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**“Nothing Recedes
Like
X-Cess”**

By

Dr. Dario Toncich

When I was in the 5th grade, my teacher told me that “X” was an integer. By the time I got to Year 7, however, I discovered I had been misled, and that “X” was a real number. In Year 11, my maths teacher told me that not only was “X” a variable, but that “f” was a function of “X”. As those students who didn’t understand “X” got an “f” for maths, it was indeed true that “f” was a function of “X”.

Obviously “X” is a confusing concept and, so, in this story, I am redefining “X” – this time as a hypothetical Australian university. I do so because the time has come to explore the closure of X, for the greater benefit of the Australian university system – and to define X as anything other than hypothetical would lead to tears and tantrums from any affected vice chancellor – not to mention the usual argument that X is “...a special case and can’t be closed...”.

Before closing X, it is important to tell you a little bit about it. First of all, X is a relatively small, hypothetical university, established after the Dawkins’ reforms of the late 1980s. It has around 14,000 students and, excluding postdoctoral researchers and academic managers, X only has around 400 real academic staff that run all its learning and research programs. X is not a regional university, and there is nothing remarkable about its faculties or programs – indeed, they are similar to most other universities.

Like many other post-Dawkins’ universities, X tried to make ends meet by running down its undergraduate laboratories and technical support, and pretending that it was bigger than it really was. X only survived by cranking up the smoke-and-mirrors machines in research, and by creating new educational paradigms, such as “dynamic-ultrabroad-learning - (DUL)” which looked remarkably identical to what had been taught previously at X for more than 80 years, only with new and expensive brochures. Nobody in government noticed (or even bothered to look) that there were hardly any labs left, and the students who attended, because they hadn’t experienced university labs, didn’t notice that there weren’t any either – hence, on paper, X’s KPIs all looked good. X had a budget surplus, but its campus was tired and run down – so X had

plans to build a “symbolic” new building, full of large machines that go “ping”, just to prove that X was X-citing.

Another interesting thing about X was that its real-estate was very X-pensive. In book-value, X’s assets (largely real-estate) were worth around \$400M. X was also an X-pensive university to run in terms of its size – it had a higher education budget of nearly \$200M pa but, with only 400 academic staff (costing around \$40M pa) to deliver learning and research outcomes, this meant that X’s overhead was \$160M pa for management, marketing, administration, infrastructure, etc. The vice chancellor of X argued that his cost overheads were proportionally no greater than those at other universities but, then, X was sitting on valuable assets with less than half the students of some other universities. Each student studying at X consumed nearly \$3000pa just in real-estate value.

So, now that we know about X, we need to question why students and taxpayers are paying for the luxury of retaining it in its present form. Let’s X-plore the alternatives.

Most obviously, we could close X altogether. After all, \$400M of assets could be liquidated and reinvested, and the investment income alone would be enough to pay for all the salaries of academic staff at X to be transferred to another university (A). In other words, closing X would free up its entire \$200M pa budget to transfer X’s learning and research to University A at marginal cost. At a minimum, we would have the same learning and research outcomes, with \$160M pa of additional funds – converted from overhead waste to improved learning and research; better student support; better laboratories; better technical support, etc.

In simple terms, we are transferring the full costs of X’s stand-alone management, marketing, administration and infrastructure overheads to the much lower marginal costs of increasing the capacity of University A. Most large universities, because they do not operate their undergraduate student infrastructure for more than one shift over half the year (26 teaching weeks)

have a 0.2 utilisation rate, and the capacity to absorb an X at marginal cost, with modest increases to infrastructure. Even if this were not the case, one could still divide X's academic staff over (say) four universities and get the same outcome.

Let's now suppose that X's vice chancellor wants to keep his job because he can't find another (after all, Xs are dwindling). What are the alternatives for X, assuming that students and tax-payers shouldn't have to wear the cost of the status quo?

Another alternative for X is for it to retain its history and brand, but to become a node of University A. In other words, X would lose its council, chancellery structure, marketing and administration but retain its identity and assets. While not as cost effective as closing X, this would preserve its history and still allow around \$60M to \$80M pa to be transferred from overhead waste at X to better learning and research outcomes. Moreover, in this model, there are additional savings from not duplicating resources at X and A. In this structure, the vice chancellor of X might be relegated to a pro vice chancellor, provost or dean, but at least he's still employed.

Suppose now we have put both these propositions to the vice chancellor of X, and he has dug in – he is determined to preserve his job and have a new, symbolic building, with his statue and fountain in front – the intended inscription, *“Greater Love Hath no Vice Chancellor than to build this monument unto himself that others may wonder at his achievements”*, has already been sent to the stonemasons - cranes have been commissioned to lift the vice chancellor's marble statue into position, complete with liberty torch and revolving head restaurant.

Here is another alternative, not only for X, but for all the Bs, Cs, Ds and Es in the same state that are inefficient, because of their large overhead impost on students and tax-payers – the establishment of a state-based university system, adapted as a localised version of the University of California model. This would enable all government funded universities within a state to share a single, central council, chancellery, management, marketing and administrative

structure – in larger states this would reduce overheads, duplication and waste significantly. Rather than having five sets of substandard engineering or science laboratories with 0.2 utilisation, there might be only one world-leading set of each – with positioning based on regional and logistic factors. Rather than having multiple student administration software packages and library journal sets, there might only be one international standard system. Rather than squandering student and tax-payers' money by having government universities competing with each other in worthless marketing, slogans and duplicate programs, each element of the state based model would contribute a unique set of learning and research strengths, at an international level. Genuine international competition would ensue by encouraging the collocation of high calibre international competitors. In the state model, local universities don't live in fear of such competitors because they themselves are commissioned and resourced to operate at an international standard.

How well does the entire, current Australian system of 38-40 universities compare with the University of California? Well, in terms of Nobel Prizes (say) only three people received their Prize while affiliated with an Australian university – 32 were affiliated with the University of California when they received theirs. A genuinely international university system is a vacuum for international scholars.

Some months ago, my colleagues and I examined these issues and estimated that administrative overheads and duplication in Australian universities were costing students and tax-payers in the order of \$3,200,000,000 pa – a staggering \$160 pa for every man, woman and child in Australia – not for learning outcomes – not for research outcomes – but for management and administration overheads! If a third of this overhead waste could be transferred back to productive learning and research outcomes, by eliminating the inefficiencies involved in maintaining all the “Xs” in Australia, then this would provide a major, annual injection of funds into the system of universities without placing any additional burden on students or tax-payers. A better

resourced system of (fewer) universities would also attract a higher standard of leadership, and deter counterproductive university-university career hopping by vice chancellors.

The back-of-the-envelope calculations here indicate that these options are not (as Jack Dyer used to say) *rocket surgery*, and it does not take the mind of a *nuclear physiotherapist* to reach similar conclusions. It does, however, require state and federal governments, and the universities themselves, to make hard, unpleasant, and long overdue, strategic decisions. Any meaningful changes to the current system of Australian universities require changes to funding, legislation and university governance. These decisions ultimately require university councils to put strategic, national learning and research outcomes before institutional survival and governance issues.

On a brief examination of DEST figures, and the Melbourne Institute's 2006 University Discipline Rankings, it appears that there are at least 10 Xs in Australia that need to be addressed. The longer we wait to address these, the more painful the inevitable remedy will be - in the meantime, the more student and tax-payer funds that will be wasted on window-dressing and marketing bumf to masquerade underlying structural problems – where X already marks the spot.

And, as my Year 11 maths teacher once profoundly told me, “..in the limit, *X tends towards zero*”- (actually he told me that in the limit, delta X tends towards zero, but that would have spoiled the ending to this story). Maths teachers tend to be very careful about what they do with their Xs, and so should students and tax-payers.