitioning of student groups). [Belfield & Levin, 2002: 296–297]

In a series of very influential papers, Hoxby [1994, 2000, 2003] makes use of the variation across metropolitan areas in the amount of competition school districts face from public schools in other districts or from private schools to draw inferences about the effects of competition on overall school achievement per dollar of expenditure. These studies find quite large and positive impacts of competition on student achievement. For example, Hoxby [2000] concludes that metropolitan areas with many competing school districts generate higher test scores and lower costs than metropolitan areas with few school districts. In an earlier study, Hoxby [1994] measures the effect on public schools of competition from private schools and concludes that such competition increases the achievement of students in the public schools. Hanushek & Rivkin [2002] compare estimates of average school quality differences in metropolitan areas across Texas with the amount of public school competition in each. They find that in the largest metropolitan areas the degree of competition is positively related to performance of the public schools.
Jepsen [2002] also examines the effect of competition on public schools by private schools, but uses a different methodology than Hoxby. This study looks at two different periods, investigates whether the level of aggregation of the competition variable affects the results and uses several different measures of outcomes. Unlike Hoxby’s study, Jepsen does not find a consistent effect of private school competition on student achievement. The effect of private school competition varies, depending on the data set, the outcomes measure and the level of aggregation of the competition variable. These findings suggest that competition from private schools has no effect on student achievement in public schools.

Other studies have also found that findings about the effects of private school competition on student achievement in public schools are sensitive to the measures of student achievement and competition [for example, McMillan cited in Chan 2003; Sander 1999]. These studies conclude that private school competition has little to no effect on student achievement in public schools.

Rothstein [2004] conducted a re-analysis of the test score results in the Hoxby [2000] study and concluded that Hoxby’s positive estimated effect of inter-district competition on student achievement is not robust and over-stated and that the evidence does not support claims of a large or significant effect. Rothstein’s findings suggest that competition among neighboring school districts to attract residents does not lead to meaningful improvements in school quality.

A recent study of the impact of school choice on student outcomes in the context of open enrollment in the Chicago public school system found that choice of school is associated with a large increase in years of schooling [Cullen et.al. 2005]. However, the study found that this apparent benefit to students attending choice schools is likely to be spuriously driven by characteristics of these students such as motivation level and parent involvement. As a result, it concludes that systemic choice within a public school district does not seem to increase the achievement of those who participate.

With the exception of career academies, we find that systemic choice within a public school district does not seem to benefit those who participate. This casts doubt on the power of this form of choice to improve educational outcomes, or to serve as an efficient form of discipline for low quality neighborhood schools. [Cullen et.al. 2005: 755]

The results of another recent study of the effects of open enrollment in a large school district in western United States generally confirm the case that choice and competition do not result in any significant improvement in student outcomes.

…this paper lends greater support to the contentions of opponents of choice than the proponents: There was not a uniform benefit on student test scores for those students participating in choice. Thus, the contention that allowing choice will help academic achievement is not supported by our findings. In fact, the only students in our study who showed a positive benefit from choice were those students from the lowest quartile. But their increase was only demonstrated on the math test. It was not confirmed by their performance on the reading test. [Betebenner et.al. 2005: 15]

The Public Policy Institute of California, an independent nonprofit research organization, recently published the results of an extensive study of the influence of school choice on
student achievement in the San Diego school district [Betts et.al. 2006]. It examined three years of test scores in reading and mathematics from state standardized tests for open-enrollment options, the Voluntary Ethnic Enrollment Program, magnet programs and charter schools. These programs often use lotteries to fill slots because of high demand. The study compared the test scores of students who were lottery winners with those who were lottery losers and found no major differences. The one exception was that winners of lotteries for magnet high schools performed better in mathematics.

…in most cases, students who win lotteries to attend a school through VEEP, magnet, or Choice programs, or who switch into charters, show no statistically significant difference in reading and math achievement. [Betts et.al. 2006: xviii]

The leader of the study, Professor Julian Betts, said:

The simple notion that school choice will lead to competition along the lines of test scores alone is probably wrong. It's much more complex than that. [Gao 2006]

Another recent paper adopts a different approach to the impact of choice and competition on school performance [Bayer & McMillan 2005]. It focuses on a local education market and attempts to assess the impact of competition on school performance directly by measuring how a school’s enrolments are affected by its performance. A school is taken to operate in a competitive environment if slight reductions in school quality would lead to a substantial reduction in demand for the neighborhoods from which the school draws its students, as measured by the corresponding decline in local house values. This approach is in contrast to the standard approach of the literature which uses across-metropolitan area variation in indices of public school concentration or measures of private school availability. The study found that an increase in the competitiveness of the school’s local environment results in a significant increase in the school’s performance. It also found that this effect is greater in more educated communities, suggesting that educated parents are better able and more likely to respond to changes in school performance.

A different approach to examining the effect of choice and competition on student achievement is taken by Rothstein [2003, 2006] who examines choice of schools via housing location decisions. The advantage of this approach is that it permits an assessment of choice on school performance in school systems where school assignment is linked to residential location, as it is in much of the public system in the United States.

The study analyses the joint distribution of student background and outcomes across schools within metropolitan housing markets that differ in the extent of choice among several local school districts. It attempts to assess whether school effectiveness plays a sufficiently important role in the residential location decision to create meaningful incentives for more productive school management or whether peer groups may be the primary determinant of parental preferences over schools. Among its findings, it shows that average student test scores are no higher in high-choice than in low-choice school markets.

These results suggest caution about the potential to induce improvements in educational productivity through expansions of parental choice. [Rothstein 2003: abstract]
Charter school studies

A major stream of the US literature on choice and competition in schooling consists of studies of the impact of charter schools on student achievement. It is difficult to generalize about the impact of charter schools because different states have different rules governing the establishment and operation of these schools. Most studies focus on those students who have chosen charter schools and only recently have some studies come to consider the impact of choice of charter schools on those who remain in traditional public schools.

Also, different studies use different approaches.²⁷ For example, some use school-level data and others use student-level data, cross-sectional or longitudinal. The most reliable results are derived from student-level data. A key weakness of a school-level analysis is the high degree of aggregation, which masks changes over time in the school’s population of students, and variation of performance across different subjects and grades. In essence, school-level data may not pick up the nuances of school characteristics and can only provide an incomplete picture of why outcomes vary across schools. Relatively few studies of charter school performance have been conducted using student-level data.

Similarly, point in time data, even if it is student-level, do not account for the amount of time spent in different schools and factor out the various non-school forces at work. Charter school students are likely to differ from those in traditional public schools simply because they have chosen to attend charter schools. These differences between choosing and non-choosing students may be related to achievement in positive or negative ways, thereby producing “selection bias” in comparing achievement in charter schools and traditional public schools.

One way of dealing with selection bias is to collect longitudinal student-level data. Longitudinal designs minimize the problem of selection bias by examining the academic gains made by individual students over time, factoring out students’ baseline achievement levels. Moreover, they permit “within-student” comparisons of achievement gains, examining changes in the achievement trajectories of individual students who move from traditional public schools to charter schools, or vice versa. However, longitudinal studies often suffer from the loss of students from the sample and sample size problems.

In general, a clear picture is emerging that there is little difference between student outcomes in charter schools and traditional public schools in the United States. This much is conceded even by advocates of charter schools [Hanushek 2005].

A review of several studies concluded that the results in charter schools are mixed [Gill et.al. 2001]. It found that none of the studies suggests that charter school achievement outcomes are dramatically better or worse than those of conventional public schools. Another review concluded:

Although charter schools enroll a substantial proportion of the student population in some states, relatively little evidence exists that these schools are having a clear-cut positive or negative impact on the

²⁷ The following overview of methodological approaches is taken from Zimmer & Buddin 2005.
achievement of either the students who attend them or those who remain in traditional public schools. [Goldhaber & Eide 2002: 165]

In 2003, the National Assessment of Educational Progress (NAEP) conducted a pilot study of reading and mathematics at the fourth-grade level in charter schools across the United States [NCES 2004]. It found no measurable difference in reading and mathematics outcomes for students from similar backgrounds in charter schools and traditional public schools. It found that in mathematics, fourth-grade charter school students as a whole did not perform as well as their public school counterparts. However, the mathematics performance of White, Black, and Hispanic fourth-graders in charter schools was not measurably different from the performance of fourth-graders with similar racial/ethnic backgrounds in other public schools. In reading, there was no measurable difference in performance between charter school students in the fourth grade and their public school counterparts as a whole. As in mathematics, the performance of fourth-grade students with similar racial/ethnic backgrounds in charter schools and other public schools was not measurably different.

A further study of this data examined differences between the two types of schools when multiple student and/or school characteristics were taken into account [Braun et.al. 2006]. The rationale was that if the student populations enrolled in the two types of schools differed systematically with respect to observed background characteristics related to achievement, then those differences would be confounded with straightforward comparisons between school types. The study found that, after adjusting for student characteristics, charter school mean scores in reading and mathematics were lower on average than those for public non-charter schools. The size of these differences was smaller in reading than in mathematics. Similar findings were made by Lubienski & Lubienski [2006] in a study using NAEP mathematics data.

A study by Hoxby [2004] using national data compared the reading and mathematics proficiency of charter school students to that of their fellow students in neighboring public schools. The charter schools were compared to the schools that their students would most likely otherwise attend: the nearest regular public school and the nearest regular public school with a similar racial composition. Compared to students in the matched public school, charter students are 5.2 percent more likely to be proficient in reading and 3.2 percent more likely to be proficient in math on their state's exams. Charter schools that have been in operation longer have a greater proficiency advantage over the matched public schools. For example, in reading, the advantage is 2.5 percent for a charter school that has been operating 1 to 4 years, 5.2 percent for a school operating 5 to 8 years, and 10.1 percent for a school operating 9 to 11 years.

Roy & Mishel [2005] dispute Hoxby’s results because her method of matching schools based primarily on distance inadequately controls for differences in racial composition and socioeconomic status. As a result, there are significant differences in the demographic and socioeconomic characteristics of the students in the sample of matched schools. For instance, comparing the charter schools in Hoxby’s sample to the matched neighboring public schools with a similar racial composition shows that the charter schools have a disproportionately higher black population (34% vs. 28%) and higher
white population (43% vs. 36%), while the share of Hispanics is lower (18% vs. 30%). In addition, the sample also has disproportionately fewer low-income students than does the matched “racially similar” sample of neighboring public schools (49% vs. 60%). They find that Hoxby’s result of a positive charter effect on math proficiency disappears when racial composition is controlled for directly. Further, when both racial composition and low-income status are controlled for, the positive effect of attending a charter school disappears for both math and reading.

Others have also criticized the Hoxby study for inadequate controls for student characteristics and, in particular, the method of matching charter schools with neighbouring public schools [Carnoy et.al. 2005].

A study conducted for the US Department of Education found that the charter school students there were less likely to meet state performance standards than children in traditional public schools [Finnigan et.al 2004]. The study was based on about 340 public charter schools in Colorado, Illinois, Massachusetts, North Carolina and Texas and controlled for background variables such as low income and minority status. Most of the differences occurred when charter schools and traditional public schools had above-average proportions of students eligible for free and reduced-price lunches and above average proportions of minority students.

A study conducted by the Brookings Institution compared the performance of charter schools and traditional public schools with similar demographic characteristics on standardised tests in 10 states and found that, nationally, charter schools scored significantly lower than traditional other public schools [Loveless 2002]. A follow-up study found that there was no difference in the gains in test scores between charter schools and traditional public schools [Loveless 2003]. In contrast, Greene et.al. [2003] compared charter schools serving general populations with traditional public schools in the surrounding community in 11 states and found that nationally, charter schools achieved better results than traditional public schools. However, this study excluded some types of charter schools.

A recent review of 19 studies in 11 states and Washington DC concluded that there is no evidence that, on average, charter schools achieve better student outcomes than traditional public schools [Carnoy et.al. 2005].

In fact, there is evidence that the average impact of charter schools is negative. This evidence of a negative effect comes particularly from those studies that use the strongest methodologies to discover causal effects, although the evidence of a negative effect is somewhat localized to specific states. [Carnoy et.al. 2005: 2]

A number of studies have examined charter school performance in different states. Many suggest that student achievement in charter schools is lower than that in traditional public schools, while others find that charter schools improve student performance compared to traditional schools. Even studies that are based on similar data come to different conclusions about student achievement in charter students. One reason for this is that different studies adopt different approaches to controlling for student selection biases in
charter schools and other factors that operate simultaneously with decisions to attend a charter school [Booker et.al. 2004].

Whether charter schools in Texas have in fact succeeded in improving their students’ academic achievement has been the subject of dispute among researchers. One study found that students in state sponsored charter schools show significantly smaller test score gains than they would have exhibited had they remained in traditional public schools, but that these negative effects diminish as charter schools gain more operating experience [Hanushek, Kain & Rivkin 2002]. The differences from traditional public schools become statistically insignificant for charter schools operating for three or more years. A more recent study shows a significant negative effect of the transition from a traditional public school to a charter which is of much greater magnitude than the disruption effect of movement between traditional public schools [Booker et.al. 2004]. When this disruption effect was controlled for, there were significant positive gains in student achievement from attending a charter school. However, the study also notes that there was no similar disruptive effect of moving from charter school to a traditional school and, indeed, that such a move had a positive effect on student achievement.

A further study on the Texas school system shows mixed results [Gronberg & Jansen 2005]. Charter school students on average performed at a lower level than students in traditional public schools in both non-high schools and high schools. This was true whether charters are compared to all traditional publics or to the geographically-matched set of public schools. When broken down into at-risk and not at-risk student categories, the average scores for at-risk students in charters matched those of their traditional public counterparts while not at-risk students in traditional publics outscored the not at-risk charter students. Scores improved more for charter school students in some cases and more for traditional schools in others. Further comparison of matched charter and traditional schools found that charter school student improvement slightly exceeded that of traditional non-high school students while high school students in charter schools fared worse than those in traditional public high schools.

A study of North Carolina schools found that students in charter schools do less well than their counterparts in traditional public schools and that the negative effects of attending a charter school are large [Bifulco & Ladd 2004]. In addition, students in charter schools also make smaller annual gains, on average, than observationally similar students. As with the Texas studies, the negative effects of charter schools were larger for newly opened charter schools than for more established charter schools. However, in contrast to the Texas studies, the negative effects of charter schools in North Carolina remain statistically significant and large even for schools that have been operating for five years.

A recent study of Michigan schools using school- and student-level data found that that charter schools do not have strong effects on the academic achievement of students attending them [Bettinger 2005]. Charter schools students did not improve test scores or passage rates as rapidly as public schools with similar “pre-charter” test scores. A study of Pennsylvania charter schools that allowed for differences in student background found that, overall, student achievement in charter schools was slightly lower than that in demographically and geographically similar traditional public schools [Miron et.al.
However, charter schools made modest achievement gains against similar public schools over a three year period, although the gains were not uniform, with some schools experiencing sharp declines and others substantial gains.

Studies of charter schools in California show that they generally perform on a par with traditional public schools, but have not closed achievement gaps for minorities [Zimmer & Buddin 2006]. However, charter school performance varies by school type. Students in conversion charter schools have test scores similar to those of comparable students in traditional public schools, but students in startup charter schools have slightly higher test scores than do comparable students in traditional public schools.

A RAND study of charter schools in California used three different approaches using school- and student-level data to compare the academic achievement of students in charter and conventional public schools [Zimmer & Buddin 2003]. It generally found comparable scores for charter schools relative to conventional public schools. Only when charter schools are broken down by charter type did significant differences appear. The school-level analysis did not indicate a significant difference between charter and conventional public schools. The statewide student-level analysis showed that charter elementary and secondary school students performed slightly lower than their conventional public school counterparts in math. They had comparable reading scores at the elementary grade level, but they did slightly worse at the secondary grade level. Charter school students tended to do slightly worse in math than comparable students in both elementary and secondary schools. In reading, charter secondary school students scored slightly higher than comparable students in conventional public schools, but charter school status had no statistically significant effect on elementary school reading scores. The study concluded that charter schools generally have comparable or slightly lower test scores than conventional public schools after adjusting for the ethnic and demographic characteristics of the students.

Another RAND study examined the performance of charter schools in two of the largest school districts - Los Angeles Unified School District and San Diego Unified School Districts - both for all students in these charter schools and for students grouped by limited English proficiency status and race/ethnicity [Zimmer & Buddin 2005]. The results indicate that charter students are keeping pace with traditional school students in Los Angeles, but they are lagging behind their counterparts in San Diego. They also suggest that charter schools are having, at best, mixed results for students of different racial/ethnic categories and LEP students. While there are some cases in which charter schools do improve the performance of blacks and Hispanic, it is clear that they are not consistently creating greater gains than their traditional public school counterparts.

A recent study conducted by the Public Policy Institute of California on the San Diego school district found that charter schools perform at levels comparable to those of district-run schools [Betts et.al. 2006]. Students who leave traditional public schools to attend charter schools or vice versa show similar rates of achievement in before-and-after comparisons.
We do not find strong evidence that charter school students are uniformly over- or underperforming. Performance appears to differ by both grade span and subject. Performance also appears to depend on whether the charter school has converted from regular public school status or represents an entirely new startup charter school. Elementary startup charter schools typically underperform in their first few years of operation but appear to catch up to traditional schools after the third year. Conversion schools—regular public schools that convert into charters, often retaining teachers and serving the same student population at the same school site, but no longer bound by district regulations governing standard schools—appear to underperform regular public schools in elementary school math and middle school reading but overperform in middle school math. [Betts et.al. 2006: xv-xvi]

Overall, then, there is little convincing evidence that the achievement of charter schools and students in charter schools is higher than those of traditional public schools. However, advocates of charter schools also argue that they exert competitive pressure on traditional public schools and enhance the performance of students who do not attend charter schools.

There are few studies available on the impact of charter schools on the performance of traditional public schools and their results are mixed.

Hoxby [2003] used school-level data from Michigan and Arizona in separate analyses to examine changes in mean test scores before and after the introduction of charter schools. For both states, she finds that schools that face competition from charter schools show larger improvements (by about 1 to 3 percentile points) in average performance levels than schools not facing significant charter school competition. Her analysis does not, however, address the possibility that changes in the student composition of schools might confound the estimated effects of charter school competition [Ladd 2003].

Using school level panel data from North Carolina and distance from a charter school to measure competition, Holmes, DeSimone and Rupp [2003] find that average test scores increased about one percent more in schools facing competition from charter schools than in other schools. However, because Holmes and his colleagues do not use a full student level panel, they are not able to account fully for potential differences between students in schools located near charter schools and those in schools located elsewhere [Bifulco & Ladd 2004].

In contrast, Bifulco and Ladd [2006] use student-level data in North Carolina and map out the distances of students exiting public schools to enter charter schools. Using this mapping, they analyze the effect charter schools have on traditional public schools within concentric distances of charter schools. They find that students make considerably smaller achievement gains in charter schools than they would have in public schools and that charter schools appear to have no statistically significant effects on the achievement of the traditional public school students in North Carolina.

A RAND study analyzed the competitive effects of charter schools in the six California school districts with longitudinal student-level data [Buddin & Zimmer 2005b]. It concluded that charter schools are having no measurable impact on the performance or
operation of traditional public schools. This confirmed earlier findings by the same research team [Zimmer & Buddin 2003; see also Zimmer & Buddin 2006].

A recent study of the impact of Michigan charter schools concluded that charter schools have had no significant effect on test scores in neighboring public schools [Bettinger 2005]. It found no significant evidence that test scores increase or decrease in neighboring public schools as the number of charters increases.

A study of Texas schools found that the emergence of charter schools has had a positive impact on test score performance for students remaining in traditional public schools and that the effect is consistent across both math and reading tests [Booker et.al. 2005]. However, the estimated effect is relatively small.

**Voucher and other programs**

Another set of studies of the impact of private school competition on student achievement has examined the experience of voucher programs that allow students to attend private schools. Cullen et.al. [2005] observe that voucher and magnet school programs typically affect only a small percentage of students in the district and it is therefore difficult to learn anything about the effects on student achievement and the degree of student sorting associated with more systemic choice systems.

Publicly funded voucher programs operate in Milwaukee, Cleveland, Washington DC and in the states of Colorado and Florida. There are detailed studies on the effectiveness of the programs in Milwaukee, Cleveland and Florida.

The Milwaukee Choice Project is the most studied of these programs and the most cited studies reach different conclusions regarding its effect on student achievement. Using a variety of methods to identify valid control groups, analyses of this program find anywhere from no achievement gains to large advantages [Goldhaber & Eide 2002; Goldhaber & Eide 2003; Hoxby 2003; Cullen et.al. 2005; Belfield 2006].

Florida’s system is unique in that it incorporated a school voucher program within its school accountability system. Vouchers are offered to students who attend schools that are persistently labeled as failures. An early study of the accountability system analyzed school aggregate data and found large effects of voucher threat on school performance [Greene 2001]. However, a key issue is whether these observed gains reflected true improvements in student learning and whether they reflected the threat of vouchers or other elements of the accountability system [Ladd 2004].

Greene & Winter [2003] examined the test scores for five categories of low-performing schools based on the degree of threat each school faces from voucher competition. They found that Florida’s low-performing schools were improving in direct proportion to the challenge they face from voucher competition and that the improvements were not the result of test gaming, demographic shifts, or statistical phenomenon. More recently, Figlio & Rouse [2006] looked at similar issues in a study that compared the performance of those students in schools eligible for vouchers as against students in schools that just
avoided the eligibility criteria. They concluded that achievement gains are evident for students in initially low-performing schools. However, much of the improvement is attributable either to student characteristics or to teaching to the high-stakes test; and that these gains are more plausibly caused by the stigma of the low performance grade rather than the threat of vouchers.

A recent study of the Cleveland program concluded that the program does not show any substantial gains for voucher users relative to other comparison groups [Belfield 2006]. It also found that the Cleveland program was not differentially effective for African American students.

Controlled experiments with the use of vouchers have been carried out in small voucher programs in New York, Dayton, Ohio and Washington DC. In these programs, students were randomly assigned to private schools and students in public schools were used as a control group. A major study of the New York City voucher program shows that attendance of a private school had no discernable impact, negative or positive on achievement amongst all students and non-African American students [Howell & Peterson 2002; Peterson & Howell 2004]. These findings were similar to that of research on voucher programs in Dayton and Washington [Howell et.al. 2002]. Thus, these programs do not appear to raise the achievement of the typical student who participates in them [Ladd 2003, 2004].

Nevertheless, the studies of these randomized voucher programs also conclude that African American children who received vouchers made significant academic improvement over similar public school students who did not receive vouchers. However, these conclusions are disputed by Krueger & Zhu [2004a] in a re-analysis of the data for the New York City study. They conclude that there is no discernable difference between the achievement of African-American children in the voucher program and African-American children in public schools [see also Ladd 2004; Peterson & Howell 2004; Krueger & Zhu 2004b].

Some studies have also found that choice and competition through the presence of magnet schools has been more consistently associated with improved outcomes for students, but the ability of these studies to account for student selection is often more restricted [Cullen et.al. 2005].

**Public and private school outcomes**

The superiority of private schools' ability to educate students is a central claim of those advocating choice and is crucial to the argument that allowing for public-private school choice will improve the overall quality of schools in the United States. Raw test data generally shows that private school students in the United States typically score higher than public school students on standardized tests, a result that has often been seen as confirmation that private schools are better than public schools.

A fundamental issue in examining these claims is whether differences in test scores between various school types are primarily due to differences in the student populations
served by these different sectors. A range of studies in the 1980s and the 1990s examined achievement in public and private schools while controlling for a number of school and family variables. The results were mixed. Some found a significant advantage in achievement by private schools, others found no significant differences between private and public schools and others revealed more complex patterns of student achievement between sub-groups of different types of schools across the two sectors [Goldhaber 1996; Lubienski & Lubienski 2006]. Differences in methodology and the measures of achievement contributed to the divergence of findings. The findings also varied by subject area, school location and student ethnicity.

A number of recent studies have used National Assessment of Educational Progress (NAEP) data and statistical controls for student background to re-examine achievement in private and public schools. While this data is not longitudinal it provides a large data set that can be subject to modern statistical techniques that can simultaneously control for a range of different student characteristics.

Two studies using 2000 NAEP mathematics data on 28,000 fourth- and eighth-grade students randomly selected from over 1,300 public and private schools found that test scores in public schools were higher than those in private schools [Lubienski & Lubienski 2005a, 2005b]. The first study divided the schools into SES quartiles and compared public and private school achievement within each of the quartiles. Within each quartile the average public school mean was significantly higher than the private school mean. However, the overall private school means were higher than public school means because of the larger proportion of higher SES students in private schools. The second study used hierarchical linear modeling to control for additional demographic differences while comparing student achievement in public, Catholic, and other private schools. It demonstrated that demographic differences between public and private schools more than account for the relatively high achievement of private schools.

The same researchers carried out a further hierarchical linear modeling study on a very large data set from the 2003 NAEP mathematics exam that included over 340,000 fourth- and eighth-grade students from over 13,000 private and public schools [Lubienski & Lubienski 2006a]. Once again, it was demonstrated that demographic differences between students in public and private schools more than account for the relatively high raw scores of private schools. After controlling for these differences, the private school advantage disappeared and even reversed in most cases.

These findings question the idea of an inherent superiority of the private sector in education. Furthermore, the data here suggest significant reasons to be suspicious of claims of general failure in the public schools, and raise substantial questions regarding a basic premise of the current generation of school reform. [Lubienski & Lubienski 2006a: 40]

These results were confirmed in a study by the National Center for Education Statistics (NCES) in U.S. Department of Education of fourth and eighth grade reading and mathematics using 2003 NAEP scores but with different variables and different specifications in the statistical modeling [Braun et.al. 2006]. It found that public school students in those grades and subjects perform as well as or better than students at private
schools, with the exception of 8th grade reading. The adjusted average for public schools was significantly higher than the average for private schools for grade 4 mathematics, while the average for private schools was significantly higher than the average for public schools for grade 8 reading. There was no significant difference in the adjusted school means for both grade 4 reading and grade 8 mathematics.

The 2003 NAEP data has been re-examined by a research team from Harvard University using different variables to adjust for student characteristics and found a private-school advantage relative to public schools at all grade levels in both math and reading in all estimations but one [Petersen & Llaudet 2006].

The relative merits of these studies have been subject to much criticism and counter-claim [Zehr 2006a, 2006b]. One of the Harvard researchers has stated that none of the three studies can conclude with any confidence that one group of schools does better than the other, because the NAEP data provide only a snapshot of how students did on tests at one point in time, rather than what they learned over a period of time [Zehr 2006b]. Lubienski & Lubienski [2005c, 2006b] acknowledge that the NAEP data is not longitudinal and therefore does not specifically enable comparisons of school effectiveness. However, they contend that the statistical modeling technique used in conjunction with the NAEP data can offer important insights and that the different variables and variations in model specification used by the NCES study demonstrate the robustness of the findings.

The Harvard study criticized the NCES study for relying upon administrative data collected for other purposes, contending that in comparisons of public and private schools, data reported by administrators based on their schools’ participation in federal programs, such as the federal subsidized lunch program, is not reliable because both kinds of schools have very different involvement in those programs and classify their students in different ways. As a result, the NCES study under-counts the incidence of low income and educationally disadvantaged students within the private sector while over-counting the frequency of the same in the public sector. Further, the analysts attributed solely to family background a set of characteristics that may have been influenced by the school the student attended.

The Harvard study relied largely on information about student characteristics reported by the students themselves, rather than information reported by public and private school administrators. This approach has been criticized because children, especially fourth grade students, are unlikely to know be aware of their parents’ education levels. Lubienski & Lubienski [2006b] state that an examination of the raw NAEP data shows that about one-third of fourth graders and one-fifth of eighth graders reported that they did not know either of their parents’ level of education. As a result, this variable is problematic but it has been substituted as the sole demographic measure in the final models of the Harvard study. They also criticize the Harvard study because its models progressively omit demographic factors known to influence student achievement. As a result, it moves closer and closer to a simple comparison of unaltered test scores, thereby making the achievement of private-school students appear to increase to the point where
it is higher than that of public-school students. They conclude that the deletion of variables that account for differences in the populations served by public and private schools and the inclusion of a demonstrably inferior substitute measures of student demographics creates a strong bias that seriously undercounts the disproportionate number of disadvantaged students served by public schools.

**English studies**

In England, market-based reforms were initiated by Conservative governments in the 1980s, and the Labour Government has largely continued with the market-orientated philosophy. It seems clear that these reforms have in total increased the degree of competition between schools in local secondary schooling markets [Adnett & Davies 2003].

There are very few studies available on the impact of competition between schools on school performance in England as most of the research effort has been directed at the effects of market-based approaches on school segregation. Of those, the results are mixed. The results appear to be sensitive to the chosen measure of competition and the measure of performance, even after controlling for student background [Levacic 2001].

One study found that greater competition in English schooling markets seems to have been associated with higher levels of academic attainment, but improvements in attainment levels have been slower in the secondary sector where the market-based reforms have had their biggest impact [Glenerster 2002]. On the other hand, a study of secondary schools in England found evidence of a statistical relationship between the number of close rivals and improvements in examination results and attendance [Bradley et al. 2000].

However, there are difficulties such evidence as reflecting the success of competitive markets in responding more effectively to parental preferences. For example, these studies use the performance results of the unadjusted raw scores of league tables and no account is taken of ‘cream-skimming’ and the exclusion of students [Adnett & Davies 2003].

The most extensive and methodologically sound studies undertaken so far on English schools have found no evidence of a positive impact of competition and choice on primary student achievement [Gibbons & Silva 2005; Gibbons et.al. 2006]. These studies have found that student achievement in standard primary schools is unrelated to the choices available to families or to the competitive pressure faced by a school. Students who have a wider choice of schools at their place of residence perform no better than those with more limited choice. It is only in religious schools that competition seems to be related to performance, and only then in their competitive position in relation to other religious schools. It is worth citing directly the conclusions of these studies:

> The short summary of our empirical work on English schools is that competition – measured as the number of alternative school choices that pupils attending a school have – has no effect on the performance of schools…
To conclude, our evidence using credible and powerful instrumental variables suggests that competition in primary schooling does not drive up school performance; if anything, policy that promotes competition through greater access in schooling markets may come at the cost of increased polarization in pupil achievements, and marginally worse performance. [Gibbons & Silva 2005: 2, 32]

On balance, choice and competition does not seem to be generally effective in raising standards in the school context. For the most part though, our results cast some doubt on general effectiveness of choice and competition in the school context. [Gibbons et.al. 2006: executive summary, 38]

Some UK studies have also shown that the type of school attended prior to university has a significant effect on the student’s level of performance at university. Government school students from similar backgrounds achieve better university results than students from private schools. Smith and Naylor [2001] and McNabb et al. [2002] analysed data for full cohorts of UK university students leaving university on or prior to 1993 and both studies found that students who attended private fee-paying Independent schools are significantly less likely to perform well at university than are students who attended government schools. Smith and Naylor [2001] estimate that a UK university student who attended an independent school is more than 5 percentage points less likely to obtain a ‘good’ degree compared to an otherwise observationally identical student who had attended a government school.

Smith & Naylor [2005] examined the extent to which there is variation around the average gap reported in previous work and analysed school characteristics associated with any such variation. The study was based on data for the cohort of all undergraduates who left university in the academic year 1992–93. It found that a male (female) student who previously attended an independent school was about 6.5 (5.4) percentage points less likely to obtain a ‘good’ degree than is an otherwise equivalent student who had attended a government school. It concluded that this was a large effect; for example, for men it represented an increase of about 12 per cent on the average probability of obtaining a ‘good’ degree.

The study also found considerable variation around this average figure across different independent schools and that this variation was largely be explained by the level of school fees. About 85 per cent (93 per cent) of male (female) students educated at independent schools had the probability of a ‘good’ degree substantially (that is, about more than 7 (6) percentage points) lower than those of comparable students educated in the government school sector. After controlling for various student and school characteristics, it found that the level of school fees had a negative and statistically significant effect on a male student’s probability of a ‘good’ degree. In other words, the higher the school fees, the less likely a male student would achieve a ‘good’ degree.

Detailed modeling studies by the Higher Education Funding Council (HEFC) have found that entrants to full-time degree courses directly from state schools and colleges were more likely to get a good degree than students with similar entry qualifications from independent schools. The first study found that students from independent schools appear to consistently do less well than students from other schools and colleges, when compared on a like-for-like basis [HEFC 2003]. This finding was consistent across all
subject areas and there was little variation in the size of the effect across subject areas. The study was based on data for 18 year-old entrants with A-level qualifications to degree courses in 1997-98 and their achievement was assessed by whether they had discontinued their studies, whether they had gained a qualification and, if they graduated, the class of degree they obtained.

A second study that extended the analysis to include entrants to university at age 19 arrived at similar findings [HEFC 2005].

**Other studies**

A recent study used the 2000 PISA results in reading, mathematics and science to test for the presence and the magnitude of a difference in results between private and public schools across eight participating countries where the number of students sampled and attending private school was above a ten per cent threshold [Vandenberghe & Robin 2004]. It controlled for a range of individual characteristics and family/socioeconomic background known to affect academic achievement. The results were mixed. In two countries (Belgium and Brazil) there was a significant achievement advantage by private schools, in three others (Denmark, Mexico and Spain) there was no significant difference between private and public schools and a significant public school advantage in the other three countries (Austria, France and Ireland).

Analysis of the PISA 2003 mathematics results by the former Director of Education at the OECD, Professor Barry McGaw, has found that the mean scores of government schools were generally higher than those in private schools after differences between social backgrounds are taken into account [McGaw 2006]. Government school mean scores were higher in 15 out of the 22 countries included in the analysis.

Once differences between the school systems in the social backgrounds of their students and the schools have been taken into account, there is no remaining significant overall superiority of nongovernment schooling in any country ….. The observed superiority of non-government schools in the base data appears to be due to the students they enroll rather than what they do as schools. [McGaw 2006: 31]

Chile is a classic test case of school choice and market oriented education: private and public schools openly compete for students and both types of schools receive government funding. It has attracted considerable research on student achievement in private and public schools. However, data limitations and differences in methodologies have led to differing conclusions.

A major study conducted by Hseih & Urquiola [2006, see also Hseih & Urquiola 2002] attempted to assess whether the introduction of vouchers and school choice in Chile increased student achievement. Student achievement was measured by average test scores in language and mathematics, average grade repetition rate and average years of schooling. The study included controls for a range of socio-economic, school and community factors. The study concluded that there was no evidence that the voucher program and enhanced school choice improved average academic outcomes. Average test scores did not rise any faster in communities where the private sector made greater
inroads, and that average repetition and grade-for-age measures worsened in such areas (relative to other communities).

In sum, the central effect of the school voucher program in Chile appears to have been to facilitate the exodus of the Chilean middle class from public schools, without much evidence that it has improved aggregate academic outcomes. [Hseih & Urquiola 2006: 1498]

Bellei [2005] critically reviewed the research about whether Chilean students attending private schools had better learning outcomes than their peers in public schools. He concluded that the question about whether private or public schools are the most effective in Chile is extremely sensitive to the methodological decisions made by the researchers, especially in relation to controlling for selection processes that bias comparisons of private and public school results. His own study attempts to correct for such biases and it finds that private voucher schools are not more effective in terms of student achievement than public schools in Chile and may be less effective. Bellei says that the most likely explanation of this is that the institutional design of the Chilean educational system has structural deficiencies, because schools can improve their market position without improving the quality of their educational service.

The competition among schools have not caused an improvement of educational quality, because schools (mainly the private ones) have competed to attract the best students, rather than to increase the value-added to their educational service. In this “zero-sum game”, the increments of some schools are annulled by the decreases of others. Additionally, parents’ choices have not necessarily been oriented by indicators of educational quality (because of information deficiencies and parents’ use of non-academic criteria). As a consequence, schools have not received signals towards the educational improvement from their customers, but towards the use of status symbols and social segregation. [Bellei 2005: 45]

New Zealand has also had a long experience of competition and choice in schooling. It has had a decentralised system of school self-management since 1989, with most school funding based on student numbers, and families able to apply to any state school. Studies have found that the increase in competition has failed to improve the educational opportunities or achievement of students from low-income areas [Fiske & Ladd 2000; Lauder & Hughes 1999]. A recent study has compared trends over time in the median proportion of school leavers with no qualification for secondary schools at different places in the education market and found there was little evidence that the market-based reforms had any effect on student achievement [Wylie 2006]. It concluded that there are no clear signs that competition is operating as a lever to improve less popular schools.

Competition does not seem able to change that landscape; it does not solve or improve, and indeed probably makes somewhat more difficult, the provision of education in low income areas…. The evidence is that open choice as it is in New Zealand is not so much creating as cementing a situation where these schools will continue to struggle to preserve or extend programmes that will provide rich education for students from low-income homes, because they find it harder to keep those who may show more motivation towards education, and because their resourcing is more precarious. [Wylie 2006: 23]

Another New Zealand study assessed how competition affected student learning by surveying teachers and principals [Ladd & Fiske 2003]. It compared the responses of teachers who found themselves in a competitive school environment after the reforms and those that did not and concluded that competition has a negative impact on the quality of teaching and learning in schools.
A study of the operation of the Ontario Equity in Education Tuition Tax Credit program suggests no significant change in overall performance of public schools and school average score gain is not significantly different between high-competitive and low-competitive school districts [Chan 2003]. The study controlled for student, teacher, family and neighborhood characteristics.

**Australian studies**

There are very few detailed research studies on student achievement in government and private schools in Australia because of the paucity of data available. Some crude comparisons of performance have often been carried out using tertiary entrance scores, but such comparisons are invalidated by the failure to take account of differences in student background characteristics between school sectors.

A recent study concluded that Independent schools have superior performance to Catholic schools and that Catholic schools have superior performance to government schools [Evans 2004]. It concluded that students from Independent and Catholic schools have higher secondary school and university completion rates than students from similar backgrounds in government schools. Specifically, it found that students in the Independent school sector obtained 0.7 years of education more than students from similar family backgrounds in the government sector while the advantage for Catholic schools was 0.5 years. It also found that the value-added advantage of Independent and Catholic schools has increased over time.

The study used school and university completion rates as measures of student performance and adjusts for a variety of background characteristics such as parent occupation, education and income. It was based on a survey sample of adults of all ages whose educational experience occurred from the early 1900s to the first years of the 21st century. ²⁸

Another study using the same data base and controlling for student background characteristics found that in comparison with government schools, Catholic schools tend to improve outcomes for students from working class and lower middle class origins and do equally as well or slightly worse for students of other backgrounds [Kelley 2004]. Independent schools improve the performance of students from all levels of the class hierarchy by more than in government schools. Independent schools were also found to reduce class differences in student attainment compared to government schools by lifting the performance of children from working class and lower middle class homes by more than for children from higher social classes.

A study based on tertiary entrance scores found that students from Independent and Catholic schools outperform those from government schools, even after adjusting for socio-economic background and prior performance in Year 9 [Marks 2004]. It found that

²⁸ This study represents a refinement of an earlier study which arrived at similar conclusions [see Kelley & Evans 1999].
private school students have a small advantage over government school students in Equivalent National Tertiary Entrance Rank (ENTER) scores. It also found that university participation for Catholic and Independent school students was 1.7 and 2.0 times more likely than for government school students.

In contrast, Le & Miller [2003] found that Year 12 completion rates in government schools for the cohort born in 1970 were higher than those in Catholic schools but lower than those in Independent schools. The study included adjustments for socio-economic and other student characteristics such as ability, but also for unobserved selection effects across the three sectors.

These studies do not fully control for all differences between private and independent schools. For example, private schools on average are better resourced than government schools, although there are significant differences within the private school sector. Independent schools are resourced at much higher levels than either government or Catholic schools, whose resource levels are similar [Cobbold 2004]. In addition, as noted above, private schools appear to have a stronger focus on preparation for university and have a significantly narrower curriculum than that provided in government schools. This is especially true of Independent schools, but is also the case for Catholic schools. In contrast, government schools have to provide for a broader range of interests and focus. Win & Miller [2005] suggest that students from private schools could have artificially inflated tertiary entrance scores because of superior resources and attentive coaching at their secondary schools and elsewhere.

Another set of studies in Australia have compared the university performance of students from different school sectors. They demonstrate that the type of high school attended has an important influence on student outcomes at university and consistently show that students who attended private schools achieve lower grades at university than those of students who attended government schools [Birch & Miller 2005].

For example, Evans & Fancy [1998] found that at one Monash University campus, there were significant differences in students’ university performance according to the category of school attended, when other factors were held constant. In all but one subject, there was a significant difference in the first-year university results obtained by students with an equivalent entry score coming from non-Catholic independent schools and those from government schools. Subject marks obtained by government school students were higher than those from Independent schools. In two subjects, government school student marks were higher than those for Catholic school students. At two other campuses included in the study there was no evidence of differences in performance of students between the categories of schools.

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29 There are significant difficulties in comparing the funding and expenditure of government and private schools. Existing data is not compiled on the same basis and does not provide accurate comparisons of expenditure and income across school sectors [see Cobbold 2003].

30 There are also indications from university officials that students from private schools are more likely to drop out of university than their government school counterparts [Lampathakis 2003].
A more recent study of first-year students at Monash University over a four-year period from 2000 to 2003 found that students from non-selective government schools achieved higher marks than students from all other schools – selective government, Catholic and Independent schools [Dobson & Skuja 2005]. This was true across nearly all ENTER score bands. A further result was that students from non-selective government schools had similar university grades as Catholic and Independent school students who scored significantly higher on ENTER scores at school.

A study of first-year students at the University of Western Australia also compared the results of students with the same tertiary entrance rank from government, Catholic and Independent schools [Win & Miller 2005]. It found that the mean university achievement of students from government schools was higher than those for students from Catholic schools or Independent schools and that this pattern was consistent across various levels of tertiary entrance ranks. Using a different methodology applied to the same data set, Birch & Miller [2006] show that students who attended Catholic or Independent schools have lower grades than their counterparts who attended government schools over the entire distribution of university grades. It also showed that the impact of attending non-government schools also varies substantially across the grade distribution. In particular, the gap between the university results for government and Independent school students is larger at the lower achievement levels.

Another study of first-year university students at a large, unnamed, Australian university found that students from Catholic schools have better university results than those of students from government schools [Birch & Miller 2005]. In turn, students from government schools have better first-year university results than those of students from independent schools.

In view of such general findings, Dobson & Skuja [2005] suggest there are resource advantages for private schools which evaporate at university and that government schools may encourage greater independence in learning than do private schools. Once on the level playing field students from non-selective government schools tend to do better. The authors conclude that students from non-selective government schools may be disadvantaged in Year 12.

These findings imply that attendance at an Independent school confers an advantage relative to students’ talent (as measured by subsequent university performance)…. Statistical analysis shows clearly that students from relatively disadvantaged schools, who gain lower ENTERs in Year 12, subsequently catch up to, and then overtake their more privileged counterparts from other school types once at university. [Dobson & Skuja 2005: 61]

‘Creaming-off’ students and disparities in school performance

Perhaps the strongest conclusion that can be derived from studies of the increased competition in school education is that it tends to re-distribute high achieving students and students from well-off families between schools. As discussed above, the availability of choice directly supports a sorting process in which more affluent parents take advantage of choice and generally choose schools that tend to increase social segregation.
The positive correlation between socio-economic background and student achievement means that schools attracting more wealthy parents tend to have higher average outcomes. This is accentuated when some schools are able to improve their measured performance at the expense of other schools by ‘creaming-off’ high achieving students from other schools or, at least, restrict the entry of students who are likely to achieve poor results. The result is academic segregation as well as social segregation between schools and increased disparities in school performance.

Several studies in different countries have found that there is greater sorting of students by ability between schools where choice of school is available.

In England, the Office For Standards In Education has found evidence of a widening gap between the achievement of students in the highest and lowest ranking schools in England in recent years [OFSTED 2004: 27]. This has been observed in several studies of local schooling markets [Adnett & Davies 2003]. For example, Gibson & Asthan [2000b] found that competition has exacerbated performance differences between schools. More recently, a study using data for English primary and secondary schools found that sorting by ability was strongly associated with the extent of school choice in a district [Burgess et.al. 2004]. More schools in an area meant there was more ability sorting. A recent study of English primary schools found that school competition seems to exacerbate polarization of schools by student attainment [Gibbons & Silva 2005]. Such research gives support to conclusions that the English school system has become more academically divisive than ever before [Tomlinson 2005: 35].

A US study found that the process of parents choosing schools generates a hierarchy of schools stratified by income and ability between the public and private sectors, as well as within the private sector [Epple et.al.2004]. Further, a study of Chicago’s open-enrollment program at the high school level found that those who opt out into higher achieving schools instead of their locally assigned school are generally higher achieving students [Cullen et.al. 2005]. Another study of choice in an open enrollment US school district found strong evidence of ‘cream skimming’ [Betebenner et.al. 2005].

Our results suggest that “skimming” by ability is occurring in the district. This result may go some way to explaining why, when simple descriptive statistics are analyzed at, it appears that schools with a high amount of choice do well. These schools may be equal in quality to other, less desirable schools in the district, but the pool of students from which they draw is highly able, leading some to wrongly believe that it is the school that is responsible for these children’s scores. [Betebenner et.al. 2005: 15]

As noted earlier, Chile’s voucher program induced the higher-income and higher-ability students out of the public sector schools. Empirical analysis of the performance of different parts of the student distribution has shown that this voucher-induced expansion of private schools significantly widened the variation in educational outcomes across students [Hsieh & Urquïola 2006]. New Zealand’s experience with universal public school choice was similar. The expansion of choice exacerbated the problems of the schools at the bottom of the distribution and reduced the ability of those schools to provide an adequate education [Fiske & Ladd 2000]. Similarly, ability sorting in the Stockholm schools has dramatically increased as a result of the introduction of school choice [Soderstrom & Uusitalo 2005].
The strong association between socio-economic background and student outcomes together with the high degree of social segregation in Australia’s schools means that schools are also stratified by student achievement. A recent Organisation for Economic Co-operation and Development (OECD) study of Program for International Student Assessment (PISA) results reported that Australia’s more highly segregated system of schooling tends to contribute to comparatively large differences between schools in student achievement [OECD 2001].

The hierarchy in the social composition of independent, Catholic and government schools is reflected in a hierarchy of average levels of student achievement by various measures. In general independent, Catholic and government schools form a hierarchy in relation to levels of school completion, educational outcomes and university completion. [Keating & Lamb 2004: vi]

This academic segregation has also been observed in Victorian secondary schools where General Achievement Test (GAT) performance and SES composition are highly correlated across the three school sectors [Keating & Lamb 2004; Lamb et.al. 2004]. For example, independent schools accounted for about 19 percent of all Victorian Year 12 students in 2000. However, they enrolled over 40 per cent of all students from the highest SES band — those in the highest quintile of SES — and over 35 per cent of all students from the highest general achievement band — those in the top 20 per cent of GAT performance. Over 60 per cent of students in independent schools in Victoria are in the two top quintiles of GAT achievement, compared to only 31.3 per cent of government school students. In Catholic schools, 41.5 per cent of students were in the two top quintiles.

As a result, there is a very large spread of scores on the Victorian Certificate of Education across school sectors. Almost 75 per cent of government schools were below the median score for independent schools in 2000, while only 7 per cent of independent schools were below the government school median.

The spread of raw scores shows the effects of a highly segregated system. Independent schools achieve much higher results than government schools thanks to selected social intakes. The spread of scores highlights the powerful influence that social intake has on school achievement levels. It represents one of the major policy challenges facing school systems. [Lamb et.al. 2004: 32]

Moreover, the sectoral differentiation in failure rates appears to have increased dramatically [Teese 2006].

A similar pattern of academic segregation exists within the government school sector in Victoria. Student achievement in the large majority of government schools serving disadvantaged communities is below statewide standards while nearly all schools serving wealthy communities have above standard performance [Teese 2006]. For example, only about eight in 100 government schools with well-educated families had Year 3 results below the state average compared with about 85 per cent of schools with the poorest communities. Alternatively, 92 per cent of government schools serving well-off communities achieved the state average compared to only 15 per cent of schools serving
the poorest communities. In the case of Year 5 results, 82 per cent of the poorer
government schools were below the state average while 91 per cent of all the wealthier
schools were above the state average. Similar differences in student achievement exist in
the early secondary years and remain until the end of Year 12.

Once again, differences in success/fail rates between high and low SES government
schools have increased substantially over 20 years between 1975 and 1995 [Teese 2006].

It has been estimated that 70 per cent of the variation in average performance between
schools in Australia is accounted for by differences between schools in the social
background of schools [McGaw 2006]. Australia has a relatively high proportion of
differences between school performance explained by socio-economic background
differences.

This social and academic segregation in Australia’s schools has a long history and cannot
be attributed simply to the policies of the Howard Government. However, increased
funding for private schools has contributed to greater segregation by ability through the
capacity of middle class families to exercise choice and pay fees. Thus, the privatization
of schooling and competition between schools tends to increase social segregation
between school sectors and between schools which increases academic segregation and
increases existing disparities in average school performance. Whether this also
exacerbates social inequality in student achievement is difficult to determine.

There is very little research that attempts to assess directly the impact of markets and
privatization on the range and distribution of individual student outcomes. However,
there is a very extensive theoretical and empirical research literature on the influence of
peers on student achievement and while the findings appear to be mixed they are not
reviewed in this paper.

There is extensive international research that demonstrates that when students from low
SES families are segregated into low SES schools, they tend to fare worse than if they
attended high SES schools [Willms 2003, 2006]. There is a "double jeopardy" effect for
students from low SES families in that they tend to be disadvantaged because of their
circumstances at home, but when they are also segregated into low SES schools they are
likely to fare even worse. For example, a recent study by Rumberger & Palardy [2005]
found that all students – whatever their race, social class, or academic background – who
attended high schools with other students from high socio-economic backgrounds had
higher average levels of achievement in mathematics, science, reading and history than
students who attended high schools with other students from low socio-economic
backgrounds. While students’ own social class backgrounds were related to their
achievement, so too were the average social class backgrounds of all the students in their
school. The study found that the effects of school SES were almost as large, and
sometimes much larger, than the effects of student SES on achievement.

There is also Australian research evidence that students from disadvantaged SES
backgrounds tend to do worse because of social segregation in schooling [Lamb et.al.
2004]. Low achievement is strongly associated with low SES background and low achieving students may do worse in schools largely comprised of low SES students because they attend classes more uniformly composed of other low achievers. Therefore, markets and privatization in schooling may also exacerbate existing inequalities in student outcomes.
11. Conclusions

The Howard Government manufactured an education crisis where there was none. It has created a crisis atmosphere around student and school outcomes, school curriculum and teaching. It was largely a false crisis not sustained by the evidence, certainly in terms of student outcomes. The falsity that one-third of students are not achieving adequate literacy standards is endlessly repeated despite the evidence to the contrary. Many other criticisms were not supported by evidence or were based on dubious research.

The constant barrage of criticism has served to undermine public confidence in government schools. The unspoken message of the Federal Government’s criticisms is that the problems identified are largely in government schools. While the drift to private schools has been going on for some time, this criticism and the increase in funding for private schools have accelerated the shift. This has enormous implications for the future of public education.

The crisis atmosphere and undermining belief in the public system created the opportunity for the Government to embark on its pre-determined policy to expand market mechanisms in school education, increase privatisation and to establish greater Federal control over school education.

Market-based mechanisms have been extended on a national basis. The Government has increased the privatization of schooling by increased Federal funding for private schools; reduced restrictions on new private schools; and the establishment of privately-operated technical colleges with privileged funding arrangements. Increased choice and competition in schooling is also being supported by requirements for reporting school results and increasing school autonomy. The stage has also been set to integrate school education more extensively in the emerging global education market.

At the same time, the Federal Government has increased its control over school education in several key aspects. These include increased centralization of government control over funding, curriculum, teaching, assessment and reporting standards and certification. It has extensively utilized its funding powers to ensure state and territory government compliance to its priorities. State and territory governments are becoming more administrative centres for the implementation of Federal Government policies.

Many see the setting national standards for curriculum, teaching, assessment and reporting as contradictory to greater reliance on markets. However, it can be viewed as a way of underpinning the operation of the market on a national basis. The Prime Minister has been quite explicit about this rationale for an enhanced Federal role in what has long been a State/territory prerogative. For example, the requirement to report school results is a way of providing information so that the market can operate. Apart from government funding for private schools, the “currency” of the national market is test scores, which are based on an agreed national curriculum and performance benchmarks.
As in other areas, the participation of unions in policy formulation and program implementation has been rejected. Parent organizations have been sidelined as well. The parent voice is constrained to making choices in the market. The market has replaced teacher and parent participation in the formulation and implementation of school education policy.

The approach to equity in education outcomes has been transformed by the Howard Government. It has not completely ignored equity in education in that it has supported programs to improve Indigenous outcomes and boys’ education. However, it has selectively pursued the National Goals for Schooling, terminated the major longstanding Commonwealth program to promote social equity in education and turned equity in education into an issue of literacy improvement for individual students. Government education ministers have dismissed claims of a social divide in the school system and ignored the large inequity in outcomes between students from low SES families and those from high SES families.

Developing a national market in schooling and extending the privatization of schooling has been accorded preference over social equality. The priority is maximizing individual opportunity. This stems in part from the basic market philosophy that all families should be treated equally without regard to their resources and background. This is the fundamental assumption behind the Liberal approach to education (and other policy issues) as expressed by a leading Minister in the Howard Government:

…justice requires treating families equally regardless of the school they choose…
In treating all individuals equally a just education system would offer them all opportunities to learn and to develop their unique talents. The end result of such a system, however, is more differentiation rather than less. [Abbott 1998: 153, 154]

The result is that different needs are not recognized, especially those from low SES backgrounds. This means that major social inequities in education have not been addressed, nor will they be under this approach. As many have observed, social inequities in school outcomes is one of the most critical issues facing school education today.

No quantitative studies have been carried out on the impact of the increased role of markets in school education in Australia. The prima facie evidence suggests that the resort to market mechanisms is has had little impact on average levels of student achievement. The results of the national assessment program shows that no improvement has occurred in the proportion of students achieving the national literacy and numeracy benchmarks since 1999, allowing for statistical uncertainty associated with the measures [MCEETYA 2007].

The claims for expanding the role of the market in school education are not supported by the weight of evidence of international research across different countries in different policy contexts.

First, the claim that greater competition between schools will lead to greater curriculum innovation and diversity in schooling is not supported by the available evidence. To the
extent that innovation occurred, it was largely administrative or structural, not curricular or pedagogical. If anything, market mechanisms appear to more contribute to standardization rather than innovation in classroom practice. Rather than educational innovation, a feature of the increased competitive environment in many countries is the efforts and resources devoted to the promotion and marketing of schools. There is also evidence that increasing competition between schools can also come at the cost of reducing collaboration and co-operation.

There is substantial evidence from many countries that many parents utilize opportunities to choose schools for their children when such choices are available. However, effective tends to be restricted to certain social groups in society. Choice tends to benefit those families who know what the choices are, how to access them and who do not need support to get to a school. Parent choice is often constrained by low income, lack of transport, distance and family needs. Several studies have shown that parents who actively choose schools are better educated and have higher levels of income than those who do not.

The general weight of evidence in the literature shows that increased competition and choice in schooling does not improve overall levels of student achievement. However, a range of studies have come to different conclusions about the relationship. The different results of the studies often vary, depending on the data set, the outcomes measure and the level of aggregation of the competition variable. Some of the most influential studies demonstrating that competition has a significant positive effect on student achievement have been shown as not robust and over-stated and that the evidence does not support claims of a large or significant effect. In particular, the claimed effect of charter schools appears to be much over-stated once differences in student background are taken into account. For example, the most recent sophisticated quantitative study of the effect of charter schools published by the US Department of Education shows that average achievement in charter schools is lower than those for public non-charter schools.

At best, the evidence on the effects of quasi-markets in education on student achievement remains rather mixed. It does not provide a good foundation for the education policies of the Howard Government.

Although the issue has been widely researched, especially in the US, existing evidence on the beneficial effects of competition on educational achievements is at best mixed, and does not provide a solid ground for policy conclusion. [Gibbons et.al. 2006: executive summary]

International research also suggests growing inequality in education as a result of market type changes. Extension of markets does not promote equity, but inequity. Several studies conclude that social segregation in schooling has increased in England, New Zealand, Scotland and the United States over the last decade or so and that the operation of quasi-markets has contributed to this. Markets in school education tend to compound social segregation and inequity in school education outcomes and create a hierarchy of schools differentiated by social selection.
Increased social segregation tends to increase academic segregation because of the strong relationship which exists between socio-economic background and student achievement. Many studies in different countries have found that in these circumstances competition for students has increased performance differences between schools. Increased competition in school education tends to re-distribute high achieving students and students from well-off families between schools as the most popular schools tend to ‘cream-off’ high achieving students from other schools.

This social and academic segregation of students is likely to exacerbate social inequalities in school outcomes. There is evidence to suggest that higher concentrations of students from low SES backgrounds in schools tend to lead to lower levels of achievement.

The general conclusion is that the promotion of markets in education tends to favour some groups over others. They favour the middle class and the well-off. Markets in school education are a way of entrenching and reproducing social privilege in education. In effect, education remained a preparation for a class-divided hierarchical society in which those destined for skilled work or places on the margins of the economy received a different and inferior education to those destined for professional and managerial jobs and positions of power and influence. …the application of market principles to education proved extraordinarily effective in reintroducing a complex system of selection, passing as ‘diversity’ in which, as intended, the greatest beneficiaries were the middle classes…. The results of market competition did indeed work to the benefit of middle class and aspirant groups, and despite a rhetoric of inclusion, continued to perpetuate a divided and divisive system. [Tomlinson 2005: 32, 218-219]

Market schemes are designed to benefit only a part of the population: the middle and upper classes. The belief that the market system may improve the education of all sectors of the population is based on a wrong assumption; that everybody can choose the school they want for their children and receive state financing. [Bernal 2005: 788]

A similar approach has been adopted by other policies of the Howard Government, such as support for private health care and child-care. Its policies have favoured high income families [Gittins 2004].

As noted earlier, the Prime Minister is fond of denigrating those who criticize the gap between rich and poor and government funding to support privilege in education as being driven by the “politics of envy” and “class envy” and of creating divisions in an egalitarian society. The fact is that this charge is intended to deflect attention from his Government’s own class bias in education policy. The result of the Howard Government’s school education policies is to entrench privilege in education and strengthen social hierarchies in access to quality education outcomes. What we have is a class-based strategy designed to differentiate, select and compound class differences in education outcomes. The goal of making education, and therefore society, less unequal is the casualty of the Howard Government. For much of the post-war period in Australia, education was seen as a vehicle for a more “egalitarian distribution of life chances”, a way of widening opportunities and improving social mobility. The goal has been abandoned under the Howard Government.
The reaction from the supporters and advocates of public education has largely been defensive. Public education and its ideal of comprehensive, democratic schooling is totally on the defensive and being replaced by the pursuit of individual advantage through selective schooling. The advocates have to get on the front foot by acknowledging the problems that exist, in particular, the social inequity in education outcomes. The public education system of the past should not be idealized. Public education has not fully delivered on its promises for a variety of reasons. Its vision needs to be renewed and its practice in improving social equity in education needs to be enhanced and improved.

The Federal ALP Opposition has failed to effectively challenge the Howard Government’s agenda in school education. Indeed, the thrust of the new leadership’s policy approach so far is to emphasise economic goals of education, largely accept the Government’s agenda and concentrate on convincing the public that a Labor Government would be more effective at introducing those policies than the Howard Government. The Federal Opposition is also ignoring the extent of social inequity in school education in Australia.

Social inequality in school outcomes is the most fundamental issue facing the Australian school education system. Social stratification in schooling is high in Australia. Also, a significant group of students is alienated from school and this is reflected in the high drop-out rates and relatively low retention rates to Year 12. They are largely from low SES backgrounds. If the aim is to raise overall levels of achievement, then it will be necessary to address the large social gaps in performance [Lamb et.al. 2004]. This is one of the major policy challenges facing Australia’s school system as many have observed. For example:

Education for all and equality of opportunity have echoed very faintly in Australia in recent years, and have been drowned by the incantation of choice and entitlements. [Keating & Lamb 2004: 49]

…if the aim is to provide learning opportunities for all students, irrespective of their home backgrounds, then school policy needs to address the problem of how to better develop students from disadvantaged backgrounds.

…schools tend to reinforce rather than weaken existing patterns of social inequity [Lamb et.al. 2004: 32]

….the education system is consistently conferring privilege on those who already have it and denying it to those who do not. [McGaw 2006]

The passionate crusade by Howard ministers to week out the so-called cultural bias of the education establishment is threatening to distort our national priorities. There is irrefutable evidence that, on most international benchmarks, Australia has high education standards. Our most pressing education problem is not average quality but inequalities of access and outcomes. It is here that Australia does lag behind other countries. [Argy 2006]

…given the continued evidence of strong links between socio-economic status and educational outcomes, it can be argued that Australian schooling in its current form is merely reproducing and reinforcing the patterns of privilege and disadvantage that already exists in families and communities. This lack of social mobility and access to equal opportunity does not accord with our aspirations of democracy. [Koshland 2006]
Addressing social inequity in education outcomes requires a multi-faceted approach that addresses issues both outside and within school systems. Effective social policies as well as school policies are needed to overcome the social divide in education.

The roots of educational inequality lie outside the school system. The socio-economic background of students has a strong influence on their achievement levels [Havemann & Wolfe 1995; Sirin 2005]. These effects are compounded in schools with high concentrations of disadvantaged families [Rumberger & Palardy 2005]. The range and complexity of interaction of factors contributing to young people at risk suggest the need for a broad comprehensive program to support young people at risk and their families. It should address the underlying socio-economic risk factors of unemployment, low income and poor educational achievement. It should also be directed at the range of more immediate family and personal circumstances contributing to young people being at risk.

Educational policy alone cannot overcome the effects of poverty and its associated ills. Reduction of poverty is a critical component of any program to improve equity in education. Indeed, one of the reasons why many education policies directed at low student achievement in different countries have not succeeded is the failure to address the wider causes of under-achievement at school. Research demonstrates that decent paying employment and increased family supports for low income families improves the educational achievement of their children [for example, see Anyon 2005: 66-70].

School-based factors can exacerbate and compound the effects of social disadvantage and family and personal circumstances on school success. These influences interact in different and complex ways to contribute to young people not succeeding at school. A range of overseas and Australian research studies have demonstrated a clear relationship between school-based factors and poor school outcomes. These studies point to the significant influence of school organisation and climate, bullying and harassment, curriculum, teaching practices, lack of prior achievement at school and student/teacher relationships on student outcomes. For example, many studies show how schoolwork is attuned to the cultural capital of the middle and high income groups to the disadvantage of children from working class families [Brantlinger 2003; Delpit 2006; Devine 2004; Lareau 2003]. In Australia, Teese & Polesel [2003] show how the academic curriculum in the senior secondary years enables high income families to use their income and cultural resources to ensure the success of their children.

Such influences point to the need to review whole school practices including teaching, curriculum and school organisation in order to address inequity in school outcomes. This also involves the revision of school funding approaches better address social need in education. Only a small proportion of school funding across Australia is directed at student need. Education systems should revise school funding to incorporate a large needs-based allocation so that schools serving larger numbers of disadvantaged students have the resources to address the more intensive educational needs of their students. However, revising funding mechanisms is only part, albeit a necessary part, of a broad school-based equity program. It should also involve changes in teaching, curriculum and other practices.
In summary, the key issue facing Australian education today is the high degree of social inequality in school outcomes. It is an issue that has been ignored for 10 years by the Howard Government. Indeed, its policies are more directed at consolidating privilege and inequality in education.

The challenge for other Australian governments and the Federal Opposition, as well as teacher and parent organizations, is to put social equity in education back on the political agenda. This should involve both social and educational policy programs. Change in schools to address social inequity in education outcomes must be linked to campaigns for increased social opportunity. Educational change needs to be complemented by the creation of economic and social conditions that support better learning. The one cannot succeed without the other.
Appendix A: Literacy Outcomes in Australia

A basic problem in analyzing literacy outcomes is that many people have different views as to what is literacy, different expectations about literacy levels appropriate at different age levels and use different measures of literacy outcomes. Even where official national benchmark standards exist, there is debate as to whether the standards have been set at the appropriate level.

Various research studies also use different measures of literacy skills and different terms to describe the levels achieved. For example, some studies assess literacy achievement in terms of the levels expected to function effectively in adult society. Such a standard is not necessarily applicable to school children, even at the junior secondary level, when they have several years of schooling still to complete. Other studies and surveys attempt to define levels of literacy that can be expected at different age levels and report results according a gradation of reading levels.

There are two aspects of literacy outcomes that are relevant in the current debate. One is the level of literacy achievement students and the second is the differences in literacy achievement between groups of students. The first is a question of adequacy in literacy achievement and the second concerns the extent of inequities in literacy outcomes.

Much of the debate over literacy achievement has been focused on the extent to which school children achieve at the expected level of literacy skills for their age or level of schooling. However, as discussed below, there are significant disparities in literacy outcomes between different groups of children that should also enter into the policy debate.

Literacy levels

Until the publication of national benchmark data on literacy in 1999, there was very little evidence about literacy capability in Australia and it was fragmentary in nature [Lo Bianco & Freebody 1997: 16]. An Australian Parliament committee report in 1992 [Standing Committee 1992: v, 3] concluded that about 10-20 per cent of children finish primary school with literacy problems and that about 25 per cent of children were at risk in many education districts. These estimates were based on extrapolations from a study of adult literacy [Wickert 1989], submissions to the committee and anecdotal evidence.

A report prepared for the Commonwealth Government in 1994 reviewed the then available research on the literacy abilities of school-age children [Hill & Russell 1994]. It concluded that some 10-15 per cent of Australian children in the compulsory years have literacy skills below the minimum level deemed adequate for their year level and that a further 5-10 per cent have some difficulties in literacy which need attention if their school work is not to be hampered.
Primary school literacy outcomes

National School English Literacy Survey

The National School English Literacy Survey (NSELS) was the first national survey of a broad range of literacy achievements of Years 3 and 5 students for reading, writing, speaking, listening and viewing. The survey was conducted in 1996 and the results were published in 1997 [Masters & Forster 1997]. The results were reported against achievement scales and the English curriculum profile levels. For example, it reported the proportion of Years 3 and 5 students who achieved at each profile level from 1 to 5, each one covering about 18-24 months of schooling.

One of the aims of the NSELS was to inform the establishment of national benchmarks in literacy, which were then in the process of being developed. The survey was designed and conducted prior to the development of draft national benchmarks in literacy. As a result, there were difficulties in establishing relationships between the survey results and the draft benchmarks. The report did not establish a precise benchmark but selected an indicative range of student achievement in which the draft benchmark could be considered to lie. It reported the benchmark results in an Appendix and urged that they be interpreted with caution.

The main overall results of the survey were as follows:
- there was a wide range of literacy achievement among Year 3 and 5 students, with the top 10 per cent in each year achieving at about 5 year levels ahead of the bottom 10 per cent of students;
- the large majority of students in Years 3 and 5 were achieving within the range, or above, the level estimated to contain the draft national benchmarks;
- a significant proportion of Year 3 and Year 5 students were achieving very high levels of literacy achievement. For example:
  - 12 per cent of Year 3 students were achieving at, or above, the highest profile level for reading and writing;
  - 12 per cent of Year 5 students were achieving at, or above, the highest profile level for reading and 5 per cent were at, or above, the highest writing profile level;
- a very small proportion of Year 3 students were achieving below the range of achievement estimated to contain the draft national benchmarks:
  - 4 per cent were below the estimated range in reading and 6 per cent were below the writing range;
- a large proportion of Year 5 students were achieving below the range of achievement estimated to contain the draft national benchmarks:
  - 21 per cent of Year 5 students were below the estimated range in reading and 15 per cent were below the writing range.

A further report, Literacy Standards in Australia [Masters 1997a], prepared by ACER at the request of the Minister for Schools, Dr. David Kemp, was published by the Australian Government in 1997. This report provided a more precise estimate of the proportion of students at or below the draft national benchmarks. These estimates were determined on
the advice of professional judgments by literacy specialists involved in drafting the benchmarks. The main findings of this report were:

- 27 per cent of Year 3 students were below the performance standard for reading at that year level and 28 per cent were below the writing standard;
- 29 per cent of Year 5 students were below the reading performance standard for that year and 33 per cent were below the writing standard.

These findings were the subject of much controversy because the draft national benchmarks had not been subject to consultation or finalized. State and Territory education ministers criticized the performance standards used as “arbitrary and invalid” and “inappropriate and incorrect” [State & Territory Ministers 1997]. The Liberal Victorian Minister for Education, Phil Gude, said that Dr. Kemp had introduced his own benchmark to make the figures look worse and to maximise his publicity [Mitchell 1997]. He stated that Dr. Kemp had “manipulated the figures in a most dishonest and disgraceful fashion” [Hawes 1997] and was “deliberately and mischievously manipulating data to portray literacy at a perilous level” [Gude 1997]. The then Liberal ACT Minister for Education, Mr. Bill Stefaniak, said that the benchmarks used by Dr. Kemp were a “best guess” and had “yet to be completely validated” [MacDonald 1997].

The author of the Commonwealth Government’s report, Dr. Geoff Masters of ACER, stated that the draft literacy standard used in the report was arbitrary and had not yet been finalized through national consultations [Messina 1997; Mitchell 1997]. He and another senior member of the Australian Council for Educational Research also stated that the findings of the Commonwealth report were made without explicit reference to the draft benchmarks, based solely on the judgment of an adequate standard by those who interpreted the national literacy survey and were highly problematic [Gordon & Harbutt 1997].

The national benchmarks that were subsequently agreed by national education ministers showed a much lower proportion of students not achieving the expected performance standard.

**National benchmark results for Years 3 and 5**

National benchmark results for literacy in Years 3 and 5 are available for 1999 – 2004 [MCEETYA 2004].

The percentage of all Year 3 students who achieved the national benchmarks in 2004 was 93 per cent in reading and writing, so that only 7 per cent did not achieve the benchmarks. This was an improvement since 1999, when 90 per cent of Year 3 students achieved the reading benchmark and 92 per cent achieved the writing benchmark. However, strictly speaking, there has been little change in the proportion of Year 3 students achieving the benchmarks when account is taken of the level of statistical uncertainty associated with the results.
In 2004, 89 per cent of Year 5 students achieved the reading national benchmark and 94 per cent achieved the writing benchmark. This compared with 86 and 93 per cent respectively in 1999.

**High school literacy outcomes**

**International assessment results for 15-year olds**

The Programme for International Student Assessment (PISA) provides a national and international perspective on literacy outcomes for students aged 15 years. Assessments were conducted in 2000 and 2003. The overall results are reported in OECD [2001, 2004] and in detail for Australia in Lokan et.al. [2001] and Thomson et.al. [2004].

The two surveys show that average reading outcomes 15-year olds in Australia are very high by international standards. Australia was ranked fourth in reading literacy among the 41 countries participating in the 2003 study and also ranked fourth among the 32 countries participating in the 2000 study.

In 2004, only Finland, Canada and Korea were above Australia. Only Finland had a significantly higher average score than Australia. Australia was in a group of six countries whose results were statistically similar, these other countries being Korea, Canada, Liechtenstein, New Zealand and Ireland.

The Australian average of 525 was about 6 per cent higher than that for all OECD countries. The average score for the top 5 per cent of students in Australia was higher than in any other country except New Zealand. However, about 12 per cent of Australian students were at the lowest reading proficiency levels, levels that are not deemed adequate for the age group.

The PISA definition of reading literacy encompasses skills that will enable young adults to participate fully in society beyond school. It classifies reading skills in 6 categories, from Level 5 to below Level 1. Level 5 proficiency involves ability to deal with difficult texts and to complete sophisticated reading tasks. Level 1 proficiency includes being able to find explicitly stated pieces of information, to recognise the main theme or author’s purpose in a text and make a connection between common everyday knowledge and information in the text. Students performing below Level 1 lack basic information retrieval and understanding of text.

Students who do not progress beyond Level 1 are likely to experience problems in some spheres of adult life while students who have not achieved Level 1 proficiency are likely to be seriously disadvantaged in their lives beyond school. Students with literacy skills below Level 1 may be at risk not only of difficulties in their initial transition from education to work, but also of failure to benefit from further education and learning opportunities throughout life [Lokan et.al. 2001: 78; Thomson et.al. 2004: 94-5; OECD 2004: 279].
Australia had the second highest proportion of students at the highest reading proficiency level (15 per cent). Only New Zealand had a higher proportion of students at this level (16 per cent). The OECD average was 8 per cent.

Australia also had a lower proportion of students in the lowest proficiency levels than most other OECD countries. Some 12 per cent of Australian students were at Level 1 or below compared to an average of 19 per cent in the OECD. Only 7 other countries had a lower proportion of students at these levels than Australia. Only 4 per cent of Australian students were below Level 1 compared to 7 per cent for the OECD.

These outcomes for Australia in 2003 were similar to those achieved in the PISA 2000 survey.

National benchmark results for Year 7

National benchmark results for reading and writing in Year 7 have been published since 2001 [MCEETYA 2004]. About 9 per cent of students did not achieve the reading benchmark in 2004 and 6 per cent did not achieve the writing benchmark. There has been an improvement in the proportion achieving the reading benchmark since 2001, but little change in writing.

Other studies

An ACER study of reading comprehension in junior secondary school between 1975 and 1995 found that there was no substantial change in mean scores or the proportion of 14-year old students who attained mastery of reading comprehension [Marks & Ainley 1997]. This study was based on several sample surveys of junior secondary students conducted over the period. An update of the study found there was little change in the average level of achievement between 1975 and 1998 for 14-year olds [Rothman 2002]. Mean scores had remained stable and there was little change in the distribution of scores.

The initial study showed that in 1995, 70 per cent of 14-year olds had mastered the ‘basic skill’ of reading comprehension necessary to effective function in adult society. That is, 30 per cent of students had not achieved mastery of the reading comprehension ability needed to function effectively in adult society.

The results of the 1998 study were similar to those reported in the 1995 study. The later study did not attempt to measure the proportion of students who achieved “mastery” in reading comprehension. However, the results on scaled score ranges showed a slight reduction in the proportion of students in the two lowest score ranges.

Achievement levels in reading comprehension were maintained during 1975–1998 despite an increase in background factors associated with poor reading skills. Standards

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31 Mastery was defined as competency in basic skills necessary for active participation in adult society.
were maintained despite a large increase in the proportion of students from non-English speaking backgrounds.

Research clearly demonstrates that poor reading or literacy outcomes are strongly associated with background factors such as socio-economic disadvantage, languages other than English, and Indigenous background (see below). Since 1975, the percentage of 14-year olds from other language backgrounds attending government schools has increased substantially, especially students from Asian-speaking backgrounds. For example between the proportion of students from language backgrounds other than English increased from 15 to 24 per cent in New South Wales government schools between 1986, when data were first collected, and 2000 [Rothman 2002: 38]. The proportion of these students in the sample surveys of junior secondary students more than doubled from 4 to 11 per cent between 1975 and 1998. As Rothman [2002: 39] concludes:

The data presented in this report show that Australian schools have been successful in providing educational opportunities and achieving positive outcomes for many of these students, reducing differences in scores between students from English-language backgrounds and students from other-language backgrounds, as measured at the student level and at the school level.

**Adult literacy**

The results of the first comprehensive survey of adult literacy in Australia were published in 1989 [Wickert 1989]. It found that the vast majority of adults were able to perform straightforward literacy tasks but that many were unable to complete tasks of moderate complexity. It estimated that about one million people experienced literacy difficulties.

In 1997, the Australian Bureau of Statistics (ABS) published the results of its Survey of Aspects of Literacy conducted in 1996. The survey was of people aged 15-74 years across Australia and results are reported for various age groups, including 15-19 year-olds.

The survey focused on literacy and numeracy skills necessary to understand and use information from material which is printed in English and found in everyday life [ABS 1997]. It assessed three types of literacy:

- ability to understand and use information from various kinds of prose texts such as newspapers and magazines (prose literacy);
- ability to locate and use information contained in materials such as tables, charts and graphs (document literacy); and
- ability to perform arithmetic operations using numbers contained in printed texts (quantitative literacy).

These abilities were assessed at five different levels. Level 1 was the lowest and people at this level have very poor skills and could be expected to have considerable difficulty in using many of the printed materials encountered in daily life. Level 1 does not necessarily indicate illiteracy as some people at this level can locate a piece of
information in a short text and enter information onto a document, but this level does include people who cannot perform these tasks. People at Level 2 could be expected to experience some difficulties in using many printed materials in every day life. They would be able to use relatively simple, short and clearly structured printed material. At Level 3, people can cope with a varied range of materials found in daily life while people at Levels 4 and 5 have higher level literacy skills and are able to use higher order skills.

The age group that has most recently left the school system (20-24 year-olds) had the lowest proportion at Levels 1 and 2 of any age group, with 10 per cent at Level 1 and 27 per cent at Level 2. The survey found that 15 per cent of 15-19 year-olds were only at Level 1 in prose literacy and 30 per cent were at Level 2. However, the report noted that many 15-19 year-olds are still developing their literacy skills at school and work. Nevertheless, the results indicate that nearly 40 per cent of students leave school without the prose literacy skills to fully cope with the range of material found in daily life. About 10 per cent have very poor skills in using everyday printed material.

The ABS survey of adult literacy clearly indicates considerable improvement in prose literacy over the last 50 or so years to 1996. People who left school in the previous 25 years had much better prose literacy skills than those who left school before about 1970. About 22 per cent of the 20-44 age group were at Levels 4 and 5 compared to much lower levels for the older age groups. Less than 40 per cent of the 20-44 age group were at Levels 1 and 2 compared to about 50 to 75 per cent of the older age groups.

There was also a considerable improvement in adult prose literacy skill levels since about 1970. Only 10 per cent of the 20-24 age group were at Level 1 compared to 12 per cent of the 25-34 age group and 14 per cent of the 35-44 group.

**Inequities in literacy outcomes**

While only a small proportion of students do not achieve a minimum standard of reading appropriate to their age level, there is a large range of literacy outcomes for primary and high school students in Australia and poor literacy outcomes are concentrated in particular groups of students.

**Range of literacy outcomes**

There is a large difference between the highest and lowest outcomes for 15-year olds in Australia in comparison with other high achieving countries. The PISA 2003 Study shows that Australia had the largest range of outcomes of the top ten achieving countries apart from New Zealand [Thomson et.al. 2004: 104]. Australia had the twelfth highest range of reading outcomes among the 29 OECD countries. The range of outcomes for Australia in 2003 was not significantly different from that in 2000.

There are also large differences in performance by Australian students at the lower end of the distribution of reading outcomes. The score range between the 5th and 25th percentiles for Australia was the largest of the top ten achieving countries apart from New Zealand and Norway. It was the same as the average for the OECD countries [Thomson et.al. 2004: Table A3.10].
Differences in literacy outcomes by socio-economic background

Several studies have shown a large difference between outcomes for students from different socio-economic backgrounds in Australia. Poor literacy outcomes are strongly associated with low socio-economic status (SES) backgrounds.

The PISA Study 2000 demonstrated a strong relationship between student reading outcomes and student SES. Students with lower SES scored less well in reading than other students [Lokan et.al. 2001: 162-165]. The probability of being in the lowest 25 per cent of reading scores is about twice as likely for a low SES student than for students not in a low SES group [Lokan et.al. 2001: 174]. There is a striking decrease in the probability of being in the low scoring reading group as SES increases.

Australia combines high quality performance with above-average inequality in student performance between socio-economic groups [OECD 2001: 191]. This is demonstrated by reference to the socio-economic gradient in reading performance, which provides a measure of the extent of inequality in reading performance attributable to students’ socio-economic background. It shows the difference in reading scores that is associated with each unit change in the index of the economic, social and cultural status. Steeper gradients indicate a greater impact of family background on reading performance and gentler gradients indicate a lower impact of family background. The socio-economic gradient for Australia was significantly steeper than the OECD average, indicating a higher level of socioeconomic inequality in reading literacy achievement in Australia than the average for all OECD countries [OECD/UNESCO 2003, Table 6.10].

The gradient for Australia was the steepest for the nine highest performing countries in literacy, apart from the United Kingdom. It was amongst the steepest for the high-income OECD countries. The mean difference in reading literacy between the least advantaged one-sixth of students and the most advantaged one-sixth in Australia was 92 points compared to the OECD average of 82. Of 21 high income countries participating in the study, only Germany, USA, UK, Luxembourg, Liechtenstein, Belgium and France had a higher difference in reading literacy between students from high and low SES backgrounds than Australia.

The Report on Government Services [Steering Committee 2003, Table 3A.24; Steering Committee 2006, Tables 3A.76, 3A.77, 3A.80] provides additional information on school outcomes by equity group from the PISA study. It shows that in 2003, 50 per cent of Australian 15-year old students from low SES families were below the OECD mean for reading compared to 35 per cent of all students. This was a slight improvement, after allowing for statistical uncertainty, over 2000 when 54 per cent of students from low SES families were below the OECD mean compared to 38 per cent of all students. The proportion of students from low SES families who achieved at Level 3 or above on the PISA reading scale in 2003 was 56 per cent compared to 70 per cent of all students. These figures imply much larger differences between students from low and high SES families.
An ACER study of test scores achieved by Australian 14-year olds in reading comprehension and mathematics between 1975 and 1998 has revealed a significant difference in outcomes between students from different family occupational groups [Rothman 2002, Table 5]. The study shows that students whose parents were employed in professional and managerial occupations have the highest average scores and students whose parents were production workers or labourers have the lowest. In 1998, the mean reading comprehension score for 14-year old students whose father was a production worker or labourer was about 10 per cent below that of students from a professional or managerial family background.

The proportion of students from labouring families with reading scores 20 per cent or more below the mean was more than double that of students from professional and managerial families - 21 per cent compared to 9 per cent. In contrast, the proportion of students from professional and managerial families in the top reading score range was more than double that of students from labouring families – 23 per cent compared to 11 per cent. There was little change in these differences in reading performance between students from different occupational backgrounds from 1975 to 1998.

Masters and Forster [1997] also found a strong relationship between parental occupation and literacy achievement in Years 3 and 4 in Australia. Children of parents with upper professional and managerial occupations have significantly higher average levels of literacy achievement than the children of parents in clerical and skilled manual occupations, who in turn have higher average levels of literacy achievement than the children of parents from unskilled manual occupations. In addition, children of unskilled manual workers show the least growth in reading from Year 3 to 5 while children of professional and managerial parents achieve the most growth, thus widening the gap in reading achievement between students from high and low socio-economic groups.

These differences in literacy outcomes by student background are also apparent for more general school outcomes. For example, in 2000 the average tertiary entrance score for Year 12 Victorian students in the bottom quintile of SES was, on a 100-point scale, 22 points below the mean score achieved by students in the highest quintile of SES (52.9 compared with 74.9) [Lamb et.al. 2004: viii].
Appendix B: Federal Government Involvement in Vocational Education and Training in Schools\textsuperscript{32}

National framework
In November 1994, MCEETYA agreed to the progressive implementation of the Australian Vocational Training System (AVTS) into the school sector from January 1995. It was agreed that vocational programmes in schools would be converted to the AVTS principles by the start of the 1998 school year. The inclusion of the AVTS would increasingly allow school students to achieve vocational qualifications while completing their senior secondary schooling.

Considerable effort was made by Commonwealth, State and Territory governments to ensure a comprehensive implementation of the AVTS in schools including dealing with early issues of implementation and ensuring that growth could be achieved and sustained over the long term. A range of issues were targeted for early action including addressing industrial relations and workplace legislative arrangements that could be barriers particularly to the take up of New Apprenticeships, professional development of teachers, development of courses and course support material, coordination of work placements, and harnessing business, industry and VET provider support.

In April 1999, national ministers agreed to a revised National Goals for Schooling in Australia. The \textit{National Goals} recognized that for the school sector to deliver on the educational and social commitment to young people, schools will need to provide students with a broader range of skills and qualifications, and opportunities to develop an understanding about the contemporary world of work and the range of pathways available. The \textit{National Goals} clearly identify that vocational education is an important element of education for all young people in order to assist their transition to a broad range of post-school options and pathways.

In order to take forward reforms to school education to provide for a broad range of vocational education offerings as conceived in the \textit{National Goals}, a policy and implementation plan for vocational education in schools was developed by the MCEETYA VET in Schools Taskforce.

A national Framework for Vocational Education, now known as the Vocational Education and Training in Schools Framework, was agreed to by education ministers in 2001 for implementation by 2004. An important aspect of the Framework is that it broadened the definition of ‘vocational education’ to include VET, career education, community and work-based learning and general employment learning that should be experienced by all students at each year level throughout their schooling [MCEETYA 2001]. It includes general learning that addresses the broad understandings of the world

\textsuperscript{32} Much of the information on the various vocational education and training programmes operated by the Federal Government is obtained from the DEST website.
of work and develops in young people a range of knowledge, skills, competencies and attributes relevant to a wide range of work environments.

The Framework directs the efforts of the school sector to develop and incorporate vocational education offerings across all years of schooling and to expand the offerings from what had largely been programmes directed to the provision of industry recognised skills.

The Framework was built around six key elements:
1. Vocational education and training - appropriately accredited industry-specific training based on Australian Quality Training Framework qualifications and competencies endorsed within the National Training Framework.
2. Enterprise and vocational learning - enterprise and vocational perspectives incorporated into general learning that is appropriate for all years of schooling.
3. Student support services – services that guide and support young people in their transition from compulsory schooling to post-compulsory schooling options and post-school destinations.
4. Community and business partnerships - mechanisms that foster close cooperation between all levels of government, business, community organisations, education and labour market.
5. Effective institutional and funding arrangements - policy coherence and effective programme implementation through institutional arrangements for the organised and continuous involvement of all relevant players at national state/territory and local levels.
6. Monitoring and evaluation - data collection processes to provide information that will enable the effectiveness of current and future arrangements to be measured.

Each jurisdiction is implementing elements of the Framework for vocational education in schools in different ways. However, there is an overall commitment to ensure that vocational offerings are part of the school curriculum and that there are opportunities for all students to access enterprise, vocational and career education during the compulsory and senior secondary years of schooling [DEST 2002a].

In 2002 the Prime Minister's Taskforce released a report *Footprints to the Future* that looks at ways to improve the support provided to young people during their transition from start to independence. Following the release of the report, MCEETYA released a Ministerial Declaration (*Stepping Forward*) that provided a common direction for improving the social, educational and employment outcomes for all young people. In July 2003 MCEETYA agreed to promote the Career and Transition Services Framework to assist jurisdictions in planning for and providing services to support and prepare young people to make successful transitions through school and from school to work.

The Federal Government has also participated in the development of national performance measures for VET in Schools for the purpose of reporting participation and attainment progress against the National Goals for Schooling. In 2003, MCEETYA approved two key measures:
• participation – school students undertaking VET as part of their senior secondary school certificate as a proportion of all school students undertaking a senior secondary school certificate in each year;
• attainment – school students enrolled in a senior secondary school certificate who have completed at least one VET unit of competency/module as a proportion of all students undertaking senior secondary school certificate each year.

VET in Schools

VET in Schools programs allow students to combine vocational studies with their general education curriculum as they continue to work towards their senior secondary certificate. It is aimed at helping school students obtain skills and qualifications recognized by industry as part of their senior secondary schooling. It includes industry-accredited training modules and school-based apprenticeships and traineeships.

VET in Schools courses provide credit towards a nationally recognised VET qualification within the Australian Qualifications Framework. The training that students receive reflects specific industry competency standards and is delivered by a Registered Training Organisation (RTO) or a school in partnership with a RTO. Some schools are recognised as RTOs in their own right.

School-based New Apprenticeships are intended to provide vocational skills and additional pathways, especially for school students who may not plan to continue on to higher education. They assist in encouraging school students who may have dropped out of school to continue on by providing a broader range of options. They have a number of features including:
• attendance at school and work;
• a training agreement, which links to an industrial award or agreement, signed by the employer and the New Apprentice;
• attainment of a senior secondary certificate and a vocational education and training (VET) qualification;
• earning a wage for the time spent in productive work.

Federal funding for VET in Schools, including School-based New Apprenticeships, was provided through ANTA, the ASTF and the School to Work Programme (SWP).

The Australian National Training Authority (ANTA) administers Federal funding for government and non-government education authorities to support the delivery of VET in Schools. The funds are distributed through the State Training Authorities. All States and Territories signed agreements in 1997 under which funds were provided to government and non-government schools to support the expansion of VET in schools.

ANTA also undertakes research and projects to progress outstanding or emerging issues in relation to vocational education in schools. These issues relate primarily to the quality and compliance arrangements in relation to vocational education offerings in schools, particularly VET in schools and School-based New Apprenticeships.
The ASTF was set up in 1994 to promote opportunities for young Australians to acquire workplace knowledge and experience before they graduate from school. It supported school-industry partnerships to develop, implement and enhance vocational education programs for school students, including structured workplace learning; the training of workplace supervisors; and resource materials, networks and advisory services. The ASTF was funded by the Federal Government through ANTA.

The ASTF was replaced by the Enterprise and Career Education Foundation (ECEF) in 2001 as part of the Federal Government’s response to the Report from the Prime Minister’s Youth Pathways Action Plan Taskforce 2001, *Footprints to the Future*. The ECEF was established as a Commonwealth company to support and promote key aspects of vocational education in schools and to build upon the work of the ASTF in encouraging and supporting effective partnerships between schools and industry, by more effectively linking businesses, schools and the community. The ECEF had a key role in promoting greater awareness of the broader vocational education agenda and to provide strategic support to improve and enhance school-industry partnerships, working with States and Territories, facilitating industry’s involvement in schools and young people’s transitions and undertaking research, marketing and promotional activities. Its three broad areas of activity were in supporting VET in schools (including structured workplace learning), enterprise education and career education.

In the 2003-04 Budget, the Federal Government announced that the ECEF would be brought into DEST to better integrate the Commonwealth’s initiatives relating to careers and transitions with its priorities across portfolios and to achieve administrative efficiencies in Commonwealth programmes.

The SWP was announced in the 1996-97 Budget to fund the expansion of vocational education in schools and the implementation of the new School-based New Apprenticeships. The programme was aimed at:

- the expansion of accredited VET courses in senior secondary schools (Years 11 and 12] through increased participation of personnel from business, industry and the VET sector;
- strategic initiatives that support or complement the expansion of accredited VET in secondary schools and promote good practice in school to work pathways;
- initiatives and courses for students in Years 9 and 10 and in special education to strengthen vocational pathways through the senior years.

The VET in Schools component of the programme included funding allocated to state and territory education authorities (government and non-government) and a strategic component managed directly through the Federal Government [Canberra Business Centres 2000]. There was also an enterprise education component.

The primary objective of the state component was to assist education authorities to effect systemic change in support of the introduction and implementation of VET in schools. In particular, the state component was designed to assist greater participation and involvement of VET and business and industry sector personnel in the delivery of VET in
Funding was used for the development and implementation of short bridging courses to provide teaching skills for industry personnel as well as for school-based action learning models, regional cluster models, and teacher-industry exchanges.

The strategic component was directed at providing funding for projects to support the expansion of VET in Schools, vocational preparation programs in Years 9 and 10 and for the development of part-time school-based apprenticeship and traineeship models for students in years 11 and 12.

The SWP was terminated in 2000.

Structured workplace learning is an important part of VET in schools. An increasing number of VET in schools programmes include structured workplace learning in order to ensure that students develop the relevant competencies. The Federal Government has been involved in funding structured workplace learning since 1994 when the ASTF was established. ATSF was involved in funding structured workplace learning and enterprise programs which operated within the existing frameworks of education systems. This role was taken over by the ECEF and then later DEST itself.

The Federal Government’s Structured Workplace Learning (SWL) Programme aims to provide workplace opportunities to students to assist them make a successful transition through school, and from school to further education, training, employment and active participation in the community. Funding is provided to give students structured learning opportunities in a real or simulated workplace. The placement provides on the job training and mentoring that develops the students’ technical and generic employability skills. The skills or ‘learning outcomes’ commonly reflect nationally recognised, industry-defined competency standards. Registered Training Organisations formally assess the achievements of students against the competency standards outlined in training packages for qualifications within the Australian Qualifications Framework. Activities such as general work experience do not qualify as structured workplace learning.

The SWL Programme is managed through a national network of regional Local Community Partnerships (LCPs) that consist of representatives of a range of local industry, school, TAFE, community and other organizations. They work with government and non-government schools to co-ordinate work placements with industry. In most instances they employ staff to coordinate and monitor placements. There are over 200 partnerships across Australia.

The SWL Programme was operated through the ECEF from 2001 and transferred into DEST in 2003 as part of the integration of ECEF in the Department. LCPs are now either funded and managed by DEST or co-funded and co-managed by DEST and States/Territories.

**Jobs Pathway Programme**

The Jobs Pathway Programme (JPP) was established as a pilot project in eight regions by the Keating Government to help Year 12 students who had done vocational courses in
years 11 and 12 to make the transition from school to work by giving them access to an employment broker in their local area. The Howard Federal Government expanded the program to 40 regions in 1996-97. In recognition of the numbers of students leaving school without any industry-recognised skills or labour market experience, the programme was broadened to allow brokers to work with other year 12 school leavers and year 10 and 11 students at risk of leaving school early and entering long periods of unemployment.

From 1997, the objective of the JPP was to assist at-risk young people aged 13 to 19 make a smooth transition through school and from school to further education, training or employment by providing advice and assistance targeted at their individual needs. It aimed to foster stronger links at a community level between schools, industry and young people so that young people are better prepared for the world of work and receive practical assistance in making the transition to work. Providers were contracted to deliver JPP services to a targeted group of young people over a specified period of time. Organisations contracted to deliver JPP services included private employment agencies, group training companies, registered training organisations as well as community-based organisations and schools.

Initially, JPP service delivery was based on generic approaches, such as running workshops and conducting training sessions with multiple participants. It has evolved to provide a more personalised and customized service to meet the individual needs of young people at risk of not making a successful transition. The programme’s focus has shifted from managing the transitions of young people from school to work, to assisting those identified as at risk of not making a successful transition through school and from school to further education, training, employment and active participation in the community [DEST 2005c].

From January 2006, the Jobs Pathway Programme was replaced by the Youth Pathways Programme to focus on students most in need [DEST 2005ab]. The JPP had focused equally on education, training and employment-related assistance. The YPP will focus on the most at risk young people and will be more specifically targeted at school retention and participation in education and training for these at risk young people. This will mean providing more individualised assistance to those most in need of support. The programme will aim to target those young people most at risk of not completing Year 12, including those who have not yet completed year 12 and have disengaged from school in the last 12 months and are at risk of not making a successful transition from school to further education, training and employment.

Some administrative changes have also been made to improve monitoring of outcomes. Services will continue to be provided by contracted organizations. Many of the young people who have historically received general career information, advice and assistance under JPP will now receive these services through the suite of programmes introduced under the Australian Network of Industry Career Advisers (ANICA) initiative introduced in 2005 (see below).
Enterprise and career education

The Federal Government has placed particular emphasis on enterprise since 1996. Enterprise education is designed to contribute to students' general education, vocational learning and preparation for the world of work. It creates a bridge between academic and applied learning and gives young people a means of acquiring and exercising skills such as initiative, problem solving, creativity, adaptability and flexibility, which they will need in all aspects of their lives.

It embraces the development of new curricula and curriculum materials, teacher professional development programs on how to develop the enterprising student, strategies to encourage closer liaison between schools and business and industry for better advice on careers in business (especially small business), and strategies for community awareness of the value of enterprise, the contribution of small business, and the role of schools in developing an enterprise culture in the community.

In May 1995, MCEETYA endorsed a set of proposals to promote enterprise education in schools as a joint portfolio initiative between the then Department of Employment, Education, Training and Youth Affairs (DEETYA) and the then Department of Industry, Science and Resources (DISR). The initiative was designed to address the need for a more ‘entrepreneurial spirit’ in Australia, as identified in the Karpin Report, Enterprising Nation, in order to respond to the changing business environment, such as increasing globalisation and widespread technological innovation [DEST 2002a].

The Commonwealth allocated funding over two years in the 1996-97 Budget for the enterprise education in schools initiative (as part of a broader SWP) with the aim that students would:

- develop a greater understanding of economics and how businesses and other enterprises operate;
- acquire competencies, including skills and attitudes, to be enterprising; and
- use enterprising experiences to learn any part of the curriculum.

A range of initiatives were developed which were designed to raise awareness of enterprise education in schools.

Enterprise education was established as an important component of the national Framework for Vocational Education. The Federal 2000-01 Budget provided $25 million over four years 2000-01 to 2003-04 for an enterprise education programme to build on the previous initiative and to support workforce development. The Enterprise and Career Education Programme formed part of the Federal Government’s response to some of the recommendations of the Footprints to the Future report.

The Programme supported enterprise and career education projects by schools, and organisations working in partnership with schools. It funded strategic projects that enhance enterprise initiatives in schools. ECEP also supported the production of support materials in enterprise, such as professional development resources for teachers, and in career education, such as the Job Guide and the website myfuture. It supported the
expansion of enterprise education across a broad range of school years (particularly Years 5 to 10) to integrate with other curricula to build a firm foundation of skills and attributes in young people, and encourage forward-looking, positive approaches to change. The ECEF played a key role in the delivery of the Programme, particularly in relation to assisting industry involvement with enterprise education in schools.

The Enterprise Education Action Research (EEAR) Project was announced in 2001 to identify approaches to and best practice in enterprise education. It was conducted in approximately 200 primary and secondary schools over the period of April 2002 to April 2004. It was the first comprehensive national analysis of enterprise education in Australian schools and outlines key elements for successful implementation of enterprise education.

The Federal Government has continued to support enterprise education in schools through the development and distribution of resources to schools such as the findings from the EEAR Project and professional development materials. The Enterprise Learning for the 21st Century Initiative provides funding to 2007-08 to businesses, industry, education and community organisations to undertake innovative projects that support young people to build their enterprise skills, think creatively and reach their full potential.

The Government has also initiated several programs, apart from the ECEP, to improve careers advice in schools a priority in smoothing the transition from school to further education and work.

In response to the Footprints for the Future report, the Federal Government introduced two pilot projects in 2002 to provide career and transition services to young people. Both of which are based on close local partnerships between young people, their families, schools, government, industry and the community. These were the Career and Transition (CAT) and the Partnership Outreach Education Model (POEM). These programmes provide career and transition advice to young people aged between 13 and 19, and assist students who leave school early to re-engage with mainstream education and training.

Targeted at students above year 7, the CAT programme provides access to professional career advice and ongoing assistance with transition planning. The POEM programme pilots have assisted vulnerable young people re-engage with mainstream education and training after dropping out or becoming disconnected from school. The programmes are being trialled in more than 40 regions.

Additional funding was provided to these programmes in the 2004-05 Budget. Their outcomes will guide future career and transition arrangements.

In 2003, the ECEF was transferred to DEST as part of the rationalisation of the Federal Government’s career and transitions programme management and policy advice. It was intended to reduce potential for overlap and provide a more consistent and holistic approach in supporting young people in their transition through school and from school to further education, training and work.
In 2005, the Government established the Australian Network of Industry Careers Advisers, now called Career Advice Australia. This network is intended to provide a comprehensive national careers and transition support network for all young Australians from 13-19 years of age. It has several elements.

The role of LCPs is to be expanded to include forming partnerships with industry and professional careers advisers to assist young people, teachers and career advisers to better understand the range of available post-school options and provide professional careers advice tailored to the young person’s talents and interests.

The Government has also committed to raising the quality of career advice and recognition of career practitioners by:

- introducing national professional standards for career advisers;
- expanding professional development opportunities for career advisers;
- providing scholarships for career advisers to undertake study and industry placements;
- funding School and Industry Leaders Forums; and
- rewarding and highlighting the work of schools which integrate high quality career advice into their school curriculum.

Two national industry career adviser networks will support the CAA initiative in order to engage industry career experts. These are a network of Regional Industry Career Advisers (RICAs) and a network of industry sector National Industry Career Specialists (NICS).

A feature of the Federal Government’s VET in Schools and enterprise and career education programmes is the use of Local Community Partnerships (LCPs) to deliver several programmes. The Government provides funding to LCPs in 213 LCP service regions across every State and Territory to facilitate the delivery of the Structured Workplace Learning programme, the Career and Transition Support programme and the Adopt a School programme.

LCPs partner with industry and employer groups, schools, professional career advisers, community organisations, parents, young people, youth service providers and other government and community organisations to assist all young people aged 13-19 years to gain the skills, experience and professional guidance to help them achieve a successful transition through school, and from school to further education, training and employment.
Appendix C: Federal Government Programs for Indigenous Education

National policy framework

The National Aboriginal and Torres Strait Islander (ATSI) Education Policy forms the foundation of all Indigenous education programmes. It was agreed to by the Federal Government and the States and Territories in 1989 and reaffirmed in 1995. The policy spells out 21 long-term, national goals, which are subsets of four major goals. These long-term goals are:

- Involvement of ATSI people in educational decision-making;
- Equality of access to education servicees;
- Equity of educational participation; and
- Equitable and appropriate educational outcomes.

In July 2000, MCEETYA issued a National Statement of principles and standards and an action framework for more culturally inclusive and educationally effective schooling for Australia’s Indigenous peoples in the Twenty-first Century [MCEETYA 2000b]. The Principles acknowledge the capacity of all young Indigenous people to reach their full potential in school and the role of Indigenous parents as the first educators of their children. The Standards are described in terms of the rights of Aboriginal and Torres Strait Islander students and their teachers and education workers to access the same level of government services as other Australians and to achieve equitable and appropriate educational outcomes.

Programs

The major Australian Government funded programmes directed specifically towards Indigenous education and training include three longstanding programmes: the Indigenous Education Strategic Initiatives Programme (IESIP), the Indigenous Education Direct Assistance Programme (IEDA), and ABSTUDY. The Howard Government has revised the arrangements for these programmes and introduced new elements.

Indigenous Education Strategic Initiatives Programme (IESIP)

Under IESIP, the Commonwealth provides supplementary funding assistance to eligible education providers in the school, preschool and vocational education and training sectors to enable them to better cater for the educational needs of their Indigenous students. In the 1996 Budget, the Government committed an additional $80 million over four years to the year 2000 to IESIP. Legislative and administrative amendments were also implemented during 1996 as a key element of the response to the 1995 National Review of Education for Aboriginal and Torres Strait Islander Peoples. Major changes were the implementation of a per capita funding model to provide a more equitable and transparent

33 Much of the information on the various Indigenous education programmes operated by the Federal Government is obtained from the DEST website: http://www.dest.gov.au/sectors/indigenous_education/
distribution of funds, and a revised accountability mechanism which focuses on the measurement and reporting of Indigenous education outcomes.

Under the IESIP Indigenous Education Agreements for the 1997–1999 triennium funding recipients were required to select from a number of performance indicators through which they would report to the Commonwealth on their performance in areas such as literacy, numeracy, educational outcomes (including attendance, retention rates and year 12 results), the employment of Indigenous people and the involvement of Indigenous people in educational decision-making. Against these performance indicators they provide baseline data as a measure of their current level of performance, and agree on targets with the Commonwealth for improved performance in each year of the triennium. Recipients were required to report annually to the Commonwealth on their actual performance against their performance indicators and targets. To assist recipients in meeting their new obligations the Commonwealth implemented a rigorous monitoring process during 1997.

In 1999, the Government determined that current Indigenous Education Agreements would be extended by one year to include 2000, thereby aligning the funding cycle for the IESIP with the Commonwealth General Recurrent Grants Programme. In 2000, new Indigenous Education agreements under IESIP were negotiated between the Commonwealth and education providers for 2001-2004. Under the agreements, education providers report annually against a number of performance indicators across MCEETYA priority areas for Indigenous education. These priority areas were literacy, numeracy, educational outcomes, Indigenous enrolments, Indigenous employment, involvement of Indigenous Australians in education decision-making and culturally inclusive curricula.

In 1998, as part of IESIP, the Government provided funding for Strategic Results Projects which aimed to identify and trial ways to overcome barriers to educational achievement by Indigenous people. These projects have focused on addressing issues such as student attendance and retention, literacy and numeracy, and vocational education and training. There are two types of SRP: capital and non-capital. For capital, the focus is on achieving improved access, attendance, retention and completions through improved educational facilities, teacher housing and student transport. For non-capital, the focus is on academic achievement in literacy and numeracy, and increasing access to vocational education in schools.

The Government also introduced a new funding program in 1998 for intensive English as a Second Language assistance for students speaking their vernacular language commencing school for the first time. The program is directed at students who have had very limited exposure to English in their communities and who must use English in a sustained way when they begin school.

Another element of the IESIP was added with the launch of the National Indigenous Literacy and Numeracy Strategy by the Prime Minister in March 2000 [Howard 2000]. The strategy is designed to complement the national goals agreed to by Commonwealth, State and Territory Education ministers in relation to literacy and schooling: that all
children leaving primary school should be numerate and able to read, write and spell at an appropriate level, and that every child commencing school from 2001 will achieve a minimum acceptable literacy and numeracy standard within four years. NIELNS has the objective of ‘achieving literacy and numeracy for Indigenous students at levels comparable to those achieved by other young Australians’. There are six key elements to this Strategy:

- Lifting school attendance rates of Indigenous students to national levels;
- Effectively addressing the hearing and other health problems that undermine learning for a large proportion of Indigenous students;
- Providing, wherever possible, preschooling opportunities;
- Training sufficient numbers of teachers in the skills and cultural awareness necessary to be effective in Indigenous communities and schools and encouraging them to remain for reasonable periods of time;
- Ensure that teachers use the most effective, culturally appropriate teaching methods; and
- Increase accountability and performance measurement for schools and teachers.

The strategy requires all States and Territories to develop an implementation plan that sets out how they will use their own resources, as well as the Commonwealth’s mainstream recurrent grants and Indigenous-specific supplementary funding to achieve the goals of the plan.

To support NIELNS, a number of Indigenous Ambassadors were appointed as spokespeople to help promote the aims of the strategy to Indigenous students. The Ambassadors were achievers and role models in their respective fields, which covered education, sport and other professions.

Funding for NIELNS during 2005-2008 was reoriented by strengthening the application of ‘what works’, particularly around the practices and skills of teachers and their support staff, preparing young Indigenous children for formal schooling, and helping re-engage and retain more Indigenous students to Year 12 or its VET equivalent.

**Indigenous Education Direct Assistance Programme (IEDA)**

The IEDA has three elements: the Aboriginal Tutorial Assistance Scheme (ATAS), the Aboriginal Student Support and Parent Awareness Programme (ASSPA) and the Vocational and Educational Guidance for Aboriginals Scheme (VEGAS).

ATAS provides supplementary and other study assistance to Indigenous students in primary/secondary school, TAFE, university and formal training programs. Assistance is provided by making qualified tutors available to Indigenous students who need additional assistance with their studies and funding Homework Centres where Indigenous students can complete homework and other assignments and receive assistance when needed.

ASSPA funds are provided to preschool- and school-based parent committees to enable them to conduct preschool- and school-based activities which are designed to improve access, participation and outcomes for Indigenous preschool and school students and to
involve Indigenous parents in educational decision-making. Funding is provided on a per capita basis.

Under VEGAS, grants are provided to sponsoring organisations which conduct projects for Indigenous school students, their parents and Indigenous prisoners which provide them with information about their career and study options and which foster positive attitudes about participation in education.

Following a review [DEST 2004b], the IEDA was restructured in 2005 into two broad programs: better targeted tuition assistance and a whole of school intervention strategy. The Indigenous Tutorial Assistance Scheme (ITAS) will provide targeted tutorial assistance to Indigenous school and tertiary students. It includes in-class tutorial assistance targeted to those students not meeting the Year 3, 5 and 7 literacy and numeracy national benchmarks and tutorial assistance targeted at Year 10, 11 and 12 students in order to increase retention and completion rates of Indigenous students in the latter years of schooling.

The Whole of School Strategy comprises two main elements: support for parent and school partnerships and homework assistance. The Parent School Partnerships initiative replaces the current formula-based funding of Aboriginal Student Support and Parent Awareness (ASSPA) committees from 2005 with a heightened focus on improving the learning outcomes of Indigenous students. Initiatives which can demonstrate strong partnerships with schools and Indigenous communities, provide innovative approaches to engaging students, and improve student learning outcomes will be encouraged. To ensure a focus on the students facing greatest need, at least 50 per cent of this funding will be targeted to remote schools. Funding for the VEGAS was pooled within the Parent School Partnerships initiative from 2005.

Homework Centres provide a supervised after school hours environment that encourages Indigenous school students to complete their homework and to study. Homework Centres are designed to supplement other school strategies to improve the educational outcomes of Indigenous students.

**ABSTUDY**

ABSTUDY is aimed at helping Indigenous people to remain at school and go on to further studies. Students may be eligible for an income-tested living allowance and may also be eligible for supplementary benefits to encourage students to commence and remain in education. Assistance is generally available to full-time students aged 16 years or over, although secondary students who have to go away from home to attend school may be eligible for a living allowance. Secondary students who live at home may also be eligible for some income-tested supplementary benefits.

Since 1 July 1997, ABSTUDY has been delivered by Centrelink through a series of Student Service Centres. Following a review of ABSTUDY to determine the most effective delivery of student assistance, the Federal Government announced in 1998 that ABSTUDY would be retained as a separate scheme but some changes to the living
allowance and some supplementary benefits would take effect from 1 January 2000, primarily to align means tests and payment rates for ABSTUDY with the ones available under the Youth Allowance and, for students aged 21 years or more, Newstart. In 2004, the Government initiated a review of the impact of these changes.

**Increasing vocational learning opportunities**

A key element of the 2001-02 Federal Budget was the announcement of the *Australians Working Together* package. Included within this initiative was an allocation of $10m to support Indigenous senior secondary students complete Year 12, go on to higher education or vocational education and training or paid employment.

The objectives of this strategy include:

- providing Indigenous students with appropriate workforce skills and competitiveness to make sure that when they exit education and training, they have the skills, knowledge and attributes that will enable them to become productive and employable workers;
- developing and strengthening partnerships between schools, government, institutions of higher learning, local business structures, industry and Indigenous parents and communities; and
- contributing to addressing the long-term education and employment outcomes of Indigenous communities.

There were two elements under this measure:

- *Working Together for Indigenous Youth*. By developing compact agreements between students, families and local industry, this project aimed to assist some 1600 Indigenous secondary school students to stay on and complete Year 12 or move into further education, training or paid employment. Some $6 million was allocated for the period 2002-04 to projects involving community, business and education partnerships to empower Indigenous young people and their communities; and

- *Increasing Vocational Learning Opportunities for Indigenous Students*. This programme provides vocational learning opportunities for Indigenous secondary school and secondary school-aged students, particularly those students who are at risk of disengaging from school.

**Recent initiatives**

The Federal Government has stated [DEST website] that its priority for Indigenous education during 2005-2008 will be to focus its activities more closely on:

- requiring education and training providers to report on how their responsibilities for Indigenous education and training are being met;
- directing Federal Government resources towards those areas that have the greatest need, particularly remote Australia where gaps between Indigenous and non-Indigenous student outcomes are at their widest; and
- directing Australian Government resources toward programmes and projects which have demonstrated their effectiveness in the past.
From January 2005, significant changes were made to the IESIP and IEDA programmes for the new funding quadrennium. As noted above, they were restructured in order to redirect funding to initiatives that have been demonstrated to work, to direct a greater weighting of resources to Indigenous students in remote areas, and to leverage mainstream funding for Indigenous education purposes [Nelson 2005i]. Students classified as being in remote regions attract funding at twice the rate of students classified as being in non-remote locations.

An important part of the new funding package is a strengthened performance framework. Specifically, funding over the next quadrennium will be tied to:

- the introduction of school attendance benchmarks for all students, Indigenous and non-Indigenous;
- the provision of an annual Indigenous Education Statement. Government and non-government systems will be required to report to the Australian Government on how school funding provided by the Australian Government is being spent on improving Indigenous student outcomes. This will include: the goals for Indigenous education, progress in achieving those goals, barriers faced, strategies for overcoming those barriers and initiatives funded;
- the reporting, for the first time, on outcomes at the remote, rural/provincial and metropolitan levels, rather than just as aggregate State level data which often masks large regional variations;
- the agreement to performance indicators and targets to accelerate the rate of progress in improving Indigenous education outcomes and attendance; and
- no cost shifting or cost substitution when the Australian Government invests additional resources.

The Indigenous Education (Targeted Assistance) legislation will also be strengthened to mirror the educational accountability provisions currently contained in the State Grants (Primary and Secondary Education Assistance) Act 2000 for appropriate interventions for under-performance by providers against agreed measures and for failure to report.

In the 2005-06 Budget, the Government provided funding for three new significant initiatives targeted at students from remote areas where the need is greatest. The Indigenous Youth Mobility Programme will help young Indigenous people from remote Australia to access training and employment opportunities on offer in major regional and urban centres. Participants will elect to relocate to major regional centres with the support of their families and communities to take up training. The Indigenous Youth Leadership Programme will enable talented young Indigenous Australians, mainly from remote areas, to access high performing schools and tertiary institutions located in cities and regional centres. 250 school and university based scholarships will be provided. The Tutorial Support for Remote Indigenous Students Programme will assist more than 2,000 Indigenous students over four years who move away from their remote community to attend a school, by providing them with access to high quality tutorial assistance in their first year away from home.
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About the Author

Trevor Cobbold is a consultant on public policy issues. He is a specialist in the economics and finance of education, general education policy and microeconomic policy analysis. He is the author of many papers and submissions on various aspects of education policy and funding. He was a member of the Executive of the ACT Council of P&C Associations from 1987 to 2005 and was honorary Secretary of the Council from 1988 to 2000. He worked as an economist for the Productivity Commission and its predecessors for over 30 years and has wide-ranging experience in economic research and policy analysis relating to industry, trade, public enterprises, productivity growth, Commonwealth-State financial relations and social issues.

E-mail: tcobbold@bigpond.net.au