Leading change

How Swinburne is creating its own future

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It has been an extraordinary few years when it comes to the conditions under which Australian universities have operated – particularly so for universities such as my own, which straddle the higher education and vocational education and training domains.

It is a period marked by rapid changes to our operating environment, some favourable and some adverse, with the prospect of more change to come.

Within the last twelve months there have been five Federal Ministers for Higher Education – Evans, Bowen, Emerson, Carr and now The Hon. Christopher Pyne MP, who will no doubt wish to put his stamp on the portfolio in the coming years.

Many of the decisions that have been coming out of Canberra in the last year have adversely affected universities.

We are all familiar with the cuts that Minister Emerson made earlier this year, some $2.8 billion across the Commonwealth Grants Scheme, student support and limits on tax deductions for self-educational expenses.

These cutbacks came on top of approximately $1 billion in reductions to research grants announced late in 2012.

So the last couple of years have not been kind to the university sector, with the former government going back to the well, time and time again, to reduce the support available to universities in order to fund other budget priorities.
Notwithstanding these recent decreases in the higher education funding base, I think it is worth making the point that Australia’s system of higher education has also experienced some positive adjustments in recent years.

Much of the positive innovation that has occurred in the sector is linked to the major reform of the former government in moving to a demand-driven system for undergraduate university places.

This was the single biggest change to our operating environment in decades.

The system that we have now strongly encourages innovation and promotes diversity in the ways that universities deliver for their students – for those that wish to take up the challenge.

Rather than entrenching repeat patterns of established behaviour and time-honoured methods of teaching delivery, universities have been empowered by the demand-driven system, both to develop new courses and new ways of teaching those courses.

In Swinburne’s case, it allowed us to develop a whole new model for educational delivery – Swinburne Online – which I will talk more about later.

So in a nutshell, within the last few years – since 2009 really – we have experienced both expansionary and now contractionary funding settings for higher education and research at the federal level.

Turning to the settings under which vocational education and training have operated, we can see a similar pattern of rapid change.

The arc of history for vocational education in Victoria has, over the past two decades, been bending towards a more market-driven approach centred around student entitlements to access Government-subsidised training.

Six or seven years ago, TAFE providers were relatively immune to serious competition, either from each other or from private vocational providers.

All that changed when the former Victorian Government introduced a contestable funding system for vocational education and allowed a new breed of small, nimble, entrepreneurial private providers to challenge the firm hold that public TAFE providers had over the training market.

Last year, we experienced a strong acceleration in that direction, with a decision by the Victorian Government to immediately eliminate the last payments that TAFEs received just by virtue of being public providers – essentially placing us on the same footing as private providers in competing for government funding.

The playing field is not quite level yet. TAFE providers in Victoria are still required to report to the government on financial outcomes and seek financial approvals for certain transactions, and our capacity to purchase and dispose of land and assets is still controlled by the government – leaving us at a slight disadvantage to private providers who have no such restrictions on dealing.

Private vocational providers also have a freer hand in putting in place workplace arrangements and practices that are appropriate to the entrepreneurial nature of their work, while TAFE providers remain bound by a traditional industrial instrument that was negotiated on behalf of all TAFEs by the Victorian Government in 2009.

All up, the changes that the Victorian Government made last year to ensure that its expenditure on training was sustainable resulted in an adverse impact on Swinburne of around $35 million per year.

Putting this together with the contraction in federal funding, the reality that we face is that public funding for vocational and higher education is tight and indeed getting tighter.

Although we welcome the signals that new Prime Minister Tony Abbott sent while in Opposition – that the Coalition sees education as one of the five pillars of Australia’s future economy and that what universities needed most now was a period of stability to allow past reforms time to work; no-one is expecting the new Coalition Government to open up the purse strings for higher education in the period ahead.

Today’s funding system strongly encourages innovation and promotes diversity in the way that universities deliver for their students – for those that wish to take up the challenge.
At the same time, we face another potential revolution in higher education within the next few years through the increasing availability of Massive Online Open Courses, which are creating new learning opportunities for anyone with an internet connection.

To date no one has come forward with a viable business model to monetise MOOCs. However, one gets the sense that further disruption to the established ways that we deliver higher education is just around the corner.

If nothing else, MOOCs are part of a rapid push into the development of new online pedagogies that have potential not just to improve online study, but to revolutionise and improve the way that education is delivered on-campus as well.

The final factor that continues to create a headwind for Australian tertiary education is that the recovery in the international education market has been slower than anticipated, thanks in part to a persistently strong Australian dollar over the last few years.

These factors underscore the imperative for universities to think deeply about their roles, seize emerging opportunities and examine past and current practices as we adapt and innovate.

The challenges I have outlined have thrown up many difficult questions for the leadership of universities around Australia.

How important is tradition – the way that things have always been done – within the university context?

Are universities prepared to be bold, to try new things, to break existing models in order to create whole new ways of working?

Can we be truly innovative if we are not prepared to take risks, knowing that each brings with it a risk of failure?

It is my view that universities that are prepared to be proactive in addressing the many challenges that they face – and those who balance their traditional strengths with a capacity to be innovative – are those that will chart the strongest possible futures for themselves.
Swinburne’s response

Before I talk about how Swinburne has responded to this multiplicity of external forces, let me tell you a bit about who we are.

Swinburne aims to be an innovative and inclusive university that provides high-quality, career-oriented education and strong engagement with industry and the community.

Our emphasis is on high quality, engaged teaching and research in science, technology, business, design and innovation – teaching and research that makes a difference in the lives of individuals and contributes to national economic and social objectives.

We have continued to be a university that defines itself by who we include, not who we exclude.

This means that we say to our students, “yes you can”. We will help them to get there – through traditional entry pathways, enabling scholarships, vocational doorways, foundation pathways, international partnerships, and new modes of learning.

We take pride in our students’ achievements and we value the teacher-student relationship.

We are also learning that through advances in digital technologies we can now reach students who would not otherwise find their way to tertiary education – students who are older, are geographically distant, and time-poor.

These students are extremely motivated and hungry to receive an educational qualification that will make their lives better.

Our efforts to provide high quality, high-touch online learning do not replace our traditional face-to-face teaching. Instead, this mode allows us to educate a wider range of students with different learning needs.

In recent years, Swinburne has progressed to become one of the world’s leading universities, ranking as one of the top 400 universities in the world, as assessed by the Academic Ranking of World Universities, and one of the top 100 in the world in physics.
We also push the boundaries of knowledge through our research, which is focused, excellent and connected. We allow researchers space to pursue their intellectual quests and creative scholarship.

We work to ensure that we can continue to support excellent research as we build stronger bridges between teaching and research, and between research and industry.

We work to advance and build our research through partnerships with industry, our communities and other universities within Australia and internationally, to achieve outcomes that are directly relevant to industry and society.

And we seek to do all these things amidst continuing uncertain and changing policy settings and difficult economic times.

In the midst of all of the changes that are happening around us, we have made some difficult decisions – not always popular, but ultimately necessary if we are to achieve a sustainable future.

Since my arrival at Swinburne in 2011 we had been working to examine how to position Swinburne for the future, building on a solid foundation left by my predecessor.

We wanted to make sure that we had the right processes, systems and structures in place to support our vision for Swinburne, to be Australia’s leading university for science, technology and innovation.

The work took on a greater urgency when the Victorian Government announced in May 2012 that there would be $300 million in funding cuts and new funding arrangements for TAFE – funding changes which would have a $35 million impact on Swinburne.

Over the last year, we have focused on ensuring how we can maintain quality in our teaching and our research, while operating more efficiently, in an environment in which public funding is likely to be constrained in the future.

I worked with Swinburne’s senior leadership to put in place plans both to address that challenge and to reshape Swinburne to deliver on our longer-term vision.

We needed to make changes to the courses that we delivered, how and where we delivered them, and to the systems, processes and administrative structures that we have in place to support teaching and research at Swinburne.

Let me first talk about our vocational programs.

Based on an extensive review of our portfolio of courses, we made the decision to reshape and bring new focus to our TAFE course portfolio for 2013.

In making decisions about what we would do and what we wouldn’t do, we had to ask whether the courses we offered aligned with Swinburne’s vision to be a leader in science, technology, business, design and innovation.

That meant that we had to make some tough decisions on what we would no longer be offering. This included areas such as hospitality, leisure, recreation and tourism – courses that had previously been profitable, but which did not strongly align with the directions in our 2020 Plan.

We made these changes to bring greater coherence to our vocational portfolio and allow us to better invest our energies and resources.

A consequence of this reshaping of our course profile and the reduction in public funding was that we had to make the decision to reduce our staffing numbers. This meant offering a number of voluntary redundancies for both TAFE teaching staff and general staff across the university.

This was not an easy time for the university, and it was not a decision that was made lightly.

We also needed to take decisions and set in train work to better manage our costs across the breadth of our operations. To achieve this, we commenced further work to examine how we could more efficiently deliver the services that supported our teaching and research.

To ensure that Swinburne remained sustainable and strong, we needed to make other strategic changes.

Those changes included the decision to close two campuses and to relocate staff and students to our three other Melbourne-based campuses.

The first campus that we decided to cease operations at was Lilydale. Lilydale is a suburb in Melbourne’s east, about 35km from the CBD, 9km as the crow flies from Swinburne’s nearest campus at Croydon, and on a direct train line to our main campus at Hawthorn.

Confronted by a significant reduction in the number of TAFE courses that could viably be offered at Lilydale and also a significant decline in higher education commencements at Lilydale we made the difficult decision in July 2012 to cease offering TAFE and higher education courses at our Lilydale campus from 1 July 2013.

This gave our staff, our students, potential new students and the local community a clear 12 months’ notice of our intentions.

The decision to close Lilydale campus was not an easy one as the campus has been strongly supported by the local community since it opened in 1997. The campus was treasured by many and those links were deep and strong.

However, it was a decision that we needed to take in response to the challenges that were presented to us and it was the right thing to do for the future of Swinburne.

There have been some immediate benefits. Once the programs previously offered at Lilydale were offered at our main campus at Hawthorn this year, we saw an immediate jump in the applications for courses.

Since the decision, we have been working closely with the Victorian Government and the local government authority to plan a future for the Lilydale site that unlocks its value for the local community and to preserve, if at all possible, opportunities for post-secondary education to continue to be delivered there.
The second campus that we decided to relocate from was our inner city campus in Prahran.

Increasingly, we were seeing growing linkages between our design courses and research at Prahran and the disciplines that were based at our Hawthorn campus – engineering and industrial sciences, life and social sciences, information and communication technologies, and business and enterprise.

Although some good collaborative work across campuses was occurring, geography was holding us back from achieving better connections between design and our other areas of teaching and research strength.

There were considerable benefits in relocating the Faculty of Design from its present Prahran location back to Swinburne’s campus at Hawthorn, which was its home in the 1980s.

Staff and students have generally welcomed the opportunity to be part of a vibrant and connected campus and most of our programs will be moving in time for the commencement of teaching in first teaching period next year.

We have also made good progress on finding a buyer for the campus, with another Victorian TAFE, the Northern Metropolitan Institute of TAFE, keen to take over where we will leave off.

With the Victorian Government’s support we hope to finalise the terms of a transfer of ownership for the campus by the end of the year, so that NMIT can commence offering some of its programs from the new location from early next year.

The decision to vacate two campuses – leaving three very strong and viable continuing campuses at Hawthorn, Croydon and Wantirna – was also fundamentally about reducing Swinburne’s cost base.

Many people have wrongly leapt to the conclusion that the decision to leave these two campuses was about realising value from the sales of these significant assets.

It is true that any proceeds of sale that we obtain for these assets will allow us to reinvest in better facilities and better technology to support our students and our research at our continuing three campuses. Of far greater ongoing benefit to the university is the reduction in the annual costs of operating these campuses – costs that include maintenance, depreciation, utilities, security and the duplication of services for students and staff across multiple locations.

Another way of looking at it, is that if you were starting Swinburne today, with the resources that we have been given, you would not take the decision to spread those resources over five campuses.

The next tranche of work that I will now turn to is the stream that will be coming to fruition over the next few months.

This year we have been reviewing how we work at Swinburne to ensure we have the right roles, structures and processes in place to best support our teaching, our research and each other.

With the relocation of two campuses came an imperative to revisit our faculty structure, which was last changed in 2004.

In that intervening time there have been some significant changes, most notably to patterns of student demand which meant that our five faculties had grown at different rates to be quite disproportionate in size.

As an outcome of this work we proposed changes both to our faculty structures and to the way in which we deliver administrative services across the university.

The employee consultation process that followed was extensive, with more than 950 employees providing feedback in some form.

In addition, extended consultation was also undertaken with around a hundred of Swinburne’s senior leaders to hear their views.

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Following this extensive process of consultation and employee engagement, our Council endorsed a change to a three faculty organisational model:

- Faculty of Science, Engineering and Technology;
- Faculty of Health, Arts and Design;
- Faculty of Business and Enterprise

Adopting this three faculty structure will help create a simpler, more effective operating model and will ensure a relatively even balance of student load in 2014 and beyond.

The new Faculty for Science, Engineering and Technology will capitalise on Swinburne’s existing capability and recognised strength in STEM subjects.

The new Faculty for Health, Arts and Design will bring elements of design – such as communications design, and Film and Television – closer to academic areas of media, multimedia and journalism creating new opportunities for students and researchers alike. The creation of this faculty also signals Swinburne’s 2020 aspirations to grow in the areas of health and education, both sectors recognised as areas of student demand in Victoria.

Through our Faculty of Business and Enterprise, Swinburne’s well-regarded offerings in business will continue to have strong appeal.

The university is also in the process of implementing an Integrated Services Model.

Our intention is to have clear owners of particular services, who are empowered to deliver those services across the university. In doing this, we will be concentrating like expertise together, growing our expertise in key service areas and giving our staff the opportunity to grow and specialise their skills.

Swinburne is not unlike other universities or large, complex organisations. Over time we have developed multiple and complex processes operating in different parts of the university, duplication of effort and localised workarounds.

Our integrated services model will aim, over time, to create consistent and aligned processes that are shared across the university that reduce the need for rework, duplication and unnecessary complexity.

The key areas that we are focusing on, in our implementation of the integrated services model are student administration, finance, marketing and communications, engagement, web services and research administration.

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Moving Online

At the same time that Swinburne has been making changes to reshape the way in which we operate on campus, we have taken innovative steps in online education. There is growing demand for online education both in Australia and internationally. Enrolment growth in online education is being driven by the non-traditional student population who are typically older, non-school leavers and from lower socio-economic backgrounds and regional areas. Swinburne delivers online education in partnership with Open Universities Australia (OUA) and through Swinburne Online, our joint venture with Seek Limited. Open Universities Australia and Swinburne have been in partnership for more than a decade. Swinburne’s partnership with OUA has been a key driver in developing Swinburne’s capabilities in online education.

Students enrolled through OUA are attracted to flexibility and ease of entry. At undergraduate level, open access is provided for students. Postgraduate enrolment is restricted to students who have gained admission into the full program of study. Most OUA students choose to study one or two units at an undergraduate level. This provides a pathway for students who wish to engage with university study, but who may not wish either to commence or complete an entire degree program.

Swinburne is also participating in OUA’s new study platform Open2Study, which is designed to provide potential students with a ‘taste’ of higher education. These specialised four-week courses are part of the ongoing innovation of unit-based enrolment in the open market.

We expect growth to continue for open access online education as an increasing number of Australians pursue educational opportunities online. In 2011, Swinburne established Swinburne Online in partnership with Seek Limited for the provision of degree programs online. Swinburne Online has a unique online ‘campus’, delivering high quality degrees with specialised pedagogies for online learning. Swinburne Online offers programs specifically designed to take advantage of new technologies and innovative pedagogies for online learning.

Swinburne Online delivers courses in accordance with Swinburne University policies, standards and requirements, including course accreditation, design and recognition requirements. Academic design is focused on delivering a high quality education experience and students have access to teaching staff (eLearning Advisors). eLearning Advisors have strong backgrounds in their respective disciplines and are recruited based on their qualifications and industry experience. They are trained specifically for online moderation. Students are also supported by Student Liaison Officers who handle technical, personal, library and general academic skills queries. They are available Monday to Friday 9am–9pm and Weekends and Public Holidays 10am–6pm (Australian Eastern Standard Time).

Course materials are available online and Swinburne Online students have access to all text books as e-books for no additional cost. We are finding that an increasing number of students are choosing online education experiences as an alternative to traditional on-campus study. Seventy-six per cent of Swinburne’s domestic onshore growth from 2011 to 2012 was through online enrolment through Swinburne Online and Open Universities Australia. Importantly, 23 per cent of Swinburne Online students are from regional, rural and remote areas – showing that this model has expanded the reach of education to people who previously would have had difficulty in accessing campus-based learning.

The creation of Swinburne Online would not have been possible in the absence of policies at the federal level which have created a competitive market among universities for undergraduate enrolments. It is our view that the creation of this new model – underpinned by an innovative public-private partnership with Seek Limited – has been one of the success stories of the demand driven system. That view is increasingly being shared by others.

As a recent report1 of the Grattan Institute, Higher Education Program Director observed:

Swinburne could not have created Swinburne Online under the old system of Commonwealth-supported places allocated by government. They would have needed to go through a slow political process to get new places, with no recent precedent for such a large number of new students at a single institution.

Bureaucrats and politicians would have agonised over a joint venture with a for-profit company. Redistributing large numbers of places from within Swinburne’s pre-2012 allocation would also have been politically difficult.

Staff and student constituencies would (understandably) have resisted undermining viable courses for a venture that may not succeed.

As it has turned out, Swinburne Online offers an innovative form of online education, for which there is strong market demand.

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1 Keep the caps off! Student access and choice in higher education. Grattan Institute Paper No. 2013-10, August 2013
Reflections on change

Looking across Swinburne I see a university that has stepped up to the challenges of an uncertain funding and operating environment. Creating and sustaining these changes has required leadership throughout the university.

Many of our staff have stepped forward to help create solutions to address the challenges that we face – whether that is the design of a new student management system which will require staff to operate in new ways, the challenges of relocating large numbers of staff from one campus to another, ensuring continuity in study for students who will complete their course at a campus other than the one where they originally enrolled.

Swinburne’s 2020 Plan articulates clearly that our people matter and good leadership is essential to a healthy culture if we are to achieve our goals.

The values in the plan will ground us during times of change, allowing us to undertake our responsibilities with regard to innovation, integrity, accountability, diversity, teamwork and sustainability.

Not everyone will necessarily embrace change with the same enthusiasm, and this variation in readiness for change is understandable. This can be seen as a good thing – we require some sceptics, a few cautious adapters and others who will enthusiastically take greater risks and test new directions.

This discourse around proposed changes has helped us to garner the wisdom that we hold within Swinburne and manage change more effectively.

As university leaders we must be informed about policy issues that affect our sector and indeed help shape these policy settings.

We must be knowledgeable about the latest research and innovations in teaching and learning.

We must be attentive to research imperatives and emerging new directions, and we must ensure that we are capable of leading and managing change.²

These imperatives require three organisational actions:

• We must commit time and resources to leadership training and development at all levels of the institution.

• We must embrace a culture that encourages coaching and mentorship of others to allow us to optimise our talent.

• And we ought to create leadership support spaces that allow us to problem solve together, share creative solutions and expand and challenge each other’s thinking.

At Swinburne, we are investing in leadership development for our people, and ourselves with the aim of developing skills, insights and capability to more effectively lead our university.

The leadership we seek is not autocratic and authoritarian. Our leadership style cannot be one that assigns blame, communicates continuous crisis messages, or focuses purely on results.

Instead we aspire to create a generous leadership culture where people lead by example and leaders communicate clearly and confidently, supporting and nurturing their team members, acknowledging and valuing different contributions, helping others grow and develop, and participating actively and creatively to respond to the challenges and opportunities ahead.

At Swinburne we are passionate about excellence in education and research, and are also committed to innovation and technology.

We understand that technology is an essential part of our future and we have created a leadership position in online education that endures today.

Just as the structure of our vocational delivery changed last year to respond to Victorian funding changes, the implementation of an Integrated Services Model and a simplified three-faculty higher education structure are proactive adjustments that will help us meet financial constraints and achieve our 2020 vision.

I am confident that we are making the necessary changes to position ourselves strongly for the future. However, we must remain responsive to our changing external environment. Our priority is to remain strong and viable in the future as we stay true to our vision.

We will continue to work with our stakeholders and communities to be a leader in delivering world-class education in science, technology, innovation, business and design.

We will continue to ground our actions and decisions in a respect for our history, our values and our long-term vision. Despite challenging times and choppy waters – we have our eyes firmly set on the horizon ahead, with our sails trimmed and our crew working together with enhanced capability, coordination and pride.

Thank You.
Transcript of speech by Professor Linda Kristjanson, Vice-Chancellor, Swinburne University of Technology at the Tertiary Education Management Conference, 16 September 2013