



Report of the Joint Committee on the Establishment of Adelaide University

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1. Executive Summary

The Joint Committee on the Establishment of Adelaide University (the **Committee**) was formed on 6 July 2023 to inquire into and report on the proposal to amalgamate The University of Adelaide and the University of South Australia.

South Australia presently has three major public universities – The University of Adelaide (founded 1874), Flinders University (founded 1966) and the University of South Australia (formed in 1991 by the merger of the South Australian Institute of Technology and the South Australian College of Advanced Education) (together the **University Sector** or the **Sector**).

These three institutions operate separately and have historically performed competitively in the context of global rankings.

The University Sector is at the heart of South Australia's economic prosperity. Each year, the Sector educates an estimated 70,000 domestic and 20,000 international students. The overall contribution of education and training to the South Australian economy exceeds \$7 billion annually. International education has been described as one of the State's most significant exports, with an annual value of around \$1.8 billion.

On 2 July 2023 the State Government signed a joint Heads of Agreement (the **Agreement**) with The University of Adelaide and the University of South Australia in relation to the proposed amalgamation of those two universities. The Agreement was announced concurrently with a proposal for the State Government to invest \$300 million for the establishment of two perpetual funds (one for research and another to support the enrolment of students from low socio-economic groups), alongside the provision of other funding to support the proposed merger.

The Committee was established to consider this proposal and its potential long-term impact on South Australia within the Terms of Reference.

On the balance of the evidence received, the Committee considers that the economic and social interests of the State of South Australia would likely be advanced by the amalgamation of The University of Adelaide and the University of South Australia into the new Adelaide University.

The Committee received evidence that competition between universities globally remains fierce. That competition is likely to increase over coming decades.

The Committee received evidence suggesting that, if the Parliament of South Australia was reluctant to undertake higher education reform, the State's University Sector is likely to become increasingly less competitive.

Overall, the Committee received evidence from a range of witnesses in support of the amalgamation proposal. Amongst other important matters, the evidence outlined that the proposed merger would likely:

1. deliver long-term economic benefits to South Australia;
2. increase the international ranking of the new institution when compared to extant institutions in the Sector;
3. attract more international students;
4. enhance research output and quality;
5. provide possible benefits-of-scale including the reduction of barriers to research intensity and collaboration.

The Committee also heard evidence from witnesses opposed to the proposal or hesitant about its purported benefits. Amongst other important matters, that evidence suggested that the merger proposal would:

1. lead to redundancies or job losses through efficiency measures;
2. deliver an inferior student and staff experience arising partly from the scale of the new proposed institution;
3. deliver an education model out-of-step with the ongoing review of the national higher education sector as part of the Australian Universities Accord (the **Accord**);
4. reduce the quality of research through the failure to retain leading researchers;
5. divert key staff from their core teaching and research roles while they are engaged in completing the merger scheme of arrangement.

South Australia's University Sector has delivered lasting economic and social benefits to the State. It is vital to the prosperity of the State that the Sector remains highly competitive.

Importantly, to realise the benefits of any scheme of arrangement to effect a merger, the real and principal risks of the proposed joint enterprise must be carefully managed. Some, but far from all, of those risks are identified in this report.

2. Findings and Recommendations

Recommendation 1

On the balance of the evidence considered by the Committee, the economic and social interests of the State of South Australia are likely to be advanced by the amalgamation of The University of Adelaide and the University of South Australia.

Recommendation 2

The University of Adelaide and the University of South Australia should consider additional risk management measures as part of any merger scheme including:

- a. the early appointment of a new Vice Chancellor to ensure a sustained and single-minded focus on the objectives of the merger;
- b. the early establishment of a management plan and executive team for the express purpose of retaining staff and high value researchers;
- c. the resourcing of a robust and stand-alone risk management unit to address merger-specific risks and to advise on early adoption choices to better control or minimise known risks, including without limitation:
 - i. decisions regarding the choice or adoption of information systems, including whether legacy systems will be implemented across the combined institution;
 - ii. managing the health, wellbeing and workload pressure on staff as a result of maintaining ordinary activity whilst undertaking institutional change;
 - iii. ensuring adequate talent attraction and retention;
 - iv. managing ongoing financial sustainability and ensuring sufficient enrolment levels, research funding and a sustainable operating model;
 - v. developing and embedding a cultural identity for the new institution;
 - vi. delivering a day-one strategic intent;
 - vii. progressing accreditation and regulatory processes;
 - viii. developing a robust governance and oversight mechanism that provides for agile and efficient decision making;
 - ix. ensuring alignment between the new institution and the Accord;
 - x. managing public sentiment towards the amalgamation process;
 - xi. maintaining the quality of student experience throughout the process;
 - xii. managing the impact of transition activities on the delivery of operations, student experience, research outcomes and support functions;

- xiii. developing a comprehensive strategy for engaging with the international student market and reporting on the progress of this strategy to Parliament.

Recommendation 3

Additional oversight, legislative and administrative measures with respect to the proposed university merger should be considered including:

- a. the governance arrangements for the proposed new institution to ensure representation of students and staff, with at least one student and at least one staff member on the final Adelaide University Council;
- b. a requirement for annual reporting to Parliament on the earnings, expenditure and use of the perpetual funds.

Further, the Committee notes the report and findings of the Select Committee on the Effectiveness of the Current System of Parliamentary Committees regarding changes to the parliamentary committee structure and recommends any such reforms include an education committee focused on the ongoing development of the state's education, skills and training sectors.

Recommendation 4

Consideration should be given to amendments to the draft Adelaide University Bill 2023 (the **Bill**), which would:

- a. reflect the equity, access and governance priorities identified in the Accord;
- b. make provision for the establishment of a new student association, including ongoing funding.

Recommendation 5

Public consultation in relation to the use, development, or sale of land at Magill and Mawson Lakes should commence at the earliest reasonable stage and councils with an explicit interest in the disposal of land should be involved in master planning processes.

Moreover, Renewal SA should, once the land is in the hands of the State Government, commence discussions with Magill Community Children's Centre as soon as possible with a view to renewing its lease.

Recommendation 6

Work must commence immediately on the identification of possible additional investments required for the proposed Adelaide University to meet its commitments to tertiary education in regional South Australia.

Recommendation 7

Consideration should be given to ensuring potential additional investments and support for Flinders University.

3. Introduction

3.1 *University Amalgamation Proposal*

In late 2020 the then-State Opposition announced a policy to establish a University Merger Commission to consider the amalgamation of two or more of South Australia's public universities. This became a formal policy of the new Government after the 2022 State Election.

In November 2022, the Councils of The University of Adelaide and the University of South Australia jointly resolved to explore the feasibility of a potential merger. A Statement of Cooperation was signed between the State Government, the Federal Government and both universities in December 2022, and in January 2023 the two universities commenced a joint feasibility assessment.

On 2 July 2023 The University of Adelaide and the University of South Australia entered into an Agreement recording the terms and conditions under which they would support their own amalgamation into a new university, to be named Adelaide University. A further Heads of Agreement (the **Agreement**) was signed with the South Australian Government. The Agreement contemplated the provision of State Government funding for perpetual funds, land purchases and other investments to support an amalgamation.

Following the signing of the Heads of Agreement, the State Government announced that it would no longer proceed with its previous policy of establishing a University Merger Commission as the Agreement fulfilled the ambition of its election commitment.

3.2 *Appointment of the Joint Committee*

On 6 July 2023 the Legislative Council concurred with a resolution of the House of Assembly to establish the Joint Committee on the Establishment of Adelaide University. The purpose of the Committee was to inquire into and report on the proposal to amalgamate The University of Adelaide and the University of South Australia into a new institution named Adelaide University.

3.3 Membership

The following Members from the Legislative Council and House of Assembly were appointed to the Committee:

Hon. D R Cregan MP (Chairperson)
Sarah Andrews MP
Hon. C Bonaros MLC
Mr Michael Brown MP
Hon. T A Franks MLC (from 6 July until 29 August 2023)
Hon. S L Game MLC
Hon. J A W Gardner MP
Ms Lucy Hood MP
Hon. J S Lee MLC
Hon. R B Martin MLC
Hon. R A Simms MLC (from 29 August 2023)

Hon. D R Cregan MP was appointed Chairperson at the first meeting of the Committee held on 6 July 2023.

3.4 Staff

The following staff provided administrative and research support to the Committee:

Mr David Pegram, Joint Secretary to the Committee
Ms Alison Meeks, Joint Secretary to the Committee
Mr Shane Hilton, Joint Secretary to the Committee
Ms Tonia Coulter, Joint Secretary to the Committee
Mr Alistair Taylor, Research Officer to the Committee
Ms Megan Fink, Research Officer to the Committee

3.5 Terms of Reference

On 6 July 2023, both the House of Assembly and the Legislative Council agreed to initiate a review of 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 socio-economic 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.

As well, the Houses of Parliament required that the Committee report by 17 October 2023.

3.6 Conduct of Inquiry

The Committee sought the views of the community through the placement of advertisements inviting interested parties to make submissions. These advertisements were placed in *The Advertiser* on Saturday 15 July 2023, *The Australian Higher Education* section on Wednesday 19 July 2023, *InDaily* on 13 and 21 July 2023 and a variety of South Australian regional newspapers. The Parliament of South Australia's Facebook and Twitter accounts were also used to advertise the Committee's call for submissions.

The Committee received:

- 86 written submissions from various stakeholders (see Appendix B);
- Evidence from 47 witnesses, with 2 witnesses (the Vice Chancellors of The University of Adelaide and the University of South Australia) recalled to give further evidence (see Appendix C);
- 381 form letters in support of the National Tertiary Education Union submission (see Appendix D); and
- 1 email in support of Dr Sam Whiting's submission.

The Committee met on 14 occasions for the purpose of hearing from witnesses, considering evidence and deliberating on the report of the Committee. All meetings of the Committee were held at Parliament House.

4. Evidence

The Committee identified several groups of key contributors that, in the Committee's view, could provide valuable evidence in relation to the establishment of a new Adelaide University.

These groups and the nature of their contributions included:

- The University Sector – The University of Adelaide and the University of South Australia discussed the detail of the proposal, outlined the opportunities presented by the establishment of a new university, and discussed the process by which each of their Councils had reached the decision to recommend a merger. Flinders University indicated that it was not seeking to be a part of any merger and did not express a concluded view on the merits of a potential merger between The University of Adelaide and the University of South Australia.
- Academics and Researchers – The Committee heard from several current and former university employees with varying views on the potential benefits or risks of the proposed merger.

Professor Hamner, Professor Bebbington and others outlined their opposition to the proposed new university, highlighting concerns around the ability of such a university to cater to a broad range of students with significant variance in Australian Tertiary Admission Ranks (**ATARs**). The professors expressed some apprehension as to the impact of a university of scale on overall research performance, and the impact on student satisfaction. Concerns were also raised about the possible impact of the Accord process. It was suggested that consideration of the legislation to establish the new university be delayed by at least a year to allow for the conclusion of the Accord process.

In contrast, Professor Harvey, Professor Sweeney and others were strongly supportive of the establishment of a new merged university. The two named professors highlighted the potential opportunities and strengthened capability and capacity that could come from a merged university. They each provided their opinion on the complementarity of research (as it related to their fields) undertaken by each existing university. They ultimately concluded that a merged entity would have a stronger, more complete research pipeline. Professor Sweeney also noted that a merged entity could reduce bureaucratic burdens that researchers currently face in working between institutions, including frustrations with respect to the ownership of intellectual property.

The National Tertiary Education Union (the **NTEU**) presented the results of a survey it conducted of academic and professional staff at South Australia's three public universities. The results of the survey showed a high level of dissatisfaction in consultation efforts and weak support for the establishment of the new university from survey respondents. The NTEU also outlined a series of requirements it considered necessary for the proposed new university to succeed including increased representation from staff on the new University Council.

- Student Associations – The student associations from The University of Adelaide and the University of South Australia outlined measures they considered necessary to improve the merger proposal.

The two student associations highlighted their views on the importance of student representation in university governance structures, including the University Council and the proposed Transition Council. They both advocated for a student union funding model similar to the model adopted in Western Australia. The Western Australian model ensures that a minimum of 50 per cent of Student Services and Amenities Fees (the **SSAF**) is allocated to a university's student union.

The Adelaide University Union also expressed the view that it would be beneficial for the enabling legislation to make explicit provision for the establishment or continuance of a student union.

- International Education groups - The advocacy and information groups StudyAdelaide and the International Education Association of Australia outlined their views on the proposed university merger in the context of the attraction and retention of international students. StudyAdelaide also expressed a view on the potential value of a new international attraction fund.
- Business groups - Business SA, Adelaide Airport, and the Adelaide Central Market Authority broadly supported the establishment of the new Adelaide University, making particular reference to potential economic opportunities. Key outcomes identified included increased international student enrolment (with associated direct and indirect economic benefits), the easing of skills and labour shortages, improved research capacity and increased research and development investment.

5. The Inquiry

Within the framework of the terms of reference, the Committee has closely considered the potential economic, legislative, and governance impacts of the proposal to create Adelaide University as well as possible impacts on staff and students.

5.1 *Background Data*

The primary task for the Committee has been to consider the evidence presented both in favour and opposition to the proposal to establish an amalgamated university. Accordingly, the Committee has heard from witnesses and received written submissions supporting and opposing the proposed new Adelaide University. This evidence often raised matters such as the possible impact of university size on research and student satisfaction outcomes.

The Committee has considered consistent and publicly available data to provide context to the statements made in this report.

Key data of relevance to the possible establishment of the new Adelaide University comprises:

- **University Rankings** – Shanghai Academic Ranking of World Universities (**ARWU**), QS World University Rankings, and Times Higher Education Rankings (which together are regarded as the three most widely recognised university ranking systems);
- **Student Satisfaction** – the Quality Indicators for Learning and Teaching (**QILT**) Student Experience Survey;
- **Graduate Outcomes** – QILT Graduate Outcomes Survey;
- **Employer Satisfaction** – QILT Employer Satisfaction Survey;
- **Student Enrolment** – Australian Government Department of Education’s Higher Education Statistics.

The three most widely recognised university ranking schemes use different methodologies, which can result in some variation in outcomes. The ARWU is the only system to make its methodology publicly available. Despite the differing methodologies, there is a degree of consistency as to which universities achieve higher rankings in Australia.

Table 1 – Australia's Highest Ranked Universities

ARWU 2023 ¹	Ranking	QS 2024 ²	Ranking	Times 2024 ³	Ranking
University of Melbourne	35	University of Melbourne	14	University of Melbourne	37
University of Queensland	51	University of NSW	19	Monash University	54
University of New South Wales	72	University of Sydney	19	University of Sydney	60
University of Sydney	73	Australian National University	34	Australian National University	67
Monash University	77	Monash University	42	University of Queensland	70
Australian National University	84	University of Queensland	43	University of New South Wales	84
University of Western Australia	101-150	University of Western Australia	72	The University of Adelaide	111
The University of Adelaide	151-200	The University of Adelaide	89	University of Western Australia	143
Curtin University	201-300	University of Technology Sydney	90	University of Technology Sydney	148
Deakin University	201-300	Macquarie University	130	Macquarie University	180

In considering this data, the Committee has examined the 12 highest ranked Australian universities represented across all three ranking systems. The below table breaks down student enrolments (undergraduate and postgraduate), student satisfaction, employer satisfaction and graduate outcomes for each of the 12 universities identified above. The table also includes data from the two South Australian public universities (the University of South Australia and Flinders University) not included within Australia's 12 highest ranked universities.

The Committee notes that while the data used is the latest publicly available data, it is not uniformly sourced from the same year. The Committee does not consider that the use of multiple data sets in this way, where necessary, materially prejudices the conclusions it has reached.

¹ Shanghai Ranking Consultancy, '2023 Academic Ranking of World Universities', (Web Page) <<https://shanghairanking.com/rankings/arwu/2023>>.

² 'QS World University Ranking' (Web Page) <<https://www.topuniversities.com/university-rankings/world-university-rankings/2024>>.

³ Times Higher Education 'World University Rankings 2024', (Web Page) <<https://www.timeshighereducation.com/world-university-rankings/2024/world-ranking#!/length/25/locations/AUS>>.

Table 2: Performance of Australia's Highest Ranked Universities

Highest Ranked Australian Universities (combined ARWU, QS, Times)	Student Enrolment Numbers 2021 ⁴	Employer Satisfaction 2020-2022 (%) ⁵	Student Satisfaction 2022 (%) ⁶	Employed Graduates 2022 (%) ⁷
University of Melbourne	71,092	85.80%	71.80%	86.10%
University of Queensland	56,151	82.20%	79.10%	91.10%
University of New South Wales	65,600	85.30%	69.90%	88.50%
University of Sydney	77,475	88.60%	68.80%	88.90%
Monash University	87,098	86.40%	72.70%	89.00%
Australian National University	32,737	84.50%	80.10%	87.30%
University of Western Australia	26,681	80.60%	77.80%	86.70%
The University of Adelaide	30,731	82.10%	77.60%	84.80%
Curtin University	50,599	89.70%	75.10%	90.60%
Deakin University	62,886	84.80%	81.00%	90.80%
University of Technology Sydney	43,208	87.10%	75.20%	89.30%
Macquarie University	44,907	86.10%	75.80%	87.50%
South Australian Public Universities (Other)				
University of South Australia	37,782	82.40%	76.80%	88.80%
Flinders University	25,547	79.70%	75.00%	88.40%

There is not a substantial variation between the highest and lowest scoring university against any of the examined metrics. Across all Australian universities in 2022, the average level of student satisfaction was 75.7%,⁸ the average proportion of students employed as reported in

⁴Australian Government Department of Education, 'Selected Higher Education Statistics – 2021 Student data', (Web Page) <<https://www.education.gov.au/higher-education-statistics/student-data/selected-higher-education-statistics-2021-student-data>>.

⁵ Quality Indicators for Learning and Teaching, 'Employer Satisfaction Survey, 2022' (Web Page) <[https://qilt.edu.au/surveys/employer-satisfaction-survey-\(ess\)](https://qilt.edu.au/surveys/employer-satisfaction-survey-(ess))>.

⁶ Quality Indicators for Learning and Teaching, 'Student Experience Survey, 2022' (Web Page) <[https://qilt.edu.au/surveys/student-experience-survey-\(ses\)](https://qilt.edu.au/surveys/student-experience-survey-(ses))>.

⁷ Quality Indicators for Learning and Teaching, 'Graduate Outcomes Survey, 2022' (Web Page) <[https://qilt.edu.au/surveys/graduate-outcomes-survey-\(gos\)](https://qilt.edu.au/surveys/graduate-outcomes-survey-(gos))>.

⁸ Quality Indicators for Learning and Teaching, 'Student Experience Survey, 2022' (Web Page) <[https://qilt.edu.au/surveys/student-experience-survey-\(ses\)](https://qilt.edu.au/surveys/student-experience-survey-(ses))>.

the graduate outcomes survey was 88.5%,⁹ and the average employer satisfaction with graduates was 84.8%.¹⁰

It is notable that, of the 10 largest universities in Australia (by student numbers) seven are within the list of highest ranked Australian research universities. This contrasts somewhat with evidence suggesting that, in a global context, highly ranked research universities tend to be smaller. The top 10 global universities range from 2,240 students at the California Institute of Technology through to 41,987 students at Harvard University (with an average of 20,943 students per university).¹¹

The data suggests that, in the Australian context, there may be additional relevant factors beyond university size that impact student and research outcomes. These factors might include national university funding models and global endowment differences, as well as Australia's population density and spread. A further significant additional factor may be university leadership.

5.2 Other University Mergers

University mergers occur infrequently. The experience of university mergers in comparable jurisdictions can provide a degree of guidance as to the types of issues that the process may raise and potential responses to those issues.

5.2.1 University of Manchester

Comparisons have been drawn between the proposal to establish Adelaide University and the 2004 merger between the Victoria University of Manchester (**Victoria University**) and the Manchester Institute of Science and Technology (**UMIST**), creating the University of Manchester (the **Manchester merger**)

In the period preceding the Manchester merger, Victoria University and UMIST were described as forming the view that, "the world was changing and becoming more competitive regionally,

⁹ Quality Indicators for Learning and Teaching, 'Graduate Outcomes Survey, 2022' (Web Page) <[https://qilt.edu.au/surveys/graduate-outcomes-survey-\(gos\)](https://qilt.edu.au/surveys/graduate-outcomes-survey-(gos))>.

¹⁰ Quality Indicators for Learning and Teaching, 'Employer Satisfaction Survey, 2022' (Web Page) <[https://qilt.edu.au/surveys/employer-satisfaction-survey-\(ess\)](https://qilt.edu.au/surveys/employer-satisfaction-survey-(ess))>.

¹¹ Shanghai Ranking Consultancy, '2023 Academic Ranking of World Universities', (Web Page) <<https://shanghairanking.com/rankings/arwu/2023>>.

nationally and globally.”¹² The two institutions determined that they would need “the kind of market presence and reputation that stems from research strength ...[and] a sufficient critical mass to compete effectively”.¹³ In 2021 Alan Ferns, retiring Associate Vice-President of External Relations and Reputation at Manchester, indicated that the merger was “driven by ambition and not financial necessity” and that the two universities would have remained “moderately successful” had they continued as separate institutions.¹⁴

Victoria University was a research focused university described as having “much in common with the universities of Melbourne and Sydney”.¹⁵ In contrast, UMIST had “many industrial partnerships and relationships” and a “collegiate culture.”¹⁶

Prior to the merger, in 2004, Victoria University was ranked 78th in the world by the ARWU. Following the merger, the ranking of the new University of Manchester rose to 53rd in 2005, 41st in 2015 and 36th in 2020. Research income also experienced growth – rising from £116 million in 2003-04 to £174 million in 2006-07.¹⁷

Concerns about the cost of the establishment of The University of Manchester were raised with the Committee in several submissions – reference was in particular made by some witnesses to the purported £1.3 billion cost of the merger. It is believed this figure originates from a paper titled *Strategy to Join the Elite: Merger and the 2015 Agenda at the University of Manchester – An Update*, authored by Luke Georghiou, Deputy President and Deputy Vice Chancellor at the University of Manchester.¹⁸

The figures identified in that paper are the result of significant capital works undertaken by The University of Manchester after the merger. A works program was announced in 2012 and consisted of a £1 billion Capital Masterplan.¹⁹ The Capital Masterplan included a 10-year capital investment by The University of Manchester (from 2012-2022) to construct new teaching and research buildings, student facilities, a hotel and conduct major improvements

¹² Higher Education Policy Institute, ‘*Case Study 4: The University of Manchester and the University of Manchester Institute of Science and Technology*’, (Website) <<https://www.hepi.ac.uk/wp-content/uploads/2014/03/Manchester-UMIST.pdf>>.

¹³ Ibid.

¹⁴ Campus Morning Mail ‘*How to make a uni merger work: the Manchester experience*’, (Web Page) <<https://campusmorningmail.com.au/news/how-to-make-a-uni-merger-work-the-manchester-experience/>>.

¹⁵ Ibid.

¹⁶ Ibid.

¹⁷ Luke Georghiou, ‘*Strategy to Join the Elite: Merger and the 2015 Agenda at the University of Manchester – An Update*’ (Web Page, January 2015)

<https://www.researchgate.net/publication/283830064_Strategy_to_Join_the_Elite_and_the_2015_Agenda_at_the_University_of_Manchester_An_Update>.

¹⁸ Ibid.

¹⁹ Ibid.

to public spaces.²⁰ The significant capital investment was funded through a mix of university,²¹ private sector,²² government and philanthropic sources.²³

While there are likely to be infrastructure needs and costs associated with the establishment of the new Adelaide University, these may be quite different to the modernisation investments ultimately made at Manchester.

5.2.2 Western Australia University Merger Discussions

In late 2021, Western Australia's Chief Scientist, Professor Peter Klinken, proposed a merger of the state's four public universities. It was Professor Klinken's view that a merger "would create a super-institution that would immediately land in the top 50 global rankings and act as a major lure to attract world-class academics and international students".²⁴

In February 2023, the Western Australian Government appointed an expert panel to conduct an independent review of that state's public university sector. The panel was asked to report in the second half of 2023. The Committee anticipates that the panel will explore various structural reform options available to Western Australia's university sector. It is also anticipated that the panel will consider whether these changes are likely to deliver improved performance and financial sustainability outcomes.²⁵

While the work of the Western Australian review panel is ongoing, it is a matter of public record that the university sector in Western Australia has in the past been opposed to a merger.

There may be several reasons for the reluctance within the Western Australian tertiary education sector to pursue a university merger. Over the last 30 years there have been three attempts to merge one or more of Western Australia's universities. One attempt was blocked by the Western Australian Legislative Council and another did not proceed for non-academic

²⁰ University of Manchester, 'University strikes hotel deal as part of £1billion campus master plan' (Media Release, 14 July 2014).

²¹ The University of Manchester, 'Funding our development' (Web Page) <<https://www.masterplan.manchester.ac.uk/about/funding-our-development>>.

²² University of Manchester, 'University strikes hotel deal as part of £1billion campus master plan' (Media Release, 14 July 2014).

²³ University of Manchester, 'New £60m Engineering Innovation Centre to be based in Manchester' (Media Release, 10 September 2014).

²⁴ Julie Hare, 'WA chief scientist pushes plan for 'super' university', *Financial Review* (online, 28 November 2021) <<https://www.afr.com/work-and-careers/education/wa-chief-scientist-pushes-for-super-university-202111128-p59css>>.

²⁵ Mark McGowan and Tony Buti, 'Independent review to assess Western Australia's university sector' (Media Release, 23 February 2023).

reasons.²⁶ Western Australia is also host to a private university and the existing large Curtin University, with 50,599 students.²⁷ These historic and structural factors may have influenced sentiment in Western Australia with respect to whether a merger is desirable or achievable.

Instead of a merger, Western Australian universities have proposed alternative methods to strengthen research capacity, such as joint ventures or federation.²⁸ A similar approach was also considered, and dismissed, in the process that led to the merger that created the University of Manchester.²⁹

5.3 Economic Impacts

5.3.1 Purported Economic Benefits of a Merger

Universities are a critical part of the South Australian economy. Their work influences both direct and indirect economic outcomes, including the training and development of future workers, the attraction of international students, the viability of research partnerships and the commercialisation of research.

In their submissions to the Committee, The University of Adelaide and the University of South Australia noted that in the 2021-22 financial year, education and training added “\$7.1 billion in gross value to the SA economy” and that international education was “the State’s largest service export, contributing \$1.4 billion to the economy.”³⁰ As well, The University of Adelaide and the University of South Australia are substantial going-concerns with a combined revenue of approximately \$1.7 billion and staff of 6,900.

The Committee heard from a range of witnesses and received many submissions outlining the potential economic benefits from the proposed establishment of Adelaide University.

²⁶ Peter Klinken, ‘Truth hurts for WA uni sector & its failures in course innovation to keep up with change’, *The West Australian*, (Perth, 4 September 2023).

²⁷ Australian Government Department of Education. ‘*Selected Higher Education Statistics – 2021 Student data*’, (Web Page) <<https://www.education.gov.au/higher-education-statistics/student-data/selected-higher-education-statistics-2021-student-data>>.

²⁸ Federation is where two or more organisations or schools come together under one governing body while retaining their individual identities.

²⁹ Higher Education Policy Institute, ‘*Case Study 4: The University of Manchester and the University of Manchester Institute of Science and Technology*’, (web page) <<https://www.hepi.ac.uk/wp-content/uploads/2014/03/Manchester-UMIST.pdf>>.

³⁰ University of Adelaide and University of South Australia, Submission No 53 to Joint Committee on the Establishment of Adelaide University, 14 August 2023, 33.

The Committee heard from Business SA and Ms Christine Locher (Acting Chair of the Adelaide Central Market Authority), both of whom argued the establishment of the new university would have the potential to generate economic benefits for the State. The Business SA submission identified four specific benefits for South Australia: increased international student enrolment (with the direct and indirect economic benefits that this provides), eased skills and labour shortages, improved research capacity and increased research and development investment.³¹

In her evidence, Ms Locher reflected on many of these same points, expressing the view that “the economic prosperity and wellbeing of this state are very much dependent on the activities and outputs of the universities, including developing close working relationships with business and industry.”³²

Ms Locher also expressed her belief that the proposed university had the opportunity to deliver “world-class research” which would “catapult innovation to the next level.”³³ Ms Locher stated that she saw the merger as a “game changer” which could create “a vibrant city where business abounds” with “repurposed vacant buildings ...[and] where innovation is at the forefront.”³⁴

This positive position was supported by a report commissioned for the Committee for Adelaide, which noted that “the merger of Adelaide’s two largest universities creates a big chance for reputational and societal impacts. Against other cities internationally, Adelaide clearly already possesses expertise in aeronautics and space and energy and waste, and its base of international graduates could be harnessed to big effect in the future.”³⁵

The Committee heard from the Chair of the South Australian Productivity Commission, Mr Adrian Tembel, who spoke to findings of a recent Productivity Commission inquiry *Turning Research into Economic Competitiveness for South Australia (Research Report)*. While the Research Report was restricted by its terms of reference from forming a view on the merits of

³¹ Business SA, Submission No 83 to Joint Committee on the Establishment of Adelaide University, 21 August 2023, 3-4.

³² Evidence to the Joint Committee on the Establishment of Adelaide University, Parliament of South Australia, Adelaide, 9 August 2023, 64 (Christine Locher).

³³ *Ibid.*

³⁴ *Ibid.*, 65.

³⁵ Committee for Adelaide, Submission No 79 to the Joint Committee on the Establishment of Adelaide University, 14 August 2023, 35.

a university merger in South Australia, it did find that a competently designed and implemented merger could create a catalyst for broader economic enhancements.³⁶

Mr Tembel noted that these enhancements might be achieved if a new institution was able to “redeploy unproductive spend into more productive spend” in such a way as to become “more integrated with ... [the] economy and business” and that this would also be “sound economic policy.”³⁷

5.3.2 Proposal to Make Available Special Purpose Funds

Under the Agreement signed between the State Government, The University of Adelaide and the University of South Australia, the State Government has committed to the establishment of two perpetual, for purpose, financial funds: one to support research and one to support access by low socio-economic status students to university education.

Income from the \$200 million research fund would support research initiatives by Adelaide University. Income from a \$100 million fund would provide bursary type support for low socio-economic status students attending Adelaide University. In both cases, the capital of the funds would not be transferred to Adelaide University and would instead be managed by the Government of South Australia on its balance sheet.

In addition, the Government has committed \$10 million per annum for three years to support the attraction of international students to Adelaide University and \$114.5 million to purchase University of South Australia land at Magill and Mawson Lakes.

The table below outlines the Government’s financial commitment.

³⁶ South Australian Productivity Commission, *Turning Research into Economic Competitiveness for SA*, (Final Report, May 2023) <https://www.sapc.sa.gov.au/_dat/assets/pdf_file/0008/934343/Turning-research-into-economic-competitiveness-for-SA-Final-Report-Master.pdf>, 111.

³⁷ Evidence to the Joint Committee on the Establishment of Adelaide University, Parliament of South Australia, Adelaide, 5 September 2023, 206 (Adrian Tembel).

Table 3: Heads of Agreement Government Funding Commitment

Commitment	Amount (\$M)
Purchase of the Magill Campus from the University of South Australia at Magill	\$64.5
Purchase of land surplus to requirements from the University of South Australia at Mawson Lakes	\$50
Grant funding to attract international students to Adelaide University (over three years)	\$30
A perpetual investment research fund in the amount of \$200M	Investment earnings
A perpetual investment equity fund to support low socio-economic status students in the amount of \$100M	Investment earnings

The evidence before the Committee suggests that an increase in funding for research is broadly supported. However, concerns have been raised about the equity of establishing such a fund for a new Adelaide University without similar support being made available for students at Flinders University.

Flinders University has been increasing its international research ranking and as highlighted by the South Australian Productivity Commission, there is the potential for substantial economic benefit to the State from increased investment into research universities.

5.4 Impact on Staff and Students

5.4.1 Possible Staff Impacts

Several stakeholders, particularly current university employees and union representatives, have raised concerns regarding possible job losses and other negative consequences arising from the proposed merger of The University of Adelaide and the University of South Australia

The National Tertiary Education Union presented the results of a survey it undertook of members and non-member employees of both universities. A summary of those results is as follows:

- 25% of respondents support the establishment of a new university in SA,³⁸

³⁸ Survey question – “Do you support the establishment of a new university in SA?” response total=1,097.

- 21% are confident a new university will better support quality education;³⁹
- 29% are confident a new university will better support quality research;⁴⁰
- 26% believe the timelines are achievable for the feasibility project.⁴¹

The Committee heard that at the core of these results were concerns about the extent of consultation undertaken to support the proposal – the results of the survey showed that 60% of respondents did not believe “they had sufficient information to make an informed decision about the pros and cons of a new university.”⁴²

In its evidence to the Committee, the National Tertiary Education Union raised a series of concerns with the proposed establishment of a new Adelaide University. These issues included: governance (including the level of participation from staff on the University Council and the Transitional Council), job security, and the reflection of priorities identified in the Accord (such as equity, access and the importance of education experience in university governance).

In his submission to the Committee Emeritus Professor Timothy Miles, of The University of Adelaide, highlighted certain staff concerns. Mr Miles submitted that the “nuts and bolts” of the merger would be implemented by academic staff, and that this would “put their core activities (teaching and research) on hold for at least 3-5 years” while they undertook the “convoluted” process of reorganisation.⁴³

The National Tertiary Education Union, among several other witnesses or groups, expressed the view that job security was a significant concern for existing university employees. The Committee notes that while The University of Adelaide and University of South Australia have committed to no net job losses from the establishment of the new university, some concerns remain.

In its submission to the Committee, the National Tertiary Education Union requested that The University of Adelaide and the University of South Australia provide an “affirmation of the

³⁹ Survey question – “How confident are you that a new university will better support quality education?”. Responses were provided on a scale from 1 (not at all confident) to 5 (very confident) response total=1,097.

⁴⁰ Survey question – “How confident are you that a new university will better support quality research?”. Responses were provided on a scale from 1 (not at all confident) to 5 (very confident) response total=1,097.

⁴¹ Survey question - “Are the timelines for the feasibility project and the establishment of a new university adequate to ensure positive outcomes?” response total=1,097.

⁴² Survey question – “Do you feel confident that you have sufficient information to make an informed decision about the pros and cons of a new university?” response total =1,097.

⁴³ Timothy Miles, Submission No 44 to Joint Committee on the Establishment of Adelaide University, 12 August 2023, 3.

public commitment that ... [there will be] no forced redundancies,” alongside “expanded redeployment guarantees so staff can contribute to the process without fear or favour.”⁴⁴

In their joint submission to the Committee, The University of Adelaide and the University of South Australia indicated that “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.”⁴⁵

The Chancellor of The University of Adelaide, the Hon. Catherine Branson AC KC, expressed the view in her evidence to the Committee that “employment for staff will grow and be enhanced.”⁴⁶

Explicit detail on this potential growth was included in the Universities’ joint submission to the Committee. The submission noted that the proposed Adelaide University is projected to grow its academic and professional workforce “in line with the student population to a scale of approximately 8.2k FTE in 2034, comprising approximately 4k academic staff, and approximately 4.2k professional staff.”⁴⁷ The Universities submitted that the proposed Adelaide University would employ “at least 1.2k more staff” than the two institutions today, thereby providing “job opportunities for community members.”⁴⁸

The Committee notes that staff concerns are not universal. In a written submission to the Committee, Professor Byron Sharp, Director of the Ehrenberg-Bass Institute, wrote “the new university, because of its scale, has the potential to ‘put Adelaide on the map’⁴⁹ as a place where people want to come to study, to live, to base or create businesses.” It was Professor Sharp’s view that “the new University has the potential to be globally famous. This is an opportunity that must not be missed.”⁵⁰

⁴⁴ National Tertiary Education Union, Submission No 9 to Joint Committee on the Establishment of Adelaide University, 25 July 2023, 15.

⁴⁵ University of Adelaide and University of South Australia, Submission No 53 to Joint Committee on the Establishment of Adelaide University, 14 August 2023, 1.

⁴⁶ Evidence to the Joint Committee on the Establishment of Adelaide University, Parliament of South Australia, Adelaide, 15 August 2023, 143 (Catherine Branson).

⁴⁷ University of Adelaide and University of South Australia, Submission No 53 to Joint Committee on the Establishment of Adelaide University, 14 August 2023, 11.

⁴⁸ *Ibid.*, 14.

⁴⁹ Byron Sharp, Submission No 21 to Joint Committee on the Establishment of Adelaide University, 2 August 2023, 1.

⁵⁰ *Ibid.*

Evidence from Professors Harvey and Sweeney also highlighted the potential benefits for research intensity from the establishment of a new university. The professors expressed the view that current inter-institutional research is significantly impacted by bureaucracy, particularly surrounding the negotiation of intellectual property arrangements. The professors noted that a merger would also strengthen the overall research capabilities and capacity of the new university.

In her evidence to the Committee, Professor Harvey stated that she saw “the establishment of Adelaide University as a transformative opportunity for this state and particularly for the research environment.”⁵¹ Professor Harvey then expressed the view that research capability would be “elevated through the power of putting together researchers from two outstanding research institutions in the University of South Australia and The University of Adelaide.”⁵²

5.4.2 Student Impacts: Experience, Course Offerings and Access

The Committee heard from witnesses, and received written submissions, suggesting that a new, larger university could risk the quality of student experience, the breadth of course offerings, and access for low socio-economic status students.

As identified above, the data concerning university size and student experience is somewhat complicated, with large universities, such as Deakin University and the University of Queensland, achieving very high student experience outcomes. This can be contrasted with small universities, such as Southern Cross University and Charles Darwin University, achieving much lower student satisfaction scores. The disparity suggests that university size is not the only factor in determining levels of student satisfaction.

Ms Vicki Thomson, Chief Executive, Group of Eight, noted in her evidence to the Committee that “when compared statistically, there is no correlation between the overall undergraduate quality of experience (and the size of university) ...where there is variability is in the fields of study.”⁵³

⁵¹ Evidence to the Joint Committee on the Establishment of Adelaide University, Parliament of South Australia, Adelaide, 8 August 2023, 15 (Natasha Harvey).

⁵² Ibid, 16.

⁵³ Evidence to the Joint Committee on the Establishment of Adelaide University, Parliament of South Australia, Adelaide, 4 September 2023, 171 (Vicki Thomson).

The Committee heard from several witnesses that there were significant differences between the cultures of students at The University of Adelaide and the University of South Australia, and of the potential implications for students at the new Adelaide University.

In his evidence to the Committee, Professor Hamner stated that the proposed merger envisioned “an allcomers university catering to ATARs from about 50 to over 99 that is also a top 100 university.”⁵⁴ He went on to state “the key thing for students is that they are working with students who have a similar level of preparation... if you get a cohort of students doing chemistry 101 or bio 101 or whatever you like, and you have the top students in the state competing with people who have an ATAR of 55, people who have the low ATAR probably won’t feel comfortable in this class because they will be marked against the same criteria.”⁵⁵

A similar point was made by Professor Anthony Thomas, who in his evidence to the Committee, stated that the student bodies are “very different”,⁵⁶ as the University of South Australia accepted students “with an ATAR as low as 50”⁵⁷ while The University of Adelaide accepted those at “around 80.”⁵⁸ Professor Thomas concluded that the two universities served “very different groups of students — both important but nevertheless very different.”⁵⁹

In considering the implications of this evidence, it is useful to examine the entry ATARs for both universities.

The University of Adelaide and the University of South Australia publish a guaranteed entry ATAR for their degree programs. If a student meets the guaranteed entry ATAR and selects the respective university as their first preference, they are guaranteed an offer of a place in that degree program. In some circumstances, however, a degree program has additional capacity. Accordingly, a university will accept students with a lower ATAR to ensure the program is filled.

In 2022, The University of Adelaide bachelor’s degree with the lowest ATAR to receive an offer was the Bachelor of Media (Journalism) at 55.85.⁶⁰ This degree had a guaranteed entry

⁵⁴ Evidence to the Joint Committee on the Establishment of Adelaide University, Parliament of South Australia, Adelaide, 8 August 2023, 32 (Geoff Hamner).

⁵⁵ Ibid, 36.

⁵⁶ Evidence to the Joint Committee on the Establishment of Adelaide University, Parliament of South Australia, Adelaide, 21 September 2023, 298 (Anthony Thomas).

⁵⁷ Ibid.

⁵⁸ Ibid.

⁵⁹ Ibid.

⁶⁰ Course Seeker (Web Page) <<https://courseseeker.edu.au/courses>>.

score of 70.⁶¹ In contrast, the lowest ATAR at the University of South Australia for a bachelor's degree was 54.50,⁶² for the Bachelor of Health Science. This course also has a guaranteed entry ATAR of 70.⁶³

A comparison of similar bachelor courses between The University of Adelaide and the University of South Australia shows very similar minimum entry ATARs. Some examples are outlined below.⁶⁴

Table 4: Minimum ATAR Comparisons

Degree program	The University of Adelaide	University of South Australia
Bachelor of Marketing	68.5	65.45
Bachelor of Accounting	61.5	60.4
Bachelor of Science	61.3	56.45
Bachelor of International Business	62.2	65.75
Bachelor of Engineering (Honours) (Mechanical)	68.65	68.3

The Committee heard concerns as to the prospect of course offerings decreasing in the search for efficiencies. In a response, the Vice Chancellors of The University of Adelaide and the University of South Australia suggested that these concerns were largely unfounded.

In his evidence, Professor Peter Høj, Vice Chancellor of The University of Adelaide, stated “we need to amortise our costs so that we can support disciplines that would not be individually viable in this state should we continue on our own. There are some courses that probably will always be viable because of student demand, but then there are other courses that the state rightly should expect the university sector to be able to deliver and those ones might not be individually deliverable at the scale that we have, and they could be sustained going forward with a much bigger student body.”⁶⁵

⁶¹ University of Adelaide, ‘Degree Finder’ (Web Page) <https://www.adelaide.edu.au/degree-finder/2024/bmedi_bmedia.html>.

⁶² Course Seeker (Web Page) <<https://courseseeker.edu.au/courses>>.

⁶³ University of South Australia, ‘Compare degrees’ (Web Page) <<https://study.unisa.edu.au/compare>>.

⁶⁴ Course Seeker (Web Page) <<https://courseseeker.edu.au/courses>>.

⁶⁵ Evidence to the Joint Committee on the Establishment of Adelaide University, Parliament of South Australia, Adelaide, 15 August 2023, 143 (Peter Høj).

Professor Høj's position was supported by the University of South Australia's Vice Chancellor Professor David Lloyd, who submitted to the Committee that the combined institution would have "around \$54 million ... as operational surplus and that gets invested directly into the purpose of the institution, which aligns to delivery of education and research."⁶⁶

Universities play a particularly important role in addressing student disadvantage. It is broadly accepted that students from lower socio-economic backgrounds are less likely to complete high school and aspire to higher education.⁶⁷ At the same time, the positive benefits of higher education have been comprehensively demonstrated over decades of research; additional educational attainment develops higher skills, leading to higher rates of employment, higher productivity and higher lifetime earnings.⁶⁸ Education acts as a 'social determinant,' influencing more than just the jobs and salaries that students can have over their working life. Increasing levels of educational attainment are positively associated with community engagement, advocacy and volunteering, trust and tolerance, healthy behaviours, employment and business management. These benefits contribute to improved income and wealth accumulation, reducing financial stress and reliance on government support payments.⁶⁹

Under the Agreement signed between the State Government, The University of Adelaide and the University of South Australia, the State Government has committed to the establishment of two perpetual, for purpose, funds – one of which would support access to tertiary education by low socio-economic status students. Income from the \$100 million fund would provide bursary type support for these students at the proposed Adelaide University.

An increase in funding to support lower socio-economic status student access to university education has been broadly supported. However, concerns have been raised by many witnesses and in submissions about the equity of establishing such a fund for the new Adelaide University without similar support for Flinders University.

Flinders University has long had a strength in lower socio-economic teaching and support. In addition, there are a range of courses, including paramedicine and nuclear engineering, that

⁶⁶ Evidence to the Joint Committee on the Establishment of Adelaide University, Parliament of South Australia, Adelaide, 15 August 2023, 144 (David Lloyd).

⁶⁷ Gonski Institute for Education, 'Equity groups: Students from Low Socioeconomic Backgrounds in Australian Higher Education (Web Page) <<https://www.gie.unsw.edu.au/research/LowSES-higher-education>>.

⁶⁸ Australian Government, Department of Education "Benefits of educational attainment", (Web Page) <<https://www.education.gov.au/download/4634/benefits-educational-attainment-introduction/6924/document/docx#:~:text=There%20have%20been%20decades%20of,higher%20lifetime%20earnings%20for%20individuals>>.

⁶⁹ Ibid, 2.

are only taught at Flinders University. Not providing support for lower socio-economic students to attend Flinders University risks diverting students from courses of interest and passion in order for them to secure financial support.

5.4.3 International Students

International students are critical to the success of all Australian universities and will be critical to the success of the proposed Adelaide University. South Australia currently has over 35,000 international students from more than 120 countries studying and living in the state.⁷⁰

In her evidence to the Committee, Ms Jane Johnston, Chief Executive Officer of StudyAdelaide, noted the significance of the “\$1.8 billion in revenue that [international students] contributed to South Australia's economy in 2022.” Ms Johnston further expressed the view that it is “the way that [they] contribute to our social fabric as a city and a state that makes international students essential for our aspirations.”⁷¹

The proposed establishment of the new Adelaide University is expected to increase the number of international students to more than the number presently studying at the two separate institutions. In their joint submission to the inquiry, The University of Adelaide and the University of South Australia stated that the proposed institution 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 \$360 million per annum to the South Australian economy.”⁷²

This position was supported by evidence from Mr Brenton Cox, Managing Director, Adelaide Airport, who noted his view that “clearly the strategy of the new university is to grow international student numbers. For us, that intent is really important. ... the strategy does appear sound and that is why we are supportive of the intent of the new university.”⁷³

In his evidence to the Committee, Mr Phil Honeywood, Chief Executive Officer of the International Education Association of Australia, noted a potential benefit of “enhanced

⁷⁰ StudyAdelaide (Web Page) <<https://studyadelaide.com/ourstudents>>.

⁷¹ Evidence to the Joint Committee on the Establishment of Adelaide University, Parliament of South Australia, Adelaide, 9 August 2023, 54 (Jane Johnston).

⁷² University of Adelaide and University of South Australia, Submission No 53 to Joint Committee on the Establishment of Adelaide University, 14 August 2023, 10.

⁷³ Evidence to the Joint Committee on the Establishment of Adelaide University, Parliament of South Australia, Adelaide, 14 August 2023, 109 (Brenton Cox).

employability options for international students in particular.”⁷⁴ Mr Honeywood noted that “given that the University of South Australia has had a very strong employability focus as part of its university mission, and this would have to be a good thing for all international students, one would assume, in the larger institution.”⁷⁵

In an effort to support the continued attraction of international students during the transition period for the proposed Adelaide University, the State Government has signed the Agreement, under which it will make a grant of \$10 million per annum over three years, commencing in 2024-25. The purpose of this grant will be for the attraction of international students to Adelaide University.

5.5 Social Impacts

5.5.1 Magill and Other Property Sales

The Committee heard from a number of witnesses concerned about the future of the University of South Australia’s existing campus on St Bernards Road, Magill (the **Magill Campus**). Under the Agreement signed between the State Government, The University of Adelaide and the University of South Australia to support the creation of a new university, the State Government will:

1. Purchase the entire Magill Campus from the University of South Australia, with a lease of the land back to the University of South Australia (or its successor institution Adelaide University once legislated) for a peppercorn rent. The lease will include a short-term lease on the land east of St Bernard’s Road and a lease term of up to 10 years on the University of South Australia campus west of St Bernard’s Road, which can be terminated by the University or its successor institution with 3 months’ notice.
2. Purchase of the University of South Australia’s occupation rights on Crown land that is surplus to the University’s requirements at Mawson Lakes. A peppercorn lease of up to 15 years would be provided to the University of South Australia (to be transferred to Adelaide University once legislated) for any Mawson Lakes campus areas included in the sale and purchase agreement but required by the University, which can be

⁷⁴ Evidence to the Joint Committee on the Establishment of Adelaide University, Parliament of South Australia, Adelaide, 14 August 2023, 117 (Phil Honeywood).

⁷⁵ Ibid.

terminated by the University of South Australia or its successor institution, with 3 months' notice.

The Magill site comprises open space and playing fields, the heritage listed Murray House building and a creek line, as well as facilities including a swimming pool and childcare centre.

The University of South Australia has explored the potential sale of the Magill Campus on several previous occasions, most recently in 2018. The University's strategic plan from that point prioritised concentration of its activities in the city.

The sale and redevelopment of the land which presently constitutes the Magill Campus has been a significant concern for the local community. The Committee has received 26 written submissions highlighting concerns including the loss of green space, amenity and community accessible facilities (such as the childcare centre), as well as the impact of new development on traffic congestion – particularly as a result of anticipated higher density development.

The Campbelltown City Council made a submission to the Committee echoing many of these concerns. Mayor Whittaker OAM, outlined the Council's concerns around the retention of green space in the community, particularly given the low levels available to the local community. Mayor Whittaker also highlighted the importance of the space to local women's sport, particularly soccer. With the relatively high population density already experienced in the area, the Council was keen to highlight its opposition to any development of high-density housing on the Magill land.

Mayor Whittaker stated that the Council was "not against the housing idea per se" but that the Council "would like to see that we don't have high-density development, in accord with what is there already within Magill and that we can retain a significant amount of the open space and the heritage and the natural creek line as best we can."⁷⁶ The Campbelltown City Council expressed a desire to work with the State Government, through Renewal SA, on the Master Planning of the land in Magill.

The Committee heard detailed evidence from Renewal SA's Mr Chris Menz, Chief Executive Officer, and Mr Todd Perry, Executive Director Property and Major Projects, about the process by which the land purchased by the State Government would be handled.

⁷⁶ Evidence to the Joint Committee on the Establishment of Adelaide University, Parliament of South Australia, Adelaide, 5 September 2023, 244 (Jill Whittaker).

Renewal SA provided an outline of the three steps to community consultation that it anticipated would be undertaken. The first of these, initial engagement, would consist of “introducing ourselves, creating a relationship with the local community, understanding the interests, concerns and ideas, and doing a lot of listening to local community groups and the council around those matters.”⁷⁷ The second stage would include formal consultation, such as meetings including “online forums or feedback loops, workshops, sometimes town hall style meetings.”⁷⁸ The final stage would consist of master planning and future planning for the site.

The Committee heard that community engagement on the Magill Campus land on the eastern side of St Bernards Road, Magill would likely commence within about six months from the date of Renewal SA’s evidence to the Committee, which was received on 14 August 2023. The Committee was informed that the western side of the Magill Campus had been approved for community engagement “five years from now, on the basis that it is a 10-year leaseback.”⁷⁹

Specific concerns were also raised with the Committee in submissions regarding the preservation of the heritage-listed Murray House and the Third Creek corridor. In his evidence to the Committee, Mr Menz stated that Renewal SA’s recommendation would be to “retain [Murray House] in any development of the site”⁸⁰ and that “from a character, history, preservation and social licence point of view [Renewal SA] strongly recommends retention.”⁸¹

With regards to the Third Creek corridor, Mr Menz advised the Committee of his expectation that environmental studies and due diligence would “recommend retention of that creek line.”⁸² He noted that, in his experience “from an engineering sense, it would be very difficult to anything but to preserve [the] site ... [and that] it would be advantageous to future character of the site as well as environmental quality to retain it.”⁸³

The Committee also heard evidence from Renewal SA that public consultation on the land purchased by the State Government at Mawson Lakes would likely commence within a short timeframe. The Committee was informed that “engagement with the community will be in a

⁷⁷ Evidence to the Joint Committee on the Establishment of Adelaide University, Parliament of South Australia, Adelaide, 14 August 2023, 129 (Chris Menz).

⁷⁸ Ibid.

⁷⁹ Ibid, 134.

⁸⁰ Ibid, 135.

⁸¹ Ibid.

⁸² Ibid, 134.

⁸³ Ibid.

similar timeframe to the eastern side of St Bernards for Magill within the next six months, or six months within when we have finalisation on the agreement and transfer occupation.”⁸⁴

There is significant community concern around the development of the Magill Campus land, notwithstanding the timeframes for the proposed lease back arrangement over the land on the western side of St Bernards Road. In this context the Committee determined that public engagement regarding both the western and eastern land parcels (as well as the Mawson Lakes land) should commence as soon as reasonably practical.

5.5.2 Impact on Regional South Australia

Regional universities have been described as the “economic, social and cultural hubs of their regions” and as “the bridges to further development of regions at a time when many rural areas are losing population and services.”⁸⁵ It is widely accepted that regional universities “provide jobs, collaborate with local industry to innovate, fill gaps in regional health care and provide pathways to expand access to higher education for students from low socioeconomic backgrounds and for Indigenous students.”⁸⁶

The Accord has highlighted the importance of regional students being able to remain in their community and study. The Accord’s Interim Report recommended that additional Regional University Centres (re-named Regional University Study Hubs) be created in both the regions and suburban Australia.⁸⁷

The University of South Australia has well established campuses in Whyalla and Mount Gambier that offer courses including health, education and business. The Committee understands that these campuses are strongly supported by surrounding communities.

A public commitment has been made to continued regional higher education by the new Adelaide University. In his evidence to the Committee, the Vice Chancellor of The University of Adelaide, Professor Peter Høj AC, stated that “as a consequence of the merger, regional campuses will not be closed. Our ability to invest in them will increase.”⁸⁸ The Vice Chancellor of the University of South Australia, Professor David Lloyd, noted that the draft legislation to

⁸⁴ Ibid, 131

⁸⁵ Universities Australia, ‘New study shows importance of universities in regions’ (Media Release, 26 June 2013).

⁸⁶ Ibid.

⁸⁷ *Australian Universities Accord* (Interim Report July 2023), 11.

⁸⁸ Evidence to the Joint Committee on the Establishment of Adelaide University, Parliament of South Australia, Adelaide, 15 August 2023, 163 (Peter Høj).

establish the new university included commitments to deliver education for the whole of South Australia. Professor Lloyd subsequently added that "... it is very much on our agenda to increase our footprint of delivery of education across the state."⁸⁹

The potential opportunity provided by the new university for regional education was highlighted in submissions received by the Committee.

The City of Mount Gambier, in noting that the establishment of the new university aims to strengthen access and inclusion, highlighted its view that the proposal presents a "...significant opportunity for the expansion of programs ... to include Environmental Sciences, Forestry, Horticulture/Viticulture and Engineering, all industries that are strong contributors to our economy, and to work across the educational services that will be present in this exciting education precinct."⁹⁰

The City of Mount Gambier further noted that "arts programs that study culture, history, anthropology and social sciences would provide depth to our geological and cultural narrative. Emerging opportunities for our region that include the South Australian Remote Medicine Academy, provision of dental and allied oral health disciplines to train and retain are also possible with a decentralised, integrated model."⁹¹

⁸⁹ Evidence to the Joint Committee on the Establishment of Adelaide University, Parliament of South Australia, Adelaide, 15 August 2023, 163 (David Lloyd).

⁹⁰ City of Mount Gambier, Submission No 71 to Joint Committee on the Establishment of Adelaide University, 14 August 2023, 1.

⁹¹ Ibid.

5.6 *Legislation, Governance and Funding*

5.6.1 Governance

The State Government has released draft legislation which outlines a proposed model for the governance for the new Adelaide University. The Bill is undergoing a period of public consultation separate from this inquiry.

Core to this legislation is the establishment of the University Council. The membership of the University Council is of particular concern to the National Tertiary Education Union and The University of Adelaide Student Representative Council. In addition to three key *ex officio* positions (including the Chancellor and Vice Chancellor), the draft legislation provides for:

- up to 8 persons appointed by the Council on the recommendation of a selection committee;
- if the Council so determines, 1 person appointed by the Council;
- 1 member of the academic staff, elected by the academic staff;
- 1 member of the professional staff, elected by the professional staff;
- 1 postgraduate student, appointed or elected in a manner determined by the Council;
- 1 undergraduate student, appointed or elected in a manner determined by the Council.

In evidence to the Committee and in written submissions, the National Tertiary Education Union and The University of Adelaide Student Representative Council, argued that staff and students should have additional representation on the Council.

The National Tertiary Education Union, in its submission to the Committee.⁹² proposed a Council structure that would include (in addition to the *ex officio* position):

- 2 members from academic staff (elected);
- 2 members from professional staff (elected);
- 3 students from the university (at least one undergraduate and one postgraduate) (elected);
- 3 graduates of the university (elected);
- 4 members appointed by the council (that demonstrate meaningful historical engagement and understanding of the higher education sector).

⁹² National Tertiary Education Union, Submission No 9 to Joint Committee on the Establishment of Adelaide University, 25 July 2023, 16.

The Adelaide University Student Representative Council has proposed that five students sit on the new University Council.⁹³ Their proposal is for:

- 2 undergraduates elected yearly in alternate years for a term of 2 years;
- 1 higher degree by research student elected for a term of 2 years;
- 1 higher degree by coursework student elected for a term of 2 years;
- The Student Union President as an *ex officio* member.

The Accord has given extensive consideration to the subject of university governance. The Accord's Interim Report notes the presence of a power imbalance between student groups and universities and makes reference to a need for stronger student voices in governance. The Accord's Interim Report also considers the need to balance the business expertise of Council members with those who "deeply understand the functions of universities, including learning and teaching, research and management."⁹⁴

The evidence before the Committee suggests that there is a clear need to ensure Council membership represents best practice in university governance.

On balance, it is the view of the Committee that the final version of the Bill should address the necessary qualifications of University Council members, with provision being made to ensure adequate representation for staff and students. The Committee considers these recommendations to be consistent with the process being undertaken as part of the Accord.

The appointment of a new Vice Chancellor and President to lead the new Adelaide University is also a potential key governance issue. The Heads of Agreement between the University of South Australia and The University of Adelaide details the process by which a Vice Chancellor for Adelaide University would be appointed and commence. A summary of the Heads of Agreement outlines the process as follows:

"Two co-Vice Chancellors will be appointed by the Transition Council (one drawn from [the University of South Australia] and one from [The University of Adelaide]), with such appointments to continue until the commencement of the new Vice Chancellor for Adelaide University. The Transition Council will oversee an open and competitive global recruitment process for the new Vice Chancellor for Adelaide University during the Transition Period. The appointment of the new Vice Chancellor will commence at a time determined by the Transition Council."⁹⁵

⁹³ University of Adelaide Student Representative Council, Submission No 32 to Joint Committee on the Establishment of Adelaide University, 8 August 2023, 9.

⁹⁴ *Australian Universities Accord* (Interim Report, July 2023), 130.

⁹⁵ University of Adelaide and University of South Australia, Submission No 53 to Joint Committee on the Establishment of Adelaide University, 14 August 2023, 5.

The Committee heard from a number of witnesses as to the importance of leadership during any transition period. Professor Sweeney noted that “leadership matters ... as a future-looking statement, I think it is going to be key to get the right leader to actually drive this agenda.”⁹⁶ Similarly, International Education Association of Australia Chief Executive Officer Mr Phil Honeywood expressed the view that “with the right leadership team in place the best of the University of South Australia's industry and technology focus can be combined with the best of The University of Adelaide's research profile ... it really comes down to leadership.”⁹⁷

Leadership was considered a critical element in the Manchester merger, as outlined by Mr Alan Ferns, Associate Vice-President External Relations and Reputation, University of Manchester. Mr Ferns noted that Professor Alan Gilbert was appointed eight months prior to inauguration as Vice Chancellor, and that this provided “several months free from the burden of day-to-day operation management ... to build a senior leadership team ... and design the kinds of governance and management structures the embryonic institution would need.”⁹⁸

In considering the evidence, the Committee accepts the view that adequate leadership is vital to the success of a proposed amalgamated university. The Committee considers that, on the balance, an early appointment of Adelaide University's Vice Chancellor would provide the new university with the best prospects for success.

5.6.2 Transition Risks

The Committee heard from the Chief Operating Officers and Risk Officers from The University of Adelaide and the University of South Australia in an *in-camera* hearing about the risks and associated management processes being considered in work towards the establishment of the new university.

The universities provided considerable detail on the risk management approach that had been adopted, including the risk governance framework. The Committee was advised that these frameworks were aligned to international standards and were based on existing frameworks

⁹⁶ Ibid.

⁹⁷ Evidence to the Joint Committee on the Establishment of Adelaide University, Parliament of South Australia, Adelaide, 14 August 2023, 122 (Phil Honeywood).

⁹⁸ Luke Georghiou, ‘*Strategy to Join the Elite: Merger and the 2015 Agenda at the University of Manchester – An Update*’ (Web Page, January 2015) <https://www.researchgate.net/publication/283830064_Strategy_to_Join_the_Elite_and_the_2015_Agenda_at_the_University_of_Manchester_An_Update>.

used individually by the universities. The universities also provided information to the Committee on the risk identification methodology and logic, as well as their processes for identifying risks and mitigation actions.

The Committee heard that 116 risks had been identified across 21 risk categories. The Committee was provided with a detailed explanation of a range of the explicit risks, including their likelihood, potential consequences, and mitigating actions and strategies.

The Committee has formed the view that there is considerable merit in the creation of a specific risk management team to assist in effecting any scheme of arrangement to establish Adelaide University. In addition to leadership, regulatory, reputational and other general risks, the team would address and advise on merger-specific risks already identified by The University of Adelaide and the University of South Australia and assist in making early adoption choices with university leaders to better control or minimise risks. Amongst other important risks, the Committee has formed the view that the team should explicitly address risks associated with, for example and without limitation:

- the health, wellbeing and workload pressure on staff as a result of maintaining ordinary activity whilst undertaking institutional change;
- ensuring adequate talent attraction and retention;
- managing ongoing financial sustainability and ensuring sufficient enrolment levels, research funding and a sustainable operating model;
- developing and embedding a cultural identity for the new institution;
- delivering a day-one strategic intent;
- progressing accreditation and regulatory processes, and ensuring that legislative, regulative and accreditation work is done on-time and within cost and scope;
- developing a robust governance and oversight mechanism which provides for agile and efficient decision making;
- ensuring alignment between the new institution and the Accord;
- securing the necessary levels of government investment and operating within those amounts;
- managing public sentiment towards the amalgamation process;
- maintaining the quality of student experience throughout the process;
- managing the impact of transition activities on delivery of operations, student experience, research outcomes and support functions;

- managing decisions regarding the choice or adoption of information systems, including whether legacy systems will be implemented across the combined institution.

The Committee acknowledges that the University of South Australia and The University of Adelaide are already aware of risks of this nature.

While the Committee is presently satisfied that all practical measures have been taken in preparing the risk assessment, the Committee calls on the universities to monitor, evaluate and sufficiently invest in the ongoing actioning of the risk management analysis.

The universities also provided the Committee with a detailed presentation on the financial modelling and scenario underpinning the establishment of the new Adelaide University. The economic modelling approach was outlined, including key assumptions and data sources. A detailed picture of the expected financial position of the new Adelaide University was also provided.

The Committee engaged in extensive discussion with the Chief Operating Officers of both universities about the investment capacity and overall financial position of the existing universities. The universities discussed their stress scenario planning and provided particular detail on identified worst-case scenario 'black swan' events.⁹⁹

Following this session, the Committee had a much clearer understanding of the risk management and financial analysis underpinning the establishment of the new Adelaide University.

5.6.3 Student Associations

Student associations play an important role in university life, providing student advocacy, financial, cultural, academic and health-related support.

The Adelaide University Union is established under the *University of Adelaide Act 1971 (SA)* as a body corporate. In contrast, the University of South Australia Student Association is not established under the *University of South Australia Act 1990 (SA)*. The Bill is based on the *University of South Australia Act 1990 (SA)*: it makes no reference to a student association.

⁹⁹ A 'Black Swan' event is an event that is difficult to predict in the normal course of business. These events are random, unexpected, but high impact.

The Department for Industry, Innovation and Science informed the Committee that the establishment of a student association was not included in the draft legislation. The rationale given for this approach was that it maintained maximum operational flexibility for the new university's student association.

While both universities' student associations agreed on the importance of retaining a strong student association or union, the Adelaide University Union strongly submitted to the Committee that the establishment of the student association for the new Adelaide University should be expressly included in legislation.

The University of Adelaide Student Representative Council, in its written submissions to the Committee, sought an express reference to a student association in any new legislation on the basis that it would ensure the new university recognised a student association at the outset. In the view of the Student Representative Council, "... the university should have obligations to recognise an independent, elected, student union."¹⁰⁰

In response to a question about the need to legislate the establishment of a student union, the Committee received evidence from Mr Isaac Solomon, President of the University of South Australia Student Association, who noted "some of the importance ... of having [an association] in the Act, though our experience is that it doesn't necessarily need to be ... as long as it has those core principles, which are that it is independent and that it is a completely new student organisation."¹⁰¹

The two student associations both emphasised their views on ensuring funding surety through student services fees, discussing the SSAF and their perspective on its importance in funding student services.

The SSAF was established in 2011 with the purpose of ensuring the continued operation of student services at universities. The universities are subject to legislative requirements to pool the money and distribute it for spending on student services (including, for example, to fund a student association or student sporting organisations).¹⁰²

¹⁰⁰ University of Adelaide Student Representative Council, Submission No 32 to Joint Committee on the Establishment of Adelaide University, 8 August 2023, 3.

¹⁰¹ Evidence to the Joint Committee on the Establishment of Adelaide University, Parliament of South Australia, Adelaide, 14 August 2023, 95 (Isaac Solomon).

¹⁰² Australian Government, Department of Education, 'Student Services and Amenities Fee' (Web Page) <<https://www.education.gov.au/higher-education-loan-program/approved-hep-information/student-services-and-amenities-fee>>.

Under existing schemes, the student associations must directly negotiate the provision of the SSAF to fund their services and operations, and it is open to annual variation. The University of Adelaide Student Representative Council expressed a level of fear at the risk of funding cuts in a dispute, noting in its submission that “there [are] historical instances of SRC’s and student unions having SSAF funding cut by Universities - most recently at La Trobe University in 2021 where the student union’s funding was cut by over a million dollars by the university.”¹⁰³

In Western Australia, the *Universities Legislation Amendment Act 2016* (WA) introduced a requirement that university councils pay their student guilds an amount not less than 50 per cent of the total amount of the SSAF collected.¹⁰⁴ This approach was supported by both student associations.

The Committee considers that the importance of student associations to university student life warrants provisions creating and recognising a student association within the enabling legislation for the proposed Adelaide University.

5.6.4 Australian Universities Accord

On 16 November 2022 the Hon. Jason Clare MP, Federal Minister for Education, announced the terms of reference for the Accord, a broad review of Australia’s higher education system.¹⁰⁵ The Accord process was tasked with examining funding, access, affordability, transparency, regulation, employment conditions and the broader role of higher education within the Australian community.¹⁰⁶

The Australian Government provided \$2.7 million towards the Accord to enable the undertaking of a 12-month review. On 19 July 2023 the Accord presented the Minister with an Interim Report detailing five recommendations for immediate recommendations and proposing a series of issues warranting further discussion.

The Final Report of the Accord process is due to be completed in December 2023. The key findings of the Accord’s Interim Report covered the following themes:

¹⁰³ University of Adelaide Student Representative Council, Submission No 32 to Joint Committee on the Establishment of Adelaide University, 8 August 2023, 6.

¹⁰⁴ Government of Western Australia, ‘Western Australian Legislation’ (Web Page) <https://www.legisaltion.wa.gov.au/legislation/statutes.nsf/law_a147128.html>.

¹⁰⁵ Jason Clare MP, ‘Universities Accord’ (Media Release, 16 November 2022).

¹⁰⁶ Ibid.

- facilitating a fair system that ensures access and attainment, better meets national jobs and skills needs, and provides equity in participation;
- putting First Nations at the heart of Australia's higher education;
- recognising international education as a crucial element of Australia's soft diplomacy and the contribution of international students studying in Australia to our workplaces and community;
- a sound and more predictable funding model for research, innovation and research training that, over time, provides greater investment in research funding to cover the full cost of undertaking research;
- sustainable funding and financing to provide insurance against future economic, policy or other shocks.

In her evidence to the Committee, the Chair of the Accord process, Professor Mary O'Kane AM (appearing in a private capacity), advised the Committee that there is "a lot of change" taking place in universities and that while the Accord would "recommend changes to a great number of things" it would not be "dictating to particular universities what their structures are."¹⁰⁷

Professor O'Kane added that "[the merger] could be one of the quite exciting things happening before the Accord and then taking on some of the Accord recommendations. I think it will put South Australia in a good position..."¹⁰⁸

"...the movements to a new style of curriculum, a new sharp focus in research production and research training, new emphasis on equity, new emphasis on engagement — it reads in a very exciting way as something that is going to be well fit for dealing with some of the challenges that we raise in the review, like the skills challenge, the equity challenge and the big challenge about new knowledge and research."¹⁰⁹

The Committee heard from the Department for Industry, Innovation and Science that the draft legislation to establish the new Adelaide University was prepared prior to the release of the Accord Interim Report. The Committee is of the view that it is important that the final form of the legislation, when introduced to Parliament, reflect the direction of the Accord process.

¹⁰⁷ Evidence to the Joint Committee on the Establishment of Adelaide University, Parliament of South Australia, Adelaide, 4 September 2023, 199 (Mary O'Kane).

¹⁰⁸ Ibid.

¹⁰⁹ Ibid, 200.

5.6.5 Regulatory Approval

All universities and other higher education providers in Australia are regulated by the Tertiary Education Quality and Standards Agency (**TEQSA**). TEQSA is the independent national quality assurance and regulatory agency for higher education in Australia.

The Acting Chief Executive Officer of TEQSA, Dr Mary Russell, and Mr Nicholas Riordan, General Counsel, provided advice to the Committee on the regulatory process to establish a new university, alongside the compliance and accreditation requirements.

The process was set out in detail by Mr Riordan who informed the Committee that "...the relevant legal entity needs to be established in order to be capable of submitting any application to us. Once an application is submitted to us for registration under the TEQSA Act¹¹⁰ and that registration is granted, only once that registration under the TEQSA Act is granted can an application be submitted to us under the *Education Services for Overseas Students Act 2000* (Cth)."¹¹¹

The Committee was informed that in considering the registration of a university, TEQSA considers a range of areas:

- student participation and attainment;
- learning environment;
- teaching;
- research and research training;
- institutional quality assurance;
- governance and accountability; and
- representation, information, and information management.

Dr Russell informed the Committee that discussions and planning were already underway around the accreditation process for the proposed new Adelaide University. Dr Russell noted that TEQSA was expecting to start receiving material for review and consideration to support the registration of the new university from early January 2024. She emphasised that a formal application could not be submitted or considered until an underlying legal entity was established.

¹¹⁰ This is a reference to the *Tertiary Education Quality and Standards Agency Act 2011* (Cth).

¹¹¹ Evidence to the Joint Committee on the Establishment of Adelaide University, Parliament of South Australia, Adelaide, 21 September 2023, 312 (Nicholas Riordan).

In response to questions about the impact of any delay in timings, Dr Russell explained that “...any adjustment in the timing for the legal entity ... would also impact the assessment timeline for TEQSA.”¹¹²

5.7 Risks of Inaction

The Committee received evidence on the broader impacts on the South Australian economy and community in the event that the proposed amalgamation did not proceed. A key theme in this evidence was the risk of opportunity loss – that is the State eschewing the potential economic and social benefits of a combined institution.

The Committee was also informed that the merger would ensure the ongoing competitiveness and sustainability of a world class university in the State. In particular, The University of Adelaide Vice Chancellor Peter Høj AC gave evidence to the Committee that it was becoming increasingly financially difficult for universities to afford to fulfil all of their essential functions. He noted that with the increased scale of a new institution the costs of delivery teaching and research could be better managed. It was Professor Høj’s evidence that unless a university of scale was created in the State, the continued increase in costs would eventually lead some faculties to a “reduc[tion] in staff complement ... [in order to stop] run[ning] in the red.”¹¹³

University of South Australia Vice Chancellor Professor David Lloyd highlighted the impact on domestic rankings, telling the Committee that if the merger did not proceed South Australia would “maybe have a top 10 national institution.” He expressed the view that if it went ahead South Australia would “have a top 5” institution and that this was a “competitive advantage.”¹¹⁴

¹¹² Evidence to the Joint Committee on the Establishment of Adelaide University, Parliament of South Australia, Adelaide, 21 September 2023, 313 (Mary Russell).

¹¹³ Evidence to the Joint Committee on the Establishment of Adelaide University, Parliament of South Australia, Adelaide, 4 October 2023, 317 (Peter Høj).

¹¹⁴ Evidence to the Joint Committee on the Establishment of Adelaide University, Parliament of South Australia, Adelaide, 4 October 2023, 317 (David Lloyd).

6. Conclusion

There are significant opportunities in establishing a new university in South Australia through the merger of The University of Adelaide and the University of South Australia. While the Committee understands that this process is not without its risks, the presented strategies and processes taken in assessing and mitigating the risks are thorough.

The merits of the proposal to establish Adelaide University are contested and accordingly this report outlines the evidence received by the Committee in favour and against the proposal. The Committee accepts that risks and opportunities will likely present themselves after the Committee has reported – this is the nature of any significant policy proposal.

Having regard to the evidence presented to the Committee, the Committee has formed the view that:

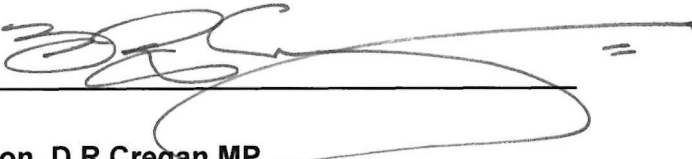
1. on the balance of probabilities and having regard to the evidence received, the proposal to establish Adelaide University will advance the economic and social interests of South Australia;
2. the universities must put appropriate measures in place to monitor, evaluate and sufficiently invest in the ongoing actioning of the risk management analysis;
3. the proposal to establish Adelaide University must be viewed against the increasingly competitive environment for universities generally and the risk to the State's interests in taking no steps to reform the University Sector.

The Committee provides this report to the House of Assembly and the Legislative Council to inform deliberations on the proposal to establish Adelaide University.

The Committee wishes to acknowledge and thank the witnesses and those who provided submissions to the inquiry. They have provided considerable assistance to the Committee.

**Certified as a true record of the Report of the Joint Committee on the Establishment
of Adelaide University**

On this 16th day of October 2023



A handwritten signature in black ink, consisting of several loops and a long horizontal stroke, positioned above a solid horizontal line.

Hon. D R Cregan MP

Chairperson

Appendix A: List of Submissions

Submission 01	Emeritus Professor Martin Williams, Adjunct Professor in Earth Science, The University of Adelaide, 18 July 2023.
Submission 02	Frances Williams, Honorary Research Associate in Earth Sciences, The University of Adelaide, July 2023.
Submission 03	Confidential.
Submission 04	Filomena Caretti, 24 July 2023.
Submission 05	Curtin University, 24 July 2021.
Submission 06	Fabrizio Catalini, 24 July 2023.
Submission 07	Piero Ciaravolo, 24 July 2023.
Submission 08	Mark and Mari Thompson, 25 July 2023.
Submission 09	National Tertiary Education Union, July 2023.
Submission 10	Lorraine Powers, July 2023.
Submission 11	David Hall, 31 July 2023.
Submission 12	Maria Rauch, 31 July 2023.
Submissions 13	Professor Katie Barclay, The University of Adelaide, 31 July 2023.
Submission 14	Louise Di Virgilio, 31 July 2023.
Submission 15	Peter Harris, 1 August 2023.
Submission 16	David Hamon, 1 August 2023.
Submission 17	Confidential.
Submission 18	Mr Wathnak Vy, 2 August 2023.
Submission 19	John Heidenreich, 2 August 2023.
Submission 20	John Christie, 2 August 2023.
Submission 21	Byron Sharp, 2 August 2023.
Submission 22	John Schagen, 2 August 2023.
Submission 23	Richard Blandy, 2 August 2023.
Submission 24	Mrs Valerie Ferguson, 2 August 2023.
Submission 25	Tan Soon, 3 August 2023.

Submission 26	Dr Leonie Ryder, 4 August 2023.
Submission 27	Derek Saunders, 4 August 2023.
Submission 28	Dr John van Leeuwen, August 2023.
Submission 29	Dr Bronwyn Lovell, Casual Teaching Academic, University of South Australia Creative, 7 August 2023.
Submission 30	Karen Trail, 7 August 2023.
Submission 31	Innovation Initiative, August 2023.
Submission 32	The University of Adelaide Student Representative Council, August 2023.
Submission 33	Louise Knowles, 8 August 2023.
Submission 34	Max Amber OAM, 9 August 2023.
Submission 35	Campbelltown City Council, 9 August 2023.
Submission 36	Anthony Thomas, Elder Professor of Physics, The University of Adelaide 9 August 2023.
Submission 37	Anonymous, 10 August 2023.
Submission 38	Dale Beasley, Secretary, SA Unions, 11 August 2023.
Submission 39	Tanya Freeman, 11 August 2023.
Submission 40	Stephen English, 11 August 2023.
Submission 41	Melvyn and Gill Duncan 11 August 2023.
Submission 42	Sandra Mestros, 11 August 2023.
Submission 43	Annie Hosking, August 2023.
Submission 44	Timothy Miles, Emeritus Professor, The University of Adelaide, August 2023.
Submission 45	Michael Nordstrom, 12 August 2023.
Submission 46	Stephen Barrett, 12 August 2023.
Submission 47	Gipsy Hosking, 12 August 2023.
Submission 48	Garry Pearce, 14 August 2023.
Submission 49	Stina Mahner, 14 August 2023.
Submission 50	Mark Hutton, Director/Principal Engineer, Hutton Engineering Consulting, 14 August 2023.

Submission 51	Mark Smith, 14 August 2023.
Submission 52	Professor Geoff Hanmer, ARINA, 14 August 2023.
Submission 53	The University of Adelaide and the University of South Australia, 14 August 2023.
Submission 54	Wilfred Prest, 14 August 2023.
Submission 55	Australian Association of University Professors, August 2023.
Submission 56	Public Universities Australia, August 2023.
Submission 57	Confidential.
Submission 58	Dr Tracey Price, Tabor College, 14 August 2023.
Submission 59	Local Government Association of South Australia, August 2023.
Submission 60	Professor Gregory McCarthy, Emeritus Professor, University of Western Australia, August 2023.
Submission 61	Robert Cannon, August 2023.
Submission 62	Julia Rakic, 14 August 2023.
Submission 63	Friends of the South Australian School of Art, August 2023.
Submission 64	Confidential.
Submission 65	Confidential.
Submission 66	City of Burnside, 14 August 2023.
Submission 67	Professor Nigel Stocks, Head of the Discipline of General Practices, The University of Adelaide, 14 August 2023.
Submission 68	University of South Australia Student Association, August 2023.
Submission 69	Geoff Vogt, August 2023.
Submission 70	Mark Beard, 14 August 2023.
Submission 71	City of Mount Gambier, 14 August 2023.
Submission 72	Georgia Heath, 14 August 2023.
Submission 73	Planning Institute of Australia (SA Division), August 2023.
Submission 74	Flinders University, August 2023.
Submission 75	The Hon. Ben Hood MLC, Shadow Assistant Minister for Regional South Australia, 14 August 2023.
Submission 76	Charlotte Reimer, 14 August 2023.
Submission 77	Dr Alex Dinovitser, 15 August 2023.
Submission 78	Philip Kalogeras, 15 August 2023.
Submission 79	Committee for Adelaide, 15 August 2023.
Submission 80	Stephen White, 15 August 2023.
Submission 81	Dr Sam Whiting, Lecturer – Creative Industries, University of South Australia, August 2023.

- Submission 82** Adelaide University Union, 18 August 2023.
- Submission 83** Business SA, 21 August 2023.
- Submission 84** Joesph Depasquale, August 2023.
- Submission 85** Professor Richard Holden and Professor Geoff Hanmer, 25 August 2023.
- Submission 86** Confidential.

Appendix B: Witnesses

- 8 August 2023 **National Tertiary Education Union**
 Dr Andrew Miller
 Ms Anna Strzlecki
 Mr Kyall Smith
Prof Geoff Hanmer, Managing Director, ARINA
Department for Industry, Innovation and Science
 Dr Andrew Dunbar, Executive Director, Research and Innovation
 Ms Karen Hunt, Director, Higher and International Education
Professor Natasha Harvey – Centre of Cancer Biology University
of South Australia
- 9 August 2023 **Flinders University**
 Professor Colin Stirling, Vice Chancellor
 Ms Jayne Flaherty, Chief of Staff
Ms Jane Johnston, Chief Executive, Study Adelaide
Ms Christine Locher, A/Chair, Adelaide Central Market Authority
- 10 August 2023 **Prof Warren Bebbington, Former Vice Chancellor, The University**
of Adelaide
Ms Georgia Thomas, President, The University of Adelaide Student
Representative Council
Mr Isaac Solomon, President University of South Australia Student
Association
Prof Christopher Sweeney, Director SAiGENCI, The University of
Adelaide
- 11 August 2023 **Mr Brenton Cox, Managing Director, Adelaide Airport**
Mr Phil Honeywood, Chair, International Education Association of
Australia
Renewal SA
 Mr Chris Menz, Chief Executive Officer
 Mr Todd Perry, Executive Director Property and Major Projects

- 12 August 2023 **The University of Adelaide and University of South Australia**
 The Hon. Catherine Branson AC KC, Chancellor, The University of Adelaide
 Prof Peter Høj AC, Vice Chancellor and President, The University of Adelaide
 Ms Pauline Carr, Chancellor, University of South Australia
 Prof David Lloyd, Vice Chancellor and President, University of South Australia
- 4 September 2023 **Ms Vicki Thomson, Chief Executive, Group of Eight Business SA**
 Andrew Kay, Chief Executive Officer
 Kendall Crowe, General Manager Policy, Advocacy and International Services
 Yarick Turianskyi, Senior Policy Officer
Department of Treasury and Finance
 Rick Persse, Under Treasurer
 Tammie Pribanic, Deputy Under Treasurer
Prof Mary O’Kane AC
- 5 September 2023 **Mr Adrian Tembel, Chair, SA Productivity Commission**
Mr Chris Schacht, Former Senator for South Australia
The Hon. Vincent Tarzia MP, Member for Hartley City of Campelltown
 Mayor Jill Whittaker OAM
 Ms Emily Moskwa, Team Leader Economic Development
- 6 September 2023 **Prof Craig Batty, Executive Dean, UniSA Creative**
Prof Derek Abbott, Electrical and Electronic Engineering, The University of Adelaide
University of South Australian and The University of Adelaide – *in camera*
 Mr Paul Beard, Chief Operating Officer, University of South Australia

Mr Bruce Lines, Chief Operating Officer, The University of Adelaide

Ms Renee Mittiga, Chief Risk Officer, The University of Adelaide

Mr Matthew Rickard, Head: Risk and Assurance, University of South
Australia

Professor John Williams, Executive Dean, The University of Adelaide

Ms Leah Manuel, Project Management Office, The University of
Adelaide

21 September
2023

Prof Anthony Thomas, Elder Professor of Physics
Tertiary Education Quality and Standards Agency

Dr Mary Russell, Acting Chief Executive Officer

Mr Nicholas Riordan, General Counsel

4 October 2023

The University of Adelaide and University of South Australia

Prof David Lloyd, Vice Chancellor and President, University of South
Australia

Prof Peter Høj AC, Vice Chancellor and President, The University of
Adelaide

Appendix C: NTEU Form Letter Submissions

Dear Hon. Dan Cregan MP, Chairperson, Joint Committee on the Establishment of Adelaide University,

I endorse the claims put forth by the National Tertiary Education Union (NTEU) in their submission to the Joint Committee. That is, for the merger of the University of Adelaide and the University of South Australia to proceed, the SA Parliament and State Government must provide:

- Concrete evidence the merger is in the public interest and worth the decade-long disruption and \$445.5m taxpayer price tag,
- Concrete evidence the merger will deliver on the promises made by the Premier and Vice
- Chancellors, including substantiating the claims the new university will add \$500m to the state's economy annually, educate more than 70,000 students, attract an additional 6,000 international students, and create an additional 1200 jobs by 2034,
- Concrete evidence the merger will deliver better quality education for students,
- Concrete evidence the merger will deliver better quality research,
- Full engagement and participation of staff in the creation of the new university,
- Job security: affirmation of the public commitment that there will be no forced redundancies, and expanded redeployment guarantees so staff can contribute to the process without fear or favour,
- Robust evidence-based processes and outcomes throughout, and
- Complete transparency and public oversight to protect the public interest.

If the new university does satisfy the public interest test and the merger goes ahead, the legislation to form the new university must prioritise and deliver:

- Enhanced staff, student, and alumni representation on the new council (including Aboriginal and Torres Strait Islander and culturally and linguistically diverse representation),
- Tougher criteria on external appointments to demonstrate meaningful historical engagement and understanding of the higher education sector (not just business and finance),
- Diverse representation on the new council, so staff, students, alumni, and other members have at least equal weight and clout as external non-elected appointees,
- Mechanisms to ensure the new council is accountable, accessible, and transparent to the public it serves – rather than secretive and opaque,
- Legislation that reforms the cultures, operations, and accountability mechanisms of the new university (de-corporatise, de-casualise),
- A Transition Council that includes the elected staff and student representatives rather than stacked with external non-elected representatives, and
- A commitment that staff, students, unions, and stakeholders are at the centre of the formation of the new legislation and on an equal footing as VCs and Councils – who have a vested interest in reproducing the status quo and thwarting such reforms.

Sincerely,

Jordan Pitt
Al Rainnie
Hayley Timms
Veronica Soebarto

Simran Kaur
Elizabeth-Anne Farmer
Johannes Pieters

Mike Nordstrom
Sophie Petit
Jim Franklin-McEvoy
Joel Windle

Alison Walsh
Evan Smith
Greg Metha
Dale Bagshaw
Cheryl Fischer
Dorothy Missingham
Cecile Dutreix
Sam Whiting
Manjit Monga
Andrew De-Boeck
Roger Lante
Fran Baum
Virginie Masson
Maziar Arjomandi
Emily Kemp
Kirsten Wahlstrom
Djordie Stefanovic
Sukhbir Sandhu
Selwyn Smith
Chris Provis
William Allen
Max Glonek
Malgorzata
Ludwichowska-Alluigi
Mark Jenkinson
Niloufar Rokoei
Deborah Edwards
Alison Pryce
Katie Barclay
Andrew Allison
Dan Monceaux
Mei Wong
Anna Brown
Cassandra Menzel
Valentina Bertotti
Tania Searle
Sonja Graetz
Perry Beasley-Hall
Duncan Murray
Deanne Green
Thomas Leistner
Michael Haythorpe
Eleanor Peirce
Stephanie McWhinnie
Marg Castles
Marina Barbaro
Julia Anaf
Diego Garcia-Bellido
Capdevila

Withawat
Withayachumnankul
Aaron Zecchin
Michelle Lee
Nesimi Ertugrul
Fermin Doko Tchatoka
Nicole Prideaux
Eric Warrant
Alison Yaxley
Lucy Andrew
Hans Amstel
Elena Del Moral
Michael Proeve
M. Ali Babar
Matthew Iumsden
Suzanne Edwards
James Boss
James Chappell
Gary Owens
Rosslyn Prosser
Nader Zolijalali
Sam Christodoulou
Eva Fanscali
Mostafa Rahimi
Lee Dyson
Pouria Aryan
Val Dadivas
Andrea Gray
Gerti Szili
Dylan Coleman
Margaret Secombe
Karen Williams
Niki Xiourouppa
Oliver Fartach-Naini
Alfie Hanzen Magno
Timothy O'Leary
George Tan
Glen Philpott
Halimah Valiyff
Keweu Zhabf
Xueying Niu
Evonne MacMaster
Panita Hirunboot
Kerry Johnson
Samela Harris
Neil Kirby
Adam Loch
Rachel Elliott
Nick Warner

Kerry Green
Florian Ploeckl
Zita Ziukelis
Allan Robins
Wayne Jorgensen
Colin Rogers
Ann Gregory-Larson
David Smith
Anita Gayen
Gunther Andersson
Muammar Kabir
Justin O'Connor
Kylie Aston
Kim Hynes
Barrie Shannon
Anna Hill
Jeremy Davidson-Tear
Anne Bigioli
Paul Dickson
John Deboeck
Emma Heyen
Andrew Allan
Linda Lingley
Peter Cooke
Maree Sulter
Yuliya Tugai
Charles Giacco
Hirad Assimi
Sue Kelly
Christopher Moylan
Edward Major
Joh Tibby
Anne Marie Murray
Ryan Morrison
Michael Hoskin
Gianny Scoleri
Qazi Hague
Jennifer Stokes
Rpobyn Dwight
Leni Brown
Chrisanthi Giotis
Matt Huppatz
Sally Ashton
Jayantha Amerasena
Matthew Hooton
Joanne England
Jane Andrew
Nicholas Herriot

Kristen Rogers
Rebecca Regan-Coe
Malcolm Hamilton
Steven Stolz
Garrity Hill
Maureen Quinn
Alice Rose
Judith Merritt
Scott Nisbet
Kirrilly Thompson
Janine Phillips
Kelvin Menzel
Benjamin Madden
John Murphy
Hanh Nguyen
Maureen Dollard
Debra Morriss
Nayana Parange
David Hart
Sharon Davey
Fletcher O'Leary
Catherine Abbott
Gemma Beale
Robert Houghton
Al Rainnie
Edward Green
Kate Rowe
Gwen Amankwah-Toa
Ann Casey
Kyll Smith
Melchior Mazzone
Kiara Smith
Mirella Wyras
Bev Rogers
Katica Pedisic
Tak Kee
Vanessa Rugolo
Therese Lovett
Andrea Morello
Grace Chipperfield
Richard McGrath
Marie-Therese Kelly
Lisa Mahoney
Ian Hutchison
katrina Jaworski
Anna McCarron
Brenton Hughes
Jessi Sullivan

John van Leeuwen
Margaret Scott
Chris Krolkowski
Deepakshi Dhand
Kuma Chan
Joel Slattery
Omid Kavehei
Emily Vaughton
Maria Izu
P J Edwards
Alexandra Diamond
Stuart Richards
Anne Macpherson
Fiona Lawrence
Son Chhoy
Grant Shillabeer
Rita Frangiosa
Morris Ewings
Patricia Eats
Caitlin Hall
Kat Kenyon
Oscar Collins
Nick McMurchie
Emilia Sajkov
Juliet Fuller
Kathy Harrington
Cheryl Baldwin
Annie Buchecker
Karen Mollaj
Patrick Faulkner
Andrew Miller
Lorraine Rogers
Delene Weber
Louisa Teakle
Wendy Piltz
Esther Roberts
Paul Wotley
Lei Xu
John Kerr
Cheryl Pope
Alexandra Peralta
Deborah Price
Vera Weisbecker
Meg Samuelson
Adrian Vicary
David Chan
Igor Sefer
Ley Chen

Charlotte Chalklen
Megan Warin
Simon Walsh
Natash Worm
Pearl Panickar
Paula McCubbin
Kate Wegener
Barbara Baird
Giang Nguyen
Stef Rozitis
Andrew Bills
Stefano Bona
Skye Davis
Karen Ayles
Ying Zhu
Nick Takos
Peter Gill
Bronwyn Lovell
Caroline Man
Kalpana Goel
Mahdi Shafiei
Heather McGinn
Cameron Raynes
Chris Horsell
Bronwyn Hutchens
Sharlene Ieroy-Dyer
Michelle Jones
Robby Drake
Ross Morriss
Michelle Bohner
Barbara Coat
Jan Alderman
Han Baltussen
Michael Piotto
Kerre Ann Willsher
Hannah Dineen
Fiona Moir
Vespa Drapac
Patricia Muncey
Jodie Wardle
Helen McKerral
Sonya Peters
Nick Prescott
Robert Doe
Alistair McCulloch
Daniel Fazio
Kristi Urry
Madeline Bradford-Becker

Lisa Mansfield
Chris Craven
Mark Hemsley
Martin White
Cassandra Loeser
Yen May Tang
Linda Christensen
Helen Clark
Anastasia Ejova
Shawna Hooton
Susan Barwick
Monique Ahrens
Nathaneal Scherer
Sarbin Ranjitkar
Xin Deng
Jodie Zada
Cornelia Koch
Jess Pacella
Keith Smith
Melanie Baak
Clement Low
Michael Lardelli
Alice Jones
Derek Abbott
Gerry Groot
Andrew Allan
Carole Fear
Alice Gorman

Nayia Cominos
Peter Marcous
Athena Xiourouppa
Liz Grandmaison
Catherine Speck
David Caldwell
Ben Cazzolato
Rory O'Kane
Scott Hanson-Easey
Sean Williams
Paul Unsworth
Natasha Speight
Jean Duruz
Scott Letton
Margaret Chandler
Scott Hawken
John Christie
Romain Fathi
Sally Matthews
Alick Kay
Elspeth McInnes
Roger Seymour
Kenneth Pope
Justine Dzonsons
John Bruning
Amit Srivastava
Mirai Morita
Domenic Carbone

Alison Cropley
Ben Sellar
Timothy Miles
Angela Ryan
Julie McMahon
Noelle van Zanten
Patricia Coulthard
Charles Klein
Freya Higgins-Desbiolles
Yvette Salamon
David Ogunniyi
Carolyn Haese
Kirsty Rogerson
Andrew Allan
Tim Walsh
Silvia Pignata
Jack Rutter
Sirelle Mollison
Emma Carson
David Hart
Attlee Neumann Lei
David Jeffery
Alfred Winnifred
Peter Gill
Nicholas Orr
Jo Z

Minority Report from Robert Simms MLC, Greens SA

The Greens welcomed the opportunity to participate in the establishment of the Joint Parliamentary Committee on the proposed creation of the new Adelaide University.

We share many of the concerns raised with the Committee about the process adopted by the universities of Adelaide and South Australia in formulating this proposal and the implications for the higher education sector.

The Greens note that while the Committee received evidence of some potential benefits that could flow from a merger, significant risks were also identified.

As such, we reject the majority view of the Committee that:

“On balance... the economic and social interests of the State of South Australia would likely be advanced by the amalgamation of the University of Adelaide and the University of South Australia into the new Adelaide University.”

The Greens reserve our position on any bill that comes before the Parliament.

Independent Commission of Inquiry

It is regrettable that the proposal for a new university was not subject to an Independent Commission of Inquiry as promised by the then Opposition during the 2022 state election. Such a commission would have de-politicised the proposal and ensured that this was subject to independent analysis. This could have also examined whether any proposal was in the public interest.

While a parliamentary inquiry was welcome (and indeed initiated by the Greens, with the support of the Honourable Frank Pangallo and the Liberal Opposition) the short timeframe imposed on the Joint Parliamentary Inquiry limited the potential for meaningful public engagement with the proposal. Given the public interest in the matter and potential for significant State Government investment, it was appropriate that this proposal be subject to maximum scrutiny and transparency over a much longer timeframe.

Business case and secrecy

The business case underpinning the proposal has been of intense public interest and the subject of some media commentary. It is concerning that cabinet was willing to propose a substantial public investment in this proposal, without reading this or subjecting it to any independent analysis. Despite stating that a merger would likely deliver benefits to the state’s economy, neither Business SA nor the Productivity Commission have seen the business case. Treasury has not seen the business case or conducted any independent analysis of it. It is the view of the Greens that the business case should be subject to independent analysis before any decision on the proposal is made by the Parliament. In the interests of transparency, the names of any external consultants engaged on the project should also be disclosed.

Further, the ongoing status of commercial in confidence material is a matter of growing concern for the Greens, given the potential for this to be used by large corporations and businesses seeking public investment to evade scrutiny. Government should review its processes to ensure that organisations seeking public investment are only able withhold key information from the public when it is absolutely necessary to do so.

While the Committee was given access to some confidential material, the secrecy surrounding the business case has eroded public confidence in this proposal. The Greens maintain our view that the full business case should be made public.

Governance

Submissions from the NTEU and Adelaide University SRC spoke to the need for any new university to adopt an innovative approach to governance, with enhanced involvement for students, staff and a broad cross-section of the community. The Greens share this view and recommend that any new University Council comprise of more staff and students and representatives from First Nations and Culturally and Linguistically Diverse (CALD) communities. Criteria for membership of any new University Council should reflect the need for members who bring experience from the higher education sector and academia. The new university should also operate in a more open and transparent way, with University Council meetings held in public and minutes and agendas being made publicly available. Maintaining the current inadequate levels of student and staff representation on the governing Council of any new institution would represent a missed opportunity for reform.

Additionally, the Greens consider that should any new university be established, a parliamentary committee should continue to monitor and review the merger's progress.

Vice Chancellor's remuneration

The issue of vice chancellors' remuneration is one of ongoing concern to the Greens and we share the views the Honourable Chris Schacht expressed to the Committee:

"I think a million dollars for a vice-chancellor of any university, when the Prime Minister of Australia gets half a million, is a bit ridiculous."

Any new vice chancellor should have their remuneration capped by legislation (rather than a committee of the Council) to ensure this reflects community expectations.

Impact on rankings

The Committee received contrasting evidence around rankings and the potential status of any new institution.

In the vision statement for the new university, it is stated that:

"Combined, we would be ranked in the top 1 per cent of universities globally – and would work confidently to be recognised among the world's top 100 universities on an ongoing and sustainable basis."

In his evidence to the Committee, however the Honourable Chris Schacht stated that there would likely be a dip in the rankings in the short term but that this would not adversely impact on the efforts of the new university to recruit international students:

“The University of South Australia, which ranks somewhere in the 200s—and Flinders is around the same or a bit better—are still attracting a lot of foreign students, etc., so I don't think there's going to be any significant change in coming.”

Professor Derek Abbott of the University of Adelaide, on the other hand, told the Committee that:

“It has already been said that the University of Adelaide's research ranking comes from around the top 200 performing staff. A substantial risk we face is a major exodus of these staff, causing our ranking to plummet and creating a reputational damage to this state and the university...”

If it (the new university's ranking) drops a few places it doesn't make much difference, but if it drops 200 to 300, that would be huge and people would be saying, 'What's happening here? Do we want to go here?' My prediction is that it will drop a lot...”

The precise effect of any drop in rankings on the new institution and its capacity to attract students is a matter worthy of further examination.

Jobs and employment conditions

Many staff in the university sector continue to rely on short term casual contracts. The Greens share SA Unions' view that any new University Act should cease reliance on casualisation and prohibit (or at the very least, regulate) gig economy style arrangements, providing greater protection to workers.

The long-term impact of any merger on jobs in the state's university sector remains unclear.

Student experience

In addition to boosting the number of elected student representatives on the University Council, the Greens are supportive of the recommendation of the Adelaide University SRC and the University of South Australia Student Association that there be a legislated return from the Student Services Fee to the new Student Union.

Equity concerns

The State Government will be investing income from a \$100 million fund to support students from low socio-economic backgrounds. While we welcome State Government investment in the higher education sector, precisely why this has been tied to a potential merger remains unclear.

The Greens are concerned about the potential for students from low socioeconomic backgrounds studying at Flinders University to miss out. Additionally, the absence of a legislated minimum investment in scholarships is of concern and we recommend that one be included in the act.

Further, steps should be taken to ensure that Flinders University is not at a disadvantage when it comes to accessing State research funds.

Magill campus

The Committee heard evidence about the importance of maintaining existing levels of green space in any redevelopment of the Magill campus site. The Greens support these calls.

Recommendations

1. That the full business case and any consultants engaged on the merger proposal be made publicly available and that the business case be subject to an independent review before any consideration of the bill by the parliament
2. That the State Government review its processes to ensure that any third parties seeking public investment are only able to withhold key information from the public when it is absolutely necessary to do so.
3. That any new governing Council comprise of more representatives elected by staff and students, with increased representation from students, from First Nations people, CALD communities and academia.
4. That any new University Act require Council meetings to be held in public, with the publication of minutes and agendas.
5. That the salary of the Vice Chancellor of any new university be subject to a legislated cap.
6. That any new University Act should cease reliance on casualisation and prohibit (or regulate) gig economy style arrangements to provide greater protection to workers.
7. That any new University Act include a return of 100 per cent to the Student Union from the Student Services and Amenities Fee.
8. That the bill be amended to provide access to a scholarship fund for students from low socioeconomic backgrounds seeking to study at Flinders University and that there be a legislated minimum investment in scholarships from the scholarship fund.

The Hon. Robert Simms MLC

13 October 2023

JCEAU Minority Report

Hon. John Gardner MP (Member for Morialta)
Hon. Jing Lee MLC (Member of the Legislative Council)

Introduction

The Joint Committee on the Establishment of Adelaide University (*the Committee*) undertook a significant body of work considering a matter of public policy that, unusually, does not appear to have been subject to serious policy analysis by a government agency prior to its announcement.

The Committee undertook this policy analysis instead and, for the most part, and in most aspects, the main body of the report fairly summarises the evidence as presented, noting that some key information was presented in camera and the Committee agreed to maintain its confidentiality. We encourage all Members to read this information, along with the minority reports, prior to determining their position – much in the way that Cabinet Ministers would normally be presented with the full scope of evidence before determining Government policy.

The Committee received nearly a hundred submissions from interested parties and heard from a range of witnesses in person. Their evidence is attached. Noting that members who are not a part of the Committee may not have time to read all the submissions and Hansard transcripts, the authors of this minority report wish to provide some references to facilitate access to information which are not provided in the main body of the report.

Members wishing to inform themselves in more detail about key risks of the proposal can find them articulated in Hansard in the appearances of the NTEU and Professor Hamner (8/8/2023), Professor Bebbington (10/8/2023), Professor Abbott (6/9/2023) and Professor Thomas (21/9/2023).

Key arguments in favour can be found in the appearances of the Vice Chancellors on 12/8/2023 and 4/10/2023. Unfortunately the important confidential testimony of their business managers on 6/9/2023 cannot be disclosed, but the information was most useful to the Committee. Other advocates appearing before the Committee largely focused on the economic opportunity created by higher international student numbers in Adelaide.

Most of the remaining witnesses attended to offer expertise in relation to specific aspects of the proposal, while dispassionate about the overall question. We would particularly encourage Members to familiarise themselves with the testimony of Flinders University Vice Chancellor Colin Stirling on 9/8/2023.

By necessity, the report can only briefly summarise the nature of this evidence, and highlight key points of view where that evidence is contested. However, in some matters, we believe that the report does not give sufficient weight to some evidence presented, and we will reflect on those matters further in this minority report.

We appreciate the efforts of all Members of the Committee, and its staff, along with the many interested South Australians who provided written submissions to the Committee, and those who provided evidence to the Committee as witnesses.

In relation to the crux of the matter, we propose Members consider an alternate recommendation 1 to the one presented in the report:

- 1) *On the balance of the evidence considered by the Committee, the economic and social interests of the State of South Australia might be advanced by the proposed amalgamation, but Members should note that these opportunities carry with them a number of considerable risks that need to be mitigated.***

The proposal is not objectively good or bad. It is a subjective call, with opportunities and risks inherent in either approach. Members might also be persuaded that there are also risks in maintaining the status quo that haven't previously been fully articulated.

The potential benefits of the proposal certainly merit the Parliament's serious consideration, but to dismiss the concerns and risks, such as those raised by a range of eminent individuals and interested stakeholders throughout this Committee inquiry, without taking further steps in mitigation, would be foolhardy and not in the state's interests.

- 2) *We believe that while informed Members acting in good faith could reasonably conclude that the risks inherent in the proposal are worth taking, or not, we would suggest that the measures presented in Recommendations 2-7 in the report are essential if the proposal were to proceed – noting that this minority report suggests further measures to strengthen Recommendations 5, 6 and 7.***

These matters should have been considered as part of a full Cabinet process, prior to the announcement of the proposal, with submissions including details of all of these issues. We know that Cabinet did consider this proposal: as it does all new Government legislation, and spending proposals over a certain threshold. However many matters addressed in this report do not seem to have been the subject of rigorous policy analysis or advice from a Department, as per evidence provided to the committee. This is remarkable.

In the interests of good Government, this leads us to recommend:

- 3) *Any public sector initiative being considered by Cabinet should include a justification statement setting out the implications of the initiative ...***

The justification statement should —

(a) apply evaluation principles that are appropriate for the size and nature of the public sector initiative being evaluated; and

(b) having regard to the estimated cost, magnitude and sensitivity, include sufficient scope and details to enable the approver to make a decision on an informed basis.

Opportunities and risks for South Australia – for our students and communities

Turning to the merits of the proposal itself, we begin with the positive aspects, and in doing so recognise that there are substantial opportunities for South Australia.

The merits identified in the report refer mainly to rankings, research and international students. These are the main motivating factors for the claimed economic benefits, and we will get to them, but given that universities serve a far greater purpose than raising revenue for the State, we will also consider other matters put forward by the proponents.

First and foremost amongst that broader purpose is the education of domestic students. If this merger proceeds, the new institution will be responsible for the education of more than two thirds of the degree level domestic market in South Australia. Two thirds of our teachers, scientists, engineers, accountants, and so on, will be educated here.

The quality of their education and their effectiveness working in their chosen professions will have implications for every aspect of our society.

Access to university study – noting separate consideration of Flinders University below – can only be enhanced by effective use of the proceeds of the \$100 million equity fund, so long as the institutions also at least maintain the sum of their existing efforts.

Rankings

The new university has already been granted “Group of 8” status, the reputation of which is understood to carry more weight for domestic students than rankings. The prospect that two thirds of South Australian students might graduate with a “Group of 8” status degree will certainly be appealing to those graduates.

When coupled with the fact that Flinders University is on track to be one of Australia’s top ten Universities (according to rankings) within a similar timeframe to the establishment of the new University, (unless thrown off course – note separate consideration of Flinders below), this would see South Australia’s graduates all being from institutions considered top ten in the country.

This is an appealing prospect but we reject the idea that it is sufficient reason in itself to proceed. Rankings are a function primarily of research, and their status is desirable but rarely, for domestic students at least, a dominant factor in decision making. Further, the ranking of a university is barely, if at all, linked to teaching quality, or the satisfaction of students, graduates, or their employers. Some of Australia’s highest ranked institutions perform relatively less well by the standards used to measure these factors.

On the other hand the University of South Australia, as it exists now, performs very well on a range of these measures by Australian and world standards, despite being ranked lower than Adelaide or Flinders. Its “lower level of research intensity” should not be mistaken for any question over the quality of its teaching and learning, which is widely regarded as world class. Nor is there any problem with its research: rather it is a question of volume.

Rankings appear to be, more than anything else, a measure of the volume of high quality research undertaken at an institution.

Teaching and learning, and culture

The Vice Chancellors of the University of Adelaide and the University of South Australia appeared before the committee twice, on one occasion joined by their respective Chancellors. The heads of their corporate and business units appeared before the committee on a third occasion, for an in camera session to assist committee members understand the materials that were considered commercial in confidence.

The report describes the disputed question about whether or not there is a connection between scale and the quality of teaching and learning. Key to the Vice Chancellors' arguments about the opportunity presented by the merger proposal was that substantial funds – indeed a significant proportion of the transition cost – would be applied to building curriculum and course content afresh, using the expertise of staff at both institutions.

The confidence of the Vice Chancellors that this would lead to a new set of course offerings that take the best aspects of both existing institutions and create something better than either was very appealing. Academic staff members who appeared before the Committee were split between those who shared the Vice Chancellors' confidence, and those who considered that confidence to be misplaced. Strong views were presented on both sides.

The Universities and the Union have both undertaken consultation that was presented to the Committee – and we have also consulted widely about this question outside of the Committee process. The low response rate from staff to any of these consultation processes make it very difficult to assess how strongly one point of view or the other is shared.

A number of witnesses pointed out that the two universities currently have very different cultures. This question of whether cultural integration between the institutions will succeed is a critically important consideration, but we do not believe the Committee received sufficient evidence either way to enable a definitive answer.

One conclusion may be that while strong views are held by some staff both for and against the proposal, a large group in the middle are neither strongly in favour nor against, but who just want to do their work. Members will have to make their own assessment.

In relation to what courses the new institution might offer, the current offerings are available to see. Some departments would appear easy to integrate, with existing collaborations underway, or potentially complementary offerings being capable of being offered side by side. Other Departments will require integration of what is currently a duplicated effort, and such work will be an important test of the cultural question we have just explored.

One area that merits serious consideration is that of courses with low student numbers. The Committee heard evidence that a risk inherent in the status quo is for such courses. As they require subsidy from other parts of the Universities' budgets, the future of these courses might be vulnerable in times of financial pressure. It was suggested that the proposed scale of the new institution would give such courses a much stronger level of protection.

Such courses might be considered a critical to what our universities should offer – examples included but are not limited to disciplines such as classics, languages and areas within performing arts, although such examples are not limited to the humanities.

For these disciplines, it was suggested that the merger would provide the scale that would better enable the institution to withstand transient budgetary pressures, and enable such courses to both be protected and their opportunities fully realised with a larger pool of students and financial resource available to them.

Regional delivery

Recommendation 6 in the report reads: *“Work must commence immediately on the identification of possible additional investments required for the proposed Adelaide University to meet its commitments to tertiary education in regional South Australia.”*

The opportunity for regional students to access tertiary education must be a priority for education policy in South Australia. Regional students deserve opportunities, and regional communities need a professional workforce who enjoy living and working in those regions. It can be hard to attract teachers, doctors, nurses and other professionals to regional towns. Graduates coming home to a region are more likely to stay for the long term.

Encouraging more regional students to do these courses is an important part of providing sustainable pathways for our regions and maximising our long term wellbeing as a state.

Remote and digital delivery is an important part of making course variety accessible to all students but cannot by itself replace a physical campus experience. Equity scholarships may assist regional students to come to the city, but having a campus, or a Uni Hub, or other program, available in the regions makes access to tertiary education that much easier.

Regional university campuses support regional communities in terms of volunteering work, community services and part time workforce while students are undertaking their studies. This in turn helps to support local industries, business activities and the regional economy.

A risk inherent in the status quo is that regional delivery is expensive to deliver and requires subsidy from other parts of the Universities’ budgets. It is likely that these courses will continue to be supported, but in the event of future downturns in revenue, whether due to changed government policy, reductions in international student numbers, or another pandemic scale event, then all Universities would look closely at those parts of their offering that make a loss. In such a case, regional delivery might be put at risk.

It was argued that the scale that would be provided by the new institution, combined with the opportunity created by extra cash flow in the order of \$100-200 million per year, would provide a great deal of protection for those offerings.

We find some merit in this point but would argue that access to quality tertiary education opportunities for regional students don’t just need to be protected, but enhanced. The investment by Government that would flow from a decision by Parliament to support the merger should require a greater ambition than just protecting the existing effort. We recommend an alternative to Recommendation 6 as it appears in the report:

- 4) *The Government should require, and the representatives of the University’s Transition Council should offer, a firm commitment to expanding the variety and volume of tertiary education offerings in regional South Australia, over and above the current efforts of the University of Adelaide and the University of South Australia.***

Opportunities and risks for South Australia – international students and research

Various figures have been put forward in relation to the suggested budgetary and economic impacts of the proposal. The Committee had the opportunity to engage with the University of Adelaide and the University of South Australia at some length in relation to how they arrived at the figures put forward. We will endeavour to summarise as briefly as possible.

Put simply, it is argued that most international students will determine a country in which they wish to study, and then will judge what university to go to, based on affordability and rankings within that country. The merits of the proposal rely on the new university maintaining a ranking at a similar level to or, in time, better than the University of Adelaide's current ranking – in which case the proportion of its international students within its overall student population might be similar to the University of Adelaide's current proportion.

Approximately 30% of students at the University of Adelaide are international students, compared to 21% at the University of South Australia. The new Adelaide University would have a marketing position closer to the existing University of Adelaide, and consequently could attract student numbers in similar proportions. The net effect of the anticipated growth in numbers is modelled as an increase in the order of 5000-7000 students.

The direct benefit to the institution of such an increase would be in excess of \$100 million per year, along with other direct and indirect financial benefits to our state. These sorts of numbers explain the strong endorsement of the proposal from a range of groups in South Australia's business sector.

Further benefits flowing from this financial windfall would be realised through significant new investment in research, aligning with the state's interests. The impact this has on rankings forms a virtuous circle of activity: more high quality research activity leads to better rankings leads to more international students leads to more funding and so on.

The corresponding benefits to our state are very appealing. These include increased economic activity, tourism, social engagement and long term positive benefits from those who make Australia home and join our society and our workforce. They also include the benefits arising from those who return home with positive views of our country, and with networks and connections in our community. It is also to the benefit of local students to have an opportunity to engage with a cohort of international students.

If that were the end of the matter, we would be persuaded by the majority view on the first recommendation. While we don't discount the significant benefits of the proposal if all goes to plan, we urge Members to also turn their attention to the risks before determining their position. Such risks were outlined in the *Executive Summary* of the report, in the *Introduction* to this minority report, and in a range of witness statements.

To summarise one key risk, that again requires a subjective assessment by Members: the assumptions described above rely on the new University attaining a similar or better ranking to the existing University of Adelaide within a short period of time.

The Committee heard that it is likely that there will be an initial drop in rankings. Some of the University of Adelaide's high quality research staff might not want to stay during a transition period, although it was heavily contested as to whether this would be a small number or a large number. As above, this is a subjective call in the absence of reliable data.

The Vice Chancellors gave evidence that they are confident the return in rankings would be swift, perhaps within a couple of years, backed up by the opportunity to invest new funds in research (underpinned by the proposed research fund and the University's own resources). Other witnesses suggested it might take longer – potentially a decade, and then only after new investment over and above that which is currently provided for in the proposal.

In any case, a more significant deterioration in rankings during the transition period, and/or a slower restoration of those rankings, would have a large impact on the new university's capacity to recruit extra international students, with a corresponding impact on the ability of the university to use their fees to invest in research.

The report's first recommendation, in the form endorsed by the majority, argues that "on the balance of the evidence ... the economic and social interests of the State of South Australia are likely to be advanced (by the merger)." We note that the use of the term "on the balance of the evidence" recognises a level of caution being presented by the majority. It is a subjective recommendation that invites all Members to give serious consideration and analysis to all the evidence presented in the report, and significant weight to additional risk mitigation strategies presented in the other recommendations and beyond.

In any case it is our view that while the economic and social opportunities put forward by the merger are significant, particularly if the modelled increase in numbers of international students is to be realised, the recommendation endorsed by the majority does not sufficiently acknowledge the risks inherent in merging two enormous institutions, with such different internal cultures.

The financial and economic benefits of the proposition rely heavily on how quickly Members believe that the new University can regain the status currently held by the University of Adelaide. We do not argue that the optimistic vision put forward by the Vice Chancellors does not have a reasonable prospect of success, but rather the risks of the alternative highlight the importance of the other Recommendations 2-7 as well as those in this minority report. Hence our first two recommendations outlined already in the introduction:

On the balance of the evidence considered by the Committee, the economic and social interests of the State of South Australia might be advanced by the proposed amalgamation, but Members should note that these opportunities carry with them a number of considerable risks that need to be mitigated.

We believe that while informed Members acting in good faith could reasonably conclude that the risks inherent in the proposal are worth taking, or not, we would suggest that the measures presented in Recommendations 2-7 in the report are essential if the proposal were to proceed – noting that this minority report suggests further measures to strengthen Recommendations 5, 6 and 7.

Other issues: Flinders University, Magill Campus, and Process; and Conclusion

Flinders University

If the potential benefits of the proposal are to be fully realised, and to ensure that South Australia's international competitiveness is maximised, the broader higher education sector needs to also be considered.

In particular the issue of an uneven playing field created by perpetual funds available only to one institution needs to be addressed.

It is noted that perpetual research and equity funds being provided for one institution – ie the new Adelaide University – but not the other main institution – Flinders University – may have a destabilising impact on the sector in South Australia and might prevent the state from garnering all of the potential net benefits of such investment.

The equity fund, for example, will give scholarships to students studying courses at Adelaide University. Not all courses are offered by every institution, and so over time this would incentivise cohorts of students to choose Adelaide over Flinders – despite that fact that our state needs students to undertake a range of courses that are only available at Flinders. Studies to become paramedics are an obvious and urgent example.

Similarly in terms of the research fund, it is not a simple matter of perceived unfairness that one institution benefits from the new level of state intervention but the other does not. Rather the testimony provided by Vice Chancellor Colin Stirling is compelling in this regard, that the net benefit of such a fund can only be realised if it is not confined to one institution.

We cannot constrain the new institution from ever employing a researcher currently doing their work at Flinders. However if a Flinders researcher were enticed to seek a job at Adelaide University as a result of the more favourable conditions enabled by the Government investment, then while that would provide a benefit to Adelaide University, it would provide no new net benefit to the state. It would merely be an example of the Government picking winners between our two institutions, and paying for it.

Such a scenario is entirely conceivable: it is easier for someone to change their commute than to move to a new state or country.

The model of investment fund proposed by the Government – perpetual funds retained within the State's Treasury, with the earnings available to the institutions – reduces the impact on the State Budget while providing a level of confidence to the institutions that they might proceed with less risk.

It is unfortunate in this sense that the headlines in the Premier's media statements of early July came across as if the Government were giving nearly half a billion dollars to the universities. We feel that, if anything, this lowered public confidence in the proposal. The truth is much more modest – indeed the anticipated returns to the University from these funds would be no more than Government invests in a number of schools across our state.

Nevertheless, every cent invested should be to the net benefit of the state and we consider that for South Australia to fully realise the opportunities that might be enabled by a new level

of engagement with the tertiary sector, investment in research at Flinders University that is at least proportionate with that of the new institution is essential.

Some witnesses suggested that these funds should require competitive bids. Clear evidence provided by the Chancellors and Vice Chancellors was that their Councils' confidence in the proposal relies on the creation of dedicated funds that would mitigate their financial risk as an institution. Whether or not this would be a better model of investment is therefore irrelevant to the question before us of whether the proposal should proceed.

The majority view on the Committee recognised some of these arguments, and Recommendation 7 in the report reads that "consideration should be given to ensuring potential additional investments and support for Flinders University". We would place much higher importance on this issue, and so our recommendation is that:

- 5) *If the proposal is to be supported, then the Government and the Parliament should institute equivalent perpetual research and equity funds for Flinders University, in at least a scale equivalent per capita to that of those funds available to Adelaide University.***

Magill Campus

It is noted that the Eastern portion of the Magill Campus land falls within the Morialta Electorate, represented by one of the authors of this minority report.

The report includes a reasonable summary of evidence provided by Mayor Whittaker, of the Campbelltown City Council, and officers from Renewal SA. In addition to this evidence, it should be noted that a vast number of written submissions were provided by residents from the community around the Magill Campus, along with witness testimony from Hon Vincent Tarzia MP, Member for Hartley. Former Federal Labor Minister Chris Schacht also gave evidence on this matter as a local resident.

The strong and consistent tone of the overwhelming majority of these submissions was that residents are deeply concerned about the prospect of high density development in an area that has experienced some of the highest levels of urban infill of any community in the state over the last decade.

Mayor Whittaker provided data relating to the increased density forced upon Campbelltown Council over this period. It should be noted that in addition to this, new developments just to the east, on the site of the old Magill Training Centre in the Adelaide Hills Council area, have also included high density apartment living.

This growth has placed substantial pressure on local infrastructure – particularly transport infrastructure, and there is a distinct need for new and additional sporting and active recreation facilities. Open space is at a premium, and the risk of losing open space as a result of the proposed land sales in this area was a common thread for dozens of submissions from residents.

Hon Vincent Tarzia MP was persuasive in his evidence, in particular in relation to the facilities on the Western side of St Bernards Road, in his electorate of Hartley. In addition to the active recreation facilities and open space, he highlighted the heritage value of Murray House, the significant community interest in the Magill Campus Community Children's

Centre, and the significant environmental and biodiversity value of the creek line – an important walking trail for many local residents.

In particular, the Magill Campus Community Children’s Centre is currently leased from the University for several more years. It is an important and popular community child care facility with a waiting list of families wishing to use the centre. The Committee heard that the Centre would be in high demand for years to come and would be of value to existing and new members of the community.

While Renewal SA indicated that they do not propose to commence community engagement for this side of the road for five years, it was noted that this would be after the lease on the child care centre had concluded. It was suggested that negotiations with the centre could begin immediately upon Renewal SA assuming control of the land, and no objections were raised. It should be noted that the Minister was given an opportunity to respond to this matter in the House in recent weeks and did not suggest that there would be any problem with this.

As best can be understood, all parties appear to be in agreement that the Magill Campus Community Children’s Centre should continue to operate on its current site. We are therefore very pleased that the Committee saw fit to include Recommendation 5:

Public consultation in relation to the use, development, or sale of land at Magill and Mawson Lakes should commence at the earliest reasonable stage and councils with an explicit interest in the disposal of land should be involved in master planning processes.

Moreover, Renewal SA should, once the land is in the hands of the State Government, commence discussions with Magill Community Children’s Centre as soon as possible with a view to renewing its lease.

We would add the following particular comments in relation to the parcel of land to the East of St Bernards Road.

Evidence from Treasury officers confirmed that the Government intends to realise at least the full value of the \$64.5 million land sale for the Magill Campus through further land sales.

Given that Renewal SA confirmed that the Eastern portion of the land is slated to be sold in the near future, with the Western half (the area containing most of the built form and community facilities) to remain in use by the new Adelaide University for another five to ten years, we consider the evidence given by Mayor Whittaker, reflecting Campbelltown Council’s interest in this part of the land to be of critical importance.

The land is currently made up of ovals used for active and passive recreation, and some old tennis courts that are mainly used as a car park for University students and staff. It is a prime site for the development of higher quality community sporting facilities and Council is ready to invest if given the opportunity to do so by the Government. Simply selling this land to a developer who is willing to pay the most would be doing an extraordinary disservice to the community. We therefore offer the following further recommendation:

- 6) As part of the public consultation recommended by this report, in relation to the Magill campus land, Government should include an offer to deliver on Council’s suggestions for the development of community facilities on the Eastern part of the land.**

Process

We note that this proposal has come to public attention in an unusual way. We do not consider this to be the delivery of an election commitment: the election commitment having been for a Commission to consider what sort of arrangements would be in the state's best interests. Its remit would have been broader than that contemplated by this proposal.

As this is, essentially, a new proposal to government, albeit one that might have been an outcome of the promised commission, it would be expected that the relevant Department (DIIS) or a central agency (Treasury or DPC) would have provided policy advice.

Evidence was provided by DIIS that such policy work as was done, was done by the Universities (whose remit is their own interests) and by Treasury. The major task given to DIIS was to work on the Bill for Parliament. Evidence was provided by Treasury that as the lead agency in the Cabinet submission, they did not provide policy advice as such, but rather their main task was to negotiate a funding package with the Universities.

We have heard that the documents available to each University Council in making their decisions, on behalf of their respective Councils, collectively described as "the Business Case" were not read by relevant Ministers prior to committing the Government to this proposal, despite its significant nature.

It is most unfortunate that the Government has approached the matter without seeking policy advice of any relevant Government Department or Agency. On behalf of taxpayers this is most unsatisfactory and should not be repeated. Our recommendation, as outlined already in the introduction, is that:

Any public sector initiative being considered by Cabinet should include a justification statement setting out the implications of the initiative ...

The justification statement should —

(a) apply evaluation principles that are appropriate for the size and nature of the public sector initiative being evaluated; and

(b) having regard to the estimated cost, magnitude and sensitivity, include sufficient scope and details to enable the approver to make a decision on an informed basis.

While we note that this is, in essence, already the law, as per Treasurer's Instruction 17 under Section 41 of the Public Finance and Audit Act 1987, we recommend that all Ministers give due consideration as to how they are fulfilling their responsibilities in respect of this Instruction. Simply saying that something was an election commitment does not automatically satisfy all other obligations to due process – especially when, as in this case, it is contested as to whether the initiative fairly represents delivery of the election commitment.

Conclusion

This Minority Report is provided to supplement the Joint Committee Report. We encourage all Members of Parliament to fully comprehend both the opportunities and the risks of the proposed merger before determining their position. We thank you for your consideration.