

Brief to: Federal Minister for Infrastructure & Regional Development
From: Coalition of Major Professional and Participation Sports (COMPPS)
Subject: A National Sporting Infrastructure Fund

1. Background

The concept to establish a National Sporting Infrastructure Fund (NSIF), comprising a Federal Government funding pool dedicated to investment in multi-use sports and community infrastructure, has been under formal discussion by COMPPS representatives since early 2014.

Senior Adviser to the Federal Minister for Infrastructure & Regional Development, Damian Callachor, addressed COMPPS on the potential for the establishment of a NSIF in late 2014.

The purpose of this document is to provide a high level view of the need, benefits and areas of interest relevant to a NSIF.

It is intended to guide formal discussion and the agreement of potential next steps.

2. Current Landscape

It is the evidence-based observation of COMPPS members that the current sporting facilities landscape in Australia sees multi-use local facilities that serve and promote community participation in sports and recreation suffering from a lack of sufficient co-ordinated and appropriately directed investment.

This is having a detrimental effect on the capacity of sports to serve the health and wellbeing of future generations through the provision of the required facilities at the local and regional level.

Australian Sports Commission

A strategic imperative exists to stimulate change in the way community based sporting infrastructure is generated. National Sport Organisations must make significant change to the way sport is delivered in order to maintain current levels of local participation – they cannot achieve this in isolation, almost completely reliant on government assets for the delivery of club based sport.

Fewer Australians are participating in traditional, club-based sport. However more people are choosing to play and be active in more non-organised and social forms of sport participation.

The Exercise Recreation and Sport Survey (ERASS) data show that between 2001 and 2010 there was a gradual but consistent decline in the number of adults participating in organised sport in Australia. In 2001 adult participation in sport on a weekly basis was approximately 33% of the adult population. This fell to 30% in 2010 and is forecast to decline further to around 28% by 2022. A similar decline has occurred in children's participation. Participation in non-organised sport is not only bigger but growing; Australian Bureau of Statistics research has shown non-organised participation in sport grow over a similar period as the ERASS data, from 50% to 54%.



Recent research has uncovered many of the underlying reasons for the decline in traditional, organised forms of sport. The Australian Sports Commission (ASC) Market Segmentation for Sport Participation research found that Australians are increasingly becoming time-poor and, for many, more restricted in terms of budget. There is much greater competition from other recreational activities than ever before and, as a result, families are faced with a wide range of choice to spend their discretionary time and finances.

The Future of Australian Sport identified that our demographics are changing with an ageing population and different migration patterns. This research also highlighted the growing diversity of physical activity and recreation opportunities through the increase in popularity of individual sports.

Declining participation rates in traditional, organised sports demonstrate that they have generally not adapted to this changing environment. To reverse the trend sports must change the way they offer their products to suit the needs of the modern Australian consumer.

The ASC's Market Segmentation research shows that people now want to play sport in different ways than the traditional offering. Much of what is currently delivered focuses on competition and performance within rigid schedules. Clubs are viewed by many people that are not members as being exclusive or 'elitist'; there is a perception that they are only interested in more competent participants that are better performers.

There is a need for more flexible sport participation offerings that focus on enjoyment and socialising. More people are now looking to access facilities and programs at times that suit them and in a less structured environment that is focussed on what they, as the customer, want rather than what a typical traditional club is willing or capable of providing.

The Future of Australian Sport also identified that a large number of Australians are seeking "personalised" sport for health and fitness reasons. The desire for flexible participation opportunities means people are fitting physical activity into their increasingly busy and time-fragmented lifestyles to achieve personal health objectives. Participation rates in aerobics, running and walking, along with gym memberships, have all risen sharply over the past decade.

Traditional club-based sport does continue to have a role to play because, as the ASC's Market Segmentation research showed, over 60% of the people currently playing sport in traditional clubs really value the traditional approach. However to get more people playing sport (and retain more of the ones that are in clubs now) other approaches, formats and schedules need to be offered to meet the changing demands of consumers.

Critically, national sport organisations have been aware of changing shifts in participant activity and have strategies in place for new program delivery accordingly. Program such as Cardio tennis, AFL 9's and Big Bash cricket appeal to targeted, social play participants. However, the shop front is no longer attractive, not capable of working in conjunction with the expansion of program offers.

State Government Investment

The majority of funds invested by most State Governments in sporting facilities in Australia is directed to venues serving elite major sport.

These include major sporting stadiums and precincts at the level of Adelaide Oval, Melbourne Park, Perth Stadium and Allianz Stadium. For example, of \$600 million in new funding recently committed to sports infrastructure through the NSW State Government's Rebuilding NSW strategy, it is anticipated that almost all will be dedicated to three major stadium redevelopments.¹

¹ <http://www.smh.com.au/sport/nrl-backs-nsw-state-governments-600-million-investment-in-sports-infrastructure-20141125-11tprf.html> - viewed 8 April 2015

While this is important in providing a sustainable platform for major sporting competitions and events that deliver significant economic benefit, multi-use community sports facilities that are responsible for directly catering to and encouraging participation at grassroots level do not enjoy a comparable or desirable level of investment.

This has had the effect of driving an increasing divide between the quality of facilities serving community participation and those serving elite level sport.

An unintended but negative consequence is that the passive fan experience continues to be enhanced as the active experience of those actually participating in sport is diminished. The net result is that incentive to participation for the whole community is significantly reduced.

The importance of participation in sports and recreation to community health, growth and wellbeing is well documented, but it is the view of COMPPS that this is not adequately served by the provision of multi-use community sports facilities of sufficient capacity and quality across Australia.

Community level sport provides a very significant social value, which is negatively impacted by the lack of adequate facilities. For example, a recent study produced by Latrobe University's Centre for Sport and Social Impact estimates that:

The social return on investment for an average community (AFL) football club indicates that for every \$1 spent to run a club, there is at least \$4.40 return in social value in terms of increased social connectedness, wellbeing, and mental health status; employment outcomes; personal development; physical health; civic pride and support of other community groups.²

Local Government Investment

Parks and Leisure Australia (PLA) estimate there are over 1500 designed but unfunded sport and recreation precinct or facility master plans languishing across Australian local governments. COMPPS believe the designs for these master plans rarely engage with strategic direction of national sport organisations and are often fuelled by local interest groups.

Crawford, in the submitted 'Future of Australian Sport' report commissioned by the Australian government in 2009, estimated a \$250m fund for local facilities was necessary towards securing the future of sport in Australia.

The issue is not isolated to Australia. In Canada it was estimated in 2006 (conservatively) that there was a \$15 billion national recreation infrastructure deficit. This was based purely on the capital costs to repair or replace existing infrastructure and did not take into account the need for new, updated infrastructure to meet the needs of modern consumers, nor the increased future demand as the population grows.

COMPPS believe the 'crisis' that was recognised in Canada almost a decade ago is now arguably the greatest challenge facing the sport and health sector in Australia. COMPPS also believe a clear funding incentive is required for local governments to engage with national sport organisation strategic directions.

² Centre for Sport and Social Impact (LaTrobe), 2015, Value of a community football club, AFL Victoria, Centre for Sport and Social Impact (LaTrobe), viewed 08 April 2015, <<http://apo.org.au/node/53348>>.

Federal Government Investment

In the current funding environment, Federal Government investment in such facilities is principally resourced through the National Stronger Regions Fund (NSRF).

Due to the NSRF criteria, requests for investment in multi-use community sports facilities predominantly derive from individual local government applicants (in some instances supported by State Government and/or State and National Sporting Organisations).

These applications directly compete against all other modes of unrelated infrastructure for funding.

In many cases, due to the need for local government to prioritise infrastructure projects such as roads and medical facilities, many otherwise worthy and valuable potential applications for investment in community sporting facilities are not submitted at all.

This has the effect of:

- Encouraging a localised response to a common need of regional and national significance.
- Preventing some valuable community and regional sports facilities projects from being presented for assessment.
- Disproportionate investment in community and regional sporting facilities in some localities over others where another unrelated infrastructure priority exists.
- Producing reduced community benefit and return on Federal Government investment from community and regional sporting facilities

3. National Sporting Infrastructure Fund

A National Sporting Infrastructure Fund will provide the capacity for Federal Government to direct appropriate funding to the development of multi-use community sports facilities of local, state and national benefit. It will:

- Encourage a collective approach by major participation sports and all tiers of government to sports infrastructure development that generates maximum benefit to community in the locations of greatest need.
- Help to ensure that:
 - Maximum community and economic benefit is obtained from Federal Government investment
 - Multi-sports facilities are planned and developed in partnership to meet the identified strategic direction and priority needs of national sports within regions across Australia
 - A co-ordinated approach is taken to community sporting infrastructure development that will engage the private sector
- Directly benefit the Federal Government through replacement of current funding channels that have a tendency to promote opportunistic, standalone approaches that may not result in optimal return on investment.
- 'Fix the future' by providing a long-term solution to the provision of sustainable facilities across the nation that actively support and promote community participation, particularly in regional centres.

4. Summary of key benefits

The benefits of a national sports facilities fund fit neatly with the Government's infrastructure agenda. By creating social infrastructure assets, jobs will be created locally, communities will become more connected through the process of design, build and in operations through ongoing active participation.

As would be expected of such a fund the benefits are multilayered. It will demonstrate national leadership via the guidelines to access the fund, enable national sports organisations to activate their strategies at a local level and engage private developers and investors to contribute to local community assets in a direct and tangible way.

Local governments have much to gain, unlocking the current inertia that exists to renew tired, unattractive assets to make way for new designs that will engage more Australians to be active through sport.

This fund helps save the health of the nation. It will do much to restore the reputation of Australia as not just a sport loving but an active, sports playing nation.

5. First step options

Establishing guidelines and implementation for a national sport facility fund requires the input of a range of groups including national sports organisations, federal members, local government and potentially additional financial support from the private sector.

To activate the fund, COMPPS offers the following options for consideration:

1. **A Test Project** opportunity exists at George Kendall Reserve, in the City of Parramatta.

It represents a positive future for community sport facility development that includes central sports hub administration, reflects community interests and has stages of development that incrementally increase the appeal and sustainability of the reserve. This project is being championed by Member for Bennelong, Mr John Alexander.

A Test Project contribution to the Parramatta project would represent a great first step and demonstration of commitment to the delivery of a national sport infrastructure fund.

2. **A Working Party** comprising members of COMPPS, the Office and Department for Infrastructure and Regional Development and the Office for Sport. The Working Party would develop a position statement for the fund as well as a recommended set of guidelines.

3. **A Study**, sponsored by the Department for Infrastructure and Regional Development that may include the following terms of reference:

- Evidence of a local project where national sport organisations collaborate under their respective strategies and engage in a local project.
- An environmental scan and review of the current state of infrastructure development and investment across LGAs, regions and sporting codes in Australia
- Identification of areas of key need and priorities for Federal Government investment in major multi-sports infrastructure
- Consequent recommendations regarding the size, structure, criteria and desired outcomes of the NSIF
- Propose guidelines for the establishment of a national sport infrastructure fund
- Consider how an ongoing sport infrastructure fund may be resourced by the Australian Government

The Study will require:

- Investment by the Federal Government through the Australian Sports Commission (ASC) and potentially by peak sporting organisations represented by COMPPS
- Extensive consultation with all relevant government departments/agencies and sporting bodies

COMPPS is seeking an appropriate funding allocation in the 2014 - 2015 financial year towards preferred options and managed by the Department of Infrastructure and Regional Development.



Malcolm Speed
Executive Director
COMPPS

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