

## 11.7 The University of Melbourne

### Overview

This university has been established since 1853 and is one of the oldest public universities in Australia.

The University, a Go8 member, is ranked amongst the top four universities in Australia by the two major world university rankings lists. It was ranked 27<sup>th</sup> on the *2007 Times Higher Education Supplement World University Rankings* and 79<sup>th</sup> on the *2007 Shanghai Jiao Tong University Academic Ranking of World Universities*. As at 2006 the University had net assets of \$97,130 per EFTSL, making it one of the wealthiest universities (by this measure) nationally.

Situated in Parkville, on the inner edge of the Melbourne CBD, it has approximately 43,000 enrolled students, the majority of whom are enrolled at the Parkville campus.

There are several small campuses situated in Melbourne suburbs and rural centres. These include Dookie, Gilbert Chandler, Burnley and Creswick which had combined amenities and services fees receipts of less than 1 per cent of the total amenities and services fees collected in 2006. This report focuses on the Parkville campus where the great majority of student services and sport facilities are concentrated.<sup>201</sup>

There are four student service organisations currently based at Parkville:

- a) Melbourne University Sport (including the Sports Association);
- b) Melbourne University Student Union Limited (**MUSUL**);
- c) University of Melbourne Student Union (**UMSU**); and
- d) University of Melbourne Postgraduate Association (**UMPA**).

There have been significant changes in some of the above organisations over the past few years, although some major changes are not directly attributable to VSU. In particular, the previous main student service organisation, Melbourne University Student Union, a large student guild with an annual turnover in the vicinity of \$12 million, went into liquidation in October 2003 in controversial circumstances which included alleged financial improprieties by Union office holders.

In January 2004, the University formed a wholly owned public company limited by guarantee (**MUSUL**) which has service agreements with the University and with a

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<sup>201</sup> As at 18 February 2008 further background concerning The University of Melbourne could be obtained from the Melbourne web site at:

<http://www.unimelb.edu.au>

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new student representative body (UMSU – an SRC) for services to be provided to the University students.

The University has committed to providing transition funding on an annually reducing scale for Sport and the Union for 2007, 2008, 2009 and 2010. This funding is distributed to UMPA and UMSU via MUSUL – revenue is shown in the Table 11.7.1 below.

**Table 11.7.1**  
**Approximate Membership & Grants Income Melbourne Campus Services Organisations 2005 & 2007**

Organisation	2005 Income	2007 Budget	2007 Total	2005 to 2007 %Variance
	\$000s	2007 M'Ships and Trading	2007 Transition Grant	\$000s
<b>MU SPORT</b>	2,942	\$1,296	\$1,213	-15%
<b>MUSUL</b>	16,837 (\$5,738 ASF)	Memships \$1,638 (actual \$600) Other \$6,848	\$2,550	11,036 -34%
<b>UMSU</b>	1,850	\$0	\$1,157	1,157 -37%
<b>UMPA</b>	1,447	\$60 (estimate)	\$890	950 -34%
<b>Total</b>				

### Summary of VSU Impact

The removal of the income from the ASF has had an impact at this university but the impact has been somewhat ameliorated by the transition funding provided by the University. A summary for each major service organisation follows below.

### Melbourne University Sport

The overall impact is assessed as mild so far. Key impacts appear to be:

- reduction in income and some budgeting uncertainty which is impacting on forward planning and capacity to optimise staffing;
- old building stock (with the exception of the Beaurepaire Centre) means there is a need for major refurbishment. Funding for this appears to be a challenge;

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- sporting clubs activity and membership appears to be dropping and funding for facility access is severely reduced in 2007;
- student participation in inter-university games for 2007 has dropped significantly; and
- the role of students in informing service development is a challenge as the MUSA effectiveness has diminished.

MU Sport's success in attracting significant membership income in 2007 is a positive development.

### MUSUL

The overall impact so far is judged to be currently mild. Key impacts appear to be:

- a significant shortfall in income from sale of memberships. While this is being managed from reserves for 2007 it is not tenable in the longer term;
- a considerable amount of planning preceded the VSU introduction and there is a phased strategy to generate income and contain costs;
- MUSUL formation was informed by (but not caused by) the possible introduction of VSU and it appears to be strategically well-placed to develop commercially informed, innovative and flexible responses to its challenges; and
- MUSUL's income from leased spaces is a strength given its demonstrated capacity to increase student visits to Union House.

### UMSU

The overall impact so far is judged to be moderate. Key impacts appear to be:

- student representation resources are diminished;
- clubs and societies resourcing has dropped – the impact on student involvement in the co-curricular life of the University is not yet clear; and
- the role of the 'student voice' in the development of tertiary education appears to be lessened with the reduction in representative resourcing.

### UMPA

The overall impact so far is judged to be moderate. Key impacts appear to be:

- difficulties in developing services to Postgraduates because of the stretched staff resources in providing the current core services;
- a reliance on non-commercial income;

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- the role of the ‘student voice’ in the development of postgraduate tertiary education appears to be lessened with the reduction in representative resourcing; and
- a loss of experienced staff.

There is positive support for the organisations from the current Vice-Chancellor Professor Glyn Davis.

### Impact on Melbourne University Sport

Melbourne University Sport (**MU Sport**) is a department of the University and works in association with the Melbourne University Sports Association (**MUSA**) to provide members only facilities and services. The University owns and operates all of the facilities.

MU Sport’s indoor and outdoor facilities include:<sup>202</sup>

- a) The Beaurepaire Centre - a 25 metre six-lane heated indoor lap pool, an 850m<sup>2</sup> two-level Strength and Fitness Gym which provides modern gym equipment; and
- b) The Sports Centre building includes six squash courts, a Group Cycling Studio, MindBody Studio, Cardio Box Studio, Massage & Physiotherapy Clinic, two Multi-purpose stadiums and administrative offices.

Outdoor facilities include an all-weather synthetic athletics track of international standard, multi-purpose grass playing field, a synthetic hockey pitch, sports pavilion, four tennis courts, a netball/basketball court, boatshed and a walking hut at Mt Feathertop. In addition there is the 42 bed Mt Buller Ski Lodge.

Most of the MU Sport building infrastructure is very old stock as indicated in Table 11.7.2 below. There has been some recent refurbishment of the Beaurepaire Centre.

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<sup>202</sup> As at 18 February 2008 further background on Melbourne University Sport could be obtained from the MU Sport’s web site at:

<http://www.sports.unimelb.edu.au/index.html>

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**Table 11.7.2**  
**Melbourne University Sport Facilities Data**

Facility	Area m <sup>2</sup>	Age* years
<b>Indoor</b>		
The Beaurepaire Centre consisting of:		50 (refurbished 2002)
25 metre six-lane heated indoor lap pool	578	50
Strength and Fitness Gym	965	50
Group Fitness Rooms	365	50
The Sports Centre consisting of:		40
Squash Courts (6)	1,500	40
Administration	278	40
Change rooms (total)	585	40
Pavilion	900	90
Other indoor	1,970	40
<b>Total Indoor</b>	<b>~7,000</b>	
<b>Outdoor</b>		
Oval	17,279	
Hockey Field	5,836	~12
Athletics track	7,945	~12
Tennis Courts	2,054	
Cricket practice nets	1,596	
<b>Total Outdoor</b>	<b>~34,710</b>	

\*Note: Depreciation period for buildings is 20 years

MUSA, established since 1904, is an umbrella representative organisation for the University sporting clubs. There are currently 46 active clubs which have a nominal membership fee plus a user -pays model for various club activities.

Funding for clubs has been slashed from \$500,000 in both 2005 and 2006 to \$160,000 in 2007. This severely impacts on clubs' capacity to hire external facilities (for example the University's playing field access is quite limited). The size of this cut is significant.

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Also significant is the substantial cut in funding available for students to compete in University Games and similar events, a phenomenon which seems to have reduced the numbers of students participating.

The number of clubs has reached a plateau over time. The membership numbers of clubs for 2007 is unconfirmed but there seems to be a drop – 4,981 members in 2005 compared with an estimated 3,619 in 2007.

There is also an advisory committee (SPRC) which is intended to provide feedback to the University. Currently there is a perceived need to re-invigorate student feedback mechanisms.

Various membership options are available to students and staff. For comparative purposes, the price variation for a full student membership over the past years is shown in Table 11.7.3 below.

**Table 11.7.3**  
**Melbourne University Sport Subscription Fees 2004 to 2007**

Subscription	2004	2005	2006	2007
	\$	\$	\$	\$
Full 12 month	340.00	357.00	393.00	550.00

The price increase attributed to VSU impact is a 40 to 70 per cent increase for students and 20 to 40 per cent increase for non-students in 2007. Current user figures indicate that the take-up rate for memberships is relatively unaffected despite the price increase. This is attributed to maintenance of high service standards and the favourable value for money compared with other facilities in the neighbourhood. The Beaurepaire Centre refurbishment has been an important element of service quality improvement.

Attendance statistics for fitness classes appear to indicate that they are similar in 2007 to figures collected in 2005 and 2006.

MU Sport has budgeted for a small deficit in 2007 of \$78,721. This compares with a budget surplus of \$268,840 in 2005 and \$41,010 in 2006. One impact of the deficit budget is the difficulty it provides in creating confidence within the organisation to adequately meet its staffing needs (for example a Marketing Manager would be a desirable new position).

VSU Impact is minimal although forward planning is difficult as transition funding is considerably less than money originally allocated from the compulsory amenities and services fees. Patterns of subscriptions and usage are still being determined although at this stage the impact on membership take-up and facility usage appears to be minimal.

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The major impact discernable is on money spent supporting students involvement in University games and evidence that the smaller clubs may be declining in membership and activity levels.

### Impact on Melbourne University Student Union Limited (MUSUL)

This Union is one of the largest in Australia with an annual income exceeding \$16 million in the period 2004 to 2006. It sees itself as representing the “Student Union Brand” on campus, it provides a wide range of services and has a significant level of income from commercial activity (it has approximately 35 leased tenancies which provided a surplus of \$1.6 million in 2006).

MUSUL’s governance is via a board which has a majority of University appointed positions and three student positions (students cannot form a quorum).<sup>203</sup>

MUSUL also acts as an ‘umbrella’ organisation for UMSU in that it employs all staff and provides infrastructure support and facilities to UMSU (for example via finance and HR services). UMSU is co-located in the main Union building – Union House.

MUSUL’s overall strategy is to utilise the University’s transition funding as a buffer while it increases income from its commercial services and membership-related income and hence moves closer to self sustainability. It has increased the number of student visits to Union House in 2007 by approximately six per cent.

The provision of transition funding by the University is conditional upon MUSUL supporting the student representative function (particularly via UMSU) and supporting ‘icon’ student services, e.g. Arts programs, Theatres and the recreation library. A student membership model which includes a membership-based services system and strong accountability provisions are also conditions – these are set out in a service agreement with the University.

The membership model involves member only access to some services and discounts to a wide variety of services (differential pricing for members and non-members across all services). MUSUL has budgeted for a membership income of \$1.6 million for 2007 with the membership cost being \$240 per student (the ASF cost was \$395 in 2006). Indications so far are that there is a significant shortfall on membership budget: an estimated 8,500 memberships has translated into 4,100 achieved to date. This provides a budget shortfall of approximately \$1 million which will have to be met from reserves in the 2007 year.

2007 is viewed as a transition year where most services and staff have been retained although expenditure on student representative functions has dropped considerably from 2005 as indicated in Table 11.7.1 above. As learning about student wants and needs increases, MUSUL will modify its service offerings, expand its income

<sup>203</sup> As at 18 February 2008 further background on Melbourne University Student Union Limited could be obtained from the MUSUL web site at:

<http://www.union.unimelb.edu.au>

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capacity (particularly from expanding commercial income where feasible). However, if the income shortfall continues, more severe measures will need to be taken to contain costs.

### Impact on Student Representation – UMSU

UMSU is the SRC at Melbourne and is a separately incorporated organisation. As described earlier it is supported by MUSUL for its infrastructure and staffing needs. UMSU does not employ staff and is 'licenced' to use MUSUL space in Union House.

Apart from the key representation functions, it provides a student advisory service, entertainment, publications and support for general Clubs and Societies (not sporting clubs). It is governed by a seventeen member student council with elected Office Bearers taking up varied portfolios (e.g. activities, welfare, queer etc). Office bearers receive an honorarium of \$16,000 per annum.

A major shift in funding for 2007 is the 30 to 60 per cent drop in funds expended on student portfolios.

Clubs and Societies funding has dropped by 30 per cent in 2007.

Payment to NUS is still under consideration.

There is an on-going tension between UMSU and UMPA about representation and the specific needs of undergraduate and postgraduate students. Whether these needs are more effectively and efficiently met by one representative organisation appears to be the central question here.

### Impact on Postgraduate Student Representation – UMPA

The University of Melbourne Postgraduate Association Inc (UMPA) is a 14 year old separately incorporated association covered by University statute. It is a student representative body for postgraduates at the University of Melbourne.<sup>204</sup>

In 2007, UMPA has 1,200 members (at \$60 per member) out of a total of over 13,000 students including all Graduate Diploma, Postgraduate Diploma, Masters, PhD and other doctoral students.

It co-manages the Graduate Centre with the School of Graduate Studies. Most of its income pre-VSU was from the compulsory amenities and services fees and is now the transition funding from the university. This reliance has resulted in an income drop of about 34 per cent with some income from the 1,200 memberships sold in 2007.

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<sup>204</sup> As at 18 February 2008 further background on The University of Melbourne Postgraduate Association Inc could be obtained from the UMPA web site at:

<http://www.umpa.unimelb.edu.au>

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As a result of VSU, UMPA reviewed its structure and restructured to have 10 staff from an original 18. This number is a working target and it seems that UMPA hopes to reach it via natural attrition.

It reduced its funding to CAPA from \$50,000 in 2005 to \$10,000 in 2006.

The reported experience of the changes is a significantly reduced capacity to develop new services and high levels of stress for the current staff and representatives.

UMPA is strongly committed to maintaining its autonomy and independence.

