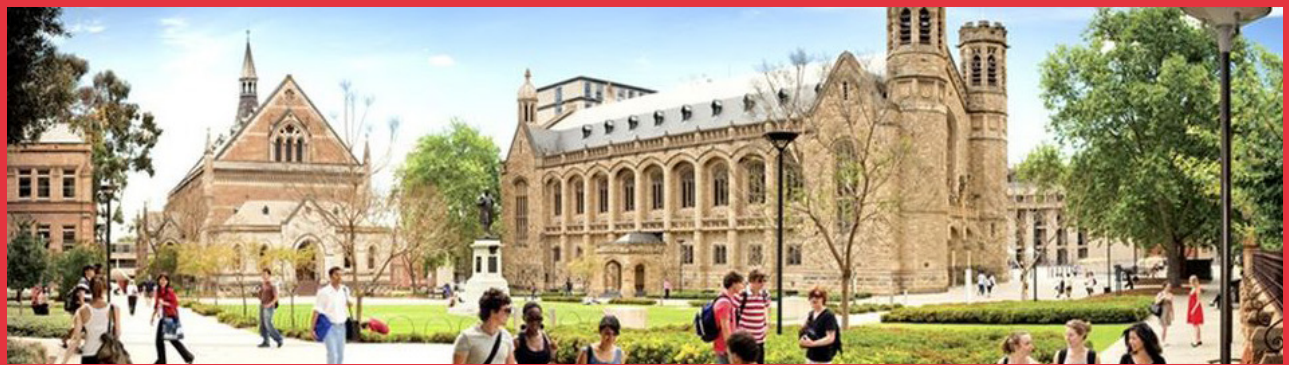


# A SOUTH AUSTRALIAN UNIVERSITY MERGER

**Peter Malinauskas MP** | SA Labor Leader





## FOREWORD

Our universities are crucial for our state's economy: they teach 70,000 South Australians a year and undertake research that leads to new businesses and jobs. International education before COVID-19 was a major economic driver supporting 12,500 jobs across the state and it will be again. The financial stress the three universities in South Australia are facing as a result of the virus and the lack of support from the federal government amounts to hundreds of millions of dollars lost over the next few years.

At a time when economic growth and job creation must be the overriding priority for government, South Australia cannot afford a languishing university sector. For young adults, for people wanting to retrain, for everyone who benefits from research and for the sake of the state's economic growth, we must ensure our universities thrive.

The harsh truth is that each of our universities alone are too small and too undercapitalised to make it into the list of top international universities. They simply don't do enough large scale research to be recognised as world leading, and that is holding our state back. Combined, our three universities don't equal the revenue of The University of Melbourne alone.

Labor in government will establish a University Merger Commission to chart a path. It will include the leadership of the three universities and be headed up by an eminent commissioner with higher education experience. Its task will be to determine how the state can be best served by the university sector.

Should the independent Commission determine that a university merger is in the interest of the South Australian economy and the welfare of the people of the state, then a merger will be a first term priority for a Labor Government. Premier Marshall chose to show no leadership to drive forward the foundering merger discussions between the University of Adelaide and University of South Australia in 2018. I will take a very different approach. I won't stand on the side-lines when South Australia's economic prosperity is at stake.

The state should not start this process with a view about which universities should merge, nor which university should teach what degrees. The role of the State Government is to determine what our collective interests are as South Australians and that is where the process should start.



There are five outcomes that any merger must achieve:

- 1** South Australia needs an internationally recognised top 100 university in order to ensure the highest quality research is funded in this state to drive economic growth. This would also lead to SA being attractive to the best and brightest students and staff.
- 2** South Australia's higher education sector must be actively engaged with local industry and business to optimise local investment, commercialisation of research and economic growth.
- 3** The SA university sector needs to be stable and productive. Securing jobs and career pathways for academics, researchers and administrative staff will strengthen the university sector here.
- 4** Students from all socio-economic backgrounds must have access to a university education in South Australia of an elite global standard, and students require internationally competitive employment outcomes in order to be sure that the investment of going to university will be of immediate and lasting value to them.

- 5** All SA public universities must remain strong regardless of a merger configuration, and there must be a relationship between higher education and vocational training that facilitates increasing the qualification levels held by South Australians.

These five outcomes are in the state's interests and will guide the work of the Commission. Once it reports, a government I lead will work with the three universities to deliver a stronger university sector in our state. Leadership from the State Government is essential to ensure our collective interests are served.

**Peter Malinauskas MP**  
SA Labor Leader





# Facts about South Australia's universities

South Australia has three excellent universities, each of which contributes to the state's economy by educating our young people, transforming their lives. They also attract international students to study and live in Australia and undertake research that enriches South Australia's culture and creates employment.

International education is South Australia's biggest export at \$2.2 billion.

**University education adds \$140 billion in GDP to the productive capacity of Australia.**

The Importance of Universities to Australia's Prosperity 2015, Deloitte Access Economics

**The existing stock of all knowledge generated by university research is estimated to account for almost \$160 billion, equivalent to 10% of Australian GDP.**

The Importance of Universities to Australia's Prosperity 2015, Deloitte Access Economics

On current trends, the demand for higher education qualifications will increase by 34% by the year 2025, equivalent to 2.1 million more university qualifications compared to current levels.

A healthy university sector is essential for future prosperity, as jobs are increasingly dependent on qualifications, technology and innovation.

**A Group of 8 report by London of Economics found that for every \$1 of research income delivers almost \$10 in benefits to the private sector.**

The Economic Impact of Group of Eight Universities 2018, London Economics

Universities drive technological progress and economic growth through research discovery and adoption. For example, the New Venture Institute at Flinders University has created 327 start-ups with a combined value of \$13.3 million.

According to Harvard's Atlas of Economic Complexity, Australia and South Australia have lower complexity in their economies in comparison to our trading partners and need strong universities to drive the development of new products and markets.

South Australia's universities educate nearly 70,000 domestic students and nearly 20,000 international students every year.

South Australia's universities are, however, smaller than most of the leading universities interstate.

Australia's larger and more highly ranked universities are more successful at attracting high quality researchers and partnerships with other research institutions internationally. This risks those interstate universities pulling away from the pack and taking up an increasingly large share of research dollars and luring South Australia's best and brightest students.



	<b>Total revenue \$'000</b>	<b>Domestic FTE</b>	<b>International Students FTE</b>	<b>Total</b>	<b>% Intl Students</b>	<b>Fees paid by international students \$'000</b>
<b>University of Melbourne</b>	2,530,919	30,635	23,944	54,579	44%	879,312
<b>University of Sydney</b>	2,500,481	30,039	24,009	54,048	44%	884,693
<b>Monash University</b>	2,498,349	35,404	34,682	70,085	49%	851,989
<b>University of NSW</b>	2,130,219	28,854	19,037	47,891	40%	712,461
<b>University of QLD</b>	1,969,354	27,117	16,581	43,698	38%	572,698
<b>Australian National University</b>	1,339,599	11,441	8,349	19,790	42%	320,871
<b>University of WA</b>	926,013	14,288	4,453	18,741	24%	152,774
<b>The University of Adelaide</b>	900,349	15,068	7,151	22,219	32%	224,511
<b>University of South Australia</b>	657,865	19,207	5,198	24,406	21%	123,764
<b>Flinders University</b>	506,456	13,873	3,550	17,422	20%	93,723

# The case for a Top 100 university

There are strong reasons for South Australia to have an ambition for a top 100 ranked university.

## **Student choice:**

Students who are able to choose between university offers are more likely to select higher ranked universities. This is true of domestic and international students. There is evidence that the quality of the students enrolled correlates with how well a university performs in rankings. If we are to keep the best of our young people in South Australia, we need to have a high ranking university.

## **Attracting researchers:**

High quality researchers are likely to choose to work at universities with higher rankings. This then leads to more productive research and higher research funding.

## **Partnering with other institutions:**

Internationally, partnerships on teaching and research are influenced by international rankings. Partner universities will seek out quality institutions, as measured on their ranking. Partnerships with high quality international universities increases the quality of teaching and research.

## **Branding:**

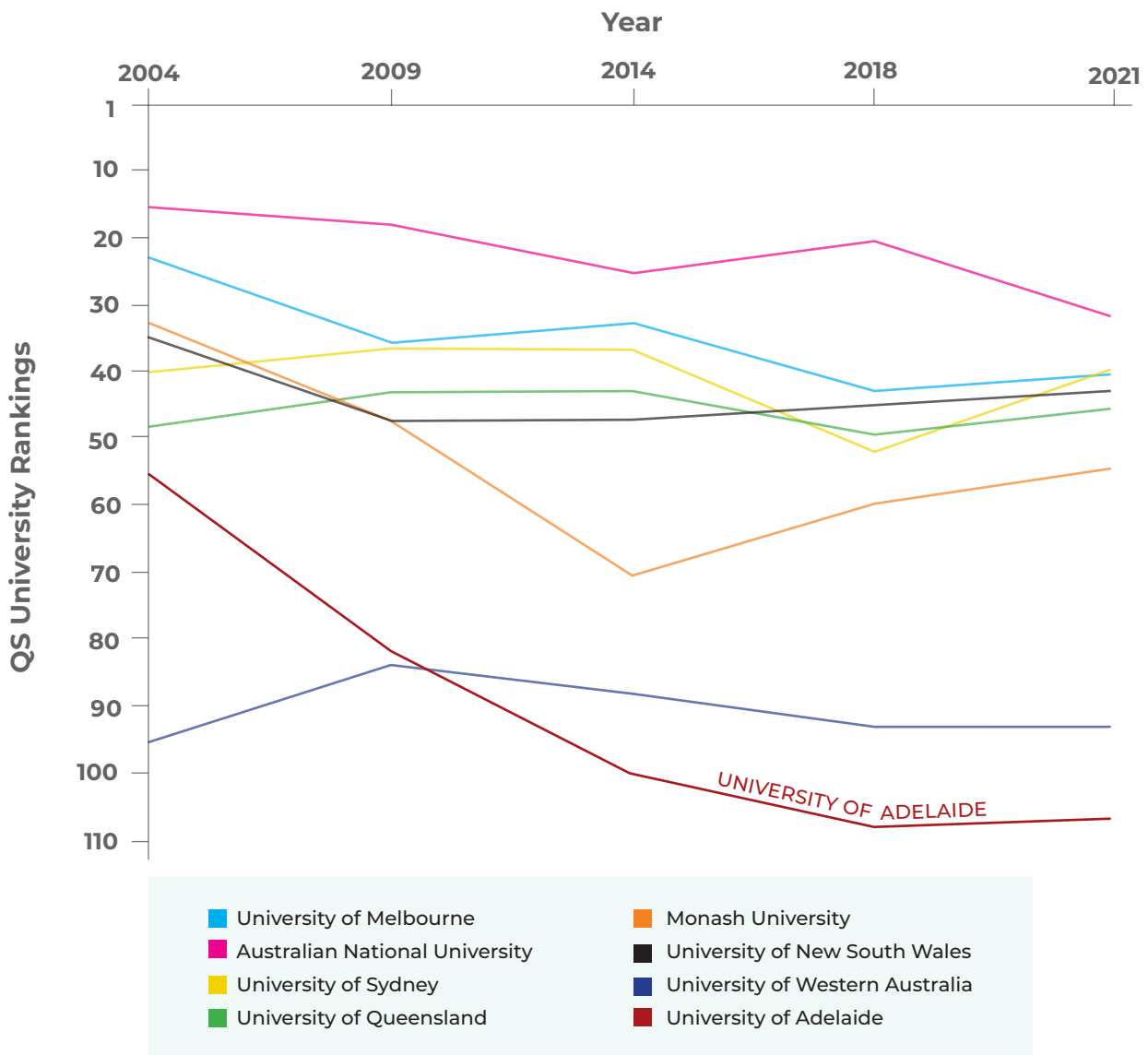
Top ranked universities internationally use this status as part of their branding, and a high ranked university would have a reputational advantage for the state.

## AUSTRALIAN UNIVERSITIES WORLD RANKING

	QS	Academic/ Shanghai	Times
<b>University of Melbourne</b>	41	35	31
<b>University of Sydney</b>	40	74	51
<b>ANU</b>	31	67	59
<b>University of Qld</b>	46	54	62
<b>Monash</b>	55	85	64
<b>University of NSW</b>	44	74	67
<b>University of WA</b>	92	85	139
<b>University of Adelaide</b>	106	151-200	118
<b>University of SA</b>	295	501-600	301-350
<b>Flinders University</b>	423	401-500	251-300



## GROUP OF 8 UNIVERSITIES WORLD RANKING



# QS UNIVERSITY WORLD RANKINGS

1 Massachusetts Institute of Technology	24 University of Tokyo	<b>46 University of Queensland</b>	=69 Korea University	=93 University of Sheffield
2 Stanford University	=25 Johns Hopkins University	47 Shanghai Jiao Tong University	=69 University of Zurich	=93 University of Science and Technology of China
3 Harvard University	=25 University of Toronto	48 City University of Hong Kong	71 University of Texas at Austin	95 University of North Carolina, Chapel Hill
4 California Institute of Technology	=27 Hong Kong University of Science and Technology	49 London School of Economics and Political Science	=72 Osaka University	96 University of St Andrews
5 Oxford University	=27 University of Manchester	50 Technical University of Munich	=72 University of Washington	97 Lund University
6 ZETH Zurich - Swiss Federal Institute of Technology	29 Northwestern University	51 Carnegie Mellon University	74 Lomonosov Moscow State University	98 KTH Royal Institute of Technology
7 University of Cambridge	30 University of California, Berkeley	52 Universite PSL	75 The Hong Kong Polytechnic Universit	99 University of Nottingham
8 Imperial College London	<b>=31 Australian National University</b>	53 Zhejiang University	76 University of Copenhagen	100 Universidad Nacional Autónoma de México (UNAM)
9 University of Chicago	=31 King's College London	54 University of California, San Diego	=77 Pohang University of Science and Technology (POSTECH)	=101 Pennsylvania State University
10 UCL (University College London)	=31 McGill University	<b>55 Monash University</b>	=77 University of Glasgow	=101 Trinity College Dublin, The University of Dublin
11 National University of Singapore	34 Fudan University	56 Tokyo Institute of Technology	79 Tohoku University	103 Technical University of Denmark
12 Princeton University	35 New York University (NYU)	57 Delft University of Technology	80 Georgia Institute of Technology	104 University of Helsinki
13 Nanyang Technological University, Singapore (NTU)	36 University of California, Los Angeles	58 University of Bristol	81 University of Auckland	105 Washington University in St. Louis
14 EPFL - Ecole Polytechnique Federale de Lausanne	37 Seoul National University	59 Universiti Malaya (UM)	82 University of Illinois at Urbana-Champaign	
15 Tsinghua University	38 Kyoto University	60 Brown University	83 Sorbonne University	
16 University of Pennsylvania	39 KAIST - Korea Advanced Institute of Science & Technology	=61 Ecole Polytechnique	84 KU Leuven	
17 Yale University	<b>40 University of Sydney</b>	=61 University of Amsterdam	85 Yonsei Universit	
18 Cornell University	<b>41 University of Melbourne</b>	62 University of Warwick	86 Durham University	
19 Columbia University	42 Duke University	63 Ludwig-Maximilians-Universität München	87 University of Birmingham	
20 University of Edinburgh	43 Chinese University of Hong Kong	64 Ruprecht-Karls-Universität Heidelberg	88 Sungkyunkwan University (SKKU)	
21 University of Michigan-Ann Arbor	<b>44 University of New South Wales</b>	65 University of Wisconsin-Madison	89 Rice University	
22 University of Hong Kong	45 University of British Columbia	=66 National Taiwan University (NTU)	90 University of Southampton	
23 Peking University		=66 Universidad de Buenos Aires (UBA)	91 University of Leeds	
			92 University of Western Australia	

**=106 The University of Adelaide**  
**=295 University of South Australia**  
**=423 Flinders University**

More than 10% of Universities in the QS rankings are now Chinese Universities.

## Stopping the Brain Drain

Increasingly South Australians have been looking interstate for their university options. In fact, according to the most recently available figures obtained by *The Advertiser*, nearly 10,000 South Australians opted to look elsewhere for their university education in 2017 – an increase of 3500 from 2011.

We can't afford to lose our brightest and best to universities elsewhere because a natural extension of that would be that they also choose to begin their careers elsewhere too, which would have a detrimental impact on our local economy.

A larger merged university sitting within the top 100 international universities will provide the opportunity to reverse this growing phenomena of young South Australians looking to study elsewhere.

Having a university with an enhanced reputation, an expanded research capability attracting the highest quality faculty, will not only increase the desire of young South Australians to stay, but attract students from interstate as well.







# SA University Merger Commission

Labor in government will establish a Commission to chart a path to merger. It will include the leadership of the three universities and be headed up by an eminent commissioner with experience in higher education. The Commission will engage with business leaders, university unions and student representatives.

The Commission's task will be to determine how the state can be best served by the university sector.

The state should not start this process with a view about which universities should merge, nor which university should teach what degrees. The role of the State Government is to determine what our collective interests are as South Australians and that is where the process should start.

The Commission will be required to address and manage the risks inherent in this ambitious project. The three universities will need to be fully engaged in the process and be confident that the goals of social and economic benefits for South Australia are achievable. The Commission will be required to estimate the cost of a merger and how the investment required would be realised through the anticipated growth in research and student income. The Commission will map the staffing of the universities in order to chart a path of increased employment stability arising from a larger and stronger institution. The Commission will seek not only to increase the number and quality of students but also ensure that SA universities are attracting students from all demographic groupings.

The Commission will only recommend a merger if the criteria are met.

A Labor Government will resource the Commission and a small staff contingent to

ensure this work is undertaken diligently and with the interests of the state front and centre.

The Commission will make a recommendation on a university merger to the government and the three university councils. A Labor Government will work with the institutions to deliver the recommendations of the Commission and create a stronger university sector for the state's future prosperity.

## CRITERIA

- ✓ South Australia needs an internationally recognised top 100 university in order to ensure the highest quality research is funded in this state to drive economic growth.
- ✓ South Australia's higher education sector must be actively engaged with local industry and business to optimise local investment, commercialisation of research and economic growth.
- ✓ The SA university sector needs to be stable and productive, securing jobs and career pathways for academics, researchers and administrative staff.
- ✓ Students from all socio-economic backgrounds must have access to a university education in South Australia, providing internationally competitive employment outcomes.
- ✓ All SA public universities must remain strong regardless of a merger configuration and must ensure a relationship between higher education and vocational training.

# University of Manchester merger in 2004

The Victoria University of Manchester (VUM) and the University of Manchester Institute of Science and Technology (UMIST) both had strong market positions. However, they had limited ability to improve in the world rankings due to their small size. The two universities agreed to merge to create the University of Manchester (UoM).

UoM has enhanced research depth and quality, an improved offering for students through a broad interdisciplinary course offering and increased strength in teaching. The new institution immediately increased their ranking from VUM’s rank of 78 in 2004 to a UoM rank of 53 in 2005. The merger also improved research opportunities. UoM received £58m more research funding within three years of the merger.<sup>27</sup> Additionally, the new institution attracted new high-profile strategic research partnerships including BP which the company credited to UoM’s ability to assemble interdisciplinary teams.

Creation of a new university through merger | Discussion Paper: The University of Adelaide and University of South Australia, 9 August 2018

World rankings	World	Europe	UK
Academic Ranking of World Universities (2020)	36	8	5
QS (2021)	27	8	6
Reuters Top 100: Europe’s most innovative universities (2019)	-	8	4

The vice-chancellor of the University of New South Wales, and former vice-president of the University of Manchester in England, Ian Jacobs, said there was growth potential for universities in mergers.

The University of Manchester was created in 2004 from the old University of Manchester Institute of Science and Technology and the Victoria University of Manchester.

The merger turned two regional universities into one of the top 30 universities in the world.

The benefits in research quality, resources and profile were undeniable.

“  
**Bringing unis together can be really exciting and create critical mass and energy**  
 ”

Former vice-president of the University of Manchester in England, Ian Jacobs | AFR – 10 August 2020



