

PREFACE

Sport and recreation have been a central element of the Australian lifestyle for many years. Interest in them continues unabated as more and more people recognise the pleasures of competing and the health benefits of exercising. The 2000 Olympics in Sydney is a stimulus to sportspeople, and promises to be a wonderful spectator event, as well as bringing economic returns to the nation.

The Commonwealth Government's role in providing significant support for sport and recreation is fairly recent. In the last 25 years, however, it has contributed through a number of different programs to the construction of facilities at all levels, ranging from international to community standard, as well as to programs for the development of athletes. At present no Commonwealth funds are provided for sporting and recreational facilities: none has been available for community facilities since 1994, and none for elite facilities since the final contribution promised by the Commonwealth Government for Olympic facilities in Sydney was paid in 1995-96.

There is much interest in the resumption of Commonwealth funding for facilities, especially at community level and, in October 1996, the then Minister for Sport and Tourism, the Hon Warwick Smith, asked the Committee to investigate the topic. The Committee travelled to each of the states and territories for inspections, discussions and public hearings in the course of the inquiry. It appreciates the assistance it received from many sources. It thanks the individuals; Commonwealth, State and Territory agencies; local government; community, state, and national sporting and recreational organisations; private businesses; and community groups.

Most of the work for the inquiry was carried out by the Committee under the former Chairman, the Hon Warren Truss, now Minister for Customs and Consumer Affairs. My involvement with the inquiry has been confined to the final stages of completing the report. The recommendations, conclusions and general findings reflect the views of the Committee Members rather than my own views, but I do not necessarily disagree with anything in the report.

I commend the Members of the Committee and the former Chair for their enthusiasm and hard work and reaching constructive conclusions.

Ian Causley
Committee Chair

ABBREVIATIONS

AFC	Australasian Facilities Committee
ABS	Australian Bureau of Statistics
ALGA	Australian Local Government Association
ANAO	Australian National Audit Office
ASC	Australian Sports Commission
ASF	Australian Sports Foundation
ATSIC	Aboriginal and Torres Strait Islander Commission
AUSFAC	Australian Sport and Recreation Facilities Advisory Committee
BOOT scheme	Build-own-operate-transfer scheme
CAS	Confederation of Australian Sport
CCRSF Program	Community Cultural Recreational and Sporting Facilities Program
DASET	Department of the Arts, Sport, the Environment and Territories
DEST	Department of the Environment, Sport and Territories
GIS	Geographic Information System
HORSCIST	House of Representatives Standing Committee on Industry, Science and Technology
HROC	Hunter Region Organisation of Councils
ISSFP	International Standard Sports Facilities Program
LGA	Local government authority
NOSARP	National Office of Sport and Recreation Policy
NSFP	National Sports Facilities Program
NSW Sport and Recreation	New South Wales Department of Sport and Recreation
PCAO	President's Commission on American Outdoors
PWC	Parliamentary Standing Committee on Public Works
SCORS	Standing Committee on Recreation and Sport

CHAPTER 1: INTRODUCTION

Sport, recreation and the Commonwealth Government

1.1 The Commonwealth Government has given some support to sport and recreational activities from the early years of federation. In 1904, assistance to rifle, aero and gliding clubs began.¹ Some financial help was given to Olympic competitors from 1924 onwards.² Later, at the time of the Second World War, concern arose about the lack of fitness of young men and how this might affect their capacity to defend their country. Under the *National Fitness Act 1941*, the National Fitness Council was created to assist the Minister for Health to promote national fitness.³ However, the prevailing view in the years up until 1972, when a Commonwealth Department of Tourism and Recreation was created, was that the Commonwealth Government generally had no role to play in relation to sport and recreation; these were matters for State and Local Government.

1.2 When the Whitlam Government was elected, sports policy was placed more firmly on the agenda at Commonwealth level for the first time as part of that government's urban and social planning. Programs were established with the goal of developing a national system of mass participation sports based on facilities located in Australia's suburbs. Funding was also provided to assist elite athletes. These initiatives were initially abandoned by the Fraser Government, but support for elite sport was reinstated with the establishment of the Australian Institute of Sport in 1980. Support for elite sport has continued to the present day.

1.3 Commonwealth funding for facilities resumed in 1980 but was directed to facilities primarily intended for elite use. It was not until the late 1980s that attention and effort was directed to the grass roots of sport. Programs were set up to assist with the construction of basic facilities, and the Australian Sports Commission (ASC) was established in 1989 with the dual roles of promoting elite performance and mass participation in sport. Awareness was increasing at this stage of the interconnection of sport and recreation with social, health, and economic objectives, and the ways in which they might be integrated. Promoting participation by women, girls and indigenous and disabled people are examples of moves stimulated by this awareness.⁴

Commonwealth programs for sporting and recreational facilities

1.4 In 1972 the Department of Tourism and Recreation introduced a capital assistance program for the development of leisure facilities which included sports facilities, parks, drop-in centres, and multi-purpose community facilities. Project costs were shared by the

¹ Department of Recreation and Sport, South Australia, submission (number 223), p 3.

² T Armstrong, 'Government policy', in *The Oxford Companion to Australian Sport*, revised 2nd edition, eds W Vamplew, K Moore, J O'Hara, R Cashman & I Jobling, Oxford University Press, Melbourne, 1997, p 188.

³ *Government Expenditure on Sport and Recreation*, Department of the Arts, Sport, the Environment and Territories, Technical paper No. 4, AGPS, Canberra, 1992, p 8.

⁴ Armstrong, pp 188-90.

Commonwealth, States and Local Government and, between 1972 and 1976, a total of more than \$15 million was provided by the Commonwealth Government for over 500 community projects.

1.5 Following reviews of the Commonwealth's role in funding sport and recreation in the mid 1970s, the Commonwealth Government began in 1980 to provide funds on a dollar for dollar basis with the State and Territory Governments for the construction of international standard sports facilities, and later for national facilities. From 1980-81 to 1988-89, the Commonwealth Government contributed \$51 million for 37 major projects which are shown in Table 1.1.⁵ Under this program, the only facilities provided were in state capitals and, in an inquiry carried out in 1988-89, the House of Representatives Standing Committee on Finance and Public Administration recommended that a regional sports facilities program be established.⁶

1.6 The Community Recreational and Sporting Facilities Program was approved in the 1988-89 Budget when it was agreed that \$13 million would be provided over the following three years. The program was intended to assist the States and Local Governments to make up the backlog in the provision of basic sporting and recreational facilities by providing funds to Local Government and community organisations. In the 1991-92 Budget, the program was modified to include cultural facilities and extended for a further three years at a cost of \$30 million. Under the criteria for the program, specific areas and groups in the community were targeted, for example, inner urban areas, areas of high unemployment and migrant communities, and later Aboriginal and Torres Strait Islanders. A further \$18.75 million was added to the program in November 1992.⁷ Over 1 000 projects were assisted by these two programs which, together with funding from other sources, resulted in facilities worth more than an estimated \$260 million.⁸

1.7 Commonwealth funding has also been provided for sporting and recreational facilities through other programs. Financial assistance grants to Local Government, for example, is one such source, as are the Local Government Development Program and the Capital Grants Program for schools. In addition, some of the funds allotted to the Aboriginal and Torres Strait Islander Commission for distribution have been used to construct facilities through the Community Development Employment Projects scheme. Other labour market programs, such as the Landcare, Environment Action, Jobskills, and New Work Opportunity Programs, have also contributed to the development of facilities in the past.⁹ The Building Better Cities Program of the previous government contributed \$8 million to upgrading Subiaco oval in Perth and \$1.66 million to the Southern Sports Complex in Adelaide. The Department of Trade spent about \$30 million on facilities for the America's Cup Defence in Fremantle in 1986-87.¹⁰

⁵ Australian Sports Commission, submission (number 271), pp 41-3; House of Representatives Standing Committee on Expenditure, *The Way We P(l)ay: Commonwealth Assistance for Sport and Recreation*, AGPS, Canberra, November 1983, pp 18-20.

⁶ The House of Representatives Standing Committee on Finance and Public Administration, *The First Report on an Inquiry into Sports Funding and Administration: Going for Gold*, March 1989, AGPS, Canberra, pp 79-80.

⁷ The Auditor-General, *Audit Report No. 9 1993-94, Efficiency Audit, Community Cultural, Recreational and Sporting Facilities Program*, AGPS, Canberra, 1993, p ix.

⁸ Australian Sports Commission, submission (number 271), p 43.

⁹ Port Stephens Council, submission (number 66), p 16.

¹⁰ Australian Sports Commission, submission (number 271), pp 46-7.

Table 1.1 Projects funded by the International Standard Sports Facilities Program (ISSFP) and the National Sports Facilities Program (NSFP), by State or Territory

State/ Territory	ISSFP	NSFP
NSW	Indoor Sports Centre, Homebush Bay	Cumberland Oval, Parramatta State Hockey Centre, Homebush Winter Sports Academy, Thredbo Mount Panorama Motor Racing Circuit, Bathurst
VIC	State Hockey Centre, Parkville State Equestrian Centre, Werribee Park Olympic Park No 1 Ground, Melbourne Motor Racing Circuit, Sandown Olympic Park Athletics Track, Melbourne	State Squash Centre, Albert Park State Water Sports Centre, Carrum State Baseball/Softball Centre, Altona Olympic Park No 2 (warm-up track), Melbourne State Gliding Centre, Benalla
QLD	Belmont Rifle Range Chandler Velodrome (lighting) Queen Elizabeth II Stadium (upgrading)	Boondall Bicentennial Sports/Entertainment Centre Gymnastics Facility, Sleeman Complex, Brisbane
SA	State Aquatic Centre, North Adelaide	State Aquatic Centre, North Adelaide State Hockey Stadium Small Bore Rifle Range
WA	Baseball Centre, Belmont	State Equestrian Centre, Brigadoon Western Australian Cricket Association Ground, Perth State Shooting Centre, Whiteman Park
TAS	Rowing Centre, Lake Barrington Indoor Velodrome, Launceston Baseball Facility, Kingston	Hockey Centre, Hobart Netball Centre, Launceston
NT	Indoor Centre, Marrara	Hockey Centre, Marrara
ACT		Water Skiing Facility, Molonglo River Softball Facility, Canberra

Source: Australian Sports Commission, submission (number 271), pp 42-3.

Recent developments in Commonwealth facilities programs, 1993 - 1997

1.8 The Australian National Audit Office (ANAO) carried out an audit of the Community Cultural Recreational and Sporting Facilities (CCRSF) Program in 1993.¹¹ It found deficiencies in the general administration of the program and in the Minister's accountability for the funds expended. These matters were examined further in an inquiry by this Committee's predecessor in the last Parliament. That committee confirmed the Auditor-General's findings.¹² This led ultimately to the Minister's resignation and the termination of the program in 1994. Since that time, the only major Commonwealth funding for sporting facilities has been \$150 million over three years for the Sydney 2000 Olympic Games.

1.9 At the same time as Commonwealth funding for community facilities ceased, economic pressures on State, Territory and Local Governments, as well as on the private sector, have increased. Although there is an oversupply of facilities in some parts of Australia, there is much more often a gap between the demand for facilities and their supply. In the current economic climate, the gap between demand and supply has widened. Furthermore, Commonwealth funding has continued through the ASC for national sporting organisations to further develop their sports and for the promotion of participation in physical activity. As the ASC pointed out in its submission, it is essential that an appropriate match is achieved between moves to develop sport and the provision of the facilities needed by participants. The nature of this match is illustrated in Figure 1.1, and the main players with an interest in, and responsibility for, getting this match right are shown in Table 1.2.

1.10 The Commonwealth Government has also contributed to the provision of facilities through its membership of the Sport and Recreation Ministers' Council. The Council is supported by the combined State and Commonwealth Standing Committee on Recreation and Sport (SCORS) which in turn is assisted with issues relating to facilities by a subcommittee, the Australasian Facilities Committee (AFC). The AFC comprises representatives of State and Territory sport and recreation departments in Australia, Papua New Guinea and New Zealand, and is chaired by a representative of the ASC. It was formed in February 1997 in response to concerns about the absence of a source of advice about facilities since the demise in 1993 of an earlier sub-committee, the Australian Sport and Recreation Facilities Advisory Committee (AUSFAC). Between them, these two subcommittees have assembled information on facilities required and produced publications on facility design, standard and management.

1.11 Under the circumstances outlined in this section of the report, a widespread expectation has developed that a flow of Commonwealth funds for facilities will be re-established.

¹¹ The Auditor-General, *Audit Report No. 9 1993-94, Efficiency Audit, Community Cultural, Recreational and Sporting Facilities Program*, AGPS, Canberra. The audit's findings are discussed further in Chapter 9.

¹² House of Representatives Standing Committee on Environment, Recreation and the Arts, *The Community Cultural, Recreational and Sporting Facilities Program: a Review of a Report on an Efficiency Audit by the Auditor-General*, February 1994.

Figure 1.1 Inter-Relationship between Sports Development and Sport Facilities

Source: Based on Australian Sports Commission, submission (number 271), p 10.

Defining sport and recreation

1.12 A number of writers have considered how sport and recreation should be defined and have struggled to produce a tidy result. For example, Jak Carroll avoids rigorous definition of these activities in his recent report on Local Government's involvement with sport and recreation. He identifies the main characteristics of sport and recreation as using free time, and being activity-based, social, competitive, and organised.

'Sport' and 'recreation' are terms that are difficult to concisely define as the boundaries between the two are often blurred. Additionally, many people use the terms interchangeably and often sub-divide recreation into active and passive components. To further blur the boundaries, sport can be said to involve three levels: recreational sport, competitive sport and high-performance sport.¹³

¹³ J Carroll, *Local Government Sport & Recreation Provision in Australia: A Report examining Local Government Involvement in Sport and Recreation Provision and Associated Issues*, Confederation of Australian Sport, November 1995, p 20.

Table 1.2 Main Stakeholders in Sport and Recreation Provision in Australia*

	Umbrella Sport & Recreation Sector	Generic Sport & Recreation Sector	Government Sector	Umbrella Government Sector
National Level	<ul style="list-style-type: none"> • Confederation of Australian Sport • Australian Olympic Committee • Australian Council for Health, Physical Education and Recreation • Royal Australian Institute of Parks and Recreation • Fitness Australia • Recreation Industry Council of Australia • Outdoor Recreation Council of Australia • Sport and Recreation Training Australia Ltd • Australian Leisure Institute 	<ul style="list-style-type: none"> • National Associations eg. Australian Cricket Board 	<ul style="list-style-type: none"> • Australian Sports Commission 	<ul style="list-style-type: none"> • Sport and Recreation Ministers' Council supported by the Standing Committee on Recreation and Sport • Australian Local Government Association
State Level	<ul style="list-style-type: none"> • State Sport Federations • State Branches of National Umbrella Bodies 	<ul style="list-style-type: none"> • State Associations eg. Victorian Cricket Association 	<ul style="list-style-type: none"> • State Departments of Sport & Recreation 	<ul style="list-style-type: none"> • State Local Government Associations
Local Level	<ul style="list-style-type: none"> • District Sport & Recreation Committees • Facility Management Committees 	<ul style="list-style-type: none"> • Clubs eg. Toukley District Cricket Club • Informal Groups and Individuals 	<ul style="list-style-type: none"> • Local Government Authorities Parks and Recreation Services 	<ul style="list-style-type: none"> • Regional Organisations of Councils

* The private sector is relatively unstructured and has fewer formal links with the other sectors. However, it has an impact at all levels, particularly locally through both profit-oriented and non-profit organisations that provide such facilities as golf courses, and squash and basketball courts.

Source: Based on information in Carroll, pp 22-3.

Furthermore, 'at the community level, most sport is recreation and a significant number of recreational activities involve sport'.¹⁴

1.13 For practical purposes, the ASC takes a narrower, more precise definition of sport. According to Mr Jim Ferguson, Executive Director of the ASC, people engaged in sport are distinguished from those engaged in recreation by being registered with an association as competitors. He told a Senate Estimates Committee that:

The definition of sport, for the purposes of commission funding, is that it is a human activity capable of achieving a competitive result requiring physical exertion and/or physical skill, which, by its nature and organisation, is competitive and is generally accepted as being a sport. By competitive, we mean that one person is pitting their skill against another in a competitive framework.¹⁵

Gary Prosser pointed out that a precise definition of sport is also useful in relation to such activities as collecting statistics, planning, and calculating the economic benefits and appropriate level of government support for sport.¹⁶

1.14 A recent definition of recreation delineates it as comprising a wide range of freely chosen activities, usually occurring in free time, which generate feelings such as enjoyment, relaxation, and satisfaction. Recreation includes categories as diverse as sporting, cultural, social, service, artistic or environmental. These activities usually take place within or close to the homes of the participants and may involve other residents of the same locality on a regular and frequent basis. They are significant as part of the normal rhythm of life.¹⁷

1.15 According to a 1992 paper by the then Department of the Arts, Sport, the Environment and Territories (DASET), leisure is another concept that overlaps in the minds of Australians with sport and recreation.¹⁸ Such are the difficulties of precisely identifying what is meant by sport, recreation, and leisure, that warnings such as Lincoln Allison's are not uncommon: 'there are powerful arguments against attempting any definition of sport'.¹⁹

1.16 From the array of activities that fall within the scope of recreation, the Committee decided to focus its inquiry on the physically active types of recreation. The report therefore deals primarily with facilities for sport and active recreation, although the needs of the more passive, cultural and creative categories of recreation can often be accommodated by facilities used for active sports. The Committee considered that it was not important to the conduct of the inquiry to define sport and recreation, but rather to recognise a continuum from highly organised group activities, through informal, recreational games, to unstructured, individual recreational activities such as walking, cycling, and skate boarding. The types of facilities needed for this range of activities are shown in Table 1.3.

¹⁴ J W Daly, *Recreation and Sport Planning and Design: A Guidelines Manual*, Office for Recreation and Sport, South Australia, 1995, p 1.

¹⁵ Senate Environment, Recreation, Communications and the Arts Legislation Committee, *Consideration of Estimates*, Hansard, 21 October 1996, p 532.

¹⁶ G Prosser, *Economic and Employment Characteristics of the Australian Recreation, Sport and Fitness Industries*, Department of Arts, Sport, Environment and Territories, Technical paper No. 6, AGPS, Canberra, 1992, p 7.

¹⁷ G Crilley, 'Evaluation and other moving targets in community recreation', *The ACHPER Healthy Lifestyles Journal*, Winter 1994, p 15.

¹⁸ *Government Expenditure on Sport and Recreation*, pp 2-3.

¹⁹ L Allison, 'Sport and politics', in *The Politics of Sport*, ed. L Allison, Manchester University Press, 1986, p 4.

The context of the inquiry: sport and recreation in Australia in the 1990s

1.17 Australia is known internationally as a sporting nation, winning a disproportionate number of awards in competitions for the size of its population. Its open spaces, developed status, and high per capita income all contribute to the potential for mass participation in sport and recreation, as does access to rivers, mountains, the coast, and the bush. Data collected in 1994 confirmed a widespread interest in physical activity among Australians; about 70 per cent of people aged 25 to 64 years were involved in sport or active recreation. This proportion had remained essentially unchanged since 1983. Information collected in another study over a 12-month period in 1995-96 showed that 31 per cent of Australians 15 years old and older participated in organised sports and physical activities, as did 62 per cent of five to fourteen year olds.²⁰ In the past decade, there has been significant growth in participation in mature age sport which is reflected in the increase in the number of registered participants in masters sports and participants in masters events.²¹

1.18 The detail of people's participation is, however, not well documented. The ASC commented that 'we simply do not have accurate information on the sports that Australians play' at national, regional and local levels.²² The number of participants registered with national sporting organisations is known for some sports and is a useful source of information (Table 1.4). However, the number of recreational participants and the frequency of participation are not known.²³ In the case of swimming, for example, the number of registered participants in 1996-97 was 91 477 (Table 1.4), but a year earlier, a survey by the Australian Bureau of Statistics (ABS) established that 281 400 people had been swimming in the 12 month period before the survey interview (Table 1.5). Discrepancies between the number of registered participants and the total number of participants were apparent for other sports. Furthermore, other surveys have suggested that some of the most common forms of exercise undertaken by Australians are pursued outside the activities sponsored by national sporting organisations. They include aerobics and walking.²⁴

²⁰ Australian Bureau of Statistics, *Participation in Sport and Physical Activities Australia 1995-96*, ABS catalogue no. 4177.0, AGPS, 1997, pp 6, 7.

²¹ R Burns, *Play On: The Report of the Masters Sport Project on Mature Aged Sport in Australia*, A joint project of the Confederation of Australian Sport and the Australian Sports Commission, Canberra, 1992, pp 55, 78-9.

²² Australian Sports Commission, submission (number 271), p 17.

²³ Australian Sports Commission, submission (number 271), pp 18, 30.

²⁴ Australian Sports Commission, submission (number 271), pp 22, 27.

Table 1.3 Types of Facilities Required by Different Sports and Recreations

Indoor	S P O R T									
	Air (Free Range)		Field		Snow/Ice		Water		Ground	
	Minimal Equipment		Special Surface		Fixed		Free Range			
Badminton	Aero	Archery	Athletics	Bobsleigh	Diving	Canoeing	Beach Volleyball			
Basketball	Ballooning	Australian Football	Baseball	Curling	Curling	Fishing	Triathlon			
Billiards/Snooker	Gliding	Cricket	BMX	Ice Hockey	Swimming	Skiing	Road Cycling			
Boxing	Hang Gliding	Rugby Union	Bocce	Ice Racing	Synchronised Swimming	Surfing	Orienteering			
Calisthenics	Parachuting	Rugby League	Bowls	Ice Skating	Waterpolo	Triathlon				
Indoor Cricket		Soccer	Croquet	Skiing (snow)		Yachting				
Darts		Touch	Track Cycling			Board Riding				
Fencing			Equestrian							
Futsal			Golf							
Gymnastics			Hockey							
Handball			Lacrosse							
Judo			Motor Sport							
Karate			Polocrosse							
Netball			Roller sport							
Powerlifting			Shooting							
Squash			Softball							
Table Tennis			Tennis							
Taekwondo										
Tenpin Bowling										
Trampoline										
Volleyball										
Weightlifting										
Wrestling										
R E C R E A T I O N										
Aerobics		Community	Roller Blading		Aqua Aerobics	Fishing	Abseiling			
Dancing		Open Space	Skate Boarding				Bushwalking			
Wall Climbing		Marching	Cycling				Caving			
Tai Chi		Walking					Rock Climbing			

Source: Based on Figure 5, Australian Sports Commission, submission (number 271), p 16.

Table 1.4 Numbers of Competitors Registered with National Sporting Organisations, as at 29 September 1997

Sport	Number	Sport	Number	Sport	Number
Archery	2 151	Gliding	4 007	Shooting-Full Bore	6 379
Archery, Field	5 382	Golf (L)	110 250	Shooting-Pistol	23 656
Athletics	15 134	Golf (M)	388 152	Shooting-Running Target	11 000
Australian Football	413 450	Gymnastics	76 206	Shooting-Simulated Field	3 084
Badminton	8 332	Handball	2 226	Shooting-Small Bore	2 251
Balloonng	312	Hang Gliding	2 917	Skiing	14 608
Baseball	120 000	Hockey (M)	82 000	Soccer (M)	275 894
Basketball	487 251	Hockey (W)	33 705	Soccer (W)	10 073
Biathlon	131	Ice Hockey	1 798	Softball	61 242
Billiards/Snooker	19 136	Ice Racing	238	Squash	68 332
BMX	5 968	Ice Skating	4 585	Surf Life Saving	75 935
Bobsleigh	4	Judo	6 418	Surf Riders	6 750
Bocce	11 000	Karate	56 774	Swimming	94 581
Bowls (M)	287 074	Korfball	490	Synchronised Swimming	274
Bowls (W)	125 821	Lacrosse (M)	3 295	Table Tennis	9 112
Boxing	4 885	Lacrosse (W)	1 277	Taekwondo	30 000
Calisthenics	14 035	Marching	1 900	Ten Pin Bowling	84 600
Canoeing	6 052	Modern Pentathlon	132	Tennis	560 000
Cricket (M)	300 000	Motor Sports	38 902	Touch	219 975
Cricket (W)	22 210	Motor Cycling	11 034	Trampoline	2 100
Cricket, Indoor	355 060	Netball	333 773	Triathlon	10 928
Croquet	6 642	Orienteering	4 215	Tug-of-War	960
Curling	84	Parachuting	2 778	Underwater Hockey	1 421
Cycling	8 400	Polocrosse	3 994	Volleyball	7 194
Darts	29 000	Powerlifting	403	Water Polo	17 500
Diving	1 064	Rollersports	7 156	Water Skiing	2 900
Equestrian	12 054	Rowing	6 402	Weightlifting	7 134
Fencing	1 824	Rugby League	152 814	Wrestling	2 927
Fishing	500	Rugby Union	122 976	Yachting	54 520
Futsal	106 885	Shooting/Clay Target	8 300		

Source: Correspondence dated 29 September 1997 from the Australian Sports Commission.

Table 1.5 Numbers of Participants Aged 15 years and Older in Selected Organised Sport and Physical Activities in 1995-96

Activity	Number	Percentage of Sample
Aerobics	659 900	4.8
Golf	444 700	3.2
Tennis	362 000	2.6
Netball	328 600	2.4
Lawn Bowls	296 400	2.2
Swimming	281 400	2.0
Basketball	240 200	1.7
Martial Arts	214 200	1.6
Cricket (outdoor)	196 400	1.4
Ten pin bowling	190 900	1.4
Touch football	174 600	1.3
Soccer (outdoor)	162 700	1.2
Australian Rules football	146 400	1.1
Cricket (indoor)	113 300	0.8
Fishing	113 000	0.8
Squash/racquet ball	109 600	0.8

Source: Australian Bureau of Statistics, *Participation in Sport and Physical Activities Australia 1995-96*, ABS catalogue no. 4177.0, AGPS, 1997, p 10. The figures quoted are estimates derived from the results of quarterly household surveys carried out as part of the Population Survey Monitor. A total of 22 325 people were interviewed in each quarterly survey.

1.19 From the point of view of supplying facilities for sporting and recreational purposes, it is not only important to know about the current patterns of activity but also to make educated guesses about future trends. For example, with the burgeoning of mature age sport, one might expect an increase in the number of active, older people in coming years. According to a report by Michael Gill and Associates for the ASC, there are also indications of 'a generally sustained increase in the proportion of the population of over 16 years of age that are participating in sporting activity'.²⁵

1.20 Within this general trend, some sports, like squash, appear to be declining in popularity,²⁶ while others, such as basketball, are being played by increasing numbers of people. The latter, along with netball, are seen as being 'user friendly' by the ASC because:

... they involve graded competition which allows for a competition season where results are generally reasonably close and social interaction is maximised. They therefore fulfill a range of objectives including interest in sport, physical activity and fitness and social interaction often within an environment where they can be packaged to allow the participant to be in and out within an hour. Many of these sports are also popular for the television market and therefore sports sponsorship. The combination of these factors is almost certain to result in them generating increased growth over the foreseeable future.²⁷

²⁵ Australian Sports Commission, submission (number 271), p 30.

²⁶ Squash Australia, submission (number 267), p 2.

²⁷ Australian Sports Commission, submission (number 271), p 32.

1.21 The ASC predicted that the sports that will increase in popularity are those that are:

- exciting and entertaining or can be modified to become more so; and/or
- are team-based and played over extended seasons.

They are also likely to be sports that, according to the Confederation of Australian Sport (CAS), are offered like fast food, in which participants:

... will go to have a quick hit of indoor cricket or indoor netball or indoor volleyball on a Wednesday evening for half an hour where all the facilities are laid on - umpires and referees are there. All they have to do is basically get changed, perform and do what they want. There are no committee meetings, no net practice, et cetera.²⁸

The trend to 'fast food' sport presents a challenge to traditionally organised sports through the erosion of their volunteer base, which has been estimated to contribute about \$1.7 billion in services to sport. In Tasmania, at least, according to the Tasmanian Sports Federation, 'overall, the state of traditional sport is on the downward spiral'.²⁹ The federation added that:

... certainly, post-Olympics we might find a situation where there will need to be much more consideration given to those of us who are not necessarily wanting to be constrained by traditional clubs, but who want to participate in a much more free yet regular opportunity [to be active].³⁰

1.22 Another recognisable trend is a swing away from organised, competitive sport, particularly among younger people, to activities that accommodate better 'their individuality and free expression'. Such activities include rock climbing, triathlon, wind surfing and bush walking.³¹ Alan Guttman, in his analysis of sport in today's society, referred to the quest for 'an environment more or less untouched by urban-industrial society', and the sensations of 'mastery over Nature and Self'. He also noted the current interest in the martial arts and the goal in these codes of seeking a unity of mind and body.³²

1.23 Finally, there are question marks over the trend in participation in physical activity by school aged children. Concern developed in the early 1990s at the decline in interest in physical activity and the way in which sport was accommodated within the school curriculum.³³ Responding to these concerns, the Senate Standing Committee on Environment, Recreation and the Arts carried out an inquiry into physical and sport education in schools,³⁴ and a National Junior Sport Policy was adopted in 1994. No information was provided to the Committee on what impact this policy has had.

1.24 The context of the Committee's inquiry into the need for, and supply of, facilities was thus undertaken in the context of a situation in which it was, in the ASC's view, 'virtually

²⁸ Confederation of Australian Sport Inc., transcript, 24 March 1997, p 28.

²⁹ Tasmanian Sports Federation Inc., transcript, 9 May 1997, p 385.

³⁰ Tasmanian Sports Federation Inc., transcript, 9 May 1997, p 383.

³¹ Australian Sports Commission, submission (number 271), pp 32-3.

³² A Guttman, *A Whole New Ball Game*, The University of North Carolina Press, Chapel Hill, 1988, pp 175, 178-80.

³³ Australian Sports Commission, submission (number 271), p 78.

³⁴ Senate Standing Committee on Environment, Recreation and the Arts, *Physical and Sport Education*, December 1992.

impossible' to pick which sports and recreations would be the winners and losers over the next ten years.³⁵

Terminology relating to facilities

1.25 Throughout the inquiry, witnesses referred to a hierarchy of facilities comprising international, national, state, regional, and local. What distinguishes each level of facility is its standard and hence the level of competition that it can accommodate. The standard of each level is generally set by the sporting organisations which use the facilities, and relates to the physical requirements of the playing area, as well as such requirements as accommodation for spectators, the media, drug testing, and meetings.³⁶

1.26 The ASC quoted the case of Olympic and international swimming competitions which require a pool measuring 50m x 21m with minimum depth overall of 1.8m and a spectator capacity of 5000. With national and state competitions, however, the pool depth can vary from 0.9m to 1.8m and the spectator capacity is lower. In the case of basketball:

- international standard facilities would meet the criteria of the international basketball body for the conduct of zone or World Championship tournaments;
- national standard facilities would meet the criteria for the presentation of National League, Australian Championship and national level tournaments;
- state standard facilities would meet the criteria of the state basketball association for the conduct of state championships, Australian Junior Championships and special exhibition or regional finals matches; and
- municipal facilities cater for local domestic competition and training.³⁷

1.27 At the lower levels of facilities, there is generally more flexibility in relation to the standards required. Regional facilities meet the sport and recreation requirements of a particular region and are appropriate for state and club competition. Local facilities service the needs of sport and recreation groups and community groups.³⁸ The Committee notes, however, that there is some variation between the States and Territories in how the different levels of facility are characterised.³⁹

1.28 For the purposes of this report, when the Committee refers to information provided to it about facilities at particular levels, it uses the description of facility level that is used by the informant. When giving its own views the Committee uses the terms to reflect on the standard of the facility that is required for the level of competition that can be played at that facility. Usually state, national and international facilities will have playing areas that meet the standards for competition set by an international sporting federation. Regional facilities will usually meet the sport and recreation requirements of a particular region with standards, ideally set by a state sporting association, for state and club competition. Regional facilities

³⁵ Australian Sports Commission, submission (number 271), p 33.

³⁶ Correspondence from Australian Sports Commission dated 20 October 1997, attachment B.

³⁷ Paper provided by Lindsay Gaze, Victorian Basketball Association, 8 May 1997.

³⁸ Correspondence from Australian Sports Commission dated 20 October 1997, attachment B.

³⁹ Department of Recreation and Sport, South Australia, submission (number 223), p 11.

often service a number of municipalities within a catchment area, while local facilities cater for local sport and recreation groups and other community groups.

The inquiry

1.29 The then Minister for Sport, Territories and Local Government referred the inquiry to the Committee on 30 October 1996, and asked that it:

- 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.

1.30 The inquiry was advertised nationally in mid November and, over the ensuing nine months, 287 written submissions were received. They came from Commonwealth agencies, State and Territory Governments and departments, local councils and local government associations, sporting clubs and organisations, businesses and individuals (Appendix A). The Committee travelled to each of the states and the Northern Territory, and held ten public hearings (Appendix B). Three hearings were conducted in Canberra, and one in each of Adelaide, Alice Springs, Brisbane, Hobart, Melbourne, Perth, and Sydney (Appendix B). In addition, the Committee held informal discussions with the providers and users of sporting and recreational facilities in all states and territories, and visited a range of facilities illustrative of the variety of circumstances in which sport and recreation are pursued in different parts of Australia (Appendix B). The places visited ranged from facilities of an international standard, such as the new aquatic centre in Hobart, through regional facilities in Newcastle, to local facilities in a remote, Central Australian Aboriginal community, in rural Western Australia, and outer suburban Melbourne.

CHAPTER 2: SHOULD THE COMMONWEALTH FUND SPORTING AND RECREATIONAL FACILITIES?

Commonwealth responsibilities

2.1 There is no constitutional impediment to the Commonwealth Government funding sporting and recreational facilities, but neither is there any obligation that it should. Constitutional responsibility for the provision of sport and recreation services rests with the states and territories. In practice, they share this responsibility with Local Governments, which are generally responsible for the provision of sport and recreation services at the community level. In an overview of the situation in 1992, DASET pointed out that:

The Australian Constitution, in setting out the respective powers of the States, makes no mention of the responsibilities of local governments. Local government was established by State Parliaments to exercise delegated powers and as such are part of the State's administrative apparatus. Despite this lack of specific Constitutional recognition, local government may be regarded as deriving its responsibility through its extension of the State's administrative apparatus. Local government may therefore accept responsibility for the provision of many services including sport and recreation. Local governments are regarded as being in the best position to determine the nature and supply of these services due to their proximity to individual communities.¹

2.2 However, as DASET went on to point out, the boundaries of responsibility are not clearly defined:

... in recent years, the demarcation between the three levels of government in Australia has become increasingly unclear as governments at various levels take on responsibilities traditionally attributed to other levels of government. The Commonwealth is now involved in providing services which, in the past, may have been provided by States, Territories or local governments, for example through the Community Cultural Recreation and Sporting Facilities Program. Similarly, States are involved in areas traditionally recognised to be the responsibility of the Commonwealth, such as elite institutes or academies of sport. This diminishing demarcation may be attributed to a range of factors including responses by different levels of government to perceived needs or a response by one level of government to the apparent change in direction by another.²

In practical terms, the Commonwealth's domination of taxation powers in the federation and the disproportionate requirement for State and Local Governments to provide services has put pressure on the Commonwealth Government to make a monetary commitment to Local Governments and local communities.³ In the case of sport and recreation, as indicated in Chapter 1, the Commonwealth Government has provided, and continues to provide, considerable funds for facilities.

¹ *Government Expenditure on Sport and Recreation*, p 9 (see footnote 3, Chapter 1).

² *Government Expenditure on Sport and Recreation*, p 9 (see footnote 3, Chapter 1).

³ Australian Local Government Association, submission (number 254), p 6; Maroondah City Council, submission (number 118), pp 1-2.

2.3 It was argued by CAS that the provision of facilities throughout Australia is a prerequisite to achieving one of the objectives of the Department of the Environment, Sport and Territories (DEST).⁴ This objective is 'to contribute to the quality of life of all Australians by promoting and facilitating opportunities for participation in sport and recreation activities'.⁵ This objective has been addressed, in relation to sporting and recreational facilities, by the funding programs for which the department and its predecessors have been responsible over the years.

2.4 In addition, the Committee notes that the *Australian Sports Commission Act 1989* refers to providing 'resources, services and facilities to enable Australians to pursue and achieve excellence in sport'.⁶ However, the ASC reported that it had no substantive role in the area of sports facilities beyond those that it controlled through the Australian Institute of Sport. Nonetheless, one of the Commission's objectives is 'to provide leadership and development of sport in Australia and to encourage increased participation and improved performance by Australians in sport'.⁷ Facilitating the provision of facilities is one way by which this objective might be achieved.

2.5 Some witnesses to the inquiry argued that an obligation is imposed on the Commonwealth Government to provide facilities by its commitment to participate in the Active Australia initiative. This initiative is a joint venture between Commonwealth, State and territory health, sport and recreation departments to stimulate physical activity among Australians (Box 2.1). The Tasmanian Government considered that Commonwealth funding for facilities would greatly contribute to the outcomes of the Active Australia initiative, while the Victorian Government suggested that the provision of accessible sporting and recreational facilities was 'a critical element'.⁸ The Local Government Association of South Australia viewed facility funding as 'an integral part of that Active Australia program', and the Australian Local Government Association (ALGA) referred to the need for 'a commitment to build the capacity to meet increased demand for sporting and recreational services and facilities in local communities'.⁹

2.6 At present there are no indications that Commonwealth funds will be made available for facilities through Active Australia, although advice is being provided on good practice. The implementation of Active Australia has extended so far to formal agreements between the ASC and the National Office of Local Government for its promotion, and between the ASC, the Commonwealth Department of Health and Family Services and the New South Wales Government for the development of a national public education program. A number of the key stakeholders in the initiative have issued statements of intent, indicating their commitment to participating,¹⁰ and informal agreements to partnerships and intersectoral approaches have been reached with other parties.

⁴ Confederation of Australian Sport Inc., submission (number 210), p 8.

⁵ Department of the Environment, Sport and Territories, *Annual Report 1995-96*, p 95.

⁶ *Australian Sports Commission Act 1989*, s. 6(c).

⁷ Australian Sports Commission, submission (number 271), p 1.

⁸ Tasmanian Government, submission (number 212), p 5; Victorian Government, submission (number 246), p 5.

⁹ Australian Local Government Association, submission (number 254), p 4; Local Government Association of South Australia, transcript, 8 July 1997, p 534.

¹⁰ Australian Sports Commission, *Active Australia: A National Participation Framework*, 1997, pp 26-37; correspondence dated 20 October 1997, attachment A, p 2.

Box 2.1 Active Australia

Active Australia was launched by the then Minister for Sport, Territories and Local Government, the Hon Warwick Smith, MP, together with the Minister for Health and Family Services, the Hon Dr Michael Wooldridge, MP in December 1996. Its aim is to encourage all Australians to be actively involved in sport, community recreation, fitness, outdoor recreation and other physical activities. The program will:

- increase and enhance lifelong participation;
- realise the social, health and economic benefits of participation; and
- develop quality infrastructure, opportunities and services to support participation.

The policy framework for Active Australia has been developed by governments at all levels and industry agencies covering the sport, community recreation, outdoor recreation, fitness and health industry sectors. This initiative represents the first time that the sport and recreation industries and the health industries have worked together towards a common vision to increase physical activity. The implementation of Active Australia involves both motivating Australians to be active, and ensuring that appropriate facilities, programs and services are available. For the implementation of Active Australia to be successful, attention must be given, to both the demand and supply sides of the initiative.

A mass media campaign is being developed with the aim of creating interest in becoming physically active. In addition, a checklist of good management practices has been developed in conjunction with the Australian Quality Council to accredit agencies providing suitable opportunities for physical activity. An Active Australia logo will be promoted as a symbol of quality and to 'brand' providers as committed to Active Australia. The ASC envisages that the logo could assist consumers in identifying such providers:

... the 'brand' will be publicly displayed on sport and recreation venues thus bringing together the relationship between programs/services/ and physical environment under one banner of agreed standards and principles (submission, page 93).

Sources: Active Australia, 'What is Active Australia?', Active Australia summary, 1 April 1997; Australian Sports Commission, *Active Australia: A National Participation Framework*, 1997, p 5; Australian Sports Commission submission (number 271), pp 88, 90, 93.

Expenditure by different levels of government

2.7 While there are only limited requirements for the Commonwealth Government to make financial provision for sport and recreation, it has, as Chapter 1 detailed, contributed towards the provision of sporting and recreational facilities over the years, especially during the last 25 years. According to the ASC, the Commonwealth Government has provided \$286 million for sporting facilities since 1974-75.¹¹ During that time, the two other levels of government spent considerably more than the Commonwealth Government, as shown in Table 2.1.

Table 2.1 Expenditure for Selected Years on Sporting and Recreational Facilities by the Commonwealth, State, Territory and Local Governments (\$ million)

Year	Level of Government		
	Commonwealth	State/Territory	Local
1989-90	4.8	346	340
1979-80 to 1989-90	53.8	2 463	2 374

Source: Australian Sports Commission, submission (number 271), pp 39, 41, 45.

2.8 Local Government spent more on sporting and recreational facilities than the other levels of government as a proportion of its total expenditure, and the Commonwealth Government least. According to the Local Government Association of Tasmania, for example, the relative contribution of the three levels of government to sporting and recreational facilities in that state between 1980-90 and 1994-95 were:

Commonwealth Government:	<0.2 per cent of its capital works program
State Government:	2.59 - 5.29 per cent
Local Government:	4.62 - 10.45 per cent ¹²

Local Government in South Australia spent 'close to \$1 in every \$8 expended' on the development and maintenance of sporting and recreational facilities in 1994-95 and 1995-96.¹³ As Jak Carroll commented in his report on Local Government's role in providing for sport and recreation, 'the investment by local governments in the area of sport and recreation is massive'.¹⁴

¹¹ Australian Sports Commission, submission (number 271), p 45.

¹² Local Government Association of Tasmania, submission (number 242), pp 5-6.

¹³ Local Government Association of South Australia, submission (number 239), p 4; submission (number 281), p 1.

¹⁴ Carroll, p 49 (see footnote 13, Chapter 1).

2.9 The information available on government expenditure on sporting and recreational facilities also showed that:

- Local Government expenditure increased over the period, 1979-80 to 1989-90;
- State/Territory and Commonwealth Government expenditure was more variable from year to year, although it too had trended upwards;
- there was considerable variation between State and Territory Governments and between local Government authorities within each state in their expenditure;
- the increase in expenditure by the Commonwealth, State and Territory Governments in the sport and recreation category in their budgets was much greater for programs than for facilities; and
- the Commonwealth and State/Territory Governments tended to fund larger scale facilities than Local Government, and provided facilities for special events.¹⁵

The value of the investment in facilities by Local Government alone is very substantial. In Western Australia, for example, recreation facilities were estimated in 1992 to be worth \$840 million, with a replacement value of two to three billion dollars.¹⁶

2.10 The picture painted above applied to a situation that existed several years ago. Since then, the Commonwealth Government ceased funding local facilities when it discontinued the CCRSF Program in 1994. In addition, the proportion of Commonwealth revenue going to financial assistance grants for Local Government has fallen from 0.823 per cent of Commonwealth taxation revenue in 1991-92 to 0.626 in 1997-98,¹⁷ although the actual amount of money provided has increased from \$726.1 million to \$834.8 million.¹⁸

2.11 Not all Local Governments have been able to compensate for this loss of income from Commonwealth sources, even if they wished to. The State Governments in South Australia, and New South Wales (and Victoria until recently) have capped the amount by which Local Government is allowed to increase rates, and the Tasmanian Government plans to introduce rate capping soon.¹⁹ In addition, a rate reduction target of 20 per cent has been imposed on the restructured municipalities in Victoria.²⁰

2.12 Several Local Governments told the Committee about the impact of rate capping on their ability to meet demands for all services. For example, a representative of the Northern Sydney Region of Councils referred to rate capping as 'a real problem for local councils', and commented that 'the number of services local councillors [*sic*] are expected to provide are

¹⁵ Australian Sports Commission, submission (number 271), pp 39, 41, 45; Carroll, pp 49-50 (see footnote 13, Chapter 1); *Government Expenditure on Sport and Recreation*, p 41 (see footnote 3, Chapter 1).

¹⁶ Carroll, p 51 (see footnote 13, Chapter 1).

¹⁷ Australian Local Government Association, submission (number 254), p 5; correspondence dated 15 October 1997.

¹⁸ *Budget Statements 1992-93*, Budget paper no. 1, p 3.259; *Budget Strategy and Outlook 1997-98*, Budget paper no. 1, p 4-108.

¹⁹ Australian Local Government Association, submission (number 254), p 5; Local Government Association of South Australia, submission (number 239), p 4; Local Government Association of Tasmania, transcript, 9 May 1997, p 407.

²⁰ Maroondah City Council, submission (number 239), p 1.

growing daily and yet our sources of money are diminishing'.²¹ The Ku-ring-gai Municipal Council observed that, with the rate cap in place, it was unable to construct an indoor facility, even though its ratepayers 'could afford to pay' for one.²² In South Australia, according to that state's local government association, rate capping made the climate in which Local Government operated a difficult one.²³

2.13 There has also been a decline in state funds for local sporting and recreational facilities in some parts of the country.²⁴ In Tasmania, state funding for facilities is very limited. In New South Wales, a recent trend in state funding towards capital only projects is reducing councils' capacity to fund sporting and recreational facilities. The Council of the City of Grafton commented:

The effect of a general movement of grants from recurrent projects to 'capital-only' projects has meant that there has been an increased reliance on rates as a source of revenue for recurrent works. ... It is the opinion of Council that rate income is generally not an alternative source of revenue for new sporting and recreational facilities, particularly for councils with slow growth or servicing areas larger than the rate pool.²⁵

However, in other states like Queensland, Victoria and South Australia, funds for sport and recreational facilities have become available from gaming revenue in recent years (see Appendix C).

Reasons why the Commonwealth Government should fund sporting facilities

2.14 Despite there being no obligation for the Commonwealth Government to fund sporting and recreational facilities, almost all submissions to the inquiry indicated that it should do so. The reasons advanced to support this view included the benefits that would accrue to health, the economy, and social cohesion. As the Commonwealth Government is already involved in promoting these aspects of national life, it was argued that the government should go further and support them through assisting sport and recreation. However, some feared that the government did not fully understand the significance of providing support:

Those seriously involved in leisure provision need no convincing of the social, cultural and economic benefits of investment in an effective service. Whilst it is probable that the overwhelming majority of the public appreciate the benefits of a varied and comprehensive leisure provision, the irony of the situation is that the macro benefits of leisure provision are often not fully appreciated by policy makers and those with political control of resources.²⁶

Health benefits

²¹ Northern Sydney Region of Councils, transcript, 21 April 1997, p 55.

²² Ku-ring-gai Council, transcript, 21 April 1997, p 61.

²³ Local Government Association of South Australia, transcript, 8 July 1997, p 531.

²⁴ District Council of Millicent, submission (number 9), p 1; Hobart Metropolitan Councils Association, submission (number 234), p 5; Willoughby City Council, transcript, 21 April 1997, p 57.

²⁵ The Council of the City of Grafton, submission (number 128), p 3.

²⁶ A Smith, 'Leisure - the benefits to the community' in *Back to Basics: Managing Resources for Parks, Recreation and People*, Proceedings of the 1994 National Conference, Wagga Wagga, Royal Australian Institute of Parks and Recreation, p 177.

2.15 Participation in physical activity contributes to the overall physical and psychological health of individuals of all ages and social classes. The submission to the inquiry from the Commonwealth Department of Health and Family Services referred to studies that had found that physical activity reduced the risk of cardiovascular disease, which is the leading cause of death in Australia. Cardiovascular diseases accounted for 54 888 deaths or 43 per cent of deaths from all causes in 1994. Physical activity has also been linked to a reduction in the incidence of other diseases such as diabetes, osteoporosis, depression, some forms of cancer, and injury among older people.²⁷ A major report published by the US Surgeon General in 1996 made similar links between physical activity and health. It summarised existing research that showed the benefits of physical activity in preventing disease, and concluded that Americans could substantially improve their health and quality of life by including moderate amounts of physical activity in their daily lives.²⁸ Moderate physical activity was found in one study to reduce the relative risk of death from all causes by more than 25 per cent.²⁹

2.16 Increasing the level of physical activity has become a national health priority in several countries. In New Zealand, for example, the Green Prescriptions program promotes physical activity as part of a patient's health management.³⁰ Australia's *First Report on National Health Priority Areas 1997*, which focuses on cardiovascular disease, cancer, mental health, injury, and diabetes, sets goals for the reduction in the incidence of, and deaths from, these diseases. It provides indicators based on evidence of the beneficial effects on some of these diseases of regular participation in physical activity.³¹ A general increase in physical activity by Australians is expected from the Active Australia initiative launched by the Commonwealth Government at the end of 1996. The initiative's rationale is that 'participation provides health, physical, mental, social and economic benefits to the individual and to the community'.³² The economic benefits of increased physical activity on health can be quantified. From figures collected in 1985, the benefits that physical activity produced were calculated in relation to improved productivity and reduced costs from heart disease, low back pain, and absenteeism. Balancing these benefits against the costs that exercise can add through death and injury, the net annual economic benefit of an extra 10% of the population becoming more physically active was found to be \$590 million.³³

The link between participation and facilities

2.17 It is argued that the Commonwealth Government is interested in the nation's health, that health is enhanced by physical activity, and that physical activity requires a suitable place in which to be active. Therefore there is a role for the Commonwealth Government in the provision of community sporting and recreational facilities. This point was made by a number of witnesses to the inquiry, for example, the Tasmanian Government, which declared that 'if

²⁷ Commonwealth Department of Health and Family Services, submission (number 245), pp 1, 5-8.

²⁸ President's Council on Physical Fitness and Sports Washington DC, 'What You Need to Know About The Surgeon General's Report on Physical Activity and Health', *Physical Activity and Fitness Research Digest*, Series 2, No. 6, July 1996, pp 1-2.

²⁹ Quoted by Ian Roberts, Harry Owen, Peter Lumb & Colin MacDougall, *Peddalling Health: Health Benefits of a Modal Transport Shift*, Department of Transport, South Australia, 1996, p 35. Available from Internet: <www.dove.net.au/~rday/bisa/download/cyhealth.pdf>, cited 26 September 1996.

³⁰ Hillary Commission, *A General Practitioner's Guide to Prescribing Green*.

³¹ Commonwealth Department of Health and Family Services, submission (number 245), pp 3-5.

³² Australian Sports Commission, *Active Australia: A National Participation Framework*, 1997, p 18.

³³ *The Economic Impact of Sport and Recreation - Regular Physical Activity*, Department of the Arts, Sport, the Environment, Tourism and Territories, Technical paper No. 2, AGPS, Canberra, 1993, p 15.

participation is encouraged there needs to be available facilities of a variety of kinds and therefore the two go together'.³⁴ The Confederation of Australian Sport agreed:

If the Government program Active Australia is successful it will significantly increase the demand on existing facilities. If the anticipated health benefits to the nation from Active Australia are to be realised it will be vital that the stock of facilities is sufficient to meet the demand.³⁵

2.18 Some fears were expressed about the prospects of adequate facilities being available for the demand that Active Australia might create. The National Council of the YMCAs of Australia, for example, questioned the adequacy of the available resources to fully implement the objectives of Active Australia:

We support the program but point out that it also needs resources. It is all very well to have a \$1 million Active Australia campaign that says everyone has got to get out and run and huff and puff, but the reality is that if they have nowhere to do it, the program is doomed to failure.³⁶

The Confederation of Australian Sport expressed similar concerns:

... there is concern in the sport industry and in the media that Active Australia may be the 1990's version of "Life be in it". Indeed there is a real concern that Active Australia may well increase the demand for physical activity without supplying the facilities and programs to meet the increased demand.³⁷

2.19 The findings from a number of studies carried out in recent years shed some light on the factors or combination of factors that encourage activity. For example, a 1995 survey by DEST, showed that the lack of access to facilities was a minor barrier to participation in physical activity; it was mentioned by about 5 per cent of survey participants. By comparison, the lack of time (nearly 40 per cent) and motivation (nearly 30 per cent) were much more important. Walking was by far and away the most frequently mentioned exercise; it was undertaken by nearly 60 per cent of survey participants, compared with cycling by 11 per cent.³⁸ Given that walking and cycling were the most frequently undertaken activities, access to sporting facilities is clearly not a prerequisite for participation in exercise.

2.20 A Western Australian study examined the relationship between the accessibility of recreational facilities and levels of physical activity undertaken. It found that the more accessible facilities were more heavily used than the less accessible facilities. The streets were the most widely used community facility, and other facilities were used relatively little, by comparison. The authors of this study also concluded that providing accessible recreational facilities was not enough to increase physical activity levels overall. They claimed that people needed to be encouraged to make regular use of the range of existing recreational opportunities, such as walkways or cycleways.³⁹

³⁴ Department of Education, Community and Cultural Development, Tasmania, transcript, 9 May 1997, p 374.

³⁵ Confederation of Australian Sport Inc., submission (number 210), p 46.

³⁶ National Councils of YMCAs of Australia, transcript, 7 May 1997, p 317.

³⁷ Confederation of Australian Sport Inc., submission (number 210), p 9.

³⁸ Quoted in Australian Sports Commission, submission (number 271), pp 27-8.

³⁹ B Corti, D Holman, R Donovan & M Broomhall, 'Does the accessibility of community recreational facilities influence physical activity levels?', Paper presented to the 1997 National Physical Activity, Sport and Health Conference, Carlton Crest Hotel, Perth, 20-21 March 1997, p 21.

2.21 A study of suburban Adelaide identified a number of environmental, social and economic factors that are necessary for people to exercise easily each day. The key to promoting daily exercise was making that exercise part of people's daily life, rather than a special activity. This depended on:

- the design, layout and maintenance of the local environment, including destinations to which people wanted to walk or cycle; safe paths, tracks and roads with seats; and affordable, flexible public transport; and
- social factors such as feeling a valued part of the community, feeling safe, valuing the area and other residents, and being able to participate in the life of the community.⁴⁰

The importance of the social aspects of exercising was also highlighted by a study of tertiary students, 44 per cent of whom wanted a group to exercise with. Fifty per cent of the group would have welcomed advice on what exercise to take up.⁴¹

2.22 The Committee notes the important part played by unorganised, non-competitive activity in helping to maintain the physical health of many Australians. With respect to ensuring that adequate facilities are available to maximise activity and encourage non-participants to become involved, it is clear that the opportunities provided by the open spaces and paths in the local environment are very important. They deserve as much attention as the facilities needed for sports and recreations which have more specific physical requirements. This matter is discussed in more detail in Chapter 4.

Economic benefits

2.23 It is widely recognised that sporting and recreational activities can bring economic benefits to the communities where they occur. For example, a survey carried out by the ABS showed that in 1994-95 Australia had 1 581 organisations in the private and public sectors which were operating sports grounds and facilities. In that year, the facilities owned by these organisations grossed \$371.3 million. This sector of the sports industry employed 21 563 people, excluding 11 865 volunteers.⁴² Studies carried out in the early 1980s made clear that sport and recreation was then a labour-intensive industry; it employed 9.2 to 10.6 per cent of all employed people which was more than the mining or agricultural industries.⁴³ It seems likely that the same situation pertains today.

2.24 Economic benefits also accrue during the construction of sport and recreation facilities and from the consequent conduct of international, national and state sporting events. As CAS pointed out, 'the economic impact from developing facilities and hosting major sporting events (a direct result of the provision of high standard sporting facilities) is considerable'.⁴⁴ For instance, the twelve major events that Western Australia was hosting during the year from June 1997 were expected to generate \$88 million for the state.⁴⁵ Queensland Events

⁴⁰ C Wright, C MacDougall, R Atkinson, & B Booth, *Exercise in Daily Life: Supportive Environments*, Report of a National Heart Foundation Research Project funded by the Commonwealth Department of Health and Family Services, October 1996, p 31.

⁴¹ Deakin University, *Active Recreation on Tertiary Education Campuses Project: Main Report*, p 7.

⁴² Australian Bureau of Statistics, *Sports Industries Australia 1994-95*, ABS catalogue no. 8686.0, AGPS, 1997, pp 2, 5, 14, 16.

⁴³ *The Economic Impact of Sport and Recreation - Household Expenditure*, Department of the Arts, Sport, the Environment, Tourism and Territories, Technical paper No. 1, AGPS, Canberra, 1993, p 25.

⁴⁹ Confederation of Australian Sport Inc., submission (number 210), p 9.

⁴⁵ 'The main event', *Australian Leisure Management*, June/July 1997, p 8.

Corporation has played a central role in staging 46 events over the past four years and producing an economic impact in excess of \$230 million.⁴⁶

2.25 Information is also available about the economic impact of individual events. The 1995 Australian Tennis Open, for example, provided an estimated additional \$39 million for the gross national product, \$11 million in business investment, and the equivalent of 700 annual full-time jobs. The Masters Games in Canberra in October 1997 is expected to net \$16-17 million to the local economy.⁴⁷ A feasibility study has indicated that the Sydney 2000 Olympic Games will provide \$6.3 billion to the economy while the Paralympic Games will generate \$84 million to the NSW economy.⁴⁸ The Australian Tourism Commission has estimated that an additional 2.1 million visitors will be attracted to Australasia because of the international profile of Sydney as an Olympic City.⁴⁹

2.26 Leaving special events aside, tourism research suggests that activities based on Australia's natural environment are important to the Australian economy. In 1994, for example, national/state parks attracted 1 550 000 overseas visitors, while 930 000 visitors swam and surfed, 590 000 participated in snorkelling and scuba diving, and 400 000 went bush walking. In 1993-94 sport tourism made up three per cent of all overnight trips by Australians.⁵⁰ In addition to benefiting from the international sport tourism market, Australia can build a sports export industry on its reputation as a sporting nation.⁵¹

Two cautionary notes

2.27 There are two caveats attached to the claims of economic benefits from sport and recreation. The first caveat is that, notwithstanding the immediate gains from special events like the Olympic Games, those gains must be seen in the light of the life cycle of the facilities constructed for the events. Very few such facilities are economically viable over the long term. While the expense of operating them after the special event may be a very small proportion of the gain to the economy as a whole, the local or state government agency left with the responsibility for subsidising the operations of a major facility may experience considerable burden.

2.28 The need to consider the ongoing use of facilities built for special events is widely recognised, even if it is not widely acted upon. An outstanding example of how a facility constructed for a premier event can accommodate both elite and mass sport and recreation is provided by the Sydney International Aquatic Centre at Homebush Bay. The aquatic centre is a venue for the Sydney 2000 Olympic Games with world class competition and training facilities. These facilities and the centre's leisure component, comprising a water slide, river ride, spa pools, spray jets and fountains, are available to the general public. The centre has become a major tourist attraction visited by more than three million visitors since opening its doors in October 1994; it is one of the top ten attractions in New South Wales for interstate and international visitors.⁵²

⁴⁶ Confederation of Australian Sport, Inc., submission (number 210), p 10.

⁴⁷ Confederation of Australian Sport Inc., transcript, 24 March 1997, p 32.

⁴⁸ Australian Sports Commission, *Active Australia: A National Participation Framework*, 1997, p 22.

⁴⁹ Confederation of Australian Sport Inc., submission (number 210), p 10.

⁵⁰ Australian Sports Commission, *Active Australia: A National Participation Framework*, 1997, p 21.

⁵¹ House of Representatives Standing Committee on Industry, Science and Technology, *Olympics 2000 ... and the Winner is?*, AGPS, Canberra, 1995, p 36.

⁵² 'Exceeding expectations 3,000,000 and counting', *Australian Leisure Management*, June/July 1997,

2.29 The second caveat about the economic impact claimed for special events relates to the validity of the methods used to calculate impacts. A number of studies from the United States have drawn attention to methodological flaws in some of the economic analyses which have been carried out, and the consequent flaws in the decisions based on these analyses.⁵³ A common error, for example, is the failure to recognise that expenditure concentrated on a major event can draw visitors away from other destinations in the same state or other parts of Australia. Money spent at major events can also distract from takings at other events which traditionally attracted paying spectators. It is therefore important to include in any estimate of the likely impact of an event only the expenditure by visitors from outside the area under consideration.

2.30 An American reviewer of economic impact studies identified 11 major contributors to inaccuracies in economic impact analysis of sports facilities and events; he warned that:

In some instances the errors stem from misunderstanding, but in others they appear to reflect deliberate misrepresentation. The end result of each of these abuses (many of which occurred in multiple combinations) is to exaggerate economic impact so a study reports substantially higher numbers than are justified. Unfortunately, abuses incorporated in an economic impact analysis are contagious because when precedent has been established in one study, other sponsors may feel compelled to perpetuate the abuse by incorporating the misleading procedures in their own analyses. If they fail to do so, then the economic impact attributed to their sports event is perceived to be lower than that reported by others, and thus less worthy of public investment.⁵⁴

Where the analyses provide overestimates of the benefits that might be expected from a project, the consequences can be particularly serious. The Committee also notes the fact that, in the United States at least, few studies have attempted to assess the financial return on investment accruing to the sponsoring Local Government.⁵⁵

2.31 It should be noted that no evidence was provided to the Committee to indicate that similar problems had been encountered in Australia. It is, however, worth being aware of the dangers of a poorly executed economic impact study.

p 23.

⁵³ For example, P Wang and R L. Irwin , 'An assessment of economic impact techniques for small sporting events', *Sport Marketing Quarterly*, 1993, Vol 2(3), p 33.

⁵⁴ J L Crompton, 'Economic impact analysis of sports facilities and events: eleven sources of misapplication', *Journal of Sport Management*, 1995, vol. 9, pp. 17-18.

⁵⁵ D M Turco and R Navarro, 'Assessing the economic impact and financial return on investment of a national sporting event', *Sport Marketing Quarterly*, 1993, Vol 2(3), p 17.

Social benefits

2.32 It was suggested by a number of submissions and witnesses that participation in sport at the local level makes valuable contributions to the social infrastructure of communities. The Women's Electoral Lobby Sports Action Group, for example, made such a claim:

Participation brings tangible benefits to Australians and to the Australian economy, but it also brings intangible benefits. Membership of sporting clubs offers much more than mere fitness. It brings the benefit of a socially cohesive society. It provides activity where people are brought together and friends are made. It provides a support group for people in need.⁵⁶

Many submissions, particularly from country areas, referred as well to the community pride that can be gained from sport. According to the Council of the City of Greater Lithgow, 'in country areas, local communities use sporting activities as a means of developing community pride and developing a spirit of a genuine local "community"'.⁵⁷

2.33 The Darebin City Council had similar views:

By providing opportunities for social interaction, sport and recreation can help enhance community identity and promote community integration. Through such interaction, individuals learn community values and attitudes and can gain a better understanding of other community groups. Sport and recreation participation also has a deterrent effect on delinquent behaviour such as vandalism.⁵⁸

The Council of the City of Greater Lithgow also commented on the potential for reducing delinquent behaviour through participation in sport and recreation:

Involvement of youth in sporting activity [in] areas [that] could be considered to be considerably depressed economically has major advantages with regard to minimisation of vandalism, development of appropriate lifestyles and community pride, development of interpersonal and social skills, a reduction in the crime rate and the development of a healthier nation. The costs of these benefits far out weigh the capital costs of developing and encouraging participation in specific sporting programs.⁵⁹

2.34 The Committee notes that the social benefits of participating in physical activity is one of the bases of Active Australia. The Active Australia framework states that 'community outcomes/benefits of participation include a stronger social fabric via community development, improved community health, enhanced non-family support networks, decreased anti-social behaviour and increased community self reliance and identity'.⁶⁰

2.35 One step up from the community pride stimulated by sporting achievement is the national pride that stems from elite performances. Many submissions suggested that the Commonwealth Government should be involved in funding sporting facilities to add to the sense of national pride that elite sports people foster. The Australian Cricket Board, for instance, claimed that the success of the Australian team at test and international levels is a source of enormous public interest and national pride.⁶¹ The Australian Universities Sports Federation commented:

⁵⁶ Womens Electoral Lobby Sports Action Group, submission (number 83), p 4.

⁵⁷ Council of the City of Greater Lithgow submission (number 126), p 2.

⁵⁸ City of Darebin submission (number 78), p 2.

⁵⁹ Council of the City of Greater Lithgow submission (number 126), p 2.

⁶⁰ Australian Sports Commission, *Active Australia: A National Participation Framework*, 1997, p 18.

⁶¹ Australian Cricket Board submission (number 134), p 2.

It is well known that an event such as a Commonwealth or Olympic Games or even an important individual athletic achievement ... stimulates significant national pride and public interest in a sport or range of sports.⁶²

The financial capacity of the three levels of government

2.36 The States and Local Government based their argument for Commonwealth assistance with the provision of sporting and recreational facilities on the fact that they have insufficient independent sources of revenue for their needs. The Commonwealth Government, on the other hand, collects more income than its direct spending requirements. Local Government, in particular, as the level of government closest to the people, recognised that it has a major role in responding to local community need, but has limited ability to raise revenue. As the ALGA pointed out, however, 'the narrowness of its tax base severely limits Local Government's capacity to increase revenue compared with the avenues available to Commonwealth and State Governments'.⁶³

2.37 The need for taxation reform was alluded to as the ultimate solution to this imbalance in fiscal relations by a representative of the Western Australian Government.⁶⁴ The Australian Local Government Association also called for the substantial discrepancies in expenditure responsibilities and revenue raising capacities between the three spheres of government to be addressed.⁶⁵ The Municipal Association of Victoria commented that 'until we have some autonomy over our rate revenue base and raising revenue, we will not be able to fund improvements to facilities'.⁶⁶ Although moves are now being made to consider how the Australian taxation system should be reformed, it is unlikely that this will be achieved quickly, and Commonwealth assistance for many State and Local Government functions will remain a necessity for some time.

2.38 Several examples were given to the Committee of the extent to which the supply of sporting and recreational facilities had failed to meet the demand in recent years. An earlier inquiry into sports funding by a House of Representatives Committee noted a very large number of applications to the Commonwealth Government's Community Recreation and Sports Facilities Program after its introduction in 1988-89.⁶⁷ That program received 4 697 grant applications during the period 1988 to 1993, but was able to respond with only 1 064 grants.⁶⁸

⁶² Australian Universities Sports Federation submission (number 218), p 2.

⁶³ Australian Local Government Association, submission (number 254), p 6.

⁶⁴ Aboriginal Affairs Department, Western Australia, transcript, 22 July 1997, p 590.

⁶⁵ Australian Local Government Association, submission (number 254), p 5.

⁶⁶ Municipal Association of Victoria, transcript, 7 May 1997, p 268.

⁶⁷ The House of Representatives Standing Committee on Finance and Public Administration, *The Second Report on an Inquiry into Sports Funding and Administration: Can Sport be Bought?* AGPS, Canberra, 1990, pp. 114-15.

⁶⁸ Confederation of Australian Sport Inc., submission (number 210), p 16.

2.39 State and Territory Governments also reported that they were unable to satisfy the demands on them for sporting and recreational facilities. The South Australian Department of Recreation and Sport, for instance, reported that it had received applications for funding for facilities worth \$27 million from a regional facilities program with an annual budget of \$900 000. The applications to a second departmental program with available funds of \$950 000 totalled \$11 million.⁶⁹ A recently completed stocktake of the needs for aquatic facilities in South Australia over the next 10 years identified projects estimated to cost \$40 million.⁷⁰

2.40 Individual Local Governments made comments in the same vein: the City of Hobsons Bay, for example, reported that upgrading its facilities would require \$20 million.⁷¹ The City of Willoughby told the Committee that it had a recreation works plan for the next 15 years which had been costed at \$61 million; this compared unfavourably with the annual revenue of about \$1 million from developers' contributions which were the council's main source of income for facilities.⁷²

Conclusion

2.41 Over the last few pages, the reasons why the Commonwealth Government should assist with the provision of sporting and recreational facilities have been reviewed. The health, social, and economic advantages of adequate facilities of different kinds and the Commonwealth Government's interest in these matters have been considered. A further, rather different reason has also been advanced: that the State and Local Governments cannot afford to meet the demand for facilities.

2.42 It appears to the Committee that, from the viewpoint of public health, sporting facilities are not necessarily a prerequisite for mass public participation in physical activity and a consequent improvement in health. Open spaces and a network of bicycle and walking paths can just as readily fulfil this purpose. However, there are good arguments in favour of the Commonwealth Government contributing funds for sporting and recreational facilities. Such facilities:

- are needed by those who wish to exercise through participation in sport;
- contribute to the country's performance at the elite level;
- can bring economic gains to the communities where they are situated; and
- may, by fostering community bonds, promote positive interaction within society.

The Committee also notes the past practice of Commonwealth Governments in contributing to the provision of sporting and recreational facilities, as discussed in Chapter 1. This practice has the force of a precedent already set and stems from the vertical fiscal imbalance between the Commonwealth and other levels of government.

⁶⁹ Department of Recreation and Sport, South Australia, transcript, 8 July 1997, pp 513-14.

⁷⁰ Department of Recreation and Sport, South Australia, transcript, 8 July 1997, p 511.

⁷¹ City of Hobsons Bay, transcript, 7 May 1997, p 268.

⁷² Willoughby City Council, transcript, 21 April 1997, p 56.

2.43 The Committee notes that there are also a number of arguments against a Commonwealth involvement in the provision of sporting and recreational facilities, which are explored in greater detail elsewhere in the report. Some witnesses to the inquiry considered that the Commonwealth Government should have only a limited role at the local level because State and Local Governments are better placed to understand and supply what is needed (Chapter 3). In addition, inefficiencies have been identified in past Commonwealth programs, including their duplication of programs at state and local level which contributed to cost-shifting on to the Commonwealth Government (Chapters 1, 9).

2.44 On balance, the Committee is of the view that the Commonwealth Government should, in principle, support sport and recreation in Australia, including the provision of sporting and recreational facilities. Whether the government should in practice provide funding should depend on whether the need for such funding exists. The Committee must therefore address the questions of:

- what deficiencies there are in the supply of sporting and recreational facilities; and
- what the capacity is of other parties, both government and non-government, to rectify these deficiencies.

These points are discussed in the chapters that follow. Before examining these issues, however, the Committee considers in Chapter 3 the views that were put to it concerning the contributions that each level of government should make towards the provision of sporting and recreational facilities.

CHAPTER 3: WHAT ARE THE RESPECTIVE RESPONSIBILITIES OF THE THREE LEVELS OF GOVERNMENT?

Views on the roles of different levels of government

3.1 A great variety of opinions was expressed to the Committee on the roles of the different levels of government with respect to the provision of sporting and recreational facilities. The majority view with respect to the roles of the different levels of government can be encapsulated by a number of propositions which are summarised below.

- The Commonwealth Government should contribute funding to sporting and recreational facilities.
- The proportion of the cost contributed by any level of government should depend on the standard and use of the facility, thus, Local Government should contribute most for local facilities, the Commonwealth Government should fund most of the cost of major facilities, and the states/territories should take prime responsibility for facilities of intermediate status.
- The Commonwealth funds should be used to assist with constructing and/or upgrading facilities, and should not be spent on meeting recurrent costs.
- The Commonwealth Government should assume a leadership role in facilitating the provision of sporting and recreational facilities.
- The Commonwealth Government has a particular responsibility for ensuring that all Australians are treated equitably.

These propositions are discussed further in the sections of the chapter that follow, and lead the Committee to recommend a number of principles that should be adopted in any new Commonwealth funding program.

The Commonwealth Government should contribute funding for sporting and recreational facilities

3.2 Few of the 287 written submissions to the inquiry and none of the witnesses who came before the Committee at public hearings suggested that the Commonwealth Government should not contribute to the funding of sporting and recreational facilities. Even the Department of Finance conceded that it did not 'question the need for some government role in the funding of sporting and recreational facilities'.¹ It did, however, point to the 'considerable levels of funding to sport' that had been provided over the last 25 years, and questioned 'whether further funding of sports facilities should be a Commonwealth priority, given limited resources'.²

¹ Department of Finance, submission (number 263), p 1.

² Department of Finance, submission (number 263), p 2.

3.3 Many witnesses explicitly supported Commonwealth funding for facilities. They included, among the larger players, the Western Australian, Tasmanian and Queensland Governments, the national and state sports federations, and local government associations.³ Of the 100 local government bodies that made written submissions to the inquiry, 82 of them specifically called for Commonwealth funding.⁴ A similar view emerged from 103 local and state sports groups from across the country: 82 supported Commonwealth funding and 11 appeared to support it without making a specific statement to that effect. Only the Cairns Netball Association felt that there was no place for the Commonwealth Government in funding sporting and recreational facilities.⁵

3.4 Opposition to this prevailing view was expressed to the Committee by the operator of a private sports centre. According to the Manager of Peninsula Sports & Leisure:

... it is not appropriate for Governments to become involved in the provision of health, sporting and recreational services by the provision of grants to State and Local Government for local community centres and facilities. Such services are already provided by private operators (such as Peninsula Sports and Leisure) and existing Council facilities ...⁶

3.5 Adequate funding from user charges, the private sector, community groups and other sources is certainly forthcoming for some sporting and recreational activities in some locations around Australia. According to a 1995 survey by the ABS, all ten pin bowling centres were privately owned, as were the majority of bowling greens, golf courses, gymnasium/fitness centres, and squash courts.⁷ Further ABS data relating to approvals for building construction were interpreted by the ASC as showing that the private sector has been strongly involved recently in building indoor basketball stadiums, and tennis and multi-purpose swimming centres, as well as those facilities listed above.⁸

3.6 However, funding from the private sector does not match the demand. In addition, privately funded facilities tend to be concentrated in areas which offer the greatest potential for economic returns or, in the case of facilities owned by non-profit organisations, in areas which at least offer the opportunity of breaking even. There are also certain sports that have traditionally been provided for by the public sector; they are still perceived as being the responsibility of that sector by a substantial part of the community, which resists cost recovery through user charges. Still other sports have not been able to attract support from non-government sources. The prevailing view of witnesses to the inquiry was summed up by Lismore City Council which stated that 'traditional Grant Funding arrangements are impossible to escape'.⁹

3.7 The most common proposal for the funding of facilities by the Commonwealth Government was that it should be shared with one or both of the other two levels of

³ The sports federations from Queensland, the ACT and the Northern Territory did not make submissions to the inquiry were; nor did the local government associations from New South Wales and the Northern Territory.

⁴ The 100 local government bodies were predominantly local councils; a few were regional organisations of councils or sports advisory groups to councils. Submissions were made by 35 such bodies from New South Wales, eight from Queensland, 10 each from South Australia and Tasmania, 11 from Victoria, and 26 from Western Australia.

⁵ Cairns Netball Association, submission (number 236), p 1.

⁶ Peninsula Sports & Leisure, submission (number 17), p 2.

⁷ Australian Bureau of Statistics, *Sports Industries Australia 1994-95*, ABS catalogue no. 8686.0, AGPS, p 28.

⁸ Australian Sports Commission, submission (number 271), pp 36-7.

⁹ Lismore City Council, submission (number 225), p 9.

government. All but one of the 37 local government bodies that commented on this point in their submissions took this view, as did the South Australian Department of Recreation and Sport.¹⁰ The sporting groups, where they mentioned how funds should be sourced, frequently supported contributions from more than one level of government. Several groups stated that the more avenues of funding that are available the better, and they suggested that there should be no restrictions on accessing funds from multiple sources.¹¹

3.8 There are, however, drawbacks to funding for local community facilities coming from several sources. Where each level of government establishes its own grants program, inefficiencies arise from a duplication of effort and the need for extensive coordination between programs if they are to be as effective as possible. The Department of Finance pointed to:

... the principles of the National Commission of Audit (NCOA) which do not support the Commonwealth Government taking a role in directly funding local community sporting and recreational facilities, either in full or in part. Application of the NCOA principles indicate that State and local government authorities may be the most appropriate levels of government to determine the need for sporting and recreational facilities relative to other community priorities. State and local governments are also the appropriate levels to implement and account for programs arising from identified regional and local need. This is based on the assessment that:

- . State and local governments are closer to ultimate service delivery and hence are better able to assess need and deliver the service;
- . Commonwealth involvement would duplicate program delivery infrastructure already available in the States; and
- . Commonwealth involvement would confuse the current understanding of the relative responsibilities of the Commonwealth and States in providing community facilities.¹²

3.9 Following this line of argument, the ideal arrangement is for complete responsibility for funding facilities of any particular standard to rest with one level of government only, and for the Commonwealth Government to take responsibility for only the largest projects. However, relatively few witnesses to the inquiry took this view and there was strong support for the Commonwealth Government to fund facilities for sport at the grass roots rather than the elite level, as the next section shows.

¹⁰ Department of Recreation and Sport, South Australia, transcript, 8 July 1997, p 515. Local government from all states took this view, but particularly in New South Wales and Western Australia.

¹¹ For example, South Brisbane Softball Association Inc., submission (number 268), p 1.

¹² Department of Finance, submission (number 263), p 1. This issue is discussed further in Chapter 9.

The proportion of the cost contributed by any level of government should depend on the standard of the facility

3.10 A number of witnesses considered that the Commonwealth's primary responsibility in terms of funding sporting and recreational facilities should be to concentrate on the more expensive, specialised facilities of state, national and international standard.¹³ The Western Australian Minister for Sport and Recreation took this view, as did the sports federation and some Local Governments from that state.¹⁴ Other groups supported a Commonwealth funding role for regional as well as state, national and international facilities.¹⁵ Local sports groups also made suggestions; for example, the ACT Hockey Association proposed that the Commonwealth Government should fully fund international and national facilities in capital cities and regional centres, while the Australian Yachting Federation proposed that providing local recreational facilities should be the responsibility of the State and Local Governments.¹⁶

3.11 The Local Government Association of Tasmania expounded some general principles on this point:

The Commonwealth funded program should be developed to target a hierarchy of standards for facilities. For example, the program would provide most percentage funding for international standard facilities and a lesser amount for national standard. Similarly State Governments should be prepared to make a contribution to international standard facilities, but they would have a significant responsibility for national standard and a lesser role for regional standard and none for local. Local Government should totally fund local standard, be a contributor to regional standard and [have] a reduced responsibility, if any at all, for national and international standard.¹⁷

Phrased more concisely, as by the City of Unley, 'in general, the higher the standing of a facility in the classification hierarchy, the greater the Commonwealth's contribution should be'.¹⁸

3.12 The Shire of Katanning came up with a similar suggestion which is shown in Table 3.1. A further example of this line of thinking was given by Mr Ian Richardson who put forward a scheme whereby 80 per cent of Commonwealth funding would be applied to regional and sub-regional facilities costing more than \$500 000, and 20% to sub-regional and local facilities costing less than that amount.¹⁹

¹³ For example, City of Armadale, submission (number 7), p 2; Marlestone League SA Inc., submission (number 198), p 1; Shire of Denmark, submission (number 72), p 1; Victorian Rifle Association Inc., submission (number 228), p 4.

¹⁴ City of Mandurah, submission (number 152), p 1; City of Melville, submission (number 220), p 1; Minister for Sport and Recreation, Western Australia, submission (number 211), p 2; Western Australian Sports Federation, submission (number 99), p 2.

¹⁵ City of Wanneroo, submission (number 82), p 1; South Australian Sports Federation Inc., submission (number 173), p 1; Western Australian Municipal Association, transcript, 22 July 1997, p 601.

¹⁶ Australian Capital Territory Hockey Association Inc., submission (number 226), p 1; Australian Yachting Federation Inc. in Confederation of Australian Sport Inc., submission (number 210), p 33.

¹⁷ Local Government Association of Tasmania, submission (number 242), p 9.

¹⁸ City of Unley, submission (number 238), p 1.

¹⁹ Mr Ian Richardson, submission (number 73), appendix A, p 5.

Table 3.1 A Possible Arrangement for Funding by All Levels of Government for Facilities of Different Scales

Facilities	Funding Range	Funding Source
State and national	Up to \$1 million	State
	More than \$1 million	State/Commonwealth
Regional	Up to \$400 000	Local/State
	More than \$400 000	Local/State/Commonwealth
Local	Up to \$20 000	Local
	More than \$20 000	Local/State

Source: Shire of Katanning, submission (number 35), p 3.

3.13 The concept of a hierarchy of funding by the different levels of government was also supported by the City of Wanneroo. An additional point made by this council was that a degree of flexibility in the contribution made by each level of government may be appropriate.

Generally speaking, ... facilities [designed for regional, national and international competition] require a high level of specialisation, which increases the capital cost and limits community use. The burden of this extra cost should not be supported by the local residents. The Commonwealth should take primary responsibility, followed by state government as these facilities provide firstly a national and secondly a state benefit. Local communities may also benefit through economic benefits such as employment through investment attracted to the area or spectator patronage of local business and in some cases through community use of the facility. Local government contribution should reflect the extent of the likely local benefits. For example where a facility makes a significant contribution to meeting high priority local needs local government contribution would be higher than where a facility is unrelated to local need resulting in minimal community use.²⁰

Other circumstances that would justify flexibility are the special circumstances of particular communities.²¹ However, the City of Tea Tree Gully proposed that 'a reasonably clear percentage' contribution by each level of government should be established by negotiation, apply universally, and not vary from application to application.²²

3.14 Other local government bodies made specific suggestions for joint governmental funding arrangements, for example, dollar for dollar matching by the Commonwealth Government of Local Government or community contributions.²³ A number of Western Australian local councils suggested funding on the basis of one-third of the required funding

²⁰ City of Wanneroo, submission (number 82), p 1.

²¹ ACT Olympic Council, submission (number 98), p 2; Cook Shire Council, submission (number 177), p 1.

²² City of Tea Tree Gully, transcript, 8 July 1997, pp 540-1.

²³ District Council of Millicent, submission (number 9), p 2; Gosford City Council, submission (number 3), p 3; Swan Hill Rural City Council, submission (number 149), p 1.

for facilities being provided from different sources; several variations on this theme were outlined, as shown in Table 3.2.

Table 3.2 Suggested Schemes for Matched Funding of Local Community Facilities

Council	Contributor (1)	Contributor (2)	Contributor (3)
Shire of Manjimup	Commonwealth Government	State Government	Local Government and Community
Shire of Dandaragan	State or Commonwealth Government	Local Government	Community
City of Geraldton	Commonwealth Government	State Government	Local Government

Sources: City of Geraldton, submission (number 162), p 2; Shire of Dandaragan, submission (number 143), p 2; Shire of Manjimup, submission (number 41), p 1.

3.15 The current state grants programs provide funds on a basis that varies from 10 per cent in one of South Australia's programs through one-third in Western Australia, to up to 50 per cent in some of the New South Wales, Queensland, Tasmanian, and Victorian programs (Appendix C). Sport and Recreation Victoria reported that it generally provided 25 per cent of the cost of any project and regarded this as the minimum contribution that is acceptable. It had found that it obtained significant leverage with that level of contribution.²⁴ The Shire of Northam expressed a preference for combined state and Commonwealth funding of up to 50 per cent of the total cost of a project.²⁵

The Commonwealth funds should be used to assist with constructing and/or upgrading facilities, and should not be spent on meeting recurrent costs.

3.16 Opinions varied on where the prime responsibility for maintaining facilities should rest. One view was that the operational costs of sporting and recreational facilities should be borne by Local Government, perhaps with assistance from the State or Territory Government. For example, Blayney Shire Council acknowledged its responsibilities for looking after what it regarded as important community assets, as did Cook Shire Council.²⁶ The clubs using facilities often contribute part of the cost of ongoing maintenance, with Local Government meeting the balance.²⁷

3.17 At the other extreme are a number of sporting clubs that bear the entire cost of maintaining the facilities that they use. Bowling clubs are examples of sporting groups that

²⁴ Sport and Recreation Victoria, transcript, 7 May 1997, pp 246, 248.

²⁵ Town of Northam, submission (number 34), p 2.

²⁶ Blayney Shire Council, submission (number 5), p 1; Cook Shire Council, submission (number 177), p 1.

²⁷ For example, Town of Northam, submission (number 34), p 2.

usually construct their own facilities and carry out their own maintenance.²⁸ Other clubs meet their own costs because they are not offered any help.²⁹ The Sports Federation of Victoria supported the concept of communities funding the ongoing operation, maintenance and replacement of their facilities, and Tennis Australia stated that, as a matter of principle, it encouraged tennis clubs to meet the costs of maintaining their facilities.³⁰ Ideally:

Funding should provide for capital grants for the construction and provision of a facility. Self funding, from receipts, should then provide the necessary income for maintenance and possible expansion of the facility.³¹

3.18 Most Local Governments found the cost of maintaining and operating facilities an onerous responsibility. For example, the Vice-President of the Northern Sydney Region of Councils referred to the cost of maintaining facilities as 'just horrendous'.³² A member of the ALGA executive, who worked for the Yulara Town Council in the Northern Territory, pointed out that 'maintenance costs are often more significant than the original cost of setting a facility up and getting it up and running'.³³ In fact, some councils spent most of their facilities budget on maintenance and had little available for new facilities. The Vice-President of the Local Government Association of South Australia told the Committee that 'to look at upgrading extensions at this point in time is beyond the capacity of some councils'.³⁴ Waratah-Wynyard Council referred to maintenance costs increasing more rapidly than its revenue base, with the result that 'its ability to service requests for new or improved facilities has dramatically diminished'.³⁵

3.19 Councils' capacity in this respect is further limited by the financial difficulties that are being experienced by a proportion of the sporting clubs that lease council facilities; the requests for assistance from such groups are becoming increasingly difficult to accommodate.³⁶ Remote and rural communities have particular problems in meeting the costs of managing and maintaining facilities, as do Local Governments with larger facilities within their areas.³⁷ Some sporting organisations regarded funds for maintenance as equally, if not more, important than funding to construct new facilities.³⁸

²⁸ Willoughby City Council, transcript, 21 April 1997, p 59.

²⁹ For example, Castle Hill Baseball Club, submission (number 111), p 2.

³⁰ Tennis Australia, submission (number 53), p 3; Victorian Sports Federation Inc., transcript, 7 May 1997, p 286.

³¹ Wollongong Amateur Swimming Club Inc. submission (number 154), p 4.

³² Northern Sydney Region of Councils, transcript, 21 April 1997, p 57.

³³ Australian Local Government Association, transcript, 24 March 1997, p 17.

³⁴ Local Government Association of South Australia, transcript, 8 July 1997, p 544.

³⁵ Waratah-Wynyard Council, submission (number 136), p 2.

³⁶ Local Government Association of South Australia, transcript, 8 July 1997, p 544; The District Council of Willunga, submission (number 40), p 1; Waratah-Wynyard Council, submission (number 136), p 2.

³⁷ Tennant Creek Sports Advisory Committee, transcript, 7 August 1997, p 664; Warringah Council, submission (number 180), p 1.

³⁸ Campbelltown R&SL Junior Cricket Club, submission (number 276), p 3.

3.20 A number of witnesses to the inquiry called for Commonwealth assistance with maintenance.³⁹ The Australian Cricket Board suggested that a per capita grant should be provided by the Commonwealth Government to each local government authority to assist with maintenance, with 'a special allowance for sparsely populated remote areas'.⁴⁰

The Commonwealth Government should assume a leadership role in facilitating the provision of sporting and recreational facilities

3.21 The Commonwealth Government was seen by many witnesses to the inquiry as having a leadership role to play, particularly with respect to the two other levels of government but also in relation to community groups and the private sector.⁴¹ For example, The Australian Council for Health, Physical Education and Recreation stated 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.⁴²

The Confederation of Australian Sport was:

... unequivocally of the view that the Commonwealth should provide leadership and facilitate funding mechanisms to meet the massive need for international, national and community sport and recreational facilities in Australia.⁴³

Womensport & Recreation NSW said that it was essential that the Commonwealth Government 'establish a national leadership, partnership and initiative role, for other levels of government and non government agencies to follow and work with'.⁴⁴ The Australian Commonwealth Games Association felt that 'as is the case with most national policy initiatives, ... the Commonwealth Government will need to provide leadership and impetus'.⁴⁵

3.22 The Chief Executive Officer of the YMCA of Brisbane reported that he held 'the view that communities can do almost anything provided they have some strong leadership'.

I know it can work, I have seen it work if they have leadership, if someone can plant the seed or give them hope that some level of funding will be provided. The funding does not have to be at a level of 65 or 75 per cent, but just enough to give the community some hope and to stimulate them to get out there and help themselves.⁴⁶

Other witnesses, such as Australian Swimming, felt that leadership was more important than funding: 'the leadership that the Commonwealth government can provide is perhaps a

³⁹ Baulkham Hills Shire Netball Association Ltd, submission (number 142), p 5; Queensland Youth Alliance, submission (number 264), p 2.

⁴⁰ Australian Cricket Board, submission (number 134), p 9.

⁴¹ Local Government Association of South Australia, transcript, 8 July 1997, p 531; The Australian Council for Health, Physical Education and Recreation, transcript, 8 July 1997, p 567; Weston Creek Women's Bowling Club Inc., submission (number 181), p 1.

⁴² The Australian Council for Health, Physical Education and Recreation, transcript, 8 July 1997, p 565.

⁴³ Confederation of Australian Sport Inc., submission (number 210), p 8.

⁴⁴ Womensport and Recreation NSW Inc., submission (number 171), p 1.

⁴⁵ Australian Commonwealth Games Association Inc., submission (number 135), p 3.

⁴⁶ YMCA of Brisbane, transcript, 7 May 1997, pp 324, 325.

checklist or a series of steps that Local Governments can go through to assess adequately what their needs are'. That leadership 'has to come from the top'.⁴⁷

3.23 Not only was there support for the Commonwealth Government to provide funding, there were also demands that it spear head a national approach to:

- research;⁴⁸
- developing and setting standards for facilities at different levels;⁴⁹
- supporting and promoting compatible systems for data collection and information sharing;⁵⁰
- the identification of needs and priorities;⁵¹
- coordinated planning, especially in relation to regional planning;⁵² and
- the dissemination of best practice.

Another suggestion was for Commonwealth encouragement for joint ventures.⁵³ These topics are discussed in more detail later in the report.

The Commonwealth Government has a particular responsibility for ensuring that all Australians are treated equitably.

3.24 Equity of access to facilities of an appropriate standard was a common concern that was raised by State Governments, local councils, and other organisations.⁵⁴ The Committee's attention was drawn to differences in the amount of funding provided for sporting and

⁴⁷ Australian Swimming, transcript, 29 May 1997, pp 441, 443.

⁴⁸ Australian Leisure Institute, Aquatic and Recreation Institute & The Royal Australian Institute of Parks and Recreation, submission (number 221), p 11; Local Government Association of South Australia, submission (number 239), p 5; The Corporation of the Town of Gawler, submission (number 65), p 1; Victorian government, submission (number 246), p 7.

⁴⁹ Department of Education, Community and Cultural Development, Tasmania, transcript, 9 May 1997, pp 373-4; Ku-ring-gai Municipal Council, transcript, 21 April 1997, p 68; New South Wales Department of Recreation and Sport, transcript, 2 June 1997, p 479.

⁵⁰ New South Wales Department of Sport and Recreation, transcript, 2 June 1997, p 478; Victorian government, submission (number 246), p 7.

⁵¹ Local Government Association of Tasmania, submission (number 242), p 2; New South Wales Department of Sport and Recreation, transcript, 2 June 1997, p 477.

⁵² Australian Sports Commission, transcript, 2 June 1997, p 467; Australian Swimming, transcript, 29 May 1997, p 441, Banyule City Council, transcript, 7 May 1997, p 269; Confederation of Australian Sport Inc., transcript, 24 March 1997, pp 29-30; Department of Recreation and Sport, South Australia, transcript, 8 July 1997, p 508; New South Wales Department of Sport and Recreation, submission (number 270), p 1.

⁵³ City of Hobsons Bay, submission (number 90), p 2; Local Government Association of Tasmania, submission (number 242), p 7.

⁵⁴ For example, Local Government Association of Queensland, transcript, 23 April, pp 200-1; Peter Nicholls & Associates Pty Ltd, submission (number 89), p 1; The Australian Leisure Institute, Aquatic and Recreation Institute & The Royal Australian Institute of Parks and Recreation, submission (number 221), p 1.

recreational facilities by individual states and territories.⁵⁵ It was reminded that part of the rationale for the Commonwealth Government's provision of funding to Local Government rests on the 'inability [of] all local communities across Australia to alone afford services of a similar standard'.⁵⁶ The South Australian Department of Recreation and Sport stressed the importance of horizontal fiscal equalisation in a situation in which, according to the Local Government Association of that state:

... 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.⁵⁷

3.25 The Local Government Association of Tasmania drew attention to the disadvantages suffered by that state and pointed out that this was 'the kind of regional disadvantage that federal systems of government are intended to address, and which Australia has led the world in redressing in past decades'. The association considered that 'from its position as a *national* government, the Commonwealth is the only sphere of government able to take a "big picture" approach and determine the overall needs of the nation'.⁵⁸ The Council of the City of Grafton and Australian Swimming took a similar view.⁵⁹ In HM Leisure Planning's view, the Commonwealth Government:

... has the opportunity to influence the way in which benefits can be achieved across the country as a whole, rather than achieving them to a lesser or greater extent in some communities depending on their awareness, financial capacity or otherwise.⁶⁰

3.26 Concerns about equity of access to suitable facilities were also specified in relation to rural and remote areas and socio-economically deprived communities.⁶¹ In addition, Aborigines, women and non-English-speaking groups were nominated for particular attention.⁶² The Women's Electoral Lobby Sports Action Group called on the Commonwealth Government to 'meet the needs of all Australians and in particular to redress the gender imbalance of existing facilities'.⁶³ Both this group and Womensport West pointed out that the Australian government's policies and ratification of international agreements commit it to pursue equity for women.⁶⁴ Equity in the provision of facilities for both elite and grass roots

⁵⁵ Office of Sport and Recreation, Queensland, transcript, 23 April 1997, pp 195-6; Victorian Rifle Association Inc., submission (number 228), p 2.

⁵⁶ Australian Local Government Association, submission (number 254), p 6.

⁵⁷ Department of Recreation and Sport, South Australia, transcript, 8 July 1997, p 509; Local Government Association of South Australia, transcript, 8 July 1997, p 548. Horizontal fiscal equalisation is the process by which funding is provided to State, Territory and Local Governments in such a way as to ensure that all Australians receive services of similar standards.

⁵⁸ Local Government Association of Tasmania, submission (number 242), pp 6, 7.

⁵⁹ Australian Swimming (transcript, 29 May 1997, p 455; The Council of the City of Grafton, submission (number 128), p 1.

⁶⁰ HM Leisure Planning Pty Ltd, transcript, 7 May 1997, p 291.

⁶¹ Australian Local Government Association, submission (number 254), p 6; Douglas Shire Council, submission (number 230), p 1.

⁶² Aboriginal Affairs Department, Western Australia, submission (number 247), p 1; ; Department of Sport and Recreation, Northern Territory, submission (number 229), p 4; Mareeba Shire Council, submission (number 133), p 2.

⁶³ Women's Electoral Lobby Sports Action Group, submission (number 83), p 5.

⁶⁴ Womensport West (The Women's Sport Foundation of WA Inc.), submission (number 163), pp 5-6.

sport was also a concern,⁶⁵ and those who fund the full cost of their sport by using privately provided facilities question why other facilities receive continuing government support.⁶⁶ ACT Ice & In-Line Sports suggested that the Commonwealth Government should 'accept a responsibility to contribute to or support community sporting and recreation facilities that are not provided for by other means'.⁶⁷

Conclusions

3.27 Some general conclusions emerge from the evidence considered in this chapter. The Committee views these conclusions and the resultant recommendations as important in giving direction to the type of program that the Commonwealth Government might sponsor for providing sporting and recreational facilities.

A leadership role in facilitating the provision of facilities

3.28 The Committee accepts that the Commonwealth Government should adopt a leadership role in relation to stakeholders from the other levels of government and from the non-government sector. It was suggested to the Committee that the Commonwealth Government should direct its energies to assisting with functions for which individual stakeholders do not have the resources. Functions that can be carried out more cost-effectively by one organisation rather than many are also candidates for Commonwealth support. These functions include coordinating projects, research, establishing and disseminating best practice, assisting with planning, and establishing a framework that encourages investment in facilities; they are discussed further in later chapters.

Constructing and upgrading facilities

3.29 The most logical target for Commonwealth funding for facilities, given the resources of the Commonwealth Government, is the construction of the larger, more expensive facilities of national or international standard. This, however, was not a widely held view. It was clear that the restoration of Commonwealth funding for community sporting and recreational facilities would be a very popular move. Nonetheless, the Committee acknowledges that State and Local Governments are better placed than the Commonwealth Government to assess the needs of local communities and are, therefore, the more appropriate source of funding for local facilities. This fact and the disadvantages of establishing a program that overlaps with and duplicates existing programs are strong reasons for the Commonwealth Government not to resume its involvement in funding local community sporting and recreational facilities through a stand-alone program. If Commonwealth funding is to be resumed, it should be in close cooperation with existing State, Territory and Local Government programs. This issue is discussed further, particularly in Chapters 4 and 9.

3.30 The Committee supports the principle that was put to it in many submissions, that funding for facilities should be provided from a number of sources. Partial funding is more appropriate than full funding in spreading the ownership of decisions to provide facilities. It

⁶⁵ Australian Local Government Association, submission (number 254), p 3; Mr Paul Osborne, MLA, submission (number 244), p 1; Ms McCallum, submission (number 196), p 1; Tasmania's West North West Councils, transcript, 9 May 1997, p 402.

⁶⁶ HM Leisure Planning Pty Ltd, submission (number 38), p 2; Mornington Peninsula Table Tennis Association Inc., submission (number 277), p 2.

⁶⁷ ACT Ice & In-Line Sports, submission (number 208), p 2.

may also be the only way in which sufficient funds can be accumulated to go ahead with some projects. The question of funding from multiple sources is considered further in Chapter 9.

3.31 The Committee is very aware of the inequities that exist in the provision of facilities in different parts of Australia. It agrees with the view put to it that the Commonwealth Government has a role in ensuring a reasonable level of equity in the way in which all Australians are treated. A special case is made for assistance to remote communities in Chapter 5, and the need to ensure that any new program pays attention to equity of access to funds and facilities is covered in Chapter 9.

3.32 A final point is that any new Commonwealth funding program should be for capital costs only; it should not cover recurrent costs. The Committee considers that sportsmen and women should contribute to the cost of maintaining the facilities they use either financially or by their own effort. No expectation should be allowed to develop that governments should be responsible for the total cost of providing and maintaining whatever sporting and recreational facilities the community may wish to have.

3.33 From these conclusions, the Committee recommends that:

- (1) the Commonwealth Government adopt a leadership role in facilitating the provision of sporting and recreational facilities by Commonwealth, State, Territory and Local Government and the private sector.**

Leadership should be provided in facilitating:

- a) research (see recommendation 13, paragraph 6.16; recommendation 15, paragraph 7.30; recommendation 17, paragraph 7.37; recommendation 25 paragraph 8.82; and recommendation 26, paragraph 8.83);**
- b) the development and setting of standards for facilities for international, national, state, regional, and local use ;**
- c) support for, and promotion of, compatible systems for data collection and information sharing (see recommendations 3 to 6, paragraph 4.30);**
- d) the identification of needs and priorities;**
- e) coordinated planning (see recommendation 8, paragraph 4.45; recommendation 9, paragraph 4.46);**
- f) the dissemination of best practice (see recommendation 11, paragraph 5.60; recommendation 13, paragraph 6.16; recommendation 14, paragraph 7.27; recommendation 25 paragraph 8.82); and**

- g) the establishment of a framework to encourage investment in facilities by government and the private sector (see recommendations 23 and 24, paragraphs 8.77 and 8.78; recommendation 25, paragraph 8.82; recommendation 26, paragraph 8.83; recommendation 32, paragraph 9.43; recommendation 34, paragraph 9.47).**

The form that this leadership should take is the subject of recommendations in the following chapters.

3.34 The Committee also recommends that:

- (2) the following principles be incorporated if a Commonwealth program were to be established for the funding of sporting and recreational facilities:**
 - a) the program should be established and conducted in the context of extensive consultation and coordination with other stakeholders (recommendation 27, paragraph 9.15);**
 - b) the Commonwealth Government should not provide full funding;**
 - c) funding should be for the construction of new facilities or the upgrading of existing facilities - it should not be for recurrent costs; and**
 - d) the program should address targeted equity issues in the provision of facilities (see recommendation 12, paragraph 5.64; recommendation 29, paragraph 9.26).**

The implementation of these principles is discussed further in the following chapters.

CHAPTER 4: WHAT ARE THE EXISTING AND FUTURE REQUIREMENTS FOR SPORTING AND RECREATIONAL FACILITIES?

Establishing what the requirements are

4.1 The Committee received a great deal of evidence about the existing requirements for sporting and recreational facilities. State and Territory Governments, local government authorities, state sporting and recreational organisations, and local groups were among the witnesses who provided the Committee with their assessments of what was needed. The Committee is not, however, in a position to make a complete and definitive assessment of the existing requirements. This is an enormous task, and the Committee had only incomplete information available to it about what was needed, and certainly did not have the resources to complete a total audit. Nevertheless, this chapter starts with an overview of the main needs relating to facilities for organised sport, lower profile activities, and open space. In considering these points, the Committee has borne in mind the comment by The Australian Council for Health, Physical Education and Recreation that:

Organised competitive sport should not dominate the decision making process. Another Olympic Swimming Pool or a Roller Blade Track? Another Basketball Stadium or more public Bicycle Tracks? How many more international venues do we need?

Do we really just want to emulate the United States and promote a spectator society that media magnates and their corporate henchman can manipulate? What sort of sporting world do we want our children to be part of in 20 years? These are difficult but relevant questions to be considered in any funding framework.¹

Organised sport

4.2 The Committee notes that AUSFAC was established in 1991 as a subcommittee of SCORS. With the assistance of the ASC, AUSFAC compiled a list of state and territory facility requirements which was published in 1994. The list was based on information provided by all state and territory departments of sport and recreation.² The reported major gaps in facility provision at that time are shown in Table 4.1.

4.3 The Committee heard from the State and Territory Governments that, by 1997, a number of the projects listed above were under construction or were to be commenced soon. Some of the states and territories also presented their future plans for major facilities, from which it was clear that additional facilities are required.³ In addition, CAS provided

¹ The Australian Council for Health, Physical Education and Recreation, submission (number 219), p 2.

² Australian Sports Commission, submission (number 271), p 50.

³ For example, Department of Sport and Recreation, Northern Territory, submission (number 229), attachment A; Tasmanian Government, submission (number 212), p 7; Victorian Government, submission (number 246), pp 7-8.

information from a selection of national sporting organisations in relation to facility needs, giving a 'snapshot' of their requirements.⁴ The Committee received about 100 submissions from sporting clubs or organisations, many of which made claims for specific new or upgraded facilities.

Table 4.1 Major Gaps in the Supply of Sporting Facilities in Australia in June 1994

<p>Victoria <i>Metropolitan:</i> Albert Park redevelopment (court sports), new State Aquatic Centre, indoor velodrome, ice skating rink. <i>Regional:</i> aquatic centres (Echuca, Portland)</p>	<p>ACT Basketball and multi-purpose indoor sports centre in Tuggeranong</p>
<p>New South Wales <i>Metropolitan:</i> Baseball, cycling, ice sports, shooting, table tennis. (These gaps will presumably be overcome in the Olympic facilities construction program.) <i>Regional:</i> Athletics tracks, basketball centres, hockey pitches and swimming centres required at many regional centres, including Wollongong, Newcastle, Wagga Wagga, Lismore, Orange and Tamworth</p>	<p>Tasmania State Aquatic Centre, multi-purpose centres</p>
<p>Queensland <i>Metropolitan:</i> Multi-purpose indoor sports centre, international standard baseball centre, State Equestrian Centre, State Hockey Centre, international standard netball playing surface, redevelopment of Milton Tennis Centre, track and field centre <i>Regional:</i> Basketball and multi-purpose indoor facilities are required at a number of centres.</p>	<p>Northern Territory Softball stadium, stage 2 Hockey Centre, multi-purpose sports hall</p>
	<p>South Australia <i>Metropolitan:</i> State Athletics Centre upgrade or relocation, upgrade Hindmarsh Stadium, multi-purpose indoor centre and pool, international standard baseball and softball complex <i>Regional:</i> Indoor multi-purpose centre Port Lincoln, aquatic/leisure centre in Naracoorte</p>
	<p>Western Australia <i>Metropolitan:</i> State Tennis Centre, upgrade Beatty Park Swimming Centre, international water sports centre, multi-purpose indoor centre, upgrade Subiaco Oval, stage 2 Shooting Complex, athletics stadium <i>Regional:</i> Multi-purpose indoor centres needed at a number of places.</p>

Source: Australian Sports Commission, submission (number 271), p 50.

4.4 Local Government authorities indicated a particular interest in multiple use, indoor facilities and aquatic centres.⁵ Multi-use fields and ovals were also needed.⁶ The Confederation of Australian Sport supported the need for a number of new multi-purpose indoor sports facilities centred in major population growth areas throughout the country,

⁴ Confederation of Australian Sport Inc., submission (number 210), pp 25-37.

⁵ Logan City Council, submission (number 49), p 5; Mareeba Shire Council, submission (number 133), p 2; Shire of Murray, submission (number 131), p 1; The City of Orange, submission (number 174), p 7; The Council of the City of Willoughby, submission, (number 216), p 2; Warringah Council, submission (number 180), p 2.

⁶ Cairns City Council, submission (number 237), p 2; Local Government Association of Queensland Inc., submission (number 222), p 1; Logan City Council, submission (number 49), p 5.

because such facilities were successful in influencing participation in physical activity.⁷ The cost effective provision of multi-purpose facilities is discussed further in Chapter 5.

Lower profile activities

4.5 The larger, traditional, organised sports dominated the submissions made to the Committee. The Committee realises, however, that it is important not to overlook the needs of people involved in lower profile activities. Furthermore, as we saw in Chapter 1, tastes in sport are changing which, in turn, may mean that changes must be made to the traditional approach to the provision of facilities. The City of Unley, for example, reported that it is:

... currently experiencing demand by young people for skating, 3 on 3 basketball and BMX track facilities. We are also exploring how to develop more casual use of bowling greens, rollerblading tracks, cycling trails, linear paths and provision for "new" games such as bocce and petanque. These are just examples of the practical implications of multicultural Australia and changing work and leisure patterns.⁸

4.6 From the minor sports such as calisthenics, ice and in-line sports, and table tennis, the Committee heard of the difficulties they experience in securing suitable places to conduct their sports. These groups found that their access to existing facilities or to funding to construct suitable facilities was limited by competition from the larger, more traditional sports. For example, all four submissions from calisthenics groups referred to the unavailability of facilities and the cost of hiring them. Calisthenics requires an indoor sprung timber floor, as do gymnastics and basketball. The calisthenics clubs complained, however, that although suitable facilities exist, they are booked out for other sporting and recreational activities or the hire cost is too great.⁹

4.7 Table Tennis Australian Capital Territory was another group that considered it had been disadvantaged. It claimed that traditional sports such as football, cricket and netball were well provided for, while smaller, non-traditional sports like table tennis and badminton, that did not have high profiles, did not receive adequate support for facilities.¹⁰ According to Coex Inline Association, in-line hockey is the fastest growing team sport in the world, but little funding has been left for new sport pursuits after the larger, established sports have been catered for.¹¹ ACT Ice & In-Line Sports agreed, and commented on higher profile sports receiving the vast majority of public funding for facilities:

It is submitted the provision of sporting and recreation facilities must be designed to provide recreation opportunities for all members of the community. While this is being done by local and state instrumentalities for the high demand/high profile sports, it is contended that there is no equity in the funding of facilities. Minor or specialist facility sports (such as ice sports) are largely dependant on using privately owned facilities at high cost for the use of the facility.¹²

⁷ Confederation of Australian Sport Inc., submission (number 210), p 25.

⁸ City of Unley submission (number 238), p 3.

⁹ Calisthenics Victoria Inc., submission (number 108), p 5; Carine Calisthenics Club, submission (number 227), p 1; Ceres Calisthenics College Inc., submission (number 84), p 6; Jeaden Calisthenic College, submission (number 144), p 1.

¹⁰ Table Tennis Australian Capital Territory, submission (number 164), p 1.

¹¹ Coex Inline Association Inc., submission (number 217), p 2.

¹² ACT Ice & In-Line Sports, submission (number 208), p 2.

Open space

4.8 The importance of open space as a recreational facility was not matched by the amount of inquiry evidence received about it. However, a number of submissions were made that argued that the range of facilities eligible for funding under a Commonwealth program should extend to open space for recreation, and include such items as cycle tracks, walking trails, and access to water for water craft.¹³ The importance of access was also stressed by the Hang Gliding Federation of Australia:

Sport and recreation activities such as hang gliding, orienteering, fishing, bush walking, mountain cycling, trail riding (horse), XC snow skiing, canoeing, kayaking & rafting, and surf sports typify the ecologically compatible activities that given suitable access and basic amenities (toilets & picnic facilities) would become far more accessible to the community.¹⁴

Open space was viewed as being as much a facility for recreation and sport as any built structure but, as the Local Government Association of South Australia pointed out, it may be under threat as a source of varied recreation in urban areas where population density is increasing.¹⁵

4.9 The Committee noted that the many unstructured outdoor recreation activities for which open spaces are used are more popular than organised sports. As mentioned in Chapter 1, surveys have shown that walking, jogging and running, swimming, and cycling are among the most common forms of exercise taken in Australia.¹⁶ In Hornsby Shire, for example, there are 6 000 hectares of open space and a further 20 000 hectares of bushland in National Parks and on crown land. A survey of recreation needs in the Shire showed bushwalking to be one of the most popular recreational pursuits in that area, along with picnicking, visiting parks, swimming and walking.¹⁷ A Western Australian study of the use of community facilities obtained similar results: informal facilities, such as the beach, open space, and the street, were far more often used for physical activity than formal sports facilities.¹⁸

4.10 In addition, some informal activities serve both for recreation as well as transport, as further Western Australian work has demonstrated. Walking as a form of transport made up 10 per cent of all trips in 1991, while cycling accounted for 5.7 per cent of all trips in Perth in 1996. The Perth Metropolitan Transport Strategy identified that the number of regular cyclists doubled from 200 000 to 400 000 between 1976 and 1989.¹⁹ The findings of a report by the National Heart Foundation on supportive environments for daily exercise suggested that participation in cycling and walking might be greater if good facilities were in place. Green

¹³ Australian Leisure Institute, Aquatic and Recreation Institute & The Royal Australian Institute of Parks, submission (number 221), p 10; City of Tea Tree Gully, submission (number 199), p 2; Department of Recreation and Sport, South Australia, transcript, 8 July 1997, p 528; Maroondah City Council, submission (number 118), p 6; The Council of the City of Willoughby, submission (number 216), p 2; Yachting Association of NSW, submission (number 252), p 5.

¹⁴ Hang Gliding Federation of Australia, submission (number 204), p 3.

¹⁵ Local Government Association of South Australia, submission (number 239), p 8.

¹⁶ Australian Sports Commission, submission (number 271), pp 23, 27.

¹⁷ Hornsby Shire Council, submission (number 253) p 1. Participation rates in the informal activities ranged from 50-71 per cent while participation in organised sports, such as tennis, squash, cricket, golf and football ranged from 13-45 per cent.

¹⁸ Corti, p 8 (see footnote 40, Chapter 2).

¹⁹ Main Roads Western Australia, *Pedestrians and Cyclists: Issues and Directions*, 1996, pp 6, 16.

spaces with seats and shade which are linked by well-maintained and safe tracks and roads attract activity.²⁰

4.11 It is clear that, as ALGA noted, 'public open space performs a very vital recreational opportunity in communities'.²¹ Funding for outdoor recreation was advocated by a number of witnesses, for example, for cycle paths and walking trails.²² Hornsby Shire Council suggested that it would be appropriate for the Commonwealth Government to assist with the funding of regional facilities, such as a network of walking trails or regional bases for water-based recreation.²³

4.12 The City of Tea Tree Gully suggested to the Committee that 'the proper development of open space is of major significance to Australia', especially in view of the ageing of the population and the preference of the elderly for exercising through walking.²⁴ The city drew the Committee's attention to a recommendation to establish 'greenways' made by the President's Commission on American Outdoors (PCAO). Greenways are corridors of private and public recreation lands and waters that provide people with access to open spaces close to where they live and link together the rural and urban spaces in the landscape. The PCAO saw the role of the national Government as providing leadership by marketing the concept, providing innovation grants and technical assistance, and enforcing statutes on environmental quality and property rights.²⁵

4.13 The City of Tea Tree Gully advocated that the Commonwealth Government should become involved with the development of Australia's open space. The Committee is persuaded that adequate access to open space should be regarded as a priority, although land acquisition should not generally be considered in the context of a sporting and recreational facilities program.

An aide to planning: a database of facilities

Existing databases

4.14 Before a sensible decision can be made about what new or improved facilities are needed, it is necessary to know what already exists. Some efforts have been made to assemble this information, especially for major facilities. In 1989, the House of Representatives Standing Committee on Finance and Public Administration recommended the establishment of a regularly updated inventory of international standard facilities.²⁶ There is now such an inventory covering both Australian and New Zealand international standard facilities.²⁷ However, less information is available about lower level facilities.

²⁰ Wright, p 31 (see footnote 41, Chapter 2).

²¹ Australian Local Government Association, transcript, 24 March 1997, p 7.

²² Bike North Bicycle User Group, submission (number 110), p 2; Local Government Association of Tasmania, submission (number 242), p 5; Pedal Power ACT Inc., submission (number 261), p 1.

²³ Hornsby Shire Council, submission (number 253), p 2.

²⁴ City of Tea Tree Gully, transcript, 8 July 1997, p 535.

²⁵ President's Commission, *Americans Outdoors: the Legacy, the Challenge*, Island Press, Washington DC, Covelo, California, 1987, pp 143-4.

²⁶ The House of Representatives Standing Committee on Finance and Public Administration, p 83 (see footnote 6, Chapter 1).

²⁷ *Directory of Olympic Sports Training Venues in Australia and New Zealand 1996*, Australian Sports Commission, 1996.

4.15 Some global information about the extent of facilities in Australia has been published by the ABS, based on a survey carried out at the end of June 1995. The ABS found that the sports industries, hospitality clubs and government organisations were operating a total of 14 136 single-purpose sports facilities and 9 331 multi-purpose sports facilities (which included grounds used for football in winter and cricket in summer). Sixty-five per cent of single purpose and 92 per cent of multi-purpose grounds and facilities were owned by government organisations. Government organisations accounted for 68 per cent of indoor sports facilities and 95 per cent of outdoor facilities. Seven hundred and nine Commonwealth, state and local government organisations were involved with, or controlled, sports grounds and/or facilities.²⁸

4.16 The ABS statistics did not include facilities in the education sector. The education sector is a substantial owner of facilities which are used to a variable extent at present by the community and might, as indicated in Chapter 7, make a significantly greater contribution to meeting community needs. Any database of facilities that is being used to help plan the provision of facilities should include information on school and university facilities. This is particularly important if moves to open up school facilities to community use are successful. In this connection, AUSF told the Committee in April 1997 that it expected to be in a position to provide information on facilities and building developments within the university sport sector in the near future. With AUSF's support, Deakin University is gathering information for a register of existing sporting infrastructure at Australian universities.²⁹

4.17 Neither the Commonwealth nor any of the states or territories has a complete inventory of its sporting and recreational facilities, that includes those in schools, tertiary institutions, and defence force establishments. However, some State Governments have started to compile inventories, with Queensland's having advanced further than the other states, according to the ASC.³⁰ South Australia has carried out an audit that included most facilities (although not all those in schools and the private sector), and has recorded the results in a Geographic Information System (GIS) database. This database has been built up incrementally by feeding in information collected as part of local council planning processes. Each local council is expected to maintain an up-to-date map of the facilities within its boundaries.³¹

4.18 The Northern Territory Government has commenced an audit of all the facilities in the Territory, except those on defence force establishments and in private schools.³² An inventory of the more important facilities for each sport has been developed in Western Australia by that state's sports federation but there is not yet a general database of facilities. The establishment of such a database has been recommended by the state's sport and recreation council.³³

Further work needed

²⁸ Australian Bureau of Statistics, *Sports Industries Australia* 1994-95, AGPS, Canberra, 1997, pp 4, 27.

²⁹ Australian Universities Sports Federation, submission (number 218), p 2.

³⁰ Australian Sports Commission, transcript, 2 June 1997, p 463.

³¹ Department of Recreation and Sport, South Australia, transcript, 8 July 1997, p 517.

³² Department of Sport and Recreation, Northern Territory, transcript, 7 August 1997, p 675.

³³ Western Australian Sports Federation, transcript, 22 July 1997, p 630.

4.19 Several witnesses from government and sporting organisations linked the process of determining future needs to an audit of existing sporting and recreational facilities.³⁴ For example, the Macquarie University Sports Association considered that duplication of facilities could be avoided if 'an inventory [were] done across the board of what is currently available and what is needed to make people use the resources that are there'.³⁵ The private sector also recognised the importance of this link. Mr Nathan Shafir, the director of a privately owned sport centre, stressed that any audit should include all facilities, including private ones:

To determine existing and future needs, Government should ... conduct an "audit" of all existing facilities (Council, schools, private, special amenities, etc.) and survey existing operators as to their future intentions regarding possible expansion of facilities etc.³⁶

This is important, in Mr Shafir's view, to prevent the repetition of his experience that 'quite often Government (at all levels) fails to take into account existing privately operated facilities when planning centres'. He cited to the Committee a number of cases in Victoria where this had happened.³⁷ The Committee understands that private sector providers of facilities have good reason to be concerned if a competitive government funded facility is provided nearby, and agrees that a database of all existing facilities might assist more rational decisions to be made in relation to the provision of new, publicly funded facilities.

4.20 A database would need to hold, not only information about the location and nature of existing facilities, but also other information that is needed for planning. This information would include demographics, membership of sporting organisations, the level of use of existing facilities, and community views on needs. The Women's Electoral Lobby Sports Action Group, for instance, considered audits should identify 'levels of participation and participation by gender' so that it is known how the facilities are used.³⁸ The 'Carroll Report' also emphasised the need for an audit to include information on participation:

There is ... evidence of an increasing incidence of recreation research and planning by LGAs [local government authorities]. However, there is a question mark over the quality of some of the research and a need for more data on community participation patterns.³⁹

In the case of information on educational and defence force facilities, it would also be necessary to know whether the public had access to them.

4.21 A number of submissions to the inquiry referred to GIS as beneficial tools for use with a database. Geographic information systems provide computerised maps that, when linked with information from the database, can be used to identify gaps in the provision of facilities and determine what further facilities should be developed at any level in the hierarchy of facilities from local to international. According to the recreational planner of the City of Tea Tree Gully, using a GIS avoids 'the more subjective approach to decision-making

³⁴ Gannawarra Shire Council, submission (number 61), p 1; Moreland City Council, submission (number 194), p 6; New South Wales Swimming Association Inc., submission, (number 191), p 2; Commonwealth Department of Health and Family Services, submission (number 245), p 16.

³⁵ Macquarie University Sports Association, transcript, 21 April 1997, p 119.

³⁶ Peninsula Sports & Leisure, submission (number 17), p 4.

³⁷ Peninsula Sports & Leisure, submission (number 17), p 3; private discussions, 8 May 1997.

³⁸ Women's Electoral Lobby Sports Action Group submission (number 83), p 7; see also Womensport Australia, transcript, 29 May 1997, p 432.

³⁹ Carroll, p 6 (see footnote 13, Chapter 1).

which has proved controversial in the past'.⁴⁰ He told the Committee that, in his experience, a GIS database of sports facilities:

... is ideally suited to contributing recreation and sport information ... 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.⁴¹

4.22 The ASC strongly supported a comprehensive effort to map Australia's sporting and recreational facilities. It saw several benefits in having a national GIS system for sporting facilities; it would:

- allow the planning of the location of new facilities based on a knowledge of what already exists in any one geographic location;
- identify shortages of particular facilities in specific areas, particularly in relation to changing demographics;
- allow the identification of private and public facilities for economic analysis of the costs of maintaining facilities;
- assist national sporting organisations and programs like 'Active Australia' in marketing sport specific and general participation programs to owners and operators of facilities; and
- assist the general public in locating sporting facilities and gaining more detailed information about these facilities and their programs.

The ASC further suggested that an internet access to the GIS could allow users to search for such things as the location of certain types of facilities, gain further information about a specific facility, and print out maps of facilities and their programs.⁴²

4.23 There are, however, some difficulties with audits as, if they are to be useful, they must be kept up-to-date. The South Australian Department of Recreation and Sport commented that:

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.

The department resolved this problem by compromising:

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

⁴⁰ Peter Nicholls & Associates Pty Ltd, submission (number 89), p 2.

⁴¹ City of Tea Tree Gully, transcript, 8 July 1997, pp 534-5.

⁴² Australian Sports Commission, submission (number 271), pp 117-19.

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.⁴³

4.24 There is no escaping from the fact that maintaining a database is expensive. Its cost, however, is minuscule by comparison with the millions of dollars spent annually on facilities by all levels of government. In 1989-90, as Table 2.1 shows, more than \$690 million were spent on facilities by government. While acknowledging that maintaining databases is costly, ALGA pointed out that:

... a strategic approach in the first instance, a planned approach to the allocation of resources, may in the long run turn out to provide a more efficient and effective process of delivering ... [and] funding ... programs in local communities.⁴⁴

Furthermore, as the ASC pointed out, the task could be done over a period of years.⁴⁵

Running a database

4.25 The New South Wales Government called for leadership from the Commonwealth Government in establishing a database:

... we are looking for leadership from the Commonwealth in initiating that process so that, if all the states were to use the same software program, for instance, in developing a database, it would then make it much easier to determine needs on a national basis.⁴⁶

The ASC agreed that a standard approach would be needed to the task and suggested that the process would be best coordinated through SCORS by AUSFAC's successor, the AFC. The AFC could lead such a project but would need significant help from the states.⁴⁷ The National Office of Sport and Recreation (NOSARP), operating with the support of an expert facilities committee, was suggested as an alternative leader for the project.⁴⁸

4.26 The Australian Local Government Association also considered that the GIS system for sporting and recreational facilities should be a combined governmental project that should involve all three levels of government:

I am sure that local government, certainly the ALGA, would be happy to work with the Commonwealth. This particular area, of sport and recreation facilities - given the local interest, the state interest and the Commonwealth interest - is a particularly good example of how the three tiers of government need to work together. I would suggest that, whilst the Commonwealth may, through the Sports Commission, provide a leadership role, local government would be very pleased to work with the Commonwealth on that task.⁴⁹

It would also be appropriate to include peak sporting organisations in the process as most of them have experience in gathering information about the facilities of different standards that are used for their sports.

⁴³ Department of Recreation and Sport, South Australia, transcript, 8 July 1997, p 517.

⁴⁴ Australian Local Government Association, transcript, 24 March 1997, p 5.

⁴⁵ Australian Sports Commission, transcript, 2 June 1997, p 463.

⁴⁶ New South Wales Department of Sport and Recreation, transcript, 2 June 1997, p 478.

⁴⁷ Australian Sports Commission, transcript, 2 June 1997, p 463.

⁴⁸ Confederation of Australian Sport Inc., submission (number 210), pp 38, 46. The National Office of Sport and Recreation Policy is part of the Commonwealth department responsible for sport and recreation, which is the Department of Industry, Science and Tourism.

⁴⁹ Australian Local Government Association, transcript, 24 March 1997, p 6.

4.27 The Committee acknowledges, however, the existence of concerns about whether a database would be used as a primary resource in determining where new facilities should be provided. Local community pressure, enthusiastic and capable project committees, strategic site locations and other local factors may be a stronger influence on project choice than any deficiencies identified in a database. There is a real risk that an expensive and comprehensive database could gather dust or be used only in a theoretical capacity.

Conclusion

4.28 The Committee considers that it is desirable that an Australia-wide audit of existing facilities be carried out. This audit should build on the information that has already been assembled and should be comprehensive, covering facilities owned by Local Government, the private sector, education departments, universities, and the defence forces. The database will also need to be updated regularly. The data collected from the audit should be used in the context of a GIS. It should allow an assessment of the gaps in the provision of facilities and form a basis for planning new facilities and upgrades for existing facilities. The Committee envisages that funds for the audit would be contributed by the Commonwealth, State and Territory Governments.

4.29 Furthermore, the Committee takes the view that a single body should be nominated to coordinate the project with the involvement of sporting and recreational organisations, all levels of government, the private sector, the educational sector, and other interested parties. The Committee notes the ASC's suggestion that the AFC might take the lead role in the audit, and the alternative proposed by CAS in the form of NOSARP. The Committee considers that the AFC is the more appropriate body to undertake this task but, because of its bureaucratic membership, it should be assisted by a body with a much wider membership. Its present budget of \$10 000 a year would require substantial supplementation.

4.30 Accordingly, the Committee recommends that:

- (3) the Commonwealth Government jointly fund, with the State and Territory Governments, a national audit of all sporting and recreational facilities;**
- (4) funding for the audit be ongoing so that it can be updated regularly;**

- (5) **the carriage of the audit rest with the Australasian Facilities Committee, assisted by representatives of Local Government, sporting and recreational organisations, the private sector, the educational sector, and other interested parties; and**
- (6) **data collected by the audit be linked through a geographic information system to other data and form the basis for decisions about future needs for facilities.**

4.31 As noted in Chapter 1, there is some variation across Australia in how facilities are graded. The Committee foresees that there will be a need for an Australia-wide system for grading facilities that will allow for a consistent approach in appraising existing stock and assessing future needs. The Committee notes the comment by the South Australian Department of Recreation and Sport that such a task can involve 'much time and effort',⁵⁰ but considers it important. Input into the development of a system of grading facilities would be required from national and state sporting organisations as well as the different levels of government. The Committee envisages that a five-category classification might be developed, ranging from international through to recreational, and recommends that:

- (7) **the Australasian Facilities Committee, augmented by representatives of the organisations nominated in recommendation 5, develop a consistent system of grading facilities for all sports for use in conjunction with the audit and database.**

Planning for sporting and recreational facilities

4.32 Like the task of carrying out audits discussed above, planning for sporting and recreational facilities is also an expensive process. It is, however, valuable in that it prioritises and gives direction to the task of providing the opportunities for sporting and recreational activities that are desired by the community. If planning is well-based in terms of having taken account of existing facilities and the expressed needs of the community, the resulting plans direct the providers to a logical, and therefore cost-effective, way of providing facilities.

4.33 Commenting about major facilities, CAS pointed out that their construction had been largely 'event driven', with 'little overall coordination and planning of facilities between states or even regions'.⁵¹ At the other end of the spectrum of facilities, at local government level, 'the traditional approach in the past, has been almost the numbers game around the council chambers as to what should get up and what should not'.⁵² When a plan exists, it is much

⁵⁰ Department of Recreation and Sport, South Australia, submission (number 223), p 11.

⁵¹ Confederation of Australian Sport Inc., submission (number 210), p 24.

⁵² City of Tea Tree Gully, transcript, 8 July 1997, p 537.

harder to make decisions not supported by the plan because that fact will be apparent and open to challenge.⁵³ Jak Carroll, in his report on the provision of facilities by local government, commented:

A sport and recreation plan (that must be part of an integrated corporate plan) is required to firstly identify the community's needs and aspirations, and secondly to work out the best way to meet those needs in the light of available resources and future trends. Unless more planning - based on identified needs and featuring on-going consultation - is undertaken by LGAs, then the provision of sport and recreation will continue to develop on an ad-hoc basis.⁵⁴

4.34 Planning for sport and recreation is becoming increasingly widespread. The Carroll Report provided data from a 1994 national survey of recreation planning and research that showed that 49 per cent of local government authorities (most of them on the metropolitan fringes) had undertaken a recreation study and 27 per cent had a sport and recreation plan.⁵⁵ It was the Committee's impression that many more plans had been completed since then.

4.35 A further development is the growth of regional planning which, as Jak Carroll pointed out, addresses issues such as the high capital and operating costs of facilities and the movement of consumers between local government areas. The benefits of regional planning to Local Government are minimising duplication and under-utilisation of facilities, maximising the range of facilities provided, and promoting the sharing of resources, expertise and ideas, and facilitating joint projects.⁵⁶ To pursue regional planning, local government authorities in several parts of the country have joined together to form regional bodies. The Hunter Region Organisation of Councils (HROC) is one such body that anticipated that 'co-operative approaches to planning will lead to improved social, physical and economic benefits to the Region'.⁵⁷ The HROC will identify opportunities for new regional facilities and existing facilities that might be upgraded. Tasmania's West North West Councils is another organisation formed to work towards producing regional plans. They have conducted a study to provide an inventory of existing facilities and to suggest policies to permit more effective and efficient planning for existing and future facilities.⁵⁸

4.36 As with the conduct of audits, several organisations saw a role for the Commonwealth Government in providing leadership, coordination, advice and financial assistance with respect to sport and recreation plans. The NSW Sports Federation and Australian Swimming Inc. were two such organisations.⁵⁹ A local government representative from Victoria identified a gap in regional planning and suggested that the Commonwealth Government had a particular role to play here because:

Local government focuses planning locally, whereas Commonwealth and state governments tend to focus planning at the macro level. There is a gap in regional planning and, as a result, there has been a reasonable amount of duplication of expensive facilities.⁶⁰

The HROC also advocated Commonwealth support for a regional approach to sport and recreation planning.⁶¹

⁵³ Local Government Association of South Australia, transcript, 8 July 1997, p 538.

⁵⁴ Carroll, p 5 (see footnote 13, Chapter 1).

⁵⁵ Carroll, p 57 (see footnote 13, Chapter 1).

⁵⁶ Carroll, pp 83-5 (see footnote 13, Chapter 1).

⁵⁷ Hunter Region Organisation of Councils, submission (number 114), p 5.

⁵⁸ Tasmania's West North West Councils, submission (number 172), p 2.

⁵⁹ Australian Swimming Inc., transcript, 29 May 1997, p 444; New South Wales Sports Federation Inc., transcript, 21 April 1997, p 82.

⁶⁰ Banyule City Council, transcript, 7 May 1997, p 269.

Consultation

4.37 Part of the planning process should involve consultation with the full range of stakeholders. Depending on the level of plan concerned, consultations might include all levels of government, the private sector, educational institutions, sporting organisations and the local community. However, according to CAS:

Coordination between the various providers of facilities appears to be totally lacking. The main providers of facilities in Australia are local government and the state education departments. Yet minimal coordination occurs among these groups, and the construction of facilities by them is largely independent of the planning and construction of national standard facilities by state and federal governments or non-government promoters.⁶²

4.38 Past deficiencies in consultation by the Commonwealth Government were identified by the Auditor-General in the operation of previous Commonwealth recreational and sporting facilities programs. Several witnesses to the inquiry brought these deficiencies to the Committee's attention.⁶³ The Auditor-General reported that the states considered that, as a result of inadequate consultation:

- projects had been funded that were not seen as high priorities by State and Local Government, and even conflicted with state policies and priorities; and
- pressure had been brought to bear on State Governments to fund low priority projects.⁶⁴

4.39 Local Governments also saw the need for more thorough consultation. The City of Unley, for instance, considered that:

Consultation between the levels of government must be vastly improved, and some resources provided to enable this co-ordination to occur. If such mechanisms were in place and functioning effectively, priorities at local, regional, state and national levels would be identified collectively and known to all parties. This would in turn make the funding process more open and better understood by the various stakeholders.⁶⁵

Local Government must be included from the beginning of the planning process:

Early and thorough consultation would allow local authorities to consult local communities and plan effectively for these facilities on a co-operative basis with neighbouring authorities and state governments as appropriate. This should result in more efficient use of resources, improved community support and a reduction in difficulties and delays.⁶⁶

⁶¹ Hunter Region Organisation of Councils, submission (number 114), p 8.

⁶² Confederation of Australian Sport Inc., submission (number 210), p 24.

⁶³ Department of Finance, submission (number 263), p 2; Department of Sport and Recreation, Northern Territory, submission (number 229), p 2.

⁶⁴ The Auditor-General, p 23 (see footnote 7, Chapter 1).

⁶⁵ City of Unley, submission (number 238), p 1.

⁶⁶ City of Wanneroo, submission (number 82), p 1.

4.40 Local Government reported that it made extensive use of consultation in its own sport and recreation planning processes. For example, the consultation process used to develop local and regional plans in South Australia involves at least one public meeting, to which all relevant community recreation and sports organisations as well as members of the public are invited.⁶⁷ Other councils referred to carrying out extensive consultation.⁶⁸ The Municipal Association of Victoria reported that in that state 'many councils are taking a lead role in undertaking recreation strategic planning processes involving high levels of community consultation, and producing leisure strategies which are available to inform the decision-making process'. The integrated local area planning framework, which is in use in Victoria, 'assists Councils to take the lead role in coordinating all stakeholders from the community, private and public sectors to ensure the community needs are met'.⁶⁹

4.41 In addition to consultation between different levels of government, consultation between different agencies at each level of government is required. Coordinating local government plans with those of education departments, universities and, to a lesser extent, defence bases will optimise the use of limited resources. This is a widely held view and is discussed in much greater detail in Chapter 7.

4.42 Sporting groups must also be consulted about facility requirements. Jak Carroll's survey of Local Government led him to conclude that 'sport and recreation facilities are often not as "multi-purpose" as they could be due to a lack of consultation with sport and recreation groups'.⁷⁰ The Confederation of Australian Sport also referred to the critical importance of consultation with the sporting community if the opportunities for multi-purpose use of facilities is to be maximised.⁷¹ Other submissions supported this view.⁷²

4.43 As the South Australian Sports Federation pointed out, individual sports are the best placed to know the requirements of their sports. Indeed, some sports know what will be required of them to provide for international events up to the year 2003. The federation suggested that sports clubs and associations should be involved in developing a priority list for facilities in consultation with the State Government.⁷³ The South Australian Government claimed that it already consults with sporting organisations, and is developing a closer relationship with the state sports federation, particularly in relation to regional planning.⁷⁴ The Western Australian Sports Federation proposed that national sports organisations should also be consulted when State and Territory Governments and state sports associations are formulating their priorities for facilities.⁷⁵

4.44 A question raised with the Committee was how well state sports associations are equipped to assist with planning. Some bodies, such as Tennis Australia and the Australian Cricket Board, have the capacity to assist their members and government providers. Others are still developing this capacity.⁷⁶ According to the ASC, 'the role of national sporting

⁶⁷ Department of Recreation and Sport, South Australia, supplementary submission (number 283), p 1.

⁶⁸ For example, Huon Valley Council, submission (number 115), p 2.

⁶⁹ Municipal Association of Victoria, submission (number 147), p 3.

⁷⁰ Carroll, p. 65 (see footnote 13, Chapter 1).

⁷¹ Confederation of Australian Sport Inc., submission (number 210), p 25.

⁷² For example, Ceres Calisthenic College submission (number 84), p 5.

⁷³ South Australian Sports Federation Inc., transcript, 8 July 1997, p 552.

⁷⁴ Department of Recreation and Sport, South Australia, submission (number 283), p 2.

⁷⁵ Western Australian Sports Federation, submission (number 99), p 2.

⁷⁶ Department of Sport and Recreation, Northern Territory, transcript, 7 August 1997, p 671.

organisations in the facilities area has been pretty weak'.⁷⁷ The Northern Territory's Department of Sport and Recreation confirmed this view for sporting organisations in the Territory.⁷⁸ Queensland's Office of Sport and Recreation commented with respect to 90 of that state's sporting organisations that:

The level of expertise varies greatly ... You go from rugby league to rugby union and the elite sports right down to darts and chess. The amount of planning that is needed in various sports varies a hell of a lot too. I would tend to think, at this stage, the resources that most of those organisations have do not allow them to go from day-to-day operations into long-term planning and visionary type work. Some are doing it a lot better than others, but with all the resources we are giving them, we are going to have to evaluate now whether or not the level of planning and the level of forward thinking has increased dramatically over the years that we have been giving that money.⁷⁹

Conclusion

4.45 The Committee strongly supports the need for sport and recreation planning as a basis for rational prioritising of facility construction. It has identified three areas where there are deficiencies in the planning process which, with Commonwealth assistance, could be diminished. Firstly, many facilities that are built for special events become white elephants; they are under-utilised and expensive to maintain. Stand-alone international standard facilities almost always lose money.⁸⁰ As an example, the Chandler Velodrome has been under-utilised since the 1988 Commonwealth Games and no longer meets the international standard. The Committee considers that a national plan for facilities suitable for international competition, drawn up in consultation with State and Territory Governments, sporting organisations, and other potential users of such venues, would diminish the number of white elephants that are born. The planning process should be coordinated by the augmented AFC as outlined in recommendation 5. The Committee recommends that:

- (8) the Department of Industry, Science and Tourism provide funding for an augmented Australasian Facilities Committee to coordinate a national plan for facilities which are suitable for international competition. The plan should be prepared in consultation with State and Territory Governments, sporting organisations, and representatives of other potential users.**

4.46 Secondly, a particular gap in planning was identified at the regional level. This gap is significant because, as is discussed at greater length in the next chapter, in the absence of such plans, there is a greater danger of relatively expensive facilities being duplicated by neighbouring local councils. No regional sporting facility should be constructed, especially if it is to be partly or wholly funded by taxpayers, until it is established through appropriate planning processes that it is correctly located and adequately meets real regional requirements. The Committee therefore proposes that some Commonwealth funding should be supplied for planning purposes to the State and Territory Governments to use with regional organisations of local councils or other appropriate local government groups. These other

⁷⁷ Australian Sports Commission, transcript, 2 June 1997, p 458.

⁷⁸ Department of Sport and Recreation, Northern Territory, transcript, 7 August 1997, pp 670-1.

⁷⁹ Office of Sport and Recreation, Queensland, transcript, 23 April 1997, pp 197-8.

⁸⁰ Western Australian Sports Federation, transcript, 22 July 1997, p 646.

levels of government should also contribute to the cost of the planning exercise, and ensure that the plans are based on widespread consultation with all stakeholders. Accordingly, the Committee recommends that:

- (9) the Department of Industry, Science and Tourism contribute funds for the regional planning of sporting and recreational facilities.**

Funding should be provided for use with regional organisations of councils and other local government groups, on condition that State and Territory and/or Local Government also contribute funds, and ensure that all stakeholders are consulted during the development of the plans.

4.47 Thirdly, the Committee acknowledges the widely identified need for more extensive consultation between all stakeholders and alternative providers of facilities than has occurred in the past. It supports the use of greater consultation, and notes that some moves have been made to ensure that this happens. The ASC, for example, has implemented some of the recommendations of the Carroll Report, by establishing networks among the stakeholders in the provision of sporting and recreational facilities, and this task is among the AFC's priorities. The ASC proposed that further work should be stimulated in this area by SCORS and ALGA.⁸¹ The Committee considers that these bodies should continue to foster the operation of consultative networks, and recommends accordingly that:

- (10) the Standing Committee on Recreation and Sport and the Australian Sports Commission nurture the operation of consultative networks between all interested parties in the provision of sporting and recreational facilities at all levels.**

⁸¹ Australian Sports Commission, submission (number 271), p 58; correspondence dated 20 October 1997, attachment A, p 2.

CHAPTER 5: COST-EFFECTIVE PROVISION OF NEW FACILITIES

Introduction

5.1 There is a good understanding of some of the factors that contribute to the cost-effective provision of sporting and recreational facilities. Two of these factors have already been identified in Chapter 4, from which it is clear that the construction of a facility should not be supported unless the need for it has been demonstrated and the facility forms part of an agreed plan for the development of sporting and recreational facilities. The purpose of this chapter is to discuss further information forwarded to the Committee on the cost-effective provision of facilities. Taken together, the information will lay a basis for recommending what criteria should be fulfilled by applicants for funding under any future facilities program. The shape of a future Commonwealth program is discussed in Chapter 9.

Design features and standards

5.2 There are a number of general elements that contribute to the good design of facilities. One of these elements is attention to the particular requirements of groups within the community. However, the New South Wales Department of Sport and Recreation (NSW Sport and Recreation) considered that many existing facilities have design flaws which result in their not adequately meeting the needs of user groups, and also women and people with disabilities.¹

5.3 Access for disabled people to facilities is provided for by state and Commonwealth legislative requirements and building codes. While modern facilities meet the requirements of the disabled, many older facilities do not reach modern standards. The ASC suggested that building codes need to be constantly revised and updated. It may also be necessary to provide communication aids like large print, and sport-specific equipment, such as hoists to lift disabled people in and out of swimming pools.²

5.4 It is also important that users feel comfortable in their sporting and recreational activities. Aspects of design that can contribute to user comfort include the provision of such features as child care facilities, food outlets, and areas set aside for socialising. Privacy is a significant issue for older and Muslim women and, as Womensport Australia pointed out, attention to such features as security and lighting 'might help make the facilities a little bit more user friendly to all men and women, but particularly to women and girls'.³ The needs of young people should also be considered.⁴

5.5 Furthermore, it is recognised that one of the key principles in promoting exercise is the appropriateness and convenience of the settings where that exercise occurs. Thus, walking and cycling for pleasure and in the pursuit of daily tasks is encouraged by well designed

¹ New South Wales Department of Sport and Recreation, submission (number 270), p 2.

² Australian Sports Commission, submission (number 271), pp 94-7.

³ Womensport & Recreation NSW Inc., submission (number 171), p 2; Womensport West, submission (number 163), pp 2, 3; Womensport Australia, transcript, 29 May 1997, p 418.

⁴ Municipal Association of Victoria, transcript, 7 May 1997, p 267.

pedestrian and cycle paths.⁵ Furthermore, with the lack of time being one of the commonest reasons for not participating in sporting or recreational pursuits, both in Australia and overseas, the significance of conveniently located facilities is obvious.⁶

5.6 In addition to the more general elements of facility design, there are the specific requirements for particular sports in terms of both the design and the standard of facilities. Problems of this type with existing facilities were identified for the Committee, for example by the YMCA which reported that the factors that frequently contribute to centres being unprofitable are their small size and poor capacity for multiple use.⁷ Sometimes compromises are made and facilities are built for a particular purpose, and are then found to be a few metres short for use by spectators and other sports.

5.7 Problems of this kind arise for a combination of reasons, including ignorance of the standards required and the best designs to adopt, and lack of expertise among facility providers with the construction of facilities. The ASC commented that:

One of the problems with communities involved in developing facilities is that almost every community starts each facility from scratch and they do not have adequate information as to what type of facility is the best type of facility for what they perceive to be their particular need, who are the best suppliers of that facility. They have to start completely from scratch in the planning process. They hire an architect. In many cases they get a building designed which is not entirely appropriate for their needs.⁸

Furthermore:

It is perhaps surprising that many potential providers of sports facilities in Australia are not aware of the standard specifications for many sports playing areas. There are numerous requests made of public sports authorities in Australia from private enterprise developers, planners, local governments, schools, sports clubs and sports associations for information on playing areas specifications and dimensions.⁹

5.8 Nevertheless, information and advice are available from government bodies and some sporting organisations.¹⁰ Tennis Australia, for example, has established technical services committees in Victoria and New South Wales which provide this advice.¹¹ The Confederation of Australian Sport suggested that it is 'critical that sporting organisations be consulted as to the technical and design aspects of any new facilities'.¹² However, some sporting organisations such as Australian Swimming admitted that it would be useful if they had more information available to hand out.¹³

5.9 As indicated in Chapter 1, the Commonwealth Government has also played a role in providing advice through a national sports advisory service. The Australian Sport and Facilities Advisory Committee, established in 1991 under the auspices of the ASC and SCORS, sponsored a publication, *Sport: Dimensions for Playing Areas*, and produced a

⁵ Commonwealth Department of Health and Family Services, submission (number 245), p 12.

⁶ Australian Sports Commission, submission (number 271), p 28; Womensport West, submission (number 163), p 3.

⁷ YMCA of Brisbane, transcript, 7 May 1997, p 319.

⁸ Australian Sports Commission, transcript, 2 June 1997, p 468.

⁹ Australian Sports Commission, submission (number 271), p 49.

¹⁰ For example, Athletics Australia's manual, *Planning and Managing Athletics Facilities: Guidelines and Recommendations for Planning, Constructing, Equipping and Maintaining*.

¹¹ Tennis Australia, transcript, 21 April 1997, pp 141, 148.

¹² Confederation of Australian Sport Inc., submission (number 210), p 25.

¹³ Australian Swimming Inc., transcript, 29 May 1997, p 442.

newsletter which provided additional information. It also developed and published handbooks on sports lighting and sports surfaces in conjunction with Standards Australia. As the ASC pointed out:

An expensive indoor facility can easily be made sub standard and indeed potentially dangerous by way of poor lighting and poor surface characteristics. ...

... the choice of a sporting surface is a key decision when it comes to playing characteristics such as rebound resilience, rolling resistance, spin, uniformity of roll, stiffness, heat absorption, surface reflectivity and acoustics. Many of these issues are fundamental to player comfort and injury prevention.¹⁴

5.10 Following its change in status to an unofficial group in 1993, AUSFAC's work faltered, a fact that was noted regretfully by Jak Carroll.¹⁵ However, a facilities subcommittee, the AFC, was re-established in February 1997. Among the AFC's functions are the sharing of resources, expertise and services, including the dissemination of information and the identification of research needs. It identified Local Government, education authorities and sporting organisations as targets for information and resolved that the internet should be used where practicable.¹⁶

5.11 Several groups called for more information about the technical and design aspects of facilities, and for that information to be more widely known and accessible. Basketball Australia supported:

A more thorough and coordinated approach ... to providing potential user groups with the "how to" knowledge of going about building their own facility, obtaining funding, conducting needs analysis, feasibility studies, obtaining standard design packages etc.¹⁷

Tas Sport called for a service which 'is able to advise on flexible innovative design', and the ASC acknowledged that 'there needs to be a much better service provided for people who want to become involved in the provision of facilities'.¹⁸ The City of Tea Tree Gully endorsed the type of help that the AFC could provide.¹⁹

5.12 The South Australian Department of Recreation and Sport recommended 'setting national planning and design guidelines and quality controls', and the Local Government Association from the same state considered that 'all new recreation and sporting facilities should meet minimum standards of design and construction and also meet the needs of sport governing bodies'.²⁰ Port Stephens Council commented that 'developing generic facility plans for targeted populations and budgets will minimise duplication in cost, effort and centralise a cost effective "centre of knowledge and expertise" that benefits many communities'.²¹ The

¹⁴ Australian Sports Commission, submission (number 271), pp 48-9.

¹⁵ Carroll, p 75 (see footnote 13, Chapter 1).

¹⁶ Australian Sports Commission, submission (number 271), pp 51-2.

¹⁷ Basketball Australia, in Confederation of Australian Sport Inc., submission (number 210), p 37.

¹⁸ Australian Sports Commission, transcript, 2 June 1997, p 469; Tas Sport (Tasmanian Sports Federation Inc.), submission (number 156), p 4.

¹⁹ City of Tea Tree Gully, transcript, 8 July 1997, p 535.

²⁰ Department of Recreation and Sport, South Australia, submission (number 223), p 1; Local Government Association of South Australia, submission (number 239), p 7.

²¹ Port Stephens Council, submission (number 66), p 8.

Australian Baseball Federation considered that standardising design and construction 'can assist in reducing capital costs'.²²

5.13 Recognising the importance of standardised design and construction in contributing to lower costs, a number of projects have been launched to make such facilities available. A recent example of this approach was brought to the Committee's attention by James Hardie Industries. James Hardie has formed a consortium (the Multi Sport Indoor Facility Consortium) for the supply of indoor facilities, using a standard, modular, pre-fabricated structure. One of the key elements of the design employed is that it has been certified by the Australian Institute of Sport.²³ The Committee acknowledges the advantages of such an approach, because these facilities can be constructed relatively cheaply, especially when ordered in bulk as the Facilities Development & Management Corporation is proposing to do in Queensland.²⁴ It was brought to the Committee's attention that some similar, earlier projects were not great successes.²⁵ However, the concept behind the Hardie consortium's product has been endorsed by the Sport and Recreation Ministers' Council as one worth pursuing.²⁶

Shared use and provision

5.14 There are several ways of sharing facilities so that the cost of providing them is minimised. In the first place, one building or area can be used for a variety of activities rather than a facility being provided for each use. Netball, volleyball, basketball and badminton, for example, can all be played in the same building, and a playing field may be used for a variety of football codes in winter, for cricket in summer, and year-round for unstructured community activity. Secondly, facilities can be shared by developing them on a regional basis rather than providing them on a smaller scale at multiple locations. These two issues are explored in the sections that follow.

5.15 Thirdly, where there are different requirements for different activities, it may be possible to co-locate the facilities needed to service them. The infrastructure that supports sporting events like access roads, club houses, car parks and toilets can then be shared. Not only should sporting facilities be grouped where possible, there may be advantages in placing them near other focal points for the public, such as shopping centres and health clinics to which public transport runs. Not only does co-location reduce the costs of providing sporting and recreational facilities, it may stimulate greater use because they are conveniently placed. Recognising this fact, co-location is encouraged in the Queensland Government's grants scheme.²⁷

5.16 Finally, facilities may be developed jointly by two or more groups, such as the education department for school use and the local council for community use. In other cases, universities or sporting groups are parties to joint developments. The joint use of facilities by

²² Australian Baseball Federation, submission (number 101), p 5.

²³ James Hardie Industries Ltd on behalf of the Multi Sport Indoor Facility Consortium, submission (number 124), pp 1-3.

²⁴ Facilities Development & Management Corporation Ltd, submission (number 249), p 5.

²⁵ HM Leisure Planning Pty Ltd, transcript, 7 May 1997, pp 293-4; discussions with the Victorian Basketball Association, 8 May 1997.

²⁶ Australian Sports Commission, submission (number 271), p 61.

²⁷ Office of Sport and Recreation, Queensland, transcript, 23 April 1997, p 192.

schools and communities is discussed in Chapter 7, and Chapter 8 deals with joint ventures with the private sector.

Multi-functional facilities

5.17 State and Local Governments recognised that facilities that are capable of more than one use are more likely to be well used and offer more prospects for accommodating changes in sporting preferences in the future than are single purpose facilities. If facilities are well used, they stand a better chance, through user charging, of ensuring that subsidising their operation will be unnecessary or at least minimal.

5.18 Furthermore, for sports that can be played both indoors and outdoors, access to indoor facilities means that sporting activity is not affected by the weather or time of day or year: swimming is possible throughout the year, wet courts do not stop play, playing late at night is more inviting and safer, and players and spectators are sheltered from ultraviolet rays. Providing indoor facilities increases the sporting opportunities available and the use to which the land they occupy can be put. In addition, if carefully planned, it may be possible to use such facilities for non-sporting activities, such as cultural events, community meetings or displays, and thereby generate funds from non-sporting events. For example, the Great Southern Sheep Breeders Association uses a second pavilion at the new regional centre in Katanning for its annual sheep sales.²⁸

5.19 Nearly a third of the 100 Local Governments that made submissions to the inquiry indicated their interest in multi-purpose facilities. State Governments also supported the construction of multi-purpose facilities. For example, Queensland's Office of Sport and Recreation reported that it gave a higher weight to multi-purpose than to single purpose facilities when assessing proposals for facilities, although it does recognise that it is easier for some sports to share facilities than others.²⁹ One of the categories of sporting and recreational facilities targeted by Victoria's Community Support Fund was multi-purpose facilities.³⁰ The New South Wales Department of Sport and Recreation recognised that 'the development of multi-purpose facilities fulfils many needs', and the Tasmanian Government was supporting multi-use facilities as a major initiative.³¹ The James Hardie consortium mentioned in paragraph 5.13 has responded to the demand for multi-purpose facilities by designing its pre-fabricated, modular facilities so that they will accommodate several indoor sports.³²

5.20 It was noteworthy, however, that relatively few local sporting groups, only ten out of the 103 that made submissions to the inquiry, referred to a need for multi-purpose facilities. Most of these ten groups either played minority sports such as calisthenics and ice sports, or were providers of a variety of programs.³³ The majority of sporting groups preferred their own premises. Indeed, a drawback to multi-use facilities which was brought to the Committee's attention was the greater reluctance of volunteers associated with particular

²⁸ Shire of Katanning, transcript, 22 July 1997, p 630.

²⁹ Office of Sport and Recreation, Queensland, transcript, 23 April 1997, pp 191-2.

³⁰ Victorian Government, submission (number 246), p 2.

³¹ New South Wales Department of Sport and Recreation, submission (number 270), p 3; Tasmanian Government, submission (number 212), p 7.

³² James Hardie Industries Ltd on behalf of the Multi Sport Indoor Facility Consortium, submission (number 124), p 2.

³³ Brisbane Badminton Association Inc., submission (number 137), p 3; Ceres Calisthenic College Inc., submission (number 84), p 1; Hobart Police & Citizens Youth Club Inc., submission (number 231), p 2; Queensland Youth Alliance, submission (number 264), p 2.

sports to contribute to the running of centres which are not wholly their own territory.³⁴ As volunteers provide a very significant contribution, both economic and non-economic to sport, this attitude on the part of volunteers could seriously undermine the viability of a sport required to share facilities with others.

5.21 However, state and national sporting organisations take a different view. The Confederation of Australian Sport was clear that:

In research undertaken to date there is already an obvious need for a number of new, basic, multi-purpose indoor sports facilities centred at a major population growth area throughout the country.³⁵

The Tasmanian Sports Federation and Womensport in New South Wales and Western Australia support the provision of multi-use facilities. The Sports Federation of South Australia reported on the results of a survey of 45 state sporting associations which suggested that attitudes to the sharing of facilities might be changing.

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.³⁶

Manningham City Council referred to the need to change expectations within the community, and pointed out that:

This can only happen with time and effective 'marketing' of ideas about the need for multi-purpose use, the need to share resources, the possible moving of groups out of large facilities into smaller ones when the club is in decline and so on.³⁷

Regional facilities

5.22 Alongside the recognition that supplying multi-purpose facilities was useful, there appeared to be increasing support for regional facilities. As discussed in Chapter 2, Local Governments reported a lack of funds for significant capital expenditure on sporting and recreational facilities. Under these circumstances, there were signs that councils were beginning to explore more widely the pooling of their resources to construct regional facilities.³⁸ In addition, the possibility was being considered that individual councils might take responsibility for providing a particular type of facility to national or international standard and leave other councils to do likewise for other sports.³⁹ With local government amalgamations in some states, planning for regional facilities has been made easier.

5.23 The Australian Local Government Association pointed out that a framework for cooperation already existed in the 52 voluntary regional organisations of councils that cover 70 per cent of the country. These organisations work with some of the regional development organisations and state based regional organisations, but have yet to develop their potential

³⁴ Informal discussions with the Frankston District Basketball Association and the Victorian Basketball Association, 8 May 1997; Victorian Government, submission (number 246), p 13.

³⁵ Confederation of Australian Sport Inc., submission (number 210), p 25.

³⁶ South Australian Sports Federation Inc., transcript, 8 July 1997, p 552.

³⁷ Manningham City Council, submission (number 190), p 5.

³⁸ Hobart Metropolitan Councils Association, submission (number 234), p 4; Northern Sydney Region of Councils, transcript, 21 April 1997, p 55.

³⁹ Discussions in the Hunter Region, 22 April 1997; Shire of Northam, submission (number 24), p 1; The City of Orange, submission (number 174), pp 5-6.

with respect to sporting and recreational facilities. The Australian Local Government Association suggested that 'if there was an incentive and somewhere to go with a strong proposal about the development of a recreational facility, ... councils would respond very positively to that opportunity'.⁴⁰

5.24 The grants programs operating in states like South Australia, Queensland, New South Wales and Victoria encourage the regional development of facilities (Appendix C). South Australia's program is predominantly for country areas.⁴¹ The New South Wales Department of Sport and Recreation reported that:

One of our priorities in our business plan over the next financial year is to facilitate a regional facility planning process. We have examples of best practice in New South Wales in the Illawarra and the Hunter, where local governments have pooled some of their grants funding under one of our programs and have been able to prioritise facilities on a regional basis.⁴²

The Victorian Government reported that, over the past few years, it had received a number of joint applications from aggregates of councils for regional facilities.⁴³ Some Western Australian councils had cooperated in an application for funding for a regional facility at Katanning.⁴⁴

5.25 A regional approach to funding facilities increases the likelihood of high quality facilities being provided and maximises the chances of satisfying the demands of a variety of sports. In several states, the completion of state and regional sport and recreation plans is assisting in the identification of where it would be most appropriate to site regional facilities. An example of such a plan is that produced for swimming pools in South Australia.⁴⁵ The New South Wales Department of Sport and Recreation recognised that the regional approach to providing facilities would play an increasingly important role, but commented that:

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

So at the moment we are facilitating a range of workshops, developing resources where we can begin to share that information on best practice in terms of regional facility planning. But, as you would appreciate, working with individual local councils is a long and difficult process.⁴⁶

5.26 The situation described in New South Wales also existed elsewhere. As an example, Tasmania's West North West Councils reported that regional development policies and priorities for sporting and recreational facilities had not been established, and 'opportunities for integrated development of resources were ignored for a number of reasons, such as inter-Council rivalry or lack of an overall plan', as well as inadequate resources.⁴⁷ The Hobart

⁴⁰ Australian Local Government Association, transcript, 24 March 1997, p 11.

⁴¹ Department of Recreation and Sport, South Australia, transcript, 8 July 1997, p 523.

⁴² New South Wales Department of Sport and Recreation, transcript, 2 June 1997, p 478. The Illawarra Region developed a plan for regional and sub-regional facilities in 1988 (Mr Ian Richardson, submission, number 73, p 3), and the Hunter Region Organisation of Councils reported cooperative targeting of sub-regional and regional facilities (submission, number 114, appendix A, pp 5-6).

⁴³ Sport and Recreation Victoria, transcript, 7 May 1997, p 249.

⁴⁴ Shire of Katanning, transcript, 22 July 1997, p 610.

⁴⁵ Hassell Pty Ltd, JA Nicholas & Associates & KPMG Management Consulting, *Provision of Public Aquatic Facilities: Strategic Direction for South Australia*, Department of Recreation and Sport, South Australia, June 1997.

⁴⁶ New South Wales Department of Sport and Recreation, transcript, 2 June 1997, p 485.

⁴⁷ Tasmania's West North West Councils, submission (number 172), pp 2, 5.

Metropolitan Councils Association commented on the 'political difficulties of sending funds out of a Council boundary when there are facilities within the Council which are operating at a loss'.⁴⁸ However, legislative changes enacted in 1993 in Tasmania now allow, even encourage, co-operative activities to provide regional facilities on a jointly funded basis, but little use has been made of these powers.⁴⁹

5.27 Regional facilities were identified as major needs in rural areas and in growing areas where few facilities existed.⁵⁰ As the National Council YMCA of Australia pointed out, 'regional facilities are required for areas where surrounding local areas cannot justify the development of their own individual facilities, due to demographic and economic factors'.⁵¹ They were seen by Wollongong City Council as the appropriate focus for a Commonwealth funding program because the 'needed facilities are quite costly relative to local authorities abilities to fund or part fund them'.⁵² Indeed, some facilities may be viable only on a regional scale.⁵³ Regional centres, such as Hobart, are often unable to 'generate sufficient capital or recurrent funding from the local community or the private sector for appropriately scaled regional facilities'.⁵⁴ Furthermore, Local Government places considerable reliance on developer contributions to provide local sporting and facilities, but these contributions generally cannot be extensively used for regional facilities.⁵⁵

5.28 Other witnesses stated that the Commonwealth Government should give preference to supporting regional facilities.⁵⁶ Fairfield City Council suggested that incentives should be developed by the Commonwealth Government to encourage increased state funding for rural and regional facilities.⁵⁷ However, other witnesses favoured a Commonwealth concentration on national facilities,⁵⁸ or a general program offering a distribution of funds to all levels of facility.⁵⁹

5.29 A number of councils told the Committee of their difficulties in providing facilities which were used by significant numbers of people from outside their local council area. Not only had local people helped to fund such facilities, in many cases they continued to do so through council subsidies for maintenance and running costs. In some cases brought to the Committee's attention, the neighbouring councils made little contribution to either capital or recurrent costs. Sometimes this was not unreasonable, as Willoughby City Council pointed out:

We could go to our neighbouring councils and say, 'Cough up, we need you to contribute'. Equally, they could come to us and say, 'Cough up, people from your area are using this, this and this'. Hornsby people will say, 'Willoughby people are using this'. There is a cross-use of

⁴⁸ Hobart Metropolitan Councils Association, submission (number 234), p 10.

⁴⁹ Local Government Association of Tasmania, submission (number 242), p 7.

⁵⁰ Bathurst City Council, submission (number 148), p 2; discussions with Chittering Shire Council, 23 July 1997; Shire of Augusta-Margaret River, submission (number 159), p 2.

⁵¹ National Council YMCA of Australia, submission (number 109), p 3.

⁵² Wollongong City Council, submission (number 59), p 2.

⁵³ Municipal Association of Victoria, submission (number 147), p 4.

⁵⁴ Hobart Metropolitan Councils Association, submission (number 234), p 5.

⁵⁵ Baulkham Hills Shire Council, submission (number 33), p 2.

⁵⁶ Banyule City Council, transcript, 7 May 1997, p 269; Central Coast Branch Athletics NSW, submission (number 257), p 2; The City of Orange, submission (number 174), pp 3-4.

⁵⁷ Fairfield City Council, submission (number 54), p 2.

⁵⁸ See paragraph 3.10.

⁵⁹ For example, Huon Valley Council, submission (number 115), p 6.

facilities - be it child-care, libraries, parks, leisure centres or whatever. We all look after our own because we are actually all using each other's stuff.⁶⁰

5.30 It also needs to be acknowledged that the provision of a regional sporting facility attracts economic activity on a continuing basis to the local area and can stimulate other investment. Some local authorities are reluctant to subsidise facilities in a neighbouring area which may direct business away from their own ratepayers.

5.31 A different situation can sometimes exist in regional centres used extensively by people from the surrounding rural shires. The Shire of Katanning indicated to the Committee that it had received 'a contribution in some works in kind' from neighbouring councils, but no financial assistance towards its new regional centre.⁶¹ The Shire of Northam and the Town of Northam told the Committee that the Shire made annual payments to the town in recognition of the fact that its ratepayers made use of the town's facilities.⁶²

Management

5.32 A survey of public sport and recreation facilities carried out in 1985-86 found that management factors were perceived to be the most important contributors to the financial viability of a facility.⁶³ The difference that the quality of management can make to the operation of facilities is illustrated by two similar Victorian facilities located near each other which:

... had financial outcomes which were vastly different: one made a profit of around \$30,000 while the other [lost] \$25,000 because one was professionally managed and timetabled and the other was booked out to those who enquired by a teacher given 2 periods a week off to do the job.⁶⁴

In addition, as Manningham City Council pointed out, 'a lot of problems that people put down to design or physical issues are really management issues'.⁶⁵

5.33 According to ALGA, 'councils have now had enough experience to realise that the recurrent costs and operation management of facilities is as big an issue as the provision of the facilities to start with'.⁶⁶ The Australian Council for Health, Physical Education and Recreation commented that:

... 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.⁶⁷

Local councils in New South Wales are now required to develop plans of management for new facilities.⁶⁸ Nonetheless, ALGA considered that 'there needs to be a lot more work in the

⁶⁰ Willoughby City Council, transcript, 21 April 1997, p 72.

⁶¹ Shire of Katanning, transcript, 22 July 1997, pp 609-10.

⁶² Discussions with both councils, 23 July 1997.

⁶³ Australian Sports Commission, submission (number 271), p 64.

⁶⁴ HM Leisure Planning Pty Ltd, submission (number 38), p 4.

⁶⁵ Manningham City Council, transcript, 7 May 1997, p 352.

⁶⁶ Australian Local Government Association, transcript, 24 March 1997, pp 12-13.

⁶⁷ The Australian Council for Health, Physical Education and Recreation, transcript, 8 July 1997, p 570.

⁶⁸ Mr Ian Richardson, submission (number 73), appendix A, p 3.

area of better management of facilities'.⁶⁹ Jak Carroll suggested that, not only should management plans be developed for facilities, but they should fit into a coherent framework for the whole community, and incorporate performance measures and requirements for periodic review.⁷⁰

5.34 A number of facility providers clearly recognised that the management arrangements for any new facilities are best considered during the early planning stage. Port Stephens Council, for example, indicated that facility management was integral to its planning and design processes, and Banyule City Council commented on the growing culture in Local Government in this connection.⁷¹ While the Municipal Association of Victoria believed that 'the practice of involving management teams in discussions on the financial viability of new facilities has been going on for a long time',⁷² the managing director of HM Leisure Planning could:

... quote case after case where programming, management and staffing has [*sic*] not been thought about until the day the facility opens, and they turn around [and] say, 'How are we going to use it? What will happen?'⁷³

Yet the programming of facility use is as important as providing the facility and servicing it.⁷⁴

5.35 Another factor that contributes to the cost-effective management of facilities is their size. For example, single basketball court facilities are rarely profitable but, in the view of the Queensland Basketball Association, a fully used two court facility can support full-time employees while fully utilised three and four court facilities can fund professional management.⁷⁵ Logan City Council pointed out that:

Positive projects to encourage the development of substantial facilities that can support paid staff ... or the positioning of skilled recreation staff in Local Government to support facility managers, are crucial strategies that will ensure the long term viability of facilities.⁷⁶

5.36 In the quest to obtain more efficient and cheaper operation of publicly owned facilities, government instrumentalities are increasingly handing facility management to contractors or to sporting or volunteer groups. The experience with contracting out has been mixed: the need on the part of contractors to run facilities as profitably as possible puts pressure on them to maximise the facilities' use through promotions and innovative programming, which can improve substantially the facility's financial performance. For example, NSW Sport and Recreation reported that it had recently contracted out a number of government owned pools and leisure centres in an attempt to minimise operational losses, with 'fairly dramatic' results in a short space of time.⁷⁷ However, to achieve profitability contractors may need to increase charges to users. Commenting on the Victorian experience, the Women's Electoral Lobby Sports Action Group indicated that:

⁶⁹ Australian Local Government Association, transcript, 24 March 1997, p 9.

⁷⁰ Carroll, p 12 (see footnote 13, Chapter 1).

⁷¹ Banyule City Council, transcript, 7 May 1997, p 271; Port Stephens Council, submission (number 66), p 12.

⁷² Municipal Association of Victoria, transcript, 7 May 1997, p 271.

⁷³ HM Leisure Planning Pty Ltd, transcript, 7 May 1997, p 293.

⁷⁴ HM Leisure Planning Pty Ltd, transcript, 7 May 1997, p 301.

⁷⁵ Queensland Basketball Association Inc., submission (number 251), p 5.

⁷⁶ Logan City Council, submission (number 49), p 8.

⁷⁷ New South Wales Department of Sport and Recreation, transcript, 2 June 1997, p 490.

In some cases this has worked well as the private operators have encouraged the use of the facilities to increase their returns, however in other cases the additional cost imposed by entrepreneurial managers has discouraged the use of the facilities by the most in need.⁷⁸

5.37 The ASC suggested that there are four steps in the tendering out process:

- deciding what services to tender and the contract strategy;
- preparing contract specifications and tender documentation;
- selecting the contractor and finalising the contract; and
- monitoring and reviewing the contract.⁷⁹

Where contracting out has not produced an acceptable outcome, the cause may lie in deficiencies in the execution of one or more of the above steps. With contracting out being a relatively new process, the expertise of those involved in the process is still developing. The Committee regards the AFC's initiative of developing a guide to the contracting out of sport and recreation facilities as a wise move.

5.38 The Facilities Management & Development Corporation, a non-profit organisation formed by the state netball and basketball associations in Queensland, suggested that professional management by a non-profit organisation jointly owned by the major users was preferable to control of facilities by 'marginally capable unqualified volunteer sports administrators who face the prospect of a new committee every year'.⁸⁰ Basketball Australia favoured a similar arrangement.⁸¹ However, minority sports can suffer under such an arrangement. Manningham City Council regarded independent management as 'critical to the success of facilities, otherwise one strong group can dominate all the best time slots and they expect everyone else to fit in around them'.⁸²

5.39 A number of witnesses commented to the Committee on the performance of voluntary management committees in operating facilities. The Shire of Dandaragan referred to voluntary community management committees as 'a very worthwhile concept'.

These management committees are a huge advantage to the whole community. Not only do they save the Council thousands of dollars that would otherwise be spent on managers and cleaners and the day to day running of the centres, they allow the community to have a say in the running of these centres.⁸³

However, the council has found that 'it is often difficult to find these volunteers and to keep them motivated to be involved' in the face of burn out. Logan City Council commented that the standard of volunteers' management of facilities varied greatly,⁸⁴ and in the experience of the Queensland Netball Association:

⁷⁸ Women's Electoral Lobby Sports Action Group, submission (number 83), p 7.

⁷⁹ Australian Sports Commission, submission (number 271), p 67.

⁸⁰ Facilities Development & Management Corporation, submission (number 249), p 3.

⁸¹ Basketball Australia, in Confederation of Australian Sport Inc., submission (number 210), p 37.

⁸² Manningham City Council, transcript, 7 May 1997, p 351.

⁸³ Shire of Dandaragan, submission (number 143), pp 3, 4. Circular Head Council also pointed to the advantage of local control of facilities (submission, number 11, p 2).

⁸⁴ Logan City Council, submission (number 49), p 8.

Community committee management through volunteer groups or Parents and Citizens Associations is often unsuccessful and/or impracticable. Commercial management is the key to the future of facilities ...⁸⁵

There are a number of attempts at the best of all worlds from a hybrid arrangement such as that suggested by the Tasmanian Sports Federation for multi-purpose facilities: 'it needs to have a committee structure operating it with full-time people, or a person, in charge of that, answering to all the sport or community areas that use it'.⁸⁶

5.40 Other witnesses agreed that management committees faced a variety of problems, including inadequate funding and skills for the tasks they must deal with.⁸⁷ The lack of appropriate skills is of particular concern as 'the field of sport and recreation is becoming very complex and there are a myriad of legislative, social justice and industry requirements placed upon the local club executive'.⁸⁸ In addition, this type of management is 'generally most interested in ensuring good access is available for class times rather than any economic viability goals'.⁸⁹ Such an approach represents a commercial risk to the owners of the facility.⁹⁰

5.41 Although poor management was widely mentioned by witnesses to the inquiry, according to the South Australian Government, management has improved significantly in recent years.⁹¹ Furthermore, sports management courses have been established by universities, TAFEs and private providers such as the Leisure Australia Management College. Indeed, the AUSF described the growth of such courses at universities as explosive.⁹² As a result, there are now a number of profit and non-profit groups which provide management services for sports facilities; they include the YMCA, The Royal Life Saving Society, and Leisure Australia which is a private company employing 400 full-time staff and turning over \$25 million annually.⁹³

5.42 Assistance has also been provided to the managers of facilities by both sporting organisations and State and Local Governments. Squash Australia, for example, is developing specialist training courses, and Tennis Australia provides 'management advice to assist the clubs in managing their affairs on a proper business like basis'.⁹⁴ The Queensland Netball Association considered that sports organisations can manage facilities with training and state and national guidance.⁹⁵ Logan City Council advocated the employment of municipal recreation officers to 'allow the community access to professional support and skills that would solve many of the problems associated with the operation of sport and recreation facilities'.⁹⁶ The Huon Valley Council saw the employment of recreation officers as the only

⁸⁵ Queensland Netball Association Inc., submission (number 250), p 9.

⁸⁶ Tasmanian Sports Federation Inc., transcript, 9 May 1997, p 387.

⁸⁷ Richmond River Shire Council, submission (number 62), p 2.

⁸⁸ Logan City Council, submission (number 49), p 5.

⁸⁹ Australian Leisure Institute, Aquatic and Recreation Institute & The Royal Australian Institute of Parks and Recreation, submission (number 221), p 7.

⁹⁰ James Hardie Industries Ltd on behalf of the Multi Sport Indoor Facility Consortium, submission (number 124), p 4.

⁹¹ Department of Recreation and Sport, South Australia, transcript, 8 July 1997, p 513.

⁹² Australian Universities Sports Federation, transcript, 21 April 1997, p 124.

⁹³ Australian Sports Commission, submission (number 271), p 68; Australian Swimming Inc., transcript, 29 May 1997, p 444; National Council of the YMCAs of Australia, transcript, 7 May 1997, p 316.

⁹⁴ Squash Australia, supplementary submission (number 267), p 3; Tennis Australia, submission (number 53), p 3.

⁹⁵ Queensland Netball Association Inc., submission (number 250), p 9.

⁹⁶ Logan City Council, submission (number 49), p 6.

way in many cases of improving programming, promotion and marketing.⁹⁷ Both councils recommended that the Commonwealth Government should fund a program to provide recreation officers. The Queensland Youth Alliance also favoured 'the establishment of a framework of ongoing support' with respect to such matters as accountability, evaluating outcomes, and marketing, and the Local Government Association of Queensland emphasised the need for 'training in management and administration for both paid and voluntary facility personnel'.⁹⁸

5.43 An example of the need for attention to management exists in relation to facilities provided to Aboriginal communities. The Aboriginal and Torres Strait Islander Commission (ATSIC) has provided considerable funds for facilities in the past, but many of these facilities are no longer in use. This investment in facilities failed for a variety of reasons, including the absence of training for the local community in how to use, manage, and maintain the facility.⁹⁹ The Committee heard in Western Australia that a TAFE course had been developed to train people from Aboriginal communities as sport and recreation personnel and some of them were now employed as such.¹⁰⁰ Training is also being provided in Queensland:

The Queensland government is training Aboriginal recreation officers because they believe they cannot get an appropriate service going in the communities until members of the communities can help to run the facilities.¹⁰¹

Financial viability

5.44 An issue that developers of facilities must address before deciding whether to proceed with a project is whether it will be financially viable. With a well-designed facility, provided in response to justified needs, sited in an appropriate location, catering to a range of activities and participants, and managed efficiently, several of the elements that maximise the likelihood of financial success are in place. Another significant factor that needs attention is the size of the facility. A larger facility can not only better afford professional management which will enhance its use, it generates a greater income and is better able to support a loan than a smaller facility. This point was illustrated by evidence that a fully utilised three or four court basketball complex can service a \$1 million loan as well as meeting the cost of professional management, whereas a smaller complex cannot.¹⁰²

5.45 Several witnesses to the inquiry stated that any proposed development must be shown to be financially viable before it is allowed to proceed.¹⁰³ The Victorian and Western Australian Governments took the view that grants for sporting and recreational facilities would be made only after the financial viability of proposals had been assessed,¹⁰⁴ and

⁹⁷ Huon Valley Council, submission (number 115), p 5.

⁹⁸ Local Government Association of Queensland Inc., submission (number 222), p 2; Queensland Youth Alliance, submission (number 264), p 4.

⁹⁹ Australian Sports Commission, submission (number 271), pp 129-30.

¹⁰⁰ Ministry of Sport and Recreation, Western Australia, transcript, 22 July 1997, p 597.

¹⁰¹ HM Leisure Planning Pty Ltd, transcript, 7 May 1997, p 301.

¹⁰² Queensland Basketball Association, submission (number 251), p 5.

¹⁰³ For example, Australian Leisure Institute, Aquatic and Recreation Institute & The Royal Australian Institute of Parks and Recreation, submission (number 221), p 12; Department of Sport and Recreation, Northern Territory, transcript, 7 August 1997, p 673; Launceston City Council, submission (number 205), p 2; Municipal Association of Victoria, transcript, 7 May 1997, p 265; Shire of Serpentine-Jarrahdale, submission (number 185), p 1; Western Australian Sports Federation, transcript, 22 July 1997, p 631.

¹⁰⁴ For example, Ministry of Sport and Recreation, Western Australia, transcript, 22 July 1997, p 583; Sport and Recreation Victoria, transcript, 7 May 1997, p 256.

Queensland's Office of Sport and Recreation looks very carefully at the business plans of proposed facilities, paying particular attention to the provisions that have been made for maintenance.¹⁰⁵

5.46 It is necessary to know whether the income from user charges will be sufficient to cover the costs associated with loan repayments and the operation, maintenance and future upgrades of the facility. If it is not, a private developer will obviously not proceed. However, when the developer is the Local or State Government, consideration might be given to subsidising the facility and the question becomes one of how much of a subsidy should be made available and under what conditions. Queensland's Office of Sport and Recreation pointed out that 'some facilities may be provided and subsidised through Local Government purely on the basis that they are not viable, but they are a much needed facility within that area'.¹⁰⁶ The YMCA of Brisbane regarded it as 'inevitable that some facilities in lower socioeconomic areas are never going to pay for themselves and they will need to get recurrent funding from somewhere'.¹⁰⁷ The same situation exists in remote communities.¹⁰⁸ In other cases, collecting fees from users is simply not feasible; this is particularly true of unstructured activities and those that are conducted in public open space.¹⁰⁹

¹⁰⁵ Office of Sport and Recreation, Queensland, transcript, 23 April 1997, p 185.

¹⁰⁶ Office of Sport and Recreation, Queensland, transcript, 23 April 1997, p 184.

¹⁰⁷ YMCA of Brisbane, transcript, 7 May 1997, p 324.

¹⁰⁸ Australian Sports Commission, transcript, 2 June 1997, p 472.

¹⁰⁹ Willoughby City Council and Ku-ring-gai Municipal Council, transcript, 21 April 1997, p 59.

5.47 The Committee notes the summing up given by the ASC's Executive Director:

Clearly, if a facility can be developed with community support and without government support that seems to me to be a good thing. In the best way possible the environment should be created in which that will occur. There are then decisions that have to be made about public good. If there is a need for some facilities in some places where it would not be viable commercially, and I think we should always be aiming to make them as commercially viable as possible, then it may be appropriate for a government body, not necessarily the Commonwealth government, it may be state or it may be local government, to provide some assistance in that particular area. But I think you would have to look at the case for support very carefully.¹¹⁰

The Victorian Government agreed:

Whilst economic viability and ongoing operational viability of facilities is important, so is the community benefit and broad community access to facilities. Our government sees a need for a balance between those two.¹¹¹

Many elements of recreation are not financially viable but may be 'just as important, if not more so, than some of those which are financially viable' because of the very important contribution they make to community wellbeing and health.¹¹²

5.48 The Committee acknowledges that the reasons for supporting unprofitable facilities, which it canvasses in Chapter 3, may be overwhelming in some cases. It accepts that Local, State and Territory Governments may opt to subsidise such facilities as a public good. What is important is that governments providing assistance for the construction and ongoing operation of such facilities are aware of the magnitude of the claims likely to be made on them and are prepared and able to meet them. Too many facilities are built which in reality have no hope of operating without continuing losses, but often no provision has been made to fund these deficits. An essential element of facility planning is a realistic operating budget; surprisingly this does not always occur.

5.49 The Committee notes that a variety of information is available to assist sport and recreation planners in assessing the financial viability of proposals. Apart from professional planners whose services can be bought, a number of publications has been produced. The Sport and Recreation Ministers' Council has sponsored the production of manuals, and State Governments have also issued advice on planning, design and management.¹¹³

¹¹⁰ Australian Sports Commission, transcript, 2 June 1997, p 461.

¹¹¹ Sport and Recreation, Victoria, transcript, 7 May 1997, p 256.

¹¹² HM Leisure Planning Pty Ltd, transcript, 7 May 1997, p 293.

¹¹³ For example, *Making Your Recreation Centre Viable: a Management Manual for Recreation Centre Managers*, Sport and Recreation Ministers' Council, 1990; *Energy Management in Aquatic Recreation Centres*, Sport and Recreation Ministers' Council, 1993; Daly (see footnote 14, Chapter 1); 'The "How to..." Kit series', Ministry of Sport and Recreation, Western Australia; *Recreation Planning Guide*, Ministry of Sport and Recreation, Western Australia, 1997. Several publications by Sport and Recreation Victoria are listed in 'Sport and recreation: Facility Development Funding Program: a funding program for local government authorities: guidelines & application for 1997/1998 funding', p14.

The provision of financially unviable facilities as a public good

5.50 Many submissions to the inquiry drew attention to the disadvantages suffered by certain communities in providing adequate facilities and called for equity for all Australians to be a priority in any funding program for facilities and related services. These calls came from State and Local Government, local government associations, and sporting organisations. The various disabilities that communities faced in terms of the facilities available to them were highlighted to the Committee. Some communities had a low average income and/or suffered high unemployment. Other communities were growing fast while, in the older parts of cities, there were fewer facilities than in more recently established areas and purchasing land for new facilities was very expensive. Some areas had insufficient water to grow grass for playing fields while others had so much rain they needed indoor centres. Yet other communities were very small and remote from larger centres.

5.51 Some examples of the different types of disadvantage that exist across Australia are given below. An illustration of the type of situation encountered in remote, rural areas was provided by Tennant Creek where the last census established that the median income of the people in the town was \$16 059.¹¹⁴ As the Chairman of the Tennant Creek Sports Advisory Committee pointed out:

When you have a large proportion of your population who do not earn a lot of money, and a significant proportion of them are unemployed, it is very hard to keep your facilities up to scratch.¹¹⁵

Even more disadvantaged are some Aboriginal communities in Western Australia which 'do not have access to any sport or recreation facilities, despite having large populations, in some cases 500 - 600 people, with significant numbers of young people'.¹¹⁶

5.52 Another example was provided by Kyogle Council where there is a relatively low average income and high unemployment rate of 14.9 per cent. Furthermore, a high proportion of the population is under 12 years of age, more than half the people in the council area live in villages or on rural properties, and public transport is limited. Kyogle Council reported that a proposed multi-purpose indoor sporting facility, a joint venture between local schools and Council, had failed. It claimed that this was the result of 'the high cost involved and the lack of access to substantial base funding'.¹¹⁷ Kyogle is just one of a large number of similar communities.

5.53 Even more remote, small communities were brought to the Committee's attention at a meeting in Cairns with representatives of some of Cape York's Councils. Etheridge Shire, for example, referred to the fact that some communities used facilities provided at the local school and pointed out that, if the school were to close due to a reduction in the number of students, the community would lose access to sports facilities maintained by the education department. For very remote communities, as a member of the Torres Strait Regional Authority pointed out, the costs of providing facilities are much higher than in the more densely settled parts of the country.

¹¹⁴ Tennant Creek Sports Advisory Committee, transcript, 7 August 1997, p 653.

¹¹⁵ Tennant Creek Sports Advisory Committee, transcript, 7 August 1997, p 656.

¹¹⁶ Aboriginal Affairs Department, Western Australia, submission (number 247), p 1.

¹¹⁷ Kyogle Council, submission (number 30), pp 3-4, attachment 5.5.

5.54 According to the Shire of Northam, many people are being lost to rural and remote areas because of substandard, inadequate cultural and recreational amenities, as well as the limited employment opportunities in these areas.¹¹⁸ The same factors are evident in Western Australian Aboriginal communities.¹¹⁹ The Municipal Association of Victoria linked the absence of services and facilities for young people in country districts with the high incidence of mental ill-health. It gave the example of the Shire of Campaspe which has:

... the highest incidence of youth suicide and depression in the state. That results from lack of access for young people to services and facilities. It is important that young people can have access to recreation and leisure facilities. ... Most services were constructed a long time ago and were built for a single purpose; they are not youth friendly.¹²⁰

The Office of Sport and Recreation in Queensland told the Committee that there was a real need for assistance:

... if we are to try to maintain the populations that we still have in some of the more remote areas. Sporting facilities are just one avenue of doing this, but it is a very important avenue of maintaining a lifestyle and some sort of independence in some of these rural areas. A lot of the time sport is the one social aspect of life that keeps a community together or maintains some continuity within the community.¹²¹

The Local Government Association of Queensland supported this view.¹²² Special support for rural areas was recommended by many witnesses to the inquiry, including a fifth of the local government authorities that made submissions.

5.55 Many examples were brought to the Committee's attention of areas with rapidly growing populations where the supply of facilities was not keeping pace with the demand from new residents. In such areas, the funding available to local councils was being directed to more basic infrastructure than to sporting and recreational facilities. Local councils that particularly referred to this matter included some on the outskirts of Perth and Melbourne, in north western Sydney, on the central and northern coast of New South Wales and in their hinterlands, and in south-east and northern Queensland. There was, however, scope for enhancing the supply of facilities by requiring land or financial contributions from developers. Contributions from development is obviously less likely to be available in low growth areas.¹²³ In addition, in the older parts of cities, it is often the case that fewer facilities have been constructed than in more recently developed parts, and acquiring land to construct new facilities is extremely expensive.¹²⁴

5.56 A number of the existing state programs recognise some of the disadvantages enumerated above and seek to address them. The Queensland Government's former community recreation centres program provided facilities 'in areas of need for youth and youth unemployment, areas of youth crime, plus areas of growth and areas of social disadvantage'. Rural and remote areas were also given special consideration.¹²⁵ New South Wales programs targeted locations with high levels of youth violence and areas where access to facilities was difficult (Appendix C).

¹¹⁸ Shire of Northam, submission (number 24), p 1.

¹¹⁹ Aboriginal Affairs Department, Western Australia, transcript, 22 July 1997, p 595.

¹²⁰ Municipal Association of Victoria, transcript, 7 May 1997, p 267.

¹²¹ Office of Sport and Recreation, Queensland, transcript, 23 April 1997, p 181.

¹²² Local Government Association of Queensland, submission (number 222), p 1.

¹²³ Local Government Association of Queensland, transcript, 23 April 1997, p 207.

¹²⁴ For example, Northern Sydney Region of Councils, transcript, 21 April 1997, p 55.

¹²⁵ Office of Sport and Recreation, Queensland, transcript, 23 April 1997, p 185.

Conclusions

5.57 This chapter has examined some of the factors that contribute to the cost effective provision of new facilities. It has considered how good design and appropriate standards, as well as professional management, increase the usage of a facility, and what the possibilities are for shared use and provision. The importance of constructing only financially viable facilities is also discussed. On the basis of its considerations in this chapter, the Committee has singled out three areas where it sees a role for the Commonwealth Government.

Information and training

5.58 A common theme throughout this chapter has been the need for information and training for those involved in designing, planning, and managing facilities. The Committee notes that much information has been collated, but is unable to assess how much more and what kind of information might still be needed. It appears to the Committee that, notwithstanding the fact that information is available, it is not as widely known and available to potential users as it should be.

5.59 The Committee recognises that sporting organisations are sources of expertise for their affiliates and of advice to facility providers on design and management. In addition, AUSFAC and the sport and recreation departments of the State and Territory Governments have worked in this area. The Committee notes that the AFC has identified topics that need to be pursued further and encourages it to build on this work by assessing what more information is needed, arranging for it to be pursued, and ensuring its dissemination to the maximum number of stakeholders. A similar exercise should be undertaken for training, particularly in facility management.

5.60 The Committee recommends that:

- (11) the Department of Industry, Science and Tourism provide funding to enable the augmented Australasian Facilities Committee to assemble and publish information on the planning, design and management of sporting facilities and disseminate the information as widely as possible.**

Providing facilities

5.61 From its examination of the evidence put before it, the Committee considers that there is a case for Commonwealth involvement in the provision of sporting and recreational facilities. In the first place, the Committee views the regional coordination of facilities as a cost effective way of providing good quality facilities. It notes, however, that the concept of regional facilities has not yet been fully embraced in all parts of the country, and the cost of providing such facilities is very considerable. The Committee's view is that, under these circumstances, a regional approach should be encouraged. A number of witnesses to the inquiry advocated a regional emphasis for any future Commonwealth funding program.¹²⁶

¹²⁶ City of Armadale, submission (number 7), p 1; Hunter Region Organisation of Councils, submission (number 114), p 8; South Australian Sports Federation Inc., transcript, 8 July 1997, p 555.

5.62 As indicated in paragraph 5.24, the grants programs for sporting and recreational facilities operating in some of the states encourage the regional development of facilities. It is the Committee's view that if Commonwealth funding were to be provided for sporting and recreational facilities, it should be directed to enlarging and improving existing grants programs and stimulating jurisdictions without them to focus on providing regional facilities. In this regard, other recommendations in this report are relevant; they are:

- recommendation 2 (paragraph 3.34), dealing with the principles that should underlie any Commonwealth funding;
- recommendation 27 (paragraph 9.15), relating to a cooperative framework for distributing Commonwealth funds; and
- recommendation 29 (paragraph 9.26), which lists the criteria that applications for funding should meet.

5.63 Furthermore, on the basis of the information provided to the inquiry, the Committee concluded that there are certain areas in Australia which have particular difficulty in providing sporting and recreational facilities. These areas can be broadly categorised as:

- growth areas; and
- remote and rural areas particularly where unemployment is significant, and per capita incomes and the Local Government rate base are low.¹²⁷

5.64 The second category of disadvantage includes Aboriginal communities.¹²⁸ Another factor that should be considered in providing assistance to disadvantaged areas is the presence of a large proportion of young people in the population, especially problem youth.¹²⁹ The Committee considers that there is a compelling case on equity grounds for the Commonwealth Government to work with State, Territory and Local Government to assist disadvantaged communities. The Committee recommends that:

- (12) the Department of Industry, Science and Tourism provide financial assistance for the provision of facilities for communities without reasonable opportunity to access appropriate facilities despite the best efforts of the private sector, State, Territory and Local Governments, sporting organisations, and the local community.**

Funding the provision of sporting and recreational facilities in disadvantaged communities is discussed further in Chapter 9.

¹²⁷ Australian Local Government Association, submission (number 254), pp 6, 8; Municipal Association of Victoria, submission (number 147), p 5.

¹²⁸ Department of Sport and Recreation, Northern Territory, transcript, 7 August 1997, p 670.

¹²⁹ For example, Kingborough Council, submission (number 88), p 2.

CHAPTER 6: MAXIMISING THE USE OF EXISTING FACILITIES

Introduction

6.1 The extent of use of sporting and recreational facilities is not well known. From the evidence put to the Committee, it was clear that in some localities the available facilities were fully utilised. The Committee was told that in Warringah, existing community facilities were very heavily utilised, especially by older members of the community and particularly during the peak times of mornings and evenings.¹ Council and community facilities in Port Stephens had peak load demands after school hours and on weekends.² In the Campbelltown district, playing fields were generally fully utilised especially on Saturdays.³ However, the prevailing view put to the Committee was that facilities could be more fully utilised, especially those on school grounds. This view is encapsulated by the comment by the Gosford City Council that:

In many instances sporting facilities, being purpose built, are only utilised for a few hours every week. The same applies for many recreational facilities. Educational facilities, primarily, infants and secondary schools have vast tracts of land which are grossly underutilised.⁴

6.2 The bulk of existing local facilities are owned by Local Government or state education departments. They range from those that are well used and in good condition to older ones that are no longer best suited to the needs of local users and may require extensive upgrading. The latter present their owners with particular problems, which are the main focus of this chapter. This matter is also covered in Chapter 7 which deals with sporting and recreational facilities in educational and defence establishments.

Problems with existing facilities

6.3 One of the frequently mentioned difficulties with existing facilities is their age. Not only is their fabric deteriorating and in need of extensive maintenance, their design and standard of construction are poor by present day standards. For example, they had often been constructed as single use, stand-alone entities and do not lend themselves readily to conversion to other uses. The location of older facilities sometimes appears to have been poorly chosen or has now been built out, or the facilities are no longer well-positioned to serve their clientele because of demographic changes. In other cases, as with bowling greens in the older parts of cities, there is an oversupply of facilities.

6.4 Swimming pools and, to a lesser extent, community halls are prime examples that were brought to the Committee's attention of existing facilities that are causing particular

¹ Warringah Council, submission (number 180), p 2.

² Port Stephens Council, submission (number 66), p 12.

³ Campbelltown R&SL Junior Cricket Club, submission (number 276), p 1.

⁴ Gosford City Council, submission (number 3), p 2.

problems to Local Government. A representative from the Shire of Campaspe in Victoria told the Committee that:

In our shire of 4,500 square kilometres, eight swimming pools service townships of 1,000 to 2,000 people, except in Echuca which has a larger catchment, and none of those swimming pools break even. They have major infrastructure and maintenance costs, as they are 30 to 50 years old, and when they were built they did not achieve targets such as access for the disabled. The maintenance of those swimming pools as a community asset is valued highly by the local communities, but there is an increasing cost burden on councils to maintain them. That situation is similar for local halls and reserves.⁵

6.5 Many pools throughout the country were constructed in the 1950s; they are expensive to maintain and now need upgrading or, in some instances, replacing.⁶ The preferred replacement is an indoor, heated pool which can be used year round for a wider range of purposes than the traditional design accommodates.⁷ The Yamba Indoor Heated Pool Committee, for example, was constructing a new indoor heated pool which would be used for recreation, learn-to-swim programs, and for the elderly.⁸

6.6 The District Council of Grant reported that its community halls are 'in a rapidly deteriorating state, and at the same time their usage and functionality is also declining'.⁹ Indoor centres were also seen as an item of major concern to Local Government.¹⁰ In the current economic climate, the financial drain caused by such facilities is a significant burden on Local Government.

Addressing the problems

6.7 Some of the above problems can be addressed by closing facilities that are no longer much used, although this is often controversial, and possibly replacing them with more suitable ones better positioned for the population that would use them. For instance, local government authorities and planners in Sydney are working on the closure of excess bowling clubs in particular regions.¹¹

6.8 The alternative to closure or the construction of new facilities is increasing the use of existing facilities with the objective of minimising, or removing entirely the need for subsidy. Many of the issues addressed in Chapter 5 in relation to the cost-effective provision of new facilities are just as relevant for existing facilities. For example, the way in which a facility is managed can have a significant impact on the level of use that it receives and hence its financial viability. Some of the ways in which management can increase facility use were suggested to the Committee by Manningham City Council:

- improving turf management or replacing natural turf with synthetic surfaces to enable a higher frequency of use of sporting grounds;
- modifying sporting times to meet different participation needs and lifestyle demands;

⁵ Municipal Association of Victoria, transcript, 7 May 1997, p 267.

⁶ New South Wales Swimming Association Inc., submission (number 191), p 2.

⁷ For example, Young Shire Council, submission (number 8), p 2.

⁸ Yamba Indoor Heated Pool Committee, submission (number 92), p 2

⁹ District Council of Grant, submission (number 4), p. 1.

¹⁰ Carroll, p. 6 (see footnote 13, Chapter 1).

¹¹ Womensport Australian, transcript, 29 May 1997, p 433.

- clarifying risk management, insurance and liability issues;
- promoting effective use by having lease and licence agreements, pricing policies, financial incentives and financial penalties; and
- programming additional activities.¹²

There are, however, limits to what improved management can achieve. The Municipal Association of Victoria pointed out that 'particular difficulty is being experienced by rural councils which have smaller facilities such as one court stadia or old outdoor pools, as these facilities have limited profitability'.¹³

6.9 Upgrades to existing facilities may substantially increase their use. For example, the construction of bubbles over swimming pools in Canberra and at the Clarence Swim Centre in Tasmania have converted outdoor pools to ones that are used year round. The lease of a slide for installation at its Tomaree pool has reduced Port Stephens Council's operational loss for the pool by \$50 000 a year. Upgrades to facilities have sometimes been achieved in the context of leasing local government facilities to private operators on terms that require private investment in publicly owned facilities. A number of Brisbane City Council pools were upgraded through this type of joint venture between the public and private sectors. Alternatively, government funding may be provided to upgrade privately owned facilities, as is proposed with the amalgamated golf, squash, tennis and gentlemen's clubs in Northam. In this case, a third of the funds needed will be raised by the clubs, one-third will be loaned by the local council, and the final third will be provided by the Western Australian Government's Community Sporting and Recreational Facilities Fund.¹⁴

6.10 Making sporting and recreational facilities more user friendly is also important, for instance, by providing a pleasant social atmosphere. When it visited the Montagu Bay National Fitness Centre in Tasmania, the Committee heard of plans to create a social centre for the centre's table tennis users.

6.11 A number of witnesses to the inquiry emphasised their commitment to making better use of existing facilities, rather than constructing new ones. The City of Armadale asserted that funding should be committed to achieving better utilisation of existing sporting and recreational facilities before consideration is given to constructing any new facilities.¹⁵ According to the ACT Australian Football League, this principle is being adopted at present for indoor facilities in the ACT. The league commented that, 'by using already established facilities rather than constructing similar new facilities, funds can be directed to other areas of need, thereby, gaining maximum efficiency from the limited funds available'.¹⁶

¹² Manningham City Council, submission (number 190), pp 5-6.

¹³ Municipal Association of Victoria, submission (number 147), p 4.

¹⁴ Discussions with the Chief Executive Officer, Town of Northam, 23 July 1997.

¹⁵ City of Armadale, submission (number 7), p 2.

¹⁶ Carlton A.C.T. Australian Football League, submission (number 29), p 2.

6.12 Examples of converting facilities from their original use were mentioned to the Committee. The YMCA of Brisbane reported that:

We will buy an old facility or a facility that has been developed very poorly, we will renovate it and refurbish it, provided it is in a community that has some potential. We have a go at almost anything.¹⁷

Among other examples brought to the Committee's attention were five squash courts that had been converted for table tennis use at the Montagu Bay Fitness Centre. One of the courts at Erindale College in the ACT has become an aerobics room. As Manningham City Council pointed out, converting facilities is an important element in matching facilities to the life-cycle of sports.¹⁸ Changing trends, for example, away from organised sport to more individual sports have also to be accommodated.¹⁹

6.13 Other witnesses identified options for additional uses of facilities. The Mornington Peninsula Table Tennis Association claimed that there were existing facilities, such as local halls and schools, which could be utilised for table tennis.²⁰ An inline skating Association also claimed that community and school venues could be converted effectively at minimum cost for inline hockey and any skating discipline.²¹

Deciding on closure, upgrade, or the construction of new facilities

6.14 Information from the database recommended in paragraph 4.30 should make a significant contribution to planning the future use of existing facilities. From the database, information about the location and usage of each facility should permit soundly based decisions to be made about whether an upgrade should be considered or whether closing the facility and/or replacing it with a newer one is more appropriate.

6.15 It is critical that, before any new project is embarked on, the feasibility of upgrading existing facilities is considered. Mr Ian Richardson pointed out to the Committee that improving existing facilities is often such a costly process that the development of new facilities was preferable:

Rather than correct the faults made in the past in facility provision, which is often a very costly process, better future planning and provision should be a priority. ... The proposal to upgrade facilities has merit in some circumstances. However, priority must be given to the provision of *new* facilities where existing facilities are most deficient or not suitable to be upgraded due to engineering and design constraints.²²

6.16 As was pointed out above, many of the factors listed in Chapter 5 that contribute to the cost-effective provision of new facilities are also relevant to making better use of existing facilities. These factors include business planning, design for shared use, and good management which programs and markets activities. In paragraph 5.60, the Committee recommended that best practice information, as it relates to the provision of new facilities, should be assembled, researched and disseminated. The Committee considers that much of

¹⁷ YMCA of Brisbane, transcript, 7 May 1997, p 325.

¹⁸ Manningham City Council, submission (number 190), p 6.

¹⁹ Municipal Association of Victoria, submission (number 147), p 4.

²⁰ Mornington Peninsula Table Tennis Association, submission (number 277), p 2.

²¹ Coex Inline Association Inc., submission (number 217), p 2.

²² Mr Ian Richardson, submission (number 73), appendix A, p 4.

this information will be relevant for existing facilities and should be used by the managers of these facilities. In addition, the Committee took the view that information on best practice for existing facilities should also be sought. The Committee recommends that:

- (13) the Department of Industry, Science and Tourism fund the augmented Australasian Facilities Committee to identify, research and disseminate best practice in maximising the use of existing facilities.**

6.17 In relation to researching and disseminating best practice, the Committee notes that the Commonwealth Government's Local Government Development Program allocates funds to government bodies at all levels for projects that encourage systemic change and reform in Local Government and a cooperative approach to Local Government development, including regional development. The priorities for the program cover researching, disseminating and applying best practice. This program could represent a source of funding for individual projects to establish best practice as recommended in this and later recommendations.

CHAPTER 7: FACILITIES IN EDUCATIONAL AND DEFENCE ESTABLISHMENTS

Introduction

7.1 During the inquiry, the Committee was told repeatedly of school sporting and recreational facilities that were in use during school hours but stood idle at other times. Decisions had been made within the school that the facilities were not to be shared with the local community. As a consequence, some community groups had no access to particular facilities. In other communities, the Local Government developed a duplicate set of facilities for community use. The use of these community facilities tended to be the reverse of that of school facilities: little used during the day but well used at night and weekends. A similar pattern of use of facilities exists in some universities, and some facilities on defence force bases may also not be fully utilised by defence force personnel.

7.2 The situation with school facilities has been identified for some time by governments and local communities as wasteful of resources, and attention has been given to the possibility of opening those facilities up to the community to a greater extent. It is recognised that facilities owned by private schools are for their own school communities to use as they deem fit, and many private schools choose to make their facilities available to outsiders for matches. The comments about schools in this chapter refer to those that are largely publicly funded. This chapter examines the reasons why the shared use of facilities is apparently so problematic, reviews some of the measures that have been taken to increase shared use, and considers the possibilities for furthering shared use.

Failure to share facilities - the nature and extent of the problem

7.3 In its submission to the inquiry, Three Springs Shire Council in Western Australia summed up the feelings of many local councils:

One of our greatest frustrations is the seemingly unnecessary duplication of sporting facilities in our smaller communities caused by the apparent bureaucratic stance by the Education Dept. (of W.A) in not allowing public access to their facilities. Here in Three Springs we have netball, basketball and tennis facilities within our school grounds and yet have to separately provide the same facilities within the community.¹

Since the Council made its submission in January 1997, the Education Department of Western Australia has produced policies and guidelines for the community use of school facilities.² The impact of these policies remains to be seen.

7.4 In spite of the existence of policies to encourage joint use of existing school facilities in a number of states, school principals not infrequently ignored that policy and denied community access to facilities. The Tasmanian Government, for example, had a policy of making school facilities available to the public but sometimes the school council, with the

¹ Three Springs Shire Council, submission (number 31), p 1.

² Education Department of Western Australia, *Community Use of School Facilities Policy and Guidelines*, June 1997.

principal as a member, did not allow access to the community.³ The regional grouping of Local Governments in north west Tasmania commented that school facilities were on occasions opened to public use, and 'this has usually been because of a dedicated individual within the system, who is prepared to open up the facility, organise activities and ensure that all rules and regulations are met'.⁴ To Tasmania's West North West Councils, there appeared to be little dialogue between the education department and Local Government, which were the two main providers of local facilities.⁵

7.5 As in Tasmania, arrangements in Queensland for access for the community to school facilities was a matter for informal discussion between the school principal and community members.⁶ Local government representatives in northern Sydney dealt with the principals of individual schools rather than the education department and ended up with different arrangements at each site. For instance, the Council of the City of Willoughby had arrangements with three different schools for cross-public use of their sports field:

With two of those schools - a primary school and a high school - it is not a problem. We both use their fields. We do the maintenance on them and we have provided floodlights on them. In return for that, we can hire them out at other times - on weekends and after hours - to other sporting users, not a problem. With one of those schools we do have a problem. We are not getting anywhere. The principal in that particular school wants to have the approval before the council can hire it out. So, each school is different.⁷

7.6 There are various reasons why principals are reluctant to share school facilities with the public. The ASC listed some of the issues that need to be resolved if successful joint use arrangements are to be finalised:

- joint funding arrangements;
- joint management arrangements;
- lack of storage for multiple users;
- security;
- cleaning;
- supervision/caretaking;
- advertising and sponsorship on school property;
- restrictions on access;
- insurance;
- liability; and
- safety.

³ Department of Education, Community and Cultural Development, Tasmania, transcript, 9 May 1997, p 368.

⁴ Tasmania's West North West Councils, submission (number 172), p 5.

⁵ Tasmania's West North West Councils, transcript, 9 May 1997, p 406.

⁶ Office of Sport and Recreation, Queensland, submission (number 179), p 24.

⁷ The Council of the City of Willoughby, transcript, 21 April 1997, p 62.

Some of the above issues, according to the ASC, have been put into the 'too hard basket'.⁸

7.7 Toowoomba City Council raised similar issues with respect to facilities on both defence force and educational establishments. It commented on:

- the potential threat of litigation as a result of poor safety standards and/or an inability to provide appropriate supervision at a facility;
- fears surrounding the anticipated damage that may occur in a given facility when it is opened for wider public usage; and
- the administrative and maintenance costs associated with booking and supervising community use at a particular facility.⁹

Such concerns are, in fact, common to any shared facility, whoever the owner may be. The remedies canvassed in this chapter in relation to educational and defence facilities are relevant considerations for any parties developing or using shared facilities.

7.8 Other witnesses referred to the issues listed above. Security concerns were one of the main objections raised by schools to community use of their facilities.¹⁰ In addition, many school facilities were not very accessible to members of the public wishing to reach them from outside the school. According to the YMCA of Brisbane, 'school facilities are usually poorly designed and built in the bowels of the school, so that access at night is almost impossible'.¹¹ The Australian Universities Sports Federation observed that sporting facilities at universities were built in the past without the general community in mind and were positioned well within the grounds of universities, obstructed from public view. When the community was aware of their existence, the perception tended to be that they were for the use of the university students only.¹²

7.9 In addition to negative attitudes on the part of principals to the shared use of school facilities, there were sometimes features of the facilities that were a deterrent to joint use. For example, some sporting groups claimed that school facilities were built to unacceptably low standards. Tennis Australia, for instance, considered that school courts were unsuitable for club use because they had inadequate surfaces, were multi-lined for multi-purpose use, and did not have access to suitable change rooms. Furthermore, the number of courts at each school was usually too few for tennis programs or competitions. They were thus not overly attractive to potential users.¹³

7.10 The Queensland Basketball Association commented on two more drawbacks to using school facilities. It observed that a major sport, like basketball, 'needs its own office, computer system, noticeboards, dressing rooms and change rooms' which schools do not provide. In addition, in its view, school facilities were poorly managed and were likely to remain so:

⁸ Australian Sports Commission, submission (number 271), p 82.

⁹ Toowoomba City Council, submission (number 77), p 4.

¹⁰ Huon Valley Council, submission (number 115), p 5; Tasmania's West North West Councils, submission (number 172), p 5.

¹¹ YMCA of Brisbane, transcript, 7 May 1997, p 329.

¹² Australian Universities Sports Federation, submission (number 218), p 3.

¹³ Tennis Australia, transcript, 21 April 1997, pp 157-8.

The management problem cannot be solved. You will not get professional management of the school facility. It will always want to be the P&C, the headmaster and a couple of the users. That is not management at all. It is management by amateur committee, which is the worst possible form of management.¹⁴

7.11 For some groups the terms on which school facilities were made available were a deterrent. The cost of using school facilities can be a major drawback and much greater than the facilities traditionally provided by Local Government. The Tasmanian Sports Federation took this view, claiming that the biggest barrier to sports groups using educational facilities was cost.¹⁵ Calisthenics clubs made the same claim: they could not afford to hire school facilities at rates varying from \$15 to \$50 per hour.¹⁶

Measures to facilitate sharing

New facilities

7.12 Acknowledging problems such as those outlined above, attempts have been made to address the difficulties that have been encountered with the shared use of school facilities. Several of the State and Territory Governments are developing, or have developed, policies to facilitate the sharing of school facilities. These can be driven by making funding for the facilities contingent on joint use.¹⁷ In particular, they have recognised that effective shared use of facilities is most easily achieved where new facilities are being constructed. With new facilities, attention can be paid from the earliest planning stages to accommodating the interests of all parties to the shared arrangement and to formalising agreements between the stakeholders.

7.13 The Tasmanian Department of Education, Community and Cultural Development, for example, is preparing a policy on the joint development of facilities for school and community use.¹⁸ In New South Wales, a task force with representation from Local Government and the state departments of education and sport and recreation is working on policies for joint ownership and management of school sporting facilities.¹⁹

7.14 In Western Australia, the shared use of facilities has been given legal underpinning in the form of a memorandum of understanding between State and Local Government that relates to the development of new facilities. The agreement signed by Premier of Western Australia and the President of the Western Australian Municipal Association in 1993 states that:

This Understanding represents an agreement to the processes and structures ... which have been developed to ensure that capital works programs for education and related facilities of the State and Local Governments are coordinated in a way which maximises the quality and range of services for the community and provides value for money. ... The principles are based on the joint recognition that facilities developed by either sphere of government should, whenever possible, be available for use by all members of the community. These principles have been

¹⁴ Queensland Basketball Association Inc., transcript, 23 April 1997, p 230.

¹⁵ Tasmanian Sports Federation Inc., transcript, 9 May 1997, p 389.

¹⁶ Carine Calisthenics Club, supplementary submission (number 282), p 1.

¹⁷ Macquarie University Sports Union, transcript, 21 April 1997, p 111.

¹⁸ Department of Education, Community and Cultural Development, Tasmania, transcript, 9 May 1997, p 358.

¹⁹ New South Wales Department of Sport and Recreation, transcript, 2 June 1997, p 479.

jointly developed by the State Government and Local Government to guide the negotiation of all agreements.²⁰

7.15 Representatives of the Victorian Government told the Committee that the joint development of facilities is well established in that state:

Victoria has a long history of the joint development of facilities, primarily with education department schools, both secondary and primary. The joint development of facilities extends back 15 to 20 years and a large number of the projects we fund on an ongoing basis in our major and minor [sport and recreation grants] programs are on education department land. We identify school facilities that are very well located geographically within the community, which have a ready and waiting market for users of the facility in off-peak time. We are very supportive of maximising the use of a particular facility through shared use. That is, of course, premised by sound joint use agreements that specify very clearly the management, maintenance and capital upgrade components of any facility that is developed jointly.²¹

For example, some councils have entered into licence agreements with secondary colleges to develop community recreation facilities.²² Shared use facilities have also been constructed in Tasmania, South Australia, Queensland, Western Australia and the ACT, as detailed in Boxes 7.1 to 7.6.

Box 7.1 Examples of Shared Facilities in Queensland

Marsden High School

Logan City Council was one of the first councils to become a part of Queensland's community use of school facilities pilot program. Marsden High School has a two-court indoor facility which is used by the school and the community. A management committee comprising representation from the Local Government, sporting groups and the education

²⁰ *Memorandum of Understanding: Capital Resource Sharing (Education and Related Facilities)*, 1993, p 3.

²¹ Sport and Recreation Victoria, transcript, 7 May 1997, p 257.

²² Municipal Association of Victoria, submission (number 147), p 4.

department has been appointed to manage the facility.

Other schools

Three other communities that benefited from the community use of school facilities pilot program were Palm Beach, Runcorn and Mossman. The pilot program aims to maximise the use of school facilities by expanding the use of the existing facilities on school grounds. The program operates by way of joint funding arrangements between the primary stakeholders including Local Government, parents and citizens associations and the education department.

Sources: Logan City Council, transcript, 23 April 1997, pp 203-4; Office of Sport and Recreation, Queensland, transcript, 23 April 1997, p 188-9.

Box 7.2 Examples of Shared Facilities in South Australia

Golden Grove Recreation and Arts Centre

The Golden Grove Recreation and Arts Centre was considered to be an example of good practice. The facility was developed on council land adjacent to three schools, rather than on school property itself. It is a major indoor recreation centre combining arts and physical activities such as basketball and volleyball. The facility is managed by a joint management group, and the schools buy time to use it. The schools have predominant use during school hours and on Saturday mornings while community involvement is heavy throughout the week outside school hours.

Sources: City of Tea Tree Gully, transcript, 8 July 1997, pp 535-6; Department of Education and Children's Services, South Australia, transcript, 8 July 1997, pp 519-20.

Box 7.3 Examples of Shared Facilities in Tasmania

Dodges Ferry Primary School

The Dodges Ferry Primary School facility is an example of a successful joint use facility. It was jointly funded by the education department and the local council. A management agreement was drawn up based on stratum title so that the council and education department each own a share. The two discrete parts of the complex are clearly defined in the agreement and consist of a gymnasium development and a performing arts and auditorium development. A management committee with representatives of the State Government, the local council and the community has been appointed to manage the day-to-day operation of the facility.

Other schools

The Tasmanian Government mentioned two other good examples of cooperative, multi usage facilities: the West Tamar Community Centre at Riverside High School in Launceston and the Bridgewater High School gymnasium which runs a community sport and recreation program. Another two jointly used community facilities were brought to the Committee's attention: Summerdale Community Centre which was built on education department land at Summerhill Primary School and Zeehan Sports Centre which was adjacent to the local primary school

Sources: Department of Education, Community and Cultural Development, Tasmania, transcript, 9 May 1997, pp 364-7; Tasmanian Government, submission (number 212), p 9; Ian Richardson, submission (number 73), Appendix B.

Box 7.4 Examples of Shared Facilities in Western Australia*Examples*

The Ministry of Sport and Recreation referred to two examples of facilities which are shared between the school and the local council: Lakelands Senior High School with the Cockburn City Council and Leeming Senior High School with the City of Melville. Both schools have aquatic facilities, double basketball courts, music and theatre facilities.

Source: Education Department of Western Australia, transcript, 22 July 1997, p 585.

Box 7.5 Examples of Shared Facilities in Victoria*Western Port Secondary College*

The Committee visited Western Port Secondary College where an athletics track was built as a joint project between Mornington Shire Council and the state education department. The Shire met the costs of construction and provides on-going maintenance and the department provided the land. The college has exclusive use of the area during school hours and community groups have access after hours. A committee of users manage the track.

The Peninsula School

The Committee visited the Peninsula School, a private school in Mount Eliza. Many of the school's facilities are made available to outside groups, usually at no cost; the school sees this as a community service. The Mornington District Basketball Association is charged for its use of the indoor centre. Charges are set to cover the costs of maintenance, cleaning and electricity, and little profit is obtained. The other main users of the pool are triathletes and swimmers.

Other schools

The submission by the Victorian Government listed some examples of communities that benefited from the Victorian Municipal Sport and Recreation Facilities Program in the 1970s and 1980s which provided funding for indoor facilities on Ministry of Education land: Sea Lake, Irymple, Cohuna, Ouyen, Charlton, Wedderburn, St Arnaud, Kyneton, Bacchus Marsh, Echuca, Colac, Timboon, Rutherglen, Bright, Euroa, Alexandra, Yea, Healesville, Bairnsdale, Orbost, and many others. The Victorian Government also stated that, under current funding programs, new joint-use facilities have been completed at Buninyong, Lara and Ballan and there was a commitment to fund a joint facility in Healesville.

Sources: Paper provided by Mr Graham Hault, Principal, Western Port Secondary College, 8 May 1997; Victorian Government submission (number 246), pp 8-9.

Box 7.6 Examples of Shared Facilities in the Australian Capital Territory

Nicholls High School

The ACT Government in consultation with the Department of Education and Training is developing a two-court sized gymnasium with a management office and storage areas at Nicholls High School. The facility is to provide opportunities for indoor sports to the school and to the community outside school hours.

Erindale College

The Committee inspected facilities at Erindale College which was set up in the 1970s as a joint use facility between the college and the public. Leisure facilities are adjacent to the college and include a sports hall, theatre, squash courts, gymnasium, aerobics and weights rooms, and indoor swimming pool. The Department of Education has contracted out the management of the facilities to a manager who is responsible to the principal. The public has access to the facilities between 6.30am and 10.00pm, if school requirements permit.

Sources: ACT Bureau of Sport, Recreation and Racing, submission (number 207), p 4; transcript, 2 June 1997, p 493; Correspondence dated 17 June 1997 from the Australian Sports Commission.

Agreements

7.16 Fundamental to the success of the shared development and use of facilities is an agreement between the education authorities and the other users, who are often represented by the Local Government. The Australian Leisure Institute pointed out that memoranda of understanding at the pre-funding stage in the development of a project can address issues such as the management and use of the facilities.²³ Sport and Recreation Victoria, as indicated above, requires joint use agreements for all joint facility developments. These agreements outline how equitable access to the facility by a broad range of community user groups is to be ensured, as well as specifying clearly the management, maintenance and capital upgrade components of any jointly developed facility.²⁴

7.17 However, experience with such agreements suggests that some of those completed in the past have been deficient. The Committee was told of many cases where the policy of sharing facilities did not translate into practice. The Australian Local Government Association, for example, warned of situations where one partner to an agreement dominates

²³ Australian Leisure Institute, transcript, 7 May 1997, p 314.

²⁴ Victorian Government, submission (number 246), p 9; transcript, 7 May 1997, p 257.

the other or others.²⁵ A Victorian recreation planner identified the problem of enforcing agreements for the Committee:

We have to have better enforceable agreements between education departments and local government. We have negotiated with principals for a joint use agreement and, literally and honestly, the moment the principal leaves, the joint use agreement goes out the window. We need to have better planning of management agreements before we even start. That is ultimately what it boils down to. Whether it is council with schools or with any other organisation, there have been massive inadequacies in joint use agreements.²⁶

The problem posed when an incoming principal does not wish to honour an agreement struck by a predecessor with a particular group of users was also raised with the Committee. A formal agreement between a user group and local school principal should be endorsed by the education department to ensure its continuity. A formal and enforceable agreement does not, however, guarantee a continuing cordial working relationship.

7.18 Experience has shown that another issue needing consideration is what should happen if one or other of the parties to an agreement wishes to withdraw. Difficulties can arise if severance arrangements are not included in an agreement, as Manningham City Council has found. It referred to the closure of schools in which joint use facilities had been developed with the education department on education department land. The Council was left in the position of having to purchase the properties, after having already contributed significantly to their construction.²⁷ HM Leisure confirmed that these difficulties were not confined to the Manningham City Council area:

We have had a lot of trouble in Victoria where cuts to education have caused schools to pull out of some of their involvements. They have had to pull out of agreements that had been made to help with cleaning, pay for power and water and so forth. That has threatened the financial viability of the facilities. It basically boils down to needing better and more equitable agreements on joint use before we start.²⁸

7.19 Some more recent agreements have incorporated clauses designed to protect the interests of the remaining party or parties if one of them wishes to pull out of the arrangement. The Tasmanian Department of Education, Community and Cultural Development, for example, has made use of a stratum title arrangement for the joint education department/local council facility at Dodges Ferry as described in Box 7.3 above:

In the case of Dodges Ferry, we worked on a stratum title basis so that the council owns its bit and education still owns its share. So that, in the case of the council in the future wanting to sell off part of the development, should they decide to become part of another council or whatever decisions may be taken, that part of the asset is always available for sale. It is not merged into some sort of a murky corporate body that may cease to exist. In the case of this development, the parts are clearly defined and each person, each contributor, knows exactly what they own.²⁹

²⁵ Australian Local Government Association, submission (number 254), p 9; transcript, 24 March 1997, p 6.

²⁶ HM Leisure Planning Pty Ltd, transcript, 7 May 1997, pp 302-3.

²⁷ Manningham City Council, transcript, 7 May 1997, p 351.

²⁸ HM Leisure Planning Pty Ltd, transcript, 7 May 1997, p 303.

²⁹ Department of Education, Community and Cultural Development, Tasmania, transcript, 9 May 1997, p 364.

Other issues

7.20 Many of the obstacles to sharing school facilities listed in paragraph 7.6 can be addressed in the agreements struck between the joint developers. Responsibility for such items as the initial construction, subsidies for operating costs, maintenance and upgrades, security, caretaking, access, cleaning, and safety should all be covered. Concerns about liability which were frequently expressed can also be clarified.

7.21 Management arrangements can have a significant impact on the successful use of facilities and must be clearly specified. A variety of arrangements were mentioned to the Committee. As we saw in Chapter 5, professional management can have a major impact on the viability of school facilities when compared with management by teachers (paragraph 5.32). Joint management committees of the parties to an agreement have been used, for example in South Australia,³⁰ and community management committees were formed for Queensland's pilot program for the community use of schools. The latter consisted of representatives of Local Government, sporting users, and the education department and appeared, when evaluated, to be operating reasonably well. However, some of the concerns with such committees that were noted in Chapter 5 (paragraph 5.39) were also raised here, including the commitment and expertise of the members.³¹

7.22 When new facilities are being constructed, attention can be given to siting and laying out the facilities so that concerns about security and access for both school and community users are addressed. The YMCA of Brisbane advised that:

Facilities must be sited on a corner, with good access, annexed from the school ... All the crime prevention initiatives can be factored into it to look after the school and look after the community, and you have got the whole lot in a one-stop shop.³²

The particular requirements of all groups for storage and office space can also be accommodated.

7.23 Alternatively, community facilities constructed near schools can be used for school classes and thereby obviate the need for similar facilities at the school. Tennis Australia promoted this line, suggesting that instead of building tennis facilities which tended to be sub-standard, students should use existing facilities.³³ Tasmania's West North West Councils observed that:

There appears to be little, if any, assessment of facilities currently available in the area when the Education Department plans a new school and associated facilities.

³⁰ Department of Recreation and Sport, South Australia, transcript, 8 July 1997, p 518.

³¹ Office of Sport and Recreation, Queensland, submission (number 179), p 23; transcript, 23 April 1997, pp 188-9.

³² YMCA of Brisbane, transcript, 7 May 1997, p 329.

³³ Tennis Australia, transcript, 21 April 1997, p 158.

There may be no need for the Education Department to build its own set of sporting and recreational amenities as it is highly possible that the facilities they require already exist. Simple co-ordination of this type would possibly alleviate the need for any new facilities and may result in better use of existing facilities and the redirection of funds to more pressing projects.³⁴

It appears to the Committee that, with proper planning, this sort of situation should not arise.

Increasing joint use of existing facilities

7.24 The joint use of existing school facilities is a more complex problem than shared use of new facilities which are set up with that purpose in mind. The ASC commented on the shift from centralised to school based management throughout Australia. It noted that the principal, on whom the decision about joint use of school facilities rests, may not consider this to be a priority issue.³⁵ However, the ASC predicted that the encouragement that education systems are giving to schools to become entrepreneurial:

... will almost certainly result in school facilities becoming more accessible to the public in the future. The value to schools in marketing their facilities is certainly an opportunity to upgrade and maintain them. It would appear state [education] systems will progressively provide fewer central funds for this purpose. This, and the future reliance on sponsorship, may pose quite a threat for the schools.³⁶

Conclusions

7.25 The Committee considers that there are now sufficient jointly developed facilities in different jurisdictions for at least an initial attempt to be made to identify best practice in arranging for the joint construction of new sporting and recreational facilities and their subsequent operation. The Victorian Government took a similar view, and proposed that the Commonwealth Government could encourage joint provision and improved use of school facilities by promoting best practice models that are already in existence in some states.³⁷ The Australian Local Government Association agreed, and the Municipal Association of Victoria referred to the need for national guidelines for community use of education facilities.³⁸

7.26 The Committee notes the ASC's suggestion that this might be pursued through the joint efforts of the state directors of education and SCORS. With respect to promoting greater use of existing facilities in schools, the ASC suggested a campaign to disseminate information to principals about the advantages of shared use with the community and best practice on joint usage.³⁹ Some of these advantages are apparent from the discussion earlier in this chapter. Other advantages include the accessibility of facilities at schools because they are usually built within easy walking distance for the community that they serve. In addition, with sharing, the links between sport in school and sport in the community are enhanced.⁴⁰

7.27 The Committee considers that efforts should be made to assemble and disseminate information on best practice for the joint use of both new and existing sporting and

³⁴ Tasmania's West North West Councils, submission (number 172), pp 5-6.

³⁵ Australian Sports Commission, submission (number 271), p 83.

³⁶ Australian Sports Commission, submission (number 271), p 84.

³⁷ Victorian government, submission (number 246), p 10.

³⁸ Australian Local Government Association, transcript, 24 March 1997, p 6; Municipal Association of Victoria, submission (number 147), p 4.

³⁹ Australian Sports Commission, submission (number 271), p 83.

⁴⁰ Department of Recreation and Sport, South Australia, submission (number 223), p 8.

recreational facilities in schools. Such information should cover such topics as agreements and management arrangements. The Committee sees the promotion of best practice as an area where the Commonwealth Government should be involved, and recommends that:

- (14) the Department of Industry, Science and Tourism fund the augmented Australasian Facilities Committee to assist with the assembly and dissemination of information on best practice in the shared development and use of sporting and recreational facilities by schools and the local community.**

7.28 Joint use of facilities would be further encouraged if individual schools were able to make financial gains from outside users. It would also be enhanced if, in areas where a shortage of community facilities existed, funds were made available for new or upgraded school facilities only on condition that joint use was guaranteed.⁴¹ The Commonwealth Government could make joint use of facilities one of the conditions of making capital grants to schools when funds are provided for sporting and recreational facilities. Alternatively, it could use the possibility of augmenting grants as an incentive for joint use. It could also seek to encourage a similar approach by those states and territories that do not yet have a policy in place to encourage the joint development of facilities.

7.29 The Committee considers that the Commonwealth Government should facilitate the funding of jointly developed facilities, as well as investigating the array of options that might provide financial incentives for the shared use of facilities to school principals, school boards and parent, citizens and teachers groups. The South Australian Department of Recreation and Sport recommended the latter action, suggesting that a State/Commonwealth working party establish criteria for financial incentives that would encourage the utilisation of schools and other educational facilities for community use.⁴²

7.30 The Committee recommends that:

- (15) the Department of Industry, Science and Tourism and the Department of Employment, Education, Training and Youth Affairs provide funding to assist a joint Commonwealth/State investigation of the options for using financial incentives to encourage greater public use of school-based sporting and recreational facilities.**
- (16) the Department of Employment, Education, Training and Youth Affairs have, as one of its criteria for funding sporting and recreational facilities in schools, shared use of the facilities with the local community, or offer augmented grants to encourage joint use.**

Access to facilities in tertiary institutions

⁴¹ Toowoomba City Council, submission (number 77), p 4.

⁴² Department of Recreation and Sport, South Australia, submission (number 223), p 8.

7.31 In considering the joint use of sporting and recreational facilities in educational institutions, the Committee is mindful of the excellent facilities at tertiary institutions and the possibilities that they might offer for community use. The Australian Universities Sports Federation acknowledged the major role that the university sector could play in the cost effective provision of facilities by making its 'better quality facilities' available to the community.⁴³ It commented that, in the past, universities had 'pretty much a closed shop mentality' with respect to the shared use of their facilities, but a number of universities had already opened their doors to the public and more and more were doing so.⁴⁴ Indeed 'many universities actively court the involvement of their local communities in utilising the facilities they have'. However, AUSF was unable to say at that stage how many universities had opened their facilities to the public. A survey was being carried out by the University of South Australia to establish this point.⁴⁵

7.32 The Australian Universities Sports Federation commented that universities have had varying success in attracting community usage. Two factors appeared to have deterred public use: the perception that the facilities were for student use only and ignorance of their existence.⁴⁶ Macquarie University, however, is an example of a tertiary institution that has successfully opened its facilities for wider public use. The Executive Officer of that university's Sports Association explained that, while the university had an obligation first to its student members who pay sporting fees, the sports fields were otherwise available to any community organisation on most weekends and during university holiday periods. The university's policy was to make all its sports facilities available to the public, and to charge community groups to cover costs of the using them.⁴⁷

7.33 The case for better access to university facilities was raised in a number of submissions. Wollongong Amateur Swimming Club, for instance, considered that the swimming facility at Wollongong University should be available for outside use from December to February when the majority of students are absent.⁴⁸ Furthermore, facilities in tertiary institutions are often more substantial and better suited to public access than many of those in primary and secondary schools, as the City of Unley pointed out.⁴⁹ This makes them particularly attractive for wider use.

7.34 The Committee noted initiatives by Queensland's Office of Sport and Recreation to jointly fund athletics tracks with Central Queensland University and Griffith University. From the State Government's perspective, these were welcome initiatives because, in partnerships with tertiary institutions, the ongoing maintenance and operation of those facilities would be ensured by the university for a long period of time. Furthermore, under the resource agreements by which these facilities are being constructed, access by the community is guaranteed.⁵⁰ The State Government's only concern was that the public might expect subsidised access to the facilities because government funding had been provided for their construction.⁵¹ Athletics Australia supported the move to build the athletics track at Griffith University. It claimed that there was 'a real opportunity for regional facilities to be

⁴³ Australian Universities Sports Federation, transcript, 21 April 1997, p 111.

⁴⁴ Australian Universities Sports Federation, transcript, 21 April 1997, p 113.

⁴⁵ Australian Universities Sports Federation, submission (number 218), pp 2, 3

⁴⁶ Australian Universities Sports Federation, submission (number 218), p 3

⁴⁷ Macquarie University Sports Association, transcript, 21 April 1997, p 114.

⁴⁸ Wollongong Amateur Swimming Club Inc., submission (number 154), p 5.

⁴⁹ City of Unley, submission (number 238), p 2.

⁵⁰ Office of Sport and Recreation, Queensland, transcript, 23 April 1997, p 190.

⁵¹ Office of Sport and Recreation, Queensland, submission (number 179), p 23.

constructed cooperatively with tertiary institutions on campus provided community access within and out of education hours can be guaranteed'.⁵²

7.35 The Committee supports joint approaches of the kind undertaken in Queensland and urges all universities to consider this option when developing new facilities. In this context, the Committee was disturbed during a visit to Newcastle to discover that a regional task force from the local councils was investigating the possibility of constructing a new aquatic facility at the same time as a 50 metre, indoor pool was being completed at the university. The managers of the university's sports complex told the Committee that the pool would have to be opened to the public to help offset its operating costs, yet the regional task force was unaware that public access to the university's pool was being proposed. This situation appeared to the Committee to represent a lost opportunity for the joint development of a more substantial facility than either party could contemplate building as cheaply on its own.⁵³

7.36 The Committee considers that intelligent joint use of the sporting and recreational facilities in universities could make a significant contribution in the localities where these facilities exist. Chapter 4 of this report stresses the importance in planning of taking into account all the facilities in an area, and in Chapter 5 the joint development of facilities is discussed. These considerations apply to the universities' approach to the provision of facilities just as much as to that of other providers.

7.37 The Committee considers that the review proposed in recommendation 15 (paragraph 7.30) should be extended to include tertiary institutions, and accordingly recommends that:

- (17) **the investigation of options for using financial incentives to encourage greater public use of school-based facilities, as proposed in recommendation 15, also consider the application of these incentives to facilities in tertiary institutions.**

Access to Department of Defence facilities

7.38 According to the Department of Defence, the general public makes considerable use of Defence sporting and recreational facilities. To illustrate this point Defence's submission provided information from 11 selected defence bases, and summarised the practice as:

In general, individual members of the public have access to Defence sporting and recreational facilities only when invited by an ADF [Australian Defence Force] member. In most instances, public use is by organised groups - schools, sporting teams, clubs and local authorities such as the police and state emergency services. Reciprocal arrangements for team competition account for the bulk of public usage.⁵⁴

7.39 A number of Defence Instructions have been issued to govern access by the public to Defence sporting and recreational facilities. The instructions cover categories of access, cost recovery and charging, and the liability of the Commonwealth. Control of access to a base is vested in the first instance with the base commanding officer who may authorise use of

⁵² Athletics Australia, submission (number 161), p 3.

⁵³ Private discussions, 22 April 1997 in Newcastle.

⁵⁴ Department of Defence, submission (number 278), p 2.

Defence resources and recommend levels of charging. However, requests for use of Defence assets are usually referred to higher levels.

7.40 A number of factors limit public usage of Defence sporting and recreational facilities. They include the role of a base, the base's operational requirements, the location of facilities inside a security area, liability issues, and the increased maintenance and administrative load that public usage entails. Defence did acknowledge, however, that there appeared to be scope at some bases for increased public usage, for example, where Defence usage is not high or fluctuates, where security is not a significant issue, and where organised public groups could be scheduled to utilise facilities during low demand periods.⁵⁵

7.41 Very few witnesses to the inquiry referred to the possibility of access by the public to Defence facilities. The Australian Canoe Federation was one organisation that did and it expressed its annoyance that adequate pools located in defence establishments were not available for canoe club use. Advice to the Federation was that too many legal difficulties arose if the public was permitted to utilise defence facilities.⁵⁶ The one government organisation that volunteered a view on Defence facilities was the Port Stephens Council which pointed out that:

While there may be many historic reasons why partnerships may not work, most may be overcome by broadened planning across all government sectors involved in providing Sport and Recreation Facilities. The RAAF Base at Williamtown in Port Stephens is one example where collaborative planning may benefit the entire Port Stephens Community.⁵⁷

When questioned, Queensland's Office of Sport and Recreation told the Committee that it had not attempted to negotiate for public use of Defence facilities. There were, however, only a limited number of defence bases where attempts could be made to arrange for greater public use of facilities.⁵⁸

A case study: HMAS Cerberus

7.42 During the inquiry, the Committee visited HMAS Cerberus which is situated at Crib Point on the Mornington Peninsula, Victoria. HMAS Cerberus is the leading Navy training establishment with a working population of about 2 200 and housing for 400 Navy families.⁵⁹ The area outside the base has a population of almost 7 000 within a five-kilometre radius and limited sporting and recreational facilities.⁶⁰

7.43 The base is well-served with sporting and recreational facilities which comprise a nine-hole golf course, a covered marching area which is used for netball in bad weather, tennis courts, three rifle ranges, a cinder athletics track, a dry synthetic hockey field and a new indoor complex containing a 50 metre pool, two gym floors, weight training facilities, a circuit room, rock climbing walls, two squash courts, and open spaces for indoor sports and aerobics. There are also 11 playing fields, of which four are multi-use, and seven single use fields (baseball, soccer, Aussie Rules, rugby, hockey).

⁵⁵ Department of Defence, submission (number 278), p 3.

⁵⁶ Australian Canoe Federation Inc., submission (number 195), p 3.

⁵⁷ Port Stephens Council, submission (number 66), p 14.

⁵⁸ Office of Sport and Recreation, Queensland, transcript, 23 April 1997, p 199.

⁵⁹ Department of Defence, submission (number 278), p B4.

⁶⁰ Correspondence dated 23 September 1997 from the Department of Defence.

7.44 The facilities are used by defence force personnel, their families and guests, and occasionally by outside groups. Home and away matches by HMAS Cerberus teams account for some usage of the ovals and the hockey field. Officers at the base told the Committee that the facilities were fully used and even more intensive use may occur in the future as additional naval training functions are moved to HMAS Cerberus. Even if the capacity existed for the facilities to accommodate greater use, a number of issues would inhibit opening up the base to greater public use. These issues include some of the same problems as were nominated with the shared use of school facilities:

- physical security of the base;
- occupational health and safety;
- indemnity and insurance; and
- staffing to cover the additional workload.

In addition, public use is limited by the defence force policy on public use of defence facilities and the Navy's procedures for approving access which can take up to two months.

7.45 Outside groups commented to the Committee on the lack of community access to the facilities at HMAS Cerberus. They included the Mornington Peninsula Hockey Association which told the Committee that the hockey field at the base was the only artificial surface on the Mornington Peninsula. The Western Port Secondary College was also of the view that the facilities at Cerberus would be a great addition to the community's sporting and recreational facilities if defence policy did not restrict public use.⁶¹ The Committee was disappointed that the facilities at Cerberus could not be made available for wider public use, but recognised that there was limited capacity for this due to the location, design and operational use of these facilities.

Conclusions

7.46 The Committee notes Defence's comment that there may be some bases where facilities could be made more available for public use than they are at present. The Committee considers that a review of defence force bases should be carried out to ascertain which bases:

- have a low security risk;
- have facilities with unused capacity; and
- are located in an area where the demand for these facilities exists.

Once the bases with these characteristics have been identified, the feasibility of making them more available to the public could be examined. It is expected that any additional costs associated with the public use of the facilities would be met by charging the users. The Committee recommends that:

(18) the Department of Defence examine the feasibility of opening more widely to public use any of its sporting and

⁶¹ Paper provided by Mr Graham Houlst, Principal, Western Port Secondary College, 8 May 1997, p 2.

recreational facilities for which there is a demand, provided that this can be done without prejudice to the operation of the bases where the facilities are situated.

7.47 The Committee also considers that, when new facilities are being planned, consideration should be given to designing them in such a way as to make them easily accessible to the public. This is particularly important when it is anticipated that the local defence force personnel will not fully utilise the facilities. Siting the facilities on the boundary of the defence base may be one possibility that could be explored to facilitate public access to facilities without breaching the security of the base. The Committee recommends that:

(19) when planning new facilities, the Department of Defence include the desirability of designing the facilities to maximise the possibility of shared use with the public.

7.48 Another option in providing facilities for the defence forces is for Defence to rely on community facilities. Many defence force personnel do, in fact, use the facilities in the local communities near their bases, and a case could be made for the Department of Defence to jointly develop facilities with Local Government. As with any jointly developed facility, each party would obtain access to a greater variety of better quality facilities than they could have constructed alone. The Committee considers that this option should be investigated and, accordingly, recommends that:

(20) the Department of Defence consider entering into joint agreements with Local or State Governments to develop sporting and recreational facilities.

7.49 The Committee is of the view that the attention of defence base planners would be more focused on the development of shared facilities if this were one of the factors that was considered by the Parliamentary Standing Committee on Public Works Committee (PWC) when it examines the projects referred to it. In the course of its inquiries, the PWC has regard to:

- the most effective use that can be made of the moneys to be expended on the projects it examines; and
- the present and prospective public value of the work.⁶²

The Committee considers that the PWC might usefully pursue these objectives in relation to projects that include sporting and recreational facilities if the PWC were to investigate the extent to which greater public use of these facilities is feasible. The PWC might, for example, question whether facilities might not be constructed on the boundaries of bases or developed jointly with Local Government. The Committee recommends that:

(21) the Parliamentary Standing Committee on Public Works consider whether it should investigate, when examining projects on defence force bases, how far the proposed

⁶² A R Browning, B C Wright & P E Fowler (eds), *House of Representatives Practice Australia*, 2nd edn, AGPS, Canberra, 1989, p 633.

designs maximise the possibility of community access to facilities.

CHAPTER 8: FUNDING OPTIONS

Introduction

8.1 Several options for additional funding for sporting and recreational facilities were discussed in the evidence collected by the Committee. This chapter reviews each of those options that represent alternative sources of funding to government grants, and makes recommendations in support of some of those options. Chapter 9 contains the Committee's views on, and recommendations for, Commonwealth-funded programs.

Revenue from gambling

A national sports lottery

8.2 The concept of a national sports lottery was raised by a number of witnesses to the inquiry. Some regarded it simply as a possibility,¹ while others recommended that it be further investigated.² Nine organisations representing sporting interests gave their support to the introduction of a lottery.³

8.3 The establishment of a national sports lottery has been considered from time to time since 1979 by the State, Territory and Commonwealth Governments, and has been rejected.⁴ It is also a topic that has been investigated in previous Commonwealth parliamentary sports inquiries which have identified advantages and some difficulties with the proposal. A 1983 House of Representatives Committee inquiry recommended against a national sports lottery.⁵

8.4 In 1995, however, the House of Representatives Standing Committee on Industry, Science and Technology (HORSCIST) came to a different conclusion with respect to a national Olympic lottery. It pointed out that:

- sports lotteries exist in a number of countries;
- state lottery authorities have already established mechanisms for national lotteries; and

¹ Australian Leisure Institute, Aquatic and Recreation Institute, & The Royal Australian Institute of Parks and Recreation, submission (number 221), p 9; Hobart Police & Citizens Youth Club Inc., submission (number 231), p 4; Ku-ring-gai Municipal Council, submission (number 116), p 8; Local Government Association of Tasmania, submission (number 242), p 8;); New South Wales Sports Federation Inc., submission (number 140), p 5; The Scout Association of Australia, submission (number 233), p 11.

² ACT Bureau of Sport, Recreation and Racing, submission (number 207), p 5; Australian Council for Health, Physical Education and Recreation, transcript, 8 July 1997, p 569.

³ Athletics Australia, submission (number 161), p 4; Australian Capital Territory Hockey Association, submission (number 226), p 4; ACT Olympic Council, submission (number 98), p 2; Confederation of Australian Sport Inc., submission (number 210), p 45; Glenorchy City Tennis Club Inc., submission (number 104), p 2; Macquarie University Sports Association, transcript, 21 April 1997, p 113; South Australian Sports Federation Inc., 8 July 1997, p 556; Victorian Rifle Association Inc., submission (number 228), pp 3-4; Womensport Australia, transcript, 29 May 1997, pp 428-9.

⁴ Australian Sports Commission, submission (number 271), p 128.

⁵ House of Representatives Standing Committee on Expenditure, *The Way We P(l)ay: Commonwealth Assistance for Sport and Recreation*, AGPS, Canberra, November 1983, pp. 93-6.

- there is no constitutional impediment to a national sports lottery.

Furthermore, HORSCIST considered that:

The principal difficulty with establishing such a lottery has been getting the agreement of all states to proceed. Existing lotteries are controlled by the states and all would have to agree for a national sports lottery to proceed. There are some signs that agreement on the lottery may now be possible.⁶

8.5 This committee recommended that existing lottery agencies periodically conduct Olympic theme lotteries in the years leading up to the Games, with an agreed percentage of lottery revenue to be directed into Olympic sports funding. This recommendation was not accepted by the Commonwealth Government. In its response to the report, the government indicated that state sports ministers had expressed reservations about the concept of a national lottery, and suggested that an Olympic lottery was a matter for individual states to pursue.

8.6 Many of the same arguments in support of a national sports lottery were brought forward for this inquiry in 1997 as were raised with HORSCIST in 1995. The submission by CAS detailed the countries where sports lotteries operated and described how some of them operate, particularly that in the United Kingdom. Large sums of money have been channelled from these lotteries to sport, including to the construction of facilities, as well as to other beneficiaries. The Confederation of Australian Sport also pointed out that the states and territories have cooperated since 1994 to run a national lottery, Auslotto, as a means of increasing the size of the prizes that can be offered. This development was interpreted as underlining the fact that there is no constitutional impediment to a national lottery.⁷

8.7 However, objections were raised with the Committee to a national sports lottery. The Victorian Government, for example, pointed out that gaming revenues already contributed significantly to funding community sporting and recreational facilities in that state. A national lottery might be expected to affect the state's revenue from gaming.⁸ At a public hearing, a representative of the Victorian Government expanded on his Government's view, indicating:

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

It is important to note that the existing revenue to the state arising from all forms of gambling is appropriated to the hospitals and charities fund. A loss of revenue to a national lottery from the state consolidated fund would mean a reduction in the funds available for health outlays.⁹

⁶ House of Representatives Standing Committee on Industry, Science and Technology, *Olympics 2000 ... and the Winner is?*, AGPS, Canberra, June 1995, p. 38.

⁷ Confederation of Australian Sport Inc., submission (number 210), pp 40-4.

⁸ Victorian Government, submission (number 246), p 13.

⁹ Sport and Recreation Victoria, transcript, 7 May 1997, pp 254-5.

The Tasmanian Sports Federation took a similar view.

The success of a sports lottery must be questionable given the existing flooded gambling market and lottery schemes. A Tax or surcharge on lotteries and other forms of gambling to fund a facilities program may be an alternative but is unlikely to find much favour from politicians at all levels.¹⁰

8.8 Not all witnesses agreed with this assessment. For example, a representative of the Queensland Office of Sport and Recreation did not anticipate that a national lottery 'would have much effect at all, not on our source of funding'.¹¹ The New South Wales Sports Federation considered that the public would find additional funds with which to gamble.¹² The ASC pointed out that the turnover of Tatts Lotto and other similar lottos in Australia reached over \$2.1 billion in 1994-95.

A 20% increase in such gaming through a national sports lotto would provide \$150m per annum to fund a new sports facilities program and the recurrent programs of the ASC and State/Territory sports authorities (on the assumption that 36% of the turnover, as currently provided under Tattersals legislation, is returned to government and is fully hypothecated to sport). That is, a one fifth expansion in the lotto market would be sufficient to fund a major facilities program throughout Australia as well as provide major reductions in budget appropriations for recurrent sports programs.

However, the ASC also warned that such an increase in gambling might not occur and might not be welcome if it did.

The issue of incremental business is obviously unknown. Clearly there has been a substantial increase in most jurisdictions in recent years in the forms of gaming including casinos, poker machines and lottos. There must be some concern as to whether saturation point has been reached and equally a concern at the social impact of gambling on households and household savings.¹³

8.9 The Victorian Rifle Association went as far as to detail what form a national lottery might take. It suggested 'a "Ticket in Tatts" or "Opera House Lottery" type lottery or a nationwide raffle', and pointed out that they 'may raise sufficient funds without being in direct competition with other existing lotteries'.¹⁴

Tax on gambling

8.10 Several witnesses to the inquiry suggested that sporting and recreational facilities should be funded from taxes on casinos, poker machines, clubs, and hotels, or that this be considered.¹⁵ However, taxes from these sources are already raised by the states and territories and, in some states, part of the revenue raised is hypothecated for sporting and recreational facilities. Grants programs for facilities based on revenue from gaming have been established in most states and territories (Appendix C).

8.11 There are two areas where new gambling has been proposed, over which the Commonwealth Government has jurisdiction and where taxation revenue might be raised;

¹⁰ Tasmanian Sports Federation Inc., submission (number 156), p 6.

¹¹ Office of Sport and Recreation, Queensland, transcript, 23 April 1997, p 193.

¹² New South Wales Sports Federation Inc., transcript, 21 April 1997, p 86.

¹³ Australian Sports Commission, submission (number 271), p 129.

¹⁴ Victorian Rifle Association Inc., submission (number 228), p 3.

¹⁵ For example, Ku-ring-gai Municipal Council, submission (number 116), p 8; Wollongong City Council, submission (number 59), p 4.

they are gambling on aircraft and using telecommunications. As the ASC pointed out, the Commonwealth Government, with its constitutional powers over communications, could obtain revenue from regulating gambling based on electronic communications involving telephones and television. Such gambling is already available through the internet from overseas providers. The ASC predicts that 'gaming from the home via interactive television will become a significant activity in the not too distant future'.¹⁶

8.12 The Committee heard from an Australian business that proposes to establish gaming based on the telephone and television. The directors of Fono Pty Ltd told the Committee about their proposal for 'digit dial gaming' which uses the telephone for registering the players' predictions, eftpos for money transfers, and the television for some of the draws. Mr Simon Townsend and Mr Michael Toohey proposed that the Commonwealth Government license Fono under legislation to be established, and receive tax revenue from Fono's operations. This revenue could either be shared with the State and Territory Governments or retained for Commonwealth use alone, and hypothecated to support sport, recreation and other causes. Mr Townsend and Mr Toohey estimated that the Commonwealth Government could net up to \$128 million a year from Fono.¹⁷

8.13 The Committee notes that the state and territory gaming regulators have already produced a draft regulatory framework for electronic gaming which they propose should be the basis for consistent legislation across Australia. The framework does not anticipate a role for the Commonwealth Government in this process, as it is proposed that home gaming revenue will be collected from the state or territory where a player resides.¹⁸ The Committee notes that the regulation of electronic gambling is part of the much wider issue of regulation of electronic commerce which is receiving attention in other fora at present.¹⁹

8.14 Regulation of gambling on aircraft and in airports has also been mooted as a possible source of revenue for the Commonwealth Government. Under the *Airports Act 1996* which allows for the control of gambling at airports, gambling has been prohibited at the three airports that have been privatised, and it is the Commonwealth Government's intention to extend that prohibition to other airports as they are sold. While some overseas carriers operate gambling in-flight, neither Qantas nor Ansett do, nor do they have any plans to do so. Qantas has examined the possibility of introducing in-flight gambling and identified a number of legal and other problems that would need to be resolved before in-flight gambling could be established.

8.15 As gambling as a source of revenue for State and Territory Governments has increased in recent years, concerns have been raised about the negative impact that easy access to

¹⁶ Australian Sports Commission, submission (number 271), p 129.

¹⁷ Briefing by Mr Simon Townsend and Mr Michael Toohey, Directors, Fono Pty Ltd, 27 June 1997.

¹⁸ Working Party of State and Territory Gaming Regulatory Officials, *Draft National Regulatory Model for Interactive Home Gambling Products*, 23 May 1997; Hon Roger Hallam, Victorian Minister for Gaming, media release, 3 October 1997.

¹⁹ For example, the Joint Committee of Public Accounts is conducting an inquiry into internet commerce.

gambling can have on the individual, the community and the economy. Studies sponsored by State Governments have considered:

- gambling's relationship to crime and official corruption;
- problem gamblers, who are estimated to comprise about 0.5 per cent of the adult population with another 0.6 per cent being probable pathological gamblers;²⁰
- the effect on fundraising by charitable organisations that have traditionally relied on income from games of chance;²¹
- the national decline in savings due partly to increased gambling; and
- the negative impact on the retail sector in some parts of Australia, with more severe effects expected in the future.²²

Taxes on gambling are also regarded as regressive because they impact most heavily on the poorer people in the community.²³ The Committee notes that, were the Commonwealth Government to tax gaming revenue in its own right, it would not only be competing with the State and Territory Governments for revenue but might exacerbate the problems listed above.

Australian Sports Foundation

8.16 The Australian Sports Foundation (ASF) was established in 1986, as an initiative of the ASC, to assist Australian sport to generate funds from the corporate sector and the community at large. It has accepted tax deductible donations on behalf of more than 170 registered state and national sporting organisations, clubs, schools, and community groups.²⁴ It is possible for donors to indicate a preferred beneficiary and the ASF will take this preference into consideration when distributing the funds.²⁵ Facility development (construction or refurbishment) and the purchase of equipment are among the items supported by the Foundation. The ASF is the only sports organisation listed in the gifts section of the income tax legislation,²⁶ and has raised \$45 million for Australian sport since its inception.²⁷

²⁰ Professor M Dickerson, quoted by J Wilkinson, *NSW and Gambling Revenue*, NSW Parliamentary Library Research Service, Briefing paper no. 16/96, 1996, pp 43-7.

²¹ *The Effect of Electronic Gaming Machines upon Charity and Non Profit Organisations in Victoria*, Victorian Casino and Gaming Authority, January 1996, pp 17-18; *Inquiry into the Impact of Gaming Machines in Hotels and Clubs in South Australia*, November 1995, p 99. Most forms of fund raising have been only slightly affected in the long term by the introduction of gaming machines.

²² *The Impact of the Expansion in Gaming on the Victorian Retail Sector*, Victorian Casino and Gaming Authority, March 1997, pp i, vi-vii.

²³ A Moran, 'Soaking the poor: discriminatory taxation of tobacco, alcohol and gambling', *IPA Backgrounder*, vol. 8(6), 1996, p 9.

²⁴ Australian Sports Commission, submission (number 271), p 58; Australian Sports Foundation, 'How to donate to sport: a guide to tax deductible donations', Australian Sports Commission.

²⁵ 'ASF meets the press', *Sports Fundraiser*, no. 2, October 1996, p 2.

²⁶ Australian Sports Foundation, <URL:<http://www.ausport.gov.au/asfhome.html>>, accessed 14 November 1996.

²⁷ Australian Sports Commission, submission (number 271), p 59.

8.17 The concept of a body such as the Foundation was seen positively by some witnesses to the inquiry,²⁸ and it was reported to have been used successfully in a number of cases.²⁹ However, the majority view was that the Foundation had been less successful than it might have been. For example, only 30 facilities have been registered with the ASF over the last decade.³⁰ The most frequently mentioned factor that had contributed to the Foundation's poor performance was the perception that the rate of tax deductibility had been set too low to make it attractive to potential corporate, community or local business donors.³¹

8.18 The New South Wales Department of Sport and Recreation suggested that an increase in deductibility of 150 to 200 per cent rather than the current 100 per cent would be attractive, CAS called for concessions to be set at least 125 per cent, the Sports Federation of Victoria nominated a rate of 125 to 150 per cent, and the ASC mentioned 125 per cent as an option.³² The New South Wales Department of Sport and Recreation claimed that, while the current rate of 100 per cent is attractive to individuals, it is less so to the corporate sector. As CAS pointed out:

... if you go to a sponsor seeking \$100, 000, that sponsor is just as happy to write the cheque out as to put it through the foundation. There are not any substantial benefits there.

... I have not heard our members saying, 'Can you please put our sponsorship money through the Sports Foundation?'³³

There are other tax deductible avenues, such as sponsorships, by which a company can make a donation to a sporting body.

8.19 It is also a considerable deterrent to potential donors that money given to the Foundation does not necessarily return to support the project in which the donor is most interested. The Development Officer of Mornington Peninsula Hockey indicated to the Committee:

I have a group of people who are willing to purchase the land for the club if they can get the tax deductibility of their donations. However, the ASF cannot guarantee that funds will be transferred back to the organisation. (they do say that 99% of the time this happens, but is this comforting enough?)³⁴

A further deterrent to donors is the 2 per cent administrative levy on donations.

8.20 The Foundation is not as widely known as it should have been after 10 years of operation. For example, a survey of its member clubs by the New South Wales Swimming Association indicated that very few of them knew of the Foundation.³⁵ Other witnesses referred to confusion about the Foundation's mode of operation, particularly the nature of the

²⁸ For example, ACT Olympic Council, submission (number 98), p 2; Glenorchy City Tennis Club Inc., submission (number 104), p 2; Womensport Australia, transcript, 29 May 1997, p 428.

²⁹ For example, South Australian Sports Federation Inc., transcript, 8 July 1997, p 561; Western Australian Sports Federation, transcript, 22 July 1997, p 635.

³⁰ Australian Sports Commission, submission (number 271), p 59.

³¹ Australian Sports Commission, submission (number 271), p 125; Sports Federation of Victoria Inc., transcript, 7 May 1997, p 289.

³² Australian Sports Commission, submission (number 271), p 125; Confederation of Australian Sport Inc., submission (number 210), p 45; New South Wales Department of Sport and Recreation, submission (number 270), p 4; Sports Federation of Victoria Inc., transcript, 7 May 1997, p 289.

³³ Confederation of Australian Sport, transcript, 24 March 1997, pp 26-7.

³⁴ Mornington Peninsula Hockey Inc., submission (number 272), p 4.

³⁵ New South Wales Swimming Association Inc., submission (number 191), p 4.

tax deductibility available, and whether it is available to local groups or only to state organisations.³⁶ A complaint from the Baulkham Hills Shire Netball Association about the operation of the Foundation appeared to be a further instance of an organisation not understanding how the Foundation operated.³⁷ In addition, the full scope of the scheme had not been appreciated by those organisations that were aware of it. For example, the South Australian Department of Recreation and Sport appears not to have known that the Foundation could be used to fund facilities.³⁸ Athletics Australia referred to members of athletics teams having used the Foundation for personal sponsorship, but indicated that it had not been exploited for facilities or equipment.³⁹ Several witnesses to the inquiry suggested that more effort be put into promoting the Foundation or enhancing it to capture its full potential.⁴⁰

8.21 Furthermore, the Foundation might be perceived more positively if it were not so closely associated with the government. The New South Wales Department of Sport and Recreation pointed out that:

Many companies and individuals are ... wary of becoming involved with any government initiative, or any initiative that is perceived to be managed by government. Notwithstanding that the Foundation has an independent Board and that donations can be handled anonymously, the Commonwealth could consider relocating the Foundation away from the Australian Sports Commission to ensure a more positive perception of the Foundation.⁴¹

The Confederation of Australian Sport considered that it might be more appropriate for it, rather than the government, to operate the Foundation.⁴²

8.22 The former Minister for Sport, Territories and Local Government, the Hon Warwick Smith, MP, commissioned a review of the operations of the ASF from Mr Compton, and this has been completed.⁴³ The review addressed some of the concerns expressed above and recommended that:

- the Foundation should be separated legally and administratively from the ASC, and its name should be changed to distance itself from the government;
- the charter of the Foundation include encouragement for providing recreational facilities 'at the grass roots level of Australian society' through tax deductibility for donors to local projects;

³⁶ Australian Baseball Federation Inc., submission (number 101), pp 7-8; New South Wales Sports Federation Inc., transcript, 21 April 1997, p 88; Yahl Cricket Club Inc., submission (number 170), p 2.

³⁷ Baulkham Hills Shire Netball Association Ltd, submission (number 142), p 2. The Association claimed that its members had donated \$160 000 to the Foundation over five years but the Association had received neither grants nor loans in return. In fact, the Association had received \$159 500 (the donated \$160 000 minus an administration levy) (Letter dated 19 September 1997 from the Foundation and confirmed by the Association). The Association had been led to believe by Foundation staff that monies additional to what its members had donated might be made available as loans or grants.

³⁸ Department of Recreation and Sport, South Australia, submission (number 223), p 10.

³⁹ Athletics Australia, transcript, 21 April 1997, pp 51-2.

⁴⁰ Department of Recreation and Sport, South Australia, submission (number 223), p 10; New South Wales Department of Sport and Recreation, submission (number 270), p 4; Victorian Government, submission (number 246), p 12.

⁴¹ New South Wales Department of Sport and Recreation, submission (number 270), p 4.

⁴² Confederation of Australian Sport Inc., transcript, 24 March 1997, p 27.

⁴³ Correspondence dated 17 June 1997 from the Australian Sports Commission.

- the tax concession should not exceed 100 per cent, but the Commonwealth Government should provide a grant of one dollar for every 10 dollars subscribed by local donors;
- the 'preferred' concept for donations should be removed so that donors are not deterred;
- a five-person board of directors should be appointed to actively promote and expand the Foundation, with the assistance of four staff expert in promoting the Foundation's case;
- the State Governments should become involved in promoting the Foundation;⁴⁴ and
- funds be provided to meet the costs of the Foundation for the first three years.

Recommendations were also made in relation to measures that would ensure that the scheme was not abused. No response has been made yet to these recommendations.

8.23 It will be noted that there is no proposal among the Compton recommendations listed above for an increase in the rate of tax deductibility for donations to the Foundation. This is consistent with the view expounded by the Tax Policy Division of the Treasury in its submission to the inquiry. It pointed out that the Foundation is only one of many other organisations covered by s.78 of the *Income Tax Assessment Act 1936*.

Increasing the rate of deductibility for donations to the ASF would be difficult to defend on equity grounds, as a case would need to be made for singling out the ASF for more generous treatment than that which applies to the large number of other bodies with gift deductibility status. Alternatively, raising the rate of gift deductibility to 125 per cent for all bodies with gift deductibility status would significantly increase the revenue cost of the concession, which was estimated in the *Tax Expenditure Statement* at \$184m in 1995-96 (for gifts by individuals of money and trading stock).⁴⁵

The Treasury concluded that there is no need to broaden the provisions of s.78, and also indicated that to do so would be inconsistent with the government's general policy of not extending the gifts provision.

8.24 In its submission to the inquiry, the ASC suggested changes to the ASF which would encourage national sporting organisations to make greater use of the Foundation. The ASC proposed that:

... National Sporting Organisations [NSO] and their affiliates at State and club level would be able to designate part of their member's annual subscription as being a voluntary donation towards that sports building fund. Each NSO would have to designate its facility priorities and list them with the ASF. The pool of funds from member's annual subscriptions would then pass to the ASF for direction to the individual projects listed under the NSO's building plan.⁴⁶

8.25 Under this arrangement, annual subscriptions would have to be raised by at least the equivalent of the tax break to ensure that the scheme was not used as a tax windfall, and a cap

⁴⁴ As agents for the Foundation, Sport and Recreation Victoria saw the states having an increased capacity to promote the use of the Foundation (transcript, 7 May 1997, p 262).

⁴⁵ The Treasury, submission (number 280), p 1. The other bodies to which tax deductibility is available include organisations active in health, education, the environment and welfare.

⁴⁶ Australian Sports Commission, submission (number 271), p 125.

might need to be placed on the amount of tax revenue foregone. The ASC pointed out that, if \$10 of each annual subscription were directed into a facilities fund, a pool of \$65 million would be created annually. The ASC envisaged that the Treasury might object to the amount of tax lost from such a sum. However, the tax loss is accepted on donations to schools and charitable institutions, and would be offset by the tax clawback from increased construction and employment. The ASC recommended further study of this approach to raising funds.

Other taxation measures

Sales tax

8.26 A significant sum is raised from sales tax on sporting goods. A 1995 study by the National Institute for Economic and Industry Research estimated that \$50 million is collected annually by taxing sports goods.⁴⁷ Several proposals were put to the Committee, all of which have been made to earlier sports inquiries. One proposal was for the sales tax on sporting goods to be reduced or eliminated so that the cost of equipping facilities and sports people was lowered.⁴⁸ Another was for the revenue from sales tax on sporting goods, or a percentage of it, to be dedicated to sport, just as certain taxes on petrol have been dedicated to road construction in the past.⁴⁹ A third suggestion was to increase the tax and hypothecate this increase to the construction of sporting and recreational facilities.⁵⁰

Tax on tobacco and alcohol

8.27 Tobacco and/or alcohol were suggested as a source of tax revenue by a number of witnesses.⁵¹ The most detailed proposal of this kind was made by CAS, which suggested a new federal excise on tobacco of one cent per cigarette. The revenue from the excise would be hypothecated to support a national health promotion fund, similar to that already operating on this basis in Victoria. The Confederation of Australian Sport estimated that this tax would raise more than \$200 million and would not only contribute to the construction of sporting and recreational facilities, but would also promote better health by its deterrent effect on smoking. The revenue from this tax could be maintained at a constant level by increasing the level of tax as tobacco consumption fell, thereby also increasing the deterrence to smoking.⁵²

8.28 The concept of a national health promotion fund found some support from witnesses. However, others were concerned by the apparent inconsistency of making money from an unhealthy activity like smoking, especially in the light of the prohibition on tobacco sponsorship of sport.⁵³ An added problem is that, as smoking declines, so too does the source of funds.

⁴⁷ Victorian Government, submission (number 246), p 4.

⁴⁸ New South Wales Sports Federation Inc., transcript, 21 April 1997, pp 85-6; South Brisbane Softball Association Inc., submission (number 268), p 1.

⁴⁹ Glenorchy City Tennis Club Inc., submission (number 104), p 2; King Island Council, submission (number 22), p 2; Macquarie University Sports Association, submission (number 122), p 1.

⁵⁰ Womensport Australia, transcript, 29 May 1997, p 427.

⁵¹ Hobart Police & Citizens Youth Club Inc., submission (number 231), p 5; Ku-ring-gai Municipal Council, submission (number 116), p 8; Wollongong Amateur Swimming Club Inc., submission (number 154), p 5.

⁵² Confederation of Australian Sport Inc., submission (number 210), pp 38-9; transcript, 24 March 1997, p 24.

⁵³ Office of Sport and Recreation, Queensland, transcript, 23 April 1997, p 193.

The Treasury's view of hypothecation

8.29 The Treasury in its submission commented on hypothecation, which is the linking of particular tax revenues with spending on particular programs.⁵⁴ The Treasury indicated that one of the arguments advanced in favour of hypothecation is that those who benefit from goods and services provided by governments should pay for them via their taxes. The suggestion that sales tax on sporting goods might be directed to fund sport is an application of the 'benefit principle'.

8.30 However, as the Treasury pointed out, 'there seems little direct connection between those who benefit from sports funding and those who pay tobacco, alcohol, gaming and casino taxes'. Furthermore, although these products have, or can have, negative impacts on society, this fact is not an argument in favour of hypothecating the tax from these products. Indeed, as the Treasury argued, 'if the relevant social costs are fully accounted for in prices, then the effects of the activity concerned should not require further government action'.

8.31 Even where there is a clear link between those paying a tax and those benefiting from it, other arguments against hypothecation exist:

... governments make expenditure decisions based on perceived community needs and these are funded by tax revenue. The flexibility of governments to reallocate expenditure between different categories is an important way in which circumstances and community desires can be accommodated. Strict hypothecation not only compromises that flexibility, it can lead to fluctuations in revenue driving changes in expenditure independently of any change in the need for those services.⁵⁵

The Treasury showed how hypothecation can reduce flexibility in matching needs with services across all areas of government funding. It provided the example of what would happen if economic circumstances demanded that fiscal policy be tightened:

... if ... revenue from a particular tax is ... hypothecated, this prevents those areas of revenue and spending from contributing to the fiscal tightening. Consequently, the effect of the tightening is focused upon other areas of the budget. The more revenues that are hypothecated, the greater the risk that high-priority spending may need to be cut, or poor quality tax measures introduced ...⁵⁶

⁵⁴ The Treasury, submission (number 280), p 2.

⁵⁵ The Treasury, submission (number 280), p 3.

⁵⁶ The Treasury, submission (number 280), p 3.

8.32 The Treasury concluded that:

The current budget process already endeavours to provide an efficient, equitable tax system and a considered review of new and ongoing expenditure programmes to ensure public resources are allocated to their highest valued use. If the government wishes to spend extra money on sport, it should do so after looking at all expenditure programmes in total and in light of its policy priorities.⁵⁷

User charges

8.33 Funds are raised from users by charging them for the use they make of facilities. In the case of privately constructed facilities these charges must be sufficient to make a profit for the owner, repay loans and cover maintenance costs. In private discussions with the industry, the Committee was told that many gyms and fitness centres struggle to survive.

8.34 With publicly owned facilities, user charges are not generally seen as a means of raising funds for construction; they are more likely to be devoted to maintenance and may only cover part of those costs. This was the view of several local councils.⁵⁸ Coffs Harbour Sport and Recreation Advisory Committee advised the Committee that booking fees for their local playing fields contributed 15 per cent of the annual maintenance costs.⁵⁹ Lismore City Council, writing about indoor sports complexes, stated that 'even if you charge all users for their use of the facility it is felt that the best result you will ever achieve is break even on the operating costs'.⁶⁰ Nevertheless, as Grafton City Council pointed out:

Admittedly the income from user charges is not large when compared to the cost of construction of facilities. However user charges can release funds from maintenance for use on construction. If all councils applied user charges at some agreed ratio of maintenance and debt servicing costs, funds overall would increase albeit at the expense of some users not already subject to user charges.⁶¹

8.35 However, there is a view that, as citizens have already contributed to government coffers by paying rates and taxes, they should not be charged again for using publicly constructed facilities.⁶² In addition, a number of organisations questioned the appropriateness of universally applying the user pays principle. User charges have a particularly serious impact in depressed country areas, and on junior sport and people with low incomes.⁶³ In

⁵⁷ The Treasury, submission (number 280), p 3.

⁵⁸ For example, Gosford City Council, submission (number 3), p 3; The Council of the City of Grafton, submission (number 128), p 3.

⁵⁹ Coffs Harbour Sport and Recreation Advisory Committee, submission (number 240), p 8.

⁶⁰ Lismore City Council, submission (number 225), p 2.

⁶¹ The Council of the City of Grafton, submission (number 128), p 3.

⁶² Toukley District Cricket Club Inc., submission (number 106), p 1; Winston Hills Sports Club, submission (number 80), p 1.

⁶³ Australian Cricket Board, submission (number 134), p 8; Council of the City of Greater Lithgow, submission (number 126), p 5; Lismore City Council, submission (number 225), p 4; New South Wales Swimming Association Inc., submission (number 191), p 5; Northern Sydney Region of Councils, transcript, 21 April 1997, p 67.

some cases charges have increased dramatically in recent years. Tennis Australia expressed concern at:

... the increasing number of councils, acting in the so-called interests of efficiency and good management, that have doubled, quadrupled or increased even more their lease charges to local clubs and associations while granting only short-term leases, a practice which obviously limits investments by clubs in their facilities.⁶⁴

8.36 Toukley District Cricket Club reported that 'Wyong Shire Council's charges for the last four years show our fees for ground usage have blown out from \$1 250 to \$4 200, an increase of nearly 350 % in 4 years'.⁶⁵ The ground fees charged to the Northern Suburbs Netball Association have increased by 800% from 1994 to 1996.⁶⁶ The price hikes have been particularly pronounced, as might be expected, for sports with high maintenance costs or small numbers of people per team.⁶⁷ The rising costs of water have hit some clubs particularly hard.⁶⁸ The Local Government Association of Tasmania predicted that, in that state at least, further development of the application of user pays could be expected.⁶⁹

Surcharge on tickets

8.37 Another source of income for the owners of facilities is the sale of tickets to spectators. It was suggested that there could be a tax or surcharge on tickets to major sporting events, which could be dedicated to funding community facilities. Tennis Australia reported to the Committee that the Ford Australian Open is profitable and provides most of the organisation's income. The profits from the Ford Open have enabled Tennis Australia to invest in facilities such as the Burswood tennis complex and make loans to clubs, as well as develop the facilities for the Ford Open.⁷⁰

8.38 Other sports reported that they made little or no profit, even with significant events, and could not support the development of facilities at local and regional levels. According to Athletics Australia, 'it is unrealistic to expect that athletic bodies at any level - local, state or national - can contribute in any substantial way towards the development of a facility'.⁷¹ The Australian Cricket Board pointed out:

Because of the high profile that cricket enjoys at the international and first class level it is often misunderstood that the A.C.B. [Australian Cricket Board] and State Associations have the financial resources to fund the provision of the facilities required on which to play the game.

⁶⁴ Tennis Australia, transcript, 21 April 1997, p 139.

⁶⁵ Toukley District Cricket Club Inc., submission (number 106), p 1.

⁶⁶ Northern Suburbs Netball Association Inc., submission (number 235), p 1.

⁶⁷ Brisbane Badminton Association Inc., submission (number 137), p 3; Weston Creek Women's Bowling Club Inc., submission (number 181), p 1.

⁶⁸ Ballarat Croquet Association Inc., submission (number 74), p 1; Tennant Creek Sports Advisory Committee, transcript, 7 August 1997, p 654; Weston Creek Women's Bowling Club Inc., submission (number 181), p 1.

⁶⁹ Local Government Association of Tasmania, transcript, 9 May 1997, p 410.

⁷⁰ Tennis Australia, transcript, 21 April 1997, pp 143-5.

⁷¹ Athletics Australia, transcript, 21 April 1997, p 37.

This thinking is far from the truth, as cricket relies very heavily on private sector commercial sponsorship and also sponsorship from government agencies such as the Australian Sports Commission, to present international cricket as well as development programs at the community level. Gate receipts from international cricket alone will not fund the game.⁷²

8.39 Nonetheless, the Committee considers that a small surcharge on tickets to major sporting events, such as those operated by Tennis Australia, the Australian Rugby League or Super League, could raise additional revenue for distribution by sporting organisations or government.

Fundraising

8.40 Users also contribute funds for sporting and recreational facilities by fundraising. The City of Casey has found that user groups are able to raise between 10 to 100 per cent of the cost of developing facilities, but are unlikely to meet the full cost of constructing them.⁷³ Hornsby Shire Council reported that:

Where a sporting user group requires upgraded facilities, they are usually in a position to contribute some funding. Normally, this ranges between 10 and 50 % of the total cost ...⁷⁴

8.41 One approach to fundraising employed by many sporting groups is the establishment of a club house or canteen where food and alcohol is sold and poker machines can be played. In addition, some centres are large enough to support a pro shop. Large sums of money can be raised by these means. However, for some organisations, access to alcohol and gambling at premises where junior players are likely to be present is regarded as inappropriate.⁷⁵ Some small clubs are finding increasing difficulty in attracting patrons in the face of competition from larger clubs that can afford to install poker machines and offer a greater variety of entertainment.⁷⁶ Other groups face the problem of having very limited expertise in fundraising, a situation that the review of the ASF identified and recommended should be addressed by the provision of advice by the Foundation.

The private sector

8.42 The private sector may be involved in the provision of sporting and recreational facilities through developer contributions, sponsorship, in joint ventures with sporting groups and/or the public sector, and as sole developer. It is clear, however, that the scope for extensive private sector involvement is limited to the larger centres of population.⁷⁷

⁷² Australian Cricket Board, submission (number 134), pp 5-6.

⁷³ City of Casey, submission (number 117), p 2.

⁷⁴ Hornsby Shire Council, submission (number 253), p 2.

⁷⁵ Newcastle International Hockey Centre, private discussions, 22 April 1997; Tuggeranong Football Club Inc., submission (number 43), p 2.

⁷⁶ District Council of Grant, submission (number 4), p 1; District Council of Millicent, submission (number 9), p 1; Tarpeena Football Club Inc., submission (number 145), p 2.

⁷⁷ Hobart Metropolitan Councils Association, submission (number 234), p 5; Local Government Association of Queensland Inc., submission (number 222), p 2; Australian Local Government Association, transcript, 24 March 1997, p 7.

Private provision of facilities

8.43 There are certain sports facilities that have traditionally been provided privately, either by businesses or by non-profit organisations. The latter include trusts, sporting groups, licensed clubs, the YMCA, church groups, and other community and youth organisations.⁷⁸ According to a survey by the ABS in June 1995, all ten pin bowling alleys were then privately owned, as were the majority of bowling greens, golf courses, gymnasium/fitness centres and squash courts.⁷⁹ State Governments commented on basketball stadia, small teaching swimming pools, indoor tennis and cricket centres, and ice skating rinks as other facilities that are often privately provided.⁸⁰

8.44 The facilities that are provided privately are those that return a profit, or at least cover their costs. Commenting on the private provision of facilities, a recreation planner observed that:

There is an expectation afloat that businesses have money to invest in indoor and outdoor recreation facilities. This is not based on reality and they rarely do. The only obvious instances are where site sizes are small, or turnovers are high, or something unique can be provided or where the fees paid are high. Even then, many such businesses essentially survive off bank loans: repayments are made, salaries are drawn, some profits are taken out and then the business is sold on to another operator who has been able to secure a loan.⁸¹

While private entrepreneurs may establish profitable local businesses, the Committee noted the comment by the Western Australian Sports Federation that major national facilities 'are rarely profit generating'.⁸²

8.45 Witnesses to the inquiry suggested that Develop Australia bonds might be extended to the construction of sporting and recreational facilities. These bonds were issued under the *Development Allowance Authority Act 1992* and allowed concessional tax treatment for private sector investment in commercially operated Australian infrastructure. However, investment in sporting and recreational facilities was not covered by this scheme, and in February 1997 the scheme was frozen and later abolished. Its abolition followed the observation that:

Tax-aggressive financing schemes were being proposed which would have resulted in an unacceptable cost to all taxpayers (estimated at around \$4 billion over the three years 1996-97 to 1998-99) without a commensurate reduction in the cost of funding infrastructure projects.⁸³

8.46 A new program was announced in the 1997-98 Budget, but its cost will be capped and it is limited at present to areas of traditional Commonwealth responsibility such as roads and railways. As the Treasury pointed out:

If assistance were granted to more kinds of projects (ie to cover sporting and recreational facilities) then this would reduce the possibility of assistance for each kind of eligible project given the programme's revenue cap.⁸⁴

⁷⁸ Police & Community Youth Clubs NSW Ltd, submission (number 132), p 4.

⁷⁹ Australian Bureau of Statistics, *Sports Industries Australia 1994-95*, AGPS, 1997, p 27.

⁸⁰ Department of Recreation and Sport, South Australia, submission (number 223), p 11; Victorian Government, submission (number 246), p 12.

⁸¹ HM Leisure Planning Pty Ltd, submission (number 38), p 4.

⁸² Western Australian Sports Federation, submission (number 99), p 3.

⁸³ The Treasury, submission (number 280), p 4.

However, while the successor to the Develop Australia bond program will not extend to sporting and recreational facilities, the Treasury advised the Committee that 'significant tax benefits' are already available to private developers in circumstances where they control and operate facilities for profit.⁸⁵ Notwithstanding this situation, there was support for more tax incentives for the private sector's involvement in facility provision.⁸⁶

Joint private-public sector ventures

8.47 In view of the cost of providing sporting and recreational facilities and the current climate of economic constraint facing both the private and public sectors, attention is being given increasingly to joint ventures between the two sectors. The advantages of such joint arrangements are that the financial resources available for projects are increased, the resources and competencies of the joint venturers are combined, and the risks are spread more widely.⁸⁷ With private sector involvement, time constraints in developing facilities can be more easily overcome and the efficiency and effectiveness of service delivery can be improved. 'Efficiency gains could be reflected in either lower costs of designing, constructing and operating infrastructure and/or superior solutions to infrastructure needs'.⁸⁸

8.48 There are, however, a number of difficulties that need to be addressed. For example, legislative impediments to joint ventures may exist, although changes have been made to the relevant legislation in some states which allow councils to accept capital from the private sector.⁸⁹

8.49 Another issue that councils and State Governments have identified is the implications of private sector involvement in the provision of facilities for equity of access. As NSW Sport and Recreation pointed out:

... the need for private sector facilities to be profit-driven may tend to over-ride considerations of equity of access. Parts of the community that have low participation rates are more likely to have low socioeconomic status and be unable to afford to access private facilities.⁹⁰

The Municipal Association of Victoria referred to:

... an ongoing tension in terms of raising other forms of finance and the absolute need to work with the private sector, balancing the need for a range of community programs which might not necessarily be the biggest money spinners for the private sector but which are affordable for people on lower incomes. That is a tension that local governments are constantly dealing with.⁹¹

⁸⁴ The Treasury, submission (number 280), p 4.

⁸⁵ The Treasury, submission (number 280), p 1.

⁸⁶ Australian Capital Territory Hockey Association Inc., submission (number 226), p 4; Hobart Metropolitan Councils Association, submission (number 234), p 11.

⁸⁷ Department of Recreation and Sport, South Australia, submission (number 223), p 10; Toowoomba City Council, submission (number 77), p 6.

⁸⁸ Hassell Pty Ltd, JA Nicholas & Associates, & KPMG Management Consulting, *Provision of Public Aquatic Facilities: Strategic Direction for South Australia*, Department of Recreation and Sport, South Australia, June 1997, p 52.

⁸⁹ For example, New South Wales Department of Sport and Recreation, submission (number 270), p 2; The Council of the City of Willoughby, transcript, 21 April 1997, p 79.

⁹⁰ New South Wales Department of Sport and Recreation, submission (number 270), p 4.

⁹¹ Municipal Association of Victoria, transcript, 7 May 1997, p 265.

Other organisations expressed similar concerns for access by minority groups and the disadvantaged.⁹² Not only may high user charges reduce access, but access may be hindered by 'a possible reduction in the level of incorporation of access design guidelines and principles'.⁹³

8.50 In addition, the attractiveness of joint developments with the private sector might 'divert development away from identified priority community needs'.⁹⁴ The South Australian Department of Recreation and Sport referred to the importance of considering social and community development when sporting and recreational facilities are developed.⁹⁵ Another consideration is that private sector involvement in providing sporting opportunities and the accompanying increase in user charging may reduce the readiness of volunteers to help run sports, as discussed in paragraph 5.20. There is already some indication that volunteer numbers are falling, although this is likely to have a number of causes.

8.51 In several states, joint public-private sector facilities are already being developed, although relatively few projects have been completed at this stage. They include joint ventures between sporting associations and government and private developments on public land.⁹⁶ Social clubs have also been involved in joint ventures; for example, a five-court basketball complex has been constructed in the ACT with joint funding by the Southern Cross Club, the ACT Basketball Association, and the ACT Government.⁹⁷ The Mingara Recreation Club and the Wyong Shire Council have constructed an indoor swimming complex that includes a 50m pool, spas, hydrotherapy and recreational pools; the public is guaranteed access to all these facilities.⁹⁸

8.52 According to the South Australian Department of Recreation and Sport, build-own-operate-transfer (BOOT) schemes also offer opportunities for a joint approach to the provision of facilities.⁹⁹ No BOOT sporting or recreational facilities were brought to the Committee's attention, although it is clearly a successful method of building public infrastructure, and the principles that should underlie any BOOT scheme are well understood.¹⁰⁰

8.53 From the experience that has been gathered to date on the shared public-private development of facilities, it is clear that such initiatives should:

- complement local and state government plans;
- be financially viable, and readily promoted and marketed;

⁹² The Council of the City of Willoughby, submission (number 216), p 1; Women's Electoral Lobby Sports Action Group, submission (number 83), p 7.

⁹³ Victorian Government, submission (number 246), p 13.

⁹⁴ Victorian Government, submission (number 246), p 13.

⁹⁵ Department of Recreation and Sport, South Australia, submission (number 223), p 9.

⁹⁶ Hassell Pty Ltd, JA Nicholas & Associates, and KPMG Management Consulting, *Provision of Public Aquatic Facilities: Strategic Directions*, June 1997, p 54; Victorian Government, submission (number 246), p 12.

⁹⁷ ACT Bureau of Sport, Recreation and Racing, submission (number 207), p 5.

⁹⁸ Mr Ian Richardson, submission (number 73), appendix D, p 1.

⁹⁹ Department of Recreation and Sport, South Australia, submission (number 223), p 10.

¹⁰⁰ Hassell Pty Ltd, JA Nicholas & Associates, and KPMG Management Consulting, *Provision of Public Aquatic Facilities: Strategic Directions*, June 1997, pp 54-5.

- improve the efficiency and effectiveness of service delivery by increasing the communities' sporting and recreational opportunities and guaranteeing community access;
- provide economic and non-economic benefit to the community; and
- incorporate contingency arrangements for the protection of community assets, for example, when government support is provided for developments on private land.¹⁰¹

8.54 The Committee noted, however, that a range of risk management issues has been identified that individually and together act to inhibit the progress of projects. They comprise:

- community prejudice against private sector involvement in providing public facilities;
- issues relating to sharing risk which include taxation and accounting laws that 'do not allow adequately for public-private sector partnership and risk sharing';
- a possible conflict between the requirements of public accountability and protecting matters that are commercial-in-confidence;
- compensation issues;
- difficulties of financing projects with a long pay-back period; and
- the conflict between securing a reliable income for the private party and allowing the government the flexibility to vary charges in response to changing circumstances.¹⁰²

8.55 Notwithstanding these difficulties, there was widespread support among witnesses to the inquiry for the Commonwealth Government to encourage private sector investment in facilities. Such encouragement could be through grants, loans, and/or provision of crown land, as well as through taxation measures, as discussed above.¹⁰³ The Municipal Association of Victoria commented that any incentives from the Commonwealth Government to encourage private sector involvement would be welcome: 'we would be very willing to consider any possible creative methods for private sector sponsorship and joint ventures'.¹⁰⁴

8.56 One such option is for government to provide 'seed funding' to get privately owned facilities started.¹⁰⁵ As the South Australian Department of Recreation and Sport pointed out:

It is necessary for future funding to take account of some private projects that are marginal in terms of profit levels unless they have an initial capital injection from the public sector.¹⁰⁶

The Australian Council of Health, Physical Education and Recreation and Maroondah City Council noted the incentives that grants provide to corporate investment, and a Victorian

¹⁰¹ Department of Recreation and Sport, South Australia, submission (number 223), p 9; HM Leisure Planning Pty Ltd, submission (number 38), p 5; Victorian Government, submission (number 246), p iii.

¹⁰² Hassell Pty Ltd, JA Nicholas & Associates, and KPMG Management Consulting, *Provision of Public Aquatic Facilities: Strategic Directions*, June 1997, pp 55-6.

¹⁰³ Moreland City Council, submission (number 194), p 8; Municipal Association of Victoria, submission (number 147), p 4.

¹⁰⁴ Municipal Association of Victoria, transcript, 7 May 1997, p 266.

¹⁰⁵ Toowoomba City Council, submission (number 77), p 6.

¹⁰⁶ Department of Recreation and Sport, South Australia, submission (number 223), p 11.

group of leisure professionals advocated that 'recognition should be given to the leverage and multiplier effect of government grants'.¹⁰⁷

Sponsorship

8.57 Sponsorship of sporting facilities by the corporate sector is limited. Businesses tend to support programs, like the Milo, Commonwealth Bank and ANL cricket programs, rather than the facilities themselves. An exception to this trend is the Coca Cola Runs for Australia program which provides funds for cricket facilities at all levels.¹⁰⁸ Generally though, facilities are not seen as having 'high promotional impact', apart from naming rights and billboards.¹⁰⁹ Recent examples of where naming rights have been conferred on an organisation that has made significant contributions to facilities is provided by the Tattersalls Hobart Aquatic Centre, Optus Oval in Melbourne, and the ANZ and Suncorp Stadiums in Brisbane.¹¹⁰

8.58 Where sponsorship is provided it tends to be concentrated on elite venues. Two major developments that have been seeking corporate support are Stadium Australia at the Sydney Olympic site and the Docklands Stadium in Melbourne. In these cases, significant financial contributions have been sought in return for long-term membership entitlements. The failure to raise as much capital as had been planned for Stadium Australia indicates that, even at elite level, corporate sponsorship is limited.

8.59 Corporate sponsors are also attracted to the more popular sports, especially those that make good television viewing.¹¹¹ The less popular, less exciting and less televisual sports find it harder to attract sponsorship. As the Queensland Youth Alliance pointed out:

Corporations clearly seek a return on any sponsorship. Small community sporting and recreational organisations can only provide minimal return for large sponsorship and ... sports conducted at an elite level (i.e. rugby league, netball, tennis) with guaranteed national exposure are more favourable targets for corporate sponsorship.¹¹²

The smaller sports, such as badminton and softball, are less successful in attracting support from the private sector.¹¹³ The same is true of a sport such as rifle shooting which, even if it brings great success to Australia in international competitions and has many participants, is not a major spectator sport.¹¹⁴ Furthermore, according to the New South Wales Sports Federation, it is particularly difficult for any sporting organisation in New South Wales to access corporate sponsorship at present because potential sponsors are concentrating on exposure at the 2000 Olympics.¹¹⁵

8.60 Local teams rely on local businesses which, although very supportive, are limited in what they can provide. As the variety of sports has increased, the sponsorship dollar is spread

¹⁰⁷ The Australian Council of Health, Physical Education and Recreation, submission (number 219), p 1; Australian Leisure Institute, Aquatic and Recreation Institute & The Royal Australian Institute of Parks and Recreation, submission (number 221), p 13; Maroondah City Council, submission (number 118), p 5.

¹⁰⁸ Australian Cricket Board, submission (number 134), pp 3-4, 6.

¹⁰⁹ Tennis Australia, submission (number 53), p 9.

¹¹⁰ Hobart Metropolitan Councils Association, submission (number 234), p 11.

¹¹¹ For example, Ford's sponsorship of the Australian Tennis Open, which the Victorian Rifle Association sees as entertainment rather than sport (submission, number 228, p 2).

¹¹² Queensland Youth Alliance, submission (number 264), p 3.

¹¹³ Brisbane Badminton Association Inc., submission (number 137), p 1; Campbelltown & District Softball Association Inc., submission (number 259), p 2.

¹¹⁴ Victorian Rifle Association Inc., submission (number 228), p 1.

¹¹⁵ New South Wales Sports Federation Inc., transcript, 21 April 1997, p 91.

more broadly and more thinly.¹¹⁶ Unlike major organisations, local teams have difficulty in attracting corporate support, especially in rural and remote areas.¹¹⁷ In the Northern Territory, for example:

... the potential for significant sponsorship from private sector investment in ... sport and recreation infrastructure is extremely limited. The Territory's small and dispersed population offers little attraction to major sponsors who seek maximum exposure for their dollar.¹¹⁸

Even when the elite level of competition in a sport, such as cricket, receives considerable corporate support, 'as for those funds filtering right down through the system of club cricket, unfortunately they just do not go that far'.¹¹⁹

8.61 Several submissions addressed the question of how the quest for sponsors could be pursued more effectively. Wollongong City Council drew attention to the need for a well-planned facility and a proactive approach to attract corporate sponsorship.¹²⁰ The City of Orange agreed:

The success of attracting sponsorship usually equates to the quality of the submission and approach to the corporate sector; and this Council offers an advisory service to its local sporting organisations and clubs on all aspects of sponsorship. The area of sponsorship is very specialised; and perhaps the Commonwealth Government could look at establishing an advisory service to clubs and associations, thereby maximising the chances of these organisations obtaining sponsorship funds.¹²¹

The new sports complex at Katanning was brought to the Committee's attention as an example of a project that had successfully attracted corporate contributions in spite of being in the country.¹²²

8.62 An alternative suggestion is that councils themselves might pursue sponsorship arrangements,¹²³ perhaps by appointing a professional to seek out sponsorship, as the Hobart Police & Citizens Youth Club suggested:

More Corporate sponsorship opportunities could be obtained with full-time professional marketing and promotions officers appointed to seek ongoing funding from the corporate sector. These officers could be appointed to service a large number of facilities.¹²⁴

With a large number of facilities especially if all are similar, opportunities for national sponsorship arise as in the approach taken by Queensland Basketball and Queensland Netball.¹²⁵

¹¹⁶ Campbelltown R&SL Junior Cricket Club, submission (number 276), p 2; Sandy Bay Bowls Club, submission (number 150), p 2; Yahl Cricket Club Inc., submission (number 170), p 2.

¹¹⁷ Council of the City of Greater Lithgow, submission (number 126), p 4; Local Government Association of Queensland, transcript, 23 April 1997, p 201; Municipal Association of Victoria, transcript, 7 May 1997, pp 277-8; Richmond River Shire Council, submission (number 62), p 2; Shire of Augusta-Margaret River, submission (number 159), p 2.

¹¹⁸ Department of Sport and Recreation, Northern Territory, submission (number 229), p 7.

¹¹⁹ Australian Cricket Board, transcript, 7 May 1997, p 337.

¹²⁰ Wollongong City Council, submission (number 59), p 4.

¹²¹ The City of Orange, submission (number 174), pp 10-11.

¹²² Shire of Katanning, transcript, 22 July 1997, p 607.

¹²³ Lismore City Council, submission (number 225), p 9.

¹²⁴ Hobart Police & Citizens Youth Club Inc., submission (number 231), p 4.

¹²⁵ Queensland Basketball Association Inc., submission (number 251), p 6.

Loans

8.63 Sporting and recreational bodies not infrequently are required to contribute to the cost of constructing or upgrading facilities by taking out a loan. As the Orange City Council pointed out, 'often, one of the major problems facing sporting organisations - particularly at a local level - is the lack of tangible security that can be offered in support of a loan application'.¹²⁶ Furthermore, repaying a loan and meeting the interest payments can impose considerable burdens on these bodies, even to the extent of killing projects.¹²⁷

8.64 In some areas, State and Local Governments have been prepared to loan funds for community facilities, or underwrite indebtedness, as discussed in Chapter 9. The Committee notes that loans and guarantees are also sometimes provided to local groups by sporting associations and clubs. Examples of these that were mentioned to the Committee are Tennis Australia's short-term, low interest loans to selected affiliated tennis clubs, Bomaderry Bowling Club's support for other sports clubs, and the Winston Hills Sports Club's \$80 000 loan to a local netball association.¹²⁸ Tennis Australia suggested that 'National Sports Bodies should be encouraged to provide ... financial support for their affiliated clubs towards council projects' in the same way as it does.¹²⁹ A similar proposal was made by the Municipal Association of Victoria.¹³⁰

8.65 Instances of individuals making personal loans were also brought to the attention of the Committee during private talks with local sporting groups. The Ceres Calisthenics College told the Committee of its experience:

As with every sporting and recreational club, there are some parents of participants who are active in following the progress of their children and the club. ... "financially comfortable" parents may be prepared to lend clubs sums of money at lower interest rates than are charged by banks and the like to supplement a club's financial contribution to an infrastructure facility.

However, the college considered that such an approach might contravene the fund raising provisions of the Corporations Law.

¹²⁶ The City of Orange, submission (number 174), p 12.

¹²⁷ Sports Federation of Victoria Inc., transcript, 7 May 1997, p 286; Young Shire Council, submission (number 8), p 2.

¹²⁸ Bomaderry Bowling Club Ltd, submission (number 187), p 2; Tennis Australia, submission (number 53), p 4; Winston Hills Sports Club, submission (number 80), p 1.

¹²⁹ Tennis Australia, submission (number 53), p 8.

¹³⁰ Municipal Association of Victoria, submission (number 147), p 4.

Developer contributions

8.66 In most states, developers are required, as a condition of developments to contribute land or cash to the Local or State Government often to provide open space or facilities. The Australian Local Government Association observed that:

Public open space performs a very vital recreational opportunity in communities, and we believe that, without private sector development contributions that local council insists on, public open space simply will not be provided and cannot be provided by the private sector.¹³¹

8.67 Witnesses from New South Wales, Victoria, South Australia and Western Australia all referred to the use of developer contributions in their states. Under s.94 of the *Environmental Planning and Assessment Act 1979* (NSW), developers are required to contribute land or funds or both for public use in areas undergoing development. In South Australia, land is provided in large developments, and cash paid into a state fund for other developments.¹³² The Western Australian Planning Commission has recently issued guidelines to local councils about the conditions that might be applied to developers.¹³³ The Victorian Government reported that developer contributions in that state had provided facilities such as community recreation centres, which the developer owned and leased to the local council or gifted to the council. In addition:

In more recent housing estate developments, the developers provide sport and recreation facilities as part of an overall package in living on the estate. Health and fitness centres are often provided in this scenario, albeit usually in upmarket developments.¹³⁴

8.68 From the information available to the Committee, it appears that there is some variation from state to state in the extent to which developer contributions are required and the form they take. Comments were also made to the Committee that suggested modifications could usefully be made to extend the operation of developer contribution systems or improve the efficiency of their operation. The Western Australian Municipal Association referred to the 'narrow approach' taken in that state, and attempts that have so far been unsuccessful in reforming the process.¹³⁵ Hornsby Shire Council reported that:

... the levies on developers can only fund facilities to the existing shire-wide standard, and it is difficult to justify funding for new types of recreation. Moreover, developer contributions cannot be used to address current short falls in recreational resources and certainly cannot be utilized to provide facilities of regional or national significance.¹³⁶

The restriction on using developer contributions for facilities outside the local council area where they were collected also received comment from Baulkham Hills Shire Council and The Council of the City of Grafton; the matter is under consideration by the New South Wales Government.¹³⁷

¹³¹ Australian Local Government Association, transcript, 24 March 1997, p 7.

¹³² Department of Recreation and Sport, South Australia, transcript, 8 July 1997, p 539.

¹³³ Western Australian Municipal Association, transcript, 22 July 1997, p 613.

¹³⁴ Victorian Government, submission (number 246), p 11.

¹³⁵ Western Australian Municipal Association, transcript, 22 July 1997, p 613.

¹³⁶ Hornsby Shire Council, submission (number 253), p 2.

¹³⁷ Baulkham Hills Shire Council, submission (number 33), p 2; The Council of the City of Grafton, submission (number 128), p 3.

8.69 Another problem is that:

... the accumulation of contributions in low growth areas is slow. This means that provision of facilities lags behind demands until a certain threshold is reached. The lack of facilities acts to inhibit growth further leading to a cycle of even slower growth. Related to this point is the fact that NSW councils are obliged to spend developer contributions within a "reasonable time" .

The time to accumulate a sufficient capital base in a low growth area often means that the council cannot meet the "reasonable time" requirement and may be forced to provide a lower standard facility or to perhaps not provide the facility and refund the developer contribution. The ability to meet the "reasonable time" requirement is easier in high growth areas.¹³⁸

Toukley District Cricket Club reported that developers often make available to the council the poorest portion of the land that they are developing, making it costly to transform for sporting and recreational purposes.¹³⁹

Conclusions*Tax on gaming*

8.70 Having reviewed the material assembled in this chapter, the Committee's first conclusion is that any new avenues for the Commonwealth Government to access revenue for sporting and recreational facilities should not be at the expense of those in use by the states and territories. Commonwealth taxes on gaming revenue should therefore not be pursued.

8.71 In the same vein, the Committee does not support a national sports lottery. It is by no means clear that a national sports lottery would tap uncommitted sources of money. Given the plethora of gambling opportunities available to the Australian public, it is likely that a national lottery would largely divert funds away from existing beneficiaries and thereby deprive the states and territories of income on which they already depend. When poker machines were introduced in the various states, there was an increase in total gambling turnover but existing forms of gambling suffered often severe revenue losses. How much change in gambling would in practice occur if a lottery were introduced would depend on the attractiveness of the new alternative and whether there is much more money available for gambling. The Victorian Government suggested that this could be established only by experimenting. However, once begun, the experiment might be impossible to close.¹⁴⁰

8.72 The Confederation of Australian Sport took the view that:

... the potential gains from a lottery outweigh the concerns of the States (in terms of lost gambling revenue) and the Treasury (in terms of hypothecation and lack of control over allocations of funds).¹⁴¹

However, the Committee considered that such a step might well substantially undermine Commonwealth-State relations and would be counterproductive for sport and recreation as well.

¹³⁸ The Council of the City of Grafton, submission (number 128), pp 3-4.

¹³⁹ Toukley District Cricket Club Inc., submission (number 106), p 1.

¹⁴⁰ Sport and Recreation Victoria, transcript, 7 May 1997, p 254.

¹⁴¹ Confederation of Australian Sport Inc., submission (number 210), p 45.

8.73 The Committee foresees that new forms of gambling might be introduced, such as gambling on aircraft and the internet, which the Commonwealth Government might legislate to approve and regulate. If this step were taken, the Committee considers that the revenue derived from regulating such gambling should be hypothecated to fund sporting and recreational facilities. The Committee recommends that:

- (22) **while not seeking to encourage increased gambling, in the event of gambling associated with telecommunications and air travel being approved for introduction, the revenue derived by the Commonwealth Government should be directed to funding sporting and recreational facilities.**

Hypothecation

8.74 The Committee's second conclusion is that, with the above exception, the hypothecation of taxes for sporting and recreational facilities should not be supported. The Committee agrees in general with the Treasury's arguments in favour of direct outlays rather than tax concessions, namely that direct outlays:

- are more transparent;
- are less open to abuse;
- provide more scope for targeting particular problems or areas; and
- do not add to the complexity of tax law and the cost of administration and compliance.¹⁴²

The Committee has some sympathy with the view expressed by HM Leisure Planning that:

Taking funds from consolidated revenue is the most honest and straightforward method, because we do that for most of our other expenditure. If we recognise the importance of recreation in the health and wellbeing of the community and the development of communities through leisure activities, that is where the funds should come from. We should not be searching for other cheap, sneaky, smart alternative methods of getting the money.¹⁴³

The Australian Sports Foundation

8.75 A promising option for raising funds for sporting and recreational facilities is an effectively operating ASF. The Committee strongly supports the suggestions emanating from Mr Compton's review of the Foundation and considers that particular benefit will result from proposals for:

- extending the Foundation's charter to include recreational as well as sporting facilities;
- distancing the Foundation to a greater extent than at present from the government and its agencies;
- increasing promotion of the Foundation by enrolling the states and territories as agents for the Foundation and enhancing the promotional abilities of the board and staff;

¹⁴² The Treasury, submission (number 280), pp 1-2.

¹⁴³ HM Leisure Planning Pty Ltd, transcript, 7 May 1997, p 299.

- removing the discretion that the Foundation has at present to direct donations away from the organisations that have advocated that their members give money through the Foundation; and
- financial assistance to the Foundation by the Commonwealth Government.

The Committee's support for the above recommendations is qualified to the extent that it considers that Local Government, as well as State and Territory Governments, should be involved in promoting the Foundation, and the financial assistance to the Foundation should consist of one-off seed funding to assist the Foundation establish its new mode of operation.

8.76 The Committee notes that using the ASF to raise funds for sporting and recreational facilities is far less contentious from the states and territories' point of view than Commonwealth attempts to access gaming revenue. Indeed, some of the states were supportive of the Foundation. The New South Wales Department of Sport and Recreation took the view that:

... if the Commonwealth were to put some resources into exhausting the opportunities with the Australian Sports Foundation first, ... that would be an easier path to follow than looking at any kind of lottery simply because of the legislative basis for those.¹⁴⁴

8.77 Accordingly, the Committee urges the Minister for Sport and Tourism to act in the spirit of the reforms recommended by Mr Compton and give impetus to the reform of the ASF by providing financial support at the outset. The Committee also encourages the Minister to ensure that the operation of the reformed ASF is monitored in a more thorough and timely way than in the past. It recommends that:

(23) reform of the structure and operations of the Australian Sports Foundation be implemented immediately.

Priority should be given to:

- a) distancing the Foundation legally, physically and administratively from the Commonwealth Government and its agencies, including the Australian Sports Commission;**
- b) enrolling State, Territory and Local Governments as agents for the Foundation and enhancing the Foundation's promotional abilities, so that the Foundation is more effectively marketed;**
- c) removing the discretion that the Foundation currently has in determining how donations are spent by enabling donors to direct their donations to specific projects; and**
- d) extending the Foundation's charter to include recreational as well as sporting facilities.**

8.78 The Committee also recommends that:

¹⁴⁴ New South Wales Department of Sport and Recreation, transcript, 2 June 1997, p 483.

- (24) **the Department of Industry, Science and Tourism:**
- a) **provide one-off seed funding to the reformed Australian Sports Foundation to enable it to establish itself securely; and**
 - b) **arrange a further independent evaluation of the effectiveness of the operation of the Australian Sports Foundation after five years.**

8.79 With respect to recommendation 23(c) above, the ASC advocated an arrangement by which sports clubs would be able to direct part of their members' annual fees to a sports facility building fund, in a way similar to that used for donations to school building funds. The funds collected in this way by clubs would be forwarded to the ASF and would be made available for projects designated as priorities by the national body of the sport concerned. However, the Committee does not favour this suggestion, as it would provide incentives only to members of those organisations whose projects the national sporting organisations sponsored.

Accessing non-government funds

8.80 Reliance on the private sector to provide funds for sporting and recreational facilities is relatively new. There appeared to the Committee to be a number of barriers to private sector involvement and areas where more information was needed to guide developers in both the public and private sector.

8.81 Joint ventures between the public and private sector were identified for the Committee as activities for which best practice models should be collected and disseminated widely. The Corporation of the Town of Gawler, for example, called for the Commonwealth Government to research and advise on 'the best means to make the best use of funds from both the public and private sector' in providing facilities.¹⁴⁵ Peter Nicholls & Associates suggested that:

... there is an infinite range of options of share funding and especially in the area of public and private sector partnership. I suggest we have not yet even begun to scratch the surface of the range of feasible funding options possible in share funding.¹⁴⁶

Other areas where research and advice would be valuable include BOOT schemes, loans from individuals to sporting and recreational groups, and approaches to fund raising and seeking sponsorship by community groups.

¹⁴⁵ The Corporation of the Town of Gawler, submission (number 65), p 1.

¹⁴⁶ Peter Nicholls & Associates, submission (number 89), pp 1-2.

8.82 The Committee recommends that:

(25) the Department of Industry, Science and Tourism provide funding to assist the augmented Australasian Facilities Committee:

- a) to coordinate the collection and dissemination of best practice models for joint ventures between the private and public sectors, and for other forms of cooperation between the two sectors; and**
- b) to identify barriers to more extensive and effective cooperation and ways of removing or reducing them.**

8.83 In addition, in relation to (b) above, the Committee suggests that the review of barriers to private and public cooperation should include an examination of ways in which this cooperation could be actively encouraged, for example, through tax measures, grants or loans. The Committee therefore recommends that:

(26) the Department of Industry, Science and Tourism provide funding to assist the augmented Australasian Facilities Committee:

- a) to identify measures that would actively encourage joint private and public sector involvement in the provision of sporting and recreational facilities; and**
- b) to report on these measures to the Sport and Recreation Ministers' Council.**

8.84 In paragraphs 8.62 to 8.65, the Committee notes several criticisms of the systems of developer contributions in operation in the states and territories. The Committee considers that developer contributions represent a source of funding that could be further developed to provide more useful additions to the sporting and recreational opportunities of the locality or region where they are made. Developer contributions are not items over which the Commonwealth Government has jurisdiction. Nonetheless the Committee urges the State and Territory Governments to investigate what improvements could be made to the system.

8.85 Finally, it is clear that non-government sources of funds are available for some types of facilities in some parts of the country. However, it is equally clear that such sources are unable to provide for all the facilities that the public might reasonably expect should be available. As the Lismore City Council pointed out, 'traditional Grant Funding mechanisms are impossible to escape',¹⁴⁷ and they are one of the subjects covered in Chapter 9.

¹⁴⁷ Lismore City Council, submission (number 225), p 9.

CHAPTER 9: COMMONWEALTH FUNDING FOR SPORTING AND RECREATIONAL FACILITIES

Introduction

9.1 Several recommendations from previous chapters call on the Commonwealth Government to fund a number of processes which should underpin the provision of sporting and recreational facilities across the country in an effective manner. Funding is recommended for an audit of facilities, a database of the information from the audit, and planning for international and regional facilities. It is also proposed that Commonwealth funding be available to research and assemble best practice in many aspects of providing and operating sporting and recreational facilities.

9.2 The Committee has concluded that Commonwealth funding cannot be supplied for the construction of all necessary or desired facilities. However, two specific types of facilities are identified in Chapter 5 as being particularly difficult to provide. The Committee considers that there is a case for providing Commonwealth funding to assist with constructing one of these types of facilities, namely those in disadvantaged communities.

9.3 This chapter discusses the best way for making Commonwealth funds available for the construction of facilities for disadvantaged communities. The chapter then considers the need for best practice to effectively target funds to these facilities, and gives more details about how funding should be provided. The possibility of a revolving loan fund is also explored.

Vehicles for delivering Commonwealth funds

Tied or untied grants

9.4 The Committee noted that a number of witnesses to the inquiry expressed a preference for any Commonwealth funding for sporting and recreational facilities to be provided as untied grants to the States or Local Government. The South Australian Department of Recreation and Sport, for example, recommended that the funding should be 'additional to existing untied grants'.¹ The New South Wales Department of Sport and Recreation considered that a new Commonwealth program should not increase the level of tied grants.² The Shire of Carnarvon also took the view that local governments would be best assisted in providing facilities by increased untied funding.³ Untied grants were seen as being administratively more efficient and reinforcing local choice.⁴

¹ Department of Recreation and Sport, South Australia, submission (number 223), p 1.

² New South Wales Department of Sport and Recreation, submission (number 270), p 1.

³ Shire of Carnarvon, submission (number 50), p 1.

⁴ Local Government Association of South Australia, submission (number 239), p 5.

9.5 Under this arrangement there would be no guarantee that additional funds would be expended on sporting and recreational facilities rather than on other government priorities. A number of local government witnesses acknowledged that it is unlikely that all of any increase in untied grants would be spent on sporting facilities. Councils have many pressing priorities, including roads and other community facilities and, while higher untied grants would make more sporting facilities possible, some councils would undoubtedly spend the extra money on other projects.⁵ However, the South Australian Department of Recreation and Sport suggested that:

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.⁶

This possibility notwithstanding, the Committee considers that any funding provided by the Commonwealth Government for sporting and recreational facilities should be earmarked for that purpose and not form part of general purpose payments to the states and territories or financial assistance grants to local government.

9.6 The Committee's stand received some support from witnesses to the inquiry. The Local Government Association of Tasmania, for example, stated:

... in the broader public interest, there is a need to ensure that if there is any adjustment to any sort of general purpose funding - for example, the need for recreational facilities - it should actually be targeted. So probably, in all common sense, you start talking about specific purpose funding to get that outcome.⁷

The Tasmanian Government supported the use of 'identified, but untied grants'.⁸ So too did the Local Government Association of South Australia, which stated:

Overall, our policy position is that we prefer the funding untied. However, ... 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.⁹

This approach to Commonwealth funding ensures accountability, and avoids 'handing over a cheque to State Government'.¹⁰ The Queensland Office of Sport and Recreation took a similar view; a representative of that office stated, 'I do not believe that any state should say to the Commonwealth, "You just give us the money and let us do what we want to do with it"'.¹¹

⁵ Australian Local Government Authority, transcript, 24 March 1997, p 14; Local Government Association of South Australia, transcript, 8 July 1997, p 548.

⁶ Department of Recreation and Sport, South Australia, transcript, 8 July 1997, p 527.

⁷ Local Government Association of Tasmania, transcript, 9 May 1997, p 404.

⁸ Tasmanian Government, submission (number 212), p 6.

⁹ Local Government Association of South Australia, transcript, 8 July 1997, p 549.

¹⁰ Local Government Association of South Australia, transcript, 8 July 1997, pp 541-2.

¹¹ Office of Sport and Recreation, Queensland, transcript, 23 April 1997, p 186.

A dedicated program

9.7 Funding for sporting and recreational facilities could be provided by means of programs like the previous Commonwealth Community Recreational and Sporting Facilities Program (later the CCRSF Program) in which applications were assessed by the Commonwealth Government and funding made available directly to successful applicants.¹² A number of witnesses to the inquiry supported the re-establishment of such a program. Alternatively, Commonwealth funds could be made available to State, Territory and Local Governments by distributing them through existing state and territory programs.¹³ A third possibility is a partnership approach, involving all levels of government, in establishing and operating a program.

9.8 There are several arguments against the re-establishment of a program such as that operated by the previous Commonwealth Government. A 1993 audit of the CCRSF program identified problems with the design of the program which stemmed from the fact that it duplicated existing programs. The states considered that greater overall benefit could have been achieved from available Commonwealth funds if the projects given funding had been selected in consultation with them and local authorities.¹⁴ In addition, some groups could have been simultaneously receiving funds for their projects from state or local government programs as well as from the Commonwealth Government.¹⁵ The Department of Finance referred to the view of The National Commission of Audit that duplication and overlap of programs and the shifting of state and territory costs to the Commonwealth Government were 'closely associated with multiple levels of government involvement and unclear responsibilities between these levels in policy and program delivery'.¹⁶

9.9 There was strong support from witnesses to the inquiry for the distribution of Commonwealth funding for sporting and recreational facilities through existing mechanisms. The Local Government Association of Queensland considered that 'any Commonwealth funding that comes into this area should go through the state program framework to avoid duplication, and to make sure that people are not trying to double-dip'.¹⁷ The City of Wanneroo agreed because:

Local governments are well placed to assess local requirements for recreational and sporting facilities. Rather than duplicate this work or that of the state government it would be appropriate to boost funding to the existing sources.¹⁸

Toowoomba City Council warned against duplicating either the role or bureaucracy of existing schemes and ignoring the 'greater depth of knowledge which State and Local Governments have in relation to regional and local community sport and recreation needs'.¹⁹ Other local government bodies shared these views.²⁰ The South Australian and Queensland

¹² Details of these programs are provided in Chapter 1.

¹³ Department of Education, Community and Cultural Development, Tasmania, transcript, 9 May 1997, pp 358-9; Fairfield City Council, submission (number 54), p 1.

¹⁴ The Auditor-General, *Audit Report No. 9 1993-94, Efficiency Audit, Community Cultural, Recreational and Sporting Facilities Program*, AGPS, Canberra, 1993, p. xi.

¹⁵ The Auditor-General, p. xii.

¹⁶ Department of Finance, submission (number 263), p 1.

¹⁷ Local Government Association of Queensland, transcript, 23 April 1997, p 202.

¹⁸ City of Wanneroo, submission (number 82), p 1.

¹⁹ Toowoomba City Council, submission (number 77), p 2.

²⁰ Ballina Shire Council, submission (number 56), p 1; Bayside City Council, submission (number 160),

state government sport and recreation departments were also concerned about the possibility of Commonwealth duplication of the states' efforts.²¹ In addition, the Committee notes the view of The National Commission of Audit that 'states should be responsible for policy issues which are regional because smaller units are assumed to better understand and reflect the preferences of their citizens'.²²

9.10 The desirability of some form of combined approach to funding sporting and recreational facilities was supported by many of those who commented on this topic. The Queensland Office of Sport and Recreation suggested that, rather than 'a separate stream of funding coming in from the Commonwealth bypassing the state and going directly to a source', a program should be established with the agreement of all three levels of government.²³ The local government associations strongly advised in favour of Local Government being involved in program design at national, state and regional levels, and the South Australian Department of Sport and Recreation suggested that the Commonwealth, State and Territory Governments should agree on the criteria that would govern the distribution of Commonwealth funds by the states and territories.²⁴

9.11 The Office of Sport and Recreation in Queensland considered that all three levels of government should also agree on which projects should be funded, although that 'could slow down the process a fair bit'.²⁵ Other witnesses suggested that there was role for sporting organisations, as well as government, in the selection process and proposed advisory panels to recommend which projects should be funded.²⁶ Such a process is already in use in Western Australia for the assessment of applications for state funding.²⁷ A case can also be made for the involvement of the corporate sector and other community groups in the process of funding community facilities,²⁸ and Mr Graeme Campbell, Member for Kalgoorlie, supported the involvement of politicians in the selection process.²⁹ If all levels of government and others are involved in the design and operation of the program, the likelihood of any one level of government shifting costs to another should be minimised.

9.12 The most explicit recommendation for a cooperative approach to funding sporting and recreational facilities was provided by the Victorian Government. It suggested the following framework:

- Commonwealth develops underlying operating and administration principles and framework with the States, in consultation with local government, Recreation Industry

p 1; Fairfield City Council, submission (number 54), p 2; Local Government of Queensland Inc., submission (number 222), p 2; Maroondah City Council, submission (number 118), p 3; Municipal Association of Victoria, submission (number 147), p 3; Western Australian Municipal Association, transcript, 22 July 1997, p 601.

²¹ Department of Recreation and Sport, South Australia, transcript, 8 July 1997, p 510; Office of Sport and Recreation, Queensland, transcript, 23 April 1997, p 183.

²² Quoted by the Department of Finance, submission (number 263), p 1.

²³ Office of Sport and Recreation, Queensland, transcript, 23 April 1997, p 186.

²⁴ Department of Recreation and Sport, South Australia, submission (number 223), p 1; Local Government Association of South Australia, submission (number 239), p 9.

²⁵ Office of Sport and Recreation, Queensland, transcript, 23 April 1997, pp 186, 187.

²⁶ Department of Sport and Recreation, Northern Territory, submission (number 229), p 4; Tasmanian Sports Federation Inc., transcript, 9 May 1997, p 380.

²⁷ Ministry of Sport and Recreation, Western Australia, submission, (number 211), p 2.

²⁸ Australian Commonwealth Games Association Inc., submission (number 135), p 2; National Council YMCA of Australia, submission (number 109), p 12.

²⁹ Mr Graeme Campbell, MP, submission (number 79), p 1. The South Brisbane Softball Association took a similar view (submission, number 268, p 2).

Council of Australia (RICA) and other stakeholders eg. Education, for the distribution of funds to the States.

- . A funding agreement is negotiated between the Commonwealth and State, in order to ensure a strategic planned approach in the application of Commonwealth funds towards community sport and recreation facilities and services.
- . The funds would be provided by the Commonwealth as an Identified Funding Grant within the general purpose stream, providing an emphasis on outcomes.
- . The States act as funding administrators/program managers, with the day to day management of the projects being undertaken by the other organisations, preferably LGA's.³⁰

9.13 The Victorian Government recognised the need for credit to be given to the Commonwealth Government for any funding provided, suggesting that 'nothing in this framework would preclude the Commonwealth from being the agency responsible for announcing and publicising the funded projects'.

Conclusion

9.14 The Committee regards it as unrealistic for the Commonwealth Government to provide untied funding to the States, Territories and Local Government in the hope of boosting spending on sporting and recreational facilities. Any funds must be tied explicitly to expenditure on sporting and recreational facilities.

9.15 The Committee notes the deficiencies of previous grants programs caused by poor coordination of these programs with State, Territory and Local Government policies and programs. In the Committee's view, it is important that these defects are not replicated in the provision of funds for facilities in disadvantaged communities. The states all have existing programs to assist in the provision of sporting and recreational facilities (Appendix C). These programs vary significantly between the states in relation to their quantum and targets. If the Commonwealth Government were to establish its own program and identify its own priorities, it is certain to duplicate assistance already available in one or more states. All witnesses agreed, however, that total funding is inadequate and any supplementary Commonwealth funding would be greatly appreciated. It seems likely that if the Commonwealth Government targeted its assistance in particular areas, the states would adjust their programs to avoid unnecessary overlap. To minimise the likelihood of such moves, the Committee suggests consultation between all levels of government, as well as with other stakeholders, to establish a cooperative framework for the dispensing of grant funds. The Victorian Government's proposal represents a useful start for discussions between all

³⁰ Victorian Government, submission (number 246), p 6.

stakeholders in the provision of sporting and recreational facilities. The Committee is convinced that a coordinated approach to the funding of facilities is essential, and recommends that:

- (27) the Standing Committee on Recreation and Sport consult widely, with a view to advising on a cooperative framework for distributing proposed Commonwealth funds for sporting and recreational facilities in disadvantaged communities.**

9.16 If the Commonwealth Government were to make funds available for facilities within a partnership approach of the type outlined above, the issue would arise of how much it might provide and how it might share the funding with other funding sources. As indicated in Chapter 3, a number of arrangements were proposed to the Committee with relation to funding by government. For example, each level of government might contribute a third of the cost, or the contribution might vary depending on the scale of the facility. Alternatively, the cost could be split four ways among Commonwealth, State and Local Government, with sporting organisations putting up the fourth quarter. The Committee considers that any defined formulae would significantly reduce the flexibility of any program and impair the capacity to achieve equity goals. This matter is discussed further later in this chapter.

Best practice in grants programs

9.17 A number of lessons about the best way in which to operate a grants program was learnt from the CCRSF program. The ANAO reported that it was not entirely clear what the aims of that program were and no consideration had been given to what individual projects were 'going to achieve, or who is going to benefit or how they are going to benefit'.³¹ The program's objectives had not been clearly defined. Furthermore, monitoring of the program's effectiveness was inadequate.³²

9.18 As a result of the audit, the ANAO produced a best practice guide for the administration of grants to be used by the administrators and auditors of grants programs. The ANAO has since carried out audits of other Commonwealth grants schemes, and revised its best practice guide.³³ These publications represent a useful source of information on the operation of grants programs and, if heeded, will increase the effectiveness of a future program.

9.19 In its submission to the inquiry, the ANAO highlighted two areas which need particular attention in any grants scheme. The first is the design of the program in which it is important that:

- 'objectives for grant schemes ... are expressed in as precise terms as possible and project selection criteria ... align closely to these objectives';

³¹ The Auditor-General, p. xiii.

³² The Auditor-General, p. 46.

³³ The Auditor-General, *Best Practice Guide for the Administration of Grants*, AGPS, Canberra, 1994; *Better Practice Guide: Administration of Grants in the Australian Public Service*, AGPS, Canberra, 1997.

- 'unambiguous, preferably quantifiable performance indicators' are developed that can demonstrate reasonably clearly whether or not the objectives, expressed as outcomes, are achieved;
- 'the respective roles and responsibilities of the various stakeholders - Government, public service and community - are clearly delineated'; and
- 'how the program itself will be reviewed or evaluated' is established.³⁴

The Committee sees merit in these suggestions.

9.20 The second area of concern to the ANAO was the risks that attach to making grants to community groups, and the need to develop a risk management strategy. The ANAO commented that:

... it is important to find a balance between proper accountability for public expenditure and placing heavy administrative workloads upon community organisations that are not equipped to handle them. ... the level of accountability should be appropriate to ensure that organisations spend the money for the purposes for which it was provided and to minimise waste.³⁵

Another aspect of running projects that should be recognised by grants administrators is that circumstances change over time and different approaches to those originally funded may then be more appropriate. The ANAO suggested that:

Any program should strive to find the appropriate balance between a level of flexibility that takes account of the circumstances of the recipient organisations and the need for Commonwealth agencies to maintain accountability for Commonwealth spending and ensure maximum value for money. The objective should be to achieve a system of administration that is not weighed down by bureaucratic process but which ensures that public funds are properly allocated by putting in place the right checks and balances.³⁶

9.21 The Department of Finance recommended that, before consideration is given to further Commonwealth funding for sporting and recreational facilities, a rigorous evaluation of previous and intended programs be conducted. The department suggested that the results of the evaluation would assist in determining:

- the Commonwealth's objectives in establishing such a program;
- the best means of achieving these objectives; and
- procedures to monitor progress and outcomes against these objectives.³⁷

³⁴ Australian National Audit Office, submission (number 20), pp 2-3.

³⁵ Australian National Audit Office, submission (number 20), pp 3-4.

³⁶ Australian National Audit Office, submission (number 20), p 4.

³⁷ Department of Finance, submission (number 263), p 3.

9.22 As indicated above, one of the concerns when multiple sources of funding are available is ensuring that the objectives of different programs are compatible and double dipping does not occur. The New South Wales Department of Sport and Recreation commented that:

The current plethora of Commonwealth, State and local agencies involved in capital development has resulted in a myriad of funding guidelines which do not encourage cooperation and value-adding. In some cases, funding guidelines actively work against the pooling of resources. The Commonwealth could take a leadership role in facilitating the development of complementary funding guidelines at Commonwealth level which allow the pooling of grants from different Federal agencies (e.g. health, community services, education, employment) which can be applied alongside local and State resources.³⁸

From the point of making grants schemes more accessible to potential applicants, it would be very useful to have a 'one-stop shop' where interested parties could locate information on all the grants available from different sources.³⁹

9.23 The Committee considers that any grants programs through which Commonwealth funding is distributed should be designed and administered as best practice indicates. Attention should be given to clearly defining the objectives of the scheme and the responsibilities of all stakeholders, establishing a risk management strategy, developing performance indicators and evaluating the program. The Committee recommends that:

(28) the grants program by which Commonwealth funding for sporting and recreational facilities is distributed follow best practice in its design and operation, as set out by the Australian National Audit Office.

A new funding program

9.24 In view of the conclusions reached in Chapters 4, 5 and 7, the Committee considers that these criteria should be met by any sports projects selected for funding:

- there should be evidence that the project for which funds are sought is needed, for example, a needs analysis has been carried out and the project has been included in any agreed regional plans;
- the project is expected to be financially viable, except in specified circumstances such as pursuing health or social justice objectives;
- preference should be given to joint use, multi-purpose facilities, and facilities that are co-located with other institutions, such as schools and shopping centres, and other sporting facilities;
- business plans and professional management arrangements should be required;
- where facilities are to be jointly funded and used by different organisations, such as the local council acting for the community and a school, legally binding agreements between the parties concerned should be required; and

³⁸ New South Wales Department of Sport and Recreation, submission (number 270), p 3.

³⁹ Tennis Australia, transcript, 21 April 1997, p 139.

- facilities should incorporate features that allow and encourage access to them by target groups, with attention being given to such issues as gender equity and disabled access.

9.25 A further factor that should be considered in allocating funds is equitable treatment for different sports and recreations. The New South Wales Department of Sport and Recreation observed that certain sports tend to receive a much more generous subsidy than others:

Historically, State and local Government grant programs have perpetuated an inequitable system where the more organised and high profile community groups with better access to corporate support tend to gain a disproportionate allocation of funding.⁴⁰

Examples of inequities in the support received by different sports were brought to the Committee's attention by minority sports such as calisthenics and table tennis.⁴¹ ACT Ice & In-Line Sports drew attention to the fact that 'high demand/high profile' sports, such as football, netball, tennis, basketball and swimming, were provided for at public expense, while 'minor or specialist facility sports (such as ice sports) are largely dependant on using privately owned facilities at high cost'. ACT Ice & In-Line Sports contended that 'there is no equity in the funding of facilities'.⁴² The Committee considers that, when grant funds are being allocated, this type of inequity should not be perpetuated and emerging and non-organised sports and recreations should be supported, when needs and participation rates justify that support.

9.26 The Committee recommends that:

(29) the criteria on the basis of which Commonwealth funding will be provided to the states and territories for regional sporting and recreational facilities, include:

- a) established need;**
- b) regional plans;**
- c) business and management plans and agreements which cover use, occupancy, program management and the appointment of an independent manager;**
- d) financial viability, unless health or social justice objectives indicate otherwise;**
- e) preference for joint use, multi-purpose facilities co-located with other significant public places;**
- f) involvement of sports organisations and target user groups in the design and management of the centre;**
- g) attention to the needs of target groups; and**

⁴⁰ New South Wales Department of Sport and Recreation, submission (number 270), p 2.

⁴¹ Carine Calisthenics Club, transcript, 22 July 1997, p 639; Morningson Peninsula Table Tennis Association Inc., submission (number 277), p 2.

⁴² ACT Ice & In-Line Sports, submission (number 208), pp 1-2.

h) encouragement of emerging and non-organised sporting and recreational activities which have a demonstrated need and level of participation.

9.27 Other issues that need consideration are the question of how far other parties should be expected to contribute funds, the particular issues relating to funding for Aboriginal communities, and the coordination of sport and recreation funding with other related initiatives, such as labour market programs. These issues are discussed in the sections that follow.

Contributions from other parties

9.28 As indicated in Chapter 3, there was overwhelming support from witnesses to the inquiry for a new Commonwealth grants program to provide only partial funding and to require contributions from other stakeholders. Some of the options for State and Local Government to contribute the remaining funds are discussed in paragraphs 3.11 to 3.14, and possible sources of non-government funding are covered in Chapter 8. The Committee supports the concept of partial funding, and considers that State and Local Governments, as well as sporting organisations and the community might be expected to add to the funds provided by the Commonwealth Government. The provision of funds by other stakeholders should therefore be an additional criterion for Commonwealth funding of regional sporting and recreational facilities. The contribution of each party should be established by agreement depending on the circumstances of each project under consideration.

9.29 Although there was a widespread view that it was reasonable for the Commonwealth Government to assist those who are willing to help themselves, this approach can cause problems and contribute to social inequities. Lismore City Council, for example, claimed that 'the necessity for Communities to match funding attracted from Government sources can create many problems'.⁴³ As the Queensland Youth Alliance pointed out, the dollar-for-dollar schemes disadvantage low socio-economic, regional or isolated communities, because 'traditionally these communities are less likely to have the capabilities to fundraise sufficient equity to match government contributions'.⁴⁴ The same point was made by other groups.⁴⁵ Lismore City Council further suggested that 'the necessity to match funding or significantly contribute (financially) should not always be a prerequisite or condition specific to grant guidelines'. A better, if not essential, approach would be, according to the Queensland Youth Alliance, to assess the community's capacity to raise funds before setting the level of the contribution required from the community.

⁴³ Lismore City Council, submission (number 225), p 4.

⁴⁴ Queensland Youth Alliance, submission (number 264), p 2.

⁴⁵ For example, Cooloolool Shire Council, submission (number 127), p 1.

9.30 Several witnesses to the inquiry brought to the Committee's attention the fact that communities that are short of financial resources are often able to contribute substantially in kind. Materials and labour can be donated.⁴⁶ The City of Mount Gambier reflected on its experience of regional and local communities being 'extremely successful' in 'achieving objectives with considerable self help':

With just a little bit of co-operation and funding support, local communities can achieve major projects. The evidence of self help, donated time and materials, local government funding, community support and volunteer labour is substantial and to a very large degree exclusive to regional and local communities.⁴⁷

In these cases it is important that a grants program is structured in such a way as to acknowledge the in-kind contributions that the community can make.

9.31 The Committee recommends that:

(30) disadvantaged communities that apply for funding for sporting and recreational facilities:

- a) be encouraged to make financial contributions towards the cost of the facilities at a level that takes into account the communities' financial capacity and in-kind contributions; and**
- b) be able to demonstrate the ability to support the ongoing management, operation and maintenance of the facilities.**

Indigenous communities

9.32 Aboriginal communities were recognised as being particularly disadvantaged with respect to the provision of sporting and recreational facilities. They had little capacity to meet the criterion of matched funding which applies in some existing grants schemes. Nonetheless, there was an immense demand for sporting and recreational facilities in these communities, especially for such basic facilities as grassed playing fields. In surveys of Western Australian Aboriginal communities, 'nearly every community has listed as their number one priority sport and recreation activities - before clean water, before 24-hour power, before roads'.⁴⁸ The Western Australian Ministry of Sport and Recreation nominated such communities as being 'an area of special need', and one which the Northern Territory Department of Sport and Recreation claimed was particularly the responsibility of the Commonwealth Government.⁴⁹

⁴⁶ For example, Cessnock Rugby Football Club Inc., submission (number 36), p 1; Scout Association of Australia, transcript, 21 April 1997, p 134; Swan Hill Rural City Council, submission (number 149), p 1; The A.C.T. Equestrian Association Inc., submission (number 241), p 2; Yahl Cricket Club Inc., submission (number 170), p 1; Yamba Sporting Complex Management Committee, submission (number 60), pp 2, 3.

⁴⁷ City of Mount Gambier, submission (number 6), p 5.

⁴⁸ Aboriginal Affairs Department of Western Australia, transcript, 22 July 1997, p 595.

⁴⁹ Department of Sport and Recreation, Northern Territory, submission (number 229), p 4; Ministry of Sport and Recreation, Western Australia, transcript, 22 July 1997, p 591.

9.33 For several years, ATSIC has provided funding for sporting and recreational facilities for indigenous communities. In the 1996-97 Budget, for example, \$4.6 million were allocated to ATSIC regional councils for 90 sport and recreation initiatives.⁵⁰ As the primary responsibility for such facilities lies with sporting organisations and State, Territory and Local Government, the funding from ATSIC supplemented what was available from these other sources.⁵¹ The Committee notes that there have been cuts to ATSIC's budget for 1997-98 which some expected would impact on the provision of sport and recreation facilities in remote Aboriginal communities.⁵² However, \$5.3 million were provided to regional councils for sport and recreation, part of which will be spent on facilities.

9.34 The ASC commented on the numerous difficulties that have been encountered in the placement, design, development and continued operation of the facilities that ATSIC has funded. In many cases they were not able to withstand the climatic extremes of inland Australia or were not culturally appropriate in design and accessibility. Furthermore:

... in most cases, provision was not made for communities to be trained in facilities management and maintenance. As a consequence very limited use was made of these facilities as the community was not aware of how to play the sports that the facility could accommodate. Utilisation therefore decreased and, without ongoing maintenance, funding or training the facilities began to deteriorate. Consequently, despite the large outlay of funds investigations in 1995 revealed that only one facility was still in use in a rather limited way.⁵³

Other witnesses to the inquiry referred to a lack of consultation by ATSIC with state government agencies as one of the causes of the problems encountered in ATSIC's approach to providing facilities.⁵⁴

9.35 There were signs that some of the earlier problems were being addressed, for example, with the training and employment of recreation officers in Aboriginal communities.⁵⁵ The Northern Territory Department of Sport and Recreation described how it attempts to link the provision of facilities with other initiatives:

If we are funding a recreation officer position in a particular community, we try to take into account what is happening on the facility side and vice versa and what other organisations might be doing. For example, if there is a law and order strategy to be put in place, we try to work with other agencies so that there is a combined input. There is not much point in funding a recreation officer in the community if there are no means of getting young people together.⁵⁶

The Committee considers that the consultative framework it is recommending for the grants programs should also help to avoid the earlier problems associated with a lack of consultation.

⁵⁰ *Portfolio Budget Statements 1996-97, Aboriginal and Torres Strait Islander Commission (Prime Minister and Cabinet Portfolio) Programme 8, Budget related paper no. 1.13B, p 40.*

⁵¹ Aboriginal and Torres Strait Islander Commission, *Annual Report, 1995-96*, p. 116.

⁵² Aboriginal Affairs Department, Western Australia, submission (number 247), p 1.

⁵³ Australian Sports Commission, submission (number 271), pp 129-30.

⁵⁴ Aboriginal Affairs Department of Western Australia, transcript, 22 July 1997, p 580; Department of Sport and Recreation, Northern Territory, transcript, 7 August 1997, p 673.

⁵⁵ Department of Sport and Recreation, Northern Territory, transcript, 7 August 1997, pp 672-3; see also paragraph 5.43.

⁵⁶ Department of Sport and Recreation, Northern Territory, transcript, 7 August 1997, pp 672.

Labour market programs

9.36 Support was expressed to the Committee for the use of labour market programs or work for the dole schemes to assist with the construction of facilities.⁵⁷ Port Stephens Council commented on its experience with several programs over the past years that:

Whilst it is acknowledged that such programs have their limitations, Council, and thus the community, have benefited from these programs in the development of Sport and Recreation facilities. ... The benefits [from the facilities] are apparent ... with the further benefits of skills development and short and long term employment opportunities in a depressed labour market.⁵⁸

The Council concluded that 'a well structured labour market program should be considered as a viable funding alternative or more importantly, a supplement to other funding options'. One example of a labour market scheme was forwarded to the Committee by a Toowoomba-based apprenticeship company.⁵⁹

9.37 The Community Development Employment Projects scheme run by ATSIC has been, and continues to be, used to construct sporting and recreational facilities along with other infrastructure for indigenous communities. The Western Australian Aboriginal Affairs Department referred to the scheme as 'a great concept' which received good support from the communities where it operated and expressions of interest in expanding it. However, claims were made that it was not being adequately resourced, particularly in terms of equipment and capital. As the Chief Executive Officer of the department commented:

The federal government's move to work for the dole has to be resourced. If it is not resourced it will fail. ... When the communities are resourced to do the sorts of things that they can do - such as make improvements to their own communities - it works really well. If they are going to skimp on providing resources then it is not going to work.⁶⁰

9.38 The Committee considers that it is essential that projects be adequately resourced if facilities are to be provided in a cost-effective manner. It is also important that the resources are available to all sections of the community and are not dominated by one section of the community. The Committee recommends that:

- (31) the Aboriginal and Torres Strait Islander Commission be encouraged to continue to construct sporting and recreational facilities through Community Development Employment Projects, and ensure that projects are appropriately resourced and managed and respond to the needs of the whole indigenous community.**

⁵⁷ Swan Hill Rural City Council, submission (number 149), p 1; Yahl Cricket Club Inc., submission (number 170), p 2.

⁵⁸ Port Stephens Council, submission (number 66), p 16.

⁵⁹ Downs Group Training, submission (number 146).

⁶⁰ Aboriginal Affairs Department, Western Australia, transcript, 22 July 1997, p 596.

Loans

9.39 A number of submissions to the inquiry canvassed the topic of loans for the construction of sporting and recreational facilities. Some State, Territory and Local Governments make low or no interest loans available to sporting and recreational groups, as well as going guarantor for commercial loans. For example, the ACT's Sports Loan Interest Subsidy Scheme meets interest costs and 'has proved a useful tool on several large projects such as basketball and hockey centres'. The New South Wales Government has guaranteed 117 loans worth more than \$15 million since 1977, and many local government authorities provide guarantees for facilities developed by sporting associations on council-owned land.⁶¹ Commercial lenders also provide a variety of types of loan, including options for low start, indexed repayments and interest only.⁶² Several small sporting groups indicated that they would welcome low or no interest loans, or that providing loans of these types should be considered.⁶³ The Hobart Municipal Councils Association suggested that such loans should be made to councils as well as to sporting groups.⁶⁴ The Committee notes, however, that the rate pegging in place in a number of states is effectively an informal cap on local government borrowing.

9.40 The City of Orange recommended that the Commonwealth Government consider establishing a perpetual loan fund based on a one-off contribution which would be repaid as loans were repaid.⁶⁵ The South Brisbane Softball Association pointed out that:

If the Commonwealth Government set aside 100 million dollars of funding towards sporting and recreational facilities in the form of loans to approved applicants, as this money is paid back, this money would become available for new projects. If a loan goes bad, there should be enough equity in the facility to allow the government to at least get its money back from its sale or allow another organisation to take over the loan and the facility.⁶⁶

Such a fund was seen by a consultancy report on aquatic facilities as having the potential to service the demand for projects that are not yet on a commercial footing, enabling their improvement and/or repositioning so that they become financially sustainable.⁶⁷ The South Australian Department of Recreation and Sport and several local governments also suggested that a revolving fund was an option worth considering.⁶⁸ The advantage of a fund operated by

⁶¹ ACT Bureau of Sport, Recreation and Racing, submission (number 207), p 4; New South Wales Department of Sport and Recreation, transcript, 2 June 1997, p 475; The City of Orange, submission (number 174), p 12.

⁶² Hassell Pty Ltd, JA Nicholas & Associates & KPMG Management Consulting, *Provision of Public Aquatic Facilities: Strategic Directions for South Australia*, Department of Recreation and Sport, South Australia, June 1997, pp 48-9.

⁶³ Branxton Golf Club Cooperative Ltd, submission (number 184), p 3; Emu Plains Soccer Club Inc., submission (number 166), p 1; Weston Creek Bowling Club Inc., submission (number 181), p 1; Yorke Peninsula Polocrosse Club Inc., submission (number 119), p 1.

⁶⁴ Hobart Municipal Councils Association, submission (number 234), p 10.

⁶⁵ For example, The City of Orange, submission (number 174), p 11.

⁶⁶ South Brisbane Softball Association Inc., submission (number 268), p 2.

⁶⁷ Hassell Pty Ltd, JA Nicholas & Associates, & KPMG Management Consulting, *Provision of Public Aquatic Facilities: Strategic Directions for South Australia*, Department of Recreation and Sport, South Australia, June 1997, pp 48-9.

⁶⁸ Department of Recreation and Sport, South Australia, submission (number 223), p 9; Port Stephens Council, submission (number 66), p 17; Shire of Northam, submission (number 24), p 2; Tasmania's West North West Councils, submission (number 172), p 8.

the Commonwealth Government is that it is able to access funds at 'a much cheaper rate than the states, Local Government or the private sector'.⁶⁹

9.41 The Tasmanian Sports Federation supported low or no interest loans for state and local government-approved projects that meet the same criteria as for grants. It pointed out that 'a scheme of this nature will create greater community involvement and ownership and lead to optimum use and care of facilities'.⁷⁰ Womensport Australia also saw such loans as encouraging organisations to be more proactive about constructing facilities.⁷¹ Bomaderry Bowling Club suggested that the loans be administered by local councils, with 'a surcharge being retained by individual councils'. The club saw this arrangement as forming:

... the basis of agreed long term commitments from registered clubs to assist councils in the provision of sporting facilities in local areas. The cost to the Federal Government of providing loans would be minimal. The profits made would be able to be used by councils to service other loans and further commitments by registered clubs would further benefit other sporting groups and lead to a mutually beneficial working relationship between clubs and the community.⁷²

9.42 Another approach to the provision of loans for sporting and recreational facilities was mentioned to the Committee. It consists of a loan being made available as part of a package that will deliver a prefabricated or standardised indoor facility. An example of such a package is one that has been developed by the James Hardie consortium. The consortium includes the Commonwealth Bank and is expected to provide a quality facility more cheaply than would otherwise be possible, using a combination of bank loans, government funds and donations made through the ASF.⁷³ This package was being assessed for the construction of basketball and netball facilities in the Brisbane area.⁷⁴

9.43 While current interest rates are low, sporting organisations are wary of long term loan exposure because of their experience with the effect of high interest rates in the past. With the comparatively low cost of money, now may be a good time to establish a loan fund from bond issue or the like. The Committee sees merit in the concept of a revolving loan fund and considers that it warrants further investigation. The Committee considers that a review of the advantages and disadvantages of a revolving loan fund should be carried out. The review should identify the issues that would have to be addressed if such a scheme were set up, and recommend whether its establishment is desirable. For example, the Commonwealth Government lacks the infrastructure to operate a loans scheme and it may be preferable for such a scheme to be administered through a bank or other financial institution. The review should also consider under what conditions loans should be made. The Committee is of the

⁶⁹ Local Government Association of South Australia, submission (number 239), p 4.

⁷⁰ Tasmanian Sports Federation Inc., submission (number 156), p 3.

⁷¹ Womensport Australia, transcript, 29 May 1997, p 427.

⁷² Bomaderry Bowling Club Ltd., submission (number 187), p 2.

⁷³ Australian Sports Commission, submission (number 271), pp 61, 62; James Hardie Industries Limited on behalf of the Multi Sport Indoor Facility Consortium, submission (number 124), pp 1, 3.

⁷⁴ Facilities Development & Management Corporation and Queensland Basketball Association, transcript, 23 April 1997, p 220; Logan City Council, transcript, 23 April 1997, p 214.

view that the same conditions should apply to loans as are outlined in paragraph 9.26. The Committee recommends that:

- (32) the Department of Industry, Science and Tourism and the Treasury review, and advise on, the feasibility and advisability of establishing a Commonwealth revolving loan fund for the construction of sporting and recreational facilities.**

How much funding should the Commonwealth Government provide?

9.44 The extent of the funding that should be provided by the Commonwealth Government was discussed by some of the witnesses to the inquiry. There was concern that the impetus to funding provided by the Olympics Games should continue in a consistent manner beyond 2000.⁷⁵ The Western Australian Sports Federation proposed the sum of \$30 million a year, on the basis that this represented a continuation of current federal funding for the 2000 Olympic Games which runs out in the 1999-2000 financial year:

We are proposing that fund should continue and be spread around facilities other than, of course, those that have been constructed for Sydney 2000. We felt that the figure of \$30 million - in consultation with other state federations and with the Confederation of Australian Sport and bearing in mind the current government budget for facilities - was a reasonable figure to put in from a government perspective and would provide an excellent seed fund ... for major facilities around the country.⁷⁶

9.45 The Committee agrees that Commonwealth funding for facilities should continue beyond that needed for the Olympics Games, and maintain the Government's historic effort and commitment to supporting sport and recreation throughout Australia. When funding from the Commonwealth Government has been available for sporting and recreational facilities over the last decade, it has amounted to between \$30 to \$50 million a year. The Committee considers that Commonwealth support for facilities should be pitched at at least this level and be sufficient to support the activities recommended in this report. These activities include:

- an audit of sporting and recreational facilities;
- the establishment of a database of information on facilities;
- planning for international and regional facilities;
- researching, assembling and disseminating best practice in many aspects of providing and operating sporting and recreational facilities - design, planning, management, better use of existing facilities, shared provision and use of facilities by schools and the local community, and joint ventures between the public and private sectors;
- programs for the construction of facilities in disadvantaged communities; and

⁷⁵ Australian Universities Sports Federation, transcript, 21 April 1997, p 111; Western Australian Sports Federation, submission (number 99), p 3.

⁷⁶ Western Australian Sports Federation, transcript, 22 July 1997, p 626. The Commonwealth Government actually provided \$50 million a year for three years from 1993-94 to 1995-96 (Department of the Environment, Sport and Territories, *Annual Report 1995-96*, AGPS, Canberra, p 95).

- short-term funding to improve the ASF.

9.46 Whilst almost any amount of money could be spent, the Committee estimates that \$50 million annually would make a reasonable contribution towards funding the projects listed above. The Committee recommends that:

- (33) the Commonwealth Government provide \$50 million a year for the next five years for all items of expenditure recommended in this report.**

The Committee suggests that the Commonwealth program for disadvantaged communities receive a minimum of \$40 million per annum, and fund projects with sums up to one million dollars.

9.47 Furthermore, if the review of the concept of a revolving loan fund advises that such a fund be established, additional funding will be required. The Committee proposes that, under these circumstances, various options be considered for sourcing this money. The revenue raised from licensing interactive gaming, as recommended in paragraph 8.73, is a possible source of revenue. Another option is an issue of 10-year capital guaranteed sports bonds by the Commonwealth Government. The Committee recommends that:

- (34) if a revolving loan fund is endorsed by the review proposed in recommendation 31, that review should also recommend to the Minister for Sport and the Treasurer the best means of financing the fund's establishment.**

Ian Causley
Committee Chair

30 October 1997

APPENDIX A

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Exhibits

Exhibit No. 1

Documents presented by the Australian Local Government Association, Canberra, 24 March 1997 entitled:

- *A Guide to Integrated Local Area Planning and Ideas for Integrated Local Area Planning*, Australian Local Government Association, Canberra, July 1993;
- *Ideas for Integrated Local Area Planning*, Australian Local Government Association, Canberra, July 1993; and
- *Making the Connections Towards Integrated Local Area Planning*, Discussion paper, 2nd edn, Australian Local Government Association, Canberra, November 1992.

Exhibit No. 2

Document presented by the Queensland Department of Tourism, Sport and Youth, Brisbane, 23 April 1997, entitled *Identification of Areas of Need for Community Recreation Centres*, Research paper by Pam Armstrong, November 1995.

Exhibit No. 3

Document presented by Logan City Council, Brisbane, 23 April 1997, entitled *Cornubia Park Leisure Centre: Feasibility Study*, prepared by Michael King and Associates Pty Ltd, Beca Simons Pty Ltd & Woodhead Firth Lee, City of Logan, December 1994.

Exhibit No. 4

Documents presented by Sport and Recreation Victoria, Department of State Planning, Melbourne, 7 May 1997:

- Handouts for the Victorian presentation;
- Sport and Recreation Victoria, Department of State Development, Information brochure, guidelines and application forms for the Sport and Recreation Minor Facilities Grant Scheme 1997/1888;
- Sport and Recreation Victoria, Department of State Development, 'Facility Development Funding Program: A funding program for local government authorities: guidelines and application for 1997/1998 funding';
- Victorian Health Promotion Foundation (VicHealth), Funding guidelines and application form for the 1997 Sport Safety Equipment Program;
- Victorian Health Promotion Foundation (VicHealth), Sports and arts health sponsorship guidelines; and

- Victorian Health Promotion Foundation (VicHealth), *Healthy Victorians 2000: Conceptual and Strategic Plan to the Year 2000*.

Exhibit No. 5

Documents presented by the Ministry of Sport and Recreation, Western Australian Government, Perth, 22 July 1997:

- *Recreation Planning Guide*, 1st edn, Ministry of Sport and Recreation, The Government of Western Australia, 1997;
- *Design for Success!*, Seminar papers given at the Perth Superdrome, Mt Claremont, Friday 16 August 1996, Ministry of Sport and Recreation, The Government of Western Australia;
- Information kit entitled 'Enhancing the lifestyle of Western Australians through sport and recreation', Ministry of Sport and Recreation, The Government of Western Australia;
- 'Focus on joint provision and shared use of sport and recreation facilities', Ministry of Sport and Recreation, The Government of Western Australia, March 1997; and
- Information kit entitled 'How to undertake a feasibility study for a proposed sport or recreation facility: a guide for sport and recreation facility planners', Ministry of Sport and Recreation, The Government of Western Australia, July 1995.

Exhibit No. 6

Documents presented by the Education Department, Western Australian Government Perth, 22 July 1997:

- *Community Use of School Facilities: Policy and Guidelines*, Education Department of Western Australia, 1997; and
- *Memorandum of Understanding: Capital Resource Sharing [Education and Related Facilities]*, Better Government Agreement, June 1993.

Exhibit No. 7

Documents presented by the Shire of Katanning, Perth, 22 July 1997:

- Information kit entitled 'Katanning Regional Recreation & Leisure Centre Appeal';
- "A Vision Realised": *Katanning Regional Recreation & Leisure Centre Submission and Summary*, Shire of Katanning, 1995; and
- Katanning Regional Recreation Committee, *Katanning Regional Recreation Committee & Leisure Facility: Feasibility Study*, Katanning Shire Council.

Exhibit No. 8

Document presented by the Tennant Creek Sports Advisory Committee, Alice Springs, 7 August 1997, entitled *Tennant Creek Town Council, Annual Report 1995/96*.

APPENDIX B

PUBLIC HEARINGS, INSPECTIONS AND DISCUSSIONS

Witnesses at public hearings

Canberra, Monday 24 March 1997

Australian Local Government Association

Mr Peter Kavanagh
Executive Member

Mr John Pritchard
Policy Manager

Confederation of Australian Sport Inc.

Mr Stephen Haynes
Chief Executive

Sydney, Monday 21 April 1997

Athletics Australia

Mr Brian Roe
Competitions Manager

Australian Universities Sports Federation

Mr David Cross
National Executive Director

Bike North Bicycle User Group

Ms Sue Saczko
Secretary

Bike North Bicycle User Group (*cont.*)

Mr Douglas Stewart
Publicity Officer

Mr John Watts
Member

Multi Sport Indoor Facility Consortium

Mr Peter Cummins
Project Leader
Olympic Project Team
James Hardie Industries Ltd

Mr John Moller
Executive General Manager
Building Systems
James Hardie Industries Ltd

Mr Robin Cush
National Manager Building Group Director
Barclay Mowlem Construction Ltd

Local Government

Hornsby Shire Council

Mr Peter Kemp
Manager, Environmental Quality

Ku-ring-gai Municipal Council

Ms Alison Pattinson
Director Community Services

Northern Sydney Region of Councils

Ms Maria Johnston
Vice President

Willoughby City Council

Mr Paul Murray
Recreation Development Officer

Willoughby City Council (*cont.*)

Ms Julie Whitfield
Open Space Manager

Macquarie University Sports Association

Mr Robert J Lawton
Executive Officer

NSW Sports Federation Inc.

Mrs Frances Crampton
Chairperson

Ms Lesa Riley
Executive Officer

Tennis Australia

Mr Malcolm Bergman
Chairman
National Technical Services Committee

Mr Albert Jacoby
Secretary
National Technical Services Committee

Mr Geoff Pollard AM
President

The Scout Association of Australia

Mr Michael Keats
National Executive Officer

Brisbane, Wednesday 23 April 1997

Facilities Development & Management Corporation Ltd

Ms Michele Buck
President
Also appearing as President, Queensland Netball Association Inc.

Facilities Development & Management Corporation Ltd (*cont.*)

Mr James Cooper
Company Secretary
Also appearing as Chief Executive Officer, Queensland Netball Association Inc.

Mr Harold Peacock
Chief Executive Officer
Also appearing as Executive Director, Queensland Basketball Association Inc.

Local Government

Local Government Association of Queensland Inc.

Ms Margaret Graham
Director Policy & Research

Logan City Council

Councillor Roderick Golledge
Mayor

Mr Garry Humphries
Manager Recreation

Queensland Government

Office of Sport and Recreation, Department of Emergency Services

Ms Pamela Armstrong
Manager Infrastructure Development Section

Mr Roger Plastow
Executive Director

Mr Ian Whitehead
Director

Squash Australia Ltd

Mr Geoff Hunt
Honorary National Coach

Squash Australia Ltd (*cont.*)

Mr Phil Trenorden
National Executive Director

Melbourne, Wednesday 7 May 1997

Australian Cricket Board

Mr Adrian Butler
Local Government Consultant

Australian Leisure Institute, Aquatic and Recreation Institute, The Royal Australian Institute
of Parks and Recreation

Aquatic and Recreation Institute

Mr Wayne Ericksen
Company Secretary/Director

Australian Leisure Institute

Mr Martin Doulton
President

Mr Garry Henshall
Executive Director

HM Leisure Planning Pty Ltd

Dr Kenneth Marriott
Managing Director

Ms Mary Morgan
Recreation Planner

Local Government

Banyule City Council

Mr Jeffrey Parkes
Strategic Planner
Leisure, Recreation and Cultural Services

Local Government (*cont.*)

Maroondah City Council

Ms Edith Farrell
Manager
Leisure, Culture and Youth Services

Municipal Association of Victoria

Ms Clare Hargreaves
Policy Analyst
Social and Cultural Policy

Mr Gerard Jose
Also appearing as Community Sport Manager, Shire of Campaspe

Councillor Brad Matheson
Board Member
Also appearing as Mayor, City of Hobsons Bay

Manningham City Council

Ms Catherine Kiss
Recreation Planning and Development Officer

National Council YMCA of Australia

Mr Robert Romanes
National Executive Officer

YMCA of Brisbane

Mr Ross Melville
Chief Executive Officer

Vicsport (Sports Federation of Victoria Inc.)

Ms Ann-Marie Harrison
Chief Executive Officer

Victorian Government

Sport and Recreation Victoria, Department of State Development

Ms Jodie Henderson
Facilities Planning Consultant

Mr Ross Kennedy
Executive Director Sport, Recreation and Racing

Mr Barry Lovell
Coordinator State Facilities

Hobart, Friday 9 May 1997

Local Government

Hobart Metropolitan Councils Association

Mr Gregory Alomes
Executive Director

Alderman David Traynor
Chairman
Leisure, Sport and Culture Standing Committee

Local Government Association of Tasmania

Mr Stewart Wardlaw
Executive Director

Tasmania's West North West Councils

Ms Angela Cooley
Executive Officer

Tasmanian Government

Department of Education, Community and Cultural Development

Mr Richard Davoren
Manager Facility Services

Mr Gary Kelly
Manager Office of Sport and Recreation

Tasmanian Government (*cont.*)

Department of Premier and Cabinet

Dr Denise Brown
Policy Analyst
Policy Division

Tasmanian Sports Federation Inc.

Mr Brian Downes
Director

Mr Mark West
President

Canberra, Thursday 29 May 1997

Australian Swimming Inc.

Dr Ralph Richards
National Coaching and Development Coordinator

Womensport Australia

Mrs Janice Crosswhite
Board Member
Also appearing as President, Womensport and Recreation NSW

Ms Heather Reid
Executive Officer

Canberra, Monday 2 June 1997

ACT Government

ACT Bureau of Sport, Recreation and Racing

Mr Richard Rand
Assistant Manager, Facilities

Mr Mark Owens
General Manager

Australian Sports Commission

Mr Stephen Arnaudon
Director

Sports Development and Policy

Mr James Ferguson
Executive Director

New South Wales Government

Ms Leanne Evans
Deputy Director-General
New South Wales Department of Sport and Recreation

Adelaide, Tuesday 8 July 1997

Australian Council for Health, Physical Education and Recreation Inc.

Ms Jill Andrews
Member

Mr Jeffrey Emmel
National Executive Director

Local Government

City of Tea Tree Gully

Mr Peter Nicholls
Recreation Planner

Local Government Association of South Australia

Mrs Rosemary Craddock
Vice-President
Also appearing as Mayor, Corporation of the Town of Walkerville

Mr Chris Russell
Director of Policy

South Australian Government

Department of Recreation and Sport

Mr James Daly
Manager
Economic and Industry Development

Mrs Lynette Parnell
Director
Recreation and Sport Development

Department for Education and Children's Services

Ms Julieann Riedstra
Assistant Director
Site Services

Mr Peter Roberts
Project Manager (Sport)

South Australian Sports Federation Inc.

Ms Kathleen Edwards
Chief Executive Officer

Mr Murray Tippett
President

Perth, Tuesday 22 July 1997

Calisthenics Association of Western Australia Inc.

Mr Darryl Morris
President

Mrs Coralie Morrissey
Member, Board of Directors

Carine Calisthenics Club

Mrs Denise Ash
Secretary

Mrs Jillian Plester
Treasurer

Local Government

City of Armadale

Mr Patrick Quinlivan
Manager, Recreation Services

City of Melville

Mr Graeme Hall
Recreation Services Coordinator

Geraldton Council

Mr Neil Bennett

Shire of Katanning

Mr Michael Archer
Chief Executive Officer

Mr Malcolm Osborne
Manager of Development Services

Western Australian Municipal Association

Mr Kenneth Pech
President

Mr Timothy Shanahan
Executive Director

Mr Roger Stubbs
Vice-President

Western Australian Government

Aboriginal Affairs Department of Western Australia

Mr Cedric Wyatt
Chief Executive Officer

Education Department of Western Australia

Mr Peter Barrett
Manager, Facilities, Policy & Planning Branch

Western Australian Government (*cont.*)

Ministry of Sport and Recreation

Mr Graham Brimage
Director, Recreation

Mr Jack Busch
Executive Director

Western Australian Sports Federation

Mr Peter Ilfield
Elected Board Member

Mr John Ryan
President

Mr Robert Welch
Executive Director

Mr Gratton Wilson
Committee Member

Alice Springs, Thursday 7 August 1997

Northern Territory Government

Department of Sport and Recreation

Mr Francis Brimson
Manager

Mr Anthony Duffy
Deputy Secretary

Tennant Creek Sport Advisory Committee

Mr Kym Cook
Chairman

Inspections and discussions**Tuesday, 22 April 1997, Newcastle and surrounds**

Inspections of:

Newcastle International Hockey Centre

Newcastle University sports facilities

Hunter Region Softball Complex at Stevenson Park

Raymond Terrace Multi-Purpose Centre

Discussions with representatives of the Hunter Region Organisation of Councils, Newcastle Council, Lake Macquarie City Council, Port Stephens Council and Singleton Council

Wednesday, 23 April 1997, Brisbane and surrounds

Inspections of:

Browns Plains Landfill, Logan City

Underwood Park Complex, Logan City

Sleeman Sports Complex, Chandler

Discussions with representatives of Brisbane City Council

Thursday, 8 May 1997, Mornington Peninsula, Victoria

Inspections of:

Peninsula Sports and Leisure Centre, Seaford

Frankston District Basketball Association Complex, Seaford

Peninsula School, Mount Eliza

Western Port Secondary College, Hastings

HMAS Cerberus, Crib Point

Discussions with representatives of the Mornington Peninsula Hockey Association, Victorian Basketball Association and Mornington Peninsula Shire Council

Friday, 9 May 1997, Hobart

Inspections of:

Hobart Aquatic Centre

Clarence Swim Centre

Montagu Bay National Fitness Centre

Bellerive Oval

Wednesday, 23 July 1997, Western Australia

Inspections of:

Facilities in the Shire of Northam

Facilities in the Town of Northam

Discussions with representatives of the Shire of Northam, Town of Northam, Shire of Toodyay and Shire of Chittering

Wednesday, 6 August 1997, Cairns

Inspections of:

Cairns & District Clay Target Gun Club Inc.

Fretwell Park

North Cairns Hockey Association Centre

Mountain bike trail used for the 1996 world championships

Marlin Coast Recreation Centre

Discussions with representatives of Cairns City Council, Innisfail Shire Council, Cook Shire Council, Douglas Shire Council, Cardwell Shire Council, Etheridge Shire Council, the Torres Strait Regional Authority, and the Office of Sport and Recreation, Department of Emergency Services

Tuesday, 7 August 1997, Central Australia

Inspection of facilities at Ntaria (Hermannsburg)

Discussions with representatives of Ntaria Council and members of the Ntaria community

Monday, 1 September 1997, Canberra

Inspection of facilities at Erindale College

APPENDIX C

STATE AND TERRITORY GRANT PROGRAMS FOR SPORTING AND RECREATIONAL FACILITIES

The information in this appendix refers to grants operated by the State and Territory sport and recreation departments. Some additional funds may be available from programs operated by other departments, for example, the New South Wales Government's greenspace grants. In addition, all governments make occasional one-off allocations of funds outside the grant programs for large projects. Examples of such expenditure are:

- the new athletic, netball and soccer facilities in Adelaide;¹ and
- the Northern Territory Department of Sport and Recreation's expenditure of about \$2 million from its 1997-98 capital works program on facilities at Darwin's Marrara Precinct.²

Australian Capital Territory

Sports Loan Interest Subsidy Scheme

This scheme, which has operated since 1988-89, assists sporting organisations to pay interest on commercial loans obtained to develop and improve facilities. Extensive commercial, social or club facilities are ineligible.³

Sport and Recreation Development Grants Program

One element of the Sport and Recreation Development Grants Program provides small sums for capital expenses and equipment.⁴

New South Wales

Capital Assistance Program

Grants are provided on a dollar-for-dollar basis for up to 50 per cent of the total capital cost of a project. Commercial ventures are not supported and low priority is given to fencing, road works, developments on private land, and projects that are not started within 18 months. In 1996-97, the State Government's priorities were to support projects that would decrease youth violence, and improve access for groups that traditionally find access difficult. In 1995-96, the average grant was \$8 675, and 351 applicants were successful. Seventy per cent of the

¹ Department of Recreation and Sport, South Australia, transcript, 8 July 1997, pp 514-15.

² Department of Sport and Recreation, Northern Territory, submission (number 229), attachment A; correspondence dated 12 August 1997.

³ ACT Bureau of Sport, Recreation and Racing, 'Sport Loan Interest Subsidy Scheme (SLISS): general information and conditions', pp 1, 3.

⁴ ACT Bureau of Sport, Recreation and Racing, transcript, 2 June 1997, p 490.

successful applicants were community organisations and 30 per cent were councils. Only 25 per cent of applications were funded.⁵

Regional Sports Facilities Program

Four and a half million dollars have been provided for the 1997-98 financial year for developing new, and substantially upgrading existing, sporting and/or ancillary facilities. Successful projects must be started within six months of the grant being made and completed within 18 months. The facilities are to be accessible for both elite and general community use, and must have the support of the relevant local government authorities and state sporting associations. The preference is for projects that accommodate disadvantaged groups, attract overseas groups to train and compete, and/or fit in with identified needs or regional development plans.

Government guaranteed loans and low interest loan program

Loan guarantees are provided to organisations which have difficulty in obtaining loans under normal commercial arrangements. They are for acquiring land, buildings, plant and equipment, and for constructing, altering or improving buildings.

FootyTAB

A 10 per cent commission on FootyTAB investments provides grants and loans for rugby league, rugby union, Australian rules, and soccer.⁶

Northern Territory

Sponsorship (funding) is provided to sporting organisations on the basis of their development plans for the next three to five years. Funding of around \$1.2 million per annum focuses primarily on state and regional facilities.⁷

Queensland

National Standard Sport Facilities Program

The program provides \$10 million per annum for the construction or upgrade of facilities at the regional to international level, including multi-use facilities. The program also makes funds available for professional fees incurred during construction and to assist with strategic planning. In 1996-97, an additional \$7 million was allocated to the program. Funding is available to sporting bodies, local government, educational institutions, and indigenous organisations, and may provide up to 50 per cent of the total cost of approved projects.

Minor Facilities Program

⁵ According to the Ku-ring-gai Municipal Council, approximately \$40 000 per year is available for each State electorate (submission, number 116, p 1).

⁶ NSW Department of Sport and Recreation, transcript, 2 June 1997, pp 474-5; correspondence dated 19 June 1997.

⁷ Department of Sport and Recreation, Northern Territory, transcript, 7 August 1997, pp 670-2; submission (number 229), p 3.

The program focuses on facilities at the local to the regional level. It provides financial assistance to a level of 50 percent of project cost for projects with a total cost of \$10 000 to \$500 000. Grants of up to a maximum of \$50 000 are available. The scheme has a total funding allocation of \$2 million per annum and is open to local government, sporting and recreational organisations and indigenous bodies.

Under both programs, projects are assessed on eligibility criteria, financial viability, demonstrated community need, and regional priorities.⁸

Other grant programs may provide financial assistance to organisations. They are:

- the Gaming Machine Community Benefit Fund which has an upper funding limit of \$15 000 per application, and is for sport and play equipment, special one-off events and activities including community arts and recreation events, and minor capital works;
- the Jupiter's Casino Community Benefit Fund, the objective of which is to approve 'general or specific projects providing facilities which have an obvious community benefit' - it has an upper funding limit of \$150 000 and is restricted to areas south of the Tropic of Capricorn within Queensland; and
- the Breakwater Island Casino Benefit Fund which is for new buildings or alterations to existing buildings and provides financial assistance to all areas north of the Tropic of Capricorn.⁹

South Australia

Regional Recreation and Sport Facilities Grants Program

The Regional Recreation and Sport Facilities Grant Program aims to improve the community's access to recreational and sports facilities in regional areas. The facilities supported by this program meet or will meet significant regional needs and represent focal points for regional activities. The program may provide 50 per cent of project costs up to a maximum of \$150 000. The program's annual budget is \$900 000.

⁸ Office of Sport and Recreation, Queensland, submission (number 179), pp. 17-18; 'The National Standard Sport Facilities Program 1997-1999: guidelines for applicants'; 'The Minor Facilities Program 1998: guidelines for applicants'.

⁹ Office of Sport and Recreation, Queensland, submission (number 179), pp. 26.

Active Club Program

The Active Club Program provides funds to community based sporting and recreational organisations for minor capital works. The program has an annual budget of \$940 000 and may provide 50 per cent of the cost of a project, up to \$20 000.¹⁰

Tasmania

Sport Tasmania Grants Program

The Sport Tasmania Grants Program has been launched this year. Its funding represents a quarter of the revenue raised for the Community Support Program from the profits of gambling machines in clubs and hotels. It is expected that \$150 000 will be available from this program in 1997-98. Non-government, non-profit sport and recreation groups may apply for grants equivalent to a maximum of 50 per cent of the total cost of new projects or programs of activities which have not received, or cannot receive, grants from other government sources. Requests for up to \$5 000 will be considered, but it is expected that most grants will be for \$500 to \$2 000. The assessment criteria for the grants relate to level of funding, management and administration, sustainability, monitoring and evaluation, and promotion.¹¹

Victoria

Facility Development Funding Program

The Facility Development Funding Program, administered by Sport and Recreation Victoria, is focused on meeting economic goals and contributing to quality of life for Victorians. It is available to individual local government authorities, or groups of them, for facilities ranging from the municipal to the regional. Funding is given for recreation planning, facility feasibility studies, and the development on public land of indoor aquatic facilities; multi purpose facilities; and major single purpose regional facilities. Municipalities may not apply for more than one of each of these categories in any one year. The program provides 25 per cent of the total project cost for capital works to a maximum of \$500 000 for indoor aquatic facilities and a maximum of \$250 000 for 'dry' facilities, and up to 50 per cent of the costs of planning exercises. The program disperses \$4 million annually to approximately half of the nominated projects.

Sport and Recreation Minor Facilities Grant Scheme

The focus of this scheme, which was instituted in 1996-97, is on the provision of local community sport and recreation facilities. The scheme is financed from the Community Support Fund which accumulates revenue from gaming machines in hotels, and will have provided about \$2.4 million in each of 1996-97 and 1997-98. Grants are available for up to 50 per cent of the total cost of the project; they generally do not exceed \$50 000.¹² Funding

¹⁰ Correspondence dated 15 October 1997 from the Department of Recreation and Sport, South Australia.

¹¹ Department of Education, Community and Cultural Development, Tasmania, 'Sport Tasmania: guidelines and application form 1997'; transcript, 9 May 1997, pp 361-2.

¹² Victorian Government, submission (number 246), p. 2; Sport and Recreation Victoria, transcript, 7 May 1997, p 426; 'Sport and recreation: Facility Development Funding Program: a funding program for local

criteria include improving safety and access, maximising usage, and providing informal opportunities for sport and recreation. Applications from community groups are forwarded to Sport and Recreation Victoria by local councils. Councils are limited to five applications a year and must rank them in order of priority.

Western Australia

Community Sporting and Recreation Facilities Fund

This program has operated since 1975-76, and is open to community groups, sport and recreation clubs and associations, and local government. It funds the construction of new facilities and, for existing facilities, modifications, additions and upgrades. Two categories of grants are available:

- annual grants of \$750 to \$50 000 for neighbourhood to district level projects that require simple planning and are valued at \$2 250 to \$150 000; and
- forward planning grants of more than \$25 000 for more complex projects at district, regional or state level, that require a planning period of one to three years and cost \$75 000 or more.

The maximum grant is for one-third of the sum required; the grant must be matched in cash by the applicant, who must also provide the balance of the funds needed.

Twenty-six million dollars were provided for the program for the triennium starting in 1995-96 and the Western Australian Government has committed \$24 million for the triennium starting in 1998-99. One of the key requirements is that applicants follow a planned approach and several key principles in developing their facility. All applications for funding are assessed against principles which relate to project justification, community input, management planning, access and opportunity, design elements, financial viability, and coordinated provision. Applications are assessed by local governments and state sporting associations before being considered by the State Government.¹³

¹³

government authorities: guidelines & application for 1997/1998 funding', pp 3-4; 'Sport and Recreation Minor Facilities Grant Scheme: information brochure 1997-98'.
Western Australian Government, submission (number 211), pp 1-2; Ministry for Sport and Recreation Western Australia, 'Community Sporting and Recreation Facilities Fund (CSRFF): grant application guide' and covering letter from the Minister, the Hon Norman Moore, MLC.