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**TITLE: Massive change ahead, but trust paramount**

**AUTHOR: Richard Denniss**

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The issue facing western universities is not how many international students they will recruit, but the impact of enormous demand from developing countries will have on their systems.

Put simply, the traditional model of universities does not scale up very well and will be entirely unsuited to the educational demands of hundreds of millions of students that will emerge from the developing world in the coming decades.

Many universities have been struggling with how to approach massive open online courses (MOOCs). The problem many face is how to monetise free content. But what if the real problem was, having lost the monopoly on providing content, they also lost their monopoly on certifying that knowledge.

The most profitable internet-based firms are not content providers, but trusted aggregators of information. Google, Facebook, YouTube, Wotif and eBay do not create content or supply services, they bring people who want something together with people who have something.

Imagine if the Indian government turned the table on the western universities and spelt out the courses it wanted taught, the standard to which it wanted them taught, and where it wanted the material delivered - in person or online. Now imagine that they went to the cash strapped western universities and asked them to bid for the work?

Imagine if Google wanted to train 1000 of its staff in privacy law or the US Department of Defence wanted to train 10,000 of its staff in procurement. Should they shop around to see what the universities are offering or should they post their requirements up in a trusted aggregator and wait to see what the market offers them?

Australian universities already accept that courses completed at other universities can count towards a degree they award. Similarly, meta-universities such as the Open Universities

Australia network and the Australia New Zealand School of Government (ANZSOG) already joint market their offerings and certify the quality of the end result. But why stop at a dozen universities? Why not networks of 80 or 800? And if trans-Tasman institutions can be trusted in ANZSOG why can't trans-pacific or truly global, and truly massive, networks be developed?

The sector is already heading in these directions, but many of those responsible for steering universities seem to be navigating as if their monopoly to certify that knowledge is fixed and permanent. But what if the university networks usurp universities themselves? What if developing countries invest heavily in the ability to match students to content providers and to certify what they have learned rather than invest in the ability to convey content?

Regardless of the direction in which university reform takes, the most important resource will be trust. Trust in the quality of the content, the motivation of the teachers and the reliability of the certification that takes place at the end of the content delivery. Just as individual universities are more likely to work closely with institutions they know and trust, so too are countries. This is why the recent bilateral talks between the Australian and Indian ministers for higher education are so significant. While the internet makes exchanging information easier, trust is still built face to face.

University education has, and will continue to, provide a key role in the generation of social, technological and economic advancement. The massive expansion in worldwide demand for higher education is both an opportunity and a threat for universities as we know them. While the motivation to deliver high quality education at the lowest price is shared between developing countries and Australian vice-chancellors, their support for the status quo is likely to differ substantially.

*Dr Richard Denniss is the Executive Director of The Australia Institute, a Canberra based think tank. This article is based on a speech given as part of the recent bilateral talks between Australian and Indian higher education ministers.*