Putting the Cart before the Horse

An evaluation of the evidence presented to support a WA university merger

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Executive summary

In October 2026 the Western Australian Government announced that a business case would be developed for the merger of Curtin University, Murdoch University and The University of Western Australia (UWA), and released three documents said to support that course: the 2023 University Sector Review, the 2025 University Feasibility Study, and the Rapid Cost-Benefit Analysis prepared by Deloitte as part of that Study[1]. Public advocacy for the merger has since rested heavily on the claim that it would deliver billions of dollars in benefits to the State and that two expert reviews have concluded that a merger is in the State's best interests.

This paper examines the evidence for these claims. The conclusion is that the evidence does not support the findings that have been drawn from it. The principal reasons are as follows:

1. The 2023 Review asserted, rather than demonstrated, that incremental change could not improve the sector, and on that basis set aside alternatives to the merger without evaluating them. It did not address the fundamental differences in mission, student cohort and entry standards between the institutions it proposed to combine, and did not provide any detail as to what a merged university would look like (e.g. to what extent disciplines and campuses would be consolidated, how differences in academic programs, entry standards and student fees would be resolved, etc.)
2. The Rapid Cost-Benefit Analysis supporting the feasibility study expressly did not test whether a merger was the right response. It modelled only merger cases, against a status quo baseline, and never asked whether the same improvements could be achieved without a merger. It also did not consider what a merged university would look like.
3. About 95% of the modelled benefit comes from two assumptions: that completion rates at Curtin and Murdoch would close half the gap to UWA's, and that research funding per academic would do likewise. A third assumption, on international fees, adds the remainder. In none of the three cases does the analysis set out a mechanism by which a merger itself would cause the improvement, and in the case of student completions, erroneously equates six-year completion rates with absolute completion rates. Under the core scenario, research funding per academic at Murdoch almost doubles, with no source of the additional funding identified, and international fees rise by more than a third with no loss of students.
4. The analysis relies on a Manchester case study, which it describes as illustrating benefits achievable under ideal conditions, but then characterises its scenarios as conservative - a clear contradiction. Anyway, the case of Manchester is quite unique and very different from the Perth scenario.
5. The Feasibility Study presented the conditional scenarios from the Rapid Cost Benefit Analysis as "clear quantitative evidence", gave little weight to evidence of improvement since 2023, and added new rationales, notably greater State control and an end to competition, which were not tested and which national reforms address in other ways.
6. The Terms of Reference for the business case presume the outcome. The Steering Committee is constituted to run until the formation of a Transitional Council, includes the original proponent of the merger concept, and is led by members who have publicly advocated for a merger before the business case has begun.

[1]Hon Dr Tony Buti MLA, letter to the Chancellor and Vice-Chancellor of Murdoch University, 10 October 2026 (Ref. 80-30574), pp. 1–2, and Attachments 1–4.

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1. Introduction

The structure of Western Australia's public universities is a matter of genuine importance to the State. Decisions taken now will shape the education of future generations, the State's research capacity and its international standing for decades. A merger of three universities with a combined Equivalent Full-Time Student Load (EFTSL) of around 80,000 and combined revenue of more than $3 billion[2] would be the largest institutional reform in the history of higher education in Western Australia, and one of the largest in Australia.

A proposal of this magnitude should be adopted only if the evidence shows three things:

1. The problems identified are real and correctly diagnosed;
2. A merger would cause the benefits claimed for it;
3. Those benefits could not be obtained at lower cost and risk by other means.

This paper examines whether the documents released by Government establish these things.

I write as someone who has spent more than four decades in universities: 25 years on the academic staff of UWA, where I rose from Tutor to Professor and Head of School; 4 ½ years as Pro-Vice-Chancellor at Durham University; eight years as President of University College Dublin, Ireland's largest university; and, since March 2022, as Vice-Chancellor of Murdoch University. I am also immediate past President of the International Association of Universities. I have seen major institutional change succeed and fail. The analysis that follows is not an argument about any one institution. It concerns whether the evidence before Government justifies the course it has announced.

The paper deals in turn with the 2023 Review, the Rapid Cost-Benefit Analysis, the Feasibility Study, the governance of the business case process, and the risks of implementation. It concludes with the minimum conditions that should be met before the question is considered further.

2. How the proposal has developed

From the start, the process has targeted the structure of the WA university system rather than any evidenced issues. At no stage did the WA Government approach the universities to say, 'these are the issues/opportunities we would like to work on together'. In retrospect the objective was to develop a case for a merger. The sequence of events shows each stage has built on the conclusions of the stage before, rather than critically evaluating them.

Date	Event
February 2023	Government commissions an independent review of the structure of the public university sector.[3]
2 October 2023	University Sector Review final report delivered to the Minister for Education. It recommends further work to assess a merger of UWA and Murdoch and/or UWA, Murdoch and Curtin. The report is not publicly released.

[2]Deloitte, *University Sector Review: Rapid Cost Benefit Analysis – Final Report* (2025) ("Rapid CBA"), Appendix D, sections 7.1–7.2 (2024 data).

[3]2023 Report, section 1.1, p. 11.

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Date	Event
July 2025	Investigation Committee, chaired by Hon Alannah MacTiernan, appointed to undertake the University Feasibility Study.[4] Vice-Chancellors are given 24 hours' access to the 2023 Report before meeting the Committee. The report is not publicly released.
Late August 2025	Deloitte commences the Rapid Cost-Benefit Analysis.[5]
22 December 2025	Feasibility Study final report, incorporating the Rapid Cost-Benefit Analysis, delivered to the Minister for Tertiary and International Education. The report is not publicly released.
October 2026	Minister writes to the universities (10 October) announcing a business case for a three-way merger and a Steering Committee; the three reports are released with the announcement. Public advocacy for the merger follows.
31 December 2027	Term of the Phase 1 Steering Committee, “up to the formation of the Transitional Council in Phase 2”.

Sources: as footnoted; Letter of 10 October 2026; Terms of Reference, clause 4.1.

Two features of this chronology are notable. First, each of the three documents was kept confidential for an extended period before release, so that public scrutiny of the evidence began only after the Government had announced its intended direction. Second, while the conclusion of each stage has been taken into the following stage without reconsideration of the alternatives, the arguments and evidence for a merger has changed in each document as the passing of time and changes in circumstances has undermined the preceding arguments.

3. The 2023 University Sector Review

3.1 Consultation and my response at the time

The 2023 Review was delivered to the Minister for Education on 2 October 2023 but was not released. When the Feasibility Study commenced in 2025, Vice-Chancellors were given access to the final report for 24 hours ahead of meeting the Investigation Committee, after which the report had to be returned. Within that period, I prepared a written response, in which I addressed the clear flaws in the arguments made in that report.[6]

From a process perspective, 24 hours is not adequate time to examine a report recommending the most significant structural change in the State's university system since the 1980s, particularly when we were instructed not to share the document with anyone. The Review's assumptions were not properly tested, but they became the foundation of everything that followed. The Rapid Cost-Benefit Analysis states that it did not re-examine the case for merger made in 2023, and the Feasibility Study only looked at three merger possibilities. The premise that alternatives to mergers would not lead to the required improvements was never properly tested but has been carried forward as if it were established, even as the ‘required improvements’ changed from report to report.

[4]Feasibility Study, section 1.3, p. 18.

[5]Feasibility Study, p. 19.

[6]A. J. Deeks, *Observations on the possible merging of Murdoch University and the University of Western Australia* (response to the final report of the University Sector Review provided to the Investigation Committee).

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My response at the time raised six principal concerns: that the Review ignored fundamental differences in culture, mission, student cohort and entry standards between the institutions; that it assumed scale itself would produce benefits; that the claimed benefits were general, uncertain and in places circular; that its account of risks largely described certain costs rather than risks; that it did not explain how a combined institution would resolve the conflict between selectivity and access; and that it did not address the opportunities presented by the national Universities Accord reforms. Each of these concerns remains relevant, and none has been answered by the subsequent work.

3.2 A diagnosis built on selective comparisons

The Review found that the Western Australian public university sector was lagging most other Australian jurisdictions on research, research training and domestic and international enrolments.[7] However, population-based measures of participation took little account of Western Australia's distinctive labour market, in which strong demand for trades and resources employment has long competed with university study.

More importantly, the Review did not establish why the trends it identified had occurred, or that institutional structure was their cause. Western Australia's declining share of national research funding, for example, coincided with a period of rapid growth in the research income of the largest Eastern States universities, driven in substantial part by international student revenue cross-subsidising research. That is a national funding dynamic, not a consequence of how many universities Western Australia has. Without determining the causes, there is no basis for concluding that structural change is the remedy.

3.3 The unexamined premise: “incremental change will not deliver”

The most consequential finding in the 2023 Review is Finding 3: The history of the sector and international experience -suggests that incremental change will not deliver significant or sustained improvement to universities’ performance.[8] This finding is the foundation on which the rest of the merger case is built. It is the basis on which non-structural reform was set aside, and it was reaffirmed, without fresh analysis, in the Feasibility Study.[9]

The evidence offered for Finding 3 is a projection of the status quo and the observation that “past behaviour is a reasonable predictor of future achievement”.[10] Yet universities that have made progress in the world university rankings have done it through incremental change. Universities that have improved student experience have done it through incremental change. And the improvement in research grant capture by Eastern States universities has been achieved through incremental change and State Government support. As the Review itself recorded, successive WA Governments had not made higher education a major focus, and the relationship between Government and the universities had been transactional and fragmented.[11] The Review's own non-structural recommendations, including a dedicated Minister and Office of Higher Education, a

[7]Harding, S. et al., *University Sector Review: Western Australian public universities – Final Report to the Minister for Education*, 2 October 2023 (“2023 Report”), Finding 1, p. 21.

[8]2023 Report, Finding 3, p. 24.

[9]*University Feasibility Study: Western Australian public universities – Final report to the Minister for Tertiary and International Education*, 22 December 2025 (“Feasibility Study”), section 3.1, p. 31, and Finding 1, p. 25.

[10]2023 Report, pp. 23–24.

[11]2023 Report, Finding 10, p. 36.

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reinvigorated Western Australian Higher Education Council, coordinated student placements, and a State research, innovation and commercialisation program of the order of $100 million per year, are a program of coordinated incremental reform that the committee presumably thought would be impactful.[12] The proposition that such reform cannot work has never been tested, and is contradicted by the Review's own non-structural recommendations, which seem to have been ignored in the subsequent process.

The finding has also been overtaken by events. Since 2023 the Commonwealth has established the interim Australian Tertiary Education Commission (ATEC) and introduced Mission-based Compacts, Managed Growth Funding and Needs-based Funding.[13] These reforms create, for the first time, a national mechanism through which institutional missions, enrolment allocations and differentiation can be negotiated with reference to national, state and local priorities. The Feasibility Study acknowledged that Compacts are intended to align each institution's mission with State priorities,[14] but did not consider whether this new mechanism weakens the premise that only a merger can achieve coordination.

3.4 Alternatives dismissed rather than evaluated

Having concluded that incremental change would not succeed, the Review also rejected a federated or system model, on the ground that it would be administratively burdensome and add cost and complexity without producing significant improvement.[15] This was a judgement, not the result of comparative analysis: no costing or modelling of a system model was undertaken, either in 2023 or since. The Review's own appendix identifies the public university systems of California, Georgia and Texas as examples of the federal model,[16] each of which includes institutions of international standing. Notably, the Manchester merger on which so much reliance is placed was itself decided only after a Joint Working Group had assessed several options, including federal collaboration.[17] No such comparative assessment has been carried out in Western Australia.

3.5 Benefits asserted, differences ignored

The Review largely treated the merged institution as the sum of its parts, adding together student loads, staff numbers, revenues and research income to describe what a combined university would look like. That approach ignores the features that make the institutions different, and which would determine whether a combined institution could retain the students, staff and income on which the projections depend.

Murdoch University was established in 1974, with UWA's support, as a university of difference: it offered Australia's first flexible admissions policy and has always served students from diverse backgrounds and pathways. UWA's mission is built around attracting the State's highest-achieving school leavers and immersing them in a research environment. Curtin has its own distinctive technological and industry-focused mission. Entry standards for comparable courses differ, as do

[12] 2023 Report, Recommendations 7–12, pp. 37–40; the Review recommended the research program "independent of any merger", p. 38.

[13] Feasibility Study, section 2.1, pp. 21–22.

[14] Feasibility Study, p. 21.

[15] 2023 Report, Finding 5, p. 25.

[16] 2023 Report, Appendix H, p. 72.

[17] Rapid CBA, section 3.3.1, p. 26.

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English-language requirements and fees for international students. A merged institution would need to adopt a single standard. If it adopted the higher entry standards, it would lose many of the students the more inclusive institutions currently enrol; if it adopted the lower, it would compromise the selective model on which UWA's research reputation rests and risk losing high-achieving students to selective universities in the Eastern States. Either way, the combined student load and income assumed in the analysis would not materialise. The Review did not address this issue.

The claimed efficiencies were also asserted rather than demonstrated. Universities of the size of UWA, Curtin and Murdoch are already large enough that further economies of scale in administration are limited. As the chart below, included in my response to the 2023 report, illustrates, the proportion of staff expenditure on professional staff is essentially flat across Australian universities of very different scale. Using the Review's own figures, I estimated that bringing professional staff expenditure in a combined Murdoch and UWA to the sector average would save around $13 million a year on a $1.5 billion budget, less than one per cent, and far less than the additional expenditure needed to pursue the other claimed benefits. Notably, the subsequent Rapid Cost-Benefit Analysis did not quantify any operational savings at all (see Section 4.6).

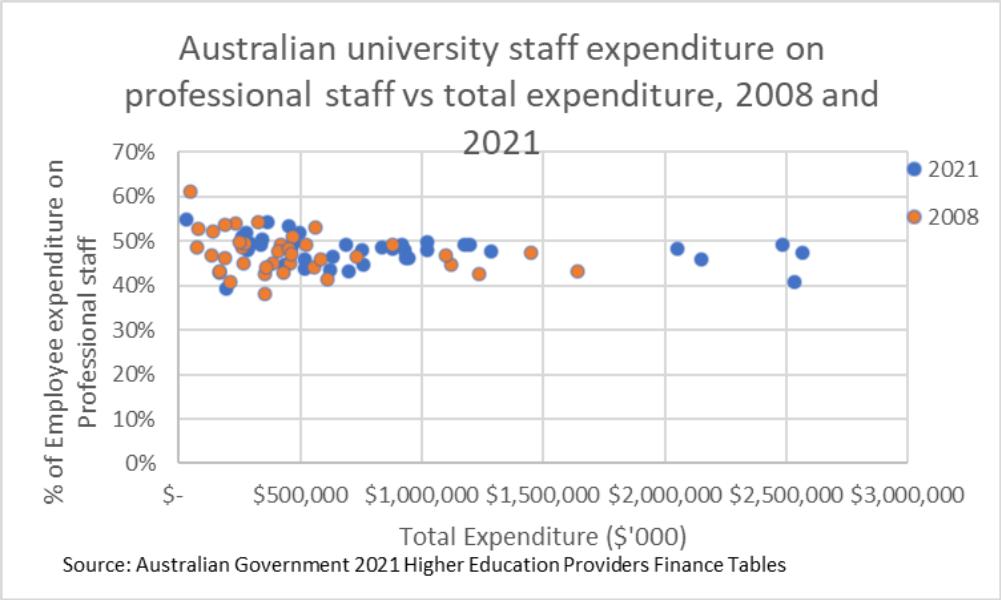


Figure 1. Proportion of university staff expenditure on professional staff against institutional scale, as included in my response to the 2023 Report (credit: Dr Peter Bentley). Presented here as the evidence provided at the time, not as an updated analysis.

The Review's own estimates of the effect on international rankings also deserve attention. It estimated that a combined Murdoch and UWA would rise in the Academic Ranking of World Universities (ARWU), a ranking that measures aggregate research volume and is not normalised for size, but that its position in the QS and Times Higher Education rankings, which are those most used by prospective international students, would likely fall.[18] The three-way merger was expected to follow the same pattern. A gain in a size-sensitive ranking produced by adding institutions together, with no change in teaching or research performance, is a measure of the ranking's method, not of improvement.

[18] 2023 Report, pp. 27–28.

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3.6 The Review's own conditions for success

To its credit, the Review set out the conditions under which a merger is likely to succeed. It stated that the facts behind the case for merger "must be authoritative, clear and compelling"; that institutional compatibility is an important variable; that voluntary mergers are more likely to succeed than involuntary ones; and that success requires transparency in information and process, broadly based staff, student and community support, compromises and "wins" for all parties, and moving quickly to agreed timescales.[19] It also found that any successful merger would require "genuine commitment from participating universities"[20] and recommended that the work be overseen by a Strategic Working Group comprising the Minister and the Vice-Chancellors of each participating university.[21]

These are sensible conditions. As the following sections show, the process since 2023 has not met them.

4. The Rapid Cost-Benefit Analysis

4.1 Scope: a cost-benefit analysis of merger only

The 2023 Review recommended the Government undertake a cost-benefit analysis and business case before deciding on a merger, noting that its own work was only the first step and that such analysis was outside its scope.[22] What was commissioned was a *Rapid* Cost-Benefit Analysis, prepared by Deloitte over approximately four months. The report is candid about the consequences of that choice: it describes its cost estimates as "indicative / illustrative only", based on broad industry benchmarks that "may not capture unique drivers, risks, or complexities" and intended "to support high-level planning and initial discussions only".[23] Whether a rapid exercise was an adequate basis for a decision of this magnitude is itself questionable. The more serious problem, however, is the way its conditional results have since been used.

The analysis states plainly that it "does not seek to re-prosecute the case of whether a structural change (i.e. a university merger) is the preferred option for addressing the under-performance of WA's university sector".[24] It examined three merger cases against a baseline in which the existing universities continue on their current trajectory. It did not model any alternative intervention. Its findings attempt to answer a narrow question: *if* a merger produced certain improvements, would they outweigh its costs? The report does not attempt to answer the key question: *would* a merger produce those improvements, and could they be obtained more cheaply and with less risk in other ways?

4.2 How the benefits are generated

The analysis first estimates the economic contribution of each university over 20 years, from graduate earnings, research spending and international student surpluses. It then assumes that,

[19] 2023 Report, section 4, pp. 47–49.

[20] 2023 Report, Finding 9, p. 34.

[21] 2023 Report, Recommendation 4, p. 34.

[22] 2023 Report, Recommendation 1, p. 33, and Terms of Reference (Appendix C), p. 62.

[23] Rapid CBA, Appendix D, pp. 76 and 82–84.

[24] Rapid CBA, p. x; see also pp. xi and 11.

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after a merger, the lower-performing institutions close part of the gap to the best-performing institution on four measures: the six-year undergraduate completion rate, a proxy postgraduate completion rate, research expenditure per academic staff member, and international fee income per student. The core scenario assumes that 50% of the gap is closed; the low and high scenarios assume 30 and 70%.[25] These proportions are assumptions; they are not derived from evidence about the effect of mergers on these measures.

The resulting values are summarised below for the three-way merger.

Three-way merger (NPV, 20 years)	Low (30% catch-up)	Core (50%)	High (70%)
Education (completions)	$1,142m	$2,537m	$3,931m
Research (research expenditure)	$1,476m	$2,632m	$3,787m
International (fees per student)	$152m	$270m	$387m
Total benefits after delays and disruption	**$2,771m**	**$5,438m**	**$8,105m**
Merger costs (NPV)	$522m	$522m	$522m
Net benefit	**$2,248m**	**$4,915m**	**$7,582m**
Benefit-cost ratio	5.3	10.4	15.5

Table 1. Modelled benefits of the three-way merger. Source: Rapid CBA, Tables 5.2, 5.7 and 5.8, pp. 59, 67–68.

Two points stand out. First, almost the entire benefit (about 95% in the core scenario) comes from the assumed improvements in completions and research expenditure. Second, the costs, which the analysis itself describes as “relatively more certain”, are small relative to the assumed benefits, so the benefit-cost ratio is driven almost entirely by the uplift assumptions.[26] If the assumed improvements do not occur, or occur to a much smaller extent, the case collapses. The assumptions therefore deserve careful examination, both as to their evidence and as to the mechanism by which merger is said to cause them.

Assumed driver (core scenario)	Institution	Baseline	Core scenario	Change
Six-year undergraduate completion rate	Murdoch	51%	62%	+11 points
	Curtin	58%	66%	+8 points
	UWA	74%	74%	nil
Research expenditure per academic	Murdoch	$128,594	$246,670	+92%
	Curtin	$210,918	$287,831	+36%
International fee income per student	Murdoch	$21,664	$29,176	+35%
	Curtin	$20,688	$28,688	+39%

Table 2. Key uplift assumptions in the core scenario (UWA is the benchmark in each case and is assumed unchanged). Source: Rapid CBA, Tables 4.6, 4.8 and 4.9, pp. 55–56.

[25]Rapid CBA, sections 4.7 and 5.5, pp. 54–56 and 67.

[26]Rapid CBA, section 4.3, p. 44.

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4.3 Completion rates

The analysis assumes that, under the core scenario, Murdoch's six-year undergraduate completion rate rises from 51 to 62% and Curtin's from 58 to 66%, while UWA's is unchanged at 74%.[27]

Evidence. The six-year completion rate is a poor measure of institutional performance for universities that enrol large numbers of mature-age, part-time and non-traditional students. Many such students take longer than six years because they are working or caring for families. They are not failures; many of them graduate. Treating students who have not completed within six years as never completing understates the benefits these institutions already deliver and overstates the gap that a merger is assumed to close. Differences in completion rates between the institutions are largely explained by differences in their student populations, which is a result of their different missions and one of the benefits of the current system.

Mechanism. The analysis does not explain how a merger would change the circumstances of these students. A merger does not alter a student's need to work, their family responsibilities or their prior educational preparation. The only ways a merged institution could raise its measured completion rate are by investing more in student support (which could equally be done without merger, and which is a cost the analysis does not include), or by admitting fewer students from the groups least likely to complete within six years. The second would raise the measure while reducing access and the total number of graduates, contrary to the State's and the Nation's attainment objectives.

4.4 Research expenditure

The analysis assumes that research expenditure per academic at Murdoch rises from $128,594 to $246,670 under the core scenario, an increase of 92%, and at Curtin from $210,918 to $287,831, an increase of 36%.[28] The research benefit is then calculated by applying a multiplier of 3.25 to research expenditure, of which 70% is assumed to accrue to Western Australia.[29]

Evidence. The modelled benefit is a benefit of spending more on research. The analysis does not identify where the additional spending would come from. Research expenditure in Australian universities is funded from competitive grants, industry contracts, government block grants and, substantially, from universities' own discretionary revenue, principally international student fees. If the additional expenditure were to come from competitive grants, the analysis would need to show why a merged institution would win more of a fixed national pool. If it were to come from university revenue, it is a cost of the merger that the analysis has not counted. Either way, the near-doubling of research expenditure per academic at Murdoch cannot simply be assumed.

Mechanism. Competitive research funding is won by researchers and research teams on the strength of their track records. A merger does not change the people. Where collaboration across Western Australian universities is advantageous, researchers already collaborate, and they share major infrastructure. UWA already performs strongly on research income per academic; the Feasibility Study notes that its performance compares well with its Group of Eight peers.[30] UWA achieved this in large part by making research performance central to its hiring decisions over many years, including by recruiting researchers from other Western Australian universities. Combining institutions would change the average of a ratio without changing the capability of any

[27] Rapid CBA, Table 4.6, p. 55.

[28] Rapid CBA, Table 4.8, p. 55.

[29] Rapid CBA, section 4.5.2, p. 50, and Appendix A, Table A.2, p. 87.

[30] Feasibility Study, section 2.3, p. 28.

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individual researcher. The 2023 Review itself expected a Murdoch and UWA merger to have little initial impact on grant application and success rates beyond UWA's existing performance.[31]

4.5 International fees

The analysis assumes that average international fee income per student at Murdoch rises from $21,664 to $29,176, and at Curtin from $20,688 to $28,688, under the core scenario, increases of about 35 and 39%, while international enrolments continue to grow at one per cent a year.[32]

Evidence. The assumption implies that international students are insensitive to price. They are not. Students choose Murdoch and Curtin for a combination of reasons, including fees, entry requirements and English-language requirements, and the support offered to them. Murdoch's international fee income grew at an average of almost 25% a year between 2018 and 2024[33], demonstrating that its current positioning is successful in the market. Many of those students would not meet UWA's requirements or could not afford its fees.

Mechanism. A single university cannot sustainably charge substantially different prices for the same course. It must choose. If it adopts the higher price and entry standards, it loses price-sensitive students; if it adopts the lower, the assumed fee uplift disappears. If students who would have studied at the original institutions instead enrol at Edith Cowan University, they are not lost to the State, but the benefit attributed to merger is. The analysis models neither the loss of volume nor the substitution.

4.6 What the analysis does not count

Several matters material to the result are acknowledged in the analysis but not quantified:

- *Operational savings.* No cost savings are counted as a benefit. The analysis states that this was a deliberately cautious approach, so that decisions would not rely on the ability to monetise savings.[34] Whatever the motive, the result is that the efficiency case advanced in 2023 has not been demonstrated. Equally excluded is the likely increase in costs from harmonising salaries and conditions upwards across three enterprise agreements.[35]
- *Indirect costs.* The analysis lists a range of indirect costs, including disruption from aligning entry standards, international fees and salaries, loss of brand identity and alumni connection, reduced student choice, temporary ranking decline and increased travel between campuses, but states that these “are not explicitly quantified” and that “a more detailed CBA should seek to examine these indirect impacts in greater depth”.[36] They are represented only by an assumed interim loss of two to four per cent of baseline benefits for a few years.[37]

[31] 2023 Report, p. 27.

[32] Rapid CBA, Table 4.9, p. 56, and Appendix A, Table A.2, p. 88.

[33] Rapid CBA, Appendix D, section 5.5, p. 43.

[34] Rapid CBA, pp. xxvi and 59, and Appendix A, Table A.1, p. 86.

[35] Rapid CBA, p. xxvi.

[36] Rapid CBA, section 4.2.3, pp. 43–44.

[37] Rapid CBA, section 4.6.1, table 4.4, p. 52

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- *Integration costs.* Integration costs are estimated from general corporate merger benchmarks across all industries, noting the limited availability of comparable data for universities, scaled from the Adelaide University experience.[38]
- *Workforce.* The analysis assumes that no redundancies are planned.[39] That assumption reduces the modelled disruption costs, but it also removes the principal source of savings that proponents of a merger have typically cited.

4.7 The Manchester case

The Rapid Cost-Benefit Analysis and the Feasibility Study both rely on the 2004 merger that created the University of Manchester. The analysis uses it to support the plausibility of its uplift assumptions and, because Manchester "achieved more immediate uplifts without experiencing downside disruptions", to describe its own scenarios as conservative.[40] Yet the same analysis describes Manchester as illustrating "the scale of benefits achievable under ideal conditions".[41] An exceptional case achieved under ideal conditions cannot simultaneously be the basis for describing projected outcomes as conservative.

The analysis's own account of Manchester also shows how different it was from what is now proposed in Western Australia.[42] The merger was voluntary and institution-led, "rather than responding to financial pressure or policy mandate". It was decided by a joint working group that compared several options, including federal collaboration. It involved two institutions with complementary disciplines and a long history of collaboration. It was a merger of two parties, not three. The immediate ranking improvement it cites was largely a consequence of combining two institutions in size-sensitive measures. And the analysis records that by 2006 the merged university faced a £30 million operating deficit, which was addressed through a voluntary severance program that reduced staff by around 630. None of these features suggests that Manchester's later success can be transferred to an involuntary, three-way merger of institutions with different missions.

4.8 What the analysis says about its own results

Read as a whole, the Rapid Cost-Benefit Analysis is more cautious than the use that has been made of it. It states that its scenario results "represent an analysis of *what is possible*" and "cannot be guaranteed";[43] that the benefits "are both more challenging to guarantee and to measure" because they depend on achieving several enabling conditions;[44] and that its overall finding holds "under conditions where the right enablers are achieved and key risks navigated".[45] The report

[38]Rapid CBA, Appendix D, pp. 76–81.

[39]Rapid CBA, section 4.6.1, p. 52.

[40]Rapid CBA, section 4.6.1, p. 52; Feasibility Study, p. 38.

[41]Rapid CBA, section 4.6.2, p. 53.

[42]Rapid CBA, section 3.3.1, pp. 26–27.

[43]Rapid CBA, section 5.5, p. 67.

[44]Rapid CBA, section 4.3, p. 44.

[45]Rapid CBA, Insight 22, p. xxvii.

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also states that it was prepared solely for the internal use of the Western Australian Government and should not be relied upon by anyone else.[46]

5. The Feasibility Study

5.1 From conditional scenarios to "clear quantitative evidence"

The Investigation Committee should have tested the critical assumptions in the Rapid Cost-Benefit Analysis. Instead, the Feasibility Study's letter of transmission describes the analysis as providing "clear quantitative evidence of the potential positive impact of bringing two or more of our public universities together", commends the Minister and Government for showing "insight and courage in pursuing this path", and attributes the vision to the then Chief Scientist, Professor Peter Klinken.[47] The executive summary describes the Rapid Cost-Benefit Analysis as forming "the heart of this Feasibility Study" and finding "clear, quantifiable economic benefits".[48]

Each step of this process added a confidence to the conclusions that the underlying analysis does not provide. Assumed catch-up rates became scenarios; scenarios became estimated net benefits of between $2.2 and $7.6 billion; and those estimates became the basis for findings that all three merger options "show a positive economic benefit for the State" and that the three-way merger "will deliver the greatest social and economic benefit".[49] The cautions in the Rapid Cost-Benefit Analysis do not appear in these findings.

The Committee went further. It stated that the consultant had taken "a conservative stance by not modelling a continued decline that the Committee contends is likely to occur".[50] In other words, where the modelling did not support an assumption favourable to merger, the Committee supplied it without evidence. Perhaps that is not surprising, given the Chair has been a long-time merger advocate.

5.2 Evidence that pointed the other way

The Feasibility Study also records evidence that the position of the universities has improved since 2023 but gives it little weight. It found that there is "no immediate risk of a WA public university failing financially" and acknowledged the leadership the universities had shown in improving their financial positions.[51] It recorded that the share of Australia's international students enrolled at Western Australian public universities had risen from 8.6% in 2018 to 10.7% in 2024, and that overseas student load had increased by 71% between 2021 and 2024.[52] It recorded that Murdoch was the only one of the four universities whose undergraduate student experience ratings had risen between 2022 and 2024, and that Murdoch and ECU had risen in the QS rankings.[53]

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[46]Rapid CBA, Limitation of our work, p. 97.

[47]Feasibility Study, Letter of transmission, p. 6.

[48]Feasibility Study, Executive summary, p. 13.

[49]Feasibility Study, Findings 8 and 9, pp. 34–35, and Executive summary, p. 13.

[50]Feasibility Study, section 3.2, p. 32.

[51]Feasibility Study, Executive summary, p. 12.

[52]Feasibility Study, sections 2.1 and 2.3, pp. 23 and 26.

[53]Feasibility Study, Table 2, p. 27, and p. 29.

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Rather than ask whether these improvements cast doubt on the 2023 premise, the Study asserted, without supporting evidence, that "the steps taken to secure their financial position may have further eroded the quality of education and research",[54] and concluded that the case for change was unaltered. When improvements are ignored and committee opinion taken as evidence, it becomes clear that the conclusion is the statement of a pre-existing position rather than the result of an objective evaluation of the evidence.

5.3 Scale, rankings and reputation

A central theme of the Feasibility Study is that scale drives performance. It relies on a correlation, within Australia, between student load and Times Higher Education scores, while noting that "this relationship was not identified in global data".[55] That qualification is important. In Australia, the largest universities became large over decades, largely through growth in international enrolments stimulated by and funding their research standing; they were not made successful by becoming large. Internationally, many of the world's most highly regarded universities, including Princeton, Caltech, Oxford, Cambridge and Durham, are of moderate size.

Rankings that are sensitive to absolute size, such as ARWU, will rise when institutions are combined, regardless of any change in quality. Rankings that are normalised for size, which are those most used by international students, are likely to fall where a selective institution is combined with less selective ones, as the 2023 Review itself anticipated.[56] The Study's comparison with the University of Toronto[57] illustrates the difficulty: Toronto's standing is the product of nearly two centuries of development, sustained public and philanthropic investment, and the economic weight of Canada's largest city. It does not show that a merged university in Perth would achieve comparable standing.

5.4 New rationales, untested

The Feasibility Study also advances rationales for a merger that do not depend on the economic modelling: that a merger would allow the State to end competition between the universities and would give the Government greater oversight of course offerings and research priorities.[58] These may be legitimate objectives, but the Study does not test whether merger is the only, or the best, means of achieving them.

The combination of competition and collaboration that exists between Western Australian universities is typical of university systems in the developed world. Competition for students has driven innovation in courses and support, and collaboration already occurs where it is beneficial. To the extent that greater coordination of missions and enrolments is desirable, the new Commonwealth arrangements under ATEC and Mission-based Compacts now provide a mechanism for achieving it, and the State could seek a formal role in that process. The Study does not consider this possibility, even though its own analysis of the Accord reforms points directly to it and I suggested it to them.

[54] Feasibility Study, Executive summary, p. 12.

[55] Feasibility Study, section 3.2, p. 32.

[56] 2023 Report, pp. 27–28.

[57] Feasibility Study, p. 35.

[58] Feasibility Study, Findings 3 and 4, p. 32, and Executive summary, p. 14.

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6. The business case process and its governance

6.1 Terms of Reference that presume the outcome

The Government has stated that the business case will "further interrogate the benefits and costs of a merger".[59] The Terms of Reference for the Steering Committee, however, are framed around a single outcome. The Committee's purpose is "to provide high-level strategic advice on university amalgamation"; the business case is defined as "the work related to informing a final investment decision on university amalgamation"; and the Committee is established until 31 December 2027, described as "the estimated duration of Phase 1 and up to the formation of the Transitional Council in Phase 2".[60] None of the Committee's functions refers to the evaluation of alternatives. Terms of Reference that anticipate the formation of a Transitional Council are not appropriate terms for an open inquiry.

The Government's covering letter also presents the earlier reports' conclusions as settled, stating that the 2023 and 2025 reviews "found that merging UWA, Curtin University and Murdoch University would provide maximum economic benefits[61] For the reasons set out in Sections 3 to 5, that is a considerably stronger statement than the underlying analysis supports.

6.2 The composition of the Steering Committee

The Committee comprises an independent Chair and Deputy Chair, five persons appointed by the Minister, three university representatives, one staff and one student representative, and ex officio members from the Department of the Premier and Cabinet, the Department of Education and the State Solicitor's Office. The three universities that would be merged hold three of approximately sixteen positions[62]. The Committee's role is advisory, with decision-making retained by Government.[63]

The Ministerial appointees include Professor Peter Klinken AC, whom the Feasibility Study identifies as the originator of the vision for merger.[64] I do not question the integrity or ability of any member of the Committee. But a body charged with advising on the merits of a proposal should not include its principal originator among those appointed to assess it, and the Terms of Reference requirement for members to declare conflicts at each meeting[65] does not address a structural problem of this kind. Nor does the composition reflect the 2023 Review's own recommendation that the work be overseen by a Strategic Working Group of the Minister and the Vice-Chancellors of the participating universities.[66]

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[59]Letter of 10 October 2026, p. 2.

[60]Tertiary Education Reform Phase 1 Steering Committee, Terms of Reference (2026), Terms, clause 1.1 and clause 4.1.

[61]Letter of 10 October 2026, p. 1.

[62]Terms of Reference, clause 1.x

[63]Terms of Reference, clause 1.2.

[64]Feasibility Study, Letter of transmission, p. 6.

[65]Terms of Reference, clause 7.

[66]2023 Report, Recommendation 4, p. 34.

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6.3 Advocacy before analysis

Since the announcement, the Minister[67], the Premier[68], the Chair of the Steering Committee[69], Mr Mark Barnaba AM, and its Deputy Chair[70], Professor Fiona Wood AO, have each spoken publicly in support of the merger, with reference to the billions of dollars in benefits that it is said would flow to the State. Those statements rely on the figures from the Rapid Cost-Benefit Analysis (which, as I have demonstrated, are deeply flawed) without the qualifications that accompany them in that report.

It is entirely proper for the Government to explain why it is undertaking a business case. It is a different matter for the Chair and Deputy Chair of the body that is to advise on the business case to advocate the outcome before the business case has begun. Their statements go beyond giving rise to a reasonable concern about impartiality. They show that the Committee's leadership has already formed and expressed a view on the question the Committee exists to consider. In those circumstances it is difficult to see how the Committee could be regarded, by the universities, their staff and students, or the public, as an impartial body capable of giving alternatives equal consideration.

Taken together, the Terms of Reference, the Committee's composition and the public statements of its leaders support the inference that the business case process has been designed to confirm and implement a decision whose direction has already been settled, rather than to determine whether it should be made. I present this as an inference from the documented sequence of events, not as an established fact. But it is an inference that a reasonable observer would be entitled to draw, and the Government's own approach makes it very difficult to dispel.

7. The cost of the process itself

The 2023 Review recommended that, if the Government accepted its first recommendation, the further work should be "progressed as quickly as possible to minimise uncertainty for the community and university sector".[71] It identified moving quickly to agreed timescales as a condition of success. Instead, the question of merger has now been under active consideration since early 2023; each report has been withheld for an extended period; and the Terms of Reference contemplate a further phase lasting until the end of 2027. The universities, their staff and their prospective students have lived with uncertainty for nearly four years and face at least another year of it.

Uncertainty has real costs. Prospective students, particularly international students, choose universities partly on the basis of their stability and reputation. Researchers considering whether to join or remain at a Western Australian university, and partners considering long-term collaborations, weigh the same factors. Public commentary from proponents of the merger that

[67] https://www.abc.net.au/news/2026-10-20/education-minister-defends-controversial-wa-university-mergers/107289084

[68] https://www.abc.net.au/news/2026-10-11/wa-progresses-university-merger-plan/107253400

[69] https://www.afr.com/policy/health-and-education/merging-wa-unis-is-a-good-idea-for-australia-s-economic-future-20261012-p614k5

[70] https://thewest.com.au/news/education/disruptive-burns-specialist-fiona-wood-urges-uni-merger-critics-to-engage-amid-wave-of-negativity-c-23022684

[71] 2023 Report, Recommendation 3, p. 34.

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has characterised Western Australia's universities as underperforming, “sub-par”, or as engaged in a “race to the bottom”, compounds the problem. It is likely to damage precisely the outcomes the reviews say they want to improve: domestic and international demand for study in Western Australia and the State's capacity to attract research talent and funding. That damage will be incurred whether or not a merger ultimately proceeds.

The process has also run counter to the Review's conditions for building support. Dissenting views from universities, staff, students and alumni have been treated as resistance to be overcome rather than as evidence to be engaged with. Since the reports were released, public reaction has been predominantly negative. The 2023 Review identified broadly based staff, student and community support, transparency, and compromise as conditions for success. A process that withholds the evidence, presents its conclusions as settled, and declines to engage with dissent is unlikely to build that support, and increases the likelihood that any merger would fail even if it were imposed.

8. Implementation risks

The risks of implementation are substantial and are understated in the material released. The Rapid Cost-Benefit Analysis estimates costs of $680 million in real terms for the three-way merger, over a 10-year implementation profile, using general corporate benchmarks; it notes that the merged entity would not reach “Day 1” until year five.[72] The Feasibility Study acknowledges that the three-way option “presents the highest complexity and execution risk”.[73] Among the risks are:

- *Divergent missions and standards.* As discussed in Section 3.5, a single institution must adopt single entry standards, English-language requirements and fee levels, each of which would cause a loss of students from one part of the combined institution or another.
- *Multi-campus operation.* The main campuses of UWA, Curtin and Murdoch are far enough apart that neither students nor staff could reasonably move between them during a working day. Internationally, universities are consolidating rather than multiplying campuses. Durham University, where I served, closed its Stockton campus, at a distance comparable to that between Murdoch and UWA.
- *Systems and workforce.* Integrating student, finance, human resources and learning management systems across three institutions, and harmonising three enterprise agreements, would be costly and slow, and harmonisation is likely to raise rather than reduce costs.
- *Management distraction.* Implementation would absorb the attention of university leaders for most of a decade, at the time when the sector must respond to the reshaping of the national system through ATEC, new funding arrangements and Compacts, and to the profound implications of generative artificial intelligence for teaching, learning and research.
- *Loss of diversity and choice.* Replacing three distinct universities with one would reduce choice for Western Australian students and the diversity of institutional missions serving the State, a point made at length elsewhere and not repeated here.

[72] Rapid CBA, Table 5.2, p. 59.

[73] Feasibility Study, Option 1, p. 35.

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The Feasibility Study expressly did not examine staffing models, retention or redundancies, and it did not consider how a merger might be implemented.[74] Those questions go to the heart of whether the projected benefits could ever be realised.

9. Conclusions

Western Australia deserves universities that serve its people well. The question this paper has examined is narrower: whether the evidence assembled by Government establishes that merging Curtin, Murdoch and UWA is the right means of achieving it. It does not.

The 2023 Review's central premise, that incremental change cannot succeed, was asserted rather than demonstrated, and alternatives were set aside without evaluation. The Rapid Cost-Benefit Analysis was not designed to test that premise; it modelled the benefits that would follow if merger caused large improvements in completions, research expenditure and international fees, without showing that it would. The Feasibility Study did not test those assumptions, presented conditional scenarios as clear evidence, and discounted evidence of improvement. The business case process is framed around amalgamation, includes the merger's originator, and is led by members who have already advocated the outcome. At each stage, confidence expressed in the conclusion has increased while the evidence has not.

Accordingly, the current process should be paused and reset before any further work proceeds. If the Government wishes to continue to consider structural change after such a reset, the following minimum conditions should be met:

1. Independent analysis, commissioned and overseen by a body without a prior commitment to any particular outcome, of the causes of the performance trends identified in 2023, and of how they have changed since.
2. Comparison of merger with credible non-merger alternatives on an equal basis, using the same methods and standards of evidence, including explicit, evidence-based mechanisms linking each option to each claimed benefit.
3. Consideration of the nature of any merger considered, particularly as it relates to harmonisation of courses, teaching periods, entry standards, and fees, the consolidation of disciplines on campuses, and the disposal of land.
4. Full quantification of the costs, savings, indirect costs and risks identified but not quantified in the Rapid Cost-Benefit Analysis.
5. Governance arrangements that give the universities, their staff and students a genuine role in overseeing the work, consistent with the 2023 Review's own recommendations, and that command broad confidence.
6. Transparency: release of evidence as it is developed, so that conclusions can be tested publicly before decisions are made.

A decision of this importance should be made only when the evidence clearly supports it. At present, it does not.

[74] Feasibility Study, section 1.2, p. 18.

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Appendix A: Submission to the Investigation Committee

Observations on the possible merging Murdoch University and the University of Western Australia

Professor Andrew J Deeks
Vice Chancellor and President, Murdoch University
President, International Association of Universities

Introduction

The following comments are made in response to the final report of the University Sector Review of WA public universities. That report (the Report) recommends that the State Government considers the costs, benefits and business cases for a merger of the University of Western Australia (UWA) and Murdoch University (MU), and/or UWA, MU and Curtin University. I will limit my comments to a possible merger of UWA and MU, both because many comments are applicable to both, and also because I consider the second option to be untenable.

As background, I am a UWA graduate three times over and worked on the academic staff of UWA for 25 years, moving through the academic ranks from Tutor to Professor and Head of School. I was then a Pro-Vice-Chancellor and member of the senior leadership team at Durham University for 4.5 years before moving to University College Dublin, Ireland's largest university, where I was President for just over 8 years. I have been Vice Chancellor and President of Murdoch University since March 2022. I have been a board member of the International Association of Universities for 8 years and President since November 2022.

Cultural differences

While there are many financial costs associated with such a merger, such as harmonising IT systems (including the HR, Finance, Learning Management and Workflow systems), salary harmonisation, restructuring and relocating operations, etc., with sufficient allocation of funds, these challenges can be overcome.

However, there are fundamental differences between the two universities and the makeup of the student and staff bodies that are much more difficult to address. These include:

1. Cultural differences
    a. Murdoch University was set up as a 'university of difference' in 1974 with significant help from UWA. From the beginning it was a university that welcomed students from diverse backgrounds and pathways, having the first flexible admissions policy in Australia. The need to have a university in the state which was different from UWA had already been identified at that time, and UWA involvement in the creation of MU ensured that it was as different as possible from UWA (and hence not a competitor).

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b. Students from diverse backgrounds and pathways require more support and different approaches to teaching and learning, compared with the typical UWA student. It is within the Murdoch University culture to provide that support, while the UWA culture is built on bringing in the State's best and brightest students, providing them with learning opportunities, and inculcating them into a research community.
c. While university leadership at each university has from time to time wandered from those underpinning values, academic staff tenures are long, and many PhD students who have undertaken studies at the universities have become members of the academic staff, reinforcing the distinct cultures.

2. Differences in admissions standards
    a. ATAR entry scores for comparable courses are lower at Murdoch than UWA. A merged institution would need to adopt the lower standard if it was to maintain student numbers or the higher standard if it was to maintain the UWA approach to teaching. The second would result in a decline in the number of domestic students at the merged institution.
    b. As MU has a greater culture of student support, it can successfully admit international students with lower English and academic achievement than UWA, and does so at a lower fee level. A merged institution would need to adopt the lower standard if it wished to maintain the international student numbers currently enrolled at MU, or maintain the UWA approach to entry standards and accept a reduced number of international students than are currently enrolled in the two institutions.

Students who currently feel comfortable attending MU do not necessarily feel comfortable at UWA. Indeed, some have transferred from UWA to MU for this reason.

These major issues are ignored by the Report, which assumes that the student loads, staff cohorts and finances of the universities can simply be added together to give an indication of what the resulting university would look like. In fact, the merged university would most likely either lose high performing WA students to more selective Eastern States universities or lose students from underrepresented groups to Curtin or ECU or potentially from the system altogether.

The Universities Accord Report identifies the need for Australia to have more universities and more university places, and also a greater diversity of universities. The Accord Report identifies the opportunity for greater university participation to be from disadvantaged and underrepresented groups of the community, including indigenous peoples. These are the groups that MU was created to serve, and those least likely to feel comfortable at UWA. However, the WA Report makes no reference to these groups.

Merging MU and UWA would reduce choice for Western Australian students and cause a dilemma as to whether the merged institution should prioritise excellence, research and top 100 ranking, or prioritise accessibility of education and support for students of all capabilities to reach their full potential. No university in the top 100 achieves both. Maintaining the independence of the two universities allows the State and the students of the State to continue to have access to the best of both worlds.

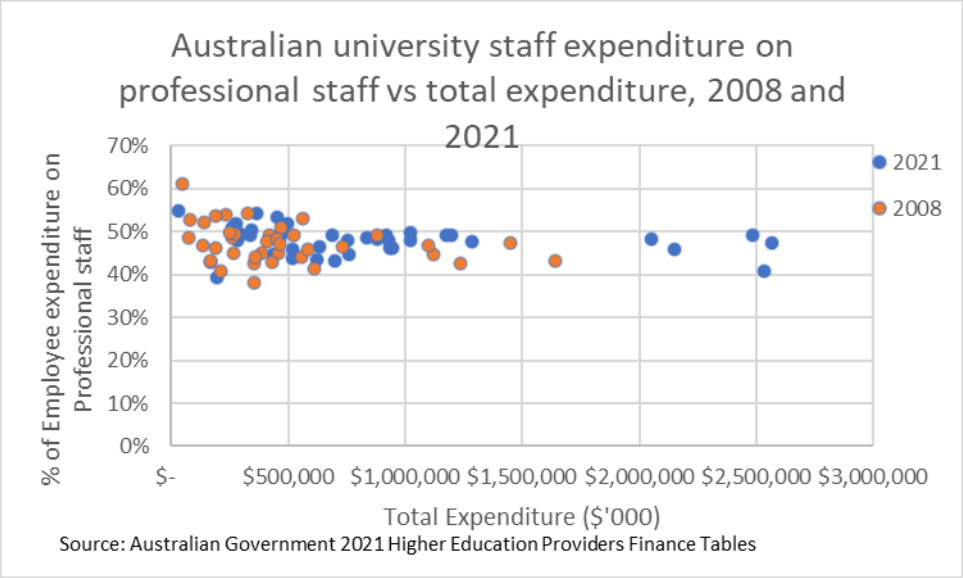
While the two universities are relatively small by Australian standards, they are both medium sized by world standards, and as large as many of the non-Australian universities in the world top 50. There is an assumption running through the report that students are attracted to big universities and that big is better. Harvard, Princeton, Stanford, Oxford, Cambridge, Durham, all

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show that is not the case. The Australian demand-driven system combined with dramatic growth in Chinese international students focussed on university rankings has resulted in a small number of very large Australian universities, distorting the Australian system. The reforms to the funding model proposed by the Universities Accord will attempt to address this issue.

Potential Merger Benefits

Turning to the potential merger benefits that are presented in the report, these are in many cases uncertain and to some extent contradictory. A merged university has the same people doing the same things. Both Murdoch and UWA are already of sufficient size that there are limited economies of scale available to a merged institution. There is no evidence that larger institutions are able to save costs in back office functions on a per student basis. From an academic perspective, student:staff ratios must be maintained, particularly in accredited courses, to maintain student experience and also to maintain university rankings. The graph below shows that the proportion of university staff expenditure on professional staff is virtually flat across universities of vastly different scale.



Credit: @DrPeterBentley

The Report claims that a merged institution would benefit students by providing access to access to a broader range of subject and course offerings within a single institution. However, an individual student is not concerned with the number of course offerings, as they only undertake one course at a time. They chose a university that has the course they want and 'feels' right to them. Having a limited range of courses is not an impediment for a university. For example, Durham University does not have a medical school and only has general engineering rather than a full engineering faculty, yet consistently rates in the top 5 universities in the UK in the Good Universities Guide.

The Report refers to unproductive local competition and suggests that a merged university with a new identity and additional and refreshed courses could attract additional demand. However, reduced competition is not a known contributor to innovation. As a result of the competition for domestic students, each university is already looking at how it can create and/or update courses in order to attract more students.

'*Additional academic staff … would provide supervisory capacity and research opportunities that could attract* (additional) *HDR students* …'. HDR students are attracted by the scholarships that

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are offered and by the research interests and track records of the researchers. Since the merged institution would have the same academic staff as the two component institutions, there is no reason to believe HDR student numbers would rise, unless additional scholarships were provided.

'… *would provide further opportunities for a merged institution to better serve parts of the metropolitan area beyond the CBD* …'. It is not clear what additional opportunities would be provided. Only ECU will be based in the CBD. MU attempted to provide undergraduate programmes at the Rockingham campus, but this was not of interest to students, and the programmes only became successful after relocation to South Street. We continue to offer a successful nursing program at Mandurah, but this is only because we restrict the number of nursing students at South Street.

'*For regional and remote parts of the State, a merger could increase subject and course offerings and provide additional resources for innovation in delivery methods and student access*.' The funding streams and costs for the merged institution would remain much as they currently stand, so there would be no additional resources and no additional incentive for a merged institution to do this. The Universities Accord includes a focus on remote and regional students, and so a new funding model, together with the ATEC working with the universities through mission-based compacts, provides an opportunity to address these issues.

'*Staff … would have larger and more diverse staff teams and access to more extensive facilities … promote innovation in research … offer enhanced academic career pathways and promotion prospects'*. Many areas in a merged MU UWA do not overlap, so there would be no change in teams. Where areas do overlap, there are already research collaborations across the institutions and arrangements for access to research facilities. Both institutions already have promotion processes which are world class and have the capability to attract staff internationally. A Murdoch University academic recruited from overseas was recently elected Fellow of the Royal Society. The key to attracting senior academic staff is research funding and junior academic staff tenure, not a newly merged institution.

'*A merged university … would bring together researchers and infrastructure currently dispersed … creating greater critical mass* …'. Researchers in cognate areas are already working together across WA universities. Significant items of research infrastructure are usually part of technical ecosystems within universities, and can only be relocated at significant cost. Like many statements in this report, these are general statements which would not be realised in practice.

With respect to rankings, the report indicates that a MU UWA merger would likely result in a decrease in the QS and THE rankings (which are the most publicised) but an increase in the ARWU (Shanghai Jiaotong). A deficit of the ARWU ranking has been its vulnerability to scale, using publicly accessible indicators of prestige (such as Nobel prizes) and not factoring in staff or student numbers. When released, it resulted in a sudden flurry of university mergers across China. That adding up the metrics of UWA and MU results in a university which is ranked higher than the two separately, when the teaching and research performance does not change, shows the deficit of the methodology. Students who are influenced by rankings look at THE and QS, and so a merger would be detrimental from an international student recruitment perspective.

'*A merged institution with a clear and compelling vision and performing well could be expected to boost revenue in the medium term* …'. Any institution with a clear and compelling vision and performing well could be expected to boost revenue. This is a circular argument. There would be a real issue in working out what a clear and compelling vision for a combined MU UWA would be. Each university individually could come up with such a vision, but the visions would be different.

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As discussed above, MU and UWA are both of a size where there are limited opportunities for economies of scale. Bigger organisations often face diseconomies of scale, particularly in a merger situation, and become harder to manage without streamlined systems.

With respect to expenditure on non-academic staff, 2021 was in any case an exceptional year, but the current discussion on needs-based funding recognises that educating students from non-traditional and indigenous backgrounds requires additional support, and the staff providing this support are mostly professional staff. Based on the 2021 figures in the report, a MU UWA merger could result in a saving on professional staff of $13m on a $1.5 billion budget, i.e. less than 1%, providing this support was reduced back to the sector average. This $13m is far less than the additional expenditure that would be required to achieve the potential benefits.

Merger Risks and Challenges

In contrast to the vague and hopeful description of the benefits of a merger, the analysis of the potential risks is, to a large extent, not about risks, but about the certain challenges any merger will face.

'*Merger … would require significant funding and community support*'. As was seen in the public debate when this review was first set up, there is virtually no community support for merging universities and even less for spending significant public funds on such a project. The question is 'why', and the vague possible benefits outlined in the report are not going to convince the public, the university staff or the students.

'… *could negatively impact on student satisfaction in the short term and in the longer term because students at smaller universities often report higher levels of satisfaction* …'. This suggests that any merger is not concerned with the interests of the students, particularly not those from underrepresented groups.

'.. *risk to onshore international student numbers comes from a possible adverse impact on rankings* …'. That is one possibility, but, given that MU has a greater number of international students than UWA, yet is lower ranked, the greater risk comes from the incompatibility of the English language requirements, the entry requirements and the student fees. Many of the MU international students would not gain entry to UWA, or would not be able to afford its courses.

'… *complex in terms of campus locations and geography … logistics of managing a larger, multi-campus institution and determining the level of specialisation or comprehensiveness at each would require careful consideration*.' This is a significant challenge unless the merged institution functions on one main campus. Multiple campuses are always problematic. Durham University ended up closing its Stockton campus, which was approximately the same driving distance as from MU to UWA (outside of the Perth rush hours). MU and UWA are far enough apart that no student or staff member will want to be spending their studying or working day between the two campuses. Around the world, universities are consolidating campuses.

'… *staff disruption, diversion of executive focus and energy .. integration challenges from different cultures, values, ways of operating, as the merged institution works to establish a cohesive new organisational culture*.' As pointed out earlier, there are very significant cultural differences between MU and UWA. Identifying a cohesive new organisational culture would be difficult, and there is the danger that one university would simply be absorbed into the other.

'*To the extent that a merger leads to reduced demand from domestic and international students and potential revenue loss, financial performance will be impacted negatively at least in the short term. This impact could be exacerbated if the merger proves to be highly controversial and*

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disruptive.' While MU is keeping its head above water financially, there is very little surplus, and the reduced demand, reduced productivity and greater staff turnover a merger would bring would be very disruptive. In itself, this will make any merger highly controversial.

'*These potential short-term costs are substantial … could not be funded by the universities involved in any merger* …'. This is a certainty, as are the additional costs of operating a multicampus university.

Conclusion

Given that the challenges and risks are significant, the potential benefits uncertain (particularly to the students of Western Australia), and the costs (both financial and opportunity) are huge, it is hard to understand why the report has recommended further consideration be given to a merger.

Western Australia has a well-balanced higher education ecosystem, where every student can find their place. While it could benefit from better coordination, potentially through the ATEC and a WA Office of Higher Education, a merger would be an extremely expensive distraction which would limit our ability to engage appropriately with the ATEC at a critical time in the implementation of the Universities Accord reforms and a new funding model.

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