



HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON ENVIRONMENT, RECREATION AND THE ARTS

Reference: Funding of community sporting and recreational facilities

CANBERRA

Monday, 2 June 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

ARNAUDON, Mr Stephen John, Director, Sports Development and Policy, Australian Sports Commission, Leverrier Crescent, Bruce, Australian Capital Territory 2616	449
EVANS, Ms Leanne, Deputy Director-General, New South Wales Department of Sport and Recreation, PO Box 422, North Sydney, New South Wales 2059	474
FERGUSON, Mr James Alexander, Executive Director, Australian Sports Commission, Leverrier Crescent, Bruce, Australian Capital Territory 2616	449
OWENS, Mr Mark, General Manager, ACT Bureau of Sport, Recreation and Racing, PO Box 1156, Tuggeranong, Australian Capital Territory 2616	489
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Present

Mr Truss (Chair)

Mr Billson

Ms Jackie Kelly

Mr Eoin Cameron

Mr McDougall

Mrs Crosio

Mr Martin

Mr Jenkins

The committee met at 9.06 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, which is inquiring into the funding of community sporting and recreational facilities. Since the inquiry was advertised in mid-November the committee has received more than 270 submissions and has visited New South Wales, Queensland, Victoria and Tasmania for public hearings and inspections.

At its public hearings the committee has had before it state and local governments, sporting organisations and providers of facilities. Today the committee will hear from the Australian Sports Commission and the governments of New South Wales and the Australian Capital Territory.

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. You will not be asked to take an oath as witnesses, or to make an affirmation. However, witnesses are reminded that false evidence given to a parliamentary committee may be regarded as contempt of the parliament. The committee prefers that all evidence be given in public, but should witnesses at any stage wish to give evidence in private they may ask to do so and the committee will give consideration to the request.

ARNAUDON, Mr Stephen John, Director, Sports Development and Policy, Australian Sports Commission, Leverrier Crescent, Bruce, Australian Capital Territory 2616

FERGUSON, Mr James Alexander, Executive Director, Australian Sports Commission, Leverrier Crescent, Bruce, Australian Capital Territory 2616

CHAIR—Welcome, gentlemen. We received a submission from you and it is a very extensive and comprehensive one. It has been authorised for publication. Do you propose any changes to the submission?

Mr Ferguson—No.

CHAIR—Before we begin questions, would you like to make any introductory comments?

Mr Ferguson—Thank you very much, Mr Chairman, I would like to make some opening remarks. First of all, could I apologise for the late submission of our document. The information is very comprehensive, some of it is not readily available, and it did take us longer to compile it than we would have liked, so I apologise for that.

I would like to briefly take you sequentially through the submission and highlight some of the key issues. Initially we have provided a few pages on the Australian approach to sports development. It is important that facilities should not be seen in isolation to the sports programs which the federal government delivers, essentially through the Sports Commission, or which are delivered by state bodies. There is a link between the so-called sports development pyramid and the provision of facilities, and this is shown on page 10 of our submission.

Facilities provision is a very complex issue. There is, firstly, to be recognised the unclear boundaries between sport, fitness and outdoor recreation. More importantly, as set out on page 16, there is a range of facilities: indoor/outdoor facilities, mixed field, free range, multipurpose, and so on. It is very important, in our view, that it is recognised that there is not one model for facilities development.

In section 3 of the submission we endeavour to give you some background on the demand for sports facilities. On page 18 we document the 6.5 million registered competitors with national sporting organisations, and provide data on a range of other surveys. There is a clear need for better statistics on sports participation, and this is one of our conclusions.

We are unable to give you projections on future demand, but from page 31 we have highlighted a few of the key influences: the role model effect of the Olympics; the growth in indoor ball sports; the impact of 'made for TV' sports; the growth in fast consumer sports; the ageing population, and so on.

In section 4 we provide a comprehensive background on existing facilities and their providers. In particular, the table on page 35 has perhaps the best available figures on the existing stock of facilities. We would not be confident, however, that this is a very accurate picture, and it does not include the very large number of facilities connected to educational institutions.

It is interesting to note on page 45 that successive Commonwealth governments have spent \$286 million on facilities since 1974, and yet that is only two per cent of total public facilities expenditure. Our submission also points to the critical role of local government in the development of appropriate community facilities.

In section 5 we document Commonwealth initiatives, other than the mere provision of finance. There is an important role in research and information dissemination on the quality of playing characteristics of various facilities. This work is undertaken through the Australasian Facilities Committee, which the Sports Commission chairs. Some work was undertaken to map facilities' requirements on a national basis in 1994 but, unfortunately, the information was incomplete and remains incomplete.

We also draw your attention to a report which the Sports Commission commissioned through the Confederation of Australian Sport, which was undertaken by Mr Jak Carroll. This, unfortunately, points to poor coordination, planning and management of facilities. We are addressing the report in association with the Australian Local Government Association and the Office of Local Government. This is a very important element of facilities development. The facility, of course, is almost totally useless if it is not managed effectively.

We draw your attention to the consortium we have established with James Hardie Industries Limited. We understand that Hardies have already appeared before you, but we would be pleased to elaborate, if necessary. We also draw your attention to the capacity of the Australian Sports Foundation, which is used for community donations to sport, including for facilities. The foundation has recently been subjected to a detailed review and is to be upgraded and made more active and effective. It will provide an excellent avenue for the direction of community funds for facilities development.

In section 6 we address the issues of management. On page 66 you will see that, unfortunately, government organisations controlling sporting facilities lose some \$230 million per year. We address the issue of competitive tendering, training and commercial provision as a means of reducing this deficit.

In section 7 we address the difficult issue of joint school and community use of school facilities. On page 82 we list all of the reasons why such a relatively simple concept is, unfortunately, often put in the 'too hard' basket. Progress is, however, being made, especially for new facilities. With the existing facilities there is a need to inform principals on how the perceived problems of dual usage can be overcome.

In section 8 we draw your attention to the Active Australia program. This is the government's initiative in consultation with the states and national sporting organisations to have a greater focus on quality participation at the community level. The relevance of Active Australia to the inquiry is largely on the issue of badging. As set out on page 92, an Active Australia badge will be a stamp of quality indicating that the organisation managing the facility is providing quality sport in a number of clearly defined ways. In section 9 we address the issue of access for people with disabilities.

Section 10 addresses the issue of facilities at the Australian Institute of Sport. We have a site master plan which looks at a period 20 years ahead of the present. This is a notional plan only, but if fully undertaken it would involve development of facilities of around about \$27 million in total. Over such an

extended period and with innovative forms of funding, including commercial development and joint ventures, we do not envisage significant government funding would be required for this development if, indeed, it goes ahead.

Sections 11 and 12 are perhaps the most important in our submission. It is not our role to canvass whether or not the Commonwealth should be involved in a future funding program. This may, more appropriately, be a state and local government responsibility. What we strongly suggest, however, is that regardless of the source of funding any facilities program should be preceded by a comprehensive needs analysis. There are simply too many examples of poorly located, poorly designed and poorly managed facilities that become underutilised white elephants.

In consultation with the states and national sporting organisations we have the capacity to undertake a proper demographic analysis to identify areas of undersupply and, I think, we would stress that any such survey would need to be undertaken in the closest consultation with the states and with national sporting organisations. The decision making process needs to be far more informed than it has been in the past.

Finally, in section 12 we set out some innovative funding options which we believe the committee might consider. Some of these, such as the Hardies consortium and the Australian Sports Foundation, relate directly to facilities. Others, such as the possibility of a national sports lotto, or a national health and sport foundation, are means by which government can direct more funds to sport more generally, although including facilities.

Mr Chairman, we have made a very long list of conclusions to assist in your deliberations. If I could summarise, perhaps the most important in addressing the urgent need for more and better facilities are: firstly, close collaboration with local government is vital to stimulate quality usage of existing facilities, and the proper management of such facilities so that their operating deficits are reduced; secondly, a comprehensive needs analysis should be undertaken in association with states and the national sporting organisations so that any future programs are based on proper information resulting in facilities that best satisfy unmet demand; thirdly, that the dual use of school facilities be re-addressed by local government and the various education systems as we believe the climate for such a re-assessment is currently favourable; and fourthly, we look at more innovative ways of funding options for facilities. That is a general statement, Mr Chairman. Thank you very much. We are in your hands.

CHAIR—Thank you very much. Thank you for your comprehensive submission, which has provided a lot of useful background information for the committee. It perhaps would not surprise you that wherever the committee has been, the work of your commission has been the subject of quite a deal of the evidence given. You have your critics and also those who think your work is very worthwhile.

I know you said right at the beginning of your submission something about your statutory roles and obligations, but how does the commission itself perceive its role in sport in Australia firstly and then, I guess, in relation to sports facilities?

Mr Ferguson—In relation to sport generally, Mr Chairman, the legislation sets out two principal objectives of the commission: one of these is to ensure that Australia develops high quality programs for our

elite athletes and keeps Australia at the forefront in terms of elite sport; and secondly, that we develop programs to encourage more and better quality participation by the community in sporting activities.

The issue of facilities, I suppose, to some extent covers both of those issues, although it would tend to relate more to the second one, which is the development of community participation. Clearly if the community is to participate effectively they must have reasonable facilities in which to be able to do so.

CHAIR—Perhaps you could describe the relationship between the Sports Foundation and the commission?

Mr Ferguson—The Sports Foundation is a company wholly owned by the commission but, apart from being owned by it, it is operated separately from it. It is a mechanism whereby people can make donations of a charitable nature for sports activities to the foundation. Those donations are passed on for the development of sport, and the donor receives tax deductibility for that donation.

CHAIR—Almost everywhere we have been people say that the foundation is a good idea, but most people either have not heard of it or have not used it. I note in your submission that you say there was \$40 million or \$30 million worth of facilities that have been constructed by it. By way of background I wonder whether you could provide us with some more details of what particular facilities have been funded, who are the registered organisations that are available for assistance, and who is using it. Then you might like to comment on the widespread criticism that people have not heard of it.

Mr Ferguson—Yes. Thank you. I think the figure was \$45 million of total funding that has gone through the foundation. We do not have available with us, and it is not in our submission, those facilities which have been constructed through the foundation, but we will obtain that information for you.

CHAIR—Thank you. I would appreciate that. It is obviously going to be a key part of the inquiry, so we would like some more factual information about who is using it and how and what the benefits have been in those cases.

Mr Ferguson—I will provide you with full information on the foundation and how it has been used. I would be the first to agree that it has not been as effective as it should have been. We have recently concluded a major review of the foundation. That review has recommended that it be upgraded and significantly revitalised. One of the elements that it requires in terms of ‘be more active’ is precisely that more people know about it. We will be embarking on a public relations campaign to bring the advantages of the foundation to the greater notice of the public. It is an organisation which we believe offers very good opportunities for community participation in sport through the provision of donations of a charitable nature.

CHAIR—Perhaps you could respond to the suggestion that we really do not need it at all, and that you could just make donations to sporting facilities tax deductible for everybody who wants to make them.

Mr Ferguson—The problem with not having it at all would be that you would have literally hundreds of thousands of applications to the Treasurer for registration under section 78 of the Income Tax Act, I think it is. The benefit of the foundation is that it provides one avenue for those donations and it also provides, as

we hope to undertake, the opportunity to make it a significant factor in encouraging donations for sport.

CHAIR—If it was working well surely the Sports Foundation should have received 100,000 applications for deductibility.

Mr Ferguson—Well, the foundation is used much more widely than for facilities. It is used for a whole range of contributions to sport, but the reason that it has not been used as much as it could have been is precisely because it has not been well known.

CHAIR—It has also been suggested to us, I think by one of the governments that is appearing later today, actually, that the foundation should be hived off from the commission and operated as a separate independent body.

Mr Ferguson—That is one of the conclusions of the review which has been undertaken which we anticipate being put into effect. So the foundation will operate separately from the commission. It is also proposed that the states will play a much greater role in the activities of the foundation and, in fact, that state departments of sport, or whatever is the appropriate avenue within the states, will become agents for the foundation, so it will operate much more closely to the grassroots level.

CHAIR—Can I also ask you about Active Australia. Again, it has been widely mentioned as we have travelled around the country. It also has a number of critics who have just dismissed it as a badging campaign that takes up the worst features of Life. Be In It. but forgets about actually achieving anything.

Mr Ferguson—Active Australia is not exactly a program. Active Australia is a framework which is intended to provide a more integrated approach to sport and physical activity in the community. One of the problems with the provision of these services in the community is that they have all been provided separately. There is a sports component, there is a recreation component, there is a fitness component through gymnasiums, there is a health interest, there is an educational interest. The idea of Active Australia is to bring all these interests together to provide a comprehensive approach to the encouragement of physical activity in the community. It seeks to overcome some of the problems that we perceived in the Life. Be In It. program where the demand side operated very effectively.

Life. Be In It. was a very good program in terms of encouraging people, and a program which received a lot of awards for its publicity and for its advertising creativity. But we suspect that it did not have a great effect in terms of changing people's behaviour, because the supply side was not addressed. What we hope to do in Active Australia is to bring together both the demand side—the department of health is contributing significant funds to a health promotion scheme in association with Active Australia—then through the provision of the programs, for example run through the Sports Commission, or run through local government, to bring together the supply side. People who are convinced by the health message that they should participate in healthy physical activity will actually have the means whereby they can do it.

The badging element of Active Australia is, in fact, a very minor part of the program. The idea that we would like to develop is that if you are badged as an Active Australia program, whether it be a school program, a community program, a program in a local gymnasium, or a facility, this indicates that you fulfil

certain clearly defined standards of quality for the particular activity that is involved. So that if it is a facility and it is badged by Active Australia, this will mean that it is a well-developed facility, that it has got good services, good lighting, child-care facilities, a good gymnasium, and so on, so that people can be confident that if they go to that facility they should get a good experience.

CHAIR—What does that do to actually encourage participation in sport?

Mr Ferguson—There are two sides of the program. The first side of the program is a publicity campaign, which is to encourage people about the benefits of physical activity in terms of health and, hopefully, to reduce the cost of health care in the community. The second part of it is to provide the wherewithal for people to undertake that activity. We want to get local governments very heavily involved in this. We are thinking of having a 1-800 number, so that if somebody is seized of the idea that they should improve their fitness but they are not too sure how to do it, they can ring up a 1-800 number and get some advice on whatever it is that they want. Do they want to join the tennis club? They can get the address and the contacts of tennis clubs in their area. Do they just want to go for a walk with a community group? Then if they go to a particular place there is a community group that undertakes their activities from that particular locality. It is very important. The whole idea of Active Australia is to bring together the supply side, the programs, and the desire for people to improve their physical activity.

CHAIR—What is your undertaking of the commitment of the states to Active Australia?

Mr Ferguson—The states have all committed themselves to it. The framework is still in the formative stages. It will be discussed again at the forthcoming Sport and Recreation Ministers Council, which will take place in mid-July, and it is anticipated that the program will probably be launched at that stage.

CHAIR—But you are satisfied that the states are all going to support it?

Mr Ferguson—Yes, they have all committed themselves to support it.

CHAIR—Well, some of them have said in their submissions to us that they have not yet reached the commitment stage.

Mr Ferguson—That is not our information. It may have been at the time they gave you that information. I will check on this, but I believe they have all committed in writing.

Mrs CROSIO—Again, I congratulate you, with the Chairman, on your very, very comprehensive submission. There are a couple of points I would like to raise. In your submission here you have noted that the school principals need—I will not say instruction—but more advice on how the facilities that they now control could be better utilised for the common good. Why would you pick principals and not ministers for education in the relevant states, so that they have a direction as policy?

Mr Ferguson—Well, that is a very good point. I think we chose principals because in many states now those activities seem to have been decentralised to schools, and schools in fact operate more independently than they might have done in the past. But I think it is a very good idea, and we should be

putting those points to state ministers as well.

Mrs CROSIO—I use that example because in my own state, New South Wales, my own electorate, some principals work very, very well with the community and have dual purpose and we use the facilities; others will not have a bar of having anyone on their grounds after 3.30, except those who are bashing the building down or doing other vandalism after 7 or 8 o'clock at night.

Mr Ferguson—That is why we suggested that the principals, really, are the people most directly concerned, but any assistance state ministers could provide would obviously be very welcome.

Mrs CROSIO—Also, if I may, Mr Chairman, there are a couple of others. You refer to the review being done in the Australian Sports Foundation. Is the review considering issues such as the level of tax availability or providing tax deductibility for donations for sporting building?

Mr Ferguson—No. The review accepted the fact that the tax deductibility would remain at 100 per cent, which is what it is.

Mrs CROSIO—Is that review going to be made public?

Mr Ferguson—It is public. It is available.

Mrs CROSIO—Thank you.

CHAIR—We would like to have a copy.

Mr Ferguson—Yes, indeed. There was at one stage a long discussion as to whether 100 per cent deductibility was appropriate, and there were moves to have it increased to 115 or 120 per cent, but those moves were not successful and I think it was generally accepted that it would remain at 100 per cent. But, even so, if the foundation operated successfully it could still generate a significant increase in funding.

Mrs CROSIO—Do you expect an announcement is imminent on the future of the foundation?

Mr Ferguson—Yes.

CHAIR—What were the factors that have led the review to recommend a separation between the commission and the foundation? Was that seen as a liability?

Mr Ferguson—No. It was really intended to ensure that the foundation stood on its own two feet and operated as much as possible as a commercial entity. I think it is inevitable that, if it is tied closely to the commission, it tends to look to the commission for continued support, and that is probably not the best way to make it effective and active.

Mr McDOUGALL—Mr Ferguson, if I could go back a little bit. You made reference earlier to local government as well as the sports foundation. In your submission you state that you believe that local

government and the foundation have a role to play in relation to facilities. Once again we come back to education, because you then raise again school based facilities. I will come back to that in a moment.

Could you expand on how you feel—I think everybody acknowledges that these are all players, as well as state governments, and as well as sport itself—their role is going to intermesh and fit within the equation and operate and deliver outcomes, because they are all basically still individual bodies? How are we going to bring those together?

Mr Ferguson—I think, first of all, it needs to come from two directions. It needs to come down from the top, as well as up from the bottom. Coming down from the top I think it requires—and I think this is a particular responsibility of the state governments—a hard headed survey about what the gaps in facilities are in particular states. That clearly can only be done in consultation with local governments.

From the bottom up perspective, I think it is important that local governments work closely with their communities to ensure that the sorts of facilities they believe are necessary will actually fit in with what their communities need and take account of the facilities that may already be available in the community, including school facilities or facilities which may have been run down but which could be revitalised before you would decide to build a new facility.

The local governments also have a very important role, I believe, in working closely with the community to produce a better community base for facilities. If there is a desire by the community to have a facility in an area, the community actually gets together to make some sort of contribution towards that facility. It is an important role for local government to help them do that. Local government can also provide things like planning advice, perhaps the free use of land, or whatever. So it is in that way that I envisage local governments being more actively involved.

Mr McDOUGALL—On page 53 of your submission you talk about bringing together the three tiers of government and the national sporting organisations and other major non-government organisations through a conference. What do you hope to deliver out of the conference, and how would you design a conference that might deliver some real outcomes?

Mr Ferguson—Well, conferences tend not to deliver outcomes, at least very directly. But I think the idea of a conference is to try and get all the major players together as a first step towards a more comprehensive approach and so that the views of the various different players can be exposed and discussed in an open forum. The publicity value of a conference, I think, is very high. The conference in itself will not achieve very much, unless it sets up some mechanism to carry it forward.

Mr McDOUGALL—Do you see that as a role of the Commonwealth government to do that?

Mr Ferguson—I think it would be an appropriate role for the Commonwealth government, perhaps through the Sports Commission, to convene such a conference.

Mr McDOUGALL—In the area of strategic planning you emphasise that sport in Australia is organised through the national sporting organisations which are affiliated with international. You go on to say

that, with few exceptions, the national sporting organisations have not seen it as their role to be involved in facility planning or provision to match the comprehensive sports development plans that are expected of them through the commission. We would be interested, I think, to know where you see the role of the NSOs. Is it in planning or provision, in light of the evidence last week from, say, Australian Swimming, that they do not or have not had a role in setting the standards of facilities that have been provided?

Mr Ferguson—One would have to say that the role of national sporting organisations in the facilities area has been pretty weak. There are a number to which that comment does not apply. I have mentioned basketball and netball, both national sporting organisations which have put a good deal of thought and work into the planning for the development of facilities, and very effectively.

But it is our view that the National Sporting Organisation is the primary body for that particular sport nationally in the country and should be involved in every aspect of that sport, including facilities planning. I will not take it much beyond the idea of planning, or at least the development of national standards. I am not sure that they would want to or that we would want them to get into the commercial side of facilities, although I suppose that would be open to them. But they could play a very important role in terms of planning and in terms of providing information relating to standards of facilities.

Mr McDOUGALL—I see in your submission regarding the sports grounds and facilities and I note—again we have heard this quite often enough through the inquiry—that when we get some sort of data it excludes education facilities, which is a real problem because I think if we really want to have a stocktake of what we have got in Australia we need those. But I note, out all of those that you listed under the single purpose sports grounds and facilities, that four sports have 50 per cent of facilities. What is the correlation in relation to ratio of participants? Do those four sports represent 50 per cent of participants who play sport?

Mr Ferguson—I would say not, but they—tennis, bowls, cricket—are all very large participant sports. On page 18 there is a reference to the registered competitors of national sporting organisations, so you could put the two together. One of the problems, of course, is that the statistics of registered competitors are not as good as they could be in some sports. We have the difficulty, and it is difficult for the sports as well, in that not all of them are fully registered in the sense that they are paying capitation fee and so on. There is a fair amount of informal participation in a lot of those sports. But, in answer to your question, certainly it probably would not be 50 per cent, although those facilities would cater for a very large number of the sports community.

Mr McDOUGALL—There are some interesting figures. Last week we received some evidence regarding women's involvement in sport, and that was very critical of the availability of facilities to women, either specifically or jointly. Of course this raises the question of equity. Yet the sports that they were using as an example did not rate in these top four. I got the impression that other sports—like football as opposed to netball—were getting more out of local government and state governments whereas when I look at your figures here there are four other sports that appear to have the majority of facilities around Australia.

CHAIR—And on the table of participants that you have provided us, it is popular folklore around the country that netball is the most widely participated in sport in the country, and yet on your list of registered players it only comes in at about fifth or sixth. I know that you asked questions about the reliability of those

figures, but it does surprise me that there are more than half a million tennis players, which is way above any other sport. But then basketball outnumbers even netball. Has it got something to do with the way in which they register their numbers, or is it in fact not true that netball is the widest participatory sport in the country?

Mr Ferguson—I think, if you look at basketball, it includes men and women; whereas netball, obviously—well, in most cases, but not entirely—is played by women; likewise with tennis. So on page 22, if you look at the breakdown between men and women, netball is certainly the biggest women's sport. If taken on a disaggregated basis it is roughly the same as men's golf, in terms of the number of players. But if you include, say, men's and women's tennis, and then you include all the social players, then tennis would be higher than netball.

CHAIR—And are they registered, the social players?

Mr Ferguson—Well, some are, some are not. Again, it is very difficult to be categorical about when a player is registered or not.

Mr McDougall—There is a question that has really been bothering me for a long time. Everybody says we have three levels of government, we have sport, we have the corporate sector who should all be involved in the funding process. I suppose the question that really intrigues me most is this: let's say that that ends up the situation and you have some sort of program where those five levels make contributions towards the facility development. Who picks winners; how do you set up the structure?

Mr Ferguson—Well, I do not think you could get away from some sort of application process. I do not think it would be appropriate for state, local or Commonwealth government to go in and say, 'You will have a swimming pool here, and you will you have a basketball court there'. But as part of the application process you could possibly have a set of criteria which might account for some of the difficulties that we have seen in the past. For example, if you are putting up an application for a facility you must be able to demonstrate the need in terms of demand within the area; in terms of how the facility is going to be managed; in terms of who is going to own it. It would not be very difficult, actually, to set up some sort of set of criteria which would deal with some of those issues. It would seem to me that the more decentralised you could make that decision making process, the better.

Officials sitting in Canberra are not always the best people to make decisions on whether a facility should be built in, say, Bunbury, or Geraldton, or Rockhampton, or Mackay. To the extent that those decisions could be decentralised it would seem to me to be a desirable thing.

Mr Arnaudon—If I could answer that, too, Mr McDougall. We point out in our submission that in the business community a Woolworths or a McDonald's would not go into an area to build a facility until it had done a proper demographic analysis of the catchment area that is underserved. It is no different, really, to sports facilities identifying catchment areas and servicing them.

Mr Eoin Cameron—Do you know how the trial at Geraldton has gone at the high school there, which you refer to on page 83 of your submission, the third paragraph?

Mr Ferguson—No, I do not know in detail. I can find out and get back to you.

CHAIR—I think that is probably something that we could well perhaps try and follow up when we are in Western Australia.

Mr Ferguson—My suspicion will be that the success of those programs will depend very much on the individuals involved, and when you have a principal who is interested, or a PE teacher who is interested, then it will work.

Mr EOIN CAMERON—It will work, otherwise, no.

Mr Ferguson—Indeed, that tends to be the tendency of sport in schools where the program is run effectively, where there are teachers who are interested.

Mr Arnaudon—If you look also, Mr Cameron, at page 82, you will see a list of the commonly quoted reasons why it will not work, and they can be overcome, obviously, but some principals prefer to hide behind those excuses.

Mr BILLSON—Mr Ferguson, I commend you on considering the issue about GIS technology; I think that is a very useful tool. I draw you back to the McDonald's and Woolworths analogy, and suggest that we would like to focus a bit more on how the mechanics of those choices—about where, in your view, facilities would go—should be made. The McDonald's and Woolworths example about catchments talks about underservicing, and there is an inherent viability question there that they have answered. We have it put to us that the Commonwealth should fund what are otherwise non-viable facilities, not only at their establishment, but afterwards—prop them up through their operating life as well, and when the time comes to renew the structure of the facility be there again. We have had others saying that, unless the facility can pay its way and that can be demonstrated, the Commonwealth should not provide any funds. I would be interested in your response to those two lines of argument?

Mr Ferguson—Clearly, if a facility can be developed with community support and without government support that seems to me to be a good thing. In the best way possible the environment should be created in which that will occur. There are then decisions that have to be made about public good. If there is a need for some facilities in some places where it would not be viable commercially, and I think we should always be aiming to make them as commercially viable as possible, then it may be appropriate for a government body, not necessarily the Commonwealth government, it may be state or it may be local government, to provide some assistance in that particular area. But I think you would have to look at the case for support very carefully.

Mr BILLSON—So the Commonwealth's role in that scenario might be, for example, to provide some capital funding to the extent of, say, a third or four tenths—whatever the case may be—to knock the debt servicing costs down for that venue and then look to the local communities with the support of wherever they can find it, whether it be state or local government, to fund the facility. If those tests could not be met you would suggest, perhaps, not providing the Commonwealth grant upfront?

Mr Ferguson—Well, it might come through a state program, for example. From the point of view of the facility I am not sure that that matters very much. It seems to me that if the foundation can operate effectively and that provides an avenue for communities to make contributions for facilities—and it is a good thing that the community contributes to the construction of a facility, because that is the best way to ensure that it is going to be used, and the best way to ensure that it is actually needed—then what the Commonwealth would be providing through the sports foundation would be tax revenue foregone. There could then be a contribution by local government in providing servicing, land, and so on, and there might be some contribution by the state government by way of a grant. It would seem to me that that is a model which could be investigated for much greater use than has been the case in the past.

Mr BILLSON—But would you recommend the Commonwealth not being involved in recurrent funding?

Mr Ferguson—I think the Commonwealth would be very reluctant to be involved in recurrent funding.

Mr BILLSON—And that is reasonable in your view?

Mr Ferguson—Yes.

Mr BILLSON—Finally, the issue of the private sector: in my part of the world we have private sector operators who have funded the provision of facilities themselves only to find that the local authority thought they would like one as well. You end up having neither, or the viability of them all is affected. In that framework that you are advocating would you have as one of those tests whether the private sector is responding to that need in the first place and, therefore, not provide foundation funding?

Mr Ferguson—I think so, yes. If the facility can be provided commercially and it works, and it meets the requirements of the community, then there is obviously no need to provide another. If it is not meeting the needs of the community then that does not necessarily mean that you have to provide another one for the community. It could mean that you have to have some negotiations with the developer.

Mr BILLSON—So you would not reject the notion of having some discussions with a partnership arrangement with a private investor, or a school, whether it be a government or non-government school; whatever would best respond to the need, in your view?

Mr Ferguson—No, indeed, I think that would be a very good way to proceed.

CHAIR—Do you think users pay enough for the sporting facilities they use? In that regard there are certain sports which have been traditionally provided for profit by private entrepreneurs, 10-pin bowling, indoor cricket and the like. Why should the users of those sports pay the full costs plus entrepreneurial profit when people who play cricket expect the local government to mow their pitches for them?

Mr Ferguson—Yes, I think it goes back to the vast range of different facilities that are available. It certainly has been the tradition in Australia that every town has a local oval and that is provided by the local

government body in most cases, or the municipality, and it is open to everyone in the community. Indeed, it would be very difficult to perceive it in any other way, unless you were going to enclose it, and then you would have to have someone to collect the fees and it really becomes impractical.

But if you are building a squash court, for example, or something like that, where there is a significant capital investment involved, then the only way in which you can get a return on that is by charging the users, or that the local government provides it, which is probably unlikely. Many of those are built commercially in any case. So I think it is inevitable that there is going to be a range of different types of facilities and it is going to involve a range of different types of users and different types of payment.

CHAIR—You mentioned earlier that the existing sporting facilities run at a loss of \$230 million. Where is that \$230 million coming from? Who is making it up?

Mr Arnaudon—This is a survey undertaken in 1994 by the Australian Bureau of Statistics. It is itemised as the income of facilities and the expenses. We have just netted out the transfers to get the bottom line difference of \$232 million. In answer to your question, it is made up generally by government, local government—particularly local government.

CHAIR—Subsidising recurrent costs?

Mr Arnaudon—Yes.

Miss JACKIE KELLY—Everyone is suggesting a need for some sort of audit to find out what we have, including the school. You know, what is in the schools, what is in the health departments, what is in the local councils? The Australian Sport Commission seems to be in the best position to do something like that. What sort of infrastructure and support would you need? Or what is currently available for you to do such an audit so we know what we have got?

Mr Arnaudon—Some of the states do this work. Queensland in particular is detailing the inventory of its facilities throughout the state. Other states are a little bit behind that but are working in the same field. Obviously, it would be desirable to have a standard method of assessment so we had a national inventory established. That would require more statistical work and, obviously, some people to put it all together. It is probably best coordinated through the Standing Committee of Recreation and Sport, which is the intergovernmental body between the Commonwealth and the states at this level. Indeed, there is a subcommittee of that standing committee which is addressing facilities issues. It would take some time and some money, but it could be done over a period of years.

Miss JACKIE KELLY—You do not see it as the Sports Commission's responsibility?

Mr Ferguson—I think the Sports Commission could lead it, but if we were to undertake it, we would need significant help from the states.

Miss JACKIE KELLY—So from that audit you would probably get some information back on demographics and current facilities which would be very helpful in planning future facilities?

Mr Ferguson—Yes.

Miss JACKIE KELLY—From that view you could almost end up then with priorities? When you say that you need a community requirement before you put the facility in, I know the AFL is coming to western Sydney, whether they want it or not. They just know on the demographic they are going to get a team, and it is going to be successful. What comes first—the chicken or the egg? Do you wait for the community to do something or do you do demographic studies backed up by an audit of what is already there and requirements for various age groups and population areas and then prioritise facilities and then councils actually have a national resource they can go back to and say, ‘Okay, does this request from the community fit priority 1, 2, 3 or 4?’

Mr Ferguson—Yes. Basketball is doing something the same. They have done their own demographic survey and they have looked at new areas where there are young families particularly. They have gone in and put in basketball courts and that is, no doubt, helping to increase the number of kids playing basketball.

But I think that you would need to have some sort of application. There is nothing to stop organisations from doing that. To the extent that they are planning properly, then they are probably good facilities and are well used. But if it is something outside that, and I think you are only going to find that in those sorts of sport that are really on the move, you will need some sort of application process. But in assessing the applications, you might be looking at the sorts of things that you would get out of that survey.

Mr BILLSON—Figure 5 of your submission, page 16, is a useful starting point for the discussion of what is sport and what is not. Just to help me clarify how you apply this table, would you fund a skatebowl?

Mr Ferguson—Local government may.

Mr BILLSON—Would the foundation consider funding a skatebowl?

Mr Ferguson—No. The foundation does not actually fund anything itself. The way the foundation operates is that a provider gets registered for an appeal. So all the foundation does—let us say, for example, somebody wanted to develop a skateboard facility in a particular town. They would apply to the foundation for registration and they would then raise the funds which would be transferred through the foundation. So the foundation would not actually make the decision on that.

Mr BILLSON—Let me rephrase the question. Would the foundation accept an application for registration for a skatebowl?

Mr Ferguson—Oh, yes, absolutely. Provided it met the normal requirements for acceptance.

Mr BILLSON—What about for a fencing area for dogs to run in?

Mr Ferguson—Sorry?

Mr BILLSON—In our state having a dog off a lead is illegal. Therefore, people are saying that they

recreate with their canine and would like an area where their dog could run free. Now, in that sort of activity they are not riding it like equestrian activities, but is that the sort of thing that an application would be received for? I guess what I am getting to is I am constantly being challenged about what is a sporting and recreation facility, and it is a very difficult question to ask, because it depends on your view of the world.

Mr Ferguson—It certainly is. I would have to answer that by saying that at this stage I do not think a free-range dog facility would be regarded as a sporting facility.

Mr BILLSON—Right. So you would guide us to work off these descriptions you have developed and face the music from people who feel that organised, structured sport is all we are interested in, and the rest of you can look after yourselves?

Mr Ferguson—Well, I acknowledge that it is going to be very difficult to determine where the line should be drawn. I think, undoubtedly, skateboarding is what we call a free-range activity. It is not an activity which is regulated by any sort of national sporting organisation, but the provision of a skateboard facility would, I think, clearly fall within the terms of reference of the foundation as being a sport.

Mr BILLSON—And then the kennel control council would throw out your other argument entirely, wouldn't they?

Mr Ferguson—Well—

Mr BILLSON—It is a difficulty we are having, I was wondering if you could help us with it.

Mr Ferguson—I would not like to have to make a decision on that one.

CHAIR—Are all the donations to the foundation earmarked?

Mr Ferguson—No, not all, but the majority are.

Mr McDUGALL—I would like to come back to the question that Mrs Crosio and Mr Cameron started on, and I think we have found very difficult right around Australia, and that is in relation to education facilities. I am not talking about the gaining of the data this time.

You made quite some play of the idea that principals were the best people. We have had evidence where some principals are excellent; some are not. We heard evidence where it is very difficult to get the education departments in some states to even play ball. We have had evidence in, say, Victoria, where there was a joint agreement. A facility was built in the school. The school was closed. The facility became no longer available to the people who were part of that scheme.

Now, I know in my own case that I have tried very, very unsuccessfully over many, many years to get the education department in Queensland active in this role. If we are going to go down this method, particularly in regional areas where it has probably far more application than in cities, how do we actually get an ownership structure, an investment structure and a management structure that is actually going to deliver

and that all the players are going to make a commitment to? Frankly, I do not think it should be left to principals, because there will be too much whimsy.

Mr Ferguson—I think there is a difference between existing facilities and new facilities. Obviously, if new facilities are being put in it would be desirable, in our view, that it be made clear up front how they were going to operate as part of the wider community in which the school or the educational institution was located.

Dealing with the existing ones, it is obviously going to be a lot more difficult. We have been very frustrated by this issue over many years. I do not have any magic answer to that. I think it is a matter of trying to put as much pressure to bear as we can from whatever quarters we can bring that pressure to bear, but particularly through trying to get local governments to involve the school as more of a community activity than may have been the case in the past.

I am a bit out of date with schools, but my impression is a lot of schools run almost as an extra community activity. Some of them are quite good in having parent and citizens groups but some of them seem to run almost despite what the parents and citizens want. I think there is a very important role for local government to try to bring schools more into local communities. If that could be achieved, then this might be part of that activity.

Mr Arnaudon—If I could just add to that, there are some very good examples of joint use facilities and perhaps sharing information on management practices within those facilities, the competition structures that have been developed, sharing that sort of information back to the school systems and the principals is a way to educate them that it is possible to do this and to do it well.

Mr McDougall—If you have some examples of those, could you pass those on to us, that we might be able to ask them and to get some follow-up of what they have done. A final question I have is we always hear the same old problem: we have special events, facilities are built, and we have the coming Olympic Games and facilities are being built. What controls can be put in place to ensure that the design of those facilities takes into consideration their use after that event? We have plenty of examples of where we have a lot of facilities still running deficits and without good outcomes, but we seem to be continually repeating the dose.

Mr Ferguson—Yes, I agree that is a very important issue. There have been certainly a lot of facilities built with those shortcomings. I think that the answer has to be in the licensing process or the application—the granting of permission for facilities. Now, that is going to be a bit difficult in terms of, you know, building the facilities for the Olympic Games. But in most cases, if you are looking at, say, the Commonwealth Games in Melbourne, should Melbourne win the bid, then it should quite clearly be part of the application and approval process that they show that those facilities are being built with a longer life in view than just the particular games themselves.

Mr McDougall—Has the Commonwealth got a role in that?

Mr Ferguson—It probably has got a role in trying to encourage the planning and approval authorities

to undertake that sort of investigation, and it may have a role in providing advice as to what would be the appropriate types of facilities that would continue. For example, if a facility is to be built and it is planned in future to use it, say, for a local institute of sport, then there are certain requirements that you would expect to see in the facility to enable it to be used for that, so that they have some laboratories or some weight rooms or whatever. I think there could be a role for the Commonwealth in providing advice on that, but I think ultimately it gets down to the organisation which grants the approval.

CHAIR—In the survey on page 28 about barriers to people participating in leisure time physical activity, lack of facilities does not rate very high as a reason why people do not participate. Perhaps you could turn that argument around and say, ‘We have got enough facilities. The problems are lack of time, injury, and not feeling sporty, and things of that nature.’

Mrs CROSIO—There is a bit of difference between leisure and activity.

Mr Ferguson—I think that there is a difference between recreational activity and sports-type activity. People want to recreate. If they have got a problem with time, or if they have a problem with motivation, then they are probably not going to participate in a sporting activity and they would be better off going for a walk in the morning or a walk with their dog on the special area put aside for that purpose.

Mrs CROSIO—On a lead.

Mr BILLSON—And with the exception of the dog owner, you do not actually need too much of a special facility for that sort of activity. But, it is when you are looking at particularly the younger elements of the community, or the older parts of the community, those people whose children have left home and want to participate in something which is a bit more formal, that is when your facility becomes important.

CHAIR—But later on there is another survey about why young people drop out of sport, and lack of facilities does not rate there either.

Mr Ferguson—No, that is true.

CHAIR—Is there any evidence then on the positive side that building a new facility actually gets people out of their lounge room and out to actually play sport?

Mr Ferguson—It provides a part of the infrastructure which will allow them to do that, but it certainly will not do it by itself. Indeed, the thrust of our submission probably is that the facility should not be built unless there is a demonstrated demand or at least a demonstrated potential demand. There is no point going into a community and building a facility in the belief that that will suddenly make people leap out of their lounge chairs and go and use it, because there is plenty of evidence which says that it does not. But if you do not have the facilities there and in a sufficient mix of different types of facilities, then those people that do want to will not be able to. So it is a matter of mixing supply and demand again.

CHAIR—Do you provide any kind of a service to people proposing to construct sporting facilities in relation to future management and budgeting to ensure that they have got a viable facility?

Mr Arnaudon—We do not ourselves, Mr Chairman, but there are companies in the field who are professional facilities managers and, of course, with the increase of contracting out of facilities at local government level, these types of companies are becoming more prevalent in the marketplace. We certainly encourage people who are looking to build facilities to have a management plan for the facility, to talk to the experts who are in the field about facilities management, and to work on location, design and management at the same time rather than sequentially.

CHAIR—It is a worry to the committee that there are still community groups working hard to raise funds and planning towards constructing facilities that on the evidence around suggests can never ever pay for themselves.

Mr Ferguson—One of the problems with communities involved in developing facilities is that almost every community starts each facility from scratch and they do not have adequate information as to what type of facility is the best type of facility for what they perceive to be their particular need, who are the best suppliers of that facility. They have to start completely from scratch in the planning process. They hire an architect. In many cases they get a building designed which is not entirely appropriate for their needs. There needs to be a much better service provided for people who want to become involved in the provision of facilities to cover these sorts of things.

That was one of the ideas behind the Hardies consortium which we were involved in in setting up with Hardies. You had a standard design, all the planning was already done, you did not have to bother with that. You knew you were going to get a good quality facility at a cheap price, and the reason it was cheap was because you did not have to undertake all those extra activities. Along with that consortium is also the financial planning side, which was to be provided through the Commonwealth Bank. So a community could go to the local bank and get assistance from the bank manager in terms of how they would structure their funding and how they would pay off the facility, and so on.

Mr McDougall—Just following on from that, the Hillary Commission, which I believe is your counterpart in New Zealand, has produced a very, very comprehensive—and I cannot think of the exact name of it, but it is a facility development program, or it is a booklet that they put out and recommend to anybody, whether it is government or sporting organisation. They have a step process. I have had a look at that some time back and I thought it was an exceptionally good publication. Is that what you are referring to, and would it be, or should it be the role of the commission to produce something similar and promote it so that everybody starts off at a common base?

Mr Ferguson—Yes, indeed. The New Zealand experience is on page 121 of our submissions. The booklet that they produced is indeed a very good one. It was part of a bigger integrated approach to the development of facilities, though, which included a proper inventory of their national facilities and the development of a 20-year strategic plan for future development. But in the context of that wider approach, absolutely, I think it would be a very important thing to do.

Mr McDougall—Would you have that as a role of the commission? Would it be worth while for you to take it on?

Mr Ferguson—Yes, through the SCORS committee, the Australasian Facilities Committee, AUSFAC, which has to date put out a series of standard designs for sporting facilities, which was to try to do much the same sort of thing.

CHAIR—You act as the secretariat for that committee, do you?

Mr Ferguson—Yes. So that if a community wished to build a basketball court, for example, they could actually go to this book and get out the plans for basketball facilities. It was an attempt to do the same sort of thing.

Mr McDOUGALL—I was more interested in the other side of it, not so much the actual design of the facility, but the process before you got to the facility. That was the part that I found of interest in it.

Mr Ferguson—Yes. I think before that would be really effective in Australia, we would have to work out what the bigger process was, how the Commonwealth fitted in with the states and local government and so on, so that there was a full process outlined. That might vary from state to state.

CHAIR—In your final chapter you look at other funding options and it is obviously a key area for our inquiry as well. You talk there about a sports foundation and also about a national sports lotto. I was especially interested in your suggestion that maybe the Commonwealth might be able to quarantine interactive gambling as our field of activity, because the states are obviously not going to take too kindly to the Commonwealth entering into a competition directly with them. Would you like to expand on that suggestion?

Mr Ferguson—I realise that there are a lot of impediments to the idea of a national lottery. It would not need to be run by the Commonwealth; it could be run by Tattsлото. The great benefit of a lottery is that lotteries are successful depending on volume. The bigger the volume you have got in the lottery the bigger the prize and therefore the more people want to buy tickets in the lottery and therefore the bigger the prize. So from that point of view a national lottery makes a lot of sense.

If you assume that the propensity to gamble is roughly equivalent across Australia, which it probably is, then the states would be able to receive value from that lottery roughly commensurate with the number of people in the states that were gambling on it. So you could get a pretty equal distribution of funding from that lottery, depending on the balance of people in the state. There would need to be agreement.

Mrs CROSIO—The balance of gamblers in the state or population?

Mr Ferguson—I am assuming that the propensity to gamble is roughly equivalent, that Western Australians gamble as much as Queenslanders, for example. I do not know whether that is absolutely correct, but it seems to be borne out by the way lotteries are run. If you have a lottery you could then distribute the funds from the lottery back to the states commensurate with their population.

So one of the difficulties with the concept of a national lottery is how you would distribute the money. Does it all go into a pool and you have a group of Commonwealth public servants doling it out to the states? That is not very attractive to the states, obviously. I do not think you need that. I think you can find a

mechanism where it happens automatically.

You would then need to have an agreement, if you were to take a national approach, as to what the proceeds of the lottery should be used for. I suppose that theoretically you could leave it to the states and one state could say, 'Yes, we want to put it into supporting athletes,' and another state could say, 'We want to put it into sporting facilities.' But obviously from a national point of view there could be benefit on an agreement that such and such a proportion of the funds from that lottery should go into facilities development.

Mr Arnaudon—To add to that, there is over a decade's history of attempts to establish a national sports lotto, with the states basically vetoing that on constitutional grounds. As Mr Ferguson has pointed out, the technology is there. The size of the pool is important and, indeed, there are now national lottos which have come about because of those changes in technology and consumer taste.

I think what you were alluding to earlier, of course, is the interactive gambling, which under the communications power would be a Commonwealth responsibility. So if the Commonwealth wanted to move in this direction the impediments that the states are putting forward are perhaps not as relevant.

Mr BILLSON—I must have missed that earlier comment. Was the chairman alluding to gambling on airline travel?

CHAIR—No. Well, basically interactive television on airline travel, I suppose.

Mr BILLSON—That is an issue I want to allude to, that some of the carriers are now talking about gambling on airline travel. That is clearly within the federal jurisdiction, as are the airport terminal areas themselves. Is that an alternative, thinking of how our federation functions?

Mr Ferguson—It is the same method—it is just using interactive television, Internet, for gambling. There is nothing to prevent that. In fact, it is happening now, and it is going to be an international phenomenon.

Mr BILLSON—I understand that. I am just suggesting that perhaps the states might view more kindly something that is distinctly federal in its character, that is, the airspace on air travel, and also the terminals themselves. Not that it happens often, but when you are sitting around waiting for a flight I can just imagine people would love to unload some voluntary tax money into a sporting fund, I would have thought.

Mr Ferguson—There are a whole range of social issues here that would need to be considered, of course. But it is our belief that people would be more likely to participate in a lottery where they knew there was going to be a particular benefit in a particular area than just participate in a lottery.

CHAIR—I question that. In Queensland all the lottery money, when it was originally established, went to the so-called free hospitals. That no longer happens, but the growth in gambling has just been enormous since that hasn't happened!

Mr Ferguson—Well, I might concede that one.

CHAIR—Also in that final chapter you make mention of an Aboriginal and Torres Strait Islander sports foundation, and comment that in the past there was a facilities program that failed and that only one of the constructed facilities is still in use. How many were constructed? You give some reasons for the failure, but how could we have had a program that provided a whole stack of facilities and only one has not deteriorated so much that it is still in use?

Mr Arnaudon—That was a program of the Aboriginal and Torres Strait Islander Commission. I think, from memory, they built about 12 or 13 facilities, mainly in very isolated communities and, as our submission says, only one is still currently operational. I guess some of the issues are those that we have been talking about this morning in terms of facility management, proper location, proper maintenance and so on and were exacerbated in this case by isolation and lack of skills amongst the local community to operate such facilities. So I guess the solution is the same as we have been talking about: it is proper location, proper design, proper maintenance plan, training of the operators to manage it effectively, and assistance to the participants to use it.

We hope through this trust—that we hope to establish shortly—to raise money from the commercial sector towards such facilities. But we will do the planning first in terms of what should be provided and where, proper maintenance plans for such facilities, and training local people through other indigenous programs that we operate through the Sports Commission.

CHAIR—What sorts of facilities were they? Were they indoor sports facilities, that sort of thing?

Mr Arnaudon—To my knowledge they were essentially halls that could be used for sporting facilities plus for community usage.

CHAIR—Are they irretrievable?

Mr Arnaudon—I believe so, yes.

CHAIR—Well, that is disappointing.

Mr Ferguson—There is a very difficult issue in relation to the development of facilities in Aboriginal communities, particularly in remote areas. They are usually very small communities and the facilities could never be run commercially because there is simply not the volume of traffic. One of the reasons for providing them goes beyond the sport reason—there is a very strong community reason for developing facilities to provide activities, for kids particularly. It is a very, very difficult issue.

CHAIR—I would be interested in any additional information you have on that program, where the facilities are and that sort of thing, because whilst it may be particularly linked to the Aboriginal community in that instance there are obviously lessons there for everybody.

We have gone a bit over time, but that is perhaps not surprising in view of the comprehensive nature

of your submission and the key role the Sports Commission does play in sport in this country. As I mentioned at the beginning of the hearing, the commission has been mentioned in virtually every hearing that we have had as we have travelled around the country, so it has been very important for us to be able to view some of the things that have been put to us around the country and to receive your response. The information in your submission, the survey details and the like, have also been very, very helpful, and I am sure will assist the committee greatly in preparing its report.

It may well be that we will want to talk to you more in the future, perhaps informally, in the fulfilment of our objectives in developing recommendations on these matters. You have promised to provide us with extra information and we look forward to that as well. But thank you very much for appearing today, for the submission, and for the answers that you provided to our questions.

Mr Ferguson—Thank you very much. We will provide that extra information. If there is anything further you want from us please get the secretariat to contact us. We will be happy to work with you.

CHAIR—Thank you.

EVANS, Ms Leanne, Deputy Director-General, New South Wales Department of Sport and Recreation, PO Box 422, North Sydney, New South Wales 2059

CHAIR—I welcome the representative of the New South Wales Government. We have received a submission from you and have authorised publication. Do you wish to propose any changes to the submission?

Ms Evans—Mr Chair, we would like to submit an amended version of that original submission for consideration by the committee.

CHAIR—Have we got a copy of the amended version? You will be aware that we have already authorised the publication of the alternate version. So what I think we need from the committee is a resolution that the revised submission from the New South Wales Government be received as evidence, and authorised for publication as a replacement for the earlier submission.

Mr MARTIN—So moved.

CHAIR—Thank you, Mr Martin. Those in favour? Against? Carried. Now, Ms Evans, would you like to make an opening statement?

Ms Evans—I think the inquiry certainly gives the opportunity for a whole range of issues to be discussed in terms of facility development. The New South Wales Government applauds the initiative of the Commonwealth in setting up this inquiry. We are hoping that as a result of it we can certainly look forward to a high level of cooperation in terms of development throughout the country.

CHAIR—Could you tell us what funding programs the New South Wales Government has for sports facilities, and how much funding you provide?

Ms Evans—We have a variety of funding programs, loan guarantee programs and low interest loan programs. Probably one of our most extensive local level community facility programs is called a capital assistance program.

CHAIR—The who program?

Ms Evans—Capital assistance program. It mainly provides grants to local government and local sport and recreation community organisations. Since 1975 and up until the 1995-96 financial year more than \$75 million has been allocated to projects under that scheme, with an overall value of \$260 million. Over the last three years community organisations have received approximately 70 per cent of the funds, compared to 30 per cent to local government. That is, as I said, our major program for local government and community organisations.

We then have a number of other programs: a regional sports facility program under which, between the financial years 1988-89 and 1994-95, the government distributed nearly \$11 million towards the development of 32 projects throughout the state. That was for major regional level facilities. We also have a low interest loan program, and government guarantees are provided in a number of cases. Since the inception

of the loan guarantee program the government has approved 117 loan guarantees totalling in excess of \$15 million. That is since 1977. We also have Footy TAB. The department receives a 10 per cent commission on Footy TAB investments. That money is distributed to sport and recreation facilities in the state. Since the inception of that program a total of \$15.7 million has been generated by way of commission. They are our major programs.

CHAIR—Do you think you could provide the committee with some more details of those and, particularly, terms and conditions which might apply? When we were in Sydney taking evidence it seemed as though the sporting organisations were not very familiar with the existence of those programs and, indeed, some of them actually critically compared what the New South Wales Government was doing with what other states are doing. Yet it seems, from what you have told us, that you have in fact quite an extensive program.

Ms Evans—We endeavour to communicate those programs through a variety of mechanisms, through local government itself, through state sporting and recreation organisations.

CHAIR—In your submission you say that in relation to Active Australia there has been no commitment by the states to implement the proposals at this stage. What is the New South Wales Government's attitude towards Active Australia?

Ms Evans—The New South Wales Government is supportive of Active Australia as a framework. As our submission says, at this stage no detailed commitment has been made in terms of committing resources to the implementation of that. But I think it would be fair to say that many of the measures that are proposed, in other words the broad strategic directions of Active Australia, are already being incorporated in many of our programs. So that in terms of a commitment of additional resources, in many cases for us—for the New South Wales Government—it may be that we redirect existing resources in terms of implementing some of the initiatives.

The Active Australia framework is designed also in a way to encompass many of the initiatives that states are currently carrying out. My view is that it will not require in some cases additional resources. It may require better use of resources. That is the point that we were trying to make in our response to the first question: that it could serve as a framework in order to bring the many stakeholders involved in this facility development together to develop something which could be used to utilise better those resources.

CHAIR—In your submission you say, 'If the Commonwealth accepts that it has a responsibility for funding facilities'. Is it your argument that the Commonwealth should or should not?

Ms Evans—Our recommendation in the document is that, if the Commonwealth accepts a role, we would be looking to the Commonwealth to provide partial funding by way of a grant program. I guess if we look at the analysis of need, there is an argument to suggest that the Commonwealth should be involved in providing additional resources to meet those existing needs.

CHAIR—But you do not want that to be a tied program, as I understand it. How would you propose then that the money be spent?

Ms Evans—We propose that, as part of that framework, guidelines regarding priorities, assessment of need, and design management models be developed jointly between the Commonwealth and the states, and that would serve as the framework for the allocation of those resources. So we could agree jointly on a planning framework which could incorporate many variables—for example, basic demographic information; we are conscious that forecasting information is available—so that if we could overlay basic demographic information with forecasting trends we could certainly try to identify needs on a more objective basis.

CHAIR—So you do want it tied then. You want it tied to sporting facilities. It is not your proposal that the Commonwealth just give the states or local government a bit of extra money?

Ms Evans—Our proposal will be that the basis of any new grant program would be developed jointly between the states and the Commonwealth so that we could get agreement on some of those, I guess, inputs. We could agree on performance measures as to how grants could be assessed, how facilities could be designed and managed.

CHAIR—I do not quite understand what you are proposing. Are you suggesting that there be a single distributor of funds that is both Commonwealth and state, or Commonwealth, state and local government, or—

Ms Evans—No. We are suggesting that any money that be available for development be part of or be assigned to a framework so that Commonwealth priorities would be developed in conjunction with both state and local governments and community groups. Similarly our priorities would follow on.

If we could develop a set of national priorities we can then target all of our resources accordingly. It may mean that those priorities are developed according to agreed processes, as I said, coming back to demographics, areas of unemployment and so on. We are not suggesting a single pooled grant program. It may be that the Commonwealth has one grant program that would mirror or support various state programs.

Miss JACKIE KELLY—Whom do you see as the best person to set those priorities; the sports commission, each state individually, the meeting between—

Ms Evans—It is our belief that the priorities should be set jointly. In other words, we need input from stakeholders right through, depending on the nature of the facility: if it is an international or national standard facility I think we would need input from national sporting organisations as well as the federal government right through to state and, in our case, local governments and regional organisations of councils.

Miss JACKIE KELLY—You would want a new body set up to do that?

Ms Evans—I do not believe that we need a new body set up to do that. I believe if we get a planning process established we can provide for that input.

Miss JACKIE KELLY—So who would carry it?

Ms Evans—I would suggest that a federal agency would need to take a leadership role.

Miss JACKIE KELLY—The sports commission?

Ms Evans—It is one possibility.

Miss JACKIE KELLY—They do not want to. We already had that out with them this morning.

Ms Evans—They may not want carriage of a grant program, but we believe—

Miss JACKIE KELLY—No the priority, the setting of priorities to somewhere else.

Ms Evans—We believe there is a leadership role for the Commonwealth in establishing a process to determine priorities. We believe that is where, I guess, the missing link is in ensuring we get the best possible use of resources. Now, it may be that the states and territories and local governments may have to look at developing that themselves, if the Commonwealth does not want to pursue that leadership role.

Mr McDOUGALL—The ASC this morning suggested that it might be a good idea to have a conference. It worried me a bit. What do you think about local government, state government, Commonwealth government, sport, private sector, getting into a room and working out a process? Do you think it is viable?

Ms Evans—I think there would be a lot of work that would need to happen beforehand and I think a lot of that work can be done between governments initially. It is probably fair to say that in our government's case we need to work more closely with local government. We also need to work more closely with regional organisations of councils.

One of our priorities in our business plan over the next financial year is to facilitate a regional facility planning process. We have examples of best practice in New South Wales in the Illawarra and the Hunter, where local governments have pooled some of their grants funding under one of our programs and have been able to prioritise facilities on a regional basis. We are looking to further develop those models, to document them and, over a period of time, look at our grant guidelines in terms of ensuring that we get best value for dollar.

Mr McDOUGALL—There has been a vexed question right around Australia in the process that we have been doing. We are looking for a database. There does not seem to be a very good one around, and what databases are around—and we heard it again this morning from the Australian Sports Commission; they produced a database but with no education facilities in it. Now, what is New South Wales doing about knowing what they have got before they start planning for the future?

Ms Evans—That is a basic building block in our planning process. I guess from our point of view at this stage we are looking for leadership from the Commonwealth in facilitating software programs that will make that easy for the state so that we actually do get a national model. We referred to the example that the Hillary Commission is using at the moment with local government in New Zealand. The software program, I believe, is relatively user friendly. There is obviously a cost attached to that. Now, at this stage I guess in terms of this process we are looking for leadership from the Commonwealth in initiating that process so that,

if all the states were to use the same software program, for instance, in developing a database, it would then make it much easier to determine needs on a national basis.

At this stage we have not put a lot of resources into developing a database. We intend to work more closely with our department of local government, because local governments are required under the New South Wales Local Government Act to supply details to the Department of Local Government. I think any process that is developed should not look at reinventing the wheel. I mean, we need to look at where councils, for instance, are already providing information, where schools are already providing information, and see if we can incorporate that information into a more synthesised database. So in many cases I do not believe it is starting from scratch. It is simply using the information that is there, but incorporating it into a larger database.

Mr McDOUGALL—Has the New South Wales government, your department, got a relationship with the education department yet?

Ms Evans—We are developing a much stronger partnership. We have a similar process at state level through our New South Wales Physical Activity Task Force, which mirrors the Active Australia composition at state level. The Department of School Education and ourselves, as well as the Department of Local Government are represented on that.

Mr McDOUGALL—What is the education department's reaction to joint ownership and joint management?

Ms Evans—It is a complex issue, and there are many difficulties in terms of that process. We are working with them as closely as we can to ensure that their policies meet the needs of our community user groups. That is a slow process. There are difficulties in terms of their design codes. For instance, New South Wales school facilities, now, I was informed this morning, are designed to be earthquake resistant. So the designs for the New South Wales school buildings are built to an extremely high standard. The requirements obviously for community facilities are not as high. So there are some differences in terms of design policy that we need to work closely with them on.

CHAIR—You have actually suggested in your submission that the Commonwealth should facilitate less restrictive standards in the design and management of school facilities. It is the New South Wales government that makes these rules, and decides how they are going to be managed in your state. How do you see a role for the Commonwealth?

Ms Evans—If the Commonwealth were to assume a leadership role in this case, it may be appropriate for the standing committee on recreation and sport, and the sport and recreation ministerial council to approach its equivalents in the education sphere in terms of providing a national coordination. We are endeavouring to work, as I said, closely with school education in our state, but we believe that approach should be mirrored around the country and that leadership should be—well, is a potential role for the Commonwealth to play.

CHAIR—But if New South Wales has decided, for instance, that it wants all its school buildings to

be earthquake proof, it would not take too kindly to the Commonwealth saying that that is not needed as a national standard, would it?

Ms Evans—If we were to develop, as I said, a framework where, as part of that process, due consultation was taken with a range of stakeholders, including departments of education, local government, we believe that there is potential to get agreement on some issues.

Mr McDOUGALL—In that process what thought have you given to the actual management of such a joint owned facility and joint funded facility? Most seem to say that it should be left with the principal of the school. Do you think it should be, or do you think it should be involved in a more community management group?

Ms Evans—I believe that there is certainly scope to involve the community in the management of such a facility. I guess that ultimately depends on the original resource space. So that if the community had contributed to a large extent to the facility in question I believe we need to develop models where the community has a say in the actual management of the facility.

Mr McDOUGALL—Would the education department agree with that?

Ms Evans—I cannot answer that at this point in time. That would be certainly a proposal that we would be discussing with them.

Mr MARTIN—Just following on that particular issue, I can recall some years ago now that the New South Wales government, in terms of its urban planning policies, had a state planning policy that said that the education department, as it was then, was to in some way ensure that those facilities in which governments invested considerable sums should be community based facilities. Does that still apply?

Ms Evans—Schools are required to have community consultative groups for a range of issues. It is difficult for me to say at this point in time whether those processes are effective.

Mr MARTIN—In rural and regional New South Wales, of course, it becomes even more critical, does it not, than, say, in urban environments where there tends to be access to private facilities or public open spaces or whatever managed by councils, but it does become a little more critical, does it not, in rural and regional New South Wales?

Ms Evans—I agree. From our research in terms of facilities being currently built, we believe there is a genuine role for the Commonwealth in terms of funding that it does provide, for instance, community health facilities. We are looking at a model of community development that would incorporate a whole range of community users, ranging from libraries to youth centres, child health clinics, neighbourhood community centres. They may also include various arts and entertainment possibilities, as well as obviously marrying with schools and local sport and recreation facilities. So that we are looking to identify best practice in facilities that have been able to bring together a range of stakeholders in the community and maximise those resources.

Mr MARTIN—But that is going to mean, is it not, that there needs to be an attitudinal change,

particularly amongst sporting organisations who like to have their own little bit of territory?

Ms Evans—I think with resources becoming increasingly scarce, there is a lot of work that we need to do in terms of overcoming some of those barriers. But I think if we can identify some best practice models—if the Commonwealth, as I said, can demonstrate some leadership in terms of any capital development program that it funds, the New South Wales government can similarly look at capital programs that it funds as well.

Mr MARTIN—Should that be a precursor to the Commonwealth's involvement then in funding community facilities that there in fact be very much in-built in that a condition, if you like, that it be multipurpose in use and be the focus of the local community?

Ms Evans—I think that is very important. I mean, we make the point in our submission that currently many guidelines preclude value adding. In other words, you can only get a grant under one program, and many grant programs certainly preclude value adding across a variety of areas.

Mr MARTIN—That is a very important point, I think, that the committee needs to look at. That is, under many of the programs in states, and certainly which the Commonwealth has been involved in in the past, you can only access one source of a grant. You could not cross-subsidise in other areas.

The recent announcement in New South Wales that Cobar High School is going to be a regional academy of sport for far western New South Wales, do you see that as being a model which will also develop in terms of further provision of sporting facilities in regional New South Wales?

Ms Evans—I think in regional and more isolated communities we certainly have to look at the facilities that are already in place within schools, and we hope that that will be a model for, in that case, maximising the facilities in that local area.

Mr MARTIN—Okay. Can I change tack a bit now and go to the most vexing part of this whole inquiry, and that is, if everybody agrees that we need facilities and the Commonwealth should be involved in it, how are we going to pay for it? Now, one of the issues which has been raised with us, and one of the suggestions that has been raised is that perhaps a national sports lottery should be put in place. Clearly, if that is to happen, it means that state governments are going to have to be prepared to give up some of their responsibilities, because lotteries fall within the legal framework of state governments.

Do you think New South Wales might be prepared to give up their hold over lotteries and casino takings and everything else? I know you are not in Mr Egan's department, but what do you think from a sports perspective?

Ms Evans—I cannot really comment on what the view of our racing and gaming department may be. As I said, we already have a grant program where we do get commission from gambling.

Mr MARTIN—From Footy TAB?

Ms Evans—Yes.

Mr MARTIN—No other source?

Ms Evans—Sorry, in terms of?

Mr MARTIN—Of funds that get directed to sport. Is it simply just Footy TAB money, or do you get a slice off the casino takings or any other gambling revenues?

Ms Evans—At this stage the only funding that is available for sport and recreation facilities is via Footy TAB and the Casino Community Benefit Fund.

Mr MARTIN—Okay. New South Wales has just increased the taxation base on registered clubs from 24 per cent to 30 per cent in one hit for profits over \$1 million. A campaign is being run by the registered clubs that suggests, therefore, that they will not be able to put funding back into the community, including grants for community facilities. Have you got a comment about that?

Ms Evans—It is very hard to say at this stage, I think, what the impact of that will be.

Mr MARTIN—Will you get some of that additional taxation money then into sport, do you think, through the budget?

Ms Evans—At this stage I do not believe that that is the proposal.

Mr MARTIN—So potentially there could be a loss of funds from registered clubs into some communities around New South Wales, and that may not be made up with funding being redirected from other sources from the state government?

Ms Evans—I believe that may be a possibility.

Mr MARTIN—Are you aware of, in terms of those funds that the registered clubs purport to put into community facilities, just what the breakdown of those happens to be, and whether women's sport, for example, gets access to any of it?

Ms Evans—I do not believe that in our case we have done sufficient analysis of past funding to be able to determine trends on a factual basis. We point out in our submission that we believe in many cases that small communities groups which are predominantly male tend to be able to attract funding from a variety of sources. So I think that is a distinct possibility, because they tend to be more organised, they tend to have better networks, they tend to be able to write submissions better. So I think, yes, there are potentially some issues for not only women's groups but also people with disabilities and people with a non-English speaking background not having similar kinds of access to a range of funding available within local communities.

Mr MARTIN—Okay. Coming back to the Commonwealth and potential sources of revenue for the Commonwealth to put into the provision of sports facilities—which this inquiry is about—as I have

mentioned, one suggestion has been sports lotteries. From time to time there have been others, and I note that you have made some comment in your submission in respect of the program run by the Australian Sports Commission—the foundation. Now, as I read what you are saying here, you are a little critical that perhaps it is more individual based than community organisation based, or business organisation based. Is that something that needs to be addressed in some way?

Ms Evans—Well, we believe that the program has a lot of potential to be used in facility development, and we believe at this stage that the level of awareness within community groups of the program is still relatively low. So we are suggesting that a possible role for the Commonwealth would be to put additional resources into promoting the existence of the scheme, certainly as one priority. Secondly, to look at the taxation incentives in terms of the scheme, which might encourage certainly more corporate sector funding into facility development.

Mr MARTIN—Of course some people in Treasury will argue that that is simply opening up a tax advantage as individuals presently are taking advantage of it, but perhaps corporations, if they wanted to do the same, might similarly get an advantage in terms of the provision of funds for sport. Should that really be a major consideration?

Ms Evans—In terms of using that vehicle?

Mr MARTIN—Yes.

Ms Evans—We believe that at this stage unless the Commonwealth has other plans it is the only possible vehicle that could be used, to expand the level of funding in from the corporate sector, certainly with an incentive basis.

You raise the issue of working with the states. We believe if the Commonwealth were to put some resources into exhausting the opportunities with the Australian Sports Foundation first, to me that would be an easier path to follow than looking at any kind of lottery simply because of the legislative basis for those.

Mr MARTIN—What about something akin to the Victorian health promotion foundation—where maybe you could get the national sort of vehicle where you rely on the sale of a product that you are trying to talk people out of buying to gather funds to then put into sport to stop them smoking anyway?

Ms Evans—That is another possibility. I think if you look at the funding basis of some of those vehicles, they are now starting to decline because we have been so successful in public health campaigns and educating the community about, for instance, smoking. So that some of those vehicles have, I think, been successful, but regarding their long term future, you need to look at their revenue base.

Mr MARTIN—What about from the states' point of view? I know that under planning legislation in New South Wales in growing and emerging areas, under section 94 of the Environmental Planning Assessment Act, the councils in particular are able to get a contribution for community facilities, but in existing urban areas this is a problem for them. Is there a need not only for linking, as we have discussed and which Mr McDougall was pursuing, the Department of School Education with your department, but is there

also a need to look across a whole-of-government approach to the provision of facilities of this nature?

Ms Evans—I think that certainly the section 94 process in New South Wales has contributed to a large extent in developing local level facilities in those areas where there are new developments. I think you are right in your comment about the same not applying, obviously, to urban areas because there is less development. I think there is potential to look at, I guess, strengthening the value of the section 94 process. In other words, working with local government to suggest that that money could be spent on or directed to priorities that have been identified through it through due process.

Mr MARTIN—Okay. Now let us assume that the Commonwealth decides it is going to have some sort of funding source to put into community facilities at a regional, perhaps even a national level. I think it would be fair to say there would not be too many of those directed to the city of Sydney, in view of the year 2000 games. But let us assume we are going to go down that path, it has been put to us that perhaps the funding for those facilities should be a third, a third, a third between the levels of government. It has also been put to us that it perhaps should be on the basis of a quarter each, or a quarter share, if the community and the users themselves were asked to contribute.

Does the New South Wales government have a view as to whether a third or a quarter arrangement should apply, or whether or not the Commonwealth's third or quarter share should be larger than the others?

Ms Evans—We do not have a view on any level of subsidy, other than it should be incentive based, so that, I guess, one level of funding is dependent on other levels of funding. In other words, any funding from government should be tied to some level of community fund raising. It may also be tied to support from local government, support from the regional organisation of councils. So we do not have a firm view on percentage breakdown.

Mr MARTIN—My final question is about the regional approach, which you mentioned earlier, and very kindly referred to the Illawarra—where it has been an outstanding success from the first, Chairman. Is that the way to go, the way of the future, where we should be taking a regional approach to the provision of facilities? Let me give you an example. I was at Orange over the weekend and they are trying to get an indoor heated swimming facility. Now, it was put to me that if Dubbo had a regional athletics facility, if Bathurst had a regional hockey facility, and if Orange had the regional aquatic facility you could meet the needs of a fairly wide and diverse section of the community in having first rate facilities. Given that there are significant capital costs in providing each one of those, is this an approach which should be adopted by all levels of government these days; and, if yes, has there been much progress from the New South Wales government's point of view in getting regions to think this way?

Ms Evans—We believe certainly that the regional approach would be part of a strategic framework, so that we, as part of consultation process, would develop agreed priorities with, as I said, the Commonwealth, the states, regional organisations of councils, which we believe will play an increasingly important role in facilitating that process.

Our department currently has an officer working in that area. Part of his role is to identify best practice in documenting what has happened in the Hunter and the Illawarra over a period of, I believe, five to

10 years. So we need to be realistic regarding any change that local government may be prepared to adopt, and we need to provide sufficient resources, education, in selling the benefits of adopting that kind of approach.

So at the moment we are facilitating a range of workshops, developing resources where we can begin to share that information on best practice in terms of regional facility planning. But, as you would appreciate, working with individual local councils is a long and difficult process.

Mr MARTIN—But at least you are studying the right region to see how it works. Thank you, Chairman.

CHAIR—Is the emphasis on the Sydney 2000 Olympics and the need to provide world class facilities for that event affecting the availability of funds or the recreational opportunities available in other parts of New South Wales?

Ms Evans—No. At this stage the New South Wales government has actually committed additional resources in the next financial year to ensuring that adequate regional level facilities proceed over the next few years.

Mr McDOUGALL—The Australian Sports Commission talked a fair bit this morning and in their submission about the need for a proper planning process at a national level and that states would agree to a process; that they would hope that through the standing committee they could develop a process of planning. I think the gist of it was that if a local government or a sport wanted to do something, then through maybe the state departments of sport there would be a guideline that they would be given and told, 'Well, start from here and go through this planning process.' Have you done anything in regard to setting up a set of standards? The best example that I have ever seen of it is the Hillary Commission. Has New South Wales done anything about it?

Ms Evans—We are not developing our own. I believe there is already sufficient information in terms of that process, in terms of working with community groups, in terms of looking, for example, at the financial viability of facilities, design standards and so on. So we are actually incorporating a range of material that has been developed by both the Hillary Commission and other state government departments in terms of material that we are distributing to local groups. I do not believe that at this stage we need to do too much more. The information is largely already available. What we have not done, I think, is make that information accessible to community groups so that they can use it readily.

Mr McDOUGALL—What is the guarantee that they will use it?

Ms Evans—We can look at the grant programs. In other words, if you want to be eligible for a particular grant under a particular program, we would want to ensure that you had been through a particular planning process. It may be taking into account the various sets of information that we could provide. So it may be that here is the basic statistical information. People can look at participation rates in their own communities.

We are also looking at models for financial planning, so that if we can provide a simple model to community groups they can input the number of people likely to use the facility, the expenses, and so on. They can actually do their own modelling. We would expect them to undertake part of that process to be eligible for our grants.

Mr McDOUGALL—What could you do then when you get an organisation like the Newcastle University, who then go off and do something on their own with their own sort of market survey—which I think had some very doubtful outcomes—spend \$15 million, turn around and say, ‘Well, this is for community use too. But now that it is built we are going to do a business plan and a market survey to find out how the community is going to use it’?

Ms Evans—I think there will always be examples of community organisations wanting to do their own thing. I think if we can put some effort into, as I said, the resources, we can look at our grant programs in terms of the criteria. Over a period of time I believe we can effect some change in that respect.

Mr McDOUGALL—I have just a final question. What do you think sports reaction would be if we said, ‘Well, everybody pays’—when I say ‘everybody’, there is a lot of sport today that does not have registration, but let us say for those that do, how about putting \$3 or \$2 or some sort of dollar figure on the registration fee that goes into a capital facility funding program. What degree of—

Ms Evans—I think most sports struggle to collect their current affiliation fees from members. I doubt if you would get a high level of support from sport themselves, because they are struggling to raise revenue in terms of their existing development priorities.

Mr McDOUGALL—That is a very interesting comment. If you go to some of the newer sports, like touch, I have never experienced that they have trouble collecting their money. They collect considerable sums of money from teams for registration.

Ms Evans—I believe if you spoke to most people in most sports, they would say somewhere in the collection process there are difficulties in collecting fees. I think it is incumbent on certainly most national and state organisations to communicate with their members the benefits of those fees.

CHAIR—Does the New South Wales government pay ongoing operating costs for any sporting facilities?

Ms Evans—No. Our grant programs are restricted to capital development.

CHAIR—Strictly to capital. The large stadiums in Sydney, the existing ones—

Ms Evans—We do put some funding into state level facilities, for example, the State Sport Centre Trust. The government provides an operational subsidy to it each year—similarly with the aquatic and athletic centres, but certainly not to local and regional facilities.

CHAIR—Do you also provide any funding to state organisations to pay administration and the like?

Ms Evans—We have a range of programs where we provide support for employed positions and, obviously, development priorities for individual sports.

CHAIR—In some states we have been told that the state organisations are struggling, and some at the point of failure. How good are the New South Wales—

Ms Evans—We have had a number of sporting organisations in the last few months—one went into voluntary administration only in the last six months. We have a sports management advisory service which works with sporting organisations on a consultancy basis to try to look at their internal operations.

CHAIR—Why are they failing?

Ms Evans—For many reasons. In some cases it is poor financial management, so they are simply not managing their financial affairs. In other cases they have over-expanded in relation to a variety of projects. One example that comes to mind is Athletics New South Wales. It lost revenue on the Sydney Marathon. So there are a variety of circumstances. It may be the skills sometimes of board members. It depends on the nature of the sport.

CHAIR—Any other questions? If not, thank you very much, Ms Evans, for appearing today. We have appreciated hearing from the New South Wales government and appreciated your perspective on the issues confronting the committee. We may wish to come back to you. You have also undertaken to provide us some more information about the New South Wales programs which would be helpful to us in our considerations. Thank you for coming to Canberra today, too, to give evidence before the committee.

Ms Evans—Thank you, I appreciate the opportunity to attend.

[11.19 a.m.]

OWENS, Mr Mark, General Manager, ACT Bureau of Sport, Recreation and Racing, PO Box 1156, Tuggeranong, Australian Capital Territory 2901

RAND, Mr Richard, Assistant Manager, Facilities, ACT Bureau of Sport Recreation and Racing, PO Box 1156, Tuggeranong, Australian Capital Territory 2901

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

Mr Owens—No, I do not propose any changes. However, I would like to take the opportunity to thank you for being able to be here today.

CHAIR—You are welcome to make an opening statement.

Mr Owens—Thank you. I am very pleased to see that we are talking about how the Commonwealth could be involved rather than talking about why the Commonwealth should be involved in fund—

CHAIR—Well, we talk about that too.

Mr Owens—Well, I came in late and I was very heartened to hear that we were concerned with the how of how that should happen. The other thing that I might point out is that if there is an example of how sport and recreation facilities can actually improve the quality of life in the city, you are sitting in it right now. Canberra is a prime example of how facilities have driven sport. I suppose you could say that in Queensland the climate has a little bit to do with people becoming involved in sport, but in Canberra, in the climate that we have got now, you can see that it is facilities that are driving the participation, and not much else.

You made a reference to increasing the registration fees. I mentioned that in the context of facilities, because facilities are there and the reason why we have got so many facilities in Canberra is something we are very thankful for, and you all understand why. But the fact that they are there creates no obstacles for participation in sport. If we start to increase fees to create a capital fund for facilities I think that creates an obstacle for participation potentially. So I think the discussion should focus on removing obstacles for participation or creating reasons why people should participate rather than talking about creating obstacles for participation.

So I think the discussion should focus on removing obstacles for participation, or creating reasons why people should participate rather than talking about creating obstacles for participation.

The third point I would make is that in a situation where the Commonwealth contributed to funding on a third-third-third basis, we would be very much disadvantaged because we have only got two tiers of government. So we would be looking at cutting a different deal with you on the basis of shared funding. Fifty-fifty would sound fairly reasonable to me, I would think.

In terms of the regional approach, we would be very happy to get involved with New South Wales and take that line. In fact, in a couple of sports we are already involved: hockey is one that springs to mind. We are talking to our people in the region in Queanbeyan and in Goulburn about sharing facilities there. We sponsor that approach, and we are very keen to talk to New South Wales about being part of a regional approach.

The other point I would make about the management of facilities is that our view is that the management of facilities should very much be profit motivated, given that taxpayers have already contributed to the capital cost and they should not continue to have to pay to subsidise the facilities once they are there. For this reason, just recently, we have contracted out a number of government owned pools and leisure centres. I think the results are fairly dramatic, even in a short space of time. So where we do have an ongoing subsidy to facilities we are very keen to reduce that by whatever means we can.

In this case it actually works out to be a win-win situation, because the contractor not only reduces the subsidy by virtue of getting more people through the facility, but also they are making some money. They are reducing our subsidy to run the facility, and at the same time the throughput is increasing our participation rate. So I think that you rightly talked to a very important point there on the ongoing management of facilities. I think the guiding thing should be that the taxpayer should not be continually burdened with having to subsidise the facilities once the investment has already been made.

CHAIR—In your submission you indicate that the ACT government provided about \$470,000 in capital and equipment grants to organisations in 1997. Could you describe to us the programs that you have that led to these grants?

Mr Owens—Well, we have a grants program called the sport and recreation development grants program. Within that grants program there are certain categories of assistance, including operational assistance, which is essentially salaries for development officers—people to go around in schools and develop a sport. Within that grants program there is a component for capital or equipment assistance, and it tends to be for things like the purchase of equipment and heating in a facility, for example. They are really only working around the fringes, to be quite honest, as you can see from that amount of money.

We also have an approach that is referred to in here, where we have a sports interest scheme, the SLISS scheme—the sports loan interest subsidy scheme—where we use that to flank a capital grant. Most of our funding of facilities now has gone by way of capital grant. We put up, say, \$1.5 million, the sport might borrow a couple of million, and we get a licensed club or a third party to put in a million or so and, with this sports loan interest subsidy scheme, we would pay the interest on the sports borrowing.

We are constructing, at the moment, a five-court indoor facility in Tuggeranong using that model. If we had funded it out of our capital works program it would have cost us about \$6.5 million. As it turns out, it is going to cost us \$1.5 million as a capital grant. It is not part of the sport and recreation development program, the grants program; it is quite separate from that. It is a capital grant of \$1.5 million, and then there is our exposure over 10 years as an interest subsidy, which obviously fluctuates, but the net effect after 10 years is another \$1 million. So the government has invested about \$2.5 million and created a facility worth about \$6.5 million.

In doing that the sport has been driving the whole process. They have negotiated the loan and they have handled the negotiations with the third party. They have actually added to their skills—we already knew they had a management skill, they run other centres elsewhere, such as basketball, so we knew they were equipped to do it—because in putting this deal together with our assistance they have actually learned quite a bit through the process.

Mr MARTIN—The scheme that you have just outlined now: have any of the other states or the Northern Territory government adopted a similar approach to facilities?

Mr Owens—We have discussed it with other states and I think Queensland is doing something along these lines now.

CHAIR—New South Wales would favour such a scheme, too.

Mr Rand—They also tend to go into loan guarantees, which we do not do.

CHAIR—In your submission you also suggest that you are at a disadvantage because you do not have local government in the ACT. Some places might say that is an advantage because you have got no confusion, it is pretty clear who is responsible for everything.

Mr Owens—Yes, I could understand their argument.

CHAIR—And no unnecessary duplication.

Mr Owens—I think you could argue either way on that, and it will not really get you anywhere.

Mr MARTIN—In terms of the provision of some of those facilities in the ACT, do you, under your planning legislation and guidelines, have the same sort of developer contribution basis that exists in New South Wales?

Mr Rand—No, not at the moment. The only area where there is a contribution through the development of new suburbs is a neighbourhood oval which generally services the adjoining primary school which is funded through the land development program. So it is not a direct government capital work, but in other respects there is no direct contribution from developers.

Mr MARTIN—So in some of the newer developing areas of the ACT—for example, out at Gungahlin, or as you go further down the Woden Valley to Tuggeranong—if a new and expanding subdivision takes place in there is there a contribution of a piece of ground which is turned into some sort of a sporting facility?

Mr Rand—Yes, that is right. On the relatively limited scale there might be some informal recreation; some of the small parkland areas are also developed through that land development program. In terms of formal sport that is the only one.

Mr MARTIN—It can be used, though, for active participation in sport as opposed to just recreational use?

Mr Rand—Yes, it is normally the equivalent of, say, two rugby fields with a cricket wicket in between, something about two hectares.

Mr MARTIN—Does the ACT Government have to maintain that facility once it has been contributed?

Mr Rand—Yes. It has been handed over to the government to manage and maintain.

Mr MARTIN—And that then is then picked up in the normal process of the government's maintenance program here in the ACT for sporting facilities and for fields, and so on.

Mr Rand—Yes.

Mr McDOUGALL—Why would you not take a financial contribution from the redevelopment of, say, a major street block of houses in Kingston to 150 units? Why would you not put a levy per unit on the development and apply that to the development of indoor facilities in suburbs where you are going to increase the population and, therefore, one would think, you would then have a further demand for sporting activities? You just have not thought of it?

Mr Owens—No.

Mr McDOUGALL—It happens in other states, you know.

Mr Rand—In relation to the development of new facilities in new areas, one that I think does bear mention—no doubt we will get onto the matter of the link with education—is an innovation which we have under way at the moment, which is a new high school that is being developed in Nicholls in Gungahlin. It is currently under construction. Normally a high school has a single-court gym, the equivalent to one basketball court. That in the past has been very largely used primarily by the school with limited community access, mainly because one court is of limited value to an outside organisation.

With the Nicholls development, we have worked with the department of education to increase the funding so that it will become a two-court gym—two basketball courts with some other minor things such as a small management office, storage areas and so on—which will allow much greater community access. We will be working with the department of education to look at ways in which that facility can be more readily made available to the community and managed in that way.

CHAIR—When you decided to say, 'Well, okay, they are going to build one, why don't we make it two?' what sort of market planning did you do in relation to that to make that decision, or was it just simply, 'Well, let's go to bed with them and we'll put some money in and make it two'? Did you do any management planning? Did you do any business plan to see how it was going to be managed in the long term, how the community would have access and who would have the management rights over it?

Mr Rand—In terms of demand it had been well established. The feedback from sporting groups, particularly indoor sporting groups in Canberra, is that there is a shortage that has been identified for a number of years. There was little doubt that it would be well used once it was there. So it was a matter of establishing a management structure which allowed that.

We have looked at different models that are used in the states, particularly groups such as Golden Grove in South Australia and Leeming in West Australia, and also in Queensland where there are some models, such as the program which started about three years ago, that combine school and community facilities. Those models will provide a lead.

We are not at a point yet to work directly in a lot of detail with the Department of Education on the management of the facility. We have general directions but, as has been mentioned earlier, there is a fair degree of autonomy with schools now, and it will be a matter of working with the principal, who will be appointed shortly, to work up a model and try to come to an agreement which can provide for greater community access.

Mr Owens—I guess, just to summarise that, we did not want to miss the opportunity. I think our experience has said that there is not enough horsepower in a one-court facility to make it worthwhile.

Mr McDOUGALL—Sure, I accept that. But you appear to be coming back to what we have found in evidence throughout this inquiry that it is coming back to the whim and the desire of one person called the ‘principal’, and if the principal seems to be satisfactory, well, it might work, and if that principal goes and another one comes along and it doesn’t, you are left holding a bag of a two court and the community does not have access. You have made a financial commitment and you might have to turn around then and make another one to satisfy the community needs if the principal does not like it.

Mr Owens—It is called school based management.

CHAIR—You mention in your submission that there are four universities in Canberra. Does the public have access to their sports facilities?

Mr Rand—To a large degree they do, particularly the University of Canberra and the Australian National University, but less so with the military side of things, of course. There are university teams involved in a lot of the broad sporting competitions across the city, so in that respect the general community does have quite a fair degree of access.

Mr Owens—I should add that the ACT Academy of Sport, which now caters for about 370 athletes—and who in Atlanta achieved our first medals, including two gold and three bronze—got going because of the University of Canberra’s assistance.

Mr MARTIN—Modelled on Illawarra.

Mr Owens—Yes. So the tertiary institutions cannot be left out of the assistance that schools can provide to sport, and it was a start that the University of Canberra gave the ACT Academy of Sport, which

has seen success that has happened in a very short space of time—just over seven years.

Mr MARTIN—Going to my specialist area of interest in this, if the Commonwealth is to get involved again in the provision of a fund to go towards community facilities development where can we raise the funds to do so? Can you tell us, in terms of the funding which the ACT government puts into sports facilities, where is the source of those funds? Is it simply out of consolidated revenue? Do you take some money off the casino operations in this city?

Mr Owens—The first thing that I should talk about is the fact that our facilities planning is a very consultative process. In association with a community group called the Sport and Recreation Council we have prepared a 10-year facilities plan. So this body, the Sport and Recreation Council, has a group within it—the facilities group—and Mr Rand is represented on that group. They have gone out for sports, and they have developed a 10-year facilities plan. We pick the priorities out of the 10-year facilities plan and put it in our capital works bid. We go forward every year with a whole range of facilities that we justify in terms of community demand, and for which we have to have a business case for each facility. Then, depending on how they are seen by government, some of them get funded. In the recent budget round we had a lot of our projects that had been sitting around for a long time where the government decided to actually go forward with some forward design and some feasibility studies.

Mr MARTIN—But it is out of consolidated revenue in the budget context?

Mr Owens—Yes. The only hypothecation of funds for sport goes to the ACT Academy of Sport where a percentage of poker machine turnover—which only affects the large clubs, there is a threshold—so one per cent of the poker machine turnover where the club turns over more than \$26,000 a month, I think, goes to the ACT Academy of Sport and it generates about \$1 million per year for them.

CHAIR—Is it turnover, or 1 per cent of profits?

Mr Owens—I would have to get back to you on that.

CHAIR—It is more likely to be the profits than the turnover.

Mr Owens—No. It is only limited to the big clubs. There is a threshold. So the small clubs were not seen to be over taxed.

Mr MARTIN—What is the tax rate on gambling profits from clubs now?

Mr Owens—Well, I am aware that 87 per cent comes back, so 13 per cent must come out. But, again, I take those questions on notice. I could provide you with details.

Mr MARTIN—Yes, thank you. I am interested for comparison purposes with New South Wales, which has had an increase from 24 to 30 per cent. The argument is that that means that the big licensed clubs that are affected by this substantially are not going to put money back into local community sporting facilities—that is the argument.

Mr Owens—This arrangement formalises an arrangement that already exists in the ACT. A lot of the clubs' money goes back for sporting and community benefit, just based on clubs wanting to spread the benefit they have generated through the poker machine revenue.

Mr MARTIN—Do you keep tabs on that? It is all right for them to say this is what they do, but do you keep tabs on it?

Mr Owens—No. It is informal.

Mr MARTIN—It is informal. So there is no record that needs to be supplied to the ACT government, for example, as to how the licenced clubs put funds back, whether they buy a set of football jumpers or netball outfits, or whatever it might be, for people in their local area?

Mr Owens—No. The point I am making is that even with that which is formalised—the hypothecation of revenue for the ACT Academy of Sport—none of it goes into bricks and mortar.

Mr JENKINS—With the Tuggeranong basketball set-up that you gave us an example of, I note that your submission indicates that through the partnership of a licensed club which will be associated with that facility—the licensed club providing moneys towards the ongoing funding—is there a concern from the territory government that you can delineate between sporting facility and the licensed club element of a building? In other states, through the licensed clubs, gaming, sales of alcohol and restaurants have been very important components of the community/clubs' achieving things. But how do we make sure that funds that you end up providing through SLISS, or other ways, do not go to the licensed club operation rather than to the sporting facility?

Mr Owens—We have got a very strict process as far as our funding is concerned, and we have had a couple of examples over the last few years where there has been some doubt about whether the SLISS funding was actually going towards the licensed club, or if the benefit was more for the sporting community.

Basically we do not want to be seen to be subsidising clubs that are generating enormous amounts of money, so we go to great lengths to ensure that that SLISS money actually goes to the sporting group and not to the licensed club.

In the case of Tuggeranong, the development, even though it looks as though it is an integrated critical mass, is actually quite separate, even in terms of the leasing. We actually separated it to that extent, so that the sport had a bankable document and the backing of government to pay the interest, where they would go along to a bank and say, 'We have got a lease. We have got an interest backing. Can we borrow \$2.5 million?' And of course the bank said 'yes', based on the sport's record of management of other facilities. It is a valid point, and it is something that we have gone to great lengths to ensure would not happen—that government money would get mixed in with profits and funds generated by the third party, the private entity.

Mr JENKINS—To change the subject back to the regional aspects of what you are doing and your wish to be involved with surrounding municipalities, does the ACT Academy of Sport have intake from the

region outside of the territory?

Mr Owens—Yes, it does. Provided we can assist an athlete without jeopardising their ongoing funding from New South Wales, for example, or if there is a problem of identifying whether this is really a New South Wales athlete or an ACT athlete, and there are a number of problems in terms of an athlete's history which might affect—

Mr JENKINS—So you are looking for a model overall, not only for the facility but for other sports funding with New South Wales regions?

Mr Owens—We have already had some very general discussions about how it could happen, but we have to remain aware of those sensitivities as far as the future of an athlete is concerned—that, if they do spend some time in the ACT, it might affect their standing later on as far as being a New South Wales athlete is concerned. I think we have to work through a number of those issues. But we certainly have a willingness to provide our services for people, particularly in the southern region, where the coverage of Wollongong, for example, does not currently fulfil the need.

Mr JENKINS—Regarding equity issues based on gender access to facilities, there is a story there that probably, without going into great detail, probably will mean something, but there was a combined softball-baseball facility that is now baseball. But later in your submission I note that there was a softball facility developed.

Mr Owens—Yes.

Mr JENKINS—It just poses the questions as to what actually happened. But there is the general question about whether there has to be a greater emphasis placed on, say, sport for females, or sport for disabled people, whatever.

Mr Owens—It was referred to earlier. We are almost exclusively interested in multi-use facilities, multipurpose facilities. In doing that we pick up the target groups that you referred to. The Narrabundah ballpark situation was amply corrected when we created the softball centre out at Hawker. But it is something we are very mindful of, and it is picked up in our overall drive to create multipurpose facilities.

Mr MARTIN—A couple of final things from me, Mr Chairman. In the environment that is the ACT—and I think any objective analysis would suggest that there are pretty reasonable standard facilities already here—if the Commonwealth was to become involved, again through a program, what sort of facility should the Commonwealth be specifically interested in in the ACT? Should it be the community based level, or should it be more a regional or national type of facility that is here?

Mr Owens—I caught the end of what Leanne was saying about the process by which these sorts of issues could be addressed. Without having thought a lot about that process, and obviously we would have to discuss this sort of thing with New South Wales, I think it would probably, being driven by a regional basis, be talking about more community facilities and I would think particularly, when you talk about Dubbo and Orange, about indoor facilities. That seems to be the area most needed at the moment for us and I would say

that that same situation would exist in the region.

So, whilst it is always good to have international facilities, I think the ongoing use of those facilities is fairly limited in Canberra and in the region. The sorts of facilities that I think we would be looking to provide would be the national level, and perhaps a cut below that. Again, it would be on the basis that we work out a process, we work out a justification and it is really needs driven. My gut feeling would be not towards the top end of the market, perhaps in the middle to the lower range.

Mr MARTIN—Okay. To what extent does the availability of top quality facilities contribute to sport tourism in an area like the ACT where you are able to promote international standard competitions?

Mr Owens—I do not think there is any doubt about it. Given the size of our population we have an inordinate number of national league sides that seem to do quite well, and we are aware of the impact—

Mr MARTIN—Only because it is a split in the rugby league.

Mr Owens—We are aware of the impact that that sort of high profile sport and that success has as far as driving participation and interest within the community. But you have to find a balance—these sound like cliches, but we try to ingrain them into our approach. You cannot forget the grass roots of sport and that you have to strike a balance.

Looking at our regional needs, if I were asked—and I have said how I would think that our needs would go—I would say that they would be more towards the national level, community level facility than having another, say, indoor facility with 10,000 seats. That is just my gut feeling at this stage. Whilst I do not deny the benefit, I think the need, perhaps, is at the other end of the spectrum at this stage, especially picking up the region's needs as well.

Mr McDOUGALL—You mentioned earlier, Mr Owens, that you had gone down the path of introducing professional management into, I think it was, aquatic centres.

Mr Owens—Yes.

Mr McDOUGALL—For the purpose of being able to get them more professionally run, make them profitable, and obviously take a load off the ACT's recurrent funding, does that mean that in that agreement you have made it a condition that that contractor or the people that you bring in have to make a contribution to further capital expansion and recurrent expenditure?

Mr Owens—There is not a mandatory requirement. However, we have found that most of these operators, once they have moved into a market for, say, five years or more, realise—and we know they will realise it here—that it would be for the benefit of their business that they re-invest. It is a normal business decision. We have seen it happen elsewhere where the contract manager actually makes the decision themselves, to either enlarge the gym, or cover the toddlers' pool with shadecloth. It is an investment decision that they make. We do not impose it upon them. It is a decision they make, on a commercial basis. Even though our contractors have only been here a short time, they are already talking about doing those

sorts of things.

Mr McDOUGALL—You give them a reasonably long lease or contract to compensate for that because—

Mr Owens—Five, initially with a view to five more.

Mr McDOUGALL—And you get capital investment based on that, five plus five?

Mr Owens—Yes. They are not large amounts, and they tend to be, as I said, the enlargement of a gym, or shadecloth, those sorts of things. But they are prepared to invest, yes, enhancements.

Mr McDOUGALL—But at the end of the day the capital enhancement is still owned by the ACT?

Mr Owens—Yes.

Mr BILLSON—I caught the end of your comment about the viability test. I assume you would advocate that to the Commonwealth also. The question of recurrent funding then is left in the court of others. Are you relaxed with that?

Mr Owens—The fact is that in the field that we were involved with, the Tuggeranong indoor centre, the sport that has become involved has got a strong record of achievement and on that basis they borrowed a large sum of money. It is in their interests to get the throughput to service the—they are only servicing the principal; we are paying the interest. It is a judgment based on their record and obviously on their commitment to repay the debt that they are now tied to.

Mr BILLSON—I have some sympathy for the viability test as a key criterion, although a compelling case has been put to us by local government authorities in some of the larger states who—well, not in a pink fit will their facilities ever meet viability tests. How do you suggest we respond to that at a federal level?

Mr Owens—You are talking about less populated areas?

Mr BILLSON—Yes. They just do not have the population catchments and the like to sustain a two-court basketball facility, for instance.

Mr Owens—I will get back to what Mr Martin was saying earlier. You have to plan—you have to fatten the region to pick up the numbers. You put an athletics centre there, a swimming centre there and another centre there. It is the only way to do it.

Mr BILLSON—Queensland were telling us that a 300 kilometre drive for a sporting experience is a big ask.

Mr Owens—In that situation there has to be some give, but that is the only rational way that I can think of making the numbers work.

Mr BILLSON—In the same flavour of question, on the role of the private sector in providing facilities, in my part of the world municipal councils seem to love to try and trump private sector projects who have gone in as loss leaders almost. In your test of avoiding a duplication of facilities, would you include not only the schools, the universities, defence installations but also private sector venues?

Mr Owens—Yes. We are very sensitive about that. Obviously in a community of 300,000, when we decide to put a pool or a leisure centre into a location, we have to think about the other private operators around. We are going through a process at the moment in Belconnen. We have done the study about the need. We have circulated that study for two months comment. The main purpose of that was to get the reaction of the private operators out there who have got small pools and leisure centres. You obviously have to live with the people that are already there and in a lot of cases they can generate options that you had not thought of. In fact, you can not only involve yourself in some product differentiation, but you can complement the full range of services that are there.

Mr BILLSON—Would the ACT government consider accommodating private sector providers, as you do with your interest payment schemes, not for profit if it meant—

Mr Owens—The sporting groups that we fund are essentially non-profit organisations. I do not think we would subsidise the interests of private companies. But in the Belconnen project, as part of the feasibility study that we are doing, which involves this community consultation process at the moment, we have not excluded the option of having some joint venture arrangement with a private company.

We are in the situation where you just cannot exclude options. When they come along you have to do the numbers on them. That is how we actually tumbled to the Tuggeranong idea. We were presented with an opportunity and we are driven by desperate need, particularly in Tuggeranong, to have indoor facilities for the people that basically have to take their sport after hours, after they come home from work.

CHAIR—Can I ask you a couple of questions about the Australian Institute of Sport? You probably have not had a chance to read the Sports Commission's submission, but they express the wish that the Canberra community be more involved with the facilities at the Australian Institute of Sport. Is it regarded as a community facility?

Mr Owens—Yes, but I think, quite frankly, the barrier at the moment may well be cost. I know that when sporting bodies want to hold national championships in Canberra they obviously like to use the Institute of Sport, but the facilities are fairly expensive.

CHAIR—Is that because they are carrying overheads, or because your facilities are too cheap?

Mr Owens—I am not sure.

CHAIR—They also suggested that the Bruce campus should be a base for other sporting facilities, and that the ACT should investigate that area when it is proposing to build facilities of its own, so that you develop a larger mass of facilities.

Mr Owens—Yes, and our 10-year facilities plan picks up those sorts of issue on a smaller scale than what you are talking about, spreading multipurpose facilities around but not duplicating them. For example, in the Gungahlin situation, we would obviously be tempted to put something in north Canberra to service Gungahlin, but whether or not you could actually put it at Bruce is something that we would have to look at fairly closely. There is going to be a need in Gungahlin at some time in the future for more facilities, and obviously indoor facilities.

CHAIR—So you are looking at that general site for additional facilities?

Mr Owens—Yes, we are. We have already had discussions with the sports commission about that. There are a couple of sports already that are talking about actually putting their offices there, not so much facilities, but obviously once they put their offices there the smart thing to do would be to create training facilities nearby as well.

CHAIR—They have also raised the issue of the need to dedicate, or at least quarantine additional land in that area for expansion in Ginninderra Drive—north of Ginninderra Drive. They believe that is the only area where the AIS can expand. Does the ACT government have a problem with that? If so, why hasn't the land been dedicated or quarantined for sports facilities?

Mr Owens—I cannot talk on behalf of the people who are responsible for the allocation of land for the ACT, but I know from my part that whenever we have a facility development in north Canberra or are thinking of a facility development, we always talk to the sports commission to get their future plans or to factor them into our calculations as well. But I could not see any reason why there could not be a process of negotiation where land might well be the contribution of this government and the creation or the construction of a facility could be the contribution of the Sports Commission. I think there is ample opportunity for coming to some sort of arrangement.

CHAIR—This is government owned land that we are talking about?

Mr Owens—Yes.

Mr Rand—That area around the AIS that is of some concern to everyone is subject to some investigation at the moment, but is within the planning structure to try and resolve this concern.

CHAIR—You also indicate that the major facility that you are aiming for in this area is a new rowing facility on a creek somewhere—the name escapes me—Jerrabomberra Creek. Have you undertaken any kind of feasibility study into the viability of such a project, particularly post-Olympics?

Mr Rand—A feasibility study has just been funded by the ACT government for the 1997-98 year. A consultant will be appointed within the next couple of weeks to begin work on that. Part of that obviously will be the long-term viability.

Mr Owens—As our approach is in general to indoor facilities, such as aquatic facilities like this, we are looking at creating a jet ski area, a specialist white water rafting area. These are commercial activities—

not simply for training—and water-skiing at well.

We have a problem with the supply of water for recreational use in the ACT. You have probably heard about the problems about jet-skiing going. The water-skiing facility out at Lower Molonglo is overcrowded. So there are other commercial activities that we would use to flank this investment in the rowing facility.

Rowing happens to be one of those sports in the ACT that is going from strength to strength. There is a requirement to provide the ACT rowing community with a course that is of international standard. At the moment the course on Yarramundi Reach is only 1,800 metres, whereas a full 2,000 metre course is required.

CHAIR—When we were in Tasmania, the Tasmanians argued strongly that the Commonwealth had funded Lake Barrington; therefore we should not fund any competing international rowing facilities.

Mr Owens—As I said, we are not really looking at just a rowing facility. We are looking at a multipurpose aquatic centre that has got a high component of profit motivated activity,

Mr MARTIN—Can I just come back to your comments about jet-skiing and a lack of aquatic facilities and so on? Couldn't the question be posed: why bother? Why is it necessary that, as an ACT government, you should go and investigate and then expend considerable sums of money on something where perhaps we do not have either a major need, that is, accepting that there are some people who would like to do it and probably would get into it if there was such a facility, or where it could be spent on existing sports that are here within the ACT? It is a more general argument, I suppose, about funding for sports facilities. Whilst we agree—certainly I do—about multipurpose centres and so on, there is an argument that can be mounted that, simply because a group of people play a sport, therefore top notch facilities should be provided for them when in fact, in comparison with people who play other sports—if you use the criterion of participation rates—you really cannot justify an argument in economic terms. How do you see all of that sitting together?

Mr Owens—We do see a tourism component in the white water rafting and jet-ski. We are aware of another facility elsewhere in the world where a particular town in France has created a thriving industry. They have become a stopover between Paris and the coast because they have got this quite unique white water facility where you can adjust the degree of difficulty of the course by changing the bottom of the course. We have got that firmly in mind, and simply enhancing the sorts of experiences tourists can engage in when they are in Canberra.

Mr MARTIN—They can go down to the Shoalhaven River when it has been raining very heavily if they want an experience which is not far from here.

Mr Owens—If they come here, it would be much easier to, I guess, help them to spend money if there were a white water course. They would not have to drive out to the back of wherever, Tharwa, to have a white water experience on the Murrumbidgee where they are not close to facilities or a hospital, or something like that. It is a controlled environment.

Mr MARTIN—But that is what it is all about. I mean, that is half the experience, isn't it?

Mr Owens—Not when you get to my age, it isn't.

CHAIR—Are there any other questions? If not, thanks to the ACT government for your submission and for appearing today. It is obvious to us all that Canberra has some excellent sporting facilities, but every community always aspires to something more. We have appreciated the evidence that you have given and the answers you have provided to our questions.

Mr Owens—We will get back to you on the questions relating to the taxing of poker machines.

CHAIR—Thank you very much.

Resolved (on motion by Mr McDougall):

That, pursuant to the power conferred by paragraph (o) of standing order 28B, this committee authorises publication of the evidence given before it at public hearing this day.

Committee adjourned at 12.04 p.m.