A SOUTH AUSTRALIAN UNIVERSITY MERGER

Peter Malinauskas MP | SA Labor Leader
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 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 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
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.

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 SOUTH AUSTRALIAN UNIVERSITY MERGER

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

<table>
<thead>
<tr>
<th>University of Melbourne</th>
<th>QS</th>
<th>Academic/ Shanghai</th>
<th>Times</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Sydney</td>
<td>41</td>
<td>35</td>
<td>31</td>
</tr>
<tr>
<td>ANU</td>
<td>40</td>
<td>74</td>
<td>51</td>
</tr>
<tr>
<td>University of Qld</td>
<td>31</td>
<td>67</td>
<td>59</td>
</tr>
<tr>
<td>University of NSW</td>
<td>46</td>
<td>54</td>
<td>62</td>
</tr>
<tr>
<td>Monash</td>
<td>55</td>
<td>85</td>
<td>64</td>
</tr>
<tr>
<td>University of WA</td>
<td>92</td>
<td>85</td>
<td>139</td>
</tr>
<tr>
<td>University of Adelaide</td>
<td>106</td>
<td>151-200</td>
<td>118</td>
</tr>
<tr>
<td>University of SA</td>
<td>295</td>
<td>501-600</td>
<td>301-350</td>
</tr>
<tr>
<td>Flinders University</td>
<td>423</td>
<td>401-500</td>
<td>251-300</td>
</tr>
</tbody>
</table>
GROUP OF 8 UNIVERSITIES WORLD RANKING

Year
2004 2009 2014 2018 2021

QS University Rankings

University of Melbourne
Australian National University
University of Sydney
University of Queensland
Monash University
University of New South Wales
University of Western Australia
University of Adelaide
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.

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.

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

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 or 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. 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.

There were challenges experienced during the integration process of the merger. One such challenge was the demands on senior staff during the integration. These staff experienced significant time demands and did not have the experience or required capabilities to draw on, which consequently created anxiety. Another challenge was deciding on the name of the new university. It was determined that the name would be considered after the decision to create a new university was made.

Leuphana University of Lüneberg merger in 2005

The University of Lüneburg merged with the University of Applied Sciences North-East Lower Saxony in 2005. The merger broadened offerings in business administration and social work. New areas included automation technology, business law and business psychology, teacher training, cultural studies, business and social sciences, and environmental sciences. The merger increased industry collaborations and they received an award for most founder-friendly university in Germany.

Aalto University merger in 2010

The Helsinki University of Technology, The Helsinki School of Economics and the University of Art and Design were three prominent universities in Finland, each with distinct disciplines. The purpose of the merger was to create a competitive, interdisciplinary and business-focused institution, Aalto University. The combination of interdisciplinary fields at Aalto University stimulated new research central to the development and competitiveness of the Finnish business community and society. Additionally, this interdisciplinary educational offer, and competitive intellectual capital of the new institution positioned Aalto as a highly competitive university.

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.

### World rankings

<table>
<thead>
<tr>
<th></th>
<th>World</th>
<th>Europe</th>
<th>UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic Ranking</td>
<td>36</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>QS</td>
<td>27</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Reuters Top 100</td>
<td>-</td>
<td>8</td>
<td>4</td>
</tr>
</tbody>
</table>

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

**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