

For
the
Future

A South
Australian
University
Merger



South
Australian
Labor

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. A university merger will be a first term priority for a Labor

Acknowledgment of country.

We acknowledge and respect the Traditional Custodians whose ancestral lands we live and work upon and we pay our respects to their Elders past and present. We acknowledge and respect their deep spiritual connection and the relationship that Aboriginal and Torres Strait Islander people have to Country. We also pay our respects to the cultural authority of Aboriginal and Torres Strait Islander people and their nations in South Australia, as well as those across Australia.

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 sidelines 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 four 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





A Malinauskas Labor Government will:

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.



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

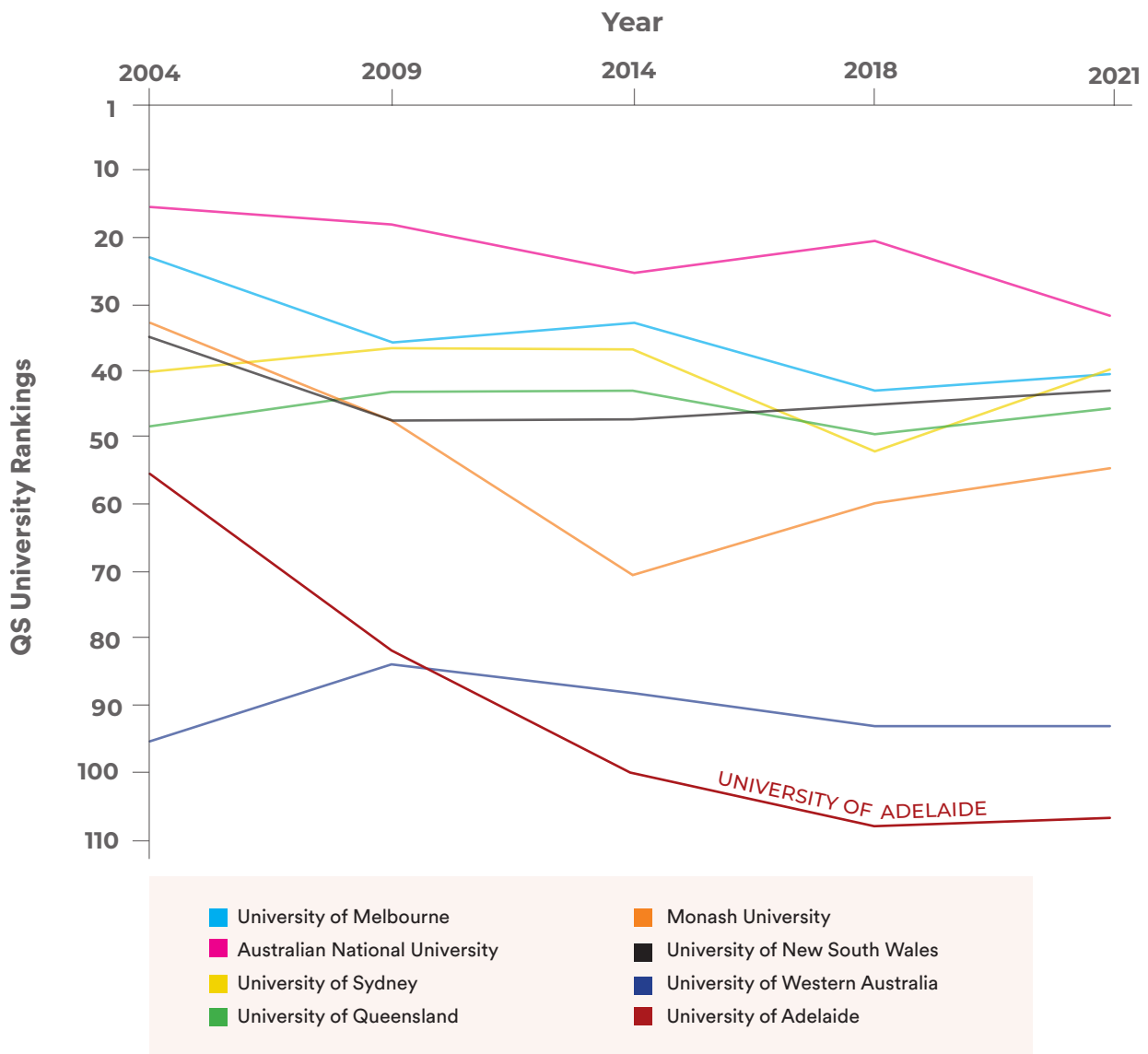
Top ranked universities internationally use this status as part of their branding, and a high ranked university would have a reputational advantage for the state.

AUSTRALIAN UNIVERSITIES WORLD RANKING

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



GROUP OF 8 UNIVERSITIES WORLD RANKING



QS UNIVERSITY WORLD RANKINGS

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

=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.

CASE STUDY

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.²⁷ 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



