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STEERING AT A DISTANCE

Synopsis

This paper reports on the impact of the 'new public management' (NPM) policy framework on education through the introduction of quasi-contracts, that is school charters, on the daily operation of government schools in the state of Victoria, Australia, between 1993 and 1997. Respondents to the research were 97 principals of government primary and secondary schools in Victoria. The defining questions of this paper relate to efficiency and effectiveness in relation to competition, improved management practices, improved learning outcomes and accountability; and deregulation and decentralisation relating to the transition of responsibility to the local communities. The research is set in the context of policy analysis and takes a qualitative approach based in the interpretivist philosophy. Data were collected through a focus group interview and questionnaires.

The findings suggest the NPM through the use of quasi-charters had impacted on school practices in Victoria. The school charters had some impact on efficiency and effectiveness through improving school management, specifically in developing a shared vision for the school, gaining staff understanding of the vision, targeting funding to key improvement areas, long-term planning and enhancing the leadership of the principal. Principals perceived the charters to have increased accountability and perceived them to be an effective accountability tool, providing a sound basis for internal school evaluation. However, principals believed that school charters have had little impact in two key components of the NPM; that is, increasing competition and community ownership of schools. The findings suggest that charters do provide a means for governments to deliver education by 'steering at a distance'.

Every few hundred years in western history there occurs a sharp transformation. We cross... a divide. Within a few short decades society rearranges itself, its world view; its basic values; its social and political structure; its arts; its key institutions. Fifty years later, there appears a new world...we are currently living through such a transformation. (Drucker, 1993, p. 1)

Over the last twenty years, the delivery of public services in western industrialised countries has been subject to a wide variety of influences from many sources including changing ideology, politics and economics, resulting in ongoing reform. While the changes have been introduced in different time frames, and by different political parties, there has been considerable commonality in government actions. Factors influencing reforms have included

efficiency, effectiveness deregulation, decentralisation and marketisation (Lane, 1997; Osborne and Gaebler, 1992; Hoggett, 1991; Kanter, 1989; Peters and Waterman, 1984; Deal and Kennedy, 1981; Friedman, 1980; Friedman and Friedman, 1980).

These reforms have involved the examination of the realm and responsibility of the state in the economy; particularly the balance between the protection it should provide its citizens on the one hand, and private decision making and the responsibilities of the individual on the other. During the first half of this century, revolutions, two world wars and the great depression combined to cause people to seek greater security and improved living conditions. This challenged the belief in the market economy, suggesting that the market could not deliver what society at that time required. As a result governments expanded their existing responsibilities and assumed new ones. The advance towards state control appeared unstoppable and went largely unchallenged until the 1980s when the cost of the 'welfare state' and growth in the bureaucracies that supported it became too much of a financial burden for governments to sustain (Yergin and Stanislaw, 1998). The issues of cost, dissatisfaction with services and criticism of the scale and scope of state-run monopolies (Illich 1977, 1975, 1971), combined with the view that the 'welfare state' eroded both work and investment incentives and directly contributed to the economic recession of the 1970s (Friedman, 1969), paved the way for reform in public sector management.

This new cycle of public sector management that emerged in western industrialised nations based on deregulation, privatisation and marketisation is referred to by some writers as 'new public management' (NPM) (Yergin and Stanislaw, 1998; Lane, 1997; Flynn, 1997; Ferlie *et al.,* 1996). The approach has seen governments focusing on the tasks that relate to their principal role in the conduct of government, that is, decision making and direction setting, thus separating policy and accountability from operations. This approach, it is suggested, provides government agencies with greater capacity to "steer" and is said to prevent policy decisions from being captured by the sections of government that "row", that is, the service providers. The ideology that supports the NPM platform of policies is strongly associated with governments labelled as 'new right' and includes the Thatcher era in Great Britain, the Reagan era in the US, the 'Rogernomics' period in New Zealand and the Kennett government in Victoria between 1992-1999. However, aspects of the NPM policy ensemble are influencing Labor and Coalition governments alike.

Cuban (1990) suggests that when ideological shifts, such as discussed above, occur in larger society, schools accommodate. Consequently educational services traditionally delivered by governments have not been exempt from the transition to NPM. While the pace of the transition in countries has varied, McPherson's description of what occurred in New Zealand in the late 1980s illustrates the impact on schooling:

> *In 1988 and 1989 there was political intervention into education on a scale never seen before in New Zealand. In 1988, as part of the Labor Government's wide ranging social reform program, broader social values were deployed against 'provider capture in education' - where the providers of a service have captured their terms of service. The Picot Taskforce recommended the radical devolution of power, resources and responsibilities to education institutions and local communities. The effects were dramatic. A large Department of Education was replaced by a new compact ministry, a national review agency was established to provide systemic accountability, and the terms of professional service, leadership and governance in education were redefined.* (McPherson, 1993, p. 69)

The reforms to education in New Zealand changed the balance of power between the state, the schools and the community. The responsibilities formerly held by the Education

Department and School Boards were devolved to boards of trustees, which consisted largely of parents of currently enrolled children of a school. The purpose was to create schools that were uniform in offerings and were addressing equity through prescribed requirements, such as the Treaty of Waitangi (which is concerned with the rights of indigenous people), and national curriculum goals. While New Zealand provides the most dramatic and far-reaching exemplar of the transition, it was not alone in making such changes.

In Australia, reform has occurred at all levels of government; Commonwealth, state and local. The configuration of the Commonwealth allows considerable variability at state level. Arguably, the state of Victoria with a population of four million people embraced the most radical public sector reform. The election of a Coalition government under the leadership of Premier Kennett in 1992 resulted in:

> *Every domain and activity of government being examined to determine whether it is efficient, effective, high quality and meets the genuine needs of Victorians. We look at the way it is delivered - whether in fact the Government should be the manager or provider in a particular area, or if it is better that we set the guidelines and farm its operations out to the private sector or the community itself.* (Premier of Victoria, Kennett, 1995, p. 1)

Departments became responsible for policy and accountability and the services they previously delivered were privatised, or contracted out. The government and its departments became distanced from service and essentially took a hands-off approach; that is, central authorities were 'steering at a distance' The delivery of educational services was chartered to the community within guidelines as articulated in its *Schools of the Future* program (1993). Kennett's approach links closely to the NPM model as espoused by Ferlie *et al.* 1996, providing an opportunity to examine the impact of NPM in the work place, in particular schooling.

The research reported in this paper was conducted in government schools in the state of Victoria between 1993 and 1997. The research was based within a policy analysis framework and linked government intentions at a macro level with school practices at a micro level (Ball, 1994; Rist, 1994; Hogwood and Gunn, 1981), that is, evaluation of the outcomes of the implementation of policy at local sites. The research involved analysing how individual principals and principals as groups (according to their length of service and a variety of experiences) actually interpret policy at their arena of influence, that is, school practice (Rist, 1994; Ball, 1990). The questions that framed the research related to the key features of the NPM, that is:

- Efficiency and effectiveness in relation to competition, improved management practices, improved learning outcomes and accountability.
- Deregulation and decentralisation in relation to the transition of responsibility to the local communities.

An interpretivist approach that looks for culturally derived and historically situated interpretations of the social life world (Crotty, 1998) with a pragmatic focus which looks at issues of management, practicality and improvement (Rist, 1994), provided the theoretical framework. A combined qualitative/ quantitative approach was taken in collecting data using a focus group and a questionnaire consisting of open and closed questions. Respondents to the research were 97 principals of government primary and secondary schools selected randomly using the sampling frame of the Office of Schools Review, Department of Education. Results from the questionnaire were statistically analysed in relation to the independent variables of school type, experience of the principal, principal's role in developing the charter and whether the principal had been through a triennial school review.

Open-ended questions were also included to obtain additional information and to enable the 'voice' of the principals to be captured.

The context, findings and discussion relating to this research are reported in two parts. The first section deals with efficiency and effectiveness and the second part deregulation and decentralisation. The paper concludes by exploring the emerging issues in schools as a result of the reforms and the implications for government in 'steering from a distance'.

Efficiency and effectiveness

Efficiency and effectiveness in operations have been an outcome sought by Governments. The downturn of the economy in the western world in the 1980s and 1990s highlighted the financial plight of governments. The crisis in expendable dollars saw the review of government services in relation to efficiency and effectiveness. Influenced by reports of advisory bodies (Report of the Victorian Commission of Audit, 1993; Griffiths Report Great Britain, 1983) the concepts of cost effectiveness, efficiency and competition began to emerge as a solution (Ferlie *et al.,* 1996; Osborne and Gaebler, 1992; Bates, 1988).

Improvements relating to efficiency emerged in two parts. The first was in relation to productivity savings that saw all government departments including education being required to produce the same results with savings of 10 per cent or more annually. The second required departments to make savings in the delivery of programs to enable them to pay for new initiatives. Efficiency explored what was produced for the expenditure involved. This resulted in comparative studies of the cost of delivery of schooling per pupil, the number of pupils in a class, staff-student ratios and funding formulas. Benchmarks were established in relation to costs, usually based on the lowest example. In an attempt to unify outcomes, schools experienced the introduction of common curricula, standards frameworks, national testing, league tables, review offices and quasi-contracts such as school charters that articulated what a school would deliver for the funding provided (Flynn, 1997).

The focus on improved results through effectiveness and efficiency gave rise to an emphasis on competition. The global economy, and the ease with which capital can be moved from one country to another, was viewed as increasing the pressure on governments to ensure decisions were economically and socially accountable. Debate in the US, New Zealand and Australia had focused on the international competitiveness of the countries, driven essentially by economic downturn and the burgeoning tiger economies of Asia in the early 1990s (Kennett, 1995; Osborne and Gaebler, 1992; Pinkerton, 1990). Kennett stated that governments' future financial viability rested on their ability to compete nationally and internationally for trade and commerce and carried over into the intra-state activities of government, and hence affected the availability of funding for government services like education (1995). This created an emphasis on the need for governments to demonstrate competitiveness, which resulted in a move to test the market for the cost of the delivery of government services.

Competitiveness

One outcome of the increased competitiveness was the move to contractual arrangements for the delivery of services. Contractual arrangements as varied as intra-public sector contracts, public-private contracts, privatisation contracts, employment contracts and quasi-contracts emerged (Alford and O'Neill, 1994). For schooling, the result was contracting out of non-core school activities such as cleaning and maintenance and introduction of management of schooling through the local community via grant-maintained status schools (such as in Great Britain) or school charters (as in New Zealand and Victoria).

Use of contractual arrangements was considered to permit governments to be more "enterprising" (Osborne and Gaebler, 1992). By stating the outcome they wanted and encouraging possible providers to indicate ways of delivering the service within the available funding, governments could select the most appropriate method of providing a service. Pinkerton (1990) sums up the enterprise approach, stating it is not the amount of money that is important, it is how the money is used to achieve the outcome. In New Zealand and Victoria this has meant schools have been encouraged to be more entrepreneurial in seeking sponsorship, taking on fee-paying students, providing services for other schools and agencies and generating money from use of school facilities.

The advantages of customer focus are argued by Osborne and Gaebler (1992) as being: that the service is more accountable to the user, the customer's choice is depoliticised, customer needs are viewed as stimulating innovation, and the establishment of different services is encouraged. Osborne and Gaebler (1992) state that financial savings are likely because customer-driven systems are viewed as being able to match supply and demand and customers are more committed to the service. For example, parents and students are considered to be more committed to charter schools that they have selected than schools they are forced to attend. However, evidence is still to demonstrate that these advantages are achievable.

Osborne and Gaebler (1992) caution that competition in government services:

> ...must be carefully structured and managed, if it is to work. ...unregulated markets generate inequality... Competition that is structured carefully, however, can produce more equitable results than service delivery by a public monopoly. Contractors can be required to provide comparable wages and benefits and to promote affirmative action, for example. This is important, if the values we embrace through our governments are not to be lost when those governments use competitive contracts. (Osborne and Gaebler, 1992, p. 105)

Competition as espoused by Osborne and Gaebler (1992) is not unstructured or uncontrolled. The focus of the competition is on placing the needs of the individual and the values of society together.

Marketisation

For a range of organisations such as churches, charities and educational establishments, activities are conducted for primary purposes other than trade or profit. Consequently, the concept of competition and introduction of markets was not generally applied to government services, where there was compulsion to participate, (as in schooling) and where, in the majority of cases, there was minimal or no choice. However, over the last two decades the concept of competition and market, both internal and external, has been applied to government services, in particular, education (Marginson 1995).

Marginson (1997) argues that marketisation has it origins in the 'new right' movement that emerged in the 1970s and adopted a market liberal brand of modernisation which featured seamless global markets, free market competition and encouragement of individualism. What is new in NPM is the emphasis on market forces and applying the mechanisms within government agencies (Kennett, 1995; Osborne and Gaebler, 1992; Pinkerton, 1990).

Osborne and Gaebler (1992) stress "market orientation" rather than marketisation in their writings. Osborne and Gaebler suggest that market orientated government:

> *...has nothing to do with conservative calls to 'leave it to the market' ...Structuring the market to achieve public purpose is in fact the opposite of leaving matters to the 'free market' - it is a form of intervention in the market.* (Osborne and Gaebler, 1992, p. 284)

Osborne and Gaebler (1992) explain how structuring the market is different from delivering services through bureaucracies, stating:

> *Structuring the market is also the opposite of creating publicly administered bureaucracies to deliver services. It is... an alternative to both the liberal call for administrative programs (sic) and the conservative call for government to stay out of the market place. It is a way of using public leverage to shape private decisions to achieve collective goals. It is a classic method of entrepreneurial governance: active government without bureaucratic government.* (Osborne and Gaebler, 1992, p. 284)

One could query why this emphasis on markets arose in the public sector. Osborne and Gaebler (1992) suggest that exposure of the public sector to the market is viewed as establishing closer links between the provider and consumer of services, resulting in an enhancement of access to information and increased accountability to the consumer. Evidence to support this claim appears more rhetoric than reality.

The introduction of marketisation into government agencies is illustrated by the changes to educational funding in Australia during the 1980s. The need for governments to reduce Australia's deficit saw funding to education reduced, resulting in enrolment growth being accommodated in existing facilities and in the private school sector. Support was provided for private schooling through subsidisation rather than the expansion of government schooling, and there was a partial shift in the funding of education from government to individual students through increases in private school fees and the introduction of fees in tertiary institutions (Marginson, 1997).

Critics of marketplace approaches argue that it will result in inequities in relation to social class and ethnicity. The increased span of school performance means some schools will get better while others will only get worse (Handy, 1997), a view acknowledged by Osborne and Gaebler (1992). However research is yet to validate this view (Office of Educational Research and Improvement, 1999).

The market approach does not necessarily reduce central control. Usually the centre has strong policies and accountability in place as it moves into this model. Examples are the national curriculum and national testing in Great Britain, common goals in the School Charter in New Zealand, and strict charter school establishment laws in the US (State of Arizona, 1994; Michigan Partnership for New Education, 1994; California Assembly Bill No. 2585, 1992).

Choice

Markets usually infer choice. Levin (1990) defines choice as families having the right to choose the type of education they want for their children and being able to choose the school that best suits the needs of their child. School choice such as public or private schools, alternative schools and home schooling has been a feature of education over the last forty years in the US, Great Britain and Victoria. Like other commodities, short supply forces clients to accept any brand available, but once the market is satisfied, choice between brands becomes important. Consequently with universal education being a feature of most westernised countries, 'educational choice' has become a tenet of both the left and right of

political parties.Many attempts have been made to expand the choice of schools available within the public education system. Actions have included the removal of boundaries or zoning, encouraging schools to specialise (city technology, charter schools), vouchers to enable students to attend a school of their choice, and providing low interest loans to religious or secular schools (Department of Education and Science Education Reform Act Great Britain, 1988). Elmore (1990) argues it is not choice versus no choice, rather the evening up of choice and a question of how it is distributed. Even where provision is made to ensure access for all, subtle application of choice can occur. Schools, as they become over-subscribed, decide the processes they will use for entry. In some cases it is a matter of who makes the choice, school or parents (Marginson, 1997). Charter schools and private schools may develop admission policies that limit admission to students with affinity or aptitude for a teaching method or a particular curriculum focus, resulting in possible disadvantage to students of ethnic and lower socioeconomic backgrounds (Lauder *et al.*, 1988).

Kearney and Arnold (1994) suggest that considerable choice already exists in schools and is conveniently overlooked. Students and parents have access to choice of programs, choice to home school, and choice in larger districts of magnet schools. Families or individuals that elected or could afford to, could send their children to private school or purchase a house in the area where they wished their child to attend school. However, increased choice for those who use the government funded education system has become a more common catchcry in the last two decades.

Educational markets based around choice have both advantages and disadvantages. Marginson (1995) suggests markets serve both economic and political purposes of government stating: *"Not least, markets explain away unequal outcomes, reducing the political heat on governments and leading institutions".* Markets, according to Osborne and Gaebler (1992), are unforgiving and impersonal, which even when carefully constructed *"tend to create inequitable outcomes"* (p. 309); hence they state that markets are only one half of the equation and stress the importance of markets, representing the influence of the individual, being balanced by community empowerment. Osborne and Gaebler (1992) state:

> *To complement the efficiency and effectiveness of market mechanisms, we need the warmth and caring of families and neighborhoods (sic) and communities. As entrepreneurial governments move away from administrative bureaucracies they need to embrace both markets and community.* (Osborne and Gaebler, 1992, p. 309)

Achieving the position espoused by Osborne and Gaebler (1992) offers a challenge to governments, hence the attraction of the charter school concept that endeavours to combine both the market and the community components that they stress as essential.

Efficiency and Effectiveness - The Victorian Experience

Competition

Competition between government-operated schools had not been an overt part of the system in Victoria where cooperation and collaboration had been previously encouraged. While at a secondary level there had in the past been friendly rivalry between high schools and technical schools in larger country towns and city districts, the conversion of all secondary schools to secondary colleges with a common curriculum removed the difference that had previously existed between schools. This was followed by amalgamation and/or closure of schools as part of a drive to match resources to the size of student populations.

Consequently the range of schools available for students to select from was reduced and, in many communities, the government school was the only choice available.

In communities where choice exists between private and government provision, some competition is likely between the schools. However, the degree of competition is questionable. Access to private education is based on the ability to pay the fees required by the school. In addition private schools have controlled entry so may reject students on a number of grounds. Government schools are required to take all students and tuition is free of charge. Government funding of private schools which was introduced by a Labor government in the 1970s has encouraged low fee paying religious or pedagogy specific schools to be established and has increased the choice available to parents in some areas.

The removal of artificial boundaries that had in the past controlled entry to a school theoretically allows any student to attend a government school of their choice. This, however, is dependent on the student's and family's ability to be aware of the choices available and pay associated transport costs. Reputation may increase demand at one school or reduce demand at another creating a degree of competition between government schools. Selective entry and specialist programs may also increase the demand for places at a particular school. The introduction of charters into Victorian schools did not allow for privately operated but publicly funded new schools to be established as happened in the US. Instead, established schools were converted to charter schools. Consequently, the situation of increased choice and places available to students was not a factor.

While at a macro policy level contractual arrangements for the delivery of government services was envisaged as increasing competition (Blackmore, 1999; Alford and O'Neill, 1994), at the micro level, that is the school site, the introduction of quasi-contracts in the form of school charters, according to the principals in this research, had little impact on increasing competition. The perceptions of the principals suggest that the introduction of school charters in the Victorian system has not resulted in a loss of cooperation between schools, as Mentor *et al.* (1997) and Gewirtz *et al*. (1995) suggested has occurred in the British move to grant-maintained schools, but rather an improvement in relationships. This is summarised by the following comment made by a principal in the focus group who stated that there was *"greater cooperation between schools in the immediate district"*and *"closer linking of programming between primary schools and the secondary school in the district"* than prior to the introduction of charters or *Schools of the Future*program.

Many generalisations in relation to competition in education appear to be made at the macro level and applied to the micro level (Blackmore, 1999; Alford and O'Neill, 1994) without evidence to support the reality at site level. The findings of this research highlight the importance Ball (1992) places on analysing what individuals actually do in their "arenas of influence".

While the ideology of 'new right' and the application of NPM to government agencies have generally promoted competition, the process of chartering in the Victorian education system, in the majority of cases, did not increase competition between schools. In fact in some areas the opposite was true, in that the chartering process actually increased cooperation between schools. If competition is considered by policy makers to be a necessary stimulus for educational reform, as suggested by policy documents that introduced school charters in Victoria, and more generally the 'new right' ideology that spawned it, then approaches other than chartering may need to be considered.

The debate that is yet to be held is whether competition is appropriate in education and what shape and form it should take. Osborne and Gaebler (1992) caution against open competition in the provision of education, suggesting that it needs to be carefully structured

to be effective and to balance the needs of the individual with the needs of society. Moore (1996) suggests that the problem with the current approaches to competition is that they ignore the context, that is, the environment within which organisations such as schools operate. Moore puts forward the need for coevolution and cooperation to be present for modern organisations to grow and develop.

Moore's approach would replace competition with cooperation and sharing for the betterment of the community as a whole. A number of rural communities are already addressing the need for educational cooperation in the community and are establishing local area educational councils to provide a forum for sharing new ideas and progressing education in the district, for example, Baw Baw Shire, Warragul, Victoria. This may provide a way forward.

School Management

The development of the school charter at each school was designed to encourage schools to evaluate what was currently occurring at the school and, through the articulation of clear goals and processes, increase efficiency. The research found that 88% of principals considered that the charter had impacted on their daily work life and had become integral to their operations. These principals reported that the charter had:

- established a shared and understood vision between staff, school council and parents;
- improved financial management in the areas of resource management, the budgeting process and targeting funds to key improvement areas of the charter;
- impacted on the performance management of staff and had increased staff accountability;
- influenced school planning, in particular developing a common set of understandings by which the school operated; and
- enhanced school leadership.

Principals reported that the charter was *"used to set and monitor goals in finance, resource management, student outcomes, student code of practice" "informs the vast majority of pursuits we undertake"* and *"is the basis for decisions and directions".*

For 12 per cent of school principals (all primaries) the charter process had limited impact on school management. Reasons given include formalisation of current practice: *"In my experience the charter has had very little impact on what happens in schools, it is simply the formal presentation of what is already occurring"* (school 18); replacement by other priorities *"Other D.O.E.* (Department of Education) *priorities and initiatives made the charter redundant"* (school 55); and as a document to enter the program *"It is not referred to very often. Once written and directions determined it is only referred to on odd occasion"* (school 12). The comments of the principal of school 64 express some of the contradictions that emerged in comments:

> *The charter has made minimal change or impact. It tends to reflect our previous practices and levels of parent involvement etc. It does provide a sense of guidance or direction and a focus. Three specific priority areas these would have received focus with or without a charter.* (school 64)

Results Orientation

The introduction of charters was perceived by 65% of principals to have enhanced student outcomes to a moderate or high degree. Principals perceived that the impact was greater after a school had participated in a triennial school review.

Student Learning

The strong relationship between student learning and school reviews may provide a way forward in demonstrating improved learning that has long been sought by system level administrators. The benchmarking of school performance and the development of longitudinal data would enable the results achieved in school systems to be analysed annually as well as over time. The ability to identify and target specific areas for improvement in student learning may result in improved learning outcomes for students who are at educational risk.

Responsiveness to the Student/ Meeting the Needs of the Student

Findings in this area are tentative. Principals believed the charter process had enhanced the provision of student-appropriate curriculum and the school's focus on the individual needs of all students including students at risk to a moderate or high degree. However the chartering process had little impact on increasing a school's accountability for student outcomes, monitoring and evaluating student progress, improved monitoring of student performance or enhanced reporting to parents. Further data needs to be collected from parents and students to obtain their views regarding the changes that have occurred in this area, if any, since the introduction of the school charter.

Accountability

Principals perceived that the introduction of school charters increased school accountability. Expressed by one principal as *"It brought mammoth changes in accountability procedures",* making schools *"more accountable via the annual reporting changes and the three-year review."* The data suggest that principals perceive that the school charter has resulted in accurate documentation of the ethos and operational practice of the school. It has considerable impact on increasing the accountability of the school council and the principal to the community and especially to the funding body.

Just over half (52 percent) of schools in the sample had participated in a triennial review and had consequently written or were in the process of writing a new charter. The majority of principals, 78.7 percent of principals of the reviewed schools, considered the charter to be an effective basis for a review while 10.6 percent of principals considered it to be of medium effectiveness. The charter is perceived by the majority of principals as increasing accountability and as an effective accountability and evaluation tool with the majority of principals suggesting that the charter provides a sound basis for internal school evaluation and external review.

The acceptance of this approach, which emphasises the involvement of school personnel, suggests that other education systems that wish to enhance accountability could consider the processes involved in this approach as they build their own model to suit their own context.

Accountability is also enhanced by the wealth of knowledge provided by the chartering of schools to an agency about the sites that it funds. Management information systems allow for a school system to maintain all the charters on a database. For central office staff this

provides information in relation to the programs offered in schools, the time spent on them, the implementation of policy and emerging trends. Much of the work of central and district staff is spent answering such questions for government Ministers and members of parliament. An effectively maintained system would enhance the work of government employees and provide a more informed response to Ministers and government. This could be especially helpful in relation to decision making and funding of programs.

State schools are not the only schools to receive government funding, but currently are the only schools required to be accountable for the outcomes produced for that funding. The concept of charters allows for the possibility of religious and private schools being contracted by governments to deliver education services using the charter process and being required to report on the outcomes achieved for the funding provided. This may become more important as the number of government-funded low fee-paying schools increases in Australia.

Deregulation and decentralisation

Rhetoric or Reality?

Deregulation is the abolition or considerable weakening of an existing regulatory regime to increase the responsiveness of a previously regulated industry to its input and/or output markets and lead to more competition (Avgeropoulos, 1998; Flynn, 1997). NPM reforms have transformed government departments from rule-driven organisations into outcomes-based organisations. Consequently, the delivery of many services has been privatised or contracted out. This has resulted in a move from delivering services through acts of parliament, regulations and control of the processes to be used, to enabling agencies to have fluidity in the delivery of services (Osborne and Gaebler, 1992). Outcomes are clearly defined, funding is linked to resource agreements and employees are given the freedom to deliver in the way that best meets the needs of their client group. To enact the espoused policy, government acts and regulations have been rewritten in England, the US, New Zealand and in Australian states to accommodate these changes (Department of Education and Science Education Reform Act Great Britain, 1998; Ministry of Education New Zealand, 1988).

Allowing greater flexibility in the delivery of services requires governments to articulate the vision they hold for an agency rather than defining by regulation how the goals will be achieved. The result has been the emergence of vision statements for agencies such as *Education Reform Act*, Great Britain (1998); *Schools of the Future*, Victoria (1993); *Tomorrow's Schools*, New Zealand (1988).

The emphasis on the customer brought the focus back on services provided in local communities such as hospitals and schools. Traditional approaches of providing services without local community involvement were considered to have established dependency rather than independence. Osborne and Gaebler (1992) argue that government officials made decisions for the local communities that were not always in their best interest. In the case of schooling a one-template approach was applied universally with limited consideration for the variation between communities (Dale, 1992).

Decentralisation in New Zealand and Victoria resulted in varying degrees of responsibility for school operations supposedly being transferred to the local community. The introduction of the school charter in both places was designed to encourage greater community participation, ownership and influence on educational delivery within the local community, while at the same time allowing the government to fulfill its responsibility in providing universal education.

While governments may espouse decentralisation, in reality there is a constant tension between decentralisation and centralisation with both often working simultaneously (Lauglo, 1995). Meuret and Schreerens (1995) also suggest that some domains of authority are given to the school, while other areas such as accountability are centralised. In Great Britain the introduction of the National Curriculum moved responsibility for what is taught from the school to the centre, with the school adopting a role of compliance. At the same time schools could sever their ties to Local Education Authorities (Wirt, 1991) by becoming grant-maintained. In New Zealand schools, the accountability was centralised with a new performance review office established in 1989. To ensure schools complied with the Education Act, regulations and government policy, this accountability was strengthened with the introduction of the new National Education Guidelines and National Administration Guidelines in 1993 (Smith, 1993; O'Rourke, 1993). The middle layer of management in the form of regions was removed, aligning responsibilities directly to the school, and from the school to the centre. Meuret and Schreerens (1995) identified 70 percent of all decisions as being made at school level in New Zealand. During visits by the researcher to New Zealand schools in 1998, principals expressed concern that the industrial framework for teachers was negotiated centrally, reducing the control they had over budgets and their ability to shape personnel profiles and working conditions to the school needs, despite being responsible for all employment.

Deregulation and decentralisation, it can be argued, depoliticise the delivery of services from a central government point of view. As the responsibility of delivery is transferred to the site of delivery, issues can be treated as of local political or micro concern rather than macro or of state concern. While this can be considered an advantage as it can remove the direct impact of debate from the government of the day, it also reduces the control governments have over services involving high expenditure such as education and potentially displaces conflict about education from the centre to the periphery.

The Victorian Experience

Community ownership in government schools in Victoria has been encouraged and supported by legislation, reaching a peak during the 1980s. Involvement has been as varied as participation in school councils, committees, student services such as canteen and library, fundraising organisations such as Parents and Friends groups, and classroom activities such as reading, arts programs and excursions. Schools had also been establishing closer links with their communities through curriculum programs and in secondary schools through work experience programs.

The *Schools of the Future* program (1993) had been highly publicised in Victoria with emphasis on parent and community involvement in schools. The charter process required the involvement of parents in its development. The data suggest that the charter has made a very limited impact on parents and the community. Principals perceive that it has not been instrumental in increasing community participation or ownership of government schooling.

If, as Blackmore (1999) suggests, the intention at the macro level is to *"shift responsibility and cost for the delivery of a public service onto the individual, the community, business and the family unit"* (1999, p. 70), clearer evidence needs to be provided of its impact at the micro level, that is, the school. The assumption that parents or communities will automatically take on greater responsibility for the delivery of educational services in Victorian schools is yet to be demonstrated. While some schools and school communities or individuals within communities may seek this role, others may not. In these circumstances, governments need plans for the delivery of schooling in communities where there is a lack of readiness or an unwillingness to take more responsibility for education.

Bradly's (1999) case studies of 8 Victorian schools highlight the complexity of establishing good school-community relationships, indicating clearly that it would be unlikely that the establishment of a school charter alone would enhance community ownership of a school. However, the charter does to some degree meet some of the criteria identified by Bradly, including explicit and detailed goals and policies, discipline policy and a focus on continuous improvement.

Community ownership of government schooling does not appear to have increased as a result of the introduction of charters in the Victorian education system. Consequently, agencies wishing to increase community responsibility for the delivery of schooling need to consider other options in addition to the charter if community ownership is their desired goal. As discussed earlier in this dissertation, the purpose of community ownership of schooling needs clarification.

In many communities across Australia, groups of parents with similar interests are establishing, and operating successfully, schools that receive maximum Commonwealth and state government funding. The issue for state owned and operated schools appears to be the central control which requires schools to respond to changes in government and policy that are based on ideology rather than good practice. Consequently the degree of freedom available to schools sometimes results in parents and community members questioning the value of local participation, if their decisions are overridden by changes to central policy. While the introduction of charters was to provide the schools with more flexibility, time and evidence may be required before community ownership is believed and more strongly supported by the community.

EMERGING ISSUES

In analysing the data from the focus group and subsequent questionnaire a number of issues were raised in relation to the impact of the charter on schools. Four areas relating to changing relationships, empowerment, innovation and local needs are discussed in the following paragraphs.

Changing Relationships between Schools, Regions and the Centre

In the focus group and in written comments made in the questionnaire, some disquiet was expressed in relation to the role of the regions and their influence on charter development. While one principal commented on the support provided by regions and central office to support the development of the charter, this was not viewed in the same way by other principals. Principal 7 stated: *"there is an attitude/atmosphere of support provided by OSR* (the Office of Schools Review) *to assist schools in developing the charter and DLP* (District Liaison Principals) *support in implementing the charter"* while principal 2 was concerned that *"The prescriptive nature of regional interaction in charter development caused negative feelings in the school"*. Principal 1 felt working with the central authority would have enhanced their schools outcomes stating: *"I would rather work through the centre than through a region. I believe the process and product would have been better if I had been able to access Schools of the Future intake 3."*

Principal 6 commented on the change in relationships between the school and the central agency in that *"The charter has become a pivotal point in the relationship between schools and the district and central office"*. There was consensus within the focus group that in general schools were now more accountable to their districts and to central office, more aware of department policy and more likely to follow policy than before. This raises an interesting issue in relation to school autonomy, as it appears that increasing autonomy may

have increased compliance. Schools which had been reviewed who stated that they had updated their charter in line with departmental policy reinforce this point of view.

The issue that arises for those responsible for the development and implementation of policy is the role of middle management in implementing new policy. This is especially true when new policy may threaten current roles and power distribution within an organisation. The intentions of the central office can be distorted and unintentional changes implemented by the approach taken at district level. Further investigation into the role of middle level organisations and their influence on the success or otherwise of implementing policy would be desirable.

Empowerment

Focus group principals discussed whether the charter they had signed had actually empowered them or not at the workplace. While there was a general agreement amongst the principals that they were more empowered, the indications from the findings in relation to accountability suggest that it may indeed be empowerment within a strong central policy framework, as principal 8 indicates when stating that schools were more empowered because there was *"an agreed set of principles we are now operating from."*

Knowledge and understanding had enhanced empowerment at school level as expressed by principal 1 who stated that empowerment came from an increased *"personal understanding"* of what was required. Principals considered empowerment as emerging from improved communication and common purpose. Principal 3 saw the charter as empowering because it provided a *"Documented reference point because there are no others in the college"*. Principal 7 stated: *"Definitely empowering both principal and teachers"*. This view was partially challenged by principal 2 who responded that the *"empowerment stopped at the administrative level and was not present at teacher level"*. The issue of empowerment is important, as an underlying principle of the school charter is empowerment in return for accountability. From the information available in this research principals indicate a sense of empowerment as a result of the charter process. The increased empowerment appears to emerge from improved communication and common understanding at the school level and to exist within a framework of strong policy compliance. Further research, however, is required to establish the level of empowerment enacted in schools as a result of the charter process.

Innovation

The concept of charters was to support and encourage innovation. The notion embedded in the concept of the charter was to allow schools to be innovative to solve local problems. Agency endorsement was provided through the charter. Consequently the power for change was vested at the local level, allowing governments to 'steer from a distance' but with full knowledge of local initiative. The views of focus groups fell into three groups. The first group consisted of schools that considered themselves innovative before charters were introduced and therefore felt that chartering had little impact on them (principals 5 and 8). The second group were those that felt the charter process encouraged innovation such as principal 7 who responded: *"Definite local area innovations and practice are part of the charter, the guiding principle incorporated innovation into the school"* and principal 3 who saw the charter as *"making us stretch ourselves"*. The third group considered innovation to be as a result of the *Schools of the Future* program and government initiatives rather than the charter itself. Principal 6 believed that *"while the charter has encouraged innovation it has also prevented the following of new directions"*. This comment referred to the three-year time frame of the charter. Principal 8 believed a positive aspect of the three year plan was that *"... it DIRECTS our innovation; stops the scattered approach that always risks missing the target. Also stops*

too many projects at once of an innovative nature that may have not been thought through enough."

The issue for governments is ensuring the charter process does not present innovation, but enables central support for local initiatives. Funding bodies are yet to establish an effective means of achieving a solution.

Meeting Local Needs

There was general agreement that the charter allowed for the needs of the local community to be met. Concern was expressed on the quality of the data on which priorities were decided. Principal 8 stated*: "one of the concerns I have is in gaining reliable information from parents in identifying needs"* stating the concern that *"recommendations should be based on future needs as well as current needs".*

Principal 1 expressed concern that the priorities selected by the school community were not the ones that the principal would have selected*. "The priorities were areas decided by the local Community and were not what I would have chosen. I saw their selection as needs however they would not have been my top priorities"*. The principals' comments illustrate some of the underlying tensions involved in managing parents' participation in the development of operating documents such as the school charters. The question of where parents obtain information on the needs of students in a school and the role of the principal in providing data on which parents could make more informed decisions is one worth further investigation.

CONCLUSION - Steering at a distance

This research raises a number of considerations for funding agencies. The concept of charters or contracts for the delivery of schooling allows governments to 'steer at a distance'. One could argue that contractual arrangements for the delivery of schooling already exist in education in Australia, as the Commonwealth and state governments fund on a per head basis students in Catholic and Independent schools across Australia. The possibilities for governments to use a contractual approach for the delivery of educational services that were previously state-operated would appear feasible, although highly contentious. While the approach would challenge the traditional view of a free and secular education provided by the state and raise concerns in relation to equity and access, modern contracting procedures such as the charter process might be modified to address these issues. The use of contractual arrangements may provide a solution to the current 'one model fits all' approach used in state education and, particularly, allow for the needs of country and remote communities to be more readily addressed. Although possibly contentious, moves have already been made in this area to attract teachers to less than desirable locations. The process, if managed effectively, could allow for the profession to be actively involved in creating the future, and this may, as Senge *et al.* (1999) states, reduce the minimum compliance approach and the cynicism that results from imposed top-down change.

The charter process, if used effectively, allows for schools to operate either within or outside a school system. For large systems such as state education departments, it allows the funding agencies to be more aware of what is taking place in the schools they finance. It also enables them to influence the introduction of policies and new initiatives and provides the opportunity to maximise funds at the school level if central authorities are reduced in size in times of budget expansion or reduction.

As charter schools are still in the development stage, disadvantages of the approach are perceived rather than supported by data. In addition, generalising the disadvantages must

be done with caution, as often the literature does not clearly distinguish between systemic and independent charter schools where circumstances and outcomes may be very different. The ideological viewpoint taken can see the same issue, for example choice, as an advantage or a disadvantage. Loss of equity, limited choice, a compliance culture which stifles innovation, a focus on outcomes which may limit the breadth of the curriculum and a lack of community support for local management are often couched as disadvantages of a charter approach to education. These are briefly outlined in the following paragraphs along with implications of how funding agencies might respond through the structure of the charter to circumvent the disadvantages.

Equity issues raised in relation to charter schools include the risk of separating students by race, social class, income and cultural background. The implications of charters being designed to take consideration of the needs of special groups such as 'at risk students' or 'disabled students' need to be considered carefully and monitored by funding agencies to ensure the outcomes achieved are within the broader social policies of 'the state'.

Choice is viewed as an area to be carefully monitored by some commentators on charter schools. Concerns include the availability of accurate information for parents to make informed choice and the enrolment policies that may exclude students on criteria established by the school. To address these concerns funding agencies would need to provide clear requirements in relation to enrolment and parent information when chartering schools.

The degree of compliance built into the charter framework is considered to limit rather than free schools from bureaucratic controls. To address this concern funding agencies need to be clear of the reason for compliance and the outcomes sought. One possible approach would be a lessening of compliance requirements as a school demonstrated its effectiveness. Flexibility in adapting and modifying accountability procedures to meet the changing circumstances of schools needs consideration.

The workload of principals and staff in charter schools is considered a concern in both systemic and individual charter schools. As most data collected so far refers to schools in the beginning phase, evidence as to whether this is an ongoing problem needs to be obtained. Funding agencies wishing to facilitate charter schools should be aware of the likely implications on staff and offer training and support to enable workloads to be effectively managed at school level.

The private ownership of publicly funded schools is considered to create some tensions between parents and professionals. Personal observation suggests that this is a greater problem in schools where areas of responsibility and clear division between the role of school administrator and the board has not been established. Funding agencies considering adopting the charter approach need to consider the type and degree of intervention they are prepared to undertake if a breakdown in governance occurs in a school.

A major premise of the charter concept is flexibility in return for accountability in the form of student learning defined within the budget parameters. A number of writers have raised concerns about this assumption, stating that it focuses on aspects of educational achievement rather than the whole child. The argument is supported by the standardised tests that are used in many systems to measure the achievements of students. In addition, the view is expressed that many charter schools are established to serve purposes other than academic achievement, and accountability processes do not take this into account. Accountability processes need to be carefully considered by agencies before introducing charter schools to ensure that there is congruence between charter intent and methods of accountability, ie indicators.

New Public Management has impacted on schools in Victoria through the introduction of school charters. While the impact may be considered positive or negative according to the political glasses one wears, emerging research suggests that the efficiency and effectiveness of schools can be improved through management strategies such as school charters. The charter process enables the mapping of educational delivery across a community and state, providing a means of measuring school achievement against clearly established criteria. The process offers an opportunity for governments to certainly 'steer at a distance' and, if allowed to develop further, the opportunity for government schools to become more like their private school counterparts, less prone to the vagaries of the political views of changing governments.