

Great Expectations or Bleak House?

(With apologies to Charles Dickens)

A University for the Next Twenty Five Years

Defining/Designing Our Preferred Future

Abstract

The Australian higher education sector is under enormous domestic and international pressure from increasing competition and Government regulatory requirements. In order to remain viable in this rapidly-changing, market-oriented environment, all Australian universities need to carefully examine their roles, what they provide and their methods of delivery in order to both secure their own position and to continue to make their essential contribution to the 'public good'. This re-examination of responsibilities is a necessity if universities are to be successful in reaffirming their leadership role within and across society.

Charles Sturt University (CSU) is no exception. In order to achieve long term organisational sustainability and make a contribution to our communities (regional, national and international) we must be more focused on what we teach, what we research, and how we support our students' learning experiences in order to successfully negotiate the obstacles in our path.

This paper is written to stimulate discussion and debate within the University by presenting the future issues CSU will have to face from a number of perspectives:

1. Our course profile;
2. Our research activities;
3. The support we provide to our students;
4. The type of students we attract; and
5. How we present ourselves as a University to potential students and to the communities we work in.

The paper concludes by posing a number of questions for consideration by the University community.

Drivers of Change

Whilst change has been the currency of higher education over the last fifteen years, the last few years have heralded a period of even more rapid and fundamental change. The key inter-related drivers of recent change in higher education are:

1. The growing national and international demand for higher education;
2. The increasing reluctance of governments to fund higher education, with declining levels of what contributions (subsidies) are provided;
3. The associated willingness of governments to allow private (profit and not-for-profit) providers to meet the demand. This includes both the:
 - Increasing willingness of governments to allow private (profit and not-for-profit) providers to meet the demand for degree level education; and
 - Apparent willingness of governments to allow the title 'university' to be used in less restrictive ways than at present, including by some private providers.
4. An imposed user-pays approach to higher education with the result that students become consumers of, rather than stakeholders in, education; and
5. An increasing emphasis on national and international comparisons of university performance through benchmarking, 'league' tables, rankings, and international standard setting (an example being the Bologna Declaration).

In relation to the first of these key drivers, it is important to note that while growth in international and national demand is predicted there are also likely to be some important shifts in patterns of demand, including:

- A rapid and significant decline in the number of recent school leavers, and youth in general, in CSU's regions;
- Growth in the demand for continuing professional development to the professions currently served by CSU;
- A likely increase in demand for higher education from older age groups which may be staying in the workforce longer;
- Growth in demand for staff in the services that are related to providing for an ageing population; and
- Increasing international workforce mobility.

Within the context of providing access to higher education to larger numbers of students, state and federal governments are increasingly focusing their resources for education and research on areas of national priority, demanding excellence and competitiveness at national and international levels from the institutions to which they direct such resources.

Governments also expect universities to contribute to economic development:

- Through the education of skilled graduates who gain employment; and
- Through research, which contributes to the accumulation of intellectual capital and generates new knowledge, practices and commercial opportunities.

The capacity of its universities to contribute to the knowledge-based economy is crucial to Australia's ability to compete effectively at the international level.

CSU can choose between being an institution known only for producing vocationally-focused graduates of adequate quality (in the extreme, a degree factory), or being an institution recognised for national and international excellence in learning and teaching, for high quality research in selected areas, and for quality graduates.

The Challenges for Charles Sturt University

For CSU the challenges in achieving this goal can be separated into three key components which cause internal tension – 'Excellence', 'Sustainability' and 'Access'.

Excellence can be construed simply. Our graduates must be of sufficient quality and reputation to work anywhere in the world, even if in many cases they choose to work in regional Australia. Our graduates and our programs must be internationally competitive. CSU must be a 'University of legitimate choice', not a 'University of last resort'. Similarly, CSU's research needs to meet international standards – particularly as assessment of research quality, as well as measurement of research quantity, become the key drivers for future university funding.

Sustainability is more than the financial health of the institution. It includes the quality of our teaching, the sustainability of course offerings and our research activity as significant components of our profile.

Finally, **access** is more than the opportunity to enrol at the University. It is about access to a university whose programs are well-known for their quality and standards. It is not about lowering the standards for entry, but rather about developing pathways for admission, including the recently announced merit-based equity scholarships, and maintaining externally validated standards.

Let me give you a hypothetical example of the challenges we face. The following scenario could already occur under current Commonwealth policy, and it is most likely to occur under future Commonwealth policy:

A new, accredited, private college, Newtoria, has been established in Sydney. It proposes to offer degrees in law, business, medicine, and information technology (IT). All degrees will be offered on a full fee paying basis, with domestic students having access to FEE-HELP, which enables them to defer the payment of fees. The business, law and IT courses will be offered both on-campus and by external (on-line) studies, with the fees equal to the HECS-HELP levels being charged by nearby public institutions. (Note for law and business – the proportion of the grant per student from the Commonwealth to universities that is constituted by the student contribution/fee (HECS-HELP) varies between 85-89% and 65-69% respectively of the total grant). As the staff teaching these programs concentrate on teaching and do no research the venture is profitable for these disciplines and price competitive with universities, and is attractive to both domestic and overseas students.

The medical program is full fee paying and set at a level greater than or equal to the Commonwealth grant per student [including the student contribution] for this discipline. Moreover, the very high local domestic demand, and international demand for this course from the United States and Asia, particularly China, ensures the viability of this part of the private college's operation. Clinical placements are available in hospitals established and operated by the owners of the college to serve the demand from wealthy Asia for world class, on-demand medical services. Furthermore, as the college is not a public institution, there is no cap on the number of paying domestic students.

Does this scenario present a challenge to CSU? Of course! Up to 40 private providers are already lining up to achieve registration and accreditation of their courses so their students

can access FEE-HELP. The threat will become even more acute as the United States Free Trade Agreement (USFTA) takes effect.

The scenario described above suggests that the low cost end of our demand profile, particularly part-time and distance education, is vulnerable to private providers (recall that fees, if not part of FEE-HELP, are probably tax deductible for those people already in the workforce). But the top end of our profile is also vulnerable, because of the high unmet demand for courses such as veterinary science, and the willingness for individuals to pay, given the perceived future high personal benefit of these courses. For instance, the University of Sydney, University of Queensland, University of Melbourne, James Cook University and Murdoch University all offer veterinary science courses – and the universities of Sydney, Queensland and Melbourne also offer full fee paying places. The University of Queensland offers two courses in which students may qualify as veterinarians, and it offers full fee paying places in both.

Two private universities in Australia have already established full-fee paying medical programs. The University of Notre Dame's private medical school was established before it received Commonwealth places, and in order to overcome the potential 'deterrent' of upfront fees, FEE-HELP is now available for these fee-paying places and the cap on the amount of FEE-HELP will be lifted to accommodate these expensive programs once the Commonwealth Government assumes control of the Senate.

The *Sydney Morning Herald* (7 January 2005) recently reported that, while enrolments in public universities in New South Wales decreased over the last three years, the two private universities, the University of Notre Dame and Bond University, have recorded a strong growth in enrolments. In the same *Sydney Morning Herald* report, Gavin Moodie, Principal Policy Adviser at Griffith University, is quoted as saying that the growth in private university enrolments is consistent with "a general change in social views" mirroring the increasing demand for private high schools. In addition, University of Notre Dame full fees for which FEE-HELP is now available are only slightly greater than the HECS-HELP charges of public universities. Furthermore, Peter Dawkins, of the Melbourne Institute and the University of Melbourne, was quoted in the 6 April 2005 issue of the Higher Education Supplement of *The Australian* as saying "An expansion of Australian fee-paying student will put enrolment pressures on the less prestigious universities".

Interestingly, the Director of the Sydney campus of the University of Notre Dame claims that the high growth area has been in mature age students, which is a key market for CSU – especially in distance education.

The introduction of new providers will be accelerated as the Commonwealth Government moves to assume full legislative responsibility for the role of universities and higher education in Australia. If the Commonwealth *does* assume such responsibility, then the Commonwealth, rather than the States, will be the authority that registers higher education providers, accredits higher education programs, and grants self-accrediting university status.

The Commonwealth has already indicated that it favours the idea of teaching-only universities, arguing that, for all practical purposes, a number of universities (including CSU) already have teaching-only presences in high demand markets in capital cities. While it is unlikely that the Commonwealth will legislate to force existing universities to become teaching-only institutions, it is possible that new entrants to the market could be the first teaching-only institutions. However, as discussed later in this paper, universities which are non-competitive in research may be driven towards actual ‘teaching-only’ status.

The commitment to opening the provision of higher education to private providers is not restricted to the Commonwealth. Late in 2004 the South Australian Government announced that it had invited Carnegie Mellon University, a prestigious private US university, to establish an arm in Adelaide. The Commonwealth Minister for Education, Science and Training indicated that he will work to ensure that there are no Commonwealth barriers to the establishment of Carnegie Mellon in South Australia.

What other aspects need to be considered when examining the potential impacts of the transfer of legislative control of universities from the States to the Commonwealth?

On the negative side, the moderating influence of two levels of government having to negotiate or agree to changes could lead to a decreased level of understanding concerning each institution’s identity and its community’s needs, resulting in a ‘one-size-fits-all’ approach. There may also be some diminution of the commitment of State Governments to fund and collaborate with the universities in their jurisdictions.

On the positive side, it would reduce the administrative and reporting burden on universities, and allow streamlining of programs across State boundaries (a key objective of the Commonwealth). For CSU this could allow us, for example, to become Australia’s premier A University for the Next 25 Years. A paper by Professor Ian Goulter. 6

non-metropolitan provider of agricultural research and education, meeting the needs of applied agricultural research across all states. 26% of our domestic students are drawn from interstate, whereas only 5% of domestic students enrolled at the major metropolitan universities in New South Wales come from other states, as their level of distance education provision is much lower than CSU's. In a sense, CSU has already achieved the distinction of a national institution, competing for students in all capital cities and across Australia.

As noted above, it is likely that the first teaching-only universities will be new entrants to the market, accredited by the Commonwealth Government if it gains legislative responsibility for universities. However, existing public institutions may become teaching-only institutions if they are not competitive in research. This non-competitiveness will arise if the universities fail to compete successfully for research funding, either in the form of specific research projects, or through funding won competitively on the basis of research quantity and research quality. In such situations, universities will increasingly be funded solely for teaching using an eroding government funding base. Any research that is done will have to be funded from non-government operating grants – this is similar to the situation that prevailed for Colleges of Advanced Education prior to the Dawkins reforms.

It is also probable that public funds, including new funded places, will be allocated for learning and teaching to those private, and possibly public, institutions that the Government plans to establish as teaching-only universities, e.g., the new nursing and teaching places allocated to Avondale and Tabor Colleges.

Is this the sort of future we want for Charles Sturt University?

To further illustrate the emerging challenge, consider that our off-campus (distance education) demand, with its significant proportion of part-time working students, is softening and is highly vulnerable to competition (2005 figures indicate some strengthening in off-campus demand, but it is unclear whether this is a temporary increase or the beginning of an overall change in the trend. This is currently being investigated.). New alternatives are emerging for students - our current and future off-campus students have to do comparatively very little to access other alternatives, including fee-paying opportunities. They simply log onto different sites or mail correspondence to different addresses.

This situation is further exacerbated by greater competition in online delivery of courses. Online delivery and support is a significant component of our strategy to increase accessibility to our courses, and expand our reach across our regions and overseas. However, A University for the Next 25 Years. A paper by Professor Ian Goulter. 7

online provision is becoming a more common mode of delivery, and we will need to further differentiate ourselves in the online market. It is no longer sufficient to simply have a strong online capacity to be an 'online provider'.

On the other hand, our on-campus demand and enrolments have been increasing - 40% of the first preferences for the University in 2004 were for on-campus courses introduced or significantly revised since 2000. These same on-campus courses are those in which we are most likely to be able to charge premium fees (the premium HECS or high fees for fee-paying overseas students). In fact, a good portion of our on-campus programs are the most robust and least vulnerable to the alternative provider scenario.

The courses offered by CSU must therefore be:

- Current and attractive to students;
- Nationally and internationally accredited and recognised; and
- Supported by excellent learning and teaching and associated services.

In differentiating ourselves from our competitors it is important to note that very little of the content in coursework is proprietary. Rather, our programs will need to be distinguished from those of our competitors by their uniqueness, their quality, and the learning and support services that we 'wrap around' what is essentially publicly-available content.

A very challenging question in this regard is whether we want more government funded places. A commonly-held view is that the current level of government funding per student is too low. Do we want more of what is already insufficient? Add to this situation the difficulty we have encountered in 2005 in filling our load. Given our current course profile, if we had even more places to fill, the University would experience significant difficulty in filling them with the calibre of student we seek.

The Question of Research Quality

Now let us look at research. To date, the performance or productivity of universities in research has been 'assessed' by the Commonwealth using quantitative measures, including number of refereed publications, research income and research higher degree completions. The performance of universities as defined by these measures has been used to allocate funding and implicitly rank universities. However, in the future, performance in research may

be used to drive differentiation to the point that if a university is not competitive, it eventually becomes a teaching-only institution – with less money!

More recently, the research assessment strategy has moved to include ‘quality’. Consider this extract from *Backing Australia’s Ability: Building Our Future through Science and Innovation*. Fact Sheet for the Quality and Accessibility Frameworks:

Currently there is no robust and consistent way to measure the quality of research conducted in universities and publicly funded research agencies, and its benefits to research and the wider community.

The Research Quality and Accessibility Frameworks will address these gaps. They will also help institutions to focus on improving the quality and impact of their research and make it easier for researchers from different institutions and agencies to network and collaborate.

Assessment of research *quality* will be more rigorous and demanding of the University than measurement of research *quantity*. For example, the emphasis will be on books and journal publications over conference papers, and it will examine where policy, practice or commercial competitiveness has been directly impacted upon by research activity. It will also involve comparison with international standards.

The recent discussion paper *Research Quality Framework: Assessing the Quality and Impact of Research in Australia* confirms the likelihood of research quality being used to allocate significant research funds on a competitive basis. There are even suggestions that all of the government research related grants to universities (Research Training Scheme, Institutional Grant Scheme, and Research Infrastructure Block Grant) will be allocated on the basis of research quality. I am certain that this is another strategy to further differentiate the sector into ‘research led’ and ‘teaching’ institutions. Others share this view and are supporting the ‘quality research’ drive for that purpose.

Funding Learning and Teaching on the Basis of Quality

Performance based funding for the quality of learning and teaching is also on the agenda, with significant new funds available (\$113 million in 2008) for competitive distribution to universities on the basis of their 'performance' in learning and teaching. The funds are important, but more crucially, we *must* be on the list of universities that are acknowledged for quality learning and teaching. Not all universities will be!

The process used for the allocation of these 'teaching quality' funds will be a two-stage process. Firstly, the University will have to demonstrate that it has met certain threshold requirements, for example:

- A University teaching and learning plan;
- Consideration of teaching activity in probation and promotion;
- Commitment to developing skills in academic staff for learning and teaching (perhaps a required qualification); and
- Access to the results of student evaluation of teaching.

Once this threshold is reached, funding will be allocated to universities using a combination of subjective assessments of the quality of learning and teaching, and objective measures. It is probable that the criteria will be mainly based on quantitative outcomes (including attrition); Course Experience Questionnaire results (such as overall satisfaction, generic skills and good teaching); and Graduate Destination Survey results (including employment rates and participation in further study). All of these measures are currently available publicly or through our reporting activities to the Department of Education, Science and Training. As with research measures, many of these 'teaching quality' measures are already performance indicators included in the CSU Strategic Plan (2002-2007).

The challenge as previously articulated for CSU is that it be distinctive and excellent. The question is, in what areas?

What Can - or Should - We Do Differently?

We must now identify those areas in which we can be substantial international players, both in terms of achievement and critical mass for both research and teaching.

In **research** we can identify Applied Philosophy and Ethics; Land, Water and Society; and Agriculture (with niche opportunities in Wine Science and Viticulture) as accredited Centres

of Research Excellence at the end of 2004; and Strategic Research Centres in Professional Practice, Theology and Complex Systems. A central aim in plotting our research directions should be to produce research of excellence that is:

- Relevant and applicable internationally;
- Able to contribute through its quality and rigour to international literature and practice; and
- Of significance to our regions.

The foci above have this potential.

Underpinning these foci will be our strong research base in broad areas such as education and commerce. However, research excellence cannot be a static achievement – we must be able to respond to new research opportunities as they arise. Partnerships, such as those already established with Policing, the New South Wales Department of Primary Industries (Wagga Wagga Agricultural Innovation Park - WWAIP) or with other universities (the Centre for Applied Philosophy and Public Ethics - CAPPE) will be a crucial part of building research strength.

Our learning and teaching programs must be recognised in a similar fashion to our research strengths. We need to maintain the necessary links between research and teaching in order to inform our undergraduate programs and maintain our postgraduate profile. We must also retain the benefits of cross-disciplinary study in our teaching profile, whereby different disciplines bring new perspectives and skills to existing programs (for example, communications and business studies); there is great potential for innovation in the interdisciplinary areas.

In what areas do we have national or international stature? Which are the disciplines where students would want to come to CSU for a particular course? We might focus on the areas of allied health (pharmacy and physiotherapy); library science; psychology; wine science and viticulture; communications; and police education. The validation of such areas may occur through the application of our nationally and internationally competitive criteria in 2005.

Inevitably, we must maintain a profile in agriculture – other universities are moving out of this area, and we have the opportunity to be one of Australia's key providers, in terms of both education and research in this important discipline. Underpinning this will be a base of nursing, teacher education, and core business and information technology. Education has a A University for the Next 25 Years. A paper by Professor Ian Goulter.

particular place in this spectrum through its strong undergraduate teaching base and growing research strength.

We are also challenged by our regional responsibilities. The greatest contribution we can make to our region is to be a truly excellent university, not just in the Australian context but on the international stage. Our ongoing success and value will depend in part on our ability to attract excellent students, recruit them to the professions that the region needs and educate them to international standards. Similarly if we do research relevant to the region it must be done to international standards.

However, can CSU continue to be so diverse (as many things to as many people)? How do we balance this with the need for distinctiveness and sustainability and confront the emerging pressures? We need to find a balance between a suite of offerings that is too diverse, and a limited selection of offerings in only a few disciplines.

CSU must also recognise that in relation to funding we are a hybrid institution. We are still nominally a publicly-funded institution but we are increasingly operating like a private provider in order to secure necessary funding and generate income. If the Commonwealth Government's plans to assume legislative control of universities are realised, we will be forced to operate even more like private providers. Furthermore we are faced with an inevitable decline in public funding, and at least in the short term, an even higher level of Government intervention in what we teach and research, and how we access funds.

In whatever strategy CSU adopts we must take advantage of being a hybrid organisation to achieve our preferred future, characterised by excellence, distinction and sustainability.

Think about our future. Will it be *Great Expectations* or *Bleak House*? We need to address the following questions.

Questions for Consideration

1. What should our balance between on-campus and off-campus students be?
 - In numbers and proportions?
 - In the discipline mix?
 - In the mix between fee paying and Government subsidised?
2. What will distinguish our on-campus experiences from our off-campus experiences?
How should these two experiences converge?
3. Is our current course profile too broad? What future disciplines should we be seeking to add? What disciplines should we be phasing out?
4. How can CSU's degrees distinguish themselves from those of private providers and also from VET providers in similar fields?
5. CSU's mission statement speaks of preparing students for the workforce and to contribute more broadly to their communities. Do our current programs strike the correct balance between education for work (the professions) and for contribution to the community (citizenship)?
6. Do we have the appropriate structures Academic and General (and associated services) to achieve our goals?
7. What do staff in schools, faculties and divisions need to change?

Professor Ian Goulter

Vice-Chancellor

Charles Sturt University

12 April 2005

Attachments:

Three figures have been attached depicting the changes in CSU's profile over time:

1. Our past profile;
2. Our current profile; and
3. Our future profile.

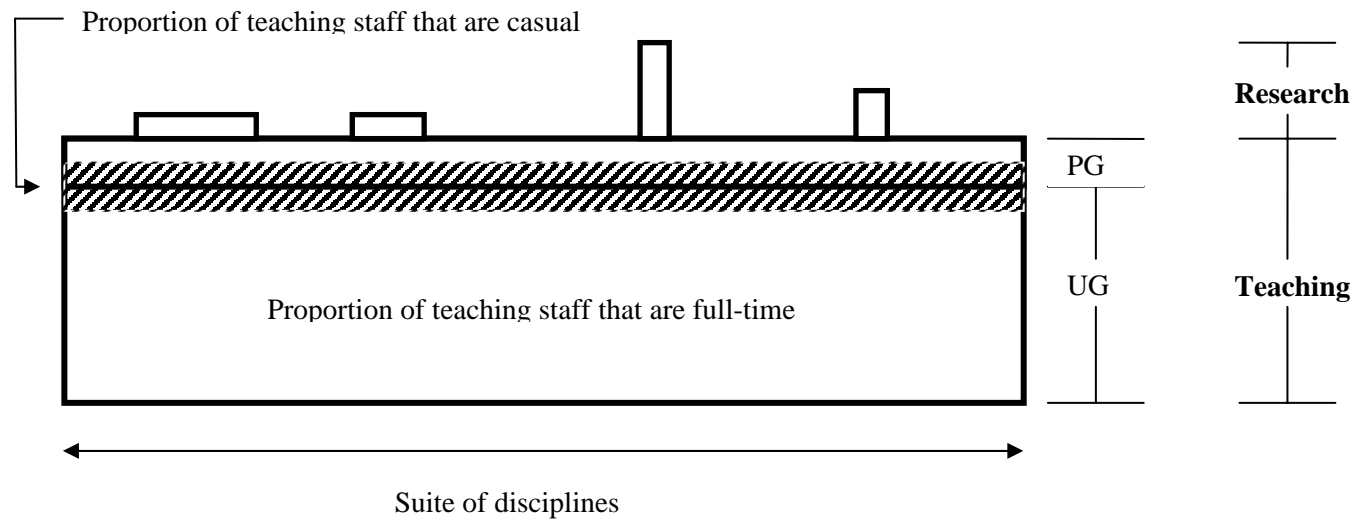


Figure 1: Our Past Profile

Not to scale

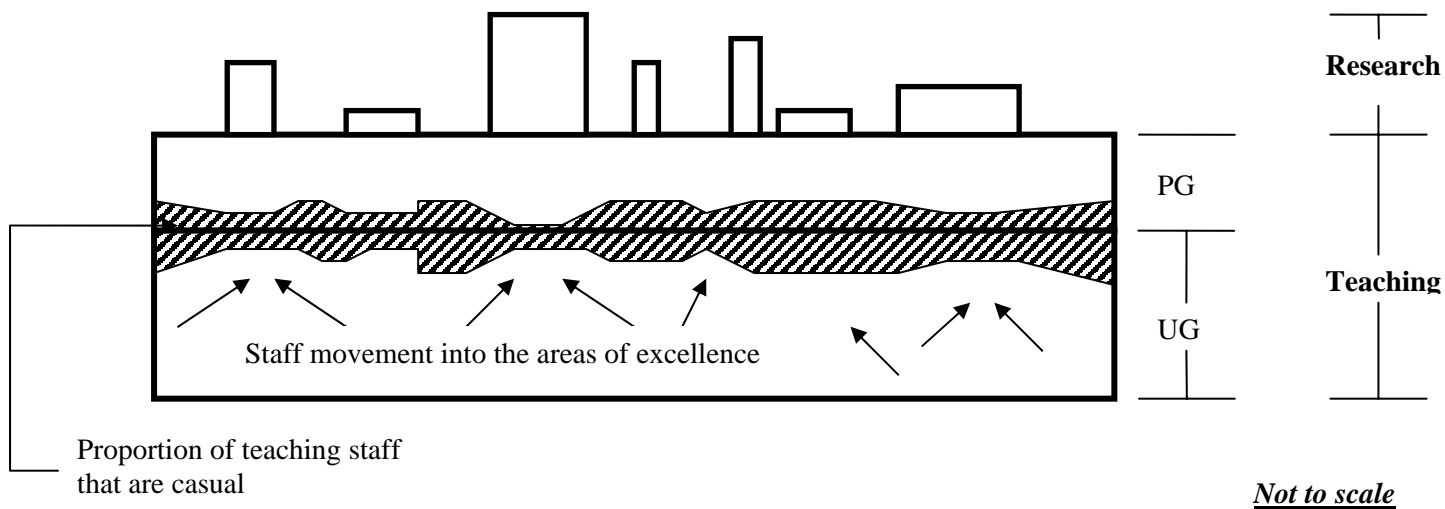


Figure 2: Our Current Profile

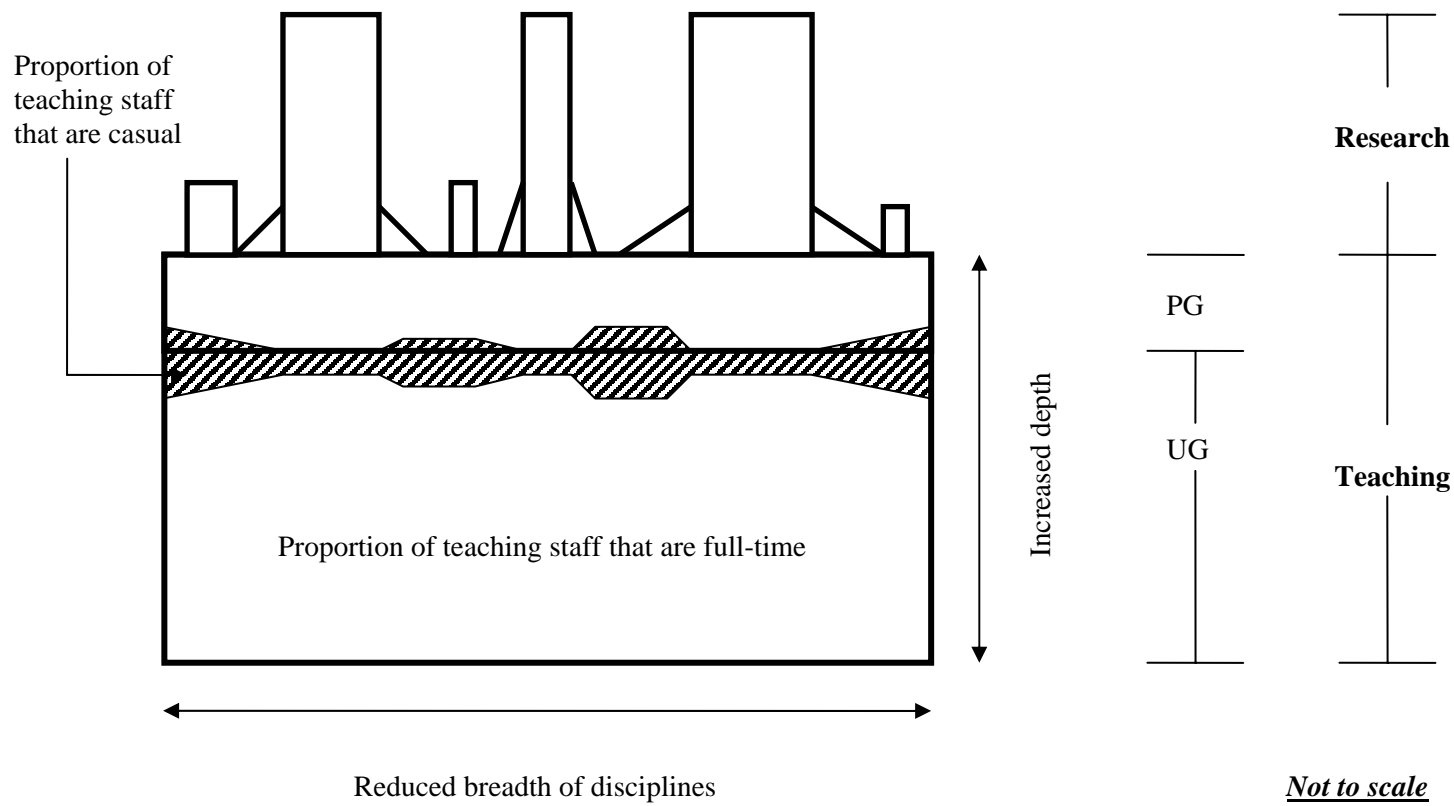


Figure 3: Our Future Profile