



Grant Thornton

An instinct for growth™

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# Universities: Managing the Risks of Growth



# Unprecedented Market Growth:

Education is one of the driving forces of the Australian economy; in 2014, the industry brought in \$27.8 billion in revenue<sup>6</sup>. This makes it the fourth largest export and largest non-mineral export.<sup>1</sup>

International education services is Australia's third largest export and drives at least 130,000 full time employees

In 2014, HEPs brought in \$27.8b. Of which \$16b accounted for exports

Australian universities are experiencing broad growth across the board at unprecedented levels. Most universities have seen double-digit growth since places started to be uncapped in 2010.<sup>2</sup>

International education services is now a major driving economics force and is Australia's third largest export and drives at least 130,000 full time equivalent jobs around Australia.<sup>3</sup> Total international student enrolments have surged by 11% over the past year and accounts for \$16 billion yearly.<sup>4</sup>

Total growth from 09-14  
36%

*"Over the next twenty years, demand for higher education are likely to experience significant growth, if only due to demographic change. Australia needs to urgently consider how best to meet the needs of these additional students, as well as address how best to match higher education training to the needs of the Australian workforce. Attention will also need to be given to ensuring a pipeline of academic staff is ready and prepared to fill the expected gaps in the workforce as the current wave of senior academics begin to retire."<sup>5</sup>*

1. *The Conversation – 'Australia's 'five pillar economy': education'*
2. *The Australian – 'student numbers in Australian universities keep growing'*
3. *The Honorary Christopher Pyne MP – Minister of Education and Training*
4. *The Sydney Morning Herald – International student numbers soar by 11 percent*
5. *"Future Demand for Higher Education in Australia" – Group of Eight Australia*
6. *Department of Education – Finance 2014*

“Our ever expanding University, schools and locations have pushed our existing administrative processes and technology infrastructure to the brink” – Mark Cartwright, Director, Audit and Compliance – University of Western Sydney

### UNIVERSITY GROWTH WILL PRESENT OPPORTUNITIES BUT ALSO UNIQUE CHALLENGES

As a result of fast paced growth, universities have been facing numerous administrative and systemic challenges:

- Numerous universities across Australia have been impacted by cheating scandals involving students using imposters to sit their exams and using online essay writing services
- Instances of incorrect grades have been awarded to students that have negatively impacted graduation and accreditation programs
- Students data privacy being violated due to improper administrative oversight on publishing exam results
- Disparate and antiquated university systems not scalable in supporting long-term strategic growth

### NEGATIVE IMPACTS TO YOUR UNIVERSITY

These examples highlight broader issues and challenges you may have within your University’s processes and infrastructure.

As your University grows, the degree and severity of impacts may be more pronounced and detrimental:

- 1** Adverse reputational impact to the University
- 2** Misallocation and/or inefficient use of University resources
- 3** Potential breach of student data privacy and in contravention of local/federal laws
- 4** Systems and processes not scalable to support the University’s growth targets

**Don’t get left behind. Get your University to take the lead in creating a sustainable solution to support scalable growth. The conversation starts now...**



# A Call To Action

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- Articulate your University's short, medium and long term strategic growth objectives and translate them into quantifiable impacts to your business activities?
- Identify your University's administrative and technology related pain points and bottle necks of today and tomorrow?
- Review capabilities of the student administration and finance systems. Scalable solutions need to be in place to support projected future growth of student body and changes to fee structure reform
- Review your quality and controls environment. Are there mitigating actions in place to address gaps?
- Monitor performance and develop a model of continual improvement.
- Review your program office capability and assess your project delivery capability.
- Follow up initiatives by measuring benefits and conducting post implementation

## Contacts



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