

PUBLIC EDUCATION AND PRIVATISATION IN AUSTRALIA

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Maurie Mulheron offers a timely analysis of the impact privatisation has had on Australia's public education system...

DEBUNKING THE MYTH OF PRIVATISATION'S BENEFITS TO EDUCATION

It was the economist Milton Friedman decades ago who described public education as “an island of socialism in a free market” society.¹ As a high priest of neo-liberal economic theory, the highly influential Friedman and others called for all public services to be privatized including public education, which they argued needed to be turned into a free market characterized by competition and choice. Initially regarded as the viewpoint of extremists this ideology has, certainly since the 1980s, become a political and economic orthodoxy central to policy positions of many governments across the globe, including Australia.

SCHOOLS

Australian schooling was always characterized by deep inequalities but, as neo-liberal economics became dominant from the 1980s onwards, the divide between socially advantaged and disadvantaged students widened considerably as policy settings designed to favour private schooling were enacted. Enrolments in private or non-government schools in Australia, almost all of which are owned and run by religions, have now reached approximately 40 per cent of all students.

Private schools have the right to charge uncapped fees, have total autonomy as to which students they enrol, and are exempted from anti-discrimination laws. What this has created is a form of educational apartheid where over 80 per cent of low socio-economic status (SES) students are enrolled in public schools with only approximately 18 per cent enrolled in private schools. Similar enrolment ratios remain constant for Indigenous students, those living in remote locations, students from a refugee background, those with a language background other than English, and students with a disability.

School funding policies introduced to embed ‘compe-

tion and choice’ have meant that private schools in Australia receive significant annual federal government funding, including huge grants for capital works. In addition, at the state government level, private schools receive recurrent and capital funding. A landmark review in 2011 created a national Schooling Resource Standard (SRS) intended to measure the amount of additional public funding schools should receive based on student need.² Despite this, it is estimated that private schools were over-funded by approximately \$1 billion for the period 2020–23 while public schools were under-funded by \$19 billion.³ Essentially, the public system which is doing the ‘heavy lifting’ is vastly under-resourced for the challenges its teachers face on a daily basis.

Successive Organisation for Economic Cooperation and Development (OECD) reports have confirmed that social segregation is a defining feature of Australian schooling. The ideology of treating schooling as a market-place has resulted in Australia having the highest degree of school choice of any OECD country but with huge concentrations of disadvantaged students, low equity in provision, and social segregation.

There are now massive gaps across Australia in academic achievement between high SES and low SES students of up to several years of schooling. For example, recent national testing data reveals that 29% of low SES Year 9 students (15 years of age) were below the writing standard and 16 percent were below the numeracy standard. For Year 9 Indigenous students, the proportion not achieving the national reading standard is 11 times higher than for high SES students.⁴

Choice has not enlarged the educational opportunities of the poor. Indeed, the tendency for choice to segregate children in the lower bands of socio-economic status has created worsening conditions for the populations who most depend on the effectiveness of public schools. Growth in public and private spending in the non-government sector

has operated to remove more culturally advantaged children and young people from the public systems, leaving these systems less supported culturally by a balanced mix of students from different family backgrounds.⁵

While the history of how Australia found itself in this situation is as complex as it is torturous, the experience of prioritizing private advantage over social good contrasts with other countries as shown in a 2013 comparative study of Australia and Canada,

The relationship between school SES and student outcomes is generally stronger in Australia than in Canada. An important and visible difference between the Australian and Canadian educational systems is the degree to which they are marked by school choice, privatisation, and social segregation. In Australia, these features of educational marketization have provided unequal access to resources and “good” schools and have led to levels of social exclusion and segregation higher than in comparable, highly developed countries such as Canada.⁶

Of course, while funding policies have weakened the public education system in Australia, there are other forces at play. Governments in Australia, as elsewhere, no longer regard the provision of public services as primarily their responsibility with privatisation occurring throughout the public sector including in: postal and communication services, transport, roads, shipping ports, airports, health care, welfare, prisons, security services, employment services, housing, and energy. It could be argued that schooling is the last great public enterprise. But since the 1980s national systems of education have been left unprotected from an emerging global education industry that sees compulsory schooling as an under-capitalized market with a permanent and ever-increasing customer base, children.

Governments have created the conditions for the commercialization of education services. National testing regimes, such as the Australian National Assessment Program—Literacy and Numeracy (NAPLAN) along with accompanying accountability and data infrastructures, have gifted enormous influence to education technology giants, sidelining teachers and too often wresting control of the curriculum from them. Further, as government education departments retreat from providing professional support and resources to teachers, the vacuum is filled by firms in the obvious areas of student assessment, but also

in school administration, student well-being, teacher professional development, and curriculum delivery. “Commercialization is big business. Many commercial providers generate large profits for shareholders by selling goods and services to schools, districts, and systems.”⁷

However, the role of large corporations is much more opaque at the government level. Global consultancy firms, such as the “Big 4”: PricewaterhouseCoopers (PwC), Klynveld Peat Marwick Goerdeler (KPMG), Deloitte, and Ernst and Young, work inside of government departments such as the New South Wales (NSW) Department of Education with direct influence over policy development and strategic planning. In the state of NSW, tens of millions of dollars have been paid to these firms, without consultation with the teaching profession and in the absence of public scrutiny.⁸ In a report commissioned by the NSW Teachers Federation the researchers found that:

The reduced capacity of the state has opened up spaces and opportunities for edu-businesses to expand their role in schools and schooling systems, largely on a for-profit basis. Private corporations have also sought an enhanced role in all stages of the policy cycle in education (from agenda setting, research for policy, policy text production, policy implementation and evaluation, provision of related professional development, and resources) in what has been referred to as the ‘privatisation of the education policy community’.⁹

Since the report was published, the direct influence of the corporate consultancies and edu-businesses has increased dramatically. It should come as no surprise that the Big 4 consultancy firms are generous donors to Australia’s two major political parties.¹⁰

VOCATIONAL EDUCATION AND TRAINING: A CASE STUDY

The most striking example of the catastrophic impact of the application of market forces to education is in the area of Australia’s post-compulsory Vocational Education and Training (VET) sector.

Until relatively recently, the provision of vocational education and training was largely the responsibility of the public system known as Technical and Further Education (TAFE). It existed as a national system in every state and territory of Australia, administered at a state level, and with an enormous reach into local communities. Despite

chronic underfunding compared to other sectors, TAFE was highly regarded, providing skills training for industries, trades, small business, and emerging professions. In addition, it provided more general and further education, particularly to those re-joining the workforce, or those mature age citizens seeking additional qualifications including entry to university. In contrast to the Australian university sector, enrolments by students from a disadvantaged background was much higher in TAFE.

The watershed moment was April 2012 when all state and territory governments met with the federal government at a Council of Australian Governments (COAG) meeting and agreed to introduce a radical restructuring of vocational education and training. Within a short period, a new funding regime based on the market model was introduced. There were two key requirements which became the architecture for the privatisation of the sector and the destruction of the public provider, TAFE. Firstly, what was called entitlement funding was introduced. This was simply a voucher system. Secondly, a student loan scheme, an income contingent loan model, was introduced. Both these mechanisms were underpinned by a requirement that state governments had to open up all funding to the private sector and that the funding had to be allocated on a competitive basis.

It soon became clear what the national agreement meant. Voucher funding detached the funding from the actual TAFE college and attached it to the individual student. The connection between funding and the TAFE college was severed. In short, the public provider's funding was now precarious, no longer guaranteed.

VET students were to pay the full cost of a qualification, without any government subsidy, to either private for-profit providers - which under the national agreement were allowed to charge fees up to AUD\$99,000 - or to TAFE. This became the incentive for private for-profit training companies to increase tuition fees dramatically, and offer only those courses that would maximize profits. Students and their families soon found that the charging of fees was completely unregulated. Within the first two years of the scheme, 84% of income contingent loans from government to students went to private for-profit companies.

Student debt ballooned but many students also discovered that the private training organisations did not

necessarily complete the course or even offer the actual training. Students in this situation were left with the debt but no qualification. Media stories began to appear of private training organisations aggressively targeting disadvantaged students with brokers waiting outside employment agencies to sign up students or setting up kiosks in suburban shopping malls offering incentives such as free iPads.

The impact of the 2012 national agreement on the teachers in TAFE was devastating. Without guaranteed funding, the employer attacked salaries and working conditions. In some states of Australia, the levels of casualisation grew to 80% of the workforce. Across Australia some TAFE colleges closed, courses were scrapped, and student numbers plummeted. In 2012, the number of permanent and temporary teaching positions in New South Wales, was 17,104. By 2022, ten years on from the national agreement this had dropped to 8,197, a net loss of 8,907 teachers from the public system in just one state.

Of course, VET teachers, through their national and state unions, and academics working in this area had warned government of the dire consequences if the market model was introduced.¹¹ They were ignored.

CONCLUSION

While education has always been an area of public policy that has been contested, where historically, tensions between church and the state have played out, where individual privilege keeps challenging the very idea of public good, and where social conservatives have consistently attempted to control the school curriculum, in recent years we have witnessed a much more aggressive, coherent, and global campaign against public education that is underpinned by the ideology of the market. It is this influence of neoliberal ideology that is having the most dramatic effect on public education around the world. It is up to teachers, professional allies, and the community to be alert to the dangers and to fight to retain control. Our children and young people deserve nothing less.

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ABOUT THE AUTHOR

Maurie was a teacher and principal with 34 years of experience teaching in public high schools in rural, regional and metropolitan New South Wales. From 2012-2020, he served as President of the NSW Teachers Federation, and concurrently as Deputy Federal President of the Australian Education Union from 2015-2020. During this time, Maurie was a key member of Education International's Global Response Network which coordinated international opposition to the growing commercialisation and privatisation of education.

