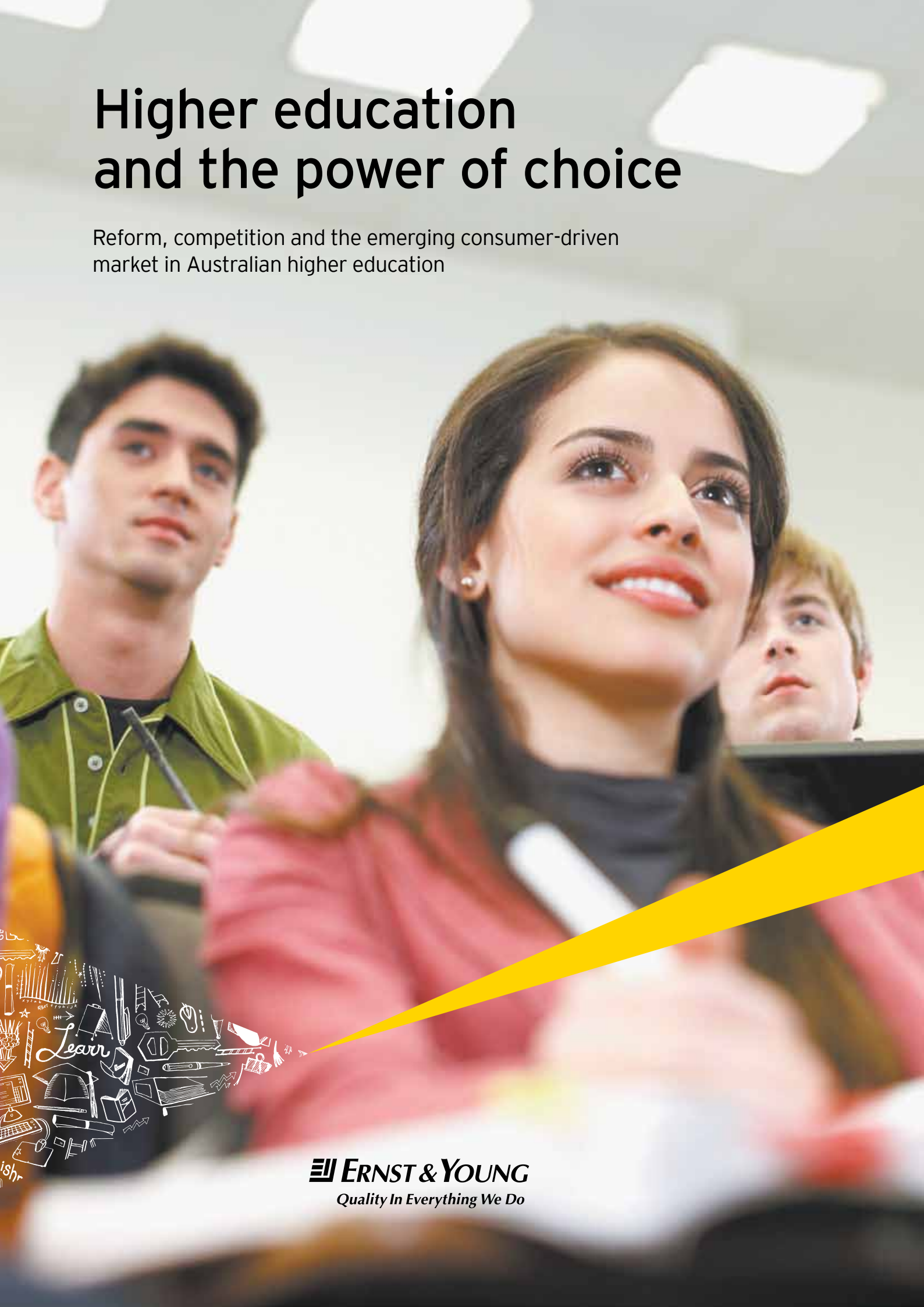
Higher education and the power of choice

Reform, competition and the emerging consumer-driven market in Australian higher education



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Quality In Everything We Do

The Australian higher education sector will increasingly operate like a 'consumer-driven' market, introducing new demands and risks

Contents

Introduction and executive summary

Over the next five years, the Australian higher education sector is expected to undergo major change as the *Bradley review* recommendations are progressively implemented. One of the key elements of the reform agenda is the move to a demand-driven funding model, imposing greater dependence of universities on the power of student choice.

Our view is that the sector will increasingly operate like a consumer-driven market, introducing new demands and risks for higher education institutions. The shift to a demand-driven model may stimulate growth at a system-wide level, but it will also drive significant increases in competition, with clear winners and losers. To test this view, we conducted an industry-wide study of the key drivers of student choice, the competitive performance of different universities and institutional responses to the introduction of demand-driven funding. We interviewed twenty executives from seven Victorian universities, including three dual sector universities, and conducted a survey of 1,000 students on the drivers of choice. Our study has provided important insights on the potential future state of the Australian higher education sector.

Our findings and views have crystallised around five key points:

1. Increases in competition will place significant pressure on the business models of established universities, driven in particular by:

- Battles for market share between established players, affecting in particular tier 2 institutions with weaker brands and reputations
- Further market reform and the threat of new entrants, especially from non-traditional providers targeting higher margin student segments and course offerings
- Growth of the 'second estate' in international markets, that is, Organisation for Economic Co-operation and Development (OECD)-standard education in emerging markets at mid-tier price levels, diverting volumes from the already vulnerable international student market

2. With respect to key drivers of student choice, there are significant gaps in market perception between tier 2 and tier 1 universities, and within the set of tier 2 universities. This will create significant exposure for tier 2 universities in an increasingly competitive market place.
3. To survive and succeed in the face of increased competition, universities at risk of losing market share will need a clearly differentiated market position and a strong alignment of the student experience and brand promise.
4. As the market becomes more consumer-driven, incumbents should consider strategies and techniques used in consumer marketing industries, for example, the creation of focused market positions based on the principles of psychographic segmentation, and multi-brand strategies, which could enable universities to serve multiple segments without diluting their core brand.
5. Universities, especially those at risk, may also need to consider more fundamental restructuring, including mergers and divestment strategies related to courses, degrees and possibly research and development (R&D) centres.

This report discusses our study, key findings, and recommendations for key players in the Australian higher education sector. It challenges the sector to draw parallels and lessons from other consumer industries and from other sectors that have experienced deregulation and rapid increases in competition. We believe the paper provides food for thought as the sector prepares for an increasingly competitive and dynamic higher education market place.

We hope you find it useful.

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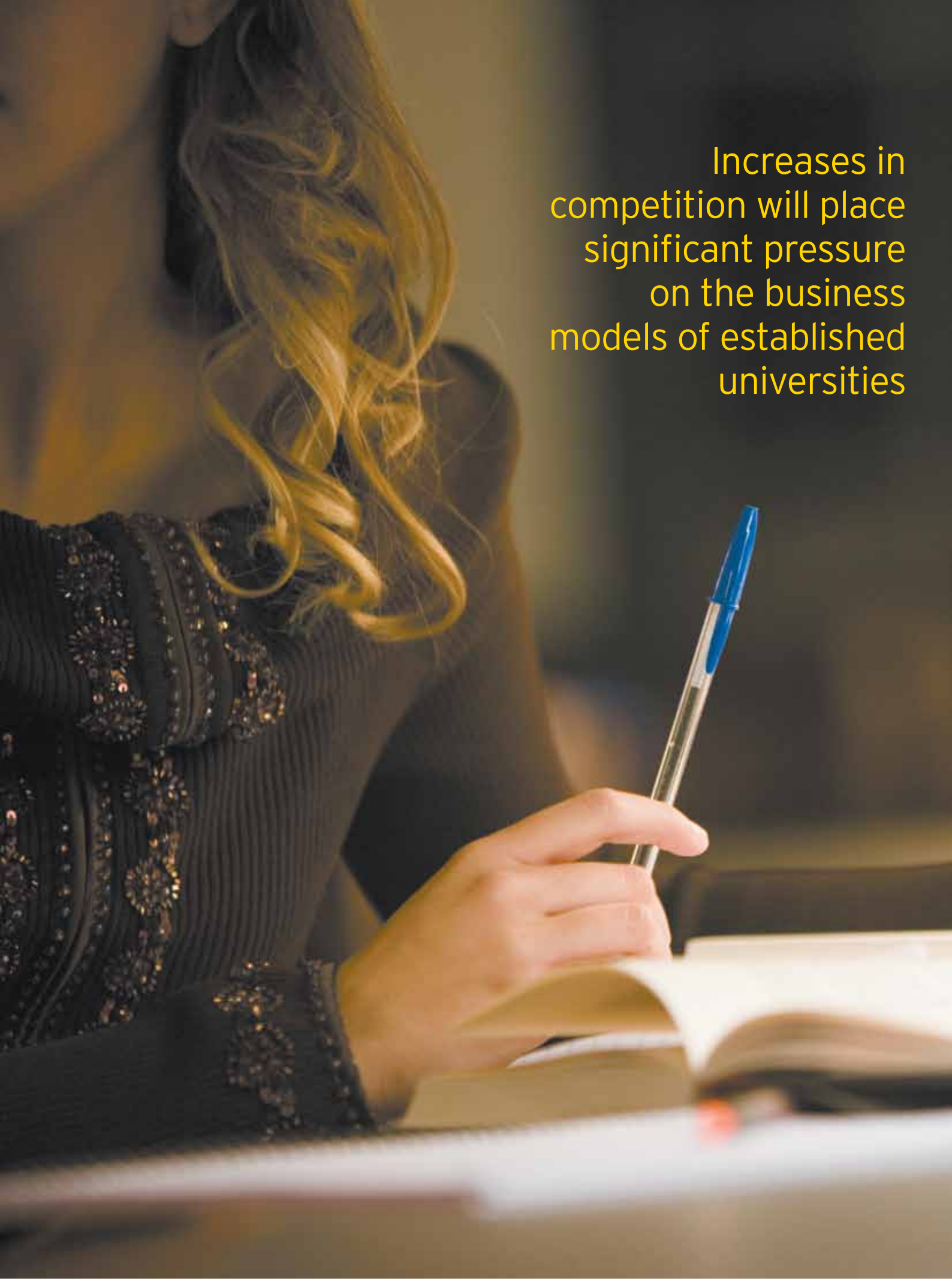
Global Leader Education

Justin Bokor
Executive Director, Advisory



Increases in competition will place significant pressure on the business models of established universities

Brave new world: market forces and the growth of competition in the Australian higher education sector

Increases in competition will put significant pressure on the business models of established universities

As higher education in Australia moves toward a demand driven funding model and other potential market reforms (e.g., price deregulation) are introduced, the business models of established universities will be challenged. This competition will be fuelled by battles for market share between established players, entry of new players into the market, and further pressure in international education markets from the growth of the 'second estate' in emerging markets.

Battles for market share

The shift to a demand-driven model will lead to battles for market share between established players, exposing incumbents' financial positions as has happened in other deregulated industries, such as telecommunications and utilities, over the last 10-15 years.

New entrants

The experience of deregulation in other industries suggests new entrants in the market will target high value and niche customer segments[1]. Incumbent institutions will need to clearly understand which 'consumers' they are targeting, what those consumers need and how they prefer to be serviced.

'Second estate'

The changing dynamics of higher education in emerging international markets will create a viable 'second estate', that is, providers of near-OECD standard education at a fraction of OECD prices, diverting volumes from OECD providers and further challenging Australian exports of higher education.

Higher education reform and the promotion of market forces is likely to continue regardless of which major political party holds power over the next 3-5 years and beyond. The higher education reform agenda has been promoted by the Federal Labor Government in recent years. The Coalition, for its part, brings an acknowledged agenda to promote deregulation and market forces across the economy generally and including the higher education sector.[2] This suggests further market reform is likely regardless of which party prevails in the next election and suggests the level of competition will intensify.

These drivers of competition will put increasing pressure on the business models of established players. Several universities have run low single digit operating surpluses in the last two years (or in some cases, marginal losses) and rely on key segments (in particular, international students) and key programs (e.g., business, accounting and management programs) to sustain their business models. A sustained decrease for an established institution in a key segment or program would seriously impact their financial viability and business model.

These key drivers of competition, and potential responses, are discussed in detail in the following pages.

1 New entrants include, for example, international providers, private companies in related industries such as SEEK, and TAFEs extending their offerings to provide degree courses.

2 See for example, 'Coalition Economic Principles: Rebuilding Sustainable Prosperity', May 2009, Liberal Party of Australia website, www.liberal.org.au, accessed 17 June 2011.

The shift to a demand-driven model will lead to battles for market share between established players

"The shift to over-enrol has started in a serious way... We will have to respond to what other universities do"

Pro Vice-Chancellor

What will happen if the fight for market share continues for the next five years?

How will your institution respond?

As part of this study, Ernst & Young interviewed 20 executives across seven Victorian universities. We asked each executive a number of quantitative and qualitative questions, including *"How do you see the implementation of a demand-driven model in 2012 affecting your institution?"*. Responses centred around three key strategic views, with the common factor being the institution's market position and brand strength:

- Tier 1 institutions are relatively unconcerned with the introduction of demand-driven model. These institutions are comfortable with their volumes, market share and market position and will only marginally increase their volumes in a demand-driven market.
- Tier 2 institutions with strong brands have begun (and will continue) to use their market and brand position to drive substantial increases in enrolments.
- Tier 2 institutions with modest or weak brands are already seeing declines in enrolments and entry scores. These institutions are vulnerable and worried about this continuing trend.

Most executives in the sector are well aware of these initial responses, but few that we spoke to have explored what might happen if these market dynamics continue for 3-5 years. Several universities are already well in advance of their Commonwealth Supported Place loads (e.g., 120+% of their cap[3]).

Institutions should now consider:

- What would happen if your competitors continued this aggressive pursuit of market share?
- What would happen to your institution if you lost sustained and substantial share, particularly from high margin programs such as business and management?

The potential fallout from the aggressive pursuit of market share can be seen in other sectors that have deregulated over the last 10-15 years, for example, telecommunications and utilities. University executives would do well to reflect on the experiences in these industries and the lessons that can be learned.[4] Some players in these sectors, Telstra, for example, have had to completely transform their business models.[5] Few universities are contemplating such a transformation at this stage. Some, especially at-risk institutions, might need to consider such an approach.

3 See, for example, D. Harrison, 'Universities enrol extra 50,000 undergraduates', *The Age*, 22 April 2011.

4 Clearly there are significant differences between higher education and the telecommunications and utilities sectors. The latter in particular is a predominantly price-driven commodity service. Price is a much less dominant factor in higher education, with quality and career outcomes more salient to students. Nevertheless, the experiences of incumbents in both sectors, in particular the competitive responses to deregulation, warrant reflection as a potential source of insight to a higher education sector facing sustained levels of increased competition.

5 See, for example, D. Kitney, 'Thodey goes undercover to discover the real Telstra', *The Australian*, 12 November 2010.

Experience of deregulation in other industries suggests new entrants in the market will target high value/niche segments

"If we do not have the right government support, new entrants will cherry pick our most profitable courses. We're going to be left providing loss-making courses that serve the public good"

Vice Chancellor's Chief of Staff

Other sectors that have been deregulated over the last 10-15 years have seen rapid increases in competition and the entry of multiple new players. In the Australian telecommunications sector for example, 70 competitors entered the market within 18 months of full deregulation in July 1997.[6] In 2011, there are over 600 players in the sector.[7]

In the utilities sector, deregulation of gas and electricity markets has led to a similar proliferation of new entrants. Some have come from abroad and have built substantial positions in the market, for example, CLP, Hong Kong Electric, and Singapore Power.[8] Others have targeted niche positions in the market, providing trading strategies and services for high value industrial and commercial customers for example.

The impact on incumbents in both sectors has been substantial – declining margins, rapid increases in customer 'churn' and a general need to redefine their market position.

Business models in these sectors have changed dramatically. Established players that were traditionally 'product-based', engineering-dominated institutions have become sales and service focused, customer-driven organisations.

Even those that have maintained a similar set of products and services, have had to substantially restructure their operations to drive out cost.

The parallels to the higher education sector are evident. New entrants such as Laureate Education Inc have come from abroad with the very substantial backing of private equity and lofty ambitions. Laureate has a clear business model – focus on high-margin programs (e.g., business, IT, accounting) and leave lower margin programs to incumbents.

In the past, industry policy settings have limited the growth of new entrants, especially outside of the training sector. Further measures to remove supply quotas and enable increased student choice could open up more of the higher education sector and further expose established players to ambitious and well-resourced multi-nationals, private providers and new entrants.

Under a new Tertiary Education Quality and Standards Agency (TEQSA) regime, new entrants may not necessarily become universities in the traditional sense. Nonetheless, there are likely to be significant opportunities for other types of higher education providers to target attractive segments of the market.

Implications for the higher education industry

Universities have traditionally been product-based organisations, with the product 'providers' (faculty staff and academics) having substantial power to determine 'product offerings' (programs, courses) and delivery methods. The introduction of a demand-driven funding model and other forms of deregulation will shift power to the consumer. Universities will need to build institutions that clearly understand which consumers they are targeting, what those consumers need, and how they prefer to be serviced. Most universities have made some progress in this regard, however the experience of the telecommunications and utilities sectors suggests this process will need to go much further to drive success.

6 L. Timson, 'Competition creates cheap communication', *Business Sydney*, 26 March 1999 via Factiva(c) 2011 Dow Jones and Company.

7 'J7100 – Telecommunications Services in Australia', IBISWorld, 2011.

8 See, for example, 'Australia's Alinta recommends US$6B bid by Babcock, Singapore Power', *Channel News Asia*, www.channelnewsasia.com, 30 March 2007, accessed 17 June 2011.

Growth of the second estate in emerging markets will divert volumes from the already vulnerable international student market

"China has an audacious agenda to create a handful of true world-class universities ... and the will and resources to make it feasible"

President, Yale University[9]

The issues affecting Australia's performance in international education markets – visa rules, exchange rates, growth in competition from other OECD providers – have been well documented. Less discussed, but perhaps of greater impact in the longer-term is the growth of the second estate in emerging markets.

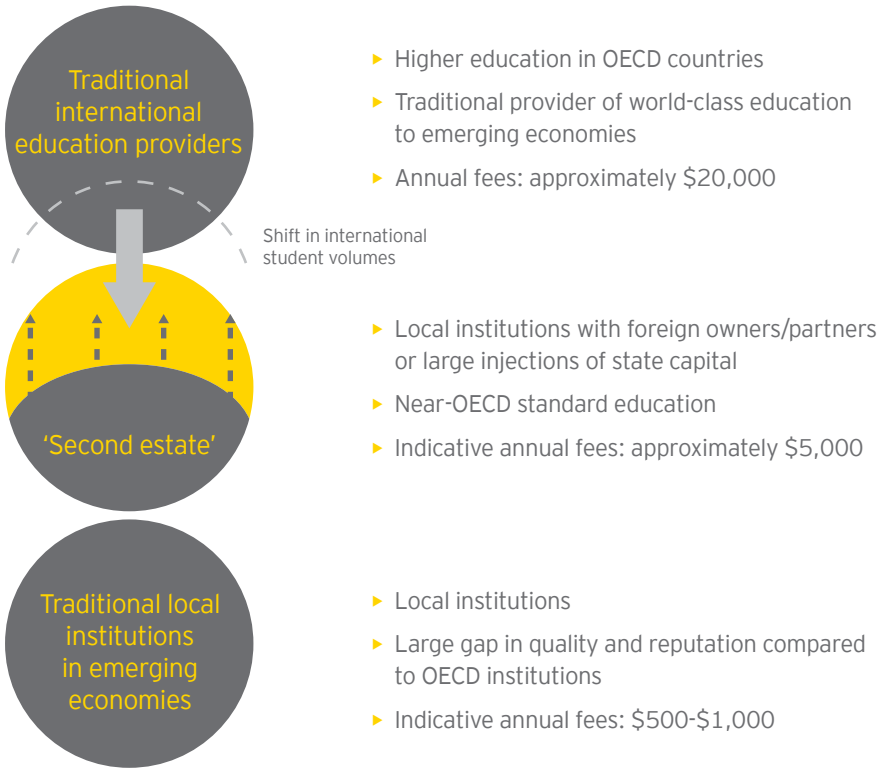
Traditionally there has been a large gap in education standards, and price levels, between OECD education institutions and domestic institutions in emerging markets. A number of actors are seeking to fill, or exploit, this gap, creating a second estate of near-OECD standard education in emerging markets at a fraction of the price. Trans-national education (i.e., OECD institutions setting up programs in emerging markets) has played a role here.

However, the real growth in the second estate will come from the transformation or creation of whole new domestic institutions. For example, institutions that are taken over by the likes of Laureate, who then reshape quality in partnership with curriculum or degree providers; or new institutions created in the image of OECD standard institutions by increasingly ambitious and well resourced governments in countries such as Saudi Arabia, China, India and the like.

These developments will create a new level of competition for Australian institutions seeking to return to the heady days of sustained double digit growth of international education. Australian institutions will need a sharper value proposition for students and their parents in international markets and clear alignment of the student experience. Regardless of how effectively they do this, Australian institutions may need to resolve themselves to lower levels of growth from international education, and align their finances and business models accordingly.

Alternatively, Australian universities could pursue other strategic options, including, as several Australian universities are doing already, becoming a player within this second estate.

Figure 1 – Emergence of the second estate



9 Quoted in *The Times* 'Higher Education Supplement', 4 February 2010.

Students rule: drivers of student choice

Students generally have a consistent set of key drivers of choice

Survey findings were mostly as expected – students rated 'quality of education', 'career opportunities' and 'specific course offered' as their top three drivers of choice when selecting a tertiary institution

As part of our study, Ernst & Young conducted a survey in the Victorian higher education market of 1,000 current and prospective higher education students.

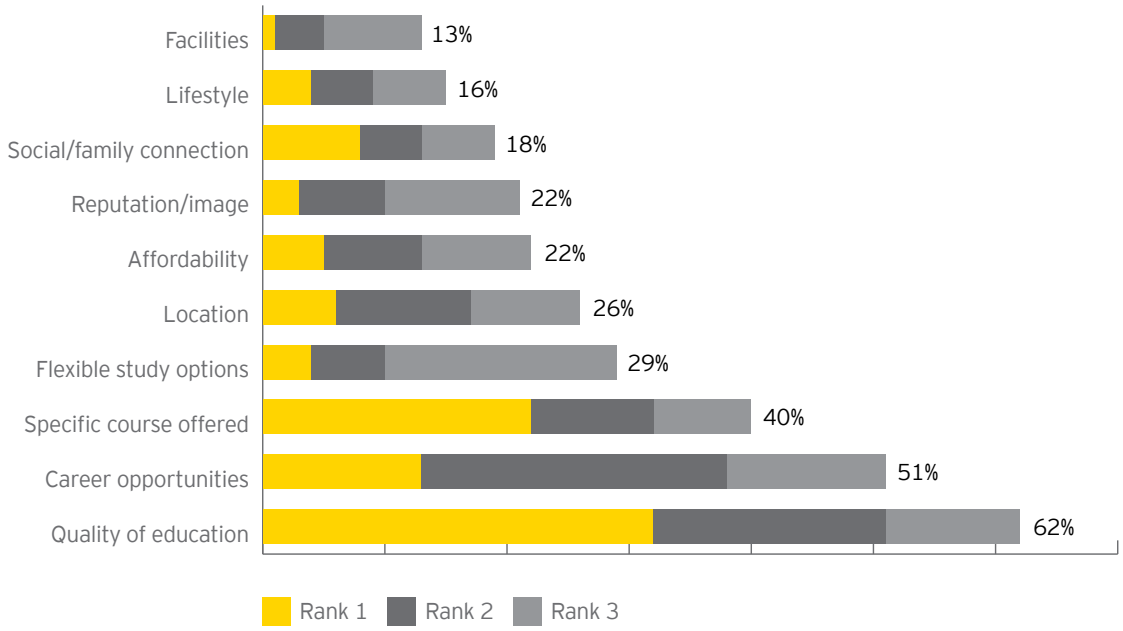
Students were asked to rank the importance of ten drivers of choice – identified through student focus groups conducted as part of the study - in selecting a tertiary institution. Students were also asked to rank competing institutions based on how well they perform against each driver of choice.

By including a competitor assessment in our survey, we were able to map the relative strength of competing institutions (in this case, eight Victorian higher education institutions) against each of the drivers of choice, and to test the perception variances against demographic data collected in the survey (e.g., age, gender).

The findings were mostly as expected – students rated 'quality of education', 'career opportunities' and 'specific course offered' as their top three drivers of choice, with only minor differences in gender and age.[10] The figure below illustrates students' feedback on drivers of choice.

When mapping students' perceptions of competing institutions, however, the results showed large gaps in perception of performance between different institutions. An analysis of these results follows on the next page.

Figure 2 – Proportion of times each driver of student choice was ranked number 1, number 2 or number 3



The above chart shows the drivers that would influence or did influence students' decisions in making a choice to join a university/college. Students were asked to rank each of the drivers from 1 to 10 in order of importance (1 – being 'most important' and 10 being the 'least important'). The chart shows proportion of times each driver was ranked number 1, number 2 or number 3.

10 The key age-based difference was, unsurprisingly, a significantly higher preference for flexible study options amongst students aged >25. The key gender-based difference was a higher level of importance placed on 'career opportunities' by males compared to females and a higher level of importance for females on 'convenient location'. This may be a reflection of a greater female awareness of safety and the importance of location.

Large gaps between institutions will create significant exposure for lower-rated universities in an increasingly competitive market place

Our study revealed large gaps in perception of performance between tier 2 and tier 1 universities, as well as large gaps within the set of tier 2 universities, exposing tier 2 institutions in an increasingly competitive market place

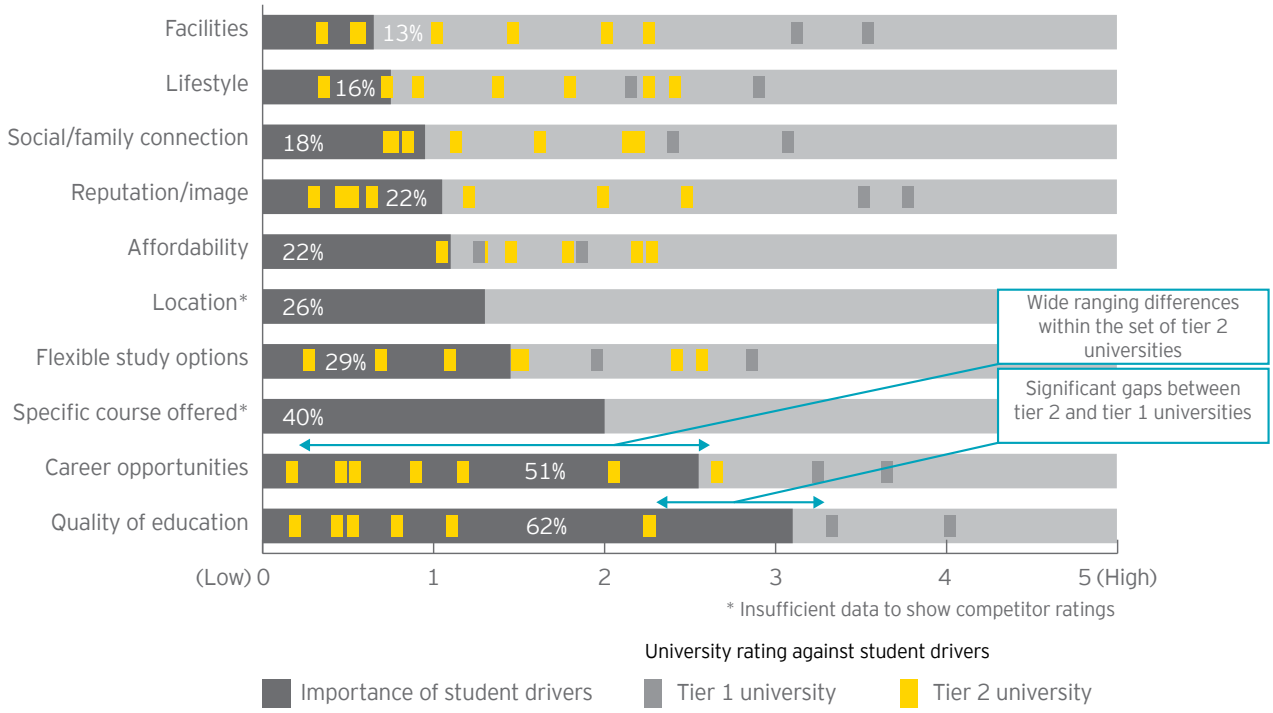
Students were provided with a list of eight Victorian institutions, two of whom are typically classified as tier 1 while the remainder are typically classified as tier 2 universities. They were asked to nominate the top three Victorian institutions on their performance against each of the drivers of student choice.

Our findings indicate large gaps in performance ratings between tier 2 and tier 1 universities across all drivers of student choice, as well as large gaps within the set of tier 2 universities. This is likely to create significant exposure for lower-ranked tier 2 players to increasing competition amongst providers. Bridging perception gaps such as these across a market as a whole is typically prohibitively expensive and can take many years.

We recommend that universities adopt targeted strategies, for example:

- Increase quality of education for key programs aligned to a differentiated market position and potentially rationalise non-core programs and courses
- Create strong industry links in target domains and tie this into the student experience and career pathways
- Leverage strengths in particular program offerings. For example, leverage flexible study options (two tier 2 institutions in our survey performed strongly in this category) and industry focused up-skilling or re-skilling to create a point of difference in mature age segments.

Figure 3 — Competitive ratings of universities on key drivers of student choice



Note : Each block represents a Victorian university and the proportion of times the university was rated as a top 3 Victorian institution, converted to a five point scale.

Surviving and thriving: achieving a clearly differentiated market position

Universities at risk need a clearly differentiated market position and approach to survive and succeed

"We competed on location in the past – that won't be enough for us in the future..."

Vice Chancellor's Chief of Staff

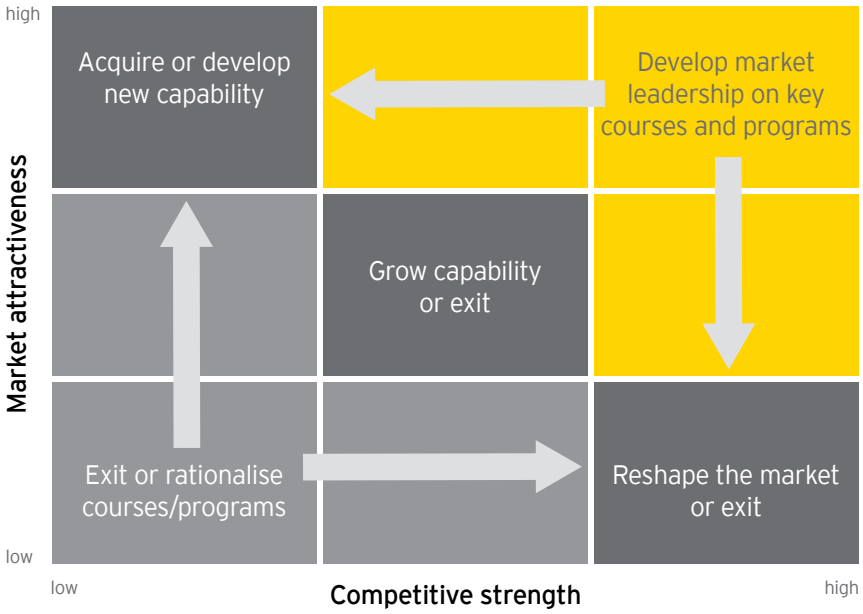
The scale of the gap in perception of performance between some tier 2 universities and their competitors is so large, it makes the feasibility of competing 'across the board' virtually impossible. At-risk institutions should therefore focus on creating and 'owning' a clearly differentiated space in the market.

In the past, there was little difference between many Australian universities, with levels of competition restrained and location frequently the key point of difference. The sector is on the way to moving away from this legacy, but more needs to be done to carve out distinct positions in the market, and to align the full set of university operations against this.

Other sectors, for example retail, have demonstrated how this can be done. Independent Grocers of Australia (IGA) has found a way to compete against the dominant 'tier 1' retailers (Woolworths and Coles) by selecting a clearly differentiated position in the market (small format stores focused on convenience buyers). IGA has aligned its business model against this position (e.g., store locations, layout, product range, pricing and opening hours).

The market positioning framework (see below) is one tool universities can use to review their position in the market and adjust their strategy accordingly.

Figure 4 – Framework for assessing market positioning at the program/course level



Lessons from other consumer industries: multi-brand strategies and psychographic segmentation

As the market becomes more consumer-driven, incumbents should consider strategies and techniques used in other consumer industries, for example multi-brand strategies...

"Our actual teaching and student experience exceed our brand in most dimensions – we need to find a way to shift the market's perception..."

Deputy Vice-Chancellor, dual sector university

Australian universities have been placing increased emphasis on creating student-focused institutions. All universities conduct extensive student experience research and seek to enhance the student experience accordingly. However, in many instances the resulting enhancements resemble modest refinements rather than a fundamental transformation of the business model and student experience.

In a more competitive, consumer-driven market, universities may need to go further. Strategies and techniques used in other industries, for example, multi-brand strategies and psychographic segmentation, may be worth considering.

Multi brand strategies

Universities could consider creating sub-brands in order to target new student segments without diluting the position of the core brand. For example, tier 1 institutions could create an alternative brand and delivery model to reap the benefit of 'mass market' volumes and at the same time protect their reputation as world-class research institutions.

Alternatively, tier 2 institutions whose brands have a negative market perception, might create a new 'premium' brand to open up or grow new segments.

Companies in other industries, for example, Qantas and Toyota, have successfully deployed multi-brand strategies to compete with low-cost competitors or go 'up-market' (see case studies below).

Case study: Lexus opens up the premium car market for Toyota*

Launched in 1989, the Lexus brand represented Toyota's effort to create a world-class luxury-car brand. This allowed the luxury brand to flourish independently of the association with the core Toyota brand, which is aimed at the mass-market.

Similarly, tier 2 universities might consider developing a new/premium brand to shrug off negative market perception, especially where there is an opportunity to capitalise on underlying high quality programs.

Case study: Jetstar as a 'fighter brand'*

When Virgin Blue entered the Australian airline market in 2000, it posed a serious challenge to Qantas through its low-cost model and cheap airfares. By 2004, Qantas had launched Jetstar as its low-cost fighter brand to respond to this threat and quarantine its premium priced core offerings and brand.

Similarly, tier 1 universities that have surplus demand for their programs might consider a fighter brand to maintain or grow volumes whilst protecting the core brand.

* Case studies discussed in this paper are for illustrative purposes only, and reflect Ernst & Young's general analysis of events. They have not been sanctioned by the relevant parties.

...and psychographic segmentation

"Our strategy is built around the programs and courses we offer... We haven't defined a target set of students"

Pro Vice-Chancellor, Student Services

Psychographic segmentation

Psychographic segmentation is an approach to winning in consumer markets that says an enterprise must (a) understand and select a target set of consumers based on a range of demographic factors (for example, age, gender, and socio-economic status) and psychological drivers (attitudes, behaviours, and preferences); and (b) build the product offerings, customer experience, brand and marketing strategy around the needs and preferences of the chosen segment(s).

Australian universities have deployed the principles of psychographic segmentation to varying degrees. Some have defined target students using the principles of psychographic segmentation, but few have aligned the full range of programs, student experience, brand and marketing to the needs and preferences of chosen segments.

Several of the universities whose executives we interviewed have strategies that remain 'product-led' – that is, focused on a core set of programs and course offerings – to the extent that they were unable to point to a set of target student 'segments'.

In some cases, the program and course offerings are of sufficient quality – and enjoy sufficiently strong levels of underlying demand – that the need for psychographic segmentation seems a moot point. However, in a increasingly competitive, consumer-driven market the risk will remain of an incumbent competitor, or new entrant, winning market share by getting 'closer' to the customer (student) and developing new programs or experiences that more closely match to students' needs and preferences.

Has your institution defined a clear set of target student segments? Have you built your programs and courses, student experience, brand and marketing to align to the needs and preferences of these segments?

Case study: Psychographic segmentation in health and beauty retail*

A leading Australian retailer of women's health and beauty products uses psychographic segmentation to inform every aspect of their retail value chain. The retailer has defined multiple psychographic segments, including: 'complete woman', 'modern woman', 'budget woman', 'sensitive woman', 'conventional woman' and 'adventurous girl'.[11] Each segment is defined in terms of demographic profile (e.g., age, family status, income level, employment status), drivers of satisfaction, shopping and media habits, and channel preferences (e.g., online vs store). The retailer has tailored the product range, in-store experience, and marketing strategy to suit the needs and preferences of the chosen segments and has carved out a sustained position in this highly competitive marketplace.

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11 Segment names altered to protect confidentiality.


The Dictionary of ART
Music
Human Body
HUMAN DIMENSION & INTERIOR SPACE
JAZZ
Friday On My Mind
American Music
The Book of Rules
SPORT
RULES GAME

Institutional restructuring: collaboration, mergers, and divestment strategies

Universities, especially those at risk, may need to consider more fundamental restructuring

The merger of the Fitzroy Lions and the Brisbane Bears provides an example of the benefits that can be derived from institutional restructuring in a not-for-profit industry

Institution-level restructuring – merger, acquisition, and divestment activity – is a common strategy in the private sector, but frequently overlooked as an option in the public sector. Our view is that Australian universities, particularly tier 2 universities exposed in an increasingly competitive market place, should actively consider the potential benefits of restructuring.

The process begins with identifying gaps or cost issues in capabilities, programs or course offerings, target segments and locations, for example, to inform the need to collaborate or merge, or alternatively, divest existing capabilities or assets where the institution has limited competitive advantage.

Decisions on collaboration, mergers and acquisitions and divestments are strategic and need to be driven from the top of the university. These decisions need to be based on a clear understanding of an institution's strengths and weaknesses, its market position, the state of the market and the suitability of potential collaborators or partners.

Many examples exist of Australian higher education institutions collaborating in research activities and investments. There are fewer examples of collaboration or merger activities across teaching programs or across whole institutions[12].

Has your institution considered merger or divestment activities?

Case study: Merger of the Fitzroy Lions and the Brisbane Bears*

In 1996, the Australian Football League (AFL) clubs the Fitzroy Lions and the Brisbane Bears decided to merge. At the time, both were struggling on the field and financially, especially with Brisbane lacking support in the critical Melbourne market. The merger created a super team – the Brisbane Lions. The Lions won three straight AFL premierships from 2001-2003, becoming the most successful team of the decade. With success, the combined team consolidated support in the Melbourne market through Fitzroy's heritage and carved out a strong position in the Brisbane market.

The merger of the Lions and the Bears provides an example of the benefits that can be derived from institutional restructuring in a not-for-profit industry. In the university sector, at-risk tier 2 institutions could consider forging partnerships – or even a full scale merger such as the Brisbane Lions example – with other vulnerable tier 2 universities to create a new 'super-institution'. Such activities could create value by:

- Combining areas of strength to create sustained, market leading programs and courses
- Creating economies of scale for traditionally unprofitable courses
- Creating savings in 'back office' activities and the asset base which could be used to provide the funds for driving improvements in course offerings and the student experience

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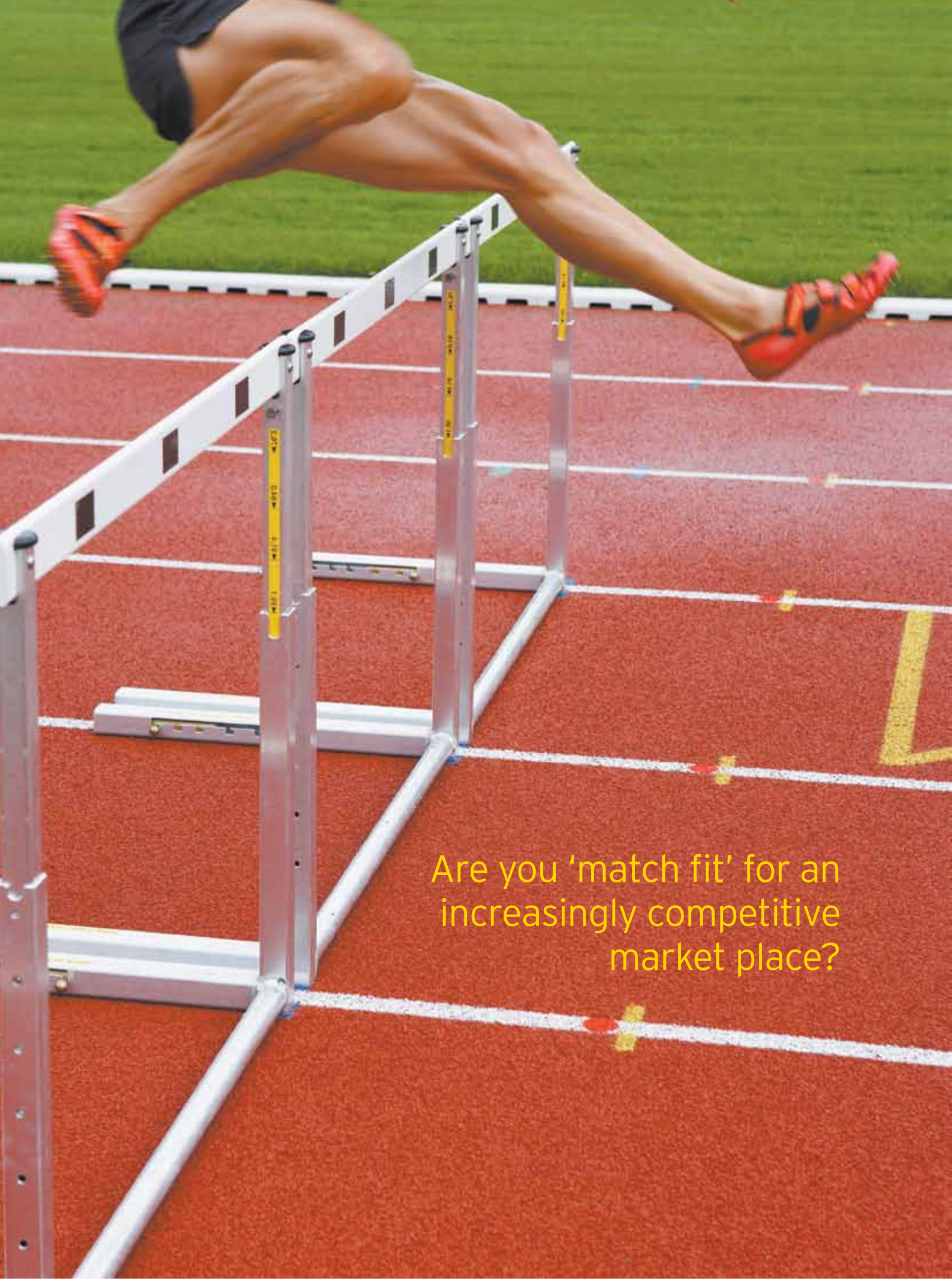
12 An international example of an institution-scale merger can be seen in the 2004 merger of the University of Manchester Institute of Science and Technology (UMIST) and the Victoria University of Manchester to form the University of Manchester, now one of the UK's largest single site universities and the Sunday Times University of the Year for 2006.



Are you 'match fit' for an increasingly competitive market place?

Preparing for the future: a framework to assist institutional readiness

Higher education market diagnostic framework

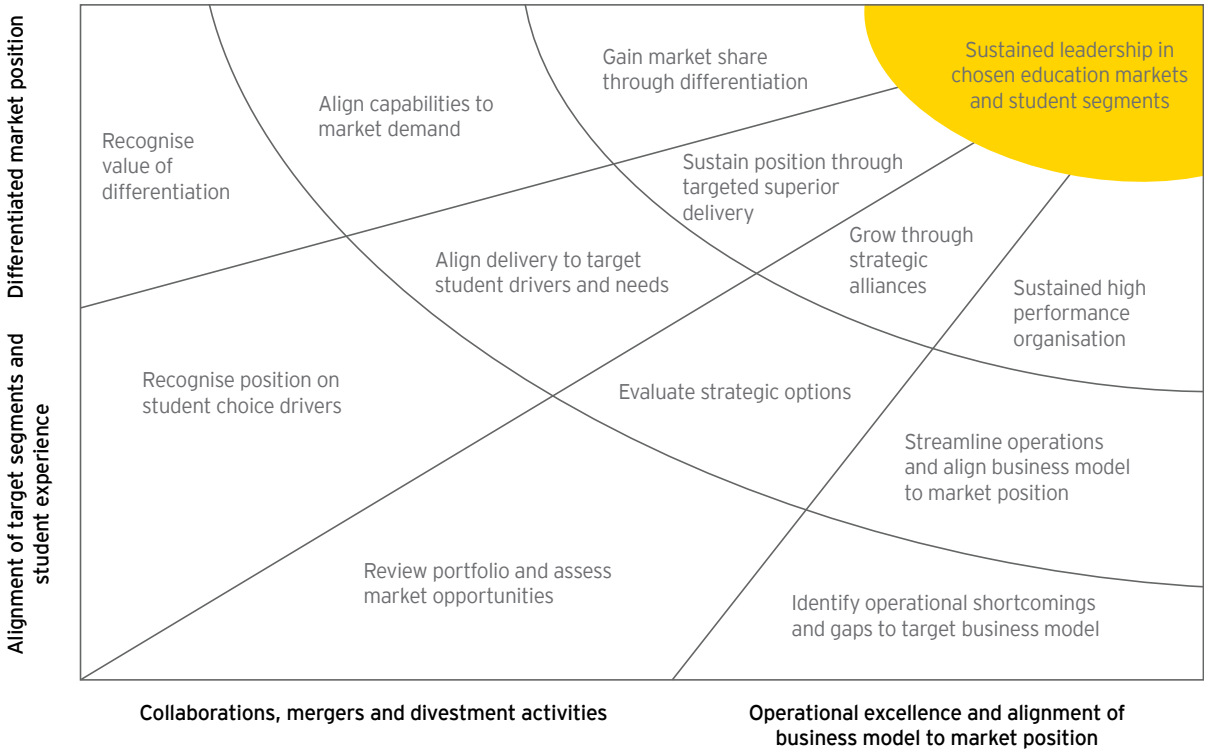
Universities could benefit from using a structured diagnostic process to understand if they are ready for a more competitive, consumer-driven market

To sustain a strong market position in an increasingly competitive higher education market place, we have emphasised the importance of:

- A clearly differentiated market position
- Alignment of target segments and student experience
- Considering mergers, divestments and other forms of restructuring

Regardless of strategic direction, institutions will need to drive operational excellence and alignment of the business model to the market position. This should encompass the whole institution – from teaching, research and academic support through to administration, institutional management, governance and culture.

Ernst & Young has developed a simple diagnostic framework to help universities understand their position on this journey and take appropriate action.



All universities we spoke to are on this journey to varying degrees. Our question to the sector is:

"Where is your institution on this journey, and are you ready for a more competitive, consumer-driven market?"

Methodology

Ernst & Young took a broad approach to generate insights into the changing Australian higher education sector.

This included surveying students, interviewing university executives, and leveraging our network of industry leaders – in higher education, other consumer-facing industries, and in other industries exposed to deregulation.

Student surveys

We conducted focus groups of recent graduates to understand student drivers of choice. The survey questionnaire was then designed and a research firm engaged to obtain responses from 1,000 current and prospective students. The questionnaire covered drivers of student choice, students' perception of competing higher education providers, and demographic information.[13]

Senior executive interviews

We interviewed 20 senior executives across seven universities to understand their views on the changing dynamics in the Australian higher education sector, implications for their institution, and current and potential strategic responses. Executives interviewed included chief operating officers, chiefs of staff, vice chancellors, deputy vice chancellors (DVCs) of student experience/student services, DVCs international, chief financial officers, and heads of marketing.

Leveraging our network of industry leaders

Ernst & Young insights from international locations were used to complement the views of the Australian higher education team, as well as insights from our team's extensive work in other relevant industries, including consumer marketing industries and deregulated industries such as utilities and telecommunications.

13 For more information on the survey approach, questionnaire and definitions used, please contact one of the Ernst & Young team members listed on page 22.

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Throughout the past ten years while based in Queensland, Lucille has extensive experience in the education sector working with the State Government, TAFEs and Universities. Complementary to this experience, Lucille was a guest lecturer for the University of Queensland's MBA program. Around specific initiatives such as Innovation, Lucille worked to strengthen links between the University, private and public sectors.

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Justin has 15 years' experience as an advisor to public and private sector organisations, with a focus on strategy and operational performance improvement. Justin has advised multiple universities in Victoria and nationally, as well as Federal and State departments of education. His university work has focused on assisting clients with their strategic direction and business plans, new channels to market for international education, financial modelling, and securing Commonwealth grants. Justin's university clients have included several dual sector universities in Victoria and leading New South Wales, South Australian and Queensland universities.

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Julie Hood is a Partner in Ernst & Young's Transaction Advisory team. Julie has worked in line management in the University sector for nearly a decade and has more than seven years of international advisory experience. Julie's university experience includes managing complex operational change, organisational restructuring and governance, financial management, and asset management.


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