

Parliamentary Inquiry Response

Establishment of a new *Adelaide University*

August 2023



THE UNIVERSITY
of ADELAIDE



University of
South Australia

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Response Overview

The Parliament of South Australia has formed a Joint Parliamentary Committee to inquire into the establishment of a new *Adelaide University*. This submission is jointly prepared and submitted by The University of Adelaide (UoA) and the University of South Australia (UniSA) and provides responses to address each consideration of the Joint Committee as outlined in the Terms of Reference and Submission Details document. The material provided here is drawn from and should be read in conjunction with the material contained in the documents included in this submission, that summarise the work presented to the respective University Councils in June 2023.

Joint Committee on the Establishment of *Adelaide University* Terms of Reference

The Joint Committee has been formed to inquire into the establishment of Adelaide University, and in so doing consider:

- a) the proposal to create Adelaide University, to be formed by the amalgamation of the University of Adelaide and the University of South Australia;
- b) the expected impact (including non-commercially confidential modelling generated by the existing universities) of the new university, on:
 - i. the South Australian economy and society
 - ii. current and future staff and students of the two existing universities, and
 - iii. the higher education sector in South Australia.
- c) ensuring *Adelaide University's* legislative, governance and funding arrangements provide for a university that:
 - i. facilitates access to education by South Australians from a broad range of socioeconomic and cultural backgrounds, including Aboriginal South Australians;
 - ii. is engaged with industry and business in South Australia on research and education outcomes;
 - iii. generates high quality research and engages in commercialisation of research of strategic importance to South Australia;
 - iv. is likely to be consistently highly ranked against universities globally;
 - v. is attractive to and welcoming of international students; and
 - vi. has a modern governance framework consistent with high standards of fiduciary responsibility and understanding of the value of universities to the state's economy and society and of the Australian and global higher education environment.
- d) any measures by which the parliament and government can facilitate these outcomes in creating the Adelaide University; and
- e) any other related matter.

a) The Proposal to create a new *Adelaide University*

The Joint Committee has been formed to inquire into the establishment of Adelaide University, and in so doing consider:

- a) the proposal to create *Adelaide University*, to be formed by the amalgamation of the University of Adelaide and the University of South Australia;

Our respective Councils believe that it is in their respective institutions and indeed South Australia's best interest to support the current Government's policy intent to bring about a university merger. The proposed new *Adelaide University* has a compelling vision for the future which has been autonomously created and endorsed by the governing Councils of both the University of South Australia and The University of Adelaide.

Our vision is that this university for the future will be the place for outstanding educators, researchers, thinkers, innovators and entrepreneurs, and that its graduates will be among the most sought-after in the world.

We want our new, for-purpose university to put higher education qualifications in reach of all appropriately prepared students across all walks of life, breaking the cycle of inequality. Students everywhere would be drawn to the university because of its outstanding student experience, flexible study options and job pathways.

We want it to deliver Australia's most contemporary, industry-informed curriculum, leading to jobs in areas of future demand and partnering with employers and end-users to produce outstanding graduates.

We want the university to be of appropriate scale and culture so that it can readily increase investment in skills and knowledge while remaining nimble to move with the rapid pace of change.

We want our future-making and partnered world-class research of scale and focus to transform our State's economy and contribute to solving global challenges.

Above all else, we want our State to be a place where education and innovation create and underpin a more cohesive and prosperous society. It is our strongest hope that we can achieve that by working together and more readily seize opportunities due to our scale.

While framed in the context of State Government policy, our vision for the proposed *Adelaide University* at its foreshadowed scale presents an opportunity to advance ambitions for tertiary education and innovation further and faster than what can be achieved individually.

Following careful consideration of a feasibility assessment based on work from 14 interdependent workstreams over six months, both university Councils resolved to support the South Australian Government should it move to combine the two institutions to create a new university called *Adelaide University* in the form which they have suggested. The path to the resolution of the university Councils has been extensive since the announcement of the then State Opposition's higher education policy.

In June 2023, a suite of feasibility assessment documents was presented to both university Councils, who resolved to empower Chancellors to support the South Australian Government should it move to combine the two institutions to create a new university called *Adelaide University* commensurate with the shared vision and ambition of the two universities.

b) Expected Impact of *Adelaide University*

The Joint Committee has been formed to inquire into the establishment of *Adelaide University*, and in so doing consider:

- b) the expected impact (including non-commercially confidential modelling generated by the existing universities) of the new university, on:
 - i. the South Australian economy and society
 - ii. current and future staff and students of the two existing universities, and
 - iii. the higher education sector in South Australia.

Adelaide University has the potential to expand the impact of higher education in South Australia. As a larger, more diverse university with Australia's most contemporary curriculum, improved academic standing and closer alignment to industry and societal priorities, *Adelaide University* will generate value and benefits for key stakeholder groups including students, staff, and the South Australian community.

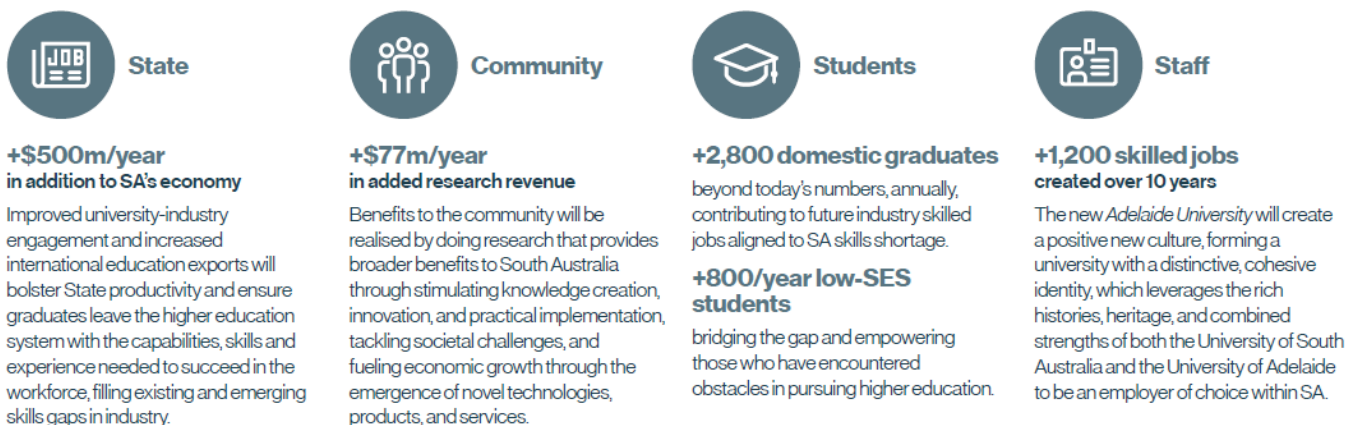
i. South Australian economy and society

Adelaide University will boost the State's human capital and support economic growth as summarised in Figure 1. Graduates with skills aligned to the needs of the local economy will contribute to job creation and development. Improved access to education will benefit all groups and lead to positive social outcomes. The university will be at the forefront of attracting investment and talent through offering a collaborative model with priority industries that will drive innovation in the South Australian economy and society.

Figure 1: Summary outcomes from the new *Adelaide University* for South Australia

What this means for South Australia above and beyond today

Beyond the current combined impact, by 2034 the new *Adelaide University* would contribute even more significantly to enhancing SA's competitiveness through creation of a highly skilled workforce, strengthened skills base for the State's leading future industries, and attraction of investment to the State.



Improved State Outcomes

The establishment of a new *Adelaide University* will provide an additional economic contribution to the State, above and beyond the two institutions running 'business as usual' operations, through both direct and indirect means. It is estimated that *Adelaide University* could contribute approximately \$500m more

per year to the South Australian economy by 2034 compared to what the two universities collectively contribute in 2022.¹

This uplift will be realised through *Adelaide University* acting as a centre of excellence in research and education, attracting talented faculty and researchers, underpinning increased international exports, fostering intellectual communities, and driving advancements in various fields that are translated to and adopted in external organisations. Research conducted will foster knowledge creation, innovation, and practical applications, addressing societal challenges and spurring economic growth through the development of new technologies, products, and services.

Adelaide University will improve the tertiary outcomes of South Australians and produce highly skilled graduates who enter the job market with expertise and fresh ideas, fuelling productivity, innovation, and attracting businesses and investors. *Adelaide University* will act as a catalyst for the creation of vibrant precincts and cultural amenities for both in the Adelaide CBD and across the State.

We also believe our combined university will be better able to sustain academic disciplines that are not viable in a smaller institution or which require cross-subsidy irrespective of their size, as cross-subsidies are not feasible for an organisation of small scale.

ii. Current and future staff and students of the two existing universities

The agreed vision for the new *Adelaide University* commits to deliver an enhanced student experience, future-focused curriculum and research of a global standing – and students will be part of their co-creation and transition journey. Additionally, with the focus on fulfilling the stated ambition, the new *Adelaide University* will require an increased talented workforce, that will grow in line with educational and research success.

Impact to Staff

The new *Adelaide University* is committed to maximizing employment in South Australia and all reasonable and relevant measures will be implemented to maintain the employment of staff as a consequence of the creation of *Adelaide University*. If the South Australian Government proceeds with a decision to combine the two existing Universities, no staff member will be made compulsorily redundant or will be compulsorily retrenched as a consequence of the amalgamation in advance of the opening of the new *Adelaide University* on 1 January 2026, or during the first eighteen months of its operation.

The establishment of *Adelaide University* generates both direct and indirect employment opportunities, directly creating positions for academic and professional staff, and associated economic stimulus. By 2034, *Adelaide University* will employ at least 1,200 more staff than the two institutions today, thereby providing job opportunities for community members and bolstering the local economy. The employment of these additional 1,200 staff members by *Adelaide University* will also support additional jobs across the South Australian economy, benefiting local businesses and contributing to the region's economic well-being. *Adelaide University* will provide current and future staff the opportunity to work for a larger, leading university which will provide staff with:

- A career at an 'employer of choice' institution along with additional career opportunities and pathways for both professional and academic staff.
- Improved opportunity to pursue a career which reflects their priorities within a structure with greater options and flexibility.

¹ REMPLAN Modelling – South Australia, based on ABS data. Contribution to the South Australian economy is in 2022\$ and captures the total benefit of the direct and indirect effects of the additional output, employment and wages that *Adelaide University* will generate above that of the two institutions in 2022 generate. It does not take into account the full dynamic effects resulting from second-order price changes but provides an indication of the additional contribution that *Adelaide University* could generate to the South Australian economy.

- Increased access to investment and resources for high-value activities and international collaboration.

The success of the transition to *Adelaide University* will depend on the development of a new shared, strong and cohesive culture. The key goal for culture is a distinctive, cohesive identity that draws on the rich history and combined strength of both universities and establishes a compelling employer brand that attracts and retains staff as well as attracting/retaining employers for South Australia.

Impact to Students

In progressing *Adelaide University*, the shared vision of our two universities is to create a new leading contemporary university of global standing which will be ranked in the top one percent of universities globally from day one and well into the top 100 on an ongoing basis.

Adelaide University will prioritise a strong student experience and graduate success. This includes fine employment outcomes and the underpinning offer of customisable learning options aligned with industry needs. The university will put strong emphasis on both disciplinary and practical skills. It will have a strong faculty, improved services, and a vibrant learning environment, ensuring a leading student experience.

The new *Adelaide University* has the intention and ambition to:

- Offer a contemporary, digitally underpinned, modular curriculum which provides more flexible program offerings, and customisable learning opportunities aligned to industry needs supporting a more diverse range of students to receive a tertiary education. The academic curriculum and its delivery will:
 - Be developed as new, using innovative content design and delivery methods.
 - Be co-designed with industry and students and maintain its currency and relevance through continuous renewal cycles.
 - Have consistent program structures with entry requirements developed in line with best pedagogical practice to provide equitable access.
 - Be digitally enabled to improve student access and remove physical barriers to participation.
 - Feature embedded work integrated learning via internships and placements.
- Create an inclusive learning environment, providing opportunities for all students to succeed by reviewing entry requirements, expanding student support services, and enhancing scholarship and pathway strategies.
- Offer a 'student experience model' underpinned by data and research which acknowledges the interconnection of the academic, personal, and social needs of students. The following objectives will shape the approach to student experience:
 - Providing accessible, holistic, comprehensive professional and academic support to students.
 - Placing students at the fore, to take a student-centric approach to services, systems, and processes.
 - Empowering, educating, and supporting students to develop their own personal skills and tools to maximise their wellbeing, resilience, success, and career readiness.

Domestic Students

Through its function and purpose, *Adelaide University* will support low-SES students with tailored programs, fostering an inclusive learning environment that guarantees equal opportunities for students from diverse socio-economic backgrounds and we will increase the number of scholarships available to ease the transition to higher education.

Furthermore, *Adelaide University* will enhance the tertiary attainment and outcomes of domestic students in South Australia. According to a London Economics Report on the economic contribution of the Go8

universities in Australia, students who successfully complete a bachelor's degree earn a net graduate premium of \$68k per annum (inflated to 2022\$) compared to individuals who complete Year 12 as their highest prior attainment.² Projections indicate that by 2034 an additional 2.8k domestic students will graduate annually from *Adelaide University* compared to the two institutions combined in 2022. This means that by 2034, the additional graduates completing their degrees each year will add \$190m to their lifetime earnings.³

International Education Exports

The establishment of *Adelaide University* will directly benefit the local South Australian economy by attracting domestic and international students, fostering cultural diversity and driving economic growth. Diverse student backgrounds contribute to cross-cultural understanding, future soft-power enhancements and enrich the state's cultural landscape. Moreover, the presence of students generates economic benefits as businesses cater to their needs, stimulating economic activity and creating employment opportunities.

According to a 2018 Deloitte Access Economics report commissioned by the South Australian government, the average international student contributes \$60,000 per year (inflated to 2022\$) to the economy.⁴ This figure encompasses the direct contribution of international students, including payments to education providers (i.e., increased exports⁵) and industries they spend money on. It also considers the indirect contribution to upstream industries such as finance, real estate, professional services, building cleaning and maintenance, and other administrative services that support the direct sectors.⁶

Adelaide University is projected to educate an additional 6,000 international students in 2034 above what both existing institutions do today, resulting in a contribution of well in excess of \$360m per annum to the South Australian economy.⁷ As such, the thriving student population will positively impact the South Australian business ecosystem, bolstering the overall economic prosperity of the State. Most importantly, it will help overcome skills shortages that otherwise would hold back the broader economy.

iii. The higher education sector in South Australia

The three public universities in South Australia (University of Adelaide, University of South Australia and Flinders University) collectively educate over 65,000 full-time equivalent students each year, including 12,000 from low SES backgrounds and 14,000 from overseas.⁸ International education is the State's largest services export, contributing \$1.4 billion to the economy in 2021-22. These benefits are shown in summary in Figure 2.

² London Economics (2018), Economic Impact of Group of Eight Universities

³ This benefit will be realised as an indirect benefit to the South Australia economy as a result of individuals receiving education at *Adelaide University*

⁴ Deloitte Access Economics (2018), International Education in South Australia

⁵ The increased international student load improves the education exports of South Australia and is a major component of the \$500m additional economic contribution of *Adelaide University*.

⁶ The \$60k figure does not include induced impact, which refers to the increased personal income of individuals employed across the broader economy due to the presence of international students.

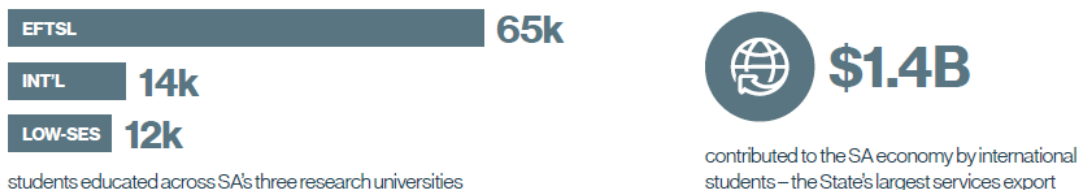
⁷ Part of this benefit will be realised in the additional direct benefit from international students paying fees to *Adelaide University*, but some of the benefit will manifest as broader consumption benefits to the South Australia economy as a result of international students spending money in the South Australian economy.

⁸ Department of Education (2021), Student Data.

Figure 2: Summary benefits of higher education in South Australia

South Australian higher education at a glance

Uplift in the higher education sector will benefit the entire State, especially as SA stands to gain significantly from an increasingly skilled workforce, to support leading future industries of growing importance.

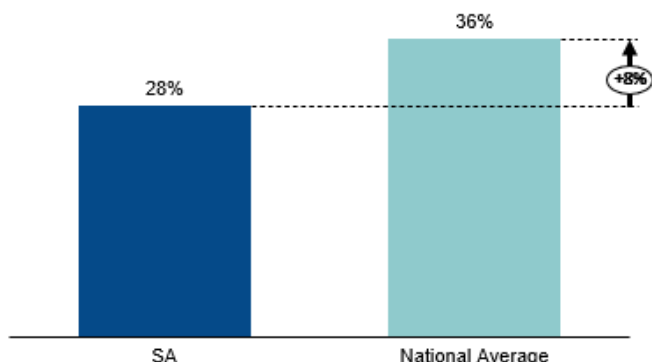


Motivation for university merger in South Australia

- The State's current levels of tertiary education attainment lag the national average and the three current research universities do not have the scale on their own to meet the needs of the State's economy.
- A healthy university sector is essential for future prosperity, as jobs are increasingly dependent on qualifications, technology and innovation, with 9 in 10 jobs created in the next five years requiring post-school qualifications.
- The SA Productivity Commission has suggested that an uplift in SA's higher education sector through a successfully designed and implemented combination of two universities could enhance the State's economy.

A broader uplift in the higher education sector is consequentially beneficial to the entire State. Demand for skilled employment is projected to rise, with nine in 10 jobs created in the next five years requiring post-school qualifications.⁹ Furthermore, SA is becoming increasingly reliant on highly skilled workers to support leading future industries of growing importance to South Australia. Key future industries such as AUKUS, aerospace, advanced manufacturing, defence, AgTech, health and medical technology, and renewable energy¹⁰ all require a skilled workforce with post-school qualifications. However, the State's current levels of tertiary education attainment lag the national average (Figure 3). Improving the accessibility of higher education for low-SES students and First Nations Peoples, alongside the alignment of educational offerings to these growing industries, will be critical in building the requisite skills base and is likely to be a signature outcome of the 'Accord' review process currently being undertaken by the Federal Government.

Figure 3: Proportion of residents with a bachelor's degree or above, 2021¹¹



SA is projected to have the second lowest population growth rate among Australian states and territories,¹² presenting a long-term risk to financial sustainability for both universities as campus-based enrolments make up the largest proportion of their enrolments. However, opportunities to grow domestic student cohorts through online education would enable *Adelaide University* to educate students beyond South Australia, while retaining the economic benefit of such undertaking here in the State.

⁹ National Skills Commission (2022), Projecting Employment to 2026.
¹⁰ SA Government (2023), Key Industries.
¹¹ National Skills Commission (2021), Australian Jobs 2021.
¹² Australian Bureau of Statistics (2018), Population Projections, Australia.

c) Ensuring the legislative, governance and funding arrangements provide support and enablement

The Joint Committee has been formed to inquire into the establishment of Adelaide University, and in so doing consider:

- c) ensuring *Adelaide University's* legislative, governance and funding arrangements provide for a university that:
- i. facilitates access to education by South Australians from a broad range of socioeconomic and cultural backgrounds, including Aboriginal South Australians;
 - ii. is engaged with industry and business in South Australia on research and education outcomes;
 - iii. generates high quality research and engages in commercialisation of research of strategic importance to South Australia;
 - iv. is likely to be consistently highly ranked against universities globally;
 - v. is attractive to and welcoming of international students; and
 - vi. has a modern governance framework consistent with high standards of fiduciary responsibility and understanding of the value of universities to the state's economy and society and of the Australian and global higher education environment.

The shared vision of the University of Adelaide and the University of South Australia is that the new *Adelaide University* will increase the proportion of young Australians employed in highly skilled jobs and raise the overall educational attainment level by diversifying student cohorts, strengthening recruitment channels and expanding its international footprint.

i. Facilitates access to education by South Australians from a broad range of socioeconomic and cultural backgrounds, including Aboriginal South Australians

By virtue of its legislative function and the clearly stated ambition of our two institutions, *Adelaide University* will be inclusive and diverse, providing access to high-quality education for all students. A larger and more diverse cohort of students will create a university environment that is more reflective of the South Australian and Australian population. This affords inclusivity and access for all categories of students experiencing disadvantage, resulting in attainment, advancement, and enhanced feelings of belonging and pride.

Adelaide University has the ambition to:

- Become the top educator for students from non-traditional, low-socio economic backgrounds and increase the representation of First Nations students, by implementing targeted recruitment strategies, establishing partnerships, and promoting flexible program offerings.
- Foster a diverse and inclusive learning environment, providing opportunities for all students to succeed, and enhancing scholarship and pathway options that can prepare able students for success in cases where the gap between preparation and intrinsic capability must be narrowed to ensure study success at university level.
- Be a university where students can exit successfully with evidence of attainment when formal courses have been passed even where a full degree might not have been completed – so providing a true path for lifelong learning in our population.

In 2021, First Nations Peoples represented 1.0 per cent and 1.6 per cent of UoA and UniSA's student bodies, respectively.¹³ This was disproportionately low compared to their population share of 2.4 per cent in SA.¹⁴ Hence, there is potential to improve First Nations Peoples' participation in SA's higher education to aim for it to be reflective of the population served by SA's educational institutions.

Additionally, the creation of a \$100m equity fund, provided in perpetuity, has been proposed by the SA Government to directly offset a key transition cost of the establishment of the new university, and to provide scholarship funds that will help support more than 800 additional low socio-economic students per year by 2034.

ii. Engagement with industry and business in South Australia on research and education outcomes

Uniquely in the Australian higher education system, the entire curriculum of *Adelaide University* will be developed as new, using innovative content design and delivery methods. It will be co-designed with industry and students and maintain its currency through continuous renewal cycles.

Adelaide University will collaborate with industries to identify needs for skilled graduates and enhance access to research and development resources, promoting innovation and economic priorities. The creation of a dedicated \$200m research fund proposed by the government and provided in perpetuity will offset direct transition costs for the creation of the new university and will directly support research aligned with the State's economic priorities and aligned with the objectives of the university. *Adelaide University* will work in a collaborative manner with industry to facilitate increased access to research and development capacity and co-investment opportunities aligned to industry and economic priorities.

An elevation in research scale, focus and innovation would encourage investment, attract and support new enterprise, and provide broader economic benefits to the State.

Investing in industry and innovation-focused research aligned with the State's priorities aims to unlock broad economic benefits to the State, generating knowledge that solves problems and enhances economic competitiveness. The SA Productivity Commission concluded in its report that strengthening connections between universities and industry could be a key driver of a dynamic and a much more diversified SA economy of greater 'complexity'.¹⁵ The Commission also suggested that a university merger should provide a platform for cultural change required to support the reform necessary to make that economic transition.

iii. Generation of high quality research and engagement in commercialisation of research of strategic importance to South Australia

Adelaide University will deliver research and research training with breadth and focused scale that strengthens, secures, and diversifies the South Australian and National economies. *Adelaide University* is projected to generate an uplift of at least \$77m in research revenue in 2034, compared to the combined UoA and UniSA research revenue in 2022. Furthermore, a recent CSIRO investigation into 'Quantifying Australia's returns to innovation (2021)', found that even in the most conservative case, \$1 of R&D investment generates an additional benefit of \$3.50 to the Australian economy, 10 years after the research has been conducted.¹⁶ As such it is anticipated that this additional revenue could generate \$270m in future economy-wide benefits for South Australia. The broader economy-wide benefits will be realised by doing research that stimulates knowledge creation, innovation, and practical implementations, tackling societal issues, and fuelling economic growth through the emergence of novel technologies products, and services.

¹³ Department of Education (2021), 2021 Section 11 Equity Groups.

¹⁴ Australian Bureau of Statistics (2022), South Australia: Aboriginal and Torres Strait Island population summary.

¹⁵ South Australian Productivity Commission (2023), Turning Research into Economic Competitiveness for South Australia.

¹⁶ CSIRO (2021), Quantifying Australia's returns to innovation.

By enabling the delivery of our vision for the new *Adelaide University* we believe the State will have the capacity to:

- Attract investment and support economic development by establishing world-class 'signature research thematics' - Creative & Cultural, Defence & National Security, Food, Agriculture & Wine, Global Green Transition, and Healthcare Systems & Personalised Health - focused on key industries and aligned to state priorities and national science research priorities.
- Act as a global leader in research, driving positive impact at both local and international levels, by embedding enabling academic capabilities, including critical technologies, within academic units to strengthen research efforts.
- Be a destination of choice for research and academic talent, and it will nurture the next generation of global leaders, securing the future of South Australia as the place to address global challenges and seize opportunities to position the State to lead in critical domains.

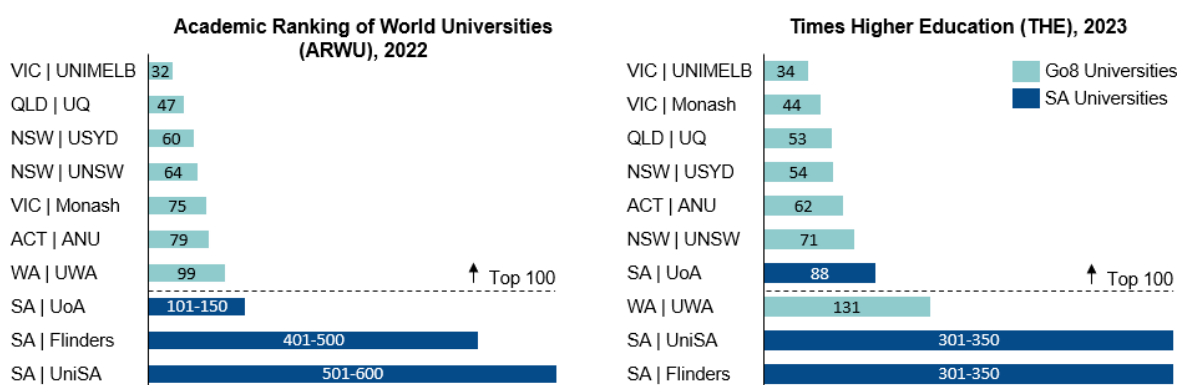
iv. Consistently highly ranked against universities globally

Adelaide University's vision is to create a new leading contemporary university that would have global standing and from day one be ranked in the top one percent of universities globally and in the shorter term consistently well into the global top 100 on an ongoing basis (As the University of Adelaide currently is in four of the five global rankings of substance). Such an ambition requires ongoing ability to invest and under Australian conditions this requires greater scale than any South Australian University has.

Indeed, with reference to Figure 4, the five highest ranked universities in Australia (aside from ANU which is the only university that receives a special purpose grant in the order of \$200m per annum) have annual revenues ranging from \$2.2B per annum to \$3.0B per annum. In comparison, the combined annual revenue of South Australia's three universities is about \$2.1B.

The connection between university size, investment capacity, rankings, and attraction of international students forms a cycle, whereby structural change is needed to place an SA university on a more comparable footing to Australia's largest universities, the effect of which will be South Australia attaining a university of greater national and global visibility. This, in turn, will both retain and attract more students to South Australia, as well as send a signal to current and future employers that talent acquisition in SA is well provided for.

Figure 4: ARWU international rankings of Go8 and South Australian universities, 2022¹⁷



v. Attractive to and welcoming of international students

International education is the State's largest services export, contributing \$1.4 billion to the economy in 2021-22. Adelaide is consistently named one of the world's most liveable and affordable cities and has a strong reputation with international students.¹⁸ Enhancing and expanding online education offerings,

¹⁷ Academic Ranking of World Universities (2022).

¹⁸ The University of Adelaide (2021), The City of Adelaide.

alongside improving global rankings, will support the new University's participation in a market for online international students, and attract more international students to the State through increased prominence.

Adelaide University aims to have a stronger international presence and expanded student recruitment network, growing to attract an increasingly diverse international student cohort to Adelaide, projected to constitute 30 per cent of the university's full time equivalent student body by 2034. The SA Government has proposed a \$30m cash grant to support international student attraction, which helps to de-risk the transition to the new university from the existing institutions' market presentation. We contend that the city's vibrancy will benefit from this increase in the student body especially at a time where many people continue to work from home.

vi. A modern governance framework consistent with high standards of fiduciary responsibility and understanding of the value of universities to the state's economy and society and of the Australian and global higher education environment

The governance of Australian universities is framed by State, Commonwealth, and institutional arrangements and informed by contemporary corporate best practice as appropriate. The three public universities in South Australia are established by Acts of the State Parliament. Many of the features of these acts, such as Council and Academic Boards, are common and represent an approach developed over time in this State.

The powers and responsibility of the *Adelaide University* Council will be established by the *Adelaide University Act*. The draft legislation for *Adelaide University* is based on the *University of South Australia Act 1990*, with modifications to accommodate the University of Adelaide's institutional arrangements.

Beyond the state legislation, Australian universities must comply with the rigours of their governance obligations associated with the Commonwealth registration under the *Tertiary Education Quality and Standards Agency Act 2011* (TEQSA). The threshold standards under Domain 6 (of TEQSA standards) encompass accountability of governance bodies (such as Council and Academic Boards). There are also obligations that cover Academic governance, Academic integrity, Academic Quality Assurance, corporate governance, financial assessment, financial standing and third-party arrangements.

In seeking registration under the Commonwealth regime, *Adelaide University* will be required to demonstrate compliance with the statutory and threshold requirements under the threshold standards. In the period between the passage of the *Adelaide University Act* and the commencement of the inaugural term of the *Adelaide University* Council, a Transition Council will be established to govern *Adelaide University*. Key responsibilities of the Transition Council include:

- Legislative authority for *Adelaide University*, distinct from the UniSA / UoA Councils
- Creation of the *Adelaide University* Academic Board, which will oversee *Adelaide University* operations, including approving the new curriculum.

d) Measures by which the parliament and government can facilitate the outcomes in creating the *Adelaide University*

The Joint Committee has been formed to inquire into the establishment of *Adelaide University*, and in so doing consider:

- d) any measures by which the parliament and government can facilitate these outcomes in creating the *Adelaide University*; and
- e) any other related matter.

The University of Adelaide and the University of South Australia have independently and autonomously concluded that the creation of a new *Adelaide University* as currently proposed is in their institutions' best interest and in the best interest of the State of South Australia. The creation of a new *Adelaide University* requires necessary legal and regulatory approvals, along with a guarantee of the proposed government funding that directly offsets quantified transition costs and helps de-risk delivery of the future university, which is critical to ensure the successful transition to the new university.

i. Passage of Legislation

The legislative approach and the evaluation of regulatory requirements have been developed by working back from January 2026 to ensure that this effective date of operation can be met. Parliamentary support is paramount to ensure the legislative process does not delay the transition process in order to give *Adelaide University* the best opportunity to achieve its stated outcomes.

The legislative and regulatory pathway requires:

- SA State legislation for the transition to and the creation of *Adelaide University*, and that the legislation be informed by regulatory considerations regarding *Adelaide University*.
- The passage of the *Adelaide University Act* ideally in 2023 but no later than March 2024, along with other regulatory processes including TEQSA accreditation and CRICOS registration are part of the critical path for establishing *Adelaide University* to be able to begin accepting students.

Adelaide University cannot commence the recruitment of future students – domestic or international – without the necessary regulatory approvals, all of which flow from proclamation of State legislation. A key milestone to ensure that *Adelaide University* can be fully operational by January 2026 is to be able to begin recruitment for international students by July 2024.

ii. Guarantee of Funding

Combined, UoA and UniSA constitutes one of the largest employers in the State of South Australia with a combined revenue of about \$1.7B, of which less than 5% is supplied by the state government. This revenue allows us to employ more than 6,000 full time equivalent staff and pay about \$45m in payroll tax annually. The investment that we make in the transition to *Adelaide University*, is anticipated to increase our revenue and benefit the economy by about \$500m annually.

Establishing *Adelaide University* will require \$500m to \$650m in one-off investment and \$62m in ongoing investment to fund required transition activities and transformational change to achieve its ambition. This investment will be funded in large part by the current institutions' cash positions.

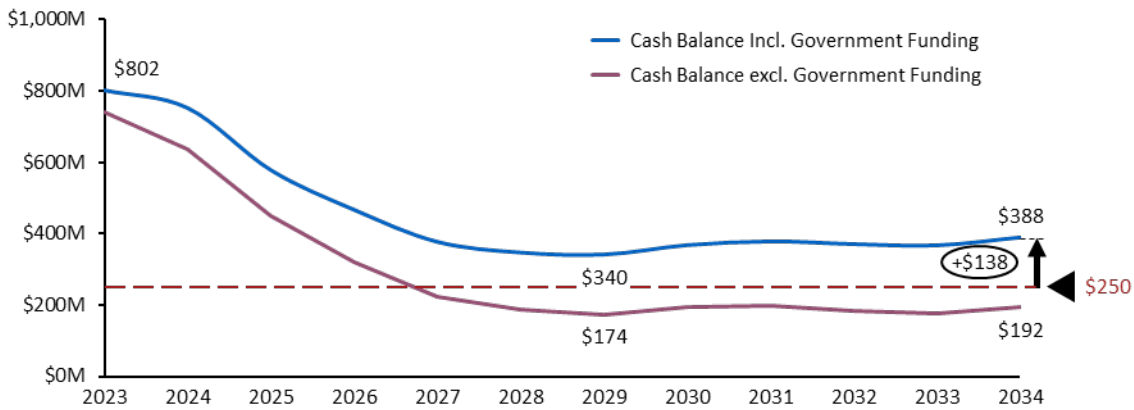
The SA Government has formally indicated its intent to support the creation of *Adelaide University*, to reflect the significant investment associated with the transition process and to help the University achieve its ambitions. Specific investments include \$300m in invested funds (a \$100m Equity Scholarship Fund and \$200m Research Fund) with associated investment returns to be applied to the new university's academic purpose in perpetuity and enshrined in legislation. These and other funding mechanisms, which include land purchases and a grant to support international student attraction, are estimated to generate \$256.5m to 2034. This will cover some 40% of the transition and integration costs that are necessary to underpin key drivers of *Adelaide University's* ambition and financial position.

The SA Government investment is critical to ensure that UoA, UniSA and *Adelaide University* retain sufficient liquidity to manage current operations alongside the significant transition program required to establish the new institution. *Adelaide University's* projected cash position consolidates the financial implications of the anticipated investment capacity, required investments for transition, and Government funding (Figure 5).

While investment costs represent a substantial capital outlay, the current institution's cash position, when supplemented with funding provided by the SA State Government, enable *Adelaide University* to maintain sufficient liquidity, with the most conservative cash projection falling to its lowest point of \$340m in 2029. By 2034, *Adelaide University* is projected to have \$388m in available cash (i.e., \$138m above its liquidity

floor).¹⁹ Government funding helps reduce the risk of establishing *Adelaide University*, by allowing the institution to maintain sufficient working capital (i.e. the liquidity floor) to maintain operations.

Figure 5: Projected Cash Balance (\$m, 2022 AUD)²⁰



¹⁹ Liquidity floor defined as \$250m based on short-term liquidity requirements, annual cash requirements, and risk events. NB: the fortnightly payroll of the combined institutions in 2023 is \$37.8m;
²⁰ Minimum anticipated investment capacity, with maximum investment costs (i.e. Transition and Transformation investments, \$650m one-off, \$62m ongoing pa);

e) Any other related matter

In support of this submission, UniSA and UoA are making available summary documents provided to the respective university Councils in June 2023 to inform their decision to support the State Government's intention to combine the two Universities. It is understood the summary documents, will be made publicly available and are such that 'commercial in confidence' information has been redacted. The attached documents include:

- Guide to the Key Documents Prepared for Council
- Comprehensive Summary - Creating a University for the Future 'White Paper'
- Comprehensive Summary of Business Case
- Transition Plan (Extract)
- Comprehensive Summary of Universities' Heads of Agreement
- State Government Heads of Agreement

Please refer to additional information and resources located at [Adelaide University A new university for the future](#).



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South Australia

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