

5 Barriers Undermining

UNIVERSITY PERFORMANCE

in Australia and New Zealand

External pressures on universities are intensifying, driven by financial strain, changing student expectations, rapid technological shifts, and increased public scrutiny. But resilience depends less on these pressures themselves and more on whether internal structures and strategies are ready to respond.

This infographic highlights five barriers that amplify external risks, the consequences they create, and key questions leaders should ask to test their readiness.

1 Unclear Decision Ownership **Undermines Responsiveness**

External Pressure: Policy shifts, financial constraints, and rising student expectations require faster, more coordinated decision-making than universities are accustomed to.

Internal Barrier: Fragmented structures and unclear accountability make coordinated decisions slow and contested.

Why It Matters: When responsibilities are dispersed and accountability is unclear, even high-priority initiatives struggle to move forward or scale effectively.



What to Consider

- Where is ownership for change ambiguous or contested?
- Which silos limit cross-functional coordination?
- Do we have mechanisms to test reforms before scaling?

2 Outdated Program Portfolios **Limit Revenue Opportunities**

External Pressure: As learners become more outcome-oriented, universities face a growing imperative to align programs with market value—not just tradition or institutional identity.

Internal Barrier: Institutions often lack the market insight, financial levers, or cultural incentives to adapt offerings quickly or strategically.

Why It Matters: Overreliance on traditional degrees, especially in saturated or declining disciplines, leaves institutions vulnerable to enrolment shocks and unable to capture growth in emerging segments.



What to Consider

- Are we using real-time learner and labour market data to shape program decisions?
- Do our current offerings clearly differentiate us in an increasingly crowded and outcomes-focused market?
- Are we actively testing and scaling new formats, such as microcredentials, hybrid delivery, or stackable learning?

3 Fragmented AI Activity **Undermines Strategic Progress**

External Pressure: With generative AI shaping industries and skill demands, institutions must decide how to integrate AI into academic, operational, and governance models.

Internal Barrier: Dispersed experimentation, limited governance, and unclear leadership prevent universities from developing a cohesive AI approach.

Why It Matters: Without an institutional AI strategy, universities risk falling behind on student expectations, missing out on efficiency gains, and mismanaging reputational and ethical risks.



What to Consider

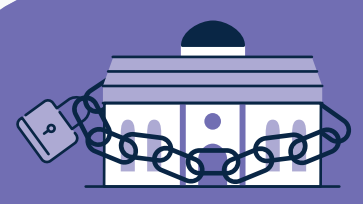
- Are we preparing students and staff for an AI-enabled workforce?
- Do we have governance frameworks for responsible and effective AI use?
- How are we leveraging AI to improve student experience and institutional capacity?

4 Ineffective Facilities Strategy **Impedes Financial and Academic Flexibility**

External Pressure: Facilities decisions are no longer just about capacity; they're a test of how capital is deployed and whether their physical footprint aligns with evolving needs.

Internal Barrier: Legacy facilities plans and siloed decision-making tie up resources in underused assets and limit the institution's ability to adapt quickly.

Why It Matters: Underutilised space and deferred maintenance drain budgets, reduce agility, and limit the strategic choices available to academic and financial leaders.



What to Consider

- Are we maximising the use of existing space before committing to new investments?
- Is our facilities strategy aligned with academic priorities and long-term mission?
- Who owns decisions around space planning, and do they have the right incentives?

5 Political and Public Pressures **Constrain Autonomy**

External Pressure: Rising political scrutiny and public scepticism challenge universities to protect their autonomy while proving their value to a broader set of stakeholders.

Internal Barrier: Few institutions have the stakeholder strategies or engagement infrastructure needed to manage political involvement and sustain public trust.

Why It Matters: Without proactive engagement, universities risk reputational damage, restricted autonomy, and weakened enrolment or partnership pipelines—all critical to long-term sustainability.



What to Consider

- How are political dynamics shaping our enrolment, partnership, and reputation strategies?
- Are we prepared for increased public and political involvement in university governance?
- What are we doing to strengthen trust and demonstrate impact to stakeholders beyond government?

While these barriers are already shaping daily realities on campus, they can also serve as catalysts for transformation. Leaders who take them on directly will emerge stronger, more agile, and **better equipped for what lies ahead.**



Looking for solutions?

Access our companion resource centre for practical strategies and tools to help address each of these challenges.