[WHO] Peter Rohan, tertiary education visionary

[WHAT] Our universities must transform — or they will be swamped by competition

[HOW] Technology and the rise of a global middle class have created a historic growth imperative

The stakes get higher for tertiary education

Tertiary education, one of the most important parts of Australia's economy and culture, is poised for transformation. The stakes are monumental. The sector is Australia's third-biggest export earner and Victoria's biggest. It is the key to improving our flagging performance on productivity and a crucible of creativity and progress. It nurtures our future leaders. It provides an opportunity for many to explore their very existence and reach their potential. It generates the talent that drives industry and government and so much more.

The metamorphosis is being driven by an irresistible melange of forces — technology, increasingly open international markets and the emergence of an abundant global middle class, a phenomenon particularly pronounced in China and India, two of our key trading partners.

Today's guest in The Zone is working with universities to help them identify the opportunities — and the risks of this change to their viability. Peter Rohan is a Melbourne-based partner of the Australian arm of Ernst & Young, one of the world's largest business consultancies. He believes Australia's vice-chancellors, the people who lead universities, are aware of what is about to hit them, but have not yet worked out what to do about it.

Several months ago, when he and his firm realised tertiary education was about to be struck by the same catalysts that have changed media and banking so rapidly, they conducted interviews with most of Australia's vice-chancellors and both major political parties, as well as carrying out a global study of the sector.

In our interview — the full transcript of which, and a short video, is at theage.com.au/opinion/the-zone — Rohan sets out a vision of how our universities might avoid disaster by capitalising on the chance to expand locally and abroad.

Ernst & Young will release a tertiary education white paper in a few weeks. It will be required reading for vice-chancellors and their management teams, as well as state and federal policymakers.

The biggest risk, Rohan says, is that universities fail to act fast. "The international marketplace is becoming far more competitive. But the biggest change is really coming through the impact of technology. And it is the capacity of people to integrate it into their strategic thinking, particularly university by university, which will be critical. It re-emphasises the importance of the quality of the content that we actually provide."

A menacing threat to Australia's reputation as a provider of quality tertiary education has emerged in recent weeks with reports of widespread cheating. A flourishing online trade in essays and other material is said to be operating.

The Age argued in an editorial that universities need to crack down on this immediately and publicly to protect their standing at the very moment when formidable foreign competitors are experimenting with a global offering of courses for a fraction of the price charged by Australian institutions.

Rohan says any economist or businessman would see an opportunity to offer a tertiary education degree within China or India that costs a couple of thousand dollars, compared with $40,000 in Australia when you include fees and living costs away from home. "Someone is going to create an OECD-like education offering in China, India and other major importers of education services."

Brands as strong as Harvard, Stanford, Oxford and Cambridge are starting to offer accredited and assessed courses online. In some cases, they are doing it free to grab a share of a market set for huge growth, particularly in China and India.

Rohan says the growth will be massive, and will be fuelled by a rise in the number of Chinese and Indian students participating in secondary education.

Ernst & Young were spurred, too, by what happened when technological change came to other industries. "When you also look at the technological implications and you see how the banking sector played with such change and its impact on daily banking, when you look at how the media is being impacted dramatically, we thought we would try to abstract from the immediate and look at a longer-term time horizon and open up the thinking for universities."

One thing universities need to consider, he says, is whether to maintain a broad offering or to specialise. Another is whether to divert spending from bricks and mortar to developing course content...
The Zone is about activism and advocacy. It is collaborative. Its purpose is to ventilate arguments for moving an issue or situation from what is the case to what might be or ought to be the case. Across a broad range of areas including public policy, philanthropy, philosophy, culture, community, design and business, The Zone seeks to bring fresh thoughts into the free market for ideas.

MICHAEL SHORT

and the technology to distribute it to students all over the world.

Another consideration is whether to focus on mature-age students. Yet another is whether to partner with other leading universities.

"Your competitor can be your collaborator. That should be a strategic option for a number of universities. And you play around that space to work out what's the best in terms of the student experience for the Australian students here and what is the great strength of the university itself.

"Are its brand and its course content so good that it can go it alone, or does it just offer a great student experience and access course content from elsewhere?"

Rohan criticises universities for failing to move faster by, for example, ditching the traditional academic timetable, in which teaching is offered for only 26 weeks a year. However, he is optimistic.

"If you look at the fundamentals, the Australian tertiary sector has been extraordinarily successful in exporting its product in Asia. This means we have got something fantastic to sell, and people are buying it.

"When you already have a great product and you have markets that are going to grow like topsy in the next decade, the only issue we have is our capacity to both compete with other parties who spot the same trends and the capacity to adjust our business model to be successful. And the domestic market, too, is going to keep growing."

His optimism is buttressed by the attractiveness of Australia's lifestyle. While Chinese and other foreign students will be increasingly able to access quality tertiary education remotely, they would be forgoing the on-campus and other life experiences so desired in Australian cities.

Rohan sees technology as a teaching aid. "Students these days are far less likely to sit in a lecture theatre and listen to the famous 'sage on the stage' as they did in the past. Podcasts are increasingly replacing some of these 200-person-type lectures."

But he also believes face-to-face encounters, including video conferencing, will remain crucial, and may be more important than ever given the widespread distribution of course material.

A corollary of all this change will be an increase in students' consumer sovereignty; they will hold the ultimate market power. Technology will play a pivotal role here, too.

"School-leaver students appear to be most influenced in their choice of career and university by their parents, their peers and the careers counsellor at their school.

"However, you can imagine a time when someone is going to produce an iSelect type of model — say you want to do economics; here are the six university options, here's how they look in terms of quality of service, in terms of rankings, in terms of academics involved, in terms of work and employment outcomes. Very soon we'll be looking at that sort of information being provided to students as well as parents, and they will be very informed."

Students’ options are going to expand. Our universities are well placed for lucrative, innovative growth. But it is far from assured; they will have to pass through this historic phase with agility and care. The nation cannot afford for them to fail.

ONLINE

Universities have a huge opportunity, but the clock is ticking, writes Michael Short.

Peter Rohan: "Something fantastic to sell."

PICTURE: SIMON SCHLUTER
My Skills goes live to mixed reviews

Joanna Mather

The federal government’s My Skills website has quietly gone live, allowing employers and students to search a national database of 5000 training organisations and a similar number of qualifications.

But the website (myskills.gov.au), which follows My School and My Hospital, has received a lukewarm reception and attracted criticism from TAFE executives, who say it is not user-friendly and gives little data on performance of private providers, such as completion rates.

“It’s remarkable that the website [does not have] this information,” said TAFE Directors Australia chief executive Martin Riordan.

“The expectation was that there would be disclosures for business and industry but at the moment it’s gobbledygook.”

Australian Chamber of Commerce and Industry senior adviser on employment, education and training Stephen Bolton said the website had potential. “With all of the intended statistics, it can potentially create a much more informed market.” Mr Bolton said.

The My Skills website, which so far only gives information on courses that attract public funding, is part of the government’s $15.6 billion reform agenda for skills and training, which is on shaky ground after state governments in NSW and Victoria cut funding for vocational education and training.

Development of the My Skills website is costing $6 million.

The government said new functions and data, including information on non-government courses and results, would be added when available.
Save the cyberbole – here’s the reality

Opinion

Alan Olsen

n the context of the potential impact on higher education, and on Australia’s multi-billion-dollar education export industry from massive open online courses (MOOCs), it is great that the Australian government commissioned a study of threats and opportunities.

The focus would be an extensive analysis of the activities of corporate, virtual and for-profit institutions using online delivery to offer new forms of higher education provision that could be seen to impact on the traditional non-profit university sector, and to consider the implications for Australian universities.

If you missed the announcement as breaking news, that’s because the study was commissioned last century. Howard-era education minister David Kemp announced the review in 1999 and a team from Queensland University of Technology, led by Stuart Cunningham, reported in The Business of Borderless Education in 2000.

Cunningham et al concluded that further research was needed into actual student demand for new forms of higher education to complement widespread airing of assertions and predictions by suppliers.

Cyberbole is not new. In 2001 the Organisation for Economic Co-operation and Development referred to those who are uninhibitedly enthusiastic about the potential of new information and communication technologies to transform education, learning and social life more generally: some from sheer exuberance over the new technologies, some because of the massive business potential it is seen to offer.

The OECD saw three deep forces for change on the supply side: the prospect of global markets; information and communications technology making it possible to offer education at times and places to suit individuals; and partnerships, with organisations needing to work together to deliver the digital economy.

Britain acted quickly. In February 2000, in the dying days of the dotcom boom, Blair-era education secretary David Blunkett announced the UK e-University, a means to win new markets for UK higher education and protect existing overseas markets.

“The arrival of the knowledge economy has intensified the competitive pressures on higher education institutions,” he said. “Learning has become a big business. So a new national initiative is needed to maximise Britain’s chances of success in this global environment.

“We want to create a new partnership between universities and the private sector which will develop a novel means of distance learning and exploit the new information and communication technologies. It will concentrate resources from a number of partners on a scale which can compete with leading US providers.

“The do-nothing universities will not survive — and it will not be the job of government to bail them out. Universities need to adapt rapidly to the top-down influences of globalisation and the new technologies.”

The UK e-University was a joint venture between UK universities and colleges and the private sector to provide an e-learning platform to deliver high-quality education to a global market via the internet. Individual member institutions would make awards.

The e-University closed in February 2004. In his real story of its failure, Eduventures’ Richard Garrett suggests that the UK’s concern, that if it did not do something its international student market would be overrun by aggressive online universities from the US and elsewhere, was based on fear rather than fact. A second problem was focus, the dotcom boom presenting online delivery as an alternative to the conventional campus rather than as a supplement.

University of Southern Queensland’s Jim Taylor, now emeritus professor at the Australian Digital Futures Institute, postulated in 2001 the “intelligent flexible learning model” as the fifth generation of distance education. Taylor’s 5G is flexible on time, place and pace and uses automated response systems that scan the text of incoming queries and respond intelligently.

“Upon receipt of an electronic query from a student, the search engine seeks an appropriate match with a previously asked question which, if successful, triggers a personalised response to the current question without concurrent human intervention.

“At this stage of development, a tutor must check the validity of the match. Such a quality control mechanism may become redundant in the future.”

Critically, with computer-mediated communication using automated response systems, institutional variable costs approach zero.

MOOCs clearly are flexible on time and place, if not pace, and have institutional variable costs approaching zero, but is the MOOC learning system intelligent in its responses to student queries?

At the other end of the earth, issues of access to technology put MOOCs out of reach of students at the African Virtual University. Such students require a mix of delivery methods that includes both low-end and high-end technologies.

Open learning guru John Daniel, as a fellow at the Korea National Open University, conceded this month that what MOOCs will not do is address the challenge of expanding higher education in the developing world; they will not deliver to those at the bottom of the pyramid.

Alan Olsen is an Australian researcher in international education.
MOOCs are here but bricks and mortar education is not dead.

Photo: JASON SOUTH
Curtin leads the way on pay rises

Exclusive
Joanna Mather

Curtin University staff are set to receive a 16 per cent salary rise over four years after agreement was reached on a ground-breaking deal last week, the National Tertiary Education Union says.

The Curtin agreement is the first to be struck in a new enterprise bargaining round for universities and will probably be mirrored nationwide. Along with the pay rises, it makes way for the introduction of a new, union-sanctioned category of academic devoted to teaching, as well as caps on teaching workloads overall.

The deal will run over four years — not the typical three — in a deliberate union strategy to secure pay and conditions for the nation’s 160,000 university employees until the end of the first term of a potential Coalition government.

“It’s a solid wage result and it maintains the competitive position of Curtin, both in the academic marketplace and in the wider labour market,” NTEU general secretary Grahame McCulloch said.

He said an in-principle agreement was approved by the union on Friday. It would be voted on by staff next month before going to Fair Work Australia, probably in 2013. But the core tenets will probably be unchanged and the agreement is indicative of what other universities will adopt as they bargain during the rest of the year and into next.

But Curtin vice-president of corporate services Ian Callahan said management had yet to sign off on any deal, though “negotiations have been very productive from all parties”.

“They are at a delicate stage and we would hope the outstanding matters will be resolved this week.”

A pay rise of 4 per cent a year is above what Curtin initially offered but below the union’s original claim of 21 per cent over four years. Assuming it goes ahead, the agreement makes provision for teaching-focused academics, a category of employee the union has rejected in the past.

In an about-face earlier this year, union chiefs agreed to support the creation of a new type of role — “scholarly teaching fellows” — so long as candidates were drawn from the large pool of casual labour already employed by universities.

At Curtin, existing teaching-intensive roles, which account for 17 per cent of the workforce, will be phased out in favour of the new fellows.
India: Australia’s sleeper relationship

Nobody is raising any expectation of cementing education ties during Julia Gillard’s landmark visit to India, which starts today.

Odd, considering that education is at the heart of the growing people-to-people ties between the two countries and that India is Australia’s sleeper relationship. It has huge significance for the future but has drifted for years between indifference and disaster.

Perhaps the reluctance, in advance of the talks between Ms Gillard and Indian Prime Minister Manmohan Singh, to publicly bring education into the equation is understandable given the tension over Indian students’ safety in Australia and the quality of their education, which emerged in 2009.

At that time, Australia was eviscerated in the Indian media, which led to one of the largest public diplomacy crises Australia has ever experienced.

We in Australia have looked past India, even though it is an emerging giant on our doorstep, and India has shown little interest in Australia, even though its economic development increasingly relies on imports of Australian resources.

The chatter in advance of Ms Gillard’s visit has been about progress towards a nuclear safeguards agreement. Both countries see this as paving the way to Australian uranium exports to India and solidifying the government-to-government relationship.

But at the people-to-people level, ties are growing all the time.

In 2011-12, India was for the first time the leading source of migration to Australia, due in large part to Indian students who exercised their right to apply for permanent residency under skilled migration rules.

Because education plays such a large role in the Australia-India relationship, it is essential to learn from the problems of 2009 and get it right in the future.

The number of Indian students in Australia grew extraordinarily between 2005 and 2009, more than fourfold to 120,000. But the growth was markedly unbalanced, concentrated in the vocational education sector, which was the easiest path to permanent residency under the lax migration rules then applying.

Vocational student numbers increased 23-fold in those years to 68,500, before falling sharply as the Australian government clamped down on migration rules — as it had to.

There are positive signs that attitudes on both sides have changed since 2009. In the past fortnight, the new regulating body for vocational colleges, the Australian Skills Quality Authority, moved to shut two Victorian colleges for quality breaches, with more than 500 Indian students affected.

This was widely reported in India, as were strong assurances from the Australian High Commission that, under Australia’s safety net, students would either be placed into an equivalent course or have prepaid unspent fees refunded.

The Indian media took it calmly. The story, which might easily have marred the Gillard visit, soon disappeared. Let’s hope this cooperative spirit takes hold and helps rebuild education ties between the two countries in a sustainable way.

For every Indian student who comes here and succeeds, there is another lasting link created.
See the world, seize the opportunity

TAFE students are preparing for global prospects under a program that allows them to study and work overseas, writes Rachel Browne.

While studying abroad has long been the preserve of university students, TAFE NSW – Sydney Institute is now affording its pupils the same chance. Under the federally funded Going Global program, Sydney TAFE students are undertaking study tours for courses as varied as music and visual merchandising.

The project manager at TAFE NSW – Sydney Institute, Janet Elms-Smith, says the tours will position students for work at an international level.

“The new generation of young people are much more globally mobile now and they are actually seeking global mobility in their work,” she says.

“We’re moving towards an increasingly global job market. So to prepare our students and make them competitive in that job market, we believe that they need good global capabilities and experiences.”

Sydney TAFE is running seven international study tours this year, with 20 planned for next year. “We want to embed it in every course,” Elms-Smith says. “It’s also about extending what we do in Sydney to incorporate international best practice.”

Last month a group of 10 advertising students visited Singapore, where their tour included an internship with leading international agency J. Walter Thompson.

A number of children’s services students headed to Denmark to experience international trends in early childhood education, and public relations students studied in Hong Kong.

Music students leave for a study tour to Los Angeles tomorrow, where they will attend the Billboard Film and TV Music Conference and the Independent Music Conference.

Visual merchandising students are scheduled to travel to New York in December.

Next year, the program will be expanded to include students in international business, engineering, patisserie, hospitality, fashion, journalism, tourism and events.

The head teacher of marketing, public relations and advertising at Sydney TAFE, Sharon Bennett-Hill, says the Going Global program will make the organisation more competitive with other higher education providers.

“Every single student says to me that they never thought they would get this sort of opportunity at TAFE,” she says. “We have stepped up and so have they.”

Marrickville student Maryanne McNeill, in her final year of a diploma in business – public relations, visited Hong Kong on a study tour last month, attending meetings with executives from public relations company Edelman and investment bank UBS.

“It was an amazing learning experience,” she says. “We, as individual students, would never get access to the top management at big companies like that.

“Everyone who spoke to us was so informative and we were lucky to visit a range of organisations.

“It triggered in me the idea that there will be so many different avenues open to me once I finish my course.”
Evidence aplenty for complementary medicines

I thought we had managed to get past those old turf wars — the “us vs them” battles of the conservative medical old guard against the new wave of consumer interest in natural therapies, or their more contemporary combination as “integrative medicine”.

I thought we had reached a stage where we doctors could confidently refer patients for Medicare-supported acupuncture or chiropractic treatment, or at the very least respect your preferences for blending treatments you had tried and found helpful.

That was until the emergence of a group calling themselves “Friends of Science in Medicine”. A lofty title, which sounds benign. Friendly even. Unfortunately, their motives were anything but friendly.

Their agenda was a declaration of war. They wanted to remove all complementary medicine courses from universities, including chiropractic, osteopathy, naturopathy, herbal medicine and traditional Chinese medicine.

Not only that, but where you chose to use these treatments and insure yourself for them, these “friends” were pressuring the federal government and insurance companies to stop funding them. Their justification? These healthcare disciplines were allegedly “pseudo-sciences” with “no valid scientific evidence”.

You won’t find evidence if you are not looking for it, or looking in the wrong places. The past decade has seen a lot of research in herbal medicine, nutritional medicine, exercise physiology, mind-body medicine, acupuncture and physical therapies. To claim there is “no valid evidence” is arrogant and wrong.

For example, in a study published earlier this year, mindfulness practice was shown to be effective in relieving depression, anxiety, stress and chronic pain, and to improve the function of the immune system.

In looking at the treatment of depression, the Cochrane Collaboration — considered one of the most reliable summaries of medical evidence — has found the herb St John’s wort works better than a placebo, and works as well as, and has fewer side effects than, standard antidepressants.
Meanwhile, a study in the *BMJ* in 2001 found the herb *vitex agnus castus*, also known as chasteberry, which is widely used for a variety of female hormonal complaints including premenstrual syndrome, irregular or heavy periods and breast pain, was “an effective and well tolerated treatment” for such symptoms.

Early in my career acupuncture was rejected by conservative elements of the medical profession. It is now widely practised by doctors and there is growing evidence that it works for a range of conditions including different types of pain, nausea and menopausal hot flushes. It also is used in improving the chances of an IVF pregnancy.

Traditional Chinese medicine practitioners were nationally registered for the first time in July, with a system of national professional standards and professional accountability. What sense would it make if the training of these practitioners was removed from universities?

To suggest that TCM education be removed from universities is against the interest of your safety as a consumer. The same goes for the other healthcare disciplines. You want to know that a practitioner you are trusting with your healthcare has at least a minimum level of education from a reputable institution.

I am the first to speak up against health claims that are implausible, potentially dangerous or shown to be ineffective. But these descriptions do not apply to any one philosophy of healthcare.

Medicine has made some phenomenal advances in treating and curing disease. But medical history is also littered with attempts to cure disease that have proven to be worthless or lethal. There are regular reports of drugs removed from the market because adverse effects were concealed before marketing or discovered after they had been inflicted on the public after massive marketing to doctors. Similarly, if natural therapies are found to be ineffective or dangerous, they should also be eliminated from the market.

If the Friends of Science in Medicine were serious about being friendly to science and caring about the health of the public, then they would use their efforts to ensure that there is way more funding for research into non-pharmaceutical treatments and integrative therapies, and an increase in university-based education for practitioners.

And they would be encouraging dialogue between the different healthcare disciplines instead of trying to force an artificial divide that is not in any way helpful to me as a GP, or you as a health consumer.

As a doctor and health consumer I want choice, and I want to know practitioners are well-trained and that treatments are the best and safest available. Maybe I should start a group called “Friends of Choice in Healthcare”.

Kerryn Phelps is conjoint professor in the faculty of medicine, University of NSW, and a past president of the Australian Medical Association and the Australian Integrative Medicine Association.

You won’t find evidence if you’re not looking for it.