



**A new  
federalism in  
Australian  
education:**

A PROPOSAL FOR A NATIONAL REFORM AGENDA

JACK KEATING

FYCA

  
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**Education  
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A DIVISION OF FYA

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**“A long habit of not thinking a thing wrong, gives it a superficial appearance of being right and raises at first a formidable outcry in defence of custom.”**

Thomas Paine, *Common Sense*

In *Common Sense*, Thomas Paine observes that unjust realities can come to be accepted as the norm through long custom. Sadly this is the case in regard to education in Australia.

Essential to any democracy is the upholding of good principles. Fairness, clear accountability, respect for diversity, universal social mobility are important principles which Australians hold dear. Yet by a series of historic measures, these principles have become muddled and compromised, lost within many ad hoc, short term measures. The result is that a country which prides itself on fairness now operates under a framework which mitigates against fairness and equal schooling opportunity.

Many Australians are unaware of the singularity of their educational arrangements within the world community. Australia’s combination of two levels of government involved in the funding and oversight of three distinct school sectors has, over time, created a situation of confusion and poor accountability.

The damage under the current framework is enormous. Those children already advantaged in home and location enjoy the benefits of a quality education. But other children’s life chances are diminished from the start and a lamentable level of mediocre achievement is too widely tolerated. Many never gain the education that offers them a way out of intergenerational poverty. And the nation is diminished too by huge loss of talent.

And yet, structural change has seemed too hard. Families just get on with seeking the best choice of education for their children. Each political persuasion of government swings the balance of funding one way or another. Tensions flare up regularly at elections and then subside. But little progress is made in addressing the deep dynamic that reinforces the ongoing reality.

No solution is possible without a brave willingness to look at the underlying historic issues which have become entangled and to reformulate a key set of principles to take us forward.

Jack Keating has done us a great service in his paper *A New Federalism*; firstly, by providing a careful analysis of the particular Australian situation, both its historic antecedents, and the current confusion of components and secondly, by his brave proposal of a stepped approach to achieve a new framework, a new reality.

This paper is timely. Recent developments, such as the National Goals for Schooling and the passage of common accountability, have started to establish a clear minimal basis for the future. But a central remaining problem is Federal State relations wherein a lack of clarity about roles and funding responsibilities prevent effective action.

*A New Federalism* is more than an excellent academic paper. A great deal hangs on addressing the issue it raises. At stake is: 1) our capacity to move to improved universal quality of learning; 2) Australia’s social cohesion and claims to be a fair democracy; and 3) the loss of vast monies through ineffective spending and the damaged lives caught in an entrenched history of underachievement and school leaving.

More than ever, we need a whole of community commitment to education if Australia is going to lift its game internationally and prepare all of its wonderful young people for success in an uncertain future. The structure of government can either aid this or continue to inhibit it.

**“Whatever affects one directly, affects all indirectly.” Martin Luther King**



**Ellen Koshland**  
Founder, Education Foundation

## Foreword

**It has been said that democracy is an unfinished project in that, by their very nature, democratic communities continuously develop according to changing needs and circumstances. In Australia, this ongoing development has inherent tensions arising from a complex dynamic of history, institutional arrangements and emergent changes in the fabric of society. This dynamic is clearly evident in the Australian context wherein tensions are visible in the development of schooling.**

Democracy and education have always been entwined in complex ways. From its formation in the late nineteenth century, expectations of public education in Australia have been high as a result of this relationship. In 1851, for example, the Denominational Schools Board responsible for school funding in Victoria saw the extension of democracy as a good opportunity to introduce a general education system. The establishment of a general education system in the colony of New South Wales was linked to democracy in similar ways.

The emergence of a system of public education during the 1850s involved considerable struggle between the State, Catholic and Church of England groups. One source of tension in this struggle lay in distinguishing between public and private; namely, whether religious beliefs were matters for public or private life. With the commitment of the six Australian colonies to a public education system under the *Education Acts* from the 1870s, structural tensions were carried into the federalist structure of Australian education. They became manifest in contestation over funding and accountability across Catholic, other non-government and government schools.

As Jack Keating has noted previously, these structural tensions, combined with factors such as the particular historical circumstances of the Catholic systemic schools and the electoral importance of their constituencies, contributed to the unique federalist arrangements underpinning schooling in Australia.

## **Preface**

At the heart of the unique institutional development of education in Australia is the entity of the state. With the establishment of public education at the end of the nineteenth century, wrote historian A. G. Austin,

“The State had triumphed. Now it had to justify its victory, for it had secured the allegiance of some, and the neutrality of others, by promising that, if it triumphed, it would transform the nature of society. Somehow it now had to get the nation’s children into the school-room, it had to educate them without direct expense to their parents, and it had to prove that the secular education it intended to give would promote social harmony, raise industrial efficiency, increase political competence and foster national cohesion. The vanquished sought consolation in marking down each unfulfilled promise.”

Since then, public education has made enormous strides in addressing many of these promises. But the promise of public education as a democratic project remains unfulfilled. Our understanding of the challenges of schooling is to some extent delimited by the institutional ways in which we typically view public education. Discourses of nation building, improving technical efficiency, and more recently, preparing Australians for a new knowledge economy, have lacked a fundamental vision of Australian schooling. Recently, however, a shift in this discourse has taken place towards issues of quality, equity and the importance of the common good. The Melbourne Declaration on Educational Goals for Young Australians explicitly reflects this shift.

The realisation of this vision faces significant challenges. Across schooling in Australia students are increasingly segregated on the basis of educational achievement and family economic and cultural assets. Governance and funding are inconsistent, fragmented and inhibited by policy scope that is limited through short term political convenience. This paper proposes a path through these challenges through a national reform agenda that addresses what Keating calls “the whole picture”.

Education Foundation, a division of the Foundation for Young Australians (FYA), has had a long interest in promoting reflection, discussion and policy change in Australian schooling to improve the equity and quality of education for all young Australians. The proposals put forward in this paper reflect the most recent efforts of Education Foundation to prompt solutions to the widening gap in educational achievement and provision in Australia. In 2004, Education Foundation launched its *Case for Change* project, which commissioned research to shed light on the situation within Australia and from an international perspective. This project advocated a reconfigured system of education “based upon the democratic principles of access and equality of opportunity for all, and the fostering of excellence.”

The *Case for Change* included a process of consultation across Australia that revealed a strong concern among all school sectors, government, Catholic and independent, about the growing disparity within as well as between sectors, and a desire to find a new way forward. A discussion paper, *Equity, Excellence and Effectiveness: Moving forward on schooling arrangements in Australia* was released in 2005 to build a constructive conversation and collective approach to the problem of educational disadvantage and to create a new public framework for Australian schooling.

This new proposal comes at a significant time for FYA. As stated in its 2009 Strategic Plan, a major goal of FYA is to achieve educational reform in Australia which results in young Australians having equal access to a high quality education. This proposal has been developed as a keystone in achieving this goal.

As stated above, this proposal is also timely in terms of the current COAG agenda and the Melbourne Declaration. This proposal represents a major contribution by Education Foundation, in collaboration with The R. E. Ross Trust, to the achievement of these Educational Goals. Education Foundation is deeply committed to working with key stakeholders, peak bodies and both state and Commonwealth governments in discussing and advancing this proposal. In particular, it is committed to promoting reflection, discussion and ultimately policy change in school funding and governance to better meet the objective of “the common good”.

In this paper, Jack Keating explores new territory in addressing the dynamics and impact of the federalist structure of Australian government and public policy making on Australian schooling. Our expectations of schooling in Australia reflect the kind of society in which we want we live. As an integral component of Australian democracy, public education inherits the ongoing challenges of adapting to social, political, cultural and economic change that are both organic and entwined with its historical, institutional and structural legacy.

We believe that this proposal provides a timely and ambitious agenda for strengthening Australian schooling that addresses structural incumbencies and segregation. It provides a constructive, incisive pathway into addressing Australian schooling as an unfulfilled promise of democracy. At the heart of this, it provides a bold platform from which we can develop a vision of schooling based on quality and equity for all Australians.



**Dr Lucas Walsh**  
Director of Research,  
The Foundation for Young Australians

This paper presents an argument and a proposed strategy for structural reforms in Australian schooling. It notes that while many aspects of Australian schooling are strong, some measures do not consistently indicate optimum performance, and there are signs that overall performance is weakening in comparison to the performances of the school systems in other economically advanced countries. In particular, combinations of trends in social geography and selectivity in schooling are leading to high concentrations of students with high levels of educational need. This has negative implications for the common national goal of higher levels of education and skills across the Australian community and Australia's tradition of equality of opportunity in education or what the Ministerial Council for Education, Employment, Training and Youth Affairs (MCEETYA) (2008a) terms the 'common good'.

The core argument of this paper is that Australian schooling has an unusual set of characteristics that have been fashioned through the intersection of federalism and government and non-government schooling. These characteristics have created rigidities that are influencing the patterns of access to, participation in and outcomes of schooling in Australia. Moreover, these rigidities place considerable limitation upon the scope of school education policy options at both the state and national levels. Reform strategies are currently concentrated upon school, leadership and teacher developmental strategies. These strategies are important. However, as mostly recurrent investments, they will not be fully effective in the absence of an accompanying set of structural reforms.

School education policy in Australia has recently become more central to the policy ambitions of government. It has been nominated by the Commonwealth Government as a key policy focus and is strongly tied to its economic infrastructure and social policy ambitions (Rudd & Smith, 2007). This focus has also been supported through the Council of Australian Governments (COAG) and statements that were initiated by the states prior to the election of the current Commonwealth Government (Dawkins, 2007).

# A

## **Introduction: directions in education policy in Australia**

These policy developments, the continued interest in the quality of Australian schooling and the renewed interest in equity in schooling provide an opportunity for major reforms. The current reform efforts that are being advanced by government and school system authorities are practice-based. This paper argues that these efforts, while important, will have a limited impact in the absence of structural reforms, especially for schools and students that currently have the weakest patterns of outcomes. This paper therefore proposes a set of reforms that are designed to loosen rigidities that are linked to the federalist characteristics of Australian schooling. Some of these reforms could be enacted in the short term and build upon the current developments that have been initiated by state/territory and Commonwealth governments, separately and collectively. Others that relate to the key issues of financing, governance and accountability require longer term projects and need to be built upon sets of national initiatives targeted at some key stages of and needs in schooling in Australia.

### The policy context and investment in schooling

Public and private investment in schooling in Australia has risen consistently over the past two decades. The facts that public investment in tertiary education as a percentage of gross domestic product (GDP) has fallen over the past decade, and that public expenditure on education as a percentage of GDP is lower than Organisation for Economic Co-operation and Development (OECD) averages, have been much reported (e.g. Tibbitts & Davis, 2008). However, the combined levels of public and private expenditure on education are at or above OECD averages (Organisation for Economic Co-operation and Development, 2008) and public expenditure on schooling has continued to grow in both absolute and relative to GDP levels over the past decade. Furthermore, in Australia the rate of increase of private investment in both school and post school education has been faster than in any other OECD country and is now amongst the highest of all OECD countries (Organisation for Economic Co-operation and Development, 2008).

Over the past decade, in a national political climate where education was not a priority, state/territory and Commonwealth governments felt compelled to increase spending on schooling, despite the relative decline in the school age population. This was supplemented with accelerating private investment in schooling.

These investments are indicative of the perception of increased private and public returns from schooling. The characteristics of these returns are different, and both have significant impacts upon the processes for and the shape of policy in education. Education policy has broadened its attachment to both private interests and to the public policy agenda. Previous concentrations of education policy upon citizenship and the basic social and economic foundations of the nation have broadened to include the aspirational, positioning and educational choice interests of individuals and families as well as broader social and economic objectives including civics, employment and skilling. Ideas of social and economic capital now frequent the education policy lexicon.

Public policy on education has changed in several ways over these past two decades. Some of the changed characteristics include the following:

- > It has become internationalised. Since the OECD first published its *Education at a Glance* in 1992 (then a thin volume), the amount and impact of international comparative analysis on education has greatly increased. Australia has been amongst the most enthusiastic participant in OECD thematic reviews and other studies. The impact of the OECD Programme for International Student Assessment (PISA) on school policy has been especially significant
- > It has become more data and measurement based. In schooling, Australia has emerged as a high testing nation with sets of state-based and now national level tests. In comparison to European countries, this testing regime is extensive (Eurydice, 2008). Measurement-based policy is also reflected in discourses about teacher and leadership quality and school effectiveness

- > Education policy has become more closely linked to economic policy. The linking of education to the issue of youth transition to employment by the Fraser Government in the early 1980s has matured into a national education policy based upon the objective of human capital
- > Correspondingly, this has made education more central to government policy. This is reflected in statements by the Rudd Government that prioritises education amongst its policy agenda (Rudd & Smith, 2007)
- > These and other statements and initiatives have continued the movement of school education from a state to a national agenda. The national agenda was robust under the Hawke and Keating Governments. It continued under the Howard Government and the Rudd Government has taken steps towards its intensification.

An impact of these developments has been to broaden education policy from its traditional custodians in the education community. In some countries such as the United Kingdom, this shift has been part of a deliberate government strategy. The processes have been less deliberate in Australia. Nevertheless, the shift is significant and is manifest in the prominence of business organisations (Australian Chamber of Commerce and Industry, 2007; Business Council of Australia, 2008) as education policy advocates, business consultant firms as policy advisers, and the presence of people with wide portfolio experiences amongst senior education bureaucrats and ministerial staffers.

The benefits of these shifts are contested. The conservative, closed and at times obdurate culture of the education sector has frustrated governments (Barber, 2008) and has provoked the shift of policy towards new actors and new conceptual and philosophical domains. On the other hand, the educational legacy has value and this shift can come at a significant price if it occurs without reckoning for the deeper cultural underpinnings of schooling and the structural features that were formed in parallel with the industrial, sociological and scholastic cultures of schooling (Young, 2007).

## Purposes

The idea of an educated person has been framed historically through scholastic cultures and their interactions with the social and economic life of communities. Schooling gained its universal characteristics with the emergence of liberal democratic nation states (Simon, 1985). This relationship has framed the idea of an educated citizen as somebody who can participate in and contribute to the society and its polity, and as somebody who can contribute to and prosper within the economic life of the community.

From the late 19<sup>th</sup> century, governments invested considerable resources in school education. The purposes of this investment included those of building a foundation of education that would allow the citizenry to participate in and support the common principles and institutions of the emerging liberal democratic states. However, government investment was preceded by the investments of families and elements of civil society, especially the churches.

These investments, while sharing the social purpose of the government investments, also had purposes that related to the wellbeing and prosperity of individual children and to the intergenerational transfer and maintenance of the systems of belief of the churches. The liberal democratic state is based upon the accommodation of a diversity of beliefs and tolerance of differences in values and beliefs.

Today, the purposes of schooling are required to look forward to the future needs of the country. The human capital purpose is well justified by the globalisation of the national economy and the need for skills that can underpin the new and emerging 'knowledge' industries. It is also justified by the strong evidence that the future economic and social inclusion of young people is strongly influenced by their educational outcomes (Lamb & Mason, 2008).

# B

## Purpose of schooling

The purposes of schooling also draw from the past. The current shape of schooling including the school curriculum has been influenced by decisions made in previous eras. The institution of schooling remains deeply social, and it is largely oriented towards the organisation, transfer and growth of knowledge that has evolved through societies over long periods of time (Young, 2007). As numerous writers have noted, school students spend more time in social settings outside of than within schools. On average, they also spend more time watching television and engaging in other forms of electronic communication (Luke, 1996). Given the wide range of learning experiences of young people, there is a need for clarity over the particular role of schooling in their education. Students learn a wide variety of knowledge and skills in a variety of ways and contexts. Schooling is focussed upon particular forms of knowledge. These are the codified forms that have been developed historically and that typically are ordered into disciplines and other areas of relatively formal knowledge. It is these forms of knowledge that are best learned in the formal setting of schooling. This formal knowledge, however, is only part of the learning that is expected from schooling. Schooling is also based upon sets of values that underpin societies. These values are also social and they are historically formed. As early as 1818, Thomas Jefferson speaking of the objectives of primary schooling noted:

*To understand his duties to his neighbours and country, and to discharge with competence the functions confided to him by either. .... And, in general, to observe with intelligence and faithfulness all the social relations under which he shall be placed.*

*We should be far, too, from the discouraging persuasion that man is fixed, by the law of his nature at a given point; that his improvement is a chimera ... What, but education, has advanced us? (cited in Tomlinson, 1986, p214-215).*

The social purposes of schooling are delivered in part through formal learning processes and in part through informal processes of socialisation. As institutions, schools are expected to supervise both sets of activities. The interaction of the scholastic and social purposes of schooling has resulted in a modern emphasis upon the environment of schooling. Schools need to be safe locations for students and to have cultures of support and high expectations for learning.

In this sense, there is a merging of the purposes and means of schooling. This merging is around the concept of community, or as Reid (2003) puts it, the 'commons'. The commons include the scholastic foundations, the underpinning values and beliefs, the social experience of mixing with others, and the communal support for and expectations of students.

Schooling needs to look to the future, but in doing so it depends upon the past. It has a role in advancing the economic future of the society, but it cannot do this unless it also underpins the social fabric of the society. Individual student outcomes are an extension of social outcomes. However, they are not the full expressions of social value as social benefits also depend upon the relationships between people.

It is the social purposes of schooling that account for its institutional form. Schools are mostly funded by government and mostly based upon neighbourhood. They have the unique characteristics of compulsory attendance and are attended by almost all children, and they deliver a common curriculum that is almost universally accepted. The recent agreement by COAG (2008) to establish a National Curriculum Board and the subsequent decision to establish the National Curriculum, Assessment and Reporting Authority (Parliament of Australia, 2008) is indicative of this acceptance. These initiatives are premised upon the principle of universal access and are expected to deliver a platform of learning and values that have common elements.

However, schooling has also always had what might be called public and private purposes (Labaree, 1997). Private purposes include those of personal growth and the life chances of individuals. These purposes do not necessarily conflict with the public or social purposes of schooling. Schooling should also be able to accommodate shared or group purposes, such as strengthening principles that draw from faith-based systems of belief. The institution of schooling should be able to accommodate diversity.

The purposes of schooling, therefore, cannot be captured by a single mantra such as 'human capital' or the 'national interest'. They are expressed through a complex set of historically formed institutions, including the array of schools and the curriculum with its commonalities and differences. Here we define institutions in broad terms as "*a relatively enduring collection of rules and organised practices, embedded in structures of meaning and resources that are relatively invariant in the face of turnover of individuals and relatively resilient to the idiosyncratic preferences and expectations of individuals and changing external circumstances*" (March & Olsen, 1989, p3). They should include future purposes, but they must acknowledge historical purposes.

This assembly of institutions across the activities of schooling constitute a school system. Despite some claims to the contrary, these institutions are not isolated and nowhere are they completely autonomous. They are part of the continent of schooling, and this is because of its social characteristics.

School systems therefore have structural characteristics, and these characteristics do much to define the systems and their underpinning values and purposes. These values and purposes have historical roots that are ignored at some peril. A complete abandonment to empiricism within school education policy, such as some of the more extravagant educational market paradigms, would require the abandonment of key institutions, such as the curriculum. Therefore, partial abandonment such as the abandonment of social purposes and the institution of the common school that is open to all cannot occur in isolation – the continent is the less for their loss.

## The common good and public choice

The national Educational Goals for Young Australians (Ministerial Council for Education, Employment, Training and Youth Affairs, 2008a) include those related to “*Active and informed citizens (who)...act with moral and ethical integrity... (and)...work for the common good.*”

What constitutes the common good is not explored in the statement and to a large extent has been defined by the curriculum. The common good is a complex and contested concept that is manifest in the present and the future, in economic security and its distribution, the environment, social security and social relations, and in individual and shared values and morality.

Schooling has broad social and individual functions and these are reflected in the demanding and inevitably selective task of curriculum development. There are tensions in the fact that schooling has been subject to new demands for breadth in a world of rapid knowledge growth, while at the same time it has been subject to increased pressures to produce outcomes that can be measured as the value of education as an individual positional good and a national social and economic asset has grown.

The complexity of schooling's private and social roles extends to its increased impact upon individual life chances and its interaction with patterns of social and economic inclusion and exclusion. Policy frames cannot ignore these outcomes and interactions on the grounds of social justice principles, community cohesion and economic capacity. Nor can they ignore these social and economic patterns because of their impact upon the effectiveness of education systems. Private and social demands upon school systems and underlying social patterns interact with structural and cultural characteristics of schooling to influence outcomes. In this sense, the structural characteristics of schooling cannot be neutral.

Schooling is a mix of the compulsory and the voluntary. Only small elements of most societies challenge the compulsory aspect of schooling. In fact, all Australian states and territories have extended or are considering extending the compulsory age level. Yet no societies abandon all or most rights to a school system, as tends to apply in the case of compulsory military service, for example. There are community expectations of openness, accountability and duty of care, and participation and dialogue about key elements of schooling. There has also been a long standing principle of choice between publicly funded and fee-based schooling, and in recent decades there has been an expectation of choice between publically funded schools.<sup>1</sup>

Article 26.3 in the United Nations Universal Declaration of Human Rights states that:

*Everyone has the right to education. Education shall be free, at least in the elementary and fundamental stages. ... Education shall be directed to the full development of the human personality and to the strengthening of respect for human rights and fundamental freedoms. It shall promote understanding, tolerance and friendship among all nations, racial or religious groups...*

It also states that:

*Parents have a prior right to choose the kind of education that shall be given to their children (United Nations, 1948).*

The latter part of this article was established in the wake of the totalitarian European regimes that had used the institution of state-controlled schooling as a means of inculcating values and belief systems or ideologies dictated by the regimes. When combined with the first part, a clear interpretation of the article is that parents should have the right to choose the kind of education they want within a publicly funded school system.

Choice has demand and supply side dimensions. It can mean the capacity of parents to choose a school ethos or curriculum type or to choose a type of school community. It might also mean the right of parents to make extra investments in schooling beyond those that are publicly provided. Another interpretation is the right of parents to participate in schooling and the decisions that will affect the wellbeing and learning of their children. On the supply side, it could mean the decisions of policymakers to establish different types of schools. Alternately, it could mean a deregulatory approach that allows schools to respond to market demand for diversity.

Choice is also associated with the governance principle of the market. This principle draws its social justification from liberal social philosophies such as that of John Stuart Mill who, while supporting the role of the state in enforcing education, argued that “*All that has been said of the importance of individuality of character, and diversity of opinion and modes of conduct, involves, as the same unspeakable importance, diversity of education*” (Mill, 1975).

Choice is further associated with the political and economic rationale of public choice theory that sees the use of market mechanisms as a means of building greater efficiency and quality in schooling (Chubb & Moe, 1990). The common good foundation of public choice is that it will result in the maximum quantum of individual satisfaction. It is also based upon the argument that the idea of ‘good’ draws its value from the autonomous individual, and in doing so rejects the idea of organic or collective decision-making units, such as the ‘community’ (Buchanan & Tulloch, 1962).

<sup>1</sup> E.g. See the ‘Principles’ underlying the Victorian Education and Training Reform Bill (Parliament of Victoria, 2006)

For public choice principles within democratic societies, there are inherent tensions over social institutions, whether they are basic public facilities such as streets or more complex institutions such as education systems, because these institutions will at some point involve some coercion of individuals. Liberty in isolation is meaningless and only gains meaning in social settings. This weakness is taken up by writers such as Rawls (1971) who argue that there must be reconciliation between the principles of liberty and equality. The public good is more than the sum of the individual good. It also involves the relationships between individuals and includes distributed justice. Choice in social settings that are based upon the principle of equal justice therefore needs to become *fair choice*.

The common good and parental choice are both enduring claims in schooling. While they are always in some tension, they will continue to coexist as demonstrated by documents such as the Melbourne Declaration on Educational Goals for Young Australians (Ministerial Council for Education, Employment, Training and Youth Affairs, 2008a). It is unlikely that either will be rejected in Australia, either at the level of government or at the broader social level. It can be argued that neither should be rejected.

## An Australian settlement?

Schools have their origins in the initiatives of parents, government and churches and other organisations or, more broadly, elements of civil society. The history of the folk (volk) schools in several European countries has been strong. In Belgium and the Netherlands, church schools form the bulk of publicly funded schools. Williams (1961) reminds us that at the eve of the reformation in England, there were more schools per head of population than just prior to the decade of the 1870s, during which time a more robust entry of the state into schooling took place through legislation and provision. None of these earlier schools were state owned or controlled.

Most nations recognise the sovereignty of parents over the education of their children, and schools typically are seen as having a duty of care on behalf of parents. Schooling can therefore be described as a type of social contract between the state, the parents and those elements of civil society that have a role in schooling, especially the churches. This is recognised in the International Covenant on Economic, Social and Cultural Rights that refers to the “acceptability” and “adaptability” of the right to education. Acceptability is defined in these terms: “...*the form and substance of education, including curricula and teaching methods, have to be acceptable (e.g. relevant, appropriate and of good quality) to students, and in appropriate cases, parents...*” Adaptability requires that education “...*can adapt to the needs of changing societies and communities and respond to the needs of students within diverse social and cultural settings*” (cited in Durbach & Moran, 2004, p7).

In the 19<sup>th</sup> century, John Stuart Mill argued that “*a general State education is a mere contrivance for moulding people to be exactly like one another (leading to) a despotism over the mind, leading by natural tendency to one over the body*” (Mill, 1975).

While Mill’s assertions are somewhat exaggerated, there is a need to recognise the reservations that significant elements of the Australian schooling community have towards government control of schooling, and their desire to maintain a degree of autonomy in schooling from the state (Furtado, 2001). These reservations have evolved for a number of reasons, including a perception of a relatively centralised and possibly corporatist culture of ‘state’ schooling. They have also been cemented by a series of political settlements that have allowed a large proportion of non-government schools to retain much of their autonomy from government while becoming mostly publicly funded.

# C

## The family, the state and civil society

Mill goes on to state that “*an education established and controlled by the State should only exist...as one amongst many competing experiments...to keep others up to a certain standard of excellence*” (Mill, 1975). ‘On Liberty’ was written just prior to the education acts that established the state school systems in the Australian colonies, constituting a settlement in Australian schooling that endured for another century. One part of the settlement was that the colonial and subsequent state governments would only fund the state-owned and -operated schools. Another part was the right of parents to send their children to a school of their choice and the right of organisations and individuals to establish their own schools, provided they reached certain standards – all within a regime of compulsory schooling.

This settlement recognised that three entities have a direct role in schooling: the family, the state and civil society. The relationship between these entities constituted a type of social contract, the nature of which varies across countries. This contractual relationship is expressed strongly in nations such as Flanders, where the constitution recognises a ‘freedom of education’ that locates sovereignty over education with the family. It has resulted in networks of schools that are formally owned by elements of civil society – the churches and even trade unions (Hostens, 2008). In the United States, it is expressed in the ‘ownership’ of schools by localised communities through local government. In England, with its tradition of a state endorsed church, it is expressed in part through a settlement between the state and the churches in the form of compulsory religious education. New Zealand has a settlement with the Catholic sector that fully funds but acknowledges the ‘special character’ of Catholic schools (Furtado, 2001).

The core element of the liberal model of a mix of schools and the right of parents to choose schools as expressed by Mill has always existed in Australia. However, with the informal settlement between government and the church, schools began to unravel as the financial costs of non-state schooling began to rise in the 1960s. The subsequent settlement has involved a relocation of the relationship between the church, schools and government from the state to the Commonwealth level. In a sense, therefore, there are two settlements with different characteristics (Wilkinson et al, 2007). These differences have created an ongoing tension in Australian schooling that is expressed in several ways.

One expression is the idea of ‘public education’ as an institutional form of schooling characterised by a centralised and at times corporatised system. The government school systems that have been so closely linked to state governments have failed to develop wider links with civil society. This has the internal characteristic of closure or confinement of initiatives to the government school sector. It also has the external characteristic of public recognition of government schooling as an *institutional form* of schooling. It may help to explain the low standing of the government school system across the business and broader community in Australia (see Figure 15 below).

Another expression of tension is the continued challenge of what might be called the public school lobby to the funding of non-government schools. This lobby has existed since the 1970s and has had virtually no success in engaging with the public policy regimes on this matter, nor any engagement with an alternative lobby for a more mixed system of publicly funded schools as exists in the United Kingdom, Canada, New Zealand and most European countries.<sup>2</sup>

In Australia, the post 1970s settlement has become an impasse over the nature of publicly funded schooling in Australia (e.g. see Bonnor, 2008). There is settlement over the question of the right of parents to choose the type of education they wish and the capacity of communities to establish schools. However, there is a continued and significant tension over the issue of the nature of the ‘contract’ between the state and faith and other community schools that are publicly funded. This lack of or contested settlement is unique across OECD countries and, as argued in this paper, is having a damaging effect upon schooling in Australia. The damage is especially acute in the context of growing private and public expectations that schooling should improve its performance and the scholastic and other educational outcomes of students.

A generalisation is that the Commonwealth government sees its role primarily as funding non-government schools and gives as little as possible to government schools. The states see their role primarily as funding government schools and give as little as possible to non-government schools. This dual bifurcation of interactions between school sectors and levels of government is a significant structural weakness in the Australian schooling settlement.

<sup>2</sup> The core of lobby consists of the teacher unions, principals organisations and parent organisations of the government schools. It also draws from elements of the academic community and tends to get support from the smaller parties – the Australian Democrats and the Greens.

## Authority and autonomy

Any resolution of this issue will need to be based upon agreement, whether overt or tacit, about the role of the state in schooling and the relationship of the state to the family and civil society. Currently, the state in Australia – in the form of both levels of government separately and in combination – is being forthright in its role and its expression of authority in Australian schooling. The establishment of a national curriculum and national goals, including that of greater equity, have faced only limited challenge. This forthright state position is essentially towards agencies in education (both those that are closely linked to government and those that are more autonomous) rather than the community. It could be interpreted as a type of social contract between the state and the community where the acceptance of this state authority is premised upon a more tacit acceptance of the right of families to choose schools and ultimately to withdraw or at least partially withdraw from the formal school system or elements of it and the right of non-state agencies to engage in the provision of schooling.

In most nations, these relationships between the state and families and civil society are a combination of codified and tacit settlements. There are always tensions within these settlements and these tensions at times become overt. For example, Scott (2005) interprets the banning of headscarves in French public schools as a symptom of the tension between the *“growing diversity of the French population...with a theory of citizenship and representation that defines the recognition of difference as antithetical to the unity of the nation”* (p127).

In Australia, it was the lack of unity over religion and its place in education that led to the settlements of the 1870s Education Acts. This settlement proved to be unstable because of the changes in the resource base of the church and mainly Catholic school sector, in the same way as the French settlement has to contend with the evolution of the concept of citizenship. The Australian ‘secular’ settlement also has proven to be unstable because it had its foundation in sectarianism. With the decline of sectarianism, the concept of ‘the secular’ led to the charge that government schools lacked a values base (Crabb & Guerrero, 2004). The fragility of the secular settlement within government schools is also expressed in expectations that students should have the opportunity to study religion in government schools (e.g. Bachelard, 2008).

The Melbourne Declaration gives stronger emphasis to the underpinning values of schooling. These include personal values *“such as honesty, resilience, empathy and respect for others”*, acting *“with moral and ethical integrity”*, appreciation of *“social, cultural, linguistic and religious diversity”*, *“commitment to national values of democracy, equity and justice”*, communication *“across cultures”*, as well as working for *“the common good”* (Ministerial Council for Education, Employment, Training and Youth Affairs, 2008a). The Declaration and the national curriculum may well prove to be part of the foundation for a new settlement in Australian schooling.

Such a settlement will also need to deal with unresolved issues concerning the structure of schooling. The relations of sovereignty and responsibility between the state and families in schooling are mediated by the agencies of the schools and their governance structures, whether they be churches or other institutions. A core historical difference between government and non-government schools has been the location of authority within the government sector and the maintenance of autonomy from the state within non-government schools and/or their sponsoring agencies (Furtado, 2001; O’Brien, 1999).

The maintenance of this autonomy has been an enduring feature of the post 1970s settlement between government and non-government schools. This has been a dynamic settlement as the amount and nature of state funding have changed and the sector has increased its enrolment share by about 12 percent to a third of the student market. If this transfer is repeated over the next three decades, the non-government sector will have 50 percent of the market.

Autonomy and authority are interlocking and relative concepts. The authority of the state in a liberal democracy is proportional to the responsibilities for the good of the society that the public expects of it. This responsibility is relative rather than absolute. It is also dynamic as the expectations attached to it increase in times of crisis.

So in schooling, as we have argued, the authority of the state cannot be absolute, and the typical settlements between the state and non-government schools across western democracies have been those of limited or relative state authority and corresponding limited or relative autonomy of non-government schools. In a dynamic context with growing public expectations of schooling’s role in supporting the social and human capital underpinnings of society and where the non-government sector is advancing towards the majority sector, the conditions for the autonomy of the non-government sector are likely to change. As Stewart (2005) notes, the historical autonomy of Australian non-government schools can only be maintained in the context of a strong government school sector.

## Performance

The OECD PISA studies have had a major impact upon education debate and policy in Australia. The two outcomes for Australia of high overall performance and middle ranking levels of equity have been widely reported. The PISA studies have prompted the much cited McKinsey report (McKinsey & Company, 2007) to link high national school system performance with the features of the quality and distribution of teachers across schools.

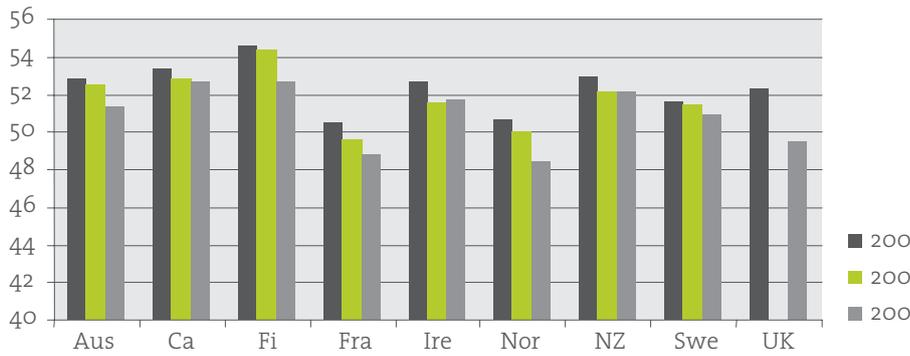
There are institutional factors in these features, as the structural and operational features of school systems will influence the distribution of teachers and, as the McKinsey report points out, the patterns of intervention to support students who are at risk of scholastic failure. Furthermore, if the participating countries are divided into those with the structural features of generalist and tracked secondary school systems, there is an observable tendency for the countries that have generalist systems, such as Australia, to have stronger outcomes.

Figure 1 compares Australia's average scores in reading across the three PISA studies with those of a set of countries that also have generalist upper secondary education systems. Australia's results when compared with these countries remain strong, although they are significantly higher than only a few countries. It appears that the structural characteristic of generalist or non-streamed secondary education has influenced the mostly high score for this set of countries. These patterns are reflected in the other areas of mathematics and scientific literacy. They also confirm previous OECD (2001) observations about the impact of generalist and tracked systems and link the structure of the curriculum to the performance of school systems.

# D

## Performance of Australian schooling and the implications for policy

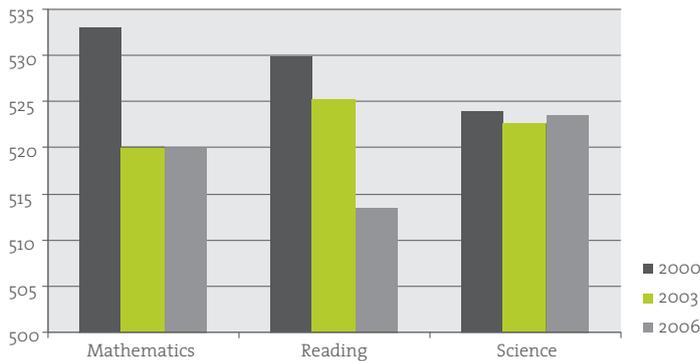
**Figure 1**  
PISA Average Reading Scores, generalist based systems, 2000, 2003, 2006



Source: OECD PISA data base: [http://www.oecd.org/pages/0,3417,en\\_32252351\\_32236130\\_1\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/pages/0,3417,en_32252351_32236130_1_1_1_1_1,00.html)  
\* UK results for the 2003 study were not included because of sampling problems.

Although Australia has scored highly in the three PISA studies, the average scores have progressively fallen, especially in reading and mathematics (Figure 2). This, and the fact that the reading scores of all of the countries in Figure 1 have fallen, suggest emerging weaknesses with the generalist systems, or problems with the variability of test items and/or samples. These weaknesses could be a gradual movement away from generalist systems in some of these countries, including Australia, through increased selection within schooling in these countries.

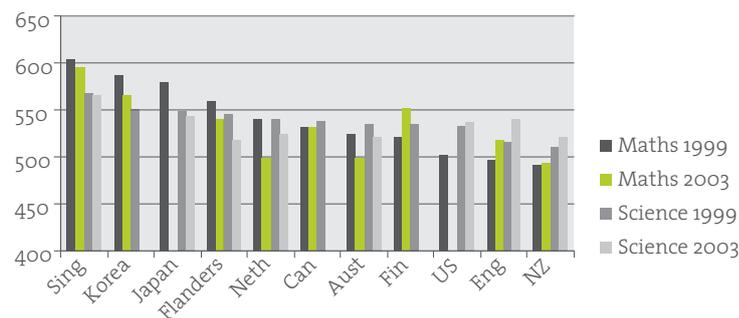
**Figure 2**  
Average PISA scores for literacy, mathematics and scientific literacy, Australia, 2000, 2003, 2006



Source: OECD PISA data base: [http://www.oecd.org/pages/0,3417,en\\_32252351\\_32236130\\_1\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/pages/0,3417,en_32252351_32236130_1_1_1_1_1,00.html)

PISA measures outcomes for 15 year olds. The Trends in International Mathematics and Science Study (TIMSS) measures science and mathematics outcomes at Year 8 and results for a selection of countries including Australia in the 1999 and 2003 studies are shown in Figure 3. Australia's results are closer to middle level rankings in the TIMSS studies, and like the PISA results they are declining, albeit modestly. TIMSS measures different aspects of learning. However, the downward trends in both the PISA and TIMSS results should provoke policy reflections.

**Figure 3**  
TIMSS average scores, Year 8 mathematics and science, 1999, 2003



Source: TIMSS and PIRLS International Study Center: <http://timss.bc.edu/>

The PISA study has incited a considerable amount of discussion about the performance of Australian schooling and the factors that have the greatest influence upon educational outcomes. Performance is typically identified as the average scores and the level of equity in educational outcomes. Equity is measured either as the broad distribution of outcomes or the extent to which variations in outcomes reflect the social and economic background of students.

**Equity**

While almost all researchers acknowledge that student background factors have an impact upon outcomes, the extent of this impact and the relationship between these variables and other variables of school characteristics are contested. There are two factors that confront education systems in regards to equity. The first is the extent of inequity.

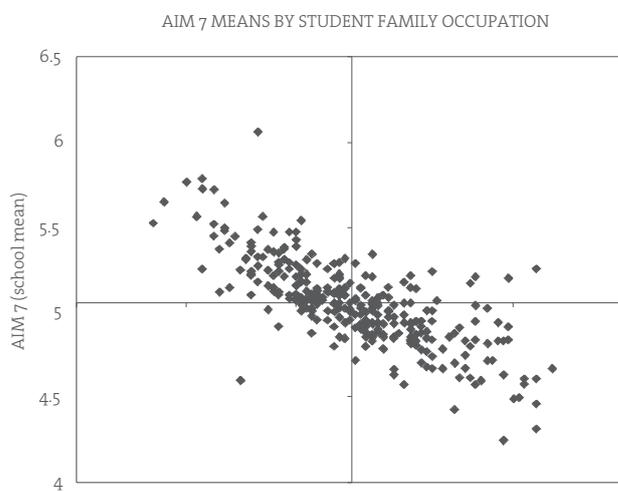
The degree of equity of educational outcomes in Australia is a little elusive. The broad PISA results suggest that Australia has a high overall outcome with moderate patterns of distribution. On the other hand, when the levels of distribution are compared with those of some of the other high performing generalist countries such as Canada, Finland and New Zealand, the patterns of distribution are poor. The 2001 PISA study attributed 17 per cent of the variance in Australia's reading literacy outcomes to students' socio-economic backgrounds, compared with an OECD average of 20% (Organisation for Economic Co-operation and Development, 2001).

The PISA studies are based upon a sufficiently large sample of students to minimise error in its results. The background information on students and their schools provides a rich data set. The Australian states hold data sets of educational outcomes for populations of students, and these should also be considered in relation to the question of equity.

For example, Figure 4 shows the distribution of Year 7 mean school reading results by student family occupation for Victoria. Drawn from the AIM (Achievement Improvement Monitor) tests, these results are from a student population, but are grouped as individual schools' mean student results. The chart has less divergence from the trend line than the PISA results and they indicate a more consistent relationship between student family occupation and the reading results at the school level than the relationships between PISA scores and socioeconomic status or SES (socioeconomic status is a composite measure based on parental education, parental occupation and assets in the home). This is to be expected given the normative tendency of school averages.

However, the chart also shows that there is more variation from the trend at the lowest levels of SES. This same pattern can be found in other data sets such as the Longitudinal Study of Australian Youth (see Keating & Lamb, 2004). The reasons for this greater variation are unclear. The most common policy response has been to attribute it to more effective schools. This is likely to be a significant factor, but it does not explain why there is more variation amongst lower compared with higher SES schools. Another possible explanation could include patterns of selection within secondary education that are socially and economically neutral but are scholastically biased, given that SES is only a proxy for scholastic advantage and disadvantage.

**Figure 4**



Source: Teese (2008)

The second factor is the cause of unequal outcomes. There have been some studies that suggest that student socioeconomic background has relatively little impact upon educational outcomes (e.g. Marks, 2006). Most studies acknowledge the clear relationship between social background and educational outcomes. Some educational programs recognise this influence by linking parental learning to the learning of their children, such as the Home Interaction Program for Parents and Youngsters (HIPPY) that is being supported by the Australian Government. Education policy makers have been eager to identify the factors within school systems that most influence the levels and distribution of outcomes.

Over the past decade, PISA and other studies have prompted numerous international and Australian publications that have identified the quality of teachers as the main variable in influencing levels and patterns of educational outcomes (e.g. McKinsey & Company, 2007; Rowe, 2002). These outcomes are strongly intuitive and the consistency of the findings indicates the centrality of teaching practice in students' learning outcomes.

However, a comparison between the PISA data and the Victorian AIM data also leads to the hypothesis that there is a more consistent relationship between school population characteristics and educational outcomes than between individual student characteristics and educational outcomes. That is, the institutional or structural forms of schooling have a mediating impact upon the patterns of individual outcomes.

## Teacher quality and policy

Political leaders in Australia have also recently and frequently cited the quality of teaching as the most significant input variable in educational outcomes (Gillard, 2008; Nelson, 2003). This factor has assumed a priority status in education policy as a focus for interventions that will improve performance, participation and equity in schooling. The centrality of teacher quality within policy regimes raises several questions related to: the criteria for, and identification and measurement of, teacher quality; the conditions that influence teacher practice and effectiveness; the nurturing and growth of teacher effectiveness; and the distribution of effective teachers across and within schools.

Teacher quality is seductive for policymakers as it simplifies the highly complex sociology of schooling. As a mantra, it needs to contend with disagreement about the extent of its impact compared with the impact of the school context (Fullan, 2003); a lack of agreement about the criteria for teacher quality and the measures for its impact (Wayne & Youngs, 2003); the need for greater clarity over the type and capacity of interventions to influence teacher effectiveness; parallel policies to optimise the conditions for effective teaching; and means of distributing teachers both across and within systems in a manner that locates the most effective teachers where they are most needed.

These are all complex policy issues which are mostly unresolved. Policy mechanisms, such as the systems for and impact of performance pay and mechanisms to attract quality teachers to 'hard to staff' schools, are relatively unformulated and untested. A reason for the complexity of the application of the apparently simple policy mantra of teacher quality is that it is mediated by the institution of schooling. Teaching is not an isolated relationship between the teacher and the student.

While school education policy does need to focus upon the practice of teaching and the capacity of school leaders to maximise the quality of teaching, it also needs to attend to the mediating factors that directly influence the outcomes of schooling, the characteristics of schools and the environment for and challenges for teaching and learning. Four sets of mediations are suggested:

- > Early childhood and transition from schooling;
- > Community expectations;
- > Student household and locations, or social geography; and
- > Institutional factors within the education and training system.

These mediations influence the characteristics of schools and their populations, the directions of and demands upon schools and school systems, and patterns of participation and outcomes.

The core argument of this paper is that given the complex sets of interactions that these mediations provoke, the institutional characteristics of schooling are not neutral and have a significant influence upon these interactions and consequently the patterns of participation and outcomes. While the variables of teacher effectiveness and school leadership capacity do have significant impacts within the settings of classrooms and schools systems, neither of these settings are structurally neutral. This lack of neutrality significantly influences outcomes.

**Early childhood and transition from schooling**  
Schooling is bracketed between early childhood education including preschool education and the processes and destinations that constitute transition from schooling. Neither of these institutions is socially neutral.

### **Early childhood**

There is variation in the estimates of levels of participation in preschool education across Australia. The Report on Government Services (Productivity Commission, 2008) states that 87.2 percent of all four year old children attended state and territory government funded and/or provided preschool in the year immediately before they commenced school. However, the 2001 Census showed that 56 percent of four year olds attended preschool (Australian Institute of Health and Welfare, 2005), as compared with the Report on Government Services estimates for that year of 85 percent. The variation may be due to a percentage of short term and dual enrolment data in the higher estimates compared with the point in time data from the census.<sup>3</sup> Patterns of participation in preschool education reflect location, indigenous status and household income (Australian Institute of Health and Welfare, 2005) and are similar to patterns of early school leaving.

Most preschool education is fee-based, with daily fees ranging from \$13 to \$25 per day and average public spending levels per student of \$2179 per annum. This is about a quarter of the average cost of public spending on school students (Ministerial Council for Education, Employment, Training and Youth Affairs, 2006). In 2007, public spending on pre-primary education was 0.1 percent of Gross Domestic Product compared with an OECD average of 0.5 percent (Organisation for Economic Co-operation and Development, 2008). Preschool education in Australia therefore is characterised by low levels of public investment, relatively high levels of fee costs for parents, and significant patterns of non-participation, especially amongst low income, non-metropolitan and indigenous households.

# E Mediations

<sup>3</sup> There are similar patterns of larger calculations of enrolments in Vocational Education and Training administrative data compared with the census data.

Preschool education needs to be considered in conjunction with child care provision and parents' role in their children's education under the umbrella of early childhood education. In 2004, 48.7 percent of three year olds in Australia used long or family day care services, with another 21.9% using some other form of child care (Australian Bureau of Statistics, 2005). The OECD (2006) has located Australia in a group of countries where *"Early childhood education and care systems tend to be more fragmented under governments that see early care as a private responsibility for parents, and not a public responsibility"* (p46).

The importance of early childhood education and development has been endorsed by international (e.g. Heckman, 2006) and Australian (e.g. Edwards, Fleer & Nuttall, 2008) research. Early learning success is the best predictor of success in formal education, including school completion. The second strongest predictor is social background. Therefore, the combination of early childhood education and social background has strong implications for social inclusion in the subsequent years of education. The Australian 'system' is a mixture of community and private provision, mostly fee-based, weak parental leave provision and non-universal provision, with the weakest patterns of participation in formal provision amongst the most socially and economically vulnerable groups. This does not constitute a 'strong start' for social inclusion in education.

## Transition

The three decades since the late 1970s have seen the economic context exert an ever increasing influence upon education, including schooling. The capacity of schooling to deliver students into worthwhile employment and provide the knowledge and skills needed by industry and the economy has been at the forefront of educational investment strategies.

Australian states and territories have maintained objectives of high levels of school completion since the publication of the Finn review (1991). The review proposed a target of 95 percent of 19 year olds to have completed Year 12 or an initial post-school qualification or be participating in formally recognised education or training by the year 2001.

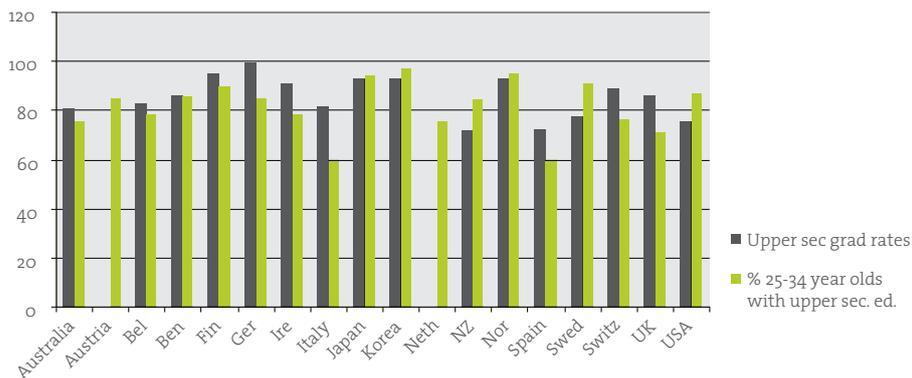
Despite the considerable investments in senior secondary curriculum and transition, the Finn target has not been achieved and the levels of school completion are low compared with those of other countries. Apparent retention rates for secondary education peaked in 1992 at 77.1 percent. In 2007, they were 74.3 percent after a period of decline in the 1990s and a rise in the early 2000s (Australian Bureau of Statistics, 2007). They appear to have now plateaued. The 2001 census indicated that 67 percent of 19 year olds and 72.8 percent of 24 year olds had achieved Year 12 or a Certificate III or higher. These figures had increased to 71.3 percent and 74.8 percent respectively by the 2006 census.<sup>4</sup>

The Australian Bureau of Statistics (ABS) Survey of Education and Work indicates higher rates of Year 12 completion. Nevertheless, both the census and Survey rates are below those of most other OECD countries. Furthermore, the percentage of 25 to 35 year olds in Australia who have completed secondary education or its equivalent is not high compared with most other OECD countries (Organisation for Economic Co-operation and Development, 2008).

There have been improvements in the levels of educational attainment in Australia over the past two decades. The percentage of 25 to 34 year olds with upper secondary education or its equivalent was about 79 percent in 2003 compared with a rate of about 60 percent for the 45 to 54 age group (Lamb & Mason, 2008). This apparent rate of increase of about 19 percent is high by OECD standards. However, the percentage for 25 to 34 year olds remains low by OECD and European Union standards (Organisation for Economic Co-operation and Development, 2008). These results indicate that the significant gains achieved in the 1980s have been followed by weaker gains over the past 15 years.

<sup>4</sup> The ABS Survey of Education and Work has resulted in higher figures (over 80 percent of 20 to 24 year olds having completed Year 12 or its equivalent by 2007). The reasons for the discrepancy can be debated. However, as the census is a population survey and the Survey of Education and Work is drawn from a telephone sample, the census is likely to be more accurate.

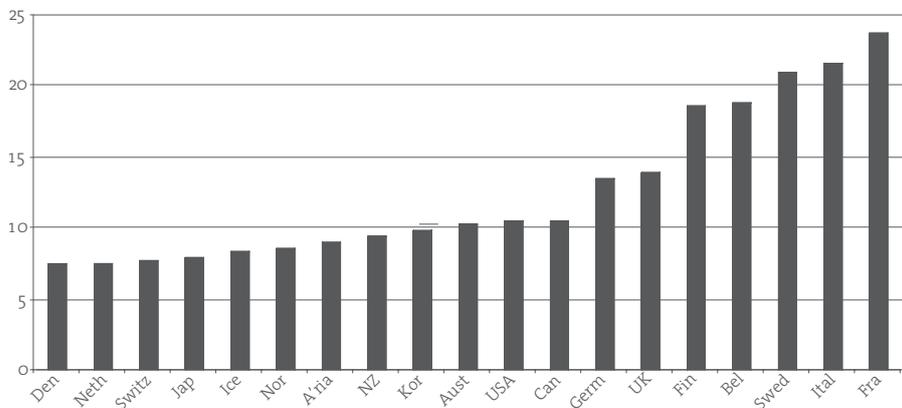
**Figure 5**  
Upper secondary graduate rates and the percentage of 25 to 34 year olds with at least upper secondary education or its equivalent, OECD countries, 2005



Source: Organisation for Economic Co-operation and Development, 2008.

Given Australia's strong PISA results, its levels of post compulsory participation could be considered disappointing. It is possible that the strength of the labour market has acted as an incentive for early school leaving. The Australian labour market has been strong over the past 15 years and the unemployment rate at around 4.5 percent is below those of most OECD countries. As well, there is a relatively youth-friendly labour market with strong employment demand, high levels of part-time and casual work, and a youth wage. Yet youth unemployment is over 10 percent and also is relatively high by OECD standards, although not in the regions of 15 percent or more of some countries (Figure 6). Furthermore, the percentage of teenagers who are not in education or employment in Australia is relatively high compared with other OECD countries (Organisation for Economic Co-operation and Development, 2008).

**Figure 6**  
Youth unemployment rates, selected OECD countries, 2006 (as percentages of full-time labour market participants)



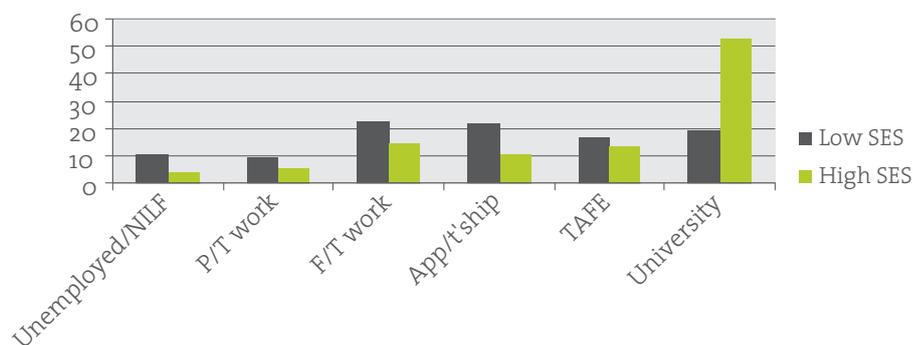
Source: UN Human Development Report, 20072008: <http://hdrstats.undp.org/indicators/193.html>

Australia has a juxtaposition of strong PISA results and a strong labour market on the one hand, and weak levels of school completion, medium levels of youth employment and high levels of non-participation in education and work, on the other. It seems unlikely that this contrast can be attributed primarily to variations in teacher quality.

There is substantial literature on early school leaving. While the most common stated reasons for early leaving are positive in the form of wanting a job and to earn money, these personal objectives have a poor rate of realisation for early leavers. They also come with negative reasons associated with scholastic failure and not liking school and teachers. The links between early school leaving and students' social and economic backgrounds are strong and consistent (Lamb et al, 2004) and the patterns of post-school destinations are linked to social background, as indicated in Figure 7.

**Figure 7**

Student post-school destinations, low and high SES



Source: LSAY 95 cohort

The contrast between Australia's strong performance in schooling for 15 year olds (the PISA studies) and its weak performance for 17 year olds (low levels of full-time participation in education and high levels of marginal engagement in work) suggest that that institutional attributes of schooling and especially post-compulsory education and training are having an impact upon these patterns of participation and transition.

Furthermore, the challenges of addressing these patterns are not distributed evenly across secondary schools. Groups of schools and their teachers and leaders face greater challenges in helping to access and link students to multiple post-school pathways.

## Community expectations

The concept of social capital is much disputed and difficult to measure. Authors variously identified little change in directly measured levels of trust through surveys such as the Australian Social Attitudes Survey (Bean, 2005), to declining levels as signalled by decreasing membership of prominent institutions of civil society such as unions, political parties and churches.

While there is no real decline in participation in schooling (although home schooling has increased in all states in Australia over the past decade),<sup>5</sup> the purposes of participation in schooling may have altered.

Social capital has been divided into *bonding*, *bridging* and *linking* social capital (OECD, 2001a). Within schooling, bonding and bridging social capital remain strong. Schooling continues to play a strong role in peer friendship and network-building or bonding, and it retains a strong ideal of enabling the talented individual to transcend or bridge personal background to achieve educational and social and economic progression. However, the purpose of schooling in linking students of different social and economic backgrounds is declining. Across most developed countries, students - especially at the secondary level and in urban areas - are increasingly less likely to be linked within schools on the basis of neighbourhood or schooling. Increasingly, they are grouped on the basis of family income, scholastic performance and belief systems (Jenkins, Micklewright & Schnepf, 2006).

Barry Jones (2006) has argued that the advent of the Thatcher Government in the United Kingdom in 1979 signalled a process of replacing the idea of the nation state (which in the liberal democratic nation state has been based upon a form of social contract between the community, civil society and government) with a kind of 'market' state that is built upon relationships between autonomous individuals and the market, with government playing a role of regulator and provider of safety nets. The decline of voluntary social institutions such as the churches and unions, and a decline in confidence in government, might be regarded as evidence of this.<sup>6</sup> Such a decline in institutional affiliation and trust may lead to higher forms of individualised investments through more immediate filial and group ties and life-chances returns through education.

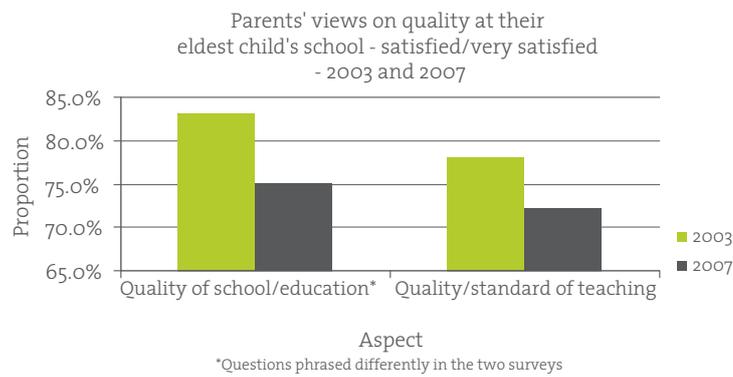
<sup>5</sup> Based upon data from the Victorian Registration and Qualifications Authority.

<sup>6</sup> Trade union membership was 20 percent of the workforce in 2007, down from 22 percent in 2005 (ABS Cat No 6310); The 2001 National Church Life Survey found a 6 percent decline in church attendance between 1996 and 2001 <http://www.google.com.au/search?hl=en&q=national+church+life+survey&btnG=Search&meta=cr+percent3DcountryAU>

A decline in the importance of bridging social capital in schooling could be linked to changes in the private returns to education. Over the past three decades, the private economic rates of return for degree-level education have increased significantly across developed countries, including Australia (Organisation for Economic Co-operation and Development, 2008). Almost all personal social and economic benefits such as income, employment, longevity, health and low crime and incarceration rates correlate strongly with educational levels (Centre for Research on the Wider Benefits of Learning, 2006). Therefore, the personal life chance incentives for investing in education have increased at the same time as schooling's traditional linking roles have come under pressure.

These pressures appear to be expressed in parents' attitudes towards schooling. The Commonwealth Government Parent Satisfaction Survey shows declines in the levels of satisfaction in schools and teaching (Figure 9). Given the significant investment in teaching quality over this period, these outcomes are more likely to be a sign of increasing expectations than real declines in the quality of schools and teaching.

**Figure 8**  
Parents' views on quality of child's school



Source: Department of Education, Science and Training, 2007

These expectations are most intense amongst the most aspirational parent groups and those with the means to invest directly in their children's schooling. Differential supply side responses to these patterns of demand are inevitable, and sections of the school system will have different capacities and motivations to meet these demands. These capacities and motivations are influenced by the institutional forms of schooling, including patterns of regulation, autonomy and resources.

## Social geography

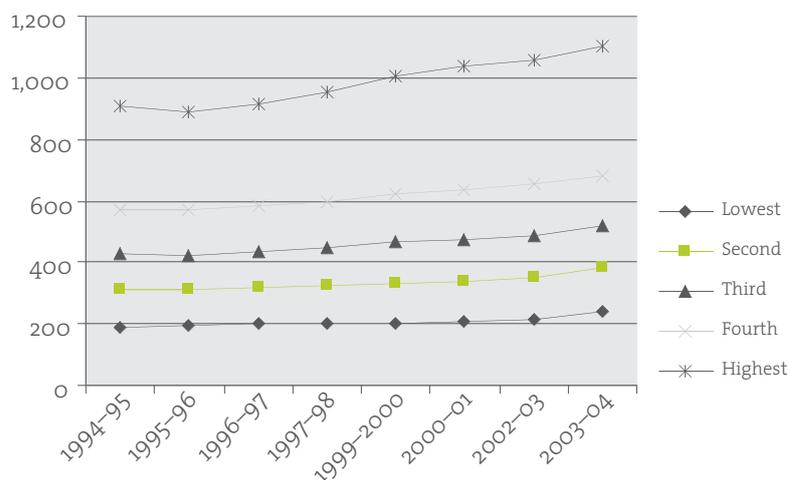
There are several measures of the relative levels of economic equality and inequality. One is the Gini index, which at 35.2 for Australia is relatively high by OECD standards but towards the middle levels of developed Anglophone countries. Broadly over the period of globalisation from the late 1970s, the Gini indices of developed countries have increased, reversing a pattern of general decrease in the post World War II period. In Australia, after a long period of decline, it bottomed at approximately 26.0 in the late 1970s. It has been increasing since. This suggests that education systems in developed countries including Australia have to cope within a context of growing economic inequality.

On the other hand, the same period has witnessed a major increase in household wealth over all of the original OECD countries including Australia. These patterns are reflected in changes to average household income over the past decade as shown in Figure 9. The data indicate that all income groups have had an increase in absolute levels, but that the highest quintile has had an increase at more than double the rate of that for the lowest quintile. Over this period, households in the lowest quintile had an increase of \$48 compared with \$190 for those in the highest quintile.

Over recent decades, there has been a growing concentration of school age children in poor households (Nicholson, 2007; The Senate Community Affairs References Committee, 2004). In a context of increasing private returns to education and investment in education, these patterns create two effects: wealthier households have greater incentives and capacities to invest privately in education and exploit educational choice, and poorer households face greater educational costs and restricted choices in education.

**Figure 9**

Average household income 1994/5 – 2003/4, by quintiles



[http://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/930B6F459489BA83CA25732A00258986/\\$File/65230DO001\\_200506.XLS](http://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/0/930B6F459489BA83CA25732A00258986/$File/65230DO001_200506.XLS)

The 2007 UNICEF report ranked Australia 14<sup>th</sup> and in the middle group of developed countries by the level of child poverty. In one sense, this is a poor result as Australia has recently gone through its most sustained period of economic growth and has outperformed all but one or two of the OECD countries. From this stable platform, it should have been possible to reduce the level of child poverty. In another, these results are to be expected as those Anglophone countries with market oriented economic policies tend to have higher Gini indices and to have widened economic inequality over the past three decades.

There are several other social patterns that are relevant to schooling in Australia. They include the following:

- > The report also noted that over 9.2 percent of children in Australia are living in households where nobody is in employment. This is the second highest level amongst developed countries after Hungary
- > Measured as less than 50 percent and as less than 60 percent of medium income, 9.4 percent and 20.2 percent of children respectively in Australia were in households below the poverty lines in 2005-6 (Saunders, Hill & Bradbury, 2008)
- > Against all relative (but not absolute) measures, the overall level of poverty and the levels of child poverty increased over the past decade, despite rapid economic growth, increases in real average wages and falling levels of unemployment
- > But in the previous decade, levels of child poverty fell despite high levels of unemployment, decline in real average wages and weaker economic growth. These outcomes suggest that policy interventions can make a difference
- > Between 1986 and 2001, the number of one-parent families in Australia increased by 53 percent (Healy, 2004). Levels of poverty amongst these families were 11.4 percent and 32.1 percent measured against the 50 percent and 60 percent benchmarks, respectively.
- > In 2004, 15.7 percent of children under the age of 15 were living in families where no parents were employed.<sup>7</sup> This is a higher level than that reported by UNESCO for a few years earlier
- > While there is some evidence of a neighbourhood effect upon the measures of social exclusion, it appears to be less important than individual and family factors in determining disadvantage in Australia (Daly, 2006)<sup>8</sup>
- > The Brotherhood of St Laurence has found that amongst poor families, *“most parents reported having difficulty paying for aspects of their children’s education during the last year: 69 percent had difficulty paying for sport or recreation, 62 percent for camps and a similar proportion (60 percent) for books. Almost half struggled to pay for equipment (48 percent) and excursions (47 percent)”* (Bond & Horn, 2008).

Some implications for schooling in Australia of these observations include the following:

- > Levels of child poverty has a degree of independence from other economic trends, including economic growth and employment;
- > This is demonstrated by the impact of government policy, notably the Hawke Government’s efforts to reduce the levels of child poverty from the mid 1980s to the mid 1990s, or the absence of such interventions;
- > Some social trends can have the impact of concentrating social factors that are especially challenging for schooling, notably family breakup and intergenerational unemployment; and
- > Although neighbourhood effects are not dominant in levels of poverty and other forms of social stress, patterns of school selection can concentrate poverty and other forms of social disadvantage in schools to a greater extent than the neighbourhood effect.

These patterns lead to the proposition that the institutional form of schooling can interact with social geography and other trends to either reduce or concentrate their impact. The school tradition of neighbourhood that is especially strong at the primary level has been premised upon the belief in the social and individual benefits of students mixing with all types from their community. This has been seen as having the benefits of building knowledge, understanding and trust in students and thus of strengthening and providing a bonding function in a spatial or geographic sense and a bridging function in a cultural sense. Programs such as those for migrant education and students with disabilities have also been premised upon these principles. Apart from benefiting the individual student through the opportunity to participate in mainstream schooling, they have benefited the whole student body through their knowledge of other students and their challenges.

<sup>7</sup> ABS Cat: 41020.0 (2007)

<sup>8</sup> This finding appears to undermine the legitimacy of the Commonwealth Government SES (SocioEconomic Status) model for non-government school funding using postcode-based measurements of SES. It is a crude measure that has limited correlations with the relative wealth of the families of the students that enter these schools.

## Institutional factors

While the education policy community now extends beyond educational professions, the predominant organisational modes of schooling continue to be closely linked to the professions. Teaching, especially in the government sector, is one of the most regulated and industrially centralised of occupations. These industrial structures merge into the governance arrangements for schooling. The governance modes have been historically formed and have been cemented through their interactive relationships with the industrial modes and cultures. While the principal actors in education policy have changed, school education policy remains framed by these industrially formed governance modes, which remain remarkably stable in their fundamentals.

These organisational and industrial modes strongly and consistently frame educational practices. As a consequence, the new discourses of education policy are superimposed upon these structures and cultures and can tend to ignore them or treat them as neutral. This is expressed most emphatically in the universalism of school improvement strategies premised upon teacher quality as the key variable in influencing educational outcomes. Contextual factors of school environments and student histories and groupings, as well as schools as social settings, can be treated as neutral within high level education policy discourses.

For example, the mantra of teacher quality is heavily conditioned by context in several ways:

- > There are clear relationships between school socioeconomic contexts and educational outcomes (Holmes-Smith, 2006) and teacher quality is also influenced by both classroom conditions and the wider school environment, including its leadership
- > The distribution of teacher quality is strongly influenced by organisational modes and career cycles. Teachers' capacity to choose schools increases with experience. This is a factor in both centralised and localised teacher appointment systems. This results in unequal patterns in the distribution of experienced teachers across schools and, increasingly, across sectors
- > There is a similar pattern within schools. For example, in schools with high numbers of students from low SES households, there is a stronger tendency for less experienced teachers to be given junior classes than in schools with students from mainly higher SES backgrounds.<sup>9</sup>

Structural factors have been identified as significant in influencing the effectiveness of Australian industry, the health system, and water supply and use in Australia. They also premised the reforms in the vocational education and training (VET) and higher education sectors in the late 1980s and early 1990s.

Yet structural factors have not been seriously addressed in recent policy discourses on schooling. This may be because of the political sensitivity of schooling and the inherent tensions around sectoral relations, especially school funding. Yet most of the interventions proposed for school effectiveness are mediated by structural factors. These interventions include teacher effectiveness, leadership quality and organisational cultures of schools. Structural factors influence the social mix and scholastic backgrounds of student enrolments, public perceptions of schools and school sectors, the market opportunities and difficulties for schools, and the resources that can be assembled by schools and the programs that they can provide. They also influence community perceptions of schooling, which in turn influence their market strength.

The practice of school leaders (especially in the secondary school sector) of frequently filtering their decisions about enrolment practices, programs and marketing through judgements about market segment is a factor that is given little acknowledgement within school effectiveness discourses. Yet a high degree of market segmentation is readily apparent in Australian schooling. It has its roots in structural characteristics of the wider school system and their interactions with social and economic characteristics of the community, mediated by funding and accountability systems. The effectiveness of teachers and school leaders is central to the quality of schooling. However, the realisation of the capacities and the dedication of school personnel and their distribution across the wider school system is strongly mediated by parental and community perceptions and expectations, patterns of social geography and institutional factors.

<sup>9</sup> Analysis of 2007 data from the Victorian Department of Education and Early Childhood Development

There are structural rigidities in Australian schooling that are restricting the quality of education and education policy in Australia. These rigidities are located in relationships between the state education systems, the non-government sectors and federalism. Structural relations have produced sectoral and political cultures that serve to reinforce the rigidities and limit the scope of educational policy. As a consequence, macro policy discourses, such as those relating to teacher quality, are decontextualised.

## **F** **Structural features**

The structural rigidities are manifest in the following forms:

> **State-based school systems that are institutionally bound**

The state school systems formed the historical basis for 'public schooling' in the late 19<sup>th</sup> century (Austin, 1972). As a consequence, an institutional concept of public education has pervaded the school system and this has been reinforced by other institutional features, especially the industrial cultures.

Despite the fact that a third of students attend non-government schools, all of which receive public funding, state governments that have responsibility for education habitually limit their policy and agency scope to the government school sector. A lack of engagement with the non-government sector serves to:

- reinforce a culture where non-government schools are not expected to share in the public mission of schooling; and
- strengthen a competitive governance structure and culture within and across sectors.

The historical separatist cultures of the state school systems have built a centralised industrial system and culture. This continues to have a strong influence upon policy, and especially resourcing policies. Industrial conditions agreements establish considerable pressure for resource equalisation across schools and for standardisation of school organisational modes.

> **Separation of government and non-government schooling**

Australia is unique amongst OECD countries in the way in which it separates government and non-government schooling. The uniqueness has two major characteristics: there are inconsistent and incomplete links between the levels of public and private or fee-based resourcing, and the regulatory and management arrangements are radically different between the government and non-government sectors. As a consequence, the governance and funding arrangements lack consistency and transparency.

The single variable of government–non-government (or public–private) hides greater fluidity in school types, ranging from low fee faith schools in low income areas to academically selective government schools that can assemble considerable levels of private resources such as voluntary fee levels as high as \$1600 (Bond & Horn, 2008). Yet policy regimes tend to ignore this fluidity in the face of the structural rigidities in funding and governance.

> **State and Commonwealth responsibilities**

The respective roles of the Commonwealth and the state governments in schooling have mutated over the past 40 years. This mutation has not followed planned or logical patterns but has been driven by the political imperatives of funding and Commonwealth policy interventions.

The mix of roles is far from optimal, with patterns of intersecting and overlapping funding, fractured policy discourses and inconsistent patterns of interventions and initiatives (Lingard, 2000).

These structural features have been historically formed. The educational settlements in the form of the 1870 colonial education acts made a clear delineation between publicly funded and essentially secular education and faith-based and privately funded schools. This was an institutional solution to a social issue of sectarianism, and the structural solution was subsequently reinforced through the social and political movement of nationalism that culminated in federation (Furtado, 2006).

For the century from the 1870s to the 1970s, the structure and culture of Australian schooling was dominated by these historical themes and associated institutional settings. These settings also served to build and reinforce a culture of state centralism with government school systems with governance cultures unsullied by a heterogeneous mix of school types, and thus created the twin features of Australian schooling, private schooling and centralism, that were observed by the visiting American educator Freeman Butts (1955).

The confluence in the 1970s of social change, the Second Vatican Council and a Whitlam government opened a platform for a partial realignment of the historical settlement based upon the socially progressive theme of educational needs (Karmel, 1973). The realignment was partial in that it made only minimal inroads into the state-based government school systems. It exploited federalism and the new social policy environment, but reduced the pressures upon the state systems to move away from their centralised cultures.<sup>10</sup>

<sup>10</sup> At the same time, the New Zealand Government reached a settlement with the Catholic Church that allowed full state funding of Catholic schools but the maintenance of some autonomy for the Catholic school centre (Furtado, 2001).

These developments influenced some major themes in schooling across the subsequent decades. At an institutional level, they laid the foundations for Australia's unique system of state owned and state funded government schools and mostly Commonwealth funded non-government schools. They also built a policy dynamic of three sectoral (government, Catholic and independent) comparisons and competition, fed by an average enrolment drift of .4 percent from the government to the non-government sectors. A third and perhaps more tenuous trend has been an early tendency towards school self management and autonomy.<sup>11</sup>

The historical settlements in schooling that were reached a century apart together with the cultural and institutional overlays of nationalism and federalism have shaped Australian schooling today with its institutional features, its dynamics and its limitations:

- > Its institutional features include the sectors with their separate and inconsistent funding and governance arrangements. They also include the largely deregulated government school *systems* that maintain strongly centralised industrial systems;
- > The dynamics include the highly marketised culture and the associated patterns of market success and failure between and within systems; and
- > The limitations include the lack of policy coherence and consistency.

The post World War II history of federalism has exacerbated these tendencies. Vertical fiscal imbalance has not been a platform for either cooperative or competitive federalism in schooling (Walsh, 2007). The shift in relative levels of taxation resources from the state to the Commonwealth governments superimposed upon the differential sector funding regimes has not led to the productive policy dynamic or broadening of the electoral voice that it may have in other areas of public policy. The Commonwealth has been a significant initiator of programs based upon social and economic policy in schooling (Lingard, 2000). However, these initiatives are relatively marginal in the context of an ever growing demand for recurrent funding from the non-government sector.<sup>12</sup>

Schooling's institutional characteristics and its social and electoral attachment have also limited the Commonwealth Government's capacity to transcend both the institutionally-based interests and the social interests attached to schooling. The option for the Whitlam Government to reach a settlement with the Catholic sector at the time of the New Zealand settlement was greatly weakened by opposition from the state school sectors. Senior Commonwealth politicians have argued that most faith schools in Australia should be fully funded, consistent with the prevailing models in most OECD countries (Furtado, 2006; O'Brien, 1999).<sup>13</sup> This option has not been viable in Australia due to the nature of the education polity and its historical baggage. While it would have been difficult for the Whitlam Government to negotiate the full funding of Catholic and other low fee schools in the face of alliances between elements of the Catholic Church hierarchy and the independent school sector (O'Brien, 1999), this option was also not viable in the face of opposition from the government school sector and organisations.

Schooling reforms in England have been carried through upon the basis of national interest. This has involved the recruitment of significant social and economic stakeholders, notably the Confederation of British Industries and the reduction of the influence of traditional members of the education policy community, including the Local Education Authorities and the teacher unions. A similar approach was used for VET reform in Australia where business and the unions were used by the federal government as a means of countering the traditional institutional interests in the VET sector.

It is more difficult to mobilise these interests within the federal and sectorally divided structures of Australian schooling. This may be viewed as a mixed blessing. Nevertheless, it serves to demonstrate the constrictions that federalism places upon education policy in Australia.

<sup>11</sup> This is evidenced by the fact that Australia was amongst the first OECD nations to move towards devolution and school self management, and this was in the face of the governance characteristic of state centralism. The argument is that this was in response to the challenges that were increasing from the non-government sector. Self governance brings the mixed blessings of innovation and potential for school improvement and impact of competition upon social justice and inclusion

<sup>12</sup> In 2008, total Commonwealth assistance to non-government schools was \$5,944 million and \$2,651 million for government schools. These figures compare with \$426 million for Literacy, Numeracy and Special Learning Needs (Commonwealth of Australia, 2008).

<sup>13</sup> Futarto (2006) notes this view expressed by David Kemp, the Commonwealth education minister under the Howard Government, and O'Brien (1999) recounts statements from Gough Whitlam in the Parliament prior to his becoming Prime Minister in 1992

School systems in all countries are historical constructs. Their universal characteristics, the number of years that children spend in them and the amount of resources that are invested in them, are embedded in the national culture and community infrastructure. They are not immutable, but they change slowly, and their historical constructs are such that they do not necessarily represent the optimal institutional forms to meet contemporary community and national social and economic purposes (Ringer, 1987).

There are numerous federal systems of schooling at the international level, all of which have some flaws. All OECD countries also have a mixture of public and private or government and non-government schools, and there are tensions around these relationships across almost all of them (e.g. Eurydice, 2005; Hirsch, 1994).

The evolution of these two sets of relations within Australian schooling has led to a set of institutional settings that are unusual. Australian schooling was systematised in the late decades of the 19th century, and in the past four decades has moved from a situation where public schooling was in the form of schools funded and managed by state governments to a mixture of state and Commonwealth funding for a mixture of government and non-government schools, within different governance arrangements. Across the OECD there are several other federations: the United States, Canada, Germany, Switzerland and Belgium. None of these countries have adopted Australia's practice of dividing the responsibility for funding government and non-government schools, respectively, between the two levels of government.

Schooling in Australia has strong international testing outcomes and strong political support from government and from opposition parties. It also enjoys the active support of significant elements of civil society including business and unions, the churches and a wide range of community agencies. There is also broad support amongst parents for schooling. The 2007 Commonwealth Parents' and Community Members' Attitudes to Schooling survey shows *"that the majority of parents of school aged children were 'satisfied' or 'very satisfied' with the quality of their eldest child's education (75.1 percent) and with the quality of teaching at their eldest child's school (72.2 percent)."*

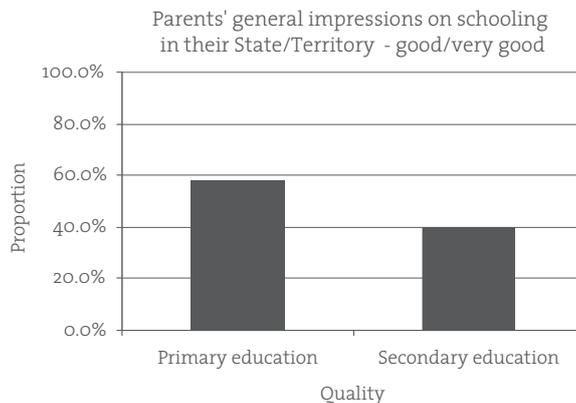
# G

## Institutional settings in education

Although there are high levels of parental support for their schools, this is not reflected in overall levels of parental support for all schools. Figure 10 indicates levels of parental satisfaction with the quality of primary and secondary schooling in their state and territory. The levels of satisfaction are considerably lower than for their own schools. Furthermore, the levels of broader community satisfaction are lower than those of parents of children who are at school (O'Loughlin, Spindler, Rooney, Read & Fitzgerald, 2004). These data suggest that there are some underlying community factors that militate against community support for schooling. There are similar patterns in community attitudes towards other public services such as transport and health where individuals who are satisfied with their own use of these services have a perception that the wider services are unsatisfactory.

These behaviours and issues concerning the cultures and values base of schools raise issues for the government or public school sector about its relationships with the community and civil society. In a context where the neighbourhood base of schooling has weakened, there is a challenge to more strongly link government schooling with sets of community purposes and values.

**Figure 10**



Source: DEST, 2007.

## Impacts

There are different relative advantages and disadvantages of the various characteristics of Australian schooling when compared with those of other countries. As historical characteristics, they have been formed through the interactions of government and civil society and the objectives and actions of parents. Some characteristics such as the structure of secondary schooling are the direct result of government decisions, while others have evolved through more indirect processes. The thesis of this paper is that structural characteristics in Australian schooling that are either related to or have been reinforced through federalism have led to features that threaten to undermine its educational performance and to weaken levels of equity. These impacts are manifest in a number of areas.

## Early childhood

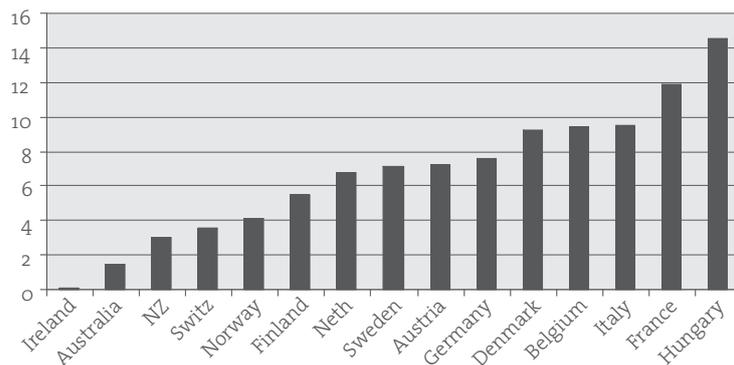
Australia has the lowest levels of government expenditure and the second lowest levels of total expenditure on preschool education amongst OECD countries (Organisation for Economic Co-operation and Development, 2006). In searching for historical reasons for this situation, the state centralist characteristic of the government school systems is a likely culprit. Historically, these systems have been built upon tight boundaries of primary and secondary education systems and there has been a reluctance to move towards a more community-based provision that is a characteristic of preschooling in most other countries. Also, it was not a focus for the church schools, especially the Catholic school sector with its emphasis upon the responsibility of the family in the early years of childhood. As a consequence, early childhood education in Australia is characterised by low funded community-based provision, private for-profit provision, and a mostly unprofessionalised and low paid workforce.

Federalism has reinforced these characteristics, with reluctance on the part of state governments to move early childhood education into their school systems because of the cost implications. It is also related to the incapacity of the Commonwealth Government to use the favourable budget situation to make a major investment in early childhood education. This compares with the recent and major investment made by the British Government in preschooling:<sup>14</sup>

*The relationship between early learning and subsequent educational performance are well known. Early childhood education 'systems' that are predominantly fee based have obvious implications for equity. This is especially the case in Australia, where poverty is concentrated upon households with school age and preschool age children (The Senate Community Affairs References Committee, 2004).*

**Figure 11**

Percentage of all education expenditure on early childhood education, sample of countries 2003



Source: UNESCO, data series

<sup>14</sup> Australia also tends to bias its public and private spending on school education towards secondary education (Angus, 2008; OECD, 2008). This may be a response to demand caused by the intense positional competitive pressures (Marginson, 1997) in secondary education.

### The middle years and adolescent disengagement

Arguably, the most challenging area of schooling is the middle years, especially the early secondary years or adolescent stage. Teachers are most reluctant to teach in these years and principals consistently report that this is the stage of schooling that requires the most attention.<sup>15</sup> Yet levels of investment in these years are relatively low, and inexperienced teachers are more likely to be allocated to these year levels, especially in schools with high concentrations of students from low SES households.<sup>16</sup>

Many independent schools are devoting extra resources and introducing special programs such as extended camps and applied learning programs to the middle years in recognition of the challenges. However, in those government and Catholic schools where these programs are most needed, there is an incapacity to introduce such programs. This is because these schools typically have lower than average enrolments and their per capita resource levels do not allow these types of program investment.

Two structural aspects of Australian schooling have contributed to this situation. First, the industrial structure of the Australian school systems - especially the government school system and, to a lesser extent, the Catholic school system - create pressure for resource equalisation across schools and within schools. The level of extra resources that are devoted to schools with high levels of educational needs is minimal and is quickly negated by the relative incapacity of these schools to raise revenue from private sources and the diseconomies of scale that they face.<sup>17</sup>

The second relates to the role of the Commonwealth Government. It has been a major initiator of programs in schools for the past three decades and in particular has concentrated upon educational needs through programs such as the Disadvantaged Schools Program and programs directed towards rural students, girls, indigenous students, and migrant students. The initiatives also have included those directed towards the middle years. However, the Commonwealth strategy is to initiate programs with the expectation that, if successful, they will be taken up by the education systems. This has not proven to be the case in the middle years. As a consequence, there is an inconsistent and unsustainable pattern of investment in these critical years.

*Australian states and the Commonwealth Government have set targets for higher levels of school completion in Australia. After major gains throughout the 1980s, we have effectively stalled in Year 12 completion growth. Numerous studies (e.g. Lamb et al, 2004) have pointed to disengagement from learning in the middle years as a key factor in early school leaving. Yet structural characteristics of Australian schooling work against the assembly of resources and programs to deal with this issue in the critical stages of the middle years.*

### Post compulsory programs

Australia's approach to post compulsory curriculum and certification is unusual in the marked differences across the states and territories. On the other hand, all of these approaches serve a common outcome of relative student rankings that articulate across state boundaries.

These different and complex arrangements have been lamented by successive Commonwealth governments. The benefits of this diversity can be debated. However, one area of the senior secondary curriculum that is unsatisfactory is Vocational Education and Training in Schools (VETiS). Despite the existence of a national VET system with common awards and sets of Training Packages, these programs:

- > Are different across all of the jurisdictions;
- > Are mainly at Certificate levels I and II, despite the national priority for Certificate III and above; and
- > Frequently involve student fee payments, in a context where students from low SES households are more likely to enrol in VETiS programs (Polesel, 2008).

*Australia's failure to deliver strong vocational programs, especially to the students who most need them in the senior years, is related to the structure of the school systems and their competitive orientation towards university preparation and entrance. While the federalist structure in schooling has not necessarily caused this situation, it does mitigate against a solution that would involve a single set of VETiS programs, and consistent and planned provision and funding.*

<sup>15</sup> Based upon informal interviews with principals.

<sup>16</sup> Those schools and systems that have junior (7-10) and senior (11-12) colleges consistently have more teacher applications for the senior colleges. On average, schools devote more resources to the senior years than the junior years, yet principals when interviewed have identified the middle years as needing greater investment. Where the school enrolments are larger, the resource allocations are relatively even and this suggests that the subject demands of the senior years are responsible for the uneven resource allocations (information drawn from Victorian Department of Education and Early Childhood Education and interviews with principals).

<sup>17</sup> There is a strong trend across secondary schools in particular for students from low SES backgrounds to be concentrated in small schools (Lamb, 2007). In 2007, the Commonwealth Government provided \$426,587,000 for all Australian schools under its targeted programs. These consist of three parts: Literacy, Numeracy and Special Learning Needs Programme; English as a Second Language - New Arrivals Programme; and Country Areas Programme (Commonwealth of Australia, 2008). The first of these is based upon economic disadvantage and was approximately \$100 million. Victoria, for example, receives approximately \$23 million of this and adds this to another \$48 million of 'equity funds'. This allows about 3 percent of the schools budget to be needs based. However, with schools raising approximately 7 percent (although the medium level is lower) of their funds through private means, the net outcomes is that low SES schools have lower levels of per capita funding. However, secondary schools also receive a base funding and because low SES schools have lower enrolments, the per capita impact is greater. However, this is discounted through diseconomies of scale. There are similar patterns in New South Wales through the Priority Schools Program.

## Funding and governance

Schools across Australia receive funding from a combination of Commonwealth, state and private resources. The overlay of government roles and categories of funding, patterns of private revenue, and special arrangements that have been brokered mainly with the Commonwealth Government has resulted in a funding system that is inconsistent and lacks transparency. The broad impact of this includes the following:

- > Funding remains highly contested and is a source of division and antagonism within the Australian school community;
- > The rules, accountabilities and responsibilities that accompany funding regimes are inconsistent and divisive;
- > The principle of educational need has been replaced by an SES measure that appears to result in significant anomalies in Commonwealth non-government school funding where some relatively high fee schools gain larger amounts of public funds; and
- > Private investment in schooling in Australia is high by international standards and is growing at a faster rate than any other OECD country. Two features of this pattern are the 'voluntary fees' in government schools that can create pressure on poor families to pay fees, and the pressures upon low fee church schools. These pressures are exacerbating the tendency for schooling to segregate students. In the Catholic sector, they have led to a loss of students from low income households and threaten the historical mission of this sector to educate the poor (Catholic Education Commission of Victoria, 2004; Croke, 2007; New South Wales & Australian Capital Territory Catholic Bishops, 2007).

*Put crudely, school funding in Australia can be characterised as a government school system funded mainly by the state governments and a non-government school system funded mainly by the Commonwealth Government. Furthermore, the two 'systems' are competing against each other for enrolment share and public standing. These arrangements are directly linked to federalism. Considered in this way, they seem irrational and create dynamics that undermine the wider school system.*

## Public and private

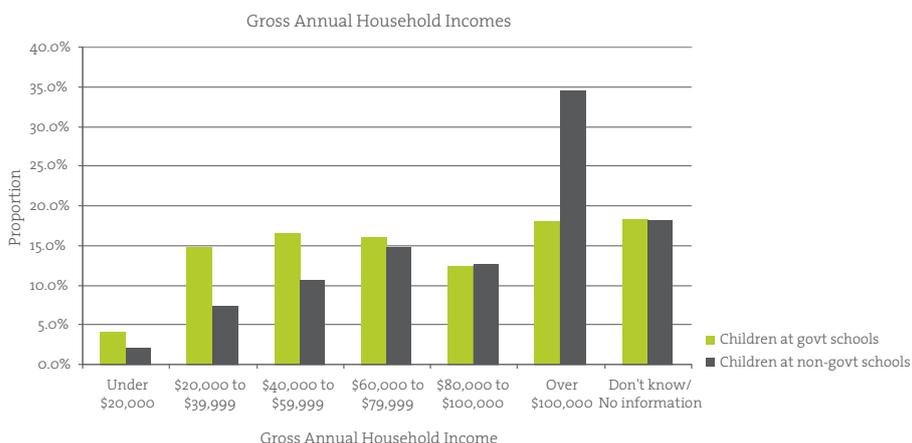
The juxtaposition of public and private schooling in Australia is quixotic. On the one hand, there are clear differences in the funding and governance of the two broad sectors. On the other, there is considerable diversity within each of the sectors and, as a consequence, many government and non-government schools have much in common. For example, low fee church schools, especially those located in low income areas, have a similar mission, student population and almost identical curriculum to that of most government schools.

Several OECD countries (Belgium, Netherlands and Ireland) have non-government school sectors that have a larger share of enrolments than the share of the non-government sector in Australia. Several others (France, Spain and Italy) have smaller but substantial non-government sectors. In most of these countries, the church schools tend to be fully state-funded and their enrolment profiles are similar to those of government schools.

In Australia, the relationship is different. It is possible and frequent for non-government schools to receive a quantum of government and private funding that is greater than the average level of government school funding, which conflicts with the needs based principle. As noted above, this outcome also exists in the government school sector, albeit to a lesser degree, where some schools' capacity to raise private revenue gives them a considerable resource advantage.

These funding arrangements exacerbate the inherent tendency for non-government schools to enrol students from mainly higher income households. This pattern in Australia is shown in Figure 12. While non-government schools in most (but not all) countries tend to have skewed enrolments, few if any other countries have sectorally-based social skewing in schooling on the scale that exists in Australia.

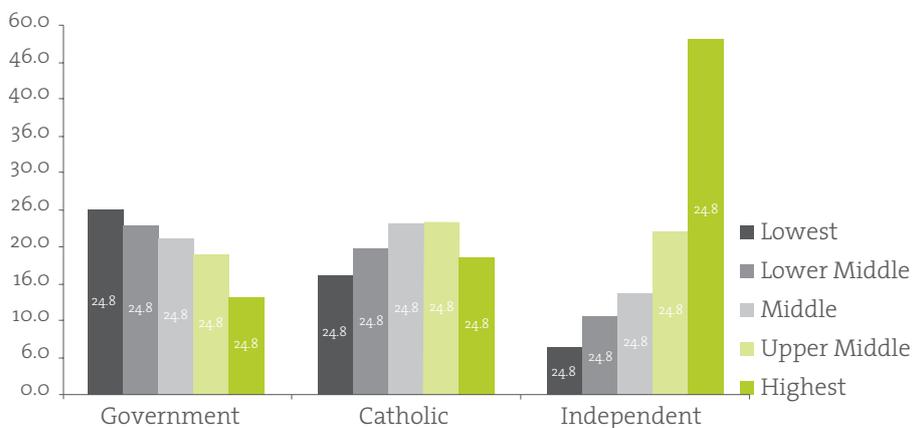
**Figure 12**  
School sector enrolment by students' household income



Source: DEST, 2008

These differences are greater when schooling is divided into three sectors: government, Catholic and independent. Figure 13 indicates the percentage of enrolments within each of the sectors based upon SES quintiles for senior secondary students in Victoria. Furthermore, these differences are growing, with a movement of high SES students into the independent sector, low income students into the government sector and middle SES students into the Catholic sector at the expense of low and high SES students. These trends have been a point of concern for the Catholic Education Commissions in Victoria and New South Wales (Catholic Education Commission of Victoria, 2003; New South Wales & Australian Capital Territory Catholic Bishops, 2007).

**Figure 13**  
Student SES background (quintiles of SES), by school sector:  
Year 11 VCE students, Victoria, 2005 (percent)



Source: VCAA data

There are several subsequent effects of this skewing.

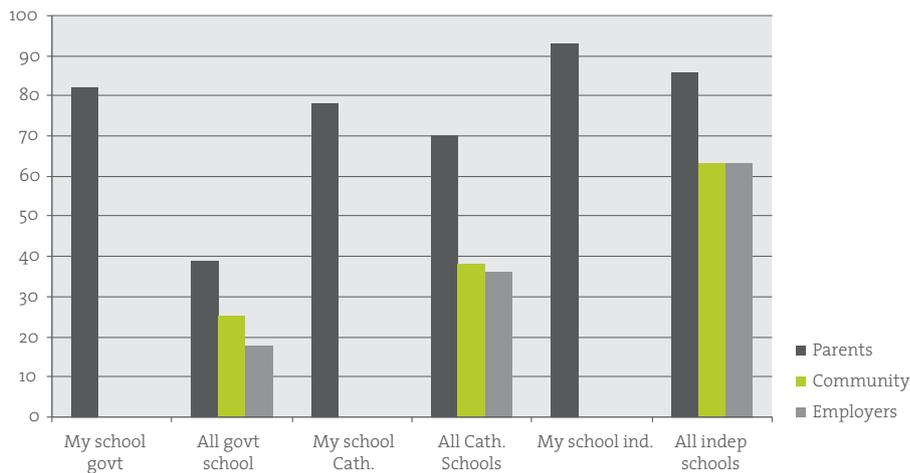
**Public perceptions of schooling in Australia**

The first is that the separation of the sectors creates sector-differentiated public perceptions of the quality of schooling. Figure 14 shows the percentages of parents with children in primary schools in each of the sectors in Victoria that are happy with the quality of their children's school and all primary schools in the sector, and the percentages of the wider community and employers who are happy with schools in each of the sectors. It can be seen that parental approval of 'their school' is relatively even across the sectors, but there are marked differences in parental perceptions of all schools in their sector and of the perceptions of the wider community and employers. Those people who have a direct experience of schools have a strong positive view of their quality, yet this changes to a significant extent for Catholic school parents and even more so for government school parents. These patterns match those for employers and the wider community.

These outcomes suggest that there are factors that are independent of the actual operation and performance of schooling that influence public perceptions. The perceptions are based upon the sectoral juxtapositioning that interacts with the social patterns of enrolments and, reinforced by such factors as the media, serves to create both a differential and an inaccurate perception of school quality. It is possible that the perceptions are also influenced by the attachment of government schools to state governments. Overall, the public has a perception that the Commonwealth is more effective than the state governments (Brown, 2008).

These community perceptions of sector characteristics contradict evidence that parents choose schools rather than systems. For example, of the families with two or more children that send one or more of their children to Catholic schools, 25 percent choose to send their children to both Catholic and other schools. Of these, the vast majority (84 percent) send one or more of their children to government schools (Smith, 2008).

**Figure 14**  
 Parent, community and employer satisfaction with the quality of their school and all schools in their sector, 2004



Source: DPC, 2004 (unpublished data)

*It is an unhealthy situation where the majority of the community, employers and parents have a poor perception of the quality of the schools that serve two thirds of all children. This is especially so when these perceptions are contradicted by the direct experience of parents who use these schools. The sectoral segregation of schooling in Australia invites selective media and political reporting of schooling and breaks up a common parental voice for schooling that would otherwise counter this reporting. These perceptions cannot be directly attributed to federalism as they are located in family educational and economic aspirations and are fed by the different outcome patterns of the school sectors at the secondary level. However, the federalist structures and processes have helped to maintain and arguably exacerbate the sectoral fragmentation that is the foundation for these perceptions and associated media and political behaviours.*

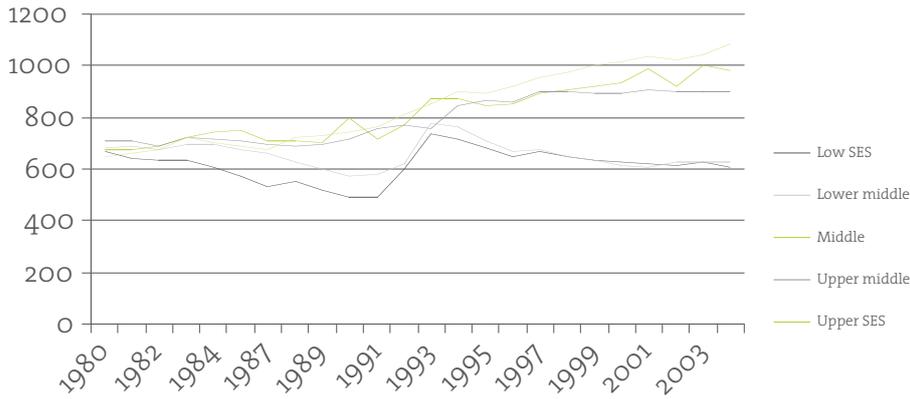
**Enrolment drifts within sectors**

A second impact is to extend social selection into the government and, to a lesser extent, the Catholic school sectors. Figure 15 indicates the mean enrolments for quintiles of Victorian high schools based upon the mean SES levels of their enrolments from 1980 to 2004. The data indicate a steady pattern of enrolment growth in high SES and enrolment decline in low SES schools over this period. These results suggest that over the past three decades, there has been a consistent trend of social separation of students into larger, better performing schools and smaller schools with poorer results.

Increased social segregation of students, especially in urban areas and at the secondary level, is common in most developed countries (Kerbow, 1996; Mickelson, Bottia & Southworth, 2008; Reay, 2004). It is related to residential patterns, increased disposable income amongst the middle classes, deregulation of enrolments, and the heightened aspirational investments in education. However, there is evidence that in some Australian settings this segregation is reaching extreme forms, with some local high schools enrolling less than 20 percent of local students.<sup>18</sup> This is leading to an underclass of residualised schools that are serving students with the greatest educational need.

<sup>18</sup> Based upon analysis of data from the Victorian metropolitan school regions.

**Figure 15**  
Average government secondary school enrolments x SES quintile bands, 1980-2004, Victoria



Source: Lamb (2007)

Doug Whilms has noted that: *“The socio-economic composition of a school’s population is an even stronger predictor than individual home background. PISA shows, for example, that two students with the same family characteristics going to different schools – one with a higher and one with a lower socio-economic profile – could expect to be further apart in reading literacy than two students from different backgrounds going to the same school”* (cited in Fullan, 2003, p13).

This impact will be even greater where students are located in schools with declining enrolments and their associated problems of lack of staff renewal and the likelihood of low morale and low expectations. A broad trend of social separation of students within schooling is not healthy for either the social or economic aspirations of the nation. School systems were established by the state primarily for their role in community and nation building. They have been the great community meeting ground where children from different backgrounds access and share knowledge that is based upon a common set of values. The emergence of residualised or ‘sink’ schools that are highly concentrated geographically will undermine the objectives of achieving high levels of school completion because the residualised areas typically have high levels of early leaving (Lamb et al, 2004). These patterns are not the result of the federalist characteristics of Australian schooling. However, they are a national issue and should be addressed through the federal platforms that are available.

### Policy scope

A third impact is upon policy scope, especially at the state level. State governments, as the 'owners' of the government school systems, are troubled by the enrolment drift of students and especially middle class and more scholastic students to non-government schools. They are conscious of the impact of the combination of parental educational aspirations, the scholastic mix and environment that many non-government schools are able to build - frequently supplemented with scholarship programs - and the image of government secondary schools that has spread across the community.

As a consequence, most of the mainland states have recently announced or introduced more forms of student selection based upon academic outcomes. Several (Victoria, Queensland and Western Australia) have announced extra selective entry high schools, and most have introduced more selective streams in some schools. The purpose of these initiatives is to recapture some of the more scholastic and mostly middle class students and thus strengthen the scholastic image of the government school sector.

The impact of grouping students in mixed and streamed ability groupings is contested. The outcomes are influenced by other factors such as the methods of selection, the degree of flexibility in student groupings, expectations of different groups, and the instructional practices that are used (Ireson & Hallam, 2001). Broadly, it does seem that high ability groups do gain from more homogeneous groupings, but low ability groups do not. The quantum or balance of outcomes is likely to be negative.

The potential problems that increased institutional selectivity creates are that they are likely to lead to environments and practices that exacerbate the disadvantages that some students face in their schooling. Selection is zero sum, and the dilution of scholastically capable students within schools and across systems increases the intensity of educational need within classes and schools. It also has the potential to reduce the factors that are associated with strong outcomes, including flexibility in student groupings, high expectations, appropriate pedagogies and what the French term 'pilot' students who provide scholastic leadership. This is especially the case when less experienced teachers are more likely to be located in schools and year levels that have the greatest educational and supervision challenges.<sup>19</sup>

*The decisions on the part of state governments to introduce more selectivity in secondary schooling are essentially strategic and are designed to protect the image and capacity of the government school sectors to provide schooling at a level of excellence equivalent to that provided by non-government schools. They also are likely to be conscious of the potential consequences of these measures but feel that there is little alternative, especially when polling has shown that these measures are politically popular.<sup>20</sup> Thus the sectoral institutional structure of Australian schooling, which is buttressed by federalism, is leading to policy frames of increasing selective practices that restrict other policy options.*

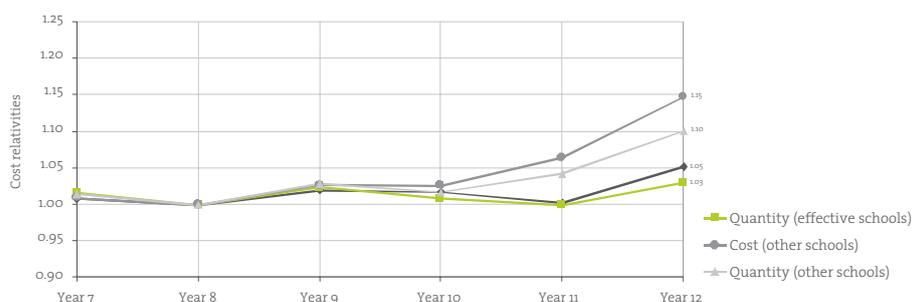
### Politicisation

Education policy and especially funding in Australia are inherently political. Political cultures and processes always have the capacity to inhibit good public policy and administration. However, this impact can be influenced by the nature of governance structures and cultures. Australia is unusual amongst OECD countries in the regular processes of separate sector-based negotiations over funding at state and Commonwealth levels, frequently prior to elections. These negotiations are conducted with governments and opposition parties and make it almost impossible to develop consistent and rational funding and accountability systems in school education. This is manifest in the 'hit list' debate over the Australian Labor Party proposal prior to the 2004 election to redistribute funding from high to low fee non-government schools.

These separate processes also contribute towards other forms of politicisation of schooling in Australia. The debate over the values base of government schools that was initiated by the Prime Minister in 2005 was based upon an implied but unsubstantiated distinction between the practices of government and non-government schools. Differences in funding and governance were assumed to result in differences in values foundations.

<sup>19</sup> This is the case in Victorian secondary schools, for example. The following Figure shows the amount of resources (mostly teacher time) and costs (teacher time + pay levels) for Victorian government secondary schools. It indicates that both effective schools (based upon their outcomes and student perceptions) and other schools generally have more senior staff teaching at the senior levels.

**Patterns of resource allocations (teacher time) and cost allocation (teacher time + pay levels) for effective and other schools, Victorian Government secondary schools, 2007**



<sup>20</sup> Interviews with former state education minister and ministerial advisers (Victoria and New South Wales), 2008.

The argument in this paper is that there are structural rigidities in the Australian school system that threaten to undermine its longer term strength and the associated social and economic aspirations of the nation. All systems by their very nature have rigidities, many of which are necessary and some of which are more necessary than others. Systems and the institutional arrangements that form them are historical constructs and as such come with cultural attachments. As an essentially social institution, schooling is linked to sets of beliefs and expectations of parents, civil society and bureaucratic cultures. Structural forms, therefore, cannot be taken lightly as below the surface, they are buttressed by sets of behaviours and expectations that have long been in formation and practice.

However, as historical constructs, the institutional forms are not immutable. The paper has argued that three core characteristics of Australian schooling have led to institutional rigidities: the centralised characteristics of state systems, the public–private school division, and the respective roles of the Commonwealth and state and territory governments. Together, these three characteristics have contributed towards a number of aspects of Australian schooling that are problematic. These aspects include funding arrangements, governance, public perceptions, market behaviours and associated student groupings, participation and outcomes, and government policy frames.

This case is extended by the proposition that the three core characteristics are interrelated. The centralised industrial and state-centric mode of the government school systems would not be possible within a broader public system that included most non-government schools. Australia's failure to reach a settlement with the church schools, such as those that occurred across the 20th century in England, Canada and New Zealand, is related to the entrenched centralist and state-centric characteristics of the government systems. Australia's federalist structure, which in the post-war years unequally allocated tax revenue to the Commonwealth Government, diverted the pressures upon the state systems in the 1960s and 1970s to deal with the Catholic schools towards the Commonwealth Government. It has subsequently conditioned the institutional arrangements and organisational expectations that characterise Australia's sectorally-based school system, including the maintenance of the state-centric government school cultures.

# H Federalism

The three way relationship between these sets of characteristics has proven to be remarkably immutable in the context of major contextual changes and intense debate and contestation. Despite the apparent uniqueness of the Australian arrangements, patterns of inconsistencies and inequities, an apparent gradual but steady residualisation of elements of the government systems and an erosion of public confidence in the majority public sector, the broad set of institutional arrangements has remained relatively immutable. It is highly sensitive politically and appears to be locked in.

Federalism and its associated administrative arrangements therefore emerge as the central bulwark in the policy impasse on schooling in Australia. This role has been strengthened through federal–state contestation that has made cooperative and concerted policies and initiatives difficult, especially when state governments are so institutionally tied to their systems.

Walsh (2007) has argued that competitive federalism has the potential to meet the needs of citizens in the delivery of public services at least equally with cooperative federalism. However, this seems unlikely to be the case in schooling, where the institutional structures are a combination of some common regulations but different funding and other differentiated regulatory arrangements. Furthermore, the different institutional structures have different sets of relations with industrial and participant organisations and cultures and with different social groupings and aspirational patterns. The results of these differences are readily apparent in Australia in the forms of patterns of participation, outcomes and public perceptions of school cultures and quality.

Federalism, therefore, provides the key for any challenges to the structural rigidities in Australian schooling. It provided the historical safety valve for growing pressures within the Catholic schools in the 1960s and 1970s (Furtado, 2001) and subsequently has prevented what might have been a natural evolution of a broader Australian publicly funded school system. It is important to stress that federalism is not just the Commonwealth Government. It is the Commonwealth and state and territory governments and the relationships between them in policy, institutions and services. Any reform of the federalist processes in schooling therefore needs to be multi-level.

A substantial literature suggests weaknesses in the Australian model, with the growing imbalance between the powers and responsibilities of the Commonwealth Government being the most obvious issue (Business Council of Australia, 2006; Craven, 2005; Fenna, 2008). There is an exploration across the literature of different approaches to federalism – collaborative, coordinate and competitive (Galligan, 2008), and there is a growing set of proposals for structural and process reforms in Australian federalism (e.g. Business Council of Australia, 2007; Twomey, 2007; Twomey & Withers, 2007).

The option of a major restructure of Australian government such as ‘abolishing the states’ or a significant constitutional change that would more clearly delineate state and Commonwealth government roles is remote. The majority of the public prefers the three levels of government (Brown, 2008) and the likelihood of constitutional reform reaching and surviving a referendum is weak (Galligan, 2008). Furthermore, there is evidence that the federalist form of government works comparatively well (Galligan, 2008).

On the other hand, the growth in federalist activities and institutions suggests that public policy and administration needs to link governance at the state and national levels. Ministerial councils have become more prominent in public policymaking over the past two decades and COAG has assumed an unprecedented prominence in recent years. The states have felt the need for defensive action in the face of Commonwealth power by forming the Council for the Australian Federation in 2006 (Tiernan, 2008) and the agenda for MCEETYA has been dominated by the Commonwealth over the past decade (Jones, 2008). However, all governments take federalism seriously and most areas of public policy now engage government at the intra- and inter-government levels.

Federalist reforms that do not require constitutional change can be pursued through forms of cooperation and coordination, including joint legislation. The Business Council of Australia (2007) has identified National Competition Policy as an example of successful federalist activity and national water policy as an area of lack of success. Education represents one of the most obvious and significant areas of public policy and administration that invites federalist reforms. National training reform and the formation of a national training system in the 1990s could also be cited as an area of successful federalism reform.

There has been a substantial literature on the history and the nature of the federalist arrangements in Australian schooling (e.g. Lingard, 2000; Wilkinson et al, 2007), and critiques of these arrangements (e.g. Connors, 2007; McMorrow, 2008). However, there has been little work on reforming these arrangements within the context of the realities of the Australian polity. There have been proposals for changes in the funding system for schooling (O’Loughlin, Spindler, Rooney, Read & Fitzgerald, 2004; Furtado, 2006), but there has been little investigation of how such changes would be negotiated and how they might fit into the broader governance arrangements for schooling in Australia.

In 2008 Anna Bligh, the Queensland Premier, proposed a new set of arrangements for the policy and administrative arrangements for school education in Australia (Bligh, 2008). She proposed that in return for a fuller transfer of responsibility for VET to the Commonwealth, the administrative and funding responsibility for all schooling, government and non-government, should be returned to the states. The Commonwealth would have a central role in establishing and maintaining national frameworks for curriculum and outcomes.

This proposal would face potential opposition from elements of government and different stakeholders in education and training. State governments might be reluctant to abandon VET, of which they are the majority funders, to the national government, and elements of the non-government sector would feel vulnerable if they were solely dependant upon state funding. Bligh's proposal has a precedent in a similar proposal put by the then Prime Minister Paul Keating in 1992, which was rejected by most, but not all, of the states. More recently the Bradley Review of Higher Education (Bradley, et al, 2008) has recommended that the Commonwealth Government should take full financial and administrative responsibility for VET. It was understandably silent on schooling.

Brown (2008) makes the point that within federalism *"Australians' public attitudes help explain the currency of existing approaches - including both 'knee-jerk' responses to federal dysfunctions, and the value of securing collaborative improvement to the functioning of federalism in the short term. However public attitudes also reinforce the need for a more strategic approach, capable of addressing the structural dilemmas that afflict Australia's system and capturing improved approaches to governance in the long term"* (p 26).

Anna Bligh was also making a similar point in her Australian and New Zealand School of Government (ANZSOG) speech. Her restructure is proposed as a sensible and optimal set of arrangements for education and training within the mature federation of Australia. It represents a set of longer term possibilities that would need to be accompanied by other arrangements that protect the legitimate interests of particular groups and the broader community, and its implementation would require engagement with other organisations and agencies in education and training.

There have been some opportunities in the past to change the governance arrangements for schooling in Australia. The most notable was the 1970s and the advent of the socially reformist Whitlam Government and its Schools Commission, which essentially recommended the building of a broadly based and defined public sector that would include church schools. A similar, albeit less obvious, opportunity came in the early 1980s with the advent of the Hawke Government.

In both cases, the opportunities were not grasped in the face of resistance from the state systems and their organisations (such as some teacher unions) and the church schools' attachment to their autonomy. In the 1970s, the Schools Commission and the Whitlam Government both articulated a vision for a broadly based public system that would have allowed for the full public funding of church schools (Whitlam, 1985). However, it failed to address the structural encumbrances of federalism. By the early 1980s, public funding of non-government schools had become so contested that the Hawke Government was unable to reach a new settlement of this type.

There is a sense that a third, and perhaps last, opportunity is being formed through a confluence of current political interest in a reformed federalism in education, a revived interest in educational equity and the identification of education as a policy and investment environment in Australia. There is a case to be made that it is also being formed through a growing crisis in government secondary education.

This opportunity, however, needs to be framed by a vision of how the governance arrangements for a publicly funded school system should and could be constituted. It is not feasible to achieve a major structural alignment that would involve radical changes in the funding, governance and accountability arrangements for Australian schooling in the short or medium term. An 'integrated model' of the New Zealand or United Kingdom types in Australia is unlikely to be negotiated. Apart from the logistical difficulties, a direct assault on the current arrangements would provoke confrontations and destroy any prospect for a broad national consensus.

# I

## **An objective for schooling in Australia**

Nevertheless, there appear to be significant opportunities to begin the processes of structural change that are in the interests of the wider community. Such changes would be based upon broad agreement about the purposes and principles of schooling and be the foundations for changed relationships between schools, schools and government, and schools and the wider community. It also is important to recognise that several publicly funded school systems, such as those in Flanders and Ontario, afford substantial autonomy to church school sub-sectors.

The goal should be to move schooling in Australia towards a more coherent set of structural arrangements that will better facilitate the wider school system to achieve a high quality education for all through the encouragement rather than inhibition of more cohesive and mutually supportive relationships and practices.

A strategy could be one of using federalism as a means of helping to break down structural rigidities rather than buttressing them. This would involve some clarity about the following:

- > The core social and economic purposes of schooling, its role in meeting the aspirations of the nation, and the underlying social principles that support these purposes and aspirations;
- > The aspects of Australian schooling that are best aligned at a national level;
- > Clarity about what government pays for in schooling;
- > The minimal and therefore common regulatory arrangements for registered and publicly funded schools;
- > Funding systems that locate resources where they are most needed and accountability for the use of these resources to address these needs; and
- > Conditions that allow these resources to be used in an optimal manner.

All of these items have been raised in the past. There have either been limited attempts to introduce them or stalemates in the face of what appears to be intractable sectoral and stakeholder resistance. However, they all represent key components of what should constitute a new and healthy federalist settlement on schooling in Australia. The challenge is to shape and implement an agenda that can provide the foundation for these components.

Some of these components can be advanced immediately, and indeed some have already been initiated. Agreement on the core social and economic purposes can be developed through the COAG processes and a subsequent process of stakeholder engagement and contribution. The Melbourne Declaration, with its stronger emphasis upon social outcomes, is a significant advance upon the Adelaide Declaration. Some states have already moved towards more common regulatory systems, and it would also be possible to advance some national benchmarks on minimum quality standards in schooling that would echo the vision of the Karmel Report of 1974. Minimum input standards would complement the governmental agreement for a national regime of stage-related testing as output measures. Such agreement would in all likelihood achieve substantial stakeholder buy-in as it would be seen as a commitment from government rather than another accountability measure.

The components, however, would be insufficient to break down the structural rigidities that are most manifest in the funding, governance and accountability arrangements. These components need to be addressed in a less head-on manner and be seen as longer-term projects.

These structural elements of Australian schooling are only means to an end. The end is quality schooling for all in a current context where all do not automatically have access to quality schooling. Public funding and associated accountability and funding arrangements should be designed to enhance rather than inhibit quality and should help to increase access for those who most need it, rather than exacerbate lack of access.

One approach to tackling the structural barriers is to develop a set of national projects that will initially invite and eventually necessitate reformed structural arrangements. These projects should be developed and implemented in conjunction with some more immediate initiatives that more directly address the structural issues.

In this regard it is useful to concentrate upon three sets of questions:

- > What element of Australian schooling most need and best invite a shared Commonwealth-state effort?
- > Is it possible to look at delivery models that go beyond the single and autonomous school so that government and non-government schools and other agencies share common objectives based upon a set of shared principles?
- > Are there communities across Australia that most need a concerted effort on the part of government to address the issue of participation and achievement in education?

Three sets of projects stand out. They relate to early childhood education, the issue of middle school disengagement, and upper secondary pathways – especially in the area of vocational education. Between them these three sets of projects:

- > Cover the broad objectives and locations of the COAG strategy;
- > Provide opportunities for major initiatives;
- > Invite government and non-government school participation;
- > Can be addressed at least in part on an area basis; and
- > Allow engagement with structural arrangements in funding, governance and accountability that need reform.

*Early childhood education* in Australia is almost a greenfields site in terms of public investment. It is encumbered with the problem that the sector has been dominated by a single for-profit enterprise and this raises the challenging policy question of whether a large scale public investment should be channelled largely into this enterprise.

This issue suggests a community-based strategy involving partnerships between local government, primary schools (government and non-government) and state and Commonwealth governments. Given the significant costs of building public investment to OECD standards, a process of indentifying priority areas based upon needs should be established. At the same time, a wider and longer program of building the professionalism and the curriculum of the sector, largely conducted by state governments but within an agreed national framework, could be initiated.

*Middle years* disengagement is probably the most challenging problem in schooling. Disengagement is most manifest in the early to middle secondary years and is expressed in forms of school resistance and frequently linked to histories of scholastic failure. Some students need some alternative learning settings and experiences and forms of mentoring. Numerous programs supported by both levels of government have been implemented across the states and territories over the past three decades. However, there has been no comprehensive and sustained effort based upon firm research evidence of what works best for these students. The level of disengagement is higher in some schools and some regions of the country.

Therefore, a joint Commonwealth–states/territories initiative could also begin by targeting areas with high levels of early school leaving, possibly in partnership with some non-government organisations. It could utilise the available research on student disengagement and current practices that have been proven to work to fashion interventions that are designed in the first instance to assist students to reengage with mainstream schooling. By definition, it would be located in schools that had the strongest commitment to dealing with this issue.

#### *Upper secondary schooling*

Post-compulsory education is currently a mixture of state and national curriculum, qualifications and funding. In particular, VET in Schools and associated programs such as school-based vocational programs are a complex mix of state-based and national arrangements. These programs exist in the shadows of the mainstream academic programs that produce the tertiary entrance rank in its various forms across the states and territories. There is an opportunity to enhance the vocational programs through Commonwealth–state/territory partnerships.

The Commonwealth is already taking a major initiative through the investment in trade training centres. Fortunately, most of these are consortia-based, although most are not cross-sectoral. However, in most cases schools are continuing to deliver Certificates I and II and the programs will continue to have a residual status within the school programs. There is a need for an investment in program enhancement to match the investment in facilities enhancement. VET in Schools should be program-based rather than subject-based. This approach requires course development and accreditation beyond the Training Packages and the development of packages that are designed to link school-based VET with local workplaces, apprenticeships, and tertiary pathways. The current set of Commonwealth initiatives in VET and in the National Curriculum Board/ National Curriculum Assessment and Reporting Authority can be brought together as a national project designed to strengthen upper secondary pathways.

These three sets of initiatives have four sets of attributes:

- > They all are located in areas of weakness in Australian schooling; underinvestment in early childhood education, high levels of early school leaving, and weak upper secondary provision in vocational programs and weak non-university pathways, respectively
- > They are all needs-based: investment in early childhood education in areas of highest need; investment in middle years reengagement programs for schools that most need and are most committed to this objective; and investment in upper secondary VET that is typically provided by schools with students from low SES households
- > They are all potentially cross-sectoral by being area-focussed and by establishing criteria for participation that are independent of sector differences
- > The costs can be minimised by establishing criteria for the initiatives and through staged implementations.

There is no ideal form of schooling. Student needs and student and parental expectations are so diverse that there will always be competing demands upon schools and school systems. In the Australian form of liberal democracy, there is an acknowledgement of the right of parents to have choice in schooling and an expectation that not all schools will be state owned and run. As a consequence, there are inherent tensions over questions related to the degree of choice, the conditions for funding, and the conditions for ownership and the overarching curriculum requirements.

The Melbourne Declaration possibly represents the most ambitious public statement in Australia's history on the institution of schooling within a framework of the ideals of democracy and social inclusion. It balances the rights and aspirations of the individual, the economic future of the nation, and the social objectives of community cohesion and the common good. The Declaration, however, is an idealised statement that should provide the beacon which Australian schooling and its various subsystems use for their policy settings. The more substantial challenge is to consider how the institutions and cultures of Australian schooling can serve the ideals of the Declaration. That is, ideally what might they look like?

## J Australian schooling – an idealised model?

## Early childhood

It is apparent that early childhood education has suffered from underinvestment in Australia. Early childhood learning is inextricably linked to the health, development and wellbeing of young children. Its most tangible educational form is in preschool education. Here the feature of the Australian model is that of mixed provision with about three quarters of all providers in the non-government sector. These providers are a mix of community and private (for-profit) providers (Productivity Commission, 2008).

Other features of preschool education in Australia are inconsistent patterns of attendance, ranging from 64 percent in New South Wales to 100 percent in Queensland (Productivity Commission, 2008), mainly fee-based provision, low levels of training of staff, low staff salaries and high staff turnover. The supervision of preschool education has been across different state government departments. However, there has been a recent trend to bring it within the education portfolios.

The Australian Background Report to the OECD's Thematic Review of Early Childhood and Care Policy (Press & Hayes, 2001) identified a number of weaknesses of early childhood and care programs related to the two issues of quality assurance and the number of children who do not participate. The subsequent OECD report identified eight elements for successful early childhood education and care policy. These were reiterated in a subsequent OECD (2006) report and included:

- > A universal approach to access;
- > Substantial public investment in services and infrastructure;
- > A participatory approach to quality improvement and assurance;
- > Appropriate training and working conditions for staff in all forms of provision; and
- > A stable framework and long term approach to research and evaluation.

Against these criteria, there are substantial advances to be made in Australia. The need for stronger and stable investment patterns, universal access, and stronger quality that is linked to a professionalised workforce is probably recognised within all policy communities. However, the nature of stable and consistent policy frameworks and the relationships between early childhood education and primary schooling are more contested, especially in the context of the highly diversified ownership of preschool providers.

This suggests that early childhood education should be located within policy frames that are area-based and that it should be located within education portfolios. The area focus would match the strong and potentially stronger community-based provision and provide the platform for relationships with primary schools. Its location within education portfolios would provide a greater capacity to engage with primary schooling in relation to learning development, and potentially for some sharing of facilities. This dual focus also would support a joint Commonwealth-state/territory government approach to funding, quality assurance, universalisation and professionalisation of early child education in Australia.

## Primary schooling

Primary schooling in Australia enjoys a high level of parental support and, on the basis of the PISA data, appears to achieve strong learning outcomes. Staff morale in primary schools is typically higher than in secondary schools, and staff absences are fewer. Primary schools tend to remain relatively neighbourhood-based, and the vast majority of primary school students attend on a free or low fee basis.

The literature abounds with evidence of the importance of early childhood education including early primary education for longer term scholastic, economic and social outcomes (e.g. Reynolds et al, 2001). Children come to primary school with different levels of cultural and learning capital and the key challenge for primary education is to cater for those children who have weak levels of this capital. This challenge is expressed in the number and range of intervention programs that are designed to accelerate the formal learning, especially in literacy, of children who have not reached age and grade level expectations. With high levels of poverty and family breakdown, it must be expected that the numbers of these children will continue and possibly increase.

Possibly the key weakness of primary schooling is its limited capacity to apply and sustain these interventions when and where they are needed. Finland has frequently been cited as a country that brings together three factors that deliver high levels and strong distributions of educational outcomes in primary schooling: relatively homogeneous school populations, high levels of staff competence and morale, and intense and sustained programs of intervention for students who have fallen or are falling behind (Grubb et al, 2006).

Arguably, Australia is weaker in each of these three factors. Early learning needs of students are not spread evenly across schools because the patterns of social geography in Australia have concentrated levels of social and economic exclusion in some communities (Vinson, 2004). These concentrations are exacerbated through forms of inevitable selectivity between the school sectors and within the sectors. Staff in schools with high levels of literacy learning needs are typically less experienced, and many of these schools allocate the least experienced staff to the early years. These schools also have a weaker capacity to gain extra funds through both formal and informal sources for the intensive programs to address these learning needs.<sup>21</sup>

Once again, an area-based approach is needed. This has the capacity to locate the areas of greatest need, work across the school sectors and link schools and their communities. There also is logic in addressing the issue of the weak scholastic or learning capital that is available to young people both through the school and through the home. This is the logic of the Commonwealth Government-sponsored Home Instruction Program for Preschool Youngsters (HIPPY) (see Baker, Piotrkowski & Brooks-Gunn, 1999). An area-based approach can facilitate these types of interventions in early primary education, potentially link them with preschool programs and maintain the levels of resource support for them. Furthermore, joint Commonwealth-state/territory government area-based investments are more likely to withstand pressures for the equalisation of public resources across schools and thus reduce the capacity to sustain and extend programs that address educational needs.

## Secondary schooling

Secondary education is a more troubled area than primary education in most countries, and this is also the case in Australia. It enjoys lower levels of parental satisfaction, and must deal with higher levels of school resistance and early leaving. Parental expectation and/or apprehension about the quality of secondary schooling are greater than for primary schooling. Families invest far more in secondary schooling as the enrolments to medium to high fee level schools is significantly larger at the secondary compared with the primary level (Australian Bureau of Statistics, 2007).

In Australia, the challenges are intensified by levels of early leaving that are high by international standards, and associated and continued problems in the transition of some young people from school to post school destinations. The secondary phase is also troubled by the differentiation of secondary schooling upon sectoral lines. This differentiation is manifest in terms of enrolment patterns and outcomes across the sectors. These patterns are the basis for discord within the education policy community and the consequential impasse over the complex and inconsistent patterns of public funding of schooling and accountability arrangements.

These features of secondary education and the intuitive and observable fact that the differences between the levels of students' learning outcomes become greater throughout the school years create more intense pressures for segregating students at the secondary level. The New South Wales Auditor General's report appears to endorse Lamb's (2007) findings in Victoria when it states that *"Although NSW schools perform well nationally and internationally, NSW has a high concentration of poor outcomes in some schools and some regions"* (Achterstraat, 2008, p2). Chris Bonnor (2009) has noted a tendency for government secondary schools in relatively isolated areas to achieve strong Year 12 outcomes compared to those that are in close proximity with non-government and selective government schools. He concludes that this isolation has ensured a broad mix of students in these schools.

These characteristics of secondary education in Australia are associated with the sectoral structure of Australian schooling and the nature of the secondary school curriculum and the pathways that it promotes. In other words, there are structural factors that influence secondary education to a greater extent than primary schooling. If the target of 90 percent completion of Year 12 or its equivalent is to be achieved, and current patterns indicate that secondary schools will have to carry most of the responsibility for this, these structural factors will need to be addressed.

Axiomatically, the 90 percent target mostly depends upon raising participation rates in areas and schools where participation and completion rates are currently lowest. These areas have the highest levels of social and economic exclusion and their schools tend to be the least equipped to provide for the diverse needs of students. Programs of school improvement, leadership development and teacher development combined with extra resources to meet these needs will certainly help. However, there is reason to suggest that this will not be sufficient in the absence of structural reforms. Issues of the range and quality of provision and the types of pathways that are available to young people also need to be addressed. Over the longer term this would include the following:

The secondary school sector should give less policy and operational emphasis to competition between schools for the same group of students at the expense of other students. All schools prize scholastically capable and motivated students. They provide strong Year 12 results that raise the status of the school, are fulfilling to teach, and provide a pilot effect in the classroom for other students. The stemming of the loss of these students from government schools is the rationale for the increased numbers of selective programs and schools across most states. Of course, selection is zero sum and possibly zero minus sum, as it may intensify early school leaving. Therefore, an ideal secondary education system in the Australian context would be one where:

- > The moral pressures and the incentive structures in secondary schooling encourage schools to cater for the full range of students; and
- > The governance arrangements, including funding, encourage schools to work across sectors, especially in areas where current participation patterns are weak.

<sup>21</sup> For example, in 2006 in the Victorian Government sector, schools that had higher SES levels were accessing a disproportionate share of disability program funds for students with 'special literacy needs'. The reason for this was that these schools typically had more experienced teachers with knowledge of the program and its procedures, whereas the low SES schools typically had less experienced teachers allocated to these classes (data from Victorian Department of Education and Training, 2005).

There should be an alternative emphasis upon area-based provision that guarantees young people a full range of programs and pathways. This also would require cooperative relationships between schools across sectors, especially the government and low fee non-government schools.

Both of these measures would be more effective with a stronger program base. Australian secondary education is amongst the most academic of all OECD systems. In 2006, 33.6 percent of students enrolled in a senior secondary certificate took in a VET program (National Centre for Vocational Education Research, 2007). In most cases, this involves one subject and is mostly at Year 11. Secondary education that is based upon age-related grade levels within a single modal academic curriculum cannot possibly meet the full range of student needs and interests. Robust programs that combine generalist, applied and themed vocational studies need to be developed and delivered.

With an expectation that the majority of school leavers will undertake further education and training, the transition processes need to have more couplings than tertiary selection processes based upon scoring systems. This requires better engagement between the school, university and vocational education and training sectors. More structured linkages including credit-based and direct pathway programs should be developed.

Approximately 40 percent of Year 12 students and the vast majority of full-time tertiary students (Lamb & Mason, 2008) were working part-time in 2007. The dual mode of part-time work and full-time education needs to be better recognised and facilitated in education programs, and potentially exploited for its learning capacity. This would include more flexible forms of upper secondary provision and wider contexts for learning.

## Contested principles and institutions

An idealised form of Australian schooling potentially will confront some issues that are highly contested in Australia. They need to be recognised and as far as possible settled.

### Choice

School education policy in Australia over the past decade has been cast within the principle of choice. There are three aspects of the choice debate that can be asserted:

- > The right of parents to send their children to an available school of their choice has been firmly established in Australia
- > The evidence of the impact of the use of school choice as a mechanism for system improvement is unclear and contested
- > The capacity to exercise choice is not evenly distributed across the community and as such it tends to contribute to greater inequality in schooling.

*Upon this basis, the optimal settlement is to accept the right of parents to choose from available schools, and accept that schools will have to look towards their own quality and performance to maintain and build enrolments. However, the consequential competitive pressures of these practices should be matched with measures that encourage and reward schools to accept a wide range of students, to cater for their needs and to collaborate with each other, including schools across sectors, to maximise the quality and diversity of provision.*

### Ownership

Schools in Australia are owned by the state, non government organisations – mainly churches - and privately. All publicly funded schools are not-for-profit. Some countries, such as Sweden and Singapore, have publicly funded private for-profit schools. The arrangements in Australia constitute a clear settlement, and one that can usefully be exploited.

As many countries have shown, the ownership of schools can have a minimal impact upon their capacity to serve communities and the wider social or common good. Indeed, there is an argument that an active relationship between government and non-government schools and agencies is healthy in a democratic society. As Anthony Giddens has argued (1999), the complexities of modern society make obsolescent the idea that equates public services with public provision.

*A clear settlement should be the acceptance of diverse ownership of schools on a not-for-profit basis, and with an expectation that the public or common good objectives will be achieved through a combination of national and moral objectives, regulations, and partnership arrangements between government, schools and civil society.*

## Funding

Funding is always a contentious issue in the provision of public services and education is no exception. The issue is especially acute in Australia because of the size of the non-government school sector and the complex set of relationships between the sector and government.

Most OECD countries provide funds for non-government schools. In almost all cases, this is either or combinations of:

- > Full recurrent funding and full or partial funding of capital costs;
- > Partial recurrent funding that together with fee income equates to a benchmark income level; or
- > Full funding or near full funding with some allowance or leeway for limited fee income (Eurydice, 2000).

In 2004, Allen Consulting advanced a proposal that combined elements of these three approaches. It invited large sections of the non-government sector to become fully funded with a limited capacity for fee charging – as already exists in most government systems in Australia. It then proposed a gradual reduction of public funding related to the fee levels set by other schools, such that schools that charged above a benchmark would receive no funding.

While defensible in principle, the proposal faced two major obstacles. It would have been expensive and involved a large transfer of public funds into non-government schools at the expense of a fall in private contributions. This is a counterintuitive strategy for most governments, which are eager to gain private revenue for services, especially from those sections of the community than can afford to pay. The second obstacle has been the expectations that have developed in all schools in Australia, including private schools, that they are 'entitled' to an amount of public funding, irrespective of their other sources of income.

## Governance and accountability

Although non-government schools in numerous countries are under the direct administration of government and government-appointed agencies, this is not possible within the Australian polity. In New Zealand, for example, the majority of non-government schools were 'integrated' as publicly funded schools (Furtado, 2001). It is unlikely that any of the main elements of the non-government sector in Australia would be willing to accept this status and terminology.

Governance entails direction, regulation, purchase and contracts, and leadership. Only the first of these is essentially problematic for the non-government sector. Australian government systems have mostly reduced central administration of schools and this provides a better basis for relationships between the state and non-state schools. However, most of the non-government sector will be unwilling to subject itself to much direct instruction in most areas of schooling such as enrolments, industrial relations, curriculum and hours.

Therefore, the pursuit of an ideal, within the realities of the Australian polity, for a broad school system that best meets the national social and democratic ideals need to be mainly through the other mechanisms. For this reason, state governments should separate the role of the direct administration of the government schools system from the broader role of governance of the whole education and training system, as has occurred in Queensland.

The end of 2008 brings a watershed where governments and other agencies across the globe are calling for more regulation. The ideas of self and light touch regulation and unrestrained market behaviours are being questioned in the context of their apparent failure in the finance and other sectors. Australian governments have an opportunity to reformat the regulatory structure of Australian schooling. This should include common platforms and systems for government and non-government schools for teacher registration, school registration, the curriculum, enrolment data, revenue sources and expenditure, and student outcomes data. The location of much - if not all - of the relevant data on all of these items should be centralised or made accessible so that fuller pictures of the costs, clientele and outcomes of Australian schooling can be gained and analysed.

Consistent with the principles proposed above, public investment in schooling should be based upon some purpose rather than institutional entitlement. All schools should be expected to articulate how the public funds will be used for the good of their students, their communities and the wider interests of the nation – the common good. Correspondingly, governments should be clearer about what they are purchasing on behalf of the public when they provide funds for schools, government and non-government. A purchasing arrangement is based upon the premise that government has some expectations of educational outcomes that are based upon its social and economic policies. The two sets of expectations – governments' and the schools/school sectors' - provide the foundation for the agreement. Payments should have appropriate and strategic mixes of recurrent payments, grants and purchasing agreements. TAFE institutes have moved from recurrent funding to purchasing agreements over the past two decades.

Finally, there is a need for vision and leadership on the outcomes of schooling. This is not simply a role for government as it should be a relationship between government, the education community and civil society. A robust relationship has the advantage of potentially strengthening the vision, but also of building a commitment to it across the wider education community, including the non-government sector. It then can become a stronger platform for negotiations over the investment in and outcomes of schooling.

The underpinning logic of these proposed initiatives is that it is impossible to directly address the structural problems in Australia's federalist and mix systems of government and non-government schooling because of the inevitable sectoral pushback into political minefields. Furthermore, what might constitute a new settlement or set of settlements is somewhat unknown. Those of Canada, the United Kingdom nations and New Zealand are not feasible in the immediate future and a new Australian settlement will need to be built over time.

The core elements of the settlements are financing, governance and accountability. Therefore, a strategy to advance in these areas needs to be built upon two sets of initiatives:

- > Those initiatives that can be advanced directly and immediately. These are initiatives that may well incite pushback but which could feasibly be negotiated through the COAG processes and should not encounter key sector resistance
- > A set of initiatives that are directed at key areas of educational need and that through their implementation will establish new sets of practices for educational delivery across the school sectors and new principles for the allocation of and accountability for public funding in schooling.

Such a strategy is designed to establish a beachhead for new principles and practices within a framework that is designed to build common expectations and standards for the funding for, delivery of and access to schooling in Australia. It is a combination of an immediate and long term endeavour. The immediate endeavour is a set of national projects to address key areas of educational underinvestment, under-performance and inequity in Australian schooling. The long term endeavour is to use these projects, together with some more immediate structural reforms, as platforms for deeper reforms in financing, accountability and governance, including a settlement on the corrosive issue of government and non-government schooling that is based upon the realities of the Australian polity.

# K

## A strategy

The optimal outcomes of this in terms of structural relations would be:

- > A more direct focus upon areas of educational priority and need that justify concerted national efforts;
- > Localised approaches that can better coordinate and concentrate the full range of educational and other services for school and early childhood aged students and can initially concentrate upon those communities that have the greatest need;
- > Bridgeheads between government and non-government schools that share common objectives and responsibilities as a platform for wider structural reforms in financing and accountability;
- > A platform for more productive Commonwealth–state relations in schooling; and
- > A better foundation for more consistent education policy in Australia that is based upon evidence of needs and priorities rather than short term political leverage.

## Two sets of initiatives

This paper therefore proposes that the Commonwealth Government should initiate through the COAG processes two sets of initiatives designed to achieve significant reforms in the federalist and sectoral relations in Australian schooling. The immediate structural initiatives are those that feasibly can be negotiated with the states and that build upon the current COAG and other federalist initiatives. The second is a set of projects that will variously require and invite new sets of federalist and sectoral relations and that can provide a platform for further reforms.

### Structural initiatives

#### a. *A reframed set of goals and purposes.*

Australian schooling has advanced its goals over the past two decades through the Hobart, Adelaide and the Melbourne Declarations, and more recently through the COAG statement. The ambition of these statements has increased. This should continue with a more ambitious set of goals and purposes that builds upon but goes beyond the human capital agenda of the COAG statement by incorporating principles of social inclusion and cohesion and a strong civil society and by linking these objectives to the responsibility of all publicly registered and funded schools. The national goals are being addressed through the COAG processes, and it is important that governments fashion these goals so that they can support structural reforms. The broader social purposes of the Melbourne Declaration, and especially its objective of the common good, should be used to examine and institutional and policy settings.

#### b. *A national curriculum framework and a national approach towards senior secondary programs and provision.*

There have been several proposals and attempts to establish types of national curriculum and certificates in Australia. These have failed in part because of lack of clarity about their purposes and benefits. The current initiative of the Commonwealth Government needs to be aligned more closely with national economic and social goals. It should combine the need for a curriculum, especially in the vocational areas, that will better serve the human capital imperative with a curriculum with which all students should engage as a social right and one that all schools have a responsibility to deliver. In this age of ecological threat and social stress, there is an imperative for a national curriculum to address the needs of the wider community.

#### c. *Movement towards a common regulatory framework.*

The division of regulatory frameworks for schools and teachers on sectoral lines makes little sense and is not justified when all schools are publicly funded. Some states have moved towards common regulatory platforms for all schools. These reforms should continue so that all schools work within a common set of regulations in relation to school registration, curriculum, teacher registration and possibly leadership accreditation. Governments and sectors should reach a clear settlement about what are minimal standards in these areas and the minimal requirements for registration in regards to the delivery of an agreed national curriculum.<sup>22</sup>

<sup>22</sup> This is not to presuppose a central national curriculum. Rather, it is an argument that since all schools are registered by state governments and funded by both levels of government, there should be reasonably common expectations about the minimal requirements for delivering a curriculum that is either based upon a national framework or is a set of state based curriculum frameworks within a national framework.

**d. Reform of funding arrangements.**

There is already a consensus on the need for major reforms to the complex and inconsistent funding of schooling in Australia. Although this is the most sensitive of issues and will require a longer term project, governments need to more immediately begin the project of reform. Some steps could include:

- A set of financing principles such as those related to minimum standards or levels, need and equity, efficiency and effectiveness, transparency and accountability, consistency and stability, etc
- Agreement on the respective roles of state/territory and Commonwealth governments in regard to finance, including areas of joint responsibility
- Clarity and specificity about what government pays for, and the designation of funding for these purposes.<sup>23</sup> This step would complement and be consistent with the second step
- Agreement on the purpose, strategies and program and evaluation requirements for needs-based funding. This would be carried out largely through the three projects that are outlined below.

The long term objective of these measures could be to develop inter-connected formulae for state and Commonwealth funding of schooling, potentially based upon complementary legislation (Connors, 2008).

**e. A national quality agency.**

To complement the movement towards common regulatory frameworks and the proposed set of national initiatives that are outlined below, a national quality agency that reports to state and Commonwealth ministers (through MCEETYA) could be established. The agency would have a high level of independence similar to that of an auditor general or the Productivity Commission, and would have responsibility for providing objective data and analysis on the performance of the national school system.

This would not be an inspection agency like the Office for Standards in Education (OFSTED) in the United Kingdom. Rather, it would have the role of monitoring the quality and distribution of participation and outcomes in schooling across the country. It would use information beyond the national stage tests and would undertake or commission studies such as regional-based studies that linked schooling with social geography and regional economies.

Its purpose would be to build confidence in schooling across the community, alert government and system authorities to issues and locations of underperformance, and assemble a broad range of data sets to inform policy and funding and accountability regimes. The proposal is based upon the governance principle of having an audit function that is independent of both school ownership and school regulation, including funding.

**Three national projects**

It is proposed that a set of national projects should be initiated in order to address key sets of weaknesses in Australian schooling and as foundations for further structural reforms. Three areas for intervention stand out: early childhood education, middle years disengagement and upper secondary programs and pathways. These three areas cover the broad COAG agenda and each can benefit from concerted national efforts.

**f. Early childhood**

The underinvestment in early childhood education has been acknowledged by political leaders. There are serious issues of equity and the long term impact of the lack of access of sections of the community to early childhood education. As well, Australia faces a major challenge to professionalise early childhood education and link childcare, preschool and primary school services.

Each of these three elements of early childhood education is financed, governed and delivered through different models. Given current patterns of access, this suggests that a national initiative as a partnership between state and Commonwealth Governments should be targeted at most needy communities in order to develop optimal models for the design and delivery of early childhood services. The community-based model allows for a wide range of services to be incorporated.

<sup>23</sup> This would be in recognition of the fact that most schools, government and non-government, have private income sources and the fact that government cannot and should not pay for everything. For example in Flanders where most schools are church schools the government pays for 2 hours of religious instruction per week. Those schools that wish to deliver more than this must use private funds for the extra instruction.

### **g. Middle years reengagement**

Despite the strength of Australia's PISA results and the strength of the economy, the levels of early school leaving and youth unemployment remain high. Early school leaving is characterised by disengagement from schooling that is most acute in the early and middle secondary years. Several schools, especially some well-resourced schools in the independent sector, invest in programs that are designed to give students new learning contexts and different learning challenges. However, those students who are most likely to become disengaged are least likely to be able to get these experiences from their schooling.

There have been several Commonwealth and state programs to address student disengagement, and there are numerous examples of innovations in schools and networks of schools. However, there have been no sustained efforts to address this issue, despite the analyses that indicate that there are substantial economic and tax revenue returns from investments to reduce early school leaving (Applied Economics, 2006) as well as the social gains (Green, Preston & Sabates, 2003; Vinson, 2004).

A national initiative could target regions across the country with high levels of early school leaving. It would provide resources for schools and especially networks of schools that are committed to retaining their students and ensuring that they successfully complete Year 12. A variety of programs could be supported through this initiative. However, they would need to have the common objectives of retaining students at their schools rather than shifting them to other providers.

### **h. Upper secondary pathways**

Upper *secondary* education in Australia is strongly oriented towards preparation and selection for university studies. The consequences for students who are not destined for university are compounded by the fact that they are concentrated in schools that are least equipped to deliver a broad range of programs including VET because of small enrolment numbers.

Senior secondary schooling in Australia is dominated by a subject hierarchy and competitive school model. The alternative model is that of well-structured student learning programs, including VET-based programs that are linked to post school education, training and employment destinations delivered by a network of providers (government and non-government schools, TAFE, private Registered Training Organisations, etc). This model struggles under the weight of reduced resources and weak status.

The challenge in this context is to build the programs and the pathways and to provide the incentives for providers to cooperate in their delivery. The Commonwealth has already invested a large amount of funding in trade training centres. There is also a need for program development that can allow schools to deliver Certificate III and above VET qualifications. This could be pursued through the Australian Curriculum, Assessment and Reporting Authority.

These developments could provide the foundation for a third national initiative. Once again, it could begin by targeting those regions with the highest levels of early leaving and youth unemployment and would provide resources for the design and supplement the delivery of programs that more directly link with post-school pathways. Providers would have incentives to work together and efforts would be made to link with local industries and other service providers.

### **Common features**

Each of these proposed initiatives has some common features:

- > They are cross sectoral and would encourage partnerships between government and non-government schools;
- > They are location or community-based where community and responsibility towards students from the community would be seen as shared and thus become a condition for participation and the delivery of resources through the projects;
- > They are needs based. In all three cases, the natural starting points are those communities that have the weakest patterns of participation and outcomes. They address most of the key findings from the OECD (2007) review of equity in schooling; and
- > They are developmental. They are deliberately designed as means of building a new set of relations and eventually settlements for the issues of federalism and government and non-government in schooling.

### **Structural reforms**

From these features, new platforms could be gradually built in the following areas:

- > Needs-based funding that is program- and outcomes-based;
- > New sets of funding criteria and accountability such as area- or community-based responsibilities and cooperation;
- > Common funding criteria and conditions for government and non-government schools. For example, non-government schools could widen fee relief for students from low income households as a basis for program participation;
- > More localised and collaborative governance models; and
- > The Commonwealth and state/territory governments should establish an agenda of reaching agreements on their respective long term roles in each of these areas.

## Funding

By OECD standards, Australia's public investment in education is weak. However, the combination of public and private investment is close to the OECD average and the investment in secondary education is relatively strong. Therefore, this paper is not simply a call for more government funding of schooling.

The proposals, if adopted, would require funding. However, the first set of proposed structural changes should be relatively cost neutral and the second is proposed as developmental, partially in order to constrain costs. In the long term, government will need to allocate funding that is available through priority-setting processes. One significant advantage of national approaches to key areas of schooling is that they can have a stronger needs focus as they are less prone to the resource equalisation pressures that so strongly influence state level funding of government schools.

## Benefits

This paper has argued that there are sets of structural rigidities in Australian schooling that are inhibiting the broad objectives of quality and equity. Furthermore, there are underpinning trends in patterns of participation and outcomes that will make these objectives more difficult to obtain in the future.

Structural factors alone do not make for quality and equity. Other factors including the quality of teachers, the capacity of school leaders and the vision of school systems is critical. Continued efforts are needed to enhance teaching and leadership in schools and ensure that schools get the best possible support.

However, structural factors can - and in Australia's case do - inhibit these efforts. They influence the mixes of students in the schools, the expectations for these students, the range and quality of programs that they are delivered, the experience, quality and vision of the teachers and school leaders in their schools, and community perceptions about the quality of their schools. No national education system can ignore these variables if there are national objectives of having a school system that produces high standards of learning and from which all students can have reasonable expectations of equal opportunities in their schooling.

The initiatives that we have proposed are designed to address the structural issues. As a program of reform, they can be seen as working alongside the investments in teacher development and leadership development that are being supported by both levels of government. We argue that, if implemented, the reforms would both enhance these efforts to improve the standards of learning and do much to increase equity or at least reduce pressures towards inequity across Australian schooling. Specifically:

- > Investments in early childhood would substantially enhance the life chances and learning of children from the poorest households;
- > Middle years disengagement can be reduced and staying-on rates can be increased through sustained and coordinated efforts; and
- > Upper secondary pathways and programs can be strengthened through cooperative and coordinated approaches to provision.

However, the key focus of the proposed reforms is a strategy to overcome the corrosive relationships between government and non-government schooling and the restrictions that federalism places upon educational policy in Australia. Broadly the proposed set of reforms is designed to achieve:

- > A polity that can more freely allocate resources upon the basis of needs and evidenced priorities rather than upon the basis of stakeholder management;
- > Public identification of schools and associated political discourses about schools upon the basis of their intrinsic qualities rather than their sectoral locations;
- > New delivery arrangements that combine autonomous schools and school sectors through a set of common principles, expectations and responsibilities; and
- > Through these principles the building of fairer, more consistent and more transparent funding and accountability arrangements that are directed towards educational need and a broad value added in schooling.

## A new federalism

There is a substantial literature on the strengths and weaknesses of Australia's federalist form of government. There appears to be a degree of consensus that the federalist form of government has some significant advantages, but some difference in views on the extent to which the Australian federation is working well.

It has been observed by numerous authors that since its inception, the Australian federation has undergone a shift of functions and powers to the Commonwealth or central government. Despite the tendency for devolution of responsibilities to regional governments in several non-federalist states such as the United Kingdom, this appears to be a common trend in some federations (Fenna, 2008). The merits of this can be debated. However, this trend serves the point that the institutions of government have been mutable and in all likelihood will continue to be so.

Halligan (2008) makes the observation that the changes in the distribution of powers and responsibilities between the national and state governments have been a gradual process rather than a series of significant takeovers by the national government. The accumulation of taxation resources and a relatively consistent line of jurisprudence within the High Court have seen a significant increase in the Commonwealth's role in a number of areas, including education. More direct attempts to change the constitution through referenda mostly have failed and direct interventions over the top of state governments by the Commonwealth in areas of state responsibility have passed with little impact.

The more gradual or evolutionary processes have been facilitated by factors apart from jurisprudence. Forms of overt or tacit agreement between the two levels of government have also facilitated changes in the federalist balance. The catalysts for these changes undoubtedly include the vertical fiscal imbalance between the two levels of government. However, they also are an expression of the deliberations of state governments, often influenced by sectoral agencies, including those in the private sector.

Federalism has evolved from a simple division of areas of policy and administrative responsibility as laid down in section 51 of the Australian Constitution. Across different areas of public policy and administration, the two levels of government cooperate, coordinate, compete and have collateral activities. In some areas, governments have come together to integrate policy and operational functions. The area of vocational education and training provides perhaps the clearest example of this outcome. The processes of national training reform that were undertaken in the early 1990s have resulted in national agreements, structures and processes for an integrated national training system where the policymaking processes and the funding, governance and accountability responsibilities and processes have been established and have operated successfully for more than a decade.

In recent decades, negotiating and decision-making structures and processes have been established by governments to facilitate these more complex sets of federalist arrangements. Ministerial councils and now COAG are active in policymaking processes in a range of areas that have traditionally been state government responsibilities: health, crime, transport, and of course education.

This is not to suggest that the current state of Australian federalism is without its problems. There is a strong sense across the literature that there are dysfunctional aspects of federalism. Some of these are expressions of the political processes and climates, such as the several pre-emptive actions taken by the Commonwealth Government over the heads of state governments in 2007.<sup>24</sup> Nevertheless, the significant increase in Commonwealth powers and activities alone is sufficient to justify some substantial examination of what should be optimal arrangements within Australian federalism. Beyond relatively extreme and possibly populist (but not popular) proposals such as abolishing the states, there are arguments that the disfunctionalities are located in certain areas of public policy and administration and the quest for a better federalism should be built through cross-government projects in selective policy areas.

Water management has been an obvious example. However, there is a case to be made that education provides a stronger example. This is because it has deep set structural problems and sets of inappropriate institutional arrangements that are linked to different constituencies, and because the functional trends that are linked to these institutions are in directions that are counter to the goals of schooling that have been articulated in the Melbourne Declaration. Furthermore, a start has been achieved in the form of the Melbourne Declaration, the associated MCEETYA Action Plan (Ministerial Council for Education, Employment, Training and Youth Affairs, 2008b), the movement towards a national curriculum, and the COAG productivity agenda (Council of Australian Governments, 2008).

<sup>24</sup> The interventions in the Launceston Hospital and the Northern Territory indigenous affairs.

The essence of this proposal is the whole picture. There has been a tendency in educational debate and policy to deconstruct educational outcomes and educational inputs. While research-based analysis of school effectiveness is important, it can lead to policy fragmentation. In a context of the structural characteristics of Australian schooling, this can lead to a policy impasse on key issues of funding and the associated issues of the responsibilities of schools and their accountability for their practices.

The paper argues that some structural characteristics are becoming rigidities and that this is having a dual impact of weakening the capacity of the wider system to deliver quality and equity and weakening or limiting policy options for schooling in Australia.

It therefore takes a whole system approach at two levels – the national and local. The strategy to tackle the structural weaknesses that it proposes is located at two levels: the national and system level where the more socially aspirational principles and goals can be established and where key infrastructures can be strengthened, and the local level where new delivery mechanisms can be established and subsequently serve as platforms for broader structural reforms.

The paper intrinsically argues for an education policy paradigm that is ambitious and moral in its principles, honest in recognising structural weaknesses and the elephant of growing social segregation within Australian schooling, strategic in building platforms for reform, and opportune in taking what could be a unique historical moment in Australian schooling.

The first task is for government to provide a vision. The core objectives of quality and equity are widely accepted across the Australian community, so the essence of the vision is the characteristics of a school system that can deliver that vision. This paper argues that the current and dominant vision of high quality teachers and school leaders is insufficient, not deliverable across all schools in the face of structural barriers, and unlikely to be sustained in the long term in the absence of major structural reforms.

The vision, therefore, needs to go deeper and look towards schools as social settings with core social purposes, as well as individual school purposes. They need to be based upon a sense of both individual rights and aspirations and collective or social rights and obligations (Rawls, 1971). Such a vision is unlikely to be realised if schooling in Australia continues its trend of segregating students on the basis of wealth and educational achievement, and of fragmenting its funding and governance on the basis of separate interests and short term political convenience.

We have argued that a vision for schooling lies at the heart of the Australian federation. This is because schooling has increasingly become a national enterprise and is seen as central to the economic and social future of the nation. It is also because the structural characteristics and, as a consequence, much of the policy parameters, are related to the overlay of federalism upon schooling in Australia. Given the particular historical moment in Australian federalism, this is the time to address these structural characteristics and their weaknesses.

# L

## Conclusion

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**Education Foundation,**

A DIVISION OF THE FOUNDATION FOR YOUNG AUSTRALIANS

21-27 Somerset Place  
Melbourne Victoria 3000

GPO Box 239  
Melbourne Victoria 3001

P 03 9670 5436  
F 03 9670 2272

[www.fya.org.au](http://www.fya.org.au)