

THE VU AGENDA AND BLUEPRINT FOR ORGANISATIONAL REFORM

EXCELLENT, ENGAGED
AND ACCESSIBLE

September 2012

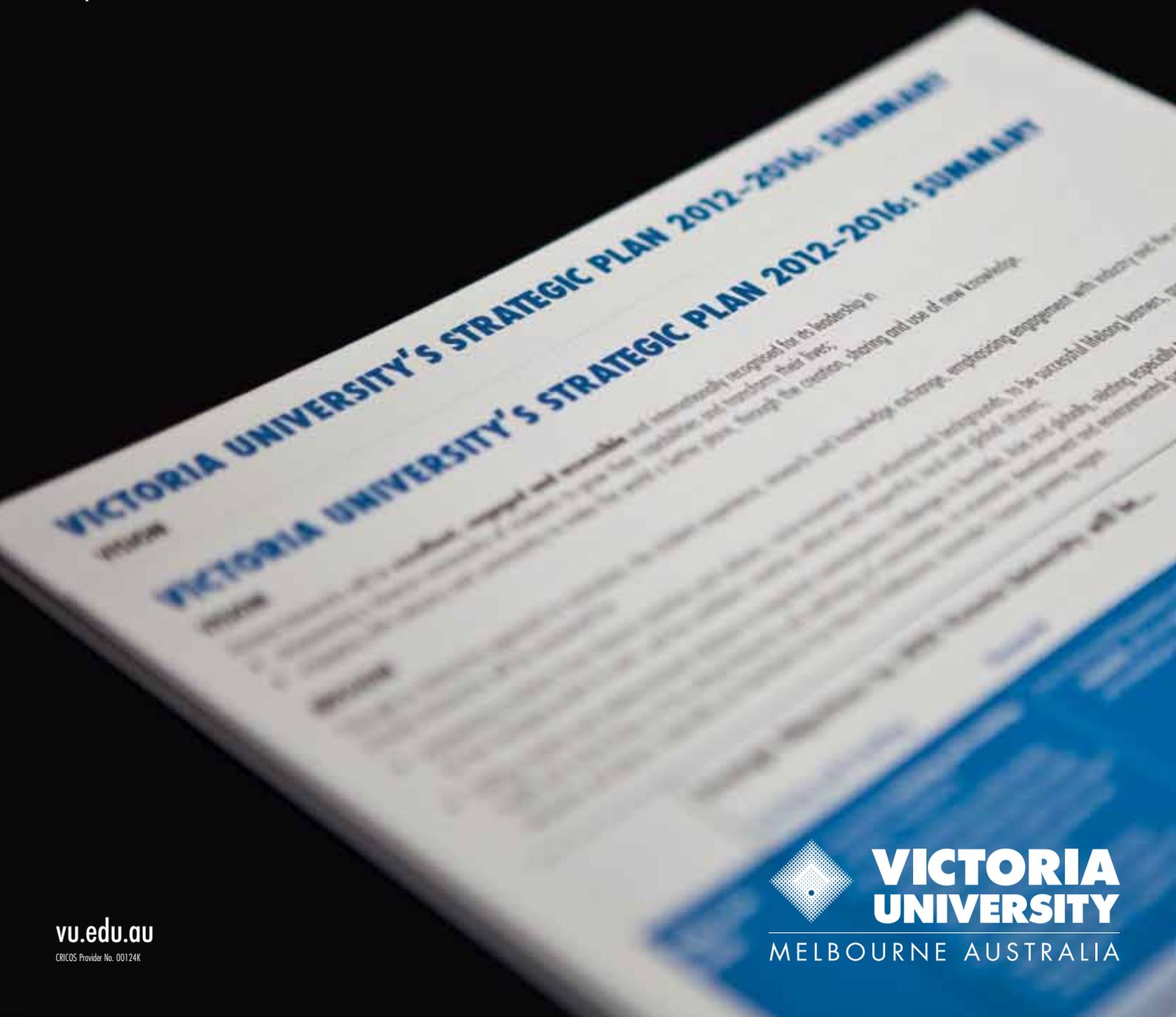


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“empowers a diverse community of students to grow their capabilities and transform their lives”

EXECUTIVE SUMMARY

2012–16 STRATEGIC PLAN: EXCELLENT, ENGAGED AND ACCESSIBLE

In October 2011 the University Council endorsed Victoria University's new Strategic Plan for 2012–16. Its first objective is to be an outstanding learning and teaching institution that "empowers a diverse community of students to grow their capabilities and transform their lives" through a "distinctive approach to curriculum and the student experience emphasising engagement with industry and the community". To support this first objective and to have a broader impact on the world, the plan has four other objectives.

Thus the five objectives of the Strategic Plan are that, by 2020, Victoria University intends to be:

1. an outstanding learning and teaching institution that empowers students to grow their capabilities and transform their lives;
2. in the top twenty universities in Australia for research with an emphasis on applied and translational research;
3. an Australian leader in knowledge exchange with business, government and the community to make the world a better place with a particular focus on particular industries and places, especially our heartland the West of Melbourne;
4. nationally and in some cases world-renowned (firstly in the field of sport, exercise and active living) in our areas of distinctive specialisation; and
5. a dynamic and prosperous organisation and an employer and partner of choice.

The VU Agenda

This plan aims to position Victoria University to compete effectively in the new competitive "demand-driven" tertiary education environment in Australia, and to take advantage of international opportunities in the Asian century.

The University Council and Senior Leadership Team are of the view that we need to move ahead with urgency in implementing this plan¹. Analysis of the markets in which the University is operating and of the University's cost structures has made clear the need to proceed with reform in four areas:

1. curriculum reform;
2. organisation reform;
3. workforce reform; and
4. campus and infrastructure reform.

¹ There are a number of timetables presented in this plan in Section 2. These are target dates and will be constantly reviewed and readjusted, if required.

The case for these reforms is built on four needs:

1. the need to increase the demand for our services and grow the size of the University;
2. the need to enhance our reputation for excellence;
3. the need to make more efficient use of resources and focus them on our core mission; and
4. the need to build the University's capability through an organisational development strategy.

The Three First Initiatives of The VU Agenda

New Degree Structure: "The VU Model", Career Start Bachelor Degrees and Professional Bachelor and Masters Degrees

A major focus of the new VU Curriculum will be the explicit development of highly sought after 21st century skills such as problem-solving. The aim is that the VU Graduate will hit the ground running in the world of work or for those already in work, achieve significant productivity advantages for their employers and career advancement for themselves.

With this in mind and with a view to achieving the aim of access as well as excellence, Victoria University will from 2014 onwards, in addition to our Bachelor of Arts, Bachelor of Science and our range of professional degrees, have a small suite of Career Start Bachelor Degrees to provide the foundations that undergraduate students, who may not have been high achievers hitherto, will need for their future careers. These degrees will be designed by mid-2013. It is anticipated that there will be four or five of these degrees that will probably include a Bachelor of Business, a Bachelor of Technology, and a Bachelor of Community Services. Consistent with the Australian Government's policy to raise participation in higher education and bring in cohorts of students that have previously not entered bachelor degrees, these degrees will be widely accessible and designed to support success. Students will be accepted on the basis of their potential to complete a degree even if they need significant additional learning support especially in the early stages of their undergraduate studies.

Alongside this small suite of Career Start Bachelor Degrees, and our Bachelor of Arts and Bachelor of Science, will be a larger suite of Professional Bachelor Degrees and Professional Masters Degrees aimed at supporting more specific career pathways and career development. Examples include the areas of teaching, nursing, paramedicine, osteopathy, biomedical science, engineering, accounting, finance, logistics, enterprise resource planning, tourism and hospitality, sport science and exercise physiology, areas in which

Victoria University has existing courses. Evidence of higher levels of prior achievement will be required for entry into these degrees, and students who perform well in the Career Start Bachelor Degrees will be able to transfer to them if they wish to.

New College Structure

The VU Career Start Bachelor Degrees and the VU Professional Bachelor and Masters Degrees, will be provided alongside a range of other sub-degree and postgraduate programs including PhDs by seven new integrated Colleges that will be drawn together from staff in existing higher education and vocational education faculties. These Colleges will also house our existing Institutes that focus on research and knowledge exchange. A good example of these is the new College of Sport and Exercise Science, which will include staff that currently teach vocational diplomas, staff who teach our bachelor and masters degrees and supervise PhDs, and also our Institute for Sport, Exercise and Active Living. It is anticipated that the Dean of this new College will be appointed by October and will lead Victoria University's bid to be the leading Australian University in this field. Last year Victoria University opened its new \$70m sport science building with the best facilities of its kind in Australia and signed a partnership agreement with the Australian Sports Commission.

Victoria University has a long history in trades education and the Senior Leadership Team believes it is a strength that we can build upon. An integral part of our Strategic Plan is our ambition to be seen 'as a national leader in modernising the apprenticeship system'. It is planned, subject to a feasibility study and the development of a business case, to convert the Trades College into the VU Trade Academy in 2014. Our goal is to be a national leader in trades training with important partnerships with industry and a Centre of Excellence in Trades Education.

The eight new Colleges to be established in January 2013 will be:

1. College of Arts;
2. College of Business;
3. College of Education;
4. College of Engineering and Science;
5. College of Health and Biomedicine;
6. College of Law and Justice;
7. College of Sport and Exercise Science; and
8. Trades College.

VU College will also continue in its important role of providing learner support across the University. It is expected that to support *The VU Agenda* this role will become increasingly important in future years.

Increasing Efficiency through Shared Administrative, Educational and Research Services

Analysis of the cost structure of Victoria University relative to other universities revealed that an unduly large proportion of funding is devoted to administration. Analysis also suggests that too high a proportion of academic staff time is spent on administration. This resulted in a decision to reduce the proportion of costs going to administration and increase the focus on the core mission of learning and teaching, research and knowledge exchange.

A significant first step was to offer voluntary separations to about 140 administrative staff who left the organisation in the first half of 2012. Work was reorganised in the areas that they left in order to increase efficiency, while aiming to avoid more intensive workloads.

The next major step will be the move to a Shared Services model for administrative, educational and research services to support the new Colleges. This is currently being designed and will be progressively implemented, starting with the development of the new administrative structures for consultation from late September. This will enable further voluntary separations, followed by redeployment or redundancy of those staff whose position does not exist in the new structure. It is expected that the vast majority of the administrative staff reductions required, will be achieved through voluntary separations.

The establishment of the Shared Services model aims to:

- improve decision making;
- enable all the new Colleges to focus on academic and educational imperatives;
- create an agile University administrative and business operation;
- reduce operational costs;
- reduce risks;
- reap the benefit of economies of scale;
- improve service satisfaction; and
- provide greater accountability.

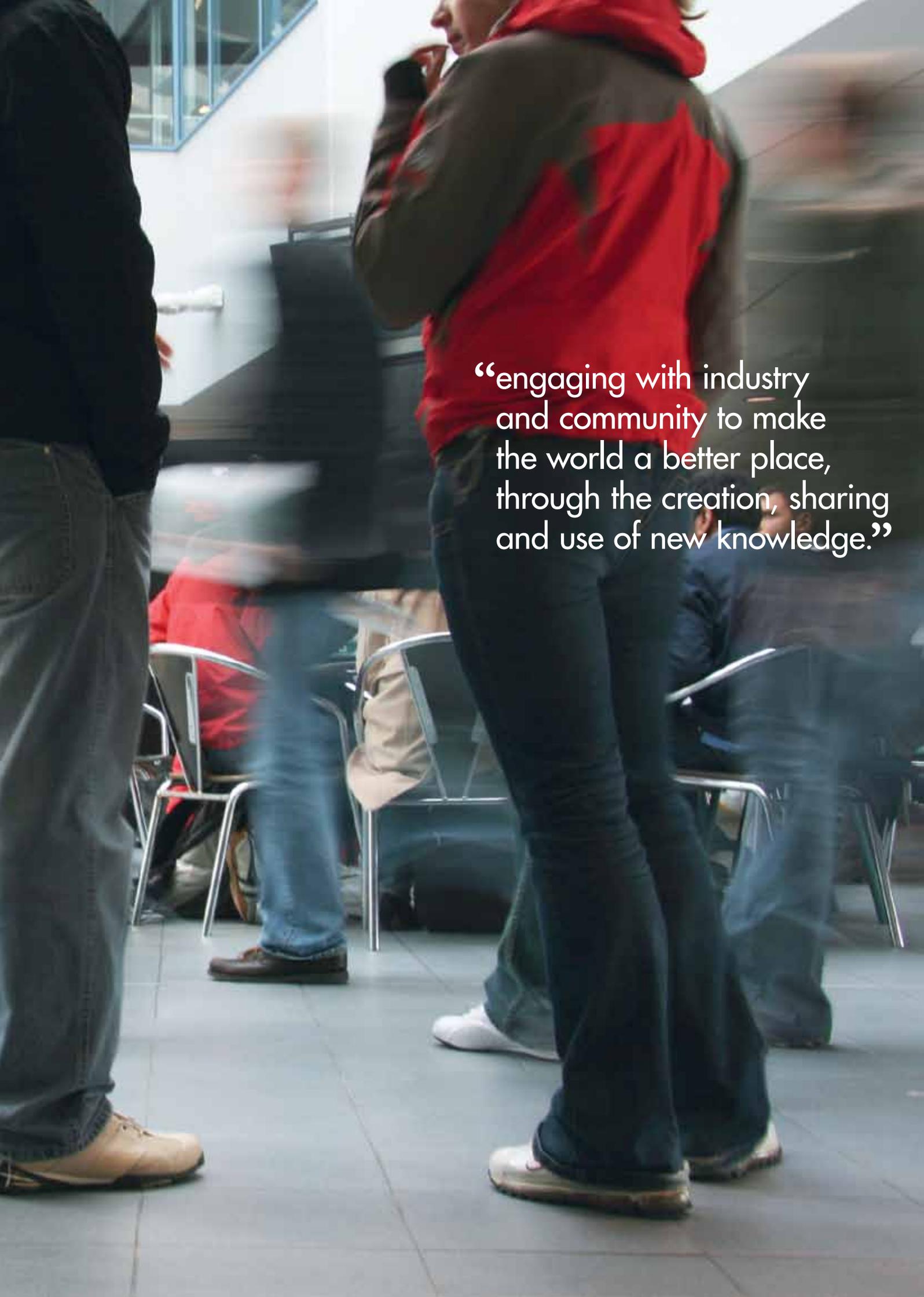
Further Plans

These three initiatives (the new degree structure or 'VU Model'; the seven new integrated Colleges plus the Trades College; and the Shared Services model to support the Colleges) represent major first steps in the implementation of *The VU Agenda*.

Further planned initiatives include the likely establishment of an international pathway college, the establishment of VU Industry Connect to provide the interface with corporate clients for fee-for-service educational and consultancy programs, the possible establishment of an Asian campus in partnership with an Asian organisation, and the further elaboration of a distinctive VU Curriculum. With the reorganisation of the academic organisation units, we are also reviewing our academic governance arrangements.

Our course offering in each College will be reviewed to ensure it is high quality and highly competitive. This will include further work on defining and developing our areas of distinctive specialisation and taking advantage of them in our course offerings. Our research and knowledge exchange strategy will also be further developed to ensure ongoing expansion and enhancement of the quantity and quality of research and of our knowledge exchange with industry, government and the community.

Once the new Colleges are established we will move forward with our organisational development strategy to build workforce capability, enhance career structures and plan our future workforce. We will also ensure that our campus footprint is ideally suited to supporting the new Colleges and *The VU Agenda*.



“engaging with industry
and community to make
the world a better place,
through the creation, sharing
and use of new knowledge.”

PART 1: PREAMBLE

1.1 BACKGROUND

1.1.1 Implementing the Strategic Plan

Victoria University's vision is to be **excellent, engaged and accessible** and internationally recognised for its leadership in:

- empowering a diverse community of students to grow their capabilities and transform their lives; and
- engaging with industry and community to make the world a better place, through the creation, sharing and use of new knowledge.

In pursuing this vision we have five objectives relating to: outstanding learning and teaching and a distinctive curriculum; moving up towards the median university for research in Australia, with an emphasis on applied and translational research; being an Australian leader in exchanging knowledge with business, government and the community; being nationally and internationally renowned for our areas of distinctive specialisation; and being a dynamic and prosperous organisation and an employer and partner of choice.

This is an ambitious plan, which we are pursuing in a challenging environment and in a new demand-driven tertiary education market. It will require us to operate with great agility and efficiency. We need to provide outstanding teaching, research and knowledge exchange services, especially in areas of specialisation. Our clients include our students, the industries on which we focus, government and the broader community.

Cuts to public funding, and competition from private providers in vocational education, along with the removal of caps on higher education places and the growth strategies of our competitor Universities, requires a more strategic approach to the market for tertiary education. In this competitive environment the current cost structure of the university is unsustainable, and the delivery model needs to be more strategic.

Although current budgetary pressures impose a high degree of urgency in designing and implementing this change agenda, it is imperative that the changes are highly strategic and well implemented.

1.1.2 The VU Agenda

Excellent, Engaged and Accessible

Victoria University aims to be a great university of the 21st century. In contrast to the 20th century when tertiary education was only for a small elite, there is a growing recognition that in the 21st century, the majority of the population in advanced countries will need to attain a tertiary education. Therefore, the world will need to find the way

to be successful in educating a large and very diverse population at the tertiary level. Victoria University can be an international leader in providing **access** to an **excellent** tertiary education for this diverse population, consequently gaining a reputation as a great university of the 21st century. This greatness will be different from the traditional view of a great university, and will involve access and engagement as well as excellence, and will be focused on a 21st century cohort of students and on developing 21st century skills. Central to this is the achievement of our Strategic Plan and the key ambitions to be:

- **Excellent** – an institution, nationally and in some areas world renowned for the quality of our learning and teaching and the student experience, the quality of our research and knowledge exchange, and for our distinctive specialisations.
- **Engaged** – known as an Australian leader in our engagement with industry and community in teaching, research and knowledge exchange.
- **Accessible** – known as a university that is accessible to all students from diverse countries, cultures, socio-economic and educational backgrounds and as a friendly supportive university through the provision of a quality student experience.

On the 24 April I outlined to Council a set of proposals intended to move ahead with urgency in implementing the Strategic Plan. *The VU Agenda* and its associated Organisation Reform Program is motivated by the desire to:

1. build on our “dual-sector capability” and further strengthen our employer engagement and our strength in transnational education, to create a distinctive curriculum and approach to teaching and learning, to support stronger educational and career pathways and improve workforce skills, in order to generate strong student pull and industry demand (**Increase Demand**);
2. build our reputation for excellence in our areas of distinctive specialisation (**Reputation for Excellence**);
3. reengineer the cost structure and campus footprint, to ensure sustainability, and focus our available resources as much as possible on our core mission of learning and teaching, the student experience, research and knowledge exchange (**Efficient Use of Resources**); and
4. design and develop internal capability, through an optimal organisational structure, streamlined processes, improved quality and effective governance, and a capable workforce, to build excellence and to become an integrated collaborative institution and deal effectively with the dynamic competitive environment (**Organisational Development**).

Council endorsed the directions outlined in *The VU Agenda* discussion paper and it was agreed that a ‘blueprint’ outlining the implementation with a particular focus on the priorities of organisational reform, would be presented at the August meeting of Council. Within the organisational reform component of *The VU Agenda*, the most urgent priorities were to establish the new integrated Colleges, bringing together staff from higher education faculties and vocational education faculties and our institutes, by the 1 January 2013, the centrepiece of the organisational reform, and to get the Shared Services model in place (educational, research and professional services), which will support the Colleges. The successful implementation of these projects was seen as critical to Victoria University being in a position to deliver the broader reform program articulated in the *The VU Agenda* and, consequently deliver the objectives of the Strategic Plan by 2016.

1.1.3 Rationale for Change

The strategic analysis undertaken² to develop *The VU Agenda* indicated a strong necessity for significant change at Victoria University, the rationale for which is summarised in the following four needs:

- Value Proposition: Increase Demand;
- Reputation for Excellence;
- Efficient Use of Resources; and
- Organisational Development.

Under *The VU Agenda*, as part of the six strategies of the Strategic Plan³, four reform areas emerged as priorities comprising:

- Organisational Reform;
- Curriculum Reform;
- Workforce Reform; and
- Campus and Infrastructure Reform.

Organisational reform is the first priority to get our cost structure under control and create academic organisational units which will allow us to proceed with the curriculum reform, workforce reform and campus and infrastructure reform. From the outset I committed to consult with staff and other stakeholders. I have also put in place structures and processes, underpinned by a robust change management methodology, to support this reform and ensure that we deliver these changes successfully.

² This has been based on the original analysis undertaken as part of the Stocktake, informed the development of the Strategic Plan and has since been further refined as part of *The VU Agenda*.

³ The Victoria University Curriculum and Student Experience Strategy; Victoria University Research and Knowledge Exchange Strategy; Industry, Community and External Affairs Strategy; International Strategy; Organisational Development and Resources Strategy; and Campus and Infrastructure Strategy.

Value Proposition: Increase Demand

Our value proposition is clearly articulated in the mission in our Strategic Plan:

Through its **distinctive approach** to curriculum, the student experience, research and knowledge exchange, emphasising **engagement with Industry and Community**, Victoria University will be renowned for:

- **empowering students from diverse countries and cultures, socioeconomic and educational backgrounds** to be successful lifelong learners, grow their skills and capabilities for the changing world of work, and be confident, creative, ethical and respectful citizens; and
- finding creative and **evidence based solutions to important contemporary challenges** in Australia, Asia and globally, relating especially to **education and lifelong learning, to health and active living**, to the cultural diversity and wellbeing of communities, to economic development and environmental sustainability, and to the success of particular industries and places, **especially in our heartland of the West of Melbourne, Australian’s fastest growing region.**

Victoria University aims to continue to be the major tertiary education provider to the West of Melbourne, Australia’s fastest growing region, to continue to expand its transnational education, and to be an increasingly attractive provider to industries on which we focus and to Victorian students from outside the West of Melbourne, including offshore, in our areas of distinctive strength. Our future needs to be defined by growing demand across our course profile. This will be built on our distinctive curriculum and approach to learning and teaching, emphasising work-integrated learning, learning-integrated work, problem solving and 21st Century skills; as well as strong industry and community connectivity through our translational and applied research and commitment to knowledge exchange.

To do this well, we need to reshape our academic structure and course profile to be fit-for-purpose, take advantage of our dual sector status through the integration of vocational education and higher education, build upon our demonstrated strengths and provide a compelling offer to students. This has been informed by an analysis of our market segments. These structural changes will also be complemented by curriculum reform, including the introduction of two types of degrees, Career Start Bachelor Degrees and Professional Bachelor Degrees. In addition, we intend to work on making our offer attractive to students through:

- developing a suite of integrated high-level VET, undergraduate and postgraduate qualifications;

- making accessible multiple entry and exit points within each destination qualification; and
- utilising transitions pedagogy at particular transitions hot spots such as diploma to degree pathways and the first year of Career Start Bachelor Degrees.

Importantly, our existing strengths in learning and teaching and research and knowledge exchange have driven the design of seven of the new integrated tertiary Colleges:

- College of Arts⁴;
- College of Business;
- College of Education;
- College of Engineering and Science;
- College of Health and Biomedicine;
- College of Law and Justice; and
- College of Sport and Exercise Science.

The Colleges will be academic and learning communities designed to deliver learning and teaching, research and knowledge exchange across the University, with a strong focus on their students and industry clients. The improved sustainability of the University will allow increased investment in the core activities of the University and delivery of the Strategic Plan through the Colleges as the primary driver. The increased focus on academic and learning communities will allow improved attraction and retention of high calibre staff to strengthen and renew the disciplinary areas. Additionally the clearer market focus of the Colleges is designed to improve their dynamism in the current competitive market.

Victoria University has a strong and continuing commitment to the trades sector which will be enhanced by the reshaping and repositioning of trades education at Victoria University. The establishment of the Trades College and subsequently the VU Trades Academy will ensure that we deliver high quality, industry ready graduates to support national and regional productivity and skills agendas as well as the needs of industry. Importantly this new entity will build on existing strengths and be highly integrated with industry, through partnering and sponsorship, delivering industry-facing learning and teaching and contributing to reciprocal knowledge exchange.

Reputation for Excellence

Victoria University is committed to being a tertiary institution defined by excellence, as outlined by the five objectives of the Strategic Plan:

- a distinctive curriculum, with outstanding teaching and learning and student experience;
- moving up towards the median Australian university for research, with an applied and translational focus;
- being an Australian leader in knowledge exchange with business, government and the community;
- being nationally and in some internationally renowned for our areas of distinctive specialisation; and
- being a dynamic and prosperous organisation and an employer and partner of choice.

The identification of distinctive specialisations is a key aspect of the Strategic Plan. They provide a focus for our learning and teaching, research and knowledge exchange activities as we strive to be at least nationally, if not world renowned in certain areas. The work done to date has again reinforced the importance of broad disciplinary groupings as the vehicles for collaboration, interaction and greater thematic integration.

We are clear about our ambitions with respect to the distinctive specialisation of Sport, Exercise and Active Living. In our Strategic Plan a target has been set for Victoria University to be world renowned in Sport, Exercise and Active Living by 2016, and to be seen as a national leader in more areas over time and internationally renowned in up to four areas by 2020.

In order to define these individual areas of specialisation across the University that have the potential to become nationally or internationally renown by 2016 and 2020, a planning process has commenced, with eleven identified areas undertaking an assessment of their strengths in learning and teaching, research and knowledge exchange and outlining their future vision. This activity aims to determine how each distinctive specialisation could meet the high-level goals of the University's Strategic Plan, including identifying what disciplines and learning and teaching research and knowledge exchange activities offer the best opportunity for achieving world or national renown. Furthermore, the establishment of the Colleges will enable more work to be undertaken on refining and focusing these specialisations to ensure they are industry-facing, prepare our graduates for the future world of work and clearly define our market differentiation to stakeholders.

This period of change at Victoria University, as we aim to strengthen the foundations through the Organisational Reform Program and subsequent curriculum, workforce and campus and infrastructure reforms, will enable us to achieve a national and international reputation for excellence in our core activities of learning and teaching, research and knowledge exchange.

⁴ With plans to consider a separate College of Creative Industries by 2015.

Efficient Use of Resources

The 2011 budget outcomes simply put a spotlight on issues that had emerged in 2011 about Victoria University's current business and operating models. It was evident through the 2012 budget process that significant rebalancing of our staff profile needed to occur so that we could continue to invest in our core activities of learning and teaching, research and knowledge exchange. In the long run, our success will depend upon the quality of our learning and teaching, the student experience, the quality of our research, and on our engagement with industry and stakeholders. This rebalancing of our academic and general staffing levels commenced in December 2011 through the introduction of a Voluntary Separation Program for general staff across the University. Further work on this is now being delivered through the Organisational Reform Program focusing support structures to be more closely aligned to our mission and further rebalancing of our investments between the academic and general staffing levels.

However this is not the only work that needs to be done. We need to ensure that our campus configuration supports our education endeavours more effectively. As a generalisation Footscray and the City are our most popular locations, particular for higher education students, However, having three locations in the City is not ideal and we have identified the need to consolidate our City presence. The need to have our campuses in Footscray more integrated into the concept of Footscray as a University Town is also seen as a priority. We continue to see the need to have a presence in other parts of the west of Melbourne, such as Sunbury, Melton, Werribee, St. Albans and Sunshine, especially to support our access agenda, we have identified locations outside of Footscray and the City, to either base on particular specialisations or on developing community integrated learning spaces to provide greater access to tertiary studies. We have commenced a process of consolidation with the de-commissioning of Sunbury campus already and Newport, at the end of 2012.

The second half of 2012 will see the development of a Council-approved detailed plan for Victoria University's future campus and learning spaces footprint, with the location of the Colleges an important component. We also need to have in place a sound Asset Sales Strategy, as the sale of a number of assets are critical to Victoria University being in a position to fund its capital development plans into the future and fulfil the ambitions of the Strategic Plan.

For Victoria University to be known as a dynamic and prosperous organisation we need to make best use of our available resources with effective, streamlined and aligned processes as well as quality and effective use of infrastructure.



Organisational Development

To remain competitive in the tertiary market Victoria University needs to become a more streamlined and nimble organisation, capable of grasping the many opportunities that will help Victoria University to make its mark, locally and globally. Early in 2012 we began a process of mapping our current business and operating models to build an understanding of our current structures, processes and systems. This work was a key input into the Shared Services project for professional, education and research services. Importantly the 'to be' model that we develop needs to ensure equitable provision of timely, efficient and effective professional, educational and research services to the Colleges (which will be different sizes) to ensure we remove the administrative burden preventing academic and teaching staff from focussing on their areas of expertise and passion. Importantly, as we move to establish the new Colleges, we are working on simultaneously implementing Shared Services to ensure that we start 2013 transitioning to a transformed, fit-for-purpose organisational structure ready to implement the key objectives of the Strategic Plan.

In our Strategic Plan we have a goal to be a dynamic and prosperous organisation and an employer and partner of choice. Critical to this is the University's most important resource, its people. The quantity and quality of human resources will drive improved: learning and teaching outcomes; student experience; and research performance. We need to increase the proportion of salary costs spent on direct teaching. But all parts of the workforce have important roles to play including, teaching and research staff, professional and technical staff and management.

The VU Agenda is also about the way that different parts of the workforce work together. A key issue in the new organisational structure will be how effectively our higher education staff and our vocational education staff work together in the new College structure, as an integrated tertiary workforce. Another key issue will be how effectively the staff providing shared professional and educational and research services work together with the academic staff. This will require capability building, teamwork and cultural change in order to improve the value proposition of Victoria University as an employer of choice for current and future employees.

For Victoria University not only to compete but to excel in its delivery of learning and teaching, research and knowledge exchange across its distinctive specialisations, it requires significant reform to our current organisational structure and our workforce. Put simply, if we are to reshape our service offering to students and industry partners it is incumbent upon the University to retain, develop and attract high-performing professionals and to provide a workplace

environment where staff are able to do their best work in achieving both the University's objectives and deriving personal and professional satisfaction.

In addition to the development of an appropriate workforce and career structures, high quality management and leadership is another imperative for a successful organisation. As a matter of priority, considerable work is being undertaken on the development of our Integrated Workforce Strategy, that supports our requirement to have a fit-for-purpose staffing profile to deliver our Strategic Plan, and it is anticipated that detailed planning on this strategy can be considered in late 2012. Further planning work on the broader People and Culture Strategy will continue through late 2012 into 2013.

1.1.4 Organisational Reform Program

Since the endorsement of *The VU Agenda* in April, a significant amount of consultation has occurred around the design and development of the suite of projects in the Organisational Reform Program. They are the Colleges; Trades Academy; Governance and Compliance; VU College; Education Services Professional Services; Research Services; University Enterprise Architecture and University Change Framework; VU Industry Connect; International Pathways College.

Part 2 outlines how we intend to implement these key elements of the Organisational Reform Program (ORP).



Professor Peter Dawkins
Vice-Chancellor and President



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PROF PETER DAWKINS
ACADEMIC SENIORITY
VICTORIA UNIVERSITY

PART 2: ORGANISATIONAL REFORM PROGRAM

2.1 ORGANISATIONAL REFORM PROGRAM (ORP)

The Organisation Reform Program (ORP) is a series of projects intended to deliver a “dynamic and prosperous organisation” through a program of organisational redesign and reforming of processes, systems and governance. This reform program will deliver a university that will be structurally very different, characterised by:

- the reorganisation of learning and teaching and research and knowledge exchange, to align better with our distinctive specialisations and take advantage of our ability to offer courses across the AQF (including growing pathways); and
- a leaner and more streamlined organisation that rebalances our staffing profile to ensure we are investing in our core business.

2.1.1 Program Governance and Management

The organisational reform program comprises the following key projects:

- **Sponsor: Professor Duncan Bentley**
 - Colleges
 - Governance and Compliance
 - International Pathways College*⁵

- **Sponsor: Professor Anne Jones**
 - VU Trades Academy*
 - VU College
 - Education Services
- **Sponsor: Professor Peter Creamer**
 - Professional Services
 - University Enterprise Architecture and University Change Framework
- **Sponsor: Professor Warren Payne**
 - Research Services
- **Sponsor: Grant Dreher**
 - VU Industry Connect*

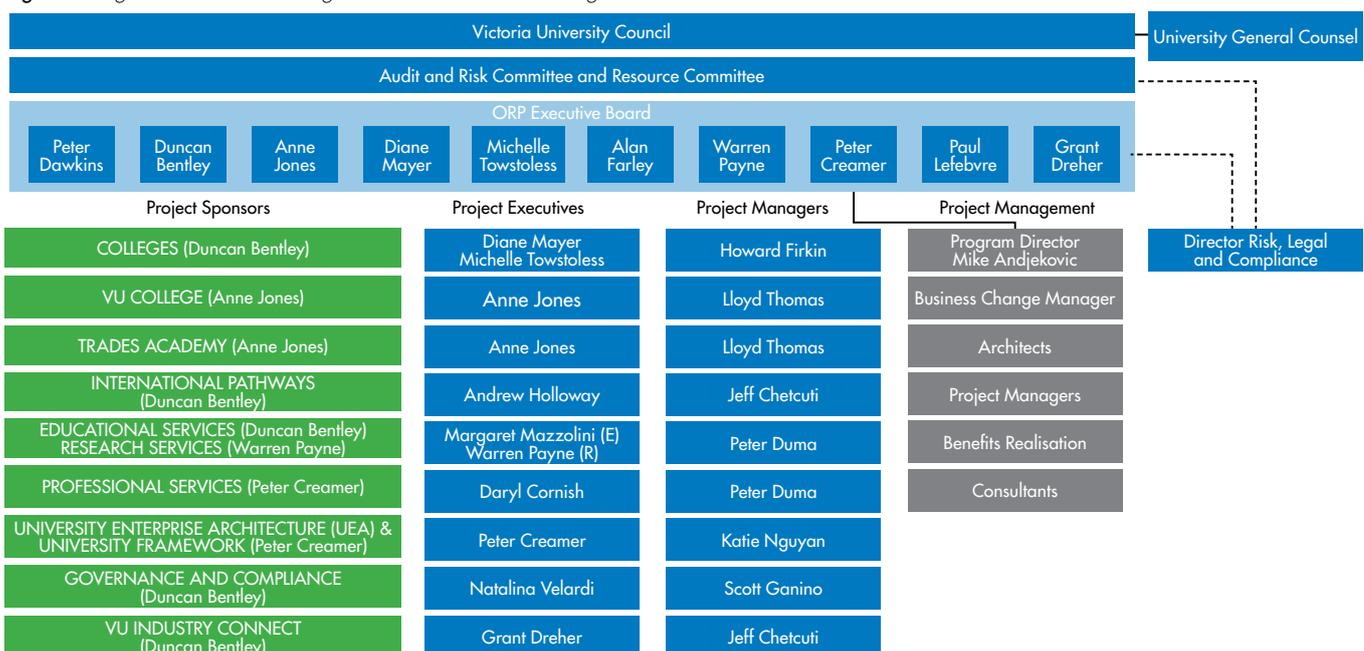
Organisational Reform Program (ORP) Executive Board and Leadership Group

A governance and management structure has been established to oversee the implementation of the various projects.

The ORP Executive Board, comprising of the Senior Leadership Team and chaired by the Vice-Chancellor, oversees the entire program to ensure appropriate resourcing, monitor progress against timelines and ensure alignment of the Program to the strategic direction of the University. This group has ultimate accountability for program success.

Figure 1 summarises the Program Governance and Management.

Figure 1: Organisational Reform Program Governance and Management.



*The majority of design and development for these projects is on hold until 2013 as there are interdependencies with other projects.

The ORP Leadership Group, chaired by Professor Duncan Bentley, Deputy Vice-Chancellor (Corporate Affairs, Knowledge Exchange and International), is the coordinating body responsible for driving the program and plays an advisory role to the Executive Board on all aspects of program management.

Program Management Team

A program management team has also been established, led by a Program Director, to work closely with the various project sponsors and their project teams to support the implementation of the various projects. This team is also supported by the Public Affairs Unit on matters relating to communication and consultation with stakeholders and by People and Culture on change management, workforce and industrial considerations.

Subject matter experts across the University, are also being engaged to input into the design and implementation of the various projects through a variety of mechanisms including regular structured engagement with the sponsor and project team and through unique activities such as forums and planning days.

2.1.2 Consultation

An extensive consultative period commenced about *The VU Agenda*, with a central (but not exclusive) focus on the Organisational Reform Program. This consultative period began with a briefing of the Vice-Chancellor's Planning Advisory Committee and the Leadership Community (about 100+ senior leaders of the University) on the 26 April. This was then followed by the release of the paper to the broader university community on the 29 April seeking feedback on the proposals.

During May, there was a Council Retreat. This built on ongoing engagement with a range of external stakeholders. There was a series of campus visits undertaken by the Vice-Chancellor along with Professor Duncan Bentley, Deputy Vice-Chancellor (Corporate Affairs, Knowledge Exchange and International) and Mr Paul Lefebvre, Vice-President (People and Culture). These visits engaged staff in high quality dialogue on the proposed program of reform. Mid-May the Vice-Chancellor briefed the Directors of corporate areas and on the 23 May, he also briefed the Professorial Retreat which was attended by Professors, Associate Professors and Senior Educators.

In early June, the Leadership Community came together once again, over one and a half days to discuss *The VU Agenda* in more depth. It was an excellent discussion on several aspects of the Organisational Reform Program, with considered and thoughtful feedback which helped us move forward in the design phase. This

group then contributed to the drafting of The Blueprint at a 6 August forum, contributing to key decisions around the Colleges and Shared Services.

Consultation in June also began to look at the detail associated with the projects through a series of topic focused facilitated workshops. Thinking Futures, an independent third party, was engaged to facilitate a series of workshops designed to provide staff with the opportunity to provide feedback on the implementation of the ORP.

At the same time, a number of focused consultative activities occurred including the Colleges Discussion Forums, the Trades Academy Design Day and VU College planning forum.

Also during this time, extensive consultation with the relevant Unions was undertaken to ensure they were well briefed on the proposals outlined in *The VU Agenda*, especially those associated with the ORP and able to contribute to the design phase. Regular, ongoing dialogue with the University will continue through the AEU Consultative Committee and scheduled 'clearinghouse' meetings with the NTEU. This engagement will continue in earnest as we move forward with implementation to ensure that the 'people and culture' elements are handled appropriately.

Our international partners have also been briefed about *The VU Agenda*, with a particular emphasis on the curriculum reform elements.

Notwithstanding some degree of anxiousness about various aspects, the extent of positive reaction to *The VU Agenda* has been pleasing. As we move into the detailed design and implementation phases, special interest groups have been established to provide 'subject matter expertise' to the various project boards.

2.2 Organisational Reform Program Implementation

The following sections now outline each of the projects and their proposed scope and delivery plan. However it is important to note that the implementation of the various projects will be staged over time, with priority given to the Colleges and Shared Services project, with both of these new structures in place by the 1 January 2013. This is necessary to enable the:

- College structure to spearhead Victoria University's distinctive specialisations (2011–16); and
- the establishment of Shared Services – Professional, Educational and Research to support the Colleges (2012–3).

The following table details the staged implementation for the entire ORP.

Table 1: Summary of Staged Implementation of Organisational Reform Program

PROJECT	IMPLEMENTATION
Colleges	July 2012 – 1 Jan. 2013
Shared Services – Professional, Educational and Research	Feb. 2012 – 1 Apr. 2013
Trades Academy	Aug. 2012 – 1 Jan. 2014
VU College	Aug. 2012 – 1 Apr. 2013
Governance and Compliance	July 2012 – Dec. 2013
University Enterprise Architecture (UEA) and University Change Framework (UCF) Foundation	Feb. 2012 – 31 Aug. 2012
VU Industry Connect	Planning 2012 – 2013, Implementation 2013
VU International Pathways College	Planning 2012 – 2013, Implementation 2013

2.2.1 The 'As Is' Operating Model

The current operating model is characterised by a high level of de-centralisation and duplication across the higher education and vocational education Faculties, as well as within Institutes and Centres. These areas are working without clearly defined and delivered core, steering and enabling processes and as a consequence, this model does not support a focused and customer oriented operation, nor agile and effective decision making. Figure 2 illustrates the 'As Is' operating model.

'AS IS' OPERATING MODEL

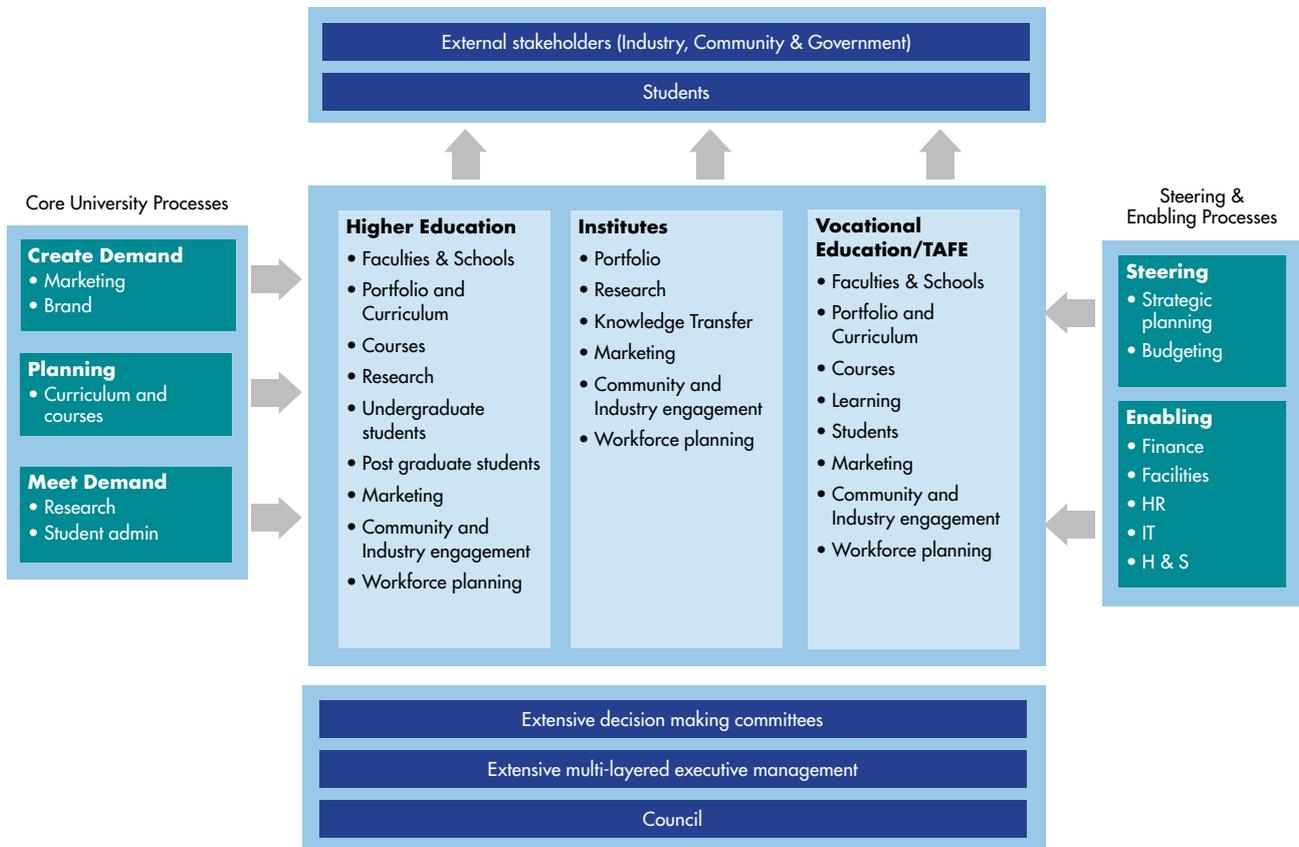


Figure 2: 'As Is' Operating Model

2.2.2 The 'To Be' Operating Model

The implementation of the suite of the projects in the Organisational Reform Program is intended to deliver the new 'To Be' Operating Model. The future operating model shows seven Colleges (incorporating the Institutes and Centres) and the proposed VU Trades Academy as the core entities, all directed towards effective delivery of learning and teaching, research and knowledge exchange. This is driven by customer oriented 'whole of university' processes and services. Streamlining and significantly higher levels of coordination will enable organisational agility, better utilisation of resources and greater efficiency.

2.2.3 Process for Designing Shared Services

The key shift in the University's Operating Model is to operate within, and undertake change under a value driven, Benefits Realisation Management (BRM) approach that applies the concept of opportunity cost – *the money or other benefits foregone by pursuing a particular course of action instead of a mutually-exclusive alternative.*

To deliver change, and to control its implementation, all changes are being managed by the newly introduced University Change Framework (UCF, which is a key project of the ORP, refer to Section 2.3.6).

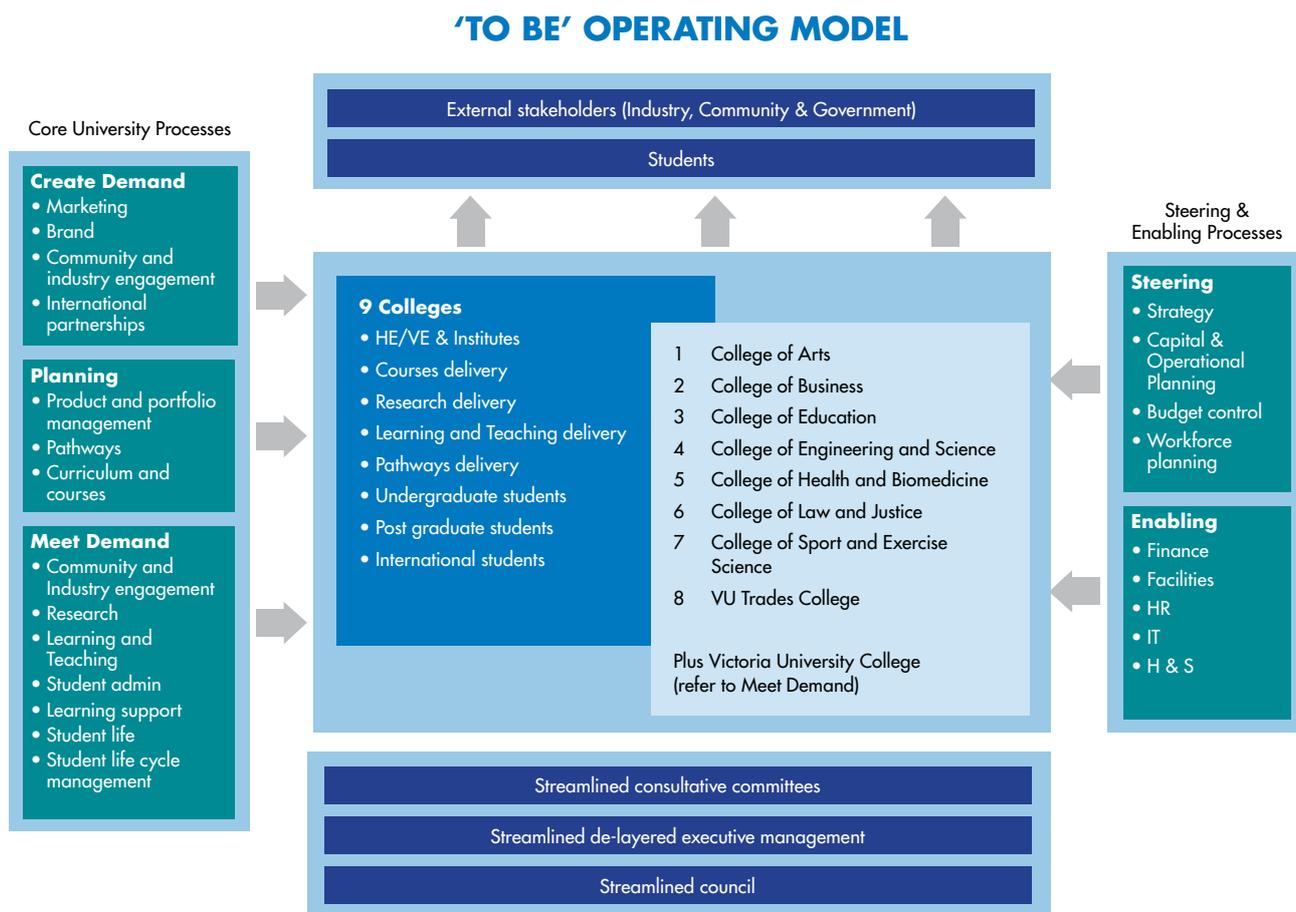


Figure 3: 'To-Be' Operating Model⁶

⁶ This diagram has been updated as at 3 September 2012.

This framework poses the following questions when implementing organisational change.⁷

- are we doing the right things? (the *strategic* question);
- are we doing them the right way? (the *architecture* question);
- are we getting them done well? (the *delivery* question); and
- are we getting the benefits? (the *value* question).

Such thoughtful analysis ensures that only changes in line with the Strategic Direction of the University are implemented.

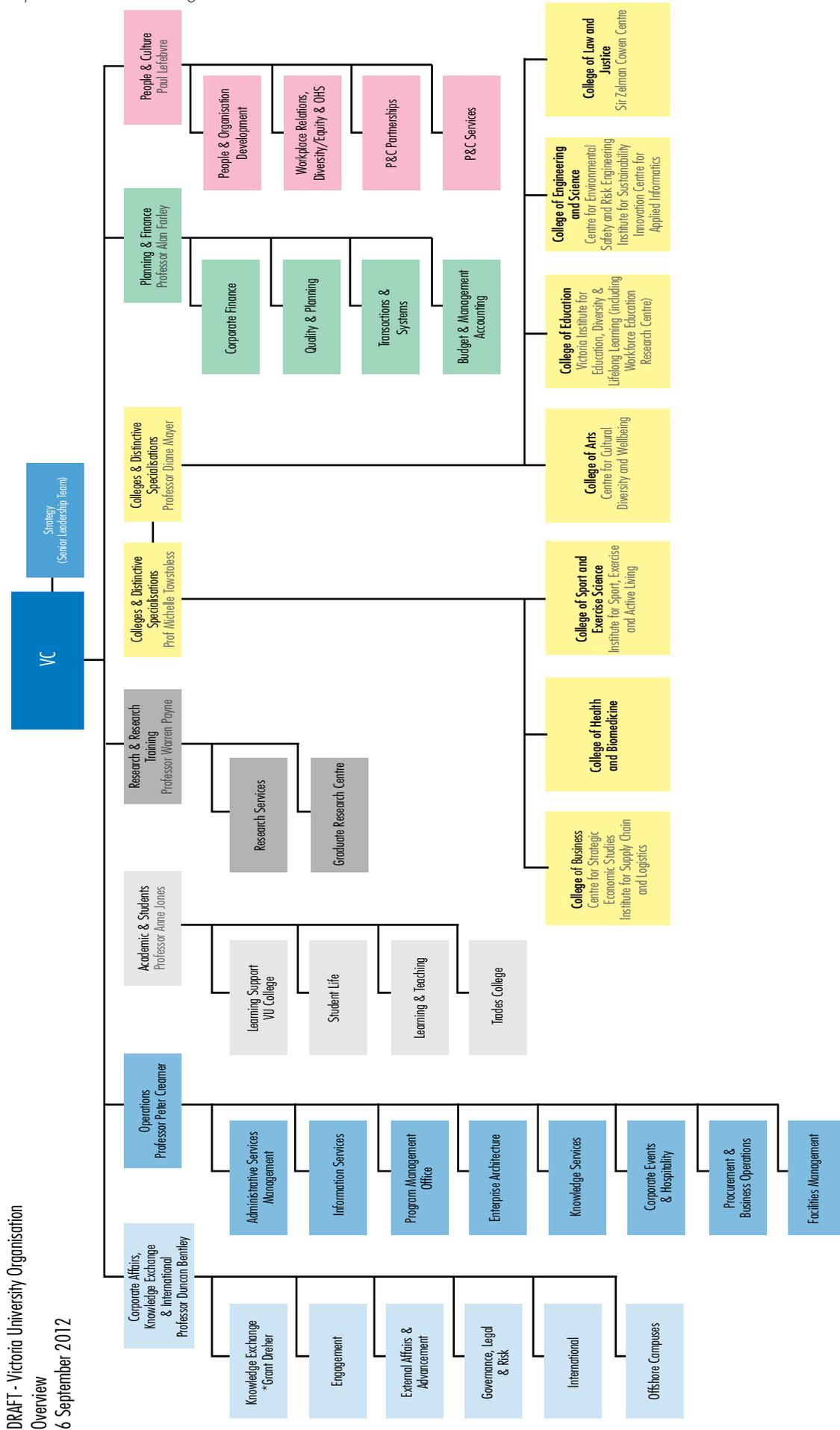
Victoria University, through the ORP, will shift to delivering value through a service oriented, strategy driven, operational model with services classified into three domains:

- core services – education delivery and research and knowledge exchange execution;
- management services; and
- support services.

The Service delivery will result from a combination of three interlocking components, People, Processes and Platforms to deliver a new Operating Model. Mapping of the architectural models that describe the current VU Operating Model has enabled improvement opportunities to be identified and the development of a draft 'To Be' Macro Organisation Structure (see **Figure 4**) which will ensure the organisation has the capabilities to deliver the Strategic Plan with a more efficient, streamlined and cost effective operating model. Design teams are now working on the development of the detail below the level of the Senior Leadership Team.

⁷ Adapted from the ISACA's Value IT methodology www.isaca.org

Figure 4: Draft Proposed 'To Be' Macro Organisational Structure



* Also member of the Senior Leadership Team

The following diagram summarises the steps we are taking to achieve this new organisational design.

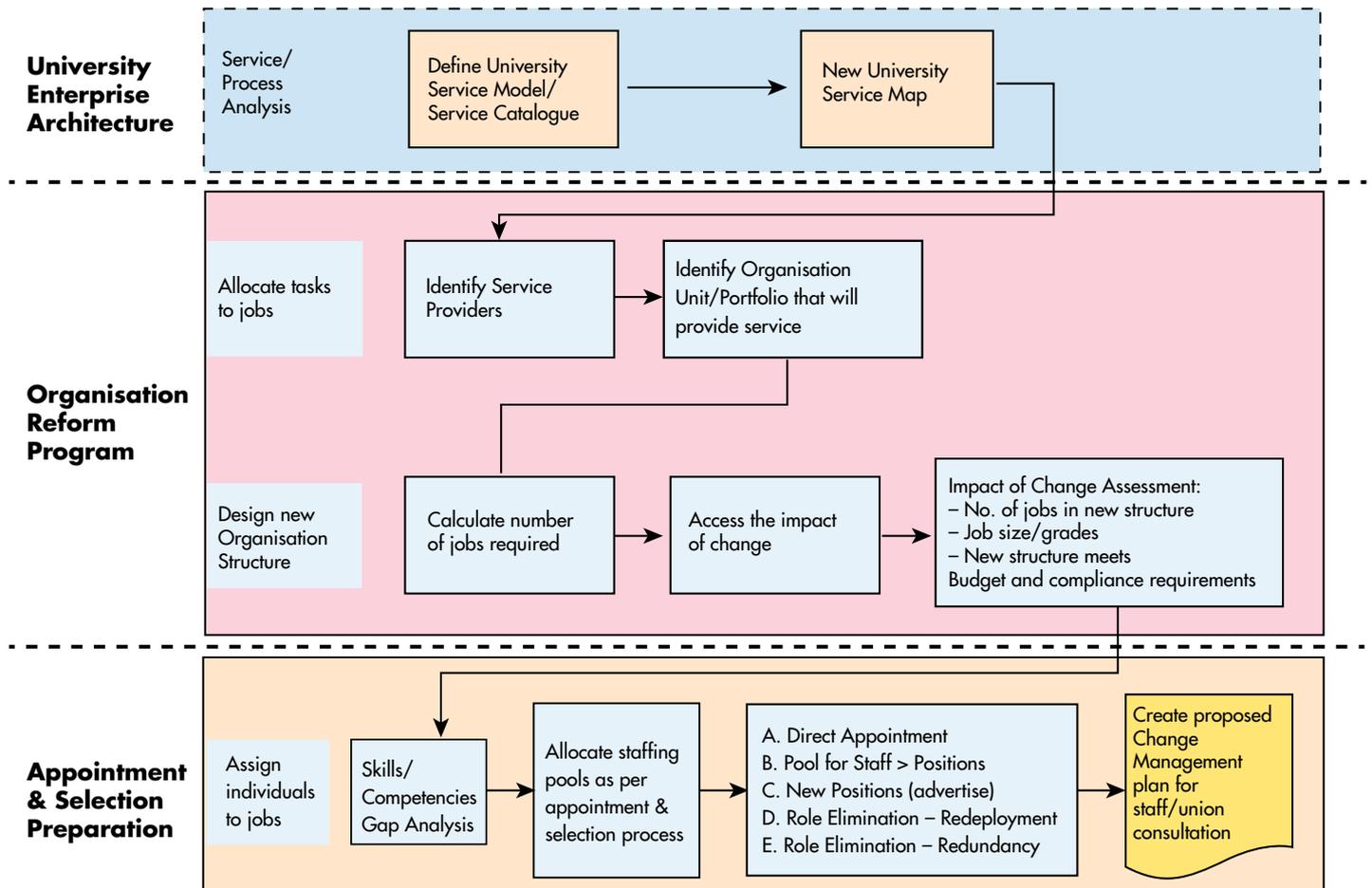


Figure 5: How is Organisational Structure Created: Design Phase Steps

2.3 THE PROJECTS

2.3.1 The Colleges

The Colleges project is working to replace the existing structure of Faculties and Schools with seven Colleges charged with the delivery of education and research for the University (The Trades College and VU College are dealt with separately below). The Colleges are organisational structures focussing on particular disciplines, professions and industries and reflecting the distinctive specialisations and areas of excellence for which Victoria University will be renowned in 2016 and 2020.

Colleges will include current academic and teaching staff, Institutes and Centres and offer diplomas as well as degrees through to postgraduate coursework and research degrees. Staff from both vocational education and higher education will be integrated into the College structure and they will be supported by shared educational, research and professional services to ensure high quality, efficient and innovative delivery of a distinctive curriculum and the highest quality research and knowledge exchange in areas of distinctive specialisation. The alignment of disciplines, professions and industries with campuses as part of the campus and infrastructure reform will occur to build a sense of community, belonging and engagement not only within a College but also across closely aligned Colleges.

The Colleges project is intended to deliver the following benefits:

- an organisational structure which focuses on students, industry, government, not-for-profit organisations, and the professions;
- a structure which reflects the distinctive specialisations and areas of excellence for which Victoria University aims to become renowned;
- efficient and effective professional, educational, and research services to ensure academic and teaching staff can focus on teaching, research and knowledge exchange in their areas of expertise;
- provision of an administrative and educational model which is clearly differentiated from most competitor institutions;
- alignment of disciplines, professions and industries with campuses to build a sense of community, belonging and engagement; and
- provision of an organisational structure which enables the success of other ORP projects.

The College Structures

Following significant consultation (refer to 2.1.2) with key stakeholders, including an analysis of our existing and emerging discipline strengths and future market positioning, it is proposed that Victoria University establish the Colleges outlined in **Table 2**.

An important role of the Colleges is to host the various Institutes and Centres already established at Victoria University. The following table outlines the proposed relationship of Institutes and Centres to the proposed Colleges. However, whilst a College has been identified as a 'host' for each Institute and Centre they will be encouraged and given incentives to work across Colleges.

As noted in *The VU Agenda*, distinctive specialisations are a key aspect of Victoria University's Strategic Plan and provide the focus for our learning and teaching, research and knowledge exchange activities as Victoria University strives to be nationally and world renowned in these distinctive areas. These form broad disciplinary groupings as the vehicles for collaboration, interaction and greater thematic integration across the University.

With the new integrated structure each College will be the custodian of at least one of the distinctive specialisations⁸. This is not to imply that the work in any distinctive specialisation will be confined to a single College; indeed, it is explicitly intended that they will incorporate work across more than one College. The role of the custodian College, however, is to play an integral role in focusing and refining the relevant distinctive specialisation and developing the plans to grow their potential. This work will inform any decisions made about future resourcing and strategies undertaken to enable the University to meet its goal of being world renowned in Sport, Exercise and Active Living by 2016, and in at least another three areas by 2020.

⁸In addition to the area of Sport, Exercise Science and Active Living we have the following potential areas of distinctive specialisation:

- Education, Early Childhood and Lifelong Learning
- Health
- Built Environment and Sustainability
- Creative Industries
- Economic and Social Development, Cultural Diversity and Community Well-being
- Financial Services
- Food and Nutrition
- Law and Legal Services
- Major Events - Hospitality and Tourism
- Supply Chain and Logistics

Table 2: New College Structure

COLLEGE	COMMENTS
College of Arts	<p>The single College of Arts encompasses the Social Sciences and Humanities as well as Creative Arts and Creative Industries. However, it is acknowledged that across the University there is support for a separate College of Creative Industries which is developing as a strong area of distinctive specialisation across the University. This recommendation for one College of Arts provides Creative Industries time to build academic capability and grow their profile across learning and teaching, research and knowledge exchange. The establishment of a single College of Creative Industries will then be reconsidered by 2015.</p> <p>This College is likely to encompass the following discipline areas, creative arts, performing arts, communication, community services, community development, social psychology, international studies/political science, social work, sociology and criminal justice/legal studies. This College will be the likely 'home' for the Career Start Bachelor Degree in Community Services. Areas of Excellence for Research in Australia (ERA)⁹ strength include being rated at 'world standard' in creative arts.</p> <p>Other areas of emerging strength include social work, cultural studies and sociology. Investment in the latter is occurring through the establishment of the Centre for Cultural Diversity and Wellbeing which will be located in the College. This Centre performs theoretical and applied research to better understand and promote the nexus between cultural diversity and human wellbeing. Potential distinctive Specialisations aligned to this College are Creative Industries and Economic Social and Community Development.</p>
College of Business	<p>This College will be the largest in terms of revenue, and has the largest numbers of international students. However, it has come under considerable challenge due partly to the decline in international student numbers in the last few years.</p> <p>This College encompasses the following discipline areas, management, hospitality and tourism, international trade and accounting and finance and will be the 'home' for the Career Start Bachelor Degree, Bachelor of Business. Areas of research focus include Applied Economics and Business and Management.</p> <p>The College will encompass the Centre for Strategic Economic Studies and Institute for Supply Chain and Logistics, which has a strong reputation for knowledge exchange with industry. The following potential distinctive specialisations Financial Services, Major Events - Hospitality and Tourism and Supply Chain and Logistics are aligned with the College.</p>
College of Education	<p>This College will offer the Professional Bachelor Degrees in Education, an area that is already in high demand. Areas of discipline strength include children's services and early childhood education, mathematics and science education, language and literacy education, arts education, indigenous studies/education, youth work, vocational education, higher education and workplace learning/workforce development.</p> <p>The College is custodian of the Victoria Institute for Education, Diversity and Lifelong Learning (including the Workforce Education Research Centre) which undertakes significant research and knowledge exchange activities to improve the learning outcomes for students from diverse, low socioeconomic (SES), or under-represented backgrounds. The Institute's research focuses on applying inter-disciplinary translational techniques to real world scenarios. The potential distinctive specialisation Education, Lifelong Learning and Workforce Development is aligned to this College.</p>
College of Engineering and Science	<p>This College is likely to encompass the following discipline areas information technology, construction, engineering and science. This College will possibly be the 'home' for the Career Start Bachelor Degree in Technology. Areas of ERA strength include Electrical and Electronic Engineering and Food Sciences above world standard and Applied Mathematics at world standard. Further areas of research strength in the College include Chemical Engineering, Civil Engineering, Artificial Intelligence and Image Processing, and Distributed Computing.</p> <p>The Centre for Environmental Safety and Risk Engineering and Institute for Sustainability and Innovation and Applied Informatics Research Centre will be an integral part of this College. With the latter being renowned for its research on sustainable outcomes for industry and the community, based on environmental and innovative technologies in areas such as water treatment technology, resource management, asset management, social and behavioural research, and environment.</p> <p>The College will be aligned to the potential distinctive specialisation Sustainability and the Built Environment</p>
College of Health and Biomedicine	<p>This College is to be the 'home' of a number of Professional Bachelor Degrees. Likely discipline areas include biomedicine, paramedicine, osteopathy, nursing and midwifery. The College has the following areas of research strength including Nursing, Pharmacology and Medical Physiology.</p> <p>The Victoria University component of Western Centre for Health, Research and Education (CHRE), our partnership with Western Health and the University of Melbourne and the proposed Centre for Disease Prevention and Management are integrated into the College. The CHRE is a teaching, training and research centre at Sunshine Hospital and a major provider of training and research opportunities for current and future health care professionals.</p> <p>The following potential distinctive specialisations are aligned with this College - Food and Nutrition and Health (Disease Prevention and Management; Health and Well Being; Health Informatics).</p>
College of Law and Justice	<p>This College will offer the LLB program and already has a sound market positioning with this offer. Currently the Sir Zelman Cowen Centre, in partnership with the Cambridge University Board of Continuing Education, provides training, research and support to the government, judiciary, legal practitioners, court staff and other professions associated with the legal sector. It is anticipated that the Centre will also become a focus for research activity as well as knowledge exchange for the College as well as continue to collaborate with the Centre for Strategic Economic Studies in the College of Business.</p> <p>The potential distinctive specialisation aligned with this College is Law and Legal Services.</p>
College of Sport and Exercise Science	<p>The target has been set for Victoria University to be world renowned in the distinctive specialisation Sport, Exercise and Active Living by 2016. The College, along with the Institute for Sport, Exercise Science and Active Living (ISEAL) will play a critical role in this.</p> <p>Likely discipline areas will be exercise science, human movement, physical education, sport and recreation management and sport coaching. It is anticipated that this College will offer a highly regarded Professional Bachelor Degree. The Institute undertakes multidisciplinary research in: high performance (elite) sport; community and grassroots sport, physical activity and active living; basic (fundamental) research in exercise sciences; and applied research in social and management sciences. ISEAL is already developing an international reputation in understanding the relationships between exercise, physical activity, and chronic disease prevention, including the mechanisms by which exercise can prevent, reduce or reverse disease progression. Consequently, it will also have strong linkages with the proposed Centre for Disease Prevention and Management in the College of Health.</p>

⁹Based on 2010 ERA outcomes, 2012 are pending.

College Management and Organisation

Management of the Colleges will be consistent in structure across the University, but will vary according to the size of the College and the needs of its staff. It is intended that a 'flat' management structure will prevail with a Dean of each College appointed. The Dean will be responsible for providing strategic leadership; links to industry, professions and governments; human and financial resource management; enrolment planning; and contributing to the realisation of the university's aspirations for the distinctive specialisations. Funding for the Dean position will be available as will limited supplementary funding to support other leadership roles within the College structure. These leadership roles are likely to encompass the following indicative responsibilities.

- Learning and Teaching: learning and teaching quality assurance (especially in relation to the university's new curriculum framework); building staff teaching and learning capability; enhancing the student experience (e.g. attraction, retention, progress, satisfaction); knowledge exchange and international priorities; participate in the development and implementation of the College teaching and learning strategy; and provide advice on development and implementation of the University teaching and learning strategy.
- Research and Research Training: research and research training quality assurance; building staff research capability and profile; enhancing the HDR student experience; knowledge exchange and international priorities; participate in the development and implementation of College research and research training strategy, provide advice on development and implementation of University research and research training strategy.
- Discipline Group: lead the group of academic and teaching staff who have expertise in each discipline area within the Colleges; ensure that the Discipline Group takes responsibility for units to be offered by their discipline group into a range of courses, for the supervision of HDR students in their area, for the staffing of units offered by the group.
- Course: College monitoring of course quality assurance; course approvals and accreditation; and input into marketing, selection and enrolment for the course.

One or more of these functions could be taken on by the Dean, depending on the size of the College. In some instances a single person may be delegated more than one of these functions. It is likely that those providing leadership in learning and teaching or research and research training will be called upon to deputise for the Dean. The Directors of Institutes and Centres will be an important part of the leadership team for the Colleges.

Further refinement of the final management structure of the Colleges will be undertaken when the Deans of the Colleges are appointed in September.

Size of Colleges and Other Student Fee Earning Entities

An estimate has been made of the relative sizes of the student fee earning entities of the new structure. This has been done by estimating expected income of these entities in 2013 and is presented in the table below.

Table 3: Indicative Revenue for Colleges

ENTITY	REVENUE (\$M)	PERCENT OF UNIVERSITY INCOME (%)
College of Arts	50	10%
College of Business	82	17%
College of Education	43	9%
College of Engineering and Science	52	11%
College of Health and Biomedicine	66	14%
College of Law and Justice	19	4%
College of Sport and Exercise Science	39	8%
VU College	28	6%
VU Trades Academy	29	6%
Other Income Sources	75	16%
Total 2013 Income	483	100%

Career Start Bachelor Degrees and Professional Bachelor Degrees

The Vice Chancellor established the Curriculum Commission¹⁰, led by Professor Anne Jones, Deputy Vice-Chancellor (Academic and Students), to work with the University community to translate the vision of the Strategic Plan into a practical framework for the renewal of the University's tertiary qualifications, a framework for learning that develops the capabilities needed by twenty-first century citizens and the skills required for current and future work and career development.

One of the first recommendations arising from the work of the Curriculum Commission has been to recommend that Victoria University introduce a new category of undergraduate degrees: a small set of **Career Start Bachelor Degrees**, alongside our larger number of **restricted access Professional Bachelor Degrees**, our Bachelor of Arts and Bachelor of Science.^{11, 12} This was endorsed by Council at their 21 August meeting.

The Career Start Bachelor Degrees are intended to increase participation in higher education. They will be designed for students who may have previously aimed to enrol in VET diplomas, or diplomas, associate degrees or bachelor degrees of other universities who take some students at lower ATARs than VU, and are less well prepared for conventional higher education. Transitions pedagogy resources will be prioritised to support these students and we envisage providing an intensively taught first year that benefits from the combined expertise of our TAFE and higher education workforces. We recognise that for many disciplines students in career-focused Career Start Bachelor Degrees will need two years to develop the academic skills and the disciplinary foundations needed to complete a degree. For this reason we expect that the Career Start Bachelor Degrees may consist of a two year associate degree program leading to a third, or third and fourth, bachelor degree year. Subject to performance, students may

transfer from Career Start Bachelor Degrees into Professional Bachelor Degrees or choose to complete the Career Start Bachelor Degree. The availability of multiple entry and exit points will be particularly important in these qualifications since experience shows that less well prepared learners often need to interrupt their study.

The Professional Bachelor Degrees are intended to be a development of many of the University's existing degrees. The Distinctive Specialisations project provides the opportunity to rethink the value and positioning of the University's degrees and to ensure that these are indeed distinctive and meeting student, industry and community needs. Furthermore, currently only 3% of commencing bachelor degree students have ATAR scores over 80 and, anecdotally, there are many claims that students who are succeeding at Victoria University choose to leave and continue at more prestigious universities.

It is recommended that a comprehensive program, within each of the Professional Bachelor Degrees, be designed and implemented aimed at attracting high performing students by offering them a range of unique experiences including prestigious industry or research placements and innovative inter-disciplinary opportunities. Students may be invited into this program on the basis of their academic performance before or during their enrolment at Victoria University.

Scope and Delivery Plan

Key activities that need to be undertaken as part of this project include:

1. publication of the list of Colleges and definition of the structures and roles which will be in operation by 1 January 2013;
2. specification and structure of the relationship of the Colleges to the Pro Vice-Chancellors (Colleges and Distinctive Specialisations);
3. a mapping of all courses and units to be offered in 2013 to the new College structure;
4. a mapping of continuing and fixed-term academic staff to the new College structure;
5. mapping of research and knowledge exchange activities to the new College structure;
6. definition of the ownership of research activities, including location of institutes, centres and research projects within the new College structure;
7. a catalogue which defines the learning and teaching, research and knowledge exchange services delivered by Colleges; and
8. a plan to address the impact of the new College structure on other University systems and co-ordination of the sub-projects to implement the plan.

¹⁰ Members of the Curriculum Commission were:

- Professor Anne Jones, Deputy Vice-Chancellor (Academic and Students) (Chair);
- Professor Greg Baxter, Pro Vice-Chancellor (Academic and Students);
- Professor Margaret Mazzolini, Pro Vice-Chancellor (Learning and Teaching);
- Ms Susan Young, Executive Dean, Victoria University College;
- Professor Marie Brennan, School of Education;
- Professor David Lamond, Pro Vice-Chancellor;
- Professor Richard Teese, Professor of Post-compulsory Education and Training and Director of Research on Education Systems, University of Melbourne; and
- Professor Roger Slee, Director Institute for Diversity, Educational Access and Success, Victoria University.

¹¹ We acknowledge that this nomenclature is not yet clear enough for widespread use.

¹² The University would also offer a small number of Professional Masters Degrees.

The following table provides a high-level view of the key milestones of this project.

Table 4: Key milestones for the Colleges

MILESTONE	EXPECTED BY	STATUS
1. List of proposed Colleges	1/08/2012	Done
2. Appointment of Deans of Colleges	17/09/2012	In Progress
3. Publication of College Service Catalogue	30/10/12	
4. Publication of courses and units offered for 2013	30/10/12	
5. Suggested staff attachments to Colleges published for review	30/10/12	
6. Remediation/preparation of impacted University systems complete	1/12/12	

Work is underway to determine the capacity of each campus to accommodate the current and forecast student load for each College and the related space requirements. This analysis will include all types of learning and teaching spaces, staff offices and ancillary space.

Once this analysis is completed, cost estimates will be prepared for the relocations required to achieve the long term campus planning objectives. Based on the forecast availability of funds and the priority relocations a schedule of proposed shifts will be prepared. This work will be completed in time to be considered in the development of the 2013 budget. However, any relocation able to be achieved with minimal expenditure will be actioned as soon as possible.

Campus Locations of Colleges

With the names determined, work has commenced on the detailed mapping of courses into each College and a high level review has been undertaken on the preferred campus location for each College. The following table presents the current thinking on this.

Table 5: Possible Campus Locations of Colleges

COLLEGE	PRIMARY CAMPUS	SECONDARY CAMPUS
College of Arts	Footscray Nicholson/ Footscray Park	Footscray Nicholson/ Footscray Park
College of Business	City Flinders	
College of Education	Footscray Park	St Albans
College of Engineering and Science	Footscray Park	Sunshine
College of Health and Biomedicine	St Albans	Werribee and Footscray Park
College of Law and Justice	City Queen	
College of Sport and Exercise Science	Footscray Park	Whitten Oval

2.3.2 Towards the VU Trades Academy

Victoria University has a long history and commitment to Trades, dating back to 1916 with the Footscray Technical School. When we consider the wider impacts of increased competition on the University as well as the impact of TAFE funding cuts, it is clear that we need to make significant structural changes. The idea of converting the Trades College into the VU Trades Academy would do exactly that. It is evident that we need to establish a separate entity, a centre of excellence for trades education that will be nationally renowned as an innovative and excellent provider in this area. We also need to investigate whether partnering with industry or other providers to establish the Trades Academy is a model worthy of pursuing. Regardless of the model, this new entity will be the epitome of excellence and accordingly will not compete with the current low end providers in the market.

The VU Trades Academy would focus on delivery of apprenticeship, pre-apprenticeship, skills recognition and other trades recognition programs. It would seek to be a leader in partnering with outstanding employers and in the development of new trades education products including higher level apprenticeships and pathways into the Victoria University Colleges. The Trades Academy can potentially use its connection with the University's research Centres and Institutes to:

- become a nationally significant contributor to the development of trades education policy; and
- to support innovative industry practice and technologies.

The Trades College and the proposed VU Trades Academy will be hubbed at the Sunshine precinct which will soon house our new construction industry training facility – *Sunshine Construction Futures*.

The Trades College and proposed Trades Academy will be cost effective and competitive. It will have sufficient independence from the rest of the University to respond flexibly and speedily to the changing VET market. There will be cost savings in reducing the range of corporate services from those typical of a dual sector university to those normally found in a TAFE institute or other large RTO.

Victoria University will of course offer pathways from the VU Trades Academy into its tertiary courses from diploma to PhD.

A project of this significance, potentially nationally, requires time to ensure that we do it right. We have commenced scoping the model but have decided that the Academy will not be established **until 2014**. This enables us to transition from Newport to new facilities at Sunshine, refine the course profile of the Faculty of Trades and Technical Innovation in the Trades College to ensure the quality of product and investigate potential partners for the concept.



2.3.3 Professional, Educational and Research Services

The Professional, Educational and Research Services projects will create a sustainable and integrated university operating model to deliver learning and teaching, research and knowledge exchange, at the point where it is required, with a focus on customer service. Each functional unit will be held accountable for clearly articulated services using transparent and measurable quality indicators. This will build alignment and trust so that institution-wide solutions can be implemented to ensure efficiency and cost control, while ensuring that services are delivered at the point where they are needed.

The projects are based on an internationally recognised methodology that has been successfully applied to create a Victoria University Enterprise Architecture (UEA) and University Change Framework (UCF) (see **Section 2.3.6**). The US based APQC approach was adapted to Victoria University, building on the experience of successful implementation using the same approach at other Australian universities and Commonwealth and State governments.

Although the Services Model is specific to Victoria University, it is based on international benchmarks for service delivery in universities, taking full account of Victoria University's delivery across the AQF Framework. The Service Catalogue has identified all essential services and these have been allocated for delivery to the point of need through an efficient, effective, and fit-for-purpose organisational structure.

The structure optimises resources, reduces duplication and streamlines processes and administration, delivering strategic and financial value to the University. Colleges can engage the services they need through partnership agreements with performance indicators.

The establishment of Services across the University aims to:

- improve decision making;
- allow the future Colleges to focus on academic and educational imperatives;
- create an agile University administrative and business operation;
- reduce operational costs;
- reduce risks;
- reap benefits of economies of scale;
- increase service satisfaction; and
- provide greater accountability.

Scope and Delivery Plan

The key deliverables of this project are:

- a Services catalogue and identification of overlap of services within other areas;
- architectural models describing Services;
- definition of Services roles and organisational structures
- mapping of staff to Services roles;
- a plan to address the impact of the new Services structure on other University systems and co-ordination of the sub-projects to implement the plan; and
- a timeline and change plan for the incremental implementation of the Services.

The following table provides a high-level view of the key milestones of this project.

Table 6: Key milestones for Services

MILESTONE	EXPECTED BY	STATUS
1. Services Project Start-up	Feb 2012	Completed
2. Value Proposition development	Apr 2012	Completed
3. Project Initiation – Project Executive Appointed	May 2012	Completed
4. Project Approach Agreed	June 2012	Completed
5. Project Team Mobilisation	July 2012	Completed
6. Consultations (Faculties, Support Service Areas)	July–September	In progress
7. Identify Roles and Resources – ‘As Is’	08/08/2012	Completed
8. Map resources to Services Model	10/08/2012	Completed
9. Validate manager/current staff lists to Service Function list	13/08/2012	Completed
10. Develop/Distribute tailored survey to nominated managers	17/08/2012	Completed
11. Workshops / Engagements with Service Areas to aid with surveys	15/09/2012	In Progress
12. Identify Service Providers	31/08/2012	Completed
13. Identify Organisation Unit/Portfolio that will provide service	31/08/2012	Completed
14. Data Collection & Initial Analysis	15/09/2012	In Progress
15. To Be Service Mapping	05/10/2012	In progress
16. Create draft Change Plans for consultation	From 30/09/2012	
17. Consultation (Education Services, Research Services)	Aug–November 2012	In progress
18. Process improvement identification, mapping and implementation	September 2012 onwards	
19. Creation of Partnership Agreements	Dec/Jan 2013	

A key outcome of this project will see the transition from the old organisational structure to a new one. Associated with this transition are a number of processes which will include: mapping of staff across to 'like' roles; recruitment, selection processes associated with new roles; and staff departing Victoria University. The table below outlines the timeline associated with this.

Table 7: Key milestones for transition from old to new organisational structure

MILESTONE	COMPLETED BY
Mapping of current positions to new roles	30/10/12
Concurrent process: <ul style="list-style-type: none"> • New roles advertised • EOI for Voluntary Separation Package (VSP) called for 	01/11/12
Selection and recruitment to remaining roles	28/02/13
VSP recipients depart	31/12/12
Unplaced redeployees depart (Separation)	30/04/13

The ORP Executive Board, as was the case with the first wave of departures in early 2012, is working closely with all stakeholders, including the relevant Unions, to manage these processes appropriately and in accordance with EBA provisions. A set of organisational design principles have been developed which outline the necessary steps to be taken to implement the new structure (including the necessary EBA requirements) such as:

1. functional structure (To Be) approved;
2. positions mapped;
3. staff alignment
 - selection process principles
 - appointment and selection – categories defined
 - ▶ incumbency (minimal role changes)
 - ▶ candidate pool
 - ▶ new positions
 - ▶ role no longer required (redeployment pool or redundancy);
4. selection and appointment;
5. implementation and redeployment; and
6. separation.

These principles are intended to ensure a consistent and transparent process and that all affected staff are supported through-out the implementation of the change.

2.3.4 VU College

This project will reshape the VU College to lead and provide an expanded agenda of learner academic support. The principal functions of the College will be:

- leadership and coordination of the University's ground breaking language, literacy and numeracy strategy;
- leadership and coordination of a coherent transitions pedagogy approach to supporting key learning transition points;
- leadership and coordination of the University's retention and success strategies;
- leadership of the Pre-Tertiary Curriculum Framework implementation for students at AQF1 – 3/4;
- English language provision for both on and off shore international students which may include provision into the proposed International Pathway College;
- leadership of the University's Youth Strategy including the development of the proposal for delivery of Victoria University 'pathway' diplomas in secondary schools; and
- adult and community education provision, particularly through auspiced arrangements with partner institutions.



2.3.5 Governance and Compliance

The current regulatory governance arrangements in the University's subordinate legislation (statutes and regulations) and policy reflect the current organisation structure and arrangements. Given that the organisational and other changes outlined in *The VU Agenda* are considerable, the University needs to ensure that the university corporate governance arrangements reflect and support these requirements. As part of the change agenda the University has considered and included a stream of work to review and align the university corporate governance arrangements. This will involve:

1. reviewing and updating Victoria University's Statutes, Regulations (subordinate legislation) and Policies to ensure they provide the appropriate governance foundation for the changes proposed in *The VU Agenda*;
2. reviewing and updating the governance and management processes to ensure they align with and provide optimal and efficient support for the new organisational structure; and
3. developing a supporting compliance framework to ensure the organisation has processes and controls in place to ensure compliance with legislative requirements.

This project is a key foundation to Victoria University achieving its ambition to be a dynamic and prosperous organisation.

Scope and Delivery Plan

The scope of this project and the required changes are outlined below:

- **Statutes, Regulations and Policies**
 - Review and update of University Statutes given the proposed new structure (initially based upon the Swinburne model, to be reviewed and modified to meet Victoria University's requirements).
 - Review and update of University Regulations given the proposed new structure (initially based upon the Swinburne model, to be reviewed and modified to meet Victoria University's requirements).
 - Review of Policies (non-teaching and learning) given the new Statute/Regulation structure. The University will streamline and decrease the number of policies to meet the efficiency imperative of a dynamic and prosperous organisation.
- **Governance processes review**
 - Review and analysis of the governance processes currently involving the Faculty boards of study and existing committee structures and developing new governance and management processes for key processes e.g. course approvals and research approvals.

- **Compliance Framework**

- Development of a supporting Compliance Framework for the overarching Legislative, and Regulatory requirements.

Victoria University will adopt a simplified structure for its statute. One statute will replace the current 43, which will deal with:

- high level issues, that is, issues of major policy which should appropriately be considered by the University Council and which express policy or create rights or obligations which should be reviewed by the Minister;
- issues which, under the Act, are to be dealt with in statutes, such as the procedure for revocation of awards (s10(3));
- the making of regulations, including the subject matter for regulations, who can make them and the manner of their making, promulgations, revocation or amendment (s30); and
- other issues which, for specific reasons, the University Council considers should be set out in regulations: this may be due to the higher profile of statutes and the approval of the Minister.

The subordinate legislation and policies will reflect the State and Federal regulatory environment faced by Victoria University as a tertiary education provider, including the relatively recent Victoria University Act 2010 (VU Act) and TEQSA and ASQA requirements. Since the VU Act was passed the Victoria University Council has moved from a 22 member body to 14 members. It is taking a more strategic approach, focusing specifically on strategic issues. In this way it has mandated an approach which has matters relating to strategy and outcomes dealt with by the governance body and leaving the implementation to management. It holds management accountable in delivering the agreed outcomes under the Strategic Plan that Council has endorsed. It takes an overseeing and monitoring role to ensure positive outcomes by management. The Council will take a similar approach to other governance bodies and processes within the overall University corporate governance.

The anticipated benefits from this project include:

- fit for purpose and efficient university corporate governance structure and processes;
- an efficient governance/management processes; and
- a supporting compliance framework that will reduce the risk that the University is not complying with its regulatory requirements.

The following table provides a high-level view of the key milestones of this project.

Table 8: Key milestones for Governance and Compliance

MILESTONE	EXPECTED BY	STATUS
Draft statute for internal consultation	20 August	Completed
Internal consultation on the draft statute	20 August – 14 September	In progress
Statute approved by Council	2 October	In progress
Development of regulations to support the Statute (to be presented to Council meetings progressively in October to December 2012)	August – December	In progress
Prioritisation of policies that need to be in place by January 2013	31 August	In progress
Update of policies (policies will be progressively updated according to prioritisation from August 2012 until the end of 2013)	August – end 2013	In progress
Development of Compliance organisation structure and detailed compliance framework program blueprint.	21 December 2012	In progress

2.3.6 University Enterprise Architecture (UEA) and University Change Framework (UCF) Foundation

The purpose of this project is to develop the components and capabilities needed by Victoria University to adopt an agile, architectural approach to ongoing business transformation. The project contributes to the achievement of the objective for Victoria University to be known as a dynamic and prosperous organisation that makes best of use of its available resources with effective, streamlined and aligned processes as well as quality and effective use of infrastructure.

Scope and Delivery Plan

This Project comprises three concurrent parallel streams.

- **Stream 1:** Establish University Enterprise Architecture (UEA) Team – establish the people, tools, strategies, policies, principles and operating processes required to create, manage, elaborate and consume Enterprise Architecture models. This includes the establishment of a Business Process Management (BPM) Team.
- **Stream 2:** Construct initial University Enterprise Architecture Models – construct the baseline suite of architectural models that describe the current VU Business Model, assess these models as a whole to identify improvement opportunities for filtering through the Enterprise Change Framework.
- **Stream 3:** Define Capability Improvement Roadmap – assess service delivery capabilities in business areas involved in managing and delivering change to Victoria University’s Business Model and from this, define a roadmap for improving these capabilities in the context of the strategic plan and *The VU*

Agenda. The scope of work will be constrained to the following business areas: Enterprise Architecture, Enterprise Solutions, IS Quality, Enterprise Services and the Program Management Office. This project includes the introduction of an initial and the final University Change Framework (UCF).

Table 9: Key milestones of UEA and UCF project

MILESTONE	EXPECTED BY	STATUS
Stream 1 – Establish UEA Team		
1. UEA Governance Model	31/08/2012	Completed
2. UEA Team Charter	30/09/2012	In Progress
3. Enterprise Architecture Operating Model	30/09/2012	In Progress
4. General Architecture Principles	30/09/2012	In Progress
5. Specific Architecture Principles	30/09/2012	In Progress
6. UEA Job Descriptions	31/08/2012	Completed
7. Training and Transition Plan	31/08/2012	Completed
Stream 2 – Establish UEA Models		
8. EA Models across Business, Information, Application and Technology domains	31/08/2012	Completed
Stream 3 – Define Capability Improvement Roadmap and UCF		
9. Enterprise Architecture Capability Maturity Roadmap	31/09/2012	In progress
10. University Change Framework process and workflow	31/08/2012	Completed

2.3.7 VU Industry Connect

VU Industry Connect (VUIC) will act as a vehicle for the University and front door to industry for corporate training programs and solutions to industry. The focus of this new entity will be to carry out enterprise based learning and assessment and be seen as flexible and responsive to industry needs. In particular, the delivery of programs that focus on gaps in the market within the Western region of Melbourne will enable the University to leverage its location for commercial purposes, in turn improving its public profile and contributing to knowledge exchange in the region. VUIC will initially focus on two to four areas of distinctive specialisation.

VUIC will also play an important role in contributing to the diversification of Victoria University's revenue generation activities through the provision of commercially viable learning and training services to industry. This is important to Victoria University becoming a 'dynamic and prosperous organisation'.

This project is currently in project initiation, including scoping the design; detailed planning and full implementation will **occur in 2013**.

2.3.8 Other Entities

International Pathway College

Competitor analysis by VUI in the context of the sectoral downturn in international student demand has identified that the long-term sustainability of onshore operations requires Victoria University to introduce a pathway college for international students. It is anticipated that we will establish this College with a proven partner. This will enable diversification of the University's international recruitment network through a partner specialist in international recruitment across multiple jurisdictions. The planning and implementation of this project has been deferred **until 2013** as there are significant inter-dependencies with other projects such as the Colleges and VU College.

2.3.9 Risk Profile for Organisation Reform Program

Before we look at the risk profile associated with the implementation of the ORP it is important to recognise that there is one fundamental risk, the risk of Victoria University not making these changes right now. The internal and external situation facing Victoria University is such that not taking significant action would constitute negligence on the part of the Council and Victoria University management due to the compounding internal and external pressures we face. These internal and external pressures have been discussed previously (refer to **Section 1.1**).

These pressures require bold and courageous action on behalf of the Council and Victoria University management. It is important to make it

clear that the option of deferring or scaling back changes, while this would make things easier for management and in one sense less risky for the Council, would in fact increase the risk that Victoria University does not improve sufficiently. We have undertaken a detailed assessment of those risks when determining the implementation planning. To ensure the future success of the University and its long term sustainability in the sector, change is absolutely necessary and is time sensitive.

The following risks have been identified at the Program-level:

1. scale of change;
2. ensuring effective governance and management of change;
3. ensuring effective coordination and centralisation of change;
4. aggressive timeline for change implementation;
5. program funding;
6. major union reaction to proposed changes;
7. reputation risk through the change process;
8. student dissatisfaction;
9. employee disengagement; and
10. diversion of focus from business-as-usual.

To mitigate these we have put in place a number of strategies to address these:

- a detailed transformation strategy which is aligned to our vision, objectives and organisational redesign principles. The publication of The Blueprint to guide the change from current to desired organisational state underpinned by a robust management and governance structure, project management and change management methodologies;
- a detailed and integrated planning process with ongoing sensitivity and risk analysis to ensure effective implementation and realisation of benefits;
- sequenced implementation and phased "go live" dates with a focus on high level governance and systems to deliver Shared Services in 2012, College implementation in 2013 and sequenced implementation of other projects up to 2016;
- a flexible and agile implementation plan that allows adjustment, and clearly identified "off-ramps" where applicable so elements of the program can be scaled back or deferred, if required; and
- drafting of a Business Transition Plan for the State Government to improve asset realisation and utilisation.

It is important to note that the Program is being monitored within the University's existing Risk Management Framework.





PART 3: PLANNING AND FINANCIAL MANAGEMENT

3.1 2011 FINANCIAL OUTCOMES AND REVIEW

As at the end of 2011, the end of your result was significantly worse than anticipated based on the Q3 forecast. This result required a revision of the 2012 budget.

Consequently, PhillipsKPA were engaged to undertake the following project:

1. provide a diagnostic review of the 2011 budget, forecasts and actual financial results to identify the underlying reason for the financial turnaround compared with the forecast; and
2. make recommendations designed to reduce the likelihood of this occurring again in the future.

This work commenced early February and the final report was developed from a draft presentation that was considered by Resources Committee on the 23 March 2012. The recommendations in the final report were accepted by the Vice-Chancellor and Council were briefed at their extraordinary meeting on the 25 May 2012.

3.1.1 Key Findings of the Diagnostic Review

The review focused on the financial management, budgeting and forecasting processes of the University. A number of key findings were identified relating to:

1. budgeting and forecasting practices;
2. inadequacies of forecasts in 2011 but also evident in 2009 and 2010;
3. insufficiently accurate, robust and coordinated budget management **across** the University capable of dealing with the impact of external policy and a competitive environment; and
4. the role and function of Finance Services and lack of integration between planning and budgeting.

It was evident that there was a need for greater integration between university activity and financial plans, more structured communication between Finance Services and the Faculties/Portfolios and improved financial management capability and accountability across the University.

3.1.2 Diagnostic Review Actions

The final report made the following key recommendations, all of which were accepted by the Vice-Chancellor:

1. redefine the role that Finance Services plays and its organisational structure;
2. give serious consideration to bringing the Finance and Planning function together under a restructured leadership role;
3. build financial management capability and skilled expertise across the University, especially for budget holders; and
4. develop a financial management culture that is focused on clear accountabilities, structured communication, shared high quality management information, and collaborative working relationships.

All the recommendations were accepted and action has been taken to address them. The first of these was the establishment of a Pro Vice-Chancellor (Planning and Finance) role, which brings together the Quality, Information and Planning (QIP) section and Finance Services. This new position now provides the necessary leadership and oversight of the finance function across the University, through a developing Shared Services model and a focus on improving the financial management capability, culture and expertise required.

In addition two Pro Vice-Chancellors have been appointed to oversee the new Colleges. These Pro Vice-Chancellors have strong experience and capability in managing budgets and are overseeing Faculty Deans in the second half of this year to ensure that current Faculty budgets are delivered.

3.2 2012 BUDGET AND FINANCIAL MANAGEMENT

The new Finance leadership, assisted by PhillipsKPA, is closely monitoring the 2012 budget position and is well advanced in developing improved financial management practices. The 2012 budget bottomline is a \$6.88m operating deficit for the University. This is a smaller deficit than last year and current forecasts suggest that the result is likely to be better than this. We need, however, to progressively move our budget into surplus in future years so that we can invest in improved infrastructure and realise our strategic objectives.

The VU Agenda will address the current financial position and ensure very strong long term viability and sustainability. The plan involves both reducing costs and increasing revenue as detailed below.

3.2.1 Reducing Costs

With slightly over 65% of the planned expenditure in 2012 being on employee costs any attempt to improve the University's financial position must address the level of expenditure on staff. Benchmarking against similar universities indicates that Victoria University spends a significantly greater proportion of its budget on professional staff than do our competitors (see **Figure 6** below which shows a comparative benefits trend ratio against our benchmark universities). An important part of *The VU Agenda* will be to rebalance the ratio of employee costs towards a greater share going to academic staff relative to professional staff. In the course of rebalancing, it is important that professional staff are able to continue to focus on supporting Victoria University's aspirations of excellence in learning and teaching, research and knowledge exchange.

Employee Costs as a Share of Student Revenue

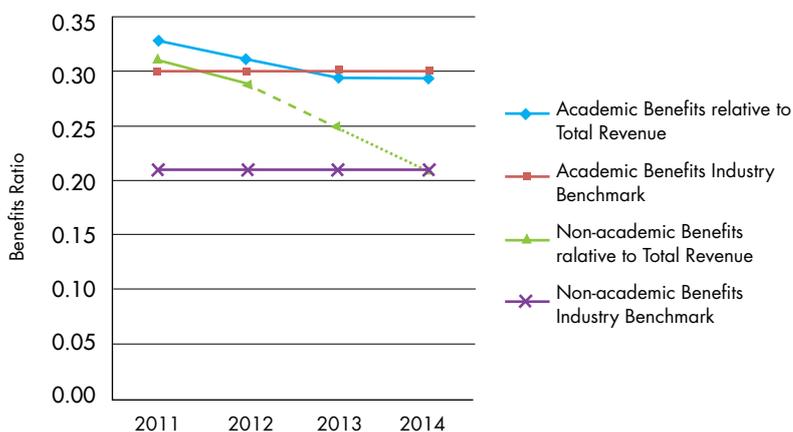


Figure 6: Comparative Ratios against Benchmark Universities (Swinburne and RMIT)

3.3 FORWARD STUDENT AND FINANCIAL PROJECTIONS

These projections reflect a series of assumptions in 2013 through to 2016 incorporated in *The VU Agenda*. They include the strategies being adopted to respond to changes in VET funding, the strategies the University is adopting as part of the significant reform program. Two scenarios have been developed, with the first excluding any asset sales and the second including an estimate of asset sales and additional capital expenditure to be funded from the proceeds of these sales.

3.3.1 HE Student Load Projections

Both scenarios presented reflect *the VU Agenda*, with the University building its sub degree load, increasing pathways from VET to HE, developing Career Start Bachelor Degrees, and alongside our specialist Professional Bachelor Degrees as well as expanding the range of fee-paying postgraduate programs. Commencing international onshore student enrolments are planned to increase at modest rates. Modest growth in offshore student income is also planned over 2013–2016.

Projected load is shown by major fund source, excluding offshore, in the table below.

Table 10: HE Student projections 2012–2016

HE Student projections 2012–2016 (excludes offshore load)

HE onshore load (EFTSL)	2012 Com	2012 Total	2013 Com	2013 Total	2014 Com	2014 Total	2015 Com	2015 Total	2016 Com	2016 Total
Commonwealth Supported Places	5260	12,795	5450	13,607	5690	14,418	5992	15,328	6739	16,770
International Onshore	850	2145	892	2123	937	2141	1031	2234	1134	2369
Australian fee paying	291	525	291	547	291	562	421	701	681	1031
Total HE	6401	15,466	6634	16,278	6918	17,121	7443	18,263	8554	20,169
Annual change				5.3%		5.2%		6.7%		10.4%

3.3.2 TAFE Delivery

Forward estimates of TAFE delivery have taken account of discontinuation of non-viable courses, reduced delivery of diploma programs, reduced government funding and increased University fees.

As a result of reduced delivery, reductions in teaching and general staff have been factored into the forecast.

Projected load for state funded delivery is shown in the table below.

Table 11: TAFE delivery projections 2012–2016

State funded	2012 Total	2013 Total	2014 Total	2015 Total	2016 Total
SCH (million)	7.86	6.89	6.34	6.16	5.70
Annual change		-12.3%	-8.0%	-2.9%	-7.5%

SCH = Student Contact Hours

3.3.3 Financial Projections 2012 to 2016

We have undertaken preliminary financial projections for the period to 2016, based upon the above student load projections and the changes outlined in this Blueprint. These projections show that, as a result for the implementation of *The VU Agenda* the University can realistically budget for a modest surplus in 2013, which should grow annually thereafter. This will once again enable the University to be restored to a more secure financial position, and over time, to be able to invest in further capital development. In the uncertain environment in which we operate, the budget will include a \$10m contingency to allow for downside risk in student load and in possible delays in the implementation of cost savings. It will also include a further \$10m strategic fund annually to allow the Vice-Chancellor to support strategic initiatives to help achieve *The VU Agenda*.



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