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Why the idea of a market in school education is a myth

Trying to create more competition among schools, as many school systems are doing, will not lift student performance, according to a new Grattan Institute report.

The myth of markets in school education shows that at least 40 to 60 per cent of Australian schools face no or very limited competition, and there is very little government can do about it.

Providing more information on schools, cutting private school fees or increasing the capacity of government schools will do little to increase school competition, let alone improve student performance.

The report also finds that some school systems are focussing too much on giving schools autonomy at the expense of giving school leaders the direction and support to lift the performance of students.

"Empowering school leaders to run their schools well is vital, but empowerment requires much more than autonomy," said Grattan Institute School Education Program Director Ben Jensen.

"The world's best systems have varying levels of autonomy, but they all articulate the best way to teach and learn, then they develop teachers and school leaders to carry it out."

Grattan Institute's report is the first analysis of a 20-year policy in some Australian school systems to give schools more autonomy and to try to increase competition among them.

"These systems have led the world in increasing autonomy and trying to create markets and many other countries are following suit, but in key areas of school improvement, autonomous schools have the same bad practices as centralised schools." Dr Jensen said.

But The myth of markets shows that neither competition nor what is too often an excessive focus on autonomy are the best ways to improve Australian schools." Dr Jensen said.