

**FOREIGN POLICY SOUTHEAST ASIA  
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PROFESSOR IAN KERR  
PRO-VICE CHANCELLOR  
CURTIN UNIVERSITY SARAWAK**

**FOREIGN POLICY:** Thank you very much for having us today. I would like to start by asking you a few questions about Southeast Asia on a macroeconomic level with a particular focus on education. At the moment, Asia has the fastest growing student market in the world and they anticipate that 70% of the world's demand for education will come from this region by 2025 which of course is a huge amount. How do you feel Malaysia is preparing itself for this high demand as a nation?

**PROF. IAN KERR:** Malaysia's main advantages are that educational instruction is provided in English and it is fairly well-positioned to be an educational hub in Asia. Many students from China, the Middle East and other Asian countries are already coming here to study not only in the foreign branch campuses but also to the Malaysian private universities such as Limkokwing University, where I believe approximately 70% of its student body is foreign. Approximately 20% of our students are foreign and we would like this to be a little higher. There are definitely signs that the Malaysian economy is growing quite nicely and a particularly attractive feature of Malaysia for students coming here from the Middle East and South Asia is that it is a Muslim country that is politically stable and as far as I am aware there is no extremism. There are facilities and places of worship on university campuses, and whilst we currently have a small one on campus we are building another, which is a particularly attractive aspect for South Asian and Middle Eastern students. Along with countries such as Singapore, Malaysia is therefore not only becoming a hub for people from East Asia such as China and South Korea etc, we are also becoming a hub for people from the Middle East and South Asia as they are attracted by an appealing package of strong economic growth, political stability, Islam being the predominant religion and English as the main language of instruction, and I think all these aspects come together and will propel further growth for the Malaysian education sector. When you say 70% I assume you were talking about Asia as a whole as opposed to just Southeast Asia?

**FOREIGN POLICY:** Yes, I was referring to Asia as a whole. We are experiencing a dynamic shift from West to East which I would like to delve into a little later, but the idea is that every empire eventually rises and then diminishes, and we are really feeling this given the investment and stable growth within the region. There has been a lot of discussion on the great Koletzki who has been writing about the potential of a second recession

**that will be even worse and will basically only leave Southeast Asia and some parts of the Middle East as regions with positive growth, so there is an idea that people may want to come here fairly quickly under these circumstances.**

**PROF. IAN KERR:** You may also be aware of the pre-industrial European estimates that 75-80% of world trade was dominated by India and China back in the mid 15<sup>th</sup> century, and perhaps we are moving back to a position where that figure will be reproduced this century.

**FOREIGN POLICY:** Exactly. One of the difficulties I have had whilst preparing this report is the fact that you can refer to 'Southeast Asia' as a whole but it is absurd to try to define this as a term because it is a region of many different faiths, over 1500 languages etc. In spite of the extensive diversity, the one common theme is the desire to invest in human capital. Aside from the obvious benefits of education, what do you think this will do for the image and the perception of Southeast Asia within the rest of the world?

**PROF. IAN KERR:** As I mentioned previously, East and Southeast Asia have also placed emphasis on education and it is the only region I am aware of where parents are prepared to sacrifice and almost bankrupt themselves to send their children into education. Obviously, having the right set of institutions and the right policy framework etc. is really going to pay off in terms of human capital and is going to further propel economic growth. Hopefully with this will come entrepreneurship and innovation, as one of the main issues with East Asia and particularly China is that many people look at their economy and believe that much of their growth is simply fuelled by capital and labor rather than technology, so we must ask ourselves what will be the lynchpin for growth when labor and capital are fully employed? If we look across to the United States on the other hand, they are dedicated to technological growth and innovation, so it is hoped that this growth in education will spark growth in research and development, technology and innovation so that the growth is not simply fuelled by injecting more money into capital and labour. We will create high quality labour through training and this high quality labour will result in increased productivity, technological advances and know-how etc. and if we can get this technology in place this will make us very attractive to other areas. It is one thing to simply invest in education as sooner or later you run into some limits in that the tertiary participation rate is as high as it will ever be and then you need more knowledge to come out of that.

**FOREIGN POLICY:** Moving on specifically to Curtin Sarawak as it is a university that was part of the initiative implemented by the Sarawak government to achieve excellence in higher education within the region and to really give both local and international students the opportunity to achieve a better education and become part of the Student Transfer System. As we mentioned earlier, there has been a huge rise both in the public and private sector universities and higher education in general, so what do you think differentiates Curtin to make it unique and appealing, particularly to international students?

**PROF. IAN KERR:** Sarawak has a unique combination of diversity, and if we look at the population structure about 30% are Chinese, 20% Malay and 50% indigenous so racial relations are very diverse here and Curtin gives students from different backgrounds, within Malaysia and internationally, the opportunity to come together to receive a global education. I do not think this is unique to Curtin amongst the international branch campuses but it is unique to the foreign branch campuses amongst the universities in Malaysia. At Curtin, students from Malaysia and elsewhere are able to have an education from an Australian university with essentially the same syllabus they would have in the home campus, where the contents are set and the exams are marked by the home campus, and there is no difference in the degree certificate as they do not specify at which campus the degree was undertaken. The other advantage is the mobility between our branch campuses and the home campus as this is an important issue, and it is possible to transfer at any point during your studies providing your academic standards are sufficient, so students can transfer to the home campus, the Singapore campus or the Sydney campus. I think this is an advantage as not all universities have this ability, for example Swinburne (University of Technology) is exclusively located in Melbourne, Monish University has a branch campus in South Africa and possibly somewhere else, Nottingham University (United Kingdom) has a branch campus in Ningbo, China, and I recently spoke with the vice-chancellor of the Ningbo Campus and he stated that they have students that spend the first year of their degrees in Nottingham, the second year in Kuala Lumpur and then come to Ningbo for their third year which is fantastic.

**FOREIGN POLICY:** It is a completely unique opportunity to study in three completely separate parts of the world.

**PROF. IAN KERR:** We want to offer that opportunity and Curtin's Singapore campus is only two years old so we are still growing there and we are looking at greater mobility between the branch campuses and the home campus. We have these branch campuses in Perth, Sydney, Singapore and Miri, Sarawak and we are hoping for and working on developing

incentives for growth and mobility between these regions. Students can come in from anywhere and start their courses in Miri, they can remain here or they can transfer down to Perth or another campus, although we offer a much greater range of degree courses here in Sarawak than in any of the other branch campuses. Some people refer to this as a non-differentiated degree where students basically get the same degree here as they would at the home campus but of course the environment is completely different, which is something that the foreign branch campuses will offer that Malaysian and Asian universities do not. As I mentioned previously, we offer the opportunity to gain a Western education at a low cost because the total cost of tuition and living expenses are around one third of the costs in the home campus, so they are getting an Australian education from an Australian university without actually having to go to Australia, however they are keeping the option of going to Australia at any point in their degree.

**FOREIGN POLICY: Is that something that you would encourage students to do?**

**PROF. IAN KERR:** We do encourage it although we do lose a bit of money here in Miri as any years our students spend in Australia we do not receive any payments and the home campus is anxious to receive as many students as possible for financial reasons. We do not really focus too much on the financial issue because we recognise the advantages of having an education from two different countries and the mobility is good for both us as a university and for the students' education.

**FOREIGN POLICY: Of course one of the other key benefits with any university is the facilities they offer and is often a key factor when students are looking at courses. They look at the campus and consider aspects such as social facilities, sports facilities, technology and research and development. I would like to mention the Hornbill Precinct which houses the university life offices, 24-hour computer facilities and geophysics laboratories, and on top of this it has had a very strong reputation as a university in research, and I think this Miri Bio-Valley Park Project is certainly going to be one of the most exciting projects you have undertaken.**

**PROF. IAN KERR:** It will be very exciting, however unfortunately it did not get into the 2011 budget so we are working to have it included in the 2012 budget. To complete this project we have partnered with the Ministry for Industrial Development, and it is being funded by the Malaysian Government through the Ministry as a joint venture. The groundwork has already been laid and the Ministry for Industrial Development has already spent a reasonable amount of money on preparing the soil because much of the ground in the area is peat, and quite a bit of work has to be done to in terms of preparing the

ground and laying foundations. It is very exciting because on 1<sup>st</sup> January 2011 we established the Curtin Sarawak Research Institute (CSRI) which is funded by a combination of Curtin University royalties that have been ploughed back into our campus, whereas normally the royalties earned by the branch campuses are sent back to the home campus as a type of intellectual property fee. Curtin University was thus able to retain its royalties and invested them into a research fund and the Malaysian Government matched the funds, and so far we have about 14 million ringgits which is not a massive amount, it is probably about 4.5 million Australian dollars. The research institute is focused on biotechnology and energy, and we are trying to line up with SCORE (Sarawak Corridor of Renewable Energy) and the ORE (Organisation for Renewable Energy) and the government has identified various corridors for economic development around Malaysia and the principal opportunity is SCORE. There is a lot of hydropower potential and there are dams being built east of here, so we at the CSRI are hoping we can ride along on the research requirements and that the university's student demand will be built up on the school's labor requirements associated with the developments from SCORE. We are already getting some investment into this corridor coming in from Japan and Australia amongst other countries.

Returning to the bio-valley park, this is planned to be the location of a Curtin research institute and it will be a combination of an incubator technology park with a focus on biotechnology and energy. We will be positioning ourselves towards the end of the spectrum, from pure research and application right through to the development stage, so we will be looking at the commercialisation end of the spectrum. There will be links with the researchers in the bio-valley park and obviously the teaching and academics will be located here in the campus, and in addition there will be the corporate and government sector, so this is going to be a really exciting adventure. I previously mentioned the benefits of the non-differentiated degree that we offer, but one of the downsides is that quite a few of the academics here are very well-qualified and as an example, we receive Malaysian engineers that have studied PhDs in London, Oxford and Cambridge that come back here with some research under their belts but they end up teaching courses which are dictated by the home campus in terms of the textbook, the syllabus, the lecture outlines and the exams, and it can be a little frustrating for some of these people as they have limited autonomy in what they teach. Research is therefore one of the outlets for them, and the more we can develop our own research programs, the more rewarding it will be for these academics. There was actually an article in the education section of *The Australian* a couple of weeks ago about the 'master-slave' relationship between academics that are controlling the syllabus at the home campus and the people that are actually teaching it in the branch universities. On the other hand, if these academics were

to teach in a Malaysian public university they would have the freedom to teach whatever they want to. Research is therefore a way for us to compete to retain top academics and in addition, there is more and more emphasis in the Malaysian rating systems on PhD ratios, research outputs etc. and of course part of a university's role and responsibility is to engage in research. We are therefore quite excited that this will give us a boost because our research has not been that strong in the past.

**FOREIGN POLICY: Curtin University is one of 18 universities achieving a Tier five rating of 'Excellent'. Do you think this focus on energy development and research is something that will make you unique amongst these 18 universities?**

**PROF. IAN KERR:** Definitely. In general terms of our position here, we are very well-positioned in the bio-technology, energy and oil area, and next year we will introduce a Bachelor's Degree in Petroleum Engineering which has just been introduced at the Curtin home campus, and we are looking to introduce a Master's in Energy Economics, so we are trying to focus on that area. Increasingly in Australia and to some extent in Malaysia, there is a drive towards more specialisation and differentiation, otherwise all the universities would have basically the same offering as they all have medical schools, business schools etc. With increasing globalisation there is a need for this differentiation and specialisation as we have seen with MBA programs where in Europe for example some business schools are specialising in courses such as MBAs in the BRIC economies (Brazil, Russia, India and China) and they are developing relationships with business schools in these countries so students may be able to spend six months abroad and choose their BRIC specialisation. We will be differentiating ourselves through our research institute and also through what we teach as we need to be geared more towards our position. We have a significant disadvantage in terms of our location because Miri is quite remote and we are aware of that, so we have developed a fairly good course offering but we are positioned at the bottom amongst the foreign branch campuses in terms of student numbers, Monash University is top with 5,000 students, Nottingham has 4,500, Swinburne 3,500 and we have 3,000. Nottingham and Monash are both located near Kuala Lumpur, Swinburne is in Kuching which is a large state capital and an attractive city and we are here in Miri, so I think the relatively isolated geographical location explains the relatively low student population.

**FOREIGN POLICY: As we mentioned earlier, many universities are really concentrating on this integration of industry-based learning. You have Curtin's triple-i model which is based in industry links, intercultural and indigenous awareness and interdisciplinary promotion, which is a great as a theme and in practice, especially with energy being a**

**key industry for Sarawak. Do you find that your location hinders you as far as this process is concerned or do you think it has worked to your advantage?**

**PROF. IAN KERR:** One i refers to 'intercultural' and the Curtin home campus down in Bentley was a leader in terms of engagement with the indigenous Australians. About three years ago, our previous Prime Minister came out with an apology to the Australian aborigines along with an action plan. Curtin University was the first university in Australia to establish an action plan that set targets for the number of indigenous Australians making up the student body and staff etc. and we also have the largest number of indigenous Australian students enrolled amongst all the Australian universities, so we are certainly a leader in that aspect of the triple-i model. Here in Sarawak we recently introduced a Bachelor of Arts in Borneo Studies that will start this academic year, and it is unique to us as I do not think Swinburne is offering this course and I know that Monash and Nottingham would not offer such a course, so this is another way in which we are specialising. This course allows students to study indigenous cultures, religions, history, language, geography etc. and we currently have several core units running and in 2012 we will be introducing some second and third year specialised modules. This is where the intercultural indigenous 'i' comes in and about 20% of the student body is intercultural, not just international, with their own mix of Malays, Chinese, etc. so whilst this may not necessarily be higher than the other branch campuses, we have a fairly intercultural student body and staff.

**FOREIGN POLICY:** You said that 20% is quite low, but the interesting thing is surely that the diversity is still there when compared with universities such as Limkokwing that have well over 50% of students coming from the international community as you still have students from over 40 countries which is not that far from Limkokwing so there you have the same representation of countries as the universities with these high percentages, it is only the proportion that differs.

**PROF. IAN KERR:** I actually have a staff presentation later so I have the exact numbers here. They are relatively small with five students from Korea, 27 from Brunei, 90 from China, making up a starting cohort of 18% including 34 other countries including one student from Vietnam, whereas Limkokwing probably has about 50 etc. so as you said we probably have the same range of countries but we just have a smaller representation from each country.

**FOREIGN POLICY:** It is certainly a great scattering, as there are countries from East and West Africa, Europe, the United States etc. so it really does include students from across

**the world. You were just discussing the cultural aspects of studies, such as the BA on Borneo to understand more about the local community. I gather that you ran a program with the Virginia Commonwealth University a few years ago and I believe you had approximately 40 students come over to do a scholarship.**

**PROF. IAN KERR:** Exactly, and we are thinking of introducing something similar. At the moment we offer this BA in Borneo Studies, which probably will not be a massive revenue source for us in terms of the volume of students studying this degree because the students in Malaysia and Asia in general tend to be very vocationally-oriented, so a BA in Borneo Studies may not be as attractive to these students because they tend to study subjects such as engineering and accounting etc. We are therefore hoping to attract students from Europe or North America etc. into this program for a semester or two, but at the same time we are thinking of re-introducing a version of what we offered to students at Virginia Tech University. We were in fact discussing last week the possibility of offering either a graduate certificate or a short course lasting a month or two, including coursework and some field trips such as ecotourism, visits to the orang-utan sanctuary, scuba diving etc. to make it really interesting.

**FOREIGN POLICY:** I know that the government and the Ministry of Higher Education are producing a unique campaign designed to attract international students particularly to study eco qualifications and English as a foreign language etc. and there is that element of attraction. As far as Curtin is concerned, from a business practicality point of in order to take advantage of the recession, there are many students in the US and Europe who are heavily reliant on scholarships for these very expensive courses, along with students who previously may have been able to afford these courses but at the moment are unlikely to be able to do so. University branch campuses may therefore become a more attractive option as they already have the branding and reputation of a prestigious home institution such as Curtin. How are you increasing your appeal to these markets that are suffering from recession?

**PROF. IAN KERR:** We are not doing anything specific at the moment but we are certainly looking to do that. Just returning quickly to the Borneo Studies course, we have only recently introduced this so at present there is fairly limited interest from prospective students but we are looking into getting some government sponsorship in connection with the SCORE project I previously mentioned. At the moment, most of the focus there has been on engineering graduates along with diploma and certificate students who are required to take various modules for all the work associated with economic development and SCORE projects. There will be increasing demand for people in the humanities and

social sciences subjects such as Borneo Studies, and there is going to be a lot of social change associated with this as there are lots of interesting issues in ecology, the environment, world palm oil plantations, deforestation etc. and I think Borneo Studies will be one of the ways in which students can grapple with these interesting issues, and I think the government itself would be quite willing to fund some of those undergraduate scholarships, particularly for local indigenous students.

**FOREIGN POLICY: Thank you very much for your time.**