Why are Australian Universities Doing So Well in the Rankings?

William Locke

Several media outlets have noted recently how well Australia’s universities appear to have fared in the recent versions of the most influential global rankings. The Times Higher Education (THE) magazine reported that Australia had doubled its representation of universities in the top 100 in its World Reputation Rankings, compared with the previous year. Two more institutions entered the top 200 in the main THE rankings this year (making a total of 11), and one more had made the top 100 in the Shanghai Academic Ranking of World Universities (ARWU) (making a total of seven). But which universities are improving most, in which rankings, and which indicators in particular, and is this a sudden improvement or are the trends more complicated than this? More importantly, why might this be happening at this point in time?

Which Universities and Which Rankings?
The obvious point to make is that only a small sample of the best-known and most research-intensive Australian universities appear in the higher echelons of the global rankings that receive most attention. So, the performance of the majority is obscured from view and regarded as barely noteworthy by journalists and commentators. Even among these elite few, those universities that have consistently appeared in the rankings from the start have barely moved in recent years. In the THE 2020 ranking, the University of Melbourne’s position (32) remained the same as in the previous year, the Australian National University (ANU) (50) and the University of Sydney (60) each dropped by one place, and the University of Queensland rose by three (to 66). In fact, it is the universities just behind these top four that have improved their positions the most: The University of New South Wales (UNSW) is up 25 places to 71, and Monash University increased by nine to 75. However, the most significant rises for both these universities were not in 2020 but several years ago: between 2012 (173) and 2013 (85) for UNSW and from 2011 (178) to...
2013 (99) for Monash. Both have been bouncing around where they are now for the past seven years, but it is the bounces that make the news stories, not the long-term trends. The improvements for UNSW and Monash are echoed in the other two influential rankings, QS and ARWU. UNSW reached its highest position so far in the QS 2020 ranking at 43, and Monash also peaked in 2021 at 55. In ARWU, Monash improved by 18 places to 73, and UNSW entered the top 100 (at 94) for the first time in 2019 (the latest version), having steadily improved its position since 2003. Other notable rises have been achieved by universities lower down the rankings, such as by Canberra in the THE (up to 193 from 251–300) and QS (456 from 601–650 two years ago), and by the University of Technology Sydney (UTS) in the QS ranking (140 from 160 two years ago) and ARWU (201–300 from 301–400).

Which Indicators?
What aspects of these universities’ performances appear to explain these successes? In the THE main ranking, “International outlook” (students, staff, and research collaborations) is the indicator that Australian universities perform best at, followed by “Citations” and “Research” (reputation, income, and productivity). In the QS ranking, the highest indicators by far are “International students” and “International faculty,” whereas they are only mid-ranked in “Academic,” “Employer ratings,” and “Citations per faculty.” Finally, in ARWU, Australian universities perform best in the number of articles that appear in citation indexes and the number of highly cited researchers. However, the indicators that these top ranking universities perform worst at are “Teaching reputation” and “Student–staff ratios.” In Australia, only ANU—a relatively small university by Australian standards—and Bond University (a very small private one) have a student-staff ratio of lower than 20 in the THE ranking.

Why Are They Doing So Well?
So, why are these particular Australian universities doing so well in the global rankings and what accounts for the recent improvements of UNSW and Monash? It will not be a surprise to discover that the Australian universities with the highest rankings are the strongest financially—and by some margin, as my colleague, Frank Larkins has confirmed recently. His study of the financially strongest universities in the country over the ten-year period to 2018—with the exception of ANU due to its much smaller size—identifies the same five that have performed best in the global rankings (Melbourne, Sydney, Monash, UNSW, and Queensland). All of them have achieved significant increases in revenue since 2009, but for the top four (excluding Queensland) this has particularly occurred since the introduction of demand-driven enrollments for home students in 2008, and an acceleration of the increase in international postgraduate coursework students since domestic numbers were capped in 2017. The average revenue of these five universities, normalized by equivalent full-time student load, was approximately 50 percent higher than for all Australian universities.

It is the management of these financial resources that has made the difference. In particular, during this ten-year period, UNSW increased its asset base by 75 percent (compared with an average of 40 percent for the country’s whole higher education sector) and its equity base in real terms by 70 percent (compared with 31 percent for the whole sector). Melbourne and Sydney have the largest asset bases, but Monash has been the most effective of these five high performing universities in the deployment of its total assets.

However, these universities have not increased their staff numbers proportionately and, apart from highly cited overseas researchers, the staff that they have recruited are largely teaching only, casual, and professional staff, who cost a lot less than academics who are expected to both teach and research. Consequently, all five universities increased their revenues normalized by full-time equivalent (FTE) staff (including casuals) above the sector average, but Monash increased this the most, by 21 percent, compared with 7 percent for all universities.

These universities’ rankings performance has much to do with the management of their financial resources. They have maximized their income by recruiting more international and postgraduate students, and used this to subsidize research, including recruiting highly cited overseas academics and providing them with the best facilities, leading
to improved outcomes. This has improved the universities’ scores in indicators of the proportion of international students and staff, and research outputs and impact, which has consolidated or improved their high overall ranking performance.

However, growth in revenue and the increase in staff FTE have not kept pace with student growth, hence their high student–staff ratios and relatively modest teaching reputations. The big question is whether this performance—in financial management and rankings position—is sustainable in the context of the COVID-19 pandemic, an unsupportive government, and the geopolitical vulnerability that Australian universities find themselves in.

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