EDUCATION REFORM IN AUSTRALIA: 1992–97

A Case Study

Susan Pascoe
Robert Pascoe

February 1998
Education Reform in Victoria, Australia: 1992-1997

a case study

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FOREWORD

Education reform, once primarily a school-by-school endeavor, is increasingly a system-wide venture, in which small-scale initiatives give way to ambitious, sweeping transformations of rights, roles and responsibilities. Politicians displace educators as the architects and strategists of change. Calls for efficiency, choice, and accountability resound. No longer content with small-scale initiatives that focus on curriculum and instruction, policymakers in English-speaking countries are rewriting the rules for financing, organizing and delivering education.

While studies of educational change at the local level abound, there are few in-depth studies of the implementation of systemic reform. This study of change in Victoria helps to fill the gap. Pascoe and Pascoe have gone "behind the scenes" to tell the story of the wholesale school reform from the perspective of the planners and implementers. This is a case study, not only of the change itself, but of the changemakers-their purposes and tactics. In the certainty of their success, the strategists speak with candor about how they managed to remake education in Victoria. As the case study unfolds, we learn of a skillfully executed reform, driven by a New Right ideology and implemented with the resolve of a new government determined to maximize the advantage of a large electoral majority. The case study is cogent and even-handed. The authors crisply recount, but do not celebrate, this story of success. They balance the confident voices of the Victorian policymakers, with opponents' cautious reminders that, although the reforms have been implemented, their consequences for students are not yet known.

The scale and complexity of the Victorian reform makes it of interest to policymakers worldwide. While this study does not pretend to offer a reform recipe for all situations, it does assuredly offer valuable insights for policymakers, practitioners, and citizens everywhere.

Susan Moore Johnson
Professor and Academic Dean
Harvard University, Graduate School of Education
ACKNOWLEDGMENTS

The authors wish to acknowledge the kind cooperation of those education policymakers, advisers and commentators who agreed to be interviewed and quoted in this report. The authors interviewed the Ministers responsible for the education sector portfolios, the Premier of the State, ministerial advisers (past and present), senior bureaucrats, practitioners drawn into the planning and implementation of the reform, and academics who were consultants or commentators. In all, more than 25 such people were individually interviewed, transcripts of interview prepared and checked, and points of ambiguity clarified. Quotations and citations from this interview material are given throughout in italics so as to distinguish it clearly from the printed sources. We also follow the convention of often using the job titles of individuals rather than their names, in order to improve the readability of this study. Most interviewees are identified by name or job title; some remained anonymous. In accordance with qualitative research techniques, the interview material was triangulated to confirm its accuracy. Of course, much of the material is the perception of interviewees, valuable because their beliefs and assumptions underpin the reform process. The interviews were set in the context of the published and printed materials relating to the reform.

Technical and editorial assistance was provided by Greg Berechree, Richard Carter, Kate Cunningham, Sharon Humphreys and Carla Pascoe.
“A prince... should appear to be compassionate, faithful to his word, kind, guileless, and devout. And indeed he should be so. But his disposition should be such that, if he needs to be the opposite, he knows how. You must realize this; that a prince, and especially a new prince cannot observe all those things which give men a reputation for virtue, because in order to maintain his state, he is often forced to act in defiance of good faith, of charity, of kindness, of religion. And so he should have a flexible disposition, varying as fortune and circumstances dictate.”

Machiavelli, The Prince, 1514 (Penguin Classics, 1961, p.56)
EXECUTIVE SUMMARY

A. Strategic Assumptions Of The Reformers

Victoria's new center-right Government of October 1992 had a reform agenda based around five "principles":

- a preference for market mechanisms in the provision of public services.
- a focus on clear accountability for results for public agencies.
- the empowering of the consumers of public services.
- the minimizing of government bureaucracy for consumers.
- a professional and business-like management of public agencies.

These "principles" amount to a rethinking of government's role away from "managing" a polity toward entering into a "contract" with its citizens.

In school education these reform assumptions led to a reform which was both systemic and structural:

- government schools were offered site-based management.
- schools and principals were made more accountable.
- parents were given increased access to local decision-making and better knowledge about their children's academic attainment.
- the central bureaucracy was reduced in size and authority.
- school councils and principals were given increased power "inside the school fence".

B. Commonalities and Differences Across Education Sectors

The same principles were applied in tertiary education, but because Australia is a federal system, these parallel reforms occurred in a different sequence and with different mechanisms. (Refer Appendix.)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Vocational education and training (VET)</th>
<th>Higher Education</th>
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<tbody>
<tr>
<td>Earlier cycle of reform (national)</td>
<td>1989-92</td>
<td>1987-91</td>
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<td>Current cycle of reform in Victoria</td>
<td>1993-present</td>
<td>1996-present</td>
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<tr>
<td>1. Preference for market</td>
<td>Development of an &quot;open training market&quot; campus at Docklands</td>
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<td>2. Accountability for results</td>
<td>Annual Contracts with training Institutes</td>
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<td>Rationalized Industry Training Boards and State Training Board</td>
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<td>Reduced size of head office</td>
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<tr>
<td>5. Business-like management</td>
<td>Amalgamations of training Institutes, with each other and with universities</td>
<td>Legislative changes to membership of governing councils</td>
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### C. The Key Players

<table>
<thead>
<tr>
<th>Schools</th>
<th>VET</th>
<th>Higher Education</th>
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<tr>
<td><strong>Agenda-setting</strong></td>
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<td>academics</td>
<td>industry leaders</td>
<td>vice-chancellors</td>
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<tr>
<td>bureaucrats</td>
<td>union officials</td>
<td>academics</td>
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<td>union officials</td>
<td>national bureaucrats</td>
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<td>student leaders</td>
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<td><strong>Policy framing</strong></td>
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<td>academics</td>
<td>state bureaucrats</td>
<td>vice-chancellors</td>
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<tr>
<td>bureaucrats</td>
<td>Institute Directors and</td>
<td>federal bureaucrats</td>
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<tr>
<td>principals</td>
<td>Councils</td>
<td>university councils</td>
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<td><strong>Implementation</strong></td>
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<td>bureaucrats</td>
<td>state bureaucrats</td>
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<td>principals</td>
<td>Institute Directors and</td>
<td>local bureaucrats</td>
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<td>Councils</td>
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### D. Management Of Key Players

The reformers in school education excluded union officials from the process and enlisted school principals as their change agents.

To minimize labor disruption, teachers were promised protection from direct staff reductions and given financial incentives to either accept performance evaluation or retire early.

The Victoria government developed a comprehensive communications and feedback strategy focused on key allies (principals) and the general public. This strategy was maintained beyond reform launch - i.e. throughout implementation.

In tertiary education, unions and student organizations were excluded. Institute Directors, vice-chancellors and their councils were enlisted.
### E. Stages Of The Reform Process

<table>
<thead>
<tr>
<th>Schools</th>
<th>VET</th>
<th>Higher Education</th>
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<tbody>
<tr>
<td>- schools closure</td>
<td>- a national training reform agenda was already commenced</td>
<td>- the Dawkins reform of 1987-91 was already embedded</td>
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<td><strong>Implementation</strong>&lt;br&gt;- opt-in opportunity to join Schools of the Future&lt;br&gt;- problems were “debugged” in evolutionary style&lt;br&gt;- the principals were enlisted as local change agents&lt;br&gt;- obstructions were pre-empted&lt;br&gt;- communication channels were controlled&lt;br&gt;- effective monitoring processes were introduced</td>
<td>- private providers were registered to compete for public training funds&lt;br&gt;- the Institutes were put on annual contracts&lt;br&gt;- head office was downsized&lt;br&gt;- Institutes were amalgamated</td>
<td>- State support for private campus at Docklands&lt;br&gt;- Ministerial Review of university councils</td>
</tr>
<tr>
<td><strong>Impact</strong>&lt;br&gt;- cost-efficient; no evidence as yet of improved educational effectiveness</td>
<td>- cost-effective</td>
<td>- still in progress</td>
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</table>
1.0A Sociopolitical Context for Victoria’s Education Reform

Reform to school education in the Australian State of Victoria provides a useful case study for investigating implementation strategies, as the pace, scale and complexity of this reform is unprecedented (Angus 1995; Caldwell 1996b; Odden and Odden 1996). In the period from 1992 to 1996, the following occurred:

- administrative, financial and personnel functions were devolved from the central bureaucracy to local school sites.
- accountability and standards setting were centralized.
- standardized assessment was introduced.
- schools were merged or closed; the number of teachers and bureaucrats was reduced.
- the final-year credential was modified and reaccredited.
- new options were established for the swelling ranks of students completing 13 years of schooling.
- a comprehensive literacy strategy was launched.
- changes to the remuneration and career paths of teachers and principals were introduced.

The Victorian experience of education reform provides some interesting lessons for scholars, educators and administrators. This style of reform is structural in nature. It shares with systemic initiatives certain attributes: comprehensiveness, coherence, co-ordination, and clear outcomes. Systemic reforms generally focus on educational issues such as curriculum, assessment and professional development. The Victorian reform involved these elements but, in addition, involved a reshaping of the institutional basis of educational provision: schools were closed or merged to rationalize the stock of sites and concentrate resources on those that remained; the teaching force was reduced by 20 per cent; the bureaucracy was downsized and reorganized, industrial practices were reshaped and power relations changed.

This present study concentrates on the introduction of site-based management,¹ and the rationalization of primary and secondary schools (referred to in this document as “schools”), because they are the most comprehensive of the reform elements, they encompass aspects of other reform processes, and they complement one another. Vocational Education and Training (VET) and higher education will be considered in relation to reform in school education. Despite operating in different funding and policy contexts, VET and higher education reforms are of interest as they were roughly contiguous to the reform in school education, they involved similar policy imperatives, but they involved somewhat different approaches to implementation.²

1.1 Government in Australia

Australia is a continental nation in the Asia-Pacific region established by the British as a penal colony in 1788, resulting in the dispossession of its Aboriginal people. Although Anglo-Celtic in origin, successive

¹ Site-based management (SBM) is the term given to local decision-making in much of the literature. The term “devolution” is commonly used in Australia.
² Reform in tertiary education is summarized in Appendix B.

Table 1.1: Commonwealth/State responsibilities for education

<table>
<thead>
<tr>
<th>Sector</th>
<th>Policy</th>
<th>Funding</th>
<th>Delivery</th>
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<tbody>
<tr>
<td>Schools</td>
<td>Shared</td>
<td>Mostly States</td>
<td>States</td>
</tr>
<tr>
<td>VET</td>
<td>Shared</td>
<td>Mostly States</td>
<td>States</td>
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<tr>
<td>Higher Education</td>
<td>Federal</td>
<td>Federal</td>
<td>Shared</td>
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waves of migration—including the 1850s gold rushes and post-World War Two migration—have resulted in a diverse ethnic mix. A federal system of government is formalized in Federal and State Constitutions with the Commonwealth Government maintaining sole responsibility for areas like Defense, the Commonwealth and States sharing responsibility in areas such as Health and Transportation, and State Governments having sole responsibility for areas such as Police and School education.3

The Federal Government has almost exclusive taxation powers. School education is funded from State and Territory coffers, following a disbursement of funds from the Federal Government. Vocational education receives a mixture of federal and state funds, while higher education institutions are funded directly from federal sources. The result is that the three sectors of education operate in different policy, funding, and administrative contexts.

1.2 Victoria

The nation’s south-eastern State, Victoria, was led by a center-left government from 1982 to 1992. During this period some business and financial institutions in Australia (as in other industrialized countries) engaged in a number of speculative and high-risk ventures. By the late 1980s, inflation, interest rates and unemployment were all high, as were levels of individual debt. Australia slipped into recession in 1989. In Victoria a savings and loans company collapsed, leaving depositors exposed, the State bank was pronounced unviable and put up for sale, and the government’s Victorian Economic Development Corporation was under scrutiny for mismanagement. There was a pervasive sense of financial crisis. Unemployment was several points higher than in other States across Australia; Victorians were migrating at a noticeable rate to other parts of the nation; investor confidence and new business start-ups were at an historic low.

During the 1992 election the opposition center-right parties labeled the ailing Government “The Guilty Party!” So effective was this slogan with the electorate that it was re-used successfully in the 1996 election. Coupled with the view of financial mismanagement was a widespread perception that the relationship of the unions with government was stifling progress (IPA 1992; Victorian Commission of Audit 1993; Gough and Taylor 1996; Cain 1995; The Age, Dec. 27, 1993, June 24, 1996). With the election of a center-right government in Victoria in October 1992,4 a radical reform agenda was put in place. Immediately following the election, the new Premier made a reduction in the State’s level of debt and a restoration to its former AAA rating from international credit agencies key priorities. There was much talk of the “black hole” of debt inherited from the previous Government.5 All households were levied A$100 per annum in 1993 and 1994. The new Government had had a decade in Opposition to mature its policies and to consider the legislative and structural changes needed to enable their implementation. It was prepared, energized and resolute.

1.3 From managerialism to “the Contract State”

Political scientists such as John Alford and Deirdre O’Neill (1994) have identified this new style of government as contractarian, because it seeks to replace the managerial style of the 1980s with a new public service ethos which reconceptualizes government as a contract between the state and the citizenry. The Australian center-left governments of the 1980s, State and Federal, enthusiastically embraced corporate planning, with its emphasis on objective-setting, program budgeting and outcomes funding. Grants to schools were tied to outcomes; the famous Dawkins reform in higher education dissolved the polytechnic/university distinction by means of a national funding formula; and in vocational education a national

3 In addition to the six States, there are two Territories in Australia—the Australian Capital Territory, and the Northern Territory. For ease of reading, the term “State” will be used to include these Territories.

4 The center-right Government is a coalition of a majority conservative democratic party, the Liberal Party, and a minority rural-based conservative Party, the National Party, one of the world’s last surviving farmers’ parties. The center-left Party is the Australian Labor Party, Australia’s oldest, established in 1891.

body superseded the State training systems. This managerial approach was needed, it was argued, to modernize public education because the economic demand for stronger education outcomes was growing faster than the available public funds. As elsewhere in the world, greater private or household investment was needed. In schools this meant reducing government inputs; in vocational education it meant more private providers; and in higher education Dawkins introduced the Higher Education Contribution Scheme (HECS), a tax-based student fees system which was linked to equity considerations.

But the new center-right governments of the 1990s wished to accelerate the pace of public sector reform in a contractarian direction. Their political leaders argued that the reformers of the 1980s could go no further because elements within the public service had the industrial and organizational power to hold back more radical change. It was argued that vested interest groups such as public servants and unions could routinely “capture” the policy agenda by putting their collective interest ahead of the public good.

The center-right reformers in Victoria enunciated five basic “principles”, which are, in fact, a “belief”, followed by four “goals”:

- a preference for market mechanisms in the provision of public services.
- a focus on clear accountability for results for public agencies.
- the empowering of the consumers of public services.
- the minimizing of government bureaucracy for consumers.
- a professional and business-like management of public agencies.

Although these may seem superficially to follow the managerialist style of the 1980s, each marks a new conceptualization:
- public agencies tender for work; work is not merely “outsourced”.
- an outcomes approach is replaced by an emphasis on outputs.
- any nexus between public good and private investment is broken, by promoting the right of individuals to optimize self-interest ahead of all other considerations.
- service delivery is separated from policy (the well-known distinction between “steerers” and “rowers”).
- management is decentralized and access to power for big government or big unions is curtailed.

The political warrant for this public service reform began early in the life of the Kennett Government with the findings of the Victorian Commission of Audit, a broad review of the State’s financial situation. This Commission of Audit found that the level of public expenditure on education, health and transport was far too high, using a comparative analysis across the Australian States similar to the later work of the Industry Commission. The new Government resolved to carry out reform across several portfolios simultaneously, rather than introduce change incrementally. In the words of the incoming reformist Premier:

Instead of trying to correct education or correct health or correct industrial relations or the economy, we decided that it was a matter of strategy to address all areas at once. That way the vested interest groups were divided. They were trying to protect their turf on education, or they worried about transport reform or changes to workers compensation. And that proved to be very effective, even though we had a great number of demonstrations (Kennett 1997).

There was little overt reference to the parallel reform occurring in other Anglophone countries, notably

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6 John Dawkins was a reformist Commonwealth Education Minister, 1987-1991, as explained in the Appendix.
8 Jeff Kennett, intro. 1993 Management Improvement Initiative for Victoria, October, mimeo, n.p. [34 pp], kindly supplied by the Department of Treasury and Finance.
9 The concept of a separation between “steering” and “rowing” was popularized in David Osborne and Ted Gaebler’s 1993 best-seller, Reinventing Government (Plume Books, New York).
the UK, Canada and New Zealand, with most debate centered on the question of how the Victorian reform challenged the Westminster tradition of the public service. The view of the Government was that this was common sense, not ideology. A genealogy of New Right thinking and its impact on public policy in Australia reveals that the weakening of Keynesian approaches was paralleled by an increase in the impact of New Right influencers such as Hayek, Friedman and Buchanan. "The primary concern of the New Right was not to support one political party against another, but to reconstruct and control the terrain on which all mainstream politics took place" (Marginson 1997b:79). The Public Sector Management Act 1992 reduced the number of government departments from 22 to 13, put all senior public servants on contract, and gave the Premier direct authority over the public service as the formal employer of public service department heads. In addition to these structural changes, the central agencies introduced a Management Improvement Initiative to co-ordinate change across portfolios, and the Premier established his own mechanisms for monitoring the implementation of reform. He created the State Co-ordination and Management Council for regular meetings with department heads and established the practice of appointing himself acting Minister in another Minister's absence (Kennett 1997).

The personal style of the new Premier was important in maintaining commitment to the reform agenda. A long period in Opposition strengthened his resolve to lead a reformist government.

_We think long term. We are not about today or tomorrow. To understand that you have to appreciate that a couple of us, me included, have been in Parliament since 1976 or before. We had been Ministers before, we had been Opposition Leaders till the cows came home. If we were going to get back into government we were going to reform for all the right reasons rather than the next election (Kennett 1997)._  

This was a united, disciplined Government prepared for office on day one, with a long-term vision. It was determined to deliver reform across several portfolios simultaneously and adopted co-ordination mechanisms to enable this to happen. Adopting a government-wide reform agenda overwhelmed a depleted Opposition and stretched to the limit the resources and resolve of Trades Hall (the central agency for Victorian trade unions). There was little incentive for the new Government to seek the allegiance of teachers. Their union had campaigned for the center-left party during the election, and they were vulnerable to the Treasurer's knife, as Victoria had the most generously funded school system in Australia. More broadly, unionism was in decline in a traditionally unionized country.  

It was difficult to raise broad-based opposition from a community that had elected a new government specifically to undertake crisis management. The Government monitored public opinion carefully and attempted to balance tough measures with public diversions (such as a motor-racing Grand Prix, arts events, a new casino, and sporting events).

1.4 Reform as "a sea of change"

Changing metaphors, the Premier understands his Government to have produced "a sea of change" which washes across all areas of Victorian life, not merely education, and across jurisdictions. Even his critics concede that Kennett is arguably Australia's most reformist political leader. A distinctively Victorian style of reform is evident even in those two education sectors, VET and higher education, which are more a matter of Commonwealth policy direction. It is also obvious in all other areas of State responsibility reformed during the first Kennett Government (1992-96). In Health, decentralization has meant the replacement of a single central authority with regional networks of hospitals which negotiate separately with the relevant unions and professional groups. Health funding is delivered on a formulaic "case-mix" approach, which presupposes a regularity of costs for each type of medical procedure. The control system for the emergency services of the State has been tendered out to a private company. The State's utilities (water,  

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10 The Department of Premier and Cabinet, and the Department of Finance and Treasury.

11 From 1990 to 1995 the number of paid-up unionists was declining at the rate of about 100,000 a year, according to _Changes at Work_, a report from the federal Department of Workplace Relations and Small Business, released in August 1997.
gas, electricity) have been divided into smaller corporations and then sold off. The State’s Transportation system (buses, railroads, trams) is in the process of a similar privatization.

This wide-ranging reform agenda was justified not by reference to overt theoretical warrant, however, as was true of New Zealand and elsewhere, but by much more pragmatic arguments summed up in phrases such as “competitive”, “client-focused”, “user-pays”, and “efficient”. This is entirely consistent with the overwhelmingly pragmatic quality of the Australian political culture. The technical and policy advice given at the lower levels of government machinery was informed by international discussions, as academic consultants were major players in the “agenda-setting” (Muller and Headey 1996), but long before it reached the level of political action such theoretical constructions were well and truly repackaged into populist forms. The sense of irresistible reform across many sectors at once during the first Kennett Government made the center-right Government’s reform in school education seem all the more inevitable, and this is where our analysis is focused.

2.0 Reforming Schools

2.1 The context for school reform

It is compulsory for Victorian children to attend school from a preparatory year to Year 10 (a range of schooling therefore called P-10). Students enter their preparatory year between 4.5 and 5 years of age. Elementary schools educate students P-6 and high schools 7-12. In the final two years of schooling, students undertake a formal curriculum known as the VCE (Victorian Certificate of Education). There are now 1,664 public schools in Victoria, 1,270 of which are elementary schools. Seventy five per cent of Victorian schoolchildren stay at school until Year 12, one-quarter of these go to university and another third go on to training institutes. Presently, there are 25 Institutes of TAFE, that is, Technical and Further Education (offering technical training) and nine universities (three of which have large TAFE sectors within them).

In October 1992 the newly-elected Government inherited a large, powerful and centralized bureaucracy which assigned staff to schools, handled their financial administration, and provided regionally-delivered support services such as visiting teacher services for disabled students. There were minimal requirements for accountability to government, and severe budget overruns. With the lowest teacher-pupil ratios in the nation, and the greatest number of small schools, it was argued in two influential reports that gross inefficiencies existed (IPA 1992; Victorian Commission of Audit 1993). These reports went further, indeed, to allege a “capture” of decision-making processes, largely through industrial agreements entered into between education unions and the government, which controlled teacher numbers and imposed “rigid and inefficient” work practices. The other effect of these agreements, it was argued, was to focus attention on the inputs to education, rather than on outcomes.

The perception of an unproductive relationship between education unions and the previous Government was particularly strong (Gough and Taylor 1996; Hill 1997; Keating 1997; Muller 1997; Richards 1997; Thomas 1997). Various reforms were introduced during its decade in power, such as a new senior school credential, curriculum profiles and frameworks, and a prominent role for school councils. However, when site-based management was proposed in 1987, it met with strong opposition from the education unions, which

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12 There is a very long literature on the lack of theoretical discussion in Australian political life. All Parties, Left and Right, resist the use of “theory”, and come to grief politically when they ignore this rule (spectacularly in the case of the center-right Parties in the 1993 federal election).

13 Inspectors and prescribed syllabi were phased out in the early 1970s.

14 A report published by the Institute of Public Affairs (IPA) in September 1992, authored by Mike Richards, documented the habitual use of the “Treasurer’s Advance” over the decade of center-left rule to cover shortfalls in the education budget. Education consistently absorbed 10-30 per cent of the Treasurer’s discretionary fund during that period (IPA 1992: 60-61).

15 The Victorian Commission of Audit Report stated that “Victoria spent AS$306m (15 per cent) more in 1991-92 than required to provide government school education at the same standard as the average of all States and Territories” (1993: 74).
used their influence in Cabinet to crush the idea (Gough and Taylor 1996; Keating 1997; Muller 1997). The new center-right Minister in 1992 therefore determined to relate directly with employees and to bypass the unions.16

In addition, there was a close relationship between a number of parent organizations, the unions and the Government (Hayward 1997; Hill 1997; IPA 1992). Indeed, the center-left Premier in the 1991-92 period had risen politically from the power base of parent school organizations. The effect of these relationships was to establish a consensual, consultative style of decision-making. The former Government knew it had many schools too small to offer a comprehensive curriculum and needed to rationalize (Keating 1997; Muller 1997; Peck 1997). However, rationalization would have affected teachers' jobs and the community base of schooling, issues dear to the hearts of unions and parent organizations.17 Given their allegiance to the previous Government, the organizations representing parents were in a weak position to articulate parental concerns about cutbacks.

These power relations at the policy level were mirrored at the school, where union membership was high,18 and where teachers were actively involved in decision-making, both at faculty level and on school councils (Kelly 1997; Paul 1997; Thomas 1997). In this climate many principals felt constrained and unable to manage their school. As one principal put it, "We were marginalized — at the beck and call of vested interests in the school" (Paul 1997). There was a strong culture of school-based curriculum development, with teachers having substantial control over the design and delivery of learning programs. Odden and Odden (1996) note this high involvement framework and attribute much of the success in implementing the new curriculum arrangements to this culture. Accompanying this degree of professional autonomy was a culture of resistance to external monitoring or assessments (McGaw 1994; Masters 1994; Pascoe 1995b).19 No longer were there inspectors, and external assessment was confined to the final year of schooling. In other words, two sides of teachers' professional culture had opposite effects on reform implementation. The positive side was the tradition of school-based curriculum; the negative side was the resistance to external monitoring. A key question for reform implementers is how to take advantage of the former, while overcoming the latter.

2.2 Nature of the reform

The reform comprised two parts, each with a label which could be easily marketed: Quality Provision, Schools of the Future.

Site-based management was introduced under the framework of Schools of the Future. The framework comprised resources, accountability, curriculum and personnel functions. Schools of the Future aimed to “improve the quality of education for students by moving to schools the responsibility to make decisions, set priorities and control resources. Schools of the Future make more efficient use of resources for the benefit of students, provide a more professional workplace for teachers, and increase the level of community knowledge of, and satisfaction with, schools” (DSE 1995).20

There are four elements in the Schools of the Future framework:

16 The Minister's experience as a senior executive in private industry provided a precedent for him. "Elizabeth [an industrial town in South Australia] was absolutely strike-ridden when he went there, so he just went around the unions. He refused to talk to the unions, he went to the shop floor, had meetings on the floor and communicated directly with them" (Peck 1997).

17 The former Government's District Provision strategy was a precursor to the Quality Provision Framework implemented in 1993. District Provision encouraged collaborative provision and amalgamations, but lacked the teeth of its successor policy.

18 Interviewees estimated membership at 90 per cent in 1992, with numbers halving in the following years, due to cuts in the teaching force and the cessation of automatic payroll deductions.

19 There is anecdotal evidence that the Western Australian phenomenon of teachers rejecting the role of government in developing policy and establishing priorities (Angus 1995) occurs in Victoria as well.

20 Odden and Odden (1996:29) note that unlike the US the Victorian School Councils are but one of several decision-making bodies at the school: "It was the non-Council teams that provided widespread involvement of all teachers in important decision-making roles." While Schools of the Future increased the role of School Councils in administrative and financial matters, teachers retained involvement on curriculum and program issues.
i) Resources Framework: The resources framework allocates funding to the school via the School Global Budget. Ninety per cent of the school's recurrent budget was now to be directed to the school site for salary and operating costs, calculated on a system of per capita funding. Individual schools would have the flexibility to allocate all resources in accordance with local need. Schools were supported in the introduction of local budgets with increased funding for administrative support and with a software package (called CASES) to assist in the monitoring of financial, personnel and administrative functions. Devolving financial management to the local level aimed to empower principals and school councils to set and allocate resource for local priorities, to separate the purchase of education from its provision, and to decrease the need for a central bureaucracy.

ii) Accountability Framework: There were now three elements to the accountability framework: the school charter, an annual report and a triennial review. The school charter is developed by the school council and is essentially a contract between the school and the government regarding the learning that will take place, and the way it will be monitored and reported to government. Via the school charter the council establishes the priorities for the school and the means of achieving them. Each school is then required to report annually to government and to undergo a more comprehensive review of its operations every three years. The accountability framework gives parents, via the school council, greater say in the conduct of the school, and increases the requirement to account for the enterprise to government. In extreme cases, a principal could be stood down, but in practice this has yet to occur, thanks to the turnover of principals associated with the reform. The Office of Review within the Department of Education can require that charters be rewritten, and the objectives not attained in one year be carried over to the next.

iii) Curriculum Framework: The curriculum reform made standards for student attainment quite explicit. The key elements of the curriculum framework were the introduction in 1995 of a Curriculum and Standards Framework (CSF) in eight key learning areas for students in years P-10. The CSF incorporates both content and process standards. Student progress is assessed against the CSF in a program of statewide assessment, the Learning Assessment Project (LAP). The LAP assesses students in English and Mathematics annually and in one other key learning area on a five-year cycle. In addition to these new changes, the Year 12 credential, the Victorian Certificate of Education (VCE) was revised and reaccredited. The introduction of explicit standards via the CSF set a yardstick for teachers and the community, and made public what had been the professional concern of individual teachers and faculties. The LAP reports to parents took the locus of information control on student progress from teacher hands. It gave parents "objective" feedback on their children, gave schools feedback on their performance vis a vis other schools, and gave the system information on overall attainment. In other words, in government schools the LAP results became another instrument of accountability when added to school charters.

iv) People Framework: The career structures of principals and teachers were addressed in the people framework. Staff selection was devolved to the local level and professional development was provided to build capacity in principals for their expanded roles, as well as to skill teachers to implement the curriculum improvements. A Professional Recognition Program (PRP) offered teachers the capacity to opt in to a system of enhanced pay and career structure including annual appraisal. The decision in 1995 to allocate to each school site A$240 per teacher for professional development meant that appraisal could feed into improvement and provide the basis for promotions based on merit rather than seniority. Local staff selection, appraisal and professional development gave the school greater control over their human resource and greater flexibility in responding to local need.

The Schools of the Future framework reflected the five major "principles" underpinning public sector reform in Victoria:

- a preference for government as the purchaser of services rather than the provider via school global budgets, local selection of staff, and outsourcing of professional development.
• an increased emphasis on accountability.\textsuperscript{21}
• an empowering of consumers (parents) via strengthened school councils, explicit learning standards and LAP reports.
• a contract between government and the school via the school charter.
• professional and businesslike management of public agencies.

v) The Quality Provision strategy:

The introduction of site-based management occurred during the period the Government implemented another significant reform, the Quality Provision strategy, which aimed to reduce the number of small inefficient schools in Victoria. Schools of the Future was the centerpiece of the Government’s reform. On the other hand, the simultaneous Quality Provision strategy was introduced for essentially pragmatic reasons, to cut the budget deficit, to reduce the number of small schools, and to consolidate the stock of schools to those of sufficient size to offer a comprehensive curriculum. Immediately upon attaining Government, fifty schools were closed without community consultation. Disquiet was localized but vociferous. In one case protests became violent and the substance of front-page news stories.

A more consultative approach was designed for the Quality Provision strategy. The strategy was to establish local taskforces with the Minister retaining the authority to intervene. The Quality Provision document stated that “where the Department perceives that students are being disadvantaged, because a school or group of schools is not willing to consider change, recommendations considered to be in the best interests of students will be made to the Minister” (DSE 1993).

Schools in all electorates were involved in the internal audit process and considerable effort was expended by the Minister and Parliamentary Secretary to ensure the inevitable community backlash was minimized. The Parliamentary Secretary and the Ministerial Advisor met with every government Member of Parliament to brief them on the likely outcomes of Quality Provision Taskforces in their constituencies. They developed an information and support kit which included pro-forma letters, draft media releases, and answers to typical questions. It was the Parliamentary Secretary’s role to maintain liaison with backbenchers and elicit their support for decisions from the Quality Provision process (Elder 1997). This produced an effective political combination, with the Parliamentary Secretary working behind the scenes, and the Minister retaining the right of arbiter in difficult cases. While having the same rationale as its antecedent policy District Provision, this policy revealed a determination to succeed and a tactic for dealing with obstruction.

Not all Victorians applauded the Government’s resolve to rationalize its stock of schools nor its tactics for ensuring success. The Executive Director of the Victorian Council for Civil Liberties critiqued the Government’s approach to handling obstruction to the closure of Northland Secondary College—a school for indigenous students. When parents successfully complained against the closure to the Anti-Discrimination Tribunal, the Government took the case to the Supreme Court (unsuccessfully) and then to the full bench of the court (again unsuccessfully). The Government reopened the school and then enacted the Education Amendment Act which prevented school communities reviewing government decisions to close schools (The Age, Oct. 28, 1997). Only a handful of closures attracted this level of community anger and action, and these largely related to those decisions taken without consultation in the first few months of government. Arguably the public consultation combined with behind-the-scenes negotiation was sufficient to persuade local communities to accept unpalatable decisions.

Quality Provision could in theory have been introduced without Schools of the Future, but the decision to implement both together was a powerful one, as it left the Government with an educational reform in a

\textsuperscript{21} While schools’ accountability to the government increased via charters, annual reports and triennial reviews, the accountability of senior bureaucrats increased with annual performance appraisal and, in the case of the Department Heads, direct reporting to the Premier as well as the relevant Minister. Annual reports to Parliament, including the independent Auditor-General’s report, are the established mechanisms for the government to account to the electorate.
They in turn felt constrained by industrial agreements that set work practices and gave local committees considerable decision-making power. The Principals Associations wanted to get control of schools “inside the school fence” (Paul 1997). They openly discussed their frustrations with the future Minister, who gave them a sympathetic hearing.23

Within hours of being sworn in, the new Government removed the public service heads of 13 key portfolios, including Education. The task for the Education Minister was to introduce a program of education reform during a period of fiscal constraint. He moved swiftly to take up residence in his new office and had his new head in place four days after the election. All portfolios were ordered by Treasury to make immediate budget cuts of 1.5 per cent. The transmittal advice given to the incoming Minister and his staff revealed a worse budget situation than expected. The Ministerial Adviser recalled the shock of that discovery:

_There was a “black hole” of approximately 40 million dollars of commitments for which there was not money in the education budget... The money could have come from consolidated revenue, but we didn’t have that option; we had to find the funds from within the education budget (Roskam 1997)._  

The imperative for budget cuts was such that the Minister had to determine whether to concentrate on these first and then enact his long-planned reform, or whether to undertake the two simultaneously. The Minister opted for the latter. The backlog of maintenance on schools,24 the deemed inefficiency of

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22 The Minister was then aged in his sixties and unlikely to be a leadership threat to the Premier, thereby removing what is a personal obstacle for many close political relationships.

23 The Principals Associations did not formally associate themselves with the center-right Parties during the election. Their leverage arose from their critical role in the implementation of site-based management. The mutual interest of the two was reflected in the pay rise for principals in 1993, and the support of the Primary Principals Association for the controversial Learning Assessment Project in 1995.

24 This problem was identified in the Institute of Public Affairs report (1992), Commission of Audit (1993) and McRae 1994.
small schools, and the long-term aim of re-engineering all schools with modern technology prompted immediate action on school closures.

Immediately fifty schools were identified as unviable by a small taskforce of bureaucrats and principals selected by the Minister. The decision to close them was taken without community consultation, whereas they might have been opposing the Schools of the Future reform (Hayward 1997).

Not surprisingly, rowdy protests at specific school sites which were to be closed attracted more media attention than the parallel process of decentralization.

The Minister came to office with a well-conceived policy framework, aspects of which were flexible and others which were non-negotiable. Strategies for implementation were devised using educators within and beyond the bureaucracy, selected by the Minister.

As far as implementing the reform processes were concerned, I always used the informal project team approach. I would identify a group of people I could work with, we would get together in a room and talk it through. And then I would say to them, “You have responsibility for this project. You will be held personally accountable for its success. Your future career will depend on your performance.” And then we would tell them to go off and do it. So we really didn’t use the bureaucratic structures much; in fact we tended to ignore them (Hayward 1997).

There was a clear separation between policy development and implementation. The Minister’s informal project teams were comprised largely of principals who took his ideas and translated them into a conceptual form that would make sense to other principals. The Director had responsibility for implementation.

While this separation of roles may have existed, a number of interviewees attested to the unity of purpose of the Minister and Director, “the chemistry of two people who are totally committed to achieving a very clear set of goals” (Clancy 1997). They were housed in the same building and

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2.4 Initial reform period

With this level of preparation, the new Minister was able to capitalize on his “honeymoon” period. Unpalatable measures, such as school closures and staff reductions, were initiated immediately. They were sold to the community as strategies to rectify the crisis management of the State’s debt. The initial mood of financial crisis may have assisted reform implementation. As the Minister recalled:

It tended to divert the attention of our opponents from the reform agenda.

Community groups and the media concentrated on the budget measures and school closures, whereas they might have been opposing the Schools of the Future reform (Hayward 1997).

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25 Fullan (1991) describes eight factors associated with initiation. The Victorian reform shares some of these, such as newness of policy and the existence of quality innovations; however, it is beyond the scope of this study to comprehensively analyze the Victorian reform in relation to Fullan’s initiation factors.

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had offices on the same floor. Close liaison was maintained between them and their support staffs.26

Both men shared a vision for reform, were committed and hard-working. The Director’s capacity for work was legendary, and this influenced the work ethos of the bureaucracy. Interviewees referred to him regularly working 13-hour days and to the senior administration team often adopting similar work patterns to meet the timelines for implementation.

2.5 Implementation strategies

i) Voluntary Opt-in

Rather than require all schools to become Farms of the Future, or conduct a trial in a small number of schools, the Minister and Department determined that schools could opt-in to a phased implementation. Schools were invited to submit an expression of interest for the first Schools of the Future intake, and an unexpected total of 830 schools self-nominated, far more than expected. This dilemma was resolved by selecting 300 sites for the first intake and declaring the others to be “Associate Schools”. 500 schools entered the second intake in February 1994, 500 in July 1994, and the remainder in February 1995. By 1997, all schools in Victoria, but one, were involved. The voluntarism of an opt-in approach avoided battles with unwilling participants, while the staggered introduction with phased implementation allowed for improvement along the way. There was no blueprint for a sequencing of the reform elements, but they were carefully planned. The broad framework of Schools of the Future was set out in January 1993, but specific aspects were implemented following consultation, development, or technical advice.27

The plan was certainly altered by what I would call opportunism — taking advantage of unexpected consequences or good ideas... When the possibility of a substantial salary rise for teachers came up we acted very quickly. We were told late one week that if we wanted to take advantage of the opportunity we would need to have a submission up by the next Monday. So we came in here [head office] and worked 24 hours (literally) each day...

We got it ready for the Cabinet meeting, got agreement, and then we had a couple of weeks to get all the documentation ready (Spring 1997).

ii) Evolutionary Approach

The approach was evolutionary in two senses: first, it built on the faltering reform efforts of the previous Government and, second, elements of the broad framework were implemented with the first group of schools, and then modified or extended with subsequent groups who opted in. Successive refinements of the framework were effective not only in debugging problems but also in defusing critique. Outsiders gained a different impression, with the reform being called a “revolution” (Herald-Sun, Oct. 8, 1992; The Age, June 24, 1996), and the approach described as “crashing through” (Gough and Taylor 1996). Fourteen months into the reform agenda, an education commentator wrote, “Don Hayward does not believe in the big bang approach to education, creating a new system in one glorious burst. Rather—and this may surprise his opponents—he believes in doing it slowly” (The Age, Jan. 25, 1994).

iii) Local Change Agents

The principals were critical to the success of the reform agenda. With the Schools of the Future there was sufficient enthusiasm amongst principals for a change to devolved decision-making that an opt-in approach was feasible. Schools of the Future delivered to principals school councils that could no longer be dominated by teachers, the ability to hire their own staff and to manage their own budgets in line with local priorities, freedom from many of the regulations of the central bureaucracy, and clear expectations of standards. While these benefits were accompanied by increased accountability requirements and enhanced

26 The Minister was supported by his astute Adviser, who had been with him in Opposition, and the Director had the assistance of an adroit, experienced educational administrator.

27 For example, the Curriculum and Standards Framework (CSF) was introduced in February 1995 following statewide consultation of a draft involving about 5,000 teachers in 1994, the Learning Assessment Project was introduced in May 1995 following trialing and development, and School Global Budgets were introduced in 1994 following technical advice from an expert committee.
managerialism, there were sufficient inducements for involvement, such as professional development, administrative support, and funding for information technology.

The principals were variously described as the "champions" of the reform effort, its "foot soldiers", and its "change agents".28

We believed that the principals had to be involved at every stage of the process. This is why the various taskforces were formed deliberately involving the principals as associations and the principals as individuals. Our philosophy was very much that the principal had to lead the change in the school. While there are similarities between Schools of the Future and Taking Schools into the 1990s, the key difference was the implementation between how we did it and how the previous Government would have attempted to do it. Our attempt was through the principals as leaders, saying that we are resting and relying the success of the program on the principals (Roskam 1997).

To increase the likelihood that principals would embrace the Schools of the Future approach, the senior bureaucrats decided to align new appointments with the phased intakes. Vacant principalships were filled by acting principals for a 12-month period, allowing a critical mass of new appointees to Schools of the Future. There was a sufficient turnover of principals for effective cultural change to take place.

Much was expected of principals as the interface between government and local education communities in an era of unprecedented change. Attractive remuneration packages were offered, and professional development was introduced to build their capacity to operate with greater autonomy.

In the Schools of the Future program principals were given more professional development than they'd ever been given. I had been a principal for fourteen years and have been very interested and involved in principals’ professional development, so it was pleasing to see principals being so well acknowledged and recognized for the important role they had to play. A lot of money was put into principals' professional development and we were treated like executives in business.... The reform could not have gone through without principals being valued and elevated in the eyes of government, the profession, and the community. While Don Hayward was Minister, principals were in a very strong position (Thomas 1997).

The "buying off" of principals cemented their allegiance to the reform agenda.

iv) Pre-empting Obstruction

The Minister and the Director maintained an "open door" policy for the leaders of principals' associations to ensure good communication.29 In contrast, the unions and a number of parent organizations which had worked closely with the former center-left Government, were declared persona non grata. The Minister did not deal face to face with the unions at any point during his term of office.30 He avoided making reference to them in any public arena, including the media, and instructed the bureaucracy that they were to be consulted only when absolutely essential.

A range of strategies was put in place to deal with obstruction to the implementation of policies. The key strategies were proactive, strategic, resolute and reflective. These stances were adopted in an environment in which the Government had a healthy majority in both Houses of Parliament and the new Opposition Party was recovering from the routing meted out to it by the electorate.31

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29 During his interview the former Minister explained that his staff were instructed to interrupt him at any time if either head of the principals' associations wanted to see him, Clancy 1997 and Roskam 1997.
31 Similar to the UK election in May 1997, the Party which had governed for a long period not only lost safe seats, but lost considerable talent, with former Ministers losing their seats. The similarities end there, as the Victorian Labor Government did not face the electorate with a sound economy in 1992.
There was a sense in the community that the old Government wasn’t in control of the game, not just in Education but in Transport and Health—which are three big spending areas in the State. There was a feeling across those three portfolios that they were in the pocket of the Trades Hall [union headquarters] or their various factions. The public was conditioned for radical change across those portfolios (Muller 1997).

This was a fertile environment for the new Government to adopt measures to end the “capture” of the policy environment by various interest groups, most notably the unions. Its new employment relations legislation outlawed the deduction of union dues from the pay of government employees and the forwarding of details of new government employees to the relevant union (Alford and O’Neill 1994). Union access to an office in the education department was removed, no information was sent to the union executive, and the Minister determined that they were not to be consulted on education matters.

They shut the unions and the lobbyists out of the game. They legitimized that by reference back to the overall urgent need for reform across the state sector. And nobody asked the question—the new curriculum has nothing to do with the economic position of the State! People said, “Look, the State’s in crisis, we need change, let’s get on with it!” (Muller 1997).

Having principals on-side, the Minister could risk the impact of ignoring the unions. He was also proactive in reducing the number of education department employees on school councils. This increased principal and parent influence on local decision-making. Teachers retained their active role in curriculum decision-making, but did not share in the new financial and administrative responsibilities of school councils in Schools of the Future.

Decisiveness was an important stance in pre-empting obstruction. The initial closure of 50 schools was undertaken quickly to reduce the deficit. It underlined the Government’s determination to make hard decisions with a negative impact on some local communities, with the aim of creating a better system for all in the long term. This determination continued with the Quality Provision strategy for further closures. The Minister retained the power as arbiter in difficult cases and tempered his public resolve to close unviable schools with a political understanding of the need to appease backbenchers and trenchant communities.

Decisiveness was also critical to dealing with the opposition to the proposed program of statewide assessment, the Learning Assessment Project (LAP). The Minister released a guarantee that results would be confidential to individual parents, classroom teachers and school councils when it emerged that teachers feared that they could be assessed underpinned threats to block implementation. The Government kept in touch with community views via polling and communication with backbenchers and was aware there was strong parental support for some form of external assessment. There was vocal opposition from teachers’ groups and a campaign of opposition played out in the media, in forums, and in staffrooms. Interviewees attest to nervousness amongst ministerial staff and senior bureaucrats; however, they were determined to weather the opposition. After some months of considering both the rationale and design of the assessments, the LAP was supported by the Victorian Primary Principals’ Association. The


33 Researchers disagree on the impact of Schools of the Future on teachers’ input to decision-making. Odden and Odden (1996) argue that as principals moved into managerial roles, they delegated greater curriculum decision-making to teachers. However, McRae (1994) and Blackmore (1996) contend that increased teacher workload reduced collaborative decision-making of this nature.

34 Initial closures and those undertaken consultatively under the Quality Provision local taskforces affected electorates of all political persuasions. The Parliamentary Secretary supported Government backbenchers through difficult negotiations and assisted the Minister in finalizing these cases.

35 Polling commissioned by the Board of Studies indicated that community support was at 75 per cent.
Association of School Councils of Victoria, and the Catholic Education Commission. The endorsement of these bodies provided a powerful counterpoint to teacher opposition. Formal and informal attempts to prevent implementation failed.

The various tactics for dealing with obstruction were adopted strategically. For example, an open door to principals was counterbalanced by a closed door to unions; comprehensive communication to teachers, principals, school councils and backbenchers was matched by a freezing of information to unions. Rewards or inducements were used: for example, the improved career structure for teachers was accompanied by a wage rise which required annual appraisal. The Minister used guarantees to pre-empt potential obstruction: for example, he pledged that no teacher or principal would be sacked to achieve staff reductions, and, to defuse brewing opposition, he guaranteed the confidentiality of statewide assessment data. The various strategies for dealing with obstruction were used judiciously depending on the situation and the players, and were complemented by a comprehensive communications strategy.

v) Controlling Communication Channels

A comprehensive communication strategy was put in place to ensure that the reform agenda was understood by principals, who were expected to implement it, and by the broader public. Regular face-to-face briefings and consultations were held with all principals and the expectation was that principals would then consult and communicate with staff. For example, with the Schools of the Future strategy, the Minister, Director and Deputy Director “took to the road” to ensure that all principals in rural and metropolitan Victoria had access to a consultation on the Schools of the Future proposal.

An education newspaper called Victorian Education News was established and provided free from the Education Department to each and every teacher and school councilor in Government schools. The paper has a weekly distribution of 63,000.

We went to weekly Ed News. We blocked off all [other] news, particularly to the unions. Before this happened, schools always read the union news and believed it over anything we put out. Within six months there was only one place you could get information (Peck 1997).

The Department’s Media Unit organized regular inserts in major print media, regional press and ethnic media: for example, the literacy strategy Keys to Life was explained via this medium. Fax streams were installed in all schools and funding for modem links to the Internet was provided. Interactive television (ISLN) was used by the Department for briefings and consultations with teachers: for example, the Standards Council of the Teaching Profession used ISLN to launch its Code of Professional Practice. Radio advertisements on contentious issues such as the LAP were linked to a “hotline” query service where callers could obtain additional information about the initiative.

The Minister’s Adviser maintained behind-the-scenes relations with education journalists. Throughout the reform period there were regular feature articles on the Minister, often referring to his working-class background and to his commitment to improving life chances for students. Press releases were issued with major initiatives and a consistent tactic of using the Minister to announce changes was used. In addition to these elements of the communication strategy, the Premier was personally kept up-to-date on a daily basis, and Members of Parliament were briefed regularly by the Minister’s staff and the Parliamentary Secretary. The Premier maintained his pre-election interest in education and assisted in communicating the reform agenda, particularly on talkback radio.

36 The Catholic Education Commission of Victoria makes policy for its 500 schools.
37 In 1996 and 1997 the union took a case to the Industrial Relations Commission to prevent the administration of the assessments in government schools. Both attempts failed.
38 Given the uneven rate of implementation of the Curriculum and Standards Framework (Owen et al 1996), it would appear that principals initially undertook the role (or embraced the agenda) with varying degrees of enthusiasm.
39 Muller 1997 contends that Roskam, the Minister’s adviser, was exceptional in his handling of the media.
40 Occasionally the Chairperson of the Board of Studies would announce curriculum or assessment changes.
Our weekly office schedule included listening to what the Premier had to say at 9 am. Thursday on [radio station] 3AW. Invariably Education would come up, as it still does, and it was beholden on us to respond to him and the caller. As he was taking the call, we would be getting the answer and feeding it directly back through his press secretary with him at the station. Anything that came up in the morning talkback was always responded to (Clancy 1997).

The Government kept in touch with community opinion through polls and its backbenchers. It was aware of the pervasive view that education unions had had too much power in schools. This view was reflected continually in the media. For example, an editorial in *The Age* evaluating the Government's performance on December 27, 1993, noted that Minister Hayward had “broken the unions’ powerful grip,” and an editorial in the same newspaper on October 31, 1994, referred to the expectation of the electorate that the Government would “apply a reformist broom to an education system that had become costly, self-indulgent and union-dominated.” The view remained throughout the reform period, with editorials in the major dailies on September 12, 1995, following the announcement of the retirement of the Minister, referring to the stranglehold that unions had had on education. In this climate the Minister was able to exclude unions and left-leaning parent organizations without political damage.

vi) Monitoring the Reform

Operating on the dictum that data drives improvement, the Department was able to maintain a reflective stance during its hands-on involvement in implementation. It entered into a partnership with principals' associations and the University of Melbourne in a co-operative research project to monitor the impact of *Schools of the Future* on principals and schools, and feed back information to help shape successive phases of implementation. Similarly, the reform process benefited from a research project undertaken by Allan and Eleanor Odden, under the auspices of a funding consortium from the United States to monitor the impact of the reform on classroom practice and the work of teachers. The Oddens shared their findings with the Department during the four years of their study, and these findings, in turn, help describe the impact of the reform in retrospect.

2.6 Reform impact

All Victorian schools but one have opted into the *Schools of the Future* program and schools from the initial intake in 1994 are about to undergo their triennial review. Despite the newness of this reform a surprising amount of scholarly research has already been undertaken. These studies, together with the insights of interviewees, provide a useful basis on which to report the impact of the Victorian reform.

Within four years, Victoria achieved the lowest per pupil expenditure of any State in Australia (A$3,869) and the lowest out-of-school expenditure (A$220 per pupil). While spending in most jurisdictions increased in real terms after 1992, expenditure in Victoria declined by 8.9 per cent per annum (Industry Commission 1997). The devolution of self-management to schools in the *Schools of the Future* framework was accompanied by a downsizing of the central bureaucracy. Successive attempts at restructuring saw personnel at the head office reduced by 50 per cent. The teaching force was reduced by 8,000 jobs, equivalent to 20 per cent.

There is evidence that both the budget cuts and the *Schools of the Future* program have had a marked impact on schools. Budget cuts saw schools coping with increased class size; a reduction in some specialist services, such as student welfare, careers counseling and library services; and a halving in the number of pupil-free days available for professional development (McRae 1994). There is evidence of a marked increase in the workload of teachers (McRae 1994; Blackmore

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41 It is beyond the scope of this study to comprehensively document the impact of the reform or to critically evaluate it.

42 With the Victorian Government moving to contracting out services such as cleaning and professional development in education, and to privatizing services such as electricity, and to introducing case-mix funding in health, some 40,000 public service jobs were removed by 1996—a reduction of about 20 per cent.
et al 1996; Odden and Odden 1996) and a perception of a lowering of morale (Blackmore et al 1996; McRae 1994; Thomas 1997).

Researchers note different aspects of the change in schools. Blackmore and her colleagues noted an overt shift in power from teachers to principals (Blackmore et al 1996). Similarly, Gough and Taylor noted diminished union power, which they ascribed to the pace of reform: “Effective union activity requires teachers’ time and energy, and by enacting his policies thick and fast Hayward invaded much of this time and destroyed the natural capacity for resistance amongst a demoralized teaching force” (Gough and Taylor 1996: 74). Teachers found the intensity and breadth of change difficult to cope with (Blackmore et al 1996; McRae 1994; Thomas 1997). Teacher workload emerged as a concern in all research projects, with the observation that by 1996 teachers were suffering “reform overload” (Gough and Taylor 1996). In their research, Odden and Odden observed that “principals moved into broader, more political, more external activities, and delegated considerable direct curriculum, instructional and within-school leadership to teachers” (Odden and Odden 1996: 32).

While there is evidence of an increase in cost efficiency—such as a smaller teaching force, downsized bureaucracy, and reduced per-pupil expenditure—there are few data to determine effectiveness in terms of students’ academic achievements. The data that are available are fragmentary and contradictory. Data from Victoria’s statewide assessment demonstrates strong levels of attainment against the Curriculum and Standards Framework in English and Mathematics in 1995 and 1996, but low levels of attainment in Science in 1996. Victoria’s performance in the Third International Math and Science Survey is the second lowest amongst Australian States (Industry Commission 1997). There is little evidence of innovative teaching methods accompanying site-based management, and suggestions that new approaches could reduce the workload for teachers (Caldwell 1996; Odden and Odden 1996; Thomas 1997).

Budget cuts have seen an increase in fundraising at the local level, including “voluntary” fees. There is evidence that the development of a Charter has provided schools councils with an educational focus, encouraged parental involvement, and given schools direction (Blackmore et al 1996; Cooperative Research Project 1996; Kelly 1997; Odden and Odden 1996; Townsend 1996a). There is strong support for increased flexibility in staffing and financial management, and early evidence that schools are using this flexibility to allocate resources to meet local needs (Kelly 1997; Paul 1997; Odden and Odden 1996: 43).

While principals welcomed their enhanced leadership role and their greater flexibility to make decisions regarding finance and staffing, they became concerned about workload, the pace of change, the level of bureaucratic control, and the level of resources (Cooperative Research Project 1996; Thomas 1997). There is evidence that more than sixty per cent of principals are now working in excess of sixty hours a week and that their role has changed substantially. These data warrant closer analysis, as patterns of adjustment vary (Paul 1997; Thomas 1997). Odden and Odden (1996) observed some principals delegating effectively and thereby modifying their role. However, Blackmore and her colleagues contend that “principals have become both the mediators in a series of new contractual relationships and also the buffers for the state against teacher resistance” (1996: 216). A recent dispute between principals and the Government over pay and conditions suggests that change may have come at a cost (The Age, Apr.2, Apr.14, Apr.21, 1997).

3.0 Flagstones of Reform

Change management literature is replete with studies on the design, implementation and review of reforms at individual sites; however, there is little written on the implementation of systemic reform. There is a

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43 There is evidence that the imposition of “voluntary” fees or levies by schools is causing financial hardship for some families.

44 While the principals who were interviewed were positive about the change (Kelly 1997; Paul 1997; Thomas 1997), researchers such as Blackmore and her colleagues (1996) and Townsend (1996) decry the move to principal as manager.

45 Researchers vary in their interpretation of the impact of the Schools of the Future reform on principal-teacher relationships. No interviewees mentioned an adverse impact on principal-teacher relations and the absence of protracted local industrial disputes suggests that positive working relationships have been maintained.
Robust literature on systemic reform in the US, but there are no well-known studies that go “behind the scenes” to explore how a particular government and its bureaucracy went about major reform. This present study begins to fill that gap. In essence it is a study of a newly-elected Government with a massive majority in both Houses, a decimated Opposition, and a troubled electorate. A decade out of office had steeled its resolve to enact a significant reform agenda, to quash opposition in the immediate and long term, and to capitalize on the favorable political conditions.

3.1 A window of opportunity

The Government elected in October 1992 believed it had a window of opportunity to enact its reform agenda. It had a healthy majority in both Houses and clear policies aired during the election. There was a pervasive sense of financial crisis and a readiness in the community to accept harsh measures to rectify the state’s parlous financial situation. The reform was clearly announced, signaled well in advance and did not take the electorate by surprise. An electorate sometimes knows when it has to “take the medicine”.

3.2 Budgetary pressure

The Education Minister opted to conduct reform in parallel with budget cuts, bringing on himself an initial storm of protest and two positive outcomes—the image of a decisive, reformist leader and a distraction for his opponents from the core of the reform effort. Victoria stands out from other devolution attempts in Australia where “the underlying purpose of the reform was not to cut education expenditure, but to get better value for it” (Angus 1995: 8). Victoria had become a “rust-bucket” State in the 1980s, with population flowing to “sun-belt” States like Queensland and Western Australia. There was not the same financial imperative in those other States. The Victorian reform is more characteristic of reforms in other countries where budgetary pressures have been a stimulus (Blackmore 1994; Gough and Taylor 1996; Hanushek and Jorgensen 1996). It would have been possible to enact the budget cuts without decentralization of decision-making or to decentralize without budget cuts. Enacting the two simultaneously created a symbiosis with the logic of devolution suggesting a smaller bureaucracy, and a smaller bureaucracy suggesting purchaser rather than provider functions, and purchaser functions requiring clear contracts, and so on. This symbiosis, the resolute stance of the key players, and the consistency with changes to other portfolios, created a narrative of orderly improvement within a logic of better government.

3.3 Reform expenditure

Its implementation during a period of severe budget cuts increases its interest to policy makers. Government advisers keen to contain expenditure and skeptical about a relationship between expenditure and improvement will find the Victorian reform of interest. Economists such as Eric Hanushek can find support for his assertion that “the fundamental problem is not a lack of resources but a poor application of available resources. Indeed there is a good case for holding overall spending constant during school reform” (1996: 30).

3.4 Policy and technical expertise

From the outset there was a clear reform agenda. The Minister’s unswerving commitment to implement it and his skills as a change agent were critical elements in the successful implementation of Victoria’s reform. The support of a Parliamentary Secretary who liaised with backbenchers and kept them on-side was essential, particularly in the period of school closures and mergers. This political duo could rely on a highly-skilled, tough and equally committed Director. There was a clear delineation of duties: the Minister set the direction for reform and the Director operationalized it. Arguably it would not have been possible to implement reform of this scale and complexity in the timeframe available without this partnership (and the existence of a well-skilled bureaucracy). The stamina and drive of these two set the pace for the bureaucracy. Expertise was bought in where necessary, including the expertise of principals. The use of small taskforces of practicing...
principals ensured that the reform was practicable and helped in building grassroots loyalty.

3.5 Critical alliances

Upon attaining government, the Minister moved quickly to draw principals into the planning process and to establish an open-door policy in his dealings with them. Simultaneously the unions and parent groups with strong ties to the former Government were declared persona non grata and a closed-door policy adopted with them. The devolution to site-based management weakened the influence of teachers on decision-making centrally, while changes to the composition of school councils weakened their influence locally. The power balance shifted from the center to the local, in favor of councils and principals. While superficially this strategy challenges an established maxim in educational change—that of engaging all stakeholders in the process—there is a plausible explanation why teachers and unions could be ignored. The Victorian reform is essentially structural and managerial in nature. Rationalizing the stock of schools affects parents and local communities, devolving decision-making to schools affects principals and school councils. These groups were drawn into the process and strategies were adopted to empower them. The Department had a budget of A$20 million per annum for implementation. Much of this was spent on the professional development of site. Similarly, school councils were already in existence and ripe for the change that gave parents an effective voice. This continuity rendered opposition ineffective.

3.6 Evolutionary approach

The decision to adopt an intensive evolutionary model of implementation was important in establishing broad ownership and avoiding the pitfalls of being seen to foist a grand plan on an uninformed populace (Angus 1995). Consulting with principals and monitoring implementation enabled information to be fed back into the reform and adjustments to be made during implementation. In this manner the support of principals was retained throughout implementation despite the pace and intensity of reform. Given the disengagement of unions, this support was critical.

Schools of the Future and Quality Provision were essentially evolutionary. "The Victorian developments build on almost two decades of change that has given schools increasing autonomy and accountability... Many of the changes now being implemented were identified over a decade ago, but the political will and capacity to drive through a strong change agenda have been lacking" (Caldwell and Hill 1996: 15). In studies of the policy-making elites and the policy agendas across portfolios in Victoria Muller and Headey (1996; 1997) have concluded that "there was little change in the role breakdown of policy influencers, but substantial change in personnel, when the Coalition Government replaced Labor" (1996: 143). In their analysis of policy issues and priorities across portfolios they noted considerable continuity in education.

Site-based management approaches were planted in fertile soil in Victoria. There is a long tradition of school-based curriculum development (Blackmore 1996; Fuhrman and Moore Johnson 1994; McRae 1994; Odden and Odden 1996). There are established practices of team meetings for planning, developing and evaluating curriculum. Schools of the Future was able to build on this culture of initiative and professionalism at the school site. Similarly, school councils were already in existence and ripe for the change that gave parents an effective voice. This continuity rendered opposition ineffective.

3.7 Congruence

While teachers may have been hostile to the pace and scale of the change and unnerved by reductions in the numbers of schools and teachers, they were not faced with conceptual dissonance in the reform underpinnings. With one in three Victorian students in a non-government school, government principals and teachers had first-hand evidence of the feasibility of site-based management. This, coupled with local and international research on site-based approaches, provided a professional rationale for broader public
sector change. One of the intriguing aspects of the research for this case study is that there was virtually no reference to the public sector reform agenda from the principal change agents. The reform, including the budget cutting Quality Provision, was couched in educational terms by all interviewees. Many of the maxims of public-sector reform resonate with the school improvement movement. They share a focus on outcomes, a commitment to consumers (be they citizens or students) and a belief in locating decision-making close to those affected. The reform efforts in other

State portfolios, notably in Health and Transportation, were broadly congruent.

3.8 Structural change

The reform to school education in Victoria is marked by comprehensiveness, coherence and a focus on clear outcomes—all aspects of systemic reform.8 Victoria moved beyond systemic to structural reform.49 Changes to educational practice, school culture and power relations resulted from a range of measures, including budget cuts, which reduced the teaching force and the bureaucracy administering it; from legislation, which changed employment conditions; from regulations, which saw the power of parents and principals boosted relative to that of teachers; and from government decisions, which saw a consolidation of the stock of school sites and funds realized returned for refurbishment. The scope and pace of the reform set it apart from earlier efforts.50 The reform was not only systemic, but also structural.

3.9 The future

While the Victorian reform may have delivered systemic and structural change to schools, there is no evidence as yet of improved student learning.51 The literature is conclusive that there is no causal link between site-based management or curriculum standards and improved student learning.52 There is agreement that “the core patterns of schooling remain relatively stable in the face of often massive changes to the structure around them” (Elmore 1996: 313), that “site-based management is not an end in itself but a means to an end” (Hanushek 1996: 45), and that “to improve student learning the content and instruction delivered to students must change as well as the organizational structure of the school” (Smith et al 1996: 21). This suggests that, despite its scale and complexity, the Victorian reform is incomplete.

The next phase will involve a “re-engineering” of schools53 to accommodate information and communication technologies, and a refocusing of teachers’ work.54 It will involve some schools operating in looser regulatory frameworks.55 If the reform is to achieve the Minister’s 1993 aim of improving the learning outcomes of students in government schools this is a necessary next step. Real improvement in educational outcomes are likely only when schools focus on change at the level of the classroom, and this means that changes to school financing arrangements must be related to a total package of reforms aimed at improving the quality of teaching and learning. There are encouraging signs in Victorian schools that this focus on classroom teaching is also starting to emerge, but at this stage it would have to be said that these signs represent the very


49 Structural reform sees an alignment in “organizational arrangements, roles, finance and governance and formal policies” (Fullan 1991).

50 Caldwell argues that “Victoria has the distinction of being the largest system of public education anywhere in the world to have adopted the new arrangements.” (1996a:2) Odden and Odden conclude that “the Victorian reform includes most of the components of systemic reform and decentralised school finance... [it is] perhaps one of the most sweeping and comprehensive strategies at school decentralization for higher student performance in the entire world” (1996:20).

51 A majority of principals in the Cooperative Research Project (1996) believe that student learning will improve under the new arrangements, but there is no data to verify this belief.


53 Caldwell 1996b.

54 Kelly 1997; Thomas 1997.

55 The second-term Education Minister announced moves toward privatization in May 1993.56 One interviewee close to the reform process provided some maxims for reform. These are contained in Appendix A.
early days of the next wave of school reform (Caldwell and Hill 1996: 17).

3.10 Preconditions for lasting reform

Reflecting on the future of schools and the preconditions for lasting reform, the Minister who pioneered Victoria's education "revolution" and an academic collaborator argue:

- Reforms such as *Schools of the Future* are a necessary but not sufficient condition.
- Public policy and school effort must be tightly focused on the achievement of high standards for all students.
- High levels of professionalism must be achieved among teachers and others who work in schools.
- Education and the economy should converge after decades of divergence.
- Higher levels of resources and formal recognition of private effort on the revenue side are required to energize and sustain the enterprise.
- For public education, government should establish the framework, set standards, provide infrastructure and other resources, support schools and monitor outcomes, allowing self-managing schools to respond to parental choice, with due account in the framework for matters of access and equity, particularly in respect to private effort for additional resources. (Caldwell and Hayward 1998: 144)

3.11 Reflection

The vigor and intensity with which the Victorian reform was enacted has drawn the interest of policymakers elsewhere. It is not a blueprint amenable to simple replication. Rather it is a study of a government which refined its ideology and defined its reform agenda during the cold winter of a decade in opposition. A massive election victory, a jaded electorate and a demoralized opposition delivered it ideal preconditions in which to drive large-scale reform. This window of opportunity was used to radically restructure the shape of school education. Capable and committed change agents forged alliances with principals and principals and adopted an intensive but flexible approach to implementation. The reform agenda was planted in fertile soil, with much of it representing the shelved plans of the frustrated previous government. However it is an incomplete agenda, with the next phase focusing on improved student outcomes. Ultimately the Victorian reform will be judged as much on documented efficiencies as on the impact on students' lives.

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*One interviewee close to the reform process provided some maxims for reform. These are contained in Appendix A.*
APPENDIX A:

Maxims for Reform (Clancy 1997)
i) Have a clear and simple ideal, easily understood and marketable:
The label “Schools of the Future” was effective. The various parts of the ideal could be conveyed by words such as “choice”, “opportunity”, or “potential”.

ii) Have a thoroughly planned strategy to implement the ideal:
Stay ahead by determining the agenda. Don’t wait to respond, but have the agenda constantly moving on.

iii) Have the political will to carry out the plan:
Give no appearance of deviating from the plan to reach the ideal. Ensure there is gain from the pain and sell the benefits of the new order of things.

iv) Establish small dedicated teams to achieve easily defined objectives:
This maintains the pace, and ensures that the minutiae are dealt with.

v) Ensure all parties have (or feel they have) ownership of their part of the ideal:
This gives everyone a sense of playing a part in the achievement.

vi) Have “on-the-ground” management allies:
In this reform these were the school principals.

vii) Ensure there is a thorough and immediate capacity to communicate directly to those most affected by your action:
Reduce the message to easily repeated lines. Clearly identify what has to be said, and to whom. Communicate directly to those affected. Wherever possible, avoid broad and mass communication, which is imprecise and expensive. Ensure one has up-to-date and detailed information about what people think and want.
APPENDIX B:

Reforming Tertiary Education in Victoria

The line which divides Vocational Education and Training (VET) from higher education in Australia may be very difficult to define, but the two sectors have their own heartlands and remain distinct from each other. Training programs are strictly vocational, serving immediate industry needs, while university degrees can be decidedly more generic and liberal, such as Arts and Science courses. The two sectors have in common that their policy and funding are much more Federal than State matters, especially by comparison to the schools sector, but their reform cycles are not quite synchronous. Universities had gone through a major cycle of reform under John Dawkins, a federal center-left Minister in the 1987-91 period, and have entered a new period of reform during 1996 which is presently underway. The current round of State reform in the VET sector commenced in 1993, and is similarly still in progress. In areas of national policy and funding like tertiary education, States attempt to leverage reform by means of the tools at their disposal, since they do not directly operate the levers themselves. Sometimes, indeed, they need to promote reform independently of the other States or the Federal Government. The Victorian Premier explained that a reformist State could affect the policy of a lethargic or unreformist Commonwealth Government:

It’s mainly through influence; it’s mainly through public debate... The sea of change right now is so dramatic, and in higher education that’s particularly the case, and a move away from what we have traditionally known... [Similarly,] our TAFE system is better than anywhere else in Australia. It is one of the best in the world, a fantastic system. [Overall,] education is going to be one of the great pluses in this State” (Kennett 1997).

Reform in Victorian tertiary education broadly follows the same five “principles” which underpin school education reform. In the VET sector (which includes the public TAFE Institutes), the State has developed the concept of an “open training market” further than the Commonwealth seems to want to go (Honeywood 1997). More than 700 companies have been registered as private providers and are therefore able to tender for government training contracts, work which would have once gone automatically to the TAFE Institutes. (TAFE is a peculiarly Australian acronym, standing for Technical and Further Education.) The Institutes are made accountable for yearly output on the basis of annual contracts signed with their Director and Council. The decision about what to amount and kinds of training need to be purchased by the government is made largely on the advice of Industry Training Boards and a central State Training Board. The number and membership of these Boards has been drastically rationalized in order to fit the Kennett Government’s concept of “empowering customers”, for it is “industry” which is seen as the relevant customer in the case of vocational education. The central bureaucracy which co-ordinates the training system has been reduced in size, and its administrative functions devolved out to the Institutes themselves. Before the current cycle of reform, Victoria had as many as 36 separate Institutes (then called Colleges of TAFE); by mid-1997 the number was 24 and a Ministerial Review was in the process of recommending further amalgamations, both of Institutes themselves and of Institutes with universities. Victoria is one of only two Australian States with dual-sector universities, combining VET with higher education.

The agenda for VET reform at the national level was originally set by industry leaders, union officials and national bureaucrats, in the 1989-92 period. The Australian National Training Authority was established in Brisbane, the capital of Queensland, in 1992, and is owned jointly by the Commonwealth and the States. At the State level, however, the key agents for framing policy and implementing it have the state bureaucrats under the direction of the Ministers (Haddon Storey, 1992-1996; Phil Honeywood since 1996) and the Institute Directors and their Councils.

Higher education reform has commenced in earnest under Honeywood in 1996. Again it follows the same underlying “principles” as the school reform of the earlier Kennett Government (1992-1996). Dawkins had brought about the amalgamation of smaller colleges and universities to create 37
universities, all in public ownership. Two minor private universities struggled to compete. Now the Victorian Government, with its preference for market mechanisms, supports the development of a private campus to be built at Melbourne's new Docklands site. Meanwhile, in ceding land grants for new public campuses on the urban fringe, the State Government is able to insert specific requirements it wants the universities to meet. The "consumers" of higher education are the students themselves, obliged since Dawkins to pay back part of the cost of their university education through taxation on their later earnings, known as HECS, or the Higher Education Contribution Scheme; in Victoria, students have easier access to training programs alongside the standard undergraduate degree courses.

The role of government in the funding of higher education has been diminished since the drastic federal cuts to university operating grants of 1996; the Victorian Minister obtained some relief for the budgets of his State's universities once he had persuaded the vice-chancellors to withdraw from the chorus of staff, student and official protests. These cuts, and an accompanying rise in the price of a HECS-funded place, were in fact the trigger for the current cycle of reform in higher education, because they gave an opening to the States to respond more creatively to changes in the supply and pricing of university education. Hence the plans for a private campus, suddenly made more competitive by the rise in the price of HECS-funded places elsewhere. Finally, because university constitutions are embedded in State rather than Commonwealth legislation, the Minister has exercised his right to change the composition of the university governing bodies, making them smaller and more "business-like".

This current round of tertiary education reform in Victoria is likely to run another year or two, and represents an ambition by the State Government to give its universities and training colleges a pre-eminent national role somewhat analogous to that of Massachusetts in the United States, a State which enjoys strong economic benefit from tertiary education.
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ii. Printed materials
iii. Newspaper articles

i. Interviews

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