



HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON ENVIRONMENT, RECREATION AND THE ARTS

Reference: Funding of community sporting and recreational facilities

ADELAIDE

Tuesday, 8 July 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

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Present

Mr Truss (Chair)

Mr Eoin Cameron

Mr Martin

Mr McDougall

Mr Hockey

The committee met at 2.05 p.m.

Mr Truss took the chair.

CHAIR—I declare open the hearing of the inquiry by the House of Representatives Standing Committee on the Environment, Recreation and the Arts into the funding of community sporting and recreational facilities. Unfortunately, we do not have a full attendance of the committee on these occasions. It is difficult to assemble a large number of members on a large number of days for inquiries such as this one.

Since the inquiry was advertised in mid-November, the committee has received 280 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 similar groups in South Australia about their views on the provision of sporting and recreational facilities. The witnesses today will be the South Australian government, the Local Government Association of South Australia, the South Australian Sports Federation, and the Australian Council for Health, Physical Education and Recreation.

We have received two submissions, Nos 279 and 280, since the last meeting of the committee. They are from the Regional Sporting Facility of northern New South Wales and the Commonwealth Treasury.

Resolved (on motion by Mr Eoin Cameron):

That submissions Nos 279 and 280 be received as evidence and authorised for publication.

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

DALY, Mr James William, Manager, Economic and Industry Development, Department of Recreation and Sport, 27 Valetta Road, Kidman Park, South Australia

PARNELL, Mrs Lynette Joy, Director, Recreation and Sport Development, Department of Recreation and Sport, 27 Valetta Road, Kidman Park, South Australia

RIEDSTRA, Ms Julieann, Assistant Director, Site Services, Department for Education and Children's Services, 31 Flinders Street, Adelaide, South Australia

ROBERTS, Mr Peter Harold, Project Manager (Sport), Department for Education and Children's Services, 31 Flinders Street, Adelaide, South Australia

CHAIR—We have received the submission from the Government and authorised its publication. Do you propose any alterations to the submission?

Mrs Parnell—No.

CHAIR—I now invite you to make an opening statement before the committee asks questions.

Mr Daly—I think I have that dubious role. As you have pointed out, Mr Chairman, the submission is a whole-of-government submission, which means that we have looked at three areas and it has been approved by cabinet. Firstly, there was consultation with the Department of Education and Children's Services, Office of Local Government, Department of Treasury and Finance, the South Australian Sports Federation and the Metropolitan Local Government Forum.

The second thing I would like to draw to your attention in the cabinet submission, which approved this submission being sent to this committee, is that our cabinet requires a family impact statement to accompany all cabinet submissions. The family impact statement, in terms of this project, indicated that the development of recreation and sports facilities at local, regional and national levels will assist in increasing the participation in sport and recreation activities and also assist in meeting the expectations of the community.

The coming new millennium of the 2000 Olympics offers an opportunity for state and Commonwealth to combine in educating Australians, particularly families, in the creative use of their leisure. There are also social and economic advantages to be derived by being active throughout our whole life.

The third parameter that went to cabinet was the financial implications to South Australia. The submission said that sound economic reasons exist for encouraging the Commonwealth to revert to funding recreational and sporting facilities. Financial injection by the Commonwealth will assist in developing the recreation sport industry, which is likely to grow significantly as an employer in the next 10 to 15 years.

In the front of the submission there is an executive summary which has the 12 recommendations. I will not go through those but I will pick those up as I go through the submission itself.

On page 3 we speak about the introduction. I have spoken about the new millennium which offers the Commonwealth an opportunity to lead in the planning of the provision of facilities. This is of increasing interest because of the 2000 Olympics, and it offers opportunities for Australians to participate at the elite level. The event is of world importance and it could be a role model for other Australians—not at elite level—of all ages, to participate in sporting and recreation; in other words, it is a window of opportunity of which we should all take advantage. It is not just for the elite; it will provide role models so that everyone may participate.

There are two other benefits. One is that we would have a more active and healthy population and the other is that it would provide constructive ways of occupying uncommitted, or, if you like, leisure time.

We looked very closely at the terms of reference. We have identified each term of reference in the submission and then, underneath that, we have identified sections within that term of reference that we were asked to address. The first one is the reasons for Commonwealth involvement. At the bottom of page 3, there is a short history of the Commonwealth involvement going right back to 1904 when the gliding clubs and rifle clubs were given Commonwealth grants. The National Fitness Council was established in 1939 and it took on these grants so there is a long history of Commonwealth involvement in grants.

The capital assistance for leisure facilities scheme commenced in 1972 and it was a significant Commonwealth introduction, if you like, into the grant scheme. It was matched by state and territory funds. There were variations to the program throughout the 1970s and 1980s and into the 1990s. This was the first time in the 1990s that the Commonwealth withdrew from funding of sport and recreation facilities at the state level.

It is important to look at the changes that occurred. It is not acceptable just to continue funding—I think it is important that we look at the changes. Because of involvement in funding, we have raised the community's and the users' expectations as to the quality and type of facilities. When I was involved in the 1960s and 1970s, I think there was a 'tin shed' mentality, which meant that anything was good enough for recreation and sport; you could do it in a tin shed. However, with the growth of interest in sport and recreation, a number of shortcomings are now apparent. The ones I list there include the shortage of facilities, ageing of facilities, poor usage due to lack of flexibility of use, lack of management skills, poor planning and design, legal liability and equitable access. All these have been shortcomings in the design, if you like, and the development of facilities.

It is in the national interest to increase participation in recreation and sport. That will require more and better facilities. It is important that the Commonwealth is a partner in this. There is a task to educate Australians of all ages in their creative use of leisure. I have mentioned the national health and economic advantages that were pointed out in the preliminary statement that we put to our cabinet. It is important in terms of longevity that we have activities and that we retain an active lifestyle throughout our life.

The sound economic reasons for the Commonwealth to be involved are that it can encourage the recreation and sport industry as a whole. This is a developing industry and it is within the services sector, which, you understand as well as many other people, is the fastest growing sector of our economy. Unfortunately, this sector does not grow at the same rate as other sectors. However, it is interesting to see

that, in the sports grounds facilities sector, there are 709 federal, state and local government organisations employing 8,517 sports-related personnel. In 1994-95 government organisations controlled 17,670 or 74 per cent of the sports grounds and facilities in Australia.

South Australia would welcome additional funds for sport and recreation, as long as those funds were based on horizontal fiscal equalisation and were not at the expense of existing untied grants. Let me explain that. The recommendation uses that jargon phrase again when it says that the Commonwealth should re-enter the funding of sporting and recreation facilities in cooperation with states and territories. Any such funding 'should be additional to existing untied grants, based on horizontal fiscal equalisation'. What we are saying is that, being a smaller state, South Australia should not be left behind by per capita grant schemes. We believe that the Commonwealth should provide each state with the capacity to deliver the same quality of services—in this case, facilities.

We would like to see the discretionary use of the funds remain within the state and, also, if possible, the state funds would be in block grant form. It is an equity issue and it provides, if you like, the states with the responsibility of how those facility grants would be distributed.

CHAIR—I do not want to interrupt, but we have had the submission for some time so there is no need for you to repeat everything that is in the submission. You might like to highlight the issues that you consider to be of most importance.

Mr Daly—Yes. The Commonwealth funding of local facilities is very important. We see that, under terms of reference No. 1, this is an important issue and we were asked to address that area. We point out that there are facilities owned by the state, the Commonwealth and local government and it is interesting to see where funding has gone in the past.

That has gone particularly to things like netball facilities, cricket facilities, tennis centres, et cetera. Funding by government bodies has been very minimal in things like ten-pin bowling, bowling greens, et cetera. There needs to be some major planning considerations, and we need to consider what is a national, a regional and a local level facility. There also needs to be some integration between these in terms of planning.

South Australia wishes to preserve and enhance these processes. Recommendation 2 suggests that we should not distinguish between national, regional and local facility provisions but, rather, allocate grants so that we, in the states, could distribute these based on an integrated regional and local strategic plan.

We were asked to address full-time and part-time funding of local facilities. We point out some of the demands there and that past funding was on a per capita basis. We also make the recommendation that block funds, based again on this horrible term 'horizontal fiscal equalisation', be provided for the discretionary use of state and territories after agreement on criteria. We would like to work with the Commonwealth in terms of those criteria.

We were asked to address the reasons for a dedicated funding program to fund sporting and recreational structures. We stress that in the past poor planning has been evident and that there is sometimes

a disastrous location of many facilities; there have been wrong-sized playing facilities and there have been ongoing management problems which have resulted in operating losses in the continued life of the facility.

We believe that the strategic plan that is already in place in South Australia does not suggest that the Commonwealth should not be involved in providing a dedicated program to fund, but we think that there would be a duplication in bureaucracy if the Commonwealth came in and funded on top of a strategic plan that is in the state. Again, a recommendation is made in relation to setting up national planning and design guidelines to minimise inefficient planning and, therefore, reduce costs.

In terms of reference 2, we address the issue of looking at the existing and future funding requirements for national, regional and local sporting facilities. On page 7, we stress the steps that the Commonwealth should take to reintroduce these. Perhaps I could just focus on the second last one, which is the need to raise the expectation of funding bodies in respect of the returns received from the investment in facilities.

I think it is important that the funding bodies themselves should see that they are an investment. In the past we have often considered that recreation and sport facilities are a liability to councils and to government. However, I think that, with strong management, they can be an investment and provide a return. If they are in the right location and are promoted well, they can be 'profitable', as long as social justice equity issues are introduced as well.

For your benefit, there is a list of the local facilities and then national regional facilities. That has been put in to allow the committee to see the range of facilities that we ought to be looking at. In the past, the facilities grants have been given to a fairly narrow range of facilities, but you can see the range of facilities are such that, if a new grant scheme is introduced, we should be thinking of a whole range of facilities covering both indoor and outdoor, environmental areas, and things that perhaps have not been considered in past grants.

Let me give you one example. To my knowledge, there have been very few coastal recreational facilities actually granted at the Commonwealth, state, and even local level, but the Commonwealth has just finished a Commonwealth estuaries study, and it has been looking at coastal zones. The state is in the process of developing a coastal recreation plan, and it seems to me that it is important that we look at coastal recreation, because water and aquatic activities are a major growth area of recreation. It also seems to me that, if funding were introduced, we should be looking at widening our definitions as to what is a recreation and sport facility.

We have just completed an aquatics project in South Australia which identifies all swimming pools and aquatic facilities that will be required. It will cost approximately \$40 million over the next 10 years to meet those needs. There have to be some other ways of funding that, because neither the state nor local government has that sort of money, and we address that later in the submission.

Again, recommendation 5 talks about funding arrangements and the Commonwealth liaising carefully with the states to identify, quantify and prioritise the categories of capital works to be funded. We go on, as we were asked to do in terms of reference 2, to look at the ways in which better utilisation can be made of

existing community and educational facilities. I think this is a very powerful section of the terms of reference, where there are advantages in using educational facilities.

It is often the case that the upgrading of existing school facilities for community and recreation sport would be a far preferable option than building new ones. I have listed the advantages of using school facilities. I do not need to take you through those. They are there for you to look at. The idea of sharing the overhead costs for increasing facilities is particularly important. We have had the use of community facilities in South Australia for some time. It often boils down to management issues to make those facilities much more acceptable and open to community use. Again, we recommend that a working party be established at the Commonwealth and state level to look at the financial incentives to utilise schools and other educational facilities for community sporting and recreational purposes.

In terms of reference 3, we were asked to look at some areas, and we are looking at alternative options for funding. I think this is an important area as the existing sources of funds are very small at this stage because of tight budgets at all levels of government. There is not as much money as there has been in the past for these sort of things. We ought to look at other ways of funding. The idea of a revolving fund has been suggested, and there is a list of others that have been used, which are fairly traditional.

I would like now to concentrate on the private sector funding. An increasing number of entrepreneurs are coming into the market. I have identified the sorts of sports that they seem to be funding—they are, golf courses and indoor sports such as gymnasium/fitness centres, squash centres and ten-pin bowling. Even with all that funding, the vast proportion is in the government area for owner controlled or operated facilities, and most of them are outdoors.

The rationale used for private sector funding rests on a number of principles. They include the improving of the efficiency and effectiveness, the inability to attract funds from other sources, and the net community benefit expressed in economic and non-economic terms. Of course, the fundamental drawback is that the private sector cannot have access to lower rates of interest for loans that are available with the government loan funding system.

We identify joint ventures as one area of funding in the private sector. Joint ventures are suggested for two reasons. One is because usually it is beyond the financial resources of a single organisation and they want other people to come in. Secondly, there is a pooling of resources and competencies. We identify particularly the BOOT scheme. This is the build-own-operate-transfer projects. In South Australia, we have used this scheme in terms of hospitals and in SA Water.

The arrangement is that the private sector agrees to build a public facility at its own expense and, in return, it has the right to operate that facility and charge users. At the end of the contract period it returns to the public sector. We suggest that that is a scheme that could be looked at in terms of the development of recreation and sport facilities. Recommendation 7 identifies that there is scope in this area for private sector contributions.

We were asked also to address the Australian Sports Foundation and our recommendation is that we see that this is a source for a means of expanding community and business input into the funding for future

sports facilities.

Other recommendations were looked at, and I will briefly mention these because we felt it was important to go outside the terms of reference and look at some other areas. First, there needs to be a definition of facilities. In the past much time and effort has gone in, at the Commonwealth and state level, to define what is a regional facility, a local facility, a state, national and international facility. These differ between states and territories. We think that the Commonwealth should utilise the expertise and advice available from state and territory agencies that are responsible for sport and recreation facility development as a basis for assessing and allocating funds in this area. There is an availability amongst the states and territories for that sort of resource.

We look at private sector facility funding and we say that, by the private sector coming in, there is an opportunity here for commercially profitable funding in the private sector as well. We see that there is a need for private projects that are marginal to be supported perhaps by initial capital injection from the public sector to get them off the ground. In the past, we have been very strict that we will not fund any private development. Perhaps there is a need to be a little more flexible. Let us say that the scheme is such that there is a need to get a project off the ground with an injection of funding from the private sector. For instance, if a sports facility had a gymnasium, and a health and fitness training area that might be let to the private sector, it could inject funding because that is a profitable part of that centre, and they might make money out of that and be prepared to put money into the total scheme.

The social justice and equity issue is a very important question. If you are looking at the hard economic rationalism of a project, I think you can blind yourself to the fact that there are social justice and equity issues that should be taken into account. These implications may mean that a facility has to run at a loss but as long as those areas have been identified and justified, and perhaps funded from some other sources, I see no reason why facilities should not then be on a profitable basis.

The second last recommendation is that the Commonwealth should take account of social justice and equity issues as part of a criteria for any funding program. Finally, we speak about the cost benefits of sports and recreation facilities. We highlight the fact that the planning, design and management of sports facilities has improved significantly. There is an economic value in both indoor and outdoor facilities and their social and community benefits have often not been addressed. Future funding should address these issues and we say that there should be a cost benefit and an asset management principle for any funding scheme to be introduced. That is our submission, Mr Chairman.

CHAIR—Thank you for the submission, which provides some background to the committee on the situation in this state. Perhaps you could provide some information about what programs the South Australian government currently has to fund sports facilities.

Mrs Parnell—Out of the Department of Recreation and Sport we have what we call a regional facilities grants program. It is a program which offers \$900,000 to sporting organisations. We recently ran this program and we had \$27 million worth of requests for facility capital works projects out of that particular scheme.

CHAIR—How much money is available?

Mrs Parnell—An amount of \$900,000. We also run another scheme from the department where we have \$2.5 million and that is money that was acquired through revenue on the poker machines. There is a component of that grant scheme, which is also available, called an active club program, and that is also for \$950,000. We have recently run that scheme. We have run it twice and our total requests there were \$11 million worth of capital works and minor capital works programs. So there is a considerable shortfall in what we can currently offer. That is what is offered through our department. I am sure the Education Department could speak about their schemes.

CHAIR—I presume the education department would be providing some sports facilities through its schools program rather than specifically.

Ms Riedstra—That is right. We do not have a specific funding program that would be open for external application. It is an internal funding process.

CHAIR—So there are two programs of about \$0.9 million each and \$2.5 million comes from poker machines.

Mrs Parnell—Yes, the \$2.5 million that comes from poker machines is divided into four different funding categories. Only part of that category goes towards minor works. The component that goes towards minor works is what we call an active club program, and that is \$900,000.

CHAIR—That is a part of the \$2.5 million so there is a total of only about \$3.4 million.

Mrs Parnell—Yes.

CHAIR—Are there any special on-budget items for major facilities? For instance, I am aware of the fact that there is an athletics track being built in Adelaide at the present time. How is that being funded?

Mr Daly—That is being funded from treasury sources in addition to our normal budget line. Those funds are for specific projects related to providing homes for state sports associations and national and international facilities. The athletics track is to provide a facility that will be able to be used for international purposes. We had a problem with the existing facility, and we needed to relocate. This was an opportunity to do that and to link it again with the prepared-to-win program for the Olympics games and to attract teams to use it for training purposes as well.

CHAIR—Are those one-off allocations or are there some every year?

Mr Daly—I suggest it is one-off. There is a number this year and that is one of them; the netball stadium is another. They are strategically located as a western gateway to the city. Again, the Hindmarsh stadium is a third major project. That is being funded in relation possibly to having preliminary soccer games here for the Olympics. We needed to upgrade the stadium to comply with the international standards for that sport. Those facilities are being built on the basis of a fairly major contribution from each of the

organisations in the case of netball and soccer, and funding from treasury, but there is no ongoing funding.

CHAIR—The state considers those to be so important that it is prepared to find money within its budget to fund them?

Mr Daly—Yes.

CHAIR—Does the state not consider it so important to fund regional and local facilities that it is prepared to fund them?

Mr Daly—There was a window of opportunity in this particular period for those very important international events. With regard to regional facilities, we suggest that there is a link between local government funding and state government funding. Our strategic plan identified regional open space, regional facilities and, also, local facilities. There is a hierarchy. There are local facilities, which we see as being funded entirely by the local councils; there are regional facilities, which we see should be funded by both the state and local councils; and then there are national and state facilities which are entirely the responsibility of the state. Perhaps, in the future, those sorts of things ought to be funded on a joint basis with the Commonwealth.

CHAIR—You have also suggested that the Commonwealth should institute a program and then give the money to the states, for the states to distribute as they see fit. Often, when the Commonwealth gives the states money, they cut back on their own programs in that area. What guarantee would there be that any Commonwealth money provided would be a supplement and not just to let the states off the hook?

Mr Daly—I think the CALF scheme initially started off as one-third from the Commonwealth, one-third from the states, and one-third from local councils. The proportions changed as time passed. I think that, in the end, half was provided by the Commonwealth, and the state made up its half by a mix, in terms of whether a major proportion was put in by the state or local council, or perhaps by a state sports association, or perhaps a loan taken out by that sports association. I think it is a matter of setting up a protocol, if you like, of proportions, which is a fairly simple way of doing it, and it has worked fairly well in the past.

CHAIR—You favour a proportional sharing of the costs?

Mr Daly—I see that that is the best way out of it, because I do not think any level of government is prepared to provide totally a funding operation.

CHAIR—I note that you prepared a strategic plan for your sporting requirements. I certainly commend you on that. It is in some degree of detail in regard to swimming pools and you have come to a conclusion that you need \$40 million worth of facilities. When it came to all the other things put together, the cost was only \$13.2 million, which struck me as a fairly modest shopping list. What is the basis of the \$13.2 million calculation?

Mr Daly—This is the state's requirement in terms of what has been put into it this financial year; in other words, when we have had schemes like those which have been mentioned, that is the sort of money that

we have been looking at that the state could afford. This strategic plan that we are talking about is a five or 10-year plan. It takes a while to introduce a strategy. That was introduced in 1994 and will continue. The \$13.2 million would be what the councils can afford and what they have put to us in this financial year.

CHAIR—So the provision of recreational facilities and sporting facilities in South Australia is going to be guided by the contents of that plan?

Mr Daly—We hope so, because it has been prepared by the local councils and the state at local level, regional and state level.

CHAIR—Does it actually identify which towns are going to get which facilities?

Mr Daly—It goes to the point of saying that here, in a broad brush treatment, is what we need in various areas of the state, and this is taken from their local plans. We would then suggest that each of the facilities, as they are then developed, would require, if you like, a feasibility study. The aquatics project identifies where new pools will be built, whether they be 25 metre pools, or whether they be 50 metre heated indoor pools, et cetera, throughout the state. It does not suggest that they will be built tomorrow. It suggests that they might be built over the next five or 10 years. If they were to be built, there would be community consultation and a need for project management committees and that type of process to be put into place.

CHAIR—How are you going to respond if a community that is not identified as a site for perhaps an indoor netball facility, says, ‘We want to build one’? Will you say, ‘The strategic plan doesn’t allow for it, therefore, we won’t fund it’?

Mr Daly—Most of our councils now have been educated to develop their own local recreation and sport plan. That has been done normally with some assistance from the state. A project management committee has been set up to develop the local plan. That local plan at that point of time develops a life of its own, if you like. Then the council has been heavily involved in that process. When it comes to implementing the plan, it will depend on their budget requirement.

Mr McDOUGALL—I have written a lot of notes, but I will not have time to ask a lot of questions. It is very nice to see the education department here. In all our travels, this is the first time that an education department has come near us. I am very pleased to see that. You obviously had some involvement with your local governments in developing your strategic plan. I read through your submission and all the analyses of the submission. However, I fear that I do not see any involvement by sport in developing that strategic plan, and that worries me. Before you came to your strategic plan, one would assume that you did an audit. When you did your audit, did it include all private facilities, education facilities, both state and private? You have come up with some very interesting figures, which nobody else has been able to give us.

Mr Daly—Yes, we are fortunate that we have a very good GIS base here, which is a geographic information system, and most of the mapping has been put on to that, which means that each local recreation and sport plan identifies all its facilities, including the private ones in some. I do not think it is in all of them. Most councils have their own plans for that sort of thing. As they are part of the local planning process, we have been able to tap into their GIS base and identify mainly open space and also all the facilities. Again, I

qualify that by saying that some councils may not have identified the private sector facilities. Often they have identified the major private ones, but they might not identify the local squash court or something like that.

Mr McDOUGALL—What about the education facilities?

Mr Daly—Schools are on it very much. All the schools' pools are included in the aquatic project. It shows, rather revealingly, that the pools that were built in the 1960s and 1970s are all in the inner metropolitan area. If you look at the map in terms of the country and outlying areas, very few pools have been built.

Mr McDOUGALL—All the facilities, not just the pools? Did your audit include all sports facilities in South Australia or are some missing?

Mr Daly—Some are missing because it was not a totally centralised audit. It has been incrementally built up. Often, the planning advice has been changed and you find the facilities change, so we felt that it was very difficult for the state to do an audit of all the facilities because, immediately you do that, someone changes a football oval, or another stadium gets built somewhere else, or another private facility is built. It would be a massive task to keep that audit up to date. What we have said is that each council should be responsible for its own recreation and sport plan and part of that plan is a thorough map, or a GIS map of that facility. Technically, what should happen is that they should update their own GIS map and that should feed into the whole of the state, but there are gaps, because some councils have not completed a recreation and sport plan—most have, but some have not.

Mr McDOUGALL—I think that the education department representative said a while ago that you do not have any specific funding for sports facilities, but you do it out of your budget. Does the education department accept joint funding from any other body, be it a state government other department, or a private club or organisation, to go into the joint funding of a facility that the whole community can use?

Ms Riedstra—Yes.

Mr McDOUGALL—How long have you been doing that?

Ms Riedstra—I could not give you an exact number of years. I would say at least the last five to 10 years.

Mr McDOUGALL—Who owns the facility when it is built?

Ms Riedstra—It depends on each individual agreement. I am trying to think of a specific example. We have examples where we are in joint ventures with local councils. I know that discussions are going on with state sporting associations and state clubs, but off the top of my head I cannot quote them to you.

Mr McDOUGALL—Have you built any with sporting clubs or sporting federations, or only with the councils?

Ms Riedstra—I know definitely with the councils. I could not tell you definitely about the sporting clubs, et cetera. I think the nature of those agreements are more often a contribution towards some part of the facilities, so that we may take on a major part of the construction, but it may be equipment, or paying for an upgrade to the size of a court that we may be building would be the contribution by the sporting club.

CHAIR—Are they generally on school land?

Ms Riedstra—Generally, yes.

CHAIR—But not always?

Ms Riedstra—I would not want to say that they are 100 per cent on school land. Some may be on council land.

CHAIR—You do not have a policy to not have them on other than school land?

Ms Riedstra—No.

Mr McDOUGALL—Do you have joint management or is it left to the principal or some committee in the school to run the facility?

Ms Riedstra—In some cases, it will be a joint management committee. It will depend on the agreement that has been reached and the contribution of each of the parties on what their management would be in the facility.

Mr McDOUGALL—It is not left to the whim of the principal of the day as to who gets the rights to the facility?

Ms Riedstra—Certainly not. There would be joint agreements. There are some facilities which the public education system and the private education system share. There is a committee of management comprising all those parties and they are all signatories to a joint agreement.

Mr McDOUGALL—Back to the Department of Recreation and Sport, when the department, through the treasury, allocated money to the athletics and netball stadium and the Hindmarsh stadium, what sort of plans did you put in place for the multiple use of those facilities after the Olympics?

Mr Daly—In all cases, I think that they are going to be managed by the sporting organisations and those organisations will, I should imagine, want to make the most use of those facilities for the generation of their sports interests. In every case, I think you would find the sports themselves would be very eager to make the most of those facilities.

Mr McDOUGALL—There was no agreement to say, 'Look, if we are going to inject this amount of one-off money to be able to upgrade these facilities in the hope that we are going to get something out of the Olympics, then you get the facility at the end with all our capital input.' There was no agreement as to the

minimum requirements that they had to meet in relation to their making sure that there was this broad based community use and multiple use of those facilities at a later date?

Mr Daly—I am not in this area and I could not answer that question. My judgment is that we would suggest that the sports themselves are the best managers of their own destinies and they would certainly be interested in doing that.

Mrs Parnell—I understand that the government intends to put in place in each of those facilities a board of management, which would ensure that the utilisation of that facility beyond whenever is maximised, so cost benefit analyses have been done. The athletics stadium will not be used solely for athletics. A board of management is looking at all opportunities that that facility can be used for beyond 2000. They are looking at it as a business.

Mr EOIN CAMERON—The Golden Grove secondary school is sharing its facilities with the community and with two private schools. How well is that working? It seems to put a lot of pressure on the facilities there. What have been the pitfalls and the successes?

Mr Roberts—I am not sure I am the best person to answer that. It is one of a couple of developments. There is one development at Seaford in a similar sort of vein. With regard to Golden Grove, that area has expanded rapidly and the facility is being very well used. I think, in any joint use type of arrangement, compromises have to be made; there is give and take in terms of that process. In terms of my involvement, I am not aware of any major specific pitfalls with that arrangement outside what I have just commented on. It certainly has been an avenue to provide a much better quality facility, and to enable a large range of activities to take place.

Mr EOIN CAMERON—Do you know if the outside communities away from the schools have much use of that facility? With three schools using it, it would seem to be pretty well used.

Mr Roberts—It is the major facility in that area. It is a huge growth area and it is the major facility and, therefore, I think it is looked upon very jealously by the community. They regard that facility as something that is special to them. Again, I could not give you detail on the exact extent of the outside community use. It is fully utilised.

Mr EOIN CAMERON—You do not get specific complaints from the other two schools using it, saying, 'Golden Grove is hogging it'?

Mr Roberts—The joint management groups look after those facilities and those issues are discussed within that forum. That is the group that meets to resolve those issues in terms of being able to use not only the sporting facilities but the other joint use facilities that the three campuses are involved with.

Mr EOIN CAMERON—On that committee, in that particular instance, there would be representatives from all the schools plus the community.

Ms Riedstra—That is right.

Mr MARTIN—Reading through the submission, I note that there were not too many suggestions about where the Commonwealth's share of funding should come from. Given that you are state government representatives, can you suggest to this committee of Commonwealth parliamentarians where we might make recommendations to the government of the day as to where they might get the source of funds to put in to a regional or local sporting facilities program?

Mr HOCKEY—Do not suggest a GST?

Mr MARTIN—I will have a copy of the transcript.

Mr Daly—I really could not answer that question.

Mr MARTIN—It has been suggested to us on a number of other occasions that perhaps things like a national sports lottery or a hypothecation tax of an extra 1c or 2c per cigarette stick might provide a source of funding for the Commonwealth, which could then be hypothecated to a specific sports facilities program. Would the government of South Australia be prepared to give up some of its control in those areas to enable the Commonwealth perhaps to look at that with some interest?

Mr Daly—I could not answer that question.

Mr MARTIN—You have heard the suggestions made?

Mr Daly—Yes.

Mr MARTIN—And from a Department of Recreation and Sport's point of view, has there been any work done here in South Australia as to whether or not they might be ways in which even your department might access additional funds? Have you made similar suggestions to the state government, through your minister, for example, over the years suggesting something like this might be put in place?

Mr Daly—As Ms Parnell suggested, we have recently received moneys from the lotteries, which have significantly increased our funding. Other suggestions have been made at the state level, but I do not think I am at liberty to talk about those at this meeting.

Mr MARTIN—The question of the funding is something which is very important to this committee. Obviously, everywhere we go, people say, 'The Commonwealth has to be involved.' There is some argument about whether it should be involved in the provision of sport for all categories and whether we should contribute funds to state or local government, whether different sorts of committees should be established which have representatives from those levels of government plus participating sports involved, but we always seem to stumble over the source of those funds and whether or not maybe just straight out of consolidated revenue is the cleanest and easiest way to go.

I accept the limitations imposed on you, as you represent the particular state Department of Recreation and Sport, but I wondered whether there were some other innovative way that we have not yet been briefed on that you people in either sport and recreation or education could suggest that the Commonwealth might be

able to look at. I know you suggest using the Australian Sports Foundation. Does anybody have any innovative ideas as to what to do? Do any of the reports that you have address this area?

Mr Daly—We mention the BOOT scheme.

CHAIR—But you have not used it.

Mr Daly—Not in the recreation and sport area, but we have used it in other areas of government, and I checked with our treasury this morning, which maintains that the BOOT scheme is operating in the Port Augusta hospital, the Mount Gambier hospital and in the Aldinga sewerage works, so I do not see any reason why that sort of project could not be taken over into recreation facilities where you allowed the private sector to come in and build, own and operate and then transfer at a period of a 30-year lease back to the private sector, or else renew the contract.

I also see that recreation and sport is an industry that is just about to flourish. It seems to me that we have magnificent products in Australia. We are one of the top nations in the world in terms of sport development. We have products that we can sell offshore in this state and seize the economic advantages of marketing sport and recreation, particularly to Asian nations. We have expertise in facility development, coaching, et cetera. Funding could be available through private sectors for funding in other nations, if you like, in Asia, for joint ventures, for build-own-operate-transfer arrangements and things like that.

If we are an industry, I think we have to act like an industry and perhaps develop an industry perspective. The danger is that we tend then to put the dollar before the actual reason for building the facilities. I think that is the balance we have to strike and I hope we did that in our report by saying that there is a social justice issue as well.

Perhaps just as industry has to develop its ways of funding things, as this new industry, which I think is going to be a real force in the next millennium, is starting to get off the ground, it needs perhaps to think of ways in which it can attract funding from the private sector. Perhaps the Commonwealth ought to look at ways in which there can be a joint encouragement of us to put funds in with the private sector entrepreneur. In the past, we have not touched the tenpin bowling or the squash courts in the private sector, or the facilities that are always being funded by the private sector. I think there is a chance for us perhaps to develop those.

Mr MARTIN—Something like amortisation rates, accelerated depreciation on capital, taxation concessions on infrastructure building and so on, would they be the sorts of things that a private entrepreneur might be attracted to?

Mr Daly—We have a chapter in the aquatics report that deals with funding. We felt that facilities such as indoor swimming pools are going to be very expensive. They are probably the most expensive sports facilities we will be building. Most of our pools in South Australia have now reached the end of their life. Most were built in the 1950s and 1960s. After the Melbourne Olympic games when we did so well in swimming, we all built Olympic pools. Each council had to have its outdoor 50-metre Olympic pool.

CHAIR—It was 55 yards.

Mr Daly—We got that wrong. Those pools are now reaching the end of their life. This report addresses how this state has to replace its pools and its structures. With regard to the pools we built then, we used to fund something like \$120,000 as a state subsidy. These pools are now coming up at \$5 million or \$6 million a pop. That is the heated indoor swimming pool with other facilities as well. The states and local government do not have that sort of money. Perhaps I could give you a copy of the report, but this addresses ways in which we can now look at funding those sorts of massive projects. We look at rate revenue from the council point of view, which is very unpopular; we look at special rates; we look at loan borrowings; we look at bank guarantees and asset sales. We look at separate incorporated bodies raising money; non-government resources such as the rational use of the private sector. We had a consultant prepare this report for us and it went into a lot of those areas. They also developed the BOOT scheme.

CHAIR—I think the committee would appreciate not only a copy of your aquatic plan but also your other strategic plan.

Mr Daly—I would be very happy to give you those.

CHAIR—That would be of great interest to us. It may well be that you are ahead of other states in the development of strategic plans in that way.

Mr MARTIN—With regard to the split between metropolitan and regional areas and getting access to some of the funds under the facilities program that you have in place at the moment, can you provide some information on that? Is there a skewing towards metropolitan Adelaide vis-a-vis regional South Australia? I think you said you had \$900,000 in one of those programs and you had about \$27 million worth of requests for funding.

Mrs Parnell—The regional facilities grant scheme that I talked about is really predominantly for country areas. That is what we look more favourably on. We have other schemes. We have a state sports facility fund from that \$2.5 million, which is a top-up for people in the metropolitan area to access maintenance and ongoing maintenance of their facilities. With regard to that regional facilities grants scheme, I do not have the figures in front of me but I know a lot of it predominantly came from country areas.

Mr MARTIN—When you talked earlier about councils developing their own strategies at a council level, are you finding that you are also getting two or three councils getting together to do a regional facilities type of program where it may well be that, if you have three councils, council A decides in concert with the other two that it will build an athletics facility; council B decides it will have an aquatic facility and council C says it will have a decent hockey surface.

Mr Daly—That has come out in this report. The state plan worked on 12 regions. There are 11 country regions and a metropolitan region, which is divided into four sectors, that is, the Adelaide region. We have found that, with the local government reform, and I am sure that when you have the submission by local government they will speak more on this, the local government reform has meant that we have been able to go back to our regional planning with the reformation of councils. The classic one is the southern regional councils. About eight councils have got together and they are now revamping their eight local recreation and sport plans into the southern regional recreation and sport plan mark 2—they already have one—but the

reconfiguration of the councils means they can go back. They have a bigger asset base. They will be able to use facilities more rationally. Instead of each council having to have its 50-metre swimming pool, one would see that the local government reform allows councils to develop their recreation and sport plan. Because those are in place, it is a matter of updating those, so we are fortunate perhaps that we have at least a base to work on. As we do it the next time around, we will probably do it with a little more sophistication than we did the first time.

Mr HOCKEY—Can you tell us about any successful BOOT scheme in relation to a sporting facility anywhere in Australia, or, for that matter, anywhere in the world?

Mr Daly—No. I think the BOOT scheme is so new in this area—and I understand that it has been tried in other sectors only fairly recently—that it is a bit, if you like, at the border of our thinking. That is why we put it up. We were looking in the aquatics report for some new and innovative ideas. I am not sure, but I cannot, off the top of my head, give you any.

Mr HOCKEY—Can I give you an example of what some might see as a quite spectacular failure, and that is the Sydney Olympic Stadium. Private investors went to the market trying to raise the funds for a major stadium that is going to get high usage rates compared with most other sporting facilities and yet it was significantly undersubscribed in the Australian Stock Exchange and it is having funding problems. Do you have any views on that?

Mr Daly—I could not comment on that.

Mr HOCKEY—The second issue I wanted to raise was based on re-entering the funding of sporting and recreational facilities and untied grants based on horizontal fiscal equalisation. Coming from New South Wales, I have a very keen interest in the use of that word, and I am sure my colleague, the chairman, from Queensland, would have an equally keen interest in it.

CHAIR—Not quite as keen as you.

Mr HOCKEY—I am very interested when the representatives of the South Australian government should choose to use those words. You are arguing here, as I understand it, that you would like to have untied grants based on an allocation process something other than per capita.

Mr Daly—Yes.

Mr HOCKEY—Do you have any formula for the allocation of that funding?

Mr Daly—As I understand it, that is the formula that is in operation now between the grants commission, the states and Commonwealth.

Mr HOCKEY—Can you tell us what justification there is whereby South Australia could claim that it is more entitled to sporting facilities than people in Victoria or New South Wales?

Mr Daly—I do not think the scheme suggests that at all. I think it suggests that there is a rationalisation of facilities according to equity and criteria that come into effect, such as the capacity to deliver the services.

Mr HOCKEY—I suppose the grants commission's formula is based on perceptions of the problems of distance, that is, the tyranny of distance and the age demographics and so on. How do those factors fit in to the demands for sporting facilities? I am asking this, because it is a very bold statement to say that we would like to have untied grants on the basis of the grants commission formula.

Mr Daly—I think our treasury people would suggest that, because of factors in the state itself, the revenues of this state are not as high as perhaps other states, and that we should not fall behind with the sort of facilities that we provide to people in the state. I understand that is the rationale of the grants scheme.

Mr HOCKEY—Did treasury or your own department attempt to look at whether private funding would be possible for the athletics stadium that you are building at the moment?

Mr Daly—It is not in my area so I cannot comment on that. I suggest that someone who may be giving evidence later may be able to comment.

Mr HOCKEY—In what area do you think a private investor in a private sporting facility could make money?

Mr Daly—Good management.

Mr HOCKEY—Is there not an inherent problem with almost all sporting facilities that you do not have sufficient cash flow to justify a profit?

Mr Daly—Again, it is promotion and the actual utilisation of the facility. I think we have developed, over the last 10 years, to my knowledge, organisations who specialise in management and, increasingly, these organisations will persuade sporting organisations perhaps to develop a professional attitude to management. Some of them are very good and some of them are not so good, but I suggest that, as the organisations themselves take over things like swimming pools, indoor stadia, and some outdoor stadia as well, that the management structures will improve and the ability to make good decisions in this area will provide that source of funding.

Mr HOCKEY—Given that you made that statement, do you have any assessment of how much poor management costs governments generally in relation to sporting facilities?

Mr Daly—That is an interesting question. I would like to see that quantified. We say that we know that some sporting organisations get into financial trouble and then they often come to us to bail them out. That is the problem.

CHAIR—Do you do that?

Mr Daly—We have done it a couple of times, simply because we could not let that association go to the wall.

Mr HOCKEY—That is different to the management of facilities.

Mr Daly—It is linked. The facility may have been designed incorrectly or built at the wrong spot so that it is not where people are and it is not attracting people. Also, the management could be poor. Sometimes sporting organisations are very good at their sport, but they focus on the thing that they are good at, and management might be an additional extra. We are saying that there are now people who have that expertise who could assist them with it.

Mrs Parnell—The South Australian government is very conscious of that and, as I mentioned earlier, that is the reason that we have spent a lot of time on how the new facilities that are being built in South Australia may be managed to maximise the economic potential and ensure that, in fact, they do not become white elephants. It is the reason that we have gone down that path of putting up a board of management of people who are outside the sport and who can look and think laterally at the many ways that the facility can be used. That has been a deterrent and why you have not had private investors wanting to go into it in the past, because it has been a narrow sport focus.

Mr HOCKEY—Just to summarise that, you were asked for a pool of funds, so you are asking for money from the Commonwealth. You cannot point to a private facility that has worked successfully and you are saying poor management at your own facilities is costing you a lot of money and yet you want the Commonwealth to provide you with more money. In effect, you want us to subsidise poor management by the South Australian government and the local councils of existing facilities.

Mrs Parnell—I am suggesting that, in the past, and probably not only in South Australia but across Australia, sports were very narrowly focused. Now, in South Australia, we are conscious of mistakes that we have made in the past and we will not make the same mistakes with any facilities that we are now into. We will make sure that any investment will give us a return.

Mr HOCKEY—You want funding for new facilities, not for old facilities?

Mrs Parnell—Basically, yes. I think we have invested \$50 million in those three facilities that we talked about earlier. That has not happened overnight. That has taken years and years to get them to the stage that we are at, and we have learnt from past experience that we could not run them in the same way as we have run previous facilities.

CHAIR—You do not really expect them to make money, do you?

Mrs Parnell—To be honest, I do not expect them to make money in the short-term but it will be something we will have to work on, outside sport, as to how you can utilise that facility. I will give an example of the Clipsal Powerhouse with which I am familiar, because I was previously on the board of management there. When that was being built in South Australia, that sport wanted to do a joint venture with the government to make it a multi-purpose facility, that is, an entertainment centre and a basketball facility,

because, at the same time, the government was looking at building an entertainment centre. That sport worked very hard with the government to try to do that. Unfortunately, at the end of the day, because of some very small differences in terms of size and how it was to be administered, it could not run. I think that both centres, the entertainment centre and the basketball centre, have struggled to keep their heads above water. I do not think that they are mistakes that we can afford to have happen again.

Mr HOCKEY—Of the total money that you allocate to sporting facilities every year, what proportion is spent on maintenance and what proportion is spent on capital works?

Mrs Parnell—I could not give you a figure, but I could get that figure to you.

Mr HOCKEY—Thank you.

Mr McDOUGALL—Can I come back to the question of this untied grant? What sort of guarantees is the state government of South Australia going to give us to assure us that money that goes through is actually spent in recreation and sport areas?

Mr Daly—I cannot answer that question, because I am not a treasury person and I do not have any experience in other funding programs of this sort that the state has entered into with the Commonwealth. Recreation and sport are very visible projects, and I think you would get the message very quickly if funds were being diverted to somewhere else, because I know that sporting people are very perceptive about these sort of things and they are not backwards in coming forwards.

Mr McDOUGALL—It is said that, for every dollar of untied money that goes to local government and states in the road funding program, local government specifically spends eight times more than it gets. Are you going to guarantee that, if we give you some extra untied money for sport and recreation, you are going to put in some more money and do it? Will the South Australian government do as the Western Australian government has done in relation to road funding where they take that money, and put it into a trust fund and it is audited to establish whether they have spent it in those areas?

Mr Daly—We could take that on board and suggest that. I cannot answer for the South Australian government.

Mr McDOUGALL—On page 7 of your submission you give examples of national and regional facilities required by South Australia. I am very intrigued by the last seven items that you list. In my recollection of my days in local government, they all belong to something called the parks department and have been funded out of the rate bases of local government and often in the capital works, probably in somewhere like Golden Grove. You have major contributions by a developer in relation to land and possibly even some capital funding for the development of that land for recreation purposes. Why are you now choosing to say that that is no longer a state or local government responsibility but you want to flick-pass that to the federal government? Is it because local government wants to spend its money somewhere else?

Mr Daly—I do not think so. We are saying they are examples of the way in which the facilities have now widened. We have suggested there are examples at the local level and then nationally and regionally. All

we were trying to point out in that was do not focus on just the traditional sort of facilities that we have focused on in the past. We suggest that the linking of facilities has to be with open space as well. You cannot develop a recreation and sport plan unless you develop an open space plan as well. We see that people use their recreation time to go to national parks and to go to regional parks. There is a lot of use of facilities and a lot of recreational input into those areas and they ought to be included in the grant schemes.

Mr McDOUGALL—You say they should be in the grants and no longer financed by local government or state government?

Mr Daly—I think they have to be financed from a number of sources, including this, but it seems to me that we are narrowing the focus to concentrate on the traditional areas. We ought to be saying that leisure is a wider concept than just sport and recreational activities that are related to competition. We do a lot of things in our spare time that are related to recreation and leisure that we should see as part of the recreation and sport continuum, if you like.

CHAIR—I note with interest that you have on your list that we should perhaps fund rivers of state or regional significance. I think we would have trouble giving you a new river.

Are those documents available now for us to receive as evidence or do you want to provide us with a copy of them later?

Mr Daly—I will provide you with other copies of these at a later stage. These are marked copies.

CHAIR—Thank you for appearing before the committee today and for the evidence that you have given. We appreciate you giving us the South Australian perspective on these issues. We also appreciate the effort that your government has put into the submission that we have had before us today.

[3.34 p.m.]

CRADDOCK, Mrs Rosemary, Mayor of the Corporation of the Town of Walkerville, Vice-President of the Local Government Association of South Australia, 66 Walkerville Terrace, Gilberton, South Australia

NICHOLLS, Mr Peter, Recreation Planner, City of Tea Tree Gully, 51 Montague Road, Modbury, South Australia

RUSSELL, Mr Chris, Director of Policy, Local Government Association of South Australia, 16 Hutt Street, Adelaide, South Australia

CHAIR—Welcome. We received a submission from you and authorised its publication. Do you propose any changes to the submission?

Mayor Craddock—No.

Mr Russell—Apart from that, we have provided an update table of 1995-96 local government revenue and expenditure information. I think copies of that have been circulated.

CHAIR—That is an additional piece of information. It is not actually correcting what you have; it is just a later year.

Mayor Craddock—It is just updating it.

CHAIR—We will receive that as a supplementary submission.

Mayor Craddock—There has been a fourth person of our delegation, Mr Ron Green, CEO of the Council of Unley, who has a very strong interest in recreation and sport. He is on leave at the moment and unable to join us. I thought you would like to know that he has been a fourth member of this group. I hope that our submissions do address your terms of reference because we thought you might like to hear about the situation of local government in South Australia, particularly in the current amalgamation climate. The Local Government Association itself speaks on behalf of all the councils in South Australia, promotes excellence to councils, and seeks to achieve strategic advantages for South Australia by working with councils, governments and other bodies.

All councils are members of the Local Government Association as is the Anangu Pitjantjatjara group. In the last two years that group has become a full member of the Local Government Association, although it has its own separate act of parliament under which it operates. The LGA is federated with other state associations nationally via the Australian Local Government Association, and that body itself has made a separate submission.

Our submission has touched on the broad range of services provided by the Local Government Association and for the potential of those to be packaged around new programs. Councils have been

managing a variety of reforms in South Australia but there is no doubt that the most dramatic change over the past 18 months has seen the number of councils drop from 118 to 71, and by November 1997 that will be down to 69 as a result of voluntary amalgamations.

Unlike Victoria, councils have managed their own boundary reform program and all processes, including amalgamation processes to date, have been on a voluntary basis. It has occupied an enormous amount of time in local government, and it will continue to do so because in the next 12 months not only will there be the finalisation of amalgamation proposals but also there will be a review of boundary adjustments and changes so that is likely to preoccupy councils in the next 12 months.

We are currently negotiating with the state government over the review of our Local Government Act and are preparing a framework for functional reform. One of the problems that local government is facing at the moment is that it has a cap on rates for the current and the next financial year. Essentially, it limits general rates to the growth in CPI. In this context, it is likely to encourage a rationalisation of assets and a reduction in services. Local government borrowings are not limited. However, public pressures based on attitudes to state and Commonwealth debt have seen a downward trend in local government net debt. In this environment, councils in South Australia are unlikely to be embarking on strategic new development programs without additional government support.

In this state, local government has a tradition of working strategically with the state government and the Commonwealth. We have also demonstrated the Local Government Association's capacity, when we are seriously involved, to deliver a sensible and strategic response by councils. I believe that, with the Local Government Association's involvement, a program could be structured to avoid all the pitfalls of the previous Commonwealth programs in this area. There is a real opportunity here for the Commonwealth to demonstrate leadership, and to recognise and wisely use its comparative funding strength and to assist in ensuring local resources are spent more effectively for the benefit of all Australians.

In addition, you will be assisting to support a fitter, more active, more balanced and more productive community. We appreciate the opportunity to appear before you and look forward to your questions. I would like Mr Russell and Mr Nicholls to make some short comments on some particular areas.

Mr Russell—I will be very brief. Essentially, I wanted to back up Mayor Craddock's presentation in three ways: firstly, to provide the update table. I am conscious that the Bureau of Statistics does not publish standard local government financial statistics any more so I have had to do work with them to extract these figures, which essentially show, as we have stated, that in South Australia local government spends \$1 out of every \$8 on recreation and sport and the combined current and capital expenditure of around \$96 million in South Australia exceeds the total state and Commonwealth spending in this state on recreation and sport. Local government sees it as a priority—and a priority that is of some size in relation to—

CHAIR—In order to clarify the table, local government in South Australia has no responsibility for water or sewerage; is that correct?

Mayor Craddock—No.

CHAIR—What about garbage? I am trying to establish what sorts of things you are including so that we may make comparisons with other places.

Mr Russell—In the totals, local government in South Australia, with some minor exceptions in country but in dollars not of great moment, does not provide electricity or water supply at all.

CHAIR—Sewerage and garbage?

Mr Russell—Generally not sewerage and certainly not in the metropolitan area; some common effluent drainage schemes in country areas with state assistance, but garbage, yes, waste management and recycling is very clearly a function.

Mayor Craddock—In addition, local government has had a transfer of responsibility from state government in the last couple of years by way of introduction of levies, I guess, for the cleaning up of rivers. That is a different aspect of water, but it is a responsibility that has now come to local government and affects all metropolitan areas. That will soon be increased to other areas as catchment schemes are being set up. There is a tremendous amount of functional responsibility being transferred now to local government from this present state government. I think we need to be aware of that. It makes it very difficult for local government because, with our rate capping, it is a very difficult climate within which to operate. I think you need to be aware of that background in the context of this submission.

Mr Russell—To move on to the second point, we reiterate our willingness to work collaboratively with the Commonwealth in an appropriately structured program. We have seen the state government's submission. Notwithstanding some elements which we would be keen to develop further with them, we believe it is essentially consistent with our approach. By and large, we are beyond intergovernment relationships and worrying about where the money is banked. We and our members are more interested in the effectiveness of the process, which is often based on the degree of local government involvement, how workable the guidelines and constraints are at the local level, and the efficiency of administration.

Thirdly, I want to emphasise the importance of good frameworks and data to good decision making. I believe that the aquatic facilities report, which was referred to by the state and which was a jointly funded initiative between state and local government, provides an outstanding tool to ensure that, at any level, local, regional or state, the baseline information is there to know where the gaps in the service are, where the oversupply is and where the education and private facilities might overlap, such that, in future, a council or regional level decision will not be made to fund a facility that does not fit within the framework. But, essentially, people cannot make those decisions without having the information before them. I would see that as an essential role.

We are well placed in South Australia with a good local, regional and state planning framework in recreation and sport, but we certainly do not have it perfectly established. I would suggest that, if the Commonwealth is to re-enter this area, resources should not be isolated solely for development and that perhaps a small portion should be focused on assistance in relation to best practice modelling and I suppose research and development functions which will ensure capital dollars are better spent.

Mr Nicholls—If I could actually pick up that point, because you commented in the last presentation about the fact that South Australia seems to have got its planning act together in terms of recreation and sport planning. That whole venture over a period of four or five years was itself a joint state, regional and local venture, where funding for those planning strategies was provided jointly by state and local government, and councils in a particular region contributed their proportion of the cost, with the state government contributing a significant proportion of the balance. Moving to the aquatics project has been a continuation of that process and we believe, as Chris has said, that is an excellent practice which other states should assess with regard to their own set up.

We have a number of key points which we want to emphasise in the submission from the general recreation and sport planning point of view. We want to highlight why we believe the Commonwealth should be involved in the funding. With regard to the cost of major facilities and the fact that they have to be good quality facilities—the ‘tin shed’ syndrome was mentioned earlier. I have an expression which I use and that is that the greatest competitor to recreation these days is the home lounge room. People need to be attracted to good quality facilities, which will provide the carpet, the airconditioning, the refrigerator and all the facilities which we find attractive at home.

To provide those sorts of facilities and, particularly, as we have mentioned, the aquatic facilities is one current example, we need to produce good facilities which are going to be financially viable. If they are going to have a chance to be financially viable, you have to make the initial expenditure which will make that facility worth managing. I guess it has been of little interest to me because I have interpreted the terms of reference of this inquiry to look at the question of initial capital to develop a facility. We in local government have long accepted the burden and responsibilities of ongoing maintenance, with all the difficulties that have already been mentioned, but we believe that the need is to get funding at that early stage so as to provide good quality facilities which will have a chance of being financially viable.

With regard to other factors in terms of why the Commonwealth should be involved in the funding, it has already taken a major step in recent times to establish the Active Australia program, which is looking at supporting the general recreation and sports scene. We believe that facility funding forms an integral part of that Active Australia program.

A lesser known factor, but one which is having a significant impact on local government, is the introduction of the disabilities discrimination legislation, which is, quite rightly, requiring proper recognition of the needs of people with disabilities. This requires a major structural redesign and redevelopment of virtually all publicly owned facilities. With those facilities that have been developed in recent years, this need has been much better recognised than was previously the case. However, there is a need for major redevelopment of older facilities, which local government has great difficulty in meeting at this stage.

In terms of the planning, apart from the point I made earlier, I think we would advocate strongly that if the Commonwealth does get into the business of funding, it must look at working through the planning strategies of the type that we have described and it should only fund in terms of those strategies. Those strategies remove much of the subjective decision making. The other part which has also been mentioned is the use of the geographic information system, which is a computerised database system. The significance of GIS, as it is called, is that it is a geographic computerised mapping system, so you have computer-generated

maps and are able to see where a facility is. It also accommodates textual material so that once you have identified and plotted a particular facility you can then include a whole range of data about that facility—its size and whether it is of regional or national significance.

I suggest that the Commonwealth would probably be mainly interested in those of national or regional significance. That system is already in use. It is a type of database which is used throughout Australia by a whole range of land management agencies, so it is not new. The system is there. It needs to be tapped into. Some financial assistance is required, as is some direction and coordination to get recreation and sport information on to that. Most of the GIS systems to date have been developed for a whole range of land management systems such as fire prevention, weed control, erosion and those sort of issues.

It is ideally suited to contributing recreation and sport information as well, which includes public open space, walking trails, cycle paths, and all that sort of information, and it provides an excellent database which, combined with planning, would then give tremendous information for decision making as to where the gaps are, what the facilities are that are needed and where they should be located, without the need for calling for submissions in the way that has been done in the past.

I wish to introduce briefly one factor which you may want to ask questions about later. Open space was mentioned earlier. Certainly, local government owns a great deal of open space and is responsible for it and should continue to be responsible for it. We believe that is a right and proper role of local government. Nonetheless, as we all know, land is a very difficult resource in this day and age, particularly in highly congested urban areas. With regard to the need for open space and a proper management of it for recreation purposes, I believe there is a Commonwealth role in helping provide councils with the opportunity to purchase some land. There is state government assistance involved in the purchasing of it, but the need is greater. I cannot give you this copy, but I refer to an American national project, which was commenced some 15 years or so ago, entitled *American outdoors: the legacy, the challenge*. It is a report of the President's Outdoor Recreation Resources Review Commission, Island Press, Washington DC, 1987, which looked at the whole proposal for what they termed 'national greenways', which looked at all the rivers and the disused railways—anywhere where there was linear park potential to connect existing gaps. If I can use the analogy of a string of pearls, you might have some parkland, a gap, another piece of parkland, a gap, another piece of parkland and a gap.

There is a need to link those gaps or to have a link system. I suggest that a large proportion of the people sitting around this table now would probably find it more attractive to locate good places to go walking and enjoy the outdoors, or go cycling and enjoy a relaxed recreation more so than the traditional concept with which the Commonwealth has had a lot to do, and that is indoor multipurpose recreation centres which, I suggest, most people in this room rarely, if ever, frequent. The real demand these days in the ageing population is to look to go outdoors. The proper development of open space is of major significance to Australia and I believe requires some Commonwealth involvement.

There is a desperate need for expertise in developing the right facilities, the right equipment and the right floor surfaces. The Commonwealth has had a role in that area for some time now. It has downplayed that role in recent times. An organisation known as AUSFAC, which I believe the Commonwealth is looking at reintroducing, actually brought together the nation's expertise on management and development of the right

facilities with the right technical data, and maintaining contact with experts overseas. I believe the Commonwealth should look at that role as well.

Education facilities is the other part. I come from the council which was discussed earlier in relation to community facilities at Golden Grove. We believe that is an excellent example of good practice, where, in that particular case, the facilities have been developed on land adjacent to the schools on community council land, rather than on the school property itself. If I use the example of the Golden Grove Recreation and Arts Centre, that is a major indoor recreation centre, and, as I say, it combines arts as well as the usual physical basketball and volleyball type activities. That is actually managed by expertise in the community; the council manages the facility. The schools simply buy their time to use it in the times they want. It means you then have guaranteed access to facilities seven days a week and, if you want, 24 hours a day. If there are changes in the school population, that is merely a question of adjusting the programming of the use of the facility rather than any suggestion that the facility would not be required if the school is closed.

To answer an earlier question, it is extremely well used throughout the week. The schools have predominant use during school hours but, apart from Saturday morning use, their use outside school hours is low. That is where the community involvement is very heavy throughout the week. There are other examples which I will be happy to discuss further if the question is raised. I think those are the key points on top of the points already made.

CHAIR—In relation to local government and, in particular, the development of the strategic plan, there is obviously the second plan which has been around for quite some time—rather than the aquatic one, the overall facilities plan—what use has local government made of the state government strategic plan for sporting facilities?

Mr Russell—I think it is fair to say, in a sense, that there is a hierarchy of plans. Whilst local government may be interested, in a sense, in the state strategy, in a lot of ways it is simply a composite of the local and regional plans that have been developed, so I would not say by and large that local government has used the state plan extensively because it is not the prime tool for local government. But, in terms of local and regional plans, I think, by and large, they have driven what local government has done. By and large, councils have been loath to operate outside those planning frameworks.

CHAIR—Can you give me some practical examples of how the strategic plans have been used? Consultants can generally think of reasons why you should have more and more plans. What I want to know is what actual benefits have accrued to the people of South Australia.

Mr Nicholls—Can I use the example of the City of Tea Tree Gully as one council, which is the one I represent, where a recreation and sport plan was developed jointly with the assistance of the state government. A range of recreation and sport facilities was recommended. The CEO of the day indicated that something like \$5 million worth of facilities was required in that project. Council had something like \$1 million to spend. How are we going to do it?

As a result of that, the Golden Grove Recreation and Arts Centre, the synthetic hockey field, the Greenwith Community Centre and an outdoor 20-court netball centre have all been completed since that

report was done in 1992. The Golden Grove recreation centre was actually outside that plan, but was noted in the plan as being developed at that stage.

CHAIR—What do you mean it was outside the plan?

Mr Nicholls—It was already under way before that plan had been developed, but the other facilities have all been built with the financial support of the council, three schools, the Catholic education system, the Delfin Golden Grove land management organisation, the state Department of Recreation and Sport and some Commonwealth money.

CHAIR—How significant was the plan that was drawn up, or would all that have happened anyhow?

Mr Nicholls—No, not in that way. The point about the plan is it gives focus and priority. The traditional approach in the past has been almost the numbers game around the council chamber as to what should get up and what should not. Council really had the direction given to them. They merely had to say, ‘Yes, that looks good, go for it.’ It then gave direction to the staff and focus as to where the limited resources should best be directed.

CHAIR—The councillors were prepared to ignore their parochial interests in their ward to accept what the consultant had recommended as the ideal place for the synthetic hockey pitch?

Mr Nicholls—I did not say that.

CHAIR—I am trying to find out whether it is worth governments and local authorities spending millions of dollars on plans or should we spend millions of dollars on tennis courts and swimming pools instead?

Mr Russell—In this context, the plans certainly have not sat on the shelf. They have actually been used by local government.

CHAIR—How many people in the area would have copies of the plan and be watching to see when item 10 on the plan is going to be built?

Mr Nicholls—I mentioned I am chairman of the Metropolitan Local Government Recreation Forum, which is really an evolution of that process whereby, in fact, one of the recommendations of each of the regional plans was actually to form an ongoing group of people representing each council, with an elected member and a staff person to represent each of the councils in that region. Those meetings continued for some three or four years with the specific purpose of looking at issues which arose. I think that is a point I should clearly make.

When a recreation and sport plan is developed, one of the first things you do is establish what the key issues of concern are to that community. They may or may not always be facilities that have to be developed. An example might be non-sporting recreation opportunities for teenagers. That was an issue which was established in the recreation sport plan. So the plan was not simply a facilities plan; it was a whole question

of what are the key issues concerned and how should those issues be dealt with.

These regional groups would continue to meet on that basis. They have now actually, with the amalgamation process, seen cause to become a metropolitan forum and are continuing to look at issues in that way. The communication between councils to break down the parochialism has certainly advanced much more rapidly, I believe, with the planning process than would have been the case had such a process not been available.

Mr Russell—In terms of the use of the document, quite obviously, a councillor for a particular ward is going to argue their case. The way the tool has been used is that it is quite apparent and open to people, if a decision is made against the facts and why such a decision is made, that has made it more difficult for that sort of decision to happen rather than the logic. I think that does extend beyond councils to between councils. Although in country areas there are examples of two towns that vie to be the key one in a particular area, and they will always seek to try to get a major facility in one of them. It has developed to a degree to which they have been able to say, ‘Our regional interest is in making sure we get funding and a facility established. Let’s think more broadly about whether one might go in one area and another one in the other town than totally be focused on it.’

There is quite a number of examples of regional sharing in South Australia that follow that, one being in the road funding area, where, for many years, local government, regionally, has agreed that individual councils give up—the percentage has varied over the years—to 20 per cent of their local road grants to a regionally agreed priority. There has been a bit of a bunfight about what the regional priority might be, but they have voluntarily done that within the road funding framework here. It is easy to pick the negative examples of where councils choose their parochial interests, but, if you reverse it, within South Australia there is a large number of examples where that has operated. The best tools to assist that to happen are the regional strategic plans.

Mr Nicholls—The aquatic centre report has just been released, but I am aware of some of the politicking, which is becoming evident already. Whereas one particular council may have a pool which is costing them a great deal of money to subsidise and has looked quite seriously at the question of closing it, it has not been prepared to make that judgment publicly. It is a bit like selling a park. The idea of closing a pool creates a lot of adverse and negative reaction in the community. If, in fact, there is a suggestion that the council next door has been nominated as the ideal location for a new regional pool, it is not necessarily saying, ‘We will put money into next door’s pool, but we would be happy to see it developed on that site, which would then provide us with a better argument to go to our community and say that we should close our pool in favour of that one being developed.’

Mr McDOUGALL—With reference to Golden Grove, it is a greenfield site, it was one of those ultra planned ideas. You said \$5 million.

Mr Nicholls—That was the total Tea Tree Gully.

Mr McDOUGALL—Did that include the land component that the developer gave the community in the Golden Grove situation through his approval of his contribution?

Mr Nicholls—No.

Mr McDOUGALL—That is on top.

Mr Nicholls—Yes. When I mentioned \$5 million that was money council would have to find to develop facilities.

Mr McDOUGALL—The developer gave a considerable amount of land, which then becomes part of the asset of the council, of the total community.

Mr Nicholls—Which he is required to do under legislation.

Mr McDOUGALL—Did the developer give any cash as well?

Mr Nicholls—I cannot answer that question. It was before my time. I am not certain if that was the case. I do not think so.

Mr McDOUGALL—Does local government in South Australia take development contributions either in cash or in land in every case of either development or redevelopment? Do you have the power to do so under your planning act?

Mr Russell—We do not have a system similar to the New South Wales system. We do have a requirement that developments over a certain number of lots provide 12.5 per cent land as open space contribution, which ends up with the council. Under a certain size and in circumstances where that cannot be provided, there is an equivalent cash contribution made into a state pool fund which is then spent in terms of compensating for those issues. However, beyond that, there is no developer contribution to community facilities. Occasionally, some developers might set up some arrangement, but there is no requirement. We have advocated a model similar to the New South Wales one for some time, but it has proved politically elusive.

Mr McDOUGALL—Can I suggest that you should advocate one similar to the Queensland one, which is a bit better than the New South Wales one, where the money goes directly to local government and not to the state, and the local government has the right to spend it, not the state. If you build a block of units, it is \$2,200 per unit. If you pull down a house and redevelop it into five units, then you get \$2,200 per unit and the local government receives that money towards their sporting facilities or recreational or community use.

Mr HOCKEY—Can we clarify that figure? Did you say 12.5 per cent of the land?

Mr Russell—Yes.

CHAIR—That is a lot.

Mr HOCKEY—That is significantly higher than anywhere else in Australia. How big is that site?

Mr Nicholls—I think that is fairly standard. It is around that percentage in most states—12.5 per cent is not considered unduly large.

Mr HOCKEY—Of all redevelopment?

Mr Russell—Over a certain size.

Mr HOCKEY—Has to be public open space.

Mayor Craddock—Yes.

Mr McDOUGALL—Brisbane is a minimum of 10 per cent. Sometimes it goes up to 20, depending on the size of the development.

Mr Russell—That only applies in greenfield sites. That does not apply retrospectively. You need a development application to trigger the process.

Mr McDOUGALL—That is why you get the money instead. Could I go on to your submission? You said that the Commonwealth government should fund local government sporting and recreation facilities. You base it on a few points and you say 'they provide the foundation for national sporting performance'. You then go over in your executive summary and talk about the 'Commonwealth should be involved actively in funding in full or in part'. You go from 100 per cent down to part. What level should the Commonwealth Government come in at capital facilities? Is it one-third, is it 25 per cent, is it only the three levels of government, or does sport have to make a contribution? If there is a private sector involvement, where would you put that? Where is the Commonwealth's involvement?

Mr Nicholls—I suggest the first aspect is to win the point of Commonwealth involvement at all. Given that there is no Commonwealth involvement at this stage, you have a historical one where it was one-third Commonwealth, one-third state and one-third local at a time where, I guess, it was reasonably possible for each of those various levels to find that sort of contribution. I do not have a percentage figure to give you. I think the appropriate expression is that it is a matter of negotiation. I think it probably does need, from a general principle point of view, to be a reasonably clear percentage which applies universally rather than from application to application.

To go to the other extreme, I do not say that the Commonwealth should not apply any more than one half. I do not think it would go beyond that. This is a personal view of mine. I have not been authorised to give that by anybody but I think the question of private involvement is an interesting one. Could I just go on a little about the question of the financing on that?

Mr Russell—I think it is a difficult question to answer with a ruler, and a program would have to take into account a structure. What we have in the public aquatic facilities report—and that is a state level report—is a very good mechanism for the state actually to argue where it should put its dollars strategically. That involves quite clearly the major state level facility and a subsidy at a regional level and it allows us to think through a balance of what is the state interest beyond a council boundary.

It does not suggest an absolute formula that the state contributes 100 per cent for the state level facility, but I think a similar approach could be developed, and it may differ depending upon the particular area that funding might go towards that actually suggests the Commonwealth obviously has a prime interest in national facilities. It may have an interest in ensuring that there are certain levels of state level facilities in place and regionally placed arrangements. So there might be a hierarchy that suggests a different funding level for the catchment of the facility or the focus of it.

Mr McDOUGALL—Really, what you are saying is that you do not think it should be all Commonwealth, as it is suggested in the front of your submission.

Mr Russell—We were not actually suggesting it. I do not think we are suggesting the Commonwealth should take over total funding for all new sport and recreational facilities.

Mr McDOUGALL—Are you saying you want everything out of the Commonwealth untied and you are saying ‘Trust us’? How are you going to prove we can trust you? Let me put this to you, because it is part of the context. You said that the Commonwealth should probably be involved in national facilities, and you have a strata. Let me put it to you that there are 148 members of the House of Representatives. I think that if you put it into national facilities, that probably involved only 10 seats and there might be another 138 members who might want a little bit of a pie of the fund to go to sport and recreation facilities. Where do we go with this untied, trust us—how do we split it up?

Mr Russell—Can I suggest that there are some frameworks. I think the state approach of a block funding arrangement is an appropriate one, but I do not think it is a totally unstructured approach. I would think it reasonable, if I were the Commonwealth, to look for some performance outcomes and to negotiate some arrangements, perhaps state by state, that might operate, so that it is not a matter of no accountability; it is not a matter of handing over a cheque to state government. We would want to see a structured approach. The Commonwealth has some expertise in the area through its own involvement in the sports commission and some of those areas, and Peter referred to the technical advice about surfaces and various other things. I would want to see that involved in the process as well, rather than a total approach of handing over a cheque.

When we started to look at what mechanism might apply, we did not particularly move for one mechanism. I have been involved over the last decade in about 30 arrangements from the local capital works program, which worked very strongly through local government associations, to complex programs like the HACC program, to joint Commonwealth-state arrangements, which in my view are a nightmare, to Commonwealth programs, to ones that worked through states. There is a huge variety. I think what you need to structure is a performance based approach which set some of those standards but largely left the administration to a state level. I do not believe that this is a program that would run effectively either from a single funding source in Canberra direct to facilities, or, as the local capital works program did, a bulk funding arrangement direct to local government.

Mr McDOUGALL—Who picks the winners? What is the structure of the selection criteria?

Mr Russell—Again, it is a complex exercise, but the right sort of criteria need to be developed in the right sort of framework. Our suggestion was, first, that nothing got funded that did not appear in a regional

strategic plan. Our regional planning process involves a joint state-local involvement, so there is agreement between state and local government around those sort of plans. There may not be perfect models around in terms of those regional planning processes, but I think that is a good starting point.

Mr MARTIN—My usual question: do you have any suggestions as to where government at the federal level can find the money?

Mr HOCKEY—And do not suggest the GST.

Mr MARTIN—His usual retort.

Mr Russell—We have not done any work on that particular area. I guess we would come from a point of view that would highlight the vertical fiscal imbalance. Local government is at the end of that tree. We have a rate cap which applies for the next two financial years.

CHAIR—If you want to abolish vertical fiscal imbalance, our giving you more money makes it worse.

Mr Russell—I would argue it depends on how that money transfers but, yes.

Mr MARTIN—I know you were listening when I asked the question of the state government representatives about some of the other suggestions in terms of funding from the Commonwealth government. Equally, of course, there are similar approaches where state governments give dispensation for local governments to strike a special levy which, in turn, is applied to all ratepayers within a city or shire municipality. That money is hypothecated for a specific purpose. For example, in Ballarat a special levy has been struck for community recreation facilities. Does this sort of thing appeal to you? Besides the obvious political disadvantage for the elected officials in trying to suggest to the community that it is all going to be good for you, are there other problems that might arise because of those sort of initiatives?

Mayor Craddock—I suggest one problem we have with our current levy, and we argued until we were blue in the face with the state government; it was a property based levy. To us, that was extremely unfair. It depends on the way that levy would be introduced. It means that a couple of councils are funding some of these programs at the expense of others. If there were any suggestion that it be a property based levy, I think it would be fought very vigorously.

Mr Russell—Our ability to raise funding on something other than a property valuation basis is extremely limited under our legislation.

Mr McDOUGALL—Does local government in South Australia have the ability under the act to raise its own taxes or levies, or set its own taxes and levies?

Mr Russell—No. The act provides specific mechanisms around rating. The other mechanisms would not really be regarded as taxation. You can recover some costs from the home owner if guttering is put in, for example.

Mr MARTIN—Again, this is focusing on the local level, and we are focusing at the Commonwealth level as to where that source of funding might come. We have not even broached the subject of how large a fund it should be, but, Mr Nicholls, I noticed in your submission that you suggested that under the subheading of ‘Recreation versus a league sport’ you made the observation that the Commonwealth seems to have expended most of its interest in elite sport as a deliberate policy. That is a fair observation, because it has seen the Australian Institute of Sport and the Sports Commission and regional facilities associated with that level, funding for overseas Australian teams and so on, put in place.

In the hierarchy of responsibility, in the past it has always been considered that states and local government should be responsible then for the provision of facilities and also, largely at the local government level, pick up responsibility for maintenance. In terms of that hierarchical arrangement then, and specifically at the local level, it seems to me there are two aspects of it, and I would like your comments: first, whether there is a sport-for-all type of philosophy that has been missing at the Commonwealth level and, therefore, should that be a parameter that is addressed by a funding program such as what we are investigating at the moment, and, secondly, from a local government point of view—I guess the mayor would be in the best position to comment on this—the maintenance element of sports facilities at local government level must be an incredible drain on the resources of councils.

Mayor Craddock—It certainly is. Our resources are primarily directed to maintenance and operation of facilities. To look at upgrading extensions at this point in time is beyond the capacity of some councils. Also, in the amalgamation climate that we are in, councils have been extremely loath to take on additional borrowings to do this, because many councils do not know where they are going to end up and what the future is going to be, so they have been restricted in that regard and, with rate capping on top of it, it has made it much more difficult to do anything. I think that is where we are coming from at the moment. We have been operating on a fairly broad flat level at the moment and with no increased expenditures.

Mr Nicholls—There is a real problem with maintenance of local facilities, not only in terms of council but many facilities are actually leased to sporting clubs. With the huge range of competition for the various sports, each is having great difficulty in finding the resources necessary to maintain their facilities. They come to council to look for assistance which says, ‘We are having difficulty, too.’ There is a real concern about the financial viability of local sporting clubs, et cetera.

Mr MARTIN—Why does not caveat emptor prevail at that stage in the negotiations between local sporting clubs? Is that something that needs to be clearly understood in that relationship between the sporting club that leases, let us say, its council facilities, that there is a maintenance component with that, and therefore perhaps some sort of a user pays principle has to apply?

Mr Nicholls—That is the policy which has been adopted all the way through. In the last couple of years, my own council has developed a leasing formula which actually calculates what the lease fees should be. I will not go into what that formula is. ‘User pays’ is very much an ‘in’ term at the moment. I suggest it is somewhat counterproductive, because to suggest you go totally to a user pays arrangement then hits the user with fees far above a level they are prepared to pay. Through our forum many councils have found examples of sports saying, ‘We cannot afford to pay the fees you are asking for the facilities’ and yet we are saying at the moment that is only a small percentage of the overall cost of maintaining that facility. To go to

a complete user pays arrangement would be quite destructive.

This is where we get into the other question of how might we finance these things, but the question one asks is: who pays? When you look at the question of who pays, you open up a continuum from a user pays through to being totally funded by the taxpayer or ratepayer. There is a whole range of possibilities and options, including private sector and shared funding, which become possible.

Mr MARTIN—Are we in too many sports? Are we trying to provide for everybody? Is that one of the problems facing Australia? With a population of 18 million people, should we provide facilities and funding for every sport that somebody dreams up?

Mr Nicholls—I would never ever say that. I think the whole state of a community depends on people having a wide range of possibilities. We have actually come out of the dark ages where, once upon a time, people only thought about tennis, cricket, football, golf, and something else. That is all we discussed and everything else was wowserish or something. We are now living in an enlightened society where people have a huge range of possibilities. As such, that is where I think a program like Active Australia, and previously Life Be In It, were looking at saying we want to encourage people to take on a whole range of things which really suit their personal skills and abilities. We have to find a system of not only allowing that to continue but positively to endorse that and promote it.

Mr MARTIN—You then get into an argument between sport and recreation. If you provide local council cycleways and recreation trails along rivers and things like that, people, under their own disorganised mechanism, can walk and they start to feel fit and good about themselves and achieve some of the aims that you said should be done through having a funding mechanism for organised sport.

Mr Nicholls—We are discussing the negatives. The positives are that the sporting and other organisations are grasping the nettle. They are finding new and better ways of looking at things. Once upon a time the whole question of women's involvement in sport was treated so badly, but now women are getting their rightful recognition in relation to sponsorship, et cetera. One of the best programs at the moment is a volunteer improvement program, which is basically a club administration program. That is funded by the Commonwealth, administered by the state, and organised by local government. It is a wonderful arrangement. I believe that principle is a very good one.

We are finding new and better ways of dealing with issues. In some ways, one could say that there are benefits resulting from a reduction in funding. People are thinking smarter. Although in the recreation and sport area we have not solved the problem and the reason we are here today is because the problem has not been solved, we are thinking a lot smarter. I believe, in that continuum I was referring to earlier, we have not even scratched the surface. Nobody is suggesting there is less money in Australia than there was 20, 30 or 40 years ago.

It is the question of where the money is and how it is being used. If we around this table, and I talk about state, local and federal, can actually start to get those brains together and ask, 'What is the way you start to tap into that money in terms of recreation and sport,' there is a whole lot of things that none of us in this room have yet tapped into. But I believe that there are people out there who, if asked to consider the

matter, can come up with some useful ideas. We need to tap into that sort of expertise. It is not the public sector expertise that I am talking about; it is the private sector expertise where the money is. There are ways of doing it. We talked about the BOOT system earlier.

CHAIR—We are starting to run out of time.

Mr MARTIN—It is just getting interesting.

Mr Nicholls—I mention the BOOT system because I believe it is important. There is the possibility of something which comes close to the BOOT system happening in Golden Grove. An English firm, David Lloyd Leisure, is looking at developing a range of indoor fitness centres in Australia. That firm is looking at developing on council land a private facility, and they would build it themselves. The reason we are interested is because they say that, as part of the proposal, they might develop for us some outdoor sporting areas next door to it.

Mr McDOUGALL—Might.

Mr Nicholls—The project is still in the negotiation stage, but they are looking at doing that. They would actually build and operate that facility on public land. It would become public property. If it went bust, it is council property once it is built there. They would operate it and manage it for their own purposes, but, eventually, in years to come, it would come across as council property. That is really an example. That is actually being looked at at the moment. If it does not work, another consortium is very interested in picking up the idea.

Mr Russell—Attached to the back of our submission is a copy of a project report funded by the Commonwealth through the health budget and funded to the National Heart Foundation here working with the council, which looked at the things that drive people and why someone will go out and walk somewhere and why they will not go out and walk elsewhere. I think it is a quite exciting project. How we collectively manage public space and those sort of more passive recreational activities can have a huge impact on the degree to which they are used. It was a quite innovative approach in the report. That report is going to a second stage. I think that sort of work will develop more indicators about where we need to do more work to assist even that passive recreation.

Mr HOCKEY—Following on from Mr Nicholls' last comment, if there were going to be a reversionary interest for the council, should someone who builds a facility go to the wall, and that goes back to the council before it goes to any creditors? I would be very interested to see the structure of something like that. If you had a choice of receiving funding for sporting facilities from the Commonwealth or the state, who would you rather receive it from?

Mr Nicholls—We take money from anybody.

Mr HOCKEY—And that is a problem.

Mr Nicholls—That is probably a flippant remark.

Mr HOCKEY—But it is the problem, too. Who would you rather receive it from?

Mr Russell—I would say it depends on the structure. There are examples of very poor Commonwealth programs with heaps of paperwork hurdles that are a disaster to work with. There are not that many state programs left.

CHAIR—I did not think there were any federal programs left.

Mr HOCKEY—There are not.

Mr Russell—I do not think it matters, by and large. It varies on the issue. This is an issue on our thinking that we did not see as one that could effectively operate centrally with a committee in Canberra. It needs to be devolved and managed at the state level, albeit by the Commonwealth, with Commonwealth involvement, jointly between Commonwealth and state government.

Mr HOCKEY—What I think I am hearing is that you can have state funding and you need state management, but you cannot have a case where you are receiving funding from the Commonwealth and receive only Commonwealth management—you need the state involved.

Mr Russell—Not as a general rule, but I think in this recreation sport area that is true.

Mr HOCKEY—That is right, so if I were to say to this committee in private deliberations that really there is no role for the Commonwealth in funding of facilities and that it can be adequately funded by the state—forget about the level of money available—is it not a fair point that there is not necessarily a role for the Commonwealth in the funding of facilities?

Mr Nicholls—Can I suggest that that goes counter to the other points being made. The Commonwealth sees a very central role in terms of the development of sport.

Mr HOCKEY—Sport nationally, but that can be a goal of the state as well.

Mr Nicholls—But the people who participate in international sport are local people who come out of councils and who develop their interest through the local club and work their way through. You cannot separate the two.

Mr HOCKEY—You can. For example, the question is, does the Commonwealth fund sporting facilities that cater for international events only, and national events, or does it fund the park down the road where the under 9s from BB Docks play every Saturday at 10 o'clock? That is a fundamental point. It is a long way from Canberra to Perth, and the question is should we be funding facilities at that level?

Mayor Craddock—That is why we suggest there be a state administrative role in this.

Mr HOCKEY—On that basis, the states should be the main funding body.

Mayor Craddock—No, what we are saying is that local government and state government have worked strategically in the development of these management plans and it would be unrealistic to expect state government to be excluded from this administrative process.

CHAIR—But if the Federal Government were to give local government instead of \$1.3 billion or whatever it is a year, \$1.4 billion, as untied grants, how much of it would you spend on sport and recreation, or would roads and parks—

Mr McDOUGALL—It comes back to ‘trust me’.

Mr Russell—Based on the only information we have, and given the money is untied, you cannot hypothecate where it is spent—\$1 in \$8 in South Australia is being spent on sport and recreation. If you wanted an extra \$100,000 to be spent in South Australian sport and recreation, you would have to give us \$800,000.

CHAIR—You are actually saying something else. You are saying, if we want you to spend the money on recreation, we are going to have to provide it on a non untied basis; we are going to have to tie it to that purpose, otherwise you may squander it on things like roads and town halls and things like that.

Mr Russell—We quibble with the word ‘squander’, but local government would make its own policy decisions based on community input. I think there are two issues. One in that framework, firstly, is that the total level of local government financial assistance grants goes nowhere near the level required to achieve horizontal equalisation and, secondly, the fact that there is no horizontal equalisation in terms of the state distribution of those funds produces huge inequity.

CHAIR—That is a gross injustice.

Mayor Craddock—To the tune of about \$30 million in South Australia is the disadvantage we are in.

Mr Russell—That is where there is some logic difficulty from the Commonwealth perspective.

Mr HOCKEY—We are happy to change the constitution and give you the power to implement a GST, if you want.

Mr Russell—In return for what?

CHAIR—I think it is important to canvass those sort of issues as to what are local government’s priorities. That is why the question is relevant. If untied funds are provided, are you going to spend it on that, or do you have other priorities? The Commonwealth has \$100 billion worth of debt, it does not really need any more. Would you prefer us to give you more money for roads than more money for sports facilities?

Mr Russell—That is a difficult question. Overall, our policy position is that we prefer the funding untied. However, looking within the terms of reference of this inquiry, I think your conclusion earlier is a correct one, that if the Commonwealth wanted to see funding go to sport and recreation, at minimum, it

would have to block fund around that area, so it would not be totally untied, it would not be totally specific purpose tied, but it would be of the sort of general basket that this must be spent on sport and recreation.

Mr McDOUGALL—The education department seems to be a rather good place in South Australia and the state government thinks it is rather good. How does local government think the education department operates in relation to sports facility development with local government?

Mr Russell—By and large, and Peter may want to comment here, where we are up to now in terms of new developments, the cooperation happens very well. It is not just in sports facilities. My understanding is that South Australia has more joint use school community libraries than the entire rest of the country put together. There has been good collaboration around those issues.

Mr McDOUGALL—What about sport?

Mr Russell—In that sort of area in some of the new developments, and Peter referred to the arrangements at Golden Grove, but in other areas down south where there have been new developments the collaboration over joint use of facilities has been good. The difficulty comes at the moment where the state government is actually closing a number of education department sites and, in an economic rationalist framework selling off land for the education department to achieve income from those properties. It is not being given consideration as open space land and there is not a framework for us to look at what the state ought to be supporting. In fact, we may well in some areas be disposing of school land that is valuable open space where there is a deficit of state owned open space. We do not have that framework in place and that is causing a lot of friction.

Mr McDOUGALL—That is open space. Is that happening with facilities?

Mr Nicholls—One of the reasons that we are concerned about the sale of open space is the fact that it is so heavily used by the community for sport. You have to talk about outdoor sport such as football, soccer, cricket, et cetera, which are using school facilities. That is really the major part more so than the indoor facilities.

CHAIR—Thank you for your attendance today, for the submission that you have provided to us and for the way in which you have responded to our questions. It is appreciated and we thank you for your contribution to our inquiry.

[4.38 p.m.]

EDWARDS, Ms Kathleen Dolores, Chief Executive Officer, South Australian Sports Federation, 147 Marion Road, Richmond, South Australia

TIPPETT, Mr Murray Francis, President, South Australian Sports Federation, 147 Marion Road, Richmond, South Australia

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

Ms Edwards—No changes to the submission but some additions. We have just delivered to you part 3 of a sports facility survey that we are to circulate to our members at the end of July. We are very happy, if time allows, for that full submission to be forwarded to you in a fortnight once our board members have looked at it. You are really getting this analysis and recommendations before they have seen it.

CHAIR—You will send that? Perhaps we might wait until we receive the full document before we receive that as a supplementary submission.

Ms Edwards—Yes. Could I also apologise for the absence of Ms Laura Perdue. She was our researcher for the facilities study in South Australia. She was also the compiler of our submission, but she has the flu very badly today. We will go on without her.

CHAIR—Would you like to make some brief opening remarks?

Ms Edwards—Yes. Today we have heard a lot about planning and plans prepared by the state and local government, but, as the organisation that is the voice for sport in South Australia, we have not heard a lot about sports plans and the way those plans should be made. I guess our target today is to speak on behalf of sport. Our submission was prepared after consultation with 65 of our 105 sporting associations, and that really is a representative group of 650,000 participants. So we believe that we have consulted fairly strongly in that area.

During the same time space of your parliamentary inquiry, Sport SA, which is the marketing name of the South Australian Sports Federation, has been instrumental in conducting a facilities survey. Mr Chairman, we would like to add that section 3 analysis and recommendations to our submission today, and I would like to refer briefly to four important issues that we found in the survey that we could not state in our submission, because we had not done the research.

The aims of the study were to acquire a current database of the facilities being used by state associations. I guess we feel a little differently from a state organisation point of view and we feel that the planning should be done from the national body organisation. We find that most major facilities, and I guess state-based facilities is our area, are really done on a reactive plan rather than a proactive plan and when there is some major event, then there is a facility.

Since 1987 we have had three facility priority studies done and those lists have changed, so I guess we would like to see the states put forward their requirements for facilities at both club level and state level and the need for hosting international events and then they should negotiate with their national body.

For a sport to say, 'Yes, we want an international facility,' when you know that that sport in South Australia is not going to have an international event in the next 10 years, is a waste of what I call a plan. So, we are really turning it upside down and saying that it should be done in consultation with the national sporting organisation. We are putting together a current database. We had 47 of our state associations list their facilities at international level, at national level and at state level, so we now have a database for those 47 sports and their requirements from clubs right through to international level.

You will notice that one of our recommendations in our submission relates to multi-purpose facilities. It was very interesting that most of the people talked about indoor facilities and aquatic facilities, but, out of those 45 sports, we have athletics and BMX and Confederation of Motor Sport all talking about sharing facilities. So shared facilities are not just restricted to indoor facilities and aquatic centres. There was not one sport that did not come back with another sport with which they could share a facility. That was not something that had been done voluntarily by sporting organisations before, so we found that very interesting.

We believe that each state needs to do a basic stocktake, as we have done in South Australia, before any priorities are set. We believe that sport should set those priorities and then, in consultation with the state government, put together what they feel is a very strong priority list. Some of the sports have gone up to the year 2003 with their international events, so they are the ones who know what is coming to the state and they are the ones who know the needs of the facilities.

It was very interesting also that they listed the fact that, at local government level, with a little upgrading, many facilities could be used as training facilities. So you do not need as many wet synthetic surfaces for hockey when you can have the sand filled surface. I am using that as an example, because that is my sport. For instance, we believe that on many occasions it can be used for a training facility when an international facility is not required. We do not say we do not need the facilities—we certainly do—but I am picking up Mr Martin's point about do we cut down the number of sports. We say, no, you justify the number of facilities and, with good planning, we probably would cover those.

Our submission covered all those areas. We have spent the last six months compiling this document and a fortnight ago we updated this draft, so it is something that is going to have to be updated on a six-monthly basis, but certainly our recommendation would be that, in partnership with national bodies, that be updated as a research priority every six months. One of our other strongest recommendations is the multipurpose sporting facilities.

Mr Tippett—I think you have covered it extremely well. As Kathy has mentioned, we have spent quite a bit of time in discussing facilities with our members. One of the areas that our members are very keen on is, I suppose, attracting more members to their particular sport. One of the problems we have had with membership is a facility area, and it is an issue which seems to raise its head. Whenever we discuss priorities with our members, the question of facilities seems to come to the fore. The papers before you today stress in detail where our members are coming from. We are here to answer any questions you may have about the

submission which we put before you.

CHAIR—Thank you. What role did your federation have in the development of the South Australian Government state strategy plan for sporting and recreational facilities?

Ms Edwards—We were consulted as to how we felt about the contents of that report. We do have, and have had in the last three years, a very strong partnership with the department. You will notice when you get the full report that there is quite a large section on questions of the department, so, yes, we do share that information.

CHAIR—The strategy plan has your support. You believe it is correct; you believe they have it right?

Ms Edwards—No, I do not. Is that a personal question, or to Sport SA? We would have to say that we think it is time that sport was made responsible for saying what the facilities are. We hear people say that you need this and that, and then we go back to part of our facilities study where we have a half-page comment from every sport and they are telling us what they need. They are telling us what they need for office space and for local competition. They are the ones who run the competitions and they are the ones who know. I would say the beginnings are there, but I do not think it is deep enough and I do not think it fully explains what sport needs to run competitions.

CHAIR—You would dispute the view that the strategy plan will determine where all the facilities are built in South Australia in the future.

Mr Tippett—I think there needs to be more consultation with the sporting bodies themselves. Whilst we have consulted with the department on its strategic plan, I think you will find that sports are still questioning areas of that plan, because they are saying to us, as their body, that we should be responsible for the running of sport within our particular programs. There are areas of that plan that we still question are sports.

CHAIR—What sorts of things are wrong with it?

Mr Tippett—Once again, I think it needs further consultation with the sporting bodies.

CHAIR—Surely, there was consultation. You said you were consulted in the development of it. Surely, when they were looking at it, the consultant or who ever drew it up, asked the tennis association what they wanted in relation to tennis, et cetera.

Ms Edwards—As I said, on the state association level, yes, and certainly at the regional level. The regional plan we fully support. However, we are looking at what the state association needs. For instance, in the local government area where our office is situated there are 23 tennis courts not being used. From our point of view, if someone went to them and said, 'We will put in another tennis court,' who is going to say, 'No, you cannot,' and there are 23 others. I do not think that the plan is all together. I do not think that anyone has to answer to a whole committee when they are looking at putting in new facilities. In many cases it is a bit reactive once you get past the international level. I am very happy with the regional part, but the in between area needs a lot of work.

CHAIR—Strategy plans are fine in theory, but they do not work out in practice.

Ms Edwards—Do you want a yes to that?

Mr Tippett—That is a fair point.

CHAIR—Now we are back to square 1.

Mr MARTIN—I notice in your submission, when compared with the others that we have spoken about this afternoon, you are supportive of the Commonwealth's continuing involvement at the elite level, for want of a better term, and certainly at the national level, and your comments also just a moment ago went to that fact and suggested that we have to be very careful in our broader planning in terms of facilities. There is no point putting a duplicated facility in, say, South Australia when there is one in Victoria. Is that a fair representation of the views that your association has?

Ms Edwards—Yes, that is a fair representation. Unless it is in an area where athletes specifically need that level of facility to train and there is a large group, if you were using the cycling, having the AIS decentralised here.

Mr MARTIN—You would have the facility for that if you decentralised it here, would you not?

Ms Edwards—That is right.

Mr MARTIN—In terms of how your view of the world might coalesce with Sport Victoria or New South Wales and then through to CAS, is that something that has been discussed and is that a similarly shared view?

Ms Edwards—Yes, it is. We have a meeting of all state federations the week after next and this is number 1 on the agenda. I am not sure whether we did say we do support the CAS submission that was put in. If you go back four or five years, you will note that the federal government actually did prioritise new facilities. Now there is a different list and some of those others were not actually put in place. You do not have a copy of that list?

Mr McDOUGALL—I would like you to be more specific. When did the Commonwealth Government prioritise the list?

Ms Edwards—The Sports Commission sent it to all sports, I think, in 1992.

CHAIR—That was preparing an inventory.

Ms Edwards—Yes, that was like a stocktake and what the needs were.

Mr McDOUGALL—It was not prioritising what should come in.

Ms Edwards—No, what was needed in every state, not what was to be funded.

Mr MARTIN—Coming to the question of funding, if Sport South Australia supports the concept of there being national facilities, then it would seem to me that the sort of facilities that we are talking about are very expensive propositions, so that raises a whole different ball game in terms of what this committee is looking at. If we were to concentrate our efforts entirely on the provision of local community sporting facilities or recreation facilities, as was the case with previous programs, then, clearly, the opportunity to give an amount of money to a whole variety of different local government areas, whether they be sponsored through state plans or whatever it might be, is there. If we pursue your proposition, either as an independent thing or as an additional thing, then we are talking about a pool of money, but it all going in one large hit to a facility here, there and somewhere else. It might be three facilities rather than 333 facilities, if you put it down to the local facility level. Is that good or bad in terms of the promotion of sport in Australia?

Ms Edwards—I have here that the priorities should be set in consultation with the national and state sports organisations or associations and that we support the reintroduction of two hierarchy funding systems, one that is similar to the regional facilities and one like the previous major facility grant where there was an input by both state and Federal—

Mr MARTIN—You mean the one that built Parramatta stadium and left no money for anyone else?

Ms Edwards—I do not know how much money—

Mr MARTIN—I am an Illawarra supporter!

Mr McDOUGALL—I have to follow up Mr Martin's question. You mean you would support currently the federal government doling out money to Brisbane to build a fourth stadium?

Ms Edwards—No.

Mr EOIN CAMERON—For Aussie Rules yes.

Mr McDOUGALL—That is what is on the cards, if we are to restrict ourselves to funding national sporting facilities of international standard.

Ms Edwards—When we said earlier that we are looking at the needs in a proactive way and not a reactive way, because there is a need right now, but looking at what is needed to run sport at all those levels, so we are not saying that we want \$52 million to go into—

Mr MARTIN—I wish you would give us a figure and then, secondly, tell us where we get it from.

Ms Edwards—Would you like me to add to that?

Mr McDOUGALL—Yes, please.

Ms Edwards—We would have to say that we support very strongly the sports lottery. We have seen it particularly in England. If you went to England years ago and had a look at the facilities in comparison with what they are now putting into facilities, we would have to say that we have not really come up with a better suggestion than the sports lottery. We do have the tax. I have to say that I am not into taxation, so I am not sure what it is, but there is—

Mr HOCKEY—But you do pay it.

Ms Edwards—I do pay it, yes. There is more than 100 per cent on some of those things. I have actually talked to investors who have said that if there were an initiative and an encouragement where you would get back the same as for one of the arts programs, which I think was 103 per cent for donations in that area—

Mr MARTIN—It used to be 150, now 125.

Ms Edwards—It is still 125.

Mr MARTIN—Racehorses used to get 150, too, by the same Minister that built Parramatta stadium.

Ms Edwards—Why do we not say that is what we would like for sport?

Mr McDOUGALL—Do you support the 2c a stick on cigarettes that CAS mentions?

Ms Edwards—Yes.

Mr McDOUGALL—What happens when you get a declining number of cigarettes being sold?

Mr EOIN CAMERON—That is very good.

Ms Edwards—We would have to say that would be good for health.

CHAIR—You do not have any pangs of conscience about building sporting facilities out of the increased number of beds that are required in hospitals?

Ms Edwards—No. If you had read articles I did when Foundation SA, which is now Living Health here, came, I did say it was a back-door way of using tobacco money. However, it is there, and it is in place. Our members would run us out of town if we said that we did not approve of that. Yes, we do support what CAS is saying.

Mr HOCKEY—Do you think that governments generally target quite poorly their sports funding? For example, the South Australian government spent a lot of money bringing the Formula One Grand Prix here. The competition from Victoria for that event and the amount of money that was thrown at Bernie Ecclestone to get that event would make me wonder whether governments could allocate the funding for elite sports more wisely. Do you think that is a fair comment?

Mr Tippett—When you talk of the Formula One Grand Prix, I think that was looking more at tourism. It certainly did wonders for this state in regard to putting South Australia on the map. In my opinion, it is not a fair comparison to look at the Grand Prix and what it did for the state when we are talking about what government can do as far as facilities are concerned, not only for this state but around the country. The infrastructure was there, as far as the Grand Prix was concerned. An enormous amount of money was spent, but it was more for tourism than perhaps for sport.

Mr HOCKEY—Do you think that the Commonwealth should be funding sports programs and the elite sports people, or should it be funding facilities?

Mr Tippett—Both. I think that there has to be a balance. It gets back to the money that is available and the most effective way to be able to use that money in the sport and recreation field for all. I know that, from a sports point of view, whilst they recognise the elite sport and the amount of money that the Commonwealth Government has spent on the elite sport, there is also, I suppose, a far greater percentage of people involved in sport at what we would class the participation level. I think that they deserve some part of the pie in relation to money being spent by the Commonwealth. It is great to be able to recognise our elite sports people, but if it were not for the masses, there would not be the elite level, either.

Mr HOCKEY—Do you think the Australian Olympic Committee, with its vast wealth, is contributing enough to the development of elite sports in Australia?

Mr Tippett—I think at this stage it is, yes.

Mr HOCKEY—Do you think they should be making any contribution to facilities?

Mr Tippett—Yes, they should be.

Mr MARTIN—What, casinos?

Mr HOCKEY—I am happy to get a copy of the transcript on that one, too.

Mr MARTIN—It was a question. You mentioned facilities.

Mr HOCKEY—Finally, do you think there is a problem with the fact that governments invest a lot of money in elite sportspeople and yet, when those elite sportspeople make a lot of money, the return to governments is quite limited? For example, with the advent of professionalism particularly in relation to Olympic sports, and tennis is another good example, where you have sportspeople going through Australian academies and basically carried by the taxpayer, very few are extremely successful but they may not return anything to the individual sports or the community; do you think that is a growing problem?

Ms Edwards—I would have to say my area has always been in Olympic sports. I see a great need for the injection of funds in the participation area. I think the fact that the Olympic Committee has now removed the burden from the states of raising funds has been great in that some of that money can now go to the participation level in the states. There is not the huge ‘turn off the tap for 12 months’ that there has been in

the past. I think it is a bit unfair to judge all Olympians, because the majority—

Mr HOCKEY—I was not saying all Olympians; I was saying, with the development of professionalism right across sport generally. For example, you are seeing a backlash in Rugby League about the fact that there are Rugby League players who are earning a lot of money now and yet they have grown up with facilities that have been provided by governments and it is arguable as to whether they are returning anything to the community—

Mr Tippett—This gets back to the question of the athlete and the actual sporting body itself. In many cases the athlete is representing him or herself. When you talk about facilities, it is the sporting organisation that is responsible for developing the sportspeople and it has to use facilities, whereas once the sportsperson reaches the higher level and gets the accolades, they can go away and develop a very strong profession from what they have achieved, but it is the sporting organisation that really has been able to prepare them and, also, have the facility for them.

It is an interesting correlation between the elite sportsperson and the actual facility itself. In the main, there is probably no relationship whatsoever. The sportsperson is using something, but that sportsperson really, in the main, is not very closely involved with the actual sporting body itself.

Mr HOCKEY—In New South Wales we have leagues clubs and rugby clubs and so on that support their local football teams through, basically, the profits out of poker machines. The clubs have very large and profitable facilities and they also extend their financial wealth into the support of other sporting organisations. How do sporting clubs survive in South Australia—on a user pays basis, or government support?

Ms Edwards—We lobbied for many years for the \$2.5 million that comes out of the poker machines. We were funded by the government until 1987 and then, at three months' notice, there was no more funding for the administration and development of sport. I would have to say that, in the ensuing years, until last year, when the poker machine gaming tax money was introduced, sports actually raised every cent themselves and received some money from Foundation SA for development and events, but, apart from that, they have maintained their administration themselves. This has actually been the only state in Australia that has done that. However, the injection of the department's funding over the past 12 months has really kick-started the associations. Earlier, it was mentioned that associations were not managing. People need to have longer memories and realise that our associations maintained their sports and competitions without that funding for seven years.

Mr Tippett—It is still very much a user pays principle, even though we have had poker machines in our clubs for the past three years. But what you are seeing, particularly through sporting clubs, is that it has not been the bonus that sporting clubs expected. Many of them are struggling and I suppose that, had they made the decision three years ago, they probably would not have put poker machines in, because a lot of their areas of fund raising in clubs through bingo and sponsorship and lotteries and those sort of things have all diminished. Because of the costs involved to put poker machines in, not too many sporting clubs in South Australia are able to improve their facilities and their sport through the acquisition of poker machines.

Ms Edwards—The difference with New South Wales is that you do not have them in hotels.

Mr HOCKEY—We do now.

Ms Edwards—That has been the killer. The people would go to the hotel.

Mr MARTIN—That is why the clubs are in difficulty in New South Wales and not for any other reason.

Mr McDOUGALL—We heard from the state government today that they tipped a lot of money out of treasury and somewhere other than the sports budget into three rather large projects over a period of time. Does sport feel that sport in South Australia is actually benefiting at the grassroots level and at the participation level from the Government putting so much money into that, to develop the broad base to get the elite player, or would it have been better off distributing it more broadly and getting a broader range of capital facilities?

After the so-called whatever they build them for, do you see that they will get true multiple use out of them? I know it is rather forward, but I have to say it, and it is in relation to your supporting CAS with regard to the funds. Victoria today requires 14 per cent of its revenue to come from gambling tax. What state government is going to give to the federal government the right to raise revenue through lotteries so that we are able to start a lottery when they are going to depend upon so much income from their current system?

Ms Edwards—I think because we have now had that lull in federal funding, it will be difficult to re-establish that, but, if it is a one-for-one, we would hope that the huge injection of funds that has gone into facilities in Victoria—perhaps if we had the lottery and it was a \$1 for state, \$1 for federal, it would have the same outcome, would it not?

Mr McDOUGALL—What about your facilities here?

Mr Tippett—On the question of facilities, long-term, I am sure that with the new facilities here in this state—athletics, netball, soccer—that the participation level in those sports will in time be boosted by the acquisition of first-class facilities. That goes for any sport in a state. If you have top-class facilities, the cream will rise to the top with those elite athletes and then it will maintain the interest, particularly at the junior and participation level. I think, to answer your question, in time, yes, it will. It gets back to priorities and how best to spend the money, but I think you will find that, with those three facilities, the particular sports were crying out for that level of facility.

Ms Edwards—If I could add to that, I guess it is the two sports, with athletics and netball being at the gateway there, and I have to declare that I did the first feasibility study for the removal from the olympic sports field to there. A total of 51,000 schools and groups use the athletics facility so we would have to say it is a huge participation rate, and you would have to say the same with netball. Because schools use the aquatic centre, the athletics stadium and netball more than any other, it is very difficult for us to say that they are not valuable but, once again, as Murray said, the need is there for other reasons, but the participation level is there, as far as schools and running groups, et cetera, are concerned.

Can I pick up a question Mr Hockey asked earlier about the management? There was some

indication that sports do not know how to manage a facility. It is very difficult, in that if someone outside of sport runs a facility, then there is not the use of volunteers, so the overhead costs and some of the outsourcing that is happening in some of the aquatic regional areas. If we gave the athletics facility to someone outside, the volunteers are not going to work for another instrumentality.

I was saying a while ago it depends on the person running the management, whether they are in or out of the sport and whether they are successful. It does not mean that someone in the sport cannot manage it as well as someone from outside, but the local government problem is that when a sport leaves a local government area that is leased and moves to another area, then they walk away from the assets that are there—in the case of athletics, over \$1 million worth of assets, half of which was provided by a sponsor, which must stay on the land because it is already there. So there are many financial implications for sports.

CHAIR—Have any of your members used the Australian Sports Foundation?

Ms Edwards—Yes, they have. You are probably aware that they are doing a real push at the moment to get sports educated in that way and a lot of our minor sports use the foundation through Sports SA.

CHAIR—A lot?

Ms Edwards—About 17.

CHAIR—In your experience, is it satisfactory?

Mr Tippett—Yes.

Mr MARTIN—Do any of the sports have access to News Limited?

Ms Edwards—No. We would like it, though.

CHAIR—There is a football team over here.

Mr Tippett—Returning to that management question, the sport that I am involved in has a top-class sporting facility and it was funded by the sport itself. We manage the stadium. The points that Kathy made about the volunteers and the people involved within the sport and playing a very active role in being part and parcel of that facility is so important.

CHAIR—Thank you for putting the organisational point of view today. You have certainly helped us a lot with our inquiry. We appreciate the information you have provided. We look forward also to receiving from you the full report in relation to your feasibility study and I am sure that will be interesting to us as well.

[5.15 p.m.]

ANDREWS, Ms Jill, Member, Australian Council of Health, Physical Education and Recreation, Consultant, Recreation Planning, 214 Port Road, Hindmarsh, South Australia

EMMEL, Mr Jeffrey Donald, National Executive Director, Australian Council for Health, Physical Education and Recreation, 214 Port Road, Hindmarsh, South Australia

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

Mr Emmel—Not at this stage, no.

CHAIR—I understand that Ms Andrews has some time constraints. We may have to direct any questions specifically to her first. Are there any opening comments you would like to make?

Mr Emmel—If we could have a few minutes to put our very brief and, hopefully relevant, submission into perspective and into some sort of context, our organisation is not similar to some of the other organisations who provided submissions in the sense that we are a non profit organisation representing people who work in the fields of health, physical education, recreation and sport, dance, movement and science.

Our mission, unashamedly, is to promote healthy lifestyles in the community, with a particular focus on young people. This raises questions about how we lobby and get involved in these sorts of issues, but we certainly do not have a vested interest in a particular sport, or in a particular view that a certain sector of the sporting or recreation sector might have. In a sense, we are set up to lobby on behalf of the young people of our nation in terms of their health and well-being and their participation, in particular, so I thought I would put that in context. We are coming from a slightly different point of view.

Our focus on young Australians in particular gets us involved in education, training and development for teachers, for coaches, for community fitness leaders, for recreation leaders and so on. In doing that, we promote our work and support the work of other government and non-government agencies in education, health, sport and recreation. We receive no money at all from government. We get money from membership, and we are happy to spend the profits we do make on promoting participation and well-being of young people in Australia, particularly through the school system but also in the wider community.

Some key issues I think emanate from our submission, and we do appreciate the complexity of this inquiry and the diversity of the vested interests that you are dealing with, but we think it is important that we put our broader picture and our broader sense of where all this fits. There are certain principles and beliefs that underpin our work that I think are evident in the submission.

We are unashamedly on about sport and recreation for all. We do believe that the findings of this inquiry should be linked very strongly to the notion of an active and healthy Australia, because the evidence that has been accumulating over several years now is not a good picture for the health and well-being of our young people in the future. If we continue to follow the trend of the United States in terms of dropouts, in

terms of participation, in terms of cardiovascular health risks and so on, we will be in a spot of a bother. I think we all know the economic concerns that that brings our nation in terms of the health bill—the illness bill, I should call it.

We are therefore promoting the involvement of young people in sport and recreation and we are less inclined to be supportive of initiatives that are more for spectators. That does not mean that we are not interested in Olympic sport—of course, we are. It does not mean we are not interested in elite sportspeople and their achievements—of course, we are. But, if at all, we are leaning towards the side of the ledger which is to promote mass participation in sport and recreation.

I notice that many of the people and organisations submitting are particularly from sport. We would like to broaden the parameter to include recreation in its broader sense in the community. All the evidence that we are starting to gather in terms of research suggests that low levels of physical activity undertaken in a less formal and less organised sense is very important and I do not think we should forget that. So, we have a very strong health promotion agenda, and we like to think that our governments will accept our advice on these sort of matters as a matter of social responsibility.

There are other issues that are of concern to us. There is a need to offset the corporatisation of sport and recreation that certainly does tend to set up barriers against mass participation. We think that is something that the committee should look at.

We do support many of the arguments that were raised in the Confederation of Australian Sport submission. We are, in fact, an affiliate member of CAS, but we do not come with a vested interest from any sport, so we tended to want to put in our own submission.

I would also like to suggest that the initiative currently being undertaken by the ministers for health, environment, sport and territories—I have probably got that wrong—in terms of bringing Active Australia together, is a very important initiative that we would like to be very much a part of. We will certainly be doing our bit to link to the Active Australia notion and all that that means for young people in Australia, particularly in the school context.

What you have here in the Active Australia initiative is a fantastic opportunity to bring health, recreation, sport and education together to do something in a coordinated way that cannot be ignored in deliberations about the funding of facilities in the future. So, I just want to make that point.

To us, it is not just a matter of building complexes. There is a need for education, training and the sharing of these complexes and facilities at every level possible. I was very interested in the questions to some of the other people before and particularly those pointed questions about where the money should go and whether the Commonwealth should fund the elite sport and who then would be responsible for local sport and so on. I think they are critical questions.

Our organisation cannot provide you with answers to that, but we can provide you with case studies of experiences of difficulties that people at the base of the pyramid have in looking for opportunities to be involved. We think there is a great opportunity here, as I mentioned before, to link to health, sport and

recreation.

In terms of our actual submission, I think you will notice, quite clearly, that we see a role for the Commonwealth government in providing strategic vision and broad criteria, in providing advice and helping infrastructure, in being able to stimulate states and territories and local government to collaborate in providing incentives and so on.

My colleague has been a recreation planner and done many feasibility studies in this area and I am sure she will be able to clarify some of those questions for you. That is all I would want to say by way of our submission and a few extra comments.

Ms Andrews—We would like to affirm a number of points that were made by the other witnesses. As a recreation planning consultant, I see the trend being towards a multipurpose shared facility, and that seems to be something that is coming through from today's speakers. We would certainly support that.

Also, any facility provision should be seen within existing local and state government planning studies. As a consultant who has undertaken a number of local recreation plans and who has been involved in regional recreation plans in South Australia, I would like to think that they are sound and relevant and that a great deal of consultation was undertaken to ensure that the recommendations made within those plans are relevant. As a recreation planner in local government, prior to being a consultant, the recreation plan was my bible and I worked very closely with that and became the driver of the priorities for both programs and facility provision.

I have undertaken a number of feasibility studies. Unfortunately, I have yet to see any of them through to fruition in terms of the facilities on the ground. The need and demand have been identified for the establishment of a facility or the redevelopment of an existing facility. The concept options have been developed. The indicative cost estimates have been done and, when it gets to the bottom line and the bottom dollar, the amount of money required is too great to be able to be funded by either the local sporting group, the local community, local government or state government.

I am not confident that an injection of Commonwealth funding will provide the total answer. While it is certainly a requirement to add to the funding picture, as has been suggested this afternoon, other options need to be explored for the funding of recreation and sport facilities, whether they be at a community, regional or state level. A lot more work needs to be done on researching the viability of these options, with Commonwealth funding being just part of the picture.

The criteria for Commonwealth funding needs to be based on clear criteria and sound rationale. I would suggest it needs to be seen within a feasibility study framework based on identified need, community accessibility, input from sport, local and state government, consultation with, and support of, the sporting bodies and possibly even evidence of financial viability and the establishment of sound criteria is essential.

CHAIR—Thank you. With regard to those feasibility studies that you have done, did the projects not proceed on the basis that they were fundamentally unable to pay their own way?

Ms Andrews—No, they were seen to be able ultimately to pay their own way. The feasibility studies are often to assess the financial viability and the feasibility of the establishment or the redevelopment of the sporting facility, but the capital cost of that redevelopment or establishment of the facility is beyond the financial scope of the client.

CHAIR—However, if you were able to demonstrate that it could pay for itself, then any bank would provide the money.

Ms Andrews—Yes. I have yet to see the studies result in an on-the-ground facility.

CHAIR—And yet some of the proposals were so economically sound that they could afford to pay interest and redemption and running costs and be a financial success?

Ms Andrews—Yes. Most of them separated the capital cost from the operating expenditure, so they were seen to be break-even, in terms of operating costs.

CHAIR—But a fairy godmother had to provide the money?

Ms Andrews—That is right.

CHAIR—With regard to your association, you indicated that you rely on your membership fees to provide your resources. How much are you able to do to achieve your objectives?

Mr Emmel—I should clarify that. Our main source of income tends to be from our membership, but we have to be quite entrepreneurial in the provision of resources. We actually profit from developing resources for schools in the area of sport, physical education, recreation, dance and so on. That involves us, obviously, in a lot of collaboration with the other systems—with the Australian Sports Commission, the Aussie Sport Unit and education systems within the states.

CHAIR—You sell your programs to the state education departments.

Mr Emmel—Yes.

CHAIR—Do you operate in all states?

Mr Emmel—Yes, we run a national bookshop here from Hindmarsh. Our national office is at Hindmarsh. That national bookshop supplies schools, universities and community organisations throughout Australia.

CHAIR—In your submission, you suggest that facilities need a burst of encouragement and incentive from the Commonwealth. Perhaps you could describe to us what would be an appropriate ‘burst of encouragement and incentive’.

Mr Emmel—It is easy to talk about an incentive being \$1 million, but I guess what we want to see is

a coordinated and integrated approach to provide for all Australians, and we believe that something like Active Australia, for example, will provide a context through which all government departments and agencies, and non government agencies, can play a part. We are not suggesting for a minute that we would expect the Commonwealth Government to be able to fund all that would happen in something like Active Australia, because the implications of Active Australia are that we might need more facilities, we might need to encourage different types and levels of facilities at the base of the participation pyramid.

We are suggesting that we would not want the Commonwealth to abrogate any responsibility for playing a leadership role, and clearly to accept responsibility in an integrated and coordinated way, in collaboration with the states and local government, and actually to say, 'Yes, we think this is important, and we are going to make it a priority.' That does not necessarily mean billions and billions of dollars, but it might mean looking at the balance between the need to fund Sydney 2000 on the one hand, and what is going to happen in the few years after that if the coffers are dry.

Mr MARTIN—In 2004.

Mr Emmel—That is right. We will have two bursts of major, elite international sport, which will tax Australia. We all love it and want to be part of it; we think it is fantastic. We would like to think that the Commonwealth could keep a perspective on any funding commitment it makes in the future so that we do not lose the commitment to the base of the pyramid.

Mr MARTIN—Just concentrating on that for a minute, if your concern is promotion of healthier lifestyles because it reduces the cost burden on government down the track in terms of health funding, why would it not be more sensible for the Commonwealth to concentrate its efforts on putting money into the Active Australia program, to broaden that to education and use your offices to provide input into that and provide Life Be In It campaigns that it ran previously and so on, and then to say that is the Commonwealth's initiatives there and we will leave it to state and local government to pick up the wherewithal that will provide the facilities to develop that Active Australia sport?

Mr Emmel—I would like to see that. I would like to see the Commonwealth accept that role and that responsibility. I am realistic: I know the funding provisions to the Australian Sports Commission and I know they have just taken some budget cuts. I know what that means for some of their participation programs, because we work closely with them.

Mr MARTIN—Not to mention your own funding.

Mr Emmel—Yes, ours went, too.

Mr MARTIN—I thought I would throw that in.

Mr Emmel—I was going to get it in eventually.

Mr MARTIN—I knew you would. I am here to help.

Mr Emmel—The model you are proposing appeals to our organisation and we can fit into that, certainly.

Mr MARTIN—It seems to me, though, realistically, what we are on about is, if we come to the agreement that there should be Commonwealth involvement in sport facilities provision, that gives that balance between what you are seeking, that is, to encourage an active and a healthy lifestyle and it may well be that through Active Australia you could get the health minister to throw a few more dollars towards that but, secondly, also to embrace things like facilities that are going to give national benefit, but on the proviso that you are not going to put one in every state or in every region, that there is a much more coordinated approach there.

But, thirdly, that you have facilities that are going to provide the broad participation that you want, the sport for all that enables you to develop the Australian champions that then go to those next levels that are provided by states at their institutes of sports and so on. If we accept that that is what we are trying to do, our problem is where does the Commonwealth find that core funding to do that? From the perspective that you come from, with the practitioners in education and physical education and so on, do you have any suggestions that you can give us as to where that source of funding might come from?

Mr Emmel—We appreciate that it is a difficult one, and we are not unrealistic to the point where we would suggest that you do not fund the Olympics, or you do not fund the Commonwealth Games, or you reduce markedly your funding to those sort of things. Once you are committed to those sorts of mega events, you are committed, and it costs, and we understand that. We have looked at the issue of the lottery. It is very hard for me, in an organisation which represents a diverse range of people across eight areas of focus, to say, 'Yes, bring in a lottery, that will fix it.' It would certainly need to be looked at.

However, we understand also the moral and the ethical question that you raised before about where funds should come from and the tobacco excise business. We lobby all the time against promotion of tobacco. Some say it is hypocritical but we do accept money from organisations like Living Health and so on for promotional purposes.

I think Mr Truss asked the question before, or it might have been Mr McDougall, about what happens when people smoke less. I would like to see that.

Mr McDOUGALL—You get less money.

Mr Emmel—We do not have a definitive answer as to where that funding can come from. We can look at all the portfolios, we can look at the federal budget and say one less submarine.

Mr MARTIN—I am with you.

CHAIR—You are in South Australia.

Mr HOCKEY—We are in South Australia, are we not?

Mr Emmel—In the end, you are going to have to make political decisions about where that money comes from. It is as simple as that. I am realistic; I know about politics and how you have to bite the bullet on those sort of things.

Mr MARTIN—Ms Andrews, you have described yourself as a recreational planner, and I think somebody else who gave evidence earlier was with local government and was a recreational planner. Can you tell us how one becomes a recreational planner in this day and age and the extent to which you have these involvements, particularly in some of the consultancy work that you have been doing as well?

Ms Andrews—We have an excellent recreation planning degree run through the University of South Australia at The Levels campus, and so a number of recreation planners in the industry have moved through the recreation degree course. We are distributed throughout a number of various qualifications, whether that be in local government or executive officer of—

Mr MARTIN—Does that have management as part of that?

Ms Andrews—Absolutely, yes.

Mr MARTIN—To get to one of the questions asked by one of my colleagues about managing facilities once the facility is put in place, and whether there is an example of a facility that actually is viable, maybe even breaking even, would the sort of training that the University of South Australia offers in the course that you have done—I presume there might be others around Australia doing much the same thing—there are in Queensland and New South Wales—equip people like yourself and others to consider that as an important element in the viability of facilities?

Ms Andrews—Certainly, and, increasingly, local government, as owners and managers of facilities, are recognising the importance of good management in facility viability. Where local government is no longer accepting subsidisation of its recreation and sport facilities, the management issue has become increasingly important.

Mr McDougall—Can I take you back to your comment that you made earlier and the answer that you gave that you have done quite a few feasibility studies and they did not get off the ground because they did not have any money, or it did not seem that they were viable. I would have to agree with you. I have come across a lot of that and I have seen a lot of it. Why then would you think that a state government would make a decision to spend tens of millions of dollars on a facility that they know before they start is going to be run at a loss? They might have some high ideals that they would like to see it run at a profit, but I have yet to find a major facility anywhere in Australia in any sport that actually makes money. Why would government say, ‘We are going to put tens of millions of dollars into that, but we are not going to put \$500,000 into that local project, because its figures do not stack up.’

Ms Andrews—There are examples of recreation and sport facilities that are making a profit. It has to do with the quality of the facility.

CHAIR—I think Mr McDougall was referring to major national and state facilities.

Mr McDOUGALL—I could show you many privately run facilities that make money. The guy has invested his couple of million dollars and he makes money, because he has multiple use in it, he has multiple sport, and he has people who, instead of wanting to pay \$2 for a game of hockey, are prepared to pay \$500 a year to be a member.

There is that market, but what I am trying to get at is why does one level of government say ‘No’ to a project that you have come up with that says the community wants it, there is a need, there is a desire out there, but you cannot make any money out of it or break even, so we will not put any money in. But, when they want to spend \$30 million or \$40 million and they know they are not going to make any money out of it, they know they are not going to break even, they still go ahead and do it. Where are the management criteria that sets down those rules, or is that just political?

Ms Andrews—I think governments have other criteria for provision of facilities, which is about social justice and participation and accessibility but I think—

CHAIR—And prestige.

Ms Andrews—I think, with the economic rationalism of today, the trend is requiring facilities to be built that do not require large subsidies from government.

Mr McDOUGALL—Can I ask then, do you, as an organisation, really believe that the three major facilities that have been built here lately are really going to be opened up to public participation and school use, as we hear they should be but will they be, or will they be restricted in their use?

Mr Emmel—All I can say is that we will be fighting very hard to ensure that they are.

Mr McDOUGALL—Are you confident?

Mr Emmel—No, I am not confident.

Mr HOCKEY—Can I just add to that? Is there not a trickle down effect, that the elite sportspeople might use the existing facilities, they will move to the new facilities, and then the existing facilities will become available to the next group and, basically, you will get a trickle down effect?

Mr Emmel—Hopefully, that effect does occur, yes.

Mr HOCKEY—If it does not, that means that the existing facilities are ghost towns.

Mr Emmel—That sometimes is the case.

Mr HOCKEY—Is it? Do you have any examples of that?

Mr Emmel—I think the Edwards Park netball facility that they have struggled with for many years is a case in point, but there is always a need for maintenance. It is an outdoor area. It is something that needs

continual looking at and, as I said, maintenance, but, sure, there is a lot of space there, and you would still want to encourage that mass participation that already occurs there. However, the trickle down effect would not be all that much from a major facility that is being built here for netball. It is terrific for the sport and the international—

Mr McDOUGALL—But it does not get a lot of use.

Mr Emmel—It may not, no.

Mr McDOUGALL—The new facility does not get a lot of use?

Mr Emmel—No.

Mr McDOUGALL—That is exactly right.

CHAIR—In your submission, you say that urban areas, certain sports and certain states appear to be favoured over others when funds for facilities are distributed. You are a national body, so you ought to be in a good position now to tell me which states are favoured, which sports are favoured, and whether urban areas are favoured.

Mr Emmel—That is based on some of the arguments that CAS put up and, also, when it comes to Olympic funding, for example, it is pretty clear that criteria change according to the capacity of a particular sport potentially to win medals. There is no question of that. We saw a fantastic improvement in the achievement of our Australian gymnastics team at the recent games, but, in fact, because coming up to the Olympics they are not assessed to be in the top 20, they lose funding. There is that sort of issue that is real. Everyone knows that is real.

I am not going so far as to say that there are certain powers that push funds towards particular sports, but I am sure it happens and I am sure that there are people in influence in sports institutes in Australia and so on who manage to achieve funding for particular sports over and above others. That is why we need organisations like the Federation of Sports in our states to look at equity and the way that the decisions are made within sport sometimes, and at government level. It is not just a government decision making process.

CHAIR—Is it reasonable to make those decisions as a nation and say that we are not going to win a medal in Greco-Roman wrestling—

Mr Emmel—To some extent, I think it is always difficult. What comprises a minority sport? There are sports with quite a deal of participation that are not Olympic sports. We are trying to put the matrix of criteria across our different types of sport and encourage people not necessarily to be involved in organised sport. I think that is the other issue we want to take up; it is not just a matter of organised sport. I was going to say there is disorganised sport as well, but I will not say that. There is less organised sport as well that I think it is very important for us to be seen to be stimulating and funding.

Mr McDOUGALL—Can I take you back to the comment that you made in relation to gymnastics? Is it not true that they only lost their funding for the Olympic program? They kept their funding for their normal development programs. It was only the extra funding.

Mr Emmel—I may stand corrected on that, yes. I would have to check that.

CHAIR—Could I ask another nasty question? You base your whole submission on the assumption, and it is commonly believed but I want to pursue it further, that a more active Australia is a more healthy Australia so, therefore, we save money on our health bill and, therefore, the country is better off. Are you aware of any scientific proof of that assertion?

Mr Emmel—No. The problem is we have never been in a position to test it, but what we know is that we are heading towards that position where one day we are going to have to test it. If you go to some of the research, for example, that the National Heart Foundation or the National Health and Medical Research Council has done—we are certainly a member of the reference group of one of their key committees, the National Task Force for the Prevention of Overweight and Obesity—when you get involved in the sort of research that those groups do, it is very clear. The Heart Foundation and the Australian Institute of Health have actually quantified the amount of money that it costs our health system just to deal with people with cardiovascular disease, heart attack, strokes and that sort of thing. That has been quantified. I think, in 1994 or 1995, it cost us \$3.5 billion in health care and palliative care and so on for people with cardiovascular disease.

Those things are preventable. That is what research tells us and we know that that is the case. That is why, in the United States, the United States Surgeon-General has come out recently with a plan to get America physically active. I wish her the best of luck. The issue is clear in terms of research that we do spend a great deal of money on our illness bill rather than in a preventative way on a health promotion bill.

CHAIR—To take the devil's advocate role: if people do not die of a heart attack, they live longer and they get a pension longer and it costs the country more.

Mr Emmel—We have such a good superannuation set up now that we will not have to worry, will we?

Mr HOCKEY—The chairman is speaking for the National Party.

Mr Emmel—There is all that to be balanced. People are living longer. That is what medical research has done for us.

CHAIR—If we had good, solid economic evidence with which we could go to the hard-headed treasury nuts and say that for every \$100 million you spend on sport you save this many dollars in health care, that would seem to me to be a more powerful argument than just suggesting to people we like our sport so, therefore, you should fund us.

Mr Emmel—I agree with you. I think that is a very cogent argument that we all ought to put. That is

why the CAS submission unashamedly links itself to a sport health philosophy and that is why Active Australia, if it gets off the ground and it works, will have that terrific integration and coordination of health, sport, recreation and education.

CHAIR—You are not aware of anyone who is doing research in this area that could quantify the benefits?

Ms Andrews—There is a document called *Pedalling Health* which looks at cycling. That was indicated in a local government submission. That has looked at the research associated with fitness and health savings.

Mr Emmel—The National Heart Foundation and National Health and Medical Research Council have accumulated evidence and done estimates. There is a body of research around.

CHAIR—It has been interesting to talk about some of those sorts of issues. We appreciate very much the fact, firstly, that you put the submission together, which has been helpful and raised some challenging issues and, secondly, that you have been present here today and had to wait until the end of the day.

Mr Emmel—We appreciate it.

CHAIR—Thank you.

Resolved (on motion by Mr McDougall):

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

Committee adjourned at 5.55 p.m.