MELBOURNE UNIVERSITY SPORT BOARD

The minutes of meeting 4/2016 of the Melbourne University Sport Board held on Thursday 15 September 2016 at 9.00am in the Ernie Copley Pavilion.

PRESENT:
Professor James Angus (Chair)
Mr Grant Williams
Ms Hana Dalton
Mr James Marburg
Professor Richard James (from 9.30am)
Mr Adrian Collette (from 9.30am)

APOLOGIES:
Professor Margaret Abernethy
Ms Kate Roffey

IN ATTENDANCE:
Mr Tim Lee (Director)
Mr Jean-Luc Garlick (Secretary)
Mr Andrew Hayes (COX Architects)
Mr Chris Harvey (from 9.35am)
Mr Alex Affleck
Ms Joy Villalino
Mr Rod Warnecke
Ms Julie Caundle (note taker)

1. WELCOME, APOLOGIES AND INTRODUCTION

1.1 Welcome
The Chair welcomed everyone to the meeting and noted that item 4.1 on the agenda would be brought forward to allow several members to be present for matters for decision.

1.2 Apologies
The Chair noted the apologies.

1.3 Minutes from previous meeting
Mr Williams inquired if the Mountaineering Club had been approached for a response to the Rope Based Activities Review. The Director confirmed that this had occurred but that the club had not responded as yet.

The minutes were passed as a true and accurate record.

1.4 Confirmation of Circular Resolutions
There were no circular resolutions to confirm.

1.5 Business Arising/Action Item Updates

1.5.1 Sport Capital Plan
A panel consisting of the Director, Chair, Mr Collette and Ms Dalton had been convened to determine the order of propriety of the capital projects to be submitted to the University. This will be discussed further under the Sport Capital Plan item on the agenda
2. MATTERS FOR DECISION

2.1 Director’s and Unit Report (item 4.1 on agenda but brought forward)

The Director outlined a change to the presentation of the report that now included separate sections for each Business Unit prepared by the relevant Manager based on a suggestion from the Chair. The format would be refined further.

Mr Warnecke presented on the recent Australia University Games team breakfast which was a new initiative to address risk management issues arising from recent representative sport competitions. The Provost, Professor Margaret Sheil, attended on behalf of the VC and addressed the students on her experiences as a student athlete who also represented her University and presented the blazers to the two team captains. Over 200 students attended the event which was well received.

The Chair thanked Mr Warnecke for the presentation and requested that he report back to the Board following the AUG to outline the risk management issues and how these were being addressed. The Chair stressed the importance of risk management to the deliberations of the Board and suggested that an annual Risk Management report be provided and that significant items are reported on at each meeting. The Director committed to ensuring that this occurred in future.

Ms Dalton raised the recent World Elite University Football Tournament hosted by Tisinghau University and enquired if sufficient opportunities were being provided for female athletes. Mr Warnecke outlined the intention to provide female students additional opportunities to participate in similar programs as part of the broader commitment of the organization to ensure equity in competitive sporting opportunities, including at the highest level.

The Director outlined the recent event to honour the contribution of Mrs Nona Lee to sport at the University with the renaming of the Sports Centre the Nona Lee Sports Centre. The Chair and Ms Dalton were in attendance. The Chair congratulated MU Sport staff on hosting an excellent event.

Mr Collette and Mr James arrived during the presentation of the report.

Action

That Risk Management strategies implemented for Representative Sport are presented at the next Board meeting.

That a Risk Management report is presented to the Board each year and that any significant items are reported to the Board each meeting.

2.2 Capital Plan Update

Mr Affleck updated the Board on the Capital Plan. Cox architects, led by Mr. Andrew Hayes, were appointed by Infrastructure Services to develop the feasibility for the projects. The Capital Plan Bids have been finalised and submitted to the Capital Advisory Group.

Mr Hayes provided an overview of the feasibility studies, in line with the brief provided by MU Sport, to scope both projects and determine development costs. The brief was completed for two projects:

1. South Precinct Fitness and Aquatic Centre
2. Sport Precinct Upgrade including:
   - Beaurepaire Centre and Nona Lee Sports Centre Refurbishment
   - Athletics track and Hockey Pitch Replacement
   - University Oval Redevelopment
Mr Affleck outlined a meeting with Ms Alex Lawlor, Executive Director, Property and Sustainability and Mr Tim Kennedy, Senior Business Analyst Business Projects, Project Services to discuss the preparation of a Business Case. Property and Sustainability will fund the business case and also suggested that MU Sport could seek support for minor capital improvements of existing facilities as an interim arrangement. The University is also undertaking the installation of Solar Panels on the Nona Lee Sports Centre.

Resolution
The Board noted the Capital Plan Update.

2.3 2017 Budget
The Director presented the 2017 Budget prepared by the senior management team over a six week process. A surplus of $517,474 had been budgeted to allow for the recommended $5m (5%) contingency for major capital projects resulting in a $2.7m accumulated surplus by end of 2017. This is an increase on the previous 2% contingency provided in the annual budget.

The biggest income item is now the $3.2m from the SSAF at 19.79% of the total collected. Fitness income is $2.8m a growth of 3%. Student fees have been capped at the 2015 level but community and staff fees increase by 3% each year. Commercial income is budgeted to grow by 17%.

Major expenditure items included a salaries increase of 3.5% in accordance with the University EBA and an $100,000 for additional staff to be determined after the Organisation Review. $.5m is allocated for club support including coaching, management and external venue hire. Minor building works is set at $200,000, an increase of $100,000. Fitness (weights and cardio) $170,000 and club equipment $95,000 (boats) purchases have remained steady. New initiatives for 2017 aligned with the strategies of student engagement and leadership have been provided $193,632 in additional funding and $56,650 has been carried over for website development.

The Director presented the matrices that are used to determine the value of participation programs and to determine the return on commercial activities. As a result several programs had been discontinued or are currently under review.

In addition several strategic opportunities presented previously to the Board have been left out of the budget as they were considered to have a strong case for additional funding from the various SSAF Grant Schemes. Funds from the budget contingency will be allocated to some of these items if they are not successful in securing additional SSAF.

The income and expenditure comparisons from 2009 to 2017 were also presented to demonstrate the longer term financial strategy underpinning the budget. The income strategy has been to remove or reduce student participation fees and grow income from commercial activities such as venue hire and leases without compromising services or access opportunities for students.

During the period 2009 to 2017 income variations include:

- SSAF increased from 30% to 40% of total income.
- Fitness Services income has reduced from 46% - 40% of total income due to capping of student fees.
- Commercial income has grown by 78% due to increase in venue hire and sports camps income.
The expenditure strategy has been to increase funding to participation activities and reduce back of house service costs as a percentage of expenditure. Major variations during 2009 – 2017 include:

- Sport and clubs funding increased by $1m to $1.7m.
- Fitness salary costs have reduced during the period
- Expenditure has remained constant for Administration and Business Services but Marketing expenditure has increased by 200%
- Depreciation has not been charged to since 2014 ($6m in 2010).
- Buildings and Grounds have increased from 13 – 19% to ensure improvement in the presentation of buildings and grounds.

The Director thanked the staff and Mr Garlick for their work in developing the budget and background information.

Resolution

*The Board approved the 2017 Budget for submission to University Finance Committee.*

3. **MATTERS FOR DISCUSSION**

3.1 **Advancement Report**

Mr Chris Harvey presented the annual Advancement Report.

As of August 2016, six clubs had established chapters in the Sports Foundation (Hockey, Skiing, Badminton, Boat Club, Blues Football and Mountaineering) and another two chapters were established with specifically to provide scholarships Rowing Opportunity Scholarship and the Andrew and Geraldine Buxton Athletics Scholarship.

MATTERS FOR NOTING

4.1 **Director’s and Unit Report – moved forward to 2.1**

5. **OTHER BUSINESS**

There was no other business.

6. **MEETING FINALISATION**

6.1 **Meeting Close**

The Chair thanked members for their attendance and closed the proceedings at 11.00am

6.2 **Next Meeting**

The next meeting would be held on Thursday 10 November at 6.00pm in the Boardroom.

Signed by the Chair as a true and accurate record:

Chair Professor James Angus

Date 10/11/16