

**The first Boilerhouse Address
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'What sort of UC will we have in 2005?'

Some Preliminaries

I would like to start today with a few preliminaries, and then, as I have often done, to focus on our strategic situation and the options available to us. The first preliminary is to thank you for the work, enthusiasm and endeavour which produced an excellent 1999 in every way and led to the fine overall outcome of the admissions process this year. Last year I asked the Divisions to budget for a 2 per cent saving, and they all managed to do this, so that we finished the year in the black, as we have done for many years. You need to know that I then make this surplus available to the Divisions for capital and infrastructure expenditure; it is not really a 'profit', but the means by which we manage our finances flexibly and prudently. This year the Divisions are asked to do the same, and with careful management they will be successful again. I like to operate in this way because while we are a large organisation in comparison to most in our city, we are not so large that we can afford to carry big losses. If we were to experience a big loss, the only way back would be to cut our staff numbers until the loss had been absorbed. I don't want to have to do this, and I am sure that you do not want it either. But let me thank you again: we have had a wonderful run over the last few years, learning to adapt and grow despite the very difficult times for all universities, and it is all the result of your great effort.

The second preliminary is to tell you that we have come to the end of the 'natural attrition' strategy that we have been using to overcome the twin consequences of the reduction in Commonwealth funding, and the last salary increase embodied in our enterprise bargain with the unions. In fact the total reduction in staff numbers last year was just 4 people, in comparison with some 36 in 1998. We can't any more use the process of natural attrition, because if we do it we won't be able to deliver the services to our students, to the community and to ourselves as staff that are the basis of our successful operation as a university. I ought also to say that I believe that we have 'bottomed out' financially — that is, that if things go according to plan we should not need to reduce our staff any further: our income stream is rising a little, and some of our costs are reducing. All being well, this year is the last of the years in which the Commonwealth funding of the University will fall. Next year Commonwealth funding should be level, but we must continue the effort to raise new sources of revenue and maintain the old, because our activities cost more every year, and there is so much we could do.

The third preliminary is that we are in discussions with the unions about a new enterprise bargain. I cannot say much about it, for obvious reasons, but you should know that my hope is to provide salary increases which are comparable to those available elsewhere. The obvious point of reference for us is the ANU, whose salaries were lower than ours until their new agreement, and ADFA, where the salary increases for academic staff are

similar to those at the ANU (those for general staff are still under negotiation). You all know that there is no magic wand in all this: the higher our salary increases the less money we have for other purposes, especially for appointing new staff, and the more vulnerable we are to sudden external shocks such as a downturn in the enrolments of international or postgraduate fee-paying students. But I will do what I can to try to make sure that you are paid about as well as other university staff in our city, always remembering that these relativities can change overnight, and that I have to protect people's jobs as well as their incomes. I believe that we can conduct ourselves so that we can afford such an increase, but it will require a change in our culture, and in some of our practices. I shall say more about that later.

The fourth preliminary is about my own situation. This is my tenth year as Vice-Chancellor. My contract finishes at the end of 2002, when I will be a little over 65. I have greatly enjoyed the challenge of this post, but I will not be seeking an extension to my contract, and I am certainly not seeking a job anywhere else. I do not wish to go on about it, but you will all probably realise that this is an extraordinarily intense job, which consumes all my waking hours. Because of the demands for the University to be represented, my wife and I have little private life. We receive scores of invitations every year both from inside and outside the University, and can't possibly attend them all. In addition, we do a great deal of hosting, mostly in 'Bimbimbie' but at other places as well. If we did not do all this together, Bev and I would hardly see one another. Each Christmas for the past few years Bev and I have discussed how we feel about it all, and each year we have decided to go on for another year. Then I talk with the Chancellor and let her know that we are fine for another year. That really means two years, because I would want to give the University a year's notice if I felt that I needed to go, because it will take the best part of the year to do all that is necessary to replace a vice-chancellor. I should tell you that we feel positive about things and that I have once again given the Chancellor that message. While my health and enthusiasm remain good I expect to go on with the task. I enjoy the challenge, I am very proud of the University and what we have achieved together; I like working with you all. But you need to recognise that the University is entering a succession moment. Both at the level of Council and at the level of the senior management of the University, there will be a number of changes in the next few years, as there will be in many of the Schools and sections. I mention all this in part because I know that rumours have been circulating, and in part because you need to know that I am very serious about planning for the future.

Our Strategic Situation

Those are the preliminaries, and they lead straight into my principal topic: what are we trying to do? What is our direction? Let me provide a little context, which will be familiar to some of you. It seems clear to me that public funding for higher education will decrease, both for teaching and for research. That will provide an initially difficult environment for the older universities, because to some extent they are built around the traditional (ie 19th century) academic disciplines and still need large injections of money for what used to be called 'pure' research (ie. for the most part, the research that researchers want to do). That is pretty clearly not the direction for the future. But the older universities have generally high reputations, good staff and

good facilities. If they can adapt their resources to the new environment they will be successful. I expect all of them finally to be successful. Some will take a long time.

For universities like ours the future is to some degree an extension of the present. We have not been funded for pure research, and by and large we are built around the bodies of knowledge needed by the professions, the new as well as the old. We also have a strong focus on teaching, which I see as an advantage in the new ballgame. We know how to use our location in the national capital to good effect, and I believe that will be an increasing asset. We too have a high reputation, but not in the same sort of domain as the University of Adelaide, for example. We too will be successful, but in a different way. What is that way to be?

For the past decade we have been proceeding on lines set out in the University's first strategic planning paper, *Strategic Directions*. Its logic was to build on what the University did best, not to follow the other newer universities into being imitations of the older establishments, and to take advantage of our location in the national capital, which allowed us to operate nationally and to build good international links. We have done that well. In 2000 the University of Canberra is very highly regarded indeed, not just in Canberra, for what it does best, and the contrast between now and ten years ago is striking, in reputation, morale, activity and the look of the place. In that time we have adjusted to an enormous amount of change, more, I think, than occurred in the previous 25 years.

And in particular we have learned how to generate new business for the University to overcome a reduction in core funding. The lean years, if that is the right way to characterise low levels of public funding, are set to continue indefinitely. What is more, there are ominous signs that the Commonwealth Government is considering establishing something like tiers of universities, a kind of stratification, which will be about perceived status, itself a mixture of age of origin, connection to State elites and shares of Commonwealth research money. It is silly stuff, because these factors don't tell you much about the quality of education available at a university — indeed, they may be inversely correlated! — but then I have become used to silly stuff masquerading as considered public policy. Also ahead is a permanent system of quality assurance in higher education, controlled by a body independent of the universities themselves and, with some luck, independent of government also.

The pointers to these changes are there to see. The Government's White paper on Research, the Innovation Summit held in February and the papers prepared for it, the continuing discussions about the quality audit mechanism, the changing quality of the editorials in newspapers, the comments of several vice-chancellors about the need for 'real' competition, whatever that is, the way in which Australia's involvement in East Timor is publicised as soaking up funding which might have gone elsewhere, the lack of a well-considered alternative policy from the Opposition, or anywhere else, for that matter — these pointers tell us that the next few years are likely to produce what some people like to call a 'shakeout': a much sharper differentiation within the Australian higher education system. While I believe that the system already displays a great deal of diversity, I also anticipate that in the coming years

there will be much more attention paid to what each university is really good at, and much greater public scrutiny of the claims which each makes.

I should tell you at once that I do not believe for a moment that any university will close, or that any will go bankrupt, or that there will be a new round of mergers, though new kinds of association between universities can be expected. All of Australia's universities are big organisations, and some are so big that they seem to be experiencing substantial diseconomies of scale. All of them are important institutions at a number of levels, most obviously the local one. All of them have powerful community and political support. All of them attract students, internationally as well as locally.

But I still sense the coming shake-out, and if I am right to do so, the question is: what should UC be distinctive for? I have no special competence with crystal balls, and do not profess to be able to tell the future. But I have been deeply involved with higher education and research policy for the best part of twenty years now, and as a historian and political scientist have a special interest in the evolving nature of my own country. My own judgment is that the great publicly-funded expansion of higher education and research which began in the mid 1960s and continued until the early 1990s in some sense is coming to an end. Perhaps it has come to an end already. I do not mean that universities are going to close, but that the education system is no longer being seen by our political parties as an explicit part of nation-building. Rather, like the health system, it is seen as a facility through which Australians shape their own lives and the lives of their children. Those who want to put more of their disposable income into education should be able to do so, just as they can in matters affecting their health. That is the view of the present Government.

The picture which we in universities, and our colleagues in schools and TAFE colleges, largely share gives education a much more elevated role. We may be right to give it that status. But our view is no longer widely supported, and to the extent that we couple our view to a claim for more public money, it is simply ignored and rejected by governments of all persuasions. In the first quarter of the new century (which begins, as you all doubtless know, on 1 January next year) Australia's universities will find their own feet and establish their own market shares, without much regulation or assistance by governments. So I return to my central questions: where will our feet be planted, and what will be our market share? We can't say 'We're a university' and hope that such a statement will be sufficient. We'll have to say 'This is what we do and what we are, and in our game we try to be the best'. What will our game be?

Three Goals for 2005

I put to you three statements that I propose will characterise the University of Canberra in 2005.

** We provide the best undergraduate education in Australia for people wishing to enter the professions.*

** We are the leaders in the design and delivery of postgraduate education programs that lead to advancement in the professions.*

** We are widely known and highly regarded for high-quality, focussed research that tackles the problems industry, government and the community experience now, or fear they will experience in the future.*

I would like you to reflect on three aspects of these statements. The first is that they centre on what, in parts of the University, we already do well. These goals surely sum up the direction in which we have been travelling for the past ten years. The second is that few other universities, if any, would be prepared to say things as simply. There is still a widespread tendency to try to be all things to all people, to be in favour of pure research, and understanding, and disinterested enquiry, and all the rest of it. Too wide an ambition is not feasible for any Australian university — indeed, probably for any university in the world. It is certainly not for us. We should be ambitious, but over a small set of domains.

The third aspect to note is that these three statements are all claims, and bold claims at that. As claims they are in my view achievable, but if they are to be realistic, then we all have a lot to do: at the moment they are aspirations. Let me anticipate a question: why have we got to be the best? Why can't we just say that we are among the best or, more pallidly, that we do our best? My answer is: that won't be sufficient. We may not have large scale or lots of money or walls of ivy; but we do have quality, and we are small enough and knowledgeable enough to sustain our claims if we work at it. What is more, too many Australian universities have misguidedly gutted their undergraduate programs to bolster their research and research training endeavours. We have not done this — indeed, I can hear people say that we have done the reverse!

Let me add something about evidence. If you monitor our annual admissions outcomes closely, as I do, you will have observed that for the past two years there has been a discernible and continuing lift in minimum entry levels. Although we advertise a minimum entry score of 70 for the University, the great majority of our undergraduate programs don't take in students who fall below 75, and many are far above that. We ought to say now that in 2002 the minimum entry level for UC will be 75, and that in most courses, as intending students learn through the UAC Handbook, the cut-offs are much higher. These movements tell us that the University of Canberra is attracting better and better students every year, at the expense of other universities. And so far as we can tell, they come because we are known to be good at what we do. We simply have to go on doing better what we now do, ensuring both that our programs are the best in the country, and that our students are correspondingly good.

Let me anticipate another question: how could we hope to be the best with the resources we have at our disposal? My answer is that we do have the resources, but we do not focus them in a strategic way on objectives like these. In a year or two our annual expenditure will pass \$100 million. That is enough money to achieve these objectives now, if we focussed our resources on a small set of objectives. If we try to do a bit of this and a bit of that, and a bit of the other, so that everyone feels that his or her enterprise is part of the

scene, then we will be of no account, and very likely we will diminish in reputation and in size.

The Research Issue

As always, again, my intention is to start you thinking, and talking amongst yourselves, about our situation and what might be done about it. I have great confidence in our collective commonsense, our capacity to do new and different things, and to respond quickly. If I am right about the future, then one thing which will have to be done is to think through our research endeavour in a strategic way, support those projects and programs which assist our imagined future, and not support every initiative. As I have said, we already undertake niche research of excellent quality, and our task is to expand what we do in these areas and carefully develop others. In doing so we will need to involve the ACT community and its industrial base in our plans, for we need partnerships in research above all. Kerry Kennedy and I have already issued a paper about the research issue, and the Government's publication of its White Paper, *Knowledge and Innovation*, at the end of last year has only intensified the importance of the questions that were raised in that summary. I intend to devote a day, Friday May 3rd, to the research question, and to that end Professor Kennedy and I will issue another version of that paper, and invite those who are interested in these issues to a day-long seminar in which people can put forward their own points of view and argue about those of other people. I will preserve research expenditure for 2000 in much the form that was the case for last year. But for 2001 and beyond, I believe that we need to plan and spend in a much more strategic way.

I have commented in the recent past that what is happening to higher education pushes us, almost paradoxically, into a more collegial or corporate existence. In the past it was possible to see the university as a more or less benign environment in which an individual academic could pursue his or her own intellectual career, contributing a given amount of teaching to the department or school, but otherwise free to think, read, write, experiment or, in a few cases, do nothing much at all. Those days are gone. So much of what we now do needs resources of one kind or another, especially the skilled help of others. University activity is no longer in a myriad of little boxes. It is now inter-related, and in this respect universities are a microcosm of the wider society: the success of modern Australia flows from the co-operative activity of the members of dozens of knowledge-based professions, who rely on one another and do their best to assist in the common good.

So also in the University of Canberra. All of us rely heavily on the work of others, and the little boxes are giving way to a new interdependence. I learned a lot about this phenomenon through my participation in a year-long working group of University senior people and the senior officials of the NTEU's UC Branch which looked at the workload question. We still do not have a final report for everyone, though our summary paper is imminent, but I can at least tell you that we have no doubt that workloads have both increased and widened. In consequence, it is no longer possible for people to follow their own sense of what is good for them without considering the consequences for others. At least, it is possible, but it is not fair: the invisible hand, beloved of Adam Smith, does not seem to work in the interests of the whole. We teach not simply on our campus, but in a number of overseas

countries, in Sydney, on the web —potentially everywhere. Our students deserve our attention and care. If we are off teaching somewhere else, or doing some consulting, to whom will our students talk? We are learning how to provide an electronic answer, but that is not enough: we need to understand the collective nature of the University's endeavour. More, we need to enhance it.

The Consultancy Issue

The issue of consultancy, or more broadly, the ways in which academic staff use their time and their energy, and the balance of private and University good that flows from that use of time, are so central to our future that I propose to devote another full day to the issue. This will be later than the research day, and probably a month after it. Once again, it will be preceded by a paper which will set out the issue and propose a way forward. Once again, those who wish to put forward their own views will be encouraged to do so, and to argue out alternative points of view with those who espouse them. Central to all of this is the way in which we are all paid. You know that the Commonwealth Government no longer wants to regulate university salary levels. That is our business, or a mixture of our business and the business of the Industrial Relations Commission. Market forces are apparently supposed to rule. A few weeks ago the University Council spent a half-day on the broad context of the future worlds in which our University will operate, and we were advised by a noted expert in this domain that if we were a business we should be moving quickly to halve our costs and double our salaries. We all took a deep breath at the very idea, because such a large proportion of our costs are our salaries, but there is no doubt that if we wish to attract excellent people to university work, and I mean in every part of the University, we have to be able to offer salaries and conditions that are at least as good as those operating elsewhere.

A Different Culture

This is what I meant at the beginning of this address when I talked of a change in our culture. Let me return to the three primary goals I outlined:

** We provide the best undergraduate education in Australia for people wishing to enter the professions.*

** We are the leaders in the design and delivery of postgraduate education programs that lead to advancement in the professions.*

** We are widely known and highly regarded for high-quality, focussed research that tackles the problems industry, government and the community experience now, or fear they will experience in the future*

If we are to achieve those goals, and we can do it, there will need to be a rather different culture in the University of Canberra. I can't define it all, but it will have at least these characteristics:

** while some of us have more responsibility for the academic work of the University, and others have more responsibility for its supporting*

endeavours, all of us are committed to ensuring that the University of Canberra is a successful business enterprise;

- * we are practised at teaching, researching and consulting overseas, we welcome international students, and we can see Australia in its global context;

- * the University values its students and its graduates, and focuses on their educational and professional needs;

- * the skills of our people are directed to the University's needs, and staff are supported in improving and developing their skills and abilities;

- * the 'life in common' of the University is of a very high standard (I wrote about this useful phrase in Monitor);

- * we build partnerships between the University and other universities, companies, government agencies, community organisations and international NGOs;

- * people work for the University, not for themselves;

- * the general level of salaries is high;

- * the University values its people and celebrates their successes;

- * there is equity in the distribution of all work;

- * we know very well what other universities and relevant organisations do, and we learn from them;

- * we constantly monitor what we do, and always try to do better this year than we did last year.

If we are the best in Australia at what we choose to specialise in, then I think we will look very much like that. I think we will have a better university in which to work. It will without doubt be a more successful one, and its staff will be better paid and more confident in what they do.

What would it be like in practice? Well, at the level of a School or a professional program, it will mean that the members of the School understood the professional world in which graduates will use their talents, continually modify the curriculum so that it prepares the graduates best, develop creative modes of delivery, know very well what is being done elsewhere in Australia, seek and obtain excellent students who meet our exacting entry standards, follow graduates' careers, establish excellent links with the profession concerned, and so on. The quality of our courses will stand out in any set of awards, ratings or audits. We expect that all of our courses meet the same high standards, and we make sure that they do.

That's a beginning. For all of us it would mean, among other things, setting and maintaining very high standards in what we did, whether it be the development of our beautiful campus, a welcoming attitude towards students, a rapid turnaround in dealing with postgraduate and international

applications, quick response in financial matters, thoughtfulness in dealing with others. It doesn't in fact require much imagination: it is an intensification of what we already do.

A Pause for Reflection

I appreciate that for some of you my address may have offered too great a challenge. But I don't think that it is. I could not have offered it nine years ago, when I was first appointed. There was a lot of healing to do, a lot of building, a lot of spreading the message. But I think the University of Canberra is ready for the next challenge, and that is to position itself among the leading universities in Australia. They will not necessarily be the oldest. Fifty years ago the University of New South Wales, now by some reckoning the leading university in Australia, at least in research terms, was of no account. Indeed, it did not exist under that name until 1958. Its progress since then has been steady and powerful. The University of Wollongong, whose Vice-Chancellor spoke to us at Commencement Day, was at or near the bottom of the league tables thirty years ago. It is now at the top of them in some respects. There is nothing to stop us doing the same, and we will not take so long. We are already a long way from where we were in 1990. What the journey requires now is clearness of vision, collective determination, good planning and trust in one another. I believe that all those ingredients are there.

This year we are celebrating the 30th year of teaching on this campus, and we will be doing a lot of message-spreading. I think it is time for us to say to all our supporters, our stakeholders, our students and our communities, just how good we wish to be, and why that is a good thing. I don't think that you will find any objection to our goals — on the contrary. Those who know about universities know that we have already come a long way. I believe that you will find them cheering us on and wishing us well. After all, they can only benefit from our success.