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SENIOR MANAGEMENT CONFERENCE 2023

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# LOOKING FORWARD OUR BUSINESS MODEL OPTIONS

*Acknowledgement of Country*  
Western Sydney University acknowledges the custodians of the lands in which we meet, work, learn and socialise. We pay respect to the peoples of the Darug, Tharawal, Eora and Wiradjuri nations where are campuses are located.

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## What is our current position?

- We are #1 in the world for sustainability
- We've remained in the top 2% of universities worldwide and the top 250 universities globally in THE's World University Rankings
- We have graduated over 10,000 students in the last year
- We have led the sector in the way we re-shaped our geographical footprint
- We are financially sustainable
- We've done the hard work in implementing a new Student Management System
- Our Transformation program is now well underway
- We are deepening our partnerships internationally, collaborating with institutions in the UK, Europe, China, India and Vietnam, and we are exploring a wealth of opportunities in Indonesia.
- Our global brand isn't fixed – so we have the opportunity to change and grow

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## What are we trying to solve?

Amid a challenging global market, Western must optimise operations and spend.

This will require change and innovation to sustain us into the future.

**To survive and thrive under the shifting landscape, we need to ask:**

- *What does Western want to be?*
- *What investments will enable this future?*

To help us answer these questions, we will be reviewing strategic options for Western's business model over the next 10 years.

We will be looking at when decisions need to be made, and what attributes we need to focus on to reach our goals.

We've engaged EY to put together the modelling needed, and will be presenting the first set of options to the Board at this year's strategy day.

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*"Shifting market demand, increasing competitive forces, new funding models and evolving student expectations require Western to address some complex questions about its future model. These are the critical 'get rights'."*

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## Our challenges as a university are consistent with global trends

Who goes to university as a proportion of the population is increasing, but we are still using traditional academic-centric business models.

These models are no longer fit for purpose in the current competitive climate.

**Our revenue from domestic students faces uncertainty and potential shrinkage**  
Student aid is under threat, with emerging competitors in the market and alternative models of learning more readily available. With indexation of HELP debts at all time highs, students are shopping around to ensure are better off financially. Our revenue per EFTSL is shrinking.

**Our integration with the business community needs evolution**  
So much so that professional industry are now competing against universities with their own qualification offerings.

**Investment in technology is driven by teaching models**  
Traditional teaching models are driving our technology investments. Is this the right way forward?

**We are being pulled in all directions**  
As universities shift from reacting to the pandemic to future-focused initiatives, we must decide on our priorities.

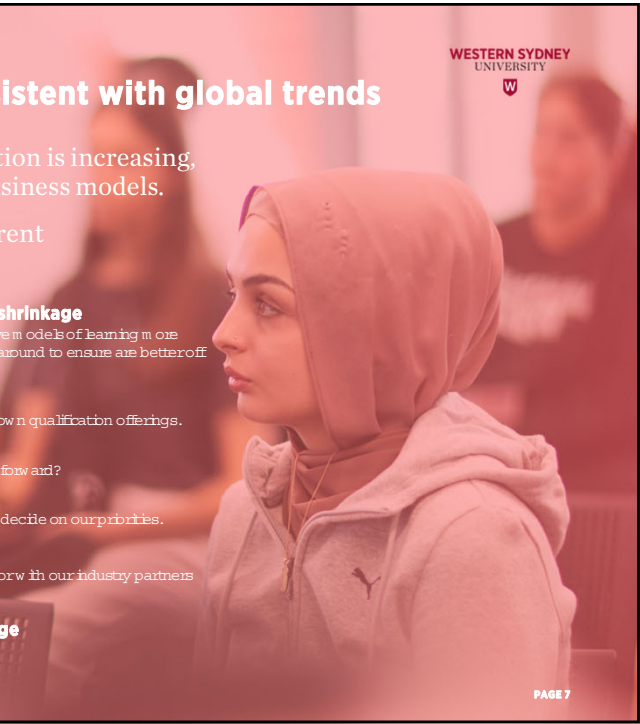
**Our collaboration efforts need to deepen**  
How we work within the sector, with our competitors, and how we work outside the sector with our industry partners needs to create new opportunities for growth and change.

**Academic employment models are no longer working to our advantage**  
Models that trade off job security for extended study are under threat.

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Senior Management Group Conference

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### Internally, we face:

**An industrial relations environment that is not equipped to handle rapid change**

- Staff have a large degree of security, but minimal opportunities for progression.

**A lack of vertical integration up and down the learning 'stack'**

- Our systems need to be capable of integration i.e., from The College, to TAFE/the VET sector, to the IAT, to University, and our timetables to facilitate block learning needs.

**A need to increase porosity between our own professionals and our industry partners**

- We need to increase the capacity of our institution to allow flow of staff and students between sectors

**Constraints in reconciling legislative ownership by state governments with federal funding sources**

- Changes in funding may be a key outcome of the Australian Universities Accord and we must remain cognisant of this factor.

**An inability to effectively outsource and/or consolidate to centralised services**

- We are making inroads in this space, but face resistance and constraints because of the University's traditional business model approach.

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### Internally, we face:

**Development challenges integrating micro credentials into broader teaching models**

- We need to address larger business modelling concerns to ensure that offering micro credentials adds value rather than being a cost center.

**'Group think' that is out of step with broader needs**

- We need balance between our commitment to equity and the changing nature of the region.

**A focus on physical spaces and an extended use of digital ones**

- We are experiencing excessive underutilisation of spaces. Further changes to the campus network need to explore consolidation and how we use digital spaces.

**Need for cross-subsidized research**

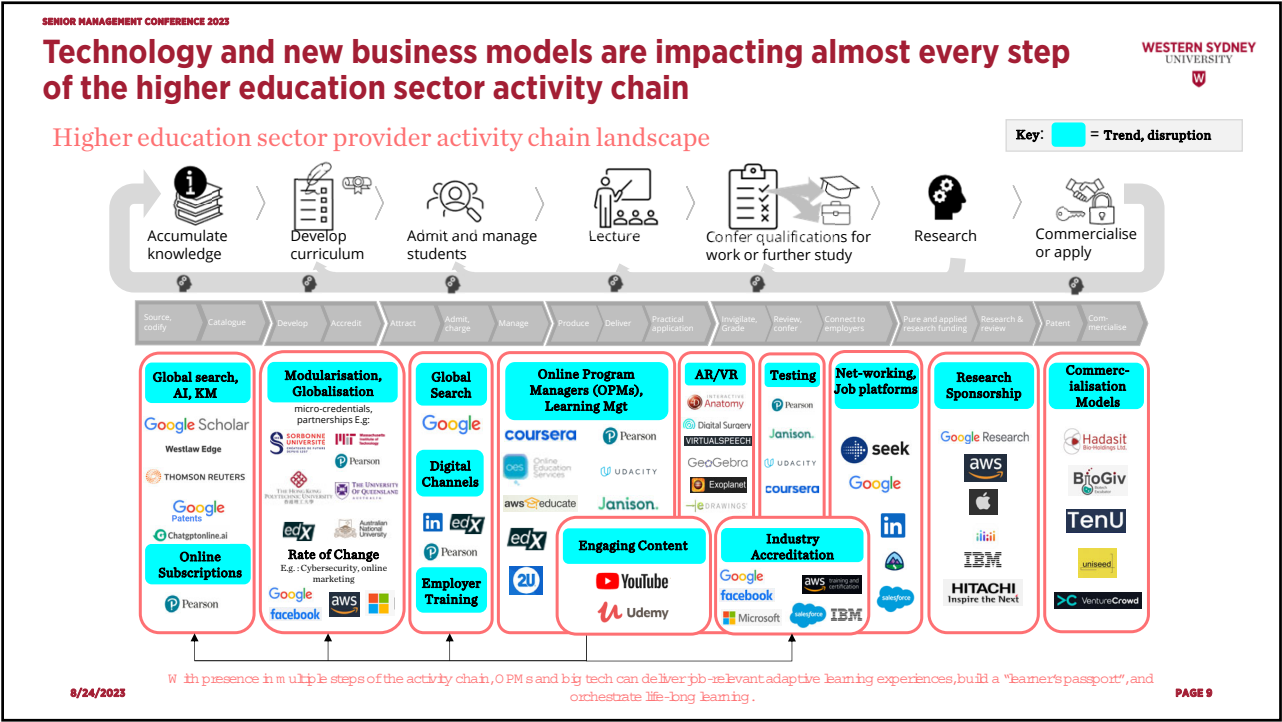
- Our research funding is dependant on cross-subsidies from Learning & Teaching Resources.

**Our executive roles are not attractive to those with the right corporate expertise**

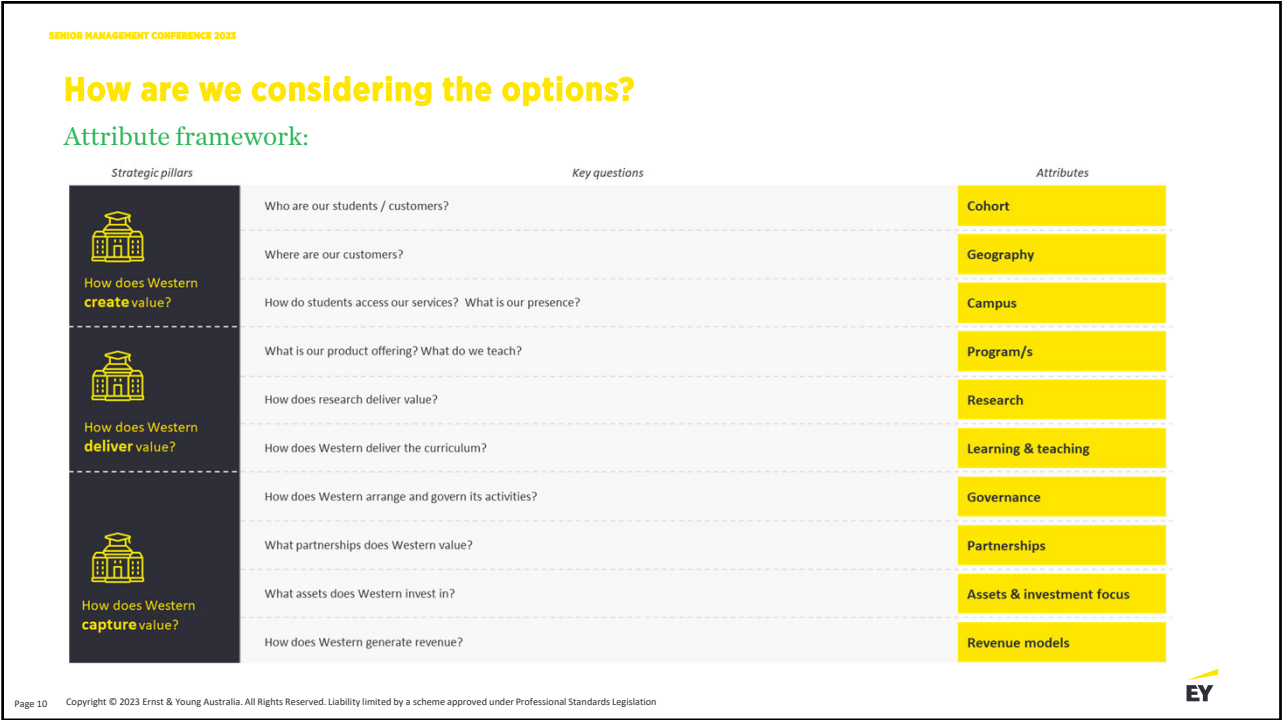
- There is an increased lack of competitiveness regarding incentives to recruit high achieving professional staff.

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The detail behind the attributes:

Cohort	School leavers	RPL	2 <sup>nd</sup> degree?	Alumni	Corporate			
	EFTSL – Low (<25,000)		EFTSL – Medium (25,000 – 60,000)		EFTSL – High (>60,000)			
Geography	NSW	International - Oceania	International - Asia	International - Developed	International - Developing	Global		
Campus	Single			Multiple				
	Local	Interstate	Global	Satellite	Co-branded			
Program/s	Undergraduate	Postgraduate		Masters		PhD		
	Cert/diploma	Stackable		Micro-credentials		Corporate		
Research	Business & Law	Medicine, Nursing & Health		Education, Coms, Psychology & Humanities		Maths & Computer Sciences (STEM)	Engineering, Design & Built Environment	
	Research focussed		Focussed research		Industry-partnered			
	Government funded		Commercial funded		Donor/philanthropy			
Learning & teaching	Full time	Part time		Flexible		External		
	Semester			Block				
	Campus	Virtual	Blended		Distance	Work-integrated		
	Student/staff - Low		Student/staff - Medium		Student/staff - High			
	Teaching load - Low		Teaching load - Medium		Teaching load - High			
Governance	Centralised			Decentralised				
	Primary inhouse		Primary outsourced		Mixture			
Investment focus	Highly qualified staff	Curriculum	Labs	Digital assets	Intellectual capital	Financial capital	Property	Ranking
Partnerships	Domestic University/s		International University/s			Vertical (i.e. industry)		
	College/s		Vocational provider/s		School/s	Education start-ups/Ed-Tech		
Material revenues	Student fees	Government grants		Commercialised research		Other commercial streams		Philanthropy

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Questions that we need to answer include:

➤ What business model will best support a thriving university in 2030? –  
*This is the key question being put to our Board of Trustees*

➤ Will we seek out new approaches to leadership?

➤ What should the nature of our research be?

➤ How, when, and where should our courses be delivered?

➤ Should we change our campus network?

➤ How will we be best positioned to digitally engage our students and industry partners?

➤ What should our involvement and relationship be with the VET sector?

➤ What should the size and complexity of our international partnerships be?

➤ What should the size and complexity of our relationships with industry be?

➤ What do we think our competitors will do?

➤ What can we afford to invest?

➤ What should our governance structure be?

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