Dear Zulpha,

Here is our responses to the questions on notice. We have no additional corrections on the transcripts.

1. What are the benefits of accreditation from TEQSA? Is it a requirement in order to receive federal funding?

Accreditation from TEQSA is a license to operate within the higher education sector and is important for ensuring the overall quality of the sector. National regulation of higher education is functioning more effectively than previous state-based arrangements. That being said, unfortunately there is no direct connection between federal accreditation from TEQSA and federal funding. Accreditation is covered by the TEQSA Act, whereas funding is covered primarily by HESA. The consequence of this disconnect is severe inequality in funding arrangements for higher education providers. For example, even the smaller public Universities receive around $100m in annual government funding for Commonwealth Supported Places. The larger Universities receive much more. Contrast this with independent higher education providers who, with few exceptions, receive no annual government funding. This inequity exists despite the fact that both Universities and independent higher education providers are registered and accredited by TEQSA to exactly the same standards in terms of course delivery. And, based on government surveys of student experience, students at independent higher education providers generally rate the quality of their overall education experience and the teaching they receive more highly.

2. Can you tell us how much you have received in JobKeeper payments?

As a private ACNC registered charity, AC was eligible for the JobKeeper payments after a 15% loss in turnover. This calendar year until the end of August, AC has received a JobKeeper subsidy of $2,151,000 for our 438 staff. Management and staff are very grateful for this Government initiative, particularly in light of ineligibility for a number of other Government funding arrangements that exist with Universities.

3. How many students graduate from the institution with actual teaching qualifications, formal teaching qualifications, a degree in teaching?

Alphacrucis college currently have 200 students enrolled in formal teaching qualifications, with 29 having graduated in 2019-20 (Bachelor and Masters level). All of our programs are (1) accredited by TEQSA, (2) accredited by NESA as the primary state of offer, (3) recognized under national accords as compliant for the purposes of professional teacher registration in all states.

4. In paragraph 60 you note a net benefit of the order of $1.28 billion across all jurisdictions and $746 million for regional Australia based on this hub model. You mentioned there would be some sort of upfront Government investment. It would be terrific, as the chair has suggested, to come and have a look at that hub model. I particularly wanted to ask you what sort of investment you saw from the New South Wales Government in this model if we were to roll it out, and also the overlap with what we have in six regional areas, country universities centres, which seem to be similar in some aspects that you outline in paragraph 67. Could you comment on that please?

As requested have attached a brief of the Cost-Benefit analysis of the wider roll-out of the Hub model referred to in paragraph 60 of the submission, carried out by renowned economist, Professor Paul Oslington.

Although there are a number of ways Hubs can be developed with various features and subsidies, we recommend the NSW Government consider an initial trial of three Hubs (one public, Catholic and Independent) for 2-years, which we estimate could be done for just under $2.7m (see attached proposal).

In regards to location, the advantage of the AC Hub model is that it can be delivered entirely onsite at the school clusters and does not require a centralised university campus, high infrastructure investment, or high population areas. The country university centres provide access to facilities and resources in regional areas, but the AC Hub model creates an entire learning ecology based in smaller communities with partnerships between schools, VET providers, industry and tertiary.

AC currently has interest from independent and Catholic clusters from all six NSW regional areas.

Thank you again for the opportunity.

Blessings, Nick

ALPHACRUCIS COLLEGE

Nick Jensen
Political Liaison

AC Hub Cost-Benefit Analysis

Cost-benefit analysis attempts to estimate the net benefit to society of a policy intervention. The estimates are in dollars – conceptually the amount that members of the society would be prepared to pay for the net benefits of the policy intervention. These methods are described in Layard and Glaister (1994) and in an educational setting by Woodall (2004). The Australian Government has produced a Manual of Cost-Benefit Analysis (2006) and current Guidance Note (2016). Like all economic modelling it relies on arbitrary assumptions and imperfect estimates (Oslington 2016). The approach here is to acknowledge these limitations and provide a simple and transparent estimate of the impact of funding the Hub model. The underlying assumptions are set out in the Appendix.

While the analysis involves many arbitrary assumptions, and projections of student numbers for a Hub model that is in its early stages, it suggests that extending eligibility for commonwealth supported places for the Hub model plus providing $3.009 million per Hub for the duration of the startup phase is likely to yield substantial economic benefits for Australians. There is an overall net benefit of approximately $1.281 billion, representing a benefit ratio of 7.

Much of the benefit comes from improved teacher quality, leading to improved educational outcomes and higher incomes for Australians. There are also substantial benefits from reducing costly attrition of trainee teachers during their degrees and in the early years of their teaching career.

Costs for the government are modest because many of the Commonwealth Supported Places for Hub model students would be transferred from the existing schemes. These funding transfers are being driven by trainee teachers and schools that are choosing the Hub mode, once the funding playing field is leveled, in line with well-established competitive neutrality and good public policy principles. This is what is making the benefits so large from a very modest investment by the government.

Perhaps the most striking aspect of the analysis is the strong spillover employment benefits for regional Australia (Stevens and Lahr, 1988) from shifting teacher training activity from public universities located in capital cities to schools in regional Australia. Trainee teachers and Hub model activity generates a net benefit to regional Australia of approximately $747 million and a regional benefit ratio of 12.

Benefits *Item*	*Calculation method*	*Australia $*	*Regional Component $*
Improved teacher quality, leading to improved educational outcomes and higher incomes.	Number of students taught by Hub teachers, multiplied by wage benefit from higher Y12 graduation rate for these students.	634,406,854	211,257,482
Reduced attrition during training	Number of trainee teachers saved multiplied by cost of training	221,418,000	73,732,194
Reduced attrition post training	Number of teachers saved multiplied by cost of training	147,612,000	49,154,796
Regional economic activity	Regional employment multiplier applied to students regional Hubs multiplied by value of job	479,739,000	479,739,000
Costs			
CSPs funding for Hubs	NPV of cost of CSPs for Hubs (net of CSPs saved at other institutions)	52,315,931	17,421,205
Hub Regional Directors		76,472,834	25,465,454
Cadetship Day	Dollar for Dollar matching up to 1 day per week	36,700,565	12,221,288
Post Graduate	MLead (Education) and HDR, 50% up to MVN	31,172,232	10,380,353
One off research allocation for first 10 hubs		5,000,000	1,665,000
One off training injection		1,000,000	333,000
Net Benefit		**1,280,514,291**	**746,397,172**
Benefit Ratio		7	12

Cost Benefit assumptions and supporting calculations may be found in Appendix

Appendix - Cost-Benefit assumptions

Below are the aforementioned assumptions of the cost-benefit analysis of the Hub model:

- We are measuring the impact of a five-year investment in Hub model.
- The counterfactual or base case is continuation of existing arrangements where initial teacher training is provided by public universities, funded through Commonwealth supported places (CSPs) determined through the “demand driven system”, plus other government subsidies of university teaching and research.
- Benefit to education is measuring the increase in pretax earnings of Australian residents. This is a conservative approach that excludes difficult-to-measure social benefits such as improved health and reduced crime. It follows the approach of Leigh (2008) though Chapman and Lounkaew (2015) argue the additional social benefits of education are large (also Woodhall, 2004).
- Assume that 75% of trainee teachers in Hubs would otherwise have trained in a public university with a Commonwealth supported place.
- We will attempt to separately identify the net benefits for regional Australia.
- Proportion of Hubs in regions is 33%.
- Assume Hub training of teachers reduces post-graduation attrition of teachers by 30%. Probably higher in regions.
- Improved teacher quality from Hubs training is assumed to increase by 20% the number of students completing year 12. From Leigh (2008) this yields a 30% increase in pretax earnings.
- Regional expenditure multipliers have well known limitations (for instance Gretton, 2013). The approach here will utilise employment multipliers, in other words the number of regional jobs created by an additional teaching job associated with the Hub model. Justified by high and persistent regional unemployment, which neutralises the usual argument against regional multipliers that they neglect the alternative uses of resources. This job multiplier is conservatively estimated at 0.3. Additional jobs will be valued at $130,000 based on Oslington (2017).
- Discount rate of 5%.
- Difficult to quantify (highly likely) export opportunities at this stage, so omitted.
- The focus is on the impact of the ITE aspects of the Hub model, and the impact of improved school leadership through the MLead, and improved performance flowing from research and research degrees associated with the Hubs are difficult to quantify.
- Sensitivity Analysis has not yet been conducted.

The Alphacrucis Hub model – Briefing

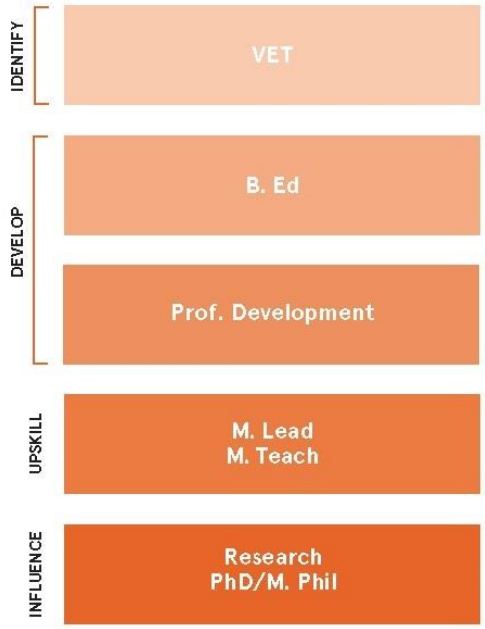
Reforming education through cluster-based clinical training

Proposal - The Alphacrucis Hub model is an international best-practice shift in training in the education sector which enables clusters of schools to partner with tertiary providers and local industry in delivering high quality VET, Initial Teacher Education (ITE), and Post-Graduate degrees, all entirely onsite.

This 'Hub model', initially trialled in the Hunter region through the St. Philip's Christian College group (SPCC), and more recently through the Teaching School Alliance Sydney, has demonstrated promising results which address a range of Australia's unique educational problems including unfilled vacancies, teacher quality, high attrition rates, indigenous educational gaps, regional 'brain drain' and industry vocational requirements. We propose funding for three regional NSW school clusters (1xState, 1xCatholic, 1xIndependent) for a 2-year period. This would provide a foundation for a broader roll-out of clinical training partnerships *'on country, for country'.*

Background - The 2015 *Teacher Education Ministerial Advisory Group (TMAG) Report*[1], the 2018 Napthine Report on a *National Regional, Rural and Remote Education Strategy*, [2] and more recently the Latham report into *Measurement and outcome based funding in NSW Schools*[3] have all identified new partnerships around integrated initial teacher education as vital for regional improvement, and that new and innovative approaches are needed for improving participation and outcomes students.

The solution is largely structural, with a decentralised training approach required to enable greater autonomy for local regional school clusters with stronger business partnerships between industries, communities, and tertiary providers. The Hub model has the added benefit of flipping the conventional model of teacher training, and thereby challenging the disconnection, lack of competition and monoculture of the University and union-controlled sector.



The Hub Model -The Hub model brings exceptional higher education and VET entirely on site to local school clusters with no additional capital expenditure. A tertiary provider commits to a close long-term partnership with a cluster of schools with between 3,000 – 10,000 students and embeds systems for an effective and sustainable local learning ecology. The full Hub model partnership enables:

Vocational pathways - Adaptive VET pathways are facilitated through the existing school infrastructure. The current Hub at SPCC anticipates over 600 VET students for 2021 from within the student and wider parental body in areas of local need including tourism, childcare, mining and business.

---

[1] Department of Education 2014: v

[2] Commonwealth of Australia 2019, *National Regional, Rural and Remote Tertiary Education Strategy*. (Recommendation 5, Action 24)

[3] NSW Parliament 2020, *Measurement and outcome based funding in NSW Schools* (Recommendation 53)

Clinical Initial Teacher Education - The Hubs allow schools to sponsor annual cohorts of MVN 10 quality pre-service teachers and provide clinical training from day one. Based on an adaptation of leading-edge Clinical Practice models,[4] students in Hubs are located and trained on school sites in a permanent practicum (which includes a 0.2FTE paid teacher aide position), ingraining them in regional knowledge and the unique ethos and needs of the schools. The model allows schools to select the best and the brightest, with incentives, from their own region, retaining them in the region. They are trained under an integrated master teacher programme, transforming schools into 'teaching schools' and integrating the oft fragmented process of mainstream teacher practicums.

Strategic HR – Postgraduate research, leadership and professional development are also facilitated in the school clusters for senior teachers to focus the elements of the cluster's strategic plan. This enables executive principal training as well as researcher-teachers who provide contextualised professional development, including teaching back into the local ITE programme.

Support - The Hub model has already received the required support for the model from the independent peak bodies (AIS, CSA, CEN) relevant diocesan Catholic education offices, and NSW tertiary partnership institutions (UNSW and Notre Dame). It also has strong support from the Federal Education Minister and Federal Education Department, as well as a range of Federal NSW and State Government MP's, particularly in rural and regional settings, eager to see the Hub model implemented.[5]

Development - In order to expand this program, we propose seed funding for a 2-year period in order to support the initial SPCC Hub and develop two additional hubs (Catholic and Public). The location of the Hubs would depend on an application process, but previous discussions indicate the possibility of Wilcannia-Forbes / Wagga Wagga for the Catholic Hub. The anticipated outcomes of three Hubs by the 4th year would be 180-300 VET, 120-240 BEd/MTeach (ITE), and 120-240 Postgraduate regional students per annum alongside the localised professional.

Costings - The total ask is just under $2.7m to subsidise the initial Hub and seed fund 2 additional Hubs over 2 years. The main cost requirements of the Hub model are employing Regional Directors for each Hub (including the initial Hub at SPCC), as well as an overall State Director. This enables appropriate support for the students and mentor teachers, coordination between the school clusters and tertiary providers, and system oversight and accountability reporting with Government.

The overall cost-benefit ratio has been calculated to be 7 generally, and 12 for the regions. If rolled out Australia-wide, the savings due to improved teacher quality, reduced attrition, and regional employment opportunities and economic activity are estimated at $1.2 billion. For a more detailed financial breakdown and proposed administrative structure see the Hub Business plan (2018) and NECSTEP proposal (2019).

Conclusion - This is an opportunity for Australia to initiate a world-first, world-class system that not only brings economic benefits to rural and regional Australia and increased efficiency in government spending but supplies the localised training and relational capital sorely needed in our unique educational and regional context. The Hub model not only directly addresses many of the issues identified in national education around teacher quality, regional need, professional development, human resource planning, Indigenous participation, vocational training and research, it also stabilises education in the regions, leading to increased viability for regionalisation and a much needed reform in regional education and social policy.

[4] See University of Melbourne and the University of Glasgow (Conroy, Hulme and Menter, 2013)
[5] Can be provided upon request.

Hub associated costs	20-21	21-22	NPV[6]	Notes
Cert II	$81,000	$81,000	$150,612	50% of fee costs for 180 students 30 p/a per Hub
Cert III	$90,000	$90,000	$167,347	50% of fee costs for 180 students 30 p/a per Hub
Bachelor of Education	$0	$0	$0	CSP's or subsidy recommended
Master of Teaching	$0	$0	$0	CSP's or subsidy recommended
Master of Leadership	$0	$0	$0	CSP's or subsidy recommended
PhD/Research Masters	$0	$0	$0	CSP's or subsidy recommended
Teacher's Aide	$280,000	$280,000	$520,635	50% Subsidy of 20 people per year
Hub Regional Director	$360,000	$360,000	$669,388	3 x Regional Directors
School Coordinator Subsidy	$210,000	$210,000	$390,476	Either for individual school coordinators or a director across the school cluster
Hub Operational Expenses	$60,000	$60,000	$111,565	Contingency built in
Total for 3 Hubs	**$929,023**	**$1,081,000**	**$2,010,023**	

NECSTEP System Costs	20-21	21-22	NPV	Notes
State Director	$120,000	$120,000	$223,129	
Program Assessment	$140,000	$140,000	$260,317	Research, reporting and consultancy
Travel and Accommodation	$30,000	$30,000	$55,782	
Office Expenses	$20,000	$20,000	$37,188	
Other expenses	$50,000	$50,000	$92,971	Contingency built in
Total System Costs	**$360,000**	**$360,000**	**$669,388**	

Total Two-Year Cost	**$1,441,000**	**$1,441,000**	**$2,679,410**

For further details or information, please contact:
Alphacrucis Political Liaison – Nick Jensen

[6] NPV with a discount rate of 0.05, as per the cost benefit analysis in the Alphacrucis Hub Business plan (2018)