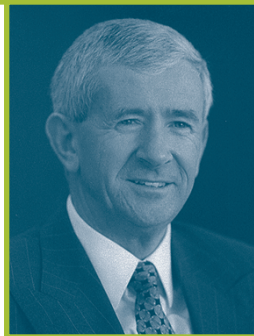


It's yesterday's schools once more

by Roger Kerr

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While other countries move forward with innovative policies in the education sector, New Zealand continues its rapid slide backward in this important area. The minister of education, Steve Maharey, appeared to put another nail in the Tomorrow's Schools coffin at a recent conference. He indicated a government review of funding would look first at the way schools spend their funding, before looking at how much funding they receive.



What Mr Maharey was reportedly referring to was a review of schools' so-called 'operations funding' – the non-salary component of school funding that boards of trustees control. If the government moves to control 'operations funding' in the same way it controls spending on teachers' salaries, it will see the demise of one of the last remnants of local decision making that underpinned the Tomorrow's Schools reforms.

While New Zealand schools remain nominally 'self-managing', much of their decision-making authority has

been stripped away through the government's decision to abolish bulk-funding of teachers' salaries, the progressive reintroduction of school zoning, the reinstatement of centralised contracts for principals, and other changes.

Unfortunately, the bias against innovative policy reforms is not restricted to education, as we have seen with the demise of privately managed prisons (despite evidence showing they were successful), the renationalisation of ACC and a ban on privatisation. (The World Bank recently noted that "privatisation is now so widespread that it is hard to find countries not using the approach: North Korea, Cuba and perhaps Myanmar make up the shrunken universe of the resistant." It obviously overlooked New Zealand.)

The regressive nature of government policy in education was laid bare last month with the release of an Education Forum report by Norman LaRocque entitled *Contracting for Education Services: A Typology and International Examples* (www.educationforum.org.nz). It is an international survey of contracting arrangements in education, including the private management of public schools, government contracting with private schools to enroll students at public expense, and public-private partnerships (PPPs) for school infrastructure.

While contracting with the private sector for the delivery of ancillary services, such as catering, school transport and

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cleaning, has been common in the education sector here and overseas, more sophisticated forms of contracting – such as private management of public schools and education infrastructure PPPs – are relatively new.

Governments in countries as diverse as the United States, the Philippines, Colombia, the United Kingdom and Australia are now contracting directly with the private sector for the delivery of teaching or school management.

One of the examples discussed in the Education Forum report is the US model of charter schools. These are secular public schools that operate with freedom from many of the regulations that apply to traditional public schools, including geographic enrolment restrictions and teacher union contracts. The quid pro quo for this additional freedom is accountability for results.

Charter schools may be managed by community groups or (increasingly) by a for-profit or not-for-profit school manager. The first charter schools date back only to the early 1990s, yet they have grown to more than 3,400 today, serving around 1 million students. They have broad support across governments of the so-called left and right in the United States.

Other examples include the private management of public schools, whereby governments hire companies such as Edison Schools to run poorly performing public schools. While this idea has been raised on occasion in New Zealand by the National and ACT parties, it has yet to stimulate much debate. This is understandable – it is hard to promote innovative reforms when the government and teacher unions are so firmly set on turning the clock back to the days of central control.

The policy innovations cited in the report are not all small 'pilot' programmes. Many are significant in scale. One such is the Educational Services Contracting programme in

the Philippines, with nearly 400,000 students being subsidised by the government to attend private schools. Under the Private Finance Initiative in the United Kingdom – an infrastructure PPP programme – contracts for more than 120 education sector projects had been signed by the end of 2004, with a

value of some £3 billion.

Contracting for the delivery of educational services can have many benefits: increasing efficiency, allowing educational institutions to escape much of the over-regulation they face, improving the quality of delivery, making the costs of education transparent, and bringing new skills into the education sector.

Contracting policies must be designed and implemented carefully, and they require new capabilities and a significant mindset change among the public servants who administer them.

These ideas merit further consideration here. If New Zealand is to use its education resources to the best advantage and get the best possible results for students, we would be remiss to ignore the possibilities that contracting can offer as another tool in a well-stocked education policy toolkit.

This article does not necessarily reflect the views of the Education Forum

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