

## **Executive Director's Report**

It is with pride in WEA Sydney's long history, and its recent success, that I present this annual report. Founded in 1913, WEA Sydney has played a vital role in Sydney's intellectual life for the hundred years of its existence, and its contribution to the development of active citizenship in Sydney today is without parallel. However, WEA Sydney faced a difficult year in 2012. A decline in enrolments from the heights of 20,000 annual enrolments in the years 1999-2001 had seen some stabilisation at the end of the decade (2009: 16,020), only to have double blows affect WEA's trading setting in 2010 – one, the disruption caused for over six months of that year by extensive government-funded renovations to WEA House (the location of the vast majority of WEA Sydney's courses) which while vital for the modernisation of WEA's facilities, hindered access to the building; and two, the onslaught of what economists labelled the Global Financial Crisis, with its devastating local affects on the wider business setting and consumer spending habits. Enrolments, and thus income from course fees (WEA Sydney's primary source of revenue) fell by nearly 10% from 2009 to 2010 (14,575 enrolments recorded), and while this figure in some ways stabilised in 2011, the outlook for the Association for 2012 was realistic, as all indications were that the wide spread economic downturn would continue with determined consumer resistance to anything other than required or necessary spending.



*Michael Newton, Executive Director*

The Board of WEA Sydney acknowledged this setting, which had seen other adult and evening colleges experience severe financial difficulties, by passing a realistic budget for the year's trading operations that listed a realistic deficit. In doing this, the Board committed WEA Sydney to the full maintenance of its high standards of administration, tutoring and course support services, believing that compromise in either quality, or in the pursuit of its wider mission, would have a detrimental effect on WEA Sydney, especially with the year 2013 ushering in the Association's centenary. It should be also noted that WEA Sydney was performing better than the Adult Education sector in NSW as a whole – final statistics for total ACE enrolments in NSW for 2011 were only released in mid-August 2012, and these showed that the sector had lost 14.3% of enrolments (over 41,000) statewide from 2010 to 2011 (placing WEA Sydney's own 2012 enrolment drop of 6.8% in industry-wide perspective).

As 2012 progressed, despite the best efforts of staff, tutors and volunteers, the wider movement away from adult education (especially in non-accredited or general educational courses, exactly the area of WEA Sydney's majority of programs) grew more obvious, and WEA Sydney's enrolment levels fell in line with this wider market response. Final enrolments for the year stood at 13,383, down 970 (6.8%) on the 2011 result. The majority of this drop came in specific areas – computer skills courses, general non-accredited business or training courses, or the wider general program (communications, study skills, interests, art) – and in specific time periods (50% of the drop was recorded in one term alone, Spring term, the last of 2012). The impact of this enrolment decline was obvious on the Association's finances. As the Financial Report, plus associated accounts, illustrates, this decline in income could not be compensated by a similar reduction in expenditure. Thus the deficit for 2012 finally emerged as \$99,566 (slightly larger than the deficit recorded in 2011). While this figure is a large one, there are several explanatory factors, including the paper sum for depreciation/long service leave contained in this balance, the bearing of centenary celebration expenses as part of the trading financial report, and the absorption of library costs within this figure. Indeed, WEA Sydney's Board spent considerable time discussing the role and value of the library, as no other comparable non-profit and independently financed adult organisation carries such an expense.

Within those financial reports, some elements of WEA Sydney's program however continued to perform better than expected. Foreign languages reached a record high enrolment level of 3,731, and now contribute 31% of total income; Humanities courses saw a total of 5,289 enrolments, representing 40%

of the annual intake, which when combined with the Humanities-based Discussion Group Program, take that percentage higher and thus illustrate the Association's commitment to its wider Mission Statement; government funding stabilised (albeit at a rate 50% lower than the peak years of government support in the early 2000s); property income remained steady. In addition, two factors emerge from a review of the Statistical Report for 2012: one, that WEA Sydney's commitment to making its educational program available to all remains intact, with over 30% of total enrolments being taken at reduced concession rates (and thus forfeiting some \$58,000 in fee income); and two, the over 50s demographic remains the highest enrolment block. The benefits of the type of education that WEA Sydney offers to the elderly, and the semi or fully retired, is of intense value, not just to the individuals themselves, but also to a wider society. Study after study illustrates that keeping one's mind active and engaged eases wider health problems into old age. As Keith Suter wrote in his introduction to WEA Sydney's Centenary souvenir booklet *WEA 100 Years*: "Intellectual stimulation enhances the brain. There are no limits to learning and no age barriers to personal growth. Brains are "muscles" that need regular exercise. A healthy brain reduces health problems. WEA is helping to reduce Australian healthcare costs!" and as his final paragraph: "WEA is playing a vital role in not only catering for the educational needs of young people but also making sure that older Australians can live a healthy and productive life."

Other initiatives to attract older students in 2012 saw WEA Sydney participating in the NSW Retirement and Lifestyle Expo, as well as advertising in the NSW Seniors discount and information booklet. Marketing discussions also featured on the Board and on WEA Sydney's Council, resulting in the establishment of a sub-committee of Council on marketing, with the brief to report directly to the President. WEA Sydney was also chosen as a case study for Honours students of the School of Marketing at the University of NSW, and the Executive Director was able to view students' end-of-year presentations, as well as distribute their written reports to the sub-committee. Revision to WEA Sydney's marketing activities might well help to re-position the Association in coming years.

Tutoring standards were maintained throughout the year, with highly qualified new tutors being welcomed into WEA's structure, and evaluations continued to highlight the benefits that WEA Sydney's unique offering of courses brought to students. The Association owes a deep note of thanks to its tutors for their loyalty, their professionalism and their outstanding abilities. The Board of WEA Sydney continued with its valued support of the officers' work in management, audit procedures, financial reporting and overall control of the Association's program of activities. The Board remains confident that WEA Sydney will emerge from its current financial setting re-invigorated, especially with the coming year to feature a wide range of Centenary Celebrations.

Full disclosure of WEA Sydney's financial operations in 2012 are found on pages 27-37. Turning this result into a more positive outcome for future years will occupy considerable time on the part of WEA Sydney's Board and management. WEA Sydney remains a vital ingredient in Sydney's wider educational mix, and the Board is determined that its unique blend of courses will continue to have an impact on Sydney's citizens' lives.

I therefore commend this 2012 Annual Report to our members, and to all who support the ideals of the Workers' Educational Association, Sydney.



**Michael Newton**  
Executive Director