AIE 2025
Risk & Rewards in Australian Higher Education

What is the death of innovation?
Cannot leave home without a conference, speaker, media on the need to be more innovative.
So why are intelligent, capable and affluent people and organisations NOT innovative?

Wellington Pde, Melbourne

Australian Higher Education:

- Highly recognised globally
- Highly ranked universities
- Strong historical growth
- Integral part of the domestic economy

Opportunities for the future are endless, with growth and innovation

SHOULD WE PAT OURSELVES ON THE BACK?

Let’s look at some other education markets first

THOUGHT? What do you think Fairfax thought about its future prospects 12 months before the emergence of Seek and carsales.com?

CallmeishmaelSomeyearsagonevermindhowlongpreciselyhaving littlenommoneyinmypurseandnothingparticulartointerestmon shoreithoughtwouldsailaboutalittleandseethewaterpartofthe worlditisawayhaveofdrivingoffthepleenandregulatingtheircirculati onWheneverifindmyselfgrowinggrimaboutmousethensoonerit isadampdrizzlyNovemberinsoulwheneverifindmyselfinvoluta rlypausingbeforofinwarehouses,andbringingupthereareofevery funeralmeet;andespeciallywhenevermyhypogetsuchanupper handofme,thatitrequasiastrongmoralprinciplerevovefrom thestreeet,andmethodicallyknockingpeople’ shatsoffthen,accountithighnotgettoalseasoonasican.
Call me Ishmael. Some years ago -- never mind how long precisely -- having little or no money in my purse, and nothing particular to interest me on shore, I thought I would sail about a little and see the watery part of the world. It is a way I have of driving off the spleen, and regulating the circulation. Whenever I find myself growing grim about the mouth; whenever it is a damp, drizzly November in my soul; whenever I find myself involuntarily pausing before coffin warehouses, and bringing up the rear of every funeral I meet; and especially whenever my hypos get such an upper hand of me, that it requires a strong moral principle to prevent me from deliberately stepping into the street, and methodically knocking people's hats off -- then, I account it high time to get to sea as soon as I can.

- Moby Dick

### LARGEST EDUCATION MARKET IN THE WORLD - US

The majority of students made little or no statistical gains over the entire four years of college. "American higher education is characterized bylimited or no learning."

- Richard Arum, Academically Adrift

"The underlying structure of the American university had been designed to meet the needs and desires of researchers."

- Ryan Craig, The End of College

"Little pretense is made that many of the things said to students are of much importance."

- Robert Hutchins, President, University of Chicago

"Only 10% of students who enroll in community college, with the goal of earning a bachelors degree actually get one."

- National Centre for Education Statistics, 2010

50% of Higher Education Institutions could be bankrupt within a decade.

- Clay Christenson, Harvard Business School

### WHY?

**Why study in Australia today?**

1. Proximity to Asia
   - Singapore, Shanghai...

2. Highly ranked institutions
   - 1958?

**WHY?**

**Why study in Australia in the future?**

PISA testing?
- Shanghai
- Taiwan
- Singapore
- Hong Kong
- Japan
- Korea

?? Estonia and NZ

**HIGHER EDUCATION in the future?**

- R&D

What happens if we look at the last two slides together?
1. Singapore to Heathrow 3 hours

Shanghai to Los Angeles, under 2 hours

Mat Jacobson, 20/10/2016
Do Universities Need to Disrupt?

Causes of Disruption:

1. Regulatory environment - VET
2. Technological advancement - Kodak, Encyclopedia Britannica, Fairfax to: Air B&B, Seek, Realestate.com
3. Poor customer service - Taxi’s to Uber
4. Fragmentation - Almost every sector globally
5. Overly bureaucratic and slow to respond - Telco’s, Energy, banks

HIGHER ED?

Internal Sector Disruption
- 2U
- Academic Partnerships
- Minerva
- Ducere
- Intense sector competition
- Loss of competitive advantage
- Ivy League

External Threats – Alternative models to university
- MOOCs
- University of the People
- Thiel Fellowship, Founder of PayPal
- Ernst & Young / Penguin Random House

An Innovative Higher Education Model
Ducere is...

A for-profit business
Delivering qualifications including:
- Postgraduate (MBA)
- Undergraduate business degrees
- Undergraduate social entrepreneurship degrees
- Undergraduate "law degree"
- Undergraduate "teaching degree"

Focussed on:
- High quality student engagement, with the worlds most successful political, business and humanitarian leaders
- Building strong industry connections with global companies, government departments and not-for-profits

Which funds its own philanthropic foundation - PURPOSE

- Operates in 21 African nations
- Employs local staff in all countries it operates in
- Runs English, literacy and science programs
- Operates in 21 African nations
- Ducere Publishing House
- Science Circus Africa
- Peace Education Program

The Ducere Foundation in collaboration with local governments and foundations on a number of initiatives to improve the quality of public education in across Africa:

* Ducere Publishing House
* Science Circus Africa
* Peace Education Program

President of the United States, Bill Clinton & Partner in the Dutere African Children’s Stories Program

Julia Gillard, fmr. Prime Minister of Australia & Ducere Chancellor

Di Fleming, Executive Director, Ducere Foundation

Lusaka, Zambia
THE REWARDS

What did BMW manufacture in its origins?

BACK TO WHY?

Why do universities operate the way they do?

Melbourne University ➔ Monash university ➔ The rest

Brazil Olympics?

Any organisation, in any industry needs a dominant specialisation to thrive.

What is a university’s “true north”?

BOLD IDEA 1 – 40x

ASSESS THE VALUE CHAIN AND SPECIALISE

Any large organisation, and especially universities, cannot innovate fast enough, so need to have many collaborative partnerships and focus on the elements they do best.

- Philip Evans, Global head of BCG and Ducere Global Leader

BOLD IDEA 2 – Internal Specialisation on elements of education delivery (Minerva, 2U, Ducere)

FOCUS ON TANGIBLE OUTCOMES

Why are we interested in Rankings and Research?

What are the outcomes of the future?

What proportion of the $20B education export industry is research?

Race to the Bottom

BOLD IDEA 3: Focus on the things that matter

- Employability
- 21st Century Skills
- Research that is Applied and Commercialisable

STUDENT EXPERIENCE & LIFE LONG LEARNING

What does this really mean?

What is true value to Alumni (Plato)?

What is an “Australian experience”
SOME OTHER IDEAS

1. Australia is a Globally recognised leader in ....
2. Each University is a Globally recognised leader in...
3. Research Centre's linked to expertise and where applied
4. Focus not on Australian education, but delivering a global education
5. Measurable ROI, impact and progression
6. Move away from very large dedicated learning years, to a cycle approach of Life Long Learning
7. Invert a solution for Alumni that offers real value

THANK YOU

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