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The Hon Stuart Robert MP
Minister for Education
Parliament House
CANBERRA, ACT 2601

Dear Minister,

NATIONAL EMBEDDED CROSS-SECTOR TEACHER EDUCATION PROGRAM (NECSTEP)

Please find below a budget submission by Alphacrucis College, an Australian University College, for the National Embedded Cross-Sector Teacher Education Pilot (NECSTEP).

This proposal outlines the opportunity to develop close partnerships between school clusters (particularly, but not only, in Rural and Regional areas) and tertiary providers. This clinical-based 'Hub model' not only enables a predictable stream of high quality teacher training candidates, but also allows for effective teacher training through VET pathways, professional development and higher degrees by research - all being delivered entirely on site within local schools.

We believe that this new approach will ensure quality teaching graduates, regional teacher supply, closer industry partnerships, and allow greater flexibility in student education and training pathways.

Thank you for your consideration and service in this vital area of education.

Warm regards

A handwritten signature in black ink that reads 'S G Fogarty'.

Stephen Fogarty
President

NECSTEP – Alphacrucis Hub model

NATIONAL EMBEDDED CROSS-SECTOR TEACHER EDUCATION PROGRAM

The Alphacrucis Hub model has had significant success over the last half decade in developing a new model of cluster-based clinical training within vertically integrated learning ecologies. The model utilises international best-practice to enable groups of schools to partner with tertiary providers and local industry to deliver high quality VET, Initial Teacher Education (ITE), and Post-Graduate degrees - all entirely onsite.

This Hub model was introduced in 2018 in a partnership with the **St. Philip's Teaching School** (SPCC) in the NSW Hunter Valley (the demonstrator hub).¹ After strong initial success, two additional 'hubs' were rolled out in 2020-21, the **Teaching Schools Alliance Sydney** (TSAS)² and the **St Thomas Aquinas Teaching Schools Institute** in Tasmania.³ The first cohort at SPCC have just graduated at the end of 2021, with retention rates at 100%.

In June last year (2021), the NSW Government allocated \$2.9m to fund 'Stage 3', subsidising the SPCC hub and providing seed funding for two more NSW regional hubs, one Catholic and one public. It has been confirmed that the Catholic Diocese of Wilcannia- Forbes will form a Hub, in far Western NSW. The expansion into NSW State schools is being done in partnership with the University of New South Wales and the Gonski Institute.

Although early days, the Hub model has demonstrated results which address a range of Australia's unique educational problems including teacher quality, high attrition rates, indigenous educational gaps, regional 'brain drain', effective implementation of alternative pathways (e.g. VET) in schools, and targeted industry-based experiential learning.

Recent Australian teacher workforce data from AITSL⁴ have indicated a number of significant workforce gaps for teachers in regional areas within the next 5 years. The flexibility and design of the Hub model would allow the Government to put teacher training pipelines in place to directly address these regional shortages within the timeframe.

We therefore submit that the Federal Government should consider funding 'Stage 4' of the **National Embedded Cross-Sector Teacher Education Program (NECSTEP)**. This stage would involve investing \$10 million (CSP inclusive) to pilot a national roll-out of eight new teacher training hubs (with their associated 'Teaching Schools') across the Public, Catholic and Independent sectors, building on the back of the NSW Government initiative.

Current projections suggest that, should the model be eventually scaled into the mainstream of Initial Teacher Education, it would create greater stability and effectiveness across the country. If 32% of all initial teacher education was delivered through a Teaching School Hub approach, this would create up to \$1.2 billion savings in educational costs,⁵ while raising a new generation of quality teachers to train and teach *'on country, for country'*.

¹ <https://www.spcc.nsw.edu.au/foundation/our-schools/st-philips-teaching-school>

² <https://www.teachingschoolsalliancesydney.org/>

³ <https://catholic.tas.edu.au/teaching-schools>

⁴ <https://www.aitsl.edu.au/research/australian-teacher-workforce-data/atwdreports>

⁵ See cost-benefit analysis in M. Hutchinson, D. Hastie, P. Oslington, N. Jensen, and A. Youd, 2019 National Embedded Cross-Sector Teacher Education Pilot - Business plan - Alphacrucis College.

Background

Education and training are key contributors to international competitiveness in engaged globalised communities, and to the enablement of diversified economies in regional areas. However, current education funding and social reward structures facilitate the flight of the 'best and the brightest' from regional centres to the capital cities, and so fail to provide adequate tertiary and vocational training that can meet the needs of regional communities.

Despite generations of 'regionalisation' plans and government funded regional development, concentration and inequity are more widely distributed than ever. It is this structural problem which underlies the national teacher training crisis: some estimates suggest a 70% attrition of trainees and new teachers within 7 years of first enrolment, with hundreds of millions lost each year through mis-directed federally-funded CSPs and staff churn.

It is arguable that such inefficiencies provide downward pressure on ITE ATAR entrance scores, contribute to dropping international results (PISA), relate to a debased professional development architecture, and the teaching profession's demographic time bomb (the anticipated retirement of two-thirds of principals over the next 5 years, and a rural teacher drought).⁶

In 2015, The **Teacher Education Ministerial Advisory Group (TMAG)** report stated:

*We have concluded that the single most important action to be pursued is the integrated delivery of initial teacher education. This can be achieved through close partnerships between providers, school systems and schools, and underpins improvement to all aspects of the preparation of teachers.*⁷

The more recent **NSW Productivity Commission** report *Rebooting the Economy* agrees, noting:

*We know that our children's education, our future workers, and our long-term prosperity all depend on having the right quantity and quality of teachers available. Although it is not an asset for accounting purposes, the human capital of our teaching workforce is the largest economic asset the NSW education system manages. Because of this, efforts to grow the supply of teachers and improve teaching quality represent capital investments, much like our investments in infrastructure.*⁸

We propose that structural problems require structural solutions. What is needed is a decentralised training approach which can enable stronger partnerships between local communities, industries, schools, VET and tertiary providers. The Alphacrucis Hub model not only contributes to higher ATAR entrance scores, and provides a huge increase in supervised classroom exposure, but early data indicates a significant difference in retention rates.

⁶ See S. Kearney, (2014). 'Teacher attrition, retention and mobility: Where does Australia stand?', *Education & Society* 32(2), 5-24 on the attrition and churn estimates

⁷ Department of Education 2014: v

⁸ Achterstraat, P. et. al., *Rebooting the Economy: Productivity Commission White Paper*, Sydney: NSW Government, 2021, p. 54.

The Alphacrucis Hub Model

The Hub model flips the conventional model of training, bringing exceptional higher education and VET entirely on site to local school clusters, requiring no additional capital expenditure. A tertiary provider commits to a close long-term partnership with a cluster of schools, enrolling between 3,000 – 10,000 students and embedding systems of effective and sustainable local learning ecology. The full Hub model partnership enables:

Vocational pathways

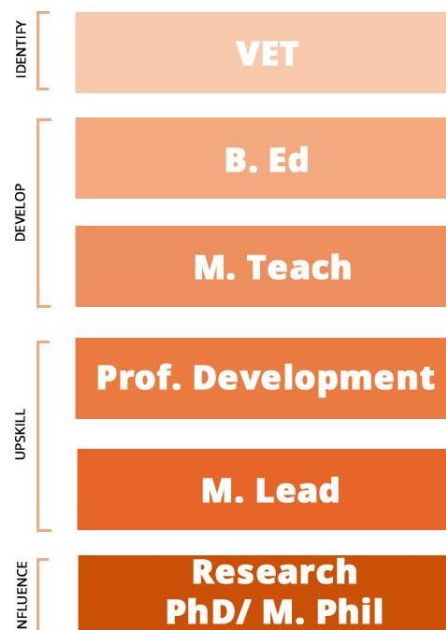
Adaptive VETiS pathways are facilitated through the existing school infrastructure and pastoral care, rather than farming out to a remote TAFE model. This involves work-integrated curriculum mapping in the HSC years, to develop well-rounded learner profiles, in partnership with real local employers, industry bodies, and genuine entrepreneurship.⁹

Clinical Initial Teacher Education

The Hubs allow schools to sponsor annual cohorts of quality pre-service teachers and provide clinical training from day one. Based on an adaptation of leading-edge Clinical Practice models,¹⁰ students in Hubs are located and trained on school sites in a permanent practicum, embedding them in regional knowledge and the unique needs and ethos of the schools.

Strategic HR – Postgraduate research, leadership and professional development

The school clusters also provide sponsored coursework Masters and higher degree by research programs (HDR) with tuition sponsorship for senior teachers within the cluster 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.



This is all facilitated by the close, high trust, codesigning relationship between the tertiary and the local School cluster. It is a different paradigm of tertiary, guided by industry rather than the metric of individual student enrolments.

The overall training impact of *eight* Hubs would be 480-800 VET, 320-640 BEd/MTeach (ITE), and 240-640 Postgraduate students per annum. Additionally, the Hubs provide localised professional development for the school cluster, creates vocational industry partnerships, and ensures secure HR pipelines in the school communities. Due to its ability to address a range of chronic sectoral issues, as well as provide VET alternatives, the Hub model has received letters of support from Federal Government MP's from every State, particularly in rural and regional settings, eager to see the Hub model implemented.¹¹

⁹ For more information on the VET opportunities within the Hub model, please see Hutchinson, M. 2021 *The Right Training to the Right People for the Right Ends* (provided upon request).

¹⁰ See University of Melbourne and the University of Glasgow (Conroy, Hulme and Menter, 2013)

¹¹ Provided upon request.

NECSTEP Development

The existing pilots of NECSTEP have demonstrated that it is an effective solution to chronic sectoral problems. It now needs to be tested across the range of Australian schooling locales. The development of a national network of shared resourcing, experiences, planning and high level research will continue to refine and provide further efficiencies.

To expand into a national roll-out, AC proposes the establishment of a NECSTEP National Office and seed funding for a 2-year period for eight hubs across various States and Territories. The location of the Hubs would be dependent on criterion-based applications to NECSTEP from school clusters from the Public, Catholic and Independent sectors (equally distributed).

The tertiary provider for each Hub would be dependent on the sector and location and negotiated by the school cluster. AC would bring its experience and existing clusters into conversation with successful tertiary-cluster partnerships so as to ‘transfer’ the required knowledge, skills and values. To place the proposal in context, previous stages are included in the process chart below:

<u>Stage 1</u> (COMPL)	Demonstrator Hub set up in the Hunter NSW region through the SPCC school cluster. ¹² – launched 2018, now employing its first graduates, and planning expansion from 46 cadets to 90 cadets.
<u>Stage 2</u> (COMPL)	Two additional Hubs launched - Teaching School Alliance Sydney (2020) and St Thomas Aquinas Teaching Schools Institute Tasmania (2021). ¹³ First ‘career changer’ cadets being employed, now in the second intake.
<u>Stage 3</u> (IN PROCESS)	Four additional Hubs, starting in 2022-24. One independent ACT/NSW cluster, one Christian Education Ministries Hub across rural and remote schools in NSW, QLD, VIC, WA and TAS, and two NSW Hubs subsidised by the NSW Government (one regional Catholic cluster, one regional state school cluster public).
<u>Stage 4</u> (PROPOSED)	Eight additional Hubs to be developed in 2023-24 as part NECSTEP. Possible locations include northern QLD, Western NSW, Central VIC, Regional SA, South WA, North TAS, ACT and Alice Springs NT. Research project initiated.
<u>Stage 5</u> (TBD)	If research demonstrates effectiveness and viability, there is a potential expansion opportunity of up to 80 Hubs nationally, covering 32% of all ITE.

¹²<https://www.abc.net.au/news/2019-03-27/teacher-training-as-paid-assistants-rather-than-going-to-uni/10899704>

¹³<https://www.smh.com.au/education/private-schools-to-train-their-own-teachers-with-new-classroom-cadetship-20191122-p53d2l.html>

Costings

The total projected cost of Stage 4 is just under \$10 million (if CSP's incorporated) to seed fund 8 additional Hubs over 2 years. The main cost requirements of the Hub model are the employment of Regional Directors for each Hub (including the demonstrator Hub at SPCC) and upgrading a national office (already established with the previous NSW funding). This would enable the required support for the students and mentor teachers, coordination between the school clusters and tertiary providers, the expansion of the current validation and longitudinal research aggregation system (Mosaic), and system oversight and reporting for Government.

The proposal includes support for the additional school staff time and costs, providing funding for Teaching School Directors as well as subsidising the employment of candidates in the constitutive teacher's aide positions required by the model. The model overcomes the downside costs to potential candidates which afflict other approaches by providing students with localised clinical training and employment, as well as subsidised pathway programs (e.g. VET certificates, broadening the options for candidates in non-teaching roles) for the wider school community and industry engagement.

The BEd, MTeach, and postgraduate degrees are not subsidised in this iteration, but pathways would be sought to increase the attraction for the upskilling of existing staff by demonstrating financial offsets in (e.g.) staff churn, professional development etc. The model however does make it possible to provide postgraduate degrees and advanced professional development onsite through the existing tertiary partnership formed by the Hub. (See the McKinsey report on the actual costs of the poor PD practice widespread in the sector).¹⁴

The overall cost-benefit ratio of introducing a Hub model has been calculated to be 7 generally, and 12 for the regions.¹⁵

It is worth noting the current Hubs have no access to Commonwealth supported places (CSP's). CSP access would significantly improve the viability and equality (particularly in the regional and remote clusters) of the model. Given the current non-fulfilment of Commonwealth Supported Places in many tertiary ITE programs, with an estimated \$400 million lost each year due to the high ITE dropout rate during and after training, it would be desirable to make CSPs available to the candidates in this program.

The projected financial requirements are laid out in the figure below:

¹⁴ Kartik Jayaram, Andy Moffit, and Doug Scott, 'Breaking the habit of ineffective professional development for teachers', McKinsey On Society, <https://tinyurl.com/4u3hmp26>.

¹⁵ See cost-benefit analysis in Hutchinson, M. Hastie, D. Oslington, P. Jensen, N. Youd, 2019 National Embedded Cross-Sector Teacher Education Pilot - Business plan - Alphacrucis College.

Hub associated costs	22-23	23-24	NPV ¹⁶	Notes
Cert II	\$378,000	\$378,000	\$702,857	50% of fee costs for 162 students 18 p/a per Hub
Cert III	\$378,000	\$378,000	\$702,857	50% of fee costs for 180 students 20 p/a per Hub
Bachelor of Education	\$831,600	\$831,600	\$1,546,285	50% sponsorship for 10 students p/a per Hub. CSP's recommended
Master of Teaching	\$590,400	\$590,400	\$1,097,795	50% sponsorship for 5 students p/a per Hub. CSP's recommended
Master of Leadership	\$234,000	\$234,000	\$435,102	Part sponsorship for 5 p/a per hub
PhD/Research Masters	\$46,800	\$46,800	\$87,020	Part sponsorship for 6 students p/a
Teacher's Aide	\$1,458,000	\$1,458,000	\$2,711,020	50% Subsidy of 20 people per year
Hub Regional Director	\$1,080,000	\$1,080,000	\$2,008,163	8 x Regional Directors
School Coordinator Subsidy	\$648,000	\$648,000	\$1,204,897	Either for individual school coordinators or a director across the school cluster
Hub Operational Expenses	\$180,000	\$180,000	\$334,693	Contingency built in
Total for 3 Hubs	\$5,824,800	\$5,824,800	\$10,830,693	

NECSTEP System Costs	21-22	22-23	NPV	Notes
National Director	\$120,000	\$120,000	\$223,129.25	Director of the National Office
Operations Manager	\$120,000	\$120,000	\$223,129.25	Operations, systems, and Administration
Research Director	\$120,000	\$120,000	\$223,129.25	Research and evaluation
Research Assessment	\$120,000	\$120,000	\$223,129.25	Associated
Consultancy	\$100,000	\$100,000	\$185,941	Contingency built in
Travel and Accommodation	\$80,000	\$80,000	\$148,752	
Office Expenses	\$60,000	\$60,000	\$111,564	
Other expenses	\$100,000	\$100,000	\$185,941	
Total System Costs	\$820,000	\$820,000	\$1,524,716	

Total Two-Year Cost	\$6,644,800	\$6,644,800	\$12,355,410
Total Two Year Cost (with CSP subsidy)	\$4,988,800	\$4,988,800	\$9,276,226

¹⁶ NPV with a discount rate of 0.05, as per the cost benefit analysis in the Alphacrucis Hub Business plan (2018)

Contingency and future funding

By the third year, viability for the program will increase due to efficiencies of scale and size. Each hub (at MVN) will grow year on year for at least 4 years. The proportion of fixed Hub costs to tertiary delivery decreases with each successive year. This provides opportunities for the cluster schools and tertiary providers to incorporate these fixed costs into their budgets, and it is our experience that the first two years are the most crucial for seed funding.

Further sponsorship would however be required to secure continuation and expansion. The initial investment and popularity of the model across the private and public sector allows for numerous partnership possibilities that would be explored over the 2-year period. These include:

- Commonwealth supported places (CSP) allocation
- Catholic and Independent school ongoing contributions
- Federal regional development grants
- State government investment
- Tertiary institution subsidy
- Philanthropic funds
- Industry training partnerships

It is estimated on the basis of AC's 'demonstrator cluster' that the cluster could support twice as many candidates if CSPs were available to provide an equal playing field with far less efficient 'retail' systems. If, however, further funding was not secured and the program did not develop viability, the existing students in the Independent and Catholic Hubs would be able to complete their degree on-site with the responsibility underwritten by the school clusters. The State Government Hubs would either have to commit to continuing the funding or the students would be required to finish their degree through the regular channels of the tertiary provider.

Conclusion

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

This is a significant opportunity to develop smarter partnerships across primary, secondary and tertiary education, the VET sector, State and Federal Governments, local industry, and school communities - strengthening Australia's educational future.

Thank you for your consideration.

Glossary

<i>Cluster</i>	A regionally- or ethos-organized group of schools which formally commits to hosting a Hub - normally, enrolling between 3000-10,000 combined students, so as to ensure supply of candidates, financial capacity, range of training experience, and depth of research and executive preparation.	<i>Offsets</i>	Our cost-benefit analysis shows that the reduced teacher attrition during and post training, the improvised teacher quality and educational outcomes, and the boost in regional economic activity all lead to significant savings. AC clusters have also achieved significant efficiencies without access to CSPs. .
<i>HDR</i>	Higher degrees by research - eg. MPhil, PhD, etc., programs, used across the Hub's learning ecology to validate outcomes, contribute to school strategic planning, certify future executives/ leaders etc.	<i>Regional Director</i>	A Tertiary-side local administrator who works with cluster-side TSD (see below) to solve issues, oversee student progress, maintain standards, and link to the tertiary institution's reporting, teaching, validation, certification, etc. systems.
<i>Hub</i>	A locally-based, vertically integrated chain of programs mapped against the long-term HR needs of a cluster. The Hub enables schools to facilitate VET, Bachelors, Professional Development, Masters and PhD all onsite, enabling the development of staff supply through long term career planning and training.	<i>'Retail'</i>	A 'retail' ITE course is one provided on a place, rather than a cohort basis - ie. a student chooses to 'spend' their ATAR points in an artificial university intake economy, and purchase from the tertiary 'supermarket' of choices. By way of contrast, Hub approaches are localized, and cluster-cohort based, or B2B, not unlike an elite industry cadetship in accounting or medicine.
<i>ITE</i>	Initial Teacher Education	<i>Teaching School</i>	The cluster-side organization and staff which facilitate timetabling, industry experience, mentor training and disposition, financial planning etc.
<i>MVN</i>	'Minimum Viable Number' - this is the number of students who, paying full fees, would represent a unit delivery instance not making a loss. Actual costs (administration, accreditation, etc) are higher, but the MVN is essential to lean startup principles.	<i>Teaching School Director</i>	The cluster-side Executive Officer, and key liaison with the Regional Director (above).
<i>VETiS</i>	'Vocational Education and Training in School' is the delivery of VET qualifications through schools. The Hub model creates partnership possibilities between dual-sector providers, school communities, and industry which creates 'fit-for-purpose' cost-effective pathways for students.		