

# Submission

to

Senate Employment, Workplace Relations and Education  
Legislation Committee

## **Inquiry into the provisions of the Higher Education Support Amendment (Abolition of Compulsory Up-front Union Fees) Bill 2005**

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# Overview

This submission to the Senate Employment, Workplace Relations and Education Legislation Committee is prepared by a working group established under the aegis of Australian University Sport (AUS), the peak national body representing 46 campus sport and recreation organisations.

Since Federal Education Minister Brendan Nelson MP introduced Voluntary Student Unionism legislation to Parliament on March 16, 2005, AUS has undertaken a campaign to raise awareness of its impact on sporting bodies at tertiary education providers (TEPs) nationwide.

AUS's opposition to the legislation in its present form is founded on the belief that the removal of such a significant income stream, without any reasonable period to adjust, will have a catastrophic impact on a much-underestimated, self-funding sector of Australian sport and recreation.

As a result of having conducted a timely survey of its members in December 2004, AUS calculates that the legislation will lead to a loss of nearly half (\$32 million) of members' annual investment in sport and recreation. It is a debilitating figure for any industry, let alone one given only months to adjust.

This submission will not dwell on the importance of sport and recreation in the overall campus experience. Suffice to say, many thousands of successful Australians – notably Rhodes Scholars, business leaders, prominent sporting administrators, Olympians and Parliamentarians – can attest to the role university sport and recreation played in their development.

More than 50 of their number – among them David Clarke AO, Sir Llew Edwards, Mike Fitzpatrick, Shane Gould MBE and David Mortimer AO - recently lent their names to a national advertisement calling on the Federal Government to amend the VSU legislation to allow for the continuation of a sports facilities and activities fee.

As contained in the conclusion, AUS proposes the legislation be amended to allow for a more inclusive students services and amenities fee, at the same time as addressing Federal Government concerns about governance and misuse of funds for political purposes.

# Executive Summary

The main points made in the following document and its appendices are:-

- \*Student **fees generate \$40 million annual income** for TEP sporting bodies. Using the West Australian experience of full VSU (1997-2002) as a guide, best estimates indicate up to **80 per cent will be lost**.
- \*Sport and recreation services, programs and facilities at **regional, rural and outer urban TEPs will suffer disproportionately** as a result of this legislation.
- \*The removal of guaranteed revenue streams **will jeopardise** the maintenance and viability of **more than \$600 million of sporting infrastructure** painstakingly built up over generations through the contributions of past students.
- \*With no time to adjust to the loss of a significant income stream, TEP sporting bodies that have recently **invested in infrastructure will struggle to service debts**.
- \*Future students will be disadvantaged enormously as TEP sporting bodies - particularly those in regional, rural and outer urban Australia – **will no longer be able to confidently borrow for capital projects**.
- \*The **health of our student population – and many members of the general public - will be adversely affected** by legislation which reduces the capacity of TEP sporting bodies to promote physical activity through their clubs, facilities and school programs.
- \*Those sports which traditionally struggle for support, particularly **women's and disabled sport, will be severely undermined** by the diminished resources available to TEP sporting bodies.
- \*Students who are also **elite athletes** (a third of our Olympians in Athens were either current or past tertiary students) **will no longer receive the support** necessary to balance sport and study, necessarily **affecting our success on the international stage**.
- \*In an already-flattening market, **international students will be discouraged** by any erosion in current standards of sport and recreation infrastructure, putting at risk \$6 billion in export earnings. The dangers are highlighted by the **West Australian experience** of full VSU, a period during which the **growth in international student numbers was nearly 40 per cent less** than the national average.
- \*Up to **1,400 of the 4,100 full and part-time jobs** in TEP sporting bodies could be **lost** as a result of the VSU legislation.

# Terms of Reference 1

## Likely effect on student services and related consequences

An AUS survey of members in December 2004 determined that under the current funding models in place around Australia, TEP sporting bodies received \$40 million as their share of student fees charged by TEPs.

Statistics available from Western Australia during that state's experience of full VSU between 1997 and 2002 suggest that, in the event the current legislation is passed, TEP sporting bodies can expect to recover about \$8 million (20 per cent) of that income through increased charges and voluntary membership.

That leaves a \$32 million hole.

It is at this point that AUS and the Federal Government diverge even further on the legislation's likely effect. The Government contends that if TEP sporting bodies are as vital a component of campus life as they portray, the TEPs will simply find the money to plug the hole.

From experience, TEP sporting bodies know this to be an overly optimistic proposition.

When it comes to allocating funds, TEPs necessarily look first to their core businesses of teaching, research and associated capital projects. In a post-VSU landscape, sport and recreation organisations will have to take their place in the queue along with the multitude of other student services currently provided by student unions and guilds.

Just how that plays out no one can say with any certainty, given the differing states of financial health enjoyed by TEPs. What one can confidently assert is that it will not amount to anything like full replacement value for current incomes.

It is that loss of certainty that comes with student fees that will add to the burden for TEP sporting bodies. It would be generally known that, in an open market, sport and recreation does not pay for itself. For evidence of that you need look no further than the estimated \$2 billion in tax and ratepayers' money jointly directed to the sector by the three tiers of Government each year.

Save for a few high performance and infrastructure grants amounting to a small fraction of turnover, TEP sporting bodies enjoy no such subsidy from the public purse.

Remove the student fee income, then, and TEP sporting bodies will exist on a perpetual knife edge, subject to the whims and financial fortunes of TEP administrations and unable to offer the security to raise loans for infrastructure development.

The consequences are apparent to AUS members. Services, facilities and programs will be severely eroded, although not in a uniform manner.

Clearly, there are differences between the established metropolitan TEPs and those regional, rural and outer urban TEPs which are either in the process of building up their infrastructure or have limited options for alternative funding because of the markets in which they operate.

Nowhere has this issue been better assayed than by New England sheep farmer Gerard Stephen, chair of a community committee seeking to raise \$2.5 million to upgrade the University of New England pool and build a grandstand at the main rugby field.

In a letter to the local Armidale Express newspaper, Stephen wrote how fundraising had already been compromised by regional concerns as to whether Sport UNE would be able to manage and maintain facilities post-VSU.

“Like many regional universities,” wrote Stephen, “UNE is challenged by the need to provide commercially viable, yet quality services to the relatively small number of students who require them, with internal students only on campus for around eight months each year.

“Despite the low numbers, for students and their families the availability of services is an essential component of their decision to attend UNE. While their availability may not directly influence their decision to attend UNE, the lack of these services may well push them towards the well serviced and resourced metropolitan universities...Without the ability to subsidize these services, it is unlikely they will ever be financially viable in their own right.

“As well as directly benefiting the students of UNE, facilities are available for the use of the wider university and Armidale communities, helping the region and the university to attract and retain qualified staff and their families to live and work here.

“Within a VSU environment...maintenance of playing fields, which by their nature generate very limited revenue, yet require a high level of resources to maintain, will either fall to the University to fund, or will result in the decline in facilities and increased pressure on those provided by the local council, welfare organisations or Armidale sporting clubs.”

Attached impact statements prepared by AUS members further illustrate the extent to which different TEP sporting bodies will be affected. Edited extracts from those statements are used in the following pages to detail the legislation’s likely effect on student services and the far-reaching consequences of those effects.

The ramifications are best represented by dividing them into Metropolitan and Regional/Rural/Outer Urban categories (in most part), and arranging them under the following themes: -

Revenue; Facilities/Infrastructure; Participation/Public Health (including clubs, school programs and community usage); High Performance Sport; Women’s/Disabled Sport; Employment; International Student Market; Community Leadership.

# Revenue

## *Summary:*

Of the \$58 million directly invested each year by TEP sporting bodies in facilities and services, \$40 million is derived from student fees.

The West Australian experience of full VSU (1997-2002) indicates only about 20 per cent will be recoverable by voluntary payment of sports fees and increasing user pays charges. This will result in a loss of more than \$32 million annually in investment in facilities, programs and services of benefit to the university and broader community.

In recent years, TEP sporting bodies have sought to lessen their dependence on student fees by embracing a hybrid model wherein substantial income is derived from commercial, user-pays initiatives. This model can never fully compensate for the loss of student fee income, however, as TEP sporting bodies do not enjoy the same subsidies provided to comparable entities through the three tiers of government.

## *Metropolitan:*

**Melbourne University Sport** (MUS) stands to lose \$2.9 million of its \$5.9 million revenue if the legislation is introduced. Apart from its allocation from the student Amenities & Services Fee, MUS receives no other University funding and must fund all capital works and purchases.

In response, MUS would need to introduce a voluntary membership fee, based on the current \$90 share of the A&S Fee. Assuming a take-up rate of 20 per cent, it could expect to generate approximately \$700,000. An additional amount would be generated from non-students, but MUS expects the funding shortfall to be at least \$2 million.

Compulsory student sports fees paid by undergraduate students represent about 35 per cent of **Sydney University Sport's** (SUS) total income (\$8.76 million). Under VSU it will suffer losses of revenue of between \$2.25 million and \$2.5 million depending on the take up rate of voluntary memberships. At the take up rate of 12.5 per cent, the loss will be \$2.5 million. At 20 per cent, the loss will be \$2.25 million.

UQ Sport (**University of Queensland**) stands to lose 35 per cent (\$2.5 million) of its income.

## *Regional, rural and outer urban:*

At the **University of New England**, the General Service Fee contributes about 50 per cent of Sport UNE's operational income. In 2004, Sport UNE received \$915,000 from the GSF. Based on the West Australian experience of VSU, no external students are likely to join Sport UNE, which equates to a loss of \$480,000. Of the internal students, only 6per cent-25per cent are likely to join Sport UNE, equating to a further loss of between \$305,000 and \$410,000. The total loss could therefore be as high as \$890,000. The University has indicated that it has no capacity to replace this funding.

**Swinburne University Sport & Recreation** (trading as Swinergy) derives up to 83.2 per cent of its operational income from the General Service Fee. In 2004, Swinergy received \$860,000 from the GSF. Based on the West Australian experience of VSU, Swinergy is set to lose up to \$800,000. Swinburne University has indicated it will not direct any funding to Swinergy should the legislation be passed.

# Facilities/Infrastructure

## Summary:

The proposed legislation will have a profound impact on the development and maintenance of sporting and recreational facilities and infrastructure at TEPs. Where TEPs are fortunate enough to have built up suitable infrastructure over generations – in the case of the major metropolitan campuses, for example – the legislation will severely diminish their capacity to maintain and upgrade those facilities.

For many regional, rural and outer urban TEPs in the early stages of building up facilities and infrastructure, the legislation will simply choke off their development, reducing their capacity to compete with established TEPs.

In both cases, future generations of students (and surrounding communities) will be sorely disadvantaged by crumbling infrastructure and reduced investment in capital projects.

The situation is exacerbated by the removal of the security provided by fees in seeking financing for capital projects. The legislation will be particularly onerous for those TEPs that have acquired debt in the belief that fees guaranteed the income stream to service it.

In some extreme cases, where the institutions are unable to assume the debts, the legislation could cause some TEPs to default on their debts.

## *Metropolitan:*

**MUS's** 2005 capital expenditure and facilities and grounds maintenance is \$1.4 million. In the event of full VSU, capital funds would be required to be used on recurrent maintenance items instead of development or upgrade of new facilities. The quality of sport and recreation facilities would necessarily suffer as maintenance and capital funds diminish.

**SUS's** \$60 million of buildings and facilities have been traditionally funded from two sources – student fees and borrowing at commercial interest rates. In 2005 the outgoings on these areas will be \$1,331,806. Without the student fees, SUS will be required to redirect funds away from sporting, health and fitness activities, club funding, scholarships and athlete services in order to pay for the costs of these facilities.

The legislation will jeopardise **UQ Sport's** capacity to fund ongoing infrastructure.

## *Regional, rural and outer urban:*

At the **University of Newcastle**, Newcastle University Sport (NUS) still owes \$3.2 million on a \$5million debt taken on to help finance construction of the \$15.25 million Forum Sports & Aquatics Centre. NUS oversees facilities valued at more than \$30 million, towards which Government contributed about \$362,000.

At the **University of Southern Queensland** (USQ), where Sport operates within a Student Guild structure, the USQ Guild has invested over \$6 million in campus infrastructure and another \$1.5 million in capital items in the last ten years. In addition the Guild has purchased a sporting oval adjacent to the University to add to the University's stock of outdoor sports facilities.

This investment was funded through reserves and debt financing with the fee income being used as security. Without the security of an income from an amenities and services fee it is highly unlikely

that the Student Guild will in the future be able to borrow to fund major infrastructure or capital projects.

At 1 January 2005, the USQ Guild had an outstanding debt of over \$1.3 million. Since 1996 the Guild has repaid over \$5.5 million in debt financing used to fund campus infrastructure and other capital items. The Clive Berghofer Recreation Centre (CBRC) opened in 1996 with a construction and fit out cost in excess of \$6 million almost entirely funded by the USQ Student Guild. The estimated replacement cost of this building is in excess of \$15 million.

The Student Guild has done much to provide facilities and services on the Toowoomba campus and has plans to develop and extend services and facilities at Wide Bay and the proposed Springfield campus. These plans have been put on hold. They may be deferred indefinitely.

Almost every student – on-campus or distance education – and newly appointed staff member expects that the Toowoomba campus to have an aquatic centre. Many on-campus students and their parents are disappointed to find that university has fewer sporting and recreational facilities than their former high school. In a highly competitive environment international students are particularly surprised at the lack of campus facilities compared to the metropolitan campuses.

Currently on-campus facilities such as the CBRC, the tennis centre and the Club are maintained by the Student Guild. The cost to operate the CBRC in 2004 was \$190,000. Already in 2005 the Guild has paid over \$20,000 to resurface the CBRC stadium floor and it is intended to replace 4 external doors damaged by weather at a quoted cost of almost \$10,000. The stadium timber floor will need to be replaced in approximately 25 years at an estimated cost in excess of \$1 million. The floor cost \$500,000 when installed in 1996. Without regular recoating (approximately every 12–18 months), the timber surface will be damaged and therefore require replacing sooner than the expected 25 years.

In its 66 years of operation, **Sport UNE** has developed facilities valued at over \$12 million. These facilities have been fully funded by Sport UNE with a small amount of funding (\$122,000) from Federal Government grants for the development of playing fields and change room amenities during the period 1964–1970. Sport UNE has also received limited financial support for the development of its extensive facilities from the University (during the period 1948-1970) and no support has ever been received from State or Local Government sources.

Sport UNE is currently servicing a loan of \$250,000 for the upgrading of the Indoor Recreation Centre roof in 2000.

One example of a facility that is offered by Sport UNE is a synthetic hockey field which was developed by Sport UNE in 1993 at a cost of \$700,000. Had this facility not been developed and funded, students and local hockey players would have had to travel a return distance of some 240 km to use a field of similar standard in Tamworth.

Sport UNE currently invests up to \$300,000 annually on the maintenance of its indoor facilities and playing fields. This funding is provided from universal contributions by students through the University General Service Fee.

Sport UNE currently maintains 15 hectares of playing fields on campus. Under a Voluntary 'user pays' basis it would be impossible for Sport UNE to continue maintaining its playing fields. Without Sport UNE maintaining playing fields, these facilities would have to be withdrawn as the University of New England is in no financial position to take over funding of playing fields and inject \$300,000 annually into the maintenance of sporting facilities. Sport UNE simply can't run 15 hectares of playing fields on a commercial basis and the maintenance and preparation of fields and indoor sports centre will be undermined.

In its 36 years of operation, **Swinergy** has committed over \$1 million of General Services Fee to enhance existing facilities. These upgrades have been highly funded by Swinergy, with a small



amount of funding from the SUT Student Amenity Fund for the development of change room/gymnasium amenities during the period 2000-2005.

Swinergy has also received limited financial support for the development of its extensive facilities from the University (during the period 2000-2005). No support has ever been received from State or Local Government sources. Universal contributions by students for sporting and recreational services at Swinburne University have, over many years, been the source of funds for the development of Swinergy's quality sporting facilities. This revenue services the debt on infrastructure projects relating to buildings of a sporting/recreational nature.

Under the proposed legislation, major maintenance would be unable to be undertaken by Swinergy for costly repairs, facilities would become rundown and as a consequence this would reduce the commercial viability of these facilities. Without Swinergy maintaining facilities, these facilities would have to be withdrawn, as Swinburne University is in no financial position to take over funding of the maintenance of sporting facilities if the VSU legislation is passed.

Elsewhere, no facility development will occur at new rural and regional campuses, particularly the smaller and newer Queensland regional campuses such as Cairns, Mackay, Bundaberg, Gladstone, Sunshine Coast and Hervey Bay. At **James Cook University**, plans for a new sports centre have been withdrawn. At the **University of Wollongong**, plans for major extensions to its Recreation Centre have now been shelved. At, **Central Queensland University**, plans for future sporting facility developments across smaller campuses have been discarded.

# Participation/Public Health

## (inc. clubs, school programs and community usage)

### Summary:

TEP sports bodies play a significant, if largely unsung, role in encouraging Australians of all ages and abilities, from school students to Olympians, to participate in healthy activities. In all, nearly 500,000 students and community members use TEP sporting facilities and participate in their clubs and programs. About 100,000 people are involved in 2,000 TEP clubs.

At a time when Australia is said to be suffering an obesity 'epidemic' – one which has far-reaching implications for our health system – and the Federal Government has committed \$90 million to encourage primary school children to participate in sport, the legislation will work against the national interest.

The legislation's impact will be fall especially hard on regional areas where TEPs often provide the best sporting infrastructure and may offer the only opportunity for some sports to be played. Take away the TEPs' ability to sustain their infrastructure and clubs and the burden will fall back on local ratepayers and the Australian taxpayer.

By virtue of making students pay more for access to sport and recreation, the legislation will also have a negative impact on an age group which statistically has the greatest drop-out rate from organised sport.

One other unfortunate outcome of the legislation will be its impact on the viability of Australian and Regional University Games and the resultant economic fall-out for host cities/towns.

Higher costs will inevitably lead to lower participation rates, which in turn will reduce the event's appeal to the host cities and towns whose economies benefit enormously from staging the Games.

By way of example, Sport UNE planned to host the 2006 Northern University Games in Armidale, an event that would have injected well over \$2 million into the local economy through the participation of up to 2,200 student athletes across 15 sports. The VSU legislation has placed the plans on hold because Sport UNE will no longer have the standard of facilities and staff resources to conduct such a major event.

This scenario is repeated around the country when it comes to the annual Australian University Games, Eastern University Games, Northern University Games and Southern University Games.

### *Metropolitan:*

Two surveys conducted by **SUS** – where 6,000 school children use facilities and programs each year - emphasise the harmful effect the legislation will have on public health.

Parents of children involved in SUS-run school holiday sports camps (tennis, rugby league, water polo and multi sport) were asked "Would you be less inclined to send your child to Sydney University school camps if charges were increased by 25 per cent?" Of 128 respondents, 106 – more than 80per cent - indicated they would be less inclined.

The second survey asked undergraduate users of the University's Sports & Aquatic Centre "Would you exercise less if charged full commercial rates at Sydney University sports facilities?" Of 318 respondents, 278 – or more than 85 per cent – indicated they would exercise less.



MUS has 6,100 members accessing the gym, pool and group fitness program. A further 10,000 people have casual memberships. In total, visits to the sports facilities during 2004 were over 500,000. In 2005, MUS will devote \$290,000 towards subsidising student participation in AUS events.

Should full VSU be introduced, membership and user fees for gym, pool and group fitness and other revenue-generating areas such as venue hire would need to increase significantly. The subsidy for student participation in Australian University Sport events would be reduced or discontinued. Students will be forced to pay significantly higher user charges. Participation rates in sport, fitness and recreation programs will drop. Inter-University sport will no longer be viable, increased costs of participation meaning students will not be able to participate and many Universities will not enter teams.

MUS sports clubs, the traditional core of sporting activity at the University, will be hardest hit by the legislation. MUS provides support for 45 sports clubs by way of financial and in-kind support through the provision of facilities for training and competition at no charge to the clubs, and administrative support by MUS staff.

In 2004, the 45 clubs totalled over 7,000 members. Subsidies provided to clubs (inc. capital equipment expenditure and external facility hire costs) amounted to \$560,000. The financial support provided by MUS through subsidies, equipment funding and off-campus venue hire contributes to approximately 38 per cent of the total running costs of the clubs.

Taking into account that on-campus venue hire costs will be passed on to clubs as well, clubs will be required to increase their revenue by at least 50 per cent.

Many of the clubs have analysed the impacts, and their findings are that membership fees are forecast to rise between 50 and 250 per cent; membership numbers are forecast to fall significantly as a result of increased fees, placing additional pressure on membership fees due to the smaller support base; services, facilities and equipment provided by clubs will be diminished, further discouraging membership; some activities will be discontinued as vital safety training and equipment may no longer be affordable; and, eventually, many clubs predict they will struggle to remain viable as increasing costs fall to an ever-decreasing number of members.

The ability of university sports clubs to develop new sources of revenue is limited compared to community based clubs. The membership base at many university sports clubs consists of well over 50 per cent country, interstate and international students. These members do not have ready access to their family network or a community network to support them in revenue generating activities. Indeed, in many cases the club is the only network some of these students have within the University.

By their very nature, membership of student clubs is transitory, as are the office-bearers. This makes long-term planning extremely problematic, and limits the ability of clubs to develop sustainable financial resources. With limited exceptions, student clubs are also at a disadvantage in that they do not have the involvement of many wage-earners, or older club members with larger disposable incomes who can be targeted for club support.

**UQ Sport** has established itself as a key provider of sports, fitness and physical recreation activities for the community. In 2004 UQ Sport ran a total of 386 programs for the University and local community; there were 586,776 visits across UQ sporting venues; there were more than 20,800 participants across social sport, recreation and adventure courses, college sport, sporting clubs and Unisport programs; there were 12,150 community participants across UQ sporting venues and programs; 1,800 children attend a wide variety of school holiday sport programs annually; 2,625 children attend learn to swim classes annually; 600 children attend tennis coaching lessons annually.

Full VSU will result in an across-the-board increase in fees for sporting facilities, programs, activities and events. It will be a huge blow to participation opportunities by limiting the diversity of



programs and services offered such as holistic health, social sport, junior sport programs and sports coaching. It will mark the end of grants that underpin 48 sporting clubs across UQ campuses. These clubs cater for more than 4,000 members, of which 70 per cent are students.

*Regional, rural and outer urban:*

**Sport UNE** has 2,179 members, with 250 community members participating in club sport and 2,100 in group fitness classes. An average 300 school children per week use the facilities and 1,600 are involved in junior sport.

Under full VSU, Sport UNE won't be able to provide playing fields or host major events; there will be an increased reliance on council facilities; the decline in the standard of facilities will reduce the attraction for community usage; increased user charges will affect school participation and the ability for disabled groups to access our sports facilities; and the likely loss of Club sport programs will affect groups in sports where UNE provides the only competition in the New England region (water polo, ultimate frisbee, underwater hockey, canoe polo, women's cricket, volleyball, Australian football, badminton and mountaineering).

The New England Rugby competition is sustained by 70 per cent of club teams and players from the University.

At the **University of Wollongong**, the legislation will lead to the cancellation of the water polo competition, a reduction in the number of teams competing in local competitions (touch football, soccer, rugby), higher prices for use of facilities, a reduction in subsidised programs and classes for the obese and at-risk categories and the elimination of funding for sports clubs and University Games teams.

At **Charles Sturt University**, the local rugby competition would struggle to survive given the likelihood that the university's four men's teams and one women's team will fold. Netball and Men's A grade soccer are also expected to fold.

At the **University of Ballarat**, there will be a reduction in the number of teams competing in the local competition, with an estimated 200 non-student competitors excluded from university club competition due to university team exclusions.

**NU Sport** provides high standard sporting facilities which are used both by elite teams (Newcastle Knights, Hunter Jaegers etc) and by thousands of ordinary Novocastrians for sport, fitness and recreation.

A 2004 survey of 9,600 students found that almost 90 per cent used The Forum Sports & Aquatic Centre, while 60 community organisations and 62 schools used NUS facilities. In all, there were more than 1 million visits by local residents, visitors and guests.

The proposed legislation will result in a large reduction in NU Sport's capacity to support club sport, leading to a reduction in both the number of clubs (14) and the number of teams (60) participating in local competitions. Community use of the Newcastle University sports facility will also likely diminish due to increases in prices and loss of programs.

At **USQ**, sports facilities will be unavailable for use by community groups and maintenance costs will prohibit facilities being kept at suitable levels of operation. All sport programs will be affected, including club funding, student insurance cover, concessional use of facilities and services for club and coach and official training. There will be no funding for teams attending University Games.

# High Performance Sport

## Summary:

Just as TEP sport's contribution to public health is underestimated, so too is its place in the national high performance sport system.

That place is illustrated by 2004 figures showing 1,388 high performance athletes received more than \$2.6 million in sports scholarships from TEPs. The support is particularly valuable for Olympic and Paralympic sports such as rowing, basketball, swimming, hockey, athletics and water polo, where a high proportion of athletes combine sport and study.

Under full VSU, rowing - Australia's fourth most successful sport at the Athens Olympics - will suffer a particularly heavy blow. More than 80 per cent of current Australian representative rowing teams are connected with TEP programs. Sydney University, the University of Technology Sydney, Queensland University and Melbourne University jointly spend more than \$1.5 million a year on their rowing programs. Compare this with Rowing Australia's annual high performance club grants total of \$210,000.

Much of this investment will be jeopardised under VSU.

Infrastructure is another important element of the sector's contribution to high performance sport, with TEP sporting bodies providing boat sheds, pools, tracks, courts and fields not always accessible elsewhere in the community.

Such is the sector's contribution, in fact, that the Australian Sports Commission saw fit to formalise ties late last year in the form of the Elite Athlete Friendly University Network. Regrettably, two of the most successful sporting universities, Sydney and Melbourne, have already announced that they are unable to join the network amid concerns about their capacity to deliver the necessary support in a VSU environment.

If TEP sports bodies no longer have the ability to run such programs, the taxpayers of Australia will need to pick up the bill if we are to maintain our international standing in sport.

## *Metropolitan:*

For more than a decade, without any support from public funding, **SUS** has devoted itself and accessed substantial corporate and alumni support to develop a system that, for the first time, provides a mechanism for adequately equipping athletes for a life after sport.

In 2005, SUS will provide \$885,538 towards its Scholarship and Athlete Support Services. This is by far the most extensive program of its kind in Australia. With more than 250 athletes and the equivalent of three full time staff servicing them, this is an industry leading model.

The proposed V.S.U. legislation will decimate the whole of this program. There will be no funds for scholarships, tutorials, travel grants, staff, counselling services etc.

**UQ Sport** will be forced to cut more than 50 sporting scholarships if the legislation is passed.

In 2005, **MUS** will spend \$45,000 on its scholarship program, all of which will be withdrawn in the event full VSU is introduced.

At present, MUS supports a national league volleyball team and the state league basketball team, while Melbourne University Boat club is regarded as one of the leading rowing clubs in Australia.



Both the volleyball and basketball teams are underpinned by a large participation base. The volleyball club has 10 other teams and basketball an additional 20 teams. The value of the high level teams is that they provide a profile for the clubs and a pathway for club members. Coaching and administrative standards are developed to higher levels, and this has an overall benefit for the club.

*Regional, rural and outer urban:*

**Sport UNE** developed the concepts behind the establishment of the Northern Inland Academy of Sport in 1992. Today, the Academy makes extensive use of Sport UNE facilities for the conduct of its rugby league, netball, softball, hockey and soccer programs. Sport UNE currently supports the boys and girls soccer program.

This support will be lost under the VSU legislation.

At **USQ** and **University of Wollongong**, sports scholarships will be reduced or withdrawn altogether.

# Women's/Disabled Sport

## Summary:

TEP sports bodies play an especially crucial role in supporting two oft under-funded and under-resourced areas of participatory and elite sport - women's and disabled sport.

If this legislation is passed, TEP sports bodies will find it very difficult to continue their support for market segments that do not readily conform to the user-pays model.

## Metropolitan:

SUS currently has eight athletes with a disability on scholarship, including 2004 Paralympic silver medallist (wheelchair basketball) Sarah Stewart, 2004 Paralympic bronze medallist (100m track wheelchair) Angela Ballard and 2004 World Championship bronze medallist (disabled skiing) Toby Kane. In the past five years, Sydney University Sport has awarded \$36,000 in scholarships to elite athletes. This support will cease under full VSU.

Sydney University Sport also owns the Sydney Flames basketball club, which competes in the Women's National Basketball League. It is possible that the entire league could have faltered had SUS not stepped in to take over its flagship club when the previous ownership sought to sell.

The **Melbourne University Women's Football Club** is the largest women's football club in Australia, with three senior teams and one youth girls (under-17) team. Current Melbourne University students make up approximately 40 per cent of members, with another 15 per cent made up of graduates.

Many players come from rural/regional areas, country students using their involvement in the MUWFC to develop strong social and support networks. International students use the club for the same reasons.

The club's players are very active in the local community, volunteering their services for Active Australia, the Yarraville Rotary Club and the Wesley City Mission. The club provides free football clinics for girls in local schools and has begun mentoring a 13-year-old indigenous girl from Alice Springs. MUWFC members have also contributed about 10 years of service on the VWFL Executive in its eight years of operation.

MUS is MUWFC's main supporter, providing \$5,000 in subsidy and \$6,000 in training ground hire. Add compulsory player insurance at a cost of approximately \$2,000, and MUWFC would need to find at least \$13,000 a year to replace MUS support if full VSU is introduced.

The impact would be an increase in student membership fees from \$50 to \$200, a figure that does not take into account a likely fall in playing numbers. It is also noted that club members would have to pay the voluntary MU Sport membership fee, adding another \$90 to their yearly costs.

MUWFC has made a separate submission to the Senate inquiry. Two letters from players warrant repeating.

Brianna Laugher – 4<sup>th</sup> Year BA/BSc

*My family lives in rural NSW. I came to Melbourne University because they offered me a scholarship. I discovered the MUWFC table at the Clubs & Societies Day in first week and tentatively began training. Four years later I am still at university (I have a five-year degree) and still with the MUWFC. I doubt that I would still be here in Melbourne without knowing that my club was there for me, without the social ties and experiences I've had here that have shaped me and my life. I often look*

*around the club and simply feel amazed at being in the company of so many extraordinary women at one time. It is clear to me that this club creates leaders and passion, inspires and SAVES people more than any other organisation or group I have ever come in contact with. It gives women a chance to exercise things they may never have had an opportunity to do so before (and I'm not talking about hamstrings): it gives them a chance to experience an active, diverse, body-positive, fully inclusive and supportive environment, which helps many individual women flourish in all facets of their life.*

*Each dollar invested in preventative healthcare saves itself many times over in treatment. Financing women's sport in general (and the MUWFC in particular) is an investment in women's emotional and physical wellbeing. Surely as a society we are obligated to look after our young women (and young men of course!), foster leaders, support talent and encourage each individual to achieve their best. This is not just a minority "women's interest" issue - we all have mothers, daughters, sisters, partners, friends, cousins. The MUGARS is the soundest investment I know of in this arena, sounder than any yoga class, gym pass, therapy, self-help book. To let the achievements and future possibilities of this club now fall away owing to our supposed "choice" is no choice at all. No sane person could possibly witness the things this club does and allow that to be lost.*

Amanda McCain – MU International Student

*One of the main purposes of studying in a foreign country is to interact with the people and learn as much about the culture as possible. I came to Australia to do just that, but I found myself living with only other International Students and not meeting many Australians. Classes weren't the answer since I felt relatively small and shy amongst such large groups of Australians in my lectures. My solution was to join the MUGARS. The club was perfect for providing me with about 100 new Australian friends who were perfectly happy to share their culture not to mention some of them had never played the game before either. We would get to learn the rules and skills together. What more of a truly Australian experience could I ask for than playing footy with a group of "natives"? I know that joining the club has certainly enhanced my enjoyment of my short time here. Without it, I believe I would have spent the entire duration of my time here without every truly getting to know any Aussies and that would have been an incredible loss.*

*Regional, rural and outer urban:*

Sport UNE would no longer be able to subsidise programs directed to disabled groups.

# Employment

## Summary:

TEP sports bodies are responsible for providing 1,127 full-time and 2998 part-time jobs, a significant percentage of which are held by students.

It is estimated that up to a third of these jobs (1,400) could be lost as a result of the legislation.

The job losses will be keenly felt at regional and rural campuses, where work is difficult to find.

## *Metropolitan:*

**SUS** estimates 15 full-time jobs would be lost under VSU, among which would be eight professional coaches in Cricket (2), Rowing (3), Rugby (1), Women's Basketball (1) and Swimming (1).

**MUS** employs 24 permanent and more than 80 casual staff, including more than 20 students. Salary savings would need to be achieved.

## *Regional, rural and outer urban:*

**Swinergy** employs seven full time staff and up to 20 casual staff. The legislation would effectively eliminate most of the casual student employment opportunities at Swinergy (up to 10 positions). Swinergy is concerned that the legislation would also have a profound impact on our full time workforce with the potential loss of up to seven professional full-time roles.

**Sport UNE** employs 13 full time staff and up to 30 casual staff. Sport UNE is one of the Armidale community's major employers of students, providing a range of casual employment opportunities for up to 30 students each year.

Under the legislation most, if not all, of the full time and casual positions would be lost.

The likely reduction in casual staffing opportunities as a consequence of the current legislation would dramatically impact on student retention rates and willingness to study at a regional university. The lack of casual employment opportunities for students in a small regional community is already a concern to the University in attracting students to Armidale.

At the **University of Wollongong**, 14 staff would be made redundant. Six jobs would be lost at **NUS**.

# International Student Market

## Summary:

Sport, health and fitness facilities are major selling points in promoting the “complete campus experience” and are essential in competing with the US and UK university systems for the overseas education dollar.

By way of comparison, the No.1 ranked university in the world, Harvard - which charges an annual student services fee of US\$1,975 - places a heavy emphasis on its sporting infrastructure and programs.

The legislation threatens the capacity of Australian universities to continue to deliver as major export earners. Currently, Australia’s export earnings from education exceed \$6 billion per annum.

## *Metropolitan/Regional, rural and outer urban:*

In a feature story on international students published in the *Sydney Morning Herald* on May 7, 2005, reporters Debra Jopson and Kelly Burke highlighted the dangers of legislation that would lead to a reduction in on-campus facilities and services (italics added):

“The lift smells of beer - not surprising, since its first stop is a big city bar boasting pool tables and an aquarium. On the fourth floor, the Eureka flag, transformed into a university logo, hangs over a swanky reception desk fronting a suite of computer-filled rooms. Welcome to the University of Ballarat's Liverpool Street campus in Sydney.

“It wasn't what Aman Malik expected when he decided to study at an Australian university. The 22-year-old Indian, with a bachelor of business from Maharashi Dayanand University, Haryana, picked Ballarat for his two-year, \$24,000 master of information technology course because it looked good on the internet. But the reality of studying above the barn-like Shark Hotel in an office-block campus with just a few books to hand was a disappointment.

“I chose Ballarat University because it's in the centre of the city. I never knew it was such a small branch of a university. *I thought it would be like a big university in a big building with facilities like a gym and swimming pools and playing grounds,*” he says. “The university should not be so close to the bar. It should not be in a hotel, at least.”

The story concludes...

“In his little outpost of Ballarat in Sydney's heart, Malik is so isolated from mainstream student life that he believes Australians do not do masters degrees - because there are none where he studies.

“He enjoys the city, the climate, the low cost of study here compared to Britain or the US, and the possibility of getting a job here when he finishes his degree in November. *But if he were choosing again, he would apply for Sydney University: "It's got a proper campus."*”

# Community Leadership

## Summary:

Many successful Australians in a broad range of fields, including business and industry, the arts, sports and government, have benefited by developing their skills and expertise through TEP extra-curricular activities, especially sport.

Students learn about teamwork, co-operation, communication, leadership, initiative and decision making, which is why sport is one of the prerequisites for a Rhodes Scholarship.

TEP sport in its present form is a training ground for community leaders and sporting administrators whose expertise benefits all Australians. Curtailing opportunities for this training seems a remarkably short-sighted and ill-advised policy.

It is an opinion shared by the chairman of a leading Sydney broking firm, who recently couched it in the following terms when requesting friends and colleagues to write to the Government expressing their opposition to the legislation.

"The effect of the proposed legislation," he wrote, "will be to destroy many of the extra-curricular activities which, for a very low outlay, provide a vital aspect of a university education.

"Why are these extra-curricular activities so important? What happens outside the lecture theatres at University is as important as what happens inside. The key to a University education is meeting and interacting with people from all faculties and this is done through the extra-curricular activities, be they sporting or non-sporting.

"We do not want to produce a generation of swots with no interest or experience outside the lecture theatre. We want people who are contributors, volunteers, creators, organisers and team players. These attributes are developed in the extra-curricular activities at universities and then the community benefits from them as the skills and values learnt at university are spread to community activities after the students graduate."

The sentiments are applicable to all TEPs, regardless of their location.

## Terms of Reference 2

### **The experience in Victoria and Western Australia, where legislation has been adopted to regulate student unions.**

#### **Melbourne University Sport – The Victorian model at work**

The experience for sport and recreation at the University of Melbourne under the Victorian legislation has been positive, and provides a worthwhile model to be considered at the Federal level.

Victorian Government legislation allows Universities to charge Amenities & Services Fees under a number of conditions. Under the Tertiary Education Act, the University must ensure that membership of student organisations is not compulsory, and that A&SF income is only spent on providing facilities, services or activities “of direct benefit to the institution or students.”

At the University of Melbourne, funding to the student organisations is subject to an annual funding agreement which ensures the expenditure of money from the A&S Fee fund complies with Government legislation.

The Sports Association does not control any of the funding provided through the student Amenities and Services Fees. All funding from this source is managed through Melbourne University Sport (MUS) – a department of the University that is financially accountable through the University’s Finance Committee to the University Council.

No students are compelled to become members of either MUS or the Sports Association. MUS use the term ‘member’ in the sense of a commercial gym – by payment of a monthly, semester or yearly fee that then gives them access to the gym, pool or group fitness program as relevant.

In the case of clubs, students become members of the clubs by payment of a club membership fee and through the clubs’ affiliation to the Sports Association, have representation through the sporting governance structure. It is the clubs that are the members of the Sports Association rather than the individuals.

The initial Victorian legislation was introduced in 1994, but would have had little detrimental impact on funding levels for sport and recreation, as these activities were ‘approved services’ under the legislation and universities continued to apply a compulsory fee for these services.

Some services provided through the Student Union were impacted and were initially supported by the Federal (Labor) Government under the Student Organisation Support Program.

## The Experience in Western Australia

In his appearance on the ABC's *7.30 Report* on March 16, 2005, Federal Education Minister Brendan Nelson said (italics added): "The experience in Western Australia, where voluntary student unionism like this was introduced in 1994, was that these services (*sporting, health, child care*) not only survived, in many cases they actually flourished."

In order to test Dr Nelson's assertion and further claims made by the Western Australian Union of Liberal Students in a 2002 discussion paper, the AUS Working Group asked Perth-based independent consultant Peter McDonald to determine the 'Real Facts' of the WA experience of full VSU.

The findings (attached) should lay to rest, once and for all, the notion that full VSU was in and of itself responsible for *anything* flourishing on WA campuses.

Among McDonald's key findings were:

- That sports services and infrastructure either declined dramatically under full VSU or, where they "performed relatively well", only did so with the financial support of the parent university under terms that may not be permitted under the proposed Federal legislation.
- That investment in sports infrastructure came to "an almost complete standstill" under full VSU.
- That the growth in international student numbers was substantially less than the national average during the period of full VSU.

In short, the 'Real Facts' about the West Australian experience of full VSU would appear to differ substantially from Dr Nelson's interpretation of events.

## Conclusion

As made clear in this submission, Australian University Sport believes the proposed VSU legislation will wreak enormous damage on sport, health and fitness at the nation's campuses.

Regional, rural and outer urban TEPs will be especially disadvantaged.

AUS believes this to be an unintended consequence of the Bill.

In seeking to put forward an acceptable solution to the Government, AUS looked to comments by the Federal Education Minister, Dr Brendan Nelson, during his March 16 appearance on the *7.30 Report*.

"Following the re-election of the Government," said Dr Nelson, "I invited the universities to present proposals to me for a model of some sort of service levy...that could not...be got around."

Presumably, the universities' failure to provide such a model led to the framing of the current legislation.

Although Dr Nelson was not asked to elaborate to what end a service fee model might be "got around", it seems reasonable to suggest he was referring to fees being directed to what he earlier described as "a whole variety of often unlawful activities, which would not be supported by the vast majority of students".

With that in mind, the following proposed amendments to the Federal Government's Higher Education Support Amendment (Abolition of Compulsory Up-Front Student Union Fees) Bill 2005 have been prepared in recognition of the Bill's primary intention to:

- Promote the ideal of freedom of association
- Give students the choice as to which organisations they wish to join as members
- End the potential for compulsorily-levied fees to be directed to political actions that may not accord with a student's own political views
- End the situation where higher education providers are responsible for the collection of such fees without being held accountable for their application

AUS believes the following amendments to the Bill address these issues at the same time as allowing for the continuation of vital campus services and facilities.

The amendments also ensure that the responsibility for all monies raised by a student services and amenities fee will pass from students to higher education provider appointees.

### **The proposed amendments are as follows:**

A student services and amenities fee chargeable by the higher education provider be applied to sporting (including health and fitness), artistic, cultural, welfare and support purposes.

The disposition of all funds is to be administered by an entity or entities established by the higher education provider, the board of which shall comprise at least 51 per cent of members directly appointed by the higher education provider.



No funds are to be spent on political activity. Clubs and societies which are involved in political activity are ineligible to receive grants from this fund.

Universities be empowered to allow the entities to use funds for the following student services and amenities:

- sporting facilities and clubs
- health and dental services
- computing, photocopying and library services
- welfare services and child care facilities
- non-political student societies
- international student services

Membership of all clubs and societies which receive grants from the entities must be voluntary.

The tertiary education provider be required to certify annually that the proceeds of the student services and amenities fee have been applied in compliance with the legislation.

**This submission was prepared by the following members of the AUS VSU Working Group:**

Chairman, Greg Harris - Executive Director, Sydney University Sport  
Daniel Marsden - Chief Executive, Australian University Sport  
Deidre Anderson - Chief Executive, Macquarie University Sports Association  
Stephen Griffith - Executive Director, University of New England Sport  
Kim Guerin - Director, University of Queensland Sport  
Michael Hudson - Executive Officer, Swinburne University Sport and Recreation  
Mark Lockie - Director, Melbourne University Sport  
Bruce Meakins - Executive Director, University of Western Australia Sport and Recreation Association, with Deputy Director David Russell & UWA Vice-Chancellor Professor Alan Robson  
Kevin Stapleton - General Manager, University of Southern Queensland Student Guild

**June 23 2005.**

A handwritten signature in black ink that reads 'Greg Harris'.

**Chairman  
AUS VSU Working Group**

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THE IMPACT OF  
V.S.U. LEGISLATION ON  
SYDNEY UNIVERSITY SPORT

# **TABLE OF CONTENTS**

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1. INTRODUCTION
2. OVERVIEW
3. FINANCIAL IMPACT SUMMARY SYDNEY UNIVERSITY SPORT
4. CLUB SPORT PROGRAM
5. SCHOLARSHIPS AND ATHLETE SUPPORT SERVICES
6. BUILDING AND GROUNDS OPERATIONS/MAINTENANCE
7. FACILITY MEMBERSHIP AND SPORT RECREATION PROGRAMS
8. SYDNEY UNIVERSITY SPORT AND THE USER PAYS SYSTEM
9. AMENDMENTS TO THE LEGISLATION
10. CONCLUSION

# 1. INTRODUCTION

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In providing this report on sport, health and fitness at the University of Sydney, it is important to first identify the Government's issues with the current system and the outcomes of the proposed V.S.U. legislation.

It is Sydney University Sport's understanding that the primary intentions of the Federal Government's Higher Education Support Amendment (Abolition of Compulsory Up-Front Student Union Fees) Bill 2005 are to:-

- Promote the ideal of freedom of association
- Give students the choice as to which organisations they wish to join as members
- End the potential for compulsorily-levied fees to be directed to political actions that may not accord with a student's own political views
- End the situation where higher education providers are responsible for the collection of such fees without being held accountable for their application.

With that in mind, this report seeks to outline the current system of payment for sporting amenities and services at the University of Sydney, and the impact of the V.S.U. legislation on maintaining those amenities and services. It also proposes amendments to the legislation which would fulfill the Government's objectives while enabling the continuation of these vital campus services and amenities.

Sydney University Sport believes that it is entirely unrealistic - and inconsistent with the Government's own policies - to expect a user pays system to apply in sport and public health. Our taxes at local, state and federal government level underwrite approximately \$2.2 billion of expenditure per annum on sport and physical recreation. University sporting facilities and programs are essentially excluded from this funding.

The question needs to be asked - why is it unsupportable for the university community to require the payment of a base sports service fee to underwrite the provision of these essential services and facilities? Compulsory sports fees, first and foremost, are about opportunities for the community.

As will be explained in detail in this report Sydney University Sport has been responsible for combining a base compulsory sport fee system with a user pays model. This combination is essential for the continued provision of these crucial services on the campus.

## 2. OVERVIEW

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The sporting community at the University of Sydney is deeply concerned that the passage of the V.S.U. legislation in its present form will have a disastrous impact on sporting opportunities, participation rates and performance levels at all Australian campuses.

Part of that concern stems from the absence of an impact study to assess the outcomes of abolishing compulsory sports fees. According to our calculations – based on an Australian University Sport survey published in December 2004 - the legislation will rip \$32 million per annum out of the national university sporting budget. This is a figure that will do irreparable damage to sporting services and over \$600 million worth of sporting infrastructure on our campuses.

A microcosm of this is the sporting program at the University of Sydney. The University of Sydney is not just Australia's oldest University; it has historically been Australia's great sporting university. It still provides the benchmark for university sport in this country.

Over the past decade or so Sydney University Sport has effectively managed to fuse together several essential components to establish an internationally competitive and credible sports program. Critical to this has been the growth in the organisation's financial capabilities. This has occurred primarily through the cultivation of a diverse income stream beyond the compulsory student sports fee.

Compulsory student sports fees paid by undergraduate students represent about 35 per cent of Sydney University Sport's total income. The remainder is from commercial business activities, rents and sponsorships, as well as donations from sporting alumni. The construction of its buildings and facilities does not come from University grants or from public funds, but has to be funded by borrowing at commercial interest rates.

Sydney University Sport has been responsible for the funding and development of over \$60 million of sporting infrastructure. Accordingly, it is the body responsible for the management and maintenance of these facilities.

By growing its businesses and through the receipt of the compulsory student sports fees Sydney University Sport has been able to simultaneously;

- establish the most comprehensive system of sports scholarships (250 athletes) and elite athlete support programs in Australia,
- construct over \$60 million in sporting infrastructure,
- engage professional coaches and administrators to conduct its club sport programs,
- enter into, and benefit from, industry leading joint ventures with the N.S.W. Institute of Sport and several national sporting organisations, and
- engage the support of alumni and corporate sponsors to assist in underwriting the funding of its respective sporting clubs.

The outcomes speak for themselves. Our University provided 17 representatives at the Athens Olympics and Paralympics, five of whom returned home with medals. It has had over 90 senior national sporting representatives in the past five years, across a wide variety of sports, and including 10 Olympic and world champions at senior level. The overwhelming majority of these athletes have simultaneously been successfully pursuing degree programs, many achieving honours grades and some University medals. In fact, the 250 students on sporting scholarships at Sydney significantly outperform the general student body in their academic results.

Not only does the sporting program at the University of Sydney cater for aspiring athletes and sports people, a major performance indicator is the participation rates for all our programs. Throughout our extensive range of facilities and programs almost 30,000 participants are involved annually. These participants are from both the University and the local community.

Each year sport at the University of Sydney advances, setting new standards for the sector. If the proposed legislation is implemented in its current form, our direction will immediately - and irredeemably - reverse.

### 3. FINANCIAL IMPACT SUMMARY OF SYDNEY UNIVERSITY SPORT

	<b>2005 Budget</b>	<b>Post VSU Budget 1</b>	<b>Post VSU Budget 2</b>
<b><u>Sources of Funds</u></b>			
Income from Commercial Operations	3,812,682	4,212,682	4,212,682
Rental Leases	799,258	799,258	799,258
Alumni Relations & Sponsorships	533,500	533,500	533,500
Grants from University & Sporting Bodies	335,000	335,000	335,000
Student & Other Member Fees	3,286,000	410,750	657,200
	8,766,440	6,291,190	6,537,640
<b><u>Application of Funds</u></b>			
Expenses of Commercial Operations	3,337,766	3,337,766	3,337,766
Building & Grounds Operations/Maintenance	1,331,806	1,331,806	1,331,806
Allotments to Clubs & Affiliated Campuses	1,171,574	} 500,000	} 650,000
Scholarships & Athlete Support Services	885,538		
Member Services	1,052,199	462,949	559,399
Administration	963,963	635,075	635,075
	8,742,846	6,267,596	6,514,046
<b>Net Income from Operations</b>	23,594	23,594	23,594

Notes:

1. Membership Rates

Various statistics have been used as indicators as to the take up rates of voluntary memberships.

For the modeling used in this paper we have assumed two rates – the first Post V.S.U. Budget 1 at 12.5 per cent, the second Post V.S.U. Budget 2 at 20 per cent.

There exists varying opinions on possible take up rates on membership. In using the WA University Sport experience an average of 24 per cent was occurred between 1997 and 2002.

The modeling used in this paper assumes a smaller take up rate as there is a much greater student population at the University of Sydney and there exists far more competition in the Sydney sport, health and fitness market place from local council facilities which are heavily subsidised.

2. Application of Funds

Sydney University Sport in the V.S.U. environment will suffer losses of revenue of between \$2.25 million and \$2.5 million depending on the take up rate of memberships.

At the take up rate of 12.5 per cent the loss will be \$2.5 million. At 20 per cent the loss will be \$2.25 million.

The major dilemma facing the organisation is deciding where to apply the requisite funding cuts.

Given that Sydney University Sport requires the sporting infrastructure it has funded and developed for its programs and activities, then it has no option but to maintain fiscal responsibilities for them.

The unavoidable result of this strategy is that the cuts will need to be applied to the following areas – Clubs and Affiliated Campuses, Scholarships and Athlete Support Services, Member Services and Administration.

Such an approach produces another problem. As the performances of clubs and athletes necessarily decline, so too will the sponsorship and alumni investments they attract. And so the financial impact is magnified, with the programs set on a downward spiral to a conclusion no-one can predict.

### 3. Summary Statistics

- a) Sports Fees reduced by \$3.3 million
- b) Reduction in Club Grants and Athlete Services (including Scholarships) of approximately \$1.5 million per annum
- c) Loss of full time staff – 15 positions
- d) Reduction in Student Services
  - No Australian University Sport fees, grants or subsidies to attend Australian University Championships/Australian University Games
  - No international travel grants
  - No support for affiliated campuses
  - No student insurance
  - No interfaculty, social or intercollegiate sport support
- e) Reduction in Community Services
  - Reduced participation by a demographic statistically most at risk of dropping out of sporting activity
  - Reduced ability to support the local community via infrastructure, clubs and subsidised participation
  - Reduced volunteer contribution
  - Reduced discounted facilities and services provided to clubs.

## 4. CLUB SPORT PROGRAM

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In 2005, Sydney University Sport will contribute seed funding in the order of \$1.2 million to its club sport programs. The clubs themselves will raise in excess of \$2.5 million in order to conduct their programs. In addition, Sydney University Sport will provide the majority of these clubs with limited free access to their infrastructure - requirements such as ovals, sports halls, gym, pools, lecture rooms and office space.

Of significance here is how Sydney University Sport's provision of such funding provides clubs with the impetus to generate a further \$2.5 million via their own commercial, entrepreneurial and alumni fund raising activities. Included in this is the requirement for club members to pay their membership fees.

At the club level, a user pays and voluntary membership strategy already exists. The great advantage of the seed funding from Sydney University Sport is that it generates a multiplier effect, with the clubs raising the majority of their own funding requirements. Take away the seed funding and the multiplier effect is substantially lost.

The members of each club are required to pay a further "*user pays*" levy to be able to participate in the activities of the respective clubs. It should be emphasised that undergraduates who pay the compulsory sports fee to Sydney University Sport all receive a discounted fee to join their respective club. This recognises the fact that they have already contributed their \$144 (inc. GST) annual compulsory sports fee to Sydney University Sport.

It is also important to note that the work of Sydney University Sport's professional staff is augmented by the volunteer efforts of a veritable army, who provide services such as coaching and administration for the University's 44 clubs because of their passion for and identification with the institution. The monetary value of this amateur input would be staggering.

The impact of the V.S.U. Legislation will be such that without the seed funding from Sydney University Sport not only will the majority of the \$1.2 million be forfeited but so too will the \$2.5 million which the clubs raise themselves.

Paramount among these losses will be the eight professional coaches in Cricket (2), Rowing (3), Rugby (1), Women's Basketball (1) and Swimming (1).

# 5. SCHOLARSHIPS AND ATHLETE SUPPORT SERVICES

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The Federal Government, through its agency the Australian Sports Commission, thought highly enough of the tertiary sector's contribution to elite sport that it founded the Athlete Friendly University Network last October. Inspired in part by programs initiated at Sydney University, the network aims to avoid the difficult choice between sport and study for elite athletes by providing flexible courses, scholarships and various support networks.

For over a decade, on its own initiative and without any support from public funding for this purpose, Sydney University Sport has both devoted itself and accessed substantial corporate and alumni support to develop a system that, for the first time, provides a mechanism for adequately equipping athletes for a life after sport.

In 2005 Sydney University Sport will provide \$885,538 towards its Scholarship and Athlete Support Services. This is by far the most extensive program of its kind in Australia. With more than 250 athletes and the equivalent of three full time staff servicing them, this is an industry leading model.

It must be emphasised that the funding of the Scholarship Program comes not from compulsory student fees, but from revenue generated by commercial operations, alumni donations and corporate sponsorships.

The need to re-direct this revenue to other areas, however, means the proposed V.S.U. legislation will decimate the whole of this program. There will be no funds for scholarships, tutorials, travel grants, staff, counselling services etc.

That elite athletes will no longer be able to simultaneously achieve sporting excellence and complete degrees that equip them to pursue rewarding careers after sport and to develop as community leaders will be a national tragedy and is totally inconsistent with the Government's election policies.

## 6. BUILDING AND GROUND OPERATIONS/MAINTENANCE

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The construction and maintenance of \$60 million of buildings and facilities for which Sydney University has responsibility does not come from University grants or public funds. These have been traditionally funded from two sources – student fees and borrowing at commercial interest rates.

In 2005 the outgoings on these areas will be \$1,331,806. Without the student fees Sydney University Sport will be required to redirect funds away from sporting, health and fitness activities, club funding, scholarships and athlete services in order to pay for the costs of these facilities.

It is a claim made by those who champion the V.S.U. legislation that this infrastructure survives or dies on the back of the user pays principal. This claim is a fallacy.

The three tiers of Government in Australia – federal, state and local – spend approximately \$2.2 billion annually on sport and physical recreation (ABS Sport and Recreation Report, 2003). University sporting clubs, facilities and programs are essentially excluded from this funding.

Governments use tax and rate revenue to construct and maintain sporting fields, swimming pools, fitness centres etc for the local communities. These are only used by part of the population. Public funds are also used to rebuild or upgrade grandstands and other facilities used by professional and other sporting clubs eg. Kogarah Oval, Brookvale Oval and Whitten Oval.

Much of this \$2.2 billion could be categorised as subsidies given that taxes and rates collected from the general population are made available to particular sports and sporting clubs. To our knowledge there has never been any suggestion that this expenditure should be subjected to a user pays test. There is very rarely if ever the capacity to recover capital cost and they usually require ongoing subsidy of their operating cost.

As Universities are denied access to this funding, the only means they have to develop and maintain their facilities is either borrowing or student fees. Why, we ask, should a user pays system be applied to Universities and sport when it does not apply in the general community?

# 7. FACILITY MEMBERSHIP AND SPORT RECREATION PROGRAMS

As with the Club sport program, the other services and facilities available to the campus community are provided on a user pays basis. Charges for these facilities and services are also scaled on a differential basis, providing undergraduates who pay the compulsory sports fee with discounted access on the basis that they have already contributed to the system.

## • Sports and Aquatic Centre Pass Prices

	Swim Pass		Fitness Pass				Executive Pass	
			Swim & Group Fitness		Swim & Gym			
	Members	Undergrad	Members	Undergrad	Members	Undergrad	Members	Undergrad
Casual	\$4.50	\$3.50	\$15	\$8.50	\$15	\$8.50	\$20	\$13
Member Guest	\$5.50	\$5.50	\$15	\$15	\$15	\$15	\$20	\$20
10 Visits	\$40	\$30	\$115	\$80	\$115	\$80	n/a	n/a
1 Month	\$60	\$45	\$110	\$75	\$110	\$75	\$155	\$95
3 Month	\$130	\$95	\$245	\$160	\$245	\$160	\$320	\$220
6 Month	\$230	\$170	\$370	\$260	\$370	\$260	\$490	\$335
12 Month	\$360	\$275	\$560	\$380	\$560	\$380	\$800	\$500
Monthly Debit	\$35	\$25	\$50	\$35	\$50	\$35	\$75	\$50

A critical issue here is that these facilities would not exist for the benefit of today's campus and local communities but for the compulsory sports fee paid by generations of previous students.

The legislation will undoubtedly lead to substantial price rises for both the undergraduates and the general community members. Notwithstanding being a metropolitan university, the commercial viability and the membership prices of the facilities is subject to competition from heavily subsidised local government facilities in the area.

Initiatives such as reduced operating hours where it is not commercially viable to open would also need to be considered.

Both these measures (pricing and access) will have severe impacts on participation and associated health and fitness issues.

# 8. SYDNEY UNIVERSITY SPORT AND THE USER PAYS SYSTEM

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As previously stated, Sydney University Sport contends it is inconsistent for the Government to expect the university sector to implement a user pays system when sport, health and fitness in all other sectors of Australian society are substantially subsidised by taxes levied by governments.

However, a compromise position combining user pays and a compulsory fee levy would provide the solution to this problem.

More than 10 years ago, Sydney University Sport advocated, endorsed, and implemented such a system.

It has been a firm position of Sydney University Sport that participants in all our programs be required to pay a fee over and above their base sports service fee. This includes all activities from club sport, social sport and recreation programs, as well as use of facilities.

There has been a deliberate policy to minimise the base sports service fee and to incorporate user pays access to clubs and facilities. This access and membership occurs on a voluntary basis.

As a result of developing alternate income streams, Sydney University Sport and its respective clubs have been able to provide top quality programs, while cross-subsidising these activities for the benefit of all participants.

The removal of the base sports service fee will destroy Sydney University Sport's capacity to provide the standards of sporting services and amenities expected of an internationally competitive university.

# 9. AMENDMENTS TO THE LEGISLATION

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In order to maintain vital campus services, programs and facilities, Sydney University Sport proposes the following amendments to the Federal Government's Higher Education Support Amendment (Abolition of Compulsory Up-Front Student Union Fees) Bill 2005, changes which allow for the collection of an annual student services and amenities fee.

The amendments also ensure that the responsibility for all monies raised by a student services and amenities fee will pass from the students to higher education provider appointees.

**The proposed amendments are as follows:**

A student service and amenities fee chargeable by the higher education provider be applied to cultural, welfare and support, sporting (including health and fitness) and artistic purposes.

The disposition of all funds is to be administered by an entity or entities established by the higher education provider, the board of which shall comprise at least 51 % of members directly appointed by the higher education provider.

No funds are to be spent on political activity. Clubs and societies which are involved in political activity are ineligible to receive grants from this fund.

Universities be empowered to allow the entities to use the funds for the following student services and amenities:

- health and dental services
- welfare services and child care facilities
- non political student societies
- computing, photocopying and library services
- sporting facilities and clubs
- international student services

Membership of all clubs and societies which receive grants from the entities must be voluntary.

The tertiary education provider by required to certify annually that the proceeds of the student services and amenities fee have been applied in compliance with the legislation.

It should be noted that the above provides a template for the continued provision of campus activities beyond sport, health and fitness. These amendments could easily be adjusted if sport, health and fitness were to be the only activities supported by the Government.

# 10. CONCLUSION

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Without access to the huge endowments of its American counterparts, or the massive government funding grants of its British counterparts, the University of Sydney has led the way in developing a model that offers all members of the University community the opportunity to participate in sport, health and fitness activities.

Other Australian universities are gradually following Sydney's lead. It will be a national tragedy if a uniquely Australian model for simultaneously developing sporting and academic excellence becomes a collateral casualty of a desire to reform non-sport related student organisations.

The University of Sydney model is a successful one which, together with safeguards provided in the recommended amendments, should provide the Government with its desired outcomes whilst not destroying the vibrancy of Australian University life.

Greg Harris  
Executive Director  
Sydney University Sport

June 17, 2005



## **Impact of VSU legislation on Sport & Recreation at the University of Melbourne**

### **1. Background**

Sporting clubs have existed at the University of Melbourne for almost 150 years – nearly as long as the University itself. In the early 1900s, the foundation clubs banded together to form the Sports Union, which in the mid-1990s was renamed the Melbourne University Sports Association (MUSA).

Since the formation of the Sports Union/Association, generations of students have contributed to the array of facilities we see today – all the sports facilities have been developed from the funding provided through the Amenities and Services Fee plus money generated by sport itself. Without this, today's students would not have the many options of sport and recreation from which they can choose.

The Sports Association, which celebrated its Centenary in 2004, has been the traditional voice for sports clubs. However, the Sports Association does not control any of the funding provided through the student Amenities and Services Fees. All funding from this source is managed through Melbourne University Sport (MUS) – a department of the University that is financially accountable through the University's Finance Committee to the University Council.

No students are compelled to become members of either MUS or the Sports Association. MUS use the term 'member' in the sense of a commercial gym – by payment of a monthly, semester or yearly fee that then gives them access to the gym, pool or group fitness program as relevant.

In the case of clubs, students become members of the clubs by payment of a club membership fee and through the clubs' affiliation to the Sports Association, have representation through the sporting governance structure. It is the clubs that are the members of the Sports Association rather than the individuals.

Therefore there is no compulsory membership which makes the 'voluntary student unionism' argument largely irrelevant in the case of the University of Melbourne.

The legislation being proposed under the Higher Education Support Amendment (Abolition of Up-Front Student Union Fees) Bill 2005 will have a significant impact on the provision of sport and recreation at the University of Melbourne, as it will on all universities in Australia.

### **2. Victorian Government Legislation**

Victorian Government legislation allows Universities to charge Amenities & Services Fees under a number of conditions. Under the Tertiary Education Act, the University must ensure that:

- Membership of student organisations is not compulsory;
- A&SF income is only spent on providing facilities, services or activities "of direct benefit to the institution or students".

At the University of Melbourne, funding to the student organisations is subject to an annual funding agreement which ensures the expenditure of money from the A&S Fee fund complies with Government legislation.

Being a department of the University, MUS is not required to have a funding agreement, but is held accountable through the University's governance structures.

The initial Victorian legislation was introduced in 1994, but would have had little detrimental impact on funding levels for sport and recreation, as these activities were 'approved services' under the legislation and universities continued to apply a compulsory fee for these services.

Some services provided through the Student Union were impacted and were initially supported by the Federal (Labor) Government under the Student Organisation Support Program.

However, the experience for sport and recreation at the University of Melbourne under the Victorian legislation has been positive, and provides a worthwhile model to be considered at the Federal level.

### **3. Current funding of sport & recreation**

The University charges an Amenities & Services Fee to students of \$392 and approximately \$12.7m will be collected in 2005. From this the University funds the following:

Student Union (MUSUL)	60% of the total A&SF pool
Melbourne University Sport	23%
Postgrad students Association	11%
Other	6%

(incl childcare services, student accident insurance, student services at regional campuses and fund administration costs)

In 2005, the allocation to MUS from the A&SF fund is \$2.9m and total revenue will be \$5.9m. MUS generates non-A&SF revenue from user fees, hiring charges, and student contributions to Australian University Sport events.

Additional revenue of over \$1m is raised by the sports clubs through membership fees and fundraising activities and this funds their activities together with a financial subsidy from MUS.

Apart from the allocation from the A&SF fund, MUS receives no other University funding, and apart from a one-off capital allocation to restore the Beaurepaire Centre in 2003, no capital allocation is made for sport - MUS must fund all capital works and purchases.

### **4. Services provided by MU Sport**

From all income sources, Melbourne University Sport provides the following:

- Salary costs of the sport and recreation staff – 24 permanent and more than 80 casual staff (including more than 20 students) ;

- Support for the 45 sports clubs, by way of financial support, and in-kind support through the provision of facilities for training and competition at no charge to the clubs, and administrative support by MUS staff;
- Assistance for students to compete in inter-University sport;
- A sports scholarship program;
- Provision of fitness and recreational programs/facilities to the University community, including Gym, pool, Group Fitness, indoor and outdoor courts and Short Course program ;
- Provision of all sporting and recreational facilities, including all maintenance costs for all sports facilities on the Parkville campus, the Melbourne University Boatshed and the ski lodge at Mt Buller.

In 2004, the 45 clubs totalled over 7,000 members, and 6,100 people were MUS members accessing the gym, pool and Group Fitness program. A further 10,000 people took out casual memberships. In total, visits to the sports facilities during 2004 were over 500,000.

## **5. 2005 Budget Allocations**

The 2005 MUS budget is a breakeven budget, and the major components of sport funding are:

- Salaries - \$2.2m
- Subsidy for student participation in AUS events - \$290,000
- Scholarship program - \$45,000.
- Subsidies provided to clubs (incl capital equipment expenditure and external facility hire costs) - \$560,000
- Capital expenditure and facilities & grounds maintenance - \$1.4m

## **6. Implications of the legislation**

Should the legislation be passed, MU Sport would need to introduce a voluntary membership fee – based on the current share of the A&S Fee, (\$90 for students and assuming a take-up rate of 20% based on the UWA experience), we could expect to generate approximately \$700,000. An additional amount would be generated from non-students, but in total we could expect the funding shortfall to be approximately \$2m.

The impacts of the reduced level of funding would be:

- Membership and user fees for gym, pool and group fitness and other revenue generating areas such as venue hire would need to increase significantly.
- The subsidy for student participation in AUS events would be reduced or discontinued.
- The scholarship program would be discontinued.
- The subsidies provided to clubs would be withdrawn or reduced significantly, and clubs would need to pay for hire of University and non-University facilities.
- Salary savings would need to be achieved.

- Capital funds would be required to be used on recurrent maintenance items instead of development or upgrade of new facilities.

As a result:

- Students will be forced to pay significantly higher user charges;
- Cost of club membership will increase significantly, membership rates will drop and many clubs will fold;
- Participation rates in sport, fitness and recreation programs will drop;
- Inter-University sport will no longer be viable. Increased costs of participation will mean students will not be able to participate and many Universities will not enter teams;
- The quality of sport and recreation facilities will suffer as maintenance and capital funds diminish.

## **7. Impacts on Clubs**

As previously indicated, our sports clubs have been the traditional core of sporting activity at the University and will be hardest hit by the legislation.

The financial support provided by MUS through subsidies, equipment funding and off-campus venue hire contributes to approximately 38% of the total running costs of the clubs. Taking into account that on-campus venue hire costs will be passed on to clubs as well, clubs will be required to increase their revenue by at least 50%.

Many of the clubs have analysed the impacts, and their findings are:

- Membership fees are forecast to rise between 50 and 250%;
- Membership numbers are forecast to fall significantly as a result of increased fees. This will place additional pressure on membership fees due to the smaller support base;
- Services, facilities and equipment provided by clubs will be diminished, further discouraging membership;
- Some activities will be discontinued as vital safety training and equipment may no longer be affordable;
- Inter-university sport will become prohibitively expensive for the majority of students; and
- Eventually, many clubs predict they will struggle to remain viable as increasing costs fall to an ever-decreasing number of members.

The ability of university sports clubs to develop new sources of revenue is limited compared to community based clubs. The membership base at many university sports clubs consists of well over 50% country, interstate and international students. These members do not have ready access to their family network or a community network to support them in revenue generating activities. Indeed, in many cases the club is the only network some of these students have within the University.

By their very nature, membership of student clubs is transitory, as are the office-bearers. This makes long-term planning extremely problematic, and limits the ability of clubs to develop sustainable financial resources.

With limited exceptions, student clubs are also at a disadvantage in that they do not have the involvement of many wage-earners, or older club members with larger disposable incomes who can be targeted for club support.

## **8. What will be lost?**

Clubs provide an affordable and safe environment – not only does this enrich the university experience, but they provide a healthy lifestyle opportunity which addresses the 'obesity epidemic' which is of great concern to all governments.

Clubs also provide an opportunity for students to socialise and develop self-confidence and leadership skills. Whilst a benefit to all students in some way, it is of particular benefit to rural and international students who often struggle in the transition to university life due to the lack of support networks.

University sports clubs provide unlimited opportunities for recreational participation in sport, which is generally difficult to obtain from community based clubs which in the main, focus on competition.

Sport and recreation clubs and facilities help make the university more attractive to students from interstate and overseas.

Clubs provide the opportunities to students to develop strong and positive social networks. The provision of a vast array of clubs on campus is not only important in creating these opportunities, but also encourages young people to invest in their own physical health and wellbeing through exercise, simply through being accessible both geographically and financially.

The overall value of what clubs can offer students is best illustrated from the following comments made by individual members of the Melbourne University Women's Football Club:

### **WENDY MORROW – MU STUDENT 1997-2001**

*In 1997 I moved to Melbourne from a farm near Stawell, straight out of high school but eager to leave following many years of a tough family life leading to chronic depression, lowered self esteem and a two year battle with anorexia (yes you wouldn't think to look at me now). I had never really liked Melbourne as a kid but at the time anything was better than staying where I was, so I enrolled in a Bachelor of Computer Science at Melbourne Universtiy and was lucky to be accepted into St Hilda's college for the year.*

*I had no friends in Melbourne and didn't even know how to buy a ticket on the tram, however I knew I had to try and meet some people. Therefore O-Week came, and I sheepishly walked around surveying the many clubs from the "Simpsons" right through to the "Chocolate Lovers Society". Then something caught my eye, "Women's Football". I didn't even know women played aussie rules!! Behind the trestle table was "Mary Cennachi", with a huge welcoming grin and I instantly signed up. Next thing you know I was attending my first Mugar's training (spelt "Muggers" back then) and have never looked back.*

*There was no Executive in those days, just Mary. We trained in primitive conditions with only a few footballs we dug up from home . . . we fought the council for training grounds and were lucky if we had one light on the corner of an oval. We fought the uni for a home ground, while we*

*continued to struggle to field a team. All the while Mary's phone bill continued to increase as she would do the weekly ring around. The VWFL (who only had one division at the time) didn't want a "uni team" as they believed we would never be competitive! The only team we could beat was Box Hill and even then we struggled.*

*Slowly I began to gain some self esteem due to the life long friend ships I began to develop at the MUWFC. They were and still are the best group of people I have ever met! During my now 8-9 years of involvement with the MUWFC, I have been privileged to hold many different roles including a player in all three teams at one point or another, 2nd division Captain, Treasurer and trainer.*

*I made an impromptu speech once where I said that the MUWFC was "my family"! And how true that was. It is a group of people that stick by you no matter what, will never leave someone behind and will make you believe that you can achieve what ever you want . . . without the MUGARS' support, I would probably not be here to relay this story today. I now have self confidence, I have quit the job I hate (IT) and am now enjoying the life of a Paramedic! For the first time in my life I can safely say I am HAPPY . . . and I owe a lot of that to my family the MUGARS! I will fight all the way to ensure that the MUGARS stay around to help someone else out in need!*

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#### **BRIANNA LAUGHER - 4th year BA/BSc**

*My family lives in rural NSW. I came to Melbourne University because they offered me a scholarship. I discovered the MUWFC table at the Clubs & Societies Day in first week and tentatively began training. Four years later I am still at university (I have a five-year degree) and still with the MUWFC. I doubt that I would still be here in Melbourne without knowing that my club was there for me, without the social ties and experiences I've had here that have shaped me and my life. I often look around the club and simply feel amazed at being in the company of so many extraordinary women at one time. It is clear to me that this club creates leaders and passion, inspires and SAVES people more than any other organisation or group I have ever come in contact with. It gives women a chance to exercise things they may never have had an opportunity to do so before (and I'm not talking about hamstrings): it gives them a chance to experience an active, diverse, body-positive, fully inclusive and supportive environment, which helps many individual women flourish in all facets of their life.*

*Each dollar invested in preventative healthcare saves itself many times over in treatment. Financing women's sport in general (and the MUWFC in particular) is an investment in women's emotional and physical wellbeing. Surely as a society we are obligated to look after our young women (and young men of course!), foster leaders, support talent and encourage each individual to achieve their best. This is not just a minority "women's interest" issue - we all have mothers, daughters, sisters, partners, friends, cousins. The MUGARS is the soundest investment I know of in this arena, sounder than any yoga class, gym pass, therapy, self-help book. To let the achievements and future possibilities of this club now fall away owing to our supposed "choice" is no choice at all. No sane person could possibly witness the things this club does and allow that to be lost.*

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#### **AMANDA MCCAIN – MU INTERNATIONAL STUDENT – 2005**

*One of the main purposes of studying in a foreign country is to interact with the people and learn as much about the culture as possible. I came to Australia to do just that, but I found myself living with only other International Students and not meeting many Australians. Classes weren't the answer since I felt relatively small and shy amongst such large groups of Australians in my lectures. My solution was to join the MUGARS. The club was perfect for providing me with about 100 new Australian friends who were perfectly happy to share their culture not to mention some of them had never played the game before either. We would get to learn the rules and skills together. What more of a truly Australian experience could I ask for than playing footy with a group of "natives"? I know that joining the club has certainly enhanced my enjoyment of my short time here. Without it, I believe I would have spent the entire duration of my time here without every truly getting to know any Aussies and that would have been an incredible loss.*

*In conclusion, the Mugar is an irreplaceable club that must find a way to continue on and continue to provide International Students with a place to find new friends and a new sport to love.*

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#### **CHYLOE KURDAS – MU STUDENT 2000**

*I played at Parkdale for 2 years back in 1997 & 1998. A good friend of mine suggested I come down and loved it. Unfortunately I didn't enjoy the culture of the club or it's poor support of it's members. At the end of 1998 I decided that I needed a change if I was going to continue playing. I remembered playing against MU and thought that even though they finished at the bottom of the ladder, they were the friendliest opposition I had played against. Around the time I met a MUGAR at a football game and told her of my interest in playing elsewhere. In true MUGAR style, she answered all of my questions in a friendly and supportive manner. True to form, she called me in February of 1999 to invite me to preseason training and along I went. Ten minutes into my first session and I knew that I was home. I knew from that moment that I would never play football for another club. I'm actually a very shy person around people I don't know, but everyone was just amazingly supportive and encouraging. On my second night of training our coach invited me to the pub. I told her that I didn't drink and didn't like going out to pubs. She simply replied, "I don't care what you drink. Have a raspberry lemonade if you want. What's important is that you get to know the team and we get to know who you are! It's about feeling a part of it all."*

*I had never felt so good about myself. Around the same time I was coming to terms with an eating disorder. I was beginning to manage my bulimia much better however, I found it difficult at times as I lacked a lot of self confidence and didn't like myself very much at all. To be accepted unconditionally and to watch others experience that also was unbelievably supportive and has done wonders for how I feel about myself. The space to figure myself out and just be who I am without constant judgement was critical in whom I have become. For that I will always be grateful.*

*The MUWFC has also given me an opportunity to be a pioneer. All of us who take the field are paving a pathway for our young girls who want to do something they've never been encouraged to do. This gives me a sense of purpose. It is comforting to know that when I die that I will have been able to contribute to many people's lives and that I have thrived on the many ways in which they have contributed to my life.*

*If the MUWFC was to no longer exist, I would honestly feel that I half of my family no longer existed. I love the fact that every preseason I gain another 30 new friends who all bring with them some amazing experiences, skills and knowledge to make this club even more wonderful.*

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In the absence of funding support from MU Sport, the Women's Football Club would never have existed – and hundreds of women would have been denied the opportunity to be involved in physical activity and a supportive club environment.

If MUS is forced to cut funding, the Club will have to find an additional \$15,000 each year to operate in its current form. The impact would be an increase in student membership fees from \$50 to \$200. (It is also noted that club members would have to pay the voluntary MU Sport membership fee adding another \$90 to their yearly costs).

Other clubs have forecast similar financial impacts on their student members.

## **9. High Performance Sport**

Whilst the major focus of sport and recreation at the University is on encouraging participation, MUS does provide support to high performance sport through a sports scholarship program and funding support to specific clubs, such as Volleyball for their teams in the National League and Basketball for their teams in the VBL.

These teams are underpinned by a large participation base – the Volleyball Club has 10 other teams and Basketball an additional 20 teams which provide opportunities at a

range of levels. The value of the high level teams is that they provide a profile for the clubs, and a pathway for club members. Coaching and administrative standards are developed to higher levels, and this has an overall benefit for the club.

Melbourne University Boat club is regarded as one of the leading rowing clubs in Australia, and has produced countless Australian and Olympic representatives. The club, along with a number of other university rowing clubs, is an important part of Rowing Australia's high performance program. But the club is not elitist as it provides for learning and participation opportunities for beginners to masters level. The club has been a pathway for many beginner rowers who have gone on to higher levels.

The sports that compete at higher levels require additional support; otherwise the full cost of participation falls to the individual club members making it unaffordable.

Sports Scholarships provide valuable support for a group of students who are combining tertiary education with national and international sporting competition. The scholarships are funded by income generated from assets developed over many generations of students. Whilst not directly affected by the loss of A&SF income, this source of income would have to be re-directed for other purposes.

## **10. Conclusion**

The sports clubs and recreational activities offered on campus are a critical part of the student experience and are a source of great pride and personal development. The University of Melbourne is one of the most successful sporting Universities and our sports clubs have an outstanding history of success.

The range of activities offered at the University provide an immense range of choices for students, from the purely recreational such as horseriding and scuba diving, to sporting opportunities from "E Grade" to elite, and individual health and fitness programs outside the club system.

As illustrated through the comments of the women footballers, the value of sport and recreation goes well beyond any immediate health benefits. In the words of former Vice-Chancellor Alan Gilbert:

*"At the University of Melbourne, as at many of the world's great universities, sport has always been a major part of [the University's] life-enriching experiences ... Many of Melbourne's most distinguished graduates have found in the sporting activities and opportunities afforded by their years at university some of their most enriching and memorable learning experiences".*

The programs and facilities have been developed from over 100 years of compulsory student contributions, a system that is widely accepted and the most sustainable means by which sporting infrastructure can be developed at universities. The VSU legislation threatens to destroy what previous generations have built and is a slap in the face for organisations such as MUS that have provided faultless and professional student services for many years from the Amenities and Services Fee.

**Mark Lockie**

Director, Sport and Physical Recreation



## **UQ SPORT & VOLUNTARY STUDENT UNIONISM (VSU)**

The Federal Government's proposed Voluntary Student Unionism legislation prohibits universities from using student fees to provide sport and recreation services and facilities.

This legislation will have a direct impact on ALL users of UQ sporting facilities and participants in UQ SPORT programs and events.

All Universities should have the right to administer a compulsory amenities fee that will provide the opportunity for ALL to access sport & recreation services and facilities.

UQ SPORT recorded more than one million visits from the university and wider communities across its sporting facilities, programs and during 2004.

### **The loss of \$2.5 million worth of revenue, representing 35% of income, will mean:**

- An across the board increase in fees for those using our sporting facilities, programs, activities and events, including the UQ and wider community.
- The capacity to fund ongoing infrastructure is in jeopardy.
- The end of grants that underpin 48 sporting clubs across UQ campuses. These clubs cater for more than 4000 members, of which 70% are students.
- Effectively cut out more than 50 sporting scholarships that support elite student athletes trying to balance competition and tertiary education. Many have gone on to compete at the highest level of their sport including Olympic Games and World Championships.
- A huge blow to participation opportunities by limiting the diversity of programs and services offered such as holistic health, social sport, junior sport programs and sports coaching.
- Loss of sporting tradition at the University of Queensland dating back to 1912

### **UQ SPORT has established itself as a key provider of sport and recreation activities for the community. A snapshot of 2004 participants and visits are below:**

- UQ SPORT ran a total of 386 programs for University and local community
- 586,776 visits across UQ sporting venues
- Over 20,800 participants across social sport, recreation and adventure courses, college sport, sporting clubs and Unisport programs
- 12,150 community participants across UQ sporting venues and programs
- 1,800 children attend a wide variety of school holiday sport programs annually
- 2,625 children attend learn to swim classes annually
- 600 children attend tennis coaching lessons annually

### **Contact Kim Guerin, Executive Director UQ SPORT for more information:**

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# SPORT UNE - A VSU PERSPECTIVE

The University of New England Sports Association trading as Sport UNE was established in 1938 and is responsible for the provision and management of sport and physical recreation activities at the University of New England. Sport UNE is one of four student organisations at UNE and acts in accordance with its Constitution approved by the University Council. Sport UNE seeks to:

***Be recognised by its Members, the University and the Community for its excellence in all aspects of the development and conduct of sport and physical recreation activities.***

The Federal Government's proposed Voluntary Student Unionism legislation that prohibits Universities from charging student fees to provide a wide range of student services including sport and fitness facilities and support for sporting clubs and student athletes will have a catastrophic impact on the provision of services at regional universities. The impact will not only be on students but the wider community.

## **1. OVERVIEW**

The important role which Sport UNE plays in the life of the University has been established firmly for many years and is illustrated by the following facts:

- Sport and physical recreation are overwhelmingly the major student extra curricular activities at UNE, and throughout the past three decades Sport UNE's participation rates have been the highest amongst Australian Universities.
- Sport and physical recreation make an important contribution to the physical, social and emotional well-being of students.
- Sport UNE provides an important bridge between students and staff.
- Sport UNE's extensive community recreation program is an important bridge between the University and the local residents of Armidale.
- Sport UNE's National Sports Camps generate extensive favourable publicity for the University at regional, national and international levels.
- Sport UNE's entrepreneurial activities bring substantial business to the Colleges and the local community and assist Sport UNE in reducing the level of student membership fees to cover operational expenditure.
- Sport UNE's prestige and facilities attract students to the University.
- Sport UNE is a major employer of students, providing casual employment opportunities for up to 30 students per year.
- Sport UNE provides extensive facilities which would otherwise be unavailable in a small rural community.
- Sport UNE works closely with local Councils, Sports Associations and Schools to attract major sporting events to Armidale.

Sport UNE is able to provide an extensive range of facilities and services as a result of the University Administration levying all students a General Service Fee. Without a compulsory service fee paid by all University Students, Sport UNE would be unable to maintain its facilities and service programs which benefit both the University and local community.

## **2. FACILITIES DEVELOPED BY SPORT UNE**

**Sport UNE believes that the application of the Legislation in its current form will undermine the quality of sporting facilities available to students and the wider New England Community.**

In its 66 years of operation, Sport UNE has developed facilities valued at over \$12 million. These facilities have been fully funded by Sport UNE with a small amount of funding (\$122,000) from Federal Government grants for the development of playing fields and change room amenities during the period 1964 – 1970. Sport UNE has also received limited financial support for the development of its extensive facilities from the University (during the period 1948-1970) and no support has ever been received from State or Local Government sources.

Universal contributions by students for sporting and recreational services at UNE have, over many years, been the source of funds for the development of UNE's quality sporting facilities. This revenue services the debt on infrastructure projects relating to buildings and grounds of a sporting/recreational nature. Sport UNE is currently servicing a loan of \$250,000 for the upgrading of the Indoor Recreation Centre roof in 2000. How will this debt be serviced in the future under the proposed legislation? Who will take on responsibility for these loans should Sport UNE cease to exist? How will future facility development be funded under the proposed current legislation? In Armidale and other rural areas, the negative impact on facility development will be significantly amplified.

In 2004, Sport UNE resourced a team of business leaders from the New England Community who have been working to raise \$2.5million to upgrade the University pool and develop a grandstand complex at Bellevue Rugby Field. Regrettably the VSU legislation has undermined the efforts of our fundraising team as the regional community is unwilling to contribute funds to the project given the uncertain future of Sport UNE in a VSU environment.

The significant cost-benefit of maintaining and extending University sporting and recreational infrastructure has already been recognised by Government. A Federal Government Committee Report in June 1998 – "*Rethinking the funding of community sporting and recreation facilities: A sporting chance*" - reviewed the provision of national sporting and recreational infrastructure, and recognised University sporting facilities for the opportunities that they provide for the local community. It acknowledged that University facilities were already being used extensively by the community and that further contributing to them provides for a very cost-effective means of providing improved facilities for community as well as student use. Community use of Sport UNE facilities is extensive with support provided to a wide range of sporting groups, schools and disabled and disadvantaged groups on a daily basis. This support would be severely affected under the current Legislation.

It is worth noting that the massive demands placed on Sport UNE by students, arises from a situation which is unique to Regional Australian Universities. The University of New England is located in a relatively small country town whose ratepayers cannot be expected to provide the sports and physical recreation facilities needed by a large number of transient students. On the other hand students at metropolitan universities have access to an extensive range of facilities provided off campus by outside bodies. Many students at metropolitan universities play with non university teams and use non-university facilities. At the same time, almost every sporting and physical

recreation activity pursued by students at the University of New England has to be provided by Sport UNE.

The proposed Legislation will have a dramatic impact on facilities and programs which are currently provided to rural and regional university students (services which are currently provided and readily available in metropolitan areas). One example of a facility that is offered by our organisation is a synthetic hockey field which was developed by Sport UNE in 1993 at a cost of \$700,000. Had this facility not been developed and funded, students and local hockey players would have had to travel a return distance of some 240 km to use a field of similar standard in Tamworth.

If students did not contribute financially to the facilities and services via universal membership of their Sports Association, many would simply not exist for students at UNE, at other regional campuses or the broader rural community. The proposed Legislation will severely affect the ability of Sport UNE to maintain the facilities we have developed over time as we will be starved of funds to maintain our buildings and grounds. This would represent yet another reduction in services to the residents of Armidale and the New England region with similar impacts on other regional university communities.

### **3. THE CONTRIBUTION SPORT PLAYS IN PROVIDING A “WELL ROUNDED EDUCATION” AT THE CAMPUS LEVEL**

**Sport UNE believes that the application of the Legislation in its current form will undermine the richness and cultural diversity of University life, and in particular the role Sport plays in facilitating this.**

Cultural diversity and feeling of “community” are developed on campus through non-academic activities. Sport and recreation at university enhances and broadens the experiences of students. Whether they be campus-based, regional, national or international sporting opportunities, these activities contribute to, and provide a foundation for, the rich cultural diversity that exists on many Australian campuses. In fact it serves to extend the university environment beyond a student’s studies and helps create a positive dimension to University life for ‘tens of thousands’ of students.

Students not only acquire physical skills through University sport, but professional attributes that extend well beyond the development of sporting prowess. There are many skills which a student acquires as a result of playing, administering and generally becoming involved in sport. Developing skills in decision making, in management, in committee roles and in officiating are all opportunities available to those who are active in the administration of University sport. At UNE, our students can register for the New England Award which recognises leadership development through participation in a wide range of extra-curricular activities such as Sports and Club administration. The opportunities for students to obtain leadership skills through sport and other student organisations will be significantly diminished as a consequence of the VSU legislation.

In addition, those with an understanding of how University sport works in this country would acknowledge the role it plays in a student’s social development. Lifelong friendships are born through sport in the general Australian community and University sport is no different in this regard. University sport is as important to campus life as sport is to community life.

Sport UNE is proud of the activities conducted under our Club Programs and the skills that students acquire through their involvement in Club Sport. Evidence from Western Australia suggests that Club Programs under the proposed Legislation would be greatly affected if they do not cease entirely. At UNE the loss of Club Programs would have the following impacts:

- Reduction in opportunities to undertake Sports Administration, Coaching, Refereeing Courses (skills which our students take into the wider community upon completion of their degrees).
- UNE Sports Clubs currently provide the only form of Competition within the Armidale District for the following sporting activities:
  - Waterpolo
  - Women's Rugby Union
  - Women's Cricket
  - Volleyball
  - Australian Football
  - Badminton
  - Mountaineering
  - Scuba Diving
  - Underwater Hockey
  - Canoe Polo
  - Indoor Climbing.

The loss of funding for these programs would have a profound impact on the local and regional sporting communities who participate in University Club Sports programs.

- University and UNE College Teams contribute to vibrant local sporting competitions. If UNE Club teams were to withdraw from local competitions (due to higher costs under VSU) this would seriously affect the viability of the local Rugby Union Competition where UNE teams contribute 70% of the players/teams in the New England competition.

#### **4. FACILITY MAINTENANCE AND SAFETY STANDARDS**

**Sport UNE believes the application of the Legislation in its current form will undermine the safety of students, staff, visitors and community users to our facilities through the curtailment of quality and properly resourced preventative maintenance programs.**

Sport UNE currently invests up to \$300,000 annually on the maintenance of its indoor facilities and playing fields. This funding is provided from universal contributions by students through the University General Service Fee. Sport UNE currently maintains 15 hectares of playing fields on campus. Under a Voluntary 'user pays' basis it would be impossible for Sport UNE to continue maintaining its playing fields. Local Government Authorities are only able to fund the maintenance of their parks and playing fields through the levying of Council Rates as these facilities simply cannot be provided by adopting a 'user pays' philosophy. Federal, State and Local Governments spend \$2 billion annually on sport and physical recreation (2003 ABS report). With University Sport essentially excluded from this funding, Sport UNE asks why is University Sport alone being asked to operate on a user-pays basis?

Under the proposed Legislation, major maintenance would be unable to be undertaken by Sport UNE for costly repairs, facilities would become rundown and as a consequence this would reduce the commercial viability of these facilities. This was the case in Western Australia (at two of the four Universities with older sporting and recreation facilities), when similar VSU legislation was implemented. Unlike UNE, all Western Australian Universities have playing field maintenance undertaken by their

University administrations. Without Sport UNE maintaining playing fields, these facilities would have to be withdrawn as the University of New England is in no financial position to take over funding of playing fields and inject \$300,000 annually into the maintenance of sporting facilities if the VSU legislation is passed.

Sport UNE is proud that as part of a deliberate strategy of subsidising facility fees through General Service Fee contributions (up to \$110,000 per annum) we have been able to provide access to programs and our facilities at low cost for students. This policy has contributed to UNE achieving the highest participation rates in Sport and physical activity within all Australian Universities for our internal student population. Sport at UNE provides a healthy balance for our students. Sport UNE contends that the Government VSU Legislation will undermine its investment of \$90 million to encourage school children to take up sport as over \$30million of expenditure on Sport at a University level will be withdrawn.

## **5. EMPLOYMENT LEVELS**

**Sport UNE believes the application of the Legislation in its current form will dramatically affect employment levels within Armidale and in Rural and Regional University centres.**

Sport UNE employs thirteen full time staff and up to 30 casual staff to service its extensive facilities and programs which are made available to the Community seven days a week. Sport UNE's salary budget is \$880,000 per annum. Our staff is drawn from Armidale and its surrounding districts.

The likely reduction in casual staffing opportunities as a consequence of the current Legislation would dramatically impact on student retention rates and willingness to study at a regional university. Sport UNE is one of the Armidale Communities major employers of students, providing a range of casual employment opportunities for up to 30 students each year. The lack of casual employment opportunities for students in a small regional community is already a concern to the University in attracting students to Armidale. The Legislation in its current form would effectively eliminate most of the casual student employment opportunities in Armidale (up to 150 positions) which are provided by UNE's four Student Organisations.

Sport UNE is concerned that the Legislation would also have a profound impact on our full time workforce with the potential loss of up to 3 groundstaff (the funding would not be available to maintain facilities to current standards) and up to 3 administrative positions providing programming assistance and club support.

The reduction in funding that is inevitable under the proposed current legislation will have an immediate and dramatic effect on employment levels in all sporting associations/departments Australia wide. It will undermine staff professionalism and the considerable breadth of experience that currently exists within the University sport industry workforce.

The impact on employment levels will not be confined to the employment of University sport-service industry staff. The scaling down of activity in the University sport sector will have significant implications for employment in the construction and service industries associated with the provision and maintenance of over \$500 million worth of campus-based sporting and recreation facilities Australia wide. Construction, maintenance services and related industry activity will be severely impacted

especially in regional areas, with the flow-on effect to local businesses significant (in excess of \$1 million per annum in Armidale alone).

## **6. COMMUNITY INVOLVEMENT**

**Sport UNE believes the application of the Legislation in its current form will significantly diminish our ability to contribute to the local and regional sporting community.**

Community involvement is the cornerstone of Sport UNE's mission which includes the following actions:

*The promotion of the University within the local community, the region and nation through:*

- *assisting in the conduct and management of sport and physical recreation programs.*
- *the management of the use of facilities by members and non-members.*
- *appropriate joint arrangements for the development and operation of sport and physical recreation facilities, and*
- *developing skills in sport and physical recreation conduct and management.*

### **a) Community usage of Sports Association Facilities**

Sport UNE has as part of its strategy, various roles that assist the development of sport in the community. Sport UNE's facilities are made available for use by a number of community groups throughout the year.

- **Local Schools** utilise Sport UNE facilities for their weekly sports programs and regional carnivals with up to 700 school children each week accessing our facilities as part of their school sport and physical activity programs.
- **University Sporting Teams** are a vital part of local sporting competitions and University Sports facilities are used intensively for local competitions. The University's Consett Davis playing fields are floodlit and provide Armidale's only venue for competition standard night play. The VSU legislation will mean there will be no capacity for Sport UNE to replace blown light globes as the costs would be prohibitive (up to \$10,000 to hire cranes and replace all globes).
- **Sports Association Clubs** fill gaps in the local provision of sport by encouraging non University teams to play in University competitions where no other locally organised competitions are available. Australian Football, Badminton, Underwater Hockey, Volleyball, and Mountaineering are examples of this support. Sport UNE will be unable to subsidise equipment and facility access for these clubs making it more expensive for everyone to play sport. Without Sport UNE's assistance most of these activities would not be sustainable as they rely heavily on student participation.

- **The University Community Fitness Program** provides a wide range of fitness related activities and health lifestyle programs conducted under supervision of qualified instructors. Sport UNE is Armidale's only Fitness centre accredited with State and National Fitness bodies. The current Legislation would reduce Sport UNE's ability to provide facilities to community groups at cheaper/subsidised rates. This would greatly affect community, school and disabled and disadvantaged groups and our inability to subsidise programs would diminish our capacity to conduct coaching, refereeing, first aid and learn to play programs.

#### b) **National Sports Camps**

Since 1980 Sport UNE has conducted the National Sports Camps in Armidale. During the past twenty five years in excess of 130,000 campers have attended the Camps from all states in Australia and from New Zealand, Papua New Guinea, Vanuatu, South Africa, Great Britain, China, Singapore, Sri Lanka and Fiji. The Camps have featured Australia's leading coaches and players and have earned the University an International reputation for the quality of the sporting facilities and coaching programs.

The National Sports Camp program is conducted by Sport UNE in conjunction with State and National Sports Associations. This link enables the University to secure the services of Australia's leading coaching and players to conduct the sports camp programs.

The National Sports Camps provide participants the opportunity of developing their skills under the guidance of Australia's leading coaches and players. Coaching accreditation programs are also conducted for parents and coaches in all programs.

The current Legislation would effectively see the 'winding up' of the National Sports Camps as Sport UNE would no longer have the facilities, staff or financial resources to promote the program.

#### c) **Major Championship Events**

Sport UNE has a proud history of hosting major sporting championships. Sporting teams travel from around Australia to utilise UNE's extensive sporting facilities. Once again the influx of players and supporters provides a major economic benefit to the local economy.

Sport UNE had been planning to host the 2006 Northern University Games in Armidale an event that would have injected well over \$2million into the local economy through the participation of up to 2,200 student athletes across 15 sports. The VSU legislation has placed 'on hold' our plans for this event as we would no longer have the standard of facilities and staff resources to conduct such a major event.

With the advent of VSU, Sport UNE will be unable to subsidise the participation of our students who represent UNE and the wider community at Regional and National University events. University sporting contests in the future will become events for students who can afford to compete rather than for those who are deserving of representation. This will reduce the standard of Australian University sport and ultimately reduce opportunities for talented student athletes. It is likely

that the National Universities Games which are the largest multisport event conducted in Australia today “will die” as a consequence of the current Legislation.

d) **Support of Representative Sports**

- **Northern Inland Academy of Sport.**

Sport UNE was the developer of the concepts behind the establishment of the Northern Inland Academy of Sport in 1992. Today, the Academy makes extensive use of Sport UNE facilities for the conduct of its programs in the following sports: Rugby League, Netball, Softball Hockey and Soccer. Sport UNE currently supports the Boys and Girls Soccer program. This support will be lost under the VSU Legislation.

- **Armidale Dumaresq Sports Council.**

Sport UNE has been an active contributor on Armidale Dumaresq Council's - Sports Council and has worked closely with Council in hosting major sporting events. Armidale Dumaresq Council is currently developing a Strategic Plan for Sport. VSU will have a profound impact on the Council as Sport UNE would have no capacity to maintain fields our students would therefore seek to make greater use of Council facilities.

With the likely demise of our Club Sports program, students will look to community clubs to sustain their representative sporting interests. This transfer of responsibility will place considerable strain on Councils recreation budget and facilities from non rate-paying students who reside in UNE's Residential Colleges.

- **The Athlete Friendly University Network**

In October 2004 the Federal Government through its agency, the Australian Sports Commission, requested and received the commitment of Australia's universities to the “Elite Athlete Friendly University Network”.

This program recognised that for too long Australia's talented sportspeople had to choose between achieving sporting excellence and seriously pursuing tertiary education. UNE is a member of the Elite Athlete Friendly University network and Sport UNE advocates on behalf of the University of New England's elite athletes. With the potential loss of staff as a consequence of the VSU legislation, Sport UNE would be no longer able to assist these athletes. It is envisaged that our Sports Scholarship program would also be diminished.

There is a very real contradiction in that the proposed legislation will withdraw the capacity of our universities, through their respective sports bodies, to provide the substantial resources required to develop a system that, for the first time, would adequately equip athletes for life after sport.

## **7. Marketing UNE to potential Students**

**Potentially the most dramatic impact the introduction of the Higher Education Legislation Amendment Bill would have upon the local community would be in the reduction of students wishing to study at UNE if student services are**

**diminished or curtailed. Regional Universities are already finding it difficult to attract students with the competition from large metropolitan universities.**

The facilities and services provided by Sport UNE are a major attraction for students to study at UNE. Without our services and facilities, students would be lost to major metropolitan universities where an extensive range of facilities and services are available to compliment their University education.

## **8. An Overview of the UNE General Service Fee and How it is managed by Sport UNE**

All internal students pay the University an annual General Service Fee of \$370 in 2005 (\$185 per semester). This fee is used by UNE's four student organizations to sustain a wide range of services for students at UNE. The fee is approved by the University Council and is dispersed in the following way:-

- **Sport UNE**                      **\$127.47**
- **UNE Union**                      **\$127.47**
- **UNESA/ UNEPA**              **\$ 60.32**
- **Dental Levy**                    **\$ 49.04**
- **UNE Retains**                    **\$ 5.70**

External students pay a fee of \$160 per year of which sport UNE receives \$41.80.

The General Service Fee contributes up to 50% of Sport UNE's operational income. In 2004 Sport UNE received \$915,000 from the GSF (likely to be \$860,000 in 2005 due to lower enrolments at UNE)!

### **Where Sport UNE invests the General Service Fee Income**

<b>Salaries</b>	<b>\$346,000</b>
<b>Maintenance</b>	<b>\$204,000</b>
<b>Student Facilities</b>	<b>\$110,000</b>
<b>I.V and College sport support</b>	<b>\$85,000</b>
<b>Club expenses and subsidies</b>	<b>\$80,000</b>
<b>Insurance</b>	<b>\$66,000</b>
<b>Membership of Aust. Uni Sport</b>	<b>\$14,000</b>
<b>Scholarships</b>	<b>\$10,000</b>

### **How the Legislation will impact on sport at Sport UNE**

Based on experience in Western Australia where similar Legislation was introduced by the Liberal State Government in the mid 90's.

No external students are likely to join Sport UNE = Loss of \$480,000

6%-25% of internal students are likely to join

Sport UNE = Loss of \$410,000 to \$305,000

**Total impact up to \$890,000 Loss of operating income for Sport UNE**

For those who join student organizations there will be less services and these available will be more expensive to access.

**Loss of General Service Fee income will mean the following sports services at UNE will be impacted :**

- No funds to maintain playing fields and indoor facilities (\$250,000)
- No Accident Insurance Coverage (\$45,000)
- Investment in new equipment will be reduced substantially (\$100,000)
- Insurance of buildings and club programs will be compromised (\$25,000)
- Student employment opportunities will be reduced
- Club sport subsidies will be withdrawn (\$80,000)
- User fees will increase substantially for all programs (loss of \$110,000 in student subsidies)
- Intervarsity sport and MB/PT subsidies will be withdrawn (\$85,000)
- Sports scholarships will be reduced (\$10,000)
- The Indoor Recreation Centre hours will be significantly reduced (likely to close at 8pm weeknights and possibly not open on Sunday).

**9. CONCLUSION**

In conclusion, Sport UNE advocates the amendment of the current VSU legislation to enable the University to levy a compulsory Amenities fee for non academic services for all students. Sport UNE believes it is not unreasonable for all university students to be asked to make a contribution to the services available to them - especially those services of a sporting and recreational nature. Moreover, we believe it is paramount that student sporting and recreational services continue to be adequately resourced.

Prepared by  
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## USQ STUDENT GUILD RESPONSE TO PROPOSED VSU LEGISLATION

Prepared for: DEST Representatives meeting  
with USQ Executive – 13 April 2005

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11 April 2005

## TABLE OF CONTENTS

Introduction .....	3
Summary.....	3
Background to USQ Student Guild.....	5
Lack of Consultation.....	6
Possible Consequences.....	7
Policy Failure.....	11
Conclusion.....	12
Recommendation .....	12

## **INTRODUCTION**

The Australian Government's proposed Voluntary Student Unionism legislation is of concern to the USQ Student Guild. It should also be of concern to USQ and DEST as well as other Australian Government departments and agencies.

It is hard to see that what is being proposed will in any way help to make the University a better place.

Also of concern is the lack of consultation by DEST with the industry and its peak agencies.

## **SUMMARY**

The Student Guild believes that, if the Minister is concerned at the practices and behaviour of some individual campus student organisations, the Department, the Government and universities would be better served by the introduction of codes of practice, industry regulation and performance standards rather than the proposed legislation.

The legislation, if introduced in its current form, it could have, amongst others, the following consequences:

1. A cessation or dramatic reduction of capital investment in non-teaching campus infrastructure at all USQ campuses.
2. A run down of existing sporting, recreation and leisure capital items over the short to medium term.
3. The immediate removal and/or non-replacement of existing sporting, recreation and leisure capital items in the short to medium term.
4. USQ will be forced to either:
  - a. Not replace or expand campus non-teaching capital infrastructure
  - b. Divert DEST funding from staffing, teaching or research program funds to replace or expand existing and planned infrastructure currently funded and maintained by the USQ Student GuildOr
  - c. Request additional funding from DEST to provide such infrastructure, capital replacement and maintenance.
5. USQ's community commitment and obligations will be compromised.
6. The cessation of Student Guild funded health, fitness, volunteer and leisure programs will be contrary to policies of the Australian and State Government Departments of Health and Sport and may result in additional demands on the resources and funding of those departments to maintain or replace existing programs for the university community.
7. Although some of the current commercial activities may be undertaken by outside private enterprise as suggested by the Minister, there is no reason to expect that profits generated from these activities will be directed to funding

on-campus sporting and recreation infrastructure and programs including the USQ Performance Centre as is currently the case with the Student Guild.

8. On-campus student numbers may fall as students, prospective students (both domestic and international) and parents come to realise that expected campus services and facilities are not or no longer available at regional campuses.
9. Student Guild salary and wages costs are considerably less than USQ costs. Therefore, any staff employed by USQ to provide some or all of the services currently provided by the Guild will cost the University more than it would to have the Student Guild staff provide the same service.

## **BACKGROUND TO THE STUDENT GUILD**

1. The USQ Student Guild is established and incorporated under the University of Southern Queensland Act (1998) – an Act of the Queensland Parliament.
2. Since 1996 the Student Guild has invested over \$7,500,000 in campus infrastructure and other capital expenditure.
3. The Student Guild employs 45 permanent salary and wages staff together with over 100 casual staff. These are mostly USQ students. Total payroll costs for 2004 were **\$2,292,990**.
4. The Student Guild employs a professional management team, all of whom are graduates and which includes two CPAs. Currently two staff are enrolled in MBA programs.
5. The Guild's Board of Governance consists of 10 elected students and 4 non-students including one person appointed by the USQ Council and one person appointed by the Vice-Chancellor. The Vice-Chancellor's nominee is the Chairperson.
6. At 1 January 2005, the Guild had an outstanding debt of over \$1,300,000. Since 1996 the Guild has repaid over \$5,500,000 in debt financing used to fund campus infrastructure and other capital items.
7. The Clive Berghofer Recreation Centre opened in 1996 with a construction and fit out cost in excess of \$6,000,000 almost entirely funded by the USQ Student Guild. The estimated replacement cost of this building is in excess of \$15,000,000.
8. Total fees paid by students to the University in recent years have been:
  - 2001        \$1,684,372
  - 2002        \$1,628,663
  - 2003        \$1,627,784
  - 2004        \$1,685,779
  - 2005        \$1,700,000 (estimated)

In a statement issued on 16 March 2005 the Minister stated USQ fees for 2005 were \$2,630,000. This is an overestimation of \$930,000.

### **LACK OF CONSULTATION**

It has been a proud tradition of the Australian Public Service to provide objective and fearless advice to the political arm of government. In providing this advice the Service has sought input from and consultation with the industry likely to be effected by any proposed policy or legislative action.

There has been an almost complete absence of any consultation or the seeking of input from the effected industry and its peak bodies in relation to the proposed legislation.

The industry, which employs over 5000 Australians in permanent and casual employment is represented by several peak bodies including ACUMA, AUS (Australian University Sport), NUS (National Union of Students) and CAPA (Council of Australian Postgraduate Students Association).

It should be noted that neither NUS nor the Australian Liberal Students Federation speak for or exclusively represent the industry.

Overwhelmingly campus service organisations are not unions or student unions within the context of the meaning used by the Government and the Minister. Campus service organisations that are members of ACUMA or AUS, with one or two exceptions, are managed by professional staff and have a corporate governance structure that includes a combination of elected students and appointed University or community members.

Without adequate industry consultation and input, the USQ Student Guild finds it difficult to understand how the Department can adequately advise the Minister or the Government on the impacts and consequences of the legislation or in fact be informed itself. Thus it is unable to adequately draft policy proposals and responses or to advise other Government Departments and agencies of the likely impact of the legislation and in particular possible future demands by universities for additional funding to pay for projects currently funded by campus organisations.

## **POSSIBLE CONSEQUENCES – intended or otherwise – of the legislation**

### **1. Cessation by the Student Guild of capital investment in non-teaching campus infrastructure.**

The Guild has invested over \$6,000,000 in campus infrastructure and another \$1,500,000 in capital items in the last ten years. In addition the Guild has purchased a sporting oval adjacent to the University to add to the University's stock of outdoor sports facilities. This investment was funded through reserves and debt financing with the fee income being used as security.

Without the security of an income from an amenities and services fee it is highly unlikely that the Student Guild will in the future be able to borrow to fund major infrastructure or capital projects.

**In effect this means NO SWIMMING OR AQUATIC CENTRE AT USQ OR DEVELOPMENTS AT SPRINGFIELD OR WIDE BAY FUNDED BY THE STUDENT GUILD.**

### **2. Run down of existing sporting, recreation and leisure capital items over the short to medium term.**

Currently on-campus facilities such as the Clive Berghofer Recreation Centre (CBRC), the tennis centre and the Club are maintained by the Student Guild. The cost to operate the CBRC in 2004 was \$190,000.

Already in 2005 the Guild has paid over \$20,000 to resurface the CBRC stadium floor and it is intended to replace 4 external doors damaged by weather at a quoted cost of almost \$10,000.

The stadium timber floor will need to be replaced in approximately 25 years at an estimated cost in excess of \$1,000,000. The floor cost \$500,000 when installed in 1996. Without regular recoating (approximately every 12 – 18 months), the timber surface will be damaged and therefore require replacing sooner than the expected 25 years.

### **3. The immediate removal and/or non-replacement of existing sporting, recreation and leisure capital items in the short to medium term.**

Equipment such as staging, chairs, scoreboards, basketball backboards, weights and cardio fitness equipment which belongs to the Student Guild may need to be sold to ensure funds are available to meet Guild commitments in the event of winding up. This equipment would therefore not be available to any private provider of the service. The replacement cost of the fitness centre equipment is in excess of \$600,000 and the replacement cost of the loose chairs, staging and carpet tiles in the Stadium is in excess of \$500,000.

### **4. USQ will be forced to either:**

- a. Not replace or expand campus non-teaching capital infrastructure**
  - b. Divert DEST funding from staffing, teaching or research program funds to replace or expand existing and planned infrastructure currently funded and maintained by the USQ Student Guild**
- or**

**c. Request additional funding from DEST to provide such infrastructure, capital replacement and maintenance.**

If USQ is to assume responsibility for the operation and maintenance of facilities currently operated and maintained by the Student Guild it will be an additional strain on its financial resources. Consequently, it will either need to divert funds from existing programs or request additional DEST funding. A private provider may operate the Centre under license. However, that will not guarantee the building's expansion, maintenance and replacement or that it would continue to support the University's mission.

**5. USQ's community commitment and obligations will be compromised.**

The USQ Student Guild supports the University's community obligations through the extensive community use of its facilities and programs. Without Guild or University funding community access to the Clive Berghofer Recreation Centre will be severely curtailed.

**6. The cessation of Student Guild funded health, fitness, volunteer and leisure programs will be contrary to policies of the Australian and State Government Departments of Health and Sport and may result in additional demands on the resources and funding of those departments to maintain or replace existing programs for the university community.**

The USQ Student Guild offers a range of health, fitness, and volunteer, sport leisure and personal development programs. Not only do these programs contribute to a vibrant campus life and a healthy balance between academic, sport and cultural activities, they encourage all students to be more physically active. This compliments current government programs. At a time when the Government, through the Australian Sports Commission, is spending \$90,000,000 encouraging increased sporting participation at primary and secondary school levels it seems ironic and somewhat contradictory, to be introducing a policy that will lead to less participation at tertiary level and may also lead to a need to increase government expenditure in education and health in the medium to long term.

**7. Although some of the current commercial activities may be undertaken by outside private enterprise as suggested by the Minister, there is no reason to expect that profits generated from these activities will be directed to funding on-campus sporting and recreation infrastructure and programs including the USQ Performance Centre as is currently the case with the Student Guild.**

The Student Guild owns and operates a number of commercial enterprises. These enterprises operate on normal business practices. Profits are used to fund its activities including capital and infrastructure funding and acquisition, service provision and support for other University activities. In the last 10 years approximately \$100,000 has been provided by the Student Guild to the USQ Performance Centre. This funding, as well as financial and in-kind support for other projects will cease without regular fee income. Consequently, these projects, will face a funding shortfall or will require additional funding from the University.

Some of the Guild's current commercial activities may be undertaken by private enterprise. However, it should be remembered that students are only on campus for approximately 24 of 52 weeks and that, on small and regional

campuses, these commercial activities are not the “gold mine” that some may think they are.

Also, it should not be assumed that private organisations will have access to Student Guild owned equipment and capital.

**8. On-campus student numbers may fall as students, prospective students (both domestic and international) and parents come to realise that expected campus services and facilities are not or no longer available at regional campuses.**

Students, whether they be domestic or international on-campus or distance education students visiting campus, expect a range of non-academic services and facilities to be available on campus. Parents of on-campus students also have this expectation.

The Student Guild has done much to provide facilities and services on the Toowoomba campus and has plans to develop and extend services and facilities at Wide Bay and the proposed Springfield campus. These plans have been put on hold. They may be deferred indefinitely.

For example almost every student – on-campus or distance education – and newly appointed staff member expects that the Toowoomba campus to have an aquatic centre. Many on-campus students and their parents are disappointed to find that university has fewer sporting and recreational facilities than their former high school. In a highly competitive environment international students are particularly surprised at the lack of campus facilities compared to the metropolitan campuses and their expectations.

Should there be a deterioration in the condition of existing recreational and sporting facilities or no improvements or expansion of these facilities the Student Guild believes student numbers will, in the medium term, be adversely affected.

The Student Guild also believes that, in the interests of informed decision making, it has an obligation to inform prospective students, their parents and student counsellors that a range of currently provided Guild services will not be available at USQ in 2006. We will advise them that if they expect to have these services available at their preferred university, they may need to reconsider their preferences.

**9. Student Guild salary and wages costs are considerably less than USQ costs. Therefore, any additional staff employed by USQ to provide some or all of the services currently provided by the Guild will cost the University more than it would to have the Student Guild staff provide the same service.**

It has been suggested by some government members and media commentators that if universities want some Guild services to continue then they could provide the service themselves. These commentators may not be aware, however, that the Guild’s salaries and wages and associated on-costs are considerably less than the equivalent university costs. The Guild operates with its own EBA and does not follow the University’s. In addition the Guild pays the minimum SGL and is not subject to payroll tax. Consequently, there is

over 12% saving in payroll on-costs without considering any differences in base salary. Of course, costs for additional staff will divert funds from existing teaching and research projects.

## **POLICY FAILURE**

The Higher Education Support Amendment (Abolition of Compulsory Up-front Student Union Fees) Bill 2005 is bad policy, is based on a false premise, will not achieve a user pays system of service provision in higher education. It will lead to greater demand for additional education, health and sport expenditure, an increase in drop out rates, as well as an increase in the payment of Newstart allowances.

It is bad policy because it is based on ideology and not what is in the best interest of the nation. It is also contrary to existing Government policy whereby students are required to make a contribution to the academic services available at University although they may not use them all.

It is based on the false premise of preventing compulsory membership of student unions when in Victoria and at the Universities of Wollongong and Newcastle, amongst others, students are not required to belong to campus student organisations. Students at these universities pay a fee for the provision of services such as a General Services Fee.

The Government's stated intention is to introduce a user pays system. However, if, by the introduction of the policy, the government is eventually forced to increase funding to universities, it will be the taxpayer rather than the user who will eventually pay.

There is a considerable body of evidence to suggest that failure to socially adjust and connect will lead to transition problems especially for 1<sup>st</sup> year rural or isolated students. It is expected that this will also apply to international students. This in turn will lead to a higher failure and drop out rate.

If there is a reduction in the opportunities for social adjustment and interaction through social, sporting and recreational programs it can be expected that there will be an increase in failure and drop out rates and/or an increase in disenchantment amongst students and parents. This may lead, through word of mouth advertising, to declining future enrolments.

## **CONCLUSION**

The USQ Student Guild is opposed to the legislation because it believes:

- The legislation is bad policy and is based on flawed and inadequate information and advice;
- There is a failure to recognise and deal with the resulting consequences;
- All students should make a contribution to the non-academic services and facilities at a University just as they are required to make a contribution to the academic services;
- Universities should have the right to determine if a range of additional student support services should be available at the University and what contribution, if any, students should make to those services;
- Rather than achieving a user pays system the policy is likely to result in a diversion of funds from teaching and research and the tax payer rather than students paying for campus support services and infrastructure;
- Most importantly, the policy will not make universities a better place for either domestic or international students and
- The campus service organisation industry employs over 5,000 Australians. In keeping with other industries that have been dislocated because of government policy or legislation – examples are the sugar and dairy industries – should also be eligible for structural adjustment assistance.

## **RECOMMENDATION**

The vast majority of campus based service organisations are efficient, well managed and well governed organisations.

If the government has concerns about the manner in which some organisations are run or how their funds are spent or allocated they could introduce, as is done with other industries, a form of regulation by mandating standards, codes, policies or procedures and allow universities to determine what services should be available on their campus and who should pay for them.

Some metropolitan campus organisations would be as large financially as some rural and western local governments. Yet, while Queensland Local Government Act is 960 pages long, there is no legislation specifically related to campus organisations.

# SWINBURNE UNIVERSITY SPORT & RECREATION - A VSU PERSPECTIVE

Swinburne University Sport & Recreation trading as “Swinergy” was established in 1969 and is responsible for the provision and management of sport and physical recreation activities at Swinburne University. Swinergy is one of two student organisations at Swinburne University and acts in accordance with its Constitution approved by the University. Swinergy seeks to:

***Be recognised by its Members and the University Community for its excellence in all aspects of the development / conduct of sport & physical recreation activities.***

The Federal Government’s proposed Voluntary Student Unionism legislation that prohibits Universities from charging student fees to provide a wide range of student services including sport and fitness facilities and support for sporting clubs and student athletes will have a catastrophic impact on the provision of services at Swinburne University. The impact will not only be on students but the wider community.

## **1. OVERVIEW**

The important role which Swinergy plays in the life of the University has been established firmly for many years and is illustrated by the following facts:

- Sport and physical recreation are overwhelmingly the major student extra curricular activities at Swinburne, and throughout the past 5 years Swinburne University participation rates have increased significantly.
- Sport and physical recreation make an important contribution to the physical, social and emotional well-being of students.
- Swinergy provides an important bridge between students and staff.
- Swinergy’s extensive recreation program is an important bridge between the University’s local and international student cohort.
- Swinergy’s growing entrepreneurial activities are beginning to bring new funding to the University to assist Swinergy in reducing the level of student membership fees to cover operational expenditure.
- Swinergy facilities attract students to the University.
- Swinergy is a major employer, providing full time / casual employment opportunities for up to 40 people.
- Swinergy works closely with local Councils, Sports Associations and Schools.

Swinergy is able to provide an extensive range of facilities and services as a result of the University Administration levying all students a General Service Fee. Without a compulsory service fee paid by all University Students, Swinergy would be unable to maintain its facilities and service programs which benefit both the University in a variety of ways.

In its response to an AVCC survey, Swinburne University indicated it would not direct any funding to Swinergy should the current legislation be passed.

## **2. FACILITIES DEVELOPED BY SWINERGY**

**Swinergy believes that the application of the Legislation in its current form will undermine the quality of sporting facilities available to students.**

In its 36 years of operation, Swinergy has committed over \$1M of GSF to enhance existing SUT facilities. These upgrades have been highly funded by Swinergy with a small amount of funding from the SUT Student Amenity Fund, for the development of change room/gymnasium amenities during the period 2000 - 2005. Swinergy has also received limited financial support for the development of its extensive facilities from the University (during the period 2000-2005) and no support has ever been received from State or Local Government sources.

Universal contributions by students for sporting and recreational services at Swinburne University have, over many years, been the source of funds for the development of Swinergy's quality sporting facilities. This revenue services the debt on infrastructure projects relating to buildings of a sporting/recreational nature. How will future facility development be funded under the proposed current legislation?

The significant cost-benefit of maintaining and extending University sporting and recreational infrastructure has already been recognised by Government. A Federal Government Committee Report in June 1998 – *“Rethinking the funding of community sporting and recreation facilities: A sporting chance”* - reviewed the provision of national sporting and recreational infrastructure, and recognised University sporting facilities for the opportunities that they provide for the local community. It acknowledged that University facilities were already being used extensively by the community and that further contributing to them provides for a very cost-effective means of providing improved facilities for community as well as student use. Community use of Swinergy facilities is currently being expanded with support provided to a wide range of sporting groups, schools and disabled and disadvantaged groups. This support would be severely affected under the current Legislation.

## **3. THE CONTRIBUTION SPORT PLAYS IN PROVIDING A “WELL ROUNDED EDUCATION” AT THE CAMPUS LEVEL**

**Swinergy believes that the application of the Legislation in its current form will undermine the richness and cultural diversity of University life, and in particular the role Sport plays in facilitating this.**

Cultural diversity and feeling of “community” are developed on campus through non-academic activities. Sport and recreation at university enhances and broadens the experiences of students. Whether they be campus-based, regional, national or international sporting opportunities, these activities contribute to, and provide a foundation for, the rich cultural diversity that exists on many Australian campuses. In fact it serves to extend the university environment beyond a student's studies and helps create a positive dimension to University life for ‘tens of thousands’ of students.

Students not only acquire physical skills through University sport, but professional attributes that extend well beyond the development of sporting prowess. There are many skills which a student acquires as a result of playing, administering and generally becoming involved in sport. Developing skills in decision making, in management, in committee roles and in officiating are all opportunities available to those who are active in the administration of University sport. At Swinergy, our students can be nominated for the Frans Mejou Award which recognises leadership development through participation in a wide range of extra-curricular activities such as Sports and Club administration. The opportunities for students to obtain leadership skills through sport and other student organisations will be significantly diminished as a consequence of the VSU legislation.

In addition, those with an understanding of how University sport works in this country would acknowledge the role it plays in a student's social development. Lifelong friendships are born through sport in the general Australian community and University sport is no different in this regard. University sport is as important to campus life as sport is to community life.

Swinergy is proud of the activities conducted under our Club Programs and the skills that students acquire through their involvement in Club Sport. Evidence from Western Australia suggests that Club Programs under the proposed Legislation would be greatly affected if they do not cease entirely. At Swinergy the loss of Club Programs would reduce the opportunity for students to undertake Sports Administration, Coaching, Refereeing Courses (skills which our students take into the wider community upon completion of their degrees).

#### **4. FACILITY MAINTENANCE AND SAFETY STANDARDS**

**Swinergy believes the application of the Legislation in its current form will undermine the safety of students, staff, visitors and community users to our facilities through the curtailment of quality and properly resourced preventative maintenance programs.**

Swinergy currently invests significant \$ annually toward the operation of its indoor facilities. This funding is provided from universal contributions by students through the University General Service Fee. Under a Voluntary 'user pays' basis it would be impossible for Swinergy to continue maintaining its facility. Local Government Authorities are only able to fund the maintenance of their parks and playing fields through the levying of Council Rates as these facilities simply cannot be provided by adopting a 'user pays' philosophy. Federal, State and Local Governments spend \$2 billion annually on sport and physical recreation (2003 ABS report). With University Sport essentially excluded from this funding, Swinergy asks why is University Sport alone being asked to operate on a user-pays basis?

Under the proposed Legislation, major maintenance would be unable to be undertaken by Swinergy for costly repairs, facilities would become rundown and as a consequence this would reduce the commercial viability of these facilities. This was the case in Western Australia (at two of the four Universities with older sporting and recreation facilities), when similar VSU legislation was implemented.

Without Swinergy maintaining facilities, these facilities would have to be withdrawn as Swinburne University is in no financial position to take over funding of the maintenance of sporting facilities if the VSU legislation is passed.

Swinergy is proud that as part of a deliberate strategy of subsidising facility fees through General Service Fee contributions (up to \$800,000 per annum) we have been able to provide access to programs and our facilities at low cost for students. This policy has contributed to Swinergy achieving the highest participation rates in Sport and physical activity at Swinburne University for several years for our internal student population. Sport at Swinergy provides a healthy balance for our students. Swinergy contends that the Government VSU Legislation will undermine its investment of \$90 million to encourage school children to take up sport as over \$30million of expenditure on Sport at a University level will be withdrawn.

#### **5. EMPLOYMENT LEVELS**

**Swinergy believes the application of the Legislation in its current form will dramatically affect employment levels.**

Swinergy employs 7 full time staff and up to 20 casual staff to service its extensive facilities and programs which are made available to the SUT Community seven days a week. Swinergy's salary budget is an Industry low 45% of its expenditure budget per annum.

The Legislation in its current form would effectively eliminate most of the casual student employment opportunities at Swinergy (up to 10 positions).

Swinergy is concerned that the Legislation would also have a profound impact on our full time workforce with the potential loss of up to 7 professional full-time roles (the funding would not be available to maintain facilities/service to current standards).

The reduction in funding that is inevitable under the proposed current legislation will have an immediate and dramatic effect on employment levels in all sporting associations/departments Australia wide. It will undermine staff professionalism and the considerable breadth of experience that currently exists within the University sport industry workforce.

The impact on employment levels will not be confined to the employment of University sport-service industry staff. The scaling down of activity in the University sport sector will have significant implications for employment in the construction and service industries associated with the provision and maintenance of over \$500 million worth of campus-based sporting and recreation facilities Australia wide. Construction, maintenance services and related industry activity will be severely impacted especially in regional areas, with the flow-on effect to local businesses significant

## 6. **COMMUNITY INVOLVEMENT**

**Swinergy believes the application of the Legislation in its current form will significantly diminish our ability to contribute to the local sporting community.**

Community involvement is the cornerstone of Swinergy mission which includes the following actions:

*The promotion of the University within the local community through:*

- *assisting in the conduct and management of sport and physical recreation programs.*
- *the management of the use of facilities by members and alumni.*
- *appropriate joint arrangements for the development and operation of sport and physical recreation facilities, and*
- *developing “best practice” skills in sport and physical recreation conduct and management.*

Swinergy has as part of its strategy, various roles that assist the development of sport at Swinburne. Swinergy facilities are made available for use by a number of groups throughout the year.

- **Local Schools** utilise Swinergy facilities for their weekly sports programs ie...Rossbourne Special School / Gawth Villa Special Accommodation Facility.
- **University Sporting Teams** are a vital part of local sporting competitions.
- **The University Community Fitness Program** provides a wide range of fitness related activities and health lifestyle programs conducted under supervision of qualified instructors. Swinergy is Swinburne University's only Fitness centre. The current Legislation would reduce Swinergy's ability to provide facilities to students/staff at cheaper/subsidised rates. This would greatly affect the sense of University community. Furthermore our inability to subsidise programs would diminish our capacity to conduct coaching, refereeing, first aid and learn to play programs.
- **Major Championship Events**  
Swinergy has a proud history of hosting major sporting championships. Sporting teams travel from around Australia to utilise Swinergy sports management expertise. This influx of players and supporters provides a major economic benefit to the local economy.

Swinergy is planning to host the 2005 Australian University Surfing Championship in Torquay an event that will inject well over \$120,000 into the local economy through the participation of up to 150 student athletes across Australia. The VSU legislation has placed 'on hold' our plans for this event as potentially we would have no staff resources to conduct such a major event. This initiative involves a significant joint venture relationship inclusive of the SUT ATFE Sport & Recreation – Diploma Students as part of their 2005 course/field work experience. During January 2005 Swinergy managed the 2005 Australian University Waterski & WakeBoard Championship which was held in Mildura, the conservative economic impact on the Mildura Community of this event was in the vicinity of \$250,000.

With the advent of VSU, Swinergy will be unable to subsidise the participation of our students who represent Swinergy and the University at Regional and National University events. University sporting contests in the future will become events for students who can afford to compete rather than for those who are deserving of representation. This will reduce the standard of Australian University sport and ultimately reduce opportunities for talented student athletes. It is likely that the National Universities Games which are the largest multisport event conducted in Australia today “will die” as a consequence of the current Legislation.

- **The Athlete Friendly University Network**

In October 2004 the Federal Government through its agency, the Australian Sports Commission, requested and received the commitment of Australia's universities to the "Elite Athlete Friendly University Network".

This program recognised that for too long Australia's talented sportspeople had to choose between achieving sporting excellence and seriously pursuing tertiary education. Swinburne University is currently considering it's membership of the Elite Athlete Friendly University network and Swinergy advocates on behalf of Swinburne University's elite athletes. With the potential loss of staff as a consequence of the VSU legislation, Swinergy would be no longer able to assist these athletes. It is envisaged that our proposed Sports Scholarship program would also be diminished.

There is a very real contradiction in that the proposed legislation will withdraw the capacity of our universities, through their respective sports bodies, to provide the substantial resources required to develop a system that, for the first time, would adequately equip athletes for life after sport.

### **7. Marketing SUT to potential Students**

**Potentially the most dramatic impact the introduction of the Higher Education Legislation Amendment Bill would have upon the local community would be in the reduction of students wishing to study at Swinburne if student services are diminished or curtailed. Smaller Universities are already finding it difficult to attract students with the competition from large metropolitan universities.**

The facilities and services provided by Swinergy are a significant attraction for students to study at Swinburne. Without our services and facilities, students would be lost to major metropolitan universities where an extensive range of facilities and services are available to compliment their University education.

### **8. An Overview of the SUT General Service Fee and How it is managed by Swinergy**

The General Service Fee contributes up to 83.2% of Swinergy's operational income. In 2004 Swinergy received \$860,000 from the GSF (likely to be \$800,000 in 2005)

#### **Where Swinergy invests the General Service Fee Income (2005)**

<b>ADMINISTRATION</b>	
TOTAL - ADMINISTRATION	\$ 324,480.10
<b>COMMITTEE OF MANAGEMENT</b>	
TOTAL - COMMITTEE OF MANAGEMENT	\$ 7,400.00
<b>FINANCE</b>	
TOTAL - FINANCE	\$ 71,500.00
<b>HEALTH &amp; FITNESS (Hawth S. C.)</b>	
TOTAL - HEALTH & FITNESS	\$ 147,745.00
<b>MARKETING</b>	
TOTAL - MARKETING	\$ 37,205.00
<b>RECREATION</b>	
TOTAL - RECREATION	\$ 108,569.57
<b>TEAM SWINBURNE</b>	
TOTAL - TEAM SWINBURNE	\$ 91,717.00
<b>UNIVERSITY SPORT</b>	
TOTAL - UNIVERSITY SPORT	\$ 103,420.02
<b>OTHER EXPENDITURE</b>	
Affiliation Fees (non per capita)	\$ 1,000.00
Strategic Planning	\$ 3,000.00
Depreciation charge	\$ 66,000.00
TOTAL - OTHER EXPENDITURE	\$ 70,000.00
<b>TOTAL ASSOCIATION EXPENDITURE</b>	<b>\$ 962,036.68</b>

### **How the Legislation will impact on Sport at Swinergy**

Based on experience in Western Australia where similar Legislation was introduced by the Liberal State Government in the mid 90's.

No external students are likely to join Swinergy

6%-25% of internal students are likely to join

Swinergy

### ***Total impact up to \$800,000+ Loss of operating income for Swinergy***

For those who join student organizations there will be less services and these available will be more expensive to access.

### **Loss of General Service Fee income will mean the following sports services at Swinergy will be impacted :**

- No funds to maintain facilities
- No Personal Accident Insurance Coverage
- Investment in new equipment will be reduced substantially
- Insurance of buildings and club programs will be compromised
- Student employment opportunities will be reduced
- Club sport subsidies will be withdrawn
- User fees will increase substantially for all programs
- Intervarsity sport subsidies will be withdrawn
- Sports Scholarships Program Plan will be abolished.
- The Sports Centre hours will be significantly reduced (likely to close at 8pm weeknights and possibly not open on Weekends).

## **9. CONCLUSION**

Reflective of our current operating environment which is held accountable within the Victorian VSU framework, SUSR would be both comfortable and supportive of this methodology being adopted nationally. Current levels of accountability held between SUSR and the University are inclusive of:

- Budget Forecast/Approval Mechanisms are presented to the University Finance Committee Annually.
- Budget Forecast v Budget Actual Figures are reported to the University Quarterly.
- Fully developed Business Plans are submitted to the University Annually.
- Business Plan KPI's are submitted to and reviewed by the University Quarterly.
- Annual Financial Returns are externally audited and submitted to the University and Consumer & Business Affairs (Victoria) Annually

Each of the measures outlined are an expected "hurdle" requirement of ongoing funding throughout the course of each years operation. SUSR is pleased this accountability is expected by the University through the intent of the legislation (Victorian). The combined measures outlined, promote probity of students funds alongside the combined setting and achievement of agreed outcomes for students at Swinburne within the arena of Sport & Recreation service. Services are essentially delivered under a monitored contract. The removal of GSF as part of the proposed legislative change will remove SUSR's ability to service students needs as they are currently doing in partnership and with the supervision of the University.

In closing, Swinergy advocates the amendment of the current VSU legislation to enable the University to levy a compulsory Amenities fee for non academic services for all students. Swinergy believes it is not unreasonable for all university students to be asked to make a contribution to the services available to them - especially those services of a sporting and recreational nature. Moreover, we believe it is paramount that student sporting and recreational services continue to be adequately resourced.

Prepared by  
Michael Hudson  
Executive Officer  
Swinburne University Sport & Recreation

## THE REAL FACTS ON SPORT AND THE VSU LEGISLATION

The impact of the Federal Government's legislation on sport and recreation at Australian universities is at odds with its publicly stated policies.

### 1. Participation in Sport, Health and Fitness

*"We (Liberal Party of Australia) remain committed to: Building healthy and active Australia communities through sport, Encouraging greater numbers of young people, to participate in community sport, Ensuring Australian athletes have the benefit of a national sporting system that enables them to continue to perform successfully in international competition, Fostering excellence in Australian sports management..."* (Liberal Party of Australia website Election Policy - Building Australian Communities Through Sport page 2)

Of the \$58 million directly invested each year by University sporting bodies in sports facilities and services, \$40 million is derived from student fees. It is expected that only 20% will be recoverable by voluntary payment of sports fees and increasing user pays charges. This will result in a loss of over \$32 million annually in investment in facility access and services to both the university and broader community.<sup>(1)</sup>

By causing the withdrawal of over \$32 million of investment in sport at the tertiary level, the Federal Government is jeopardizing its recent investment of \$90 million to encourage schoolchildren to take up sport. Surveys show that the greatest drop-out rate from sport is between the late teens and the mid-20s – the university years. The legislation also contradicts the Coalition's election policy document 'Building Australian Communities Through Sport', which states that the Government is *"determined to restore the capacity of sport to contribute to building active, healthy Australian communities ... We recognise that the capacity of local communities to participate in sport is determined, in large part, by access to facilities and equipment."*

### 2. Elite Sport Level

*"Through record investment, and by supporting efforts at all levels, the Coalition Government is committed to strengthening community sport and building on Australia's success in the international arena"* (Liberal Party of Australia website Election Policy - Building Australian Communities Through Sport page 2)

*"Future Australian sporting success at elite level also depends upon more people taking an active part in community sporting activities...Benefits include increased activity and enhanced fitness levels, reduced obesity, learning values that apply beyond sport, and the development of world class athletes"* (Liberal Party of Australia website Election Policy - Building Australian Communities Through Sport page 4)

In 2004, 1,388 athletes received over \$2.6 million in sports scholarships from Australian universities. Support for Olympic and Paralympic sports such as rowing, basketball, swimming, hockey, athletics and water polo will be decimated in the lead up to Beijing in 2008. The University of Sydney alone provided 17 athletes and one coach for the Athens 2004 Olympics and Paralympics.

Australia's fourth most successful sport at the Athens Olympics, rowing, will suffer a particularly heavy blow, with Sydney University, the University of Technology Sydney, Queensland University and Melbourne University jointly spending more than \$1.5 million a year on their rowing programs. Compare this with Rowing Australia's annual high performance club grants total of \$210,000.

### 3. The User Pays Myth in Sport

In 2000-2001 the three levels of government provided a total of approximately \$2.2 billion in funding for sports and physical recreation; 60.8% was to fund venues, grounds and facilities<sup>(2)</sup>. University sporting facilities or programs are essentially excluded from this funding.

It is inconsistent for the Federal Government to require the university sector to implement a user pays system when sport, health and fitness in all other sectors of Australian society are substantially subsidised by taxes levied by governments.

Why should the provision of these essential services in tertiary education communities be devastated or alternatively be passed on to already strained University budgets?

#### 4. Healthy Communities

*“From a Government view point it is reported that if an extra 10 per cent of the Australian population undertook regular, moderate and effective exercise an estimated \$500 million could be saved from the health budget each year.” Australian Sports Commission Strategic Plan 1998-2001*

Nearly half a million students and community members utilise university sporting facilities and programs. The legislation will increase the costs and decrease the availability of these facilities and programs, thus discouraging physical activity when obesity is recognised as the greatest threat to community health in Australia.

#### 5. International Education Market

Sport, health and fitness facilities are major selling points in promoting the “complete campus experience” and are essential in competing with the US and UK university systems for the overseas education dollar. The legislation threatens the capacity of Australian universities to continue to deliver as major export earners. Currently, Australia’s export earnings from education exceed \$6 billion per annum. Has the Government given any consideration to the long-term effect of its legislation on these vital earnings?

#### 6. Regional and Suburban Centres

Many regional and suburban communities are dependent on the sporting and fitness facilities provided by University sporting organisations. The development of these facilities and their availability to regional communities will be severely diminished following the legislation. Will the Federal Government fill this void?

#### 7. “The Athlete Friendly University Network”

In October 2004 the Federal Government, through its agency the Australian Sports Commission, requested and received the commitment of Australia’s universities to the “Athlete Friendly University Network”.

This program recognised that for too long Australia’s talented sportspeople had to choose between achieving sporting excellence and seriously pursuing tertiary education. This “Network” uses as its template the Athlete Services Program at the University of Sydney which, without any support from public funding, commits annually over \$750,000 to 250 elite athletes studying at the University.

There is a very real contradiction in that the proposed legislation will withdraw the capacity of our universities, through their respective sports bodies, to provide the substantial resources required to develop a system that, for the first time, would adequately equip athletes for life after sport.

#### 8. Community Leaders

Many leading Australians in a broad range of fields, including business and industry, the arts, sports and government, have benefited by developing their skills through university extra-curricular activities, especially sport. The skills and expertise that students gain from their involvement in university sport include teamwork, co-operation, communication skills, leadership and initiative. University sport in its present form is a training ground for community leaders and sporting administrators whose expertise benefits all Australians. Curtailing opportunities for this training seems a remarkably short-sighted and ill-advised policy.

#### Notes

1. Statistics quoted on Australian university sport expenditure and participants collected from the 2004 Australian University Sport Membership Survey and Census.
2. A.B.S. – Sport and Recreation: A Statistical Overview, Australian 2003

**THE CONSEQUENCES OF THE  
INTRODUCTION OF THE HIGHER  
EDUCATION SUPPORT AMENDMENT  
(ABOLITION OF COMPULSORY UP-FRONT  
UNION FEES) LEGISLATION ON RURAL  
AND REGIONAL UNIVERSITIES AND THE  
COMMUNITIES IN WHICH THEY ARE  
LOCATED**

Introduction .....	3
Community Involvement .....	3
Balancing Student Life .....	5
Elite and Sub Elite Sport Development .....	5
Facility (Infrastructure) Development .....	6
Facility Maintenance .....	6
Employment.....	6
Economic Impact .....	7
Marketing of the University .....	7

## Introduction

The following paper is formulated to illustrate the impact and consequences of the introduction of the Higher Education Support Amendment (Abolition of Compulsory Up-front Union Fees) legislation on Rural and Regional Universities and the communities in which they are located.

The consequences have been categorised into eight (8) key elements with examples from selected regional universities illustrating the severity and seriousness of the anticipated outcomes. (Many other rural and regional Universities will face the consequences as outlined herein)

## Community Involvement

The introduction of the legislation will have a significant impact on the relationships that rural and regional Universities have with their local communities. Universities positioned in rural and regional locations have intimate and well developed relationships with local communities. Sport is an integral part of this relationship and support of local sporting activity and competition through a range of initiatives (club support, facility and grounds access, training and education opportunities) is quite normal practice by Universities based in rural and regional locations.

Community sporting groups use university sporting facilities and infrastructure across all regions in Australia. The introduction of the proposed legislation will impact on community sport in terms of participation and availability of University facilities for community use. It is anticipated that the use of these facilities will be curtailed or drastically reduced as a result of the introduction of the legislation.

- University of New England: - playing fields will be unable to be maintained and will therefore be unavailable for community use and other facility usage is anticipated to decline due to reduced maintenance expenditure and increased costs levied to community groups.
- University of the Sunshine Coast: - reduction in community sporting activity and club junior development opportunities as a result of loss of competition participation.
- University of Wollongong: - cancellation of water polo and underwater hockey competitions. Reduction in teams competing in local competitions (touch, soccer, rugby), higher prices for use of facilities.
- University of Ballarat: - reduction of teams competing in the local competition. 200 non-student competitors will be excluded from university club competition due to university team exclusions.
- University of Newcastle: - Newcastle University teams are currently very significant in local competitions. The proposed legislation will result in a large reduction in NU Sport's capacity to support club sport leading to a reduction in both the number of clubs and the number of teams participating in local competitions. Community use of the Newcastle University sports facility will likely diminish due to increases in prices and loss of programs. *(In 2004, community activity comprised*

*14.2% of 128,100 Forum program memberships sold and 63.4% of 85,200 casual visits to Forum facilities)*

Students will be forced join local sporting competitions however the capacity and competitive strength of local competition will likely diminish due to absence of university club competition and accompanying support given by the University. University club participation in local sport competition introduces strength, rigor and competitiveness to the local programs.

- University of Newcastle :- Reduction in sports teams able to be supported in local competition
- Charles Sturt University: - Local rugby competition would struggle to survive (4 university men's teams and 1 women's team will fold) Netball would struggle to survive and men's A grade soccer would fold.
- University of New England: - UNE provides the only competition in sports such as water polo, ultimate frisbee, underwater hockey, canoe polo, women's cricket, volleyball, Australian football, badminton and Mountaineering without University Clubs these sports will no longer be catered for in the New England region. The New England Rugby competition is sustained by 70% of club teams and players from the University. This competition would not be viable without UNE teams.
- University of Ballarat: - 200 non-student competitors will be excluded from local competition due to university team exclusion from competition.

Access by sporting clubs, community groups and special interest groups to University sporting infrastructure is likely diminish due to lack of resources at the University to coordinate and organise this participation.

- University of Southern Queensland: - Sports facilities will be unavailable for use by community groups, maintenance costs will prohibit facilities being kept at suitable levels of operation.
- University of New England: - increased user charges will impact on use by schools and disabled groups. Likely access by community groups will diminish.
- University of Newcastle: - Newcastle University Sport provides key high standard sporting facilities for the Newcastle and Hunter community which are used both by elite teams eg Newcastle Knights, Hunter Jaegers and by thousands of ordinary Novocastrians for sport, fitness and recreation.

Volunteer development in officiating and administering for community clubs will decline. University club development programs (officiating and administering) funded by the University sports organisations will be curtailed. The withdrawal of volunteer development programs will result in a loss to community sport.

## **Balancing Student Life**

The introduction of the legislation will undermine the richness and cultural diversity of University life, and in particular the role University Sport plays in developing individuals for the future.

Impact on participation in Sport, Recreation and Fitness Programs will be widespread across all University campuses.

It is anticipated that there will be a decline in student participation in on-campus sport programs nationwide due to a withdrawal of millions of dollars in operating funds to campus sports organisations.

- University of Wollongong: - reduction in subsidised programs and classes for the obese and at risk categories. Elimination of funding completely for sports clubs.
- University of the Sunshine Coast: - elimination of sport competitions on campus and lunchtime sport activities.
- University of Southern Queensland: - all sport programs will be affected including club funding, student insurance cover, concessional use of facilities and services for club and coach and official training.
- University of New England: - withdrawal of club funding, increase in fees for all programs and services and loss of insurance coverage for student athletes.
- University of Tasmania (Launceston):- Sporting Clubs will cease to operate due to funding being curtailed.

There will be a decline in rural and regional student participation in regional, national and international sporting events. It is likely that the inter-university sporting events will fold or be drastically reduced in size due to a significant reduction in funding for event operations and student operations.

International student sporting participation is likely to be significantly reduced particularly where regional students rely on funding support from their University sports association for participation at these international events.

- University of Wollongong: - zero funding for University games teams.
- University of Southern Queensland: - no funding for teams attending university games.
- University of Newcastle: - withdrawal of support for all representative teams.
- University of New England: - Intervarsity sport subsidies to be withdrawn.

## **Elite and Sub Elite Sport Development**

There will be a decline in pathways open to elite and sub-elite student athletes from regional campuses. The lack of resources available will result in a decline in support for elite student athletes from regional locations and a curtailment of development programs with the AIS and regional programs with the State Institutes. There will also be a reduction in scholarships available to elite/sub elite student athletes.

- University of New England: - withdrawal of support for the Northern Inland Academy of Sport and reduction in sports scholarships.
- University of Southern Queensland: - withdrawal of sports scholarships to student athletes.
- University of Wollongong: - Sports Scholarships to be reduced.

## **Facility (Infrastructure) Development**

There will be a cessation of sporting infrastructure development at rural and regional University campuses.

No facility development will occur on new rural and regional campuses, particularly the smaller and newer Queensland regional campuses such as Cairns, Mackay, Bundaberg, Gladstone, Sunshine Coast and Hervey Bay.

The lack of future development of infrastructure for sporting facilities will have a profound impact at rural and regional communities. Future expansion and development of sports facilities at Universities will be highly unlikely due to a lack of resources available.

- James Cook University: - withdrawal from planning of new sports centre at Townsville
- University of Wollongong: - plans for major extensions to Recreation centre now shelved.
- Central Queensland University: - plans for future sporting facility developments across smaller campuses now discarded.
- University of Southern Queensland: - the expansion and construction of new facilities will be drastically affected.
- University of New England: - plans to upgrade the indoor pool and develop a grandstand complex at its number one playing field have been shelved.
- University of Newcastle: - Severe adverse impact on NU Sport's capacity to pursue its capital works program.

## **Facility Maintenance**

There will be a reduction in resources available to upkeep and maintain sporting infrastructure and grounds facilities resulting in a running down of facilities.

- University of New England: - no ability to maintain playing fields and a decline in standards of sports facilities on campus will occur.
- University of Southern Queensland: - facility maintenance will be significantly reduced making facilities unavailable for community use.

## **Employment**

Employment of professional sport and recreation staff and students at rural and regional campuses will be dramatically affected. It is likely that most, if not all staff of student organisations and sports associations will be made redundant. Simply the organisations will not be able to gain the resources to employ staff. Student organisations at rural and regional University campuses

do not have the student capacity on campus available to operate profitable trading ventures to be able to continue to provide the services and facilities. Students will also lose job opportunities as many individuals employed on a casual basis by student organisations are the students attending the university themselves. The loss of employment will have a significant impact on rural and regional communities. In many cases it is likely that the student organisation would be wound up. Many students rely on casual employment opportunities provided by their student organisations to be able to undertake their studies

- University of New England: - thirteen (13) staff would be made redundant. Up to 35 casual positions would be lost.
- University of the Sunshine Coast: - five (5) staff would be lost and the guild would cease to exist.
- University of Wollongong: - Fourteen staff would be made redundant.
- University of the Southern Queensland: - Fifty (50) full time staff and 150 casual staff would be made redundant.
- University of Newcastle: - six (6) staff would be lost.

## **Economic Impact**

The economic impact of the proposed legislation can be categorised as follows:

The primary economic impact of the proposed legislation will be the loss of jobs and funds that are injected into the rural and regional economies on a weekly basis. Millions of dollars in funds are expended by student organisations in rural and regional communities employing staff and purchasing goods and services. The consequences of the legislation will be that these funds will be removed from circulation in these local communities.

A secondary economic impact is the loss of economic activity which occurs as a result of university sport activities. These activities include annual games and championships.

Regional economies are the beneficiaries of significant cash injections when University games and championships are conducted in the immediate regional locality. The occurrence of these events is likely to be curtailed as a result of the legislation being introduced. Economic impact studies of the annual regional games reveal a multi-million dollar impact to those local communities.

## **Marketing of the University**

The introduction of legislation to prevent universities from collecting fees for non-academic activities will result in a deterioration of services and facilities at rural and regional University campuses.

The resulting consequence may well be a reduction in the number of students wishing to study at rural and regionally based Universities which in turn would have an impact on the rural and regional economies of those communities themselves.

The flow on consequences to rural and regional communities could be significant and affect the local rental and real estate market, the entertainment industry and general service businesses (Pizza take-a-ways, hotels, nightclubs etc).

Rural and Regional communities are concerned at the flow on effects of the introduction of this legislation.

Businesses in rural and regional communities some already suffering with the impact of the drought can well do without the reduction of economic activity that would be caused as a result of this legislation.

In as much as metropolitan based Universities are the largest and the most able to withstand the outcomes of this legislation, rural and regional Universities will be unable to allocate funds to compensate for the loss of non-academic amenities fees paid by students to provide for non-academic services and facilities.

Simply put, rural and regional based Universities will cut services, close facilities and implement staff redundancy programs should the legislation be introduced in its current form.

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21 June 2005

### **REAL FACTS – THE VSU EXPERIENCE IN WA**

Mr Greg Harris  
Sydney University Sport  
Darlington NSW

Dear Greg

You have asked me to prepare a paper entitled *Real Facts – The VSU Experience in WA* which comments upon five arguments<sup>1</sup> proposed in support of voluntary student unionism (“VSU”) as proposed in the federal government’s *Higher Education Support Amendment (Abolition of Compulsory Up-front Student Union Fees) Bill 2005* presently being debated in parliament.

This work is funded by Australian University Sport (“AUS”), the peak sector representative body for sports organisations within the higher education sector. Given your sports interest, what follows is confined largely to sports as distinct from the broader range of activities which tend to be funded by compulsory amenities and services fees.

I am well placed to examine the impact of VSU in Western Australia because I have at various times been retained by each of the public universities in WA to prepare GST private ruling requests in relation to the treatment of amenities and services fees charged to students in the immediate aftermath of the repeal of the WA VSU legislation at the end of 2002. In the course of preparing these ruling requests, and on other engagements, I reviewed the finances of the student guilds and sports infrastructure at all of the WA universities.

#### **1. Summary**

In summary the introduction of VSU in Western Australia<sup>2</sup> over the years 1994 through 2002 had a mixed impact on sports services and infrastructure across the four WA public universities.

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<sup>1</sup> These five arguments appeared, amongst others, in a discussion paper prepared by the Western Australian Union of Liberal Students in July 2002 entitled *Voluntary Student Unionism – Protecting the Interests of Students*.

<sup>2</sup> WA VSU was enacted by the *Voluntary Membership of Student Guilds and Associations Act 1994* (WA).

In some cases, such as that of Murdoch University, the impact was adverse. Various of the sporting clubs ceased to operate and participation rates in sports activities reportedly declined.

In other cases such as at University of Western Australia and at Edith Cowan University the sports services appear to me to have performed relatively well under VSU.

Where sports services performed well under WA VSU there was in each case material financial assistance being provided by the parent university – possibly (in my view) in breach of the requirements of the WA VSU legislation at the time. This assistance typically but not always took the form of rent-free use of capital infrastructure such as sports buildings and playing grounds, payment of sports services staff salaries, financial grants and so on.

Over the time WA VSU was in force capital investment in sports infrastructure at the WA Universities came to an almost complete standstill - with the notable exception of Edith Cowan University (“ECU”) which built a new campus at Joondalup north of Perth and included sports infrastructure as a part of the construction of the new campus.

The implementation of VSU nationally in the form presently proposed by the federal government is likely in my view to have an adverse impact on sports services and infrastructure at the regional universities in those cases where the university is not able or willing to provide material levels of financial assistance – such as payment of sports services staff salaries and so on.

The proposed federal VSU legislation provides for sanctions in cases of non-compliance by a higher education provider<sup>3</sup> – the WA VSU legislation had no such provisions. It may be that the types of financial support which were provided for sports services and infrastructure by certain of the parent universities while WA VSU was in force, will be not be permitted under the proposed federal VSU legislation. If this is so the impact of VSU on sports services and infrastructure will be adverse in more cases than would otherwise be the case.

The DEST statistics you have referred me to as quoted by the Western Australian Union of Liberal Students, do not in my view lead one to the conclusion that full VSU will not affect international student numbers. Over the time WA VSU was in force WA had a materially lower rate of growth in international student enrolments than applied nationally.

## **2. Background Information on VSU in WA**

VSU in WA operated from 1995 through 2002 inclusive although for the first two years of that period (1995 and 1996) the student guilds in WA received certain funding directly from the Commonwealth<sup>4</sup>.

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<sup>3</sup> See sections 3 & 4 of the *Higher Education Support Amendment (Abolition of Compulsory Up-front Student Union Fees) Bill 2005*.

<sup>4</sup> The legislative history of VSU in WA is summarised in the November 2004 background note SP006 entitled *Voluntary Student Unionism* produced by the federal Parliamentary Library (contact officer – Kim Jackson on phone (02) 6277 2416).

The period over which WA student guilds were exposed to the full operation of VSU as originally intended by the Court state coalition government was from 1997 through 2002 inclusive (six years in total).

The VSU legislation in WA was subsequently repealed by the Gallop state labour government with effect from January 2003.

Unlike the Victorian VSU model introduced by the Kennett state coalition government in 1993 (subsequently repealed by the Bracks state labour government in 2000), the WA VSU model did not place any obligation upon students to pay a services fee should they decide not to join the student organisation.

### **3. Background Information on the Structure of Student Organisations in WA**

Student organisations in the four WA public universities operate as guilds with separate legal entity status from the parent university in each case. Historically, and prior to introduction of WA VSU, the guilds covered within their operations a spread of the types of student services inclusive of sports services that are often a feature of university life.

Following the introduction of VSU in WA two of the WA universities, namely University of Western Australia (“UWA”) and Edith Cowan University (“ECU”), with agreement from their respective guilds separated the sports and recreation services out from under the control of the guilds.

In the case of ECU the sports infrastructure and operations were transferred across to be operated directly by ECU. Sports related staff who were previously on the ECU Guild payroll were transferred across to the ECU payroll and came under ECU management control.

In the case of UWA a new legal entity called ‘UWA Sport and Recreation Association Inc’ was incorporated under the provisions of the WA state associations incorporation legislation. Sports related staff who were previously on the UWA Guild payroll were transferred across to the UWA Sports and Recreation payroll.

Certain UWA sports related buildings and/or capital infrastructure over which the UWA Guild had a legal interest, were subsequently sold by the Guild to UWA (as distinct from being sold to UWA Sports and Recreation) for a sum amounting to several million dollars.

In the case of Murdoch University the sports infrastructure and operations remained under the control of the Murdoch Guild after the introduction of WA VSU.

In the case of Curtin University the sports infrastructure remained partly under the control of the Curtin Guild (sports clubs and certain other activities), partly under the control of Curtin University (the fitness centre) and partly under the control of other entities.

There is only limited sports services and infrastructure at regional campuses (eg ECU at Bunbury, Curtin at Kalgoorlie etc). of public universities in WA.

#### 4. Commentary on Arguments Raised in Support of VSU

##### 4.1 That student services improved under the WA VSU model

The intended operation of WA VSU was that a student should only pay for those services which he or she wished to use. In essence it was intended to be a ‘user pays’ model.

In practice it was only at Murdoch and Curtin Universities that WA VSU resulted in a ‘user pays’ outcome for sports infrastructure and related services. These universities do not appear to have provided the same levels of financial and other support for sports infrastructure as provided by UWA and ECU - over the WA VSU period.

In the case of UWA and ECU the universities each responded to the introduction of WA VSU by materially increasing the level of financial and other support provided by the university for sports infrastructure and related services.

In the case of UWA the university in large part assumed the costs of sports buildings repairs and maintenance as well as assuming the costs of upkeep of sports grounds. In addition there were direct financial grants to the sports association.

In the case of ECU the university assumed the costs of the salaries of the staff employed in the sports and recreation operation as well as providing capital for the construction of new sports buildings at the new ECU Joondalup campus.

Where did the money for this financial support for sports infrastructure by UWA and ECU come from? It certainly did not come solely from the end student users of the sporting infrastructure. It is more likely in each case the money came out of the university’s main operating bank account – the same bank account which receives funds intended for provision of academic courses.

It is material to contrast the sports performance (overall competitive points) of UWA and ECU against that of Curtin and Murdoch Universities, at the WA State Intersarsity competitions over the WA VSU years of 1997 through 2002 inclusive.

#### **WA Intersarsity Sports Results 1997 - 2002**

<b>Year</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>Average</b>
UWA	60	61	79	83	106	115.5	84.1
ECU	48	68	83	80	77	92.5	74.8
Curtin	20	18	18	40	71	86	42.2
Murdoch	40	30	40	39	47	73	44.8

The ‘user pays’ model for sports infrastructure fared particularly poorly in the case of Murdoch University – with the soccer club and some of the other sports clubs folding over the WA VSU years. The deterioration in the sports activities at Murdoch during the WA VSU years eventually prompted the university in academic years 2001 and 2002 to provide a

financial grant to the Murdoch Student Guild for purposes of employment of a part-time ‘sports officer’.

The outcome of WA VSU appeared to be that those universities with the will and the financial capability to provide materially higher levels of financial and other support for the provision of sports infrastructure and related services, maintained superior outcomes in this area compared to those who adopted a pure ‘user pays’ model.

It was noted in the discussion paper prepared by the Western Australian Union of Liberal Students (“WAULS”) in July 2002 that at UWA students benefited under WA VSU because the Guild offered an increased range of services compared to what was on offer under compulsory student unionism.

From interviews with the UWA Guild it is apparent the Guild took a policy approach after WA VSU was implemented of maintaining the full range of services headings that were provided under compulsory student unionism.

In the first full year of WA VSU, being the 1997 year, the UWA Guild’s operating revenue from Guild fees fell to less than 12.5 per cent of what it was in the previous year<sup>5</sup>.

The UWA Guild policy of maintaining or even increasing the range of services headings under VSU was in fact implemented by reducing funding to each of the services headings broadly in the same ratio as operating revenue from Guild fees fell. So to take a hypothetical example for purposes of illustration only, if a particular service was funded to \$100,000 pre VSU then it was funded to \$12,500 during VSU. So although the same range of services headings were maintained or even increased the level of funding for each service heading was reduced in massive amount.

The facts as indicated by the WAULS discussion paper on number of services offered by the UWA Guild are not disputed, but do not lead to the conclusion that service quality improved under WA VSU.

In the case of Murdoch Student Guild three of the on-campus retail outlets which were either owned by or were tenants of the Guild ceased operations during the WA VSU years. The Murdoch Guild Tavern and the coffee shop survived the WA VSU years but the Guild Shop (owned by the Guild) closed its doors in 1998, followed by the computer shop (tenant) and the record and CD shop (tenant).

Murdoch Student Guild responded to WA VSU by reducing the range of services headings. ‘Festival Day’ during orientation week was scrapped. Free film nights were discontinued, as were lunch time musicians/buskers.

Major entertainment events for students at Murdoch were curtailed in order to reduce the financial ‘event risk’ to a level consistent with the Guild’s reduced financial circumstances. The student diary was maintained but cut-back and the student newspaper went from being a colour publication to being a black-and-white publication - fewer editions were published each year.

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<sup>5</sup> Source: UWA Guild audited profit and loss accounts for 1997.

#### 4.2 That Guilds became financially stronger under a VSU model

The WAULS paper notes that the UWA Guild President reported in 2000 that the “... *past four years have seen the Guild’s financial situation move from strength to strength*”.

The UWA Guild’s revenue from Guild fees and other financial figures for selected years over the period 1996 through 2002 inclusive (the last year of operation of WA VSU) is shown below<sup>6</sup>:

#### **UWA Guild Revenue from Guild Fees & Other Figures 1996 - 2002**

Year	1996	1997	..	2002
Revenue from Guild fees (\$ 000’s)	1,892	132	..	281
% relative to 1996 Guild fees	100	7.0	..	14.9
Sales revenue (\$ 000’s)	3,679	3,891	..	4,396
Non-operating Revenue (\$ 000’s)	835	697	..	635
Total Income (\$ 000’s)	6,406	4,720	..	5,313
Less Expenses	6,040	4,944	..	6,331
Operating Profit/(Loss) (\$ 000’s)	366	(224)	..	(1,018)
Net Assets (\$ 000’s)	7,314	7,089	..	7,765
Cash on hand or in bank (\$ 000’s)	1,505	362	..	434

The above indicates UWA Guild did a commendable enough job dealing with the WA VSU period – the organisation survived but not without considerable financial and other assistance and grants for capital works from UWA over the period.

It would be difficult to conclude, from the above audited figures as distinct from the reported statement by the Guild President in 2000, that WA VSU made the UWA Guild financially stronger in any way.

To put the financial performance of the UWA Guild into context for the same period of 1996 through 2002 it is worth noting that most of the student organisations at the other ‘sandstone’ universities (outside of WA and not subject to WA style VSU) materially outperformed the above figures in terms of net asset growth rate and via other measures.

Murdoch Student Guild in WA came within a month or two of going into receivership at the end of academic year 2002 and was only saved by a combination of an emergency loan from Murdoch University coupled with the repeal of the WA VSU legislation.

ECU Guild actually went into receivership during the period of WA VSU. The WAULS paper notes that in 1989 the ECU Guild lost \$757,000 in an ill fated investment with the

<sup>6</sup> Source: Audited profit and loss accounts for the UWA Guild of Undergraduates over years 1996 – 2002.

Western Women Group (“**Western Women**”) and suggests or implies that WA VSU has been blamed unfairly by many for the demise of the ECU Guild.

There are two things worth clarifying about the circumstances of the ECU Guild’s 1989 investment with the Western Women Group.

The first is that there appears to be a gap of several years between when the ECU Guild lost its money with Western Women and when the Guild went into receivership. That gap stretches the causality argument somewhat (that Western Women were the reason the Guild went under).

The second is that, reportedly, the money the ECU Guild lost with Western Women was invested from a special reserves account set aside for capital development only. That is the money lost with Western Women, had it not been lost, would not necessarily have been available to the Guild for operational purposes. This would suggest the ECU Guild encountered financial difficulties during the WA VSU period - of a nature that were not in the first instance the result of the ill fated investment several years earlier with Western Women.

The financial outcomes that occurred for ECU and Murdoch Guilds under WA VSU, suggest similar fates will likely befall some of the more financially vulnerable student organisations outside of WA, should the proposed federal VSU legislation be implemented in its current form. Some of the more financially vulnerable student organisations are within regional universities.

#### **4.3 That full VSU will not affect international student numbers**

The statistic quoted in the July 2002 WAULS paper is that “ .. *In the four years since the introduction of VSU there has been a 56% increase in the numbers of international students enrolled at universities in Western Australia, with this being a stronger rate of growth than that experienced in NSW, which retains compulsory student unionism, over the same time period.*”.

The WAULS paper referred to the increase in international students in Western Australia between 1994 and 1998 – not to the increase up to 2002. Footnote 19 of the WAULS paper refers to the Senate Employment, Workplace Relations, Small Business and Education Committee *Higher Education Legislation Amendment Bill (1999) Report* at paragraph 2.29 as the source of the 56 per cent statistic. Paragraph 2.29 of the relevant Senate Committee report stated:

*2.29 The Committee sees no cause for alarm at gloomy prognostications about the adverse effects of voluntary student unionism on the enrolment of international students. While it is probably too early to make any firm assumptions based on data available from DETYA about enrolments in Western Australian universities, the first indications offer no comfort for opponents of the legislation. In 1994, before the introduction of voluntary student unionism, Western Australian universities enrolled 6,242*

*international students. The 1998 figure was 9,764 student enrolments<sup>7</sup>, representing an increase of 56 per cent. This exceeds the increase for universities in New South Wales over the same period. In the Committee's view this comparison probably reflects the closer proximity of Perth to south-east Asia, and the lower costs overall. To the extent that voluntary unionism is an issue, it probably contributes to lower costs.*

[footnote added]

The problem with the above 56 per cent statistic quoted above by WAULS is that full WA VSU did not come into effect until 1997. It is considered meaningless to compare 1998 WA international student enrolment figures to 1994 figures for these purposes.

When one compares the WA international student enrolment figures at the end of the period of WA VSU (in 2002)<sup>8</sup> to those that applied in the first full year of WA VSU (in 1997)<sup>9</sup>, an entirely different picture emerges.

Over the five years of 1997 through 2002 international student enrolment numbers in the higher education sector nationally grew at a compound average annual growth rate of some 19.2 per cent. Over the same period the equivalent numbers in WA grew at a compound average annual growth rate of some 11.8 per cent – substantially lower than the growth rate experienced nationally<sup>10</sup>.

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<sup>7</sup> The 1998 figure above of 9,764 international student enrolments in Western Australia as quoted by the Senate Employment, Workplace Relations, Small Business and Education Committee appears to have been derived from Table 91 at page 154 of the December 1998 DETYA publication *Selected Higher Education Student Statistics, 1998*. The statistics provided in Table 91 are headcount, rather than EFTSU, based.

<sup>8</sup> See DEST (2003): *Students 2002 – Selected Higher Education Statistics*, ISSN 1443-6639, DEST No. 7043.HERC 03A, refer to Table 39 at pages 84 & 85. Note that these statistics are EFTSU based.

<sup>9</sup> See, DEETYA (November, 1997): *Selected Higher Education Student Statistics, 1997*, refer to Table 63 at pages 114 & 115. Note that these statistics are EFTSU based.

<sup>10</sup> Note there will be some distortions apparent when comparing national figures to the figures applying to the four WA universities listed, due to the number of reporting entities nationally being higher in 2002 than in 1997. These distortions are not considered material to the conclusion reached – namely that over the period 1997 through 2002 the international student enrolment numbers grew at a substantially faster rate nationally than they did over the same period in WA.

**International Student Enrolments (EFTSU) over WA VSU Period 1997 - 2002**

	1997	2002	% Increase
Curtin University	3,713	7,368	98.4
Edith Cowan University	1,333	2,379	78.5
Murdoch University	1,180	1,785	51.3
University of Western Australia	1,541	2,011	30.5
Total for all Public Universities in WA	7,768	13,542	74.3
Total for Higher Education Nationally	53,381	128,445	140.6

**4.4 That regional campuses will not be affected by VSU**

The WA VSU experience did not provide validation for a ‘user pays’ model for sports services and infrastructure in a regional university setting.

The experience under WA VSU has been that those universities with the capability and the willingness to provide material levels of financial support for their sports services and infrastructure, have not seen these services decline (although on-going capital investment in sporting infrastructure came to a halt in nearly all circumstances).

It follows that if any of the regional universities are facing financial constraints that preclude provision of material levels of financial support for sports services and infrastructure going forward, then under the proposed federal VSU model there will likely be an adverse outcome for sports services for these universities (and their communities).

**4.5 That VSU benefits poorer students**

If VSU benefits poorer students then in a rational world one would have expected to see a smaller proportion of the poorer students electing to join the Student Guild than the proportion of all students electing to join the Student Guild – under the operation of WA VSU over the years 1997 through 2002 inclusive.

There is no evidence that I have seen from the WA VSU experience that validates this hypothesis.

I have reviewed the recent report entitled *The First Year Experience in Australian Universities: Findings from a Decade of National Studies* as produced by the Centre for the Study of Higher Education at the University of Melbourne (January, 2005) which looked into behaviours and attitudes of low SES students (amongst other things) but I can find nothing in that report which would validate this hypothesis.

**5. Conclusion**

If you have any questions concerning the above please do not hesitate to call me at one of the numbers given at the head of this letter.

Yours sincerely

A handwritten signature in blue ink that reads "Peter McDonald". The signature is written in a cursive style with a large initial 'P'.

Peter McDonald  
Director, Tertiary Balance Pty Ltd