Adding Value to Public Education:
An Examination of the Possibilities for Public Private Partnerships

Brian Caldwell and Jack Keating

Discussion Paper 2004

Australian Council of Deans of Education

November 2004

The Australian Council of Deans of Education Incorporated (ACDE) is the national organisation of the deans of faculties of education and heads of schools of education in Australian universities.
ABN: 58 003 862 359

ISBN: 1 876814 10 1

This work is copyright. In addition to reproduction permitted under the Copyright Act 1968 (as amended), it may be reproduced in whole or in part for research, training or policy development purposes, subject to the inclusion of acknowledgement of the source, and no commercial use or sale. Reproduction for purposes other than those specified above requires the written permission of the ACDE.
Additional copies of this report may be purchased for $22 (including GST and postage). Please make cheques out to the 'Australian Council of Deans of Education', and send the order to:

Executive Officer, ACDE
c/o RMIT University
PO Box 71
BUNDOORA
VIC 3083
Phone: 03 9925 7844
Fax: 03 9925 7586

The views expressed in this paper do not necessarily reflect the views of the Australian Council of Deans of Education.

Abstract

The paper explores the multiple dimensions of public-private partnerships in education that have been initiated in Australia and overseas, especially in the UK. It argues that the growing importance of education in modern societies and economies necessitates more flexible and diverse approaches to the provision of education, including public schooling. Public-private partnerships provide an important means of doing this and can underpin major reforms and innovations.

Several arguments are advanced for public-private partnerships. They concern the limitations and inadequacies of solely government provided education, the increased demands for financing education, a changed and broader concept of public good, and the opportunities to build social capital.

The paper explores a range of approaches to public-private partnerships. They include mixes of public and private schools, private participation in the delivery of public education, education-industry partnerships, forms of private investment in education, networks of public and private organisations, school - community partnership, and private management of public education providers. There is a considerable amount of evidence of the success of both international and national innovations in public-private partnerships. They have mostly produced better educational outcomes and at lower costs for governments. However, they do raise challenges for the ways in which we plan, govern and manage educational provision, for the ways in which educators work, and for our attitudes towards diversity and on-going change in education.

A public private partnership in school education is a legally binding agreement between a public authority responsible for a school or school system and a non-public entity that is intended to bring a benefit to each party. The non-public entity may be an individual or organisation and may be either profit or non-profit. For a non-profit entity, the benefit may be the satisfaction of a mission that may include the achievement of a benefit to the education partner. The non-private entity may be an organisation of volunteers.

Purpose

The purpose of this paper is to identify different forms of public private partnership that have emerged in school education in recent times and to draw implications for the future of such arrangements in Australia.

Scope

Particular attention is given to developments in Australia, where such partnerships are multiplying, especially at the upper secondary level, and in the United Kingdom. In the latter, while often proposed and implemented on a limited scale by successive Thatcher and Major Conservative governments, there has been a gathering of momentum during the first and second terms of the Blair Labour government. Reference is also made to developments in the United States where some systems of public education have entered into agreements with private companies to manage some or all of their schools. The leadership of Nelson Mandela in South Africa is noted. It is concluded that there is a substantial case for the proposition that public private partnerships can add value to public education.

Certain exclusions are noted at this point. The paper is not concerned with voluntary contributions, payments of non-tuition fees, and local fund-raising, nor is it concerned with small-scale one-off agreements between particular schools and various providers of educational services, even though the criterion of benefit to the various partners is satisfied. These arrangements have been part and parcel of the scene in public education for much of its history. These are generally accepted although they remain contentious, especially in circumstances where schools become dependent on these sources of support, with governments being accused of abdicating their responsibilities to public education, or where there are gross inequities in the capacities of schools in different socio-economic settings to secure such support. The paper is not concerned with arrangements for non-public schools, for example, non-government schools in Australia. The focus is on more recent phenomena that are formally known as public private partnerships or are consistent with the definition offered at the outset.

Public private partnerships are contentious

Public private partnerships are novel and often contentious in countries where the concept of public has been synonymous with government. In these instances, a public school is considered to be a school that is owned, funded and operated by government, with teachers and those supporting the work of teachers at the school site being employees of government. The points of contention may be ideological, educational or pragmatic. An ideological objection would derive from the perceived weakening of commitment to public education when government relinquishes its traditional role in any of the aforementioned elements. This may be expressed as a belief that the establishment of a public private partnership is tantamount to the privatisation of public education. An educational objection would be raised when the nature of the non-public entity or the benefit it derives are perceived to be inconsistent with the nature and purpose of public education. A pragmatic objection may be upheld when the expected benefits are not realised by either partner.

Outline

The first part of the paper provides a broad overview public education in Australia, giving particular attention to secondary schools in the context of change on a global scale in economic and social affairs. An examination of the pressures for change and the opportunities for improvement suggests that changes in structures and provision are desirable, if not inevitable.

The second part of the paper deals more specifically to structures and provision that involve public private partnerships. The starting point is an outline of arguments that have been advanced in support of public private partnerships and highlights some of the principal objections. Then follows a range of illustrative case studies drawn from Australia, England, South Africa and the United States.

The third part draws implications for Australia, reaching the conclusion that the weight of evidence supports the proposition that public private partnerships can add value to public education. Several options are explored. It is also concluded that the creation of public private partnerships does not constitute the privatisation of public education.

Contents

Part 1: The Context for Change in Public Education 1

Part 2: Public Private Partnerships 15

Part 3: Implications for Australia 33

References 37

Acknowledgements 41

Adding Value to Public Education: An Examination of the Possibilities for Public Private Partnerships

Part 1: The Context for Change in Public Education

The first part of the paper provides the broad context for change in public education in Australia. It deals with the relationship between schools and government, the emergence of the knowledge economy, patterns of governance of public education, the relative decline of public education, transition and the youth labour market, diversity in secondary education, and historical constraints on change. Part 1 sets the stage for consideration of emerging patterns of governance in the form of public private partnerships.

The role of the state in public education

As an institution and as an industry schooling has proven to be remarkably durable. Over a 130-year period it has changed very little. Apart from its more recent expansion into mass secondary education the basic structures, organisational and industrial forms of schooling have changed very little. It remains predominantly public, centrally managed, compulsory and delivered through relatively standardised classroom modes. Culturally it has changed little: its curriculum is relatively unchanged, and its centralised industrial forms have proven more durable than those of any other major industry.

The reasons for this durability are related to the attachment of public education to the state, and the state's quest for stability, and to its relative detachment from external demands. Contrary to some common assumptions, mass education was not a product of industrialisation. Rather it has been associated with the formation of nation states, and has been central to the development of knowledge, values and loyalties that form the foundation of the liberal democracy. Mass systemisation of schooling underpinned the processes of nation building in the 19th century (Green, 1990), and subsequently has continued its central role in providing the knowledge and values that underpin citizenship and the political processes of liberal democracies.

Education essentially has been supply led rather than demand driven (Archer, 1979), and its attachment to the state through the forms of public education have ensured that the primary drivers of education have been relatively stable. The essential purposes of government in market-based economies are those of ensuring social and economic stability and providing social and economic infrastructure. For this reason education has been regarded as a key responsibility of the state, and equal access to it has been seen as central to the basic principles of a liberal democracy.

While some might argue that school education largely has been an extension of the factory system, this is difficult to sustain. The standardised forms of schooling have always been more thorough than those of industry, and are proving to be much more durable than those of industry. They have been maintained more through the internal cultures and interests of the 'education industry' than through external pressures. Essentially the chief external demands upon public schooling have been to produce the knowledge and values that underpin public commitment to the institutional forms of the nation state, and the basic skills for civic participation. This stabilising influence is reinforced through the high degree of systematisation and segmentation of schooling and its inherent tendency to seek to maintain this systematisation and segmentation.

The institution of 'public education' has been constructed in this manner. It is closely related to the state, and there has been a tendency to define public education through its institutional form of centrally funded and administered state schools. It is the case, of course, that public education also is seen as being based upon important principles of 'free, compulsory and secular'. However, its institutional form has been the key to its stability, and arguably is now a factor in its limitations.

In this paper we argue that the standardised form of schooling, particularly at the secondary level, faces new pressures for change. These pressures have built up in the latter years of the 20th century, but are now being felt most forcefully in the 21st century. They can be seen both as trends in Australia that go back three decades, and as major paradigmatic changes that are associated with the concept of globalisation. We argue that these changes have major implications for the concept of public education and the principles and purposes that underpin it. In particular, there are pressures upon the institutional forms of state managed, centralised and standardised schools. These pressures are related to the growing importance of knowledge, learning and innovation. More so than in any other era there are growing economic demands for and upon education. These demands translate into higher levels of private demand for education, which is shown in the increased demands for university education, despite the increased private costs of the Higher Education Contributions Scheme (HECS).

Conversely, the consequences of under achievement in education are greater than in the past. Education is strongly linked to employment and economic outcomes, and those members of the community who face problems of unemployment and under employment, and who have low incomes, are more likely to have had poor educational outcomes.

These developments are placing greater demands upon schooling, especially secondary schooling. Some states in Australia, notably Queensland and Victoria, have followed international examples by establishing targets for year 12 completion. As a consequence the demands upon secondary education have increased, and the capacity of the standardised public school systems to meet these demands is limited. An example of this is the 9,000 enrolments amongst 15-19 year olds that were recorded in Adult and Community Education (ACE) providers in Victoria in 2002 (Haukka et al, 2003). In many cases schools simply have not been able to meet the needs of these students.

Further examples of the pressure for diversity of provision are the growth in Vocational Education and Training (VET) in schools programs in all states and territories (Ainley, 2003), and the growth in apprenticeships in schools. There also is an increasing incidence of students undertaking upper secondary studies in year 10, and year 12 subjects in year 11. More students in secondary education are undertaking university subjects.

It also is important to recognise growing regional diversity in patterns of educational participation and needs. This diversity is associated with corresponding changes in regional economies and demography, which as global phenomena can be expected to increase.

These pressures all point to the growing obsolescence of a standardised institutional form of school education. Tertiary education in Australia already is highly diversified, and it is clear that it will become more so. Primary education, on the other hand, is relatively stable with high levels of public support and satisfaction, and is unlikely to change radically in the immediate future. Secondary education, however, is subject to much greater pressures, both in terms of private demand and government demands.[1] In Australia secondary education is increasingly private, and increasingly heterogeneous in the structure of provision. Apart from the standard form of 7 – 12 or 9 – 12 schools, there are senior colleges, multi-campus colleges, educational precincts, community colleges, cooperative clusters and other forms of collaboration and partnerships. The paper explores structural options in secondary education in Australia, and especially the options of mixes of public and private provision. In doing this it examines initiatives in Australia and overseas, and explores the possibilities that are available for the Australian context.

[1] The pressure of government demand is shown by the extraordinary number of government reviews and inquiries into upper secondary schooling over the past two decades. Almost all state, territory and federal governments have conducted at least two reviews.

Globalisation and the knowledge economy

The post second world war period in the developed economies saw a rapid expansion in post elementary education. Consistent with the history of supply led expansion several theorists (such as Dore, 1976) argued that this growth was leading to credentials inflation, where people were gaining levels of education and training that typically exceeded the levels of skills that were needed for their work demands. This growth was related to growing positional competition (Collins, 1979) where education has come to replace family and networks as the main means of accessing high status and paid occupations. This post war change also occurred in Australia, and largely explains the increase in the intense competition for university access and the tertiary education ranks derived from year 12 assessment scores (Teese, 2000). There is evidence that this competition is increasing despite the rapid growth in university enrolments over the past 15 years and the advent of fees in the forms of the HECS.

Part of Dore and Collins' thesis was that credentials inflation would weaken the exchange value of education due to oversupply caused by the positional competition. More than two decades after these predictions there is little evidence for the economic devaluation of education. In fact the opposite appears to be the case.

Table 1 gives relative earnings for people with different education levels across OECD countries in 2001. Type A tertiary represents degree level education and type B diploma level. Private rates of return for tertiary education, especially university degrees are high in most OECD countries, including countries like the USA where a relatively large percentage of adult workers have tertiary qualifications. Furthermore, the public sector has traditionally been the main recruiter of tertiary qualified labour, yet the USA has amongst the smallest public sectors of OECD countries.

Table 1: Relative earnings of the population with income from employment by educational attainment persons aged 30 to 44

	Men				Women			
	Below upper secondary education	Upper secondary education	Tertiary-type B education	Tertiary-type A & advanced research programs	Below upper secondary education	Upper secondary education	Tertiary-type B education	Tertiary-type A & advanced research programs
Hungary	74	100	220	222	71	100	141	160
Portugal	57	100	153	192	59	100	136	209
France	86	100	137	181	81	100	139	165
United States	63	100	123	180	65	100	120	177
Czech Republic	77	100	182	176	75	100	124	176
Finland	91	100	124	172	98	100	121	170
United Kingdom	73	100	123	165	63	100	137	195
Country mean	***77***	***100***	***130***	***157***	***74***	***100***	***126***	***166***
Spain	76	100	101	156	66	100	90	156
Denmark	85	100	118	143	90	100	114	146
Canada	81	100	112	143	69	100	118	165
Switzerland	77	100	124	140	80	100	133	160
Australia	**83**	**100**	**116**	**138**	**84**	**100**	**112**	**154**
Ireland	72	100	104	136	55	100	142	155
Korea	90	100	109	136	75	100	138	181
Norway	89	100	130	135	88	100	144	137
Germany	63	100	101	131	68	100	106	167
Netherlands	85	100	128	130	71	100	133	150

Source: OECD, 2001b

Consistent with Dore and Collins' thesis the exchange value of qualifications tends to be less than that assumed by qualifications and awarding authorities. The exchange value of qualifications has been strengthened through licensing and control of occupational entry arrangements of occupational labour markets. In recent years occupational labour markets have weakened across most OECD nations, yet the apparent exchange value of qualifications and rates of return have been maintained or even increased.

These developments suggest that there is increased industry demand for education and training, and this is reinforcing the positional competition that is increasing individual demand for education. In contrast to the industrial era there is evidence that the industries that are associated with the 'knowledge economy' have a high demand for highly educated labour. The knowledge worker needs high levels of cognitive skills, and the capacity to innovate and develop new knowledge and skills, that is lifelong learning. There also is evidence that the knowledge industries are increasing in OECD economies, including Australia.

Successful economies will be those that can retain high levels of income for the bulk of their workforces. In an era of increased global competition price competition for mass-produced industrial products has increased. Low wage countries such as China, Bangladesh, and the Philippines increasingly dominate these markets. High wage and income economies needs to invest in new and high value added products. They need to constantly innovate both in production methods and products. They require highly skilled, flexible and innovative workforces, which typically have high levels of education.

The knowledge economy also is associated with changing employment patterns. Contingent employment (part-time, casual) has increased, and Australia has amongst the highest levels of contingent employment, especially for women, amongst OECD nations. This growth has contributed to growing gaps in wage and income levels, which in turn correlate strongly with educational levels.

Low levels of labour stability were regarded as an asset during the industrial era, and the practices of lifetime employment in Japanese industry were seen as one of the reasons for its remarkable success in the latter decades of the 20th century. Knowledge industries typically have smaller firms than the giant companies of the industrial era, and these firms are less inclined to train their own workers. As a consequence they depend upon workers bringing their own skills to the firms, and moderate levels of labour exchange and mobility have become a feature of these industries. The main example of this is Silicon Valley in the USA where knowledge is spread through high levels of labour mobility and informal exchanges between firms (Schiff 1999). Innovative industry clusters that have attracted so much attention from the OECD in recent years are based primarily upon human exchanges of employment and knowledge, and mostly through informal means.

The knowledge economy and governance

The OECD (2001) has pointed out that the differences in the economic performances between regions within European Union countries is greater than those between countries. Globalisation has accelerated gaps in economic performances between regions. Not only are industries able to rapidly relocate to favourable environments, but also workers are increasingly mobile. The most mobile workers, geographically and occupationally, are educated workers. The capacity of regions to attract the knowledge workers is becoming a more important economic asset.

In the global shift of knowledge industries and knowledge workers the great cities are the winners. The differences in economic performances between these cities and their hinterlands are increasing. This applies whether it is New York, London, Paris, Shanghai, or Sydney. The 'knowledge worker' is increasingly mobile, both occupationally and geographically, and one factor in this mobility is life style. That is, the knowledge worker is increasingly able and inclined to choose attractive living environments. For this reasons, regions that want to attract knowledge industries need to provide lifestyle attractions. For most this is the great cities, and this is expressed in Australia in the reluctance of medical professionals to live outside the cities.

These changes have led to political and economic agendas. On the one hand regional identity and autonomy is re-emerging after the great period of the nation state, which extended from the mid 19th century until the end of the 20th. The push for regional identity and autonomy is most apparent in Europe, where 'nations' such as Scotland have reasserted their sovereignty. However, these pressures also are apparent in countries such as China, Mexico, Indonesia and the Philippines. On the other hand most nations now are forming into economic blocs. Apart from the European Union there are the North America Free Trade Agreement, Central America Free Trade Agreement, Southern Africa Development Community, Asian Free Trade Agreement, and more.

Both of these developments have challenged the dominant 20th century concept of the nation state. Although this does not mean that the concept of the nation state is obsolescent it does mean that governments face new agendas. This is apparent in Australia where state governments have become aware of the impact of regional economic and voting patterns upon election outcomes. State governments have responded with regional development plans and ideas of cross government or place based management. At the federal level the agenda of regional security has become dominant.

At both levels of government, but especially at the state level where service delivery is greater, the business of government has become more complex in a context of more rapid economic and social change, and new infrastructure (including regulatory infrastructure) and service demands. The large number of variables that are influenced by government and which are seen to influence the competitiveness of economies demonstrates the growing demands upon governments.[2]

[2] The World Competitiveness Yearbook (2003) lists 91 variables under the heading 'Government Efficiency'. As well, there are a large number of variables under the heading 'Infrastructure' for which governments typically have a high degree of responsibility.

The business of governance has become more complex in a more dynamic and diverse economic and social environment. There are signs that government is looking to develop new forms of governance through the devolution of decision making to local and regional levels, regional planning initiatives, the recognition that different regions have different needs, and joined up approaches to governance. As well, governments are looking towards partnerships with the private sector, for both infrastructure and service delivery. Examples are road construction and administration, public transport, medical services, and employment services. These new approaches can be applied to education, including secondary education.

The relative decline of public education

The decline in relative enrolments in government schools is well known. There has been an annual enrolment drift of approximately 0.4 – 0.5 per cent from government to non-government schools over a period of 28 years. This is leading to fears that public education will become residual, patronised only by the poor and providing relatively low quality schooling.

Efforts to redress this scenario have included a greater emphasis upon learning outcomes, some devolution of authority to schools and some competition between schools. Most states in Australia now have some form of 'school improvement' programs or agendas. These measures have and are likely to have mixed levels of success. On the whole, however, there has been little formal questioning of the basis public education model of government owned and managed schools, which remain highly standardised in their organisational structures and processes.

Much of the international literature on the so-called 'knowledge economy' predicts that personal intellectual capital will become the most valuable form of economic capital in the future. It suggests that this will change traditional industrial relationships between employers and employees, and thus will create new incentives for individuals to learn and to keep learning.

Whether these predictions are accurate or far-fetched can be debated. However, it is clear that 'public education' is being subject to pressures that it has not experienced in the past and that these pressures are likely to grow. Individual demand is likely to grow and to diversify, and the nature of the learning that is sought through or in association with education, including schooling, also is likely to diversify. The link between learning and productive activity is now more apparent in most types of education, and means of accessing knowledge is far more diversified.

Public education based upon centralised and standardised forms is threatened by these changes. An increase in individual demand for education will be accompanied by a demand for quality and for choice. Larger sections of the population are now motivated and capable of exerting choice, through their ability to pay. Of course, it is this very trend that provides the expression of the crisis of public education: That is those that don't have the capacity to pay will be denied the quality and the choice.

There is some evidence for the much predicted residualisation impact upon the government schools system. Secondary education in the Victoria has the lowest percentage of students in schools enrolled in the government sector. Table 2 indicates the enrolments of six SES bands of students in five categories of school size. The data indicate high concentrations of low SES students in small schools and high concentrations of high SES students in large schools. These results suggest that students from low SES backgrounds are concentrated in small schools that are declining in numbers, and that offer a limited range of study options. Conversely the more mobile higher SES schools are migrating to larger schools.

Table 2: Victoria Government secondary school size by SES band enrolment percentages in 2002.

School size	High SES	2.00	3.00	4.00	5.00	Low SES	Total
Small	9.1	18.4	15.4	22.2	20.5	30.6	19.1
2.00	6.8	18.4	23.1	17.8	15.9	41.7	19.9
3.00	22.7	26.3	20.5	20.0	18.2	11.1	19.9
4.00	25.0	15.8	20.5	20.0	31.8	5.6	20.3
Large	36.4	21.1	20.5	20.0	13.6	11.1	20.7

Source: Compiled by S. Lamb (University of Melbourne) from unpublished data DE&T

The terms 'knowledge economy' and 'lifelong learning' may have a rhetorical ring to them. However, it is clear that overall societal investment in education is increasing, and that it will continue to increase. Governments caught between the twin pressures of tax reduction and increased demands in areas of health, age care, environmental protection and now security are unlikely to increase their investment in education. Given the substantial private returns, as well as industry returns to education, they are looking towards individuals and enterprises to increase their levels of investment. These trends left unmanaged are likely to exacerbate differences in unequal patterns of educational outcomes. Those who are most likely to invest in further education and training are individuals with strong educational backgrounds.

Governance and education

Changes that affect education are also having an impact upon governance. For many nations states that are trying to deal with the economic and social impact of globalisation governance is becoming a more complex task. This is readily apparent in the United Kingdom where there has been a furious rate of policy innovation and experimentation under the Blair Government. In Australia the policy responses to globalisation are more restrained by the structure of federalism. Nevertheless, there are signs of the complexity in areas such as health and education policy. However, this complexity is more apparent at the state rather than the federal levels. In particular state governments are aware of the different demands of different regions.

A number of reports in education and training in Australia for example Eldridge, 2001; Kirby, 2000) have located the different characteristics and need of different regions. These differences include educational needs. As the work of Teese et al (2002) demonstrate there are major differences in the patterns of educational participation and outcomes across regions in Australia. They include differences in the patterns of non-government and government school enrolments, TAFE and Adult and Community Education (ACE) enrolments within the school age cohort.

In response to these more diversified regional demands governments are looking towards new forms of partnerships between providers of education and training, and new forms of governance. Two states in Australia (Queensland and Victoria) have set targets for the percentage of students who complete year 12 or its equivalent. In the state of Victoria in 2002 approximately 55 per cent of full-time year 12 school students were enrolled in government schools. When TAFE and ACE enrolments are counted this percentage falls to 53%, and in some regions falls well below 50%. Furthermore this percentage is falling. While Victoria does have the lowest percentage of students in government schools, these data show that any strategies that are designed to achieve better and broader outcomes at the post compulsory levels and the OECD objective of lifelong learning for all will need to embrace all education and training and government and non-government sectors.

Work, transition and the youth labour market

The growth in upper secondary participation rates over the past two decades has been accompanied by major changes in work and the relationship of education to work. The rapid decline in full time teenage employment has contributed in a curious way to greater attention to work within secondary education. Over this period the education industry has accepted the relevance of work and employment skills to the curriculum, and over the past decade there has been an acceptance of structured links between education and work. Vocational subjects have progressed to competency based VET in schools programs, structured work placements and apprenticeships in schools. Enrolments in VET in Schools has increased as a percentage of senior secondary enrolments every year over the past decade (see Allen Consulting Group and NCVER, 2003), and the rapid take up of the vocational course, the Victorian Certificate of Applied Learning (VCAL), suggests that this trend is not about to abate.

Although full time teenage employment has collapsed over recent decades, especially for young women, part-time teenage employment has increased, and most teenagers who are in full time education engage in periods of part-time work. While in most cases there is no close or direct connection between this employment and education, formal employment is a regular experience for students in upper secondary education in Australia. This is a distinctive and now a relatively entrenched feature of life of teenagers and young adults in Australia.

The decline in full-time youth and young adult employment and the accompanying increases in full time education and training are the major factors in a significant shift in income away from young people in Australia. The advent of the Higher Education Contribution Scheme (HECS) and the successive increases in them have increased the income burden on young people. This burden is especially acute for sections of the community in the context of widening income gaps between high and low-income groups and different regions.

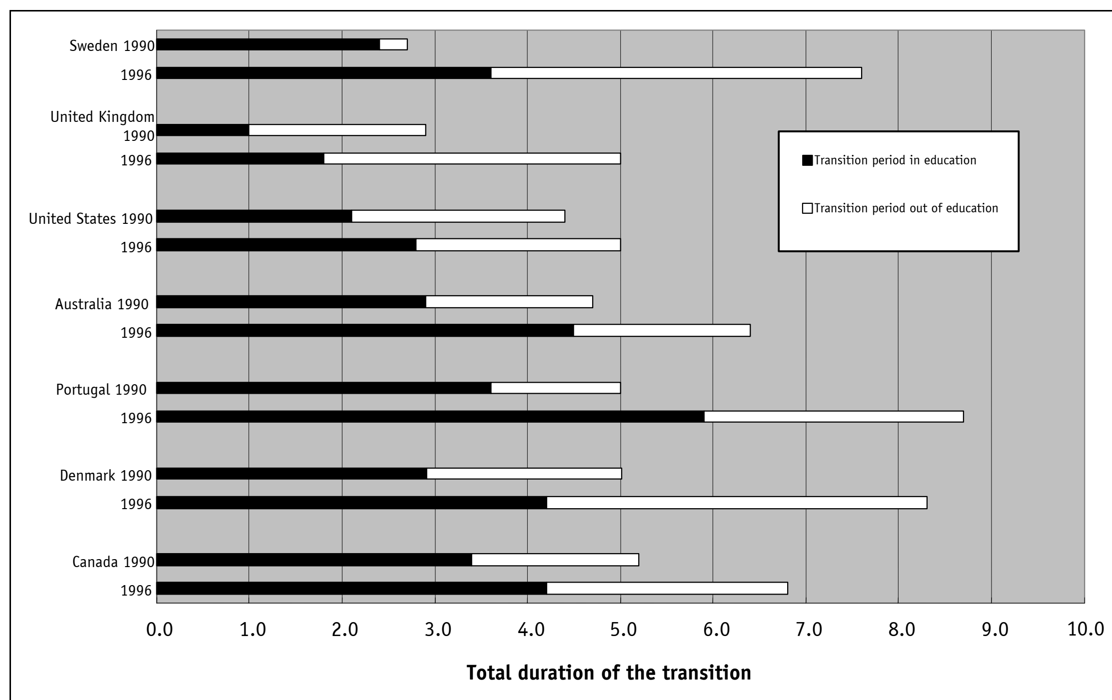
The changes are depicted most starkly in the 2001 OECD study on the Transition from Education to Employment. Figure 1 indicates the average number of years from the completion of compulsory schooling until gaining full time employment for a sample of seven OECD nations, including Australia. It can be seen than this period has increased for all nations over the period 1990 to 1997, and that for Australia this has increased by almost two years. Most of the increase is accounted for by an increase in the length of full time education. Given that the period represented in the OECD data has been one that moved from an economic recession to relative boom in Australia, it is likely that the trend of an increase in the transition period will have continued.

Secondary education and diversity

Upper secondary education in Australia has been formed through an extension of elementary education and the linkages with higher education. All states had junior technical schools, but by the late 1980s they had disappeared in all states (and much earlier in most). By the early 1990s all states and territories had adopted forms of common certificates, which to varying degrees attempted to ensure parity of esteem and in some cases parity of utility between subjects.

This move towards commonality has had some associated features. It has reinforced a concentration upon university education as the primary post school transition destination, something noted in almost all of the numerous reviews and reports into upper secondary education in Australia over the past two decades. Correspondingly it has weakened TAFE as a post school destination, and most students continue to regard it as a residual option. With the exception of Tasmania, the Australian Capital Territory, and Northern Territory states have adopted 7 – 12 or 8 – 12 schools as the predominant models for secondary education provision. This is in contrast to most other nations in the OECD that have a separate senior secondary phase and providers. This includes England and Wales, which over the past decade has seen a major shift in enrolments towards various types of upper secondary or further education colleges. Most other OCED nations also have distinctive vocational lines or programs, although there is a trend in some nations (such as France) to make these programs parallel with the mainstream academic programs.

Figure 1: Change in the duration and composition of the transition for 1990-96



Source: OECD, 2000, table 3.3

Since the high water mark of 'commonality' in secondary education in the early 1990s, there have been clear signs of pressures for greater diversity. In curriculum and qualifications most of the upper secondary certificates have become more liberal or inclusive, especially in the vocational area. All systems encourage VET in schools and most encourage apprenticeships in schools. One state has established a new certificate (Victoria – VCAL). Schools also have expanded into vendor and international qualifications (the International Baccalaureate), and into university subjects.

States and territories also are coming to accept that there is a high degree of diversity in the levels of educational outcomes in upper secondary education. It intuitively is the case that levels of student performances will widen progressively through the years of schooling. Australia has relatively wide gaps in the levels of educational outcomes, as confirmed by the OECD PISA study (2002), and the senior secondary certificates effectively range from VET certificate I to degree level. Some states, such as Western Australia, have undertaken reforms to allow their certificates to better accommodate this diversity.

The role of the TAFE sector in provision for teenagers also is being recognised. All states and territories have significant levels of full-time teenage enrolments in TAFE, especially in non-metropolitan regions. TAFE also is a major provider of VET in Schools in most systems, mostly in partnership with secondary schools. It is highly likely that the TAFE sector will begin to offer associate and applied degrees in the near future, and institutes in some states (South Australia and soon in Victoria) already offer degrees. It is likely that TAFE institutes will build strategic partnerships with secondary schools, especially in provincial centres. As explored in Part 2 of this paper, there are examples of structured links between schools and universities in the five mainland states, and several more are mooted.

There are therefore multiple pressures for and trends towards diversity in upper secondary education. The pressures arise from the broader nature of the population that is staying on in education, the changes in the work and employment and their relationship with education, changing regional economic and social needs, pressures upon the financing of education and government budgets, and new approaches to governance. Trends include the diversification of courses and qualifications, greater flexibility within senior secondary certificates, new linkages between and combinations of qualifications, new approaches to the recognition of learning, including workplace learning, strategic links between providers, new purpose build multi sector providers.

The constraints of history

The historical settlement of public education in the 19th century and the subsequent evolution of government funding for non-government schools have not been conducive to the establishment of partnerships between public and private schools. In particular Australia has failed to develop models of partial integration between the government and non-government school systems that are common in Europe (see Eurydice, 2000), and which also have been established in New Zealand and Canada

The policy climate that the separation between public and private school education in Australia has made it unlikely that state governments in Australia would invest in the more radical measures that have been taken in the USA with such initiatives as the charter schools or the direct investment of private companies in public schools, such as the investment by a number of corporate and non-profit organisations in some ageing schools in the St Louis district (Trivers, 2002).

The radical measures introduced in the UK and the USA, as well as Chile much earlier in the 1980s (and subsequently in some other Latin American countries) can probably be accounted for by a deeper sense of crisis, combined with relatively radical policy regimes that have been most prominent in these nations. The standards of schooling in the 1990s in these countries compared poorly with those of other developed nations, and while they have improved their standards at the lower end of the scale, compare very poorly with those of European and Asian nations.

Fitz and Beers (2002) estimate that education management organisations, for-profit and not-for-profit management companies will generate up to $123 billon (US) in revenue in 2000 in the USA, and $8 billion in the UK. In Chile a large number of schools were corporatised in the 1980s (Carnoy, 1998), and nations such as Argentina and Brazil adopted some of the experiments with vouchers and corporatisation.

To an extent the most forthright example of a state sponsored public – private partnership in Australia is the development of nine new schools in New South Wales by a private consortium (Sexton, 2003). Even this endeavour within possibly the most ‘public’ of Australian school systems is relatively controversial. Another recent move away from the standard model has been the mathematics and science college built by the South Australian Government at Flinders University, designed in part to attract overseas students.

However, there remains the historical legacies in Australia, and a rather imperfect settlement that sees state governments take primary responsibility for government schools administered through a single and central state education department. This settlement and the structures of finance and governance act as a major restraint to the more radical developments that have taken place in the UK and North America. This is a problem as it limits renewal and the options in responding to the changed economic, labour market, regional and social environments.

Part 2: Public Private Partnerships

Detailed attention is now given to the possibilities of public private partnerships. The starting point is a summary of five arguments that have been advanced for the approach, with brief illustration and a listing of objections that have surfaced in debates on the possibilities. Then follows a relatively detailed account of different approaches, with particular reference to Australia, United Kingdom and the United States. Brief reference is also made to South Africa.

Arguments for Public Private Partnerships

Five arguments for public private partnerships emerge from a study of recent developments. These are briefly explained and illustrated, with more detailed accounts of particular practices in the next section. These five inter-related arguments may be described as the failure of a public authority to meet expectations, securing higher levels of funding, a 'third way' in the delivery of services to the public, the building of social capital, and the transformation of public sector services in a knowledge society.

Failure of public authorities to meet expectations

One argument derives from the perceived failure of a public authority to deliver education at a standard acceptable to citizens. Successive efforts to improve the situation have proved unsuccessful and, often as a last resort, government has turned to a non-public entity in an effort to remedy the situation. These are the conditions that led to the privatisation of educational services in support of schools in the London borough of Islington, or the privatisation of the management of certain schools in England that continue to be owned and funded by a public authority. It is also the argument for the engagement of companies such as Edison to manage some or all of the schools in some urban systems in the United States. These actions are based on the assumption that the services provided by the non-public entity will be delivered more efficiently and effectively. This assumption is challenged by those committed to an exclusive role for the public authority and the merits of the argument often turn on evidence of impact, which appears positive in the two instances cited in England and inconclusive in the case of the United States.

Securing higher levels of funding

Another argument is concerned with the availability of funds. Levels of funds in the public purse may be insufficient to provide an educational service at the desired level and one or more mechanisms may be employed to secure support from a private entity. An example is the growing number of arrangements under the Private Finance Initiative in the United Kingdom that calls for a private investor to build or substantially re-furbish and then manage school buildings over a long term, under a leasing arrangement with the public authority. Payments from the public purse are spread over time. The alternative may be a significant increase in taxation or major change in budget priorities among different kinds of public services. All secondary schools in Glasgow have been re-built or re-furbished under such an arrangement. A non-education example in Australia is the recent decision of the state government in Victoria to re-build the Royal Women's Hospital – a public entity – with a substantial injection of private funds, with lease back and management by the private entity over 25 years. Objections are based on the long-term costs to the public authority or a failure to fulfil the contract, for example, when demographic shifts or perceived school performance lead to closure of the school, resulting in financial penalty for breach of contract.

Delfin Lendlease offered a similar line of argument in land developments in Australia in communities such as Caroline Springs in Victoria or Mawson Lakes in South Australia. The developer took the initiative but governments have realised a benefit in the planned integration of education and community, including a range of educational and non-educational services on a single site. A significant saving in public expenditure is realised when a government school, a Catholic school and an independent school, as in the case of Caroline Springs, have agreed to share some of their facilities.

A 'third way' in delivering services to the public

A third line of argument that some would interpret as ideological calls for a shift in the concepts of public and public good. In educational terms, the concept of public good may be reflected in an unwavering commitment to achieve the highest level of attainment for every student regardless of circumstance, but who owns the school, or who delivers the service, or even who provides the resources may be the subject of a more pragmatic outlook, depending on what it takes delivers this outcome. Such approaches are often framed by the concept of a 'third way' in terms of absolute adherence to basic values but, in respect to how to get there, to cite UK Prime Minister Tony Blair: 'We should be infinitely adaptable and imaginative in the means of applying those values. There are no ideological pre-conditions, [and there is] no pre-determined veto on means. What counts is what works' (Blair cited by Midgley, 1998, p. 44). Some ways in which the Blair Government has adopted the approach have been listed above and are illustrated further in the next section.

Extending the concept, Leadbeater even suggests a 'fourth way' to build a common purpose in a knowledge society:

> *Knowledge is our most precious resource: we should organise society to maximise its creation and use. Our aim should not be a third way, to balance the demands of the market against those of the community. Our aim should be to harness the power of both markets and community to the more fundamental goal of creating and spreading knowledge.* (Leadbeater, 1999, p. 27)

Critics of the 'third way' would contend that the concept is ill defined and, in the final analysis, fails to deliver. This line has been followed by critics of the approach in the United Kingdom where, after several years of government that draws on the concept, there is a view that public sector services in education and health are still poorly delivered, even after a substantial injection of additional public funds and a growing number of public private partnerships.

The building of social capital

Invoking the power of the community leads to the fourth line of argument that is in many respects the most substantive and persuasive. It suggests that partnership with a non-public entity draws on and enhances the social capital of the school or school system.

Interest in the concept of social capital has waxed and waned. It has re-appeared in recent times in Australia with claimants across the political spectrum. Interestingly, the concept dates from 1916 and its first use, according to Putnam (2000) was in the context of school education:

> *The term social capital itself turns out to have been independently invented at least six times over the twentieth century, each time to call attention to the ways in which our lives are made more productive by social ties. The first known use of the concept was not by some cloistered theoretician, but by a practical reformer in the Progressive Era – L. J. Hanifan, state supervisor of rural schools in West Virginia. Writing in 1916 to urge the importance of community involvement for successful schools, Hanifan invoked the idea of 'social capital' to explain why.*
> (Putnam, 2000, p. 19)

Hanifan considered social capital to be 'those intangible substances [that] count for most in the daily lives of people: namely good will, fellowship, sympathy and social intercourse among the individuals and families that make up a social unit'. Hanifan believed that 'the community as a whole will benefit by the cooperation of its parts' (cited by Putnam, 2000, p. 19).

A recent argument along the same lines in the field of education was advanced by Coleman (1988), with the study of Coleman and Hoffer (1987) of public and private schools in the United States concluding that differences in levels of student achievement are largely explained by differences in social capital, as reflected in the strength of mutually supporting relationships among school, community, home, church, and a range of non-profit entities including volunteer organisations. Coleman and Hoffer referred to the loss of social capital in recent decades and proposed a range of policy initiatives to re-build and extend it. More recently, Fukuyama (1995) and Putnam (2000) have written of the loss or absence of social capital, especially in western democracies.

Fukuyama defined social capital as 'the ability of people to work together for common purposes in groups and organisations' (Fukuyama, 1995, p. 10) (see Adler and Kwon 2000 for a range of definitions). This is a broader view of the concept than originally proposed by Hanifan and it is adopted in this paper, with a wide range of profit and non-profit entities included among those who should 'work together for common purposes' in support of schools.

In one sense, the interest of a non-public profit entity would be considered as a more limited form of capital, in the form of money, in expectation of a benefit, in the form of profit. In the line of argument presented here, however, such arrangements may be seen as part of a larger movement to secure a wider and deeper base of support for schools. Expressed simply, the provision of capital that delivers additional financial resources to schools can be viewed as a contribution to social capital when there is a commitment to 'work together for common purposes' in support of those schools. Similarly in respect to arrangements where individuals in profit or non-profit entities provide expertise in support of schools or school systems on a *pro bono* basis. The form of capital provided here is intellectual capital.

The creation of education action zones (EAZ) in England or local learning and employment networks (LLEN) in Victoria are examples of efforts to draw together a range of public and non-public entities in support of schools. The kinds of capital contributed in these arrangements are varied, including financial capital and intellectual capital (often referred to as 'cash' or 'in kind' contributions, respectively) but, to the extent that they are part of a coherent and comprehensive effort to build community support for schools and school systems, they may be considered to be efforts to build social capital. This reflects Fukuyama's definition cited above wherein a range of groups and organisation are working together for the common purpose of supporting a public authority in school education.

The social capital line is more evident in the involvement of non-public non-profit entities in the support of schools. An example is the Community Action Network (CAN) in England that describes its work in the following terms:

> *Community Action Network (CAN) and its partners are creating a model that will assist both in the transformation of education and community regeneration through networking, collaboration and innovation. Our focus is on improving education attainment through a new integrated approach to public service delivery. Through our work in some of the most deprived areas in the UK, CAN is able to deliver practical help and advice aimed at establishing creative and sustainable partnerships across all sectors.* (CAN, 2003, p. 1)

CAN employs the image of the 'social engineer', citing Prime Minister Blair's view that 'the combination of strong social purpose and energetic, entrepreneurial drive can deliver genuine results. But if the UK is to benefit fully then I believe it is important that the Government seeks to do all it can to help the future development of social enterprise' (CAN, 2003, p. 1). The CAN model is an interesting one, given its non-profit orientation and its extensive involvement in 'the transformation of education and community regeneration', and more detailed attention in given in the next section to the way it operates.

Finally, in presenting the case from a social capital perspective, there is a line of argument that suggests that maintaining a view of public as synonymous with government ['a public school is considered to be a school that is owned, funded and operated by government, with teachers and those supporting the work of teachers at the school site being employees of government'] has served to deny or limit access to social capital, and that to continue to do so will lead inevitably to the decline of the public school. Under this 'residualisation' scenario, the public school is merely a 'safety net' for those who cannot afford to attend a private school where, in addition to other forms of capital, social capital is perceived to be relatively strong. Interest in public private partnerships appears to be particularly strong in countries that are multi-cultural in character, and where there are gross disparities in levels of achievement, fears of 'residualisation' are high, and social capital is perceived to be weak. These countries include Australia, United Kingdom especially England, and United States especially in large urban school systems. In contrast, interest in such partnerships is not strong in countries that may not be characterised along these lines, for example, in Finland, Korea, Japan and Sweden. In these countries, social capital is generally considered to be strong. In Finland, for example, the impressive performance of its 15-year old students in PISA has been explained by many factors, but a noteworthy one is the strong level of support throughout the community for schools.

Transformation of public sector services in a knowledge society

The final argument in support of public private partnerships lies in the analysis of trends in the transformation of public sector services. The Centre for Research and Innovation (CERI) of OECD provides such an analysis in its review:

> *Education is being transformed, albeit unevenly and at varying pace, from a producer-led, planned system to one more guided by its multiple stakeholders, as are many other public services. It is called upon increasingly to be more responsive to the needs of the knowledge society and partnerships offer one way in which the new demands can be met. Required competencies change, more advanced, specialised skills are called for, learning programmes 'tailor-made' to individuals or groups are in demand. New opportunities and competition are tending to open up in the conventionally public sector, a further driving force for public-private partnerships, and cutbacks in expenditure are also pushing the public sector to search for new (including private) partners.* (Istance and Kobayashi, 2003, p. 12)

Innovation in the governance of education is a noble pursuit, as is made clear in the mission of UNESCO and the five functions that this organisation of 188 nations has defined to carry out that mission. The mission of OECD includes an intention to 'stimulate experimentation, innovation and policy dialogue'. Its functions include service as a 'laboratory of ideas' so that it 'identifies emerging problems, seeks strategies to solve them, creates space for dialogue, and tests innovative solutions' (UNESCO, n.d.). It is evident that public education faces a range of problems as efforts are made to promote education as a fundamental right and to improve its quality. The creation and testing of innovative arrangements, including public-private partnerships, is consistent with these intentions.

Selected Illustrations of Public Private Partnerships

A range of examples is offered here to illustrate the different approaches to public private partnerships that have emerged in recent years. These include private finance initiatives, city academies, private management of public schools, specialist schools, community action networks, moral persuasion, community design and the creation of education precincts, large-scale philanthropy, and emerging models at the upper secondary level. Illustrations are drawn from Australia, South Africa and the United States, but particular attention is drawn to developments in the United Kingdom, especially England, where the scene has been transformed in dramatic ways over the last decade.

Private Finance Initiatives (PFI)

The Conservative Government introduced Private Finance Initiatives (PFI) in the United Kingdom in the early 1990s. Under PFI, construction and refurbishment of schools are funded and implemented by private companies after which the school is leased back to the public authority (local education authority, usually for 25 years. These companies maintain the schools and draw profits from the lease arrangements. Proponents of PFI contend that it a better approach than securing a substantial injection of public funds over a short term, a course of action that will require higher taxes. They also draw attention to the benefit that principals are not required to manage the facilities under these arrangements, thus allowing them to focus on educational leadership.

PFI has expanded dramatically under the Blair Government, that shares the concern of local education authorities about the rapid deterioration of buildings that were designed many decades, even centuries ago for a different era of schooling. According to Farrell (2003a) there are now 59 contracts covering 595 schools with a total capital value of £1.6bn, with the Department for Education and Skills (DfES) allocating a further £1.6bn for 36 contracts involving more than 600 schools. Another 19 projects covering 260 schools are planned. The largest PFI is in Scotland where all 29 secondary schools in Glasgow are either new or have been radically modernised.

The chief drawback to the PFI (Farrell, 2003b) is the signing of contracts for 25 years in situations where subsequent demographic changes mean that the schools ought to be closed. It is argued that some non-PFI schools may be closed to save education authorities from massive penalties if this happens. The number of adverse cases appears small compared to the large number of contracts and schools that have gained immediate benefit. They are the unanticipated consequences of new policy in public private partnerships. New arrangements should seek to minimise the risk to all parties.

City Academies

A major project of the Blair Government is the establishment of City Academies that involve the closure, re-opening, re-naming and physical re-building of secondary schools in cities across England. These schools have been deemed to have failed their communities over a number of years despite various 'special measures' have been taken to achieve improvement. A feature that warrants their inclusion as an example of public private partnerships is the inclusion of one or more of the following elements: a contribution from the non-public sector of funds in the re-building program (normally a requirement), significant philanthropic support, or the management of the new school by a non-public entity, either profit or non-profit. At the time of writing, 12 academies have been opened and 25 more are in the planning stage. The intention is to establish 50 over the next four years, all in communities marked by poor educational performance and many replacing weak or failing schools.

The Blair Government invokes a social justice argument in proceeding down this path. In remarks delivered at the recent opening of the Bexley Business Academy in Thamesmead under the title ‘Radical Reform is the Route to Social Justice’ (Blair, 2003a), he declared that ‘academies embody all we are seeking to achieve as a government, tackling social exclusion and transforming life prospects for the least advantaged in our society’. He continued with the following words, reflecting his personal beliefs on the matter of schooling and the planned transformation from the comprehensive schools of the 1960s:

> *My passionate belief is that educational success is the route to social justice - for each individual young person, and for our nation as a whole - and that there is nothing more important for us as a nation than to invest in new and better schools in areas which have been failed in the past.*
>
> *In this you are an inspiration. This academy - and the investment it represents in people and facilities - could not be more focused on reducing social exclusion and extending opportunity and aspiration within a community which needs them desperately.*
>
> *To those who fear radical change - and who claim we would be better off not tampering with the comprehensive schools we inherited from the 1960s - I say: come here to Thamesmead, visit the local community, hear about the failed school of the past, compare it with the Bexley Business Academy which is already becoming a beacon of hope and aspiration to the whole community, and see what a change for the better has taken place.*

Blair was on sound grounds in presenting this argument. In his landmark address to the recent Labour Party Conference at Bournemouth (Blair, 2003b), he highlighted his visit to Thamesmead, noting its location in ‘one of the most deprived estates in the country’, with only three of 114 students at its predecessor Thamesmead Community College achieving 5 good GCSE passes in the final year before closure. It is now located in a £31 million building, being a sought after location for teachers, a 90 percent attendance rate and the number of students achieving good GCSE passes reaching 20 percent in its first year of operation. Blair recalled a conversation at the official opening: ‘[the] new attitude was summed up by one young student who told me she had been badgering her mum all week to buy an alarm-clock, as she was scared of sleeping in case she missed a single lesson. What better symbol of the opportunities we are giving our children’.

Of the £31 million invested in new buildings at Bexley, £28 million was provided by government and £3 million was donated by sponsors including Microsoft and Charlton Athletic (football club). The school is managed by a private firm known as the 3E’s (derived from the slogan of ‘education, education, education’ used by New Labour in a statement of its three top priorities in the lead-up to its election in 1997). Its principals are Chief Executive Valerie Bragg, former head of the Kingshurst City Technology College in Birmingham (the first CTC in the UK), and Stanley Goodchild, former Chief Executive of the Berkshire County Council. It is a non-profit company and a wholly owned subsidiary of Kingshurst.

An interesting development in the establishment of city academies is the appointment of an Executive Principal at Greig City Academy in Haringey, London. Formerly known as the Hornsby School (and described in the media as having ‘a lamentable reputation at the bottom-of-the-league exam results’), it closed at the end of the 2002-2003 school year and re-opened as Greig Academy at the start of 2003-2004 with a new school uniform, a new philosophy and £50 million investment in infrastructure. Executive Principal David Triggs was appointed in May. He was Principal of Greensward School in Surrey. Greensward and Greig each now have their own principals, reporting to Triggs, who serves as Executive Principal to both schools. A feature of the public private partnership is the role played by the non-profit Community Action Network, described later in this section.

Private management of public schools

The 3E’s is just one of a number of private companies now managing schools in England. The oldest and largest appears to be CfBT, founded in 1965 as the Centre for British Teachers. Based in Reading, it employs over 1300 full-time member of staff and currently operated in 20 countries. Its turnover in 2001 was £70 million. It is a non-profit entity, registered as a charity, and donating over £1 million annually to education projects and research endeavours around the world. It manages the School Improvement Service of the local education authority in Lincolnshire. Its international clients include the Ministries of Education in Brunei and Oman (see www.cfbt.org.uk).

Another large firm is Cambridge Education Associates (CEA) founded in the late 1980s by a small group of successful school principals and education officers from Cambridgeshire, a pioneering authority in the local financial management of schools that became a key component of the 1988 Education Reform Act and subsequently expanded by successive Conservative and Labour Governments. Since it is now embraced across the political spectrum the terms ‘local financial managements’ and ‘local management’ are no longer used, since they refer simply to the way all schools are managed in England. CEA continues to expand its operations, employing large numbers of experienced and successful leaders and managers in schools and school systems. CEA won the contract to provide educational services in the London borough of Islington.

Initial concern about public private partnerships that involve the management of schools has largely dissipated once it was realised that the key personnel were highly successful if not eminent educators in their own right. Concern was particularly high when it was announced that a school in Guildford was to be the first under private management in England. This is the school now known as the Kings College of the Arts and Technology, managed by the 3E’s.

There have been three efforts over the last decade to establish a successful school on the site in Guildford. The original school was re-named Kings Manor under a new head in 1993. It was closed on 31 August 2000 and re-opened on 1 September under its new name of the Kings College of the Arts and Technology. There was, however, 18 months of preparation by 3E's with current head David Crossley formally appointed after six months, taking up the post and then making new staff appointments and establishing the senior team five months before re-opening. Enrolments have grown from about 280 to about 750 in three years and the ceiling of about 1100 will be reached soon. Local primary schools would previously not recommend the school but it is now the destination of choice for those completing Key Stage 2 (upper primary). Indeed, enrolments at these schools have grown with the success of Kings. Kings' principal David Crossley offers a detailed account of his experience (Crossley 2002; 2003) and has visited Victoria to share his insights for schools in the Northern Metropolitan Region of the Department of Education & Training.

The US-based for-profit entity Edison is about to commence operations in England but its track record is not good. With an initial public offering in 1999, it is one of several such companies in the United States that have endeavoured to win contracts for the management of public schools in difficult circumstances. Indeed, with 57,000 students by 2001 it held a 43 percent market share among such companies. A report for JP Morgan (Odening, 2001) prepared in March of that year predicted shares valued on the stock market at US$45 in the short term. In reality, their worth plummeted to less than US$1 within 12 months. Even with a blending of education and business expertise its impact was seen as marginal in the face of unrelenting opposition from unions and others who believed that other avenues of reform were available within the public system. The range of public private partnerships in England, and their apparent success and growing acceptance in circumstances where virtually all other measures have been tried but have failed, suggest that Edison will find it difficult to succeed in its new international venture.

Specialist schools

One of the most notable developments in England is the establishment of specialist schools. Commencing in the Thatcher years with just 15 city technology colleges, there are about 1700 out of a total of 3200 secondary schools that have developed a specialist approach. Its success has led to it becoming a major item in the Blair Government's agenda for a second term. Facilitating the development is the Specialist Schools Trust and its network of over 2400 affiliated schools (see www.specialistschoolstrust.org.uk).

Ten specialisms are encouraged: arts, technology, languages, sports, business and enterprise, engineering, mathematics and computing, science, humanities and music. It is important to note that each school is still required to address the national curriculum framework in each key learning area. The important feature is the development of specialisation or areas of excellence in one or more of the nominated areas. These secondary schools, now clearly constituting a critical mass in England, may be found in every setting, with as many in low as in high socio-economic areas.

Specialist schools consistently outperform non-specialist schools in terms of success of students in the GCSE (General Certificate of Secondary Education) and this finding applies in all socio-economic settings. In the most recent study of outcomes (Jesson, 2004) it was found that results for pupils at specialist schools are improving three times faster than those in other comprehensives, with children of average or below average ability making the greatest progress. Inner-city comprehensives with the highest levels of pupil poverty also improved more rapidly if they were specialist schools. When asked for the reasons, the principal of Sir John Cass Foundation School in working class Tower Hamlets asserted that 'when you become a specialist school you become part of a big family – a huge network of intellectual capital that improves things by 1,000 percent' (cited in Owen, 2004). The school achieved top ranking in value added results and top ranking in school improvement: from 32 percent good passes to 79 percent good passes for GCSE in three year. The Prime Minister's Delivery Unit (2003) concluded that the Specialist Schools Trust 'has provided an effective network for spreading good practice'.

A feature of the specialist schools program is the expectation and the outcome that schools will have the support of a range of community organisations in funding and support services. In this respect, the network of schools constitutes a set of public private partnerships on a large scale. An example may be found in a school that has developed a specialism in business and enterprise. Swanlea School in East London is one of 18 business and enterprise colleges:

> *It has established links with a range of businesses, enterprises and other local schools; Young Enterprise; the Lea River Trust; a local heritage centre; a City Learning Centre near the school; various organisations connected with the local borough, Tower Hamlets, including its Education Business Partnership; the East London Small Business Association; and Cranfield University School of Management.* (Specialist Schools Trust, 2003, p. 8)

A large network of specialist schools is known as Vision 2020 and this has become the 'innovation arm' of the Specialist Schools Trust. The 2200 affiliated schools are formed into regions, with each region having an innovation budget. There is a strong culture of sharing good practice in these networks, with the Birmingham network a model of good practice in this regard. A striking initiative is the establishment of a program of leadership development for 'leaders of tomorrow' – those in their first five years of teaching appointment. Features include the leadership of the program by senior successful principals, a network of mentor support, seminars with leading educationists, and work-related projects.

There is no doubt of the Prime Minister's commitment to specialist schools, even including reference to them in his important speech at the Labour Party Conference in Bournemouth (Blair, 2003b). In terms of rate of growth and impact, a case can be made that the specialist schools movement in England is one of the most significant developments in secondary education in any nation.

A network of affiliated schools in a number of countries is being assembled, with 90 schools in Victoria providing the foundation for an Australian project (details are available from the head of the project Dr Wendy Cahill at wcahill@unimelb.edu.au). Since 'specialist school' has currency in England only, and given that the focus is on networking rather than specialism, a more generic titled initiative is under way with the title international Networking for Educational Transformation (iNET).

Community action networks

Reference was made earlier in the paper to the Community Action Network in England and its adoption of the concept of 'social entrepreneur'. Established about twenty years ago it has, in partnership with Rural Net, built the largest network of voluntary organisations in the country, with over 750 members connecting the social, business and public sectors. It works in some of the most deprived areas in the country. Examples include its work with CISCO in 'wiring up' more than 5000 homes in Tower Hamlets to the educational and community facilities at the Bromley by Bow Centre.

The network has developed a CAN Academy Model for application at the local, regional and national levels. The aims of the model include to:

- Improve the quality of educational achievement in schools by developing partnerships beyond the classroom with local social entrepreneurs, voluntary groups, health and social services, further and higher education, business, crime prevention and others
- Tackle the causes and effects of poverty by integrating education, health, welfare and employment opportunities
- Integrate schools with their communities by building on these partnerships to tackle disadvantage
- Support schools to become a visible and positive force in the local community and develop the infrastructure they need to manage community links and programs
- Connect failing schools with a support network of both successful, enterprising schools and less successful schools beyond the local boundaries
- Develop strong school leadership teams who are committed social entrepreneurs
- Establish in all schools an 'enterprise culture' that creates a flexible workforce ready to respond to a changing job market
- Create a pathfinder model that can be replicated across the country and share best practice between partnership schools
  (Adapted from CAN, 2003, pp. 6 – 7)

Nine CAN Academies were in the planning stages in mid-2003 with one at the Greig City Academy in Haringey under the leadership of Executive Principal David Triggs described earlier. The network has the strong and active support of the Innovations Unit of the Department for Education and Skills and the Policy Unit of 10 Downing Street.

Moral persuasion

A unique approach to public private partnerships is evident in the work of Nelson Mandela in the Republic of South Africa. By the sheer power of public persuasion with moral purpose he has succeeded in raising funds from private sources to establish a large number of new schools to serve the interests of the poor. Funds for 127 schools were raised during the time he was President. Recently, in the week of his 85th birthday, he launched the Mindset Network, which is a $AU50 million public-private partnership aimed at providing television channels for learning in schools using a satellite network. The first educational channel provides mathematics, science and English support to 300 schools around the nation.

It was interesting to learn some of the strategies that Mandela uses to raise funds for schools. For example, TV talk-show host Oprah Winfrey gave him the $AU16 million he asked for to start a school. On another occasion, when he had a little time to spare, he phoned a number of banks and in 15 minutes obtained money to send 20 learners to university. In his very characteristic style he described how he intended to continue this work in the future. He said that when he went to 'the next world', the first thing he would do would be to seek out the billionaires 'and I am going to say to them, "raise money" ' because 'I know the poor are everywhere and these children need to go to school'.

Nelson Mandela is clearly pre-eminent in his support of schools and for his efforts in establishing public-private partnerships by moral persuasion. Tony Blair is also noteworthy with his public presentations and regular appearances at schools where such partnerships have been a feature of the reform effort.

Community design and the creation of education precincts

An interesting model in the Australian setting is the development of The Brookside Learning Centre in Caroline Springs, on the western boundary of Melbourne in Victoria. Delfin Lendlease was the developer of this new residential community that included an education precinct in the design. Three schools from the government and non-government sectors are located on site, including Brookside School (government primary), Mowbray College (independent), and Christ the Priest Catholic Primary, with co-location of a kindergarten, municipal health and community services and a private childcare facility. Principal of the Brookside School (soon to be extended to become the Caroline Springs College) Gabrielle Leigh describes the approach as a 'Multiple Ownership Design Model' (Leigh, 2002).

The development at Caroline Springs is just one of several initiatives by Delfin Lendlease that has been keen to involve a range of stakeholders in shaping its designs. An example was a recent one-day event in Sydney to consider the requirements for public private partnerships in education in the early years of the 21st century as it considered the possibilities for a new development in New South Wales. A range of school and system personnel from different states were involved, including these with direct experience in earlier developments, along with experts from the tertiary sector and others from public and private sectors that offer services to the community. Other projects already completed by Delfin Lendlease include Golden Grove and Mawson Lakes in South Australia and Varsity Lakes in Queensland.

Large-scale philanthropy

Philanthropy on a large scale in support of public schools is rare in Australia. An early example is the gift by confectioner Macpherson Robertson that led to the construction in the 1930s of the government school for girls in Melbourne now known as Mac.Robertson Girls High. Along with Melbourne Boys High, it is the most selective of government schools in Victoria, achieving high academic results. More recently in the same state, and responding to quite different needs in dramatically different settings, is the contribution of Richard Pratt through the Pratt Foundation. In close partnership with local government schools in southeast Melbourne, support has focused on the needs of primary age children who have ceased to attend school. Individualised programs have proved successful in securing their engagement in most instances. Also in Victoria, under the leadership of Ellen Koshland, the Education Foundation has emerged from Small Change to fund a range of projects in government schools, each with an evaluation element that reveals positive and highly valued outcomes.

The number of philanthropic endeavours in the United States is too numerous to mention, and the context for such engagement is so different to that in Australia that detailed attention is beyond the scope of the paper. It is sufficient to note that most are focused on schools in disadvantaged settings, with design and implementation by educational experts working in close partnership with schools a feature of engagement. The trust or foundation invariably works to a specific statement of mission, with the donor at arms length providing that mission is reflected in the programs that are funded. Large philanthropies include the Bill and Melinda Gates Foundation, the Pew Charitable Trust and the Annenberg Challenge. The Annenberg Challenge is focused on the needs of disadvantaged schools in urban settings, with impressive gains in educational outcomes in most settings.

Developments in England warrant closer attention because a culture of engagement has emerged over the last ten years, gathering momentum in the first and second terms of the Blair Government. Prime Minister Blair cited the following examples in his address at the recent opening of the Bexley Business Academy. Each is a specialist school in London and he highlights the leadership of the principal, the support of sponsors, and the increase in the percentage of five good passes in the GCSE (the standard measure of school achievement in England over many decades).

> - The Harris City Technology College has improved its five GCSE success rate from just 11% in 1990 to 92% this year. Much of this success is due to its outstanding headteacher Carol Bates and its inspired sponsors Philip and Pauline Harris.
> - Sir John Cass Language College in Tower Hamlets has transformed its results from just 8% in 1995 to 80% this year. It was the most improved school in the country last year. It is one of the few secondary schools in Europe that teaches Mandarin Chinese. Again, its success is due to the outstanding leadership of its headteacher, Haydon Evans and the marvelous support of its sponsors HSBC and the Sir John Cass Foundation.
> - The St Marylebone School of the Performing Arts in Westminster has improved its results from 33% in 1994 to 93% this summer under the outstanding leadership of Elizabeth Phillips with strong support from its sponsor British Airways.
>
> (Blair, 2003a)

Emerging models at the upper secondary level

There are several signs that the traditional school modes of upper secondary education are changing across Australia. At the curriculum and program level all state and territories have large numbers of students undertaking vocational programs. Most systems now allow students that are well advanced in their education to undertake some university subjects in year 12. At the provider level there is a variety of types. All states and territories in Australia have variations to the secondary school model of 7 – 12 or 8 – 12. In most cases, however, they are senior colleges, which are the standard model in Tasmania and the ACT. There are examples of cross-sectoral institutions in NSW, South Australia, Western Australia, and Tasmania. There have been proposals for cross-sectoral institutions in Queensland. All of these institutions involve upper secondary provision.

The NSW Education Department has taken a deliberate and sustained approach to reducing the barriers between the secondary and TAFE sectors, including the implementation of a common industrial award. Both Coffs Harbour and Nirimba Colleges comprise a senior secondary school, a TAFE Institute and a higher education institution on a shared site. In both cases these are new, custom-built facilities designed with this cross-sectoral mission in mind. In the case of Nirimba, a Catholic senior college is also included. The Nirimba education precinct, situated in the western suburbs of Sydney, comprises a senior secondary college (Wyndham), a Catholic senior high school (Terra Sancta), a campus of the University of Western Sydney and Western Sydney Institute of TAFE. Students at the government senior school are able to undertake TAFE and university courses while at school, and facilities (including sports and library) are shared with the Catholic college. Three government junior high schools in the surrounding suburbs are linked to the senior site and "feed" their students in to it.

The best-known example of a precinct is that of Coffs Harbour Senior College. It has been much studied, and it informed a new educational precinct in the La Trobe Valley in Victoria described below. It shares a site with a university and a TAFE Institute. Many students are enrolled in TAFE and university courses while at school, with proximity contributing to the ease with which this can occur. Another option, canvassed in the section on senior colleges, involves the location of a senior secondary school in the TAFE sector. This is the case with Bradfield College in Sydney, which operates as a stand-alone senior school (no dedicated 7-10 feeder schools) and which is administered by Northern Sydney Institute of TAFE.

The Gippsland Education Precinct in Victoria will commence operations in January 2004. It will link Kurnai College, a government year 11 and 12 secondary school, Gipps TAFE, Monash University, and Gippsland Group Training. Education programs in the precinct will be developed in close consultation with local industry. All links are expected to be fully operational in 2005. Located in Churchill, it will meet the needs of youth in a community where unemployment rates are high and tertiary study rates are low. It will be the first of its kind in Victoria and the largest in Australia. It is intended to serve as a model for precinct development around the country.

There are several initiatives in Queensland that involve cross-sectoral developments or collaboration. They are:

- Northern Corridor Education Precinct
- Mackay School Industry Links Scheme
- Mount Isa State High school/TAFE
- Keebra Park High School and Ridgeway TAFE

The Northern Corridor Precinct (the northern area of Brisbane) was a grass roots response to cross-sectoral issues in the senior secondary years (similar to the Southern Vale Community College in South Australia). The Mackay scheme grew out of VET in schools programs and the long tradition in Queensland of close cooperation between schools and TAFE and the practice of TAFE institutes delivering programs for secondary school students. The proposed Mt Isa development includes two secondary schools, a school for the Arts, TAFE and a group training company. It faces typical problems of resistance from some providers or elements of them.

In Western Australia Mandurah College consists of a secondary school that has been co-located with a TAFE institute in Fremantle, which has links with Murdoch University. Funding for this development has totalled $35 million, with $25 million from the Education Department and $10 million from TAFE. Murdoch has recently made some financial commitments. Another college is being developed at Seven Oaks.

Northern Territory has cross-sectoral providers in Alice Springs (Centralia – schools/TAFE), and Darwin (schools/TAFE/university). Both Edith Cowan University (WA) and Flinders University (SA) have schools located on their campuses. In South Australia a number of schools and a TAFE have formed a cluster that involves MOUs – such as Southern Community College. In Tasmania a type of cross-sectoral colleges – such as the Central Tasmanian Community College – has evolved, although under a single school governance system. They involve school, TAFE and adult education provision. The Tasmanian initiatives appear to be based upon flexible regulatory funding and industrial arrangements that have allowed an integration of school, VET and adult provision. The utilisation of the skills centres as a base for building a range of flexible programs has been a key factor in the developments.

Skills centres offer another opportunity for cross-sectoral partnerships. In Ballarat in Victoria a skills centre is being established and involves government and Catholic schools and the TAFE college, which is part of the University of Ballarat.

The main development in public-private partnerships in schooling in Australia over the past decade has been that of Vocational Education in Schools (VET in Schools). The partnerships have been multiple. Apart from the involvement of the private industry sector in these programs, government and non-government schools have worked together to run joint programs, exchange students between programs, and jointly initiate programs (see Malley et al 1999 for examples of these programs). There are multiple examples of these in various publications).

Part 3: Implications for Australia

Public private partnerships are emerging in a range of public services. This is the case in health, employment services, transport, postal services and telecommunications and public utilities. There is a pressing case for such partnerships in education, not only upon the basis of these precedents and the advantages that have been detailed in this paper, but because the public – private divide that so heavily characterises the Australian school system is unhealthy. It contributes to resource wastage, and inconsistent and sometimes divisive policy and accountability arrangements.

It is timely, therefore, to consider options that can encourage partnerships or new relationships between public and private provision and contributions to schooling in Australia. These options at the same time should be designed to embrace wider changes in the context for schooling, and key issues for schooling. School system authorities are aware of these issues as they are articulated in various policy statements through goals, objectives and targets. They include issues in universal early literacy and numeracy, school completion, middle years growth in student learning, post school transition, the distribution of educational outcomes, and school improvement. Several options are explored here.

Area based planning and resourcing

One problem with the current arrangements is that schooling tends to be viewed through sectors rather than through students and communities. The area of place- based management has aroused a considerable degree of interest in public policy and administration in recent years (Adams and Hess, 2002; Rhodes, 2002; OECD, 2001b). There are numerous reports in Australia (Eldridge, 2001) and overseas (OECD, 2001b) that acknowledge that different communities have different educational needs and require different mixes of provision.

There is an opportunity for state governments, potentially in partnership with the Commonwealth Government, to look towards the provision of schooling (and possibly other elements of education and training) on a regional / subregional or area basis. This would provide for planning decisions that are locally based and for a platform for schools to work with each other in maximising the quality and range of their provision. It also would be possible for some of the recurrent resources for schooling to be allocated on an area basis and be directed towards programs that are developed by partnerships of schools, government and non-government.

Governance models that accommodate provider diversity

Public – private partnerships in schooling in part are an expression of growing provider diversity, of which public-private is only one variable. Other variables are the combination of sectors, geographic and virtual clusters, specialist schools, agencies such as group training companies that provide services to schools, and exchange relationships between schools and other providers. This diversity is growing, and there is every reason to assume that it will continue to grow. In England and Wales, where governance arrangements were liberalised in the early 1990s, there has been significant change in the patterns of provision at the upper secondary levels.

Governance arrangements continue to hinder provision options in Australia. States such as NSW, Western Australia, Queensland and Victoria, which have invested in education precincts, have found that governance arrangements are a major obstacle to partnerships between the sectors.

As education and training systems mature from the era of standardised and centralised systems they will need to look at the governance arrangements for both providers and systems in order to accommodate the greater pressure for diversity and flexibility, including mixtures of public and private provision.

There is something to be learnt from the governance arrangements for VET in Australia. The idea of an 'open training market' that was adopted by the Commonwealth Government in the late 1980s, with the subsequent support of all of the state and territories and business and unions, has allowed for a more robust integration of public and private training. From this principle has evolved an infrastructure of common sets of learning outcomes in the form of training packages, common quality assurance standards and systems, and funding systems that acknowledge public and private funding of training. The funding system effectively consolidates state and Commonwealth funding so that it is allocated in a consistent manner.

If the proposals of the Commonwealth Minister for Education, Science and Training for a national curriculum were extended to a nationally consistent approach for school system governance models that, like the VET system, recognised a variety of providers, it might be possible to better integrate the public and private systems, for their mutual benefit.

Industrial models that are conducive to mobility and exchange

Another significant obstacle to partnerships across sectors has been the industrial model, especially of the public systems. Public school systems are the last of the company-based workforce and industrial systems. They are located more firmly in the Fordist age of mass standardised production with company-based unions than any other industry.

The issue of teacher quality, professional growth and rewards, and teacher support and development are central to the quality of schooling. There are strong arguments that greater flexibility and variety in work and employment modes would enhance quality and professional growth and satisfaction for teachers.

This issue needs to be addressed not only by state school systems, but also by the non-government authorities and organisations, and teacher unions. The capacity for teachers to work across sectors would be a positive outcomes of public-private partnerships. If combined with area based planning and governance it could enhance provision in specialist areas and be rewarding for teachers.

Continued diversification and sectoral merging at the upper secondary levels

The most dynamic area of schooling in Australia is upper secondary. No state or territory appears to be satisfied with its current arrangements, as all have initiated several reviews and reports over the past two decades. The impact of labour market changes has been greatest at this level, and it can be expected that continued changes in the fortunes of regional economies and the overall labour market will continue to create pressure for change at this level.

In accommodating this change it is imperative that governments should embrace all options and opportunities, including those offered by the private sector. In fact there are multiple partnerships at this level. Apart from those between schools there are those with the hundreds of thousands of private businesses that provide work placements, and with private registered training providers, as well as those between public and private schools.

It is fair to conclude that the weight of evidence supports the proposition that public private partnerships can add value to public education. It is also fair to conclude that the creation of public private partnerships does not constitute the privatisation of public education.

References

Adams, D. and Hess, M. (2002) 'Knowing and Skilling in Contemporary Public Administration'. Paper presented to the International Political Science Association Committee Conference 'Knowledge, Networks and Joined-Up Government', Centre for Public Policy, University of Melbourne, June.

Adler, P.S. and Kwon, S-W (2000) 'Social capital: The good, the bad and the ugly' in Lesser, E.L. (Ed.) *Knowledge and Social Capital: Foundations and Applications*. Boston: Butterworth Heinemann. Chapter 5.

Allen Consulting Group; Deloitte Touche Tohmatsu; National Centre for Vocational Education Research (NCVER) (2003) *The Cost of VET in Schools: An Analysis of the Costs of Delivering VET in Schools including an Analysis of Cost Efficiencies.* Adelaide: NCVER.

Archer, M. (1979) *Social Origins of Educational Systems* London: Sage Publications.

Blair, T. (2003a) 'Radical Reform is the Route to Social Justice'. Remarks delivered by the Prime Minister at the Official Opening of the Bexley Business Academy, 2003.

Blair, T. (2003b) 'I want us to go faster and further'. Address by the Prime Minister to the Annual Conference of the Labour Party'. Bournemouth, 30 September.

CAN (Community Action Network) (2003) 'The CAN Academy'. Unpublished document prepared for the Community Action Network by Christine Megson and Kevin Davis, 31 July.

Carnoy, M. (1998) 'National Voucher Plans in Chile and Sweden: Did Privatization Reform Make for Better Education' *Comparative Education Review.* 42(3) 309-25.

Coleman, J.S. (1988) 'Social capital in the creation of human capital'. *American Journal of Sociology*. 94: S95 – S120.

Coleman, J.S. and Hoffer, J. (1987) *Public and Private High Schools: The Impact of Communities*. New York: Basic Books.

Collins, R. (1975) *Conflict Sociology: Toward an Explanatory Science***.** New York: Academic Press.

Collins, R. (1979) *The Credential Society: An Historical Sociology of Education and Stratification.* New York: Academic Press.

Crossley, D. (2002) ‘The Challenge of Integrating Individual and Organisation: From Factory School to a Modern Teaching and Learning Environment’. Paper contributed to a web-based symposium of the Technology Colleges Trust (now Specialist Schools Trust) on the theme ‘What Future – What Learning – What Teachers – What Schools?’ (Available at www.cybertext.net.au/tct2002/dis_papers/organisation/crossley.htm).

Crossley, D. (2003) ‘The role of the private sector on the UK in turning around a failing school: A case example’. In Davies, B. and West-Burnham, J. (Eds.) *Handbook of Educational Leadership and Management*. London: Pearson Publishing. Chapter 33.

Dore, R. (1976) *The Diploma Disease: Education, Qualification and Development.* London: Allen and Unwin.

Eldridge. D (Chair) (2001) *Footprints to the Future*. Report from the Prime Minister's Youth Pathways Action Plan Taskforce. Canberra : Department. of Education, Training and Youth Affairs

Eurydice (2001) *Private Education in the European Union,* http://www.eurydice.org/Documents/private/en/FrameSet.htm

Green, A. (1990) *Education and State Formation.* London: Macmillan.

Farrell, M. (2003a) ‘Popular schools at risk of closure’. *Times Educational Supplement*. 26 September. p. 1.

Farrell, M. (2003b) ‘Cracks in private cash deals’. *Times Educational Supplement*. 26 September. p. 6.

Fitz, J. and Beers, B. (2002) ‘Education Management Organisations and the Privatisation of Public Education: A Cross-National Comparison of the USA and Britain’. *Comparative Education*. 38(2) 137 – 154.

Fukuyama, F. (1995) *Trust: Social Virtues and the Creation of Prosperity.* London: Hamish Hamilton.

Haukka S., Marr B., and Keating J. (2002) *Young People in ACE. Report to the Victorian Adult and Community Education Board*. Melbourne: RMIT University (Unpublished draft).

Istance, D. and Kobayashi, M. (2003) *‘Introduction’ in OECD Networks of Innovation: Towards New Models for Managing Schools and Systems.* Paris: OECD.

Jesson, D. (2004) Educational Outcomes and Value Added by Specialist Schools. London: Specialist Schools Trust.
Available as a pdf from http://www.specialistschoolstrust.org.uk

Keating J. and Marshall G. (2002) *Educational Precincts.* Report to the Victorian Department of Education and Training, Melbourne.

Leadbeater, C. (1999) ‘Towards the knowledge society’. *New Statesman.* July 12, pp. 25 - 27.

Leigh, G. (2002) ‘Education Triggers Community to Spring to Life’. Paper contributed to a web-based symposium of the Technology Colleges Trust (now Specialist Schools Trust) on the theme ‘What Future – What Learning – What Teachers – What Schools?’ (Available at www.cybertext.net.au/tct2002/dis_papers/community/leigh.htm).

Malley, J., Frigo, T., and Robinson, L. (1999) *Case Studies of Australian School Industry Programs*. Enterprise & Career Education Foundation (ECEF). Sydney: Australian Council for Educational Research (ACER).

Midgley, S. (1998) 'Third Way: A challenge for all in education'. *Times Educational Supplement*. June 26, pp. 44-45.

Odening, G.R. (2001) A report on Edison Schools Inc prepared by Education Equity Research for JP Morgan Securities Inc. March 22.

OECD (2000) *Thematic Review of the Transition from Education to Employment.* Paris: OECD.

OECD (2001a) *Programme of International Student Assessment.* Paris: OECD.

OECD (2001b) *Cities and Regions in the New Learning Economy.* Paris: OECD.

OECD (2001c) *The Well-being of Nations, The Role of Human and Social Capital.* Paris: OECD.

Owen, G. (2004) ‘The secret of success is in the teaching’. *The Times*. 15 January.

Prime Minister’s Delivery Unit (2003) ‘Key Stage 4 Priority Review: Final Report’. London: PMDU.

Putnam, R. D. (2000) *Bowling Alone: The Collapse and Revival of American Community.* New York: Touchstone.

Rhodes. R. (2002) ‘Decentering British Governance: From Bureaucracy to Networks’ Paper presented to the International Political Science Association Committee Conference ‘Knowledge, Networks and Joined-Up Government’. Centre for Public Policy, University of Melbourne, June.

Schiff, M (1999) *Labour Market Integration in the Presence of Social Capital.* World Bank Policy Research Working Paper 2222, Washington D.C.: World Bank.

Sexton F. (2003) 'Dangerous Liaisons'. (37) 12-13.

Specialist Schools Trust (2002) *News*. Issue 23. Winter 2002 / 3.

Teese R., Polesel J., and Keating J. (2002) *The Latter Year: Report to The Victorian Department of Education and Training,* Unpublished paper, Educational Outcomes Research Unite, Faculty of Education, University of Melbourne.

Teese, R. (2002) *Educational Outcomes,* Paper for the 'Key Influences upon Educational Outcomes Paper'. Victoria: Department of Education and Training.

Trivers, A. (2002) 'Looking beyond Traditional Resources' *School Planning & Management*. 41(7)16-19.

UNESCO (n.d.) *UNESCO and Education*. Paris: UNESCO.

World Competitiveness Yearbook (2003) http://www01.imd.ch/wcy/criteria/

Acknowledgements

Much of the research on developments in England carried out by Brian Caldwell was made possible through the support of the Specialist Schools Trust during a visit to England in September 2003. The special contributions of the following are acknowledged: Liz Reid, CEO and Sue Williamson, Director of Affiliation, Specialist Schools Trust; Professor Michael Barber, Head of the Prime Minister's Delivery Unit; Valerie Bragg, Chief Executive of the 3E's Federation of Schools; David Crossley, Head of the Kings College for the Arts and Technology; David Triggs, Executive Principal of the Greig City Academy; Kevin Davis, Community Action Network; and principals of schools in Victoria who were part of the visit, especially Margaret Corcoran, Principal, Kurnai College and Gabrielle Leigh, Principal, Brookside School, who provided accounts of developments in Caroline Springs and the Gippsland Education Precinct, respectively. The work on public private partnerships by Professor Brent Davies, University of Hull, and Professor Guilbert Hentschke, University of Southern California, is also acknowledged.