

11.14 University of Tasmania

Overview

The University is one of the oldest in Australia being established as Australia's fourth University in 1890. In 1991 the University merged with the Tasmanian State Institute of Technology in Launceston to create the current form of the University of Tasmania.

In 2006 the Hobart campus had 11,118 students enrolled (7,652 EFTSL) and the Launceston campus had 5,455 (3,960 EFTSL). In 1995 the university opened the small (350 students) Cradle Coast Campus in Burnie.²²⁹

With respect to the impact of VSU introduction, the two main campuses have significant differences in their capacity for student service delivery due to their different histories as institutions and their ability to generate independent income.

The main student service organisations at the University and their locations are:

- University Sport and Recreation (a state-wide University Business Enterprise) – all campuses;

²²⁹ As at 18 February 2008 further background concerning the University of Tasmania could be obtained from the UTAS web site at:

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

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- The Student Association Incorporated (SA Inc) – Launceston (Newnham, Inveresk and Australian Maritime College - AMC), Cradle Coast; and
- The Tasmania University Union (TUU) – Hobart.

The latter two organisations are currently in a merger process which will result in a major organisational restructure and the forming of a new organisation responsible for statewide non-sport student services. An interim Joint Committee consisting of the two student chairpersons, two SRC presidents, two General Managers and two University appointees is overseeing the merger process.

In May 2007 the University Council decided that the Board of management for the new organisation would comprise the following:

- three elected students;
- three University Council appointees; and
- one University appointed independent chair.

One effect of this will be the removal of the current majority of students on each of the legacy organisations' governing bodies.

For 2007 both SA and TUU have entered into a Service Level Agreement with the University. The Agreement contains details of the services to be provided, standards and reporting and accountability mechanisms. Services include:

- representation;
- advocacy and referral;
- orientation;
- retention – “student experience”; and
- for 2007 only – creation of one state wide service organisation;

Transition funds are being provided by the University in exchange for the provision of these services.

Summary of VSU Impact

The impact of the introduction of VSU on the provision of sport and general student services is yet to be fully realised. However, there are significant trends emerging and these are summarised as follows:

- a) **Sport and Recreation** impact is assessed to be moderate as the capacity to finance much needed replacement and repair of equipment has been affected. In addition, the need for cost recovery for University-managed venues could have a deleterious impact on sporting clubs and hence student engagement.

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Subsidies for students to be involved in such clubs have been substantially reduced;

- b) **SA Inc** impact is assessed to moderate to severe as the reduction in fee income cannot easily be adequately offset by income from other sources. Representation has been significantly affected as well as funding for clubs; and
- c) **TUU impact** is assessed as mild because the Union has been relatively well placed, at least initially, to offset the effects of no student fee income. This is primarily because of the pre-existing strong financial position, efficient structure and capacity to generate commercial income. However, clubs have been significantly affected and there would also be expected effects on representation.

It should be noted that the proposed new statewide organisation should produce some efficiencies of scale. However, there is a central question regarding the extent to which the differing student and staff cultures of the Southern and Northern campuses can be adequately accommodated in the new organisation.

A more detailed summary for each of sport, representational and general student services follows below.

Detailed Impact on Sport

In 2005, the impending VSU introduction led to the University implementing a statewide structure for Sports and Recreation by combining the sports services at Launceston and Hobart. The new body was structured as a University Business Enterprise.

It is managed overall from Hobart, with the aim of providing uniform, accessible services across the University on a financial 'break-even' basis. One impact of this need to 'break even' has been dramatic increases in venue hire charges and conflict with clubs.

Launceston

Activities available at Launceston include basketball, football, gymnasium, netball, rowing, rugby, soccer, squash, swimming pool (two hours per day at the AMC), table tennis, tennis and volleyball.

At Launceston in 2002, a dojo (martial arts facility) was demolished to make way for the building of a new Sports Centre, jointly funded by the SA Inc and the University. Such capital funds will be less available now as they were derived from student service fees.

A new Dojo will be rebuilt using funds from the Federal Government's one-off VSU Transition Fund for 2007 (see Table 11.14.1 below). Fund money has also been used

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to build a small (\$0.75 million) sports facility at the Cradle Coast (Burnie) campus. The Northern campuses of the University are in a federal marginal seat.

Although the new Sports Centre at Launceston is impressive, its contents, particularly the gym equipment are outdated and need upgrading.

Staff assessment at Launceston is that clubs are finding it increasingly difficult to pay for venue hire costs – subsidies for club venue hire have diminished significantly post-VSU introduction. The impact on club activity in the longer term is not yet clear.

Hobart

Activities available at Hobart include: basketball, cricket, football, gymnasium, netball, rugby, soccer, squash and tennis.

Here the Federal Government transition money will be used to refurbish the current facilities to bring them closer to acceptable standards. The building of a planned, but currently unfunded, multipurpose sporting hall is described by staff as ‘desperately needed’.

The Gym at Hobart is currently stretched to capacity. Its equipment is also in great need of an upgrade – some of it has been ‘home-made’ using an innovative and inventive but quite outdated approach. It is difficult currently to see where such funding could be sourced as there is financial pressure for Sports to break even financially.

Charges for facility use have increased from 2006 to 2007 for most services but the increases are generally within the range of an annual CPI-related increase. Some notable exceptions are observable.

The soccer club hire costs have increased from \$6,000 to \$29,000, although some of the increase can be explained by increased club activity. For some less traditional clubs, e.g. ‘Ultimate Frisbee’ has had a hire cost increase from zero to \$1,317 – a change which more accurately reflects the costs of providing the ground and lights facilities.

There appears to be a resourcing issue with respect to recouping the cost associated with clubs using University sporting facilities. Pre-VSU, clubs were subsidised for this significant cost item but this subsidy is no longer available. For example, a hire rate for one facility costing \$4 per session pre-VSU contrasts with a hire rate of \$25 per session post-VSU.

The absence of the subsidy has highlighted the lack of club resources and has also led to tension between some clubs and the Sports and Recreation department when there have been widely differing understandings and expectations of hire access and the costs involved.

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Table 11.14.1
University of Tasmania Statewide Sports and Recreation Funding

Variable	Pre-VSU	Post-VSU
Sporting Clubs Funding	\$39,540	\$38,000
Membership Income	\$87,000	\$80,000
University Transition Funding	NA*	\$38,000
Staffing Numbers	17	19
Club Facility Hire Costs	\$37,699 (\$16,523 outside)	\$73,890 (\$40,769 outside)
Capital Funding from Federal Government Transition Funding	NA	Total \$5 million (Hobart \$2.3 million, Launceston \$2 million Cradle Coast \$0.75 million)
Gymnasiums	New Gym (\$ 1.7 million) at Launceston in 2002	Gym Hobart ~40yrs old & 'tired' – limited refurbishment to occur via Federal Transition funds
Gym Equipment	\$40,000 annually allocated for replacement (five year maintenance/replacement plan)	Funding limited and uncertain – none allocated for 2007.

*Note: NA – not applicable

Most of the grassed and other playing areas are immediately adjacent to the University buildings. There are 57.1 hectares of outdoor playing facilities at Hobart which include the following: Olinda Grove soccer grounds = 24.6 hectares, rugby ground = 11.1 hectares, football/cricket oval = 18 hectares, tennis courts = 3.4 hectares.

Table 11.14.1 above sets out some of the pre and post-VSU variables which impact on the provision of Sports and Recreation services across the state.

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Overall Impact on Sport

The rationalisation of the Sports Administration has allowed the University to develop statewide consistent service guidelines and quality standards.

There are resourcing issues which are not yet resolved but which appear to be significant for facilities and clubs. The impact of funding reduction has probably not yet been fully felt and clubs are finding the higher costs post-VSU difficult to manage.

There is evidence of less activity generally on campus for combinations of social and sporting events. It seems that many student support groups have diminished or disappeared entirely.

Student engagement with the University Games, although ad hoc, has been supported by fees in the past but such support is now unavailable.

There are some possibilities of gaining income from partnerships with community businesses (e.g. hiring the spaces if there was a new sports hall at Hobart) but, even if this did eventuate, this does not seem likely to compensate for the loss in funding for both capital and recurrent costs.

Detailed Impact on the Student Service Organisations

Table 11.14.2 below summarises some of the key factors which have been identified in the pre and post-VSU introduction environments.

a) SA Inc (Launceston)

This organisation has a relatively recent history as it developed in its current form in the early nineties. It is situated primarily on the main UTAS campus at Newnham - just on the edge of Launceston in a pleasant semi-rural setting. This campus was a College of Advanced Education prior to it becoming a State Institute of Technology in the early 1990's.

Services provided by the SA Inc include: representation and advocacy, catering and bar, activities, welfare counselling, orientation, publications, diary, clubs and societies and academic counselling.

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Table 11.14.2

Key variables related to the impact of VSU on the TUU and SA

Variable/Sites	Launceston		Hobart	
	Pre-VSU	Post-VSU	Pre-VSU	Post-VSU
Student Organisation Memberships	All students	5% of students (fee plus access to discounts)	All students	55% of students (no fee)
Fee Income	\$950,000	\$5,000	\$1.5 Million	\$0
Transition funding for Service Agreement (2008,2009 under negotiation)	NA*	\$340,000 (for 2007)	NA*	\$353,000 (for 2007)
Clubs Funding (sport and societies)	\$60,000	\$18,000	\$250,000 (Sports) \$80,000 (Societies)	\$40,000 \$20,000
Staffing Numbers	55 (12 FT, 5 PT & 38 student casuals)	35 (including 10FT, 2 PT & 23 student casuals)		No significant change yet

*Note: NA – not applicable

The income of the SA has been significantly reduced in the post-VSU environment and this has had a deleterious effect on the depth and breadth of services provided. The organisation does have some commercial income but was heavily reliant on the services fees to maintain its operations.

Key changes have been:

- reduction in income from the bar which is related to the overall reduction in the student representatives' budget. This budget had previously subsidised social events, bands etc, in the bar;

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- diminished resources for elected students and deterioration in engagement of elected students and hence student representation;
- discontinuing the Contact/Student Resource Centre;
- loss of commercial income and designated income-producing spaces (for example the hairdresser and STA Travel leases);
- buildings provided rent-free until 2010, then commercial rates to be applied; and
- a write-off of assets, de-recognition of occupancy rights, forgiveness of loan (UTAS) and previous contributions to building upgrades (net value of \$1.54 million deficit).

The total value of the physical assets involving the Association is \$6.83 million of which \$4.67 million has been contributed by the Association with \$2.16 million being contributed by the University.

Hence the Association has very little cash reserves because it has previously made significant contributions to the development of service infrastructure (e.g. the new Sports Centre).

b) TUU (Hobart)

Overview

The TUU has been established for more than one hundred years and differs from SA Inc in both its size and structure. It has substantial commercial income which has helped to reduce the severity of the impact of VSU on its financial health. All services (with the exception of clubs - see below) have been maintained without great changes and little cost-cutting, although catering prices have been increased to market rates.

Services

The Union is primarily located in the Union Building but also manages catering outlets throughout the campus as well as a substantial housing service. The latter student housing management service has an annual turnover of \$3 million with a \$300-\$400,000 operating surplus.

Services provided by the TUU include representation, publications and website, catering and bar, activities, academic counselling, ATSI students support, housing, legal, students' rights and welfare counselling and shops.

Finances

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A KPMG-assisted efficiency review in 1999 resulted in a substantial restructure involving the organisation moving from a structure with nine managers to three managers. This review is seen by TUU staff to have had the effect of creating a more efficient and effective organisation which has been described by the TUU as relatively 'lean' and 'probably pretty much commercially driven' with a 'strong balance sheet'.

The TUU cash situation is a healthy one - at the end of 2006 it had \$2.9 million in cash/cash equivalents with a healthy surplus cash flow of \$615,822 from operating activities. With an annual turnover of \$7.5 million, the student fees constituted \$1.5 million of its income. The cash reserves can buffer some of the immediate impact of the introduction of VSU.

Membership

The TUU sees its interactive web presence via the student portal ("Uniservity" software) as having been a 'saviour' in that it provided a ready conduit for 48 per cent of 2007 students to 'opt' in to TUU membership. Membership for 2007 is at no cost, with the major benefits being the capacity to vote in elections and being able to join a Club/Society.

Clubs

The major loser from the introduction of VSU is Sports and Societies (general interest clubs and sports clubs). Table 11.14.2 above indicates the large drop in funding for 2007 from a previous total of \$330,000 in 2006 to \$60,000 in 2007. Many of the less traditional clubs have ceased to operate in 2007 and some sporting clubs are having difficulty with increased venue hire charges.

Representation

Another potential loser is less money being available for representation which has had the effect of reducing honorariums and hence potentially reducing the pool of students from the mainstream student body who can afford the time to do representational work.