



SPORT POWERING AUSTRALIA'S FUTURE (10+10)

Submission from the Australian Olympic Committee
and Commonwealth Games Australia to support the
development of the Federal Government's 2021
Intergenerational Report

May 2021



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EXECUTIVE SUMMARY

The Australian Olympic Committee (AOC) and Commonwealth Games Australia (CGA) welcome the opportunity to submit *Sport – Powering Australia’s Future (10+10)* (“the Submission”). A report developed collaboratively between AOC, CGA and their collective member sports to inform the Federal Government’s (Government) 2021 Intergenerational Report and propose a fundamentally new investment model in sport for the next ten plus ten years.

Collectively the AOC and CGA have 49 Member Sports. While the size and capacity of the membership varies, the membership represents more than 13 million participants and millions more volunteers across Australia. This is a culturally diverse and inclusive membership that is committed to the development of sport for all; for physical and mental health, community building and cohesion, and education. Further, this membership develops and fosters elite athletes to represent Australia on the world stage providing inspiration and pride to many Australians.

The Government’s own research has found that the Sport Industry provides direct economic, productivity and volunteering benefits to a total economic value to the national economy of approximately \$83 billion annually returning to Australian communities at least \$7 for every \$1 invested.¹

The AOC and CGA acknowledge that the 2021 Intergenerational Report (IGR) is produced under the *Charter of Budget Honesty Act 1998 (Cth)* (the Act) and will assess the long-term sustainability of current Government policies. We also note that it is a requirement of the Act that an IGR be produced every five years with the IGR that was due in 2020 being postponed due to the impact of the COVID-19 pandemic. As a result, the 2021 IGR will be published on 30 June 2021.

IGRs focus on the implications of demographic change for economic growth and assess the financial implications of continuing current policies and trends over the next 40 years. While the 2021 IGR will inevitably need to address the unprecedented challenges presented by the COVID-19 pandemic, all IGRs focus on how the living standards of future generations of Australians depend on the decisions we make now.

Intergenerational challenges have prevented Australia from achieving the aspiration of a healthier, more active population, particularly in our Indigenous communities. Building a collective understanding of the opportunity the Sports Industry can play in addressing these challenges will set the path towards transforming the Industry’s relationship with Government.

This Submission presents recommendations for a new path forward for the Sports Industry and Government, detailed in the context of the Government’s ‘3Ps’ for Real GDP growth (Population, Participation and Productivity).

In seeking to present positive solutions for the Government’s consideration, the AOC and CGA commissioned Ernst & Young to conduct the “Future of Sport Survey” with our member Sports. The “Future of Sport Survey” has informed the structure and content of the recommendations made in the Submission, especially in the context of how our Member Sports can assist the Government to deliver the strategic priorities articulated in the National Sport Plan – Sport 2030. The Submission also seeks to present these recommendations with reference to the IGR framework. As such, the Submission addresses the key barriers preventing the Sports Industry from delivering its objectives of tackling Australia’s intergenerational challenges against very similar metrics to the ‘3Ps’ for real GDP growth of Population, Participation and Productivity that have framed IGRs for the past 20 years. The AOC and CGA contend that the Sports Industry in Australia must be recognised as a ‘virtuous circle’, in which the objectives of each element (defined as - Participate, Perform, Promote and Provide) are inherently interconnected and require appropriate investment to enable the Sports Industry to maximise outcomes against the Sport 2030 strategic priorities and support the delivery of solutions to the intergenerational challenges face by the nation.

Sport plays an important role in the Australian community for our collective health, addressing the nation’s obesity crises, chronic diseases, mental health, and personal development. Sport strengthens our communities, contributes to Australia’s economy, research, and most importantly, sporting excellence builds national pride, and motivation.

Sports Industry and Obesity

- Increasing physical activity via sport is directly linked with reducing the prevalence and severity of obesity and other health issues. Using sport as a key strategy to improve physical activity is supported by evidence and recognised as one of seven best investments for physical activity.

Sports Industry and Mental Health

- Sport and physical activity can be an effective mitigator of mental health issues, providing a focal point for the community, a place for people from different generations, cultural backgrounds and genders to congregate and socialise and be active with a common purpose. Participation and volunteering in organised team sports in particular, is associated with improved health outcomes compared to individual activities due to the social nature of the participation.

Sports Industry and Education

- Children who play sport demonstrate improved cognitive development, are more attentive at school, achieve superior academic results and stay in school longer. From an economic perspective, given the important life skills gained through sport, there is a high correlation between playing sport regularly as child and higher lifetime earnings and economic productivity. Education benefits resulting from sport participation are worth \$5 billion annually.

Sports Industry and nation building infrastructure

- Sports Industry infrastructure includes grass roots facilities used for participation right through to world leading high performance and major event facilities. At a grass roots level, sporting infrastructure can provide a foundation from which to build prosperous communities, improving the liveability of Australian cities and regions, connecting people from different backgrounds around common objectives, supporting employment and the economy.
- Community sport infrastructure can be much more than just a place to play sport, these facilities are critical infrastructure for the broader community. They foster social cohesion and inclusion.
- Sporting infrastructure investment occurs at the 3 levels of government, in schools and tertiary institutions and in the private sector. This needs co-ordination and full use of opportunities.
- Australia boasts some of the world's best major event facilities, which provide us with the opportunity to deliver high quality events such as the Gold Coast Commonwealth Games. Major events are also an accelerator of other infrastructure including transport, public spaces and affordable housing.

Sports Industry and COVID-19 Recovery

The AOC, CGA and member sports recognise that the COVID-19 pandemic has challenged Australians across all aspects of life and the economy, requiring many priorities for the Government. The Sport Industry will provide a significant contribution to the rebuild but can play an even greater transformative role through strategic investment.

Sport is a multi-layered industry that can play a key role in supporting communities during COVID-19 recovery:

- People can get active through participation in sport;
- Sporting clubs provide an opportunity for social interaction;
- Australian Olympic, Paralympic and Commonwealth Games athletes foster pride and inspiration in the community;
- The industry is a major employer, pre-COVID-19 employing over 220,000 people.

1. Barriers to Sport Delivering for the Nation

The Submission details key barriers identified by the Member Sports and the Government's Sport 2030 report that are preventing the Sports Industry from delivering its objectives and helping address broader intergenerational challenges. Participation and high-performance outcomes require both strategically informed decision making and investment to resolve.

1.1 Participation

The past 5 years has seen a shift away from organised sport. According to AusPlay, after accounting for population growth, participation in non-sport recreation activities grew by approximately 800,000 people between 2016 and 2020. By comparison, participation in Member Sports grew by only 159,000 over the same period.

This shift towards non-sport recreation activities should not be confused with delivering a more active nation. On a national, population adjusted basis, according to the ABS National Health Survey 29,000 fewer people met the recommended exercise level of at least 150 minutes per week in the past 4 years.

Undoubtably, participation in any recreational activity is better than none but there are key differences between sport and other recreational activities. Sport:

- Motivates consistent participation and physical activity;
- Can be an effective mitigator of mental health issues;
- Provides a focal point for the community building social cohesion;
- Provides a diverse performance pathway for potential athletes;
- Provides an opportunity for people to give back to the community through volunteering;
- Contributes to women's career progression; and
- Provides a diversity of physical activity opportunities.

Barriers identified by Member Sports that continue to prevent them from improving participation outcomes include:

- (i) **Resources to deliver and innovate**
82% of Member Sports surveyed indicated that insufficient resources to support capability and capacity of the sports was a key barrier to growing participation. This is reflected in a decline of Sport Australia's participation base investment provided directly to Member Sports over the past 6 years from \$23.7m to \$16.9m.
- (ii) **System alignment**
A lack of clarity and alignment of responsibilities for key Sports Industry stakeholders is resulting in inefficiencies, duplication, and increasing the cost of innovation and delivery. All of which is impacting the Sports Industry's capacity to deliver its objectives.
- (iii) **Facility access**
Access to facilities is a key barrier to participation in sport at the individual level, and also inhibits Member Sports ability to offer products at scale and/or make improvements to their sport offerings.
- (iv) **Awareness**
Awareness and inspiration are critical elements to building participation in a sport. Member Sports are struggling to cut through to their target audience. Two important elements that support awareness include: access to sport during development; and high performance success.

1.2 High Performance

Though Australia has a remarkable and proud history in the arena of international competition, there has been a notable decline in the international success of Australian athletes since the Sydney 2000 Olympics.

The decline is driven by:

- Relative decline in investment by Government, with high performance investment not keeping pace with the cost of delivery.
- Greater investment in sport by competitor nations improving their performance and with larger populations;
- Loss of Australian IP and coaching and performance staff to other nations and failing to invest in replacements;
- Reduced investment in pathways not delivering opportunities for young athletes particularly in regions;
- Greater competition for talent, particularly in women's sport, from professional codes.

International sporting success supports a 'virtuous circle of sport' in which international success provides a platform to inspire the nation and build a sense of national pride, driving participation and increase the talent pool.²

The increased talent pool derived from higher levels of participation improves the opportunity to deliver international success, thus completing the cycle. Failure to win on the international stage erodes this opportunity and breaks the cycle.

Barriers identified by Member Sports that continue to prevent them from improving high performance outcomes include:

(i) Funding certainty

While the Australian Government has provided significant support to the high-performance system, the following dynamics, as they impact on funding certainty, prevent Sport from effectively achieving the targets set out in Sport 2030:

- Short term funding cycles preclude adequate planning;
- A fundamental disconnect between the lofty heights of ambition and the disproportionate level of funding;
- Significant variance in the quantum of funding provided year-on-year;
- Perceived lack of transparency; and
- Capacity to deal with administrative burden.

(ii) Quality of human resources

Australian IP and performance staff are being lost to international competitors. Turning this coach drain around is vital to deliver a successful 10 + 10 strategy.

(iii) International Sporting events pipeline

Sports, particularly second and third tier, are not resourced or supported to attract and retain a competition pipeline that provides their athletes with the event experience that will maximise their potential for success.

(iv) Supporting athletes

The Australian high-performance system is not sufficiently resourced to provide the support that many athletes need to maintain their health and wellbeing and to succeed on the international stage.

(v) Infrastructure and facilities

79% of Member Sports agreed that there is a major gap between the current availability and quality of high-performance infrastructure and what is needed to achieve the desired high-performance outcomes.

(vi) Talent identification and development

The heightened competitive pressures are compounded by Australia's participation and physical activity challenges. A shift away from organised sport and growing levels of obesity inevitably results in a smaller talent pool to draw upon for high performance representation.

Recommendation 1 – Sport 2030 Implementation Plan

Develop an appropriately funded Implementation Plan for Sport 2030 to enable the Sports Industry to deliver the Plan's objectives and contribute to intergenerational challenges.

Sport 2030 set ambitious targets for sport to deliver over the next decade but with little detail as to what is required for effective implementation. There is no clear designation of who/what agency/ies are responsible for delivering the articulated strategic goals. The Plan also disappointingly provides no detail as to the quantum of investment required to achieve its stated goals. In this context, therefore, the goals specified in Sport 2030 can at best be described as aspirational. It is in effect a Plan without means.

A clear and funded path for implementation, developed in conjunction with the AOC and CGA, will enable the Sports Industry to deliver the fundamental change needed to achieve Government's stated objectives.

Investment: Fully funded implementation plan, including clear roles and responsibilities. Exact investment requirement to be determined.

2. Investment in Sport

The time is now to drive a new path forward for Government and the Sports Industry with a blueprint for how Government invests in sport. The potential of a Brisbane 2032 Olympic Games will provide a decade to use sport to power Australia's future and create a platform for the decade after: 10+10.

To achieve this, the Sports Industry must be recognised as a virtuous circle, in which the objectives of each element, defined as - Participate, Perform, Promote and Provide, are inherently interconnected.

By recognising this virtuous circle and investing holistically in the Sports Industry, the Government will maximise the outcomes and opportunities that the Industry can deliver. This approach will support intergenerational challenges and deliver the National Sport Plan - Sport 2030.

The AOC, CGA and Member Sports acknowledge and welcome the investment that the Government has made in additional program funding to Sport Australia/AIS. However, this program investment approach rather than holistic direct grants to sports, creates winners and losers and does not promote the building of the capability and capacity of the individual sports.

The AIS analysis in January 2020, states that the optimal level of funding for Sport on a per annum basis should be \$186.3m.³ In FY19/20, actual funding was \$153.4m (pre additional funding mentioned above), with projections to fall to \$128.1m in FY20/21, then to \$101.1m in each of the years FY21-24.

These funding shortfalls mean Sport Australia/AIS have developed a sport investment model based on what is available, not on what is required by the sports to deliver on the Government's priorities as articulated in Sport 2030. This has meant that the only way to maintain or increase funding to some sports is to reduce or totally cut funding to others. This has direct impact on the lives of athletes and their families.

Internationally, countries such as England have also recognised this opportunity with Sport England's development of its *Uniting the Movement* strategy – a 10-year vision to transform lives and communities through sport and physical activity. Likewise in New Zealand, Performance Sport NZ (HPSNZ) unveiled a new strategy to drive New Zealand's high performance system through major shifts in investment, wellbeing and engagement, and performance pathways between now and 2024. The strategy is backed by more than \$273 million of investment including an additional \$31.2 million in Government funding through the Sport Recovery Package.

As with many industries, the Sport Industry is not homogenous. This Submission represents the Olympic and Commonwealth Games sports who are responsible for both their able-body athletes and para-athletes. Paralympics Australia represents the collective of Paralympic sports and the disability sport sector and will make a separate submission.

The AOC and CGA memberships include 5 of the 7 members of the Coalition of Major Professional Sports. The Coalition obviously play a significant role to the benefit of Australia. This role has been recognised by both State and Federal Government investment in stadia and centres of excellence. This investment has helped underpin their mass entertainment appeal and significantly grow commercial revenue streams, providing a substantial competitive advantage.

This level of investment in one sector of the industry significantly compromises the ability of the majority of Olympic and Commonwealth Games sports to compete for participants, talent and commercial partners. Ultimately this does not serve the interests of the nation in that the sport participation pathway is artificially narrowed, the diversity of opportunity to participate reduced and Australia's representation on the international sporting stage diminished.

Recommendation 2 – Redefine Sport Investment

Redefine the Sport Investment Framework so that it recognises Sports' highly integrated operations – Participate, Perform, Promote and Provide, and that these need to be implemented in a holistic business plan so sports can develop their capability and capacity to deliver Sport 2030 and their own business outcomes in participation, pathways and performance.

The investment needs to be considered in the light of the 10+10 opportunity, with a minimum of four-year certainty of allocations to sports based on sports presenting and being accountable for their business plan.

Direct Investment:

- Participation – An increase in annual direct grants for Sports participation growth business;
- Performance – An increase in annual grant allocations directly for Sports performance business;

The work to be undertaken in in collaboration between AOC, CGA, Sport Australia and AIS.

3. Major Sporting Events Benefits are not being fully realised

In recent years, international recognition of the value of major events has resulted in a significant increase in the competition of winning and delivering events. To sustain the quality of Australia's events calendar, event bodies have needed to focus their resources to ensure they continue to win the right to host events. There is comparably very little funding available to leverage the broader benefits of events during and following delivery.

3.1 Why maximising the sporting events calendar is important?

With the International Olympic Committee (IOC) announcing that Brisbane, Queensland is now the preferred host for the 2032 Olympic and Paralympic Games, the next decade, with a number of prestigious international sporting events already secured or proposed, presents as a once in a generation opportunity.

With a coherent strategy building on each event, the Sport Industry can use these events to support the Governments "3Ps".

Sporting events, venues and facilities are estimated to be worth \$4bn, employing just under 14,000 people⁴

The inherent benefits delivered when hosting major sporting events are maximised by investing to leverage the opportunity they present.

3.2 Barriers to realising the broader benefits of major sporting events

Australia does not have a unified national approach to guide the identification and targeting of, and bid process for, opportunities to host major events. The lead role is often taken on by National Sporting Organisations (NSOs) or State/Territory governments by default.

Member Sports identified the following key barriers to maximising the benefits of Australia's sporting events calendar:

- (i) Lack of strategic coordination between sport and key departments of both Federal and State/Territory governments.
- (ii) Broader benefits of sport to the wider community are not a key focus of decision making.

Event investment does not provide scope to leverage the broader benefits and are not aligned with relevant government policy priorities in other portfolio areas.

Recommendation 3 – National Sport Event Strategy

Develop and fund a national strategic initiative, in collaboration with AOC and CGA, for major sporting events to ensure benefits and legacy are maximised.

The strategic initiative would deliver;

- Framework for investing in hosting international sporting events including the long term development of event hosting capability nationally;
- Co-ordination between sporting event organisers and (across) governments. to maximise the participation, economic, social, and legacy benefits events present.
- Opportunity to deliver specific legacy projects supported by the international event

4. Policy Development & the Sports Industry

The need for interagency collaboration in dealing with participation in sport and ever-growing health challenges, including mental health, youth mental health and obesity has been the subject of successive government reports, including Sport 2030.

To forge the new investment path, the AOC and CGA strongly advocate that a partnership is required between the Federal Government portfolio areas of: Sport, Education and Youth, and Health; as well as so-called non-traditional portfolios such as: Indigenous Australians, Foreign Affairs, Infrastructure and Regional Development, Urban Infrastructure and Cities, Industry, Science and Technology and Migrant Services and Multicultural Affairs.

Nationally, the policy space is fragmented with a very high level of duplication. Almost every State and Territory has a version of a health and wellbeing, youth action, community or sport and recreation plan/s either in place or under development. While unquestionably well-intentioned, these various plans and strategies are not well coordinated and often operate in complete isolation making it difficult for the Sports Industry to deliver on the outcomes being sought.

Internationally, the AOC, CGA and their Member Sports are strategically placed partners who can draw on the power of global sport. By partnering with the AOC, CGA and their member sports and utilising their international representation and relationships, the Government can pursue their international sport diplomacy strategies with far more effect.

The AOC is a recognised National Olympic Committee under the Olympic Charter and CGA is a member of the Commonwealth Games Federation. Their member sports, who all compete internationally, are affiliated to international sport federations.

This international connection ensures this Submission is aligned with the International Olympic Committee's, *Olympic Agenda 2020+5* and the Commonwealth Games Federation's, *Transformation 2022 Refresh*.

Agenda 2020+5 has 15 recommendations based on key trends that have been identified as likely to be decisive in the post-coronavirus world. Setting out areas where sport and the values of Olympism can play a key role in turning challenges into opportunities. Transformation 2022 focuses on athletes and sport for social change.

To maximise investment outcomes at all levels of government there is an urgent need for policy initiatives to be coordinated and the inter-relationship of one to the other to be properly defined so as to avoid financial wastage. This must be done in conjunction with the Sport Industry.

For these reasons, the Submission has mapped a 10+10 year Sport Investment Plan deliberately calibrated to align with the Government's longer term policy priorities in preventative health and "generational" challenges such as childhood obesity, chronic disease and youth mental health. While at the same time, mapping strategic connections with community infrastructure investment and major sporting events.

This can only be achieved through leadership, innovation and co-design between Government and the Sports Industry. The Government must adopt a fundamentally new and different approach to harnessing the power of sport in meeting Australia's generational challenges.

Recommendation 4 – Inclusion of the Sports Industry in policy development

Include the AOC and CGA as part of current and future formal policy development activities to reflect the broader value of sport in delivering government objectives.

A step change in sport participation, maximising the legacy benefits of major events and improving elite success at international competitions can support the delivery of objectives across multiple government departments. This includes education, mental and physical health, gender balance, economic growth, infrastructure and diplomacy.

Funding: Nil – it's a return on investment.

Summary

This Submission by the AOC and CGA on behalf of their Member Sports is a first to a Federal Government's Intergenerational Report. In making this Submission the Sport Industry is demonstrating its commitment to powering Australia's future through sport.

The alignment of the forward thinking and transformational outlook required in formulating the 2021 IGR together with the international 2032 10+10 sport runway, presents a unique opportunity to deliver generational change.

To achieve this change Sport requires an entirely new blueprint for government investment that reflects the role of the Sport Industry in shaping the future of our nation and driving long term economic and social prosperity.

The Sport Investment Framework needs to be redefined so that it recognises Sports' highly integrated operations – Participate, Perform, Promote and Provide, and that these need to be implemented in a holistic business plan so sports can develop their capability and capacity to deliver Sport 2030 and their own business outcomes in participation, pathways and performance.

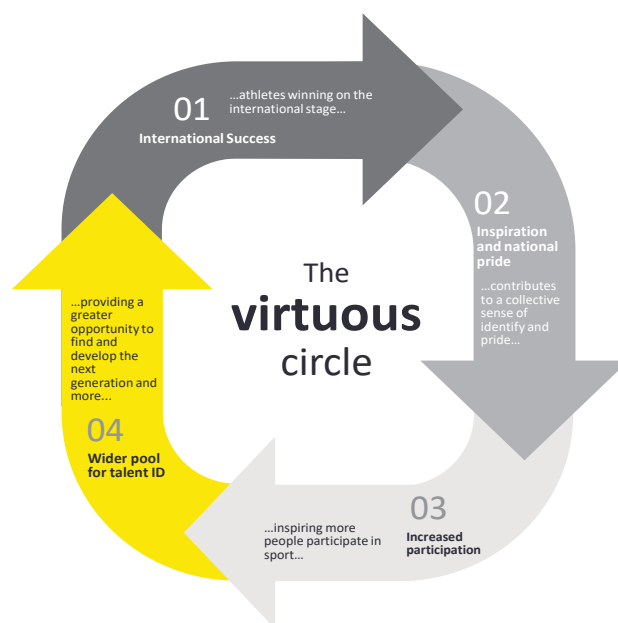
The next decade will provide Australia with a runway of major sporting events creating the opportunity to deliver significant benefits to the economy and build lasting legacies. To ensure these opportunities are not lost requires a national strategic initiative backed by governments at all levels.

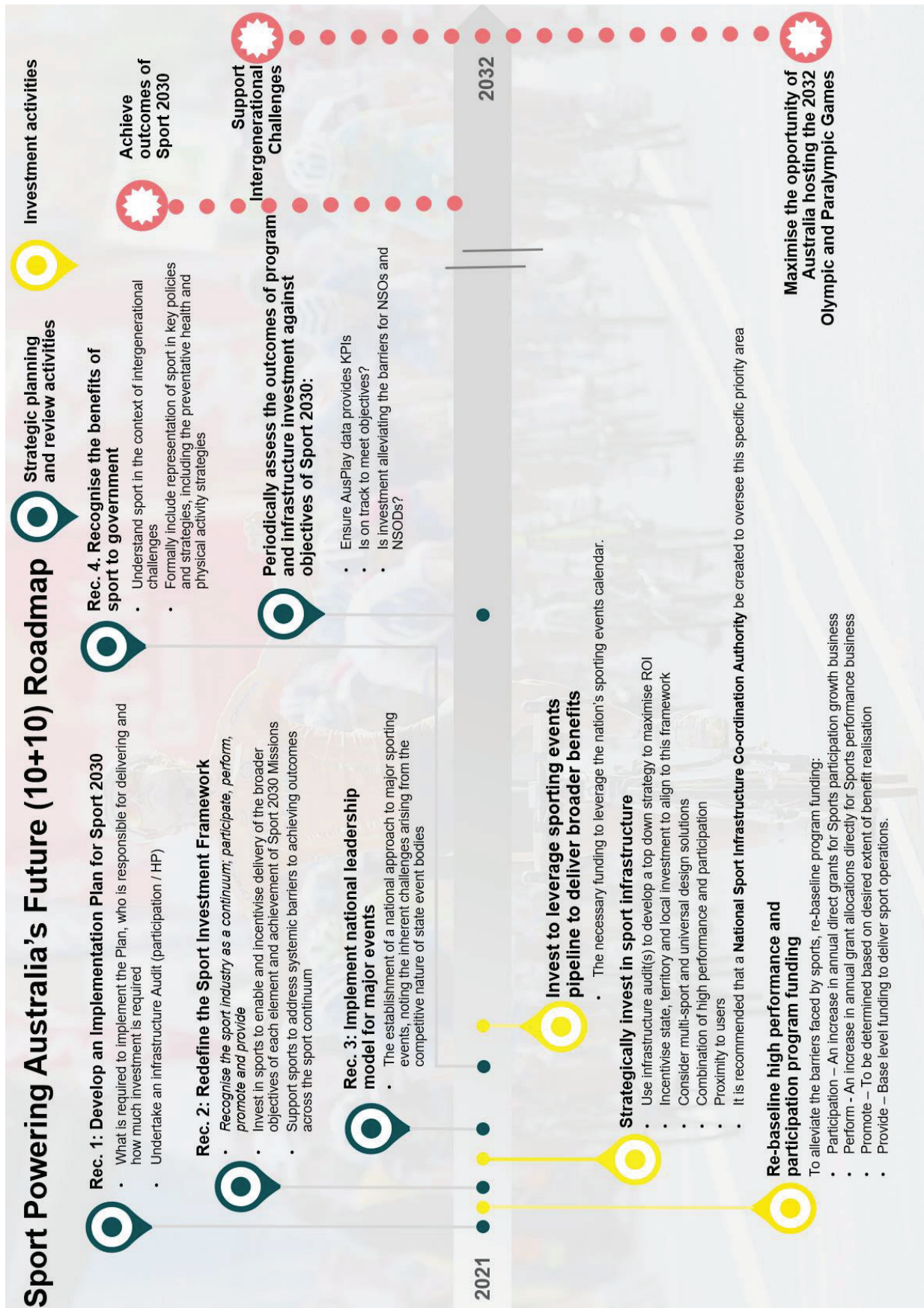
To connect the Sports Industry across government departments and agencies and use sport as a mechanism to turn the tide on underlying generational challenges which the nation must address.

Investment in sport should enable and incentivise sports to deliver the broader objectives of each the '4Ps' and the 'virtuous circle'. If the Sports Industry is supported to make a step change, it can deliver the objectives of *Sport 2030* and contribute towards resolving key intergenerational challenges facing Australian communities over the next decade and beyond.

The AOC and CGA are committed to working and collaborating with all levels of government to develop and implement the recommendations in this submission.

In sport timing is everything. The time to chart a new path forward for Government and the Sports Industry in Australia is now.





1. Context for intergenerational report submission

The Australian Olympic Committee (AOC) and Commonwealth Games Australia (CGA) welcome the opportunity to provide this Submission (“the Submission”) to support the development of the Federal Government’s 2021 Intergenerational Report (IGR)⁵.

With the International Olympic Committee (IOC) announcing that Queensland is now the preferred host for the 2032 Olympic and Paralympic Games, the next decade presents a unique and exciting opportunity for Australia pave a “green and gold runway” to this marquee international sporting event.

The Australian Sports Industry (Sports Industry) contributes \$83 billion annually to the national economy through economic, health and social benefits and supports over 10,800 businesses. 14 million people participate in sport annually, supported by close to 2 million volunteers and 220,000 employees.

The AOC, CGA and Member Sports are committed to helping shape the future of the Sports Industry and working with government to deliver its objectives over the coming decades. With the 49 Member Sports represented by AOC and CGA representing more than 60% of participants who play a sport, our opportunity to support government to deliver is significant.

As outlined in this Submission, the benefits of the Sports Industry are far reaching and can support an effective response to structural economic development, social and health challenges being faced by the nation. The COVID-19 pandemic has both highlighted the importance of sport and exacerbated the challenges being faced by communities. Sport has a role to play in the national recovery from the pandemic as communities live with and recover from, the social and economic impacts of the pandemic.

While the Sports Industry is already an important contributor to Australia’s economy, there remains significant unlocked potential for the Australian Government to leverage the wide-ranging potential of the Sports Industry to more directly address the current critical intergenerational health, social and economic challenges being faced by Australians. For example, in the Federal context, there currently exists a suite of separate policy initiatives and reports addressing the health, social and economic challenges being faced by Australians for which the Sports Industry is seeking a more active role in addressing, namely:

- the development of the 10-year National Preventive Health Strategy
- Federal Government’s Smart Cities Plan (2016)
- National Mental Health Workforce Strategy Taskforce
- the National Physical Activity Strategy – (COAG agenda item)
- Independent Sport Panel, The Future of Sport in Australia, 2009 (The Crawford Report)
- the development of a National Obesity Strategy
- 2030 National Sports Plan (Sport 2030)
- Productivity Commission, Shifting the Dial: 5-Year Productivity Report – 3 August 2017
- Intergenerational Review of Australian Sport 2017, the Boston Consulting Group,
- CSIRO, The Future of Australian Sport - Megatrends shaping the sports sector over the coming decades, April 2013.

This is the context for a national call to arms to turn the tide on the role of sport in Australia and capitalise on the opportunity that the Sports Industry presents.

To achieve this, not only does the role of sport need to be recognised more broadly across government, but the way in which sport is supported and funded needs to be fundamentally rethought. The elements that make up the Sports Industry, participation, high performance and major events, can no longer be supported in isolation. National Sports Organisations (NSOs) can no longer retrofit their business models to fit an outdated funding model.

If Australia is serious about delivering the vision of *Sport 2030*: to be one of the most active nations in the world, known for integrity and sporting excellence, have a world-class high-performance system and create an environment where elite athletes are a positive influence on the community, then the nation must understand what is required to deliver and take action to implement it.

This Submission details how the Sports Industry contributes to long term economic growth and the ‘3Ps’ driving long term economic growth (namely Population, Participation in the workforce and Productivity) and makes a clear case for future investment.

This is not the first time issues have been raised regarding support for the Sports Industry (see Appendix C), however, reviews and recommendations provided to government (State/Territory and Federal) over the past decade have yet to deliver the step change in support required to turn the tide for Sport and achieve government objectives. Despite the lack of policy coordination and the lack of priority accorded to the importance of the Sports Industry, the statistics tell a clear picture that there remains a significant opportunity to derive value and growth from the industry.

The AOC, CGA and the Member Sports believe that to achieve this change, a strategic partnership is required between the Sports Industry and Federal Government across diverse portfolio areas including: Sport, Education and Youth, and Health; as well as so-called non-traditional portfolios such as: Indigenous Australians, Foreign Affairs, Infrastructure and Regional Development, Urban Infrastructure and Cities, Industry, Science and Technology and Migrant Services and Multicultural Affairs.

This Submission includes the following:

Section 2: in the context of the Government's '3Ps' for GDP growth, this Section addresses the key intergenerational challenges likely to influence Australia over the next decade, as well as the need for a greater role for the Sports Industry in delivering a plan to achieve a healthier, happier, more productive and inclusive nation.

Section 3: details the opportunity supporting the Sports Industry represents for Australian communities, in terms of health, economic, jobs and productivity benefits from increasing participation in sport, improving high performance outcomes and the role of major sporting events.

Section 4: details the investment case for the Sports Industry and provides the supporting evidence to the barriers currently preventing the industry from delivering broader government objectives.

Section 5: provides the path forward for Government and the Sports Industry, mapping out an entirely new blueprint for how government should invest in sport.

The Sports Industry must be recognised as a virtuous circle, in which the objectives of each element (defined from here as the '4Ps' - participate, perform, promote and provide) are inherently interconnected requiring support and resources to enable the broader industry to maximise outcomes and deliver the strategic priorities of *Sport 2030* and intergenerational challenges facing Australia for the next 40 years.

The AOC and CGA engaged EY to support with the delivery of this Submission, in addition to representative members through working groups and relevant stakeholders through a consultation process (Refer Appendix B). We would like to thank these representatives for their time and input.

2. The role of the Sports Industry in addressing intergenerational challenges inhibiting growth

Australian communities are facing a myriad of challenges that are negatively impacting their capacity to support long term real GDP growth. Population growth expectations have softened as a result of the pandemic, participation in the workforce and productivity will be impacted by these population challenges, but also social, health and education outcomes, which are putting communities under pressure.

COVID-19 has further exacerbated the challenge of driving long term economic growth and maintaining the government bottom line, with communities needing further support to live with and recover from, the social and economic impacts of the pandemic.

Over the past 20 years, intergenerational reports have constructed projections for real GDP growth around the '3P's':

- **Population:** referring to population aged 15 and over;
- **Participation:** referring to number people participating in the workforce and the hours worked; and
- **Productivity:** referring to the average output produced per hour worked.

The Sports Industry, however, has never been considered in the context of its support for long term economic growth and the '3P's'.

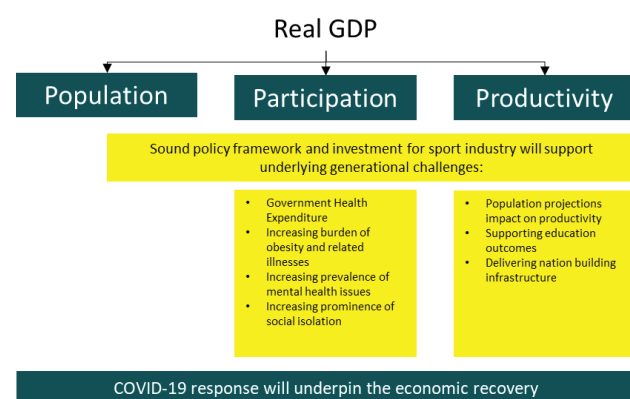
The AOC and CGA consider this lack of consideration to be counterintuitive to the achievement of the strategic priorities identified in *Sport 2030*.

The Sports Industry can and should be engaged by government to contribute to the delivery of effective responses to the underlying generational challenges that will be impacting Australia and the '3P's' over next 40 years. Decisions made today impact on the future we want tomorrow. This is the context for this submission and ultimately a greater role for the Sports Industry in shaping Australia's future for the better.

The Sports Industry represents much more than just medals, it has the capacity to drive a new path forward for Australia and its communities. What is missing is an understanding of this opportunity and the leadership to harness the collective resources from a whole-of-government perspective through cross agency collaboration.

Building a collective understanding of this opportunity will set the path towards completely revolutionising the way in which government engages with the Sports Industry. At the same time, it will provide government with a broader set of policy response options in addressing underlying intergenerational challenges.

Included in this section is an overview of key intergeneration challenges likely to face Australia over the next decade, aligned to the '3P's' and highlighting the role of the Sports Industry in addressing each one of these challenges.



2.1 Population

The unprecedented circumstances faced by Australia, and the world at large, in 2020 has prompted a drastic change in population projections in the near term. Australia's population of 25.4 million people (30 June 2019) is expected to grow at a rate of just 0.2 per cent in 2020-21, and 0.4 per cent in 2021-22; a significant fall when compared to the past decade's average annual rate of 1.6 per cent.

The shift, primarily due to the decline in net overseas migration is, however, expected to be only a short-term effect, with the growth rate projected to rise to 1.3 per cent by 2023-24. The post pandemic growth forecasts are equivalent to those expected in the absence of COVID-19. This will not compensate for the slower near term growth, leading to a 2031 population that is 4 per cent smaller (1.1 million fewer people) than it would have been without the pandemic, that being 28.8 million people.

The Australian population is ageing, with the proportion of people aged over 65 increasing and expected to be 20 per cent of the population by 2031. This trend has been exacerbated by the pandemic, with the median age at 2030-31 expected to be higher than pre-COVID-19 estimates.

Just over two thirds of Australia's population live in capital cities, with this share expected to continue to increase over the next decade.

While the Sports Industry cannot directly impact population factors, the flow on effects of softening in population growth combined with an ageing population will mean the other pillars of economic growth, participation and productivity, will need further support. The Sports Industry can be one of the key drivers delivering better outcomes for these intergenerational challenges.

2.2 Participation in the workforce

Delivering and supporting a healthy population is imperative to driving long term growth. The 2015 IGR makes the following statement:

“As Australians live longer and do so in better health, more Australians will continue to lead an active lifestyle and participate in the workforce after they reach traditional retirement age.”

Since 2015, the statistics are clear: fewer Australian's are leading active lifestyles. This is coupled with an obesity crisis, increasing burden of mental health and communities feeling more socially isolated.

Combine these health outcomes with a government health budget that continues to increase and the challenge to deliver a healthy nation that can participate in the workforce over the long term is clear.

2.2.1 Government health expenditure

In 2018-19, \$80.6 billion was spent on healthcare by the Federal Government.⁶ As stated in the 2015 intergenerational Government Review, Australian Government health expenditure is projected to increase from 4.2 per cent of GDP in 2014-15 to 5.5 per cent of GDP in 2054-55 under the 'proposed policy' scenario. This would result in a doubling of health spending per person from around \$2,800 to around \$6,500. State government expenditure is also expected to be significantly higher.

Total health expenditure from all sources has been rising, with a 3.5 per cent average yearly growth rate over the decade to 2018-19.⁷ Australia spends 9.3% of GDP on health, slightly higher than the OECD average, and is projected to spend 13% by 2030.⁸

The need for increasing levels of healthcare expenditure in Australia highlights the burden being placed on the system and calls into question whether more could be done in the way of prevention. Preventative health and sport initiatives see only a small proportion of this expenditure.

The development of a 10-year National Preventative Health Strategy is set to be completed by March 2021, providing an important platform to consider the role of prevention in the future of Australia's health system.

There are three critical health and wellbeing elements where the Sports Industry can support a path to an improved future:

1. Increasing burden of obesity and related illnesses;
2. Increasing prevalence of mental health issues; and
3. Increasing prominence of social isolation.

2.2.2 Increasing burden of obesity and related illnesses

There is an obesity epidemic in Australia. Two thirds of the adult population and 1 in 4 children are overweight or obese,⁹ with Australia ranking in the top third of OECD nations.¹⁰

The problem is intensifying, with 18 million Australians, or more than 3 in 4 people, projected to be overweight or obese by 2030.¹¹ The severity is also rising,¹² with obesity now causing more extreme health impacts and higher costs to society.

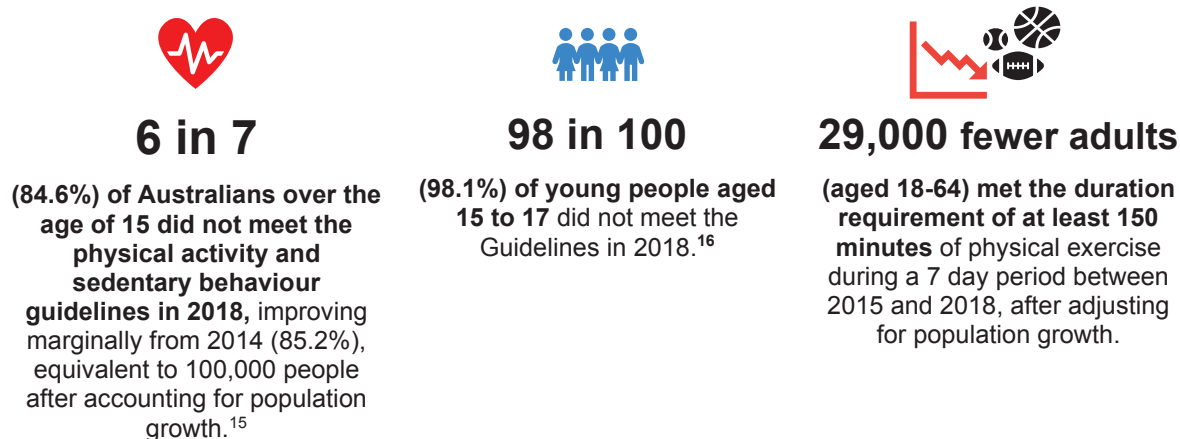
The cost of obesity in Australia is immense. For 2017-18, it was estimated to be \$11.8 billion,¹³ with a forecast \$87.7 billion in additional costs over the 10 years from 2015-16 to 2024-25 expected if no further action is taken.¹⁴

There are a multitude of factors that cause obesity, which means a holistic response is required to counter the trend. In an attempt to curb the obesity crisis, the government has implemented a number of initiatives, including the Live Lighter and “2+5 a day” mass education campaigns, and the “Health Star Rating” labelling system.

The Queensland Department of Health is leading the development of a 10-year national obesity strategy on behalf of the former Council of Australian Governments (COAG) Health Council in an attempt to achieve a more coordinated and multi-disciplinary response to the crisis.

Physical activity is one of the leading prevention strategies to combat obesity and physical activity levels in Australia are at crisis point.

According to the most recent data available from the ABS 2015 and 2018 National Health Surveys:



In comparison, the AusPlay data estimates 2 in 3 (65.2%) people over 15 years of age did not meet the physical activity guidelines.¹⁷

To put the above statistics into context, according to a global study of young people (aged 11 to 17), Australia ranked 141st out of 146 countries assessing physical activity levels against the World Health Organisation's (WHO) targets.¹⁸ This is not an enviable outcome. Improvement is essential.

Countries with lower physical activity levels included: South Korea, Philippines, Cambodia, Sudan and Timor-Leste. Declining rates of physical education in schools, including a decline in specialised physical education teachers was a key challenge identified by NSOs and Sport Australia.¹⁹

The National Obesity Strategy Consultation Report noted that common barriers for undertaking physical activity relate to accessibility, cost, safety, and prejudice. Participants highlighted the importance of having inclusive environments with accessible facilities and programs for people of all abilities to take part in. 88% of respondents across all groups indicated that making participation in sport and recreation more convenient and affordable would be a very, or extremely, helpful strategy for addressing overweight and obesity.

Increasing physical activity has been identified as one of six focus areas to boost preventative action in the first years of the National Preventive Health Strategy.

Role of the Sports Industry in addressing obesity and related illness challenges

Increasing physical activity via sport is directly linked with reducing the prevalence and severity of obesity and other health issues. Using sport as a key strategy to improve physical activity is supported by evidence and recognised as one of seven best investments for physical activity.²⁰

Physical inactivity is a major contributing factor to the development of non-communicable diseases, including diabetes, bowel cancer, dementia, coronary heart disease and stroke.²¹ A recent study by AIHW indicated that physical inactivity contributed 2.6% of the total disease burden in 2011, increasing to 9% when combined with the burden resulting from people being overweight and obese.²²

Consistent with health guidance, if Australia is to reap the benefits of activity, the nation requires more people regularly being active at least 150 minutes per week. If those at risk achieved this level of activity, 26% of the future disease burden could be avoided.²³

The AOC, CGA and their Member Sports recognise that given the challenges presented by declining physical activity levels in Australia, governments will need to rely on all elements of the sport and recreation sector to drive activity.

Organised sport, however, is uniquely placed to support a response because it provides a focal point that encourages and supports participants of all ages to remain consistently active during all life stages. Sport both increases the likelihood of meeting guidelines and continuing them long term. This is because physical activity is as much a by-product of sports as it is the focus. Sport at the participation level provides a fun and rewarding activity for people to get involved in.

The AOC, CGA and the 9 million Australians who participate in their Member Sports provide a unique opportunity to enact change at the national level. If effectively supported, these sports can operate as coherent and aligned delivery units to support national implementation, either through strategic oversight or product implementation.

2.2.3 Increasing prevalence of mental health issues

1 in 5 Australians aged 16-85 experience a mental health disorder in any given year, and almost half of the population will endure a mental disorder in their lifetime.²⁴ Suicide was the leading cause of death for Australians aged 15 to 44 from 2016 to 2018.²⁵

It is estimated that mental ill health costs the economy almost \$60 billion per year, with absenteeism and presenteeism being a significant symptom for sufferers.²⁶

In response, the Australian Government is developing a National Mental Health Workforce Strategy to ensure the demand for mental health services can be met into the future, adding to the work undertaken under the National Mental Health Plan. \$5.7 billion has been set aside for spending on mental health in the 2020-21 federal budget.²⁷

COVID-19 has further increased the prevalence of people struggling with mental health issues in Australian communities. Nationally, there has been a 15% increase in the number of Medicare-subsidised mental health services delivered from mid-March to late-September 2020.²⁸ Crisis support services have reported significant increases in demand, with contacts to Lifeline, Kids Helpline and Beyond Blue increasing by between 14.3% and 21.3% in September 2020, relative to the same time in 2019.²⁹ In the context of addressing intergenerational challenges, however, this increased expenditure is targeted to meet acute need, not preventative causes.

2.2.4 Increasing prominence of social isolation

More needs to be done to address the increasing prominence of social isolation in Australia. The Scanlon-Monash Index of Social Cohesion fell from its base level of 100 in 2007 to 89.6 in 2019³⁰, demonstrating a deterioration in indicators for communities' sense of belonging, sense of worth, views on social justice and equity and acceptance/rejection.

Social isolation and loneliness are considered significant health and wellbeing issues in Australia. 1 in 10 Australians aged 15 and over report a lack of social support,³¹ while roughly 1 in 4 reported current episodes of loneliness in 2018.³² It is estimated that social exclusion costs the Australian economy \$45 billion annually and affects 6.7 million people.³³ Inclusive Australia say the impact of social exclusion cannot be overstated.

A focus on facilitating and enabling social cohesion is particularly critical given the diversity of Australia's population. Nearly half of all Australians were either born overseas or have a parent/parents that were born overseas in 2016.³⁴ Similarly, migration is the largest driver of population growth, accounting for around 60% of national growth in the last decade.³⁵

Federal, State, Territory and local governments are providing varying levels of funding to address these issues, with support programs becoming more common as awareness of loneliness and social isolation as significant public health issues increases.

The 2020-21 federal budget allocated \$62.8 million over five years to fund programs that aim to improve social cohesion.³⁶ This builds on the \$71 million social cohesion package announced in 2019,³⁷ which included \$19.6 million to support Australian sport play its role in promoting social inclusion ('Implementing Sport 2030'). A national coalition, *Ending Loneliness Together*, has been formed to gather evidence and mobilise knowledge of further practical strategies.

Role of the Sports Industry in Mental Health and Social Isolation generational challenges:

Sport can be an effective mitigator of mental health issues, providing a focal point for the community, a place for people from different generations, cultural backgrounds and genders to congregate and socialise and be active with a common purpose.

Further to the physical health effects, evidence indicates an association between regular physical activity and reductions in stress, anxiety and depression across child and adult populations.³⁸ Moderate amounts of exercise have also been shown to slow or potentially even reverse the onset of dementia.³⁹ The link between psychological wellbeing and the prevention and management of cardiovascular and other chronic diseases should also be noted.⁴⁰

Participation in organised team sports in particular is associated with improved health outcomes compared to individual activities due to the social nature of the participation.⁴¹ Studies analysing participation in sport by children and adolescents identified a range of different psychological and social health benefits, including:⁴²

- improved self-esteem;
- lower social isolation;
- fewer depressive symptoms; and
- lower social anxiety.

Beyond participation, sport is one of the leading industries for volunteers, providing an opportunity for people to give back to the community and reap the rewards that this entails. It is estimated that over 2 million people volunteer in sports, with an estimated economic value to Australia of more than \$3 billion.

Volunteering is associated with improved social connections and becoming more physically and mentally active. Some people associate their volunteering with a reduction in stress and anxiety.⁴³

2.3 Productivity

Productivity is about working more efficiently or producing more or better quality goods and services with the same level of resources.

The Sports Industry can be a catalyst for improving economic productivity through healthier populations, improving education outcomes and the liveability of communities. The simple truism is – a healthier nation is a smarter nation is a more productive nation.

Each of these elements are discussed in more detail below.

2.3.1 Population projections impact on productivity

As discussed above, the immediate term impact of the COVID-19 pandemic on net migration will result in Australia having a smaller population than pre-COVID 19 estimates. The pandemic has also skewed the population demographic with an increase in the median age.

Australia has historically relied at least in part on net migration to support long term economic growth and productivity. As a result, there is likely to be a strain on economic productivity caused by a reduction in net skilled migration. This will be coupled with a greater proportion of people aged over 65, increasing the burden on the economy to support this group during retirement and reducing the workforce available to drive growth and productivity of those workers.

The obesity and mental health crises are further straining productivity. People experiencing poor health are both less likely to be employed and work shorter hours and tend to be less productive when they are employed.⁴⁴ The Productivity Review emphasised the need for healthier Australians, and in particular, the use of preventative measures, to boost productivity in Australia.

2.3.2 Supporting education outcomes

Education attainment through life stages is a critical element to supporting a productivity within a workforce.

The Federal Government has set ambitious educational targets, including for Australia to be ranked in the top five highest performing countries globally.⁴⁵ Australia's latest performance against OECD countries, however, suggests that the system is not yet close to achieving these goals.

The Programme for International Student Assessment (PISA) places Australia lower than 23 countries in mathematics, lower than 12 in science, and lower than 10 in reading literacy.⁴⁶ Just 54 to 59 per cent of students are attaining the National Proficient Standard across these key categories. Results are also declining, with mean performance deteriorating under all three indicators since 2000.⁴⁷

In an effort to improve education outcomes, the COAG has established the *National School Reform Agreement* (for 2019-2023), which outlines a set of strategic educational reforms, builds on current reform efforts and supports local implementation in order to address the challenges faced by the system.

The role of the Sports Industry in improving economic productivity and education outcomes:

Increasing participation and physical activity can significantly increase productivity both through improved health and education outcomes and economic growth through expenditure on related activities.

A fitter, more active nation improves productivity by increasing employee engagement and reducing the number of absences. At current levels of activity, it is estimated that sport contributes \$8 billion towards Australia's economy annually in productivity benefit. Given the current levels of inactivity in the population, there remains a significant productivity upside that the Sports Industry could help deliver.

Children who play sport demonstrate improved cognitive development, are more attentive at school, and achieve superior academic results.⁴⁸ Further to this, children who play sport stay at school longer.⁴⁹ From an economic perspective, given the important life skills that children gain by participating in sport, there is a high correlation between playing sport regularly as a child and higher lifetime earnings. It is estimated that the education benefits resulting from sport are worth \$5 billion annually.⁵⁰

Professor Dick Telford from the University of Canberra Research Institute for Sport & Exercise has undertaken a significant body research analysing the positive relationship between physical education, sport participation, and improved physical and mental health, and education outcomes.⁵¹

2.3.3 Delivering nation building infrastructure

The timely delivery of community infrastructure is critical in delivery of productive and liveable cities. Around two thirds of Australia's population live in capital cities, with this share expected to continue to increase over the next decade.⁵²

Infrastructure Australia's Planning Liveable Cities Reform Series Paper (2018)⁵³ highlighted that:

- Infrastructure delivery is struggling to keep pace with rapid population growth in our major cities;
- Sector-led planning can lead to un-coordinated outcomes for communities;
- Communities are increasingly disappointed by their experience of growth; and
- Governments and industry lack a shared understanding of the capacity of different infrastructure networks.

Currently, the complete array of benefits stemming from infrastructure investment is not being realised due to a fragmented approach to prioritisation and delivery.

The eight City Deals agreed by government to date seek to avoid national and state policies and programs being delivered in siloes by different departments, and instead ensure collaboration among governments and key stakeholders to implement unified strategies that truly address a city's priorities.

Investing in infrastructure and urban design that promotes healthy lifestyles was identified in the National Obesity Strategy Consultation Report as a key element of the strategy for the fight against obesity and specifically highlighted by the AOC in its submission for the development of a National Obesity Strategy.

The role of the Sports Industry in delivering community building infrastructure:

Sports Industry infrastructure includes grass roots facilities used for participation right through to world leading high performance and major event facilities.

Australia boasts some of the world's best major events facilities, including the Melbourne and Olympic Park (VIC), Suncorp Stadium & Queensland Country Bank Stadium (QLD), ANZ Stadium (NSW) and Optus Stadium (WA) that enable us to deliver a world leading major sporting events calendar. In addition, the capacity to deliver a high quality international event such as the Gold Coast Commonwealth Games in 2018 is a clear reflection of this competitive advantage when we get infrastructure investment right, as well as being an accelerating factor for transport infrastructure, public spaces, and residential development.

At a grass roots level, sporting infrastructure can provide a foundation from which to build prosperous communities, improving the liveability of Australian cities and regions, connecting people from different backgrounds around common objectives, supporting employment and the economy.

Community sport infrastructure can be much more than just a place to play sport, these facilities are critical infrastructure for the broader community.

These facilities provide spaces for a broad range of events, celebrations and meetings. Community sport infrastructure also supports greater amenity within local communities, enhances connectedness and community pride, and provides safe spaces for responses to disaster and security threats.⁵⁴

The current value of community infrastructure is estimated to be at least \$16.2 billion.⁵⁵ As discussed in Section 3, there remains significant opportunity to enhance this value given a current gap in the provision of community infrastructure.

2.4 Delivering COVID-19 pandemic recovery

The impact of COVID-19 on the nation's communities has been significant, both in terms of exacerbating existing issues and by fundamentally changing the social dynamic within which communities exist.

Restrictions on movement to control the virus mean many more people have experienced social isolation and sedentary lifestyles. The long-term impacts of these experiences on the population are unknown. Providing outlets for people to re-engage in the community will be critical to recovery.

The challenge for the nation is not only how to ensure people feel safe returning to social situations and physical activity, but also how we continue to grow physical activity in an environment of ongoing uncertainty in the months and years ahead. Forming healthy habits within communities takes much longer to establish than they do to break.

While jobs across industries have recovered to 90% of pre-COVID levels, the remaining 10% and beyond will likely be more difficult, particularly when considering ongoing uncertainty around things like the return of international tourism and major events.

The role of the Sports Industry in delivering the COVID-19 pandemic recovery:

Sport is a multi-layered industry that can play a key role in supporting communities during COVID-19 recovery:

- People can get active through participation in sport
- Sporting clubs provide an opportunity for social interaction
- The industry is a major employer, pre-COVID-19 employing over 220,000 people.⁵⁶
- Major sporting events provide a platform to drive economic outcomes

Like many industries, the Sports Industry has been decimated because of the restrictions required to combat COVID-19. A study of community sports conducted by the Australian Sports Foundation found that 93% of all clubs surveyed had suffered monetary losses since the onset of the pandemic and 80% forecast ongoing reductions in core revenue streams, leading to one in four respondents citing organisational insolvency as a major concern; this equates to over 16,000 community sports clubs being at risk of closure. These financial pressures are further exacerbated by a decline in volunteers, with up to 43% of sports clubs projecting a fall in volunteering.

With the right recovery support, sport can deliver significant health, wellbeing and job opportunities for communities. Sport Australia's analysis of the financial impact of COVID-19 on NSO / NSODs found:⁵⁷

- The negative financial impact of COVID-19 on Sports' non-HP operations means that the majority have minimal ability to absorb any further unforeseen financial shocks.
- Sports are anticipating significant reduction in non-HP Revenue streams

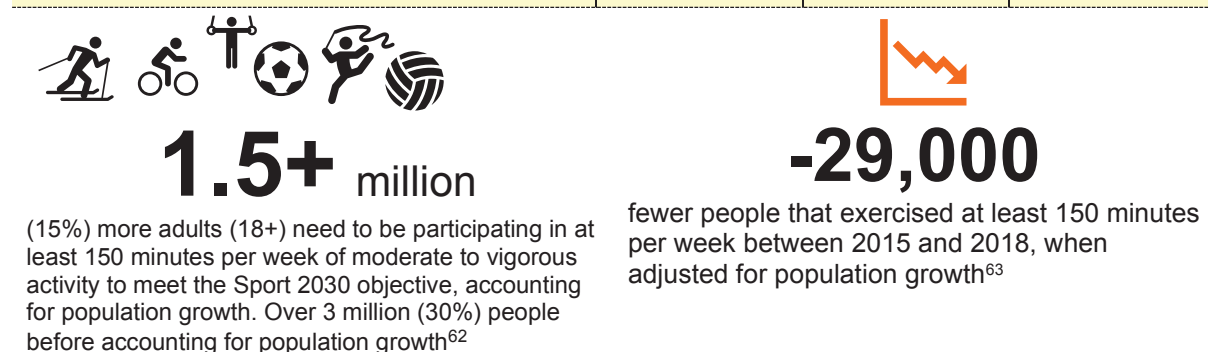
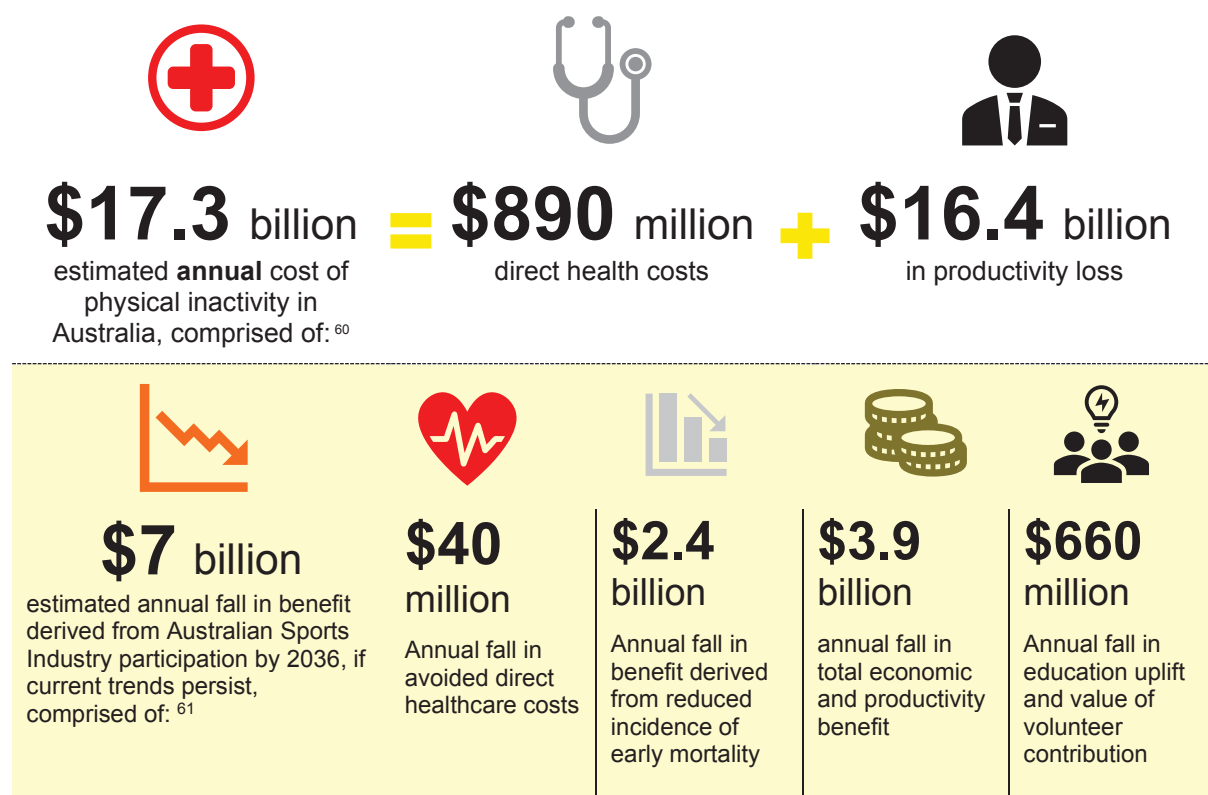
International sporting events through their contribution to tourism can play a significant role in Australia's post-COVID recovery. Sporting events, venues and facilities are estimated to be worth \$4bn, employing just under 14,000 people.⁵⁸

3. Why should the Government reform its current investment in the Sports Industry?

For every dollar invested in the Sports Industry, the Sports Industry generates \$7 of economic benefit to Australia through avoided healthcare costs, reduced early mortality, increase economic activity & productivity, improved education outcomes and volunteer contributions.⁵⁹

The cost of physical inactivity in Australia is significant, experienced directly by the health system in treating people with related illnesses, our communities through social distress and within the economy through significant productivity loss.

The past decade has demonstrated that Australian communities need more support to avoid these preventable outcomes and realise the benefits that the sports industry can deliver in addressing broader health, social and economic challenges.



4. What is occurring in the Sports Industry and how does this negatively impact the Government's policy agenda?

Australia is experiencing a transition away from organised sport and the high-performance system has incurred 5 cycles of declining results across major international sporting events. These trends significantly inhibit the Sports Industry from playing its critical role in addressing the key intergenerational challenges faced by the nation.

The barriers faced by sports in turning the tide on participation and high performance outcomes are systemic and require both strategically informed decision making and investment to resolve. This is the ongoing reality of the sporting industry and the context for a national call to arms to turn the tide on the future of sport in Australia.

4.1 Shift away from participation in organised sport

A lack of resources and support has meant that the Member Sports have struggled to compete with alternate options for people's time. To maintain relevance, sports need to be able to innovate and deliver high quality, affordable programs in convenient facilities. People need to be aware of their sport, either through trying it at school, access to their local club or seeing elite athletes delivering on the national and international stage.

As demonstrated by Figure 1, the past 5 years has seen a shift away from organised sport toward non-sport recreation activities, including: walking, Pilates and Fitness/Gym.

According to AusPlay, after accounting for population growth, participation in non-sport recreation activities grew by approximately 800,000 people between 2016 and 2020. In comparison, participation in Member Sports grew by only 159,000 over the same period.⁶⁴

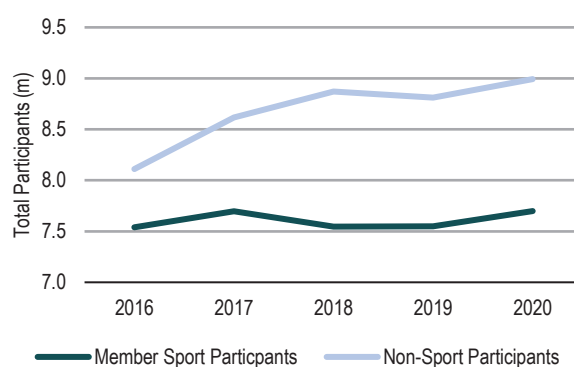
On a gender basis, there is also a trend of more males than females participating in organised sport (across both adults and children).⁶⁵

This shift towards the use of non-sport recreation activities should not be confused with delivering a more active nation. In the context of physical activity levels, Australia's effort to increase participation in non-sport recreation activities has not translated into a more active nation.

As discussed previously, on a national, population adjusted basis, according to the ABS National Health Survey 29,000 fewer people met the recommended exercise level of at least 150 minutes per week in the past 5 years.

The shift away from organised sport and the decline in exercise means there remains a significant gap between where Australia is and where it needs to get to deliver the health, wellbeing, economic and community benefits associated with sport and physical activity.

Figure 1 – Shift away from organised sport in Australia



4.1.1 Why is the shift away from participation in organised sport important?

The AOC and CGA and their Member Sports recognise that participation is the foundation from which the Sports Industry can achieve its objectives. Participation, including the infrastructure, systems and processes utilised, provide the basis from which to deliver physical activity, social and community benefits, as well as the talent pool for future athletes, spectators and/or volunteers.

Undoubtably participation in any recreational activity is better than none. A strong Sports Industry, however, presents an opportunity to contribute towards resolving structural economic development, social and health challenges being faced by the nation. Key differences between sport and other recreational activities include:

- Organised sport motivates consistent participation, supporting growth in physical activity levels.
- Children who play organised Olympic Sport outside of school do so more often than those who play non-Olympic sport or who participate in non-sport related physical activity.⁶⁶
- Sport can be an effective mitigator of mental health issues, organised team sports are associated with improved health outcomes compared to individual activities due to the social nature of the participation.⁶⁷
- Organised sport provides a focal point for the community, a place for people from different generations, cultural backgrounds and genders to congregate and socialise with a common purpose.
- Sport provides a diverse performance pathway for potential athletes to compete at a local, state, national and international level.
- Organised sport provides an opportunity for people to give back to the community through volunteering their time, providing an essential avenue for social connection for those that may not be able, or do not have the desire, to physically participate.
- Sport and physical activity programs can contribute towards reducing crime and anti-social behaviour. Studies suggest that sport and physical activity can reduce crime by providing accessible, appropriate activities in a supportive social context.⁶⁸ In 2008, it was estimated that crime costs Australian society \$36 billion annually.⁶⁹
- Sport has also been identified as a contributing factor in women's career progression. A recent study of women in executive positions found that 74% attributed their sporting backgrounds as having contributed to their career success.⁷⁰
- The 49 Member Sports represented by AOC and CGA present a broad range of sporting offerings and therefore have the ability to cater for the diversity of the Australian population and enable more people to participate in physical activity. In comparison, walking and fitness / gym represent 80% of non-sport participants. Diversity is critical to improving long term physical activity trends.

"Participants from Aboriginal and Torres Strait Islander communities, in both urban and remote settings, said local sport and physical activity can build connections and trust among community members, and reduce social isolation" – National Obesity Strategy Consultation Report

4.1.2 Barriers preventing the Sports Industry from growing participation

Investment and strategic support are required to alleviate key barriers to attracting new participants, including the affordability, time commitment and accessibility of sport.

The focus of *Sport 2030* is getting new participants active. The challenge of transitioning a person who is currently not active or insufficiently active to regular physical activity is significant, particularly given these groups are more likely to be of lower socioeconomic status or from diverse backgrounds.

Almost half of the NSOs surveyed were of the view that the *Sport 2030* activity targets will not be achieved under the current funding arrangements.

The AOC, CGA, Member Sports and government must work collaboratively to deliver the initiatives required to rectify this and maximise the potential benefit to communities and the economy.

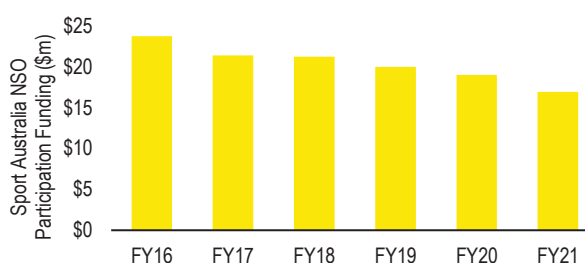
Through consultation and the survey of Member Sports, the following systemic barriers to growing participation were identified:

1. Resources to deliver and innovate;
2. System alignment;
3. Facility access; and
4. Awareness.

Resources to deliver and innovate

82% of Member Sports surveyed indicated that insufficient resources and funding was a key barrier to growing participation. This is reflected in a decline of Sport Australia's base funding provided directly to NSOs over the past 6 years for participation activities.

Figure 2 – NSO Participation Sport Australia Base Funding⁷¹



Beyond NSOs' base funding, Sport Australia has provided close to \$130 million in participation funding in FY19, including \$72 million in community sport infrastructure (of a total \$102 million), \$27 million in sporting schools grants and \$11 million in Better Ageing grants.

The current participation funding model presents a number of challenges for delivering participation growth in the sector:

1. Federal Funding support is not directly linked to what is actually required by sports to deliver participation growth targets.
2. Broader sport participation funding is often provided directly to schools, clubs and other sporting bodies, with limited involvement of the NSO / NSOD. It is therefore not possible to determine strategic alignment with the broader needs of a particular sport. While efficient to deliver, the use of grant funding in isolation is a bottom up mechanism to a problem that requires top down strategic oversight to ensure limited resources are maximised.
3. There is no strategic alignment between funding provided by local, State/Territory and the Federal Governments for participation. This limits the Sport Industry's capacity to leverage the available funding to maximise beneficial outcomes for communities.

Appropriately resourced sports, including the Australian Football League, are able to consistently provide a better product compared to less resourced sports.

While some sports have achieved success under the current funding arrangements in providing new playing formats to different markets, industry consultations and the NSO survey results highlighted that more needs to be done to support sports to engage with a community that is living more sedentary and busy lifestyles. Resource constraints leading to poor delivery of sporting products reduces the likelihood people will continue participating.

The diverse nature of the Australian population means that a broad range of sporting offerings are critical in encouraging the necessary physical activity levels to be met.

This is strongly backed by NSOs, with 91% of those surveyed agreeing that funds should be invested in a diverse range of sports.

System alignment

The Sports Industry reflects Australia's federated political structure and comprises a range of organisations at local, state or territory and national level.

While there will inevitably be a level of complexity associated with delivering activities within a federated system, there remains an

NSOs rated the fragmented system as a top constraint to addressing issues with participation rates.

opportunity to further clarify roles and responsibilities and enhance incentive mechanisms that promote improved governance and better collaboration between all levels to drive outcomes.

A lack of clarity and alignment of responsibilities is resulting in inefficiencies and duplication and increasing the cost of innovation and delivery. Accordingly, return on investment is not being optimised across the Sports Industry.

For example, in 2015, a total of \$1.7 billion was spent on sport related infrastructure and participation programs across the three levels of government, including Federal (\$209 million), State (\$605 million) and Local government (\$904 million).⁷² It is very difficult for this investment to alleviate the barriers to participation without strategic alignment highlighting the importance of leadership, innovation and co-design between government and the entire Sports Industry in constructing and delivering a whole-of-society approach.

With better clarity on responsibilities and the adoption of a strategic approach to allocation, funding provided by the three tiers of government could be better coordinated to maximise its impact.

Facility access

The majority of organised sport requires some form of facility to deliver.

Access to facilities and the availability of appropriate infrastructure is a key barrier to participation in sport at the individual level, and also inhibits NSOs' ability to offer products at scale and/or make improvements to their sports offerings in an attempt to address participation barriers.

74% of NSOs surveyed indicated that access to facilities was a key barrier to people participating in their sport.

The Community Sport Infrastructure programme provided 680 sports organisations with grants of up to \$500,000, totalling \$102 million in funding. It is reported that over 2,000 requests for funding were received, totalling \$396 million. Through this mechanism alone, there is a potential \$300 million gap in community infrastructure.

Participants in the National Obesity Strategy Consultation process noted that making physical activity a more convenient and affordable option could only be achieved if investment in infrastructure is involved. Facility access includes both dedicated sport and recreation facilities in addition to green space that can be utilised for sporting activities. According to industry consultations, sport is rarely involved in urban planning and the development process for green space.

Ensuring Sport forms part of future City Deals will be critical to addressing facility shortages.

"There are many more players, young and old, who would like to play [our sport] but are unable due to lack of availability of courts and equipment. [Our sport] suffers from a lack of dedicated facilities across the country and is always compromised by the demands of other sports with which it shares venues"
– surveyed NSO

Awareness

Awareness and inspiration are critical elements to building participation in a sport. Two important elements that support awareness include access to sport during development and high performance success.

Australia's elite success at international events provides the platform for athletes to promote sport and inspire the next generation. The AOC is currently providing a platform for this with its very successful Olympics Unleashed program which runs in five states/territories reaching over 164,000 students and providing exposure to over 240 elite athletes – but more needs to be done. A continued decline in high performance success is eroding the potential for athletes to support growth in the participation base of their sport. There is significant potential for schools to integrate more sport into the school curriculum and upskill teachers to incorporate physical literacy within their classes. This increased awareness and understanding of the importance of physical activity, supported by development of basic movement skills, can lead to higher levels of participation outside of, and post, school.

Sporting Schools

Significant investment in the Sporting Schools initiative has occurred on the premise that the provision of regular, high-quality and diverse sports programs in schools would lead to greater participation in community sporting programs and competitions. However, a recent review into the Sporting Schools Program (SSP) identified numerous opportunities to improve the program. The Evaluation recommended that the objectives of the SSP are reviewed, validated and/or altered to ensure they are appropriate. While the program is reported to be increasing participation in sport during school hours, the Evaluation suggests:

- Some schools are using SSP as a substitute for school-delivered PE, which may undermine the increased participation the program is purportedly achieving
- There is limited evidence to suggest that children's participation in SSP is leading to participation in organised sport outside of school hours
- The flexibility provided by the program to allow schools to book sports means the emphasis placed on the program and the capacity to realise its benefits is highly dependent on individual schools' culture and prioritisation of sport within the curriculum.

4.2 Declining elite success at international competitions

Though Australia has a proud and substantial history in the domain of high performance sport, there has been a notable decline in high performance success of Australian athletes since the Sydney 2000 Olympics. This decline results in a foregone opportunity to both inspire participation and build national pride.

The decline in Australia's international performance is occurring in the context of an increasingly competitive environment that is driven by:

1. **More investment in sport and improved capability of traditional competitors**, enabling them to achieve their desired outcomes at the expense of Australia where investment is growing at a much slower pace. The likes of Germany, Japan, Netherlands, New Zealand, China and the UK have aggressively bolstered investment in sport programs and technology, resulting in more mature industries and improved pathways for talent.
2. **Loss of Australian IP and performance staff to other nations**. Emerging competitors are poaching Australian expertise to establish leading practice systems.
3. **A higher number of competitors**, specifically the rise of developing nations. Economic growth in developing countries is enabling them to invest in sport and develop their local Sports Industry to become competitive on the international stage.

Australia's declining performance at Summer Olympics and Paralympics and Commonwealth Games is illustrated in the Figures on the following page. In respect of Olympic and Paralympic Games, these graphs show both a decline in total medals and in gold medals over time.

Winter Olympics results have been more positive from a total medal count perspective, increasing from 1 in 1994 to 3 in 2018. The number of gold medals and gold medallists on the other hand have decreased, with Australia not winning a gold medal at a Winter Olympics since 2010.

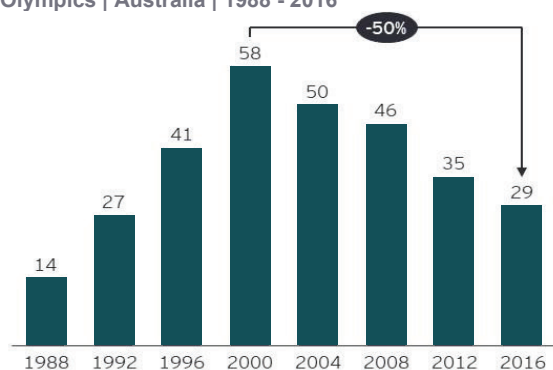
Commonwealth Games results – the case for a concerted effort to reverse declining trends in high performance

The Commonwealth Games has always provided an opportunity for Australian elite and emerging athletes to represent Australia on the international stage. Given the smaller magnitude of the Commonwealth Games and that in some instances the opposition can be less competitive than in the Olympics, they are, for many sports, a valuable pathway for an athlete's development.

Australia has a great record in leading Commonwealth Games medal tallies over the years, but Delhi 2010 and Glasgow 2014 saw a significant decline in podium positions. In Glasgow 2014, England finished ahead of Australia in the overall medals and gold medal counts for the first time.

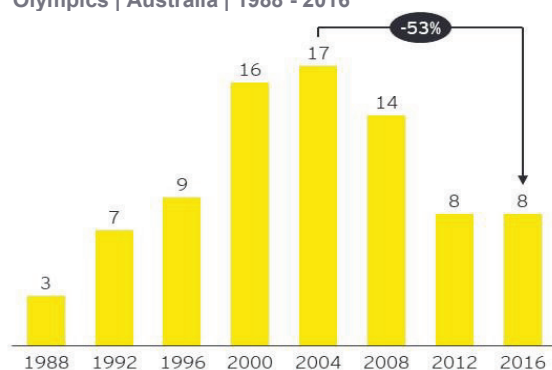
Australia reversed this result in the Gold Coast 2018 Commonwealth Games with a concerted effort by Commonwealth Games Australia and the AIS to resource athletes and support staff, which was combined with the backing of a 'loud and proud' home crowd. The athletes and crowds were also aware of the inspiring and internationally recognised Games initiatives of equal medals for women and men (a first in major games), full integration of para sports and the first ever Reconciliation Plan for a major sporting event.

Figure 3 – Number of total medals won per Summer Olympics | Australia | 1988 - 2016



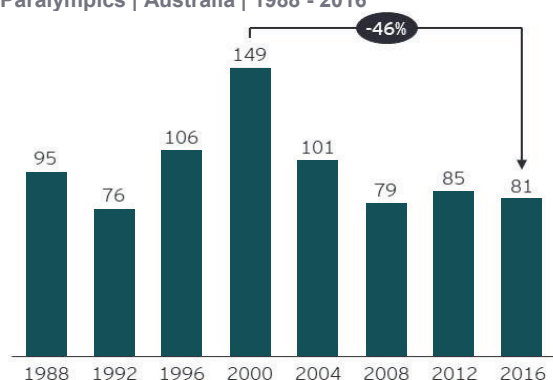
Source: AIS

Figure 4 – Number of gold medals won per Summer Olympics | Australia | 1988 - 2016



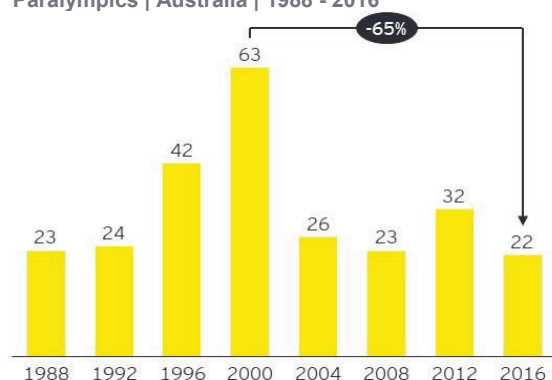
Source: AIS

Figure 5 – Number of total medals won per Summer Paralympics | Australia | 1988 - 2016



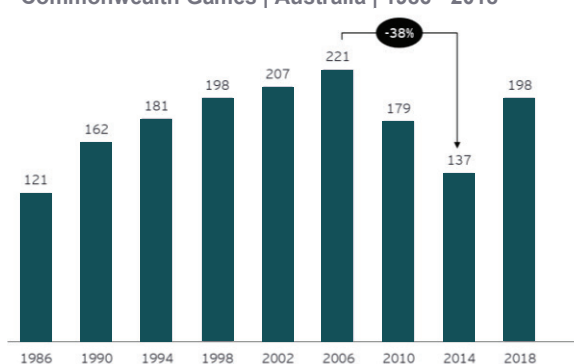
Source: AIS

Figure 6 – Number of gold medals won per Summer Paralympics | Australia | 1988 - 2016



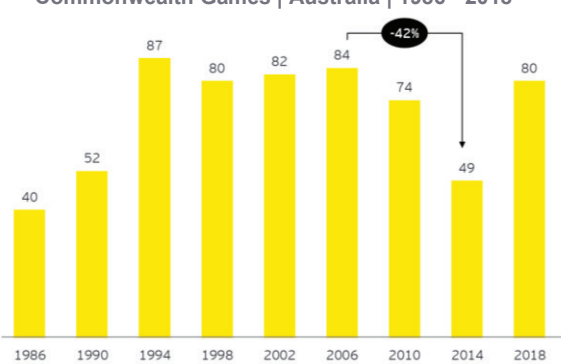
Source: AIS

Figure 7 – Number of total medals won per Commonwealth Games | Australia | 1986 - 2018



Source: CGA Annual Report 2019

Figure 8 – Number of gold medals won per Commonwealth Games | Australia | 1986 - 2018



Source: CGA Annual Report 2019

4.2.1 Why success in high performance is important

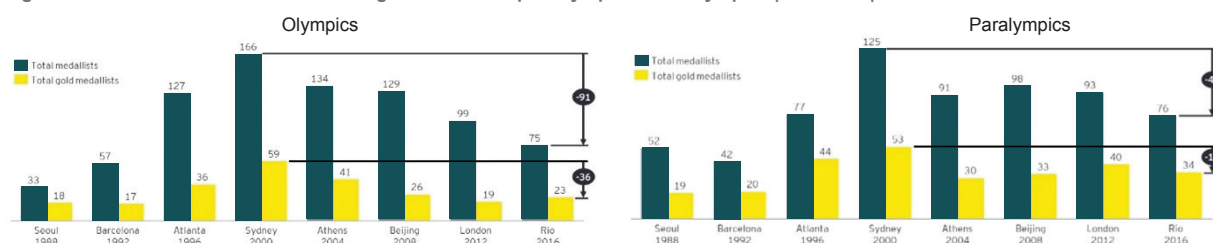
Successful Australian athletes motivate upcoming generations to increase physical activity and consider a career in sport. 72% of Australian adults say Olympic, Paralympic and Commonwealth Games athletes can inspire them, more so than for other Australian national athletes and teams.⁷³ Presence of medallists in the community also increases the focus on better health and wellbeing. Declining medal counts have inherently resulted in fewer Australian medallists being able to play these critical roles.

Elite sporting success supports a 'virtuous circle of sport' in which elite success provides a platform to inspire the nation and build a sense of national pride, driving participation and increasing the talent pool.⁷⁴ The increased talent pool improves the opportunity to deliver elite success, completing the circle. Failure to win on the international stage erodes this opportunity and breaks the circle.

The steady decline in individual medallists, as illustrated in Figure 9, represents a barrier to generating the outcome of the virtuous circle, including participation related outcomes from high performance investments.



Figure 9 – Number of total medallists and gold medallists per Olympics & Paralympics | Australia | 1988 - 2016



Source: AIS

Case Study: Cathy Freeman – the gold medal that inspired a generation

Cathy Freeman left a lasting legacy through her achievements at the Sydney Olympic Games in 2000, and the Australian community has much more than a gold medal to show for her amazing feat. Cathy Freeman won Australia's first athletics Olympic gold medal in 12 years in the 400m on home soil at the Sydney 2000 Olympic Games in front of a record olympic crowd of 112,524 spectators. Becoming the first indigenous athlete to win gold in track and field at the Olympics.

Cathy's legacy inspired a generation of athletes and her legacy continues to this day through positive community impact and social good:

- Indigenous NBA star, Patty Mills, spoke of Freeman's influence on his life and career, and how ever since her Olympic gold he was inspired to "be like Cathy Freeman."
- Indigenous female soccer player Kyah Simon said her dreams of success as an aboriginal woman "began watching that 2000 Olympics."
- Sally Pearson, London 2012 Gold Medallist, describes the moment she saw Cathy win Gold as a 12 year old and thought "I want that as well...how do I train to be the best athlete in the world?"

Case Study: British Cycling

Memberships of British Cycling exploded from 20,000 in 2006 to 130,000 in 2017 as British Cycling used the increased profile of Wiggins, Hoy and Victoria Pendleton to drive the growth of the sport. British Cycling leveraged its riders to inspire more people to get involved with cycling through participation, attendance at events, watching on TV or engaging online. In addition, British Cycling has used its elite athletes such as Sir Chris Hoy to lobby government for increased funding in transport infrastructure. Nurturing talent at grassroots and the elite level are critical to sustaining British Cycling as a world leading cycling nation.

4.2.2 Barriers to the Sports Industry delivering high performance success

Only 42% of NSOs believed Australia's high performance system was on track to be world leading practice and therefore enable them to deliver the high performance expectations aligned to *Sport 2030* and corresponding benefits. Key barriers identified by NSOs that continue to prevent them from improving high performance outcomes include:

1. Funding certainty;
2. Quality of human resources;
3. Sporting events pipeline;
4. Supporting athletes;
5. Infrastructure and facilities; and
6. Talent identification and development.

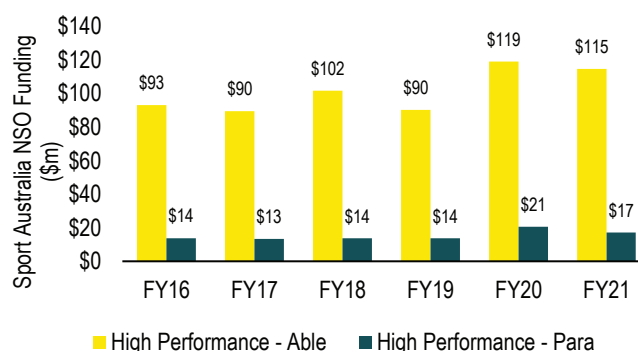
Funding certainty

The Australian Sports Commission, through Sports Australia and the AIS, provide funding to NSOs for high performance.

Based on the funding data available, the following observations are made in relation to NSO/NSOD high performance funding:

- NSO total high performance funding has increased from \$107 million in FY16 to \$132 million in FY21. All of this increase can be accounted for between FY19 to FY20. This FY19-20 rise in funding is predominately due to one off high performance measures aimed at meeting the objectives of *Sport 2030* and Tokyo medal aspirations.
- 37 sports will be provided high performance (able) and 14 sports high performance (para) funding in FY21.
- NSOs total HP funding changed on average by 13% each year from FY16 to FY21.
- On average, high performance funding (able) for 7 sports decreased by more than 15% annually. This is likely to be the reason for the perception of a funding decline, even though the total pool has been increasing.
- Current base funding allocation provides NSOs 7 times more funding for high performance sport when compared to participation.

Figure 10 – Sport Australia NSO funding (\$m) for high performance, participation and other initiatives FY16-FY21 (FY20\$)



Based on the NSO survey, Sport Australia funding represents on average 45% of their total revenue. NSOs have historically found it difficult to attract considerable non-government revenue from alternate streams and hence heavily rely on government funds for the operation and sustainability of their sports.

Funding, both in terms of the quantum and certainty, is the foundation on which a high performance system is based. To win, in the context of peak international competitions, the athlete and the system that supports them must operate at the peak of their capability for multiple Olympic cycles.

While Australia has provided significant support to the high performance system, there remains further opportunities to maximise this investment and help achieve the targets set out in *Sport 2030*:

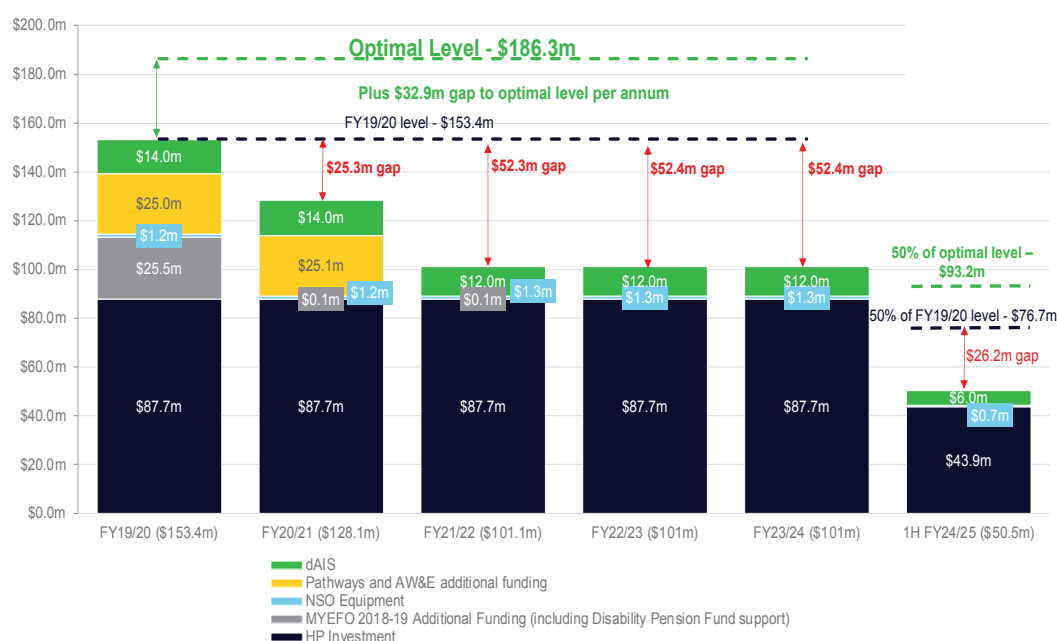
- ▶ **Short term funding cycles preclude adequate planning** – annual funding inhibits NSOs' ability to prepare four-year budgets aligned to Olympic, Paralympic and Commonwealth Games cycles and leads to difficulty in engaging and retaining staff and coaches (talent attraction/retention). 94% of NSOs surveyed indicated that funding uncertainty negatively impacted their high performance program.
- ▶ **Disconnect between ambition and funding** – Australia has an ambition to be amongst the world's elite across a diversity of sports, however there is a missing link between this ambition and an understanding of what it will cost to deliver it.

- **Significant variance in the quantum of funding provided year-on-year** – the inconsistency in funding across each year creates uncertainty and risk for NSOs, and further inhibits their ability to undertake adequate planning.
- **Perceived lack of transparency** – There is a perceived lack of transparency and logic in the way funding is allocated between sports, including sport categorisation. There are opportunities for greater collaboration to deliver commensurate funding arrangements, based on sports' individual needs and aspirations.
- **Administrative burden** – the bidding process for contestable funding is onerous, and there are drastic consequences on capacity to deliver core sports programs for NSOs that are unsuccessful in securing the full amount requested. Given that this process occurs on an annual basis, significant resources and funds are expended for the bidding process alone.
- **Picking winners** – the current funding model tries to “picks winners” by either never funding sports or defunding sports based on a lean Olympic cycle or two. This ignores the fact that Tier 2 or 3 sports materially contribute to health outcomes and broader benefits of sport. It also does not recognise that sports which are successful at Commonwealth Games level have the potential to be future contributors to Olympic medal performances. Without a base level of funding that facilitates sound planning, execution and performance, these sports will never be able to recover. Under the current model, there would be no gold and silver in Taekwondo as there was at the Sydney 2000 Olympics and no modern pentathlon gold as there was in Rio 2016 Olympics, breaking the existence the virtuous cycle within these sports.

Detailed analysis performed by AIS management indicates that an additional \$32.9m per annum, or \$314m over four years from 2020-21, of HP funding to sports, above current 2019-20 levels is required (assuming the new \$27.1m per year funding for Pathways and Athlete Wellbeing and \$25.3m to maintain the current level of HP investment to 2018-19 and 2019-20 levels are maintained). Maintaining high performance funding at current levels of \$153.4m for the long term is seen as critical by the Australian Sports Commission in order to preserve sustainable delivery of high performance initiatives and funding to NSOs, however is not a sufficient level of funding to deliver more medals across more sports. Details can be seen in the Figure 11 below.

The Australian Government invests substantial funding in sport however a large portion of this is committed independently of the ASC, for example funding for large sports clubs and infrastructure. These investments are in aggregate much larger than the annual base appropriation of the ASC which is used to support sports who often operate on a breakeven basis and depend heavily on Government funding.

Figure 11 – AIS high performance funding profile | \$m | 2020 – 2025



Source: AIS

Quality of human resources

Australian IP and performance staff are being lost to international competitors. This is occurring with both emerging competitors who are poaching Australian expertise to establish leading practice systems, and traditional competitors who are continuing their strong investment in podium success.

Investment in coaching personnel was the most commonly identified aspect of NSOs' high performance programs that requires additional investment - i.e. investment in this area would provide the greatest impact on athlete results.

As talent is lost, particularly high quality coaches, the need to upskill domestic resources increases and performance at major events suffers. With Australia's levels of high performance funding sitting well outside of the top 10 internationally and growing at a slower pace, these issues are likely to persist as coaches, sports scientists and administrators seek better opportunities and higher salaries overseas.

Sporting events pipeline

High quality competition experience is critical in the development of athletes if they are to deliver at pinnacle events. When compared to European competitors, access to quality local competitions for developing podium potential athletes is a competitive disadvantage.

Sports, particularly second and third tier, are neither resourced or supported to attract and retain a competition pipeline that provides their athletes with the event exposure that will maximise their potential for success.

Supporting athletes

Given the intense nature of many athletes' lifestyles and the array of sacrifices that must be made, issues such as mental ill health, stress and feelings of isolation commonly arise. Further to this, many athletes have to face the pressures associated with working multiple jobs as the salary in their sport is not adequate or invest time in preparing for a career after sport.

At current levels of funding, combined with short term funding cycles, the Australian high performance system is not sufficiently resourced to provide the support that many athletes need to maintain their health and wellbeing and to succeed on the international stage. NSOs identified direct athlete support as one of the top three aspects of the high performance system requiring additional investment if Australia is to remain an elite sporting nation.

There has been some improvement in athlete support over the past number of years, including the Sport Australia dAIS scheme, which provides an opportunity for athletes in Olympic, Paralympic and Commonwealth Games sports to apply for direct cash grants. In FY19, the AIS provided \$13.99m via this scheme to 791 athletes.⁷⁵

High performance infrastructure and facilities

79% of NSOs agreed that there is a major gap between the current availability and quality of high-performance infrastructure and what is needed to achieve the desired high-performance outcomes, and a major inequity in infrastructure funding skewed towards the major professional sports.

Consultations also highlighted that there is a perceived disproportionate interest from government in infrastructure development for professional sports. Major professional sports have been significant beneficiaries of State and Federal Government funding through investment in stadia and centres of excellence. This has helped underpin their mass entertainment appeal and significantly grow commercial revenue streams, dramatically improving their competitive advantage. This disproportionate level of support significantly compromises the ability of the majority of Olympic and Commonwealth Games sports to compete for participants, talent and commercial partners. Ultimately this does not serve the interests of the nation in that the sport participation pathway is artificially narrowed and the diversity of opportunity to participate reduced. In addition, a lack of strategic decision making with respect to high-performance in the context of infrastructure development was raised, manifesting in facilities being developed without consideration for Olympic, Paralympic and Commonwealth Games sports high performance needs or the potential value of multi-sport facilities

Talent identification and development

The heightened competitive pressures are compounded by Australia's participation and physical activity challenges. A shift away from organised sport and growing levels of obesity inevitably results in a smaller talent pool to draw upon for high performance representation. Inadequate funding for many sports to build the pathway through participation further inhibits high performance outcomes.

Industry consultations confirmed that many of the existing high performance issues stem from a lack of quality in the underpinning pathway. Inadequate funding for sports to build the pathway through participation is a key barrier to achieving high performance outcomes.

4.3 The benefits of major sporting events are not being fully realised

Australia's proud sporting reputation has created opportunities to host major events including two Olympic Games, one Paralympic Games, five Commonwealth Games and numerous world cups/championships across a variety of sports. It has allowed local athletes to compete in and win various championships and world cups, inspiring the next generation of athletes and participants, and building a sense of national pride.

In recent years, international recognition of the value of major events has resulted in a significant increase in the cost of winning and delivering events. To sustain the quality of Australia's events calendar, event bodies have needed to focus their resources to ensure they continue to win the right to host events. There is comparably very little funding available to leverage the broader benefits of events during, and following, delivery.

Major sporting events, which are primarily funded via tourism budgets, justify their investment based on the tourism related economic impact that events can deliver states and territories. The opportunity that major events present to support participation growth, social inclusion and legacy infrastructure is not a key focus of event investment.

NSOs and government event bodies recognise their focus is narrow in the context of the opportunity major sporting events present for Australia. Given sporting events are not consistently supported by departments outside of tourism, however, the resources needed to leverage these events to ensure they deliver broader benefits are not available.

4.3.1 Why maximising the events calendar is important?

With the International Olympic Committee (IOC) announcing that Queensland is now the preferred city for the 2032 Olympic and Paralympic Games, the next decade presents a unique opportunity for Australia to pave the way for a "green and gold runway" to the successful delivery of the hallmark international sporting event.

This 10-year runway already includes international sporting events: the FIBA Women's Basketball World Cup; FIFA Women's Football World Cup; the UCI Road World Championships and the UCI BMX World Championships. Add the high probability of a Rugby World Cup and Netball World Cup in 2027, several World Para Championships and potential Commonwealth Games bid for 2026, then this decade presents Australia with a unique opportunity.

This "green and gold runway" of international sporting events is a platform for so much more than the significant economic and tourism boom the sporting events will deliver and can deliver 'generational' change through a strategic whole-of-government collaboration across multiple portfolios.

Beyond Australia's borders, major sporting events provide a platform in diplomacy matters. Australia recognised this potential value in *Sport Diplomacy 2030*, with a key focus of the plan being to "promote Australia as a host of choice for major international sporting events and ensure that we leverage the wider economic opportunities".⁷⁶

Australia has a well-established historical standing as a host of major sporting events and high performer in sport. A strong reputation along with a relatively mature Sports Industry in comparison to peers presents unique opportunities for Australia both in international sport and in international relations.

There are inherent benefits delivered when hosting major sporting events. Research suggests, however, that these benefits are maximised by investing to leverage the opportunity they present.

For example, delivering broader benefits was a focus of the Queensland Government and Commonwealth Games organising committee in 2018, with post-event analysis of the games recognising the following key economic and social impact:⁷⁷

- venue and infrastructure development;

- precinct improvements around key venues;
- improved skills and opportunities for business;
- international competition for Australian athletes;
- increased tourism and event attraction;
- reconciliation with Aboriginal and Torres Strait Island communities;
- community celebrations; and
- grass roots participation growth.

4.3.2 Barriers to realising the broader benefits of major sporting events

Australia does not have a unified national approach to guide the identification and targeting of, and bid process for, opportunities to host major events. The lead role is often taken on by NSOs or State/Territory Governments by default.

On average, 18% of the surveyed NSOs' pre-COVID expenditure went towards event attraction and delivery. Federal and State/Territory Governments are already spending heavily on major events. For example, the Victorian State Government allocated a baseline figure of \$62m annually to their Major Events Fund from 2016-17 to 2019-20,⁷⁸ which has risen to \$100m annually for the four years from 2020-21.⁷⁹ This does not include investment in the Grand Prix, which has added a further \$56.5m-\$61.7m annually over the last five years. Similarly, Destination NSW committed funding of around \$360m to major events from 2014-15 to 2018-19.⁸⁰

Given the immensely competitive international landscape for event bids, and the high cost of both bidding and delivery, resources are not always available to leverage the broader participation, economic, social and legacy benefits that events can generate.

NSOs expressed the following key barriers to maximising the benefits of Australia's sporting events calendar:

- ▶ Lack of strategic coordination between sport and key departments of both federal and state and territory governments;
- ▶ Broader benefits of sport are not a key focus of decision making; and
- ▶ Event investment does not provide scope to leverage the broader benefits.

"Event delivery for most NSO is [an] all hands on deck activity and stretches limited resources"
– surveyed NSO

Other barriers also noted by NSOs include a disproportionate focus on and investment in professional sports that have greater resources and capacity, and a lack of consideration for the international reach of sports when considering event opportunities (when compared to domestic sports).

Many of the barriers identified relate to the current tourism-centric view of events and associated funding in Australia.

The potential return on this investment spans well beyond tourism and specific linkages with relevant domestic public priorities should form an inherent part of all events investment decisions.

The scale of the current and proposed national and international sporting events pipeline represents the significant potential legacy opportunity for sport event investment. The detailed events pipeline in Appendix G provides just a snapshot of the Australian event pipeline, comprising 61 pre-bid phase events and 73 confirmed events across 32 of the 49 AOC and CGA Member Sports.

5. How can the Government more fully capture the potential economic benefits of the Sports Industry to address current intergenerational challenges?

The Sport Industry requires an entirely new blueprint for government funding reflecting the industry's role in shaping the future of our nation and driving long term economic and social prosperity.

Key recommendations

Recommendation 1: Develop an appropriately funded Implementation Plan for Sport 2030 to enable the Sports Industry to deliver the Plan's objectives and contribute to intergenerational challenges.

Recommendation 2: Redefine the NSO Sport Investment Framework and increase investment so sports can develop their capability and capacity to deliver Sport 2030 and their own business outcomes in participation, perform, promote and provide.

Recommendation 3: Develop and fund a nation-wide strategic approach to uplifting major events to ensure the broader benefits are maximised.

Recommendation 4: Include the Sports Industry as part of current and future public policy development activities to reflect the broader value of sport in delivering government objectives.

Critical to this new blueprint is a need to break down the silos of sport, connect the Sports Industry across government departments and use sport as a mechanism to turn the tide on underlying generational challenges which the nation must address.

To deliver this, Government must recognise the inherent interconnections present in the Sports Industry and ensure policy initiatives support the industry to alleviate the barriers that have prevented it from delivering outcomes through improving capacity, capability and efficiency.

Government investment currently occurs in silos, either through participation, high performance or major events funding.

The Sports Industry must be recognised as a virtuous circle, in which its contribution in addressing the intergenerational challenges that impact on GDP growth and the quality of life of all Australians is defined in a sports specific set of '3Ps' (defined from here as the '4Ps' - participate, perform, promote and provide).

These objectives do not exist in isolation and are inherently interconnected requiring support and resources to enable the broader industry to maximise outcomes and deliver the strategic priorities of *Sport 2030* and the intergenerational challenges facing the nation over the next 40 years.

The benefit maximising position for the Sports Industry and the nation is a combination of investment in each of the elements so that they complement each other, for example:

- **Participation** to across life stages delivers the health, social, economic and productivity benefits.
- **Perform** refers to elite performances at events which provide a platform to build a sense of national pride, but also inspire further **participation** and increase the talent pool for future athletes.
- Major events **promote** athletes, and the nation, and provide the opportunity for legacy investments to drive **participation**.

Given the broad spectrum of benefits associated with participation and involvement in sport, the industry is uniquely placed to provide support across all of these challenges. The historical failure of sport to be specifically considered in this intergenerational context has meant that it has not been able to attract the support required to implement the changes needed to maximise outcomes.

Similar to the recommendations of the National Obesity Strategy Consultation Report, there is a need for a whole-of-government, coordinated approach to Sport that has engagement from all sectors.

The COVID-19 recovery and the array of ways in which sport can contribute to these efforts, means now is an opportune time for the broader role of sport to be recognised. This new blueprint is represented graphically on the following page, highlighting its alignment with *Sport 2030* and '3Ps' framing the key intergenerational challenges of Population, Participation in the workforce and Productivity

Blueprint for Sport Industry Investment



The sport industry must be recognised as a continuum, in which objectives of each element (participate, perform, promote and provide) are inherently interconnected and require support and resources to enable the broader industry to maximise outcomes and deliver the Sport 2030 Missions.

Participation across life stages delivers the health, social, economic and productivity benefits. **Elite performances** provide a platform to build a sense of national pride, but also inspire further **participation** and increase the talent pool for future athletes. Major events **promote** athletes and the nation, and provide the opportunity for legacy investments to drive **participation**.

Investment in sport should therefore enable and incentivise sports to deliver the broader objectives of each element that ultimately align with Sport 2030 Missions.



Participate across life stages

- Participation** in sport means supporting people to participate regularly in sport across all life stages with the following objectives:
- Supporting long term physical activity of at least 150 minutes per week
 - Increase in new participants that were previously not active or insufficiently active
 - Supporting basic movement skills and early engagement in sport
 - Providing an environment that encourages people, including those from diverse backgrounds, to get and remain active and build social connection
 - Increasing volunteerism
 - Building the talent pool of future elite athletes (perform)

Perform

- Perform** means supporting elite success of Australian athletes in the international arena (Olympic, Paralympic and Commonwealth Games) to achieve the following objectives:
- Inspire the nation to drive long term **participation across life stages**
 - build a sense of national pride
 - provide diplomatic opportunities
- High performance includes the process of developing talent across the system, availability and quality of facilities and infrastructure, collaboration and partnerships with Universities and support for organisations, direct support for representative athletes both during and after their competitive careers.

Promote

- Promote** means maximising the opportunity and benefit of Australia hosting sporting events through strategic investment that delivers long lasting legacies from Australia's world leading events calendar. Maximising the events pipeline should deliver the following objectives:
- Providing a platform for elite athletes to **perform**, inspire the nation and drive long term **participation across life stages**
 - Driving economic impact and broader social benefits
 - Providing legacy investment opportunities in infrastructure and programs to drive **participation across life stages**
 - Providing diplomatic opportunities

Provide

Provide means to ensure that sports have a base level of funding from which to operate and drive outcomes across the continuum, be it **participate, perform and/or promote**.

5.1 Recommendations

Recommendation 1: Develop an appropriately funded Implementation Plan for Sport 2030 to enable the Sports Industry to deliver the Plan's objectives and contribute to intergenerational challenges.

Investment requirement:

Implementation Plan Development: Minimal

Additional Sport Program: Refer Recommendation 2

Infrastructure: to be confirmed based on infrastructure audit

Sport 2030 has set ambitious targets for sport to deliver over the next decade. The Plan provides very little detail, however, as to what is required for effective implementation, including no clear designation of who/what agency/ies are responsible for delivering the articulated strategic goals. The Plan also disappointingly provides no detail as to the quantum of investment required to achieve its stated goals. In this context, therefore, the goals specified in *Sport 2030* can at best be described as aspirational. It is in effect a Plan without means.

Based on stakeholder consultations, the value of the Plan is recognised in theory, however, consistent with reviews before it, until the path to implementation is clearly understood and appropriately funded, creating the step change needed to achieve its objectives is unlikely.

To achieve the missions of *Sport 2030*, the Federal Government will need to develop, deliver and fund an implementation plan that addresses the key barriers preventing sports achieving their objectives. Key considerations for this Plan against each of the barriers are detailed in the tables below:

Participation

Consideration that should support the delivery of Recommendation 1:

Resources to deliver and innovate:

- Re-baseline the level of funds available for participation programs to achieve the ambitious targets outlined in *Sport 2030*, including reviewing grant programs funded through ongoing measures (refer to Recommendation 2).
- How can the Sports Industry be further supported and incentivised to drive systemic improvements in capability and capacity of resources to deliver participation outcomes?

System alignment:

- How can further clarity on the roles and responsibilities of key organisations required to implement be achieved? This will be critical in building momentum and incentivising broader system implementation beyond the activities of government.
- What opportunities to improve the linkage between investment exist, including local government, state and territory government, and federal government? How can they be exploited?

Facility access:

- A national infrastructure audit is required to understand the current capacity of physical infrastructure to support participation growth in line with targets, including the quality, operator and proximity of this infrastructure.
- What future state physical infrastructure and facilities requirements are needed to deliver participation goals, including a plan to close the gap?
- The audit and gap analysis should be combined with a holistic implementation plan to maximise the return on investment and address the systemic barrier to growing participation caused by access to facilities and infrastructure is needed.
- What is the best approach to address infrastructure gaps identified to maximise return on investment (i.e. shared multi-use facilities)?

Awareness:

How can greater awareness of the participation benefits of sports to individuals, delivered through key policy actions? For example:

-
- Can the Sports Industry increase engagement of school children in sport, by including sport and physical education as a formal part of the school curriculum?
 - How can the Sports Industry maximise the opportunities of improved outcomes in high performance sport and further opportunities to showcase Australia's elite athletes at events?
 - How can the sports industry increase female participation in organised sport.
-

High Performance

Consideration that should support the delivery of Recommendation 1:

Funding certainty:

- Provide funding for sports over rolling a four-year Olympic and Commonwealth Games cycles. Unless funding is aligned to four-year Olympic and Commonwealth Games cycles, NSOs will struggle to make strategic long-term performance decisions required to improve elite results (refer to recommendation 2).
 - Re-baseline the level of funds available for high performance programs to achieve the ambitious targets outlined in *Sport 2030*, including reviewing grant programs funded through ongoing measures.
 - How can decisions on how high performance funding is allocated to NSOs be more transparent, defensible, and aligned to performance?
-

Quality of human resources

- How can the Sports Industry retain and develop the resources required to deliver high performance outcomes, including coaches?
 - How can the Sports Industry manage competitive advantage of larger commercial sports to ensure a diverse range of sports maintain high quality resources?
-

Sporting events pipeline

- How can sports be further supported to deliver event pipelines that enhances the impact of high performance investment and likelihood of elite success?
-

Supporting athletes

- How can athletes be better supported through their high performance journey, maximising their opportunity to succeed both on and off the field, and give back to the community?
-

Infrastructure and facilities:

- Consistent with participation infrastructure, develop a holistic implementation plan to maximise the return on investment and address the systemic barrier to improving high performance outcomes caused by access to facilities and infrastructure.
 - How can sports be further supported and incentivised to utilise current facilities and where required invest in multi-use facilities that support participation and high performance?
-

Talent identification and development

- How can we ensure the pipeline of future athletes is identified and developed from a strong participation base?
 - How can the Sports Industry improve the attractiveness of a diversity of sports to future athletes?
-

Recommendation 2: Redefine the NSO Sport Investment Framework and increase investment so sports can develop their capability and capacity to deliver Sport 2030 and their own business outcomes in participation, perform, promote and provide.

Investment requirement:

- *Participation – An increase in annual direct grants for Sports participation growth business*
- *Perform - An increase in annual grant allocations directly for Sports performance business*
- *Promote – To be determined based on desired extent of benefit realisation*
- *Provide – Base level funding to deliver sport operations to be confirmed.*

The Sport Industry requires a funding framework that recognises the inherent interconnections existing within the industry and supports it to alleviate barriers that have prevented it from delivering outcomes through improving capacity, capability and efficiency.

The AOC and CGA recognise that the Sports Industry's failure to receive required funding has at least in part reflected a failure to communicate the value proposition across government. The establishment of a new funding model should consider the following:

- Value for money and the benefits of Sports Industry investment will be maximised if each element of the Sports Industry virtuous circle is supported.
- Industry investment should incentivise sports to deliver broad objectives, regardless of the focus of investment.
 - For example, investment in **Perform** (high performance) should be linked at least in part to **Participation** outcomes, including increasing female participation. Similarly, investment in **Participation** should be linked to Perform (e.g. talent identification, pathway and conversation from in school to out of school participation).
- Clear outcome based metrics should be established, including improving data capture so the industry can establish and communicate its impact and value. This should include aligning the AusPlay survey with activity level objectives (by sport), social benefits, volunteering etc.
- Investment should be provided on a longer term basis and at a minimum aligned to 4 year Olympic and Commonwealth Games cycles, to enable strategic investment decisions.
- A key principle of the Framework should be the need to support a diversity of sporting opportunities to ensure the industry reflects the diverse Australian community.
- Sports Industry funding should reflect the individual business cases of Member Sports, which in turn should communicate their capacity to support the objectives of the industry and funding required to deliver across each element of the continuum.
- Given finite resources, investment decision will inevitably need to be made. These decisions should be made transparently and consider relative contribution to the overall health of the Sports Industry. It will be critical that these decisions reflect the fact that the Sports Industry is not homogenous and the imperative for a diversity of sports within the industry, so as to manage the trend towards larger commercialised sports.

Recommendation 3: *Develop and fund a national strategic initiative for major sporting events to ensure benefits and legacy are maximised.*

Investment requirement: To be determined based on desired extent of benefit realisation

With additional strategic co-ordination between sporting event organisers and (across) Government(s), Australia has an opportunity to uplift the nation's sporting events calendar to maximise the participation, economic, social and legacy benefits it presents. To date, the ad hoc, bottom up approach to selecting and hosting events has meant the return on investment has not been maximised, and has led to an inherent bias towards larger sports who have the scale and know-how to attract event funding.

To achieve this event legacy benefit, Australia requires:

- Federal leadership around who needs to drive, and be the owner of, the strategic coordination of events, and who is accountable for the outcomes.
- The establishment of a national approach to major sporting events, noting the inherent challenges arising from the competitive nature of State/Territory event bodies.
- An understanding of the cost of leveraging the broader benefits of major events and achieving the desired objectives.
- The necessary funding to leverage the nation's sporting events calendar.

Recommendation 4: Include the Sports Industry as part of current and future formal policy development activities to reflect the broader value of sport in delivering government objectives. Include Sports Industry in the development of key government policies / strategies, including (but not limited to):

- the National Physical Activity Strategy (COAG agenda item)
- the National Obesity Strategy
- Australia's 10-year National Preventive Health Strategy
- Federal Government's Portfolio for Women
- Federal Government's Smart Cities Plans
- National Mental Health Workforce Strategy Taskforce

Investment requirement: **Minimal**

The positive outcomes that a step change in sport participation, maximising the legacy benefits of major events and improving elite success at international competitions can deliver government departments are summarised below.

Department	Outcomes delivered by sport if systemic barriers are resolved
Health	Improved population-wide physical health outcomes through sport's role as a preventative health measure, reducing the burden of disease and leading to a better quality of life for all Australians.
	Reduction in the prevalence of mental ill health.
	More connected communities as a result of organised sport and major events, mitigating issues with social isolation and creating a more integrated society.
Education, Skills and Employment	Improved education outcomes for school children through early and consistent involvement in sport.
	Significant employment through the Sports Industry, and economic and social value derived from an expansive volunteer base.
Portfolio for Women	Greater emphasis on equity issues and boosting female participation in organised sport at both participant and high-performance levels,
Infrastructure, Transport, Regional Development and Communications	Improved liveability of Australian cities and regions and healthier communities through access to sports facilities and infrastructure that enables active living.
Foreign Affairs and Trade	Significant benefits for tourism through the extensive line up of events delivered across the 49 AOC and CGA sports, in addition to lasting broader economic, social and legacy benefits.
	An effective avenue for advancing national interests and cultivating cross-border partnerships through sports diplomacy.
Treasury	Significant cost savings through a reduced need for health expenditure; particularly valuable given the existing strain on the system that was exacerbated by COVID-19.
	Productivity gains, leading to better national economic performance and the array of individual level benefits linked to increased productivity.

5.2 Deliver future focused investment roadmap

Detailed on the following page is a high-level roadmap for the next decade detailing the strategic planning, policy and investment activities required to deliver the opportunity that the Sports Industry presents Australia.

Clarity on what the Sports Industry needs to deliver the objectives of *Sport 2030* and a new framework for funding will provide the foundation for strategic decisions and investment required to alleviate the systemic barriers that have prevented sports from delivering.

Sport 2030 and the initiatives that are currently supporting its implementation do not have Australia on a trajectory to being one of the most active nations in the world, have a world-class high-performance system and create an environment where elite athletes are a positive influence on the community.

The next decade presents a unique opportunity for Australia pave the way for a “green and gold runway” to the successful delivery the Queensland 2032 Olympics and Paralympic Games.

If Australia is to implement *Sport 2030* and benefit from the “green and gold runway”, there is a need to re-baseline NSO and NSODs funding to ensure the industry can deliver a step change in outcomes.

Sport Powering Australia's Future (10+10) Roadmap

Strategic planning and review activities

Investment activities

Rec. 1: Develop an Implementation Plan for Sport 2030

- What is required to implement the Plan, who is responsible for delivering and how much investment is required
- Undertake an Infrastructure Audit (participation / HP)

Rec. 2: Redefine the Sport Investment Framework

- *Recognise the sport industry as a continuum; participate, perform, promote and provide*
- Invest in sports to enable and incentivise delivery of the broader objectives of each element and achievement of Sport 2030 Missions
- Support sports to address systemic barriers to achieving outcomes across the sport continuum

Rec. 3: Implement national leadership model for major events

- The establishment of a national approach to major sporting events, noting the inherent challenges arising from the competitive nature of state event bodies

Rec. 4: Recognise the benefits of sport to government

- Understand sport in the context of intergenerational challenges
- Formally include representation of sport in key policies and strategies, including the preventative health and physical activity strategies

Periodically assess the outcomes of program and infrastructure investment against objectives of Sport 2030:

- Ensure AusPlay data provides KPIs
- Is on track to meet objectives?
- Is investment alleviating the barriers for NSOs and NSODs?

Invest to leverage sporting events pipeline to deliver broader benefits

- The necessary funding to leverage the nation's sporting events calendar.

Strategically invest in sport infrastructure

- Use infrastructure audit(s) to develop a top down strategy to maximise ROI
- Incentivise state, territory and local investment to align to this framework
- Consider multi-sport and universal design solutions
- Combination of high performance and participation
- Proximity to users
- It is recommended that a **National Sport Infrastructure Co-ordination Authority** be created to oversee this specific priority area

Re-baseline high performance and participation program funding

To alleviate the barriers faced by sports, re-baseline program funding:

- Participation – An increase in annual direct grants for Sports participation growth business
- Perform – An increase in annual grant allocations directly for Sports performance business
- Promote – To be determined based on desired extent of benefit realisation
- Provide – Base level funding to deliver sport operations.

Maximise the opportunity of Australia hosting the 2032 Olympic and Paralympic Games

2021

2032

Appendix A AOC and CGA Member Sports

Artistic Swimming Australia Inc.	Australian Sailing Ltd
Diving Australia Ltd	Shooting Australia
Swimming Australia Ltd	Skate Australia Inc.
Water Polo Australia Ltd	Sport Climbing Australia Ltd
Archery Australia Inc.	Surfing Australia Inc.
Athletics Australia	Table Tennis Australia Ltd
Badminton Australia Ltd	Australian Taekwondo Ltd
Australian Baseball Federation Inc.	Tennis Australia Ltd
Softball Australia Ltd	Triathlon Australia Ltd
Basketball Australia	Volleyball Australia Ltd
Boxing Australia Inc.	Australian Weightlifting Federation Inc.
Paddle Australia Ltd	Wrestling Australia Inc.
Cycling Australia Ltd	Australian Biathlon Association Inc.
Equestrian Australia Ltd	Australian Curling Federation Inc.
Australian Fencing Federation Inc.	Australian Ice Hockey Federation Inc.
Football Federation Australia Ltd	Luge Australia Inc.
Golf Australia Ltd	Australian Ice Racing Inc.
Gymnastics Australia Ltd	Ice Skating Australia Inc.
Australian Handball Federation Inc.	Snow Australia Ltd
Hockey Australia Ltd	Sliding Sports Australia Ltd
Judo Federation of Australia Ltd.	Cricket Australia Ltd
Australian Karate Federation Inc.	Bowls Australia Ltd
Modern Pentathlon Australia	Squash Australia Ltd
Rowing Australia Ltd	Netball Australia Ltd
Rugby Australia Ltd	Paralympics Australia

Appendix B Stakeholder consultations

Stakeholder	Organisation
Anne Marie Harrison, CEO	Victorian Institute of Sport
Chelsea Warr, CEO	Queensland Academy of Sport
Steve Lawrence, CEO	Western Australia Institute of Sport
Luke Mason, Director, Sport & Visitor Economy	Sport and Recreation Victoria
Philippa Taylor, Director Policy Andrew Putt, Director Sector Performance	NSW Office of Sport
Andrew Sly, Assistant Director General Sport and Recreation Services Chad Anderson, Executive Director	Queensland Sport and Recreation Services
Ms Kim Ellwood, Executive Director Steve Humfrey, Director	WA Department of Local Government, Sport and Cultural Industries
Leonard Chong, Director, Events Strategy & Insights Peter Hunt Special Projects Director: Events	Tourism and Events Queensland
Saskia Doherty, Executive Director Events Sam Phillips, Director - Sponsorship Management	Events WA
Mark Wright, Head of Sport and Local Community Division of Student Life	UNSW Sydney
James Johnson, CEO Peter Filopoulos, Head of Marketing, Communications & Corporate Affairs	Football Australia
Project Working Group Members	
Matt Carroll, Todd Day, John Lamont - AOC	Darren Gocher – Athletics Australia
Craig Phillips - CGA	Ben Houston – Sailing Australia, CGA
Lynne Anderson, Paul Oliver, Tim Matthews - PA	Scott Houston – Table Tennis Australia
Kitty Chiller – Gymnastics Australia	Michael Kennedy – Snow Australia
Neil Dalrymple – Bowls Australia	Jamie Parsons – Badminton Australia
Andrew Dee – Volleyball Australia	Jerril Rechter – Basketball Australia
Matt Favier – Hockey Australia	Miles Stewart – Triathlon Australia

Appendix C Findings/recommendations of major reviews in the sport sector since 2009

Sport has been the focus of multiple reviews over the past decade.

Reviews have focused on better understanding and determining how to respond to systemic challenges within the industry that have limited participation growth, resulted in five cycles of decline in high-performance success and sport integrity issues.

Three of the highest profile reviews have included:

1. The Future of Sport in Australia - Independent Sport Panel Report, 2009 (Crawford Report)
2. Intergenerational Review of Australian Sport, 2017 (Boston Consulting Group Report)
3. Report of the review of Australia's sports integrity arrangements, 2017 (the Wood review of Australia's Sports Integrity Arrangements).

A high level summary of the findings of each of these reviews is provided in the below table.

These reviews have identified issues and recommendations that the Sports Industry has so far been unable to deliver.

Category	Finding / Recommendation	Crawford Report 2009	Intergenerational Review 2017	Wood review 2017
Overall	Setting Sport's national vision and metrics	●	●	
	Reforming the ASC's role	●		●
	Inclusive sports system	●	●	
	Sustainable funding base for sport	●		
	Non-government funding base for sport		●	
	Better leverage technology in sport		●	
Participation and physical activity	Better integrate sport in schools	●	●	
	Invest in community sports, including infrastructure	●	●	
	Increasing sport's role in preventative health		●	
	Need to increase sport participation across all ages		●	
High performance sport	Better coordination of institutes of sport	●		
	Uplift the capabilities of NSOs	●	●	
	Unified approach to hosting major events	●	●	
	Support AIS in being a world class HP agency		●	
	Lift Australia's international performance		●	
Integrity of sport	A stronger national response to match fixing			●
	Australia Sports Wagering Scheme			●
	Enhancing Australia's anti-doping Capability			●
	A National Sports Tribunal			●
	A National Sports Integrity Commission			●
Sport and recreation industry	Place greater focus on economic impact of sport in Australia		●	

Appendix D National Sports Plan – Sport 2030

Released in August 2018, *Sport 2030* is the Australian Government's first national plan for sport.

The intention of this Plan is to provide a roadmap for the future success of sport and physical activity in Australia in response to a decade of underachieving on key participation and high performance metrics.

A result of extensive consultation, it represents the broader Sports Industry's recognition and support for connecting physical activity, performance, integrity and the Sports Industry together to achieve greater sport outcomes through to 2030 and beyond. Within the Plan is a critical shift in the definition of sport to expand into physical activity.

As a long-term vision and plan for Australian sport, the document has the commitment of the Commonwealth Government and covers four pillars⁸¹ as illustrated in Figure 12:

Figure 12 – Four priorities of Sport 2030



Source: *Sport 2030*

Key targets of *Sport 2030* are set out in Table 1, noting that several are yet to be finalised given the distributed ownership of targets. These targets will be reviewed on a four-yearly basis.

Table 1 – Targets of Sport 2030

Priority area	Target for 2030
Participation	15% more Australians participating in at least 150 minutes of moderate to vigorous activity each week.
High Performance	To be determined by Sport Australia.
Integrity	Subject to the implementation of the Australian Government's response to the Wood Review.
Industry	To be determined by the Australian government.

Source: *Sport 2030*

Though developed through rigorous stakeholder engagement and viewed with support of the sports sector, two years after its release, a lack of clear clarity regarding implementation, including who is responsible, what is the best approach and what is it going to cost, it appears that the Plan has lost momentum with many stakeholders in the industry.

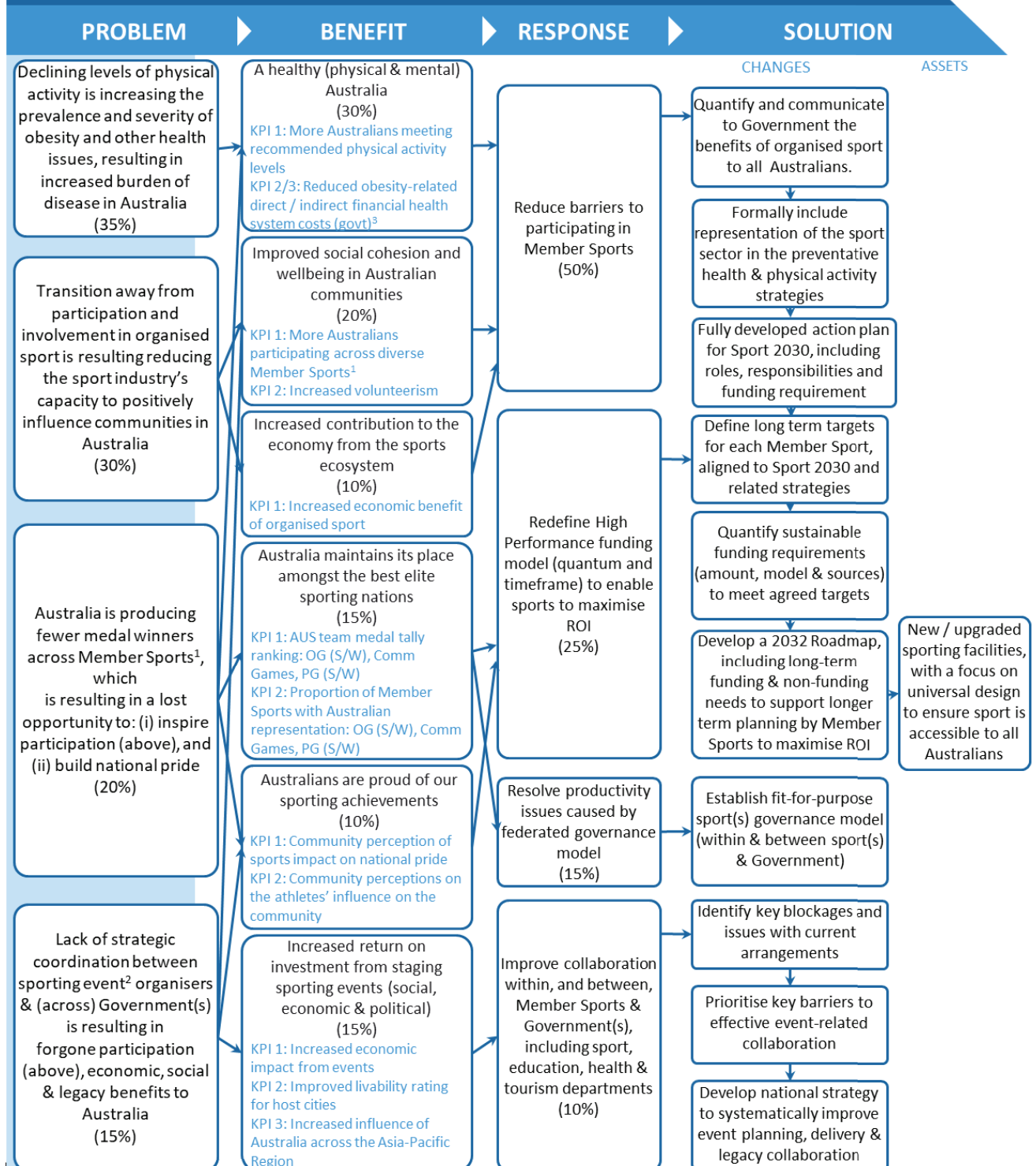
Appendix E Investment Logic Map

Australian Olympic Committee & Commonwealth Games Australia

Reenergising Australia's communities and economy through sport

Future of Sport Investment Roadmap

INVESTMENT LOGIC MAP:



1. The National Sporting Organisations (NSO) that are members of the AOC, CG & PA
2. Events include: Mega multi-sport events, international events, national events & participation events
3. Direct health system costs include GP services, hospital care, public health interventions
4. Indirect economic costs include lost productivity (e.g. absenteeism, presenteeism), and foregone tax receipts

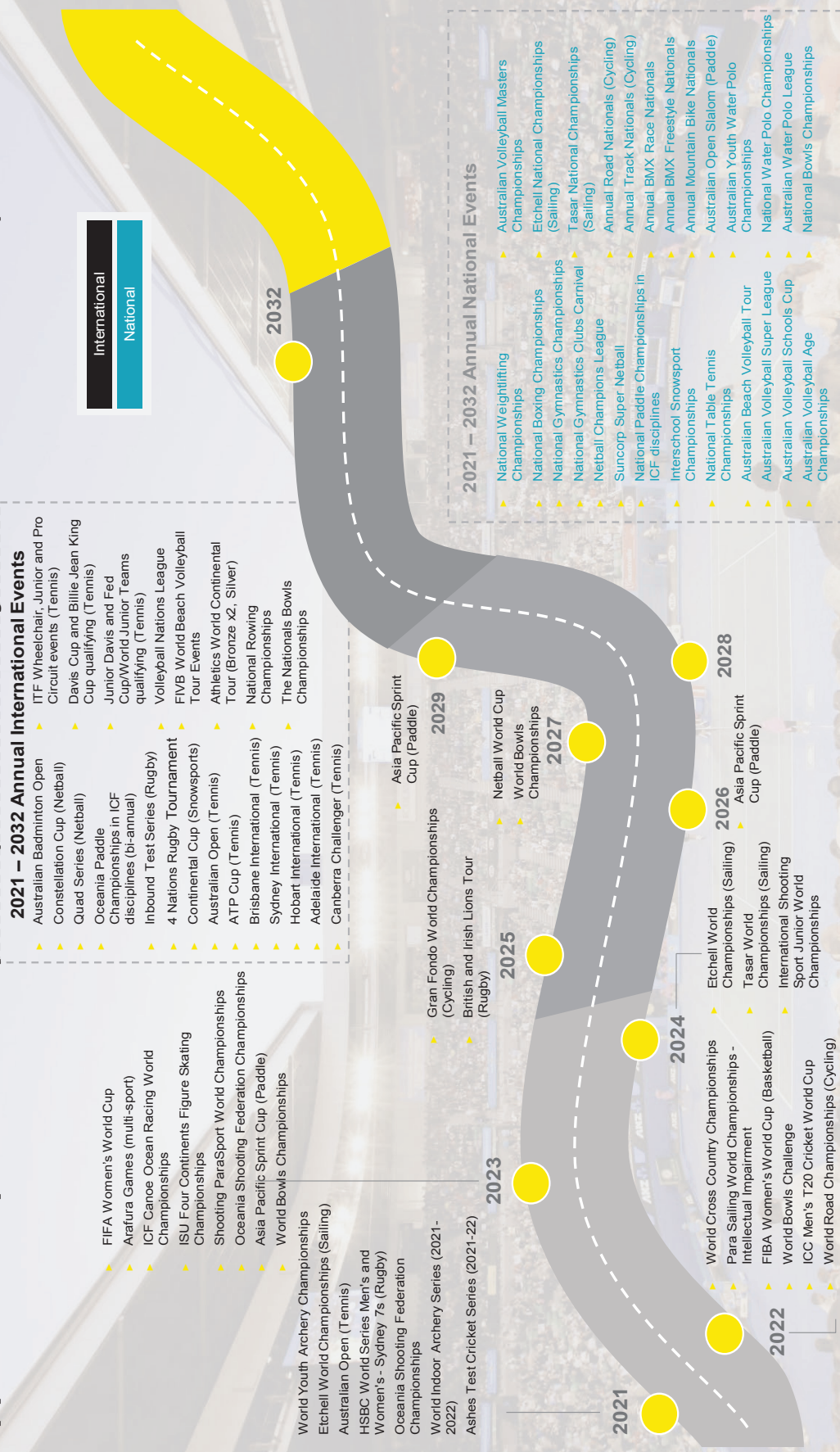
Investor: Todd Day, AOC
Facilitator: Cameron Bird, EY
Version no: 0.1
Initial Workshop: 19/11/2020
Last modified by: Cameron Bird 20/11/20

Appendix F Overview of the high performance funding framework

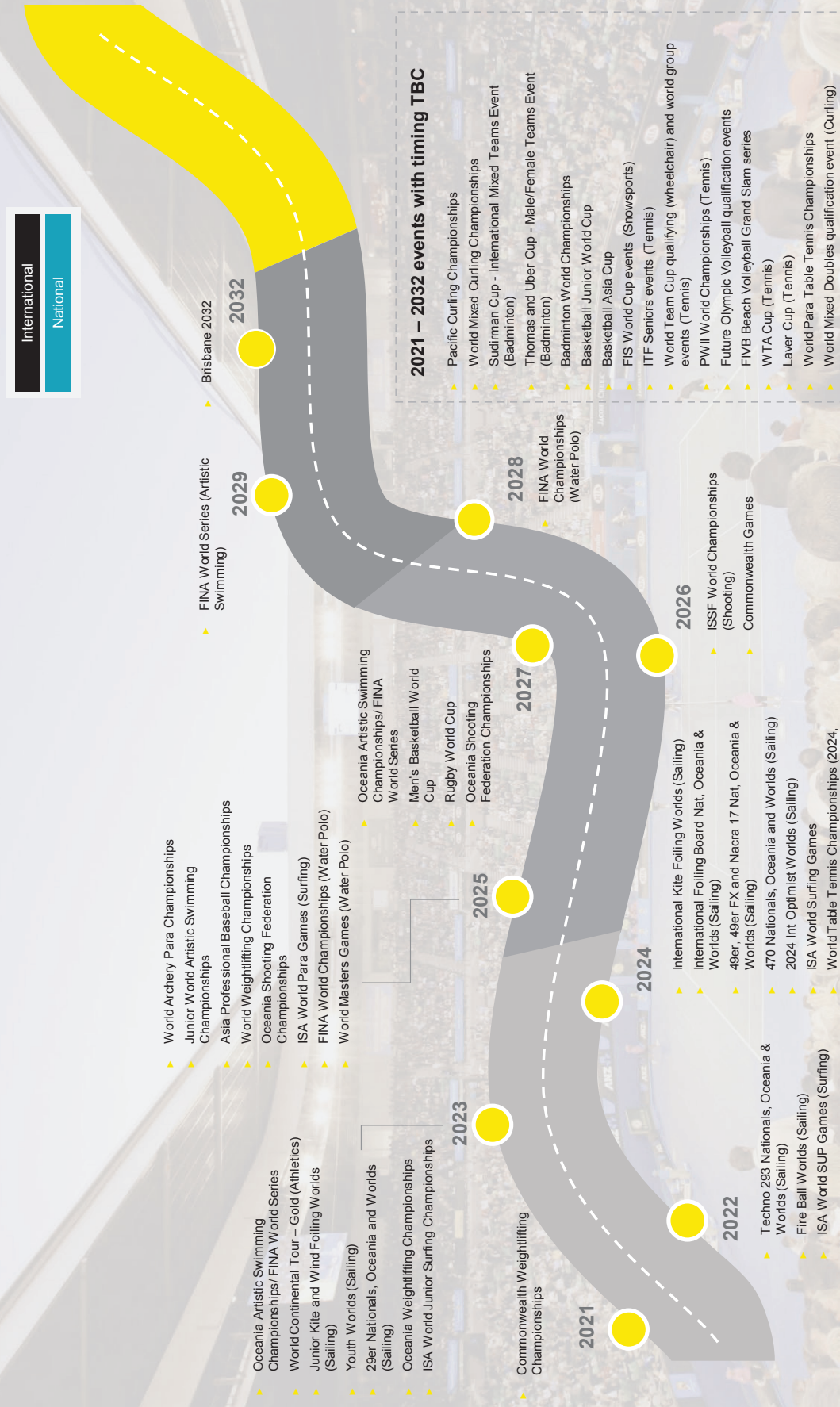
High-performance funding is provided to NSOs on an annual basis. Approximately 90% of high-performance grants go to NSOs, with around 10% allocated to specific grants for individual athletes, and the remaining funds contributing to a number of smaller sports. The level of funding allocated to NSOs is based on the following key elements:

- (i) **Prioritising podium success:** sports that can deliver podium success at Olympics/Paralympics are prioritised, followed by those who can do so at Commonwealth Games.
- (ii) **Sports Categorisation (SC):** every four years (immediately after the peak event at the end of the applicable cycle), sports are categorised based on the SC framework into three groups; Foundation, Prospective and Contributing. The purpose of SC is to determine the level of priority that sports receive for attaining ongoing investment. It does not impact the quantum of investment that a sport receives.
- (iii) **Investment pools:** funding is allocated to sports from two separate investment pools; Baseline and Contestable. Baseline funding is aimed at providing a degree of continuity to priority sport programs, while Contestable funding is a 'top up' amount that only specifically eligible sports (based on SC) may apply for.
- (iv) **NSO submissions:** in order to be considered for investment and to enable assessment, sports must meet minimum requirements, including provision of a high performance strategy, athlete performance plans and a budget.
- (v) **Assessment criteria:** to determine the quantum of funding to be allocated to sports when reviewing the above, a set of relative contestable criteria is used, which primarily considers performance factors (international profile, sport profile, athlete team profile) and cost factors (high performance program/campaign costs, NSO financial costs).

Appendix G - Sport Events Pipeline (Confirmed Major and National Events)



Sport Events Pipeline (Pre-Bid Phase Major and National Events)



Appendix H Literature review

Title & Author	Summary
Health benefits of physical activity	
Health benefits of physical activity: a systematic review of current systematic reviews (Warburton, Bredin, 2017)	Systematic reviews and/or meta-analyses have demonstrated a dose-response relationship between physical activity and premature mortality and the primary and secondary prevention of several chronic medical conditions. The relationships between physical activity and health outcomes are generally curvilinear such that marked health benefits are observed with relatively minor volumes of physical activity.
Association of physical activity with all-cause and cardiovascular mortality: a systematic review and meta-analysis (Nocon, Hiemann, Müller-Riemenschneider, Thalau, Roll, Willich, 2008)	The majority of studies reported significant risk reductions for physically active participants. With respect to cardiovascular mortality, physical activity was associated with a risk reduction of 35%. All-cause mortality was reduced by 33%.
Systematic review of the health benefits of physical activity and fitness in school-aged children and youth (Janssen, LeBlanc, 2010)	Physical activity is associated with numerous health benefits in school-aged children and youth. The dose-response relations between physical activity and health that were observed in several observational studies suggest that the more physical activity, the greater the health benefit. However, the results from several experimental studies suggested that even modest amounts of physical activity can have tremendous health benefits in high-risk youngsters (e.g., obesity, high blood pressure).
Physical Activity and Cognitive Functioning of Children: A Systematic Review (Bidzan-Bluma, Lipowska, 2018)	Efficient cognitive functioning in pre-adolescents requires not only an adequate intelligence quotient (IQ), but also high levels of executive function development (such as motivation, the ability to set goals, and self-control), which is fostered by engaging in sport. Furthermore, results suggest that it is worthwhile engaging in sports in late childhood because it positively influences cognitive and emotional functions.
Physical activity is medicine for older adults (Taylor)	There is a positive association between increased levels of physical activity, exercise participation and improved health in older adults. In the presence of strong evidence linking physical inactivity to chronic health conditions and increased physical activity to lower mortality and morbidity in older adults, it is imperative to develop a strong commitment to improving physical activity levels in older adults.
Even a low-dose of moderate-to-vigorous physical activity (MVPA) reduces mortality by 22% in adults aged ≥60 years: a systematic review and meta-analysis (Hupin, Roche, Gremeaux, Chatard, Oriol, Gaspoz, Barthélémy, Edouard)	A dose of MVPA below current recommendations reduced mortality by 22% in older adults. A further increase in physical activity improved these benefits in a linear fashion.
Sports and physical activity and our health (Better Health Channel)	Australians of all ages are not doing enough physical activity for optimal health. Over a third of the total burden of disease experienced by Australians could be prevented by tackling modifiable risk factors such as increasing your level of physical activity. The sedentary nature of our lifestyle can also lead to poorer health outcomes – around 90% of Australian children have 10 hours or more screen time each week.
Health and Development Through Physical Activity and Sport (World Health Organisation, 2003)	Overall physical inactivity is estimated to cause 1.9 million deaths globally. Physical inactivity causes globally, about 10-16% of cases each of breast cancer, colon and rectal cancers and diabetes mellitus, and about 22% of ischaemic heart disease. The risk of getting a cardiovascular disease increases up to 1.5 times in people who do not follow minimum physical activity recommendations.
The Costs of Illness Attributable To Physical Inactivity In Australia (prepared for the Commonwealth Department of Health and Aged Care and the Australian Sports Commission, 2000)	It is estimated that 122 deaths per year from CHD, NIDDM and colon cancer could be avoided for every 1 per cent increase in the proportion of the population who achieve a level of sufficient and regular physical activity. One quarter of these deaths occur in people under 70 years, and 1,764 life years could be gained for every 1 per cent increase in moderate activity levels. The analysis indicates that gross savings of \$3.6 million p.a. in the health care costs of these three diseases could be achieved for every 1 per cent gain in the proportion of the population who are sufficiently active.
Benefits of Recreation and Sport (paper to support the strategic plan for the Office for Recreation and Sport, 2016)	The reported benefits of participation in sport and physical recreation have been exhaustively catalogued. A review of literature indicates the consistency of findings, across cultures, of benefits in the areas of childhood and lifelong health; in the areas of learning and academic achievement; in the areas of citizenship and democratic access; and in the areas of leadership and motivation.
Participation in organised sport	

Title & Author	Summary
Why do governments invest in elite sport? A polemic (Grix, Carmichael, 2012)	Long been a sense that sport puts countries on the map. Nowhere was this more evident than during the Cold War with the political use of sport for international recognition and legitimacy. The Gold Medal rankings continue to operate as a barometer of a state's sporting prowess. The medal tally does have a symbolic meaning to it.
Examining the Justifications for Government Investment in High Performance Sport: A Critical Review Essay (Pringle, 2001)	Contends the New Zealand Government's increase in investment in high performance justified (among other reasons) for its ability to support social cohesion as problematic as it relies on a functionalist justification. Functionalist discourses sees the strengthening of the structures of sport at both grass roots and elite levels resulting in a more cohesive society.
The economic contribution of sport to Australia (Frontier Economics, 2009)	Appears to be links between sport and social cohesion and socialisation outcomes, though empirical evidence in this area is sparse.
Investment in high performance sport	
Why do governments invest in elite sport? A polemic (Grix, Carmichael, 2012)	Government discourse suggests acceptance of a link between elite sporting success and increased participation. Introduces the idea of a 'virtuous cycle' of sport' as a key rationale – success on the international stage leads to greater mass sport participation. This, in turn, generates a bigger 'pool' of talent from which to choose and develop future stars ultimately leading to greater chances of elite success in the future.
The economic contribution of sport to Australia (Frontier Economics, 2009)	There are vertical linkages between community level sport and elite sports. Cost reduction at community level, can increase the potential pool of talent. Support by elite sportspeople in activity at the community level can enhance community participation.
Role of major events	
Major sport events and participation legacy: the case of the 2003 Rugby World Cup (Frawley, Cush, 2010)	Rugby witnessed an increase in sport registrations following the staging of the event. However, this increase was greater for junior rugby than for senior rugby. Importantly, the research highlighted the importance of allocating financial resources to implement sport development programs in the lead up and after the staging of a major sporting event in order to leverage and capitalise on the increase in sport awareness.
Investment in sports infrastructure	
Proximate development: an alternate justification for public investment in major sporting facilities (Crompton, 2014)	Facilities built for mega events are planned with future utilisation considered can become an ongoing source of positive economic impact and social capital. Key factors for this are long-term comprehensive plans and visions. Elite sporting infrastructure has the capacity to generate standalone business itself. Infrastructure enables the region or area to maintain a critical mass of attractions and businesses creating further economic benefit through businesses feeding off the sporting infrastructure.
Analysing the impact of sport infrastructure on sport participation using geo-coded data: Evidence from multi-level models (Wicker, Hallmann, Breuer, 2013)	Sport participation can be determined by infrastructure, however, infrastructure type is dependent. Sport fields and swimming pools have the highest correlation to increasing participation through proximity, whereas this was not the case for infrastructure such as park areas or dancing rooms.

- ¹ Intergenerational Review of Australian Sport, BCG, 2017
- ² Ibid
- ³ AIS: Paris 2024 Investment & Planning, Austrlain Olympic Committee Update, January 2020
- ⁴ Sports Industry Economic Analysis, Exploring the size and growth potential of the Sport Industry in Australia, Office for Sport – Commonwealth Department of Health, March 2020.
- ⁵ Intergenerational Reports are produced every 5 years under the Charter of Budget Honesty Act 1998 (Cth) and assess the long-term sustainability of current Federal Government policies.
- ⁶ Health expenditure Australia 2018-19, Australian Institute of Health and Welfare
- ⁷ Ibid.
- ⁸ Health at a Glance 2019 – Australia, OECD
- ⁹ Have your say on a national obesity strategy: Consultation report, COAG Health Council, 2020
- ¹⁰ Health at a Glance 2019 – Australia, OECD
- ¹¹ Have your say on a national obesity strategy: Consultation report, COAG Health Council, 2020
- ¹² Weighing the cost of obesity, PwC, 2015
- ¹³ Obesity Collective: Australia's Growing Obesity Epidemic, 2019
- ¹⁴ Weighing the cost of obesity, PwC, 2015
- ¹⁵ Analysis of ABS National Health Survey, 2014-15 and 2017-18
- ¹⁶ Analysis of ABS National Health Survey, 2014-15 and 2017-18
- ¹⁷ Sport Australia, AusPlay Survey Data
- ¹⁸ Global trends in insufficient physical activity among adolescents: a pooled analysis of 298 population-based surveys with 1·6 million participants, 2019
- ¹⁹ Sport 2030, Australian Sports Commission
- ²⁰ Phillips, J.A. and D.R. Young, Past-year sports participation, current physical activity, and fitness in urban adolescent girls. *Journal of physical activity & health*, 2009. 6(1): p. 105-111 AND international Society for Physical Activity and Health, Non communicable disease prevention: Investments that Work for Physical Activity. 2011.
- ²¹ Australian Institute of Health and Welfare, 2017. Impact of physical inactivity as a risk factor for chronic conditions: Australian Burden of Disease Study. Australian Burden of Disease Study series no. 15 Cat. no. BOD 16. Canberra: AIHW.
- ²² Ibid.
- ²³ Ibid.
- ²⁴ National Survey of Mental Health and Wellbeing, 2007
- ²⁵ Suicide and intentional self-harm, Australian Institute of Health and Welfare, 2020
- ²⁶ Investing to Save: The Economic Benefits for Australia of Investment in Mental Health Reform, Mental Health Australia and KPMG, 2018
- ²⁷ Budget at a Glance – Key Initiatives, Budget 2020-21, Department of Health
- ²⁸ Caring for Mental and Physical Health during the pandemic, Department of Health, 2020
- ²⁹ Mental health impact of COVID-19, Australian Institute of Health and Welfare, 2021
- ³⁰ Mapping Social Cohesion: The Scanlon Foundation Surveys, 2019
- ³¹ Social isolation and loneliness, Relationships Australia, 2018 (Australian Institute of Health and Welfare, 2019)
- ³² Social isolation and loneliness, Australian Institute of Health and Welfare, 2019
- ³³ THE INCLUSIVE AUSTRALIA SOCIAL INCLUSION INDEX: 2019 REPORT, Inclusive Australia, <https://inclusive-australia.s3.amazonaws.com/files/Inclusive-Australia-Social-Inclusion-Index-WEB.pdf>
- ³⁴ 2016 Census Data Summary, Cultural Diversity in Australia, ABS
- ³⁵ Population Statement, Australian Government Centre for Population, 2020
- ³⁶ Media Release, The Hon Alan Tudge MP: Securing and uniting Australia as part of the government's economic recovery plan, 6 October 2020
- ³⁷ Joint Media Release - Investing in bringing Australians together, The Hon David Coleman MP, 2019
- ³⁸ Warburton DER, Nicol CW, Bredin SSD. Health benefits of physical activity: the evidence. *Can Med Assoc J*. 2006;174(6):801-9.
- ³⁹ Intergenerational Review of Australian Sport, BCG, 2017
- ⁴⁰ Warburton DER, Nicol CW, Bredin SSD. Health benefits of physical activity: the evidence. *Can Med Assoc J*. 2006;174(6):801-9.
- ⁴¹ A systematic review of the psychological and social benefits of participation in sport for children and adolescents: informing development of a conceptual model of health through sport, Eime et al. *International Journal of Behavioral Nutrition and Physical Activity*, 2013
- ⁴² A systematic review of the psychological and social benefits of participation in sport for children and adolescents: informing development of a conceptual model of health through sport, Eime et al. *International Journal of Behavioral Nutrition and Physical Activity* 2013
- ⁴³ Health to Health – Purposeful activity – volunteering, Australian Government, Department of Health
- ⁴⁴ Shifting the Dial: 5 Year Productivity Review, Productivity Commission, 2017
- ⁴⁵ Policy Insights: Five Challenges in Australian School Education, Australian Council for Educational Research, 2016
- ⁴⁶ PISA 2018: Reporting Australia's Results, Volume 1 Student Performance, ACER
- ⁴⁷ Ibid.
- ⁴⁸ Intergenerational Review of Australian Sport, BCG, 2017
- ⁴⁹ Sport 2030, Australian Sports Commission
- ⁵⁰ Intergenerational Review of Australian Sport, BCG, 2017
- ⁵¹ Allen, C. P., Telford, R. M., Telford, R. D., & Olive, L. S. (2019). Sport, physical activity and physical education experiences: Associations with functional body image in children. *Psychology of Sport and Exercise*, 45, 1-7. [101572]. <https://doi.org/10.1016/j.psychsport.2019.101572> AND other research available at [Find Research outputs — University of Canberra Research Portal](#)
- ⁵² Population Statement, Australian Government Centre for Population, 2020
- ⁵³ Planning Liveable Cities: A place-based approach to sequencing infrastructure and growth, Infrastructure Australia, 2018
- ⁵⁴ The value of Community Sport Infrastructure: Investigating the value of community sport facilities to Australia, KPMG, 2018
- ⁵⁵ Ibid.

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