Building a Sustainable Future
The Case for Change – Scale, Relevance and Responsiveness

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Purpose
To provide background information on issues relating to the imperatives for institutional change.

Issues
The key issues impacting tertiary education and research and development are:

- Significant growth in demand for education, meaning scale of educational institutions.
- Increased funding from non-government sources with an increased expectation of relevance and utility.
- Changing government and community expectations regarding the nature and role of tertiary education institutions raising expectations of relevance and efficiency.
- Increased commercial activity of traditional tertiary education players and entry of private providers.
- An accelerating rate of globalisation of tertiary education markets that will likely springboard off General Agreement on Tariffs of Trade/World Trade Organisation initiatives currently under deliberations and is already being shepherded through with the advent of regional ‘super’ markets such as NAFTA and the EU.
- Increased national/regional economic and, community reliance on knowledge economies.
- The emergence of global tertiary education consortia driving up scale and reach and the emergence of new brands.
- The emergence of new models for the delivery of education, with their own economics, driven by technology effects, globalisation and commercialisation.

Implications
The nature of demand in tertiary education is changing with increased requirements for flexibility, utility and integration with the globalising knowledge economy. The knowledge economy is driving up national and enterprise reliance on knowledgeable (as well as physically skilled and technical) workers. This is increasing demand for tertiary education and also changing the nature of demand.

Driven by the growing attractiveness of the market, competition is increasing with provision by private providers, corporations and many traditional tertiary education institutions entering new markets and using new ways of delivering education such as online, work integrated and mixed mode. Further, governments, individuals and enterprises expect that more will be delivered at significantly less cost with no diminution of quality.
The scale of international providers, selling globally means they can drive costs per graduate down with the reuse of courseware and infrastructure tailored to the specific cohorts they target. Significant private providers are already achieving this by leveraging costs across a large delivery network (e.g. Sylvan Learning Systems). **Scale drives costs down** – courseware, infrastructure and administration can be averaged across a large number of students. Consequently price to students can be driven down. Further, many are not conducting research but are focusing their efforts on teaching quality. RMIT’s current costs constrain our ability to compete on price whilst maintaining our quality position in the market.

Compounding these changes **government outlays** are diminishing in an environment where government expectations and sway over ‘public’ institutions remains considerable. Tertiary education institutions can no longer rely on governments – they have proven increasingly reticent to invest in tertiary education at a level consistent with growing demand.

Demand for Offshore fee for service programs is also increasing. This demand gap is available to RMIT – it is also available to all other universities and the increasing number of private providers. Emerging World Trade Organisation deregulation initiatives (via GATT – general agreement on tariffs of trade) mean that these impacts will be felt in all of our markets – domestic and international.

**RMIT [like many] is at high risk** of being driven out of many markets due to its high costs, lack of flexibility and slow response rates constraining its capacity to reflect new and emerging expectations of governments, communities, individuals and enterprises. Further a considerable proportion of our profile has declining relevance to the globalising knowledge economy.

Not having sufficient scale compromises our ability to respond and carve ourselves a sustainable niche in the newly globalising market where profitability is characterized by scaleability and specialist courseware.

Continued current practice will increasingly marginalize RMIT as a credible provider as our historical capacity to change is slow, we have not grasped the nettle of new modes of delivery, **our prices to students are high and our internal costs are high** and the quality of our teaching is patchy.

We must change. We must rapidly build to **ensure profile relevance** in key emerging areas. This will mean consolidation or reduction in many current areas. We must become more responsive to changing needs and changing funding sources. We must build scale so that we can drive costs down and we must address the high level of our income that does not directly contribute to value added services for our students and customers (our overheads).

This is not about changing slowly over the next decade. These **challenges are with us now** – their impact is being felt now. Collective responsibility falls to all RMIT staff, on
behalf of future generations of RMIT staff and students, to work towards addressing these challenges.

It is not about doing more of the same. It will require that we think differently about how we work, how we deal with our students and customers and how we develop and deliver programs. This is not something that any single part of RMIT can do alone. Nor can we afford to be passive observers waiting to see the emerging shape of the globalised education market. We must strive for innovation and position ourselves at the forefront of tertiary education.

Governments, enterprises and individuals will not reward us for complacency whilst we decide if we are to change or not. The many new and emerging providers in the wings will rapidly draw our revenue base away leaving us increasingly reliant upon decreasing funding from governments, which exhibit diminishing commitment to funding education.

In summary RMIT needs to build for sustainability; scale, discipline relevance, management of costs, the capacity for rapid response to changing market needs and critically the ability to compete on price whilst retaining quality, depth and breadth. This will demand fundamental changes to management and academic practice across RMIT.

The only thing that is certain is that we cannot expect a sustainable future if we do not change.

The strategy process that we are undertaking invites the university community to assist in defining and building towards this response

Key Challenges

The following is a set of questions that arise from the challenges the tertiary education sector is confronting. It is intended that these questions be used to generate discussion that focuses on RMIT as an institution as well as the impact (both positive and negative) for staff.

➢ The traditional view of the role of universities is that they are concerned with the creation, preservation and transmission of knowledge. Universities have been agents of inquiry, pursuing research and teaching endeavours in a collegial, scholarly and collaborative environment as well as being seen as the conscience of society, due to the embedded institutional autonomy and academic freedom they have long mastered. How do we maintain the basis of what a university is?

➢ TAFE was viewed as providing education and training to meet the social needs of the people in an industrial society. These days of globalisation and rapid technological change, TAFE providers are expected to be proactive in developing strategic partnerships with new and emerging industries and fulfilling the training needs of those engaged in such industries. Given the existing external funding arrangements, how do we optimise such expectations and able to deliver to the many types of learners?
In a changing environment, how can institutions such as RMIT be able to best fulfill the tradition of pursuing pure inquiry, and at the same time, fulfill a role as an agent of economic growth?

The Dawkins reforms brought about the unified national system as a substitute to the binary system. Now, the Federal Minister of Education has indicated that the existing system is untenable. What are the implications for RMIT of a return to a binary system?

Considering that government funding is declining, revenue from domestic students capped, and an increase in competition from overseas students, how can RMIT maximise revenue opportunities from alternative non-traditional sources?

How can RMIT meet the growing and evolving expectations of its stakeholders, but also manage to deal with uncertainty because of external drivers (such as changes to government policy, overseas institutions setting up campuses in Asia and gaining accreditation in Australia)?

How can RMIT, being a dual sector university of technology, remain relevant and viable in a more competitively aggressive environment? How can we effectively provide pathways from lower level VET to higher education qualifications?

How can RMIT enhance its teaching capability (via online, flexible delivery, face to face, etc) both domestically and offshore?

Globalisation means so many different things; Australian institutions have so far been relatively well positioned. Given the rise of the Internet, the emergence of new technologies and the globalisation of knowledge, how is RMIT positioned to deal with such challenges?

What are the opportunities and threats that market integration in other parts of the world pose to middle size, generalist institutions such as RMIT?

As more offshore alliances set up learning centres in Asia, and subsequently are able to gain accreditation for associate degrees in Australia, how will this impact on Australian institutions?

What will be the effect on Australian institutions of trans-national corporations being permitted to operate in the education sector in Australia?

How viable is the continuation of Australia as a leading provider of tertiary education to students from overseas? Can RMIT penetrate emerging markets successfully?

WTO aims to liberalise trade in tertiary education services. How would countries like Australia and institutions such as RMIT maintain autonomy and independence when there is little control over the import or export of tertiary
education? How would it, for example, impact on accreditation and quality of teaching?
Massification

Australia’s post-secondary education system has experienced a significant growth in the past thirty years. The levels of participation in university have gone from 175,000 student enrolments in 1971 to 695,500 in 2000, a 276% increase over this period, whilst the Australian population has increased by 46% over the same period. This phenomenon alone has led to an increase in the levels of educational attainment in universities (170,000 award completions in 2000 compared to 65,000 in 1980) and an expansion in the range of courses offered by institutions. Worldwide, enrolments in higher education have increased from 40 to 80 million over the past two decades. This expansion, as a consequence, has triggered a feeling that there is a loss of identity or redefinition in what universities are all about, together with the sense of having to achieve greater levels of efficiency and quality with the passing of every academic year.

Nowadays, many Australian universities are ranked in the top 1000 public companies, both in terms of total revenues and number of employees (BRW, 2001). The Australian higher education sector had revenue of about $9b in 2000, having increased by $1.4b between 1996-2000, thus creating new pressures for institutions to remain competitive and increase its market share.

The number of vocational education and training students in Australia has grown from under one million in 1991 to 1.75 million in 2000, up 55%. The annual growth of enrolments fluctuated throughout the 1990’s, student numbers have been growing at a rate of around 6% to 7% per annum in recent years. In 2001, the VET sector had revenue of $4.3b. Of that revenue, about 11% was originated by fee for service operations.

Government policy & Funding shift

The university sector has experienced a major shift in the way it has been funded. In the early 1970s, universities depended largely on the Government for their income, but now the Federal Government only contributes some 50% of total universities’ revenues. What is now being observed is that students themselves contribute to the cost of their education. For instance, in 1987 only 2.3% of University revenue came from student fees as opposed to 31.3% in 1999. The introduction of HECS has been the most debated policy to affect the shape of tertiary education in Australia. The trend is: the government will continue to contribute less, and students relatively more. Despite intense lobbying from universities, interest groups and others, it is unlikely that such trend will be reversed.

In recent years there has been substantial growth in the commercial operations carried out by universities – some having relative success, others beginning to focus on such activities. Whilst the amount of income derived from private sources other than government has doubled between 1992 to 1998, Government senators in the dissenting
report to the Senate inquiry into the capacity of public universities to meet Australia’s needs indicated that Australian universities have not exhausted or even explored to a sufficient degree the existing potential to raise private capital as a way to enrich universities with additional funding.

Measuring the contribution of Australian businesses to research and development as well as training is rather difficult, because the information is basically not available. According to the ABS, businesses provided higher education institutions $136m of funding for research and development in 1998. This amount is not significant and it shows that Australian businesses are rather dependant in research flows from overseas.

In May, the Federal budget of the Coalition government will provide a range of policy changes. The education budget statement may be influenced by the issues debated during the November election campaign, the release of the Senate inquiry into higher education and Labor’s Knowledge Nation report, and the policy decisions made about national security following the September 11 terrorist attacks. Recent statements made by the Federal Minister for Education indicate that government policy will continue to shape the sector with a number of possible eventualities:

- A reintroduction of a binary divide
- A clear focus of discipline based research dollars being allocated by invitation
- Aggregation of Universities at the state level with increased State government policy (if not funding) intervention
- Refocussing of government HE expenditures to mass education with a significant online component.

*Changing expectations*

It has been posited that students and society in general have higher or modified expectations of what a university is, what it can deliver, how it is managed, etcetera. Universities in Australia are primarily public institutions having to operate in a corporate world. Embedded in that is the notion that universities be not only good corporate citizens but at the same time are an integral component of the community in which they live and operate. University’s dilemma is that they are now operating and serving across a range of communities; university constituencies are many and have a complex set of relationships.

Student, enterprise and government historical characterisations of universities as collegial, independent and non-commercial institutions in pursue of teaching and research activities have and will continue to go through significant change. This is because the contributions to the quality of life experienced by individuals, enterprises and communities is increasingly determined by the knowledge economy and hence education. This in turn drives a search on the part of an individual, enterprise or community for a model of education that optimises contribution to quality of life.

*Role of universities*

The role of universities is being transformed from public institutions concerned with the creation, preservation and transmission of knowledge into institutions that are more
economically integrated and are able to deliver the sort of programs that are geared towards becoming a knowledge economy. Universities are expected to be less of the academy, have less dependency on taxpayers who thus far have funded the outlays on tertiary education. Expectations are that universities are to be more entrepreneurial, responsive to society needs but at the same time managing those increasing expectations as the number of stakeholders proliferate. Education is now perceived as a ‘private good’ for which there is a benefit or a return on investment. Education is therefore treated as another tradeable commodity.

Furthermore, the emergence of private entrepreneurial institutions, online partnerships between institutions and corporations, and new technologies are forcing traditional institutions to seek new horizons and put forward business models to warrant survival. In failing to respond traditional universities may become marginalised, providers of last resort, and eventually, without response, go out of business.

**Implications for RMIT:**
- Attraction of new entrants, many non-traditional, as the scale of the market grows (a trend already underway as documented below).
- A requirement to manage increasing complexity driven by the number of programs, markets and students involved.
- An increased need to ensure meeting institutional agreed targets
- Ensure that commercial and entrepreneurial operations in research and learning services are viable
- Monitor that relative performance in all aspects of operations are above national average.
- Student, enterprise, government and community expectations are increasingly of demonstrable relevance of the efforts of universities. Ensuring that RMIT can address key relevance criteria is increasingly critical.
- An increased need to address key students / customers needs driven by their greater choice
- A need to be increasingly responsive (timely) to need to achieve a competitive hedge.
- A relative rescaling and re-profiling of RMIT in key markets as competitors with different (higher and lower) quality attributions enter the market

In summary these four broad issues highlight that:
- Demand for tertiary education is increasing both domestically and globally.
- This increase in demand has been paralleled by a funding shift from the public to the private sector and individuals.
- Expectations of individuals, enterprises and governments are moving in a relatively co-ordinated direction towards a tertiary education system that delivers programs and graduates highly aligned with the economic activity of nations and regions.

**Challenges Facing the University Sector**

Bearing in mind the four broad issues outlined above, this section is intended to briefly explore a number of challenges that the sector is confronting. In order to have sustainability in a changing environment, RMIT must now seek to address such challenges. Some of those challenges are domestic in nature, others international, but
many are intertwined (such as e-learning, courseware development and commercialisation). Strategic repositioning is not a luxury but it is a matter of survival.

**Overhead costs / infrastructure**

Approximately 60% of the overall expenses of Australian universities are in salaries and related costs for both academic and support staff. Given the levels of competition within the sector, the adoption of new technologies and universities losing monopoly on teaching and research, many universities are finding difficult sustaining such overhead costs. Institutions are now rationalising services being provided and/or having to position differently to other providers, in order to remain competitive and financially viable. Furthermore, traditional modes of delivery may have to converge with online and other new modes, meaning that institutions overhead costs may have to be scaled down. New providers have lower overhead costs because they have more streamlined ways of operations, are targeting non-traditional niche markets and are selective in their offerings and do not undertake both teaching and research.

For many years, universities have focused in increasing productivity by way of greater outputs, the emphasis is now on increasing positive outcomes at lower overhead costs – without compromising on the quality of delivery and overall service.

**Institutional structures**

Government remains committed to reform the education system. The third term of the Coalition government would likely address the industrial reforms it was unable to push forward in its previous term. It seems inevitable that outcomes of reforms will be changes in tertiary education management and the way academics are employed. This may to some extent lessen the effect of minimal increases in funding but has unknowable implications for the size and structure of universities and the quality of their programs.

**Unmet demand; fee deregulation**

The issue of unmet demand has resurfaced once again as institutions make offers for university places. Over the past five years, the unmet demand has averaged 21% of eligible applicants not receiving an offer. In Australia in 2001, there were approximately 45,000 eligible applicants who missed out on a university place. One can only speculate on how many of those students would have enrolled if institutions were able to a) charge fees above HECS in courses in high demand, and b) enrol domestic fee-paying students above the 25% threshold. But also the issue is whether many of those applicants considered a TAFE option.

**Knowledge economy**

In recent years, one phenomenon that has been observed is the movement from manufacturing- and service-based economies to knowledge-based economies. The tertiary education sector, therefore, plays a pivotal role in advancing such a shift, but it also faces the prospect of being left behind if the sector does not actively participate. Universities have been losing their monopoly over teaching, research and the award of
qualifications. New players are in the education sector, even corporations are more actively engaging in developing teaching and learning capabilities (eg Alcatel, British Telecom, DaimlerChrysler and McDonalds), not to mention that the greater proportion of research and development occurs in the private sector. Many of such universities have noted high growth and this represents a threat to RMIT’s survival. Every time overseas institutions penetrate in the Asian market, RMIT’s market share suffers.

Government and enterprises demand more access to education to underpin growth into the knowledge economy but at the same total outlay. Therefore pressure is on reducing overheads and maintaining student costs at competitive levels, without compromising on quality. It is almost as if such global developments are proving possible to deliver this new education in a range of modes to accommodate the needs of a more diverse client base.

**Commercialisation**

The notion that universities are divorced from the bigger issues, not in touch with the pulse of the market, nor an integral part of the global environment, is old-speak. The transition of universities from elite to mass higher education organizations has resulted in universities having to commercialise many of their teaching and research activities in order to sustain their growth or, put more simply, warrant their survival. It has been government policy coupled with an increased shift to private funding that has dictated the path universities have taken in the past decade or so. Institutions that fail to embrace a market-driven approach risk a declining trend in enrolments (therefore having less resources) or even face the prospect of perishing. Institutions embarking on a commercial model are not guaranteed a safe future, because the expectation is that such commercialisation must bear positive institutional outcomes. RMIT must be at the forefront in innovation and entrepreneurship as well as be creative in all aspects of their teaching, research and other pursuits. Even well-known Australian industry icons have disappeared, partly due to their inability to adapt.

**Globalisation**

Institutions also have to adapt to and respond appropriately to the globalisation of education. One important outcome in such an environment is that of increased competition, not just from institutions nation-wide but also across the world. Many universities are now operating as trans-national brands, but globalisation has also meant the arrival of overseas institutions onshore. The free market mentality has, therefore, had an impact in all nations. What it has also meant is that institutions have to think globally and act locally/regionally as well as across nations, across languages and across different ‘market’ zones. The globalisation of the education sector is best characterised by the development of niche markets on a local, regional and international rather than a global scale. RMIT must work harder to preserve (and increase) its market share of onshore and offshore enrolments of international students as well as successfully expand its service delivery abroad.
Market integration

The emergence of regional market zones has become a reality. The European Union is the most advanced of all, with a common currency in twelve nations effective January 2002, whilst other trading blocks such as NAFTA, South America’s Mercosur market and APEC are pretty much in their development stages. The integration of a European market of education is slowly being built up and this process, as noted in the Bologna agreement, is moving beyond the nation state into the regional/continental market zone. Instead of many individual state educational systems, an integrated European Union will promote the notion of a European space, where graduate attributes, credit transfer, qualification frameworks and standards are similar across member states, in other words, it is the europeanization of tertiary education in Europe. The impact of such market agreements is yet to be fully felt in the provision of educational services.

For-profit providers

Some of the new entrants to the tertiary education market internationally have strong private backing and have had significant impact on education generally. Such an example includes the University of Phoenix in the USA, which was established in 1976, and by the year 2001 had total degree enrolments exceeding 90,000, 33% of this in online education, the number of academics employed is about 11,000, of which 250 are full-time academic. At the same time, some renowned/entrepreneurial institutions are establishing ‘for-profit’ subsidiaries, for example, Cardean University is an online institution based in Illinois, being a subsidiary of Unext.com, which in turn has partnered with Columbia Business School, University of Chicago Graduate School of Business, Stanford University, Carnegie Mellon University and the London School of Economics and Political Science.

Strategic alliances/partnerships

In order to remain viable and avoid any relative market decline, it is now a common practice for tertiary education institutions to enter into partnerships across nations, and even partnering larger multinationals in the delivery of new modes of delivery and content development, in particular those corporations driving technological change and those controlling communications. Whilst it was novel to form alliances such as the Go8 and ATNs at the domestic level, as well as Universitas 21 and Global Universities Alliance at the international level, the new form of alliances that will prevail is yet to be consolidated.

The question is not will consortia deliver value but rather which consortium will be first to market with a viable business model that has the attributes of a prime dominant leader.

Emergence of new delivery models

The combined effects of commercialisation, globalisation, technology and the increased use, in education, of partnerships and alliances are driving the development of new business models.
An emerging business model for the education industry that has arisen is one characterized as mixed mode – a balance of online and face-to-face teaching – delivered via consortia or partnerships that enable the leveraging of the expertise and investment of participants. Significant amongst these consortia and partnerships are Universitas21 (which is expected to have committed $140m by the end of 2002 in development, marketing and implementation); Sylvan Learning, Informatics, Fathom and the Global University Alliance (of which RMIT is a member). Offerings may be structured around face-to-face support on demand (University of Phoenix), via residential teaching (Duke University) or regularly scheduled classes (as planned via the GUA model).

What these new models enable is scale provision (across the globe) through reuse of courseware and teaching infrastructure investment across multiple purposes and leverage of third party infrastructure and expertise. Sylvan Learning, for example, is leveraging these network effects across more than 200,000 students and three language groups (Spanish, English and French). Apollo, DeVry and other consortia also repeat this cost leverage. The net effect of such new models is the reduction in delivery costs, which RMIT is yet to maximise.

Of particular note is the use of the mixed mode model in corporations who have acknowledged the failure of exclusively online offerings. Investment Advisors, Merrill Lynch predict that the market for this mode of education in the US alone will exceed $US11bn annually by 2004. Critically it should be noted that corporations are using this model for the delivery of not just ‘off-the-rack, just-in-time’ training but also for deep and transformational learning towards accredited qualifications.

**Education as an export**

Australia’s reputation as a leading provider of tertiary education to students from overseas, particularly Asia, is well recognised worldwide. Some of the positive aspects from which Australia’s education is recognised are the comparable quality of education as against that offered from the UK and the US, relatively low valuation of the Australian dollar and the relative stability and favourable living conditions. In 1999, Australian higher education institutions received from international students approximately $800m in fees and charges, representing 9.1% of total revenue. Whilst the majority of international students are onshore, there has been a concerted effort in promoting Australian universities offshore, not just by twinning arrangements but also by investing in infrastructure in the form of opening campuses, particularly in emerging markets such as Malaysia, Thailand, Vietnam and South Africa.

World Trade Organisation (WTO) impacts may well induce higher quality players into RMIT’s traditional markets thus repositioning RMIT’s relative quality ranking and as a consequence reduce probable returns.

**Reputation / mark trust**

Australian tertiary education institutions, however, also face stiff competition from other overseas institutions setting up onshore delivery of programs in countries that have been dominated by Australian universities. Furthermore the development of online and other
modes of flexible delivery from North American and other English-speaking prestige and for profit institutions represent a direct threat to the viability of many Australian institutions, in part because Australian institutions do not have the trust mark recognition, and the alumni networking for career advancement, but also because Australian institutions do not have financial backing as strong as some well known overseas institutions. Examples of overseas institutions that have set up offshore operations are: INSEAD, established in France in 1957, but opened a campus in Singapore in 2000. Many of USA’s leading MBA institutions are establishing learning centres in China, Hong Kong, Singapore, India and other countries.

Trade liberalisation

Consultations are taking place of the General Agreements on Trades and Services (GATS), of which Australia is a signatory. GATS aims to liberalise global trade in services. Tertiary education services is one of the main priorities for liberalisation of many governments, and it includes addressing matters such as immigration requirements, foreign currency controls, difficulties with respect to credit and credential recognition, the inability to obtain national accreditation in order to grant awards, measures limiting direct investment by foreign education providers, lack of transparency of government regulatory, policy and funding frameworks, and high subsidization of local institutions.

While GATS may provide many benefits to Australia, it also means that the Australian market has to be opened to international providers of tertiary education participating in onshore programs. The Australian delegation position is that governments must retain their sovereign right to determine their own domestic funding and regulatory policies/measures. The rules of the WTO (and that of GATS) are however legally binding. Thus creating a situation where purchasers of educational services shop around for better price, better value and better services.

Senate inquiry/ HE reform

In 2001, the Australian Senate conducted an inquiry into the capacity of public institutions to meet Australia’s higher education needs. The Labor-led inquiry concluded with the assertion that Australia’s higher education is in crisis. It urged the Government to end the funding crisis by adopting programs involving significant expansion in public investment in the higher education system over a ten-year period. As expected, the Government has strenuously rejected the notion of ‘crisis’; however recognising that in some respects the sector is ‘under strain’. In mid-January 2002, however, the new Federal minister for Education has indicated that the sector is in need of an overhaul. Dr Nelson is yet to articulate what sort of reform would be required. The status quo is no longer sustainable, argues the Minister. The signals are that diversification in the sector would take the shape of specialisation in areas of excellence, and active engagement in niche markets as appropriate to each institution as well as a return to some form of binary divide.

Improving completion rates / quality of teaching
The issue that is to become a central theme for balancing demand is by transferring places from ‘non-performing’ institutions to those performing relatively well. In more recent times, the Coalition government has emphasised that completion rates are relatively low, and it has signalled that dropout rates of students at both undergraduate and postgraduate levels must remain at manageable levels as a way to demonstrate that universities are responsive and adaptive to the ever changing needs of students and of other stakeholders. The government may prompt institutions to improve retention and completion rates, and effectively this may lead to reassessing the sustainability of programs with high dropout rates, and those of perceived poor teaching quality and declining standards. RMIT has consistently ranked very poorly in the Course Experience Questionnaire and the Student Outcomes Survey; the quality of teaching and completion rates must now be improved.

Conclusion

The point thus far has been to present a range of issues impacting on the tertiary education sector as a way to illustrate the institutional imperative for change. Nevertheless, in order to have sustainability in a changing environment in which to grow in the twenty-first century, RMIT as a technological university must seek to address those issues and develop new and viable education and business paradigms – ones that recognise the challenges ahead and build from the experiences of the past to the future.