

# Education

How will COVID-19 reshape key Australian industries?



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# How Australian universities are reimagining the future

Swift action was required by Australian universities when travel bans were introduced by countries across Asia Pacific as part of the effort to stem the spread of covid-19.

In recent times Australia's universities relied heavily on international students who represent around 40% of annual student revenue. With so many students unable to make it for the start of the 2020 academic year—and still no end to the travel bans in sight—Australia's universities face a massive setback.

Westpac IQ's covid-19 series in association with The Economist Intelligence Unit explores how different industries are faring with the economic fallout from the pandemic. In this second instalment we focus on the tough challenges confronting the education sector

and how leading higher education institutions have so rapidly transformed their delivery of learning and services—as well as their plans for the future

Our special thanks go to the vice-chancellor of Monash University, Professor Margaret Gardner, for her detailed insight into how the university has learned to engage with the world in new ways and for her positive perspective on how the sector, which has "lived through wars, floods and famines", is re-inventing itself to play a vital role in preparing Australians for the next normal.

We look forward to bringing you more perspectives from Australian industry leaders in this series and, of course, welcome your feedback.



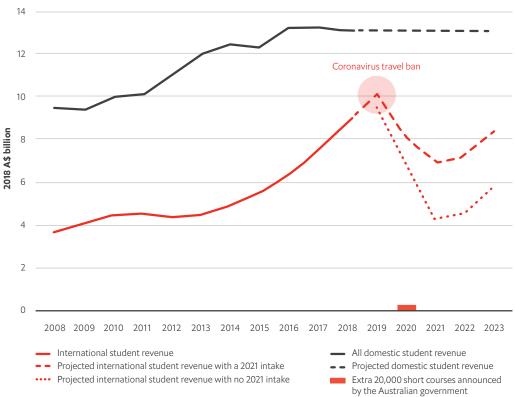
#### Can Australia's universities survive?

Covid-19 has presented the biggest public health threat in a generation and has left entire industries and institutions reeling. In Australia, the impact on universities was severe and immediate as the outbreak occurred at the start of the academic year. With no end in sight to the travel bans issued by the federal government to contain the spread of the virus, domestic and overseas students studying—and paying fees—at universities are currently facing an unprecedented set of challenges.

A recent report by the Mitchell Institute at Victoria University titled *Australian Investment in Education: Higher Education* shows that 40% of Australia's annual university student revenue is derived from international students. This demographic provides almost A\$9bn (US\$5.9bn) to universities and injects another A\$10bn (US\$6.5bn) into the broader economy. The report also notes that most universities had limited surpluses to steer them through the covid-19 contraction.

In this Q&A the vice-chancellor of Monash University, Professor Margaret Gardner, outlines the primary challenges facing universities and international students, the innovation and resilience that shone through in responding to the crisis and the opportunities that may arise for Australia's education sector in the longer term.

Figure 1: University domestic and international student revenue (actual and forecast)



Source: Australian Investment in Education: Higher Education, Michell Institute, Victoria University, 2020





Professor Margaret Gardner AC, president and vice-chancellor, Monash University

The Economist Intelligence Unit: What impact has covid-19 had on Australia's tertiary education sector so far?

Professor Gardner: "It's been significant, although we won't see the full impact until the end of the year. Estimates from the Mitchell Institute put the loss to Australian universities this year somewhere between A\$3bn (US\$2bn) and A\$4.5bn (US\$2.9bn). Over the next three years it could be as high as A\$19bn (US\$12.3bn). That's because degrees for fee-paying students are a minimum of two years in Australia, as a large proportion are postgraduate, and students who don't enrol next year will of course not be there the following year either. In terms of revenue, that is a very significant impact.

"The impact of covid-19 on higher education in Australia was different from the impact it had in the northern hemisphere. Approximately 30% of our students are international students, and because the outbreak started at the beginning of Australia's academic year many students were unable to enter the country due to the travel bans which started with China in early March. The impact was therefore immediately obvious."

### The Economist Intelligence Unit: How did Monash adapt its processes in response to the pandemic?

Professor Gardner: "We had to transform not only our learning materials but all sorts of services normally provided to students. We began by putting up a new VPN (virtual private network) for our Chinese students studying online as we had to increase the bandwidth and reliability of the internet—otherwise they would have had a dreadful experience.

"We then introduced new ways of learning. For example, medicine can be very hands-on with students using things like cadavers. Now our students can access a digital model of the body which means that they can listen to an online lecture and understand what is being explained. Our music school also

changed the way it did things: it is running ensembles online and has learnt how to deal with sound delays.

"We also redesigned assessments. We have a large number of degrees that include practical or lab-based components, such as engineering, science and health. We postponed some of it, but you can't postpone all of it.

"We were fortunate in that we already had an extensive online assessment series. Monash had designed a platform that allows students to handwrite their answers or to look at x-rays or specimens during exams, for example. We had been trialling it over the past 18 months with students taking exams in large halls using the secure framework. So far as I know, Monash was one of the only universities in the world to have already done that with thousands of exams. But of course we were also using invigilators for those exams. This year we added online invigilation to the updated system that was being trialled.

"Nonetheless, it was still a big transformation, all of which was created by our staff, and it taught us how fast we could be. I have been impressed by how resilient and innovative our staff members have been, with people shifting jobs to help out where necessary. For example, some of our library staff helped redesign online courses and members of our events teams spoke to offshore students over the phone to see how they were managing. We've also gained huge amounts of organisational learning from this experience, and that will be invaluable for the future."

## The Economist Intelligence Unit: What has been the biggest impact on students, and particularly overseas students?

Professor Gardner: "One of the most significant impacts has been financial hardship. For international students in Australia, the economic downturn has resulted in many losing their casual jobs. Their ability to access funds from their own country may also have been disrupted, or their families' incomes may have been affected.

"Monash put together a financial hardship fund of A\$15m (US\$9.9m) in the first semester which has provided initial emergency grants and subsequent larger grants. We've had more than 16,000 applications for support to date. We also ran a fundraising appeal and the state government of Victoria also provided a hardship fund. It is helping, but the students' needs are so great.

"Another thing that has been difficult for students has been the unwelcoming messages from some members of the public. One can only call it racism, because it falls on people of a particular ethnic origin, irrespective of whether they are Australian or international students. That sort of xenophobia and racism has a significant mental health impact on all those targeted. It is to be condemned."

The Economist Intelligence Unit:

Do you think there will be fewer

overseas students studying in Australia?

Professor Gardner: "The number of international students will likely decline in the short- to medium term. I'm less convinced about that happening in the long term because I believe there is a fundamental interest among students in embracing the world. I therefore expect international education to continue and even perhaps to grow. I'm hesitant to put a timeline on it, but I think we've got 24 months before things start to settle. And where our students come from will depend on how and where travel bans and restrictions are eased."

The Economist Intelligence Unit: Are there any positives or opportunities for growth emerging as a result of covid-19?

Professor Gardner: "We've learned how quickly we can do things and how we can engage with the world in new ways. We may even start to rethink how we provide international education. I've said to our senior management staff that Monash in 2021 isn't going to look anything like it did in 2019, and that is not a bad thing.

"Domestically, the impact of the coming recession will shake out industries and cause all sorts of reshaping, with people looking for various forms of reskilling. It's likely that we will see an uptick in demand for professional development, continuing education and postgraduate degrees. There's also a huge demand for courses like data science, where people learn how to make sense of enormous amounts of information.

"Universities are very old institutions. They've lived through wars, floods and famines. Their mission is the pursuit of education and to generate new ideas and knowledge. This kind of purpose has a longevity to it—I just think we're going to see a very significant shift in how they do it."

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