Major issues facing universities

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Thank you for this invitation to share with you some thoughts on major issues facing Australian universities. Continuing development is very important for all staff, including for administrators who are crucial to much of universities' successful operation. Joint staff development programs such as the one we are starting this morning managed by Universities Australia seem to me ideal in both pooling resources to mount a strong program and a valuable opportunity to share different experiences and perspectives.

I will start by sketching some of the big contextual changes we are encountering: this will be brief because many changes have been with us for a while and are familiar. I will then consider the implications of these changes for Australian universities' future. You are the experts in student administration so I will leave you to consider the implications of these changes for your practice. But I seek your indulgence to stray a little beyond my brief to give a vice chancellor's expectations of student administration, and I will invite you to correct my misguided speculations.

Major contextual changes

Declining student demand. For the first time in a generation, universities are facing declining demand from prospective students. There are a number of reasons for this including (in some States) demographic change and a strong labour market. This fall in demand coincides with a major increase in available tertiary places, some subsidised directly in places supported by the Commonwealth and others subsidised by the Australian Government indirectly through fee-help. This is challenging for universities which have historically been producer focused with limited attention to consumer need or demand.

Increased national competition. Higher education is highly competitive. The sandstone universities offer prestige, quality and brand. At the other end of the hierarchy the introduction of fee help has enabled private providers to compete on price, offering programs which are high volume and low cost. Middle ranking universities such as Griffith face increased competition from both the top and bottom. This competition is likely to intensify if the Coalition is returned at the next federal election since the current Minister seems disposed to reduce regulation and introduce more market mechanisms. A voucher-like policy is a possibility. Every university will need clarity about its value to prospective students.

Uncertain international environment. The future for international enrolments is uncertain because of increased competition from other Australian universities, from university exporters from other countries such as the UK and a rebounding US, and from developing countries such as Singapore, Malaysia, China and India which are investing heavily in higher education both for their domestic students and to attract international students. Problems with travel, health, terrorism or conflict may emerge which would reduce parents' and governments' willingness to send students overseas for their education.

Technology. Technology is changing the way universities teach, research, support students and administer themselves. While one needs to temper the hype of technology boosters, and while universities will be affected by some new developments less than others, I expect more big changes to come.

Declining resources from government. Over the past fifteen years universities have become increasingly reliant on student contributions and student fees. As costs have risen and the dollars per student declined in real terms, staff student ratios have increased dramatically. We have been cushioned from this decline in recent years because of our capacity to charge an additional 25% of HECS, and the Commonwealth addition of 2.5% per year to the operating grant in return for meeting governance and employment requirements. The Commonwealth's 2007-08 budget included changes to funding clusters and HECS for business students, which together increased universities' revenue by about 2.5% in real terms in 2008. These increases will plateau in a few years, whereupon universities will face another cost-funding squeeze without additional budget supplementation.

The limits to growth. The policies introduced by former Commonwealth education minister John Dawkins in 1988 encouraged universities to expand considerably in size. The archetype was Monash, but several other universities including my own built their strategies on growth. In Griffith's case growth was desirable to service the Gold Coast, one of the fastest growing regions in Australia, while other universities sought economies of scale and scope. But it seems clear that simply growth is no longer a suitable strategy for the new environment. Most of the world's leading universities are about the same size or smaller than the average size of Australian universities of 17,000 eftsl: the top 10 of Shanghai Jiao Tong University's academic ranking of world universities have an average of just under 16,000 equivalent full time students. Beyond rather wide thresholds the key criterion in the international competition between universities is not size but quality, however that may be conceived.

Rankings. The emergence in the last three years of local and international rankings is affecting the positioning and reputation of all universities. While the serious methodological flaws of rankings have been widely publicised and while many deprecate their influence as inimical to good higher education and public policy, rankings are nonetheless likely to remain and become more important. In the US, which has had the influential *U.S.News and World Report's* ranking of the US 'best colleges' since 1983, many universities shape their strategies by their ranking and measures to improve it.

Research Quality Framework. The research quality framework may redistribute research funds within the sector. In the UK the analogue to the group of 8 – the Russell group universities – had a stronger starting base and more resources to improve their performance in the UK's research assessment exercise. So the research assessment exercise has resulted in a transfer of resources to the Russell group since it was first introduced in 1986. Perhaps almost important will be the research quality framework's effect on reputation. Significantly, the research quality framework will not only affect the reputations of institutions, but it will establish national reputations of research groups within institutions. This will intensify a different dynamic within institutions.

External quality assurance. Whether the Australian Universities Quality Agency continues in its current or a changed form, external quality assurance will become more rigorous. There are clearly sub-optimal practices in Australian higher education, even amongst members of Universities Australia. These are well known not only within the sector but to ministers and their advisers. These are obviously risks to the standing of Australian higher education

internationally as well as to the public's confidence in the sector. Both the major parties are therefore determined to strengthen the sector's external quality assurance.

Institutional diversity. Since her appointment Minister Bishop has argued that there is space for only a limited number of "comprehensive research intensive universities". She has challenged universities to differentiate their missions, focus and programs. Regardless of the outcome of the forthcoming federal election the diversity debate is a live one and each university needs to be clear about how it differentiates itself from its neighbours.

Multiple campuses. Unlike overseas universities, most Australian universities have multiple campuses. Australian universities have an average of 3.5 campuses, but 11 universities including my own have 5 or more campuses. Operating multiple campuses so that they have distinctive features yet contribute to an institutional whole is a distinctive challenge for many universities.

Implications of changes

One could draw several implications from these changes, but I suggest that 4 in particular have implications for student administration: student engagement, equity, technology and continuing financial squeeze.

Student engagement

Engaging students in their studies and the broader university life is a central factor in attracting students and maximising their success. It is also crucial in developing relations with alumni, an activity which many universities could improve considerably. Alumni relations starts with the prospective student's first contact with their university and continues throughout their program until their graduation. Our alumni's commitment and support depends crucially on how well we manage the whole student life cycle. The Liberals' abolition of student guild fees is leading to a divide between those universities which are able to generate resources internally to support student life and those which will be left to offer a 'no frills' student experience. The competition has become absurd in the US, where the well funded universities are seeking to outdo their competition with ever more extravagant student residences and facilities and services such as climbing walls and gourmet refractories.

While I doubt we will reach those extremes in Australia, all universities will need to position themselves in the quality and range of services they offer students and manage students' expectations accordingly. And irrespective of how each university positions itself, it will be challenged to engage students appropriately for their academic and broader development.

Equity

As my colleague Alan Robson from the University of Western Australia is highlighting, Australian universities' performance on student equity is not improving, but is deteriorating gradually. The recent flattening of student demand is likely to accentuate the under participation of members of equity groups. Some of this is due to national economic and social changes and some is an outcome of Australian Government policies. Nonetheless, Australian universities have a responsibility to identify and respond to the factors that perpetuate their reproduction of inequality.

Technology

Early results from a project on 'Educating the net generation' reported recently in *Campus Review* (3 July 2007, page 4) found that 98% of Australian undergraduate students owned a mobile phone, 95% have access to the internet and 60% owned digital music players. However, students use technology most frequently for social purposes. But as one of the researchers Karl Maton observed, 'There's a big leap between saying young people like using technology to stay in touch with their friends to claiming this technology is what's needed to help them study'. So I'm not convinced that MySpace or Facebook will revolutionise teaching and learning, but social network technologies will play an important role in engagement with prospective students and alumni.

Other technological developments seem to have potential to change universities fundamentally. I have been most impressed by the power of flight simulators. The underlying technology clearly has potential to transform the learning of a range of practical skills. I am somewhat more ambivalent about Wikipedia: it and similar sites on the world wide web seem to be changing the social negotiation and transfer of knowledge. I note that students of the masters in international relations and development at the University of East Anglia are assessed on contributing 1 and editing 8 articles on Wikipedia to improve the quality and make them more balanced. However, I'm not yet sure that this will transform rather than simply elaborate learning-teaching.

Continuing financial squeeze

The press has reported administrations being cut dramatically by new vice chancellors at the universities of Canberra, Macquarie and Newcastle. These are not isolated or idiosyncratic decisions. With universities being squeezed between continuing declines in resources per student and intensified competition for students and in research, all vice chancellors will seek to redirect resources to the core academic activities of the institution.

Expectations of student administration

I will conclude by saying a few words about my expectations of student administration, not because I claim any expertise in your field and still less because I seek to instruct you in how you to do your job. But I thought it would be useful for you to hear how your area appears to a vice chancellor so you may see just how much work you have to put us on the straight and narrow.

Streamlining administrative processes

Most academics including vice chancellors believe that administration can and should do more with less. At Griffith this view – or bias, if you like – is operationalised in project streamline. I started project streamline following many responses I received to my draft university strategy which claimed that the university's administrative and academic support services were either inefficient or imposed too great an administrative burden on academic staff. At Griffith these complaints have more significance than academics' usual grumbles about administration because Griffith's administration and academic support services are so centralised.

I started project streamline in 2005 by inviting all staff and students to submit suggestions for streamlining our administrative services. These were referred to the responsible units which were able to accommodate many by changing their processes or by giving higher priority to information system changes, enhancements and developments that improved their service to their clients. Some improvements were made following realisation that a process designed to

suit one area was generating inefficiencies in other areas and that changes would optimise the process for the university as a whole.

I also engaged external consultants to review what seemed to be the service hot spots. As a result we adopted a number of projects to streamline administrative services. Some required the university to accept risks of non compliance which it had not been willing to accept previously. Thus one project streamlined bookings of domestic flights using a web tool by allowing staff to commit university funds up to a modest limit without prior budgetary approval. Another project also invested more confidence in staff by delegating the negotiation and approval of standard consultancy contracts below a reasonable threshold, again removing an annoying inefficiency within the university.

Bimodal services

Student administration has introduced some services that are fully automated for students, such as enrolment processing and timetabling. Other services remain entirely personal because they require a high level of interaction with expert advisers. There remains in the middle, at least in my observation, a large group of services that are not fully automated but do not require high level interaction with expert advisers. Any service that requires the completion of a paper form – and I note that several still remain – is neither fully automated nor requires high level interaction with expert advisers. Also in the middle are all the semi-routine services provided by brief interactions with staff.

At least from my perspective, a challenge for student administration is to reduce this group of services in the middle: the goal is a bimodal distribution of services between those that are fully automated and those that have high level interaction.

Revisiting centralisation-decentralisation of administration

I expect that the changes in the way administrative services are provided and continuing pressure to reduce overheads will provoke universities to revisit the distribution of administrative and support staff between central and decentralised units. Griffith reviewed its disposition of administrative and support services under a previous vice chancellor Roy Webb in what is known in campus folklore as the 'great administrative restructure of 1996-7'. Griffith's administrative and academic support services are now highly centralised. Our schools and faculties employ almost no graduate support staff: there is no faculty registrar, general manager or executive officer and almost no faculty administration. Griffith's central units responsible for commercialisation, computing, external relations, finance, learning support, research, secretariat, staffing and student administration employ service officers who specialise in supporting academic groups, but these staff are located and managed centrally. While academic staff still occasionally grumble about the lack of dedicated local administrative support, I believe Griffith's administration is much more efficient than many decentralised administrations.

Customer relationship management

I suggest that sophisticated customer relationship management is a key to meeting the challenges of equitable access, student recruitment, student engagement and alumni development. In many US universities the student recruitment office customises for each prospective student a financial package that covers tuition fees, grants of financial aid, loans and student employment. This allows prospective students to compare the fees-financial aid package of a number of other universities before deciding where to study. Compare that with

many Australian universities where fees are assessed by one office, paid through another and any loan or scholarship is negotiated through yet another office, all at different times but all after enrolment. It seems to me that the Australian practice should become much closer to the US practice.

Similarly, many students chose their programs by a combination of their personal interest, their perception of their strengths and their view of career prospects. Again, typically academic course advice, personal advice and careers advice are provided by separate units at separate times in the student life cycle. I suspect we could greatly improve the quality of the services we provide if we could find a way of bringing them together and offering a coherent service from the time of our first contact as a prospective student to support for an alumni in their second career move. I note that the University of Wollongong has established UniAdvice to provide students course advice and help with applications. I envisage a UniAdvice that is a single starting point for all sources of advice to students.

These are examples of services provided by a high level of interaction with expert advisers. They are therefore very expensive and in themselves are hardly consistent with a vice chancellor's hope if not expectation that administration will do more with less. But I suggest that students need only a few of these high level interactions throughout their career. Much customer relationship management is excellent because it is fully automated and thus relatively inexpensive once established. I offer as an example shopping with Amazon.com. Amazon starts by offering users an opportunity to browse or search within product categories or across all categories, an option which I have found on no university's web site. Each product on Amazon's site is described in a standard format, there is often an evaluation by an Amazon reviewer and there are often customers' evaluations. Purchasers register their details once. A successful transaction generates a confirmatory email and regular updates on progress with the purchase. At an appropriate time afterwards the customer is invited to rate both the goods and the service. Upon returning to Amazon's site one is welcomed with personalised recommendations. Occasionally Amazon sends customers an email promoting new products based on customers' previous buying and searching patterns. While education is clearly not a consumer product, nonetheless much of Amazon.com's customer relationship management seems readily applicable to higher education.

Conclusion

Thank you for your patience in bearing what must appear very amateurish trespassing into your field of expertise. I look forward to having my errors corrected and being returned to the path of true administrative enlightenment. I also wish you well for your program which seems most interesting and worthwhile.