

# The Demand Driven System, Sector Deregulation and Information Systems

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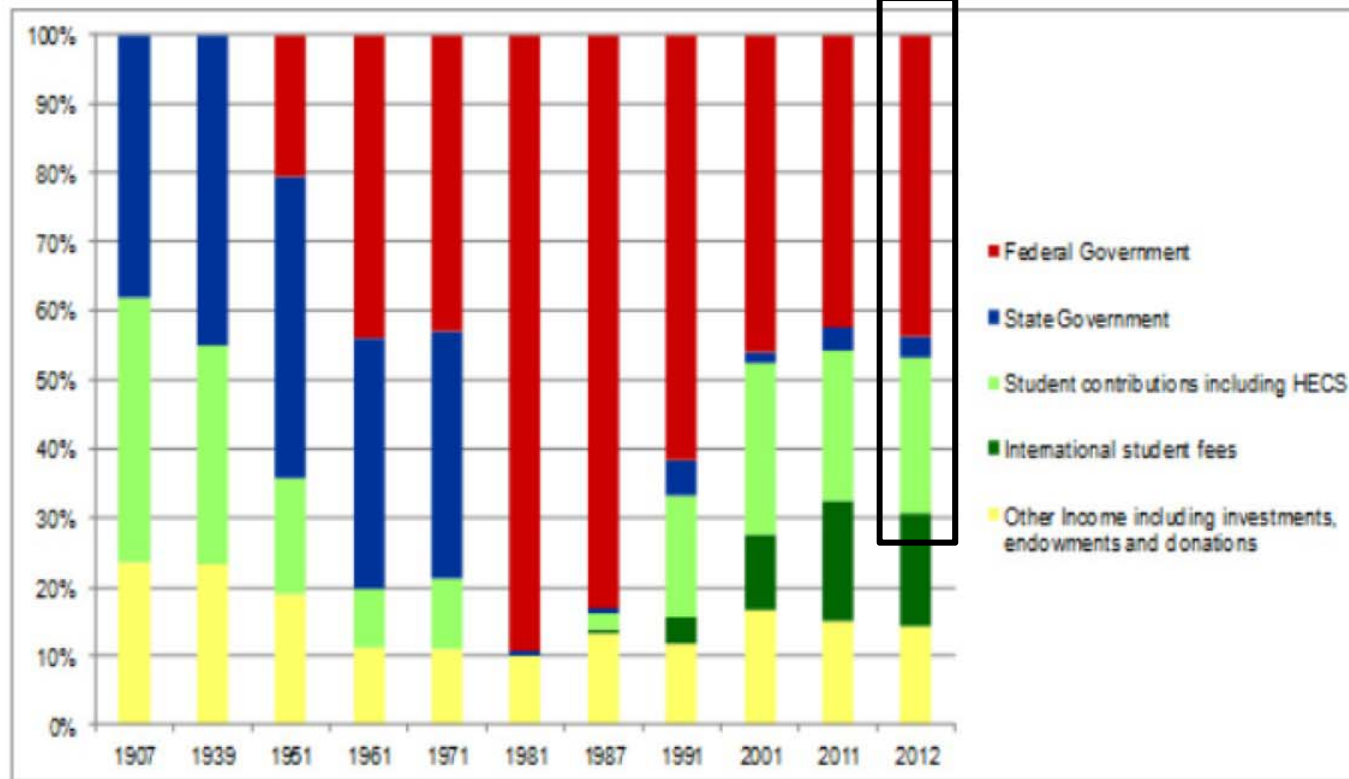
Michael Gallagher – Executive Director (Go8) Presentation – extracted slides.

“Micro-economic Reform of Australia’s Higher Education Industry Sector”

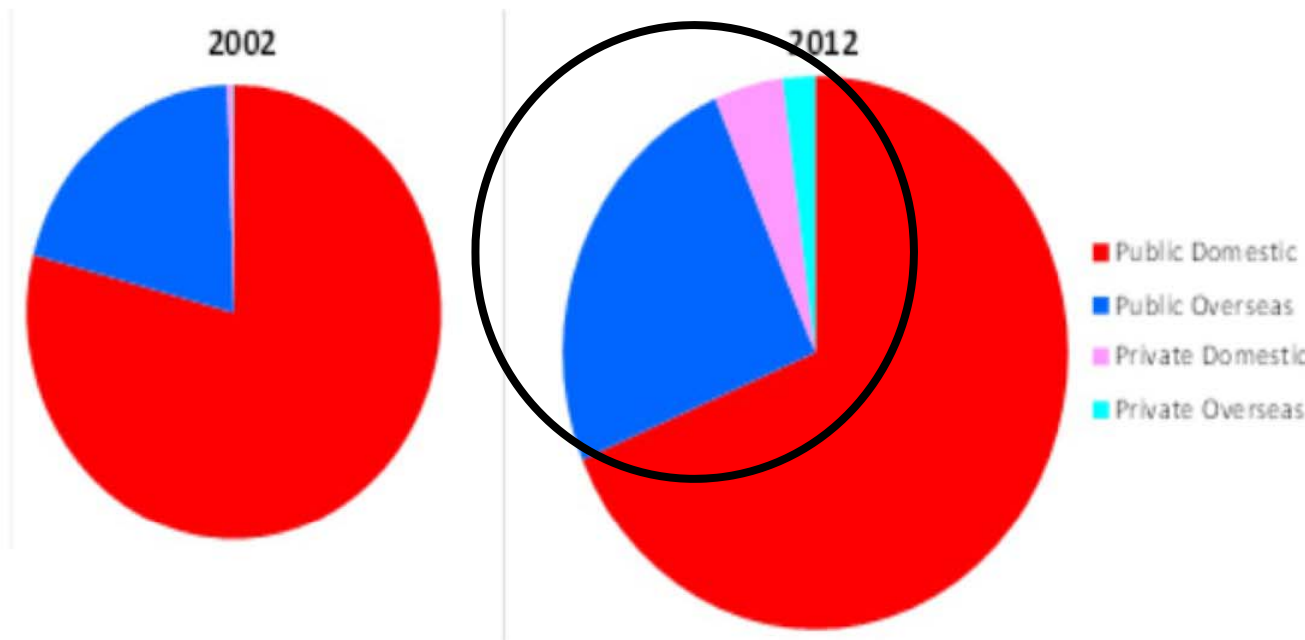
– full presentation available at <https://go8.edu.au/article/micro-economic-reform-australian-higher-education-industry-implications-abbott-governments>

# Micro-economic reform of Australia's Higher Education Industry

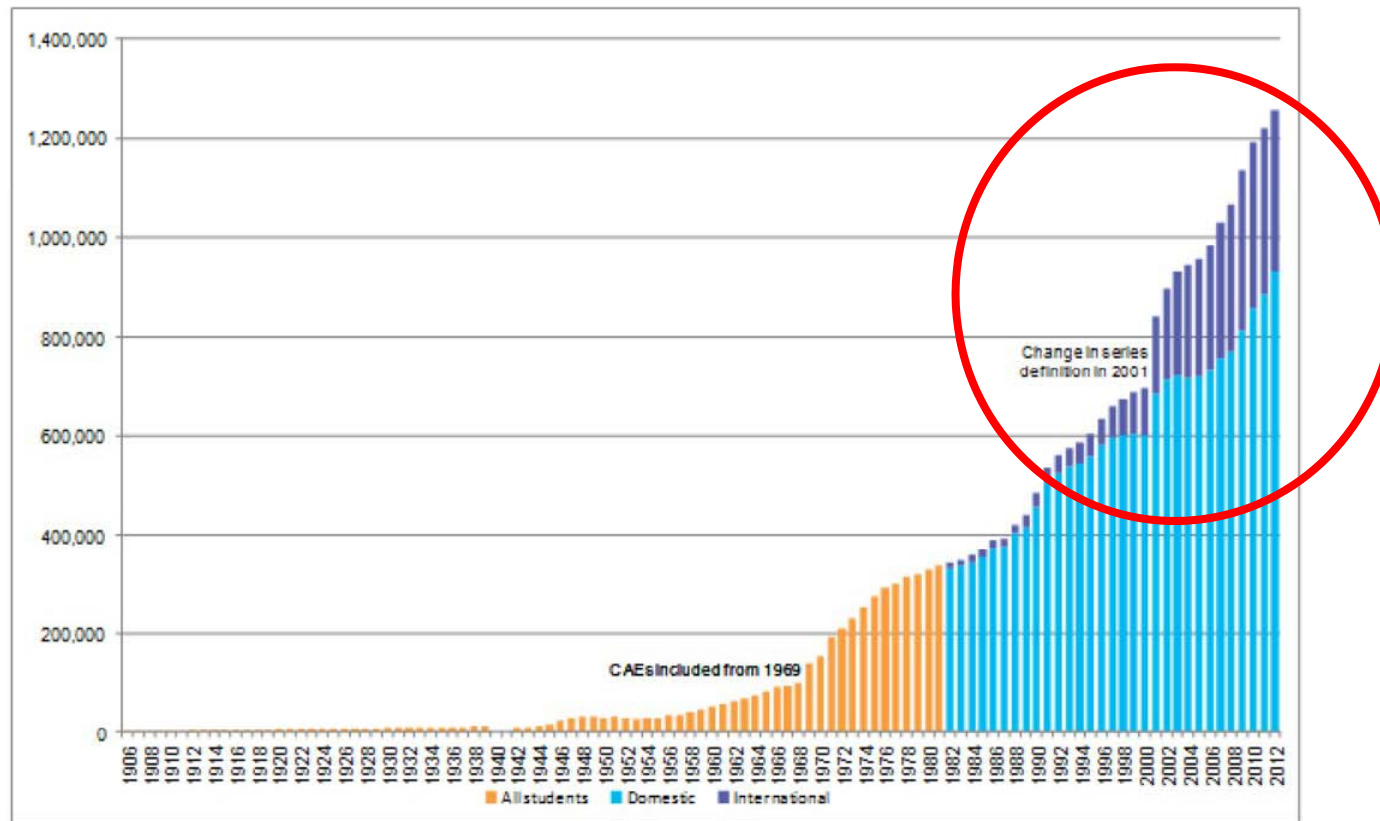
# Higher Education Revenue by Source, Australia, 1907- 2012



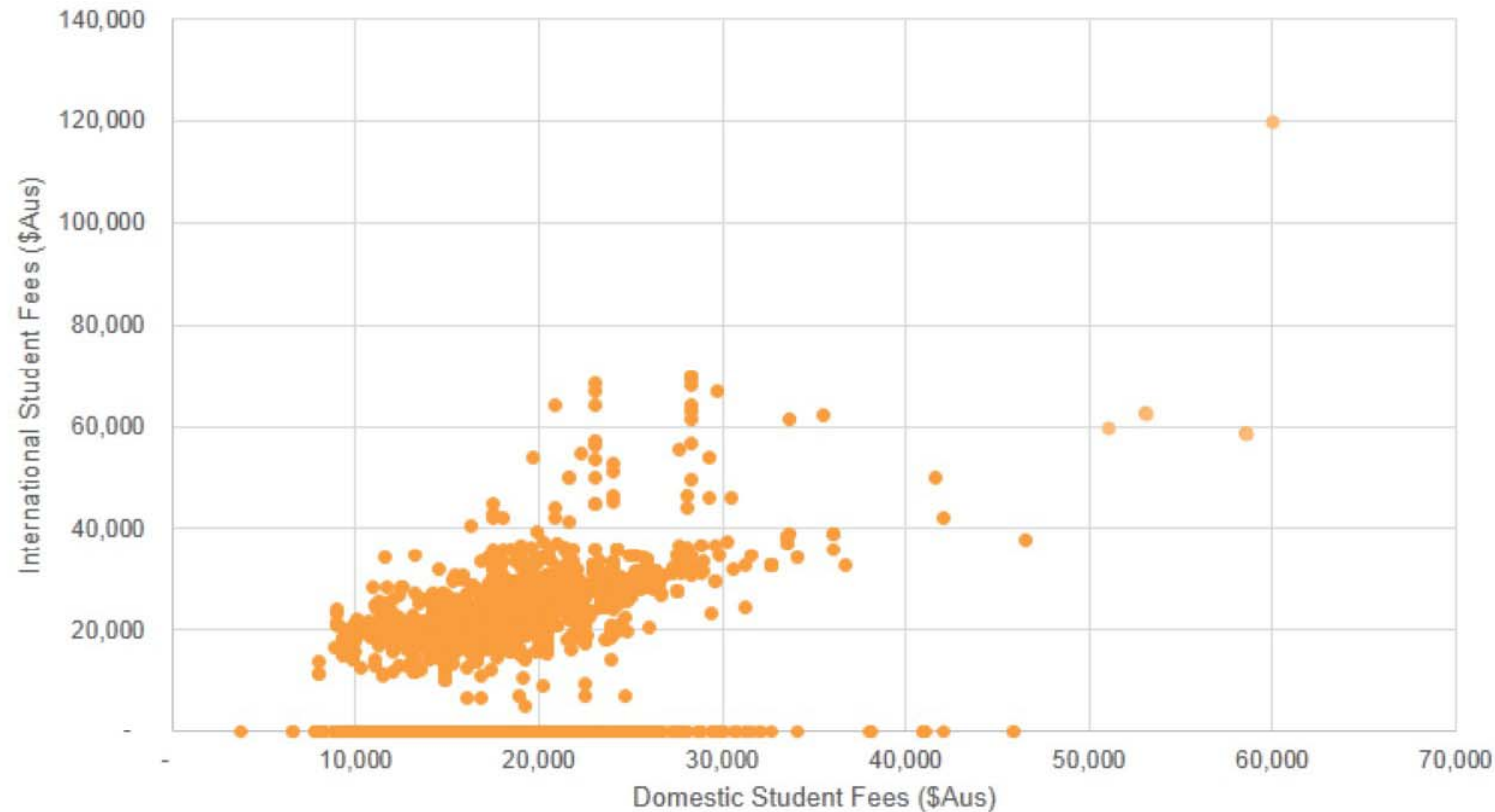
# Equivalent full-time student load, by citizenship and public/private providers, 2002-2012



# Number of students in Higher Education, Australia 1906-2012



# Indicative Fees for Fee Paying Masters Coursework, Domestic and International, 2012



# Indicative Fees for Fee Paying Masters Coursework, Domestic and International, 2012

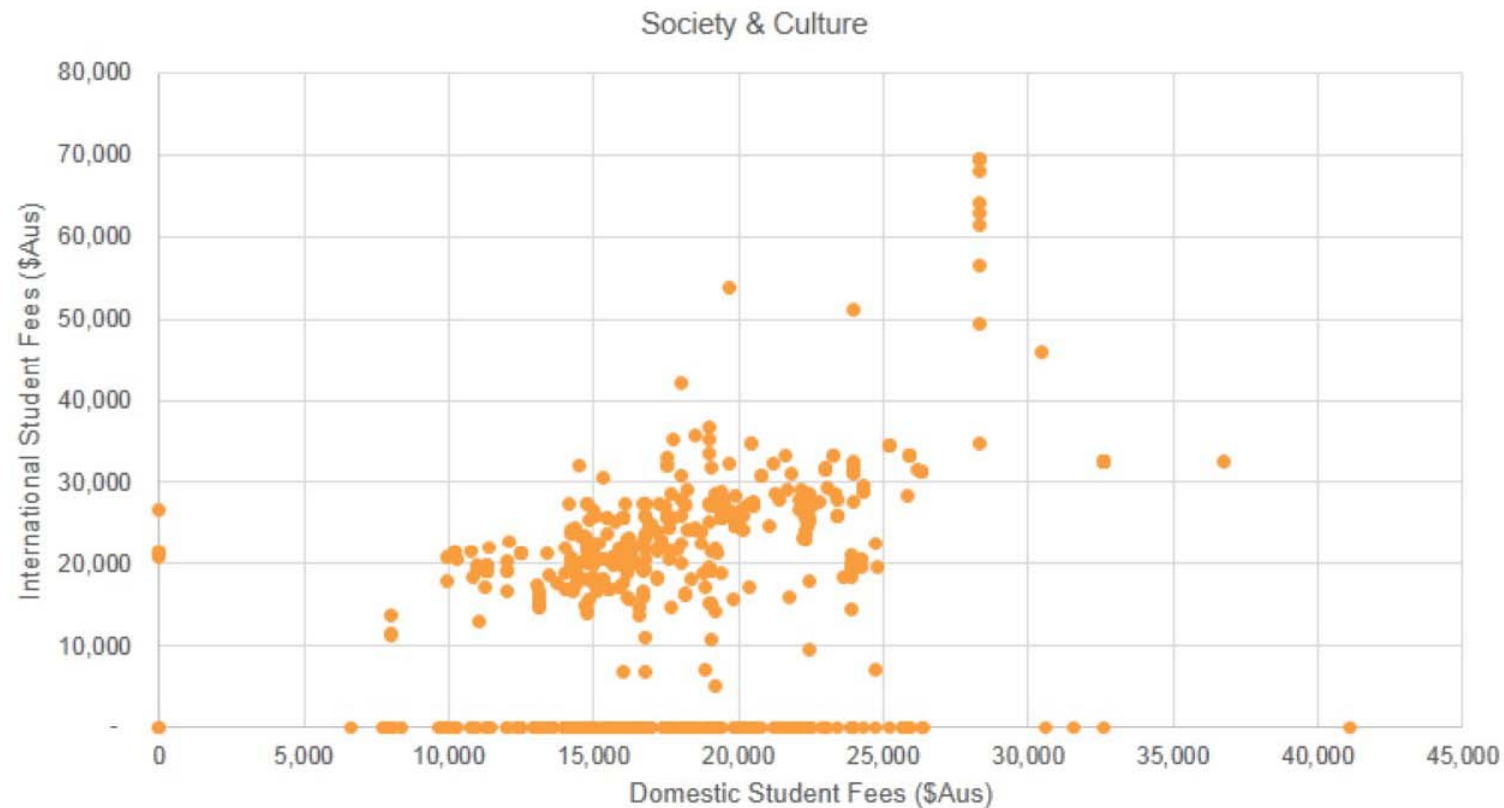
(outliers removed to show main spread)





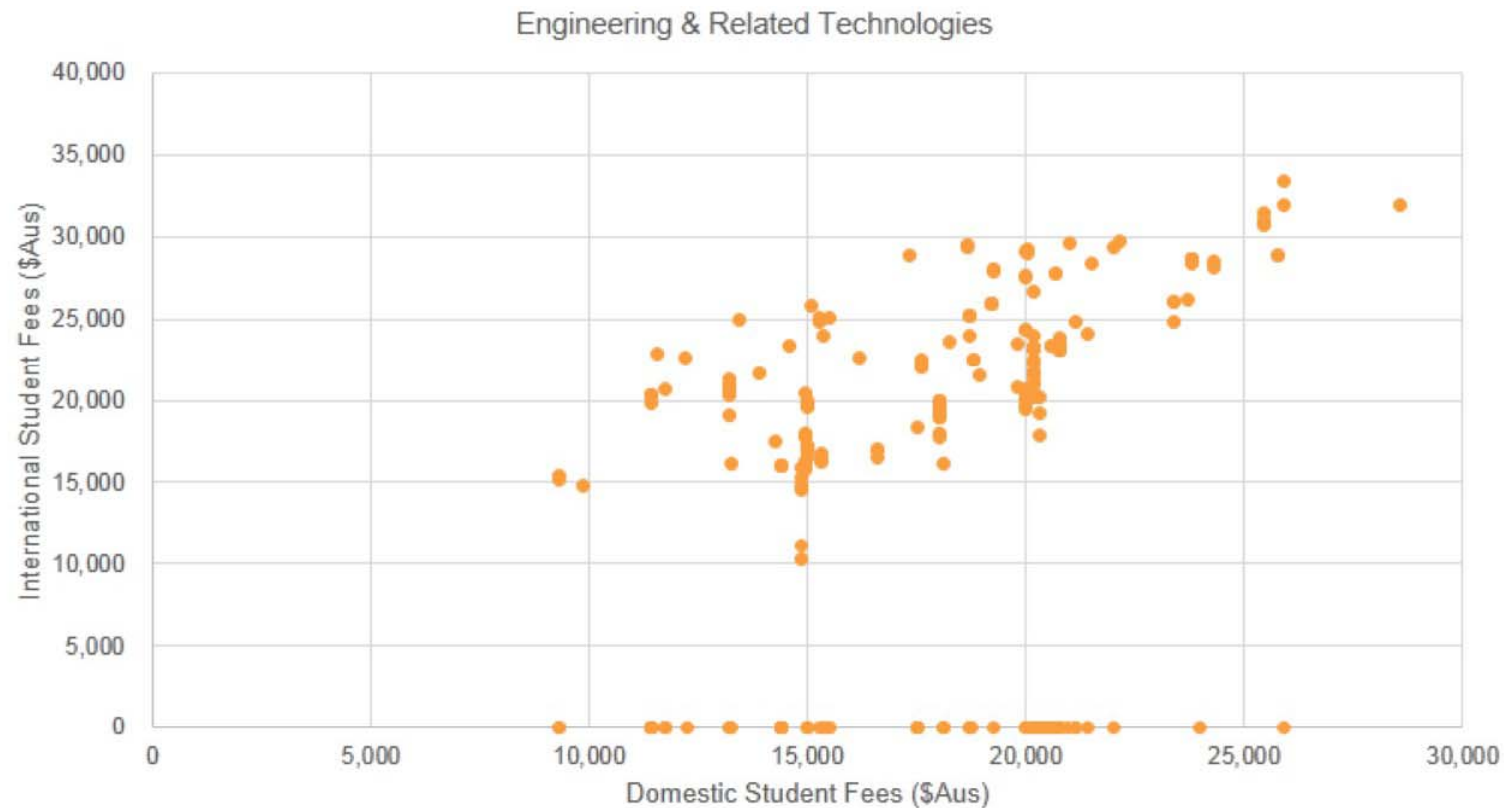
# Indicative Masters Coursework Fees, Australian Universities, 2012

Society and Culture

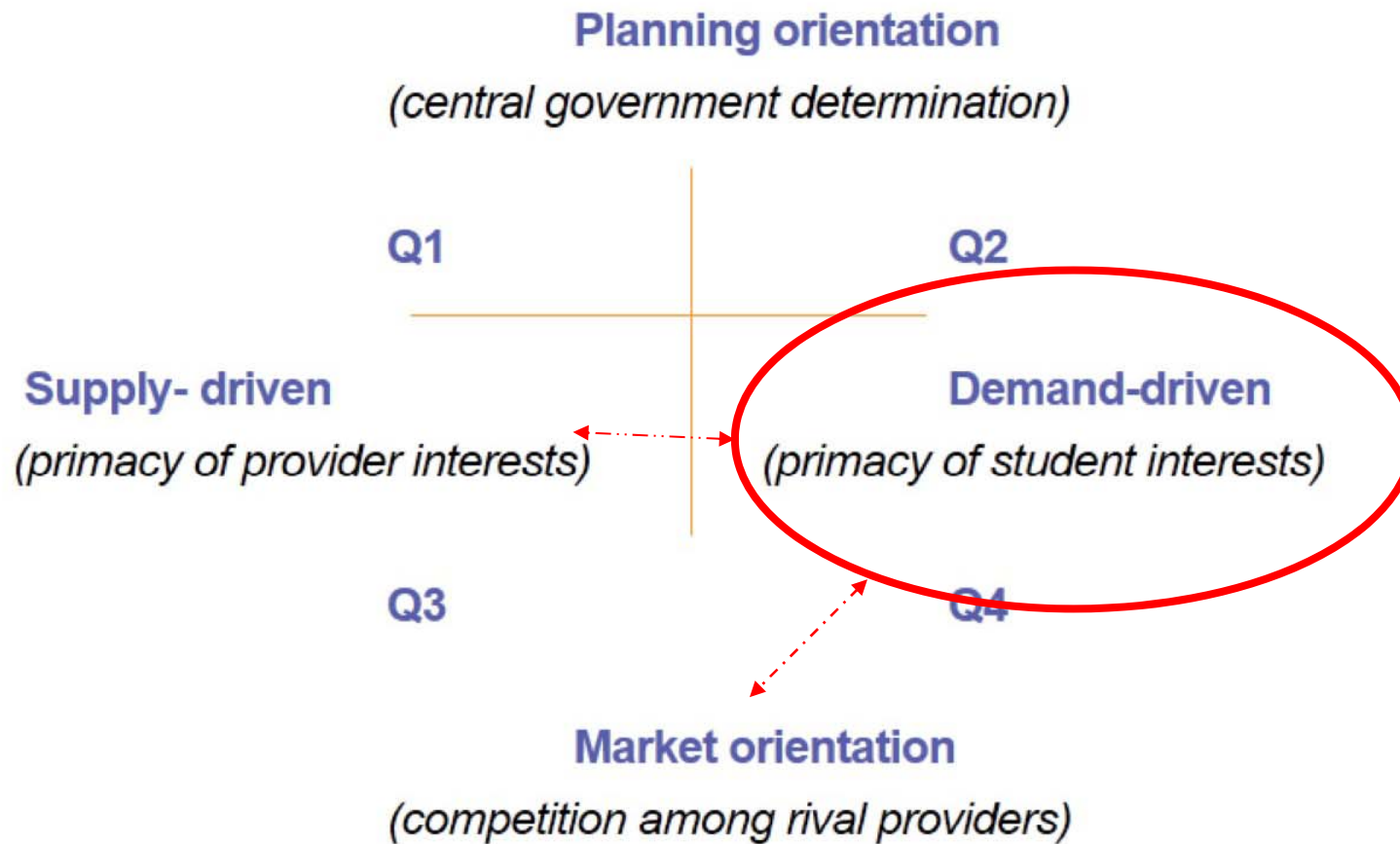


# Indicative Masters Coursework Fees, Australian Universities, 2012

Engineering and Related Technologies



# Higher Education Policy & Financing Models



# Higher Education Funding Models

## I. Supply-side planning approach

The purpose of funding is to establish and maintain educational institutions  
*eg.* block grants for a profile of student enrolments

## II. Demand-side planning approach

The purpose of funding is to enable access for those who can benefit from higher education  
*eg.* rationed scholarships

## III. Supply-side market approach

The purpose of funding is to obtain service provision  
*eg.* competitive tendering

## IV. Demand-side market approach

The purpose of funding is to meet the varying educational needs of individuals  
*eg.* fees and loans.

I II  
III IV

# Unbundling Higher Education

**Supply side unbundling** – compartmentalising and disaggregating delivery processes

- *Infrastructure*: e.g. use of third parties for delivery of essential infrastructure and back office functions such as IT network management
- *Teaching*: e.g. use of externally contracted staff to teach, draft curricula or develop resources
- *Teaching & awards*: e.g. portability of the higher education 'product' in the form of degree award validation and the external delivery of curricula through franchising and partnership provision

**Demand side unbundling** – compartmentalising and disaggregating outputs or consumption

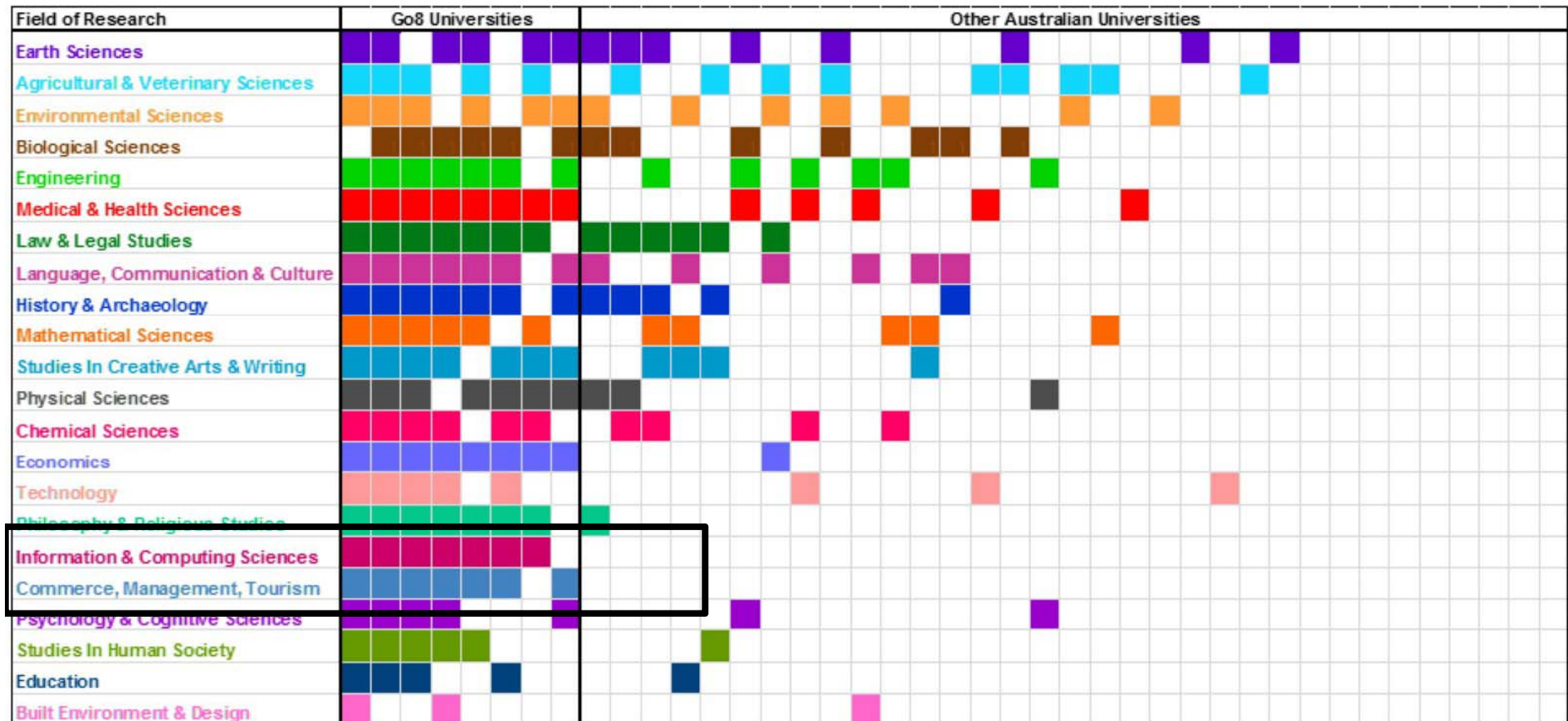
- *Personally tailored learning*: e.g. quicker or multiple routes to qualification, pay-as-you-go credit accumulation, optional purchasing of resources, learning support and facilities
- *Educational resources*: e.g. formal and informal access to on-line resources

Implications for Accreditation



# ERA results, 2012

## Ratings of 4 and 5 by university by field



Source: ARC, Excellence for Research in Australia 2012

If full deregulation of the sector occurs:

**Business faculties** will be impacted by institutional funding policy decisions i.e. numbers of students and level of fees – institutional and then faculty (reputational) factors will play a role.

**Engineering faculties** will be affected by institutional marketing policy decisions i.e. more general degrees or selected specialisations – faculty and then institutional (reputational) factors will play a role.

IS also needs to carefully manage its identity and differentiation from other ICT disciplines (wherever IS groups are located in an institution).

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## Suggestions...For the Long Term

Institutions and faculties should recognize opportunities to innovate within the marketplace – agility will be a key.

Opportunities to partner with (internal) business, technology and other faculties – most institutions have experience with this.

Opportunities to partner with other (external) public and private providers both in Australia and overseas – most institutions also have experience with this but not necessarily with competitors.

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Efforts should be targeted to provide quality education that “mirrors” the vocational market (demand and graduate placement are significant issues) but that also offers a “unique” experience (differentiation of IS courses and careers) especially where Universities have “niche” research and teaching expertise and may lack scale.

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1. Govt research funding (is shrinking) – Cat 2 and below is now a priority to maintain research expertise and ability to differentiate educational offerings;
  2. ARC ERA (niche) data - required to better understand where niche research expertise is located; and
  3. Industry involvement is critical in teaching and research focus development (impact and relevance) so that course demand results in placements for graduates.
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