



## Free to Choose Charter Schools: How charter and for-profit schools could boost public education

Trisha Jha and Jennifer Buckingham

*Where existing schools have persistently failed, and where there is demand for alternatives to traditional public schools, state governments should consider introducing charter schools.*

### Policy recommendations

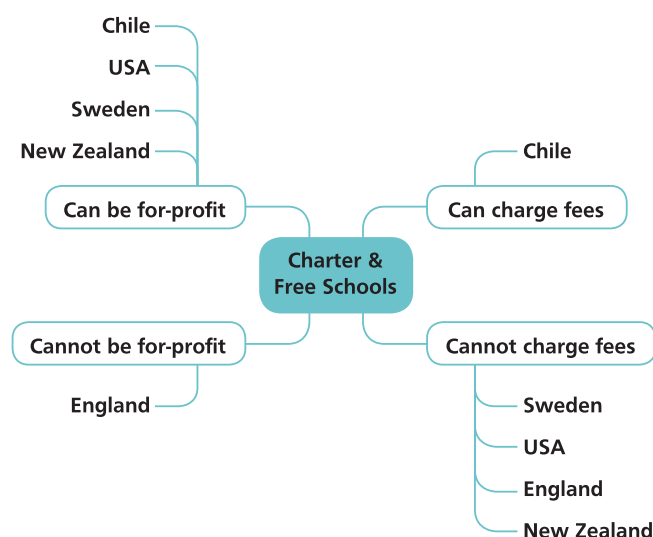
Charter schools — privately managed, public schools — could extend school choice to those who cannot access it, provide opportunities for innovation in schools, and offer a way to turn around chronically-failing schools.

In light of the positive evidence on charter school impacts and the policy lessons learned from other countries, state and territory governments should consider introducing charter schools.

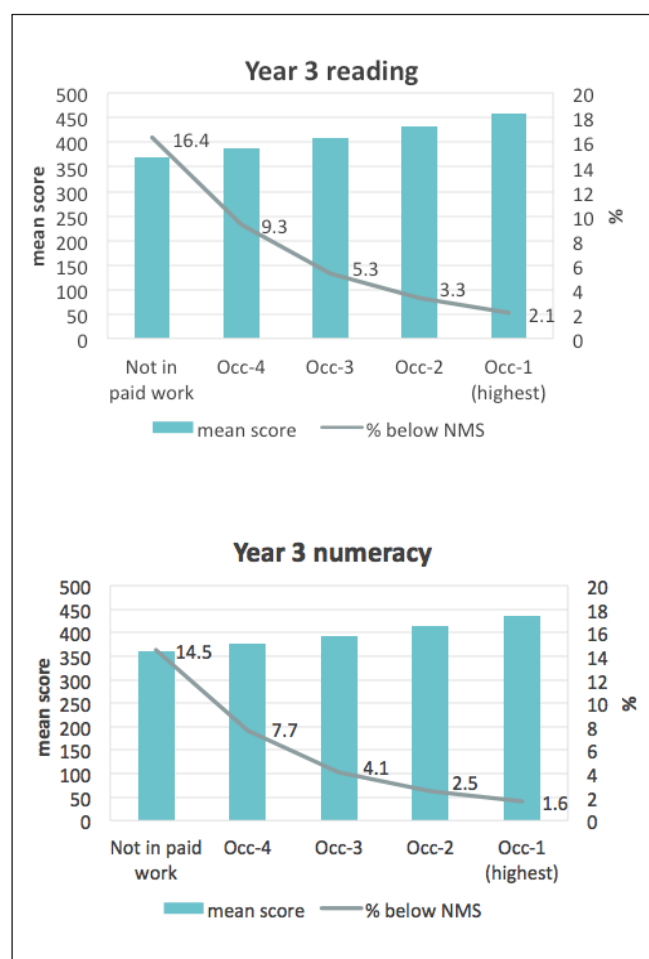
Main recommendations:

- Charter schools should be funded at an equivalent rate to government schools with similar student demographics.
- Charter schools should be free, have open enrolment, and have flexibility and autonomy surrounding staffing and curriculum decisions
- Strong charter laws that ensure accountability are crucial. The framework that exists between education departments and non-government schools already provides a solid base for developing charter laws.
- New start-up charter schools should be authorised only where there is proven demand. Conversion or 'turnaround' charter schools should be introduced where traditional public school management has chronically failed, and where there is support from the community.
- For-profit companies should not be barred from operating charters if they have a proven track record in operating schools. However, scrutiny should be rigorous.

**Figure 1: Characteristics of charter and free schools in various countries**



**Figure 2: Mean scores (LHS) and percentages of students below national minimum standard (RHS) in Year 3 reading and numeracy by parent occupation, NAPLAN 2014**



## Australia's most disadvantaged students need more than just funding increases

Despite consistent and substantial increases in school funding over the past several decades, achievement in Australia has not improved and in some cases has declined.

Much higher proportions of students from low SES backgrounds fail to achieve minimum standards in NAPLAN and PISA than their better-off counterparts.

The problems of educational under-achievement among disadvantaged children could potentially be addressed by introducing charter schools to the Australian educational landscape as a fourth school sector under the public umbrella.

## A new type of public school: Charter schools

Charter schools are public schools but they are not government schools; they are managed by a private organisation under a legislative contract or 'charter' with the government. They can be new schools ('start-up'), or former government schools ('conversion') whose management has been given to a charter school operator.

Charter school operators can be run on a non-profit or for-profit basis, and be part of a chain (where the organisation runs more than one school), or be freestanding. In the US, charter schools are more likely to be located in urban areas, which is where disadvantage tends to be concentrated.

Charter schools receive government funding that is similar to the funding provided to equivalent government schools, and they do not charge fees. Charter schools and similar school policies exist in the United States, Sweden, Chile, England and New Zealand.

**Table 1: Differences between school types**

	Traditional public school	Independent public school	Charter/free school	Non-government school
School management	Government	Government	Charter Management Organisation/Education Management Organisation/private organisation	Private organisation/charity
Fully government funded?	Yes	Yes	Yes	No – partly government funded
Can charge tuition fees?	No	No	No	Yes
Enrolment	Residential zoning, some selective	Residential zoning	Application and lottery	Application, some selective
State/national curriculum?	Yes	Yes	No	Yes
Teachers	Must have registered teachers; school-based staffing varies between states	Must have registered teachers; school-based hiring	Charters: depends on district but most have school-based hiring. Free schools: school-based hiring	Must have registered teachers; school-based hiring.

**Table 2: Regulation and funding of for-profit schools in Australia**

	Relevant Act(s) and Policies	Registration Authority	Registration/ Accreditation Eligibility	Government Funding Eligibility
<b>Federal</b>	Australian Education Act 2013	Relevant state authority	Depends on state	No
<b>NSW</b>	NSW Education Act 1990	BOSTES	Yes	No
<b>VIC</b>	Education and Training Reform Act 2006	Victorian Registration and Qualifications Authority	No	No
<b>QLD</b>	Education (Accreditation of Non-State Schools) Act 2001	Non-State Schools Accreditation Board	Yes	No
<b>WA</b>	School Education Act 1999	Department of Education Services	Yes	No
<b>SA</b>	Education and Early Childhood Services (Registration and Standards) Act 2011	Education and Early Childhood Services Registration and Standards Board of SA	Yes	Not stated
<b>TAS</b>	Education Act 1994 Education Regulations 2005	Schools Registration Board of Tasmania	Yes	No
<b>ACT</b>	Education Act 2004	Education and Training Directorate	Yes	Not stated
<b>NT</b>	Education Act	Registration Assessment Panel	Yes	No

### High-impact charter schools have strong positive effects for disadvantaged students

A review of the empirical literature on charters and their equivalents from various countries reveals the positive educational impacts charter schools and their equivalents have for students.

- *United States:* charter schools have small positive impacts on average, but there are stronger positive effects of charter school attendance for disadvantaged children.
- *Sweden:* the introduction of portable student funding (vouchers) for non-government schools is associated with small improvements in student achievement overall, with estimates attributing the bulk of the improvement to competition
- *Chile:* School choice has small positive average impacts on student achievement, but features of the Chilean school system also led to increased segregation along socio-economic status lines
- *England:* Free schools are relatively new but the emerging evidence is positive and promising.
- *New Zealand:* Partnership schools are too recent to evaluate their effectiveness.

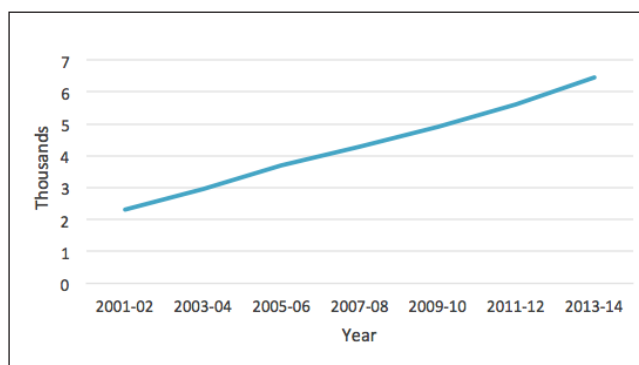
In the US, the most successful charter schools often follow what is termed the 'no excuses' model, which focuses on high expectations (behavioural and academic) and shrinks gaps in educational achievement and college attendance between disadvantaged and non-disadvantaged children.

### Authors

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**Figure 3: Charter school growth in the US, 2001-2014**



**Source:** National Alliance for Public Charter Schools

### For-profit schools should not be ruled out

For-profit companies are allowed to operate charter, free schools or voucher schools in all but one of the countries examined in this report. Studies comparing for-profit schools to non-profit charter schools have mixed results, ranging from no difference to a small positive effect of for-profit status.

For-profit schools are already lawful to operate anywhere in Australia except Victoria. However, most state governments will not give for-profit schools public funding, though the lines can sometimes be blurred between for-profit and non-profit.