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Australian Government - Productivity Commission

Interim report – Education

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Dear Commissioners,

On behalf of Alphacrucis University College (AC), I wish to thank the Productivity Commission for the opportunity to provide feedback concerning *Interim report 5 – From Learning to Growth*.

As the largest Non-Catholic Christian education provider in Australia, delivering both Higher Education (HE) and Vocational Education (VET), we are highly invested in seeing successful innovation to improve the quality of education for individuals, families, communities and broader society. You will find herein some reflection of our contribution to economic and social transformation via innovative educational models.

AC is also the largest and only multi-departmental institution (including the only one with an education department) in the new University College category. This category was identified in the interim report as having significant potential in promoting diversity and better outcomes for students. We are therefore happy to provide our unique perspective to the Commission, as well as outlining how the new models of teacher training being utilised in the smaller and more flexible institutions such as ours are transforming the sector, increasing productivity.

Thank you for your important work, and we would welcome the opportunity to provide further evidence as requested.

Warm regards

Professor Stephen Fogarty
President

Executive summary

AC's submission and associated recommendations relate to the HE and VET sectors and will address comments within the four sections identified in the *Productivity Commission's (PC) Interim report no. 5 – From Learning to Growth*.

Section 1 – The value of human capital

- A fuller recognition of social and relational capital is needed when measuring 'human capital' to adequately measure factors impacting productivity
- Australian training solutions need to be expanded into strategic international HR supply partnerships

Section 2 – Building productivity in schools

- Successful 'Learning ecologies' innovations should be trialed, assessed, and supported to mobilize the social and human capital of local and regional communities
- Alternative school model – Clinical teacher training hubs

Section 3 – Investing for future skill needs

- Innovation and competition are hindered under the current university and funding systems
- Dual-sector providers are crucial in reducing the gap between VET and tertiary pathways
- New VETiS approaches can provide fit-for-purpose, scalable and cost-effective pathways
- Cert III and IV loan access would allow students freedom to choose the best course and study level

Section 4 – Boosting learning outcomes

- The new University College category has potential, but the disconnection with HESA legislation and the Commonwealth Grant Scheme (CGS) is anti-competitive and damages productivity
- The faith-based sector which demonstrates a higher quality of student outcomes needs recognition and support

Section 1 - The value of human capital

A fuller recognition of social and relational capital is needed when measuring 'human capital' to adequately measure factors impacting productivity

1. AC applauds the PC's recognition of the relevance of human capital in relation to productivity in education . However, human capital in the interim report is almost always seen in the report as an outcome of education, and so the focus on the individual, rather than the social facilitators which make education productive.
2. In 2003, the Commission reviewed the concept of social capital and its policy implications. The key points acknowledge the benefits of social capital, but also further research with better knowledge and tools for incorporating social capital considerations in policy analysis.¹
3. AC would suggest that in 2022 there is now further evidence and measurement tools that have been developed that can make effective use of social, and relational, capital. These concepts can provide a lens for assessing facilitating networks, reducing transaction costs, promote cooperative behaviour, diffusing knowledge and innovations, enhance personal well-being and associated spill-overs values, and improve the productivity of education.
4. Numerous studies have explored the connection between organisational effectiveness/sustainability and prosocial behaviours such as engagement, commitment, trust, cooperation, and mutuality. But these behaviours do not exist in isolation. They are fostered by a property inherent in the networks out of which markets, companies and governments are constructed – namely, human connectivity.
5. Taking business as an example, relational instability impacts directly on key aspects of company performance, including employee motivation, productivity, cost-effectiveness, profitability, quality of service, reputation, brand value and ultimately share value. A relationally unstable company will be less resilient to the kind of shocks that are increasingly part of the global landscape in which companies have to operate.

¹ Banks, G. 2003 *Social Capital: Reviewing the Concept and its Policy Implications* - Productivity Commission

6. In relation to the impact of social and relational capital within education, in 2019 Christian Schools Australia (CSA) commissioned a study of student-student, student-teacher and parent-teacher relationships to analyse and measure the 'relational health' of their schools.² They found that the clear and growing evidence was that in Australia, as well as other countries, students' relationships impact their well-being, health, productivity and educational attainment. One example finding was that students with a high level of personal well-being score their relationships with their teachers up to 28 points higher than the average Relational Proximity score. The educational impacts of the social capital networks within which human capital is articulated are apparent in this, as well as in many other, research papers.
7. AC therefore recommends that the PC facilitate further research concerning the impact of social and relational capital on education outcomes and productivity (as well as potentially the impact on other sectors such as social services, health and technology).

Australian training solutions need to be expanded into strategic international HR supply partnerships

8. There are significant skill gaps in many parts of Australian society, as identified on page 8 of the Interim Report, in particularly in the social services sector, where approximately 40,000 positions are needed in the aged-care sector alone. These relate in part to Australian demographics, where our highly individualistic, service industry and consumerist society tends to downplay the value of care-based careers. This, as anthropologists will affirm, is a reflection of the difference between 'thick' and 'thin' cultures.
9. In the past, there was a reasonably reliable flow of migration categories which have been able to fill gaps in the industry, but these are now well and truly falling behind in their capacity, and their design is such that they do not present skilled workers in the numbers which are required. Transnational competition has accelerated this skills gap, and many communities, especially in the Pacific and key labour supply sources such as the Philippines, are increasingly hesitant to send their best and brightest overseas without clear community benefit.
10. One solution is to extend Australian training out into human resource supply communities of origin in SE Asia and the Pacific, but in a way which closely partners with Australian-based communities

² R. Loe, *Being and Belonging* (Relational Schools and Christian Schools Australia, 2019).

and institutions for mutual benefit. Training 'cohorts' of international students within their local communities through long-term training partnerships with respected Australian dual-sector providers, and then linking them to employment agreements with Australian social service organisations, would provide a scalable, high-quality response to a nation-wide sectoral skill shortages. Alphacrucis already has such programs in operation, and is collaborating with DFAT to pilot extensions of this program into critical regional partners such as Papua New Guinea.

11. Such localised partnership training solutions not only pass on the human, relational and social capital benefits that come from localised education to international communities, but also provide strategic HR planning for Australian business and service organisations to fill their increasingly challenging employments pipelines through higher education and VET partnerships.

Example 1 – The Regional Allied Health Mobility Scheme

With an ageing society, one of the key national issues facing Australian policy makers is how the nation can effectively staff the growing number of aged care facilities and demand for home care within a shrinking Allied Health workforce. There is at present, however, no adequate solution to the fact that higher standards required by the Aged Care Royal Commission simply exacerbate the lack of domestic and international supply which can enable these institutions to continue to run.

AC recently developed an industry/HE/VET/international partnership which enables industry-driven allied health clinical training pathways in the Asia-Pacific region. The Regional Allied Health Mobility Scheme (RAHMS) creates international campus-based training programs which pre-train international students through an Australian award to work-ready status before they arrive in Australia. They then complete their practical component with a pre-partnered Australian employer to engage in continuing work-based education on a Healthcare Careers Pathway.

In June 2022, AC initiated its first RAHMS pilot with an international training provider in Bangalore, India. Thirty cadets have now started their Australian Cert III in Allied Health Assistance who will be completing their placements in Australia at the start of 2023.

Pilots are currently being developed for the Philippines, Papua New Guinea and Fiji. In the last few months AC has been approached by dozens of providers requesting to utilise the scheme. The only current inhibitant is a lack of appropriate visa classification for such a scheme, with the current design having to use an unhelpful combination of student and sponsored visas.

Section 2 – Building productivity in schools

Successful ‘Learning ecologies’ innovations should be piloted, evaluated, and supported

12. More and more schools are struggling with disengagement, underperformance, sliding international competitiveness, discouraged teaching staff, and community tensions over the reputation of our schools. As the 2019 *NSW Curriculum Review* notes,³ the options for flexibility and innovation at the local school level are limited and obstructed by high levels of siloing and compliance from regulators.
13. In order to lift productivity through schools, and lift the quality of long-term student outcomes, then improved school relational capital and ‘mapped learning ecologies’ which overcome silos, maximize assets, and address skills gaps, need to be developed. The concept is that closer partnerships between school communities, higher education institutions, VET providers, and local industry can effectively enable localised HE and VET training pathways for students, teachers, executives, and even parents – and also meet the skill needs of local businesses. Based on collaborative design thinking processes, such pathways produce outcomes are ‘fit-for-purpose’, scalable and innovative pathways which are not only cost-effective, but which bring the world of work into the school, and the school into the world of work (see Clinical Teacher Training Hub below, for example. Other examples can be provided in Entrepreneurship, Microcrediting, Outdoor Education, and other areas).
14. Trials for initiatives that have demonstrated effective partnerships and create ‘mapped learning ecologies’ that improve teacher training quality, create innovating VET-in-schools (VETiS) pathways, and enable local industry mentoring and apprenticeship agreements, should receive quality evaluation, and be provided Government subsidies.

³https://nswcurriculumreform.nesa.nsw.edu.au/pdfs/phase-3/final-report/NSW_Curriculum_Review_Final_Report.pdf

Alternative school solutions – Clinical teacher training hubs

15. The PC *Interim Report* identifies a number of initiatives in school transformation in the 'Reconsider approaches to school' section (p38) including the Nawarddeken Academy, English academies and US charter schools – but failed to highlight existing wide-spread school transformation models already being trialed in Australia with promising results.
16. Current projections for the AC Clinical Teacher Training Hub model suggest that, if scaled into the mainstream of Initial Teacher Education, it would create greater effectiveness and productivity across the country. If 32% of all initial teacher education was delivered through a Clinical Teacher Training Hub approach, it would create up to \$1.2 billion savings in educational costs and efficiency gains.⁴

Example 2 – Clinical Teacher Training Hubs

In 2018, the Clinical Teacher Training Hub model was piloted in a unique partnership between Alphacrucis University College and St. Philip's Christian College (SPCC) in the NSW Hunter Valley. It was designed around cluster-based clinical training within vertically integrated learning ecologies. The model utilised international best-practice to enable groups of schools to partner with tertiary providers and local industry to deliver high quality vocational pathways, clinical initial teacher education (ITE), and strategic HR through post-Graduate degrees, professional development and leadership training - all embedded and delivered entirely onsite. This allowed schools to essentially transform into micro-university hubs and deliver academic capital into their local communities.

Such was the success and interest for the schooling industry that in 2023 there will be over 100 schools involved in 10 Clinical Teaching School Hubs around the country. This includes the Teaching Schools Alliance Sydney (TSAS), the St Thomas Aquinas Teaching Schools Institute in Tasmania and Catholic Education Wilcannia Forbes Teaching School Hub (CEWF). In June 2021, the NSW Government allocated \$2.9m to expand the program, with a public school hub in the Riverina rolling out in 2024 in partnership with the University of New South Wales and the Gonski Institute.

Although early days in research and evaluation, the Clinical Teacher Training Hub model has already 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 VET pathways, and targeted industry-based experiential learning. The trainee teacher application rate in the demonstrator hub is 10:1, average ATAR over 85, and overall retention rate of 95%.

⁴ 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 (section attached).

17. AC therefore would propose that the final Productivity report include more current Australian initiatives such as the Clinical Teacher Training Hub model as examples of transformative Australian-based innovation in the education sector (noting that the success of the model has been obtained with zero Federal Government support – see below).

Section 3 – Investing for future skill needs

Innovation and competition are hindered under the current university and funding systems

18. In 2019, Professor Paul Oslington, suggested that Australian higher education in recent years has been a story of organisational uniformity, intellectual uniformity, declining academic standards, lack of innovation, rent-seeking and high costs. He suggests this is primarily due to a lack of competitive neutrality between private and public providers, with the result being restricted diversity and innovation.⁵
19. Oslington goes on to point to the research indicating that innovation tends to come from new firms entering a market rather than existing firms. Depending on the structure of the market, innovation will spread to the incumbent firms, with some incumbent firms who fail to adapt exiting the market. The higher barriers to entry of new universities inhibits innovation in higher education in Australia.
20. Oslington concludes that reforms to undergraduate domestic student funding and allowing demonstrated superior quality providers access to Government funding schemes would create huge potential gains. Competition alters the cost and quality benchmark for public universities even if private providers remain small. Altering the cost and quality benchmark for universities means budget savings for government, savings and quality gains for students, and the potentially large export earnings generated by new private universities.

⁵ “Competition Policy in Higher Education” by Paul Oslington in *The Australian University in Crisis* edited by William Coleman. Connor Court. 2019.

Dual-sector providers are crucial in reducing the gap between VET and tertiary pathways

21. In the 2021 NSW Shergold and Gonski report, *In the same sentence: Bringing higher and vocational education together*, the reviewers identified significant problems around scattered career pathways, skill shortages, the decline in VET uptake, biased funding against VET, failure to engage industry, and fundamentally the outdated distinction between higher and vocational education.⁶
22. Their core recommendations were the need for better integration between VET and HE. Unfortunately, they also identified that in NSW at the time there were zero dual-sector university-level providers who may be able to utilise and integrate these sectors. There are, however, now eight dual-sector university-level providers across the country, including two in NSW as of 2022 (Avondale University and Alphacrucis University College).
23. In the view of Shergold and Gonski, a fundamental change was required – involving bold responses that can be trialed, demonstrated and implemented progressively. This includes supporting schools to deliver quality VETiS in imaginative ways, creating progressive school pathways, and increase the ability of students to leave school with VET certification.⁷
24. Allowing and supporting pilots from smaller and flexible dual-sector providers within school partnerships enables the development of productive training pathways and an educated workforce to fill the significant skill gaps faced in Australia.

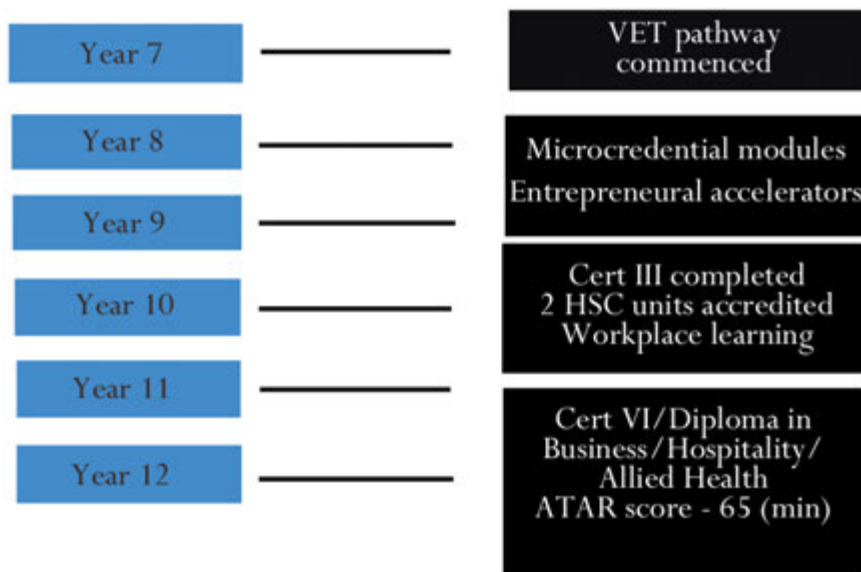
New VETiS approaches can provide new fit-for-purpose, scalable and cost-effective pathways

25. The report of the Federal Productivity Commission appropriately points to the need for better targeted funding of VET pathway options. VET Pathways are highly useful alternative pathways into the 39% of new jobs which will be created in skills-related sectors. The report, however, does not provide sufficient attention to:
 - a. The social capital elements which facilitate human capital and its successful deployment.

⁶ Gonski and Shergold, 2021 *In the same sentence: Bringing higher and vocational education together*. NSW Department of Education

⁷ Gonski and Shergold, 2021 *In the same sentence: Bringing higher and vocational education together*. NSW Department of Education p28,29,40

- b. The regional engagement – in particular the need to extend Australian-compliant skills and TESOL training into Indonesia, The Philippines, India, etc – required to fill a large proportion of the new jobs being created, but also those very large numbers of manual jobs which increasing higher education levels have vacated, and which will not be filled by rising domestic sources in an ageing society.
- c. The business opportunities which are available to both domestic students and international candidates in business startups, which can be facilitated by VET and HE Diplomas only if these are highly experiential and mentoring rich in nature, and if they recognise that current matriculation pathways in schools are designed around default university entry levels, not for industry or non-academic needs.



- d. The need to fit teacher preparation programs to both University and VET delivery needs - the expansion of VET units in schools will not be possible whenever teachers are trained to deliver only university-track programs (ie. there is no space for Cert IV TAE mapping into most ITE programs).
- e. The need to fit VET funding more closely to industry need rather than convenience of delivery, by:
 - i. Fitting VET Student Loans funding not to the AQF level, but to the actual needs of particular industry sectors. Limiting the proposed extended funding to Certificate IV and above would be of no use in the Aged Care industry, for example, given that the entry level qualification is the Certificate III in Individual Support. An alternative set of funding criteria, adapted to the needs of each sector, is essential to success.

- ii. Fitting VET support funding to solutions design at the community level. The current relatively indiscriminate support of VET programs in schools through aggregators (e.g. the various Associations of Independent Schools) reinforces the tendency of schools to avoid building actual VET expertise, and to use VET as a cheap option for dealing with the growing number of school students for whom the standard matriculation pathways are not well fitted. Aggregators leave actual parent and student contact to the schools, which often do not have on-staff capacity to assist their students or design educational solutions for real world outcomes.

Example 3 – VETiS Entrepreneurship and Employment Pathways

The Young Entrepreneurs Scheme (YES) at St. Philip's Christian School Cessnock built on 18 months of community consultation and aimed at addressing the early school-leaver/ youth unemployment nexus. This program exemplifies most of the elements proposed by the Productivity Report, such as shifted school timetables, embedded work experience, mapped flexibility providing both dual path (HSC + Cert III/ Diploma of Business) and alternative path (ROSA + Cert III/ Diploma of Business) options, a close fit between local employer needs and student aspirations/ learning pathways, inclusion within the normal school experience, and matriculation with either university-entry or advanced standing (in some cases accelerated - end of Year 11- but in all cases with university entry and a wider range of work-related skills which open up Gap Year and early career opportunities).

The 'Multicredential' Badging Pathway at Parramatta's leading girl's school, the Our Lady of Mercy College, was initiated with AC and provided mapping and consultancy services which enabled the school to develop a flexible sub-AQF 'badging' system. This system recognises and provides 'microcredits' for existing co-curricular and curricular learning activities, creates a co-designed framework for high-value tertiary pathways which can commence while still in school, fits assessment to what school teachers already do and moving the accreditation/ compliance side to the RTO (removing much of the 'red tape' noted in the Productivity Commission's report), provides all students with the capacity to emerge from school with a range of Cert II, Cert III and Diploma qualifications without distracting high performing academic students from their HSC studies, and provides a mechanism for existing teachers to aggregate TAE skillsets and qualifications which broadens their ability to teach across the curriculum.

Scots Outdoor Leadership program is a mapped program which builds a Certificate II Leadership qualification into the existing, nationally-eminant Year 9 Glengarry Outdoor Education program at The Scots College Sydney, alongside the existing Duke of Edinburgh and other programs already embedded in the program. All students in the year cohort (225 in 2022) emerge with a formal VET qualification, the skillsets in which contribute to other qualification pathways in Years 10, 11, 12 and in Gap Year.

26. As a dual sector provider and by adopting an industry B2B approach, AC has demonstrated models (see above) which engage in local and regional settings with a broad range of community actors to create pathways which unlock the possibilities in the AQF, and which solve structural problems which inhibit individual and communal flourishing.
27. The examples outlined are already meeting many of the objectives of the Productivity Commission interim report through:
- a. **Innovation** that seeks to use the full range of fitted VET options to build advantage, skills and mobility options for school students
 - b. **Fit-for-purpose** where the models are the result of close design of VET options between capable secondary and tertiary partners who, because they are focusing on local/ actual problems relating to the training and formation of young people, and so (unlike many 'off the shelf', top down VET programs are able to engage compliance structures to serve real social purposes.
 - c. **Scalable** due to the best interest of the schools being to provide advantageous pathways for their students. Programs are built not around the rump of students who are 'left over' from the VCE/ OP/ HSC/ matriculation process (which results in small and 'boom bust' student enrolments, so undermining internal capacity to appoint skilled staff), but around whole year cohorts and whole-of-school solutions.
 - d. **Cost-effective** where programs operate within the existing funding available to schools, and create centres of existing skills within rural and regional settlements which can also provide opportunities for adult tertiary training. As schools have existing capital stock which is under-used out of hours (early in the morning, after 3.30pm), government can develop local 'community colleges' and tertiary campuses without additional capital investment, and which are run by local people engaging local community needs.
28. AC would therefore recommend that the PC highlight and encourage flexible and entrepreneurial VET/HSC/'Other enrichment' programs within a unified, pathways-oriented curriculum which is closely linked to a tertiary partner. Demonstration clusters could act as training and modelling

mechanisms for the funding of later phases expanding such partnerships across the state following the planning processes proposed by the NSW Productivity Commission.⁸

Cert III and IV loan access would allow students freedom to choose the best course and study level

29. AC affirms the Commission's observation that "*students appear to make good choices of their own volition. They have the best information about their own abilities and interests, making them well placed to make decisions about what they will enjoy — and benefit from — studying.*"

30. From that premise, funding or loan options for VET and higher education should be both provider and sector agnostic by prioritising student choice. Supporting student choice by removing inequality in access to funding and loans would also encourage competition for students and funding across education providers. As the report notes, this is more likely to encourage sector innovation and a focus on quality that attracts students.

31. The current funding and loan system for VET and higher education contains a number of imbalances that impede efficient skill acquisition and distort course and sector choice. AC therefore make several proposals, some of which are already made in the PC report:

a. That course eligibility for VET Student Loans be expanded to include all Cert IV and Diploma courses.

i. Skills lists produced by government do not necessarily improve outcomes for students or society. Students make good choices of their own volition therefore restrictions on eligibility for VSL should not be applied on the basis of areas of study. Rather, eligibility for VSL at the provider level can continue to be assessed on the basis of provider quality indicators. This will mitigate risks of a repeat of the VFH reporting. Access to VSL for a broader range of courses will also reduce the risk that students will choose higher education just for access to loans when they are not particularly suited to that mode of learning.

b. That funding for higher education courses, including CSPs, be expanded to all higher education providers.

i. The PC report lists concerns over teaching quality in higher education. QILT reports confirm that students are generally much happier with the quality of

⁸ Alphacrucis has developed proposals for **Regional School Entrepreneurship and Employment Hubs** that can be made available on request.

teaching at independent providers than at universities. On this basis, funding for teaching (like CSPs) should also be available to students who choose to study at independent providers. To progress towards this outcome, CSPs could initially be expanded to all University Colleges and Universities, rather than only those listed under Table A in HESA.

- c. **That the system of student loans for higher education be uniform across all TEQSA registered providers.**
 - i. The current 20% loan fee for FEE-HELP students at most independent providers is inequitable and a disincentive for students to choose an independent provider even if such a provider offers a course, location, or unique pedagogical approach most suitable to them.
32. By expanding VSL in the VET system and standardizing funding and loans for higher education, students will be free to choose the best course and study level for their needs without being forced into a sub-optimal decision by funding arrangements.

Section 4 – Boosting learning outcomes

The new University College category has potential, but the disconnection with HESA legislation and the Commonwealth Grant Scheme (CGS) is anti-competitive and damages productivity

33. The interim report needs to be corrected on p94 around the current status of University Colleges:
- a. Firstly, there are now five University Colleges, with the Australian College of Theology recently being recognised as a University College.
 - b. Secondly, it is inaccurate to report that all the University Colleges were specialised and mainly teaching performing arts and theological studies. Although this may be true of other providers, Alphacrucis University College is multi-departmental and offers a wide range of courses at VET and HE levels including in social services, business, education, allied health and arts.
34. The PC interim report correctly identifies the recent regulatory changes around University College have opened the door to higher education providers that distinguish themselves on the basis of

teaching excellence. This category will possibly balloon around 2030 as current smaller universities are unable to reach the new increased research requirements in the Higher Education Standards Framework:

- a. *from 1 January 2030, undertakes research at or above one or both of the benchmark standards described in B1.3 (16) that leads to the creation of new knowledge and original creative endeavour in at least three, or at least 50 per cent, of the broad (2-digit) fields of education in which it delivers courses of study, whichever is greater; or all broad (2-digit) fields of education in which it has authority to self-accredit, in the case of a university with a specialised focus.*

35. The PC interim report also indicates that there may be other barriers in this sphere that remain unaddressed. As the largest University College, in our mind the barriers are indeed significant and any in this new category will be detrimentally impacted, and thereby unable to provide the competition, innovation and opportunities the new category was designed for, due to the lack of clarity in funding for University Colleges in the HESA legislation which fails to recognise University Colleges as being on the University table.

36. As a prime example of restrained competition, the students at Alphacrucis University College, the largest and most diverse institution in the category, face severe disadvantages despite significant successful innovations in education (listed above). Some examples of financial inequalities include:

- a. **PhD subsidies** – AC’s 100 current PhD students do not have any access to Government scholarships, meaning they face potential additional costs of approximately \$100,000 more for their degree and living-allowances than students at public universities even though both institutions PhD programs are accredited by TEQSA according to the same standard. This is blatantly anti-competitive and leads students away from higher quality providers like AC they would otherwise choose to study with. Choosing a lower quality providers reduces productivity in postgraduate training.
- b. **Commonwealth supported places (CSP’s)** – AC students training to be teachers through the highly successful innovation of the Clinical Teacher Training Hub model, are allocated no CSP’s from Government, nor are they able to apply for Government scholarship schemes. This means that AC’s current regional and remote Indigenous trainee teachers in the Wilcannia-Forbes region in NSW are paying over \$60,000 for their degree – more than four times as much as those in city universities.

- a. **Research grants** – University Colleges like AC currently have no opportunity to apply for research grants with the Australian Research Council even though in some fields (like Pentecostal history for AC, and biblical studies for some other university colleges) they can demonstrate they have best researchers and projects in a field. Such blatant discrimination reduces Australia’s research productivity by allocating research funds to lesser researchers and poorer projects just because they are employed by public universities. It also means that the pathway for a university college towards full university status (which has high research requirements) is problematic. There is an almost impassible barrier being required to demonstrate high quality research output without being able to apply for any funding to build it. Allowing all researchers regardless of institution to apply would be budget neutral as the available pot of money for which they are competing remains constant.

37. AC therefore strongly argues that the PC recommend a review of University College funding, administered by the Department of Education, to identify and remedy the anti-competitive and productivity reducing barriers in teaching and research funding arrangements to ensuring this category serves the purpose it was designed for, contributing to Australia’s education productivity.

The faith-based sector which demonstrates a higher quality of student outcomes needs recognition and support

38. In 2022, faith-based higher education providers dominated the rankings of the latest QILT student experience survey, taking out 12 of the top 14 spots. The QILT Student Experience Survey is Australia’s only comprehensive survey of current higher education students, measuring student satisfaction data across both university and non-university higher education institutions.

39. International studies have shown that graduates from Christian higher education institutions are 10% more likely to volunteer in community services, 7.5% more likely to enter human services professions, are more likely to be first-generation and less likely to come from high earning families.⁹

40. Despite the demonstrated success concerning student quality, faith-based higher education is largely neglected by the federal government, and is facing significant challenges from State anti-

⁹ Building the Economy and the Common Good – The National Impact of Christian Higher Education in the United States - <https://www.cccu.org/wp-content/uploads/2018/03/CCCU-National-Impact-FINAL-2.pdf>

discrimination legislation which would remove the religious freedom to run their institutions according to their ethos, culture and beliefs.

41. In May 2020, Professor Paul Oslington released a report around the *Economic Benefits of Australian Theological Education*, a summary of which was published in the academic journal *Colloquium*¹⁰ which identified that not only was faith-based higher education in Australia significantly underfunded despite being more productive than comparative sectors, but it also provided an estimated net benefit of \$300 million, representing a rate of return to society on its investment of 12.7%.

42. Quote: *The clearest message of this study is that government and wider society benefit significantly from theological education. It generates tax revenue from increased earnings well in excess of government contributions, and also generates large direct and indirect spillover benefits from giving, volunteering, improved health, reduced crime, enhancement of social capital and societal happiness. Most of the cost of theological education is currently borne by students and churches. Some policy changes would make the net benefit from theological education even larger... including extending CSP's to theological providers, and levelling the playing field for post-graduate research.*"¹¹

43. AC recommends that the PC final report consider the unique role of faith-based educational institutions in relation to productivity in Australia. Theological education contributes to productivity and continued discriminatory arrangements hurt not just students in the sector but Australia's productivity performance.

¹⁰ Oslington, P. (2020). "The Economic Benefits of Australian Theological Education." *Colloquium: The Australian and New Zealand Theological Review* 52(1): 7-33. <https://anzats.edu.au/journal/back-issues/52-1/>.

¹¹ Oslington 2020, *Economic Benefits of Australian Theological Education* <https://anzats.edu.au/wp-content/uploads/2020/08/Oslington-Project-Report-Ec-Benefits-of-Theology-1.pdf>

Recommendations

1. That the PC facilitate further human capital research concerning the impact of social and relational capital on education outcomes and productivity.
2. That the PC recommended extending Australian training out into human resource supply communities of origin in SE Asia and the Pacific, but in a way which closely partners with Australian-based communities and institutions for mutual benefit.
3. That the final PC report include more current Australian initiatives such as the Clinical Teacher Training Hub model as examples of transformative Australian-based innovation in the education sector.
4. That the PC advocate supporting school partnerships pilots within a framework of flexible dual-sector providers.
5. That the PC highlight and encourage flexible and entrepreneurial VET/HSC/’Other enrichment’ programs within a unified, pathways-oriented curriculum following the planning processes proposed by the NSW Productivity Commission.
6. That the PC recommend expanding VSL in the VET system and standardising funding and loans for higher education.
7. That the PC recommend a review of University College funding to identify and remedy the anti-competitive and productivity reducing barriers in teaching and research funding arrangements.
8. That the PC final report considers the unique role of faith-based educational institutions in relation to education productivity in Australia.

Thank you for your consideration of the issues we have raised. AC would welcome any opportunity for further engagement with the Commission.

Professor Stephen Fogarty
President

AC would also like to acknowledge the contributions of:

Dr David Perry	– Vice-President Academic, Higher Education Standards Panel (HESP)
Professor Mark Hutchinson	– Vice-President Development
Professor Paul Oslington	– Professor of Economics and Theology
Mr Nick Jensen	– Director of Government Relations

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