

# Educational Leadership

Volume 1, Issue 1

Newsletter Date: May 2009

*Fortis Consulting is proud to launch this newsletter for education industry management executives. We aim to provide current relevant articles from leading education industry members and advisers. We trust you will find it interesting and informative.*



## Key points in this issue:

- What do Treasurers Swan and Buswell have in store for the Education sector in the 2009 Federal and WA State Budgets?
- The global financial crisis presents the education sector with opportunities in upskilling employees as unemployment rises
- Compliance in the education sector can often be at the expense of productivity—finding an appropriate balance is critical
- Leading educational institutions serving the overseas student market focus on supporting English language development and individual student need
- Optimising administrative functions could help cushion future fluctuations in investment income and build long-term value

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## Managing Education into the Future

*by Mary Gurgone*

***Skills are the most important factor in economic success today. Unfortunately, the people who need them most, the poor and unemployed, cannot afford schooling and therefore are least able to obtain them. Helping people overcome this disadvantage is an important task for national governments.***

Magazine article by Marvin J. Cetron, Owen Davies; *The Futurist*, Vol. 42, May-June 2008.

In a future in which job growth will be in areas that require vocational or university education, we need to find ways of increasing access to education in an environment of decreasing resources. The experiences of eastern European countries are valuable as some have succeeded in rapidly increasing education levels of their population despite an environment of economic austerity.

Poland, for example, achieved a massive expansion from 1989 of 377,000 higher education students to nearly two million in 2006, ranking 5<sup>th</sup> among Organisation for Economic Cooperation and Development (OECD) countries for entry rates into higher education. The cost for this amazing achievement is at about a third per student compared to costs in the developed European nations. It is particularly pleasing to note that standards have been heavily regulated.

Some of the success factors suggested by Marek Kwiek, Poznan University, Poland, include:

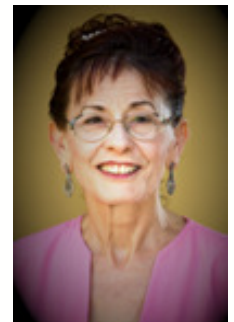
- ◆ Entrepreneurialism was introduced in an environment of regulation of standards;
- ◆ Quality assurance mechanisms and fair rules of market competition are in place;
- ◆ Competition is strong for the research dollar in the public sector and in the rapidly growing private sector market for teaching purposes, competing for students with the public sector.

For Australia, the education sector is the third largest exporter as well as a key to ensuring a secure flow of skilled labour. We achieve this both through educating Australians and overseas students who often become our citizens. The expenditure per student has not always achieved the desired results. For example, the United States spends more than Finland on a per capita basis but achieves less as per the OECD assessment.

So what should we learn from the Polish experience? Perhaps we need to review the Australian legislative and policy framework to stimulate increased competition and expansion of education institutions for delivery of courses in areas of growth (eg English Language and vocational sectors). The

review would consider the Australian culture and context, including learning from past Australian private sector fiascos.

The financial crisis provides us with the necessary stimulus to examine more closely education systems that have thrived despite severe financial constraints.



### **About the Author:**

**Mary Gurgone** (pictured) is Fortis Consulting's Lead Education Sector Consultant. With over 30 years in the education sector (including as TAFE Director), Mary has led successful projects at College, State and National levels.

### **References:**

- Accessibility and Equity, Market Forces and Entrepreneurship: Developments in Higher Education in Central and Eastern Europe* by Marek Kwiek in *Higher Education Management and Policy*, Volume 20, No. 1 OECD 2008
- The Australian education sector and the economic contribution of international students* Access Economics, April 2009
- Global skills crunch: A case of dog eat dog?* Tom Karmel NCVET presented to the Wellington Exchange—Evolving Higher Education Agendas, 4 December 2008
- Trends Shaping Education* Centre for Education Research and Innovation OECD 2008.

## Editorial - Economic Crisis and the Education Sector

We warmly welcome you to the first edition of Educational Leadership newsletter. We aim to provide interesting and informative insights into the current educational administrative and leadership environment. Included are articles from key leaders from the education sector providing some thought-leadership.

In this first issue our theme is focused on some key reform and compliance issues facing the education sector and senior

administrators. We review the Bradley Report, the impact of compliance on the sector, and the focus on English standards for overseas students.

These issues are discussed in the context of the current global financial crisis. The crisis has created significant challenges for many businesses in Australia. The media have played a key role in providing ongoing commentary on the woes of the global - and as a by-product the Australian - economy.

A glaring gap in the coverage has been paucity of analysis about the significant opportunities that have stemmed from the current downturn. As the downturn begins to impact employees both in Australia and globally, the education sector has the potential to win from an external focus on up-skilling and internal administrative optimisations.

Thanks for your interest and we look forward to your thoughts and feedback. Enjoy!



Expert Panel  
Professor Denise Bradley, AC, Chair  
Mr Peter Noonan  
Dr Helen Nugent, AO  
Mr Bill Scales, AO

“Australia’s higher education sector is losing ground against a number of its competitor countries on a range of indicators”

### **About the Report Authors:**

**Professor Denise Bradley** is the former Vice-Chancellor and President of the University of South Australia (UniSA)

**Mr Peter Noonan** was GM of the Australian National Training Authority, Deputy Director General, QLD Dept of Employment Training & Industrial Relations and GM of the State Training Board of VIC.

**Dr Helen Nugent** is a Non-Executive Director of Macquarie Bank, Origin Energy and Freehills, and Chairman of Swiss Re and Funds SA.

**Mr Bill Scales** is Chancellor of Swinburne Uni of Technology, Chairman of Port of Melbourne Corporation and Chair of the Australian Safety and Compensation Council

## Bradley Review of Australian Higher Education

by Professor Denise Bradley, AC, Chair, Mr Peter Noonan, Dr Helen Nugent, AO & Mr Bill Scales, AO

### Excerpt from the report...

The Bradley Review’s goal is to increase the proportion of the population attaining a higher education qualification by:

- Reaching agreement on where we need to be.
- Providing funds to support target participation numbers.
- Ensuring that higher education benefits of are genuinely available to all
- Providing assurance that the education is of high quality.
- Ensuring that the national governance structures we have in place will assist us to meet these goals.

### Targets

- national targets for attainment of degree qualifications and for participation of low socio-economic status students will be set and institution-specific targets for participation and performance established and monitored;
- targets will be set to enable national benchmarking against other OECD countries to track system quality and performance;

### Students

- all qualified students will receive an entitlement for a Commonwealth subsidised higher education place;
- students will have a choice of where to study at recognised institutions;
- funding will follow students;
- institutions will have freedom to enrol as many students as they wish;
- funding for teaching will be increased;
- funding for low socio-economic status students will

be significantly increased;

- increased funding for regional and rural areas ;
- levels of student financial support will be increased and eligibility based on need;

### Institutions

- all higher education institutions, including universities, will be accredited;
- criteria for the title of university and for the right to offer research degrees will be tightened;
- a proportion of the funds will be allocated to institutions on the basis of performance against specific targets for teaching and equity;
- funds for research will be increased to more fairly reflect costs;
- funds will be made available to assist institutions to make structural changes;

### The national framework

- accountability will be simplified and streamlined to allow each institution to play to its strengths;
- the Australian Government will assume the primary funding and overall regulatory responsibility for tertiary education;
- the Australian Government will establish an independent national tertiary education regulatory body; and
- the Australian Government will progressively extend the tertiary entitlement to the vocational education and training (VET) sector commencing with higher level VET qualifications.

### Conclusion

Australia’s higher education

sector is losing ground against a number of its competitor countries on a range of indicators. Greater recognition is needed in government and among members of the Australian community about the need to enhance our competitive position. For Australia to improve its relative performance against other nations, additional, ongoing and significant public investment in higher education will be required.

In response to this report, the Deputy Prime Minister Julia Gillard, in her speech to the Universities Australia Conference on 4 March, announced :

- A target that by 2025, 40% of Australian 25-34 year olds will have a bachelor level or above qualification.
- From 2012 universities will be funded on the basis of student demand. This means the Government will fund a Commonwealth supported place for all domestic students accepted into an eligible, accredited higher education course at a recognised public higher education provider.
- From 2010, the current cap on over enrolment will be raised from 5 to 10 percent and removed completely in 2012. This will prevent institutions growing too quickly at the expense of providing quality education and will allow a managed transition into the new system.
- The Government will establish a national regulatory and quality agency for higher education. Providers will be regulated by this body, who will carry out audits of standards and performance, quality assure international education, and provide for national consistency by streamlining current regulatory arrangements.

## Let's have less compliance

by Professor Don Aitkin

Recently I gave the address at the Higher Education HR Conference that centred on the Bradley Report and the government's response to it. I agreed with the report's thrust, as I have written in these pages, but one aspect of it really vexed me.

This was the proposal that the government construct an over-arching regulatory framework for the tertiary education system. Characteristically, the government has already accepted this proposal. Governments like to regulate, even when they profess to abhor red tape and unnecessary interference.

The new framework has universities getting a tick every 10 years, presumably allowing them to continue their work. I argued that there is already too much emphasis on 'compliance', and that the Bradley reviewers might well have asked government to reduce it, rather than add to it.

I would accept that in respect of private providers, who are there to make money and have a responsibility to shareholders (or owners), governments have a responsibility to ensure moneymaking does not override the responsibility to give value for money and maintain high quality.

I felt that the reviewers, having asked for a lot more money to be spent, saw a necessary consequence being some kind of mechanism to demonstrate that the extra money would be spent properly. As it is, we seem quite likely to get the extra regulation without any serious increase in funding — the worst of both worlds.

Why are we so keen on compliance and regulation?

I think there is a straightforward reason, and it is, paradoxically, the downside of our having more freedom. In summary, we don't trust people the way past generations did.

When I was young, teachers taught, and doctors and dentists practised, under the general assumption that they were professionals who would do the best they could. By and large they were left alone to do it.

Teachers certainly worried about the regular visits of school inspectors and no doubt they took note of what the subject master or mistress thought, not to mention the headmaster. And there were six-monthly reports on us, which we took home to our parents.

Mine had a steady refrain of 'could do better', which had to be true of just about all of us.

But you didn't argue with teachers about their judgments, and schools weren't involved in a kind of national comparison that might show that some were 'underperforming'.

Teachers known to me seem to have much more to do that is not teaching as I understand it than was true then. They report encounters with parents where the teacher is assailed for the child's academic performance relative to others in the class, as though this were somehow the fault of the teacher.

Similarly, doctors, dentists and other professionals are assumed to be negligent if something goes wrong, as though medical knowledge were now complete, and that every practitioner knew all of it.

Stumble on a footpath, and

the local council is clearly negligent in not having smoothed the way for you.

There is a lot of fault about.

Our governments respond by tightening the regulatory screws on everyone and everything, so that they cannot be blamed later for not having done so.

My own sense of it is that we have persuaded ourselves that life ought to be smoothly enjoyable, and if it is not, it must be someone's fault.

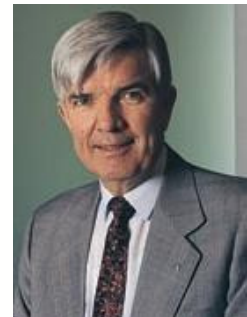
It is because I would like our society to grow up a bit, and trust that each of us will do our best most of the time, that I wanted the Bradley Report to say something like: "University teachers work best when they are trusted, given room to make decisions, and celebrated when they do well. There is too much mindless compliance in the higher education system — and in the rest of our society — at the moment, and it should be reduced."

I would have cheered. My experience as a manager over a long time is that carrots work much better as inducements than do sticks, and that creating an environment in which people really want to come to work each day is the best way to improve productivity.

The more compliance we insist on, the lower the real productivity we get from anybody who can be described as a knowledge worker. It's worth thinking about.

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"Why are we so keen on compliance and regulation?"



**About the Author:**

**Professor Don Aitkin** (pictured) is a former vice-chancellor and president of the University of Canberra and has a long-standing interest in policy studies and practice relevant to higher education and research.

## It's Never been Just an English Score

by Professor John Wood & Dr Maria Fiocco

“... there has been a focus on English test results of various forms rather than good practice which meets individual student needs.”



**About the Authors:**

**Professor John C Wood** (pictured above) is the Executive General Manager University Programs, Navitas and his responsibilities include the 21 Navitas colleges in 8 countries

**Dr Maria Fiocco**, College Director and Principal, Curtin International College, a Navitas College at Curtin University. )

The extraordinary growth in international students at pre-university and university programmes, coupled with the challenges of English competencies of Australian and students from Non English speaking backgrounds has, given rise to extensive discussions of English language abilities and graduates preparedness for employment. In this context there has been a focus on English test results of various forms rather than good practice which meets individual student needs. This is most evident in a range of articles which have appeared in the past month.

The recently published draft Australian University Quality Agency (AUQA) *Good Practice Principles for English Language Competence* funded by the Federal Government's Department of Education, Employment and Workplace Relations (DEEWR) are particularly welcome. The draft guidelines confirm what those who provide English development support in pathway and tertiary programs have known for some time: an English score, whatever it might be, is only part of an extremely complex issue. The danger of focusing discussion as Dr Birrell's work does on scores, is taking a simplistic approach to what is a multifaceted issue. The variables at play for achieving English language competence are many and their interrelationship complex. One of the complexities for all educators in the tertiary sector is that their students, both domestic and international, have taken advantage of the multiple access points the Australian education system offers.

The Australian Qualifica-

tions Framework (AQF) provides a transparent and equitable system of access protected by substantial Government safeguards. This has been of particular attraction for international students and core to the development of Australia's third most significant export industry. However, it is reasonable to assume that the AQF in offering multiplicity of access also creates a multiplicity of issues when students negotiate their way from one pathway to another. It is therefore, a relief that the *Good Practice Principles for English Language Competence*: recognises complexity; confirms the need for all pathway and tertiary stakeholders to work together and guides these stakeholders to focus on practice rather than just a score.

There has been much said about pathway providers as key stakeholders in preparing students for the tertiary sector, and more recently reported that "pathways allow students with weaker English to sidestep entry standards". This criticism is directed to the fact that upon completion of a pathway program English testing and a score may not be provided as a testament to readiness. The assumption that an English test score makes a more valid statement about readiness than the transcript of a pathway or foundation course is spurious in the extreme. If this indeed was the case the many university providers who have developed their university preparation programs and English for Academic Purposes since the early 90s could revert to being test preparation centres that focus on preparing

students to pass specific tests with target scores.

University pathway colleges enrol both domestic and international students who typically enter at an academic or English proficiency level just below that required for direct degree entry. The focus is on providing access to those who are below direct entry and preparing them for university studies. Many of these students may require English development skills or structured guidance on how to approach tertiary studies. This has always been a core role of the pathway provider, that is, a focus on development rather than the score. In many cases, for a range of reasons, students may in fact have the required score for entry, but because English language competence is not a neat equation these students still require further assistance. The gap that has occurred with both domestic and international students is the assumption that when students attain access either through an English score or an agreed level outlined in the AQF, they no longer require best practice in developing English competence.

Navitas colleges and other university pathway providers have never only relied on a score but have employed a range of approaches to ensure that students are provided with optimum conditions to succeed in their transition from college to university. For many colleges an English score and a rigorous admission process is only the beginning. A range of strategies are employed, including:

(Continued on page 5)

## It's Never been Just an English Score (continued)

- Benchmarking and tracking admission entry policies. Navitas and its university partners have conducted extensive tracer studies over a number of years which demonstrate high levels of student success as measured by graduation rates both from the Navitas pathway programs, and subsequently the host university ;
- Particular units within programs which develop skills in listening, analytical and critical thinking, research skills, referencing, grammar, academic writing, working individually or in groups;
- Diagnostic exercises administered on arrival, outcomes of which inform enrolment in an English Language Development Program to strengthen English proficiency and triggers early intervention;
- Parallel delivery of English Language Development course and core units;
- Assignment assistance workshops and individual consultation; and
- Professional development for staff involved in English language competence and the delivery of core units.

### ADMISSION POLICIES

The pathway college approach to developing English language skills is typically underpinned by a rigorous admission policy in which English and academic pre-requisites are outlined and maintained. Best practice leads to all admission decisions being tracked, benchmarked and monitored to ensure the admis-

sion criteria is established at levels which ensure students have every opportunity to succeed, and that English and study skills development programs which are implemented also ensure this outcome.

### ENGLISH LANGUAGE DEVELOPMENT AND EARLY INTERVENTION

**Initial and ongoing intervention is part of best practice.** Early intervention can only be triggered if a diagnostic exercise is conducted with all new students in the first weeks of admission to a course. The entry score is only part of the profile and a diagnostic process is a powerful message to the student that ongoing English development is core to success. This process will inevitably reveal that correlations between test scores and students' ability to cope once immersed in their course is not conclusive. The diagnostic process signals which students require extra language support and they are not only directed to support programs but this early intervention serves as a framework for ongoing intervention and pastoral care.

On-going intervention includes a range of strategies and is supported by English development practitioners, discipline specific lecturers, and those responsible for enriching the student experience. Strategies for development include one to one, embedded English development in core curriculum and group support. Sustained communication between all teaching stakeholders to monitor student progress through formal and informal feedback is imperative to meeting student needs.

### OTHER STRATEGIES

Other strategies adopted by university pathway providers are the inclusion of core communication units and free support programs. Embedding core communication units is underpinned by the theory that language development and acquisition occurs within context and that language skills are best learned when they are linked to course content. Rather than being taught in isolation, key language skills intrinsic to successful communication across disciplines are taught in formal communication units and discipline-specific units. In order to achieve this, communication between teaching staff in the support and study skills programs and individual assistance act as an adjunct to the core communication units and can include English development programs (EDP), study skills programs, and individual and group assignment support. Students may be directed to undertake the program as a result of the diagnostic referred to above, or because they have been referred by a lecturer, student advisor/counsellor or because they have chosen to attend.

So rather than 'sidestepping entry standards' by not focusing on a score, Navitas and many other university pathway providers have long adopted strategies and processes that are about meaningful practice that supports language development and individual student need. We therefore welcome the prospect of the tertiary sector adopting *The Good Practice Principles for English Language Competence*. It heralds an exciting era for those who have always known that it has never been about a score.

"Rather than 'sidestepping entry standards' by not focusing on a score, Navitas and other university pathway providers have long adopted strategies and processes ... that supports language development ..."

#### About



*The Navitas group is a world leader in the development and provision of educational services and learning solutions. Navitas excels in understanding the world of learning needs and continually adapts to meet the needs of the changing global environment.*

*Members of the Navitas group offer English language training, high school, university preparation, university programs, career advancement programs and migrant settlement services to students, professionals and migrants from all over the world in campuses located in Australia, Canada and the United Kingdom.*

## Educational Administration: Turning Challenge into Opportunity

by Adrian Gurgone

“... efforts to optimise administrative functions could help cushion future fluctuations, and build long-term value for educational institutions.”



### About the Author:

Adrian Gurgone (MBA, CA, M. Accounting), is Managing Director of Fortis Consulting and offers significant experience in advising large private, public and education sector clients in Australia, the UK and Europe. Adrian has held senior roles for Deloitte Consulting and Ineum Consulting (top-tier European-based firm) and has lectured to MBA programs.

The global financial crisis has been so widely reported and ubiquitously discussed, that it now has its own widely used acronym – “GFC”.

While the “green shoots” have recently been proclaimed, the constant barrage of negative economic news stemming from both Australia and overseas has cast a general pall of pessimism over the economy. Due to the negative outlook, people are spending less and withholding purchasing decisions, which in turn is hurting economic growth. As a result, company revenues and profits have declined leading to rising unemployment, as staff are made redundant. What a self-fulfilling downward cycle!

### WA Education Sector

For the education sector, the GFC’s impact has been limited. As you would be aware, student enrolments have generally increased as workers look to improve their employability and skills-base.

However as the recent university reporting season has shown, the GFC has nevertheless impacted. In April 2008, WA universities reported their 2008 financials—the results illustrate these impacts:

- **UWA** investment loss of \$66m (capital works frozen)
- **Curtin** surplus of \$55.8m (down 26% due to investment losses)
- **Murdoch** surplus of \$14.4 (down 74% due largely to investment losses)
- **ECU** surplus of \$22m (up 10% due to conservative strategy)

### Controllable Costs

Clearly, a central driver of the losses was the poor performance of market-exposed investment returns. This value-destruction was of a largely uncontrollable nature (although the institutions may have chosen to take a lower investment risk profile).

In my experience, significant opportunities exist to improve performance by strategically reducing *controllable costs* and improving efficiencies. Administration is both a significant educational overhead and a directly controllable (and considerable) cost; efforts to optimise administrative functions could help cushion future fluctuations in investment income, and build long-term value for educational institutions.

### Educational Admin

Managing and administering educational institutions is a significant challenge. The academic-led approach to managing educational institutions, tends towards a culture of individuality, exclusivity and silos. This often leads to inefficiencies both within and across institutions.

### CASE STUDIES

Some recent education industry case studies provide food for thought. These showcase some recent projects Fortis consultants have delivered and provide insight into some of the challenges facing educational institutions. The solutions identified were the result of diagnostic reviews which uncovered significant administrative optimisation opportunities.

#### University Case Study

##### Entity:

A mid-sized university

##### Key Administrative Challenges:

- Poor standardisation of procurement approach and lack of appropriate authorisation policies leading to significant procurement overruns
  - Disorganised chart of accounts leading to significant finance resources devoted to reconstructing data and poor quality management reporting outcomes
- ##### Diagnostic Assessment:
- Quick wins in reducing several cost categories through centralising purchasing and leveraging economies of scale
  - Implement strategic sourcing and procurement policies, systems and processes to ensure adherence to approvals and reduce procurement costs across the board
  - Redesign chart of accounts for A-IFRS compliance and simplified reporting, update data input processes and provide necessary training

##### Qualitative Benefits Derived:

- No unauthorised purchases (i.e. “No PO, No Pay”)
- More efficient procurement due to smaller number of Uni-focussed suppliers
- Efficient production of management reports and more time devoted to higher level of analytical support

##### Financial Benefits Derived:

- \$800k in quick-win procurement cost reductions
- Longer term \$2m in recurrent cost savings

### College Case Study

##### Entity:

A large training college

##### Key Administrative Challenges:

- Lack of standardisation in planning tools and processes leading to an annual 6-month budget preparation process
- Culture of red-tape and bureaucracy which led to poor administrative timeliness on completing key tasks

##### Diagnostic Assessment:

- Develop quick-win standardised budget tools and simplify process for upcoming cycle (to 6-weeks)
- Implement integrated planning tool incorporating rolling forecasts
- Roll out a change plan incorporating streamlined processes, staff training and performance incentives linked to timeliness

##### Qualitative Benefits Derived:

- Budgets developed close to the end of the financial year
- Budget holders able to focus on delivery rather than budget preparation
- Administrative staff focussed and trained in delivering in a timely manner

##### Financial Benefits Derived:

- \$700k of budget holder and executive time redirected to delivery efforts
- \$500k of administrative staff time saved

### Turning Administrative Nightmares into Dreams

The case studies demonstrate that administrative nightmares do not need to remain so. Often it just takes a little delving below the surface to identify and diagnose sub-optimal processes and identify solutions which can lead to outside results. The biggest challenge, without question, is a cultural resistance to change, however with focussed change management, this can be overcome and educational administrative functions can be turned into well-oiled machines!

# Federal Budget 2009: Impacts on the Education Sector

## Federal Treasurer's Budget Night 2009 Speech (12 May 2009)

Excerpt from Treasurer Wayne Swan's BUDGET SPEECH 2009 delivered on 12 MAY 2009 ON THE SECOND READING OF THE APPROPRIATION BILL (NO. 1) 2009-10:

### WORLD-CLASS UNIVERSITIES & RESEARCH

Australia's recovery depends heavily on the quality of our human capital; on our ability to educate our people and to innovate in business.

In total, this Budget invests \$5.3 billion in tertiary education, research and innovation over six years.

### Education and innovation

The Government will commit \$2.6 billion from the Education Investment Fund for priority infrastructure projects in Australia's tertiary institutions and research agencies.

This includes:

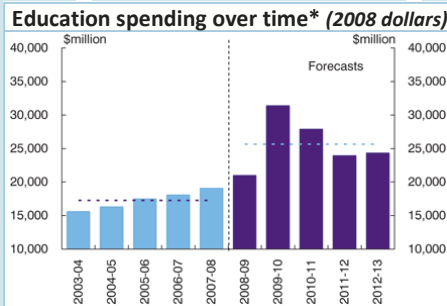
- \$934 million for 11 teaching and learning projects, 8 research-based projects, and 12 vocational education

and training projects around the nation;

- \$901 million for 21 research projects in space, marine, climate and nuclear science;
- a further \$750 million for future funding rounds from the Education Investment Fund.

of the Bradley Review into our higher education system.

We will invest \$491 million over four years to uncap the number of university places from 2012, starting with increased places from next year. This will allow an extra 50,000 students to commence university courses by 2013.



We will commit \$437 million over four years, to give people from disadvantaged backgrounds an opportunity for a university education.

And to help achieve the Government's targets for Australia's innovation performance, this Budget provides funding of \$500 million to encourage additional research, development and commercialisation of ideas, on top of \$512 million to help universities fund the indirect costs of research.

From 1 July 2010, we will also replace the current research and development tax concessions with an expanded tax credit that rewards firms for research and development.



"this Budget invests \$5.3 billion in tertiary education, research and innovation over six years"

## Budget 2009: Excerpts from Universities, Innovation & Education Revolution Summary of Measures (pg 19)

	2009-10 (\$m)	2010-11 (\$m)	2011-12 (\$m)	2012-13 (\$m)	Total (\$m)
<b>Education, Employment and Workplace Relations</b>					
Demand-driven funding for higher education	36.4	74.3	116.8	263.1	490.6
National quality and regulatory agency for higher education — establishment	10.0	14.3	15.3	21.2	60.8
Funding for institutional performance targets	0.0	0.0	68.7	137.7	206.4
Conditional funding and revised indexation arrangements	0.0	58.3	172.7	294.9	525.9
Structural Adjustment Fund	50.5	70.7	56.0	25.0	202.1
EIF Round 2 <sup>^</sup> *	227.2	247.6	78.2	19.5	612.5
Support to increase participation of students from low socio-economic status backgrounds	29.4	85.8	144.7	176.9	436.9
Increase in the maximum annual student contribution amount for education and nursing	3.1	6.5	10.3	13.0	32.9
HELP repayment reduction for education and nursing graduates	0.8	4.2	27.0	50.6	82.6
Remove the loan fee on OS HELP loans	1.8	4.7	5.2	5.8	17.5
Student income support	78.7	-62.6	-46.7	22.6	-8.1
Learning and Teaching Performance Fund — redirect funding	-38.1	-77.1	-95.0	-113.3	-323.6
Workplace Productivity program	-0.9	-15.7	-30.4	-31.0	-78.0
Australian Universities Quality Agency — redirection of funding	0.0	-1.3	-1.3	-1.3	-3.9
Redirect funds to establish the Structural Adjustment Fund	-19.9	-28.4	-15.9	0.0	-64.2
Higher Education Equity Support program — redirect funding	-6.0	-12.2	-12.4	-12.7	-43.3
<b>Education Total</b>	<b>373.0</b>	<b>369.1</b>	<b>493.2</b>	<b>872.0</b>	<b>2147.1</b>

Universities, Innovation and Education Revolution

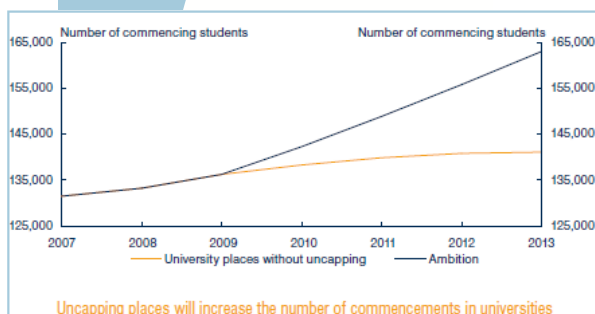
May 2009

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Budget 2009: Excerpts from Budget Overview 2009 (pgs 18-19)



# Planting the seeds of future growth by supporting world-class universities



Uncapping places will increase the number of commencements in universities

“additional 50,000 new students by 2013 [will] help achieve the Government’s ambition that 40 per cent of all 25-34 year-olds attain a bachelor level qualification or above by 2025”

### Demand-driven funding

A new approach is needed for higher education for the 21<sup>st</sup> century, one based on acknowledging the central importance of students.

The current system limits the capacity of universities to respond to changes in student preferences and demand, causing potential students to miss out on studies of their choice.

The Government will invest \$491 million over four years to uncapping the number of public university places from 2012, allowing universities to offer a place to all eligible students.

This will result in an additional 50,000 new students receiving places by 2013 and help achieve the Government’s

ambition that 40 per cent of all 25-34 year-olds attain a bachelor level qualification or above by 2025.

### Quality and Performance

To maintain high standards within the new system, a more robust quality assurance process, overseen by a new independent national regulatory body, will be introduced.

The Government will invest \$206 million over two years in performance funding, to drive institution-led solutions to improve teaching quality, participation, student engagement and completion rates.

The Government will set agreed performance outcomes across a range

of indicators with reward funding attached.

### Making the system fairer

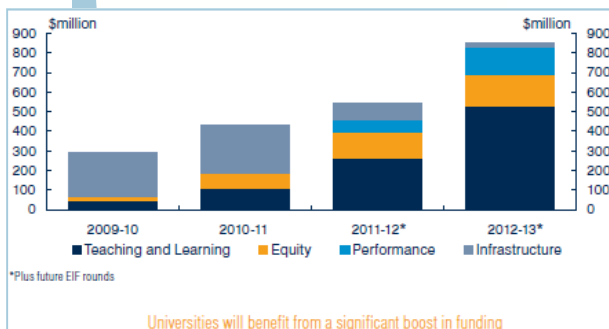
The Government will implement a two-pronged strategy to encourage universities to take a greater leadership role in providing education to all groups in society.

\$325 million over four years will be invested to reward institutions for attracting and retaining low socio-economic status (SES) students.

Universities will also be given \$108 million over four years to build long-term partnerships with schools in disadvantaged areas to promote the benefits of higher education.

This Budget continues the Government’s drive for a world-class education system. The Government is undertaking the most substantial reforms of the higher education system in the last 20 years, replacing the old outdated ‘command and control’ system with a new model for the 21<sup>st</sup> century — focusing on student choice, equity, quality, benchmarked outcomes and greater transparency of institutional performance.

The Government is investing \$2.1 billion over five years as well as additional funding from future Education Investment Fund rounds. This investment in education and training plants the seeds for Australia’s future growth and will position Australia as a leader in the provision of education and training services, with modern facilities and high-quality teaching.



Universities will benefit from a significant boost in funding

### Reforming student income support

To support more participation in higher education, the Government will reform the student income support system to boost the level of assistance to those most in need.

The Government has taken the tough decision to tighten the definition of independence, to ensure that only students who have demonstrated genuine self-support can qualify for Youth Allowance through independence prior to turning 22 years of age.

The savings from tightening the independence test will be reinvested to provide greater levels of support and more generous means testing

arrangements for lower income students.

### Investing for the future

Education is a key building block for future growth. That is why the Government is investing \$578 million over three years to increase the rate of indexation for higher education funding.

This change will improve funding across learning, teaching and research, reduce pressure to cross-subsidise courses and help Australia compete in an increasingly international market for higher education.

### 21<sup>st</sup> century infrastructure

To support the increased investment in teaching and learning the Government

is rolling out the second Education Investment Fund (EIF) funding round.

This funding round commits \$613 million to fund 11 higher education projects, such as the Queensland University of Technology Science and Technology Precinct and La Trobe University’s Rural Health School, and 12 vocational education and training projects. In addition, \$750 million has been provided for future EIF funding rounds.

This builds on other significant capital investment, including \$500 million in the last Budget, \$500 million in the 2008 Nation Building Package and \$580 million for the first EIF funding round.

Budget 2009: Excerpts from Budget Overview 2009 (pgs 20-21)

# Continuing the Education Revolution

This Budget continues the Education Revolution. The Government is investing in education and training to help boost the recovery. This effort builds on long-term reforms aimed at improving the quality and delivery of education within Australia.

## A Compact with Young Australians

The Government's \$277 million Compact with Young Australians will guarantee training places for every young person under 25 who wishes to upskill and ensure young people participate full-time in study, training or employment, until age 17. It will also bring forward — from 2020 to 2015 — the commitment in the National Education Agreement that 90 per cent of young Australians attain Year 12 or equivalent qualifications.

## Improving schools and training

New national funding agreements between the Commonwealth and the States will lead to increased flexibility,

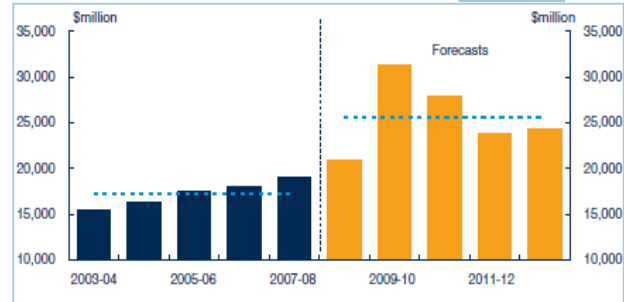
accountability and transparency for the schooling and vocational education and training sectors. In addition, schools will benefit from new National Partnerships including:

- \$1.5 billion to address the needs of disadvantaged schools by facilitating innovative approaches to running schools
- \$550 million to improve the quality of teachers and school leaders through training and rewarding teachers and principals
- \$540 million to deliver sustained improvement in literacy and numeracy outcomes for all students through incentive payments to the States and Territories.

## Building the Education Revolution

As part of the Nation Building and Jobs Plan's Building the Education Revolution, the Government will also make a long-term investment of \$14.7 billion in Australian schools to:

- build or upgrade large-scale infrastructure in every primary school, special school and K-12 school in Australia
- build around 500 new science laboratories and language learning centres in secondary schools
- fund up to \$200,000 for each Australian school for maintenance of facilities or minor building projects.



"We will also bring forward — from 2020 to 2015 — the commitment in the National Education Agreement that 90 per cent of young Australians attain Year 12 or equivalent qualifications"

# Investing in innovation

The Government recognises the critical role of innovation in improving Australia's productivity and prosperity. The Government is acting now to prepare Australia for a faster and more prosperous recovery from the global recession, through an additional \$2.4 billion in measures to increase business innovation, our public sector research base and research infrastructure.

Innovation is critical to Australia's growth and its ability to fully confront both current and emerging economic, social and environmental challenges. In light of the review of the National Innovation System, the Government is undertaking a number of reforms involving a \$2.4 billion investment.

## Improving research quality

Recognising the importance of adequately funding the indirect costs of university research, the Government will provide an additional \$512 million to support research excellence in universities. The Government will also provide \$36 million to improve university research standards through

the Excellence in Research for Australia initiative. Postgraduate students and researchers will also benefit from an extra \$79 million in support.

## Investing in critical research infrastructure

The Government will provide \$901 million from the Education Investment Fund (EIF) for the Super Science initiative, to support the development of key future industries. A further \$322 million from the EIF will provide for a range of research projects.

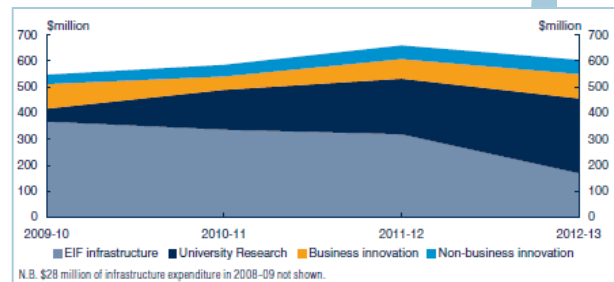
## Encouraging business innovation

To strengthen incentives for business to invest in research, the Government will introduce a simplified research

and development tax credit to replace the current research and development tax concessions. This effectively doubles the support for innovative small and medium-sized firms, while improving incentives for smaller firms in tax loss. Funding of \$196 million will be provided to establish the Commonwealth Commercialisation Institute to support business in realising the benefits of research.

## Investing in enabling technologies

The Government will provide \$46 million to build our capacity in future technologies, including through the development of a National Enabling Technologies Strategy.





## WA Budget 2009: Impacts on the Education Sector

### Western Australian Budget Overview (14 May 2009)

Key Education and Training changes in the budget:

- Up \$419 million (11.4%)
- Improved wages and conditions for teachers
- \$46 million over four years for behaviour management specialists and support for schools
- Additional \$300 million over six years to build or upgrade 14 schools

### Excerpts from WA State Budget Overview 2009 (pg 9)

“In 2009-10, the budget provides a record \$4.1 billion on public education and training services in Western Australia, up \$419 million from 2008-09”



#### Education and Training

In 2009-10, the budget provides a record \$4.1 billion on public education and training services in Western Australia, up \$419 million from 2008-09.

The Government is meeting its election commitment to invest an additional \$300 million to build or upgrade 14 schools. Together with existing funding, 32 schools will be built or undergo significant redevelopment over the next six years.

Training facilities will be improved at Central, Central West, Challenger and West Coast TAFE campuses, agricultural colleges and various Trade Training Centres.

The Government is implementing a range of initiatives to improve student behaviour and increase the quality of pastoral care for students. To do this, we will spend \$47.7 million over five years to 2012-13 to:

- provide an additional 50 school psychologists;
- provide more Behaviour Centres and school Chaplains; and
- provide training to assist and empower teachers in the classroom.

#### Schools to be Built or Redeveloped Over Next Six Years

School	Total Cost \$'000
Applecross Senior High School	56,000
Ashdale College	64,500
Atwell College	33,000
Aubin Grove Primary School	15,000
Aveley Primary School	16,000
Baldvis Secondary School	44,000
Banksia Grove High School	30,000
Bannister Creek Primary School	12,500
Bullsbrook High School	20,000
Butler High School	53,000
Byford Secondary School	30,000
Comet Bay College	25,060
Craigie Heights Primary School	12,500
Deanmore Primary School	14,250
Dongara District High School	30,000
Ellenbrook Secondary College	25,100
Exmouth District High School	15,000
Governor Stirling Senior High School	63,000
Greenwood Primary School	13,000
Harvey Agricultural School	25,000
Karratha Primary School	26,000
Karratha Senior High School	77,500
Lake Gwelup Primary School	13,000
Lockridge Primary School	13,000
Mt Barker Primary School	12,196
Roseworth Primary School	14,000
Safety Bay Primary School	12,800
Tapping Primary School (K-2)	10,000
Wandina Primary School	17,000
Wattle Grove Primary School	14,250
West Byford Primary School	17,000
Yakamia Primary School	16,000
<b>Total</b>	<b>839,656</b>

## WA Treasurer's Budget Night 2009 Speech (14 May 2009)

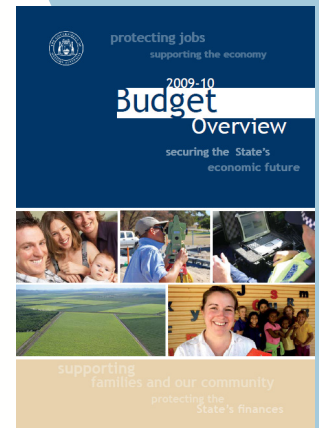
Excerpt from WA State Treasurer Troy Buswell's BUDGET SPEECH 2009 delivered on 14 MAY 2009 :

In 2009-10, we will spend a record \$4.1 billion on education and training services in Western Australia, up \$419 million from the past year.

The Government is meeting its election commitment to invest an additional \$300 million to build and upgrade 14 schools. Together with existing funding, 32 schools will be built or undergo significant redevelopment over the next six years.

The Government is also focused on implementing a range of initiatives to improve student behaviour and increase the quality of pastoral care for students. To do this, we will spend \$47.7 million over five years to 2012-13 to provide:

- an additional 50 school psychologists;
- more Behaviour Centres and school Chaplains; and
- training to assist and empower teachers in the classroom.



## Budget 2009: Excerpts from WA State Budget 2009 (pg 345)

345

### Part 6 Minister for Education; Tourism

#### SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2008-09 Budget \$'000	2008-09 Estimated Actual \$'000	2009-10 Budget Estimate \$'000
347	Education and Training			
	– Delivery of Services.....	3,051,617	3,074,857	3,321,791
	– Capital Appropriation .....	274,618	194,273	1,018,292
	Total .....	3,326,235	3,269,130	4,340,083
365	Education Services			
	– Delivery of Services.....	19,471	15,826	19,898
	– Administered Grants, Subsidies and Other Transfer Payments .....	281,075	281,330	312,486
	Total .....	300,546	297,156	332,384
376	Curriculum Council			
	– Delivery of Services.....	21,800	24,046	24,468
	– Capital Appropriation .....	725	725	68
	Total .....	22,525	24,771	24,536
384	Country High Schools Hostels Authority			
	– Delivery of Services.....	5,804	5,821	5,123
	– Capital Appropriation .....	1,932	1,722	6,704
	Total .....	7,736	7,543	11,827
393	Western Australian Tourism Commission			
	– Delivery of Services.....	55,065	54,611	57,320
	– Capital Appropriation .....	787	787	272
	Total .....	55,852	55,398	57,592
	<b>GRAND TOTAL</b>			
	– Delivery of Services.....	3,153,757	3,175,161	3,428,600
	– Administered Grants, Subsidies and Other Transfer Payments .....	281,075	281,330	312,486
	– Capital Appropriation .....	278,062	197,507	1,025,336
	<b>Total.....</b>	<b>3,712,894</b>	<b>3,653,998</b>	<b>4,766,422</b>

“The Government is also focused on implementing a range of initiatives to improve student behaviour and increase the quality of pastoral care for stud ”



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***Management and administrative oversight of education industry entities requires specific knowledge of the sector, staff, culture and educational outcomes.***

***Fortis has a bespoke Education Management division staffed by highly experienced and qualified consultants with decades of relevant experience in senior educational management, consulting and administration roles.***

## Education Sector Case Studies: Fortis Consulting Projects



### Finance Function Reorganisation and Shared Services Implementation

**Project Scope:** The project involved conducting feasibility, design and implementation of a large shared services function including Purchase to Pay, Record to Report, Order to Cash & Payroll.

**Services Provided:** Our experienced consultants successfully programme managed the implementation of a full finance function shared service operation, over the course of a 9-month engagement. We helped to redesign and successfully transition disparate systems, processes and people into an effectively functioning and efficient shared service environment. Fortis also assisted the client in designing and implementing a culturally appropriate change management programme which was central to the successful reorganisation and implementation of the Shared Services Organisation.

**Project Outcomes:** In addition to successfully implementing the new Shared Services Organisation, which saved the institution several million dollars and provided improved finance and HR services, the project enabled successful implementation of policy recommendations which transformed the business. These included:

- accounts receivable (best practice on effectively managing receivables),
- accounts payable (best practice document scanning and workflow database system)
- staff performance reviews (effective approach to measuring staff performance)

### Adult Migrant English Program Pathways into Employment

**Project Scope:** The project involved providing overseas trained migrants with skills recognition and gap training in mainstream vocational areas with industry specific English language support. Course participants also undertook work experience in their relevant fields through partnerships with industry and community organisations, allowing participants to develop strategies and skills for employment in an English speaking workplace.

**Services Provided:** A senior consultant identified industries that had a need for experienced, qualified staff and matched them with the qualifications and experience of current AMEP students. The senior consultant supervised the course design that allowed migrants with the relevant qualifications and experience to reduce the time required upgrading their qualifications, skills and language to approximately nine months, while achieving the required industry standards.

**Project Outcomes:** The Pathways program overcame the wastage that occurs when industry has a skill shortage while there are skilled migrants who are unable to capitalise on their skills due to cultural and language barriers. The project provided a key to preventing under-employment and unemployment for migrants from non-English speaking countries.