Australian Government

Australian Sports Commission

PRELIMINARY SUBMISSION TO THE PRODUCTIVITY COMMISSION'S STUDY INTO THE CONTRIBUTION OF THE NOT FOR PROFIT SECTOR

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Contents

1 Executive summary

Sport is an integral part of Australian life. In launching the Rudd Government's new directions paper for sport, the Minister for Sport, the Hon. Kate Ellis identified the Government's preventive health agenda and the need to maintain Australia as 'one of the world's greatest sporting nations' as two major priorities for sport. (Australian Government 2008)

What is often not recognised however, is the scale of the sporting sector's involvement and contribution as part of Australia's not for profit (NFP) sector. Whilst the sporting sector is made up of national and state sporting organisations as well as regional organisations and clubs, it is at the community level that the true scale and scope of the sector is most evident. As noted in the Victorian report on the Stronger Community Organisations Project, "in terms of numbers and levels of community participation, community sporting and active recreation organisations represent the major group of community organisations in the broader, non-profit sector in Victoria". (State of Victoria, 2007:35)

The scale of the sporting sector is further evident in the proportion of the total volunteer population engaged in supporting sporting clubs and organisations. The ABS (2009) found that over 1.7 million people volunteered for sports and physical recreation organisations, some one third of the total voluntary work population. Moreover, 72% of Australian sport volunteers are involved in organisations that are staffed entirely by volunteers.

The Australian Sports Commission (ASC) welcomes the development of an overarching conceptual framework for measurement developed by the Productivity Commission as a mechanism to incorporate the full scale of inputs, outputs, outcomes and impacts into an assessment of the contribution of the sector. The measurement of the economic impact or contribution of sport is an area which is only now receiving comprehensive attention. There is much more that needs to be done in this area.

The ASC recognises that this is an issue which must be addressed in order to support better evidence-based decision making and is currently utilising an approach assessing the contribution of sport to wellbeing across the market related and broader dimensions. This approach dovetails with the framework set out by the Productivity Commission for measuring the contribution of the NFP sector, noting that there are difficulties with identifying input measures for sport as these are generally aggregated with those of other sectors in the published data. It also considers the outcome and impact levels of the Productivity Commission's framework, with a particular focus on the externalities related to physical and mental health and the associated burden of funding health care, social cohesion and socialisation, and the public good effect associated with national sporting success.

In considering the unnecessary burdens or impediments to the effective and efficient operations of sporting organisations, the ASC notes that many of the impediments are consistent with those being faced by organisations across the not for profit sector, particularly those which are staffed primarily or exclusively by volunteers. The sporting sector, however, also has a number of unique characteristics which accentuate the impact of the different regulatory regimes operating across the country. These include its reliance on sporting infrastructure and the regional and interstate nature of sporting competitions.

The provision of sporting infrastructure – the playing fields, grounds and facilities on which sport at all levels take place – is a key issue impacting on the delivery of sport in Australia, and therefore the delivery of the potential value of the sporting sector to the Australian

community. The provision of sporting infrastructure has largely been seen as a state and local or private sector responsibility with little strategic linkage to the sporting organisations that form the core of the Australian sporting system. Similarly, until fairly recently, national sporting organisations have not seen it as their role to be involved with facility planning or provision to match the sport development plans expected of them.

Within this context, sport infrastructure planning has evolved over many years in a fragmented ad hoc way mainly through collaboration between state sporting organisation a and clubs and local government authorities under broad parameters contained in various pieces of planning legislation within each state and territory. The ASC's 2007 survey on sport infrastructure concluded that planning is woefully inadequate and coordination between the tiers of government, among agencies at the same level of government and between government and sporting organisations is defective.

The very nature of sport requires individuals or teams to compete against others across regional, state or national boundaries. Where requirements vary from state to state, this impacts significantly on the sporting organisation's capacity to comply and places significant additional burden on the organisation's human resources. An example of this is Working with Children Check (WWCC) laws. Five states currently have laws requiring individuals involved in areas such as sport to undertake a check to determine their suitability to work (in a paid or voluntary capacity) with children.

However, there are differences across the schemes in relation to who must apply for a WWCC, definitions and terminology, what is checked (criminal records, offences, charges, disciplinary proceedings), validity period of WWCC and whether an ID card or certificate is provided, exemptions and who is charged for WWCCs.

The differing requirements, standards, definitions, reporting, monitoring and costs of both existing and proposed WWCC legislation create confusion, unnecessary financial and administrative burdens, duplication and the potential for people within the sport industry (and other sectors) to inadvertently be unlawful.

The ASC has a long history of support the Australian sporting sector through the development and implementation of programs in partnerships with key stakeholders at national, state and local levels. A particular focus has been on the development, implementation and monitoring of community sport service delivery models aimed at enhancing the capacity of sporting clubs and organisations to deliver participation opportunities and their associated benefits.

2 Introduction

2.1 The Australian Sports Commission

The ASC is a statutory authority of the Australian Government charged with supporting and investing in sport at all levels in Australia.

Since its establishment in 1989, the ASC has earned a national and international reputation for its innovative and value-add approach to supporting Australian sport. The internationally renowned Australian Institute of Sport, a key component of the Commission, is a leading centre of excellence for the training and development of high performance athletes and coaches.

The nature of the Australian sporting system is discussed in the first section of this paper. The system partners share a common vision of a collaborative national sports system that creates opportunity for all Australians to participate in sport, and to excel at every level.

Within this system, the ASC plays a key role in providing leadership to the national sporting system and supporting national sporting organisations — the core of the Australian sporting system — and other partners to deliver sport to all Australians.

2.2 About this submission

The ASC welcomes the opportunity to respond to the Productivity Commission's *Contribution of the Not for Profit Sector Issues Paper.*

In doing so, the ASC submission focuses on the contribution of sport as a sub-sector of the NFP sector and responds to those questions raised by the Productivity Commission which are seen as relevant to the sporting sector.

The ASC notes that the approach proposed by the Productivity Commission in its study is to adopt a broad view of the NFP sector for the purposes of assessing its contribution, before narrowing the study's focus to consider the specific policy and capacity issues raised in the terms of reference. In preparing its submission, therefore, the ASC has focused on the measurement terms of reference as well as efficiency and effectiveness of the sector, as these have particular relevance to the sporting sector.

In relation to service delivery, comment has also been provided on the efficacy of partnership models. This is provided on the basis that while sporting organisations do not deliver government services by means of explicit contract (as organisations within the community and social services sector may do), they do deliver services that have outcomes which are in the public interest.

Over the past 12 months, the Australian sporting community has been engaged in an extensive consultation through the Australian Government's Independent Review of Australian Sport. Input from these consultations and the related submission process has highlighted key challenges and issues facing the sporting sector, and provided valuable input to this submission.

The submission is structured into four parts:

- **The Australian sporting system**: This section describes the key players and interdependencies within the Australian sporting system and positions the sporting sub-sector within the NFP sector.
- **Measuring the contribution of the sporting sub-sector**: This section outlines the work that has been and is being done in relation to measuring the contribution of the sporting sector and issues identified in relation to this.
- **Enhancing the efficiency and effectiveness of the sporting sub-sector**: This section describes current challenges impacting on sporting organisations and identifies opportunities to enhance their efficient and effective operation.
- **Service delivery**: This section highlights the relationship between government and the sporting sector, with a particular focus on models for government partnerships to support sporting organisations to deliver sport within the community.

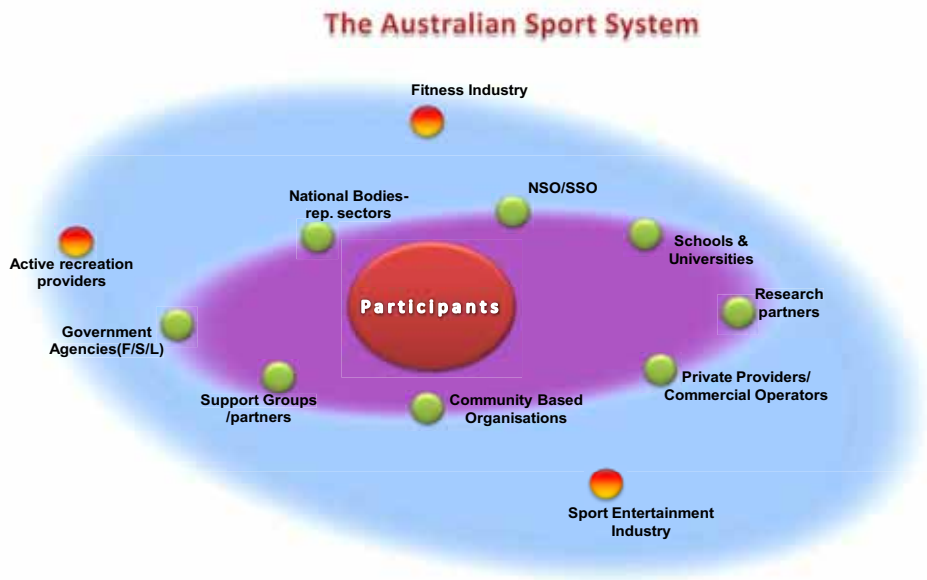
3 About the Australian sporting system[1]

3.1 'Players' in the Australian sporting system

The Australian sporting system comprises a number of diverse elements with different areas of responsibility. While national sporting organisations (NSOs[2], state sporting organisations (SSOs) and government sport agencies are the principal players in the system, the system is much broader. It embraces the many providers and individuals who directly help participants[3] to achieve their ambitions in sport at their chosen level across the lifespan. Additionally, it encompasses elements that can indirectly contribute to participation in sport in Australia.

The following is a pictorial description of the national sports system. The direct contributors are represented in green in the inner system and the indirect contributors in the outer system. The relationships are complex and intertwined between the contributors.

Figure 1: Australian sport system



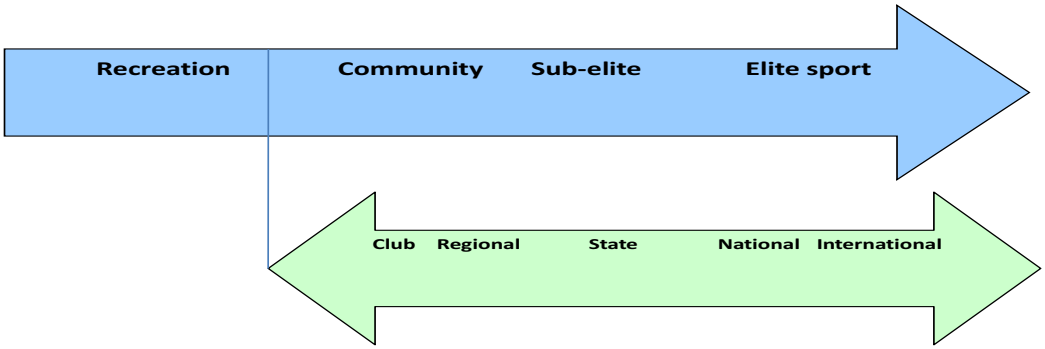
[1] System in this context means a group of interacting, interrelated or interdependent elements forming a complex whole or a coherent entity. Sport in this context is defined by the Australian Bureau of Statistics as an organised activity involving physical exertion, skill and or hand–eye coordination as the primary focus of the activity, with elements of competition where rules and patterns of behaviour governing the activity exist formally

[2] The term 'national sporting organisation' includes national sporting organisations for people with disability where relevant. Further, 'national sporting organisation' can also include the NSO and their state/territory organisations, regional associations and clubs where relevant and applicable.

[3] Participants in this context is meant in its broadest sense, such as athletes, volunteers, coaches, officials, athlete support personnel and clubhouse to boardroom contributors, etc. where relevant and applicable.

While the number of contributors gives rise to considerable complexity in planning and delivery, the common aim is to provide an athlete pathway from community to elite sport as depicted in blue below. This athlete pathway is matched by a sport organisational pathway, depicted below in green, which provides for a training environment and competition from club level to the international stage. As depicted below, recreation is not part of the organisational pathway but feeds into the athlete pathway and therefore has relevance to the sporting system.

Figure 2: Athlete and sport organisational pathways



This sport organisational pathway reflects the structure of NSOs as they have evolved over a century from the humble beginnings of individuals forming teams to play sport and compete against each other. The growth in the number of these competing teams led to the development of local sporting clubs and associations, generally based around sporting facilities in a local community. While a club was a collection of teams, usually spanning a wide range from children through to open and masters level, associations formed as a collection of clubs within a community to administer competition for the growing participant numbers. The desire for associations to compete against each other necessitated the development of state and territory sporting organisations to regulate this level of competition. And finally, from the 1930s and 1940s, NSOs were formed to regulate interstate competitions and to hold membership of the international sporting federations.

The Australian sporting organisations — local clubs, regional and state sporting associations and NSOs — which form the core of the Australian sporting system represent a significant part of the Australian NFP sector.

These Australian sporting organisations clearly fit the definition of the not for profit sector, fulfilling the criteria utilised by Salamon and Anheier (1997) and the Australian Bureau of Statistics (2002) in that they:

- do not distribute profits to members
- have a formal governance structure
- have independence from government, autonomy in decision-making and voluntary participation by members.

The sporting sector is clearly encompassed within the activities of the culture and recreation sector in the International Classification of Non-Profit Organisations, which is utilised internationally and by the Australian Bureau of Statistics (ABS) for defining not for profit organisations as the basis for constructing data on the sector in Australia.

Unfortunately, the complex and often disjointed nature of the sporting system has impeded the measurement of the sector's contribution and has led to an under-representation and positioning of the sporting sub-sector within the broader NFP reform agenda.

3.2 The scale of the sporting sub-sector

Just as there has been no comprehensive survey of the NFP sector as a whole, including the large and small incorporated and unincorporated organisations (Senate Standing Committee on Economics 2008), there has been no definitive survey of the number of NFP organisations within the sporting sector.

Instead, the sector has relied on data from individual peak sporting bodies and, to some degree, state-based research into community organisations. For example, in 2008 Netball Australia indicates that there were 5000 netball clubs and 570 associations located throughout the country to service its 330 000 registered members (Netball Australia 2008). Along similar lines, the Australian Cricket Census indicates that in 2007–08, there were 454 cricket associations and 4142 cricket clubs enabling the participation of 587 735 participants in Australian cricket competitions and programs (Cricket Australia 2008).

The majority of these clubs and associations operate within local communities. In its report on the Stronger Community Organisations Project, the steering committee report noted that 'in terms of numbers and levels of community participation, community sporting and active recreation organisations represent the major group of community organisations in the broader, non-profit sector in Victoria'. (Stronger Community Organisations Project 2007:35)

A snapshot of community sport and recreation in Victoria identified that the local sport and recreation scene in Victoria was:

- mostly made up of voluntary organisations, with 75% of organisations owned and/or managed by their members
- generally sport focused, with 80 per cent of the organisations involved in organised sport
- run on a limited budget, with 53% of organisations having a gross annual income of less than $25 000.
- made up of small to medium-sized organisations, with 64% of organisations having less than 200 members
- different between regions of Victoria, particularly between metropolitan Melbourne and country Victoria
- enduring, with 80% of organisations having been operating for ten or more years (Department of Victorian Communities 2004).

The report concludes that:

> the sport and recreation sector at the local level is complex and the differences in patterns of organisation type, membership and annual income are not simply related to metropolitan/non-metropolitan location. (Department of Victorian Communities 2004:15)

The scale of sporting sector involvement within the NFP sector is further illustrated in the proportion of sporting volunteers among the total volunteer population. According to the ABS (2006), over 1.7 million people volunteered for sports and physical recreation organisations. This represented 11.2% of the Australian population aged 18 years and over, and one third of the total voluntary work population.

Volunteers have often been described as the lifeblood of the Australian sporting system, and indeed are critical in enabling the Australian sporting sector to make its significant contributions to Australian society. Sport and recreation organisations rely on volunteers more than any other sector. In its analysis of voluntary work, the ABS found that 72% of Australian sport volunteers are involved in organisations which are staffed entirely by volunteers (ABS 2006).

4 Measuring the contribution of the sporting sub-sector

The ASC recognises the value of measuring the contribution of the sporting sub-sector, and sees merit in the conceptual model proposed by the Productivity Commission in its issues paper to moving beyond the more traditional measures of inputs and outcomes to also incorporate an analysis of the less-concrete measures of outcomes and impacts.

There is an accepted and growing body of evidence concerning the benefits of sport to the individual and the community, including:

- enhanced economic outcomes
- increased self esteem and social confidence
- development of life skills such as team work, fair play and strategic thinking
- community building and social cohesion
- social inclusion of minority and disadvantaged groups
- enhanced mental and physical well-being.

These are outlined in more detail in the ASC's submission to the Independent Review of Sport in Australia. (ASC 2008) The ASC recognises the issues associated with quantifying the value of some of these benefits and the availability of comprehensive data to enable subsequent modelling, and looks forward to considering the further work being undertaken by the Productivity Commission in this area.

4.1 Previous studies of the economic impact of sport

A number of studies of the economic value of the sporting sector have been undertaken both in Australia and Europe. The last comprehensive national study of the economic impact of sport at a national level in Australia was prepared for the Confederation of Australian Sport by Tasman Asia Pacific and Ernst and Young in 1998. Other studies have been conducted into the impact of sport and recreation at state level (Department of Sport and Recreation NSW 1999, Department of Sport and recreation WA 2004) and the economic impact of major sporting events (SA Office for Recreation and Sport 1999).

More recently, the economic impact of sport has been the subject of an international working group within the European Union (EU). The EU has indentified that:

> Although not directed specifically at sport, many of the rules, policies and programmes of the European Union have an impact on the sports world or are of interest to it. Moreover, a number of actions relating to sport are supported through EU programmes in fields such as education, vocational training, youth, health, social inclusion and regional policy.
>
> The European Commission acknowledges the essential role of sport in European society. On 11 July 2007, it adopted the White Paper on Sport, its first comprehensive document in this area. The main objectives of the White Paper are to enhance the visibility of sport in EU policy-making, to raise awareness of the needs and specificities of the sector, to ensure that the specificity of sport is taken into consideration in the development and implementation of EU policies, and to promote sport-related action at EU level. (European Union 2008)

The EU has noted that reliable and EU-wide comparable data on the broader economic impact of sport is lacking, but policy makers at national and European levels would benefit from the availability of such data in order to make informed decisions.

To address this issue at EU level and to give sport a higher profile in policy-making, EU Sport Directors, at their meeting in Vienna in March 2006, decided to set up an EU Working Group — Sport & Economics — which is developing a common approach, including a statistical method to measure the economic impact of sport in the EU.

Additional detail concerning the work of the EU in this area is available on the EU sport website at http://ec.europa.eu/sport/what-we-do/doc39_en.htm

A number of research projects have also been undertaken to determine the economic value of sport in the England and the United Kingdom (Sport England).

4.2 Current analysis of the economic contribution of sport to Australia

The ASC has recently engaged Frontier Economics to assess the economic contribution of sport to Australia. In the initial stages of this project, Frontier has considered the principles which underpin the economic framework for understanding the value of sports in Australia.

4.2.1 Principles for analysis

As with all other sectors in an economy, sport involves the use of a society's resources and assets through various activities that provide a range of goods and services. The range of activities that fall within the sports sector is large, and the limits of what constitutes sport are not always easy to define. For example, sport encompasses activities that range from community level sports (which at its simplest involve structured play) to competitive sports at a national or international level, sometimes on a remunerated basis.

The range of activities that fall under the banner of the sport sector in turn have a range of impacts on the wellbeing of society, where wellbeing is measured in terms of benefits that are measurable in markets (and that can be included in the national accounts), but also through wider social and community impacts that are usually less-readily defined through market transactions. Properly defined, an analysis of the economic contribution of sport to Australia seeks to assess the contribution of sports to wellbeing across all these dimensions (that is, market related and the broader ones). In particular, the current study will aim to assess sport's use of society's scarce resources in promoting the wellbeing of society. By pursuing such an approach, one can also draw inferences about the nature and extent of policy support that would enhance the contribution sport makes to the wellbeing of Australians.

An understanding of the impact of sport on wellbeing needs to begin with the notions of cost and value. All activities have an economic cost, in terms of the alternative use to which the inputs required could have been put. There is no particular portion of Australia's (or indeed any country's) resources that are of necessity reserved for sport exclusively, and hence the question is whether the use of a society's resources for sport confers greater value to society than the alternative uses to which the resources could have been put. This is seen as a question of the efficiency of the allocation of resources.

Under a number of fairly restrictive assumptions, the decisions made by individuals as consumers and producers, and coordinated purely through the market, will lead to an efficient allocation of resources. If that were the case, there would be little scope for government policy intervention specific to any given sector.

In practice, this is not the case due to various sources of 'market failure'. There are two notions of market failure that are likely to be particularly relevant in the sport context:

- Externalities, which arise when an individual, or a group of individuals, does not take into account the benefits or costs their decisions create for third parties. An example of such externalities may be found in the interactions between sport and public health. Since it is the community generally, as well as the individual concerned, that bears the cost of an individual's poor health, the role of sport in preventing ill health is an example of an externality in this sense.
- Public goods, which arise when the consumption or enjoyment of a good by an individual does not diminish the scope for other individuals to enjoy that good, and when the good cannot be provided to some individuals within society but not to others. These goods will typically lack a market mechanism to support their provision. The enjoyment value of national sporting success is one such example, while another is the status value that sport can confer to a country and that can be exploited internationally.

Each of these notions, as they relate to sport, will be discussed later in this section of the submission.

Emphasising these aspects is not to downplay the impact that sport has in terms of more conventional market transactions. However, the study will seek to emphasise the externality and public good aspects of sport, given the Productivity Commission's inquiry into the NFP sector, and the fact that the impacts of activities in this sector are in large part not assessable in terms of market-related outcomes. Moreover, the types of issues articulated above have, as a matter of practice, been drivers of government policy, and consequently there is an interest in understanding the efficiency impacts of these policies and the factors affecting these impacts. (Houlihan 2006)

4.2.2 Relationship between these principles and the approach taken by the Productivity Commission

The approach adopted by the current project dovetails with the framework set out by the Productivity Commission for measuring the contribution of the NFP sector.

It is clear that sport is within the scope of the Productivity Commission's study as set out in the first row of Figure 1 on page 11 of the Commission's Issues Paper. The second row of the Commission's figure lists issues relating to "efficiency and effectiveness". The sport sector provides interesting case studies for all of these – the role of volunteers, non-market funding arrangements, innovation (which is especially relevant to Australia's contribution to sports science) and regulation (especially inter-jurisdictional issues). The third row of the figure lists characteristics of organisations for which the Inquiry has "most focus". All of these are characteristics of most organisations in the sport sector. The key issues for sport relate to its provision of services in addition to those consumed directly by members of sporting organisations. Hence, the sector belongs to the areas defined by the Commission at the bottom of Figure 1 as of "most focus" rather than to the areas of "less focus". While

sports organisations do not deliver government services by means of explicit contract (as charitable organisation may do), they do deliver services that have outcomes that are in the public interest.

In relation to the Commission's proposed framework for measuring the contribution of the not-for-profit sector as set out in Figure 2 on page 22 in the Issues Paper, sport aligns well with the details of this schema with the top row with input-based measures of activity in the sector. The main problem with identifying these input measures for sport is to separate sport-specific elements from other elements with which it is aggregated in the published data. This is a problem both for the market-based data that is included in the national accounts and for the supplementary data on non-market inputs (e.g. volunteer labour) that can be captured in satellite accounts. An additional problem is that the supplementary data and (to a lesser extent) the input-output data, are not produced very frequently in Australia. The most recent relevant satellite-account data refer to 1999-2000.

The remaining rows of Figure 2 in the Issues Paper recognises that many of the outputs of the not-for-profit sector are not sold on observable markets – certainly not at prices that reflect the social value of the impacts of the outputs. This is the main barrier to evidence-based public policy decisions about the sector.

4.2.3 Nature and organisation of sports activities

4.2.3.1 Defining sport

As at note 1 on page 6, sport is defined by the ABS as:

> An activity involving physical exertion, skill and/or hand–eye coordination as the primary focus of the activity, with elements of competition where rules and patterns of behaviour governing the activity exist formally through organisations. (ABS 2008a:10)

The definition emphasises in particular the notions of competition and of rules to differentiate sport from physical recreation and from exercise. The ABS goes on to emphasise that the rules that define sports are derived from organisations — sporting organisations — established within society. On this basis, the ABS distinguishes between golf (as a sport) and mini-golf (as physical recreation) on the grounds that the latter is not undertaken as a serious competitive sport in Australia and because there are no formalised rules governing the game through organisations. (ABS 2008a)

The distinctions between sport, physical recreation and exercise are not watertight — for example, sport training can count as exercise, but also as sport since the reason for which it is undertaken is predicated on participation in an actual sport. Moreover, some types of physical recreation can be important 'inputs' into sport — for instance, general non-sporting physical activity can contribute to fitness and wellbeing necessary for sport; while unstructured activities (particularly among young children) can be important first steps or entry points into more structured sports activities.

The ABS distinguishes between various levels of intensity in physical activity (which is the basis for exercise, physical recreation and sport), running on a continuum from high through to moderate and low-intensity activities to sedentary activity. Some sports, such as darts, have low physical intensity. Some sedentary activities, such as tennis umpiring, are classified as sport by the ABS. The delineation of sports activities (as well as exercise and physical recreation) by levels of physical intensity is useful insofar as it creates a way to

focus on subsets of sports depending on the purpose. For example, if the issue is the link between sports and health outcomes, activities of greater physical intensity will be of direct interest, while activities on the lighter/sedentary end of the scale will be of more indirect interest; that is, on the grounds of whether they play an enabling role (as is the case with umpiring and volunteering) for the conduct of higher physical intensity activities.(ABS 2008a)

A further dimension along which sports activities can be differentiated is in terms of time. The ABS distinguishes between various types of time that are relevant to sports, notably: necessary time (time devoted to basic physiological needs); contracted time (time that is governed by explicit contacts, as in the case of professional sportspeople); committed time (activities to which a person has committed because of previous acts or behaviours or community participation such as voluntary work, domestic duties and children); and free time (which is a residual category). The classification is of importance since different 'types' of times will be relevant depending on the person undertaking the sport. Contracted time, for example, is relevant to individuals obtaining some remuneration or pecuniary benefit from sport.

From an economic perspective, and notably in labour market economics, it is customary to distinguish between labour and leisure as the basic choices for time allocation. On the ABS analysis, contracted time would fall under the 'labour' heading, while the other three would fall under leisure. As we shall see, this classification will be of importance when considering the determinants of participation in sport in the context of understanding its health impacts.

4.2.3.2 Organisation of sport

While the organisation of sports can be characterised in a number of different ways, one way is by referring to a number of different interlocking stages (commonly referred to as levels within the sporting pathway) as indicated on page 7.

The recreation stage within the athlete pathway would typically not be captured in ABS definitions of sport (as opposed to say, exercise or physical recreation). However, as represented, it is an important entry point into sports, particularly among children. It is often at this level that the first experience of the basics of a sport are experienced, and where interest in pursuing a more structured form of the activity, that would qualify as sports 'proper', is nurtured. This point is important, since this stage represents an 'entry' into sport, and therefore the factors that affect participation at this stage for an individual may have an impact on their future participation in structured sports. To the extent this is true, it makes this stage of activity important in our analysis of sports-related externalities and elite sports performance.

As we move along the pathway, sports activities are likely to increase in structure and competitiveness. Furthermore, the time dimension is also likely to change, both quantitatively (that is, the amount of time) and qualitatively (that is, in terms of the different types of time defined by the ABS).

The relevance of this characterisation of sport for this analysis lies in the fact that:

- It allows us to understand the characteristics that tend to predominate at different levels of sport. For example, leisure time and voluntarism are likely to predominate at the base, basic competition and at least some of the advanced competition levels.

These levels are likely to be the main focus for understanding the 'externality effects' of sport, whereas the elite and pre-elite levels will be primarily geared towards the issue of national pride and related issues.

- It allows us to understand the interactions between these various levels. In crude economic terms, activities in one level can act as an input into others. This works most obviously from the bottom up; for example, expanding the pool of children involved in basic competition is likely to have beneficial effects on participation in the layer above. But there may also be top-down effects, for example, through current and former elite performers sharing their skills (through training, etc.) with participants at lower levels; through the transmission of techniques, tactics and technology first honed at the elite level; and through more intangible effects such as emulation.

4.2.4 Sport in the context of the broader economy

4.2.4.1 Economic measures of sport

The ABS collects and publishes a large amount of data on sport-related activities in Australia. This provides numerous snapshots of various dimensions of sport in the Australian economy at a purely descriptive level. For example, according to the most recent data:

- expenditure on sports and physical recreation products accounted for about 1.8% of total household expenditure in 2003–04
- 0.8% of employed persons had their main job in a sports and physical recreation occupation according to the 2006 Census
- 11.2% of the adult population undertook voluntary work for sports and physical recreation organisations in 2005–06
- engineering construction work for recreational purposes accounted for 0.6% of aggregate gross fixed capital expenditure in 2006–07
- exports of sports and physical recreation goods accounted for 0.25% of total exports in 2006–07
- imports of sports and physical recreation goods accounted for 0.9% of total imports in 2006–07. (ABS 2008b)

However, these data come from a variety of different ABS collection methodologies and refer to a variety of periods. This diversity limits their usefulness for measuring the economic contribution of sport in general and of the NFP sport sector in particular.

4.2.5 Statistical issues in the measurement of sport in the economy

To understand the statistical requirements of attempts to measure the economic contribution of sport, it is necessary to first specify the relevant 'contribution' question. The following are the main possibilities.

- What is the contribution of sport to generating macroeconomic activity (output and employment)?

- What is the significance of sport for other sectors of the economy?
- What is the contribution of sport for the economic welfare of Australians?

The key requirement for answering the first two of these questions is there is data on the sport sector that is consistent with the data underlying the Australian National Accounts (ANA): both the national income and expenditure aggregates and the sectorally disaggregated input-output (IO) tables.

The sport sector has several characteristics that pose special problems for its incorporation into the ANA framework and hence for the evaluation of its economic contribution.

Sports services are often provided as part of a bundle of services offered by institutions not primarily classified as sports providers. Educational institutions are the most obvious examples, but the provision of sports facilities by companies to their employees is another. This makes it difficult to identify and value sports services whether the valuation is to be made on the basis of value assigned by the consumers of the services or on the basis of the costs of supplying the services.

A large proportion of sports services is not sold to users in markets at prices that reflect either the costs of provision or the users' willingness to pay. This characteristic is shared by the general government services sector. In such cases, it is not possible to value output by observing market value; instead output is valued at the cost of provision. The main problem with this is that an arbitrary price has to be assigned to the capital used in the provision of the services. This generally focuses on assigning a depreciation rate to reflect the cost of the return **of** capital, but omits any surplus element reflecting the return **to** capital. In contrast, where a market value of output is observable, the cost of capital is determined as a residual between the market value of output and the market values of produced inputs and labour.

A special problem for sport, one that is shared with much of the rest of the NFP sector, is the prevalence of volunteer labour in the sector's workforce. This compounds the difficulty noted in the previous dot point of valuing output by the cost of provision. As well as assigning a price to capital, it is also necessary to assign a price to volunteer labour. The usual procedure is to value volunteers according to the market wages of employed persons performing similar tasks. Another less-popular possibility is to estimate the opportunity cost of the volunteers' time.

It is important to realise that NFP sport is included in the ANA but, from the point of view of analysing sport-related issues in the ANA framework, there are two main problems: the sector is not distinguished separately at any of the levels of aggregation at which the national accounts data are reported, and the size of the sport sector may be understated relative to most other sectors.

The *National Income, Expenditure and Product* accounts (ABS 2006b) are published annually but report only macroeconomic aggregates, with no sectoral detail. Hence, there is no explicit detail about the NFP sport sector, although aggregates will include:

- household and government consumption of the services produced by the sector
- exports and imports of the services produced by the sector
- investment in sports infrastructure

- wages paid to employed workers in the sector
- depreciation of capital employed in the sector.

The *Input–Output Tables* (ABS 2008c) are published periodically with the most recent publication referring to 2004–05. They provide sectoral detail of the national accounts. In the main publication, the NFP sport sector is included under industry code 9301 (Sport, gambling and recreational services). Additional detail; is available from *Input–Output Tables (Product Details)* (ABS 2008d) but even in these details data for the NFP sport sector are aggregated with data for other sectors. The product details break down industry code 9301 into seven sub-codes, of which (9312 Sports Grounds and Facilities n.e.c., 9319 Sports and Services to Sports n.e.c. and 9330 Other Recreational Services) include most activities classifiable to the NFP sport sector.

The input–output tables illustrate the statistical issues outlined in section 4.2.5 that are of special relevance to the NFP sport sector. For the most part, the output of the sector is not sold to consumers in identifiable markets. Hence, the value of its output in the accounts is measured by the value of its inputs, with only employed labour (not volunteer labour) included as labour input and with a rudimentary valuation of capital inputs. Both these factors are likely to result in the scale of the NFP sport sector being understated relative to sectors with identifiable markets for their output and sectors less heavily reliant on volunteer labour.

One approach to the failure of national accounts data to provide adequate detail about sectors of particular policy interest has been the development of satellite accounts, using accounting conventions that are compatible with those used for the national accounts. The ABS has produced annual satellite accounts for the Tourism sector for all of the current decade, for Information and Communication Technology industries for 2002–03 and for Non-Profit Institutions (NPI) for 1999–2000 (ABS 2008e, ABS 2006c, ABS 2002). The last of these incorporates data for the NFP sport sector.

The NPI satellite account uses the International Classification of Non-profit Organisations (INPCO). This contains 12 groups, with sport being one of three sub-groups in the Culture and Recreation group. Essentially, the satellite account splits data for the sector of interest from the aggregates in which it is embedded in the national accounts. It also extends the data to recognise and value the input of the sector's services provided by volunteers.

Additional data that can be used to separate out the NFP sport sector more finely are available from the ABS survey of businesses/organisations engaged in sports and physical recreation services (ABS 2006d). The survey was last conducted for 2004–05, with previous surveys referring to 1994–95 and 2000–01.

4.2.6 Externalities and sport

As outlined previously, the presence of externalities can cause certain activities to be under or over-provided from a social point of view, depending on whether the externalities are positive or negative.

A positive (negative) externality can result if a decision-maker's consideration of the costs and benefits of a decision do not take into account the benefits (costs) that such a decision would impose on third parties.

Activities that give rise to positive externalities tend to be under-provided relative to a social optimum, and negative externalities tend to lead to over-provision. Externalities may provide the basis for government actions such as regulation, service provision or service funding.

The externalities commonly cited in the literature on the economics of sport relate to:

- physical and mental health, and the burden of funding health care
- social cohesion
- socialisation.

That is, while an individual participating in sport is likely to obtain direct benefits to their own health (for example, reflected in lower absenteeism and higher productivity at work), there are likely to be additional benefits. This benefit to society is conferred, as a healthy person is more likely to contribute to society and less likely to impose health-related costs. As Australia's medical system contains a large element of public funding (whether via direct funding of Medicare, or funding of private health insurance, or other means), individual health issues impose wider costs. When deciding how much sport to 'consume', an individual may not take these additional benefits into account.

4.2.6.1 Evidence linking physical activity and sport with positive externalities

Health and healthcare

There is an abundance of credible Australian and international evidence showing a strong link between physical activity (including sport) and improved health outcomes.

- The Australian Institute of Health and Welfare (2007) estimated that if every Australian adult became moderately physically active, more than 13 000 premature deaths could be prevented (primarily from reduced risks of heart disease, strokes and certain cancers).
  - An empirical study of the dollar burden of physical inactivity has been attempted by Econtech/Medibank Private (2007), which estimated the direct costs attributable to physical inactivity for seven medical conditions based on medical evidence showing a strong relationship between physical inactivity and the increased risk of mortality and/or incidence of these conditions. Its work produced a gross cost of $1.5 billion, referring to direct health expenditure, in the public and private sectors for the prevention, diagnosis and treatment of medical conditions attributable to physical inactivity.
- The World Health Organization (2003) suggests that physical activity reduces the risk of cardiovascular disease, some cancers and type 2 diabetes. These benefits are mediated through a number of mechanisms, including improvements to glucose metabolism, reductions in body fat and lower blood pressure. Participation in physical activity can improve musculoskeletal health, control body weight, and reduce symptoms of depression.
  - The WHO also quotes data from developed countries indicating that the direct costs of inactivity are high. Physically active individuals save an estimated US$500 per year in health care costs according to 1998 data. The costs

associated with inactivity and obesity accounted for 9.4% of the national health expenditure in 1995. Other evidence cited indicates that workplace physical activity programs in the United States can reduce short-term sick leave by 6–32%), reduce health care costs by 20–55%, and increase productivity by 2–52%.

- The US Surgeon General's comprehensive report (1996) summarises an extensive and diverse medical literature on the benefits of physical activity to health. It finds that higher levels of physical activity are associated with lower mortality rates for both older and younger adults. Additionally, some findings are made on the link between physical activity and mental health, and health-related quality of life.
- Canadian studies indicate that over 10% of deaths in Canada could be attributed to the negative effects of inadequate physical activity (Katzmaryk Gledhill and Shephard 2000).

There is an offset related to the fact that increasing physical activity will also cause an increase in physical injury. The burdens caused by these injuries on the public health sector will qualify as external effects for the same reason that increases in health more generally will. The Econtech/Medibank Private report (2007) referred to previously also quantified this net cost, calculated as the direct gross costs less the expenses associated with participation in physical activity, including sports injuries and fitness-related expenses. The direct health costs of sports injuries and the cost of participating in fitness-related activities were recorded at $831.4 million (slightly more than half of the cost of physical inactivity.

There is also a link between physical activity and mental health. The potential dollar costs of physical inactivity (and size of relevant externalities) are potentially large. The organisation Beyond Blue (2008) has estimated that mental health issues and depression cost Australia an estimated $10 billion a year, including $3.3 billion in lost workplace productivity. A number of studies point to regular physical activity leading to improvements in depression symptoms and reduced risk of developing depression.(Beyond Blue) It is therefore feasible that increased physical activity would give rise to improvements in mental health that would have significant effects on the Australian healthcare system.

Social cohesion

Social cohesion and social inclusion benefits refer to how sport can assist the development of relations among community members. This can include increased feelings of self-esteem, self-confidence, and greater feelings of community connection. While some of these benefits will be private in nature (that is, accruing to those that take part in the activities), it is arguable that a broader range of parties benefit from such activities.

- Long and Sanderson (2001) identify a range of mechanisms by which 'community benefits' might be derived from sport, including benefits from 'communality' and interaction, and empowerment.
- Donnelly and Coakley (2002) argue that sport can both reflect and reproduce social inequality in society but, it can be argued, also has the 'capacity to transform communities. People could learn initiative, community endeavour, collective rather than individual values, self-determination and so forth, that could permit them to take charge of their own lives and communities'.

It is not surprising that given the somewhat abstract nature of these benefits of sport and the unclear way in which they might work, there is not a great deal of published empirical work that addresses or quantifies these benefits. Donnelly and Coakley (2002) note that there are no single indicators of social cohesion or inclusion that would assist with empirically verifying its importance. Qualitative studies are therefore the norm in this field of research.

Socialisation

By socialisation, we mean the benefits that may be derived from participants in sport learning values and behaviours that improve their contribution to society. Clearly, some of the benefits gained from improved socialisation will be private in nature; that is, we should expect that people will undertake these activities because the net benefits of doing so will be positive. However, there is arguably an externality-type effect which relates a reduction of negative behaviours that affect third parties — crime, alienation, anti-social behaviour, and school absenteeism and dropout.

A study by the Australian Institute of Criminology (2003:2) notes that literature has emerged supporting the benefits of sport in reducing anti-social behaviour. It also notes that:

> Despite the obvious benefits of sport, there is a lack of robust evidence of the direct impact of sport and physical activity on anti-social behaviour and the sustainability of any outcomes. There is general agreement, however, that the effects work indirectly through intermediate outcomes.

Nonetheless, it is also apparent that the link between physical activity interventions and 'pro-social' behaviours is not straightforward. Research by Sandford, Armour and Warmington (2006) finds a need for further research evidence to support many of the claims made for physical activity to, or to inform decisions about, effective intervention design.

Importance of sport and certain types of sport relative to other factors

This type of detail is rarely found in published sources. There is also an issue here between the benefits from general forms of physical activity (such as walking) and organised sports.

The work of Coalter (2007:2) emphasises that much of the research available on the wider impacts of sport suffers from difficulties that, while not taken as 'disproof' of the benefits of sport, do not greatly assist with our understanding of the links between sports and community welfare. He argues that:

> In this regard, there is a lack of information about the various mechanisms, processes and experiences associated with participation [in sport]. We have little understanding about which sports and sports processes produce what outcomes, for which participants and what circumstances.

One published study of which we are aware (and quoted in *Benefits of Investing in Sport,* Edmonton Sports Council, 2003) is that of Andersen et al (2001) which showed that physical activity is inversely associated with mortality in men and women in all studies age groups. Sport participants experienced reduced mortality risks when compared with moderately and highly physically active people in this study. This suggests that partaking in sport may have some additional health advantages over other types of physical activities.

4.2.7 Sport as a public good

Goods that have utility impacts that cannot be measured through market transactions are susceptible to market failure. Many of the goods considered in the happiness literature — democracy, lack of corruption — are of that type in that they are marked by public goods characteristics. These are non-rivalry and non-excludability. The former means that the enjoyment by one person of such a good does not diminish the scope for someone else to enjoy the good while the latter means that a good cannot be provided to one member of a community without providing it to everybody else.

It is clear that national sporting success satisfies these two conditions, and in that sense has all the hallmarks of a pure public good.

In regard to the strength of the public good effect, while national sporting success has public good characteristics, it is quite possible that the market for sports more generally may generate sporting activities that provide national sporting success as a by-product. There are, after all, markets for sporting events, both at a national and international level. Agents engage in various market transactions (for example, spectators buying entry tickets or subscriptions for pay TV), sponsors purchase TV time and demonstrate an interest in these events through marketing. Many of these activities directly or indirectly provide remuneration to athletes. National interest in sports is also one of the drivers behind endorsement deals signed by sportspeople.

None of these transactions are necessarily directly connected to the provision of national sporting success. The spectators are paying to see a contest in which it is likely that there are sportspeople of two or more nationalities, while sportspeople are in a contest for a reward. The point is that there are markets for sports competitions that reflect public appetite for the enjoyment of sports, and that can generate incentives for sportspeople to compete for rewards (both direct and indirect); and that in acting in a self-interested way, sportspeople provide national sporting success as well. In order to understand whether these incentives are strong enough to avoid a material under-provision of national sporting success, it is opportune to examine more closely the manner in which these incentives operate.

4.2.7.1 Incentives for elite sports performance and market failures

In the economic literature of sporting contests, participants in contests (tournaments, races) undertake investments in effort, which affect their probability of winning a ‘prize’ (all else being equal).(Szymanski 2006) The prize could be monetary, non-monetary but tangible (for example, trophies), or intangible (for example, social recognition), and an individual’s measure of success will be determined, for an economic perspective, by whether the utility that they attach to the prize is at least equivalent to the costs incurred.

For the purposes of our discussion, the following issues are important:

- Progress for a sportsperson through the various levels of sport (that is, from basic competitions through to pre-elite and elite sport) can be modelled in terms of contests. For example, performance at school level can help secure participation in state and interstate-level representative sports; performance at these levels can secure participation at the pre-elite level; and performance at that level is a requisite for

joining the elite. Performances at the elite level determine access to prizes at the national and international levels.

- At each level, a participant undertakes costs, whether in terms of investments in acquiring skills and equipment, and in terms of the opportunity cost of time that could have been allocated to other purposes (for example, study or work). The costs of time, in particular, will evolve with age and the level of sport. At an early age, sports may simply involve the use of free time, but at a later stage (and at higher levels of sport, such as interstate representative level sports and above), involvement in sport is likely to involve foregoing contracted and commitment time, as defined by the ABS.
- The costs are undertaken in anticipation of reward — notably the reward of progress through to the next level of sport. Such progress could be reward in and of itself, but it is more likely that the ultimate reward will be found in participation at elite sports and the rewards that attend these. The chances that a sportsperson will obtain a reward (and hence the expected value of the reward) are increasing in the effort of the person concerned and decreasing with respect to the effort of other parties. That is, one party selects their level of effort given the effort of another.

The issue is whether there are sufficiently strong incentives to lead individuals to bear the costs required to arrive at the elite level and to perform at such a level (that is, to undertake sufficient effort), consistent with the aim of providing the good of national sporting success. As observed before, the fact that people value national sporting success correlates to some extent to the fact that there exist markets for sporting events and markets for sponsorship. These provide material reward for successful sportspeople (alongside the rewards of competition and status). Successful sportspeople consequently have, at least in some sports, the opportunity to recover the costs of their investment in getting to where they are. This is particularly true of professionally organised sports such as tennis or soccer. It is also the case that sporting achievement can increase earning potential in the labour market more generally.

Many of the observations above are more relevant to commercial sport than Olympic sport. Indeed, there are many Olympic sports where the expected stream of future earnings (in addition to sports rewards) would be unlikely to fully compensate for costs incurred, such as those associated with alternative uses of contracted time and committed time, or alternative types of investments that an aspiring sportsperson might have made (for example, in the length of tertiary education). This situation is likely to apply to a number of high profile sports, and certainly to lower profile sports (such as diving or track cycling) that play an important role in securing a nation's Olympic standing. This in turn suggests a role for public financing, such as grants to cover costs, or investment in infrastructure (for example, training resources and facilities) that lower the development costs associated with becoming a competitive sportsperson.

Moreover, the notion that sportspeople can find a way of bearing upfront costs in order to generate a future stream of rewards can be problematic, in much the same way as this notion can be problematic in the field of education. Credit markets — which are the standard means through which upfront costs can be borne in anticipation of future returns — are not likely to work well, in that it may be difficult to determine between different types of aspiring sportspeople as to their true potential. This is particularly likely to be the case for younger age groups of sportspeople.

A second issue is that the use of public funds (whether as grants or for the provision of infrastructure) can be viewed as rewarding performances that meet a certain standard. More specifically, it broadens the 'reward base'. Absent this broadening, rewards may simply accrue to the limited number of sportspeople that actually win a contest. Under such a 'winner takes all' format, and assuming a certain degree of heterogeneity in ability, some potential sportspeople may be deterred from taking part in contests, or will reduce their effort, if they attach a low value to finishing at the very top end of a contest. (Ehrenberg and Bognanno 1990, Muehlheusser 2006) This can be problematic if it leads to a thinning of the competitive field, since competition spurs performance. Extending the reward base through grants provides access to infrastructure for a wider group of sportspeople who have met a certain cut-off requirement and can avoid this thinning effect.

Taken together, these arguments suggest that if left to their own devices, the self-interested actions of individuals is very likely to lead to an under-provision of national sporting success, and confirms the *prima facie* case for public intervention based on the pure public good characteristics of sporting success.

4.2.7.2 Sport and public good in a global context

A final set of issues derives from the fact that public policy is not pursued in a vacuum, but in a global context featuring international competition. While national sporting success is a pure public good (that is, non-excludable and non-rival), success in an international contest does not have those characteristics. Since it is a contest, it is by definition characterised by rivalry. The quantity of success (for example, medals) is largely fixed, so the appropriation of medals by one country entails a drop in the share available to others. Indeed, we could model contests between countries along similar lines to contests between athletes — countries select a level of effort, given the choices of other, in order to secure a prize (success). Generally speaking, a country's chances of success will increase with its effort and decrease with the efforts of others. The true picture is generally more complicated than that, since the chances of success (for example, of wining gold medals) will be a function of other variables, most importantly per capita GDP and population size.(Bernard and Busse 2004, Szymanski 2000) However, while accounting for this it is fair to say that (particularly for countries of similar levels of GDP per capita and population size), a country will have an effort 'reaction function' — it will respond to an increase in effort by another country.

Consider now that all countries that participate in international sport are aware of the public goods nature of sporting success, and therefore are led to invest in sports development. This can be characterised as their 'effort' to increase their chances of winning medals. It is easy to see in this context how an announcement by a country that it will increase its investment in developing its athletes will be received by other countries of similar levels of GDP per capita: the announcement would diminish their chances of success, and therefore elicit a corresponding response. In practice, this is what is generally observed internationally. The model of interaction is largely derived from models of international trade and imperfect competition.(Brander and Spencer 1983) It provides an economic framework within which to understand requests for additional funding in response to committed increases in funding by rivals. As in the models of imperfect trade and international competition, such actions can enhance (or at least preserve) domestic welfare. Whether such rivalry between countries in spending on developing sportspeople is an optimal use of

resources from a global point of view is a different matter, which we do not seek to address at this point.

4.2.8 Interdependencies between externalities related to sport and the public good dimension

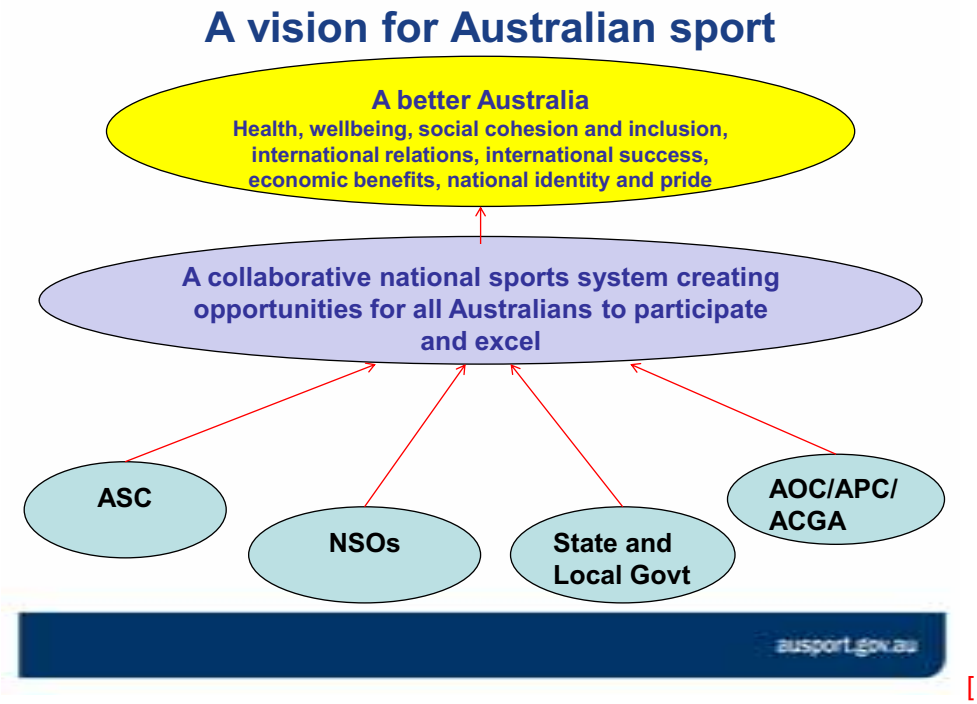
There are many interconnections between these different sets of activities, a fact already quite clearly depicted in the sporting pathway model on page 7. As observed previously, interdependencies can occur 'vertically' between the different levels. The 'lower' levels can act as inputs to the higher levels, and there can be various benefits that flow from higher levels through to lower levels in terms of technology and skills.

For example, because community-level sports act as an input into the preparation of an elite pool of athletes, expanding that pool and deepening its quality has vertical benefits, in that it increases the probability of developing elite athletes. In particular, increasing the intensity of competition can have beneficial effects on elite performance and, with this, the delivery of the public good of national success. This externality may not be taken into account by individuals taking part in sport at lower levels of the pathway, and hence the level of activity undertaken at these levels could be lower than appropriate. This is likely to create a case for policy intervention to reduce the costs of sports activities at the community level. This is on top of the social externalities previously discussed.

Another form of externality might arise through the aspirational example that elite sportspeople offer participants at other levels of sport. Alternatively, one can construe the linkage in terms of the fact that success by sportspeople, and the enjoyment of that national success, can act as a spur for increased participation.

A diagrammatic summary of the interplay between these externalities and the public good dimension is provided below.

Figure 3: Vision for Australian sport



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5 Enhancing the efficiency and effectiveness of the sporting sub-sector

The efficiency and effectiveness of individual organisations within the sporting sub-sector varies considerably, influenced by the quantity and quality of human and financial resources they can access, by their capacity to best organise and use those resources, and by the regulatory environment within which they operate.

Within this context, it should be noted that some of the range of issues facing the sporting sub-sector are consistent with those being faced by organisations across the NFP sector, while others are either specific to the sporting sector due to the nature of sport, or are exacerbated by the complex nature of the Australian sporting system.

5.1 An overview of key issues facing the sporting sector

Consultations with sporting organisations over the past nine months have identified a range of factors impacting on the capacity of sporting organisations to deliver sport along some or all parts of the sporting pathway. These include:

- *Volunteers:* Volunteers, the lifeblood of community sport in particular, are becoming increasingly difficult to attract and retain. The vast majority of community sporting clubs are administered exclusively by volunteers. However, there has been a significant reduction in volunteerism due to the complexities of society today, including increased working hours and less available time for community-based philanthropic activities. As such, the cornerstone of community sport — local clubs — are under threat. This has impacted on participation rates in general and the recruitment and retention of administrators, coaches and officials in particular.
- *Sports infrastructure and facilities*: A further barrier that has been identified to participation in structured physical activity is an aged and failing sports infrastructure. Local councils have identified significant funding shortfalls in relation to the upkeep of sports facilities and infrastructure. The impact of this is exacerbated by new urban design not including sufficient sports infrastructure and the damaging effect of drought on our playing fields. The Australian Local Government Authority has identified the need to give particular attention to rebuilding sport infrastructure as a means of improving community health and wellbeing and combating the obesity epidemic.
- *Responding to changing service demands*: Changing work patterns and family structures mean that traditional sport delivery structures may no longer appeal to, or coincide with the availability of, potential participants. Sporting organisations are increasingly being challenged to review whether the traditional Anglo-Saxon sport delivery model requires modification to suit today's multicultural society and generational changes.
- *Responding to changing expectations of sporting organisations:* Sporting organisations at all levels are increasingly being challenged to become more professional in their governance and management, more accountable for funding received from both members and external agencies, and more accountable to the

needs of paying members. Aligned with this are the increased bureaucracy and compliance requirements associated with running a sporting club or organisation.

- *Affordability*: Costs for participation, coaching and officiating all impede the growth of community sport. Membership fees have increased to meet additional costs to the clubs and organisations, such as increased insurance costs and maintenance costs for facilities. Equipment costs for participants and officials have risen substantially. Higher transport costs to attend training and competition are also a limiting factor due to increases in petrol prices. In addition, the cost for training for coaches and officials to obtain and maintain their necessary qualifications can also be prohibitive. (ASC 2008)

5.2 Access to human resources

Volunteers support almost every part of the sporting pathway in roles as diverse as coaches, officials, team managers, administrators, and board and committee members, with many filling multiple roles. The ABS (2006a) report on Volunteers in Sport found that over 1.7 million people volunteered for sports and physical recreation organisations, one third of the total voluntary work population. Of these, 60.7% were male volunteers, and 39.3% were female volunteers.

The commitment sporting volunteers make in terms of their time is also substantial. Almost 58% of all sport and physical recreation volunteers volunteered at least once a week, and 13.1% of volunteers volunteered for 300 hours or more per year. Moreover; a significant proportion of sporting volunteers demonstrate sustained levels of commitment to their sport over many years, with the ABS study finding that over half of sport volunteers had been a volunteer for more than ten years.

While volunteers have always been the lifeblood of the Australian sporting system, due to changes in societal expectations and people's priorities and time, recruiting and retaining volunteers is becoming more difficult.

A report into innovative volunteer club practices and the issues facing sport volunteers in New South Wales (NSW Sport and Recreation 2008) identified a range of issues facing volunteers. These ranged from issues impacting of the individual's capacity to volunteer (such as demands of family and work) to factors related to the organisation's capacity to engage volunteers and industry factors. Key issues included:

- increased bureaucracy associated with running local sporting organisations
- decrease in volunteer base as a result of an increase in masters sport participation, changing community demographics and decreasing leisure time
- increased expectations of volunteers across all roles, particularly by parents of junior sport participants
- places of employment do not provide flexible options for individuals to juggle work and volunteering
- pressure to source alternative funding sources and the accountability requirements associated with this additional funding

- out of pocket expenses incurred through volunteering.

The increased bureaucracy and compliance requirements associated with running a sporting club or organisation have consistently been identified as a barrier to individuals considering volunteering in sport, and are the key reasons volunteers are hesitant to take on roles of responsibility within sporting organisations. (NSW Sport and Recreation 2008, VicSport 2007).

This is not new, having been identified in numerous studies within both the sporting and broader NFP sector. In 2001, an independent taskforce charged with investigating the cost of delivering sport and recreation to the Victorian community noted that:

> Expectations on clubs are increasing as is the level of knowledge needed to satisfy an expanding range of administrative requirements. These can be attributed to the shift from a community group ethos to one now resembling a small business. (State of Victoria 2001:5)
>
> As volunteer-run bodies, sporting organisations are required to follow most of the practices undertaken by small businesses. In meeting these requirements, sporting organisations are finding it difficult to bear the associated costs, whether they be dollar costs or costs in time and personnel.
>
> In addition to these direct costs is the cost in time and personnel to meet the expectations of other bodies. More effort is now required of committees and other volunteers before participants can undertake their chosen activity. Where once an organisation existed merely to provide a physical outlet for their members, the administration of a sporting club or organisations now occupies much of their time. (State of Victoria 2001:37)

Since that time, however, a number of additional regulatory requirements have been imposed, including state-based legislation related to police and working with children checks. While recognising the importance of protecting our children and the requirements related to these checks, this is one particular area where the very nature of sport, and in particular the cross-jurisdictional requirements, place a significant burden on sporting clubs and organisations.

5.3 Access to financial resources

The sporting sector's access to financial resources varies significantly according to its position on the sporting pathway. At the community level, sporting clubs and regional associations are funded primarily via income from membership fees with additional support coming from government grants, fundraising and sponsorship (VicSport 2007). At state and national level, sporting associations have increased access to state and federal government funding, though the level of funding varies substantially depending on the funding priority of the relevant government agency and the organisation's capacity to deliver the outcomes required.

Government funding has long been considered essential for any major capital and program developments in the sporting sector. However, in addition to capital works, community-based sporting organisations are now increasingly seeking government grants and funding programs to supplement their traditional income streams.

In its submission to the Stronger Community Organisation Project, VicSport noted that increasing expenses associated with lease and hire fees, insurance, travel costs, administration, compliance and registration, along with the costs associated with providing safe physical activities, are increasing. It highlighted the nature of community sporting clubs and their operational constraints:

> Community sport and recreation clubs are primarily small not-for-profit volunteer run organisations. These clubs do not set high fees to cover player payments or engage in large-scale promotional campaigns. Community clubs simply set their participation fees at a minimum required to cover basic operating overheads, equipment needs and associated administration costs such as hire fees and insurance premiums. The bottom line is community clubs and associations simply cannot cut costs of delivery without compromising service quality. (VicSport 2007:41)

A related message articulated in the independent taskforce investigating the cost of delivering sport and recreation to the Victorian community was the complexity in accessing these funds.

> While most were happy to halve these funds made available to their organisation, many appeared to lack the resources and knowledge required to successfully apply for Government funds. An array of skills including business plan development, long term budgeting, organisational strategic planning and networking, is required of community organisations when seeking government support — much of which is beyond the capabilities of the core group of volunteers managing the weekly sporting activities of their organisation. (State of Victoria 2001:39)

This situation compounds the increased pressures being placed on the volunteer base within sporting clubs. The time commitments and the level of skills expected of those responsible for delivering sport within the community have increased, while many of the associated costs have also risen significantly. These changes have occurred at a time when traditional methods of fundraising are less effective and local sponsors are more difficult to attract. Reflecting the increasing costs and decreasing sources of revenue is a greater dependence on all levels of government for funding, support and training.

5.4 Sporting infrastructure

5.4.1 Demand and supply

Unique to the sporting system is the requirement for sporting infrastructure — the playing fields, grounds and facilities on which sport at all levels takes place. There is mounting evidence that the supply of facilities is already well behind demand and that the gap is getting wider.

Population increase and major demographic change have contributed to a mismatch between the supply of, and the demand for, sport infrastructure. There are increasing stories in major metropolitan areas of there not being enough playing fields to cater for teams (for example, Football Federation of Australia reports literally hundreds of young players being turned away due to inadequate numbers of fields). In rural areas the location, quality, maintenance and effect of drought are all factors exacerbating the lack of supply.

There is concern by sporting organisations and local government authorities across the country over what is described as decaying infrastructure. Many local sporting organisations are unable to generate sufficient funding for the maintenance and upgrading of existing infrastructure such as surfaces, pavilions and lighting. In addition, water restrictions are causing the loss of many sporting ground surfaces resulting in the modification or abandonment of sporting programs and competitions, and causing sports to incur substantial non-budgeted remedial and replacement works. Moreover, there is concern about the lack of provision for organised sport in new residential developments. These concerns are particularly evident in the water-dependent, mass-participation outdoor field and court sports throughout metropolitan, regional and rural communities.

The ASC has recognised the need for more evidence-based research into the nature and extent of the perceived problem of unmet demand in the provision of sport infrastructure. The results of a national survey of Australia's NSOs, state government sport and recreation agencies, state government planning agencies, a sample of local government councils and relevant peak professional and industry bodies conducted by the ASC in 2007 suggest that the widespread community concern over inadequate facility provision has a solid basis in fact. (ASC 2007)

The unmet demand was reported by respondents in terms of insufficient quantity of facilities and inadequate quality of facilities. The deficiencies affect virtually all kinds of facilities — sportsgrounds and 'bricks and mortar' infrastructure such as pools, courts, rinks, pitches and various types of indoor sport facilities. The evidence suggests that this situation is adversely affecting a wide range of sports (large and small, professional and amateur) throughout most parts of Australia (rural, regional and metropolitan).

In the case of sportsgrounds, sporting organisations claim that there are not enough of them within reasonable proximity to where people live and, where they do exist, they are being over-used to the extent that playing surfaces are being degraded and the safety of players is being compromised.

Sporting organisations sometimes do not have long-term leases, so there is often little incentive to invest in facility maintenance or redevelopment of ageing and decaying facilities. Increasingly, many providers are said to be more interested in operating facilities on commercial lines, making them too expensive for sports with modest resources to continue using them. Affected sports are forced to relocate to other less-suitable, less-accessible venues that sometimes do not meet safety requirements such as lighting standards.

These deficiencies are reported to be limiting the growth of club membership and causing prospective participants in sports to be turned away because there is no space for them to train or compete.

Although the Australian Government has provided funding for sport infrastructure from time to time, mainly through the sport portfolio department, these programs were not part of the ongoing sport program planning process. For the most part, facility provision has been seen as a state and local government or private sector responsibility, with little linkage to the sport development pathway.

Local government is acutely aware of the problem, but has limited financial capacity to respond with the level of investment required. Representing 673 councils nationally, the

Australian Local Government Association confirms that there is significant unmet demand for access to sport infrastructure in many communities, including high growth areas in coastal towns, new suburbs in existing towns, rural remote areas and indigenous communities. (Australian Local Government Association 2007)

The principal reasons for this situation are poor planning, the high cost of provision, reduced financial capability of councils (especially in depressed socio-economic areas), ageing facilities built to old standards, and the impact of drought.

5.4.2 The need for a comprehensive facilities planning approach

Without effective planning, facilities are often built without proper regard for demand 'hot spots', with the result that resources are wasted by spending time and money addressing what evidence-based data would show to be low community priorities.

The criterion of 'nice to have' should not substitute for 'need to have' when prioritising the expenditure of taxpayer dollars. Regrettably, there are many examples where the former criterion appears to have been applied in the past. This has contributed to the present undersupply of sport facilities in high demand areas throughout Australia and the resultant public criticism.

On equity and efficiency grounds, transparent and accountable needs-based assessment is the only way to ensure that taxpayer money is not wasted. Needs-based assessment depends on a rigorous evaluation of the supply of, and the demand for, sport infrastructure.

The starting point for a needs assessment is a stocktake or audit of what sport facilities exist for each sport at a postcode or local government area level, classified according to criteria such as capacity, quality, access, supporting infrastructure and community standards. Attempts have been made in the past to do this at national, state and local government levels, but never in a properly coordinated and systematic way. The result is that no comprehensive national stocktake of sport facilities presently exists.

Sport infrastructure planning in Australia has evolved over many years in a fragmented, *ad hoc* way, mainly through collaboration between state sporting organisations and clubs and local government authorities under broad parameters contained in various pieces of planning legislation within each state and territory.

The clear and unambiguous message coming out of the Commission's 2007 survey on sport infrastructure is that planning is woefully inadequate. In particular, coordination between the tiers of government, among agencies at the same level of government and between government and sporting organisations is defective. Poor planning has contributed to significant underinvestment in facility maintenance and development.

The main impediments to rational facilities planning in Australia are:

- the lack of adequate supply and demand data collected on a consistent basis at postcode or local government area level that can be aggregated into state and national datasets capable of providing valid and publicly transparent inter-jurisdictional comparisons

- dispersed accountability across all levels of government for the provision of facilities, which makes coordinated national planning difficult and encourages blame-shifting when faced with public criticism.

There is an urgent need to remedy the present dysfunctional sport facilities planning arrangements in Australia. In June 2007, the ASC conducted a short preliminary study of possible methods for assessing the supply of, and the demand for, sport infrastructure. The study concluded that although a system with the necessary functionality would require further careful assessment of what data are available now and what additional data would need to be collected, there was a sound basis for the relevant authorities to conduct a pilot study to refine the methodology and to assess the feasibility of national roll-out. To minimise cost and risk, such a pilot study should be limited to a small number of sports chosen for their Olympic medal potential and/or their mass participation interest and be restricted to a small number of representative local government authorities.

The means of doing this are well known and technically feasible, but cost-effective execution would depend on a level of cooperation between all levels of government that has not been evident to date.

Sport facilities planning also needs to involve a range of providers from outside the sport sector, as well including government and non-government schools, higher education institutions and the private sector. This needs to recognise that in the education sector in particular, there are many practical legal and risk issues that past negotiations have demonstrated need to be overcome in order to ensure that the community has better access to the substantial school and higher education sport facilities that are known to exist.

Sport at all levels is reporting this as a major issue, and an impediment to providing opportunity for growing participation. There is an urgent need for a comprehensive national audit of supply, leading to a coordinated national strategy and plan for sport infrastructure.

5.5 Capacity to innovate and use resources to best effect

Excellence in science, research, technology and innovation has played a critical role in helping Australia reach and maintain a leadership position in world sport and is inextricably linked to elite performance. Innovation in sport has led to a number of valuable collaborations with research institutes, universities and other relevant industry groups, escalating over recent years. These collaborations have used sport to advance technology development and knowledge in the areas of human performance, not only for elite sport but also for wider community benefits. (ASC 2008)

Despite this, the sharing of innovation across other areas of the sporting sub-sector has been impeded by the fragmented nature of the Australian sporting system. There are many great examples of local clubs, schools and associations and their thriving sporting environment due to their innovative and modern practices of engaging volunteers. Similarly, there are many areas in which the sporting sub-sector has much to learn from the work which has and is being done within the broader NFP sector.

The challenge for the Australian sporting system is to share these examples of innovation and good practice within their sport, community, region and state, and across the sporting sector.

5.6 Regulatory environment

Many of the challenges of the regulatory environment facing sport are similar to those of other organisations within the NFP sector, and have been well documented in submissions to state and Australian Government inquiries such as the Senate Standing Committee on Economics Disclosure Regimes for Charities and Not-for-profit Organisations and the Victorian Government's Stronger Community Organisations Project.

These will not be discussed in detail here, other than to highlight the specific issues which they create for the sporting sector which, by its very nature, operates across jurisdictional boundaries. For example, an NSO has affiliated members (state sporting associations), which in turn has regional associations and/or sporting clubs as members. Across the eight states and territories, organisations within this single sporting structure may have nine different legal structures. NSOs are increasingly likely to fall under the control of the Australian Securities and Investments Commission while state associations as well as regional associations and clubs are more likely to be incorporated under their relevant state or territory Incorporations Act. While it is recognised that significant work has been undertaken in a number of states to streamline the government requirements within their state, the fact that there are nine different legal structures and associated compliance requirements complicates and impedes the work being done by NSOs and others to support those who are responsible for delivering their sport within the community.

The very nature of sport requires individuals or teams to compete against others across regional, state or national boundaries. Where requirements vary from state to state, this impacts significantly on the sporting organisation's capacity to comply and places significant additional burden on the organisation's human resources.

Working with Children Check (WWCC) laws are an excellent example of the issues faced by sporting clubs and organisations. These laws aim to prevent people who pose a risk from working with children as paid employees or volunteers. In New South Wales, Queensland, Western Australia, Victoria and South Australia, laws require individuals involved in areas such as sport and recreation to undertake a check to determine their suitability to work (in a paid or volunteer capacity) with children. This is done by checking certain criminal history and other matters. In some states this also involves reviewing relevant findings from disciplinary proceedings. There are also requirements placed on organisations.

The Northern Territory government has passed new laws and screening will be compulsory from January 2010. The Australian Capital Territory and Tasmania are currently reviewing their screening laws.

There are significant differences in WWCC schemes across the various states and territories including:

- who must apply for a WWCC. Some states require anyone who has contact with children to apply while in other states it is dependent upon the amount of time spent

with children and/or whether the person is a current or new paid employee, existing or new volunteer, or self-employed;
- definitions and terminology;
- what is checked (criminal records, offences, charges, disciplinary proceedings);
- validity period of WWCC and whether an ID card or certificate is provided;
- who is classified as a mandated reporter;
- exemptions. Of concern is that the very people who perpetrate the majority of abuses against children – parents – are exempt if they volunteer their services where their child is involved in the same or similar activity; and
- costs and who is charged for WWCCs. It is estimated that around 80-90% of all activity in sport is undertaken by volunteers. For the ongoing sustainability of the industry it is vital any legislation or policy that impacts on volunteers does not act as a disincentive to volunteering. Many of the organisations with larger volunteer bases are the very groups that can least afford additional administrative and financial burdens. Most state and national sporting organisations are also reliant on government funding and struggle to remain financially viable.

A large percentage of people within sport work or have contact with people under the age of 18 in a paid, volunteer or self-employed capacity (for example coaches, trainers, team managers, masseurs, doctors and officials). Many of these people travel interstate with junior athletes to competitions, events, training camps and other activities. They therefore need to be aware of the legislative requirements of their home state/territory and the requirements of the states/territories they visit. These requirements frequently result in people having to undergo more than one check.

The differing requirements, standards, definitions, reporting, monitoring and costs of both existing and proposed WWCC legislation are creating confusion, unnecessary financial and administrative burdens, duplication and the potential for people within the sport industry (and other sectors) to inadvertently be unlawful.

This is compounded for people who live close to a state/territory border (for example Canberra/Queanbeyan, Albury/Wodonga, Tweed Heads/Coolangatta) as they frequently spend an equal amount of time in both states as part of the duties of their position. This already, and will increasingly, result in people having to undergo at least two checks or as is the case with national coaches and selectors, result in up to seven or eight checks.

Multiple checks result in increased financial costs and administration for the sporting organisation and/or individual as well as a duplication of work undertaken by police jurisdictions and screening agencies. Many of these individuals are volunteers and find the cost of checks a disincentive. As each state/territory only provides information and education on their system to people within their borders, it means people that travel to different states/territories may be unaware of the requirements of the place they are visiting and may unintentionally break the law.

6 Enhanced service delivery by the sporting sub-sector

The ASC has a long history of supporting the Australian sporting industry through the development and implementation of programs in partnership with key stakeholders at national, state and local levels. These programs have focused on improving sports participation opportunities by enhancing the capacity of sporting organisations to operate and deliver quality sporting opportunities for all Australians and fostering excellence in sports performance by Australians.

Over this time, the ASC has developed, implemented and monitored a range of community sport service delivery models aimed at enhancing the capacity of sporting clubs and organisations to deliver participation opportunities and its associated benefits.

Details concerning two current programs and their associated delivery models — the Indigenous Sport Program and the Active After-school Communities program— are provided below as examples of successful ways in which the ASC is enhancing the operations of community-based sporting organisations.

6.1 Indigenous Sport Program

6.1.1 About the Indigenous Sport Program

The ASC's role in the delivery of sporting programs to Indigenous Australians has evolved since its commencement in 1991 as part of the Government's response to the Royal Commission into Aboriginal Deaths in Custody (1987–1990).

Sport has been shown to have a positive impact on Indigenous Australians, improving overall health; reducing violence, crime, theft and vandalism; reducing substance abuse and self-harm; and improving school attendance. Sport has also been found to enhance social cohesion, improve self-esteem, reduce suicide risk and improve social support for Aboriginal communities. (ASC 2009)

The Australian Government has responded to these findings with five Australian Government agencies and ten state/territory government agencies collectively committing nearly $45 million to sport and recreation activities and programs for Indigenous Australians. The combination of funding spread too thinly across Australian Government and state/territory government agencies, duplication of activities, limited strategic direction and vision, and limited understanding of the Australian sports industry has resulted in an inefficient, fragmented and under-resourced approach to sport and recreation service delivery for Indigenous Australians. This has the potential to limit the positive long-term impact it can have on Indigenous Australians, particularly youth at risk.

Within this context, the ASC established the Indigenous Sport Program (ISP), in collaboration with the Department of Health and Ageing, state and territory departments of sport and recreation and a number of NSOs to:

- encourage and increase active participation and skill development of Indigenous Australians in structured sport

- improve the sports capacity of local Indigenous Australians and their communities to organise, manage and deliver sustainable sporting opportunities
- promote and provide support for mainstream sporting pathways and development opportunities for Indigenous Australians.

The program operates with an annual budget of $3.73 million, made up of the ASC appropriation of $1.5 million and the $2.23 million from the Department of Health and Ageing as part of its overall Indigenous Sport and Recreation Program budget.

A recent evaluation of the ISP concluded that the program is unique and very effective, partly due to the range of committed partners and stakeholders involved in delivering sporting activities and services to Indigenous people. As mentioned previously, there are two Australian Government agencies involved in the program (though there are five Australian Government agencies involved in delivering sport to Indigenous people). Ten state and territory departments are supported to employ Indigenous Sport Development Officers who are responsible for implementing sporting activities in Indigenous communities. Sixteen NSOs assist the state and territory departments in program delivery, along with a number of their state associations.

Several commercial organisations in Western Australia provide financial and human resources for the implementation of the ISP in that jurisdiction, providing valuable relationships which in turn gives the ISP significant profile and support.

The report further notes that:

> The program involves a myriad of working relationships with countless sporting associations and clubs, as well as many Aboriginal and Torres Strait Islander communities. There are strong pathways that the program creates, from the base experience of sport and physical activity programs, leading to connections with sporting clubs and competitions. The excellent networks within the ISP have the potential to build pathways for participants, athletes and teams to advance. (ASC 2009)

In addition, the Laureus Sport for Good Foundation, an apolitical charitable institution based in London, has committed funding over the next three years to add further value to the ISP through the purchase of sporting equipment for targeted Indigenous communities, training additional community coaches and officials, and conducting evidence-based research on the impact of sport participation on Indigenous disadvantage.

6.1.2 Operating the Indigenous Sport Program

The ASC enters into agreements with each of the state/territory departments of sport and recreation (with the exception of Queensland) to employ 28 Indigenous Sport Development Officers, deliver sport-specific participation and development programs and initiatives directly to Indigenous Australians and their communities, maximise the involvement of Indigenous Australians in structured sport over the longer term, assist in building the capacity for Indigenous Australians and their communities to organise, manage and deliver community sport in the future, and improve the pathways for talented Indigenous sportspeople.

The ASC also provides funding to 16 NSOs to coordinate the delivery of structured participation and development programs directly to Indigenous communities, in collaboration with their state/territory associations and locally based Indigenous Sport Development Officers.

A new development within the Indigenous Sport Program has been the involvement of the private sector. A dedicated Indigenous Sport Development Officer, based in Telfer, Western Australia, has recently been employed through a partnership between Newcrest Mining, the WA Department of Sport and Recreation and the ASC, which provides Indigenous employment funding to the WA department under the Indigenous Sport Program. This officer will service up to five communities and three townships in the region over the next three years.

A key point identified within the recent evaluation of the ISP was that the majority of the program partners and stakeholders have as their major purpose the advancement of sport and subsequent outcomes to Indigenous communities. The report identified that sport is the inspirational factor for many of the people who implement the program. Sport is considered an important outcome in itself, though stakeholders recognise that there are many other significant benefits that individuals and communities can take from the program. (ASC 2009)

6.2 Active After-school Communities (AASC) program

6.2.1 About the Active After-school Communities program

The Active After-school Communities (AASC) program was developed by the ASC as a response to an eroding community sport base and the subsequent implications for the health of our nation. Key societal changes identified as contributing to this decline included:

- primary school-aged children across Australia becoming less active and subsequently less healthy
- the motor skills competencies of children being poor, in large part as a result of the continuing decline of physical education and sport in Australian schools, which began over two decades ago
- work patterns changing, and thereby reducing opportunities for families to support their children's out of school activities, whether in sport or other areas
- opportunities for children to be physically active in the home setting diminishing as families become increasingly mindful of the dangers of leaving children to play in unsupervised settings and instructing children to remain inside
- screen-based leisure time activities becoming increasingly popular.

The AASC program was launched in 2004 as a nationally resourced and coordinated approach to the management of a grassroots sport and structured physical activity program. The AASC program is delivered locally through participating primary schools and outside school hours care services (OSHCS) in the after-school timeslot of 3.00pm–5.30pm. It is a free program, offering fun, safe and inclusive sport and structured physical activity to primary school-aged children.

The program's objectives are to:

- enhance the physical activity levels of Australian primary school-aged children through a nationally coordinated program
- provide increased opportunities for inclusive participation in quality, safe and fun sport and structured physical activity through the AASC program
- stimulate local community involvement in sport and other structured physical activity.

In an average year, every child who participates in the AASC program receives up to 80 free sport sessions, up to 80 free healthy afternoon snacks, a qualified coach, access to sports equipment and a supervisor. Since 2005, nearly 400 000 children have participated in the AASC program and over half a million sport and activity sessions have been delivered around Australia.

The program is running at capacity, with up to 150 000 children taking part each term, plus an average of around 600 schools and OSHCS on the waiting list. The program operates in over 3200 schools and after-school care centres, and reaches all regions and populations of Australia, including Indigenous (14% of sites), rural/remote (48% of sites), sites that cater for children with special needs (14%) and low socio-economic areas (23%).

6.2.2 Local community focus

The cornerstone of the AASC program is the involvement of local communities in delivery of the program. This involvement offers opportunities to support and strengthen community cohesion and development. All activities and games must be facilitated by community coaches who are registered with the ASC. Anyone may apply for registration, including organisations and individuals. Current AASC community coaches include school teachers, OSHCS staff, development officers from national and state sporting organisations, local club personnel, local government staff, parents, private providers and university and high school students.

In order to gain registration, community coaches must complete the Community Coach Training Program (developed specifically for the AASC program) and gain a satisfactory National Criminal History Record Check. The Community Coach Training Program (CCTP) is offered free to participants, and has been designed to teach core skills such as communicating with children, behaviour management, promoting safe environments, nutrition and wellbeing and, most importantly, the Playing for Life philosophy. At mid 2009, more than 32 000 community members had completed the CCTP.

A key objective of the AASC program is to build the capacity of communities to create and maintain opportunities for sport and structured physical activity. This means building pathways within local community organisations, including sporting clubs, and stimulating involvement in sport and structured physical activity. It includes an approach that:

- encourages local community partnerships
- promotes a local community approach to increasing participation in sport and structured physical activity
- provides participating schools/OSHCS with support to determine programs that meet the needs of their community.

The ASC manages the AASC program through a network of locally based regional coordinators. The coordinators assist schools and OSHCS to facilitate the program, recruit and train community coaches and work with local sporting clubs to increase junior membership. This, combined with the provision of grants to schools and OSHCS to support the delivery of the AASC program, has made a significant impact on the ability of local communities to engage in sport and structured physical activity.

The regional coordinator network has been particularly successful in assisting local communities to link with relevant stakeholders to ensure joint outcomes are achieved. These partnerships enhance the program outcomes and also benefit the school and OSHCS as well as the community at large. Additionally, the regional coordinators have been instrumental in providing free, quality education and training opportunities, through the Community Coach Training Program, to all community coaches engaged to enhance the quality of the program.

The design of the AASC program and the support resources and training have been developed to enable inclusive participation opportunities at the community level. Examples of how this is achieved include:

- locally based regional coordinators who understand local communities and their needs and are able to support local schools and OSHCS to tailor the program to suit these needs (for example, the needs of different cultures)
- printed program resources available to support the delivery of programs to different target audiences (for example, the inclusion of Yulunga Indigenous games activities within the AASC playing for life resources
- training of community coaches — whether they be teachers or OSHCS, sporting club coaches, high school or university students, parents or sporting club coaches — in the delivery of inclusive sport and structured physical activity for primary school children.

6.2.3 Partnerships to support delivery

The AASC program is centrally coordinated and resourced by the Australian Government through the ASC, working in collaboration with key government and non-government stakeholders at national, state and local levels to support the delivery of the program and maximise the impact of the program at local community level.

At national level, the ASC works with NSOs to identify ways in which sporting organisations can best utilise the resources provided through the AASC program to enhance the capacity of sporting clubs and grow participation within their organisations. The nature of the AASC program also lends itself to effective partnerships with national health agencies to highlight and support key initiatives. For example, the ASC is currently partnering with Diabetes Australia in a campaign, ‘Turning to Sport for Good Health’ to promote the preventative health benefits of sport and the benefits of the AASC program as a vehicle to deliver these outcomes. A key part of this campaign will be a national physical activity challenge for participating AASC schools and OSHCS — 1.5 million sporting passes.

At state level, the AASC program works in collaboration with state sporting organisations, state sport and recreation departments, education departments and other agencies to ensure that programs are delivered efficiently and effectively at community level. For

example, in Western Australia the majority of AASC staff are housed in the WA Department of Sport and Recreation offices and AASC regional coordinators work closely with Department of Sport and Recreation staff to ensure maximum impact and minimal duplication through initiatives such as:

- joint coach education and training
- shared visits to communities and towns to work with local stakeholders
- joint teacher professional development initiatives
- involvement with Department of Sport and Recreation community club forums
- joint initiatives with regional sport development officers (for example, Sport Roadshows in the south west; Level One coaching courses)
- strengthened relationships with Indigenous Sport Development Officers, particularly in relation to delivery of the AASC and other initiatives in remote Indigenous communities.

Similarly at local level, AASC regional coordinators are committed to developing and maintaining links with sporting clubs and organisations, local governments and other relevant stakeholders in local communities. These activities vary from small scale individual school–club links to involvement in more comprehensive whole-of-community initiatives.

An example of the latter approach is the Active Roma project, a joint partnership involving Roma Regional Council, Queensland Health, the ASC and the Qld Department of Sport and Recreation. This initiative aims to inspire a healthy, active Roma community through supporting residents to make healthy lifestyle choices — including physical activity and nutrition — and was recently recognised at the Queensland Health Awards for developing excellence in partnerships.

6.2.4 All Australian Sporting Initiative

In late 2006, the All Australian Sporting Initiative (AASI) was launched as a pilot program building on the AASC program and operating within the context of the Government's National Action Plan. The initiative had two core aims:

- to build on the success of the AASC program in increasing the physical activity of Australian primary-school aged children
- to improve community capacity and involvement, enhancing community understanding and harmony.

The AASI program aimed to support Australians from culturally and linguistically diverse communities to participate in sport within the broader community, and to use sport as a vehicle for promoting inclusion and harmony.

The AASI has built on the successful foundations of the AASC program. The program commenced in Term 4 2006 and provided more opportunities for Australian children and their families from the culturally diverse and socially disadvantaged communities of Lakemba and Macquarie Fields to participate in sport. The AASI has reached 20 schools and out of school hours care services and involves around 1000 children.

The AASI program was successful in achieving its objectives — it used sport as a vehicle to promote cultural acceptance and inclusion within the pilot communities. This relationship between the objectives of the AASI program and the National Action Plan is highlighted in the following comment by a AASI staff member.

> 'So we will use sport and physical activity as the vehicle to achieve the objectives of the National Action Plan. Things like building community capacity, providing clear pathways into new clubs, having kids from different cultural backgrounds participating together —, they're all objectives of the active after schools program and we use those objectives to achieve the greater objectives of harmony and cultural awareness … by actively promoting those things within all our programs.' (ASC 2009b)

The AASI was modelled on the AASC program, with both having a strong focus on the development of sport within the community. The AASC program currently supports 756 schools and OSHCS throughout Australia that are from similar low socio-economic communities. This includes 353 sites from culturally and linguistically diverse communities.

Given this alignment and the cessation of funding for the National Action Plan projects, the ASC is continuing to service the 20 sites serviced under the AASI program as part of the AASC program. Given the AASC's experience in delivering solutions to similar communities, the excellent outcomes achieved within regions of Lakemba and Macquarie Fields will continue to be met and expanded on.

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