



ALPHACRUCIS COLLEGE

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28th January 2022

The Hon Stuart Robert MP
Minister for Education, Employment, Workforce, Skills,
Small and Family Business of Australia
Parliament House CANBERRA, ACT 2601

Dear Minister,

REGIONAL SCHOOL ENTREPRENEURSHIP AND EMPLOYMENT HUBS

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

This proposal outlines the opportunity to better address the government's national priorities by developing close partnerships between schools, dual-sector providers, and local industry. It constitutes clusters of schools running community-based, entrepreneurial VET/HSC/enrichment programs within a unified, pathways-oriented curriculum which result in a new generation of job-ready school leavers.

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

Warm regards

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

Stephen Fogarty
President

Regional School Entrepreneurship and Employment Hubs

Alphacrucis College (an Australian University College) - 28th January 2022

For two generations the alarm has been sounding for Australia's failing skills training system - particularly in regional areas. The 2021 NSW Productivity Commission Whitepaper notes: '*Chronic skills shortages show the system is unresponsive to industry and unattractive to students. Reform should focus on modernising training pathways and addressing poorly aligned incentives.*'¹

National skills requirements have been notoriously misserved by an education system in which students become lost in an abstract and merely academic school system and simply wandering away from community support structures and pastoral networks. They have become outsiders shunted into a defeatist narrative, lacking respect in a narrow schooling system that effectively debases the attractiveness of trades and skills pathways. These are the very pathways which are the lifeblood of the country, particularly as Australia finds itself in part of global pivot towards greater autonomy in industry and STEM-based innovation.

The immediate and obvious solution to the skills shortage is to restore the reputation of skills-based education in schools as a senior school pathway, rather than as a track seen as second-rate compared to university entry. That will not be possible until entire schools are trained in integrated pipelines, and the rewards systems associated with the HSC are matched by a much more locally effective skills training system connected directly to local aspiration, employment outcomes and community need.

VET has been in schools for many years, but only ever as an 'add-on' to the abstracted academic system oriented towards university entrance, not within its own dynamic high-status narrative with systemic partnerships between large industries, dual-sector providers, and schools. Previous VET in schools' programs have been expensive and undersubscribed - focusing on infrastructure not communities, individuals not networks, and centralisation not local business relationships.

John Halsey, in his 2018 independent review into Regional, Rural and Remote Education, recommended *expanding the availability, affordability and accessibility of high-quality work experience placements, VET, and dual VET/university options while improving opportunities for RRR schools to implement entrepreneurship in education through curriculum, teaching, system and cultural changes and building on good practice.*² How might that be done?

Innovative and entrepreneurial learning ecologies of empowerment which build on existing social capital assets, and result in fulfilling and 'actual' employment outcomes that evolve with local business skill needs, are desperately needed to address the structural skill shortages of rural and regional centres.

¹ Peter Achterstraat, et. al., *Rebooting the Economy: NSW Productivity Whitepaper*, Sydney: NSW Treasury, 2021, p. 18.

² John Halsey, *Independent Review into Regional, Rural and Remote Education*, Flinders University, 2018, p. 5. This also echoed by Dennis Napthine, *National Regional, Rural and Remote Tertiary Education Strategy 2019* which recommended building aspiration, improving career advice and strengthening RRR schools to better prepare RRR students for success, by expanding access to high quality VET programs in RRR schools.

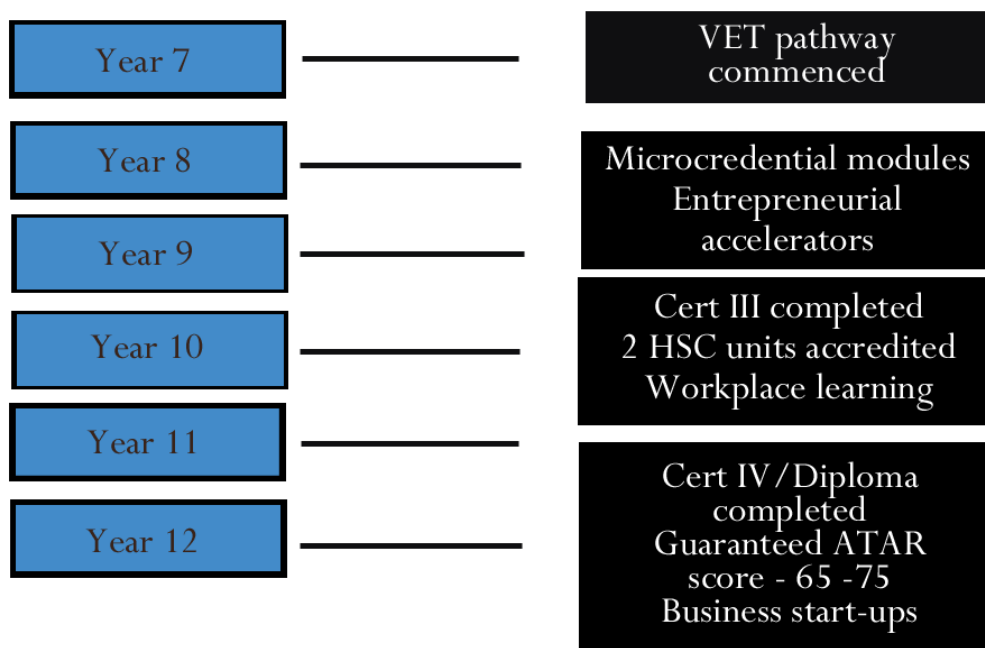
Regional School Entrepreneurship and Employment Hubs

Alphacrucis College (AC) and our regional partners have been successfully implementing the recommendations of the Halsey, Napthine, Shergold/Gonski³ and NSW Productivity Commission reviews through the innovative 'Hub model' of delivering VET pathways expressed within close partnerships of school clusters and local regional industry.

The integrated planning pipelines developed by this University College map VET courses onto existing curricula, individualising student pathways, stacking microcredentials, enabling closely mentored movement from education to work, and providing a range of skills training tailored to regional industry needs.⁴

AC proposes that Government should seek to fund a number of **Regional School Entrepreneurship and Employment Hubs** which will constitute 'demonstrator' clusters of local partnerships running community-based, entrepreneurial VET/HSC/enrichment' programs within a unified, pathways-oriented curriculum which is interoperable with a dual-sector partner(s).

These Hubs would be formed (as is the case in AC's Young Entrepreneurship Scheme in the Hunter Valley) by associations of existing school clusters (Public, Catholic and Independent), municipal and local business bodies (such as the Chambers of Commerce, and local government officers), and a specified tertiary partner with RTO and HEP capacities. They



³ Shergold and Gonski, *In the same sentence: Bringing higher and vocational education together*. 2021. NSW Government recommended to "Establish an Institute of Applied Technology as a new form of tertiary institution"; "Improve the breadth and quality of VET in schools"; "Improve VET's engagement with industry", and "Establish income-contingent loans for [priority] Certificates III and IV".

⁴ See Hutchinson 2021, **The Right Training to the Right People for the Right Ends** for examples as well as an extended response to the Masters and NSWPC Reports. Provided upon request.

would integrate education/work-based training pathways from Year 7 upwards, focusing on training for the emergence of new businesses, and for immediate employment.

These clusters will also act as training and modelling mechanisms, designed to develop local entrepreneurial businesses linked to the schools and with the ability to evolve into further clinical higher education partnerships as recommended in the various reviews.

It is worth noting that the mechanics of implementation and facilitation of these Entrepreneur Hubs is already in place through the recently funded NECSTEP program funded in the 21-22 NSW budget. NECSTEP could be easily expanded to provide oversight, training and support to the new school clusters, rolling out the Entrepreneur Hubs in 2023.

Proposal

The proposal is therefore for the Federal Government to fund **6 new Regional School Entrepreneurship and Employment Hubs across Australia** in regional areas not otherwise well served by post-secondary education (in towns of population 30,000-60,000).

The anticipated outcomes across the 6 Hubs over 6 years would be:

ESTIMATED OUTCOMES	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Entrepreneurial Hubs	2	4	6	6	6	6
School Microcredentials	3520	7040	10560	10560	10560	10560
School based VET units of competency	720	1440	2160	2160	2160	2160
Days of workplace learning (40 wks/1 day p/w)	70	140	280	420	420	420
Post-secondary VET unit enrolments (adults)	0	200	700	1350	1350	1350
Post-secondary undergraduate units	0	0	200	700	1350	1350
Business improvement inservice sessions (hours)	0	24	48	72	72	72
Accelerator business startup sessions	80	160	240	240	240	240

Finances

The project would require a **Federal Government contribution of approximately \$11.3 million over 6 years (or \$1.9m per year)**. A further \$30.8 million would be funded through the partnership of the dual-sector provider, students, schools, and the local community.

The Government funding would cover Entrepreneurial Hub Development staff (working out of NECSTEP), regional managers, and training for school networks and industry mentors. It would also subsidise between 30-50 vocational student places for each Hub.⁵

COST (over 6 years)		NOTES
NECSTEP office network Start-up grant (Government)	\$11,230,000	Entrepreneurial Hub Director Regional Manager (x6) Compliance Registrar Network/Industry liaison Marketing/Training/Consulting Facilities/IT development VET subsidy
Dual sector partner	\$29,635,176	Teaching staff Tuition Administration Facilities
School contributions	\$205,913	School supervisors
Community contributions	\$1,008,000	Workplace rental
Six-year total	\$42,079,089	
Federal Government contribution	\$11,230,000	Over 6 years

This proposal demonstrates a process by which those silos in VET and University education – repeatedly reported in government-sponsored reviews as underlying inefficiencies in current regional employment and programs – can be broken down, and the Federal government’s aspirations in the skills sector provided with effective learning ecologies. The result will be cost-effective mechanisms for improving VET and VET-in-Schools contributions to the skills and other gaps which currently hold back Australia’s post-COVID economic and social growth and performance as an educated workforce.

*For further information, contact AC Political Liaison
nick.jensen@ac.edu.au - 0405163048*

⁵ Detailed financials provided upon request.

Case Study – Young Entrepreneur Scheme (YES)

The YES (Young Entrepreneurs Scheme) program was the result of a structural partnership between a dual-sector tertiary institution (Alphacrucis College) and a local school (St Philip's Christian College, Cessnock) in a low SES drawing area. The program was **co-designed** in a secondary-tertiary partnership to address a structural problem particular to the school and its constituency.

SPCC Cessnock confronted issues with disengagement, and leakage out of the end of Year 10 as disengaged students left seeking employment and pathways which fitted their preferred learning style and aspirations. Regional employment data indicated that such students were entering a world where the 'poverty trap' catalysed by incomplete qualifications and lessened social mobility was a heightened probability, with all the social prognoses which come along with such conditions.

Regional data also pointed to the need for a focus on **growing social capital assets** within which knowledge and skills can be applied. The answer was a focus not just on job training (for jobs which were often not there), but on job *creation* through entrepreneurship and growing the resilience and creativity of young people.

After extensive consultation with the Municipality, the Chamber of Commerce and other regional development bodies, the YES program was built by the secondary-tertiary partnership around the belief that -- if we could keep the 'missing 8-10 students' in school, in engaging programs which directly connected to the business community and the emerging job sector -- the program would rapidly pay back the up-front costs to the school through increased enrolments, community involvement and increased accessibility to financial flows such as grant applications.

All of these estimates have proven to be the case, with an additional effectiveness bonus: the assured enrolment of the '8-10' made the elective option available, in the first year of operation, for a further 6 students to opt for a more highly individualized pathway than would otherwise have been possible. There were, in other words, significant direct and indirect system benefits to both students and the school, and by extension to the broader community. At the same time as development was ongoing with the broader community, the course pedagogy and certification pathway was intensively addressed.

The school partner changed the timetable for these students and appointed (early on as Director) an excellent and passionate Business Studies teacher, who also had background experience in running and starting businesses. The Director then spent three days per week of the available 5 months (in school time) developing community relationships, building connections with the Chamber of Commerce, the Regional Development Corporation, local businesses, and other agencies which are in receipt of existing funding for new business development.

The dual sector tertiary institution (Alphacrucis College) worked with the school to map the outcomes of core HSC units against the competencies of the ASQA Certificate III in Business. The one teacher teaches all core units (with assistance from other school staff), so simplifying student management of the learning process, and enabling a cross-disciplinary approach to be applied which directly draws upon work experience. The program director also provides mentoring and field supervision for the 1.5 'work placement' days which are in the timetable.

AC VETiS staff provide additional training, particularly in providing the assessments and related resource material, assessing for competence, designing remediation at the level of individual students, and mapping progress to inform how the course material (as taught) should forward-align to student progression. Advanced students can progress to completion of an AQF-5 Diploma by the end of year 12 or extend their studies into a Year 13 while continuing to work. The AQF-5 Diploma obtains a full year of cross-credits into a Business degree, meaning that any student finishing with the highest award level (either in Year 12 or 13) can progress directly into Year 2 of a Bachelor of Business with the dual sector tertiary institution.

At the time of writing, unlike many straight jobseeker and cadetship programs in the same region, most eligible students are in cadetships, and several (despite not yet having finished the program) already have offers of employment. Learning and engagement in the program are (as the Director notes) 'as good as it gets' in any school program. A similar program is currently in pilot at one other school in the region, SPCC is planning to roll the program around its five other campuses, and there are discussions ongoing with other major school networks.