

Key findings

University operations	<ul style="list-style-type: none"> • UNSW's ongoing operations contributed \$1.76 billion to Australian GDP in 2014, including \$1.58 billion to GSP in NSW • The total contribution of UNSW's operations to NSW is equivalent to 7% of the total education and training in the state or 12% of the state's mining industry output.
Skilled graduates	<ul style="list-style-type: none"> • University education added an estimated \$140 billion to GDP in 2014, by raising the productivity of the workforce • Assessing the impact of just one cohort of UNSW undergraduate students, as an example, UNSW's 4,900 bachelor degree graduates from 2013 are estimated to contribute as much \$204 million to Australia's GDP each year over their lifetimes, equivalent to around \$41,500 per graduate per year. • UNSW's 8,100 bachelor and post-graduate degree graduates from 2013 will earn, in total, an estimated additional \$56 million on average each year over their lifetimes.
University Research	<ul style="list-style-type: none"> • The stock of technology and knowledge attributable to Australia's universities is estimated to contribute approximately \$160 billion to GDP in 2014, almost 10% of total GDP. UNSW's share of this contribution would be in the order of \$15 billion. • UNSW's current annual expenditure on research of around \$1.04 billion, if sustained over time, is estimated to: <ul style="list-style-type: none"> • increase GDP by between \$106 and \$190 billion over a period of 35 years, based on research expenditure of \$17 billion (both in present value terms)¹ • indicating a return for the economy of between \$5 and \$10 for each \$1 invested, over a period of 35 years (in present value terms) <ul style="list-style-type: none"> • this implies the equivalent annualised return from investments in real per capita university research lies in the order of 60%-100% • by way of comparison, the current annualised real return to paying down government debt is around 1.5% in real terms and the historical real before-tax rate of return on private investment is around 7%.²
Future investments in research	<ul style="list-style-type: none"> • Halving the growth in university research expenditure in 2014 from the current trend of 4.3% to 2.1% is estimated to cost the economy around \$23-\$42 billion in GDP (in present value terms, out to 2050). • Alternatively, increasing the growth in university research expenditure in 2014 from the current trend of 4.3% to the average of the past decade of 5.7% is estimated to raise GDP by \$16-\$29 billion (in present value terms, out to 2050).
Supporting Australia's productivity growth	<ul style="list-style-type: none"> • For growth in national income over the next decade to remain at the level experienced from 2001-2013, labour productivity will need to increase by almost 3% annually from 2014 to 2023. • A 10% increase in university research spending (per capita) compared to 2013 levels is estimated to generate almost a third of the required rate of labour productivity growth required to maintain our growth in living standards out to 2050.

¹ Further explanation of this present value calculation is included in footnote 28 on page 54 of this report.

² Further explanation of this result is included in paragraphs 2-3 on page 80 of this report.