

11.17 University of Wollongong

Overview

University of Wollongong was established in 1975 as an independent institution; previously it was a College of the University of New South Wales. It traces its origins back to 1951 when a division of the then NSW University of Technology was established in Wollongong. In 1982 the University amalgamated with the Wollongong Institute of Higher Education.

The University is a multi campus institution with a main campus in Wollongong, a campus at Shoalhaven at Nowra on the NSW south coast and a campus in the United Arab Emirates. It also has a presence in Bega, Batemans Bay, Moss Vale and Loftus. Wollongong is an industrial city on the coast south of Sydney.

In 2006 the University had a total student enrolment of 22,754 with 5,218 international onshore students. Staff totalled 1,477.²³⁸

The main campus service organisations at the University are:

- Uni Centre;
- Recreation and Aquatic Centre (URAC); and
- Wollongong University Student Association (Undergraduate) - **WUSA** and **WUPA** (Postgraduate) Association;

Summary of Impact

In summary the impact of VSU at the University of Wollongong is mild to moderate with impacts on the individual campus service organisations assessed as follows:

²³⁸ As at 18 February 2008 further background concerning the University of Wollongong could be obtained from the UoW web site at:

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

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- Uni Centre impact is assessed as mild because the organisation planned for the introduction of VSU with a review of its management structure and its service delivery. It has a strong financial base with the capacity to generate income;
- URAC impact is assessed as mild with the overall impact being one of reduced services and subsidies rather than large scale closures. It also planned for a significant growth in reserves in the period prior to the introduction of VSU; and
- WUSA impact is assessed as moderate to severe with a reduction in staff numbers of approximately 60 per cent and no longer any full-time staff, an 80 per cent reduction in income and an uncertain future financially.

Detailed Impact on Sport and Recreation

URAC is a registered company limited by guarantee. It is responsible for the operation of an aquatic and health and fitness centre providing facilities to the University community and the general public.

Activities available include squash, tennis, swimming, hockey, recreation programs, facility hire, gymnasium, multi-purpose facilities, playing fields, basketball, netball, volleyball, cricket practice nets, holiday sports programs, corporate recreation provision, sporting and recreation programs, group exercise classes, sport coaching and shower, change and locker facilities.

The Recreation and Aquatic Centre has been expanded and now has approximately 6,000m² of space. The Centre has two swimming pools, one indoor and one outdoor, recreation space, fitness centre/gymnasium, and basketball, netball, volleyball and squash courts together with shower, change and locker facilities. Approximately 620m² of the space is leased to commercial tenants. The Centre has five playing fields covering approximately six hectares.

URAC has been planning for the introduction of VSU for several years and in 2006 it submitted a three year financial plan to the University Council to seek endorsement for 2007 and 2008 to be planned losses. However, financial results in 2006 allow URAC to fund the projected losses. Aquatics and health and fitness had growth of 12 per cent in that year. Rental returns also improved. The financial situation was also helped by the University assuming responsibility for a loan of \$2.7 million in 2005.

Prior to July 2006 URAC offered a three tier membership for University students, staff and community members. In July URAC implemented its current membership model with a unitary membership system which does not differentiate between students, staff and community for cost of membership. The organisation is promoting the value of membership both financially and for the health benefits to the individual.

The positive financial position for 2006 contrasts with a projected loss of \$200,000 in 2007.

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The University provided URAC with direct funding of \$59,000 in 2007 but it is not known if it will receive direct funding in future years.

There has been a dramatic drop in membership but only a slight drop in usage of the centre and a significant drop in sports programs (clubs and social sport) due to the higher unsubsidised cost.

Table 11.17.1

UoW Sport and Recreation Services – Selected Financials 2005 and 2006

	2005	2006
	\$000s	\$000s
Revenue:		
Trading Income	1,470	1,501
Members fees paid by related parties	1,660	1,577
Membership fees paid by other parties	36	124
Total Revenue	3,166	3,202
Total operating profit	\$64,885	\$474,767
Cash and Cash equivalents	136	638
Loan taken up by University	2,700	

There is an expectation that membership numbers will move around on a calendar basis and that its target membership in 2007 of 3,500 is likely to be exceeded. Memberships were traditionally taken out for a full year but now many are taken out for six months.

All income areas are above target because so many former members are paying non-member rates. Many of these former members may resume their member status once they work out the cost benefits.

Note that the majority of fee income in 2006 came in the first part of the year while in 2007 fees are spread out more, especially if the EzyPay direct debit method is used.

Table 11.17.2

UoW Sport and Recreation Membership Income First Semester 2006 and 2007

	Students	Non-students	Total
	\$000s	\$000s	\$000s
1 st Semester 2006	1,576	20	1,596
1 st Semester 2007	119	51	170

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As can be seen above from Table 11.17.2 above the income from membership has declined radically.

Table 11.17.3
UoW Sport and Recreation Services - Changes in Staffing Levels 2005 to 2007

	Full-time	Part-time	Casual	Total
March 2005	13	4	65	82
July 2007	9	5	65	79
Δ in Staff Count	(4)	1	-	(3)

This decline in staff numbers will be reversed because of business pressures. Services and/or support closed or reduced following the introduction of VSU include:

- funding for the running of sports clubs reduced from \$72,505 to nil;
- usage fees have increased by 10 per cent;
- funding for inter-university sport/university games reduced from \$20,000 to nil;
- the number of students participating in inter-university sport/university games reduced to 285 from 510;
- sports clubs have fallen from 22 in 2006 to 10 in 2007;
- ski club closed; and
- commercial pricing of recreation programs introduced.

In 2008:

- a significant number of recreation programs/short courses will be discontinued because without a subsidy they will not be patronised by the student community;
- it is likely that the number of sporting clubs on campus will continue to decline; and
- all service charges including those to sporting clubs will rise beyond the rate anticipated prior to VSU.

Overall Impact on Sport

URAC has the strong support of the University and is likely to continue as an effective provider of sport and recreation services.

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It is anticipated that a significant number of recreation programs/short courses will be discontinued. It is also anticipated that service charges will continue to increase and that the number of sports clubs on campus will continue to decline. However URAC is planning to expand and provide even more activities for students and the community. Its recent expansion program was possible because the University provided financial support together with the transition grant from the Commonwealth.

Detailed Impact on Wollongong Uni Centre

Uni Centre is a registered company limited by guarantee with the NSW Corporations Act.

Uni Centre is a large Union with annual trading revenue of between \$11 million and \$12 million over the last few years. It provides a very wide range of services and has a strong commercial focus. It is governed by a Board of Directors with six elected and six appointed members, which is responsible for the overall corporate governance including strategic direction, goal setting for management, monitoring performance and ensuring the stewardship frameworks are in place.

The impact of VSU has been reduced because of the planning that commenced in 2005 with changes implemented in 2006 and 2007. However, the long-term impact of VSU will be severe. Uni Centre concentrated on expanding its membership value program, reducing central overhead costs and improving profitability.

Changes:

- the membership fee to students was reduced from \$200 to \$120 in 2006;
- the entertainment and activities program was expanded;
- out of school hours childcare program was expanded;
- IT provision was transferred to the University;
- financial processing and facilities management were outsourced;
- prices were increased by a minimum of 12.5 per cent and operating hours of the food and beverage outlets changed;
- all operating units receive less support, for example Childcare, and are required to achieve a 5 per cent to 10 per cent net return inclusive of depreciation; and
- reduced expenditure on repairs and maintenance of buildings.

It is important to note however that there have not been major changes to the range of services and facilities provided to students.

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Table 11.17.4
University of Wollongong Uni Centre Staffing 2005 and 2007

	Full-time	Part-time	Casual	Total
2005	74	30	114	218
2007	66	47	77	190
Δ in Staff Count	(8)	17	(37)	(28)

Since first semester 2006 membership income has fallen from \$825,703 to an estimated \$320,000 in 2007.

Table 11.17.5
UoW Uni Centre Income 2005 - 2007

Year	Fee Revenue	Consolidated Operating Profit
	\$000s	\$000s
2005	3,120	875
2006	1,714	825
2007		
• Projected	320	N/A
• Actual	242	N/A

Even with the reduced cost of membership only 28 per cent of students joined in 2007. The target was 50 per cent membership. Paid membership gives access to discounted products and services.

Conclusion:

Because of the focus since 2005 on reducing the cost base of the operating and service units, downsizing staff through attrition and redundancies, the commercial pricing of all services and activities, Uni Centre is well placed. Despite gains in commercial activities the operational return gap is a cause for concern. It is essential that additional income be generated if Uni Centre is to have a sustainable future.

Detailed Impact on WUSA

WUSA is a student run organisation that exists to provide services and representation on campus. In the past it provided students with the capacity to organise and campaign around issues of importance to students. It operates under a membership model but it has not been effective in attracting financial members. In semester one of

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2007 8.62 per cent of students took up membership. As a consequence of the low take-up of membership the organisation has now decided to make membership free.

WUSA is the peak student representative body providing student members for several University committees. It provides advocacy and representation for students in their dealings with the University administration.

WUSA is also actively involved in the social and cultural life of the University with the publication of a student magazine, organisation of social events, funding and support for clubs and societies, support for collectives, forums and debates, Orientation Week activities and running information campaigns on highly relevant issues such as drink spiking.

Prior to the introduction of VSU it provided the following general services:

- second hand bookshop;
- on-line car pooling service;
- barbeques and entertainment;
- free safe sex products;
- women's and queer spaces;
- emergency loans; and
- cheap photocopying and fax services.

Income from fees:

- 2005 = \$566,769 ;
- 2006 = \$511,283 ;
- 2007 = \$10,000 (estimated).

In 2007 the Association received an earmarked grant of \$27,000 for Orientation Week - \$2,000; and \$25,000 for a Research and Advocacy Officer.

WUSA savings reserves of \$833,056 are budgeted to fall to \$408,387.

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Table 11.17.6
UoW WUSA Activities

Activity	2005	2007
	\$000s	\$000s
Student Newspaper	40	20
Collectives (in total)	40	20
Each Collective	5	3
Clubs	25	10

Conclusion:

The organisation will continue to provide services and representation to students while it receives funding from the University. Its savings provide it with the potential for some independence of action but those savings are not substantial.