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Reforming public education in Australia: An interview with Mark Scott AO

Students thrive when school leaders have good data, strong professional development, autonomy over spending, and targeted support, says the leader of New South Wales' public education system.

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Mark Scott AO leads the New South Wales (NSW) public education system, which is the largest in Australia, encompassing 2,200 schools and 800,000 students spread across a geographical region four times the size of the United Kingdom. Despite increases in funding over the past seven years, there have been concerns about the system's PISA results—the Programme for International Student Assessment evaluates 15-year-olds' reading, math, and science literacy every three years—and the gap that persists in outcomes between students of high socioeconomic status (SES) and those of lower socioeconomic status.

Mark became the secretary of the Department of Education three years ago and has since led the department in a series of reforms to drive steady school improvement. A new initiative called "Local Schools, Local Decisions" transferred more funding directly into the hands of school leaders, based on the understanding that they would know how best to support teaching and learning within their school. More recently, the department has invested in improving the supporting infrastructure to best enable good decision making about how to spend the funding.

McKinsey associate partner Seckin Ungur met with Mark recently to understand how the reforms are unfolding and what is next for the NSW Department of Education.

McKinsey: NSW is quite a centralized system, but Local Schools, Local Decisions gave a lot of decisions back to schools. How do these concepts marry?

Mark Scott: The key element of the Local Schools, Local Decisions reform was to give schools more cash, with the view that school leaders are experts on their own context: if we gave them more money and gave them a license to spend that money on addressing educational need, then that approach would help improve teaching and learning outcomes.

But when I arrived in this position, it was clear that the infrastructure was not in place to best support school-level decision making. A school had the money to spend on professional development, but its leaders weren't necessarily able to identify the best professional development for their setting and their context. Principals had more opportunity to exercise leadership and local decision making, but it wasn't clear how we were developing school principals so they could exercise that leadership effectively, drive improved teaching and learning outcomes, and be instructional leaders in their setting and sound decision makers about the resources they now had.

These are the important changes we are focusing on now: developing a tailored support system that is attuned to the particular needs of the school and bringing the full expertise of the department to bear on that approach, rather than expecting principals will be able to do all that on their own.

McKinsey: How did you enable these changes?

Mark Scott: We felt we needed to significantly invest in identifying and developing school leaders. We brought in important structural changes, including recategorizing a position called Director of Educational Leadership (DEL). Under the old structure, these positions looked after almost 40 schools, on average—that made it difficult for the director and schools to have a strong working relationship. We recruited a lot more of these directors. Now they look after, on average, 20 schools.

We're supporting the DELs to work side by side with the principal and the school leadership team to help them review their strategic plan, the frameworks that they're using to drive success, and their professional-development strategy, and to closely analyze their data and tap into the expertise of the department for support. We want the middle layer between the secretary and deputy secretaries and the school to be significant.

McKinsey: You had an existing leadership team when you started as secretary. How did you align your new team with your priority areas?

Mark Scott: I'd worked in education quite a long time ago, and I'd worked in big public sector agencies and driven change there. To come into the department as someone not totally unfamiliar to it but also from the outside meant I could ask questions.

I spent a good deal of my first three months asking a whole lot of questions, and what I heard was very interesting. School principals expressed to me they not only felt quite overwhelmed by the new responsibilities of Local Schools, Local Decisions, but also undersupported.

I posed questions such as, why does everybody talk about Canadian schools, Singapore, Shanghai, Finland? Why does no one ever talk about Australian schools or New South Wales schools? What is our excuse for not being a world-class system? Do we aspire to be a world-class system?

I developed a strategic plan and made some bold commitments: to be a world-class system to improve every student, every teacher, every leader, every school, every year. Also that every student in our schools would be known, valued, and cared for.

There was great support for those attributes across the system. Consequently, we were able to really think through the questions: What do we need to have in place so that we are seeing improvement everywhere? What do we need in terms of leadership? What do we need in terms of professional development? What do we need in terms of accountability? Then we started putting the building blocks in place.

It played, I think, to the intrinsic values of our staff. They come into education not because they want to be personally wealthy but because they really do believe in the power of education to transform lives—and particularly to overcome disadvantage.

McKinsey: What were the most successful elements of the new strategy?

Mark Scott: It was clear we needed to invest in leadership, tailored professional development, and data and information about performance in schools so that school leaders had a stronger sense of how they were tracking over time.

We developed a strategy called "Bump It Up," which identified schools with flat performance trajectory in literacy and numeracy scores on NAPLAN—the National Assessment Program—Literacy and Numeracy, Australia's nationwide standardized test—and provided targeted support to those schools.

The federal education report[1] released in 2018 by David Gonski talks about "cruising schools[2]"—and the schools chosen for Bump It Up were cruising schools. I think it's fair to say that some of them were a bit surprised to learn that that's what they were. I've been to schools where they happily talk about how far above the state average they are, but you look around that school, and it's in a leafy suburb and in the highest SES quartile. There are a lot of things going for such a school, and school leaders believe they should compare the school's performance to the state average: well, that's not a good comparison for success.

We found as we gave schools targets and asked their leaders to reflect on their practice, we immediately started seeing a lift. Within the first year, a significant number of schools had already achieved their four-year targets.

It was an endorsement of collective efficacy of asking the question together: Are we doing the best that we can do for these kids? Now we're rolling out targets for literacy and numeracy to all schools, but also targets for student engagement and student attendance—not just on standardized testing outcomes but on things that we know will be good lead indicators of kids' learning, like turning up to school and being engaged in learning.

McKinsey: How are you setting the school targets?

[1] *Through growth to achievement: The report of the review to achieve educational excellence in Australian schools,* Australian Government, Department of Education, Skills and Employment, April 2018, education.gov.au.
[2] Cruising schools are schools that maintain average achievement from year to year, but do not improve.

There have been a number of times in our executive-team meetings when someone has cut through the conversation by saying, “What’s in the best interests of kids here?” And when you do that, decisions that may have appeared to be quite tough get easier.

Mark Scott: First we look at the data we have. We find groups of about 40 statistically similar schools with similar profiles to give us a benchmark. Then the DEL has a conversation with the school, rounds out the data, and explains where the data is coming from.

Schools agree to their targets. There can be some healthy debate and discussion. One of the good things about the strategic plan is that it articulates that sense of responsibility for improvement everywhere: all conversations are centered around students alone.

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McKinsey: Education leaders often struggle with the notion of targets for schools. How did you get school leaders to buy into the idea?

Mark Scott: There seems to be a moral-authority argument: Do we have the moral authority to intervene and set a target for a school when school leaders should really know what the school can and can’t achieve? I think we’ve tried to be deft on that by setting targets *with* schools and by having evidence-based conversations, so it’s not just based on gut feeling. We also didn’t just send school leaders the targets in the post: we’re having conversations with them and—very importantly—talking about the kind of support we can provide to help the school achieve its targets.

Every year I go in front of as many principals as I can in a month-long period. I’ve learned that principals are exhausted from being so busy all the time—they do a relentlessly demanding job. I tell them, “Look, I know you’re exhausted. I just want you to be exhausted for a great purpose: spending your energy and the best years of your professional life in seeing significant improvement in the lives of kids.”

McKinsey: The 2018 PISA test results were disappointing for NSW. How do you make sense of the results within the broader improvement journey?

Mark Scott: In education, there are relatively few data sets, and they don’t arrive regularly. Tracking data takes such a long time in education.

In saying that, I think you have to pay close attention to whatever data you've got and not panic. I've read from the global research that it simply takes time and that a hallmark of high-performing global systems is a consistency in leadership and approach.

We've seen some improvement in NAPLAN recently but not that lift in PISA that we'd like to see. I think it's good for us to assess what it is about the Australian educational experience that we need to pay close attention to. One of the things I'm pleased about is that we have commissioned a big review of the New South Wales curriculum. It's been found to be overly dense, overly prescriptive, pretty conservative, and certainly not encouraging of the higher-order thinking that PISA assesses.

Those results have led to a conversation about how we reshape the curriculum. The results drive us to ask: What is it we are teaching and how we are teaching it, and do we have the settings on both of those things right?

I am confident we are swimming in the mainstream of broad education reform, and we're doing the things that high-performing systems have done to see lifts in improvement. But that's not to say that I don't have disappointing days.

McKinsey: How was it received by your people when you said, in essence, "I'm disappointed about the NSW PISA results. We need to have a closer look"?

Mark Scott: I got the senior 50 together, and I outlined the fact that we should share responsibility in disappointment and determination to improve and that the best way for us to do that would be to reflect on lost life opportunities for kids.

I think one of the challenges of a system this size is that it has so many operational demands and pressures that they just overwhelm. History would show us that when there's a crisis in the department, it isn't a failure-to-improve crisis. It's an operational crisis where something terrible has happened at a school, or someone has exercised terrible judgment, which ends up on the front page of the newspapers. In the past, schools haven't gotten into too much trouble for failing to improve.

The improvements can be quite incremental over time, and we need to bring that same level of urgency to the conversation about improvement as we do to dealing with an operational problem. I was reflecting on the PISA results and found that in Australian schools, students have declined about a year in performance over the last 20 years. There are 40 weeks in a school year, which means that every year, kids have lost two weeks' progress for the past 20 years straight.

I don't think teachers would notice that change: it's pretty incremental and slow. It made me think it's a bit hard to see the improvement challenge when you're in the middle of it all. The days are full, the kids are demanding, and the department can be demanding. Just managing the show can be enough. One of the things that I'm trying to do is say, "Look, I know we have to manage the show, but at the same time, we cannot lose sight of the improvement challenge." And that's why we need the data. We need the evidence to make sure that we are not losing focus on that slow and more incremental work that doesn't give you immediate feedback.

McKinsey: How has the global COVID-19 pandemic affected NSW's school improvement strategy? Do you have different expectations for the state given the challenges COVID-19 has presented this year?

Mark Scott: If anything, the COVID-19 pandemic affirms our conviction that we must bring about change in education to prepare young people for a fast-changing world. We are helping them to be ready for a world that is anything but "status quo." We knew that globalization, technology, and climate change were bringing about dramatic changes to the nature of work and how our society operates, but the virus just reinforces the volatile and unpredictable nature of life. We must prepare all young people to be resilient and adaptable—and to be able to learn and master the new at great speed, in any environment.

We have been heartened by the way our teachers responded to the challenge: the phenomenal effort of moving to "learning from home" settings. We saw a great thirst for quality teaching and assessment tools from the department and an enormous take up of professional development, particularly around the use of technology in effective teaching practice.

We are also very watchful around the mental health challenges faced by young people at this time. In a sense, the stability and consistency of the school experience has proven to be so important. Kids always joke about not liking school, but they rushed back through the gates, most of them. There were some, though, who particularly thrived in the less rowdy environment of home. It is an interesting question for us now: How do we capture the best of what we have learned from this experience, for every teacher and every student?

And as students have returned, it has provided us with a chance to focus on what the essentials are around teaching and learning. What ground must we cover? I feel there is a clarity of focus around assessing progress and learning gaps and ensuring no child has been disadvantaged through the disruption. It has been an exhausting time, but, watching our system respond to the challenge, it has been exhilarating as well. And I don't think parents have ever appreciated the work of teachers more than after a couple of months supervising learning from home!

McKinsey: Say we do this interview again in three years' time. Where do you hope the system will be then?

Mark Scott: I hope our strategic plan will be holding up: our commitments to be a world-class system, to improvement everywhere, to the well-being of every student. I hope we will be seeing shoots of improvement in NAPLAN and PISA results. I hope that every school will understand where it is on its own improvement journey, and using those goals that we've set together, they will be able to track the work that they have done toward improvement. They'll have a pretty clear idea of interventions that have worked. We'll have a pretty clear idea as a department about interventions that haven't worked. And we will be providing advice and support to schools to use the evidence that a big system can generate to help them make the steps and the interventions that are necessary.

I hope that our curriculum will be a bit more modernized to help promote higher-order thinking and general capabilities but still have a strong knowledge focus. We will have trained and developed more principals to be confident in leading in their complex settings, principals who really know how to use data and evidence to draw on the support they require. There will be more sophisticated forms of assessment to build opportunities for formative assessment, in particular to provide teachers with more regular, more detailed, and more meaningful feedback than current assessment systems have now.

I hope that schools will feel better supported and that we will do a better job in putting our best principals and our best teachers in our most complex settings.

So, we have lots to do.

Mark Scott AO is the Secretary of the NSW Department of Education and **Seckin Ungur** is an associate partner in McKinsey's Sydney office.

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