



# **HOUSE OF REPRESENTATIVES**

**STANDING COMMITTEE ON ENVIRONMENT, RECREATION AND THE ARTS**

**Reference: Funding of community sporting and recreational facilities**

**MELBOURNE**

**Wednesday, 7 May 1997**

**OFFICIAL HANSARD REPORT**

**CANBERRA**

HOUSE OF REPRESENTATIVES  
STANDING COMMITTEE ON THE ENVIRONMENT,  
RECREATION AND THE ARTS

Members

Mr Truss (Chair)

Mr Anthony	Mr Harry Jenkins
Mr Robert Brown	Miss Jackie Kelly
Mr Billson	Dr Lawrence
Mr Eoin Cameron	Mr Martin
Mrs Crosio	Mr McDougall
Mr Entsch	Dr Southcott
Mr Hockey	

The committee is to inquire into:

whether the Commonwealth Government should be involved actively in funding in full or in part local community sporting and recreational facilities and, if so, whether the Commonwealth Government should have a dedicated program to fund sporting and recreational infrastructure;

determine (as far as possible) existing and future requirements for national, regional and local community sporting and recreational facilities and inquire into ways in which better utilisation can be made of existing community and educational facilities for sporting and recreational pursuits;

inquire into alternative options which may exist for funding national, regional and local community sporting and recreational facilities including, but not limited to, private sector funding and funding via the Australian Sports Foundation; and

make recommendations to the Minister for Sport, Territories and Local Government on matters arising from the Terms of Reference

## WITNESSES

<b>BUTLER, Mr Adrian Herbert, Local Government Consultant, Australian Cricket Board, 90 Jolimont Street, Jolimont, Victoria 3002</b>	<b>334</b>
<b>DOULTON, Mr Martin Douglas, President, Australian Leisure Institute, PO Box 58, Maldon, Victoria 3463</b>	<b>304</b>
<b>ERICKSEN, Mr Wayne, Company Secretary/Director, Aquatic and Recreation Institute, 18 Box Road, Taren Point, New South Wales 2229</b>	<b>304</b>
<b>FARRELL, Ms Edith, Manager—Leisure, Culture and Youth Services, Maroondah City Council, Braeside Avenue, Ringwood, Victoria 3134</b>	<b>264</b>
<b>HARGREAVES, Ms Clare, Policy Analyst, Social and Cultural Policy, Municipal Association of Victoria, 11 Milton Parade, Malvern, Victoria 3144</b>	<b>264</b>
<b>HARRISON, Ms Anne-Marie, Chief Executive Officer, Sports Federation of Victoria Inc. (Vicsport), 1/120 Jolimont Road, Jolimont, Victoria 3002</b>	<b>280</b>
<b>HENDERSON, Ms Jodie, Facilities Planning Consultant, Sport and Recreation Victoria, Department of State Development, 55 Collins Street, Melbourne, Victoria 3000</b>	<b>245</b>
<b>HENSHALL, Mr Garry Edward, Executive Director, Australian Leisure Institute, PO Box 58, Maldon, Victoria 3463</b>	<b>304</b>
<b>JOSE, Mr Gerard Michael, Community Support Manager, Shire of Campaspe, Municipal Association of Victoria, 11 Milton Parade, Malvern, Victoria 3144</b>	<b>264</b>
<b>KENNEDY, Mr Ross, Executive Director for Sport, Recreation and Racing, Sport and Recreation Victoria, Department of State Development, 55 Collins Street, Melbourne, Victoria 3000</b>	<b>245</b>
<b>KISS, Catherine Maree, Recreation Planning and Development Officer, Manningham City Council, 699 Doncaster Road, Doncaster, Victoria 3108</b>	<b>345</b>
<b>LOVELL, Mr Barry, Coordinator State Facilities, Sport and Recreation Victoria, Department of State Development, 55 Collins Street, Melbourne, Victoria 3000</b>	<b>245</b>
<b>MARRIOTT, Dr Kenneth Leslie, Managing Director, HM Leisure Planning Pty Ltd, 242/4 Melbourne Road, Williamstown, Victoria 3016</b>	<b>291</b>
<b>MATHESON, Councillor Brad Anthony, Mayor and elected Councillor, City of Hobsons Bay; Board Member, Municipal Association of Victoria, 11 Milton Parade, Malvern, Victoria 3144</b>	<b>264</b>

**MELVILLE, Mr Ross Lindsay, Chief Executive Officer, YMCA of Brisbane, PO Box 386, Roma Street, Brisbane, Queensland 4003 ..... 316**

**MORGAN, Ms Mary Jo, Recreation Planner, HM Leisure Planning Pty Ltd, 242/4 Melbourne Road, Williamstown, Victoria 3016 ..... 291**

**PARKES, Mr Jeffrey Alan, Strategic Planner—Leisure, Recreation and Cultural Services, Banyule City Council, 275 Upper Heidelberg Road, Ivanhoe, Victoria 3079 ..... 264**

**ROMANES, Mr Robert George, National Executive Officer, National Council of the YMCAs of Australia, 196 Albert Road, South Melbourne, Victoria 3205 ..... 316**

HOUSE OF REPRESENTATIVES  
STANDING COMMITTEE ON ENVIRONMENT, RECREATION AND THE ARTS

*Funding of community sporting and recreational facilities*

MELBOURNE

Wednesday, 7 May 1997

Present

Mr Truss (Chair)

Mr Anthony

Mr McDougall

Mr Billson

Mr Martin

Mr Jenkins

The committee met at 9.05 a.m.

Mr Truss took the chair.

**CHAIR**—Ladies and gentlemen, I declare open this public hearing by the House of Representatives Standing Committee on Environment, Recreation and the Arts for its inquiry into the funding of community sporting and recreational facilities.

Since the inquiry was advertised in mid-November the committee has received more than 260 submissions. On the basis of these submissions the committee is holding public hearings in each of the capital cities and visiting facilities in each of the states and territories. This hearing is the committee's fourth.

The committee will hear first today from the Victorian government. The Victorian government will be followed by the Municipal Association of Victoria, representing the state's local government authorities, which between them are the nation's largest providers of sporting and recreational facilities. The committee will also hear from Vicsport, the Sports Federation of Victoria, and the Australian Cricket Board. The National Council of the YMCA of Australia and HM Leisure Planning will give the committee their perspectives on the funding of sporting and recreational facilities from the viewpoint of a provider and a planner. Finally, leisure professionals will be represented before the committee by the Australian Leisure Institute, the Aquatic and Recreation Institute and the Royal Australian Institute of Parks and Recreation. So we obviously have a busy program for today.

Committee hearings are recognised as proceedings of the parliament and warrant the same respect as proceedings of the House of Representatives. Evidence given before the committee is protected by parliamentary privilege. Witnesses will not be asked to take an oath or make an affirmation. However, they are reminded that false evidence given to a parliamentary committee may be regarded as a contempt of the parliament. The committee prefers that all evidence be given in public but if a witness at any stage wishes to give evidence in private they may ask to do so and the committee will give consideration to that request.

[9.05 a.m.]

**KENNEDY, Mr Ross, Executive Director for Sport, Recreation and Racing, Sport and Recreation Victoria, Department of State Development, 55 Collins Street, Melbourne, Victoria 3000**

**HENDERSON, Ms Jodie, Facilities Planning Consultant, Sport and Recreation Victoria, Department of State Development, 55 Collins Street, Melbourne, Victoria 3000**

**LOVELL, Mr Barry, Coordinator State Facilities, Sport and Recreation Victoria, Department of State Development, 55 Collins Street, Melbourne, Victoria 3000**

**CHAIR**—We have received your submission and have authorised its publication. Are there any changes you propose to the submission?

**Mr Kennedy**—No.

**CHAIR**—Would you like to make any opening remarks?

**Mr Kennedy**—I welcome the opportunity to contribute to the committee's investigations. The receipt of 260 submissions indicates the degree of interest in the work of the committee.

As indicated by the Victorian government's submission, we support the principle that the Commonwealth government fund local community sport and recreation facilities. The thrust of our submission is that any such funding should be administered in partnership via the states to the local level using an identified funding grant approach. Great emphasis is placed in our submission on the need for planning and coordination of all the available resources to develop sport and recreation infrastructure.

One point of clarification in the submission, on the first page of the executive summary, section 2, in the last paragraph appearing on that page, the comment is made that to maximise the impact across all sectors, facilities eligible for funding from a Commonwealth program would ideally include formal and informal outdoor recreational and sporting facilities. The point being made there is that it should not be restricted to indoor facilities and there is no intention to infer that it should have exclusive outdoor focus. That is how it should read but it may be interpreted on a quick reading that the emphasis should be on outdoor facilities. That is not the case.

**CHAIR**—Could you indicate to the committee how much the Victorian government spends each year on sporting and recreational facilities—I understand you have a major program and a minor program—and give us some advice about the way in which that money is distributed.

**Mr Kennedy**—There are two programs: the major program focuses on regional and local facility provision and the minor program gets down to community level. The total expenditure each year in Victoria by the Victorian government is of the order of \$6.5 million, \$4 million of which is allocated to the major facility program and \$2.5 million is supplementary funding which is provided from the community support fund, which you may wish to discuss later as a source of revenue, that is used to provide assistance and

facilities at community level.

The major program has been operating since 1972. Categories of funding include indoor aquatic centres, multipurpose centres and regional single purpose centres. It also provides assistance with planning, both at the regional level and in respect of particular facility proposals. The emphasis is on pre-planning before committing to construction.

The program has a broad focus, moving from very large multipurpose indoor facilities and sports stadiums through to regional and subregional indoor aquatic facilities, and links through the planning processes. The appropriation is by vote in the state budget. The maximum contribution is generally 25 per cent of the total project cost for capital works but we can fund up to 50 per cent of the cost of planning exercises.

All delivery is through local government authorities. The number of applications is in the range of 120 per annum. We are able to fund about 45 to 50 of those projects, so there is a very high level of unmet demand.

**CHAIR**—Where does the balance of the funding come from?

**Mr Kennedy**—The balance of the funding comes from the local government authority concerned or from community fundraising.

**CHAIR**—So there is no flexibility, it must come through the local government of the particular area?

**Mr Kennedy**—That is correct.

**CHAIR**—How do you determine which projects will be funded?

**Mr Kennedy**—A set of criteria has been established against which all proposals are measured. Those that are funded tend to meet the criteria to a greater degree than those that are not. I will leave with the committee a package of information that includes the guidelines for applicants under this funding program, the application forms and material of that nature.

**CHAIR**—Who actually makes the selection?

**Mr Kennedy**—The selection is made ultimately by the Minister for Sport on the recommendation of the department. That process involves a rigorous analysis against the criteria.

**CHAIR**—Is there a role for state peak sporting bodies or external advice in that selection process?

**Mr Kennedy**—Not so much in the selection process as in the development of the project proposal.

**Mr Lovell**—The state associations are consulted on what they believe are the priorities for single purpose regional facilities that are very sports specific, and where facilities should be located.



**CHAIR**—In relation to the planning that you said was a prerequisite for these applications, could you give us some information about the planning process?

**Ms Henderson**—The Victorian government sees the process of facility development as a hierarchy of planning. We begin the process by providing funding for broad based recreation planning across sport and recreation facility services and programs. The next level of planning is the specific facility feasibility analysis, which relates to a specific proposal; for example, for an indoor aquatic facility. The feasibility is a prerequisite for any application for funding in our program.

**CHAIR**—Who funds those two processes?

**Ms Henderson**—We have funding programs for two categories: recreation planning and feasibility analysis. Our maximum contribution is 50 per cent and we tend to fund up to about \$15,000 to \$20,000. Local governments do on occasions independently conduct both of those. Victoria has a strong culture of planning in local government in relation to recreational services. We ask that recreational planning is linked to council's corporate planning processes, with particular emphasis on integrated local area planning processes.

**CHAIR**—The normal process for a community that had in mind to build a sporting facility would be to first seek a planning grant and a feasibility study grant, so it would be quite a long time in the development process.

**Ms Henderson**—In some instances it can be a three-year process before funding is awarded for a facility. In other instances councils embark on this process themselves and that may be shortened as a result.

**CHAIR**—Is there a similar procedure for the minor program?

**Ms Henderson**—The minor program states very clearly the linkages to planning and in some instances requests feasibility analysis. A number of the projects that are conducted under the minor program do not require significant feasibility analysis but that does not mean to say that the process is not linked to a planning process of council.

**CHAIR**—In your submission you have suggested that the Commonwealth should not set up its own administrative arrangement for any program it might choose to institute but should just give the money to the states. What is the basis for that?

**Mr Kennedy**—The emphasis there is not so much that it should not set up its own administrative arrangements but that it should work in partnership with the states and in turn with local government in the delivery of facilities. That way we will ensure proper coordination and that real facility gaps and priorities are addressed.

**Mr MARTIN**—That partnership would be that the Commonwealth would give you the money and you would determine which facilities are going to be developed?

**Mr Kennedy**—It could be, if you trust us.

**Mr MARTIN**—Someone had to ask, Chairman.

**Mr Kennedy**—Alternatively, the priorities could be worked out collaboratively, in the same way as we have memorandums of understanding with the Commonwealth in the programs area of the Australian Sports Commission.

**CHAIR**—Would it be your view that the Commonwealth money would be a supplement to the 25 per cent you are providing to existing projects or would it enable the funding of more projects?

**Mr Kennedy**—I hope that it would enable the funding of additional projects. There is a high degree of unmet demand and any Commonwealth investment in sport and recreation infrastructure should seek to meet that.

**CHAIR**—Do you consider 25 per cent state or federal government assistance to be adequate for project development?

**Mr Kennedy**—We are getting pretty good leverage for our 25 per cent. I am sure we could get better if we put more in, but we have budgetary limitations. If we had a better budget position we could review that.

**Ms Henderson**—We consider that 25 per cent is very much the minimum percentage allocation for projects, not necessarily the ideal. As Ross suggested, it is based on budgetary constraints. We get significant leverage and that has a lot to do with the quality of the program as it stands to date. However, an increased percentage such as we offer in the minor grants, which is 50 per cent, provides more opportunity for influence and education in relation to facility planning and development.

**CHAIR**—Does your program make provision for a disadvantaged area that would have difficulty raising the other 75 per cent, or does it just miss out?

**Ms Henderson**—There is not a specified point on that, no. One of the issues we consider is around the need for types of facilities and one of the criteria specifies that a particular local authority must be able to demonstrate the need and in some instances they can do so by indicating that a particular area is disadvantaged, socioeconomically for example.

**Mr MARTIN**—Further to that, is there some geographic distribution of where these projects are located? For example, is the city favoured to any great extent over rural and regional Victoria?

**Ms Henderson**—No, it is a state wide allocation and individual projects are assessed on their merit. If we were to map out the allocation of facilities across the state, there is fairly even distribution in terms of population distribution.

**Mr MARTIN**—If it were mapped out, what would it show so far? Are most of the facilities that have

been constructed located in Melbourne and suburbs or in rural and regional Victoria?

**Ms Henderson**—I would say historically it is about fifty-fifty. We find with the major facilities program that a lot of rural and regional communities are not in a position to be able to support, from a viability or participation point of view, a large facility in a township. That is where the minor facilities grants scheme has been very successful, in that it has been able to focus on some of the smaller rural communities and offer funding where a particular community may not be able to seek funding for a larger facility.

**Mr MARTIN**—Is there any evidence that councils are taking a regional approach in putting forward funding applications to the state government, so that you are developing regional facilities which people clearly identify? Even though they might belong to one local government area, other councils understand that that is a regional facility, even though it might be in council area X? As a consequence, are you getting better standard facilities and, if so, are other councils prepared to contribute to the construction of those facilities?

**Ms Henderson**—Over the past few years we have received a number of joint applications from aggregates of councils for regional facilities. There is definitely a recognition that not only do we have to construct facilities on a regional level but also we have to plan on a regional level. You are probably aware that local government in Victoria has gone through a major reform agenda over the last few years, going from 212 local authorities to 78. That process has given local authorities a much more regional perspective. It has reduced the parochialism of the municipalities and has initiated discussions at the regional level. Government is certainly very supportive of regional planning.

**Mr MARTIN**—If three or four local government areas decide to support a regional facility, notwithstanding the restructuring of local governments in Victoria, who funds that from the local government's perspective? Does the council in which the facility will be located take responsibility for finding the money that local government has to contribute or do the other local government areas contribute as well? If, say, four local government areas are involved, does that mean the four of them get four goes at the state funding that is available or is there only one hit from the state?

**Ms Henderson**—We request that one local area auspice the project on behalf of the other local authorities and it is usually the authority where the facility is based.

**Mr MARTIN**—They manage it and they fund it solely?

**Ms Henderson**—Generally there is a contribution from the various municipalities. Basing it on current examples, the maximum number of councils that we have had coming together has been two municipalities, where a facility is very close to a border but sits in one area.

**Mr MARTIN**—Do they get two lots of state contributions or only one?

**Ms Henderson**—It is one project, therefore it is one allocation.

emcdo

**Mr McDOUGALL**—On the allocation of funds to local government, obviously local government has

a planning process in relation to urban development, commercial development and industrial development within regional and local boundaries. What role do developer contributions play in relation to providing funds for these types of facilities?

**Mr Kennedy**—There are funding programs to support the planning process. Typically a major project might be the subject of an earlier application for a feasibility study or a planning study to see how it complements the existing local and regional sporting and recreation facility stock, and that study determines the need and perhaps the range of facilities that need to be provided. That then moves to the second stage, where the specific project proposal would come forward based on the outcomes of that planning.

**Mr McDOUGALL**—You might have misunderstood what I was getting at. Community facilities, whether they be infrastructure in relation to roads, sewerage, water or libraries, or all sorts of facilities, attract contribution by developers. What sort of contribution do they make towards recreation and sporting facilities within areas where you are getting development approvals?

**Mr Kennedy**—We speak about that in the submission. That is an area where we would like to see a lot of growth. At the moment there is not a great deal.

**Ms Henderson**—There are a number, and we are seeing a much larger diversity of funding options for sporting and recreation facilities. One that comes to mind is that a number of projects are being funded under a BOOT scheme, which is a buy-own-operate-transfer scheme, where a private developer, in conjunction with a management authority, offers to build a facility for a local authority using government funds or council funds on your land and they will manage it for 20 years and return the asset to you at that time. There are different types of models that are new to this industry but are obviously very well versed in other industries. The government is supportive of exploring those funding alternatives.

**Mr McDOUGALL**—You may be aware that in New South Wales, section 94 of the planning act gives development contribution options; and the Queensland government under the planning act has opportunities to be able to levy community service contributions on to development applications. You are saying that Victoria does not have this but you would like to do it. If you would like to do it, what are you doing about getting it?

**Ms Henderson**—Victoria has a five per cent open space allocation for any new subdivision developments.

**Mr McDOUGALL**—That is just the land?

**Ms Henderson**—That is just the land.

**Mr McDOUGALL**—There is no financial contribution?

**Mr Kennedy**—No compulsion for it.

**Mr Lovell**—Some deals have been negotiated. There are some examples cited in our document, such

as libraries and community centres in shopping centres, and there are examples in housing estates of significant leisure and recreation facilities that have been developed, although they are not necessarily common.

**Mr McDOUGALL**—I am interested in your comments on some BOOT scheme ideas. You have looked at the contributions made by others. Do you have any comment to make in relation to the James Hardie proposal for the development of indoor facilities which they have submitted to the committee?

**Mr Lovell**—It is a good idea that we develop low cost indoor facilities. I have some trouble with one consortium being given the right to do that. I am sure lots of people are capable of demonstrating low cost facilities. The Victorian Basketball Association has developed a number of models which have driven down the price significantly in terms of indoor facilities.

I am not necessarily in favour of developing models which are just plugged in everywhere. I think it is better to go through a form of community planning process that identifies need and work together through a process, rather than having models imposed.

**Mr McDOUGALL**—I do not think anybody was indicating that it would be imposed; it was the private sector putting up a proposal. Are you saying you are against the private sector being involved or would you welcome it?

**Mr Lovell**—No, I am saying that if that is to be the case, there should probably be some competition for the dollars to develop a model, rather than giving it to one company. If it is going to be done, it should be open to competition, to give consortiums the opportunity to do that, rather than a consortium saying, 'We have come up with the idea.'

**CHAIR**—Melbourne has the most magnificent collection of major national sporting facilities of any city in the country.

**Mr MARTIN**—At the minute.

**CHAIR**—You are spending \$65 million on a new aquatic centre and a lot of money on tennis centres, et cetera. Those big budget items seem to contrast quite spectacularly with only \$6.5 million total expenditure annually for regional and local sporting facilities.

**Mr Kennedy**—The reality is that the sports infrastructure in Melbourne, with the exception perhaps of the tennis centre and the southern stand at the MCG, has not been renewed for 50 years, since the Melbourne Olympics. The \$65 million investment at Albert Park is the replacement of the existing facilities at the park for basketball, squash, badminton and table tennis, which are in a terrible state of repair and do not meet health and safety conditions in some cases; and the replacement of our current state swimming centre, which is unsound and requires recurrent expenditure just to keep it safe.

The government has committed itself to a program of infrastructure renewal for major facilities and has announced that the next cab off the rank is likely to be an indoor velodrome. These projects represent the

only investment in major facility infrastructure in Melbourne since the 1956 Olympics.

**CHAIR**—Many of those projects are funded from gaming revenue, as I understand it. Could you explain the relationship between the state's gambling revenue and expenditure on sporting facilities? It is not clear from your submission whether that is an ad hoc arrangement or whether a certain portion of it is automatically allocated.

**Mr Kennedy**—There is no proportion that is automatically allocated. The allocation to sport is in the annual appropriation of the state budget. We have the opportunity to secure supplementary funding through the community support fund, which does not receive an annual appropriation in the budget but rather accumulates revenue through gaming machine operations in hotel venues on a continuing basis. The fund has a range of applications that it can be put towards, and sport is but one of them, so it is competing with the arts, the prevention of compulsive gambling, programs dealing with drug addiction and abuse, financial counselling services for people who have a gambling problem, youth programs and tourism. There is quite a range of purposes.

The major allocation that we have been able to secure for sport is the \$65 million development at Albert Park. The minor facilities scheme that we spoke of earlier is funded from the community support fund and we are in the second year of a five-year agreement with the fund for that program. It is reviewed annually and it will be reviewed after five years but we have no guarantee that any money will be available after that five-year period. We also have a five-year period of supplementary funding for the Victorian Institute of Sport. We are happy to have the community support fund as a resource for sport but there are no guarantees that it will continue.

**Mr McDOUGALL**—Where does the Victorian Health Promotion Foundation come in under the equations you have outlined?

**Mr Kennedy**—That is a separate entity and program. The foundation receives its income from a proportion of the levy on tobacco products. It is an entity established under the tobacco act and it uses a variety of settings to promote healthy lifestyle and healthy messages. One of those settings is sport. It is obliged to use sport to deliver those messages under its enabling legislation.

**Mr MARTIN**—It does not provide funding for facilities development, it provides ongoing sponsorship and promotion?

**Mr Kennedy**—Pretty much, and some expenditure on research.

**CHAIR**—Do all forms of gambling in Victoria contribute to the community fund—poker machines, lotteries?

**Mr Kennedy**—No, they do not. In fact, not even all poker machines contribute, only poker machines located in hotel venues. Those located in licensed clubs do not pay a levy to the community support fund.

**Mr McDOUGALL**—It has been suggested to us that one way of raising funds at a national level

would be to have a national lottery, similar to the British system. I do not know whether Australia can stand any more gambling but if it can stand more gambling, would Victoria be happy for the Commonwealth government to create a national sports lottery? Would you be prepared to do something along that line?

**Mr Kennedy**—From a sports portfolio perspective, I would be delighted to have a lottery similar to the one in Great Britain. This suggestion has been discussed for many years and the reality is that the lottery market is pretty well a mature market. The introduction of a new national lottery would be regarded by treasurers as having the effect of transferring the support for the established lottery market. It would be a transfer of revenue from the consolidated fund in the states to the national lottery.

**CHAIR**—Did the treasurer put up that same argument when poker machines were introduced?

**Mr Kennedy**—I do not think anyone perceives poker machines to be in competition with lotteries. They are a big dream prize, a different form of gambling.

**Mr BILLSON**—One is a non-contact sport.

**CHAIR**—The national sports lottery might not be in competition either.

**Mr Kennedy**—I guess the only way to find out is to do it.

**Mr MARTIN**—Is Hilmer a gambler?

**Mr McDOUGALL**—What do you think about the Confederation of Sport's suggestion that we impose a 2 cents a stick cigarette levy and hope that people keep smoking and that will solve our problems?

**Mr Kennedy**—I am not aware of the proposal.

**Mr McDOUGALL**—The proposal the confederation put to us was that a good idea for raising funds would be to impose a levy of 2 cents a stick on cigarettes and if smokers fell in number we would make it 3 or 4 or 5 cents and keep going until you get enough money. Are we seriously looking at finding an adequate and consistent form of financing and have you done anything in relation to the long-term future? You acknowledged that you have not got enough money and you would like more. What is the Victorian government doing about putting in place a long-term plan for financing sporting facilities?

**Mr Kennedy**—The Victorian government's priority is to reduce state debt. We have been fortunate that the sports portfolio has had no budget cuts and we have been able to maintain our appropriations at the same level, in the context of the imperative of reducing state debt. I assume that the levy of 2 cents a stick on cigarettes is intended as a Commonwealth initiative, not being familiar with the proposal?

**Mr McDOUGALL**—Basically, yes.

**Mr Kennedy**—If you are talking about the Commonwealth acting to increase the national sports budget, it sounds like a good idea to me.

**CHAIR**—You say in your submission that you do not think a sports lottery is feasible.

**Mr Kennedy**—Feasible, that is right.

**CHAIR**—When you say ‘feasible’, do you mean that the states would not be too keen to give up their revenue or that it is technically impossible?

**Mr Kennedy**—It is not technically impossible but it would require the agreement of the states which, on the numerous occasions it has been canvassed in the past, has not been accomplished.

It is important to note that the existing revenue to the state arising from all forms of gambling is appropriated to the hospitals and charities fund. A loss of revenue to a national lottery from the state consolidated fund would mean a reduction in the funds available for health outlays.

**CHAIR**—The gambling money is hypothecated to hospitals and charities?

**Mr Kennedy**—Yes.

**CHAIR**—Presumably, there is additional money that comes from treasury to run the hospitals. You do not gamble enough to run your hospitals?

**Mr Kennedy**—Not yet.

**Mr MARTIN**—What happens if the new taxation laws pick up that channel as charities and decide to tax it? How do you feel about that? I know that you cannot answer on behalf of the government, but that would cause a few heartburns, wouldn’t it?

**Mr Kennedy**—It certainly would.

**Mr MARTIN**—Better tell them to have a look at it.

**Mr BILLSON**—Something in the VBA’s proposal that impresses me is that they try to discourage unviable ventures for facilities being established in the first place. Would you see it as a role for the Commonwealth, if it was to re-engage in funding this area, to insist on at least a core capacity for facilities to fund their own maintenance and renewals, so the investment was an initial capital grant for a project that could sustain itself in the longer term?

**Mr Kennedy**—It goes back to the emphasis that we placed, in our submission and earlier, on pre-project planning and feasibility studies, so everybody goes in with their eyes open and knows exactly what the recurrent expenditure implications of the facility are and its capacity to meet them.

**Mr BILLSON**—From my background in local government, I am familiar with the fact that feasibility studies can often say what you like. If the community wants a basketball stadium, there are ways of getting those things. In terms of the formal funding process, are you suggesting that the Commonwealth should



second guess those feasibilities or apply some model viability parameters before funding is provided?

**Mr Kennedy**—I think it would be worth considering. In our experience we have not seen pre-project planning and feasibility studies miss the mark by too much.

**Ms Henderson**—I agree with that. One area we are currently investigating is post-feasibility analysis, whereby we go back and revisit the feasibility studies and measure them against the current operation of the facility. Our department has a very strong focus toward ensuring operational viability, in that our grants are capital, not for ongoing operational costs. We do that by requiring the particular authority, in partnership with perhaps the management group, to present a business plan/management plan which outlines in detail how the facility will operate on an annual basis.

**Mr BILLSON**—The submissions provided to us by local government in Queensland argued completely the opposite. They said that the Commonwealth should help communities who could never sustain facilities and it should provide not only capital funding but also the operating subsidy. All that has a familiar ring to it. Can I have your thoughts on that?

**Ms Henderson**—That highlights the need for different approaches in different states. Different states and territories have differing levels of infrastructure development and differing levels of expertise and maturity in relation to facility development. Whilst economic viability and ongoing operational viability of facilities is important, so is the community benefit and broad community access to facilities. Our government sees a need for a balance between those two.

**Mr BILLSON**—You would have an each way bet; a notional access, even if it is not going to support itself, perhaps backed up by operational subsidies and a harder nose for the urban areas.

**Ms Henderson**—It is also linked to a lot of local authority's philosophies, where the authority may be prepared to subsidise a facility in order to ensure the ongoing community benefit. Ultimately it is dependent upon their position in that area.

**Mr BILLSON**—We are wandering down to my wonderful part of the world in the Mornington Peninsula tomorrow, to look at the joint use arrangements, both in the education department and the defence sector. Could you talk about whether we are going far enough in making sure that facilities are available at schools, universities and defence installations, which are perhaps underutilised. Are they sufficiently integrated into the suite of options that the broader community can access?

**Ms Henderson**—Victoria has a long history of the joint development of facilities, primarily with education department schools, both secondary and primary. The joint development of facilities extends back 15 to 20 years and a large number of the projects we fund on an ongoing basis in our major and minor programs are on education department land. We identify school facilities that are very well located geographically within the community, which have a ready and waiting market for users of the facility in off-peak time. We are very supportive of maximising the use of a particular facility through shared use. That is, of course, premised by sound joint use agreements that specify very clearly the management, maintenance and capital upgrade components of any facility that is developed jointly.

**Mr BILLSON**—You would encourage us to factor that into our considerations and impress that upon people as a priority for joint use?

**Ms Henderson**—I think so, yes.

**Mr McDOUGALL**—If we asked sport that question, would they tell us that they have good cooperation with the education department and get access and do not have any problems?

**Ms Henderson**—I could not talk for sport.

**Mr Kennedy**—I would not presume to speak for sport.

**Mr McDOUGALL**—We will ask the question later on today.

**Ms Henderson**—Yes. It has been a developmental process. There is no doubt that some school communities are more willing and more interested in sharing the facilities. Local government and indeed ourselves often hold out a fairly hefty carrot that encourages that.

**CHAIR**—Submissions from people we will talk to later in the day have been very critical about the inability to make arrangements with schools for ongoing use of facilities.

**Mr Lovell**—There is sometimes a differentiation between the development of new facilities, where all the ground rules are set and all the agreements are made, and that is where they tend to work. The difficulties tend to arise where a facility is developed and the community comes in and wants to use the school. That is where the difficulties arise, more so than when they are jointly planned and developed by multiple parties.

**Mr BILLSON**—Would the state be prepared to be a partner in funding joint facilities through the school sector in that way, even to non-government schools?

**Ms Henderson**—We have examples where we have funded non-government schools. Our emphasis is on ensuring ongoing community benefit and ongoing access to those facilities and a legally binding agreement, either a deed of trust or some other format, that ensures ongoing community access.

**Mr BILLSON**—If you can deliver that, you are relaxed about it?

**Ms Henderson**—Yes.

**Mr MARTIN**—Do you deliver funding for that through the education department's budget or your own?

**Ms Henderson**—Through local councils.

**Mr MARTIN**—The funding comes from the Department of Sport and Recreation, not from the education department?

**Ms Henderson**—What traditionally happens, and it has happened in a number of cases, is that schools are allocated funding for a multipurpose facility through education, because that is their base level of provision.

**Mr BILLSON**—Two-thirds size usually.

**Ms Henderson**—Yes. Schools and councils broker a relationship, so they use some of those funds, in conjunction with local government funds and our funds, to bring together a much better facility that can be used for broader sport and recreation opportunities.

**Mr MARTIN**—If the Commonwealth government were to provide funding for community sport and recreation facility programs, whether on a local, regional or national level, do you have any suggestions where we should get the funding from at the Commonwealth level?

**Mr Kennedy**—It is not something we have addressed in our submission.

**Mr MARTIN**—That is why I am asking you. We always like to hear from state government people where they think the Commonwealth should find the money.

**Mr Lovell**—It is interesting that governments generally seem to put sport and recreation in the basket that is not mainstream; it is seen as secondary funding which is not as important as other funding.

**Mr BILLSON**—That would be unfair in Queensland, where it comes under the Emergency Services Department.

**Mr Lovell**—It is additional money, rather than being, 'We will fund hospitals and schools.' But sport is in, out, it is not seen as a mainstream government activity all the time.

**Mr Kennedy**—The case that can be made for sport and recreation or, indeed, for any regular physical activity is that it influences reductions in health outlays. Sport and recreation in particular has the potential to contribute to a reduction in outlays in the justice budget, through reductions in antisocial behaviour, particularly among young people. This suggests to me that there might be a case to re-examine priorities in Commonwealth outlays in those areas and see whether they might be directed to a new facility program for sport and recreation.

**Mr MARTIN**—Do you think that there should be any minimum or maximum amount of money allocated per project from the Commonwealth if such a fund were developed?

**Mr Kennedy**—There would have to be a maximum. I would not offer a comment on what that should be but I would see it as something that should be the subject of negotiation in the partnership arrangement between the states and the Commonwealth.

**CHAIR**—One obvious difficulty that is coming to the committee from the number of public hearings we have had so far, talking to only three state governments, is that each state has completely different

arrangements for funding sports facilities. You have suggested basically that we piggyback on the existing state arrangements. That might work in Victoria but no other state has a system like Victoria's.

We have not been to South Australia, Western Australia and Tasmania yet, but I suspect that will end up being the case. Other states tend to provide big amounts of money for selected projects, whereas you, on a subsidy type of arrangement, obviously are able to assist more. How can there possibly be a coordination in that way between the states and the Commonwealth?

**Mr Kennedy**—The submission notes that the arrangements between the Commonwealth and individual states may have to differ, having regard to the particular circumstances of each state. The Victorian model is a good one, in that it provides the leverage for a larger number of facilities to be developed concurrently. I would advocate it as a model for other states if they do not use that. But if that does not suit their circumstances, I see no reason why a memorandum of understanding between the Commonwealth and one state should necessarily be identical with another state or territory.

**Mr ANTHONY**—On your earlier comments about corporate sponsorship, one of the big ticket items is Docklands stadium, which is principally financed through a consortium. Would you explain to the committee how that will operate and whether it will be self-funding after construction?

**Mr Kennedy**—A lot of the information on Docklands stadium is still confidential to the developers bidding for the project. The concept is that the stadium structure will be delivered at no cost to government, or minimum cost in terms of local area preparation, and that it would pay for itself to the extent of returning on the investment made by the private developers. It will not only pay its way but will pay a return on the capital invested.

**Mr JENKINS**—What tax relief is involved?

**Mr Kennedy**—I am unaware of any tax relief.

**Mr ANTHONY**—How does that differ from your major sponsorships of, for example, the Grand Prix or motor cycle races? How much subsidy is there by the government in those areas?

**Mr Kennedy**—There is a cost to government in presenting those events. There is a return to government in terms of the economic impact arising from those events. The net result is a gain.

**Mr McDOUGALL**—Why is Victoria going to be different from everybody else? I do not think I have come across one stadium yet that makes any money. What is your secret?

**Mr Kennedy**—I do not think this has been done anywhere else. I think it is going to be a world first.

**CHAIR**—Victorians are better at going to sporting events than people in any other state.

**Mr Kennedy**—That is a very relevant observation. The capacity of Melbourne for mass attendances at anything, as long as it is at the elite level, is extraordinary.

**Mr BILLSON**—Sport fanaticism is a wonderful virtue. The issue of health benefits has been raised with us before, but it invariably leads to the argument about sports versus leisure. Why is a bicycle path or somewhere to take your golden retriever not as worthwhile as perspiring and panting on a court somewhere? Where does one draw the line? Do you stick with the traditional sports, or are you finding that they are being challenged and the triathletes are saying, ‘Why can’t we have suitable access points to waterways and suitable staging areas? Why isn’t the surface that we run and ride on up to scratch?’ People using velodromes also have wants, as do people who use pools. How do you handle that?

**Mr Kennedy**—There is certainly no line drawn saying, ‘We are only interested in sport and sport is above that line.’ We are a sport and recreation portfolio. We are also signatories to the Active Australia agreement, along with the other states, the territories and the Commonwealth. The agreement has a focus on regular physical activity, be it in organised sport or in unstructured recreational activity. That is an example of drawing in the health agencies to recognise the sorts of potential benefits the Active Australia agreement has in reducing the costs. We do not separate sport and recreation in our organisational structure, we integrate them.

**Mr BILLSON**—So you would encourage us to take the broader definition of recreation, rather than the 64 official sports or whatever it is; you would suggest that we err on the side of leisure activity?

**Mr Kennedy**—Yes.

**Ms Henderson**—The emphasis on local, subregional and regional facilities is about participation; it is about getting people out there and moving. That is the focus of our two programs at that level. Participation is not and should not be restricted to the officially recognised sports. It is about skate parks, walking, leisure swimming and a whole series of different components.

**Mr JENKINS**—I do not want to be too controversial about the Docklands, but I will. One of the things that worries me about it is the size of the investment. It diverts funds into one project, which is about elite sport, and diverts funds away from more general use by the wider community. Are there any spin-off benefits for the wider community from the injection of private or public funding into a project like Docklands?

**Mr Kennedy**—There are a couple of things there. Once again I would like to emphasise firstly that the concept is one of delivering the facility without any cost to the government, so that you are not diverting government money that would be spent elsewhere. The second issue is that it is a multipurpose venue. It will be as much an entertainment centre as it will be a sporting facility. The concept involves a retractable roof so that it can be closed and used in any weather conditions for any number of activities, be they sport or entertainment, and it will also be the centrepiece of the total development of the Docklands area, which is a significant advantage for the whole of Melbourne’s infrastructure.

**Mr JENKINS**—It will be another indoor facility competing against the tennis centre, the modified glasshouse and things like that, where sporting tenants seem to be struggling, trying to find their niche. There has to be a limit where this does impinge upon the more recreational type sport. If it is basketball and the elite are only half-filling stadia, you have some spin-off down the way because somebody has to inject

funding.

**Mr Kennedy**—It is actually seen as complementing the existing stadia by providing a cascading level from the 100,000 at the MCG to the 52,000 at the Docklands to the up to 15,000 at the tennis centre down to what are now the purposes for which the glasshouse is being used. I am probably not the best person to comment on that development. A lot, or almost all, of the principles underlying it are pretty well confidential to the developers who are making proposals to the Docklands Authority, but my understanding is that those issues are well examined in the feasibility process.

**Mr JENKINS**—The purpose of my questions is that, conceptually, this is the top end of the elite end of sport activities and what effect does that have down the stream? As it develops, one has to question what sort of relief is put into the funding arrangements; for instance, the boutique oval which is now Optus Oval was Princes Park, a large new stadium where some of the private contributions attracted Commonwealth tax deductibility. It has me scratching my head when the people who attend that oval now have to pay a premium to use the new stand. I just do not know where things are going. I understand the concept that you have different levels of stadiums, but as my colleagues on the committee keep reminding me, there are not many stadiums around the country that make money, so there has to be a loss. I understand that the principle of Docklands is that it will be a nil impingement on the public purse, but we will have to wait and see where it goes.

**Mr McDOUGALL**—Has the Department of Sport and Recreation or any of the sporting associations or clubs, to your knowledge, maximised the use of the Australian Sports Foundation?

**Mr Kennedy**—I think the Australian Sports Foundation has a lot of potential that has not been tapped. There are moves in train at the moment to make the individual states agents of the foundation. It is something that has been mooted by the foundation and the Australian Sports Commission but it has not moved to that stage yet. Once it does, and states are agents for the foundation, that will give us a lot more capacity to promote its use. Full use has not been made of it yet by any means.

**Mr McDOUGALL**—Could I just clarify that you said that the Australian Sports Commission is suggesting that the states become agents?

**Mr Kennedy**—Yes, it is.

**Mr McDOUGALL**—What is wrong with the board of the foundation? What are they suggesting?

**Mr Kennedy**—I believe they are suggesting it.

**Mr McDOUGALL**—It is not the commission that is suggesting it?

**Mr Kennedy**—I stand corrected. It is one or other, or both. I understood it to be both.

**CHAIR**—Thank you very much. We have gone a little over time but your submission contains a great deal of information that is of interest to the committee and you have made a lot of representations as well,

which we appreciate. They will be helpful to us in considering the matters before us. No doubt we may need to come back to you as the inquiry proceeds, to seek some additional information. Mr Kennedy, you indicated that you were going to make available to us some additional documentation.

**Mr Kennedy**—I have a set for each member of the committee. There is some detailed information on the operation of the Victorian Health Promotion Foundation, which relates to Mr Martin's earlier question, information brochures on our funding programs and summaries of some of the points made today.

**CHAIR**—Thank you very much. It is proposed to take those documents as exhibit number 4. There being no objection, it is so ordered.

[10.07 a.m.]

**FARRELL, Ms Edith, Manager—Leisure, Culture and Youth Services, Maroondah City Council, Braeside Avenue, Ringwood, Victoria 3134**

**HARGREAVES, Ms Clare, Policy Analyst, Social and Cultural Policy, Municipal Association of Victoria, 11 Milton Parade, Malvern, Victoria 3144**

**JOSE, Mr Gerard Michael, Community Support Manager, Shire of Campaspe, Municipal Association of Victoria, 11 Milton Parade, Malvern, Victoria 3144**

**MATHESON, Councillor Brad Anthony, Mayor and elected Councillor, City of Hobsons Bay; Board Member, Municipal Association of Victoria, 11 Milton Parade, Malvern, Victoria 3144**

**PARKES, Mr Jeffrey Alan, Strategic Planner—Leisure, Recreation and Cultural Services, Banyule City Council, 275 Upper Heidelberg Road, Ivanhoe, Victoria 3079**

**CHAIR**—Are you each appearing as representatives of individual councils rather than as representatives of the Municipal Association of Victoria?

**Councillor Matheson**—We will be speaking to the MAV submission as member councils of the MAV, so we will be appearing on behalf of the Municipal Association of Victoria.

**CHAIR**—We have received a submission from the Municipal Association of Victoria. Are there any corrections that you would like to make to it?

**Councillor Matheson**—No.

**CHAIR**—Would you like to make an opening statement?

**Councillor Matheson**—Thank you, yes. We express our appreciation on behalf of the MAV for the opportunity to publicly present our submission.

We intend to address the key issues and points that form the foundation of the MAV submission on behalf of local government in Victoria. We will look at the role of local government as the major stakeholder and provider of community sporting and recreational facilities; the attainment of national goals as a direct result of recreational development; the increasing difficulties that local government faces in current and future funding arrangements for recreational and community sporting facilities; the integrated regional and local area planning model being implemented in Victoria; and the recommendations of the MAV submission. At this point, Clare Hargreaves will provide a more detailed insight into each of those areas.

**Ms Hargreaves**—Thank you very much for the opportunity to present to the inquiry. Following on from the state government's presentation, there is a lot consistency between the two levels of government which demonstrates that we are working together. In Victoria, councils have had a strong historical



commitment to developing indoor and outdoor recreational facilities, which traditionally include community halls, parks, bike tracks and walking tracks. The role of local government is to respond to the needs of the general population, in contrast to the role of the Commonwealth government, which is to focus more on national issues, such as the Olympics and elite athletes. The strength of local government is in its community base and its ability to look at a wide range of needs, some of which are more formal in sport and some of which are not in recreation.

Local government supports the national goals of the Commonwealth. We encourage the general population to become involved in some form of physical activity as it contributes to their overall health and wellbeing. Research shows clearly that physical activity assists in people's general health and therefore they will have less need to use medical services, hospitals and so on.

On financing issues, the reform process in Victoria has meant that councils, although they are large organisations, have less resources available to them because of the rate reduction targets that have been set. We understand that local government collects about four per cent of the taxes, whereas the Commonwealth collects about 78 per cent. Councils support the provision of sport and recreation services for the general population, but they are doing it out of a fairly limited revenue base. That demonstrates the level of priority councils have given to these services.

There is an ongoing tension in terms of raising other forms of finance and the absolute need to work with the private sector, balancing the need for a range of community programs which might not necessarily be the biggest money spinners for the private sector but which are affordable for people on lower incomes. That is a tension that local governments are constantly dealing with. Facilities must be financially viable but councils often face demands from communities for programs that may not be particularly popular. Similarly, development of a facility may not be particularly attractive to the private sector. Councils in the country make submissions to local government to provide funds for facilities that badly need upgrading, which may not be particularly attractive for the private sector to get involved in.

In terms of alternative strategies with financing, it has been more common for the private sector to be involved in a contracting relationship for the management of a facility rather than for its capital development. A system exists for councils to apply for development contributions, which applies largely in growth areas where there are greenfields sites and a capacity to plan ahead. Councils in Victoria are now required to have a development plan in place if they are going to put a proposal to a developer for a contribution. That is much more likely to happen in a growth area than it is in a built-up area.

The committee has heard about the integrated regional and local area planning model. Integrated local area planning is supported by the three spheres of government because we need to work in partnership so as not to duplicate our efforts. We would see very much of a role for the Commonwealth in supporting the existing arrangements in Victoria, and we would want to explore with the committee any possible means of facilitating local government in this role. If the Commonwealth were to become involved, we would suggest that it should focus on regional facility development of a high standard—although we recognise that a national body cannot be involved in all local level issues—but with the potential now in Victoria for regional planning.

I have brought a copy of the report that was prepared by the outer eastern group of municipalities before the amalgamations, which considered the rationale for councils planning together for regional facilities in a competitive environment, not competing with each other for customers, to avoid the possibility of building two facilities which are non-viable, rather than building one facility that is able to meet the demands of the market.

We are concerned that we do not duplicate existing program structures. In Victoria the arrangements are already in place for distribution of any funding that is made available. Any incentives of the Commonwealth to encourage private sector involvement would be welcome.

In conclusion, we affirm the significant role of community sport and recreation in meeting national health priorities. We would seek the support of the Commonwealth in looking at cooperative arrangements to further the programs that are already in place. Funding would need to be allocated on a planned approach, using criteria of demonstrated need. If a dedicated program were to be established by the Commonwealth, we would suggest that it is targeted particularly at regional use facilities. We would be very willing to consider any possible creative methods for private sector sponsorship and joint ventures.

The local government reform process has brought with it a new era in Victoria. Councils are quite clear about the need to involve all stakeholders in the processes—the private sector and government—and to have a hard look at where the resources are and how to draw them into their municipalities. That is very much the focus of where councils are at now. We are all aware that there has been a decline in the amount of public sector revenue available and that we all have to be creative about the solutions and what might be attractive propositions to attract sponsorship from the private sector. Gerard might want to comment on some of the social justice issues in rural areas, particularly the impact on youth.

**Mr Jose**—A couple years ago the total national expenditure of local government was about \$8.3 billion, of which some 19 per cent was spent on sport, recreation and leisure activities and another 33 per cent on health and welfare services, so a fair proportion of local government's budget was allocated towards that broad range of health and community services.

About 1.2 million Victorians live outside the metropolitan area, which comes as a shock to a lot of people living within the metropolitan area. I am speaking from the perspective of a rural or non-metropolitan council which is facing increasing infrastructure difficulties in maintaining its current sporting and recreation infrastructure.

I want to emphasise two aspects in relation to the provision of recreation facilities and its impact on people, particularly young people. For example, in the metropolitan area only one or two major swimming pools break even or even make a return on the investment, because of the population catchment. In our shire of 4,500 square kilometres, eight swimming pools service townships of 1,000 to 2,000 people, except in Echuca which has a larger catchment, and none of those swimming pools break even. They have major infrastructure and maintenance costs, as they are 30 to 50 years old, and when they were built they did not achieve targets such as access for the disabled. The maintenance of those swimming pools as a community asset is valued highly by the local communities, but there is an increasing cost burden on councils to maintain them. That situation is similar for local halls and reserves.

In order for people to make a connection back to their local community, facilities such as swimming pools, local halls and reserves are absolutely vital. Most research on the mental health needs in our community stresses the need for connectiveness at the local level; especially for families. The lack of connectiveness is one reason why we are having increasing mental health problems in the non-metropolitan area.

A major concern for our shire is youth issues. We have the highest incidence of youth suicide and depression in the state. That results from lack of access for young people to services and facilities. It is important that young people can have access to recreation and leisure facilities. Young people cannot access the services. Most services were constructed a long time ago and were built for a single purpose; they are not youth friendly. Young people have differing needs.

Another major issue of concern in the non-metropolitan areas is transport. We believe that unless we start reinvesting now in transport infrastructure that will support our young people, they will move away from our towns and non-metropolitan areas. That also will have an adverse impact on the mental health and long-term physical health of our young people. That is my reason for appearing before the committee today.

**Ms Farrell**—The provision of youth specific facilities is not just a regional issue, it is a metropolitan issue as well. Youth suicide is a major national concern so it is one area that we would like to emphasise in our presentation today.

**CHAIR**—Do you think that the limitations on the capacity of local government to provide sporting facilities are likely to disappear once the new local authorities are bedded down and become more stable?

**Ms Hargreaves**—My understanding is that there are diminishing resources available for capital investment in all sectors of government. We have been on the crest of a wave prior to the last 10 years or so and councils have continued to invest. Budgets now are tight in a way that they never have been before and councils do not have the ability to maintain financial reserves or to make loans. Larger councils have had to rationalise facilities and have made decisions to close some facilities and amalgamate others, which has some positive sides to it. Brad might be able to talk about budgets from the point of view of the City of Hobsons Bay.

**Councillor Matheson**—There is no light at the end of the tunnel for us, looking at it from a councillor's perspective. As the level of depreciation of facilities across local government increases, the amount needed to upgrade them is quite considerable. My city will have to spend some \$20 million to upgrade facilities. We have a two-year rate cap which was imposed by the state government and there is no guarantee that it will not be extended. Until we have some autonomy over our rate revenue base and raising revenue, we will not be able to fund improvements to facilities.

**CHAIR**—But you should also be operating administratively more efficiently as a sector of government because you have only 78 administrations to fund.

**Councillor Matheson**—It might be that the state government wants us to be nothing more than contract administrators or contract managers—and that is the way local government is going. But at the same

time there have been certain financial achievements. The competition for local government dollars is very great; in the area of infrastructure, as opposed to capital investment, it is critical. No matter which local authority you speak to across the state, they will tell you that they are in dire circumstances in rural Victoria; the money just is not there.

**Ms Hargreaves**—You may be aware that the Victorian Office of Local Government has set up an inquiry into the ability of local government to continue to fund infrastructure. The inquiry has raised the level of awareness in regard to local government that the need for long-term planning applies to the provision of facilities in all departments, not only recreation. Many facilities and most infrastructure were developed a number of years ago and now need to be upgraded or renewed.

**CHAIR**—The Commonwealth already provides about \$1 billion worth of funding to local government, which it is perfectly at liberty to spend on sporting facilities or anything else that it chooses. If the Commonwealth were to give local government an extra \$100 million, how many local authorities would choose to spend that on sports and recreation facilities?

**Mr Jose**—I do not think it is fair to hazard a guess on that because every local government would have its own local priorities, which is the very nature of localism. In our shire it would really depend on what priorities we have set as to whether the money would be spent in the larger towns or in the smaller hamlets and whether it was spent on recreation or essential individual services or support services. The Commonwealth is also encouraging local government in other ways to provide personal care for the ageing population, so it might be a priority for us to feed and house people before we build more sporting facilities. Each council would respond to that differently.

**CHAIR**—Are you arguing that the Commonwealth should set a priority by earmarking a certain amount of money that local government can spend only on recreational facilities?

**Mr Parkes**—It is important to plan regionally for the provision of facilities. Local government focuses planning locally, whereas Commonwealth and state governments tend to focus planning at the macro level. There is a gap in regional planning and, as a result, there has been a reasonable amount of duplication of expensive facilities. If the Commonwealth were able to show some leadership by devising a specific policy to fund regional facilities, with a number of councils and possibly state government having input into that as well, it would overcome in the longer term some of the problems in relation to infrastructure costs and the facilities could be run more cost effectively because they would not be stealing each other's markets.

**CHAIR**—I have not found local government to be all that keen on the idea of Canberra deciding where local facilities should be built.

**Mr Parkes**—I was not suggesting that Canberra should decide where a facility should be built. If a funding scheme were devised which encouraged and funded regional projects or joint projects, local governments would be more likely to put some funding into the projects. At the moment, with all the other competing priorities that local government faces, it is unlikely to fund a facility that is in someone else's municipality.

**Ms Farrell**—It would be useful for the Commonwealth to assist local government to change its culture or its mindset. The reality is that we do have councillors and we do have boundaries. While the community might not recognise those boundaries, certainly the councillors do because they are lobbied by particular pressure groups. So we need to get over that barrier.

The Commonwealth should consider providing some incentive to encourage local government to think about developing on a regional basis. For instance, local government might build a facility that is located in an adjoining municipality but which services its own community. We have to get over that barrier and provide some incentive to enable that to happen.

**Mr JENKINS**—I am going to do something that after previous public hearings I thought I should not do, which is to raise a local issue. Mr Parkes has in his municipality an example of a problem caused by the location of facilities within geopolitical boundaries.

The City of Banyule is one of two municipalities created from the merger of three municipalities, each of which had a swimming pool. One of those swimming pools is located on the boundary of two municipalities, which happens to be in Banyule. I understand that a decision was made at officer level that the Greensborough pool would be closed because the pool at Eltham and the pool at Ivanhoe would best cater for the people of the two municipalities.

The decision has caused an outcry because, before the amalgamations occurred in Greensborough, a decision had been made that the outdoor pool, which now happens to be in Banyule, would be replaced with an indoor pool on a site that now happens to be in the new municipality of Nillumbik. Other facilities on the Nillumbik/Banyule border have been shared up under the new boundaries. Perhaps Mr Parkes could run us through some of the issues raised by the location of those facilities.

**Mr Parkes**—Banyule has undertaken a feasibility study which shows that it is not appropriate to spend millions of dollars to upgrade the Greensborough pool in Banyule; that we would better off spending it at the Eltham pool, which is over the border. The new council has not come to grips with that yet. That report will be presented to council next Monday night, so it will be interesting to see what the response is.

We believe that logical based planning is the best way to go. We hope that a precedent will be set by funding that proposal, because it should happen more often. Whereas we might have spent \$10 million on redeveloping the Greensborough pool, the expenditure of a couple of million dollars on extending an already viable pool so that it can better cater for the broader community will be a winner for everyone, provided we can overcome the local politics of the situation.

**Mr McDOUGALL**—Where mergers have taken place and problems are starting to occur, do you see the role of local government now as being to continue to manage the facilities, or do you see that the mergers have provided an opportunity for councils to engage professional management who can develop a business base under set criteria; and, if you were to do that, when would you bring in the professional managers? Would you consult professional management at the start of a process and ask, 'How do we develop this facility in the future so that not only will it deliver the service we are looking for but also it will operate viably and at least break even, if not make a profit?' Or does local government put all that structure in place

and then, under traditional terms, lease it out and hope that it all works? Who would make the decision?

**Mr Jose**—There are a couple of assumptions in your question that I have difficulty with; firstly, that local government has to engage someone from outside who is professional. A lot of professionalism exists already within local government. Local government, prior to the introduction of compulsory competitive tendering, had a history of engaging with people in other professional bodies, private not for profit bodies, to come in and help set up and plan for the future.

Current research shows that at the moment most local governments across the state are actually tendering out their services and facilities—benchmarking in the marketplace—but it will only work in areas where there can be a return on the dollar. In at least half the state there is not going to be a return on the dollar, so the professionals out there will not be willing to come in anyway. Most local governments are doing much more strategic and business planning within their operations than they did previously.

**Mr Parkes**—In relation to involvement of management in planning for provision of facilities, there is a growing culture in local government to do that, so that it is not just designed and then the management group is brought in later. It is becoming more common for management teams, whether in-house or external, to be brought in at the design phase.

**Ms Hargreaves**—My experience, having worked in councils for about 14 years, is that the practice of involving management teams in discussions on the financial viability of new facilities has been going on for a long time.

The ongoing tensions usually relate to issues of involving the whole population and how to deal with people on lower incomes. Those problems are the same, whether the council is running it or someone else is running it. If the objective of local council to provide a facility that can be used by the whole population is removed from the criteria that are set for management of that facility by a private enterprise, it can be managed quite well with high fees. But if the charging of those fees results in a significant part of the population being denied access to the facility, that does not sit very well with the objectives of local government. So there is still that ongoing tension about subsidisation of activities that are not popular generally or of people on lower incomes.

**Mr McDOUGALL**—We have had evidence about a facility, which we have seen, where \$15 million has been spent on it and it is 95 per cent built, and now the business plan is being done.

**Mr BILLSON**—It was not the local government.

**Mr McDOUGALL**—It was in the university sector, which wants to get participation of the public sector in building recreational and sporting facilities, but the business plan is being done last, so there is a problem there.

**Mr Jose**—I agree that it is a problem and it occurs across all three spheres of government. Hostels were being built 20 years before the Commonwealth government thought about writing guidelines for them. So there are pros and cons on both sides of this.

We have had discussions about major infrastructure and where we can go, in terms of meeting the contemporary or the new demands for both passive and active infrastructure from local communities. In our municipality, as in others, there is a huge growing need for walking tracks and bicycle paths, which go across every single boundary. It is a high cost development if it is done appropriately, taking into account safety and other considerations. In our shire of 4,500 square kilometres we cannot afford to provide that. That development would be best undertaken through partnerships between local councils who could plan locally and, with some capital money, get some development going in a planned or strategic way.

**Mr BILLSON**—The example that Mr McDougall is referring to would probably bring tears to your eyes, as it would to mine, where a community of 15,000 in the university sector has spent \$15 million on a swimming pool. It leads me to ask how well local government in Victoria is participating in those joint venture opportunities for the construction of facilities, whether it be with defence, universities, secondary schools or primary schools. The submission seems to suggest that it depends on who the principal or the head honcho of the organisation is as to whether or not it works well. Would you care to offer some comments on your experience?

**Ms Farrell**—Our responses would be municipally based. Multi-use or shared use of facilities raises issues in relation to occupancy agreements, security and costs. For example, in the running of school holiday programs, whereas in the past the facility was made available free of charge under a partnership arrangement, now specific rental charges are imposed. The decision has to be made whether to use the facility and pay the rental charges or to try to use the perhaps inappropriate facilities of the local pool or the unheated or unairconditioned local hall because we cannot afford the added cost of rent. It comes down to cost, which is a pressure that other sectors of the community are being affected by.

**Mr BILLSON**—Frankston City Council is contemplating introducing a facilities levy or a capital expenditure levy to get around the rate capping. While not wishing to speak for them, as I understand the thinking of the council, it is far more saleable if you can hypothecate that money and actually show results on the ground. Is that approach increasing throughout your member municipalities?

**Councillor Matheson**—There is a belief across local government that the rate reductions have cut a little too hard in some areas. Councils are looking at applying to the state government for exemptions for rate increases. The Department of Infrastructure has said that we have got two chances and that we have to go through all of the issues relating to funding before we can apply for a rate or levy reduction. Most councils will now be considering that option but I do not count on their success to a great degree because the state government will want to control that. In the instance of Frankston, I am not sure whether that has been approved yet.

**Mr BILLSON**—No, it has just been floated.

**Councillor Matheson**—Levies of one per cent, 1.5 per cent or two per cent have been approved in a couple of instances, but that is about it.

**Mr BILLSON**—Another issue that is frustrating for urban communities is the private provision of facilities, when people who have put their money on the line say that they compete with community funded

facilities subsidised by tax breaks. That is clearly not going to be an issue in Gerard Jose's part of the world, but in more populous areas it is. Do you think the Commonwealth should put that on the table as a criteria; that taxpayer funds from whatever form of government should not be used to provide facilities that are already in place or would produce a competitor for privately funded facilities?

**Mr Parkes**—That can be overcome by regional planning. When a facility is being planned the private sector must be taken into consideration. If the private sector is providing well for a particular need, why should local government or the Commonwealth government put money into it? That is where broader regional planning has some real benefits.

**Mr BILLSON**—The peak bodies—and I am using that in a very generic way, whether they be local government, sport or whatever—are encouraging us to look at putting Commonwealth money into providing regional facilities of high standard. But municipalities outside the urban centres think that is a horrible idea and say that the allocation of money should be based on an equity argument and allocated to communities that cannot sustain facilities, and that money should be provided for both capital and recurrent items.

Given those differing views, is the notion of a shandy program the way to go, or is the suggestion of biting the bullet and funding only one end of the spectrum likely to result in extending the facility rich and facility poor situation that exists at present?

**Mr Parkes**—One thing that has been overlooked is that if we provide only elite level facilities for elite athletes and do not provide quality facilities at the local level, the base of the sport will not be built up, therefore we will not get the same number of elite athletes in the future. We have to provide base facilities such as synthetic athletic tracks, which are a necessity for athletes. I do not want to highlight any one sport, but athletics is a prime example. Hockey is another sport that really needs synthetic surfaces, which are very expensive. If they are not provided at the local level, we will not have an Olympic hockey team in another 20 years.

**Mr BILLSON**—What about the recurrent versus capital argument and the argument about the provision of better quality facilities versus those who would just love to hit a hockey ball around on a flat bit of grass, if only a facility were available for them?

**Mr Jose**—Even a flat bit of grass is becoming passe now. Some of the efficiency gains made by local government are being consumed by deregulated water authorities imposing a 1,000 per cent increase in water charges, so we have a huge additional impost for watering ovals. Many towns try to cater for the broad range of community needs, including the needs of elite athletes.

**Mr BILLSON**—The state major facility grant of \$250,000, as welcome and very helpful as it is, often represents only a small proportion of the cost of a facility. If the Commonwealth were to say that we will match the generosity of the state government, would the Commonwealth's contribution of \$250,000 be significantly helpful or would you argue that the Commonwealth should dig a little deeper?

**Councillor Matheson**—We would always argue that the Commonwealth should dig a little deeper because we are not getting a lot of joy from the state government in this regard. We would have to look at



some agreement with the Commonwealth which would allow for greater funding. I would not peg the level of Commonwealth funding to what the state is currently offering the local governments.

**Mr BILLSON**—Would you be encouraging us to set minimum effort criteria for the state jurisdictions before we put in Commonwealth money?

**Ms Hargreaves**—You mentioned having a shandy arrangement to cater for programs in metropolitan areas and in the country. Councils have said to us that there is no point in building a swimming pool or child-care centre 100 kilometres down the road because the provision of the facility does nothing to improve the quality of life or the fabric of the community.

In the setting of criteria for funding different types of facilities, some compromises would have to be made. Metropolitan councils would probably appreciate support with regional facility development, whereas smaller scale multipurpose facilities may be required in the country, which at least give people something to start with. There probably is no one answer to the exact amount of funding; the criteria would differ across the state.

**Mr MARTIN**—You have made six recommendations in your submission, including the recommendation with respect to the Commonwealth government establishing a dedicated program to fund sporting and recreation infrastructure. What should be the basis of that commitment by the Commonwealth? It has been put to us that a third/third/third arrangement between the three levels of government might be appropriate but it has been put to us also that the arrangement would leave out the community or organisation which is going to benefit most from the facilities so perhaps a quarter/quarter/quarter/quarter arrangement might be appropriate.

Other people have suggested, given that the Commonwealth has the major revenue raising capability, that its share should be greater. Do you have a collective view on what proportional relationship should exist for funding the facilities?

**Mr Jose**—We do not always have a collective view; we are very much individual. The fairest way would be to fund it based on the proportion of tax return or tax raising capacity of each sphere of government. Funds would be put in by each sector proportionate to its tax raising effort.

**CHAIR**—You put in four per cent; we put in 78 per cent. But you do not fund any defence, social security or a whole lot of other things like that.

**Mr Jose**—Not defence, but we fund a heck of a lot of income security allied health issues.

**Ms Hargreaves**—In answering that question, one factor to be considered is the role of local government in assessing needs, facilitating developments and making sure they are managed properly, whoever they are managed by. In Victoria, a lot of services may not continue to be delivered directly by local governments, because of CCT and various other processes, but it is the role of local government to assess needs, to ensure that the priorities of the local community are met and to have the capacity, through investing in planning, to ensure that happens and to ensure that government policies are enacted on the ground.

I foresee the introduction of new arrangements, moving away from the shared funding tired formulas. That is happening anyway with the contracting process. Arrangements for co-purchasing between levels of government are very difficult to administer, especially when we collect only four per cent of the taxes.

We would be prepared to look at new arrangements where we took a particular responsibility for ensuring a development and assisting with its management and whatever needed to happen to make sure that it was viable, with contributions coming from a variety of areas. The reform of funding arrangements means that we now operate in a competitive environment, which is a different arena. When people are out there purchasing services for a unit cost, it does not sit very well with joint funding.

**Mr Jose**—There has been a history of local communities and local councils sharing the cost of developments but it is difficult to maintain them, to repair them and keep them going. Any new funding arrangements that we enter into will have to take account of the national competition policy in relation to capital development and the impact on private providers. Whatever we do, a whole range of broad intergovernmental questions will need to be answered.

**Mr MARTIN**—Recommendation 6 says:

That private sector sponsorship, joint ventures and other funding options be supported by the Commonwealth.

Are you suggesting the Commonwealth needs to provide tax incentives, subsidies or grants for research and development programs? What are we talking about here?

**Ms Hargreaves**—Our thinking is not necessarily any more developed than yours. We are working very much in partnership with the private sector. Whether we are referring to tax incentives or other possible arrangements, we still need to set criteria to ensure that private organisations have a community responsibility. It is somehow tying the two things together, isn't it?

**Mr MARTIN**—The private organisations are going to be in it to make a buck. An example was given to us during this inquiry of indoor cricket or football stadiums, where people make a capital investment, they are taking a business decision, therefore they are going to charge people to use that facility—but it is still a sports facility.

On the other hand, the view is held that councils and other levels of governments should provide ad nauseam all levels of sporting facilities and should pick up the maintenance costs subsequently, irrespective of where the original capital funding came from to build them. Some of the users may have an expectation, therefore, that they do not have a part to play in that.

As part of the broader consideration of private sector involvement, as well as your recommendation that the Commonwealth government recognise the role of community sport—and nobody disagrees with that—do you think we need a program to educate the community to understand that if local government, state government or Commonwealth government comes along and throws some money at projects, the community still has to take responsibility for contributing a fair share towards costs such as maintenance? I understand that maintenance expenses are the biggest drain on local government resources.

**Mr Jose**—Local communities would turn around and say that we already form local committees of management. Our 43 reserves and public swimming pools all have committees of management, and volunteers put in countless hours in maintaining them so as to lower the overall cost. With fixed and reducing incomes—some 75 per cent of households in our area earn less than \$25,000 a year—there is a limit or a cap on the family income to be able to maintain those facilities. The communities already contribute through volunteer hours. How do you quantify a thousand hours of a community's time?

**Ms Farrell**—They contribute financially as well. Local councils have third/third/third programs where the community is managing the asset and in many cases is contributing towards the cost of the asset as well.

**Mr MARTIN**—One of the dilemmas is that communities have a high expectation that governments will provide the facilities, for good, strong, social equitable reasons, which are needed in the broad community. As to where the Commonwealth fits into that equation, some might argue that the Commonwealth's role is in the provision of funding for elite sports only; that there is not a role for the Commonwealth to play in the provision of facilities and broadening the base of participation in sport. Does local government support such a view and, if you do or you do not, can you tell us why?

**Ms Farrell**—Jeff said before that if the Commonwealth sees its role as being only at the elite upper end, at some point there will not be that upper end. There must be base level participation; we have to provide incentives to the local community. If the community can only play hockey on a dust bowl, they are going to get tired of it and there is no incentive for them to continue on. We have to provide services at the base level if we are to provide an incentive for people to pursue sport at the elite level.

**Ms Hargreaves**—We see that the Commonwealth has a role in supporting community recreation and sport for the general population, especially in light of national health priorities and the demonstrated research about the improvement to people's health.

**Mr ANTHONY**—It is very refreshing for us to have a submission representing associations which contains a standard set of recommendations. You have highlighted the need to provide for funding of facilities in regional areas which are disadvantaged because of the tyranny of distance and insufficient population density to receive corporate sponsorship.

It was suggested to us at one of our hearings in New South Wales that it would be a great idea to have Commonwealth funding for a stadium, but that facility would be used only by elite sports people.

**CHAIR**—Do you have a question?

**Mr ANTHONY**—Yes. In regional areas, if the Commonwealth directly provides funding for a facility, will you get uniform community opinions across much wider areas? For example, would the community be able to agree on whether the funding should be used to build a multipurpose centre or a music centre? Will there be unity of opinion when it comes down to allocating funds to a particular town or community, which may be to the disadvantage of other communities? Will you still have this same unity of approach outside the major capital cities?

**Mr Jose**—I could not predict a unified response on anything but if we introduce joint planning and joint discussions, we will end up with a fairly creative and unified outcome. That has been demonstrated by genuine partnerships between Commonwealth, state and local governments previously; we have ended up with fairly robust outcomes. Local communities are fairly pragmatic; they will come up with the priorities and the responses that they need in terms of survival and quality of life.

**Mr ANTHONY**—How do you get corporate sponsorship in those areas?

**Mr Jose**—In some areas you cannot; there are no corporate citizens.

**Councillor Matheson**—There is hardly any competition.

**Mr Jose**—Therefore, there is total reliance on community and government support.

**Mr ANTHONY**—At the end of the day most of the government subsidies would go into rural areas, because councils just cannot get finance from other fundraising avenues, as they can in Melbourne.

**Mr Jose**—That is one of the different parameters and that is probably why we would not have a unified response, because the three areas of remote, regional and metropolitan issues need to be taken into account.

**Mr ANTHONY**—Should the Commonwealth be selective in allocating funding to city versus non-city?

**Mr Jose**—I would replace ‘selective’ with ‘strategic’. It should be responsive to those three broad but distinct areas of need.

**Councillor Matheson**—Government must recognise that different needs exist in regional, metropolitan and remote areas. In terms of what you suggested, we think that you need to talk to local government through the peak bodies in each of those three areas and enter into arrangements individually, because the issues vary according to the service policies.

**Mr Jose**—We point out that councils and states already plan regionally for the provision of sport and recreation facilities. We have committees made up of 12 councils trying to look at a whole range of different issues, so a framework exists for that discussion and planning to occur. Consideration should be given to how we involve the Commonwealth or how the Commonwealth wants to be involved.

**Ms Farrell**—The amalgamations in Victoria over the past few years have resulted in a more sophisticated level of planning because we have had to be more reflective with strategic planning and leisure plans and so forth, which has been a necessary part of the process of amalgamation, but also shifting the focus in local government to better planning.

**CHAIR**—Although nearly all of us have extra questions, we are well over the appointed time. If there are no desperately urgent matters, we may have to get back to you on a range of issues.

We appreciate very much the evidence that you have have given and the local government perspective that you have provided. It has been important to us to talk to people in local government in each state because of the prominent role that local government has taken traditionally in providing sports facilities. We appreciate your submission today and I thank you for appearing before the committee.

[10.50 a.m.]

**HARRISON, Ms Anne-Marie, Chief Executive Officer, Sports Federation of Victoria Inc. (Vicsport), 1/120 Jolimont Road, Jolimont, Victoria 3002**

**CHAIR**—We have received your submission and authorised its publication. Do you propose any changes?

**Ms Harrison**—No.

**CHAIR**—Would you like to make a brief opening statement?

**Ms Harrison**—I support the comments that have been made already this morning. We are delighted that such an inquiry is taking place and we are certainly supportive of it.

As the independent umbrella body for sporting organisations in Victoria, our view, clearly expressed in the submission, is that there is very much a need for a Commonwealth program and for the Commonwealth's involvement in the development of sporting and recreational facilities at all levels.

Our particular interest, as a representative organisation for sporting groups, is in the area of sport. While we certainly have a role in promoting positive physical activity across all spheres, our particular interest is in the development of sporting facilities.

**CHAIR**—In other states where we have spoken to your counterpart bodies, the view has been expressed that some of your affiliate members in state sporting bodies are in deep financial crisis—in one place, several were about to go to the wall. What is the financial state of organisations in Victoria?

**Ms Harrison**—I am not aware that any of the state sporting associations are in deep financial crisis. That has not been brought to our attention as an organisation, we have not been asked for advice in that area and I am not aware of that from any discussions with Sport and Recreation Victoria.

**CHAIR**—Your view generally is that the various state sporting organisations are travelling reasonably smoothly?

**Ms Harrison**—I am sure that they and we would argue that they could travel better and they would have greater opportunity to enhance their development if they had access to more funds across the board.

**CHAIR**—Where do your funds come from?

**Ms Harrison**—Our funds come from a combination of membership fees of the organisations who are our members; state government funding to assist in providing services to our member organisations; sponsorship we receive from VicHealth and other corporate areas; and we run fundraising and seminar programs to produce funds.

**CHAIR**—Do you do your own fundraising?

**Ms Harrison**—Yes.

**CHAIR**—You suggest in your submission that funding for recreational facilities has decreased. What is the basis for that claim?

**Ms Harrison**—That was based on comments that have been made this morning regarding the local government reform agenda and the reducing rate base of local government authorities and, therefore, the difficulties they face. They have been a significant contributor to the development of facilities and delivery of programs to the community for sporting and recreational activities. Evidence is coming through, albeit anecdotally, given that the local government reform agenda is a reasonably new initiative, that less funds will be available through that traditional source of local government funding for sporting facilities and activities.

**CHAIR**—Do you think that is permanent?

**Ms Harrison**—I have no reason to believe that it will change.

**CHAIR**—It is not just something that will pass once the new councils are bedded down?

**Ms Harrison**—History will judge that but our view is that it will be permanent. That is supported by the fact that there is now greater pressure on local government and all government authorities to have better economic outcomes from all activities that they are involved in.

**CHAIR**—Is your organisation involved in the planning processes that were referred to by the previous witnesses?

**Ms Harrison**—Not specifically for individual facilities but we do have ongoing negotiation and discussion with Sport and Recreation Victoria about funding of facilities and programs. We do a review at the completion of each funding round regarding where the funding and the facilities have been provided and we comment as appropriate, based on the feedback that we receive from organisations.

**CHAIR**—If there is to be a Commonwealth program, how should the money be distributed?

**Ms Harrison**—I am not the expert to determine that. Sport and Recreation Victoria argued this morning that Victoria has a very good system in place and we would support that system, which appears to be working well and is supported well by the various authorities and the state sporting associations and local clubs. If the Commonwealth were to initiate a program, it would be best if it could enhance the programs that are operating in Victoria.

**CHAIR**—By ‘enhance’, do you mean fund more projects or provide more than the 25 per cent that Victoria provides?

**Ms Harrison**—The answer to that question is the same, it is yes to both. More funds should be

provided, because at the moment none are provided, so providing funds, firstly, would be the correct step. I could not give you an answer on whether 25 per cent is the appropriate level of funding.

**CHAIR**—The Commonwealth should just accept Victoria's judgment on which are the appropriate projects to fund?

**Ms Harrison**—I do not think that has been suggested by any party. It would be a partnership arrangement where the Commonwealth would become involved in the structure and system that is operating.

**Mr MARTIN**—You have suggested that a facilities program funded by the Commonwealth might be managed by an expert facilities committee or advisory board which would have the task of establishing a national plan and working to it. Would the national plan that is established also make funding recommendations to the Commonwealth and the state governments, as well as simply the management?

**Ms Harrison**—It could have dual purposes. If it were to take on the format you suggest, it would also need involvement of people at the state and local government levels to advise.

**CHAIR**—Your recommendation about Commonwealth involvement seems to suggest a program which has a coordinated approach between the various level of government participants. Where would the sports themselves fit into such a program?

**Ms Harrison**—A major part of the Commonwealth's role, apart from funding, would be to provide a coordinated approach and provide the necessary resources to ensure that the right material is gathered so that the right judgment can be made about the investment of those funds. Just as at a state level sporting associations and local clubs are involved in the development of facilities, that could happen at a Commonwealth level also. The mechanism to be used to achieve that should be open for some further thought and discussion, whether it should be representatives of national sporting organisations, the Confederation of Australian Sport or the Australian Sports Commission.

**Mr MARTIN**—From your experience, if the Confederation of Australian Sport, as the peak sporting organisation, were asked to make funding recommendations, would the state and local sporting bodies, even getting down to the clubs, accept recommendations from a representative of that national organisation?

**Ms Harrison**—In that instance the confederation would have a responsibility to ensure that its representative on such a committee has a very broad knowledge and understanding of sports requirements and can represent sporting bodies appropriately and without bias. The views of a person who was chosen appropriately would be supported by the sports community.

**Mr MARTIN**—In your submission you refer to some identified facilities required in Victoria—which you have listed but not in order of priority—a number of which are geared towards Melbourne's bid for the 2006 Commonwealth Games. A velodrome is suggested, and it was mentioned by another witness this morning. It has been put to us in other forums that the level of support for cycling is not sufficient to support existing facilities. In fact, in Tasmania a cycling track was ripped up recently, albeit an outdoor one, but when it was laid it was a pretty superb facility.



Sports administrators and governments must get to a position where they receive some return on the investment that governments and others make in facilities. That can happen only if they agree to share responsibility for facilities, or are we always going to find that each sport wants its own facility in each of its own patches around Australia?

**Ms Harrison**—That is a very reasonable statement to make and that is why a coordinated approach is absolutely essential, so that we can try to overcome the parochialism of local and state governments and local, state and national sporting organisations all wanting their own specific facility for their own benefit. We comment in our submission that a velodrome in Victoria as a stand-alone facility clearly would not be viable.

**Mr MARTIN**—I can offer one suggestion for the rugby and soccer stadium: get a superleague competition down here and Murdoch will build it for you.

**CHAIR**—The Chandler velodrome in Brisbane is rarely used these days—it is not even of international standard because the standard has changed—because it is very difficult to have any other sport coexisting in a velodrome. Have you thought that through?

**Ms Harrison**—I am not a specific facility expert and I do not have enough material at my disposal to make a judgment about that. I am suggesting that in that situation, somebody who is independent from the emotional views of those requiring the facility should be able to make that determination based on sound principles and criteria. I totally support that approach, despite the fact that it may disadvantage a particular athlete or sporting body in Victoria.

**Mr McDOUGALL**—On page 10 of your submission you make a recommendation that a Commonwealth program to fund recreation and sporting facilities be established. But a moment ago you suggested that the current system in Victoria is a good system, which is in contradiction to what you say in your submission.

**Ms Harrison**—No. There are two issues. The direct funding arrangement and the method of assessing suitable applicants for funding, which is working very well in Victoria, is a model that could be transferred to a Commonwealth program incorporating Commonwealth expertise.

On the other side of the coin, clearly the Commonwealth will not provide funding without wanting some stake in the final outcome, so I am suggesting that we use the model in Victoria which is successful and incorporate the Commonwealth's involvement in that.

**Mr McDOUGALL**—The Confederation of Australian Sport, of which I believe your federation is a colleague, suggested that we should load up the tobacco industry with another tax as a means of funding sport. CAS and the New South Wales federation suggested that a national health promotion fund be established and CAS suggested imposing a levy of 2 cents a stick on cigarettes.

We heard this morning from the state government that revenue from the gaming system is used to fund sporting facilities, although the funding is not constant and there is no way of knowing when it is

coming or how much it will be at any particular time. Is the federation happy with the funding it receives from VicHealth and what sport receives from gaming revenue?

**Ms Harrison**—There are two issues. The VicHealth model has been enormously successful and beneficial to sport in Victoria and over 10 years has contributed enormous amounts of funding to Victorian sporting organisations. Vicsport is on the record as saying that, without that funding for grassroots and community participation development of sport, sport would have been in a fairly critical position in Victoria. We are supportive of the VicHealth model and the benefits it provides to the Victorian sporting community.

The Community Support Fund, which receives revenue from gaming, is a recent innovation. There is an enormously large pool of money available in that fund from which Sport and Recreation Victoria and individual sporting organisations can apply for funding. We support the view of Sport and Recreation Victoria that the main thrust of funding applications should be to provide facilities because the provision and upgrading of major facilities in Victoria has been dormant for many years. The community support fund provides a means to make those improvements.

We have used the Victorian Health Promotion Foundation to support the development of grassroots sport, as well as the major sponsors of significant major sporting events, and the Community Support Fund has been used for facility development. It is time now to consider using the Community Support Fund to expand other areas of sports activity.

**Mr McDOUGALL**—The community support fund has been used to provide facilities and the VicHealth funding has been used to provide programs.

**Ms Harrison**—Yes.

**CHAIR**—A question has been raised as to whether the state has enough money to adequately fund sporting facilities for the community, yet I get the impression that VicHealth has quite a bit of money in the pot. Does it supply funds to facilities and, if so, how much?

**Ms Harrison**—No, VicHealth does not fund facilities. I am on the board of VicHealth and to my knowledge it has no intention to fund facilities. VicHealth believes that it can best promote healthy outcomes through the sports programs it supports.

I do not know how much money is in the Community Support Fund but I would suggest that the amount would far exceed the amount in the VicHealth budget that is available for sport. The VicHealth budget is in the order of \$6 million annually that is appropriated to sporting organisations. If we use the example of the \$65 million Melbourne sports and aquatic centre at Albert Park, I would argue that the Community Support Fund has more money for facilities than VicHealth.

**Mr McDOUGALL**—Is the federation happy with the cooperation arrangement between local government and the Department of Sport and Recreation with education? We have heard today that it works as long as the principal is happy. Is that a good enough way of operating this, just on the basis that the principal is happy?

**Ms Harrison**—State sporting associations have indicated to us that the relationship with education and the access to sporting facilities in education is less than satisfactory. That was particularly highlighted three or four years ago with the rationalisation of government schools. Sporting organisations had been using facilities which were then not available because the schools closed or they had to assume some extra management responsibilities for the facilities because the school around them had closed. There have been difficulties with vandalism and security of the facilities because they are no longer under the education department's domain.

**Mr BILLSON**—I was curious, more than anything, about a remark on page 17 of your submission about low and non-interest loans to non-profit sports facilities to assist in their development, with an anticipated shift to this concept in the commercial world. I know of about 8,000 small businesses that, if I told them that, would just about fall out of their trees. What were you getting at there? I did not quite catch on to the theme you were presenting.

**Ms Harrison**—I should clarify that it was something that I read in the media, so perhaps its accuracy could be questioned.

**Mr BILLSON**—We can all be hopeful.

**Ms Harrison**—It related specifically to non-interest loans for housing developments. Being a lateral thinker, I assumed that it could easily apply to sporting facility developments. I understand that concept has been introduced in housing developments in Great Britain.

**Mr BILLSON**—In applying that notion to sporting and recreational facilities, would you like to see a patron bank helping out one of the more elite types of sporting associations and venues in exchange for naming rights? I am just trying to follow through the idea.

**Ms Harrison**—Clearly I do not understand the commercial ramifications of non-interest or low interest loans for the commercial lender; that would have to be explored further. Local community groups have suggested to us that if they could get a loan at low or no interest or guaranteed by another authority, they could make a facility viable, although that would still need to be tested by feasibility studies. Often the killer that prevents a local community getting a facility up and developed is the interest component on a loan.

**Mr BILLSON**—The James Hardie model for indoor sporting facilities addresses that problem by seeking a \$1 million contribution from the Commonwealth which would effectively wipe out \$1 million of debt that would be needed for operating costs.

Do you support the idea that the Commonwealth should get involved at the establishment phase of a facility and then leave it to be run by the community, on the expectation that the users of the facility could fund its ongoing operation, replacement and maintenance?

**Ms Harrison**—Yes. I am not familiar with the James Hardie submission specifically so I cannot address that. But, as has been indicated by other witnesses this morning, we need to be very careful, particularly in regional and rural Victoria, that the expectation for a facility to be totally cost effective does

not outweigh the other benefits that need to be considered for that particular community. I believe there will continue to be a need for subsidisation, otherwise we may have an excellent facility which is outside the reach of the local population.

**Mr BILLSON**—You would cater for those two elements in the program: a component for regional development purposes and another component to provide access to facilities that might otherwise be out of the reach of the local community.

**Ms Harrison**—Yes, given the Commonwealth and state focus on providing a greater range of physical activities, not for long-term athletes but for people who want to participate in regular sporting activities.

**Mr ANTHONY**—In your submission you mention the use of shared facilities and point out that facilities in schools are underutilised. You refer to problems of liability, insurance and management. Could you expand on that?

Secondly, what role should the Commonwealth have in making community services, sporting grounds and recreational facilities more open to the public? You make some interesting observations about racetracks. Are there any recreational facilities now existing in racetracks?

**Ms Harrison**—With regard to the education sector, the points of concern outlined in our submission have been raised with us by a number of sporting organisations who are trying to access facilities that are part of educational establishments. I recognise the difficulties of demarcation between Commonwealth and state responsibilities for education. The comment is made to highlight that the problem needs to be addressed through some mechanism. We would have to investigate whether the Commonwealth can address the problem through this particular program.

The infrastructure at sporting venues such as racecourses is underutilised. A couple of former members of my board who have had an involvement in facilities believe that there is an underutilisation of racecourses, which have tremendous infrastructure—car parks, catering facilities and administration facilities. Racecourses in the metropolitan area are used at best once a week, or maybe once a fortnight, although the rationalisation of racecourses in Victoria may increase their use.

Racecourses offer an opportunity to develop community based sporting activities, but in metropolitan Melbourne none have done so. I am speculating but I should think that a progressive club such as Moonee Valley, although it would not have much land available to develop recreational facilities, would be interested in such a suggestion. Paul Brettell, the chief executive officer, has a wide experience of sporting venues, having worked with the Australian Institute of Sport and the Hong Kong Institute of Sport, which has a relationship with the Hong Kong Jockey Club.

**CHAIR**—In relation to the sports lottery, you say on page 17 of your submission:

. . . the constitutional issues often raised in the past no longer seem to be a confinement.

What constitutional issues are no longer a confinement and why?

**Ms Harrison**—I am not a constitutional expert but, as I understand it, there were constitutional difficulties in running national lotteries across state boundaries. We now have OzLotto and national sports betting—albeit that it is in pockets rather than a national program—which indicates to me that, whatever inhibiting factors there were previously are no longer there, because we are running OzLotto draws and Supertab pools.

**CHAIR**—I think the programs have been designed so as to avoid the risk of any conflict.

**Ms Harrison**—Perhaps we could design a national sports lottery around the same basis.

**CHAIR**—Should we?

**Ms Harrison**—Victorian sport does not think that there would be any problems in establishing a national sports lottery because we are not affected one way or the other by any of the other gaming sources; other than indirectly, in that the Victorian government has access to funds from poker machines in hotels which have been used to develop facilities.

**CHAIR**—Your organisation has no philosophical problems with using unhealthy things like cigarettes or gambling to fund facilities to encourage healthy sport?

**Ms Harrison**—It is a matter of opinion whether gambling is unhealthy.

**Mr BILLSON**—It depends whether you win.

**Ms Harrison**—I do not believe that the board of Vicsport or our member organisations have a position on that. With regard to the use of a tax on cigarettes, the VicHealth model is a successful example of that and one that is very well supported by Victorian sport. Philosophically there would be no objection from the federation to a national sports lottery.

**Mr McDOUGALL**—There is an inquiry going on in Victoria on the impact of poker machines on the consumer dollar. I come from a state called Queensland and I can tell you that consumer spending at the moment is catastrophically low because poker machines are sucking the dollars out of the community. Does sport have a responsibility not to set up a system that will take more money away from consumer spending? Have you conducted any research on the impact on the community of taking out more consumer dollars in the form of a national lottery?

**Ms Harrison**—We are not suggesting that more money should be spent on gambling for the benefit of Victorian sport. We are saying that a system that is already established through the community support fund, which is currently accessed for the development of sporting facilities, should continue to be accessed for the development of sporting facilities.

**CHAIR**—You would take it off the hospitals and give it to tennis courts?

**Ms Harrison**—We are not suggesting a change to the system. A system has been established that allows for sporting organisations through Sport and Recreation Victoria to pitch for a share of that fund that has been developed from the proceeds of gaming.

**CHAIR**—You said that the Australian Sports Foundation is not well publicised, and that seems to be a universally expressed view. You suggested it would be more effective to increase the level of tax deduction to enhance its appeal. What are you proposing?

**Ms Harrison**—We made a submission to a similar inquiry which investigated the benefits for industry of Sydney hosting the Olympics, that we had identified, through consultation with corporate donors, an anomaly between the amount of tax deductibility they were able to achieve through the Australian Sports Foundation, as opposed to similar schemes. The exact details of that are not at the front of my mind at the moment—I would be happy to provide them to you—but it related to similar schemes in the film industry.

**CHAIR**—That would be about the only one, would it?

**Ms Harrison**—I believe there are others. There was talk that if the level of tax deductibility were 125 per cent or 150 per cent, as it is in the film industry, it would be more attractive to corporate donors because we are competing for the same dollar. It rarely comes down to a philosophical position; it comes down to what is in the best interests of a company in making such a donation.

**CHAIR**—If that costs the federal government money, in the same way as a grants program would, would the sports foundation be more likely to put the money into elite sporting facilities rather than community recreational facilities?

**Ms Harrison**—As I understand it, income from any particular fundraising activity undertaken by a sporting organisation and authorised through the Australian Sports Foundation can be used for whatever purpose that sport wishes to identify. That flexibility should remain, so that if a sporting organisation wants to develop elite facilities through that program, it should have the flexibility to do so. Similarly, if another sporting organisation has a greater focus or emphasis on community facilities, it should have the opportunity to do that.

**Mr BILLSON**—My experience suggests that when sporting associations become involved in facility development, one or two of them take the lead hand and tend to dominate the discussions and negotiations in order to establish a home for their activity. That is entirely understandable, I suppose that is human nature.

I was impressed by something that is going on in Queensland, where basketball, netball, indoor soccer and badminton organisations got together to organise a facilities enterprise which pursues facilities that complement and facilitate all of those activities. Does your organisation have a role in trying to bring together the different sporting organisations and codes into cooperative arrangements where multiple use facilities are pursued strategically? At least it would reduce the incidence of poor old municipal councils, as well as the Commonwealth, being picked off by articulate and well mobilised sport, to the detriment of those bodies that are not so well organised.

**Ms Harrison**—I am pleased to hear that the sports argument is mobilised and articulate. It is not a role that we perform at the moment but it is something that we could explore. If sporting organisations believe that is a function we could perform, it would be something we would consider.

In our submission we have referred to the difficulties in developing multisport facilities in Victoria because of the emphasis on user pays, which means that the larger sports or the ones that bring in the larger numbers tend to dominate. All credit to basketball for the development that they have undertaken in the last 10 or 15 years, but some of the smaller participant based organisations at a community level have difficulty gaining access to multiple use facilities because of the presence of basketball. We need to be conscious of that and to make allowances for it.

**Mr BILLSON**—When it is costed on an hourly rate, 10 basketball participants have greater spending power than two people who want to knock around a shuttlecock. The Commonwealth would not want to adjudicate on those sorts of dilemmas in the structures that exist in Victoria. Is the idea that you put forward of having a committee work through the national planning arrangements something that you think should be put on the table as a ‘must do’ before an application is considered?

**Ms Harrison**—I would like to buy some time to think through the ramifications and the practicalities of something like that being implemented. The point we are emphasising is that we want to reduce the number of layers involved in the decision making process and try to ensure that there is a coordinated approach to decision making.

**CHAIR**—Thank you very much for participating in the hearings this morning and for providing the information to our inquiry. We may need to talk to you later to provide some additional information. Thank you for your contribution.

[11.42 a.m.]

**MARRIOTT, Dr Kenneth Leslie, Managing Director, HM Leisure Planning Pty Ltd, 242/4 Melbourne Road, Williamstown, Victoria 3016**

**MORGAN, Ms Mary Jo, Recreation Planner, HM Leisure Planning Pty Ltd, 242/4 Melbourne Road, Williamstown, Victoria 3016**

**CHAIR**—We have received your submission and have authorised its publication. Do you propose any changes to the submission?

**Dr Marriott**—No.

**CHAIR**—Would you like to make a brief opening statement?

**Dr Marriott**—Yes. We believe the Commonwealth government should be involved in the funding of community sport and recreational facilities at the levels of needs analysis, feasibility assessment and direct provision. It is important for the Commonwealth to gain an overview of needs and opportunities in order to ensure that communities which may not have the capacity to develop the facilities they need can have those needs assessed and provided as appropriate.

Our company works predominantly in the eastern states, from far north Queensland down to Tasmania, and sometimes in South Australia and Western Australia. Our recent work in some remote communities has led us to recommend a hierarchy of provision which distinguishes between core needs in some communities and higher order extras in others, to ensure that there is equity of opportunity across the community. We have found frequently that the need for core versus extras is not recognised well or not achieved very readily within local conditions and, therefore, state and federal government involvement will assist considerably in achieving that. The federal government has a very important role there.

Local communities do not recognise the importance of recreation to the social, economic and general wellbeing of communities. Given that the federal government has responsibility for everyone in the country, it has the opportunity to influence the way in which benefits can be achieved across the country as a whole, rather than achieving them to a lesser or greater extent in some communities depending on their awareness, financial capacity or otherwise.

We believe federal government involvement is important. Referring to paragraph A1.6 on the second page of our submission:

Regardless of the rights and wrongs of past processes, there are substantial differences in the levels and quality of provision . . .

We believe it would not be in the best interests of Australians if that were allowed to continue. An opportunity exists to achieve improvements nationally by starting from a national level to assess needs and make provision.



The need for government to intervene, referred to in paragraph A1.7, has been made greater by the increasing educational and cultural diversity of our community. We know of recent arrivals in Australia, people who have not had a traditional upbringing in an Anglo-Saxon community, who do not know that they are allowed to use some recreation facilities. As a consequence, they have ended up not having access to those opportunities. Federal, state and local governments can play a role in enhancing those opportunities. Recreation can provide important positive experiences in the community, particularly where there are high levels of unemployment, difficulties with health or other pressures.

On the issue of whether there should be part or full funding, there is no simple formula. Communities may require minimal funding in some instances through to full funding in others. That will depend on the circumstances and the nature of the need, the nature of the community and so forth.

We have suggested some criteria by which the nature and level of funding could be decided. We believe that the funding should follow a process of needs assessment, assessment of existing provision and assessment of development opportunities.

The point that was raised in the previous presentation of integrated provision across a number of organisations has tremendous merit and those opportunities should be explored. We have always tried to evaluate those in our work. As an example of that, the City of Noarlunga, a southern suburb of Adelaide, implemented a policy that if a group came to it to seek financial assistance, it asked the group who were its partners in the project and, until the group had partners—other sports or other community groups—the council was not prepared even to look at the proposal. If we can get multiple use of facilities by encouraging a number of groups to work together, clearly the level and the nature of funding would vary to quite a degree. So funding will vary depending on the circumstances.

We make the point on the top of page 3 that funding of facilities should be seen not as the end product or outcome of government involvement but as the starting point to a much longer process of input and community development. The end purpose of the community may be to get a hall, a meeting room or a stadium and, once the facility is built, they turn around and say, 'How are we going to use it?' A huge amount of money is put into facilities that are not seen as a means to an end, because they have been seen as an end in themselves.

Servicing, programming and staffing are absolutely crucial to the success of any government funding program. Sadly, they have been almost totally ignored in many instances. I can quote case after case where programming, management and staffing has not been thought about until the day the facility opens, and they turn around say, 'How are we going to use it? What will happen?' There seems to be a major reluctance to invest money in people, as opposed to buildings, perhaps because you can put someone's name on a building, whereas it is a bit hard to put someone's name on another person.

A greater emphasis on staffing, programming and servicing is one solution to the constant search for money, because a community may be using only 40 or 50 per cent of the capacity of its resources, simply because it has not put any effort into staffing and programming on the operational side. We could get a great deal more benefit out of what we already have, rather than simply building more facilities in order to meet the community needs as they exist.

In relation to our work on funding initiatives and funding opportunities, there seems to be a fair deal of thought around at present that there are commercial organisations out there ready to build, run and fund recreation facilities. When we have tried to find those organisations, we have found it almost impossible to do so.

**Mr BILLSON**—Come with us tomorrow.

**Dr Marriott**—A lot of commercial opportunities are provided but they tend to have already been taken up. It is not realistic to expect commercial providers to become involved in some areas of recreational needs. When we have tried to find those organisations, we have found it difficult to identify them. We have to recognise that a whole array of aspects of recreation are not financially viable but are just as important, if not more so, than some of those which are financially viable and, as a consequence, they deserve to be funded in their own right because they make a very important contribution to community wellbeing and health.

**CHAIR**—Are you aware of the James Hardie consortium which includes the Commonwealth Bank as a funding source and provides a management package as well?

**Dr Marriott**—I am not aware of that one but I know of others over recent years and I have not been happy with the outcome of some of them. There is a whole array of reasons why that seems to be the case.

An organisation was offering in Victoria—and it has spread interstate as well—a design, management and funding package. The package was attractive to organisations who did not know of other strategies and they often got themselves into a situation where facilities were built and managed ultimately to the detriment of that community. They were offered something which they could not fund, or they were offered a programming package which later on did not suit their needs but could not be changed, or they got a facility which looked good on funding but was later found to not be as good as it ought to have been but which was tied up for 20 years with a management contract. When the contract expired, they were handed back a substandard building, for which no money had been put aside for replacement, because the organisation that had offered the package had never intended to do that on behalf of the community.

When facilities are developed outside the major cities, that type of package runs contrary to good economic development and the contribution that recreation initiatives can make to economic development in those communities. We try in rural areas to divide construction contracts up into 20 or 30 subcontracts, so that architects, quantity surveyors and everybody possible in the local economy can have a part of that deal, rather than it being brought in from outside as a package and plonked in the community, and then the providers go away again, with little benefit to local concreters, electrical contractors or painters.

I have not heard of that particular scheme, but my experience with such schemes has not been good. I would have to know more about it but my experience to date has not suggested that it is necessarily the best way to go.

**CHAIR**—You emphasised the importance of planning from your commercial perspective. We have just heard that the Victorian government has a fairly highly developed planning process before projects are

approved. Would you agree that the Victorian process is adequate?

**Dr Marriott**—Yes and no. The Victorian process has been very good in many ways but there is scope for improvement.

**Ms Morgan**—I agree that we could improve planning in Victoria. We work with a lot of local councils and we have found that they do not have all the information they should have to enable them to perform their tasks. For example, they may not have access to publications that we are aware of that can assist in planning.

**Dr Marriott**—Another factor is that the Victorian system tends to respond to proposals from organisations—whether they are sporting associations or local government—rather than initiating an overview and then using that as a basis to provide a proactive lead or to work with the most appropriate councils or other sporting organisations.

For example, several years ago we were involved with the then Camberwell Council in the development of a multipurpose sports and aquatic centre. The Victorian government indicated that it did not feel the facility was needed because a network of facilities existed already in that part of Melbourne and that most probably they would not contribute any funding if the council applied to it for funding assistance.

The council felt that it needed a facility for its community and we were lucky enough to get the contract for the feasibility and needs analysis. We took the approach that if the facility was to be viable and useful to the community, it should fill gaps that the other facilities in the region were not properly filling, rather than simply duplicating other facilities. We were able to identify major markets that the other facilities were not adequately meeting and, as a consequence, the council went ahead with the facility and it has been very successful.

In that context the Victorian government's approach was not of sufficient depth, or it did not have sufficient understanding of the market so as to ensure that the assistance it provided would be used in the best way.

**Mr MARTIN**—Your organisation is a leisure planning organisation. How many similar sorts of bodies are there in Australia?

**Dr Marriott**—No more than about a dozen, I would say. The majority of firms similar to ours are fairly small. We have only three or four people in our organisation. There are probably half a dozen similar organisations in Melbourne; none identical to ours in New South Wales; one or two in South Australia; and one or two in Tasmania. A number of other companies which deal with landscape architecture, architecture, building design and so forth, sometimes come and work in this area as well, but otherwise there are very few companies.

**Mr MARTIN**—We have heard much about the planning process. Is there a recognition around the communities generally that an organisation like yours might be an appropriate body to go to at the start of a planning process? My colleagues earlier referred to what we saw as starting back to front, in the case of

developing a business plan once they had built a facility. Do you believe that your organisation and similar sorts of organisations would be known to councils and to state departments, who would approach you and ask you to tender to do some work as part of the broader planning process?

**Dr Marriott**—They would now; in the past not at all. When we set up our business about 15 years ago we would sometimes run workshops on planning and recreation for local government. People would come along after the workshop and say, ‘We did not know someone like you existed. Can you please come and help us?’ They would basically either sweep it under the mat or take some other approach and hope that they got it right.

We were the first firm in Victoria to start doing this work and the fact that there are now six or eight in Victoria and a dozen or so nationally indicates that there is a growing market. The fact that we work throughout eastern Australia is both a reflection of the quality of the work we do and a recognition of the value and the need for that work.

**Mr MARTIN**—Can you do it better, because of your expertise and the efficiencies that you can bring to an organisation, than would the recreational planners which a local council could employ?

**Dr Marriott**—Yes, because we give a totally independent view. We have no axes to grind in the sense of anybody we work for. We attempt to identify the needs of a community or region, the demographics, the quality of the existing provision, how it is managed and what capacity still exists within that existing provision. We undertake extensive programs of community consultation to identify their needs and priorities and essentially try to sift out a five year or 10 year plan of initiatives.

**Mr MARTIN**—Because you are not local government based, presumably you come with less bias and a more generalised view of the world?

**Dr Marriott**—Yes.

**Ms Morgan**—And we do not always give the opinion that the local council may want.

**CHAIR**—On the other hand, a battling community which is struggling to raise \$1 million for an indoor sports facility might think that consultants fees are something they can ill afford.

**Dr Marriott**—Yes, they sometimes do. That is a valid argument in one sense but we have found time and time again that we can identify strategies either for improving what they would provide or for saving money that they would otherwise perhaps have wasted.

We had a classic example in Croydon where we were asked to look at the need for three new sports grounds because that is what the standards had suggested in 1975 when they were developing the North Croydon area. Our detailed analysis of trends in leisure and recreation found that the one ground owned by the council and the two grounds owned by private schools would more than adequately meet their needs, yet they had set aside a piece of land to fill with 60,000 cubic metres of soil at a cost of \$750,000 to put in one more ground. We said to them, ‘Do not waste your money.’

The town clerk said to the recreation officer, 'Was our expenditure of \$15,000 on Marriott worth it?' and he turned back and said, 'Well, we saved \$600,000 for a start, so it was.' So in the long term the benefits far outweigh our cost.

**Mr MARTIN**—The committee is very much concerned with whether the Commonwealth government should be involved in developing community based facilities and regional national level facilities as well. You have made some suggestions about how the Commonwealth might encourage people to invest, you have talked about tax incentives to encourage investment and you have talked about trusts perhaps being established.

**Dr Marriott**—Yes.

**Mr MARTIN**—If we accept that the Commonwealth should be involved—and that is one of the things that we are trying to discover—do you have any suggestions as to where the Commonwealth should get its funding base from? Should we take it straight out of consolidated revenue? Are there ways other than giving taxation incentives to private developers or councils or others who invest? Can you give us a few hints?

**Dr Marriott**—Not a lot.

**Mr MARTIN**—I keep asking everybody the same question. They talk among themselves and then they say, 'Not a lot.'

**Dr Marriott**—We often try to get an indication from the community of how they are going to pay for things, because the community will come along and say, 'We want this, this and this,' and they expect council to fund it.

As part of our community consultations we do random community surveys, using a Bureau of Statistics methodology to get a fairly accurate response. We have asked people 'Would you be willing to pay a specific additional rate levy to help pay for these initiatives?' and 'How much would you be willing to pay and over what period of time?' The constant answer we get is, 'Yes, if we know that is where the money will be spent. If we know that there is an additional levy for a specific purpose, we are happy to pay it.'

In one community recently 48 per cent of the respondents said, 'Yes, we would be willing to pay an additional amount.' The average amount they were willing to pay was 3.8 per cent on top of the existing council rate and the average period of time was over some 4.2 years.

In a metropolitan community, that would be sufficient to raise between \$500,000 and \$1.25 million, and that is a quite significant opportunity. We often say to councils, 'If you expect state or federal government funding, first you have to demonstrate your own community's willingness to put in money.' Very frequently this is the process of doing it. There may be strategies for pursuing that at a higher level.

**Mr MARTIN**—If we imposed a three per cent levy on everybody, similar to Medicare, we would raise a bit of dough.

**Dr Marriott**—Your allusion to Medicare is quite important and relevant because recreation is one of the most significant strategies for alleviating a huge array of community ills. It is one of the most simple and significant ways of achieving personal development, welfare and so forth. You only have to think of some of the highlights of your own life, and some of them may be one single recreational instance or involvement or activity that you were involved in. The stories you tell about what you did and what you achieved are very frequently recreationally oriented. If you can link recreation with a medical benefit, when you start looking at recreation on a spectrum, it goes from pure health and rehabilitation at one end through to international peak achievement at the other and there is not a break between them. There is a possibility for making that link stronger by pursuing that course of action.

**Ms Morgan**—Maybe appealing to national pride. I have been an international squash player and it has been quite embarrassing to have international players come to Victoria and play at Albert Park. We have run the national tournament at the Daimaru shopping centre, to attract attention and funds. When we have done surveys, asking, 'Would you be prepared to have a levy on your rates?' the results have been overwhelming. People have said, 'Yes.' It could be set up so that people knew exactly where the funding was going and that it was providing a benefit back to the community.

A lot of people do not use swimming pools, but if you try to take a swimming pool away from a community, of the people who say they want that pool to remain, three-quarters of them do not use it, but they realise that it has a benefit for the community. The historic fact is that this is something that should be provided for that community.

On the national pride issue, we have got the Olympics and maybe the Commonwealth Games, which may provide some leeway to use that to appeal to people. We need to seriously look at how to guarantee funding, regardless of which government is in power.

**Mr MARTIN**—In the case of both the Commonwealth and the Olympic Games, benefits will flow essentially to the Sydney metropolitan area and some of the western suburbs, such as the velodrome and Penrith Lakes—and the shooting range will be moved off the end of the new runway at Holsworthy.

In Melbourne a range of facilities is in the planning stage to meet the needs of a bid for the Commonwealth Games. It is fine to develop those facilities in a capital city, but not everyone in the community will have access to them. We assume that the Commonwealth government has a role to play in it, and everyone is saying, 'Yes, you do,' but they cannot tell us where to find the funds, once we have convinced the government of the day that it should be involved in it. No one is specifically saying to us that there is a methodology that everyone would accept in the community.

You are saying on one hand that some people would accept a levy on their rates at the council level, as long as they knew it was going in that direction, that is fine; others would say that if a business plan is in place, that is an attractive thing for private investment and if there were some taxation incentives which the government of the day gave, you might get some funding coming that way, so that the Commonwealth does not take it off to consolidated revenue. A simple way is just to take it out of consolidated revenue and hypothecate it specifically for a sports facilities program.

The system that was in place before, that this committee is modelling some of its work on at present, just took money out of a special fund that was set up under the Working Nation program. There was some left over, so more of it went in that direction. That was a specific hypothecation out of consolidated revenue.

We have heard people talk about national lotteries, about putting another 2 cents tax on every cigarette smoked, and about the National Health Foundation. We have heard about the Sports Foundation, which might be a way if more people knew about it. Those options already exist; we are looking for something that might be a touch radical, that no one has thought of yet.

**Dr Marriott**—Taking funds from consolidated revenue is the most honest and straightforward method, because we do that for most of our other expenditure. If we recognise the importance of recreation in the health and wellbeing of the community and the development of communities through leisure activities, that is where the funds should come from. We should not be searching for other cheap, sneaky, smart alternative methods of getting the money.

**Mr BILLSON**—My colleagues have suggested a bed tax.

**Dr Marriott**—How can we fund roads, where can we get money to build a hospital? Do we impose a bed tax? We say recreation is central to our lifestyle, therefore it comes straight out of consolidated revenue. We do not go looking for subsidies from armaments manufacturers to subsidise our army. We could make a quite valid argument that funding recreation straight out of consolidated revenue is quite okay.

Recreation development is also a community development process. I have tried to argue in our submission that it is not something that is just imposed from the federal level, but something which the federal level can use as a means of enhancing the development and the provision of greater equity of opportunity across the country as a whole.

Servicing, staffing and programming are just as important a part of the development process before things are built as afterwards. Educating a community about the processes by which it can make its contribution is just as important as the federal government putting in money directly.

**Mr McDOUGALL**—The Hillary Commission in New Zealand has what I consider to be one of the best planning processes that I have seen for the development of facilities and the process that it goes through and recommends for involvement, but I am not too familiar with the Hillary Commission's financing. Have you got any comments to add?

**Dr Marriott**—No. I am proud to say that I helped write a manual on the very process that is jointly published by the Queensland government and the Hillary Commission. But I do not know how they follow through to funding from that so I cannot comment on that.

**Mr McDOUGALL**—Would you agree with my comment in relation to its planning process?

**Dr Marriott**—Yes. The planning processes that they have pursued are the types of planning processes that we promote, which have been picked up widely throughout Australia.

**Mr BILLSON**—We asked the local government representatives how they would spend the next dollar that became available to them; would they spend it in recreation and leisure facilities. We had some equivocation about whether they would or would not; my guess is that they would spend it on something else.

**Dr Marriott**—Roads.

**Mr BILLSON**—Going through the Maslow needs hierarchy, the inference is that leisure and recreation is somewhere up the ladder. Therefore, I am of the view that we would have to tie the funding. It would have to be very specific; it would have to be earmarked only for recreational leisure facilities; it would have to be funded once only at a capital level; and the proposal would be tested against the models and business planning principles that you are talking about.

That is fine, but the equity argument starts to fall over, which leads to a dichotomy of opinion. Some people say, 'If it is viable, why not let them prove that they can sustain it over time.' That would leave the vast bulk of non-urban Australia unserved and unsupported. Those communities would seek operational subsidies because they do not have the horsepower in their available staff to promote the use of the facility rather than the venue itself.

How do you get around the equity argument versus rewarding people who really have their act together and can prove that the local community and the facility can be sustained without a further drip-feed from the Commonwealth?

**Dr Marriott**—It may not be possible to do that. We have been doing work in the Shire of Mareeba in Queensland, which goes two-thirds of the way to the Gulf. There is no point in providing transport for the community because it is a two-, three- or four-hour drive to get to anything. In order to meaningfully provide for the community, services have to be provided at least to the core level.

The community is not big enough to ever be able to manage viably a hall or a multipurpose building as a community asset, but it provides a focus for weddings, markets, school performances, get-togethers, a refuge in times of flood or fire or whatever, so that facility is vitally important to the community. A business plan may have to include provision for at least the first 10 or 15 years operation of that facility, rather than simply saying, 'We will get it up as a building and hope they can keep getting the money to keep it going.'

It comes back to the relative proportion of money that is put in. When I was living in the eastern suburbs of Melbourne, the then City of Nunawading wanted to build a swimming pool and they applied to and got from the Department of Sport and Recreation \$250,000, which was about one-eighth of the cost.

**Mr BILLSON**—One-fifteenth.

**Dr Marriott**—The community had 100,000 residents and a budget of \$26 million or \$34 million a year. They did not need that \$250,000. Had you given that \$250,000 to a little shire out in eastern Victoria, it would not have been enough to have made the difference between whether they thought about starting or finishing a project. That outer community might have needed \$3 million or \$4 million to be able to build a



facility and keep it going.

**Mr BILLSON**—In formulating a strategy, would it be fair to say that for the urban populated areas which can sustain facilities, any funding that was to be made available—if we won Tattslotto or something—should be only sufficient to make sure they have done their homework?

**Dr Marriott**—Yes.

**Mr BILLSON**—The flip side would be that outside the urban areas you might have to get a little more serious. Rather than just cajoling them to do their homework, we might have to get up to our armpits in the whole shooting match.

**Dr Marriott**—Yes, to help with the homework, help with the training. The Queensland government is training Aboriginal recreation officers because they believe they cannot get an appropriate service going in the communities until members of the communities can help to run the facilities.

**Mr BILLSON**—That takes us back to the municipal recreation officer program.

**Dr Marriott**—Yes. That is part of it. As I was arguing at the start, putting up a building is only the start. People can do the best work ever in the most horrible run-down buildings on earth, while the best facility on earth can be an absolute disaster if it is not managed and programmed in the right way. That is a critical element.

**Mr BILLSON**—The recreation needs studies that are done on a municipal level have tended to become a pecking order for provision of facilities. Does that still happen?

**Ms Morgan**—No, our work does not operate like that. When we go to communities we get a \$5 million wish list in a big hurry, but part of the community consultation process gives us the opportunity to say to the community—and they are pretty realistic out there—‘Look, this is the council’s budget and this is how much there is to be spent.’ The Maslow hierarchy of needs says that some things such as roads are more important than recreation, and the community is accepting of that.

We have worked with communities where one group wants an athletic centre, another group wants an indoor swimming pool and another group wants a hockey field. Once you get the groups together and start talking about the number of participants and how much you can afford to charge them and how can we go about it, you can get them working together and pulling together. They understand that they cannot have everything on the wish list. We are helping councils and recreation departments talk to local groups and organisations so that they can start planning for construction of facilities in five or 10 years. They develop a recreation plan based on what is viable, so it has moved away from the wish list of facilities.

**Dr Marriott**—We always argue that a local government or any organisation should be involved with facilities, programs and services. Previously the programming and the servicing has not been addressed adequately. In nearly every local council we work for, we do a major analysis of their organisational capacity to do those three things. We argue that, unless they have that organisational capacity, there is no point in us

telling them the other bits.

We have said to quite a few councils recently that they need to restructure the way they operate. They need to accept philosophically that leisure is an important component of community life because, unless they do that and develop the capacity, there is no point in us telling them anything.

The other three terms I use are facilitate, promote and provide: facilitate others who are doing things, promote those that already exist and only, if ultimately necessary, do the provision. It is part of that organisational capacity. We try to avoid giving facility wish lists because most communities already have about 90 per cent of the facilities that they need; they are just not being managed, programmed and promoted to the point where they are providing the benefits that they were originally designed to achieve.

**Mr ANTHONY**—You mentioned in your submission that schools are underutilised. What strategies can you put in place to achieve greater utilisation of school facilities?

**Dr Marriott**—The point the chairman made earlier about keeping the principal happy is the first thing we have to get away from. We have to have better enforceable agreements between education departments and local government. We have negotiated with principals for a joint use agreement and, literally and honestly, the moment the principal leaves, the joint use agreement goes out the window. We need to have better planning of management agreements before we even start. That is ultimately what it boils down to. Whether it is council with schools or with any other organisation, there have been massive inadequacies in joint use agreements.

We need to have better control over joint funding responsibilities. We have had a lot of trouble in Victoria where cuts to education have caused schools to pull out of some of their involvements. They have had to pull out of agreements that had been made to help with cleaning, pay for power and water and so forth. That has threatened the financial viability of the facilities. It basically boils down to needing better and more equitable agreements on joint use before we start.

**Ms Morgan**—Schools have been closing down in Victoria and there have been problems where communities have put money into facilities that are on school sites. They are already feeling very unfriendly towards a school closing and then suddenly they have no access to the sporting facility at that school, to which they contributed money. We look at relocating those facilities for them or at other options that may be available.

**Mr ANTHONY**—How do you enforce agreements?

**Ms Morgan**—Maybe the Commonwealth and states working together can produce some magic formula.

**Dr Marriott**—I am not sure how you enforce them but we have started including fallback clauses, so that if circumstances change there is a process whereby we can review the agreements. The City of Manningham is considering entering into a new agreement with a primary school. It may be that the primary school does not continue in the future, and that had never been thought about before, as Jo alluded to. They

are now saying to that school, 'Can we put a clause in the agreement which says that if this school closes this council has the first right of offer on the building?' So a number of strategies can be adopted to provide for changed circumstances.

**CHAIR**—Again our time has expired. We may need to come back to you to seek some additional information. Thank you very much for placing a different perspective before the committee. We appreciate the benefit of your experience in this area and the work that you have done as consultants in many facilities. Thank you for your submission and for appearing before the committee.

**Dr Marriott**—Thank you very much.

**Ms Morgan**—Thank you.

### **Luncheon adjournment**

[1.18 p.m.]

**DOULTON, Mr Martin Douglas, President, Australian Leisure Institute, PO Box 58, Maldon, Victoria 3463**

**HENSHALL, Mr Garry Edward, Executive Director, Australian Leisure Institute, PO Box 58, Maldon, Victoria 3463**

**ERICKSEN, Mr Wayne, Company Secretary/Director, Aquatic and Recreation Institute, 18 Box Road, Taren Point, New South Wales 2229**

**CHAIR**—The committee has received your submission and authorised its publication. Are there any changes you propose to the submission?

**Mr Henshall**—No.

**CHAIR**—Would you like to make a brief opening statement?

**Mr Doulton**—This inquiry into the funding of community sporting and recreational facilities has already got together over 2,000 community recreation leisure professionals around Australia. So we now have a cohesive, concise and consistent response to the questions posed.

Leisure business does impact on the community in that it employs approximately 82,000 people and generates \$1.728 billion worth of business. We manage the leisure business and we are particularly pleased to be able to provide some support because most of our members are the poor mugs who have to manage these facilities after they have been built, or put in the wrong place, or developed in such a way that they are not economically or socially viable. We also represent people who manage the informal factor, such as the park and beach facilities that we have so many of in Australia.

Over the past 10 years leisure has become a much more professional business. The professional associations represented here today are accountable. The changing environment ensures that our facilities are economically and socially viable. We do a lot of work in looking at overseas trends which, to an extent, is the basis of today's submission.

**Mr Ericksen**—Firstly, there needs to be a planned approach, objectivity rather than subjectivity, and the process needs to involve appraisals at each stage which, at times, is not dealt with at present. Irrespective of whether an individual organisation is making an approach, there needs to be a process whereby each particular stage is addressed in such a way that there can be no recourse at a later stage. It then needs regional approval, possibly state approval and federal approval.

Secondly, there are funding considerations. Feasibility studies need to be documented in an agreed process. Recurrent costs, sustainability and product lifecycle need to be taken into account and need to be multidisciplinary wherever possible so they maintain economic feasibility. At present there is a large number of underutilised educational, community and local government facilities. We think this issue has, in part, been

addressed in areas of Australia but more commonly overseas. We trust this will be the case in Australia in the near future. Thirdly, criteria referencing is very important. I would ask Mr Henshall to cover that and other areas.

**Mr Henshall**—Our funding submission favours federal funding support for community sporting and recreational facilities and the processes by which that happens. We very much favour funding through a planned approach as opposed to an ad hoc funding arrangement. Funding should come direct from federal government through a planned approach that identifies relationships and priorities at a local and state government level.

That will only happen if feasibility studies, economic impact studies and strategic plans are put in place before any funding is handed out. So we strongly favour a planning approach prior to any application of funds. There is already enough evidence Australia wide, gathered over the past 20 years or so, that sporting and recreational facilities provide massive benefits for the community across a broad range of issues such as economic and health benefits, and generate massive business. So it is not a vague, peripheral issue. It is a core component of our society.

Our funding submission not only pushes a planned approach but asks for funds to be directed towards the development of facilities and the plans. We talk about facilities in a broad sense covering traditional sporting and recreational facilities at the local level, to outdoor facilities. We need to recognise that the majority of people who recreate do so in an informal sense, so let us not leave out the bike paths, the walking trails and those sorts of areas. We are certainly supportive of those facilities also being included in any government funding.

We are not recommending the creation of a separate, stand-alone process but an integrated process. We are saying, 'Let us link to the structure that exists at local and state levels and ensure approval and referencing at those levels.' In that sense we are also offering the support of the 2,000-plus membership that we directly represent in establishing criteria so that grants accord with an objective, planned approach rather than what is sometimes seen as an incorrect way of handing out money.

It should not be a handout but a return on investment for the community benefit. We have a fair degree of strength and experience in establishing criteria to monitor and manage those things. So we offer our support in any future developments.

**CHAIR**—Is your information drawn from all states, or predominantly from a couple of states?

**Mr Doulton**—It is very much a federally based response. There were certain ways in which the information was originally gathered which, because of the time frame, did not necessarily encompass every single leisure professional, sports coordinator, sporting or recreational organisation or local government organisation.

**CHAIR**—Are people direct members of the national body or are you an affiliate of state organisations?

**Mr Doulton**—No, all three organisations represented here today have members in each state and it is all a federal organisation.

**CHAIR**—They are members of a national body rather than state organisations?

**Mr Doulton**—Yes.

**CHAIR**—In your submission you suggest the development of a national database. Are you suggesting that that database then identify the areas where the Commonwealth should provide funding and basically make offers to communities? Or do you favour the other approach where the community identifies a need and then applies for funding?

**Mr Ericksen**—We have spoken together and obviously agreed on our approach. Federal funds, which can be distributed throughout the country, may well need to be administered at a state level. However, due to disparities between the time the funding is put together and made known, its provision and distribution, there seems to be a lack of continuity between states.

We would like to think that whatever funding is made available, its distribution is based on certain demographic, cultural and geographical features. Then each organisation, whether it be an individual or a group, can apply through certain structures in that state that applies to the federal government for funding. So only one body from each state would apply for federal funding. That is how the funding would be distributed.

**Mr Doulton**—There is also a definite need for geographical mapping. We have a saying that if you cannot measure it, you cannot manage it. There is no great knowledge of exactly what we have in place, its value, who uses it and how it is managed—its point in the product lifestyle. Before funding any new facilities we need to assess how our existing ones are managed or whether they can be used in a more economic and beneficial way.

**CHAIR**—How will you achieve that greater use of existing facilities?

**Mr Doulton**—For example, when an education facility is built or a new sports hall is built directly opposite a local government managed or provided facility, there is no integration between the education department and the local authority in using that facility. The education facility is only used between 9 a.m. and 3 p.m. and is then left vacant. There may be overuse of the existing government facility. We are asking whether that excess capacity can be utilised for the local community rather than build another \$2 million sports hall because the two departments do not talk to each other.

**Mr Henshall**—A funding facility achieves two outcomes: firstly, it ensures that the right facilities are built; and, secondly, it provides leverage and multiplying effects so we do not get the duplicated facilities as at present. There should be a linkage between both the public and private sectors, which is something we have to start looking at. There is no reason why, as in other parts of the world, a facility cannot be built in a retirement village, a shopping centre or whatever. But it will only exist if the funding agency provides that leverage, direction, database information and so on to ensure that happens.

**Mr MARTIN**—What is this definition of leisure and recreation? Where does sport fit into those definitions?

**Mr Henshall**—Leisure is seen more and more now as an overall generic term to encompass every single pursuit that we freely choose for enjoyment. We see sports as a component, arts as a component and a picnic in the park as a component. In Australia 'leisure' is a big umbrella term. Generally speaking, people split leisure into a number of categories: recreation is seen as non-formalised, picnics in the park, walking on the walking path, walking the dog; while sport is an important component of leisure, it is one of a broad range of components.

The Recreation Industry Council of Australia, supported by the Confederation of Australian Sport, recognises that by saying there are five key components to recreation: racing, gambling, fitness and something or other. We are trying to get a handle on the big picture of leisure under a number of subcategories, sport being one and recreation the other.

**Mr MARTIN**—All the people who helped you with this submission are listed in appendix D—city councils, individual organisations, which a couple of you belong to, the Panthers Leagues Club, Vicsport and others. What would these people do?

**Mr Doulton**—The bulk of our membership is in the management and coordination level of running and operating these facilities. We also have a significant number of students in the leisure field who are now entering the industry. They work more in the sporting and recreational facilities such as sports halls, swimming pools—I think indoor aquatic leisure centres is the term now—the open hole in the ground that people come to now and again, to a much more aggressively programmed community facility, multifaceted in its approach.

We are looking at linking to GP referral programs throughout the industry and a number of different products are now starting to be developed. We are looking at how some of these facilities in the tourism industry are now becoming major attractors to an area and how the economic and social impact of those facilities is increasing significantly. We now have a wider range of products available in hydrotherapy facilities, walking trails and fitness facilities.

There is the issue of a stand-alone facility being economically and socially viable in the future and our members are now having to realise they have to become much broader in their approach and focus.

**Mr MARTIN**—So am I to assume from that description of the type of people who are there and the organisations you represent that there is a fairly consistent view that access to recreation-leisure sporting facilities should be available for all in the classic pyramid concept of trying to broaden the participation business?

**Mr Doulton**—Yes.

**Mr MARTIN**—That being said, do you believe that the Commonwealth should be involved in the provision of facilities to assist in broadening that participation base? Is that a legitimate call for the

Commonwealth government to make?

**Mr Henshall**—Yes.

**Mr MARTIN**—That said, of course, the next step for us as members of the House of Representatives is to make recommendations in a report to the national parliament for the government of the day to respond to, and the government of the day can respond in any number of ways. But if we look at this in a favourable light, how should the Commonwealth government fund its responsibility in the areas that you represent today?

**Mr Henshall**—It should be seen as a player in the game. At present most of the industry representatives we talk to see the federal government as a player in the elite game, that is, the top of the pyramid. The majority of people we represent, which is the base of the pyramid, are getting nothing from the government except esoteric funding. The key component for the federal government as a player is to contribute to the establishment of facilities where the majority of people participate, namely, the local level.

Because local government is the face-to-face mechanism, it will always be the local stakeholder in the development and management of those facilities. Most of us participate in those facilities. The most tangible way the federal government can be involved and recognised as a key player is by linking into the planning aspect through its funding support of feasibility studies to help us get our act right and the establishment of those facilities at the local level.

**Mr MARTIN**—It may well be argued by some that the Commonwealth government already does that. Its revenue sharing with states and, indeed, local government provides some funding for those different levels of government. So some would argue that the Commonwealth is already making a commitment. Is that a reasonable argument or does that commitment need to be increased?

**Mr Henshall**—It needs to be more visible. If it is a reasonable argument, and it certainly might be, it needs to be strongly identified as a tangible product of the federal government rather than a pool of funds.

**CHAIR**—Why?

**Mr Henshall**—Because society is now asking for accountability from us. We deal a lot with local government. One of the major criticisms of local government is people think all they do is fill potholes and book you for offences. All levels of government need to tell us what they actually do. So most people need to be told in a strong visual way, 'This is what we do and this is how we do it.' By throwing funds into a general pool you down-sell yourself.

**CHAIR**—Have you ever noticed the local government give grateful recognition to the Commonwealth government for the general purpose grants they receive?

**Mr Henshall**—We are all arguing that there needs to be more identification of the local councils—like a sponsor agreement with the local operator.



**Mr MARTIN**—You have also made some innovative suggestions, such as a 150 per cent tax deductibility for private developers. Governments in recent years have walked away from that type of approach but it was worthy of consideration. It was once put in for horses, for the arts and for films and it attracted some comment recently. You have suggested that some of the financial institutions be encouraged to offer low interest and no interest loans. Are you serious?

**Mr McDOUGALL**—It happened once—the ANZ Stadium.

**Mr Henshall**—Our submission argues the need to think through a range of options which it uses as examples.

**Mr MARTIN**—I agree with that; we are trying to find something ourselves from the Commonwealth government perspective. But I really think that one is going a bit far.

**CHAIR**—I think we all feel the banks should give everyone free money.

**Mr Ericksen**—Most things are possible if you make them attractive enough. If you are to encourage parties at the level we are talking about, if the facilities are not attractive enough then they will not do it. It is like going to the pool in the morning and swimming: if you need to go to that pool, you will. That is not being offered. Some of these options need to be thought through and encouragement needs to be put in place.

**Mr MARTIN**—It has been put to us by a number of different organisations that there should be an equitable approach of perhaps one-third between the three levels of government or one-quarter also involving the benefiting community as a funding arrangement. I am assuming all the planning has gone on—all the things you are advocating, which I think is right and correct; call it a business plan, call it what you like.

Does your organisation have a view as to whether, if Commonwealth funding were available, the basis of the funding should be one-third or one-quarter? Or should a margin be built in for the Commonwealth government to put more in because it has a greater revenue collecting ability?

**Mr Ericksen**—We spoke earlier about what we think the Commonwealth government's contribution should be. It should be heavier than it is at the moment because the Commonwealth government should cater for a wider section of the community throughout Australia than it does. We mentioned earlier specific funds for the elite level of sport and that is where most of Australia sees Commonwealth funding going—elitism. I do not think anyone here has represented Australia in sport in the recent past, so there needs to be a greater input by the federal government into something which is of a generalised nature.

As we mentioned in our opening address, that agenda is sometimes lost on who it was originally designed to serve. It has evolved in some way from the federal government to each of those levels in a specific structure, so it is coming from the federal government as an approach to the state. For example, there is another way, simplistic as it can be: there could be a map on the wall and a green pin stipulates this and a red pin stipulates that, so you do not get over-provision. There is over-provision at the moment in a number of areas because local governments will not talk to one other. Once you give them money, they are not going to talk to each other.

If they have \$8 million, \$10 million or \$12 million, as in the case of those we operate, they might be running quite economically and viably where they are within, in some cases, five or six kilometres of another area which is looking at the same level of provision, which makes them a heavier burden. That can be monitored better, at least from the higher level, than it currently is.

**CHAIR**—It is important, from the committee's point of view, to establish where the money will come from. To your credit, in your submission you have outlined a couple of tries that we are proposing to pursue. Another one you have proposed is a levy. What would you propose levying—centre managers' salaries, cigarettes or lotteries? What do you really want to levy to raise this money?

**Mr Doulton**—Some significant amounts of money have been raised in the UK where a number of facilities have been funded through the lottery system. Obviously in Victoria through VicHealth and those sorts of campaigns there is also a significant contribution from it. We would see a consistent approach across Australia. Victoria obviously has a single community sport fund and there are different capacities for other states to generate that revenue. There is an opportunity to consolidate that and make it a consistent approach across Australia on a federal basis.

**CHAIR**—How would that be achieved?

**Mr Doulton**—One of the issues is to look at current opportunities for funding that are in place and the reasons why some are working and some are not. If there are opportunities to make it a federal initiative, such as the Quit program, and introduce it into the other states, the money generated from that state can be put into the other states.

**CHAIR**—Do you think the states would be amenable to that?

**Mr Doulton**—Probably not. Mr Ericksen has already talked about facilities being built two or three kilometres from each other. Under the new local government agenda in Victoria planning is becoming much more amenable and perhaps that initiative can be carried through to other levels.

**CHAIR**—The states could work that out if they wanted to.

**Mr Doulton**—One issue for the federal government is how it can determine or influence the policy. We are also looking at the opportunity for certain initiatives, such as an Active Australia or heart health program, which can be directed by the federal government. Money does talk and a significant contribution—which is something that we have not responded to Mr Martin clearly on—would be 25 per cent or \$1 million which would be appropriate, not the \$50,000 or \$1,000 as a ceiling. People have to do their planning in a very much more detailed or future forecasted way.

**Mr BILLSON**—Does your organisation involve people from the private sector?

**Mr Henshall**—It does.

**Mr BILLSON**—The message from my electorate is that every municipality within cooee wants to

replicate what they were doing and that, if they could fund it through sin taxes at a state level or whatever, the Commonwealth would effectively subsidise the facilities that were arguably already there but that happened to be owned by somebody else. In your planning framework, are private facilities as significant a consideration as other facilities in other adjoining facilities?

**Mr Ericksen**—Are you referring to gyms in particular?

**Mr BILLSON**—There is a level of them. They seem to transform themselves.

**Mr Ericksen**—Speaking for where we are in western Sydney, when the facility which I am involved in opened, a number of local gyms closed because they were unable to compete at that level. You will not find private provision of the leisure type facilities costing \$10 million and upwards that are currently in place. I know of a number overseas and have visited them. They are run on a very professional basis and community facilities—the shopping centres, hotels, motels and service stations—are all incorporated in the one facility.

In any facility there will always be a business perspective, if that is the federal government's concern. The provision is the important point and from time to time certain private businesses will not be able to survive in it.

**Mr BILLSON**—If there were a 'quick pick' for funding money, in divvying it out you would argue that whoever owns existing facilities is immaterial?

**Mr Doulton**—I have some examples, Mr Billson, where in the underdevelopment of a public recreation facility, as part of the competitor analysis, professional competitors have been identified. There has been an opportunity for people in the private sector to become part of a major facility and at the end of the day, if the facility is going to provide a greater economic impact and a greater social impact, there is an opportunity for both private and public to link together to manage these facilities for the economic and social benefit of the community. There is very little difference between the private and public sectors these days.

**Mr BILLSON**—If there is a healthy private sector involvement in tennis courts, pools, netball, squash, aerobics, circuit work, weights and golf driving ranges, should we not have an equity arrangement? Otherwise they would never have a viable facility because they do not have the throughput and they would be back into the MRO funding and operational subsidies.

**Mr Ericksen**—West of Penrith, in western Sydney, there are no leisure centres until the New South Wales border; we are basically it. That is unfortunate. In New South Wales the sport and recreation department is currently looking at a number of models which may be incorporated in certain areas. Those areas west of us come to look at facilities such as ours, and several others in Sydney, and go back to wherever they come from and say, 'We would like one of those', yet the supporting population is 35,000.

**Mr BILLSON**—We have a supporting population of 3,500 and say, 'We want one too.'

**Mr Ericksen**—We feel for these people but the only way to provide facilities in any capacity is to

move away from the current facilities and the games played there, such as basketball, and that is the end of it. It needs to provide for several sports. Do a crosscheck and have a core reference that these sports are viable in that particular area and then the federal government funding would support these particular establishments. If you have 107 activities and you can only address two of them, you may receive two-tenths of what might be the overall amount.

From my country experience in western New South Wales, people travel considerable distances to play sport. It was not uncommon to travel 100 miles to play soccer on a Saturday and do it quite comfortably. If you say that to someone in the city, it is not an option; they would not consider it. If you take into account geographic and demographic criteria, you can then put into place something which will service people better than they are being serviced at the moment but they must be multifunctional, particularly school use. In the schools in every area facility which we visited only last year, with only one exception, no other facility had access outside of 9 a.m. to 3 p.m., Monday to Friday.

**Mr BILLSON**—Would we not be better off putting additional resources into our schools' capital development program? For example, 'Our share is that, if you do this, this and this with your recreational facility, X number of dollars is available'?

**Mr Ericksen**—In ticking more boxes, making it more community friendly and not duplicating main structures, all you are doing is changing the level of provision. If you build a school hall, build it so I can play four or five different sports in that particular facility, and possibly do other things, then you have those other advantages such as people using the facility 52 weeks of the year.

**Mr Henshall**—I do not think we are arguing at cross- purposes. We are pretty much saying the same thing. If we do a regional planning process, the school may be the best thing to get the money and maybe the facility that is developed can accommodate the total community of 3,500. Logically that may be the case and it works very well. I do not think we are arguing MRO management, apart from the fact that there needs to be a funding facilities inquiry. But we are looking at things from more than just an economic basis.

We are looking at all those benefits—social, community and economic—and in some cases people do need a recreation officer but not in this case, which is also the reason we cannot just go to the private operator whose main objective is economic benefit. Therefore we will never get the others who need to be cross-subsidised—bigger level, bigger scale, bigger catchment. Most operators know that is who they service and the majority therefore would fall off the cart if we did not provide these other facilities we are talking about.

**Mr ANTHONY**—How do you enforce multi-use of facilities, particularly in schools? Do you foresee a situation after school hours where these facilities are used?

**Mr Doulton**—In the United Kingdom, where a certain amount of my management was done, there was a joint provision process where schools were used in a dual way. There was no planning for it, it just happened. In a lot of those cases there was a caretaker approach. Where there was a joint provision process there was an identified benefit of adding a facility that was perhaps an extra 20 metres longer, plus a few other operating areas such as a swimming pool or a committee room or meeting rooms, and a manager came

in and managed in conjunction with the physical education teachers.

The PE teachers got on with the job of ensuring the students actually developed their motor skills appropriately and the manager made sure it became economically and socially viable and programmed to the needs of the community, whether it was a large catchment or smaller part. If you went back only a couple of years you would find these particular facilities were never designed to make a profit or break even, and now they are. That is not to say all facilities must do that, but if they are managed in such a way, other than just straight provision as the main emphasis, then nothing has been lost.

Our little recreation provision in this country—and I think that can nicely fit in down the scale—does not have to run at a profit, but it can be run at a smaller loss if you cover a greater number of activities. You are obviously looking at a very minor percentage of loss in covering five or six activities; that is, a ladies meeting room for before or after tennis, through to playing basketball, handball and child care all under one roof, which is not happening.

**Mr Henshall**—The easy way to solve that issue is simply through the pre-funding stage: a memorandum of understanding identifies it does not get federal funding if it does not meet issues broader than just educational purposes. That works well in a number of organisations where they do develop facilities on school grounds that have a memorandum of understanding that identifies overall management and priority. Schools get priority in certain hours, the community gets priority under a certain system and it works well.

Victoria, as one example, went wrong in the late 1970s early 1980s when they raced around and funded facilities in school properties without any thought for community activity. They built a one-court basketball stadium which was poorly designed but cheap to build. They were told that would be their community centre but they got very little access because there was no proper planning right at the start. It can be sorted out before it is funded.

**Mr JENKINS**—One of the threads that comes through from the evidence we are receiving is people agree the Commonwealth should be involved in funding facilities but in the context of proper planning. I am unsure whether there is an expectation that the Commonwealth should be involved in funding the planning procedures or the other spheres.

**Mr Henshall**—Our submission argues that in some states you might need to fund planning. Victoria, South Australia and Western Australia are fairly well off from the planning base point of view. Our submission says that it may be necessary to fund some planning in order to get a base level. However, objectively we would argue that the nature of planning and the level of funding required for proper planning is such that local and state government, if pushed to a pinch, could wear and should wear that cost if they are to do that job properly.

**Mr JENKINS**—Really the carrot for the Commonwealth, if the Commonwealth is to provide resources, is that a proper plan might be better done.

**Mr Henshall**—Yes. That is one of your criteria. You have to have that planning in place. That is the tick box.

**CHAIR**—What sorts of sporting or recreational activities are particularly deficient at the present time?

**Mr Doulton**—It is difficult to gauge because each community is different in its needs and wants. What is normally needed is not necessarily what is viable. We would recommend a mapping exercise be completed consistently across each Australian state and territory before a decision is made on what is under-represented and what is not, because there are different levels of provision in each state as it stands at the moment.

**CHAIR**—Thank you for the submission and the evidence. We appreciate your taking time today to appear before the committee and answer our questions.

[2.15 p.m.]

**MELVILLE, Mr Ross Lindsay, Chief Executive Officer, YMCA of Brisbane, PO Box 386, Roma Street, Brisbane, Queensland 4003**

**ROMANES, Mr Robert George, National Executive Officer, National Council of the YMCAs of Australia, 196 Albert Road, South Melbourne, Victoria 3205**

**CHAIR**—We have received a submission from you and have authorised its publication. Do you propose any changes to that submission?

**Mr Romanes**—No, we do not.

**CHAIR**—Would you like to make a brief opening statement?

**Mr Romanes**—Yes, we would. Our opening statement relates to the title of the inquiry, which is ‘Community sporting and recreation facilities’. We would like the inquiry to focus on community recreation, not on sporting facilities. We did not know, without being at all pretentious, whether we would need to spend time talking to the committee about the difference between community recreation and sporting recreation or has that become abundantly obvious to you so far?

**CHAIR**—Our committee is looking at funding for community recreation and sporting facilities.

**Mr Romanes**—I understand that is what the inquiry is about. We really want to focus on community recreation.

**CHAIR**—It is your submission and you are perfectly at liberty to focus on whatever you wish.

**Mr Romanes**—We draw the committee’s attention to our answer to question 2 in the last two paragraphs on page 9 of our submission. Those two paragraphs are the crux of our submission.

The YMCA is the largest single organisation managing recreation centres in Australia. We manage 147 community recreation centres. The YMCA, in submitting tenders for managing centres, considers them from the viewpoint of community equity and social justice. Many councils have engaged us to break the political nexus that can exist within a community because a lot of community centres become a focus for political action. They can become political in the sense that the mayor, the deputy mayor and three other councillors all play for the same basketball team or they have been elected on a basketball ticket or a swimming ticket. It is important that the facilities are community facilities and that the thrust of any federal funding should be towards community use rather than specialist or elite use. That is the major thrust of our submission.

**Mr Melville**—We hold a very strong view that high profile national sporting associations for too long have had the capacity to influence the policies that determine the distribution of funds and have hijacked the process to a certain extent. A national sporting association in the pursuit of a single purpose objective has

been able to attract relatively good levels of funding, as has elite sport. In contrast, genuine community recreation facilities that provide services to a large number of sporting activities do not conveniently fit in any one pigeonhole and, because we do not fit, we fall down the cracks.

Providers of community recreation facilities have become the very poor relations in terms of government funding, yet we are the major providers of the grass roots Active Australia and Aussie Sports programs. Those programs introduce young people to a range and variety of sporting activities, which allows them to make a conscious choice as they go along about where they want to focus. Because we have fallen down the cracks, we have fallen far behind in the provision of multipurpose facilities.

We wish to make the point quite strongly that when policy decisions are being made in relation to funding, those organisations which provide for a wide range of sports and which can change and respond quickly to community needs and wants should be given some special consideration. Facilities do not necessarily always have to be of a nationally approved standard. Organisations right around this country have been saying that if any money is to be spent on constructing community recreational and sporting facilities, they have to be of a nationally approved standard.

We would contend that, whilst it is important that we should have a good number of nationally approved sporting facilities which are strategically located, that does not have to be the guiding principle behind the building of every facility. Some of our smaller communities need only modest facilities. They can provide a purposeful program in something just a bit better than a tin shed. Facilities do not always have to be a nationally approved standard. The YMCA should be given special consideration so that we can provide appropriate facilities to the wide spectrum of communities, be they small or in remote communities or wherever they might be.

**Mr Romanes**—We very actively support the government's initiative with Active Australia. I have been on committees involved with that program and I am still working with the Confederation of Australian Sport. We have some concerns that the program is being run by the Confederation of Sport, but that is not an issue for this inquiry.

We support the program but point out that it also needs resources. It is all very well to have a \$1 million Active Australia campaign that says everyone has got to get out and run and huff and puff, but the reality is that if they have nowhere to do it, the program is doomed to failure.

We would like to record publicly that if the Active Australia program were to fall in the same bag as Life Be In It, in the sense that it were to be privatised and sold off at a profit to the government, we would have some words to say about that. It is a different issue, but I want to bring it to the attention of the inquiry.

**CHAIR**—Are the 147 facilities that you manage mainly indoor recreation centres? What range of facilities do they cover?

**Mr Romanes**—I cannot give you the figure off the top of my head, but about 96 of them are indoor recreation facilities, either wet, dry or a combination of those. The rest are big camp sites or outdoor recreation facilities. The majority are owned by councils. We own very few of our own.



**CHAIR**—Do you manage those for a contract fee or a percentage of the take, or what sort of commercial arrangements do you have for management?

**Mr Romanes**—We do not manage them for a percentage of the take. We have indicated very clearly that such an arrangement is not within the philosophy of the YMCA. The philosophy of the YMCA is that we will take a management fee for the management of those centres—win, draw or lose. We draw up a budget for the local council or whoever owns it, and we give progressive reports on that budget. We are not involved in profit sharing.

**CHAIR**—Or loss share?

**Mr Romanes**—Or loss share. That is one of the reasons we are not in it. We believe that community facilities are provided for community use, not for private entrepreneurs to make money out of them.

**CHAIR**—Do you manage facilities that are loss making?

**Mr Romanes**—Not if we can avoid it. We may put in a tender to local council indicating that a facility is a loss making venture and the council needs to realise that before we take over the management of it.

**CHAIR**—You do an economic analysis of the place?

**Mr Romanes**—Yes.

**CHAIR**—And you have come to the conclusion that you cannot make it run profitably?

**Mr Romanes**—Yes.

**CHAIR**—How many of your 147 facilities fall into that category?

**Mr Romanes**—In the ratio of one to five would be loss making.

**Mr BILLSON**—One is a loss maker and five are not, or the other way around?

**Mr Romanes**—One is a loss maker and four are not.

**CHAIR**—When you look at the loss making facilities, was it a reasonable decision for the community to build them in the first place, or did they never have any hope of making a profit, or what are the circumstances that led to their construction?

**Mr Melville**—My experience is that the reasons for the facilities being unprofitable relate to the demographics of the area, combined with the design of the facility. Some facilities have been designed which have never had the capacity to become financially self-sufficient. But we cannot only ever build facilities in areas where they will be economically self-sufficient, otherwise we would be pretty poor community

providers. In Queensland I manage four centres that make a profit and one that makes a loss. My board is quite happy with that because we have a very strong social justice program. But at the end of the day someone has to be able to pay the bills so we have got to do something smarter on one side of the ledger.

**CHAIR**—What sorts of design faults contribute to losses?

**Mr Melville**—The facilities are usually too small and do not have enough multipurpose capability. A stadium might have only a single court or alternatively it could have limitations on the activities for which it can be used.

**CHAIR**—It has been suggested to us by others who have given evidence that it is not really possible to have a one-court facility that makes money.

**Mr Melville**—We have a one-court facility that pays its own way, but it is strongly supported by an army of volunteers. It is important to keep in mind that not for profit organisations can inject volunteerism into an organisation.

**Mr Romanes**—That is in a town with a population of under 4,000.

**Mr Melville**—Under 3,000, a place called Gayndah.

**CHAIR**—So you would not give general advice that people should never build a one-court facility?

**Mr Melville**—It would be sad if that philosophy were adopted. In the Gayndah community of 3,000 people, the lovely YMCA supports its local community and the facility is run with volunteers, no staff. We should never deny a small community access to a recreation facility. If we took the bureaucratic bloody minded approach that you can never do those things, we would deny those facilities to the community. Non-government organisations still have the capability to organise volunteers.

**CHAIR**—If you did not have volunteers and the facility were run purely as a commercial centre, what sorts of capital expenditures would be necessary and how many courts would be required?

**Mr Melville**—A centre could operate profitably in a community of 20,000 people, with \$2 million expenditure on two courts and associated ancillary facilities.

**CHAIR**—Could that be viable without the government giving all the money?

**Mr Melville**—We have said in our report that all communities can organise themselves if they are given some incentive and hope. If a community facility were to be constructed at a cost of \$1 million, perhaps one-third of that amount would come from the federal government, with a tripartite agreement with the community and local or state government, then the community has some hope and some expectation that they can work to raise the necessary funds.

To construct a \$2 million facility, with one-third funding from the Commonwealth and one-third

funding from either the local or state government, a community can probably raise \$250,000 and borrow the rest, and it will then have an investment in the facility. That can work.

**CHAIR**—How much interest and redemption can a \$2 million facility afford?

**Mr Melville**—I would not want to have a debt of much more than \$500,000, with interest rates at 10 per cent.

**CHAIR**—That information is very helpful to us, coming from somebody who has your breadth of experience in managing these places, because we are getting a lot of evidence about what people would like and it is quite clear that some things people would like will never make money.

**Mr Melville**—In a provincial community of 20,000 people—no matter where it is or what the demographics are—a \$2 million facility which is properly designed, with a debt of something less than \$500,000 and which has good leadership and skilled management, could be self-sustaining and make provision for future growth.

**Mr McDOUGALL**—How many facilities has the YMCA developed from a greenfields state, being involved in the development of the business plan and the concept at the basic planning stage?

**Mr Romanes**—In Victoria, organisations tender for the design and construction stages, then the management of the facility is put out to tendering. The YMCA in Victoria and some other states—Ross can speak for Queensland—has taken the view that we compromise ourselves by getting involved at the design stage. We need to monitor the design so as to ensure that the facility can pay for itself but we do not tender for the design because that compromises us when it comes to management. Our business is about managing facilities and we provide some consultancy for the design of facilities but we do not want to contract for the design, because that compromises us when it comes to the management of the centre.

**Mr Melville**—In my 30 years experience, I have been involved with probably seven, eight or nine facilities, from the grassroots up, for which we have not received a zack—not one dollar—but it has ended up with pretty fair outcome from the community involvement.

**Mr McDOUGALL**—It is heartening to know that the YMCA is involved in the business plan and design of the management of facilities. The committee has seen too many facilities that have been designed and developed before it has been worked out how to do the management. It seems to have been a trait in this country.

**Mr Melville**—We had a call before Christmas from a local government asking advice about a \$2 million building which would be ready to open in two months and no thought had been given to how they were going to manage it.

**Mr McDOUGALL**—It happens a lot, let me assure you, even with \$15 million buildings.

**Mr Romanes**—Try \$57 million buildings.

**Mr McDOUGALL**—I got the distinct impression from your opening submission that you want to focus on community recreation, not sport.

**Mr Romanes**—We do not want to get into that argument. I have spent my whole life as chairman of the Recreation Industry Council of Australia arguing that one. We stress that we want to talk about community recreation and community recreation facilities, not sporting facilities.

**Mr McDOUGALL**—But is sport not part of the community?

**Mr Romanes**—Certainly.

**Mr McDOUGALL**—It is part of the community. In the development and management of a multisport facility, there are four or possibly five players: the three levels of government; the sporting people who use it, whether they be elite or recreational, who are organised in some form; and possibly the corporate sector. I gained the impression from what Mr Melville said that the YMCA wants to manage facilities with the community and one, two or three levels of government but it does not want to have that other group of people around.

**Mr Melville**—No. We see too often that one sport will dominate and control a facility and deny equitable use to groups such as women, netball or senior citizens. It is important that community recreation facilities should provide fair community access, rather than let basketball or any sport dominate a stadium. Basketball and other sports should get a fair go, but we need to balance that with the community expectations of their use of the facility.

**Mr McDOUGALL**—Facilities used by sporting groups—whether it is women's sport, men's sport or youth sport—have a wide range of participants, starting off with youth and going through to mature age, and include men, women and any others that might exist along the way. If a large community can fill a four-court basketball stadium with people using the facility at a participation level, as well as competitive and elite levels, to play basketball, netball and volleyball, and the three sports administer it together, is there a problem?

**Mr Romanes**—Yes.

**Mr McDOUGALL**—What is the problem?

**Mr Melville**—I am not sure whether there is a model that works; there might well be. I can think of one that goes close to working, where the three sports work harmoniously together, but usually the self-competing interests of one sport will become dominant and they end up with some fractures.

**Mr McDOUGALL**—If a proper management structure is put in place, is there a problem? If a place is operating seven days a week, 15 hours a day, surely that is equitable and the community is getting a benefit because there is a high level of community participation, albeit only in three sports, but the use of the facility is maximised.

**Mr Romanes**—It ignores the economics of it. If we were to run it that way—and we are using a very simplistic model here—it would mean that the top Olympic gymnasts would be practising at 3 a.m. because that is the only time that it is economically sound for that stadium to be used by one person, which is necessary if that person is going to reach Olympic standard.

**Mr McDOUGALL**—In your opening statement you argued against the federal government's contribution to elite sport.

**Mr Romanes**—No, we were not arguing against it. We were saying we wanted more equity.

**Mr McDOUGALL**—You said that it has been high. Let's be honest about it. Since about 1975, government funding of elite sport—including junior development, because if you do not have junior development you cannot have elite sport—has been predominantly in program development, not in facility development.

I am not arguing for elitism as against community participation—far from it. I argue the opposite way. No government of any colour has put very much money into capital facilities, compared with what is put into program development.

**Mr Romanes**—You are sitting fairly close to a \$57 million centre that is funded by government.

**Mr McDOUGALL**—I am talking about the Commonwealth government.

**Mr Romanes**—I am talking about government.

**CHAIR**—You are talking about Albert Park. We were told it is \$65 million.

**Mr Romanes**—If a community wants to have an Olympic standard gymnastic set-up, that cannot be done in a normal community hall. It has to have a pit dug in the middle of it as part of a dedicated gymnastics area. Basketball cannot be played at an Olympic level unless the ceilings of a building are a certain height and there are certain widths around the court, which means it cannot be used as a general community facility.

**Mr McDOUGALL**—If it does not cost any more to build a nationally approved facility, why should not a potential elite sports person, a junior, be able to play in a facility that is built to the standards that they may play in if they get to the elite standard?

**Mr Melville**—I do not have any argument with that. Some 800 gymnasts use the centre that I manage and we are starved for room because we cannot get any help to put a \$150,000 extension on it. We want to do that, and we have been selling buns and chocolates for three years because we have no way of accessing any grant to build the \$150,000 extension. We would love to do it but we cannot get any help.

**Mr Romanes**—Because it is a community centre not a gymnastics centre.

**Mr Melville**—Yes. If it were a specialist elite gymnastics centre, we would qualify under some rule or other, but because we are a community recreation centre we cannot get one zack, despite applying three years in a row.

**Mr McDougall**—You would not comply under the federal government guidelines because there is no facility funding.

**Mr Melville**—No, unfortunately.

**Mr BILLSON**—When YMCA tender for a facility that will be used for a very narrow range of leisure activities, does the fit-out of that facility to make it more widely available for your programs come within the bid that you put in, or is there an expectation that those who are offering the facilities would make that investment for you?

**Mr Romanes**—It comes within, if you like to use the term, the mission of the bid. In other words, we will say, ‘We understand that you have a room this size at present, but our expectation is that if we can run this profitably in a room of this size, you will not put the money away or use it to feed squirrels in the parks—you will use it to extend this room to a requirement that will fit more comfortably into community recreation.’

**Mr BILLSON**—On the viability tests that you apply to ventures that come your way, would you suggest that we should apply the same tests if we did happen to have money? The great strength of the way you guys do things is that you do not market the physical infrastructure of the building—you market the programs and you do your legwork there. If we happened to have a pot of gold that we could dish out, should we insist on those same tests being met, regardless of what the bid is for?

I am really encouraged by what you said about the community of 3,000 people in Queensland being able to operate a viable facility, because other small communities which apply for funding could be asked to meet similar criteria. Can you run the facility, can you administer it, can it pay its way in meeting maintenance and renewal expenses so the fabric of the building does not deteriorate? If so, we would put money up front and leave the community to manage the facility. Is that the sort of argument you are putting to us?

**Mr Melville**—That would be substantially better than what we have now and we would be pleased if that were the case. I hold the view that communities can do almost anything provided they have some strong leadership. In making a bid for funding, the community must develop a three-year management plan for its operation. It is inevitable that some facilities in a lower socioeconomic areas are never going to pay for themselves and they will need to get recurrent funding from somewhere.

In the operation that I manage, the recurrent funding for centres in lower socioeconomic areas comes from the profitable areas which have all the wheels on the bus and can prop up the unprofitable centres. That is one of the strengths of our organisation. But a solo organisation in isolation which requires recurrent funding must have a funding stream from somewhere or it will flounder and go under and be of no use to anyone.

**Mr BILLSON**—Do you see the Commonwealth playing a role there?

**Mr Melville**—It is a local government responsibility; it is very much a local community issue.

**Mr BILLSON**—Am I right in thinking that the YMCA does not have to worry about the ‘lead in the saddlebag’ issue on operating costs?

**Mr Melville**—We do; Rob does not.

**Mr BILLSON**—At an operational level does YMCA invest in facilities and infrastructure if that is part of the bid, or is that done under sufferance?

**Mr Melville**—My YMCA develops its own facilities and we like to do that in partnership with local government. We will buy an old facility or a facility that has been developed very poorly, we will renovate it and refurbish it, provided it is in a community that has some potential. We have a go at almost anything. We have got to do something pretty smart on this side of the ledger to allow us to do something on the other side.

**Mr Romanes**—That is a Brisbane perspective. It varies from spot to spot. In Victoria the scene is quite different. Competitive tendering is a big issue here and we have to go in boots and all with that sort of stuff.

**Mr BILLSON**—The \$250,000 cap on state facility grants represents a fraction of some project costs. If the Commonwealth were to match that amount, we are still only talking about \$500,000, which may be fine for small facilities but that would not overcome the debt model that you referred to. Would you be looking for a greater contribution than that? If that were acceptable to the Commonwealth, is it fair to insist that the states should do likewise?

**Mr Melville**—The best model we ever had in this country was when the Commonwealth put in a third and the state used to match it with a third, and then with some stimulation of local government you could get the community involved, so there were four lots involved. I am talking about Queensland, where we have had some pretty good community outcomes in that sort of scenario. I like the idea of being able to stimulate communities to get off their backsides and help themselves. I know it can work, I have seen it work if they have leadership, if someone can plant the seed or give them hope that some level of funding will be provided. The funding does not have to be at a level of 65 or 75 per cent, but just enough to give the community some hope and to stimulate them to get out there and help themselves.

**Mr Romanes**—We come back to sport versus community recreation, which needs leadership from a community group—we are not pushing the YMCA—rather than from a group of basketballers. If the leadership comes from the basketballers then you can bet six zacks to a penny that any new facility will be built to suit the basketballers.

**Mr BILLSON**—The audience is with you, Bob.

**Mr McDOUGALL**—I hear what you say and I do not have a problem with that. You want to divide the community into two communities, one sport and one recreation, but they are still a community. I find it very hard to accept your suggestion that sport does not belong to the community.

**Mr Melville**—Neither of us is saying that.

**Mr McDOUGALL**—You are not saying that but Bob is.

**Mr Melville**—If an organised group of people want to build a netball centre and they have the skills and the capability to do it, we would encourage them and we would like to be part of that—similarly with basketball or volleyball. But we are saying that we should not put all of our eggs into single purpose sporting centres.

**Mr McDOUGALL**—I could not agree with you more.

**Mr Melville**—Let us have diversity and the opportunity for equitable sharing arrangements.

**Mr McDOUGALL**—I could not agree with you more but funding should not be cut off the elite end either.

**Mr BILLSON**—Do you advocate that the Commonwealth should require organisations who seek funding to present evidence that the facility will be used for activities by multiple groups, whether they are dart throwers or gymnasts or whatever?

**Mr Romanes**—Just use the word ‘recreation’.

**Mr BILLSON**—I use the word ‘leisure’ because you do not always have to sweat when you are recreating. Do you say that as a precondition we should require organisations to show us that a facility will not be the domain of one activity?

**Mr Melville**—That it should have diverse uses, yes.

**Mr JENKINS**—What sort of success rate does the YMCA have under the compulsory competitive tendering process in Victoria?

**Mr Romanes**—There are three main groups involved in the process and we are one of the three. We have a higher success rate than any of the others so we must be running at about 40 to 50 per cent.

**Mr JENKINS**—How many facilities has the YMCA lost management of over the past two or three years, whether through CCT or any other form of tendering?

**Mr Romanes**—In the Melbourne metropolitan area we currently run 18 centres and over the past four years we have lost two.



**Mr JENKINS**—Was there anything in the nature of what was going on in those centres that led to the loss? Was it because of the design or because of a conflict over the definition of ‘community’?

**Mr Romanes**—We lost one because of politics, and we have learned from that. Let me explain that because it is important. The facility was run by the local YMCA board. The YMCA board was of one political persuasion and the council was of another political persuasion, and when the tender came up we lost it. That was purely a political thing; others might argue differently.

The other facility that we lost was one of the first ones that we tendered for and we overestimated our ability to run it out of the finances that we set ourselves. In other words, it was a loss leader. It was a dry centre. We said that we could run it on a subsidy of—I do not know the figures and they are not important—\$50,000 per year, say, from the local council and, as it turned out, we needed \$100,000. We left ourselves gaping wide open when we had to go back to council and say, ‘We need another \$50,000.’ Council said, ‘We are not going to give that to you, sorry. You will have to find that yourselves.’

**Mr JENKINS**—In your experience, when councils set the tender specifications do they have a good feel for the potential capacity of the centres?

**Mr Romanes**—Yes.

**Mr JENKINS**—That has not been a problem?

**Mr Romanes**—No, because if we find that councils are building a facility that will not operate viably, we have tended to go to them and say, ‘This facility needs a bigger aerobic area because that is where the money will come from. Aerobic and fitness will bring in the money. If you build a facility this size and then expect it to produce \$500,000, it will not do it. Make the centre bigger.’

A good example is in Kew, where the fitness set-up of the huff and puff area was far too small, but we managed to squeeze through. When the retender came out, the first thing we said to the local council was, ‘We will retender provided you use the profits we have made over the last three or four years to make that gym fitness area twice as big,’ and it is. Councillors are not in the business of building recreation centres but we are; that is one of our businesses.

**CHAIR**—Is it part of your creed or culture that you are prepared to operate centres in areas that are not viable?

**Mr Romanes**—Yes.

**CHAIR**—Are you prepared to do more of those?

**Mr Romanes**—No. We cannot afford to. The YMCA consists of independent groups, independent companies. The Gayndah YMCA cannot be subsidised by the Stanthorpe YMCA or the Brisbane YMCA. The very strength of the YMCA is that if an operation cannot sustain itself, we do not prop it up by bringing in money from somewhere else.

**CHAIR**—I thought Mr Melville said you do transfer?

**Mr Melville**—We have 15 establishments in our YMCA. We can tolerate having a couple of wheels off the bus at one location as long as we have got them all on at the other. We can shuffle around within hours because we are a large YMCA that employs more than 500 staff, so we are able to do that.

**CHAIR**—You have the capability, but is it a part of your charter, as a good neighbour, as a friend of the down and outs, to run uneconomic centres as a charitable exercise?

**Mr Melville**—We run uneconomic programs in all of our centres but they have to be supported by something that makes a profit somewhere else. We run a youth suicide prevention program. That program would not be run by the private sector because it is not profitable. In order for us to be able to run the youth suicide prevention program, we have to get a quid out of the health and fitness component of the building. It is a matter of trying to balance it out. But if we cannot make some provision for the future, we will not be there at the end of the year.

**Mr Romanes**—But we would let Stanthorpe fall over. We would not ask Brisbane to prop it up.

**CHAIR**—Who would you ask to prop it up?

**Mr MARTIN**—The Commonwealth government.

**Mr Romanes**—We will ask the government but it will refuse, so we will go and ask the community of Stanthorpe. We always say that if the community does not support an activity then we are not about cross-subsidisation.

**Mr Melville**—Brisbane is subsidising Townsville at the moment because we have just taken it over and we are trying to get the management structure right. That is just because we are nice people in Brisbane.

**CHAIR**—You have taken over one in my electorate at Murgon—I am committing Mr Jenkins' crime of raising a local issue—that I suspect would rarely have made money and it had basically fallen over when you took it on. Are you doing that as a charitable venture?

**Mr Melville**—We just gave the centre \$5,000 worth of equipment for \$1,000 on 12 months to pay. That is the sort of thing we do as good neighbours.

**Mr McDOUGALL**—We have heard a lot of evidence about the desire and the will of everybody wanting to work with education departments. Some people say it is working extremely well and then they are contradicted by people who say, 'Well, sometimes it works.' The majority of evidence we have had is that it is difficult to work with education departments.

If the education departments were prepared at the state level to enter into a joint program for development of multipurpose facilities for both school and community use—and what seems to be lacking in most cases is a management program—does the YMCA see that as an avenue where your interests could

develop further?

**Mr Melville**—Absolutely. It is all too simple. School facilities are usually poorly designed and built in the bowels of the school, so that access at night is almost impossible. They are designed by P&Cs and teachers.

**Mr BILLSON**—Two-thirds the size.

**Mr Melville**—Yes. Almost everything is done wrongly. At night you cannot get access because you have to find your way down all the corridors. Facilities must be sited on a corner, with good access, annexed from the school, and managed by an outside group under a management agreement with the school. It is community owned and everyone wins. All the crime prevention initiatives can be factored into it to look after the school and look after the community, and you have got the whole lot in a one-stop shop. It is too easy. No-one has been prepared to have a go at doing it.

**Mr McDUGALL**—Have you had any success with the Queensland government?

**Mr Melville**—No, no success anywhere in the world. I have been presenting this model everywhere.

**Mr Romanes**—The recreation facility must be positioned outside the bowels of the school, not in the middle of the school. Recreation centres would be best located within easy access of both the local shopping centre and the school. They should not be buried in schools, because you cannot get into them at night.

Secondly, do not let the school manage the damn thing. Give it to a community group to manage. The school will have to negotiate with the community group. If the community group has to negotiate with the school, that is where it breaks down. The school will say, 'We want to have a speech night rehearsal this week. All the volleyball is off, all the gym is off, everything is off.' The community says, 'Hey, what about that centre we used to have access to?' And they are told, 'Sorry, the principal has decided it will be used by the school this week.'

If you give the centre to the community to manage, the school will have to come to the community and say, 'We would like to have a rehearsal,' and it will be told, 'Yes, you can have it at 3 in the morning, that is the only time available.'

**Mr JENKINS**—Now that it has been acknowledged that the Commonwealth has a role in providing funding for community recreation facilities, do you have any idea how the Commonwealth would go about raising the funds?

**Mr MARTIN**—Everyone takes a deep breath when we ask that.

**Mr Romanes**—My short answer would be that you really have to look at the funding of sport and recreation. The federal government is pouring a lot of money into sport. I suspect there will be a tremendous backlash after the year 2000 about how much money has been spent on sport, particularly if we do not achieve the objective of winning so many gold medals.

The government should set up a process which starts to wind down as we move towards the Olympics and starts to move some of the funding for sport into community recreation funding. Otherwise we will have a big lead-up towards the Olympics and then we will have no groundswell, no community base to build on because it will have all been spent on sports. One answer is to take it out of the sport budget.

**Mr Melville**—Or health and welfare. The provision of good community recreation and sporting programs fits within the health and welfare budget. The average sports person is a bit of a punter—I am myself—and I worry that all of my dollars are going to the racing industry and not a bit is coming back to sport. I wonder why some funding for sport cannot come out of the gaming dollar. I know that many people in the racing industry would not agree with that.

**CHAIR**—It does. Almost every state has some kind of a community development fund which is funded by revenue from gambling.

**Mr Melville**—That comes from the gaming machines. I am thinking more of the TAB.

**Mr Romanes**—The \$57 million or \$65 million facility that is being built will not make provision for community recreation; it will be used for five elite sports, including basketball. Very little community recreation will take place in the centre. That is a very bad example of how money has been diverted from the casino. I know that is a state government area but the Commonwealth should not get caught up in the same sort of thing. The money coming out of the casino is going straight into a stadium for elite sports.

**CHAIR**—Where will the money go after the centre is paid for?

**Mr Melville**—They will probably knock it down and build another one; a bit like grandstands in Queensland.

**CHAIR**—We received evidence from James Hardie some time ago about a consortium they are putting together which involves off the plan indoor sports facilities which are funded by one of the banks, and they also offer a management plan. Are you interested in being involved in consortia which deliver to communities a key to a managed facility?

**Mr Melville**—We are interested in looking at anything, but I have never really known of any. Community recreation is not a model that can be just transplanted from one community to another. Consideration must be given to the unique needs of the community in which the facility will be built. For that reason it would be difficult to make a model work successfully. We listen to all proposals and we recognise that there would be some economies of scale in a model such as the one proposed by James Hardie, as long as it is adaptable.

**Mr Romanes**—James Hardie and BHP?

**CHAIR**—James Hardie and the Commonwealth Bank.

**Mr Romanes**—One important point is that facilities should be provided only in response to a

community need. If James Hardie just brings in a tin shed and dumps it down in Murgon and expects it to operate, the Murgon people will say, 'Where did that come from? Why did we get that?' It will not operate. But if the people in Murgon ask for a tin shed and are given a tin shed, they will make it operate. It is a very different process to provide a facility in response to a community need, rather than a need for a company to sell its sheets of tin and iron.

**Mr JENKINS**—Your success stems both from badging and branding of programs and from tapping into what the community can provide, but you add to and strengthen that because of your management principles and what you bring to the projects.

**Mr Melville**—We hope so, yes.

**Mr Romanes**—Yes. Referring back to Active Australia, I have some really big concerns about its badging process. The task force that I am a member of wants to badge recreation centres as Active Australia recreation centres. The setting of criteria for badging will be absolutely critical if the Active Australia badge is to have any meaning. The program is in the hands of the Australian Sports Commission at the moment; what would the Australian Sports Commission know about running a recreation centre in Murgon?

**Mr JENKINS**—Is this a problem from the top down rather than the bottom up?

**Mr Romanes**—Yes.

**Mr BILLSON**—Do you believe that the transition you have referred to, of moving away from elite sport and into community recreation facilities, would put some facility horsepower behind Active Australia?

**Mr Romanes**—Exactly. Without that it is a waste of \$1 million. The program must have facilities. Whether it is a tin shed, a massive stadium, a decent jogging track or whatever it might be, it must have some resources behind it other than ideas.

**Mr McDOUGALL**—Has the YMCA ever used the Australian Sports Foundation?

**Mr Romanes**—We are not eligible.

**Mr McDOUGALL**—No, used it where you are working to help a community group to develop something? Have you used it in that process, or have you found it useless—let's be honest?

**Mr Romanes**—We would not say that the Australian Sports Foundation is useless but it is not interested in community groups like ours, it is interested in sports.

**Mr McDOUGALL**—Are you saying that the current remit of the foundation should be reviewed to give it a broader base?

**Mr Romanes**—Yes. The difficulty is how broad you make it. One difficulty faced by YMCA results from its philosophy of involvement in recreation, youth and welfare, because we slip between all the cracks.

The Department of Community Services does not want to know us because we are not concerned solely with welfare; youth organisations do not want to know us because we are not concerned only with youth; and sports organisations do not want to know us because we are not concerned solely with sport, we run community recreation programs, so we slip down the cracks. The Australian Sports Foundation has that same difficulty with groups such as the YMCA.

**CHAIR**—Do you have any perception of how many more indoor sports facilities Australia needs? Do we have just about enough?

**Mr Melville**—No, I do not think we have anywhere near enough. In the centres that I am familiar with, we could put twin courts on the back of each centre and fill them tomorrow, so we are almost at peak capacity everywhere. I have no idea how many we would need, I just know that we do not have enough to satisfy current demand.

**Mr ANTHONY**—If you had to show us your balance sheet, just out of curiosity, what assets does the YMCA have and what is the cost of the assets you are renting?

**Mr Romanes**—We do not rent facilities, we manage them. That is the difference.

**Mr ANTHONY**—I thought you said in your opening comments that you own or rent some of the establishments you manage.

**Mr Romanes**—We rent one or two facilities but that is not our normal philosophy. Our normal philosophy is to manage them for the local council.

To answer your question, we have about \$181 million worth of assets of our own that we run. We manage assets at around about \$760 million. Our turnover last year was \$64 million. Last year the attendance figure at YMCA was about 11 million. That is the number of people who actually attended; if the same person went in and out once a day, that is counted as five times a week.

**Mr ANTHONY**—Does the \$760 million of assets belong to local councils?

**Mr Romanes**—Yes. They range from a facility worth \$12 million down to \$500,000. We have a lot of assets under our management and a lot of experience in this area and we would like to think that we manage them for the community rather than for the YMCA.

**CHAIR**—Thank you for the evidence you have given. It is very interesting to talk to people who have broad experience in managing. You have given us a different perspective, which we appreciate very much indeed.

The committee may want to come back to you to seek some additional information. Thank you for coming down from Queensland to appear today and thank you for the way in which you have answered our questions.

[3.10 p.m.]

**BUTLER, Mr Adrian Herbert, Local Government Consultant, Australian Cricket Board, 90 Jolimont Street, Jolimont, Victoria 3002**

**CHAIR**—The committee has received a submission from the board and authorised its publication. Do you propose any corrections or changes?

**Mr Butler**—There are no corrections or alterations.

**CHAIR**—Would you like to make a brief opening statement?

**Mr Butler**—Thank you, Mr Chairman. The Australian Cricket Board welcomes the decision of the minister to undertake this inquiry and appreciates the opportunity to appear before the committee to make a submission.

It is a natural reaction to associate the Australian Cricket Board with the success of the test cricket and one day international teams which is a source of enormous public interest and national pride. Because of this high profile, it is often misunderstood that the Australian Cricket Board and state associations have the financial resources to fund the provision of the facilities required on which to play the game. This thinking is far from the truth as cricket relies very heavily on private sector commercial sponsorship and also sponsorship from government agencies, such as the Australian Sports Commission, to present international cricket as well as development programs at the community level. Gate receipts from international cricket alone will not fund the game.

As the governing body for cricket in this country, the board places equal importance on nourishment of the game at the elite level and the nurturing of the game at the community level. In order to develop the game at the community level, the Australian Cricket Board and the affiliated state associations have invested considerable resources to provide development programs. Details of these programs are included in our submission.

Generally, with the exception of the grounds on which international cricket is played, for example, the Melbourne Cricket Ground and the Sydney Cricket Ground, cricket relies very much on local government as the main provider of cricket grounds, pitches and pavilions for our cricketers who play the various levels of competition.

The ACB believes that it is important for cricket to take a lead and contribute towards the cost of providing and improving facilities at the club level. Therefore the board launched the Coca-Cola—runs for Australia program, which is jointly funded by the board and Coca-Cola and is now in its third year. We have a program to assist in capital improvements for club cricket and in most places local councils are involved in these projects.

Traditionally local government bears the major cost of providing sport and recreation facilities and opportunities in Australia. I am sure you are familiar with that. According to a report undertaken by the

Confederation of Australian Sport in November 1995, the local government expenditure on sport and recreation in 1989-90 was \$1.127 billion, which was greater than that of the federal and state governments combined. The reliance on local government to provide and maintain facilities for sport is under pressure due to state government directives to restructure the industry to reduce costs to ratepayers by reducing staff levels and limiting rate increases.

These measures therefore impact on various services including sport and recreation. There is a tendency to resort to cost recovery by the imposition of higher user-pays charges on the amateur clubs which are administered by volunteers and give opportunities for young people to participate in a healthy sporting activity such as cricket. Although amateur clubs expect to make a contribution towards the cost of facilities by paying rental fees, et cetera, pricing needs to be kept at a level which is affordable. For some years society has experienced high unemployment levels which impact on the ability to pay. It is important that the unemployed are not prevented from participating in sport because the cost is beyond their means. Club cricket in Australia is administered by volunteers and is financed by player subscriptions, bar takings, social activities, raffles and support in some cases from local business.

In recent years the introduction of flexible working hours has resulted in additional time for leisure. There is also an emphasis on physical fitness and health in the community and this places further emphasis on the need to provide sporting facilities.

As cricket is usually played on grounds shared with a winter sport, which ensures year-round use of facilities, the Australian Cricket Board suggests the Commonwealth government introduces a funding program on the following basis: a per capita grant to each local government as a contribution to the maintenance of sporting facilities with a special allowance for sparsely populated remote areas; and specific purpose grants to be allocated to sporting clubs and/or local government for capital projects with provision for quality regional facilities.

The Australian Cricket Board certainly considers it to be equitable for the Commonwealth government to be actively involved in the funding of sporting facilities and applauds the initiative of this inquiry. Thank you, Mr Chairman.

**CHAIR**—Thank you very much. I am interested in your role as a local government consultant for a sporting organisation. What precisely do you do in that capacity?

**Mr Butler**—My role is brought about by the need for cricket at the governing body level to introduce strategies which improve the relationship of the sport with local government. To that end I have spoken at a number of seminars involving local government to let councils know about the role that the Australian Cricket Board plays—and the state associations for that matter—in providing development programs to look after the game at the community level.

Because of this feeling that the Australian Cricket Board is a body with unlimited financial resources to fund all aspects of the game, I have tried to explain in this submission that that is not the case. My qualifications to be involved in this regard are due to the fact that I have a deep, longstanding love and understanding of the game of cricket and I was the chief executive of one of Melbourne's larger councils for



some 19 years, up to my retirement some three years ago.

**CHAIR**—Do you have a national role?

**Mr Butler**—Yes, I do.

**CHAIR**—Do you also travel to other states to do this work?

**Mr Butler**—Yes, I have been to all states in Australia in my role.

**CHAIR**—Is it common for local government to provide prepared turf wickets for club cricket games around Australia?

**Mr Butler**—Yes, it is, although not exclusively. There is a mix of ways of providing wickets. In some cases the councils will carry out the maintenance on the turf wicket area, including wicket preparation, and charge the clubs a fee for that work. In other cases you can go to the extreme of the club providing the wicket area and fully maintaining it. This depends on the policy of individual councils, which varies considerably throughout the country.

**CHAIR**—We have also been told some councils actually provide the wickets at no charge.

**Mr Butler**—Yes, that would be true.

**CHAIR**—Is it reasonable for ratepayers or taxpayers to fund that kind of specialist facility when other people, including those who play, say, indoor cricket, would meet the full cost of the facility construction and, for that matter, profit? I think indoor cricket facilities are all virtually privately owned.

**Mr Butler**—Indoor cricket is usually run as a private organisation; there is a profit-making motive and obviously the commercial operator would want to run it as a profit-making venture. I am not aware of indoor cricket centres being run by local government.

The question of whether it is equitable for councils to pick up the full cost or subsidise the cost of wicket preparation is a matter for debate. But it is fair to say that local government has, as one of its core functions, the provision of recreational facilities and the extent of that subsidy is a matter for individual councils to determine, and they remain accountable to their constituents for their decisions.

**Mr MARTIN**—The committee is looking at whether or not the Commonwealth government should have a role in the provision of facilities and, if so, how that might be funded. Would you agree that in the case of cricket and the role the Australian Cricket Board plays, you are in a much better position than many other sports to attract considerable commercial sponsorship?

**Mr Butler**—The answer to that question really lies at the international level where the board, being responsible for the international team, which as we know has been very successful for the last decade, is in a strong position to attract sponsorship at that level. But to provide the elite teams is quite a costly exercise

and, as for those funds filtering right down through the system of club cricket, unfortunately they just do not go that far.

As mentioned before, the board would certainly like to do more but it has introduced an initiative in conjunction with Coca-Cola—which we are told is something that is not emulated by other peak sporting bodies—to make funds available down through the system to grassroots clubs to obtain funding for a range of capital works. In the three years that this scheme has been operating, in excess of \$1 million has been distributed to some 1,000 cricket clubs.

**Mr MARTIN**—Frankly, I think the Australian Cricket Board is to be commended for that relationship which it has been able to structure, because I do not know of another corporation which has been prepared to assist in facilities development in the way Coca-Cola has with cricket. You have a very good relationship for which you are to be commended. However, the point of my question was to elicit a description of how funding is obtained by the Australian Cricket Board, because cricket is such an important element of Australian society. You get enormous crowds at international matches and for the Sheffield and Mercantile Mutual games, where you have a sponsor in place for that as well.

But an impression is generated in the broader community that, because you have sold television rights—you see all the thousands of people who go and watch, whether it is Melbourne, Sydney, the Gabba, it does not matter where it is—you are a rich sport and you should not under those circumstances be considered for financial assistance or anything else. What can you say to help dispel that perception in the broader community that cricket is really in an elite situation where it should not attract any support?

**Mr Butler**—I certainly agree with your comments. It is undoubtedly a reaction in the community that cricket is a wealthy sport, for want of a better term. But as I have tried to explain, the resources are not there to be spread down for the 5,000 cricket clubs throughout Australia and the half a million players of the game. So at that point, the ACB can only assist through what might be regarded as a rather small program, that Coca-Cola—runs for Australia program, plus the 80 development officers who are employed throughout Australia to work with children in the municipalities to introduce them, through running the program, to the game.

The ACB believes it is playing an important community role in that regard. By that action it is not forgetting the grassroots—it wants to reach out into the community—and the evidence shows there are many thousands of youngsters who are given the opportunity to play the game of cricket and to make that choice, if they so wish. Many other sports are available but cricket obviously is interested in the welfare of its game and unless the game is nurtured at that community level, we will not have the Shane Warnes and Steve Waughs of this world at the elite level, because all of the test teams started at that grassroots level.

**Mr MARTIN**—From what I am hearing, one of the critical factors in this perception is the number of participants in the sport itself, because obviously we are talking half a million cricket players in Australia. That is a significant part of the population and because of that, down the line, would not ground preparation, maintenance and so on cause you some difficulties?

**Mr Butler**—I do not know about difficulties but at the grassroots level we have many thousands of

players playing on synthetic wickets or hard wickets, or they might even roll out a mat each Saturday afternoon. Maybe you have done that.

**Mr MARTIN**—They do in Wollongong.

**Mr Butler**—They raise club subscriptions, run chook raffles and whatever to raise funds. These junior clubs are no different to any other sport, they have to raise moneys to enable the young of the community to play the sport.

**Mr MARTIN**—If the Commonwealth government has a role to play in the provision of sport, from where should we get our source of funds?

**Mr Butler**—That is going a bit beyond my area of expertise. You ladies and gentlemen would be more qualified than I to answer that.

**Mr MARTIN**—We are trying to ask people for some help. We want people out there in the real world to help us.

**CHAIR**—Some people have suggested we put a levy on all the tickets that are sold to test matches, or a levy on television rights.

**Mr Butler**—I am sure the ACB would not respond very favourably to that one.

**Mr MARTIN**—Not to mention the Nine network.

**Mr Butler**—The only suggestion I can make is that it is a budgetary consideration as to how you see the priorities. Sport and recreation is a health issue, it is preventative and rather than leaving things stand and having to cure the problem, I suggest preventative health has a lot to commend it. I see sport and recreation as a factor in preventative health.

**Mr McDOUGALL**—Is the Cricket Board a member of the states sports confederations and the Confederation of Australian Sport?

**Mr Butler**—I cannot really answer that question with any authority but it is my understanding that it has an affiliation with the Confederation of Australian Sport, but I would have to take that question on notice.

**Mr McDOUGALL**—Maybe if you take that on notice for us and if you are an affiliated member, you might like to support or not support the confederation's submission that says two things: either we start a national sports lottery a la the UK, or place a levy of 2 cents on each cigarette—not packet—to raise funds for sports. If you are a member or not, you might like to comment on their representation.

**Mr Butler**—Perhaps that is something we could take away and give some thought to. I do not think it is appropriate for me to respond off the top of my head because I quite honestly have not considered that and I believe that is really a policy issue that must be dealt with by the elected board.

**Mr McDOUGALL**—Has the ACB ever had any association with VicHealth in funding at any level?

**Mr Butler**—I am sure that cricket has. Certainly at the state level through the slip, slop, slap program.

**Mr MARTIN**—The Quit program would have had signs all around your cricket grounds.

**Mr Butler**—Yes.

**Mr McDOUGALL**—You mentioned activity with local government in preparing local fields. I cannot remember your exact words but you talked about how the government could make a contribution in the form of grants to local government. Are you suggesting that any grants the federal government gives local government should be tied? Or should they be under the normal broad-based funding arrangements which exist between federal and local government, where local government has the final decision on how the money is spent?

**Mr Butler**—Our submission envisages this as a specific purpose grant for sport and recreation.

**Mr McDOUGALL**—So you are suggesting it should be tied?

**Mr Butler**—Yes.

**CHAIR**—But you are proposing, as I understand, that the government just gives every council some money for sports and recreation, rather than anything being done in strategic planning where this money might be spent, or assessing applications on their merit?

**Mr Butler**—Yes, the proposal was for a maintenance grant to local government specifically directed for sport and recreation to assist councils, due to the very high burden of cost imposed on them in providing and maintaining sporting facilities. Whether it is allocated for specific or particular sports would be, in our submission, a matter for the council to determine.

**Mr McDOUGALL**—Has the ACB ever developed a database across Australia to find out how many cricket fields are in operation and used for competitive purposes?

**Mr Butler**—There are certainly statistics on the number of participants and clubs and that information is contained in the submission.

**Mr McDOUGALL**—I was more interested in—

**Mr Butler**—Yes, I cannot answer the question but I would assume that some information is available on that because of the surveys that are undertaken by the ACB and the states. I would assume that is available but I cannot give a categorical yes or no answer.

**Mr McDOUGALL**—If it is available, would you mind forwarding that information to us?

**Mr Butler**—Yes. Just on those points, on further information required, will that be detailed in the *Hansard* report where we will be able to pick that up and then respond? Is that how you would envisage that?

**Mr McDOUGALL**—It will be in the *Hansard* report. The committee will write as well.

**Mr Butler**—Thank you very much.

**Mr BILLSON**—We heard from another group earlier today that there were more than enough sporting fields, and their advice to local councils was not to provide more of them but to provide different types of facilities. Does that accord with your experience in the availability of cricket surfaces?

**Mr Butler**—The evidence we have, through a fairly small survey, I must admit, is that generally councils are able to respond to requests for additional facilities. In the growth areas generally the councils acquire necessary recreation areas, or they are provided as part of the subdivision, and when the demand for facilities is expressed and proven, councils have been able to provide facilities. There is nothing to suggest that there is any great problem in the future on that issue.

**Mr BILLSON**—The tension seems to be—I should declare a pecuniary interest as a patron of a cricket club—one of the quality of the surface, the quality of the clubhouse and the grade of cricket played with the club or the team the club has available. Is that your understanding of where the tension happens in facilities?

**Mr Butler**—There are always expectations and demands on councils to provide better quality facilities and within the limits of budgets this is generally adhered to. The councils always try to provide good quality facilities but, depending on the standard of competition, that also reflects on what is really necessary.

For district or grade cricket in the metropolitan areas, say the peak body from which first-class players come, you would note from your own experiences in playing at the Albert ground for the politicians that those facilities are first class. But of course as you go down the grades it is not quite as necessary to have facilities of that standard. It comes down to spreading the resources to enable participation by a large number of people.

**Mr BILLSON**—One of our colleagues from Sydney pointed to the dichotomy of sports facility provision that cricket faces compared to everybody else and that is the value of the property needed to play cricket in an inner-city area like Vaucluse or somewhere like that.

**Mr Butler**—I do not think there are any cricket grounds in Vaucluse.

**Mr MARTIN**—It is called the Sydney Cricket Ground.

**Mr BILLSON**—The alternative is outside those areas, in subdivisions or rural centres where the land value is less significant and the provision is somewhat easier. His suggestion is that funding around it should

help to buy property. Does the ACB see the provision of facilities in inner-city areas as a problem?

**Mr Butler**—No, not in the provision of facilities in inner-city areas. The trend will be out in developing centres and the need will not be so great in the inner areas.

**Mr BILLSON**—The private school is about the only place you can get a cricket game and, again as you move out, you can get a ground. Are schools, whether it be government or non-government, less attractive to people playing the sport?

**Mr Butler**—The private school system generally has very high quality cricket facilities and probably in the state system the facilities are not as good. Usually students who attend public schools or state schools play their cricket at weekends in their local club so there is not the same emphasis on organised cricket at the state schools.

**Mr BILLSON**—What is the ACB's attitude towards player contracts at the elite level? What of a surcharge on their earnings to put funds back into the sport that developed that individual income earning stream they are enjoying at the time?

**Mr Butler**—That money is outside my sphere of influence and I am not in a position to respond, Mr Billson.

**Mr ANTHONY**—What is your opinion of the better utilisation of grounds through a tripartite arrangement between local government, schools and clubs?

**Mr Butler**—There are examples of this occurring. I can only speak from my own experience of the councils I was involved with, whereby school grounds were from time to time made available for use by sporting groups, but because of the standard of the facilities, which generally were not of a quality commensurate with the council's similar ground, if possible local government preferred to use a council ground, so it was really as a last resort that they would use a school ground. But there is certainly an opportunity there and it is a matter of supply and demand and education.

There needs to be a better arrangement between the councils and the education department as to the use of school facilities. Just as we find that the schools use council grounds, there is also a need for the local clubs to use school grounds, but I think there has been a general thought by clubs that once we have left school we are not that keen to go back to school.

**Mr JENKINS**—Does the board have a target level of participation, or is it to maintain the level but improve the facilities?

**Mr Butler**—The board sees competition from a number of what we might call newer sports and this is one of the reasons for the development programs, to ensure that the cricket captures a good percentage of young people. Sorry, would you mind repeating the question?

**Mr JENKINS**—Is there a target?

**Mr Butler**—I am not aware of any target but it is certainly an objective to at least maintain if not increase the number of participants. It is certainly not a target to reduce the numbers of participants.

**Mr JENKINS**—I notice in the submission under the Coca-Cola—runs for Australia program that one of the projects mentioned as an example that was funded was the establishment of a women's cricket club. Other programs listed are the Milo ones where, from my observation at lunch at the test cricket, lots of girls are involved. Is there a marked increase in the participation of women in cricket, and also the success of the Australian women's cricket team?

**Mr Butler**—Yes, there has been a growth in women's cricket and certainly at the elite level of women's cricket a lot more publicity is being gained and they have been quite successful. I think Belinda Clark, the Australian captain, is a woman cricketer who is well known nationally, as is Zoe Goss, probably due to her dismissal of Brian Lara in a charity match in Sydney a couple of years ago. So those sorts of events have meant a lot to women's cricket.

Women's cricket is administered from the Australian Cricket Board office in Melbourne where the secretariat is located and they are represented on the Australian Cricket Board development committee. So it is certainly growing and there seems to be more cooperation between the men and the women in cricket these days.

**Mr JENKINS**—Does that go right through the club level?

**Mr Butler**—Yes, it would be fair to say there are clubs that have women's teams affiliated with them, and also women have traditionally been involved in administering male cricket clubs.

**CHAIR**—You mentioned testimonials and the like that have the capacity to raise a significant amount of money. How much capacity is there to have special games or special activities to provide facilities for cricket? Could you have a game at the MCG and give all the proceeds to building new grounds in suburban Melbourne?

**Mr Butler**—There have been charity games for various reasons; for example, in Adelaide the City Mission have had a number of charity events to raise money. There have been charity matches for bushfire appeals.

**Mr BILLSON**—Thrill on Red Hill, Tony Barber.

**Mr Butler**—Yes. You may be able to help me with the name of that charity.

**Mr BILLSON**—I cannot quite recall that.

**Mr Butler**—As far as the notion of having games staged specifically to allocate funds towards the improvement of facilities down in the grassroots, that is a question that would need to be addressed by the board when it determines its program. I am not in a position to commit the board for that one. It has a very heavy program and whether it could fit something like that in would be a matter for its determination.

**Mr BILLSON**—Have you seen anything in the New Zealand, the UK, the South African, the Sri Lankan or the West Indian model—any of the other big cricketing nations that have national government involvement—that the ACB could look to for the Australian federal level? Is there some experience that is a useful model? Is there a connection between that level of government activity, the facilities that are available and the performance of the nation as a place?

**Mr Butler**—I am not familiar with any models in other countries. My limited experience in that regard would be confined to the United Kingdom in particular where, from my observations, cricketers or cricket grounds are in the main privately owned and there is not the government involvement in cricket. Maybe that is a factor in the current problems that have been experienced in English cricket for some time. The fact that the local community has been so strongly involved in sport is a reason for sport in this country, given our relatively modest population, being strong and competitive.

**CHAIR**—I have seen the sorts of facilities that developed Garfield Sobers, Frank Worrell and Wes Hall and the like, and I can tell you there cannot be too much relationship between quality of facilities and quality players. They learned in the very roughest of conditions. Even their national grounds would be very poor by our standards.

**Mr BILLSON**—Extraordinary talent though, Mr Chairman.

**Mr Butler**—The great Bradman could be put in the same category. Of course, he came up in a different era but the facilities were not there when he came on the scene. So I suppose people who have special skills will come to the surface regardless of the facilities.

**CHAIR**—Exactly right. Thank you very much for coming and giving evidence on behalf of one of Australia's most prominent and popular sports, a favourite of mine I have to admit, so I have to declare a pecuniary interest as well. It is also one of the sports that others look on as the possessor of excellent facilities in some regards. So it has been important for us to learn something about the way that has been achieved and your hopes and aspirations for the future as well. So thank you for the evidence you have given. We will be in contact with you in the next week or two on the other matters on which we have sought additional information.

**Mr Butler**—Thank you very much indeed.



[4.05 p.m.]

**KISS, Catherine Maree, Recreation Planning and Development Officer, Manningham City Council, 699 Doncaster Road, Doncaster, Victoria 3108**

**CHAIR**—We have received a submission from the council and we have authorised its publication. Do you propose any changes to the submission?

**Ms Kiss**—No.

**CHAIR**—Would you like to make any opening comments?

**Ms Kiss**—Yes. Thank you for the opportunity to appear today. We believe that we can contribute to the inquiry because we deal on a daily basis with requests and demands from clubs and organisations to provide funding for facilities. We have to balance the priorities for funding between demands from articulate and strong lobby groups and the often unspoken but real needs of the general community. We work in an environment of a democratically elected council and we have significant experience in the development of facilities, including those developed with the assistance of grants.

I would like to draw your attention to some points in our written submission which focus on the need for a funding program, on the outcomes which can be achieved through having a funding program and the key factors that will ensure any facility development is successful.

Firstly, we endorse the need for the introduction of a Commonwealth funding program. Within the local government environment we are competing for funds for sporting and recreational opportunities with the demands of all other local infrastructure. With finite resources, sporting and recreational opportunities are often given a much lower priority because the potential benefits to the community are far less visible.

The need for sporting and recreational facilities and programs has been clearly identified and there is a greater demand than we can meet within a reasonable time frame. The community has strong expectations that facilities will be provided and there are clear needs for development of community facilities.

Secondly, the outcomes which are desired from any facility development must be clearly stated in any funding program. The principal outcomes are the potential benefits to the community, which include health and wellbeing and the quality of lifestyle, and these benefits should be accessible to all community members. Funding programs should seek to improve the equity in provision of these opportunities. When making a commitment to develop a facility, we must ensure that those benefits are provided. A facility on its own cannot provide the benefits. To ensure that benefits are provided to the community, a facility must be developed with a sound management plan, comprehensive management strategies and a strong commitment to ongoing program development.

The planning and design phases of a facility are vitally important to its success in meeting the needs of the community. The facility must be developed within the broader context of a recreation planning framework and in consultation with key stakeholders and potential users. A facility must be well designed to

ensure that it is capable of multipurpose use.

It is only through planning, design, sound management and programming that facilities can effectively meet the needs of the broader community. Therefore, a significant outcome of the funding program should be a commitment to improving the processes and practices of facility development and management. Clear criteria should be set within the funding program which promote effective planning and set a quality standard for facility provision.

Thirdly, there is a vast difference between the resources available to local government agencies to develop recreation plans which identify needs and to apply for grants. There are also vast differences between the needs of specific communities. It would be unfortunate if communities or local government agencies had to compete with one another on the basis of which needs were more important.

Agencies with minimal resources, such as those in a remote rural community, clearly need active intervention to provide and develop facilities. However, while many more facilities are available in urban areas, we submit that the better resourced agencies should be equally encouraged in their attempts to improve equity in providing different opportunities.

Finally, we believe that the introduction of a Commonwealth funding program would have considerable benefits to the community, would enhance the equitable delivery of facilities and programs and would improve facility development practices.

**CHAIR**—What is your role with the council and how is your position funded?

**Ms Kiss**—Manningham City Council is fortunate to have a cultural and leisure service unit which is very well serviced by people in a range of roles who are responsible for the delivery of cultural and leisure services to the community.

My role as the recreation planning and development officer is to oversee the broader municipal planning and to conduct studies. For example, I have just completed a cultural and leisure study which has sought to identify both the needs within the community which are being met and the gaps in provision. For example, a club which has a good facility with a pavilion and a car park may ask us for \$80,000 to upgrade the car park. We are very conscious that the \$80,000 could be spent on providing programs for those people who do not have access to a particular program or facility that they are interested in. I conduct research to assist us in assessing the applications for funding and development of facilities by identifying where the priorities should be.

**CHAIR**—Is your salary an on-budget item for the council or do you get a subsidy from somebody?

**Ms Kiss**—We are a business unit which was successful last year in acquiring the contract to deliver the services for the Manningham City Council. Our organisation has been completely tendered out. We are a separate business unit which has a budget and the staff salaries come out of that budget. We have to deliver a specified range of cultural and leisure opportunities and services to the community within that budget.

**CHAIR**—Are you a separate company that has a contract with the council?

**Ms Kiss**—Yes.

**CHAIR**—You are competitive tendering.

**Mr JENKINS**—A business unit of the council which tendered to get their own job, basically.

**CHAIR**—In your opening comments you suggested that it was not good for one sporting organisation or one community to have to compete against another for funding. But in reality does that not happen all the time?

**Ms Kiss**—It does. I was trying to say that whilst the municipality I represent is an urban affluent area which has significant resources for conducting studies, planning and preparing comprehensive submissions for funding, some other municipalities, such as those in remote rural areas, may not even have anyone employed in recreation and sport development. They are not in the same position as we are to apply for funds, yet their needs are no less significant than ours. I am concerned that any funding program which is implemented should be equitable.

**Mr JENKINS**—Can I clarify what you would define as a recreational pursuit? How broad a term is that? Is knitting a recreational pursuit?

**Ms Kiss**—Yes. I have a very broad philosophical view about this. Recreation encompasses all manners of things that contribute to a person's lifestyle.

**Mr JENKINS**—Do you think this committee should use that broad definition for the purposes of its inquiry?

**Ms Kiss**—Yes. Our unit has a strong arts and culture group combined with a strong recreation and sporting group. When I undertook a cultural and leisure study which looked at the much broader umbrella of needs within the community, I found that a lot of things get missed out because they do not fit into one box or another.

From a local government perspective, we recognise that people get enjoyment from participating in recreational activities and we have to provide the facilities, such as footpaths, to allow them to participate or not participate in activities.

**Mr McDOUGALL**—Are you suggesting libraries are recreation?

**Ms Kiss**—Yes. Reading is a strong recreational pursuit.

**Mr McDOUGALL**—Local government has always treated libraries as separate from recreation and sporting activities in budgetary terms, to my knowledge.

**Mr BILLSON**—Not here.

**Mr McDOUGALL**—It does in other parts of Australia.

**Ms Kiss**—Councils provide many things that do not necessarily fit in a certain area. Under traditional approaches to funding, some areas have been given a lot of support in the past. As people start to engage in new sporting, recreational and cultural pursuits, the demands for facilities and programs increases.

**Mr BILLSON**—I was troubled by page 3 of your submission because it basically says, 'Don't compete, don't ask for local contributions; fund kite flying exercises with feasibilities and, if they get up, pay for the whole facility.' That is a very hard argument to sell. I am sure the committee would have two chances of flogging that notion to the Commonwealth government. I am sure we would all like to be able to do that, but I cannot see that it will ever happen. Am I right in assuming that you would suggest the Commonwealth should fund feasibilities as well?

**Ms Kiss**—Yes.

**Mr BILLSON**—How do you discern fantasies from a serious notion that has a relative priority to it, which the taxpayer would be happy to fund? If we imposed all those tests for building design and management processes and all those sorts of things, it would never stop.

**Ms Kiss**—It is difficult. For some years I worked as a consultant to local government, doing recreation and planning studies, so I find it is quite interesting being in the position of working for a local government and having to implement those studies. It gives me quite a different insight. I would like to use an example of a project I am currently working on, which is a redevelopment of an extremely complex and old facility.

**Mr BILLSON**—Is it the pool at Doncaster?

**Ms Kiss**—No, that has already been redeveloped. This is at Park Orchards. It is an old hall and pavilion which are connected. The users of the facility are football, cricket, scouts and ballet and between 1,200 and 1,500 people visit the facility each week, so you can imagine that there is an extremely diverse range of needs and demands and design issues that come within that. We were successful in acquiring a \$200,000 grant to assist us in that redevelopment process.

**CHAIR**—Who from?

**Ms Kiss**—From Sport and Recreation Victoria out of the community support fund. The process that we had to go through to apply for a grant was quite interesting because we would not have been able to apply for the grant if we had not done the amount of planning and needs assessment that we had. It is an extremely complex facility and the needs identification process has been extremely complex as well.

We could not begin to know the shape this facility should be or could be without having gone through a process of needs identification and preliminary management options where we explored the best ways to

manage the facility under an agreement with the people who were already there, to make sure that we get the most effective use out of the money we are spending. We had to provide a lot of information, even to know how much money we had to spend, before we could apply for a grant.

**Mr BILLSON**—Having been a CEO in strategic planning in local government myself, I could hear the howls of every local government person—and there are bucket loads of them in every community—if they did not do that work themselves and some jokers in Canberra, which is the way federal public servants are described, started second guessing in terms of need, sustainability, affordability, design and who is being left in and who is being left out. I cannot begin to imagine how appalled local government would be if that discerning work was left to somebody else. Surely it has to start at the local government level.

**Ms Kiss**—Absolutely.

**Mr BILLSON**—So how does that help us in terms of a funding scenario where there is no fence around it?

**Ms Kiss**—One thing to consider is that every facility should be considered in its own right. That is the difficulty of it. But individuals and communities and expectations differ so broadly in different areas that you cannot necessarily apply the same model to everything. While you can set up some models to follow, it is not really possible to develop too many standards.

We have a standard facility development or design process that we have established for sporting pavilions, which allows us to provide some consistency of approach, so that we have a basic standard pavilion, an intermediate standard pavilion and an extended standard pavilion.

**Mr BILLSON**—How do you decide who gets one of them?

**Ms Kiss**—Those things come into the lovely box of management strategies, which include the sorts of tools we need to look at: pricing and the capacity of the club to pay. In the case of pavilions, you have to consider the level of sporting ground that the facility is associated with. We try to ensure that the facilities are capable of multipurpose use, which is a challenge.

**Mr BILLSON**—You are saying that if the Commonwealth wants to be involved, it should put the money in and take local government on trust, as well as pay for the feasibility to see whether we can take local government on trust? I do not know how we are going to sell that to anybody. Government people are telling us, ‘Unless somebody brings two-thirds of the resources to the table, unless somebody can show a business plan that demonstrates that the centre will be viable in the long run and they will not have to subsidise it continually, unless someone can demonstrate regional cooperation and multiple clubs sharing the use and exploration of educational facilities, don’t talk to us.’

At least under that process some things would miss out, which is probably handy, because we do not have the sort of money that would be needed and I can never imagine that sort of money being available. How would you thin the crowd who make funding applications? Where would you start knocking them off?

**Ms Kiss**—I would be keen to see criteria that look at those facilities that are going to be successful in achieving the things that they set out to do, so they have to demonstrate that they know who their target group is, what needs they want to meet and how they are going to go about doing that, and demonstrate that they have considered a large number of options. The facility should not be looked at just for now, it should be looked at for five, 10 or 20 years in the future, so that if someone is run over by a truck and that activity can no longer be provided, something else can be moved in there to replace it.

**Mr JENKINS**—I have some questions, because you have approached this question from a wider view, which has been very positive. There are some experiences that Manningham has gone through that we need to explore. If Mr Anthony were still here, he would be asking about the use of educational facilities. Because of school closures in your municipality, there have been some chequered experiences in trying to retain facilities. In general, how do you maximise those facilities that educational institutions have for the wider community's use?

**Ms Kiss**—Manningham had a number of joint use facilities that were developed with the education department on education department land and the schools have since closed, which was something that nobody thought would ever happen. The council is in the position of having to purchase the properties, after having already contributed significantly to their construction.

After the initial shock and concern about being caught in that position, we have identified a number of benefits which can be achieved out of joint use facilities and agreements that we would like to pursue and we are pursuing. We do not think that a local council necessarily has to be the sole provider of local facilities.

In the case of a large indoor stadium, it should be capable of being used by the whole community for a great period of the day and night, so it is important that we explore the options. We are currently looking at a number of proposals for joint use of education department facilities. We have a high demand for major basketball stadiums and we have been doing some studies on a number of facilities on education department land. We feel that we would pursue something again on education department land but we would want to ensure that there was a clause in the lease or in the management agreement that said that if the school should close, it would become the property of the council.

I am concerned from the planning side that education department facilities should not be used solely by schools from 9 a.m. to 3 p.m., because that limits the potential of the facility to meet a much broader range of needs.

**Mr BILLSON**—I could not agree with you more. One suggestion put to us is that an organisation such as the YMCA, by managing the facility, could act as a circuit breaker between the municipality and the school. Certainly no one suggests that the school should manage the facility. That would overcome the problem of use and availability during the day, particularly for carers and parents, who can engage in activities and have child support while it is going on. Is that something Manningham has tried?

**Ms Kiss**—Absolutely. We cannot do anything without considering a range of management options and we see independent management as being critical to the success of facilities, otherwise one strong group can dominate all the best time slots and they expect everyone else to fit in around them. Although the facility is

being used, it is not necessarily being used in the best interests of the community by developing other opportunities or meeting a broader range of needs in the community.

**Mr BILLSON**—You have mentioned the liability issues. Can you talk about some of those and whether you have any ideas about that?

**Ms Kiss**—Many clubs are concerned about liability and they bring it up all the time, in terms of not knowing where they stand, because insurance is so complicated. We have tried to encourage debate about increasing the use of our existing resources and we have offered clubs and organisations—all of which are incorporated—an allocation of funds in exchange for them taking the responsibility for a facility for a season or a longer period. Clubs often use liability as an excuse not to have other people coming into their property. If we could remove some of those anxieties it would remove one of the barriers or the excuses against multiple use.

**Mr McDOUGALL**—When you have multiple users of a facility, do you lease the facility to one of them who then subleases to the other, or do you do a joint lease and, if so, how do you put in the management structure?

**Ms Kiss**—The facility at Park Orchards is a good example of that. A management committee has been formed comprising representatives of each of the five primary user groups plus a number of community representatives, so there is a broader committee of management. We will sign an agreement with that committee and they will take responsibility for managing the facility and allocating out the facilities. They essentially have sublicence agreements with the individual groups.

That exercise has been very interesting because a lot of the problems that people put down to design or physical issues are really management issues and often personality issues. Within the management plan, we have specified a number of principles that we want them to achieve, or that we expect them to have as conditions of use within the occupancy agreement or the management agreement that we have with them.

**Mr McDOUGALL**—You do not lease any of your facilities?

**Ms Kiss**—No. We have developed a standard occupancy agreement.

**Mr McDOUGALL**—Even for open fields?

**Ms Kiss**—They are allocated on a seasonal basis.

**Mr McDOUGALL**—So if you only have a management agreement without a lease, do you require any of the organisations that you deal with to make any capital contribution to the development of those facilities?

**Ms Kiss**—A lot of options have been explored and a number of facilities have been developed with capital contributions from clubs but I have not been involved in any of those. We are now looking at a semi-commercial rental from the management committee of this facility, or a rental that reflects something of the

capital expenditure that the council has made.

**Mr McDOUGALL**—From my experience of local government and capital facilities development, it can involve a number of players. It involves three levels of government and the sport or the recreation unit within a facility. When the facility requires some borrowings, my experience with financial institutions is that, unless people can put up some sort of guarantee of lease and tenure of some considerable time, the potential of being able to get borrowings from financial institutions is virtually zilch.

What would your council do if it structured a program on a tripartite basis and it made contributions and borrowings, and then the financial institutions came along and said, 'We require these minimum standards'? If you do not have a lease arrangement, where would your council go in regard to trying to help your community organisations to meet the standards of such a program?

**Ms Kiss**—There are a number of ways to approach this. One is that in the past the council has gone guarantor.

**Mr McDOUGALL**—That will not satisfy the banks.

**CHAIR**—The banks would be satisfied with a council guarantee.

**Mr McDOUGALL**—They need a tenure. I have been involved with it for 10 years.

**Ms Kiss**—When I was working with the City of Melbourne we undertook a number of lease agreements for facilities on Crown land, for example rowing clubs. We had to rezone the land to enable it to be given 21 year leases, but physically the council was not in a position to be able to give them those leases. So that was a complication there.

At Manningham we would be quite prepared to give them a tenure. We would look at a lease agreement as one of the ways that we could achieve things, and if we cannot achieve those things then I would be recommending that we do not go down those paths.

**Mr McDOUGALL**—Are you saying that you would be prepared to accommodate whatever is necessary to be able to do it?

**Ms Kiss**—Yes, but we would ensure there were some conditions on that. For example, we would ask the clubs to provide a certain number of community programs as part of whatever they were operating, or to promote junior sport development or whatever. They would be objectives that we would want to achieve and, if they were prepared to go down that path, certainly we would be prepared to support them.

**Mr McDOUGALL**—I am aware of councils that already do that and do get those further community benefits from the lease arrangements, but it was bothering me where you would get the extra money from, because extra money is always needed, without some sort of substantial guarantee.

**Mr JENKINS**—You have identified a role for the Commonwealth in funding facilities. Mr Martin is



absent but he would want me to ask the question he asks everybody: where do you think the Commonwealth would get the money?

**Ms Kiss**—I quite like the idea of the gambling or play money being used to contribute to other forms of recreation. How the money is allocated really depends on giving recreation and sport the respect that it should have, because it is often put on the bottom of the pile as something that is not as important as other things. It is clearly an important part of people's lives and should be acknowledged as such.

**Mr BILLSON**—The Commonwealth provides capital money for educational facilities. What do you anticipate the local reaction would be if we obliged schools—new schools or schools wishing to renovate existing recreational facilities—in order to get the money, to consult with municipal councils and make the facility generally available, or at least prove that doing so would be unviable, inappropriate or inadvisable? If that emphasis were placed on the education system, how would the councils and the community cope with that?

**Ms Kiss**—We would be very much in support of that because if someone else provides a facility, we do not need to. From a planning perspective, we try to ensure that there is a range of facilities that complement one another, not duplicate one another. I have seen some classic examples of swimming pools built on boundaries, a couple of kilometres apart from each other, because councils had not looked on the map.

**Mr BILLSON**—We saw an \$18 million pool built at a university and after they had built it they started to wonder what they were going to do with it.

**Ms Kiss**—That happens.

**CHAIR**—Thank you for appearing before the committee. Thank you also for the submission, which has been helpful to the committee in its deliberations, and we thank you for answering our questions.

Resolved (on motion by Mr Jenkins, seconded by Mr Billson):

That, pursuant to the power conferred by paragraph (o) of standing order 28B, this committee authorises the publication of the evidence given before it at public hearing this day.

**Committee adjourned at 4.32 p.m.**