



20 November 2014

Dear Challenge friends,

You would be aware that, over the past 2 years, the Challenge has experienced significant growth. Last year was the biggest in the Challenge's 14 year history; we did more events in more places, engaging with more people than ever before. For this I thank you and the Challenge Team. This is a real partnership; we would be lost without our thousands of supporters around Australia.

At the same time however, we have had to deal with significant reductions in our core funding.

In the past the Challenge enjoyed strong financial support from the Federal Government. When I started as Director, this amounted to just over half a million dollars in 2011 alone. This year their support slipped to a little over \$190k. Next year their support will be zero. I need to stress that this is not the fault of the Challenge, or the Government. These cuts have been experienced across the whole sector... and beyond.

I'd also like to acknowledge the long-time support of Ausgrid NSW. Again, for reasons beyond our control, their support (\$180k in 2013-14) has finished.

Over the last 2 years the Challenge has been working hard to reduce operating costs and improve efficiencies whilst maintaining – or improving – program quality. We have also diversified our income sources including setting up easier sponsorship and donation systems. Although the Challenge has been vigorously pursuing sponsorship and grants it is apparent that, without additional income, the national Challenge program will cease to become viable.

At the October 2014 meeting of the National Science and Engineering Challenge Council (NSECC) I explained that, if we are unsuccessful in securing major sponsorship or grant in the next 6 months, we faced a very difficult choice: either shut down the National Challenge program, or institute a fee-for-service structure. NSECC asked me to pursue the second option.

Consequently, from January 2015 all participants in Challenge events (Discovery Days, Challenges and Challenge Lite, etc) will be asked contribute to the program's operational costs.

To be clear: One of the Challenge's strengths is its ability to encourage students who would otherwise not be interested in science and engineering to consider these fields as study and employment options. We are very reluctant to introduce a participant charge as it may deter these students however but we have no alternative. (Note that the University of Newcastle provides funding for the Challenge to operate in Northern NSW only; funds for the National program need to come from the other sources.)

A lot of thought, consultation and planning has gone into developing a new fee structure. It is part of a strategic 3 year rolling budget.

**As always, the guiding principles are simplicity, fairness and sustainability.**

### Impact on schools:

- From the beginning of next year, \$3,520 (including GST) per day will be added to the charge to the regional committee to run Challenge and Discovery Days. For events in Northern NSW or for special events (e.g. promotional or public events) the University of Newcastle will reduce the cost to \$500 (including GST) per day.
- **The regional committee needs to apportion this 'per-day participant charge' to the schools that attend their event. The charge could be paid by a sponsor, the school, the P&F associations, or the students but the money is collected by the local organising committee.**
- It is a fixed per-day, not per school or per person charge. There are no reductions if there are less than eight schools at the event.
- There is no participant charge to attend a Super Challenge or National Final.
- The Challenge will provide resources for students and schools to seek sponsorship.
- Each year the Challenge will allocate \$10,000 to help schools travel to National Final.

### Impact on organising committees:

- The charge to local organising committees will be simplified and standardised across Australia. For 2015, every regional committee (that does not supply their own winner's trophy) can expect to pay:

Travel: van hire	\$120
Consumables	\$230
Wages: Team Leader & Event Assistant	\$632
<u>Trophy (1)</u>	<u>\$ 90</u>
SUB TOTAL	\$1,072/day including GST
ADD fuel, excess km, subsistence, and logistics costs which are unique to each event	
ADD the appropriate 'per-day participant charge'	

Note that the existing program cost of \$500 has been dropped, as has the \$1,000 charge for non-Inspiring Australia regions. The daily consumables charge has also been reduced by \$30/day to reflect the real saving made within the Challenge program. The cost of the Team Leader (+\$388/day) has been added.

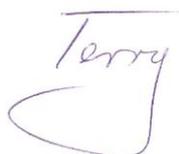
- There are no program costs to the host committee for Super Challenge or National Finals.

The Challenge team is currently developing free sponsorship resources that will be made available committees, schools and - if required - students. The aim is to provide each of these important groups with as much information and support as possible.

It is you and the other Challenge participants who now decide the future of the program.

Thank you for your support thus far.

Kind regards,



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