



Sports funding: federal balancing act

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Introduction

The Australian Government has only relatively recently become involved in framing, delivering and funding sports policy. Prior to the 1970s government involvement in sport for the most part was at the local level. Indeed, local government still spends more than state and territory governments and the Australian Government on sport and recreational activities.¹ However, since the Whitlam era, various federal governments have been persuaded, albeit to varying degrees, that there are a myriad of benefits to be gained from funding sports participation at grassroots levels and excellence in performance at elite levels. These benefits range from improvements in the health of the population and greater social cohesion to economic benefits.

The World Health Organization (WHO) points out:

Physical activity and healthy sports are essential for our health and well-being. Appropriate physical activity and sports for all constitute one of the major components of a healthy lifestyle, along with healthy diet, tobacco free life and avoidance of other substances harmful to health.

Available experience and scientific evidence show that the regular practice of appropriate physical activity and sports provides people, male and female, of all ages and conditions, including persons with disability, with wide range of physical, social and mental health benefits. It interacts positively with strategies to improve diet, discourage the use of tobacco, alcohol and drugs, helps reduce violence, enhances functional capacity and promotes social interaction and integration. Physical activity is for an individual; a strong means for prevention of diseases and for nations a cost-effective method to improve public health across the population.²

Numerous studies agree that physical activity is important in maintaining good health. Regular physical activity reduces cardiovascular risk in its own right and also improves levels of cardiovascular risk factors, such as excess weight, high blood pressure, low levels of HDL and Type 2 diabetes.³ Research concludes that physical activity helps protect against some forms of cancer and strengthens the musculoskeletal system, helping to reduce the likelihood of osteoporosis and the risk of falls and fractures.⁴

Taking part in physical activity improves mental wellbeing by reducing stress, anxiety and depression.⁵ Further, it has been argued that sport contributes to social capital: the 'features of

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1. Australian Bureau of Statistics (ABS), *Sport and recreation funding by government, Australia, 2000-01*, cat. no. 4147.0, ABS, Canberra, 2002, viewed 5 April 2013, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/0/C1E4C4D3478C2D2DCA256C7500765137?OpenDocument>
 2. World Health Organization (WHO), *Health and development through physical activity and sport*, 2003, viewed 27 November 2012, http://whqlibdoc.who.int/hq/2003/WHO_NMH_NPH_PAH_03.2.pdf
 3. For example, Econtech, *The cost of physical inactivity. What is the lack of participation in physical activity costing Australia?* Report prepared for Medibank Private, 2007, viewed 27 November 2012, http://www.medibank.com.au/Client/Documents/Pdfs/pyhsical_inactivity.pdf
 4. Ibid.
 5. A Dunn, M Trivedi and H O'Neal, 'Physical activity dose response effects on outcomes of depression and anxiety', *Medical and Science in Sports and Exercise*, vol. 33, 2001, pp. S587–97, referred to by Australian Institute of Health

social life—networks, norms, and trust—that enable participants to act together more effectively to pursue shared objectives’.⁶

Studies have shown that sport makes a significant contribution to national and local economies.⁷ Hence, sport and physical activity contribute to the Australian economy as participants purchase clothing and footwear and sports equipment as well as pay subscriptions and fees to clubs and organisations and admissions to sporting venues. According to the Australian Bureau of Statistics (ABS), \$8 293.8 million (1.5 per cent) of the total expenditure by Australian households in 2009–10 was spent on selected sporting and physical recreation goods and services.⁸

Workplace activity programs have been found to reduce short term sick leave and health care costs as well as increase productivity.⁹ Australian corporate fitness programs have been associated with a reduction in absenteeism of between 23 and 50 per cent. One study estimated that on the basis of a 20 per cent reduction in absenteeism this would result in a saving of 1.5 days per worker per year, and this in turn would approximate to a net benefit of \$848 million to the Australian economy.¹⁰

In short, sport and physical activity not only make people healthier and more productive; they contribute to the nation’s economic and social capital.

This paper briefly considers the policy environment which has surrounded federal government sports funding decisions since federation. It concentrates on the period from the 1970s from which time the federal government has become increasingly involved in funding sport at the elite and participation or grassroots levels. Funding sport has brought with it a number of dilemmas for

and Welfare (AIHW), *Australia’s health 2006*, chapter 3, viewed 27 November 2012,
<http://www.aihw.gov.au/publications/aus/ah06/ah06-c06.pdf>

6. R Putnam, ‘Bowling alone? America’s declining social capital’, *Journal of Democracy*, vol. 6, no. 1, 1995, in K Atherley, *Sport and community cohesion in the 21st century: understanding linkages between sport, social capital and the community*, (Western Australia) Department of Sport and Recreation, 2006, viewed 5 April 2013,
http://dsr.wa.gov.au/assets/files/Research/Atherley_2006_Sport_and_Community_Cohesion_DSR_Final_A.pdf
7. For example, in Ireland it was estimated that the economic value of sport in 2003 was 1.4 billion Euros, L Delaney and T Fahey, *Social and economic value of sport in Ireland*, The Economic and Social Research Institute, October 2005, viewed 27 November 2012,
http://www.esri.ie/news_events/press_releases_archive/2005/social_and_economic_value/index.xml
Sport England also noted sport-related economic activity in England increased from £3 358 million in 1985 to £16 668 million in 2008. This represents a real increase of 140 per cent over the period. Sport Industry Research Centre, Sheffield Hallam University, *Economic value of sport in England 1985-2008*, 2010, viewed 27 November 2012,
<http://www.sportengland.org/research/idoc.ashx?docid=96a84038-cbd5-4e67-8868-2d634ac7086e&version=-1>
8. Of this expenditure, \$4 418.4 million was spent on sports and physical recreation services, \$2 859.5 million on sports, physical recreation and camping equipment and \$1 015.9 million on sports and recreation vehicles. ABS, *Sports and physical recreation: a statistical overview, Australia, 2011*, cat. No. 4156.0, 2011, viewed 5 April 2013,
<http://www.abs.gov.au/ausstats/abs@.nsf/Products/AD0CDB59DA6877E8CA25796B00151A2E?opendocument>
9. WHO investigation of physical activity programs in the United States, for example, found short-term sick leave reduced by six to 32 per cent, health care costs reduced by 20 to 55 per cent and productivity increases of two to 52 per cent, WHO, op. cit.
10. R Shepherd, *Economic benefits of enhanced fitness*, Human Kinetics, Champagne, Illinois, 1986 cited in Sport England, *Best value through sport: the value of sport*, London, 1999.

federal governments. These include questions about what to fund; should federal governments fund community sporting facilities for example, or is it more cost efficient to support more local government involvement in this area. One area where it appears a consensus has developed over time relates to the division of funding between elite and participation sport. It can be argued this consensus can be traced to an underlying belief that funding which results in elite athlete success in international arenas will in turn motivate grassroots participation. The consensus has meant that despite some rhetoric to the contrary, and some attempts to alter government thinking, federal funding for elite sport has always exceeded that provided for community participation.

Part 1: Federal Government involvement in sport

From Federation to the Howard Government

Federation to Whitlam

Most studies of sport development in Australia argue that from Federation until the late 1970s promotion of physical activity was not seen as a federal responsibility. Bob Stewart and his colleagues consider however that there is evidence there was intermittent, but limited federal involvement in sports policy from the 1920s.¹¹ Government funding assisted athletes to compete in the Olympic Games and Empire Games throughout the 1920s and 1930s, for example, but importantly, the funding was minimal. Additionally, in the case of the Olympics, it was conditional on the understanding that the Australian Olympic Committee (AOC) would be responsible for raising the bulk of monies required to support Australian athletes.

In 1941, the United Australia Party Government, led by Robert Menzies, passed a National Fitness Act which set up the Commonwealth Council for National Fitness and six state councils.¹² Budget for the National Fitness Council was £20 000 for five years.¹³ While the stated intention of the National Fitness Act was to improve the overall fitness of the population, Stewart et al point out that a prime motivation for the Act was that the fitness level of many Australian men who had enlisted to serve in World War II had been defined as low.¹⁴

After the war state and federal fitness councils continued to function, but as a key reason for their existence had disappeared, they received minimal funding.¹⁵ Some federal funding was dispensed in annual grants to lifesaving. This was in acknowledgment of the community service lifesaving provided however; it was not awarded because lifesaving promoted physical activity, or because it was regarded as a 'sport'.

11. B Stewart, M Nicholson, A Smith and H Westerbeek, *Australian sport: better by design? The evolution of Australian sport policy*, Routledge, London, 2004, pp. 38–44.

12. *National Fitness Act 1941* (Cth) (repealed) is at: <http://www.comlaw.gov.au/Details/C2004C05482>

13. Stewart et al, *Australian sport: better by design?*, p. 40.

14. Ibid.

15. It was not until the 1972 Budget for example that the federal council received a funding allocation of \$800 000.

In contrast to the lack of interest shown by the federal government in sports policy development, in the United States and Europe during the 1950s and 1960s sophisticated elite and participation sports systems emerged as governments established sports ministries and invested in facilities, athletes and health education. Indeed, John Bloomfield, sportsman and sports academic, has commented that federal funding for sport was 'miniscule' in comparison to the money countries similar to Australia were spending on developing their sports systems.¹⁶ Consequently, advocates, including Bloomfield, began in the late 1960s and early 1970s to claim that because of government failure to engage with sport Australia's competitiveness had declined dramatically. These critics urged Australia to follow the lead of other nations by establishing a ministry of sport to oversee the development of a professional sport system.¹⁷

Whitlam: laying the foundations of a new sports system

Criticisms of this nature elicited response from the Australian Labor Party (ALP/Labor) which, after many years in opposition, began to formulate a plan for sport and recreation policy development prior to its winning office in 1972. The ALP plan was underpinned by Labor leader Gough Whitlam's view of sport as a means for improving the overall welfare of the nation; as such, Whitlam categorised sport as 'a legitimate focus for public policy'.¹⁸ Labor's development plan was later labelled by Bloomfield and others as the foundation for what was to become a modern sport system in Australia.¹⁹

Not long after it came to power Labor set up a Department of Tourism and Recreation under the direction of Frank Stewart who then commissioned Bloomfield to report on the status of sport and recreation in Australia and to recommend future directions.²⁰ Bloomfield made a number of recommendations in a report to Stewart in 1973; the first and most fundamental of these was that the existing elite sports system needed to be professionalised.²¹ At the same time, Bloomfield was insistent that grassroots programs to improve physical fitness levels in schools and the community needed to be developed.

Bloomfield recommended development of programs in areas such as sports management, coaching, talent identification and sports science and medicine. He urged the Government to consider introducing a federal/state scheme of matching grants for sports programs and facilities.²² He also recommended the establishment of a National Institute of Sport. Minister Stewart later appointed a

16. J Bloomfield, *Australia's sporting success: the inside story*, University of New South Wales Press, Kensington, 2003, p. 34.

17. *Ibid.*, pp. 34–38.

18. T Armstrong, 'Sport and recreation policy: will she be right?' *Sporting Traditions*, May 1987, cited in Stewart et al, *Australian sport: better by design?*, op. cit. p. 48.

19. Stewart et al, *Australian sport: better by design?*, op. cit. p. 49.

20. See biography of Stewart on the Australian Dictionary of Biography website, viewed 9 April 2013, <http://adb.anu.edu.au/biography/stewart-francis-eugene-11768>

21. J Bloomfield, *Recreation in Australia, its role, scope and development*, Parliament of the Commonwealth of Australia, Parliamentary paper, no. 76, Australian Government Publishing Service (AGPS), Canberra, 1973.

22. *Ibid.*

group chaired by Allan Coles, a sport scientist from the University of Queensland, to investigate the feasibility of this idea. A Coles' committee report presented in 1975 firmly endorsed the concept of a national sporting Institute.²³

As much as it was able in the time left to it in office, the Whitlam Government began to initiate programs based on advice provided by Bloomfield. For example, it began to provide substantial grants for sport. These were in two forms:

- grants to national sporting organisations to assist athletes with travel expenses and with coaching and sports management and
- tied grants to state governments and territory governments under a Capital Assistance for Leisure Facilities program for the construction of community sporting, arts/cultural and recreational facilities.

In assessing the Whitlam Government's contribution to the modern Australian sports system, Bloomfield observes:

...two conclusions are obvious. Not only had many basic initiatives been put in place, but more importantly, members of the Australian sporting community had developed an expectation in regard to [federal] government assistance.²⁴

Fraser: dealing with the Montreal 'crisis'

During its first few months in office after the 1975 election, the Coalition Fraser Government appeared to be unenthusiastic about sport. It disbanded Labor's department of sport, scaled down programs and cut sports funding drastically.²⁵ While the new Government justified spending cuts as necessary because of the overspending of the Whitlam Government, in the case of sport, the cuts were arguably linked to an ideological position on the importance of sport to government policy-making. A view, according to an assessment by the Shadow Minister for Sport in 1980, based on a belief all that was required to produce a fit and healthy nation was 'a pair of sandshoes and running shorts'.²⁶

However, after Australia's poor performances at the Montreal Olympics in 1976 led to outrage and protest across the nation, the Government was forced to rethink its policies with regards to the funding of elite sport. Considerable pressure was applied by sports lobby groups and the press for the Government to take action to redress what was labelled as the decline of Australia as a sporting

23. A Coles, *Report of the Australian Sports Institute Study Group*, Department of Tourism and Recreation, Canberra, 1975.

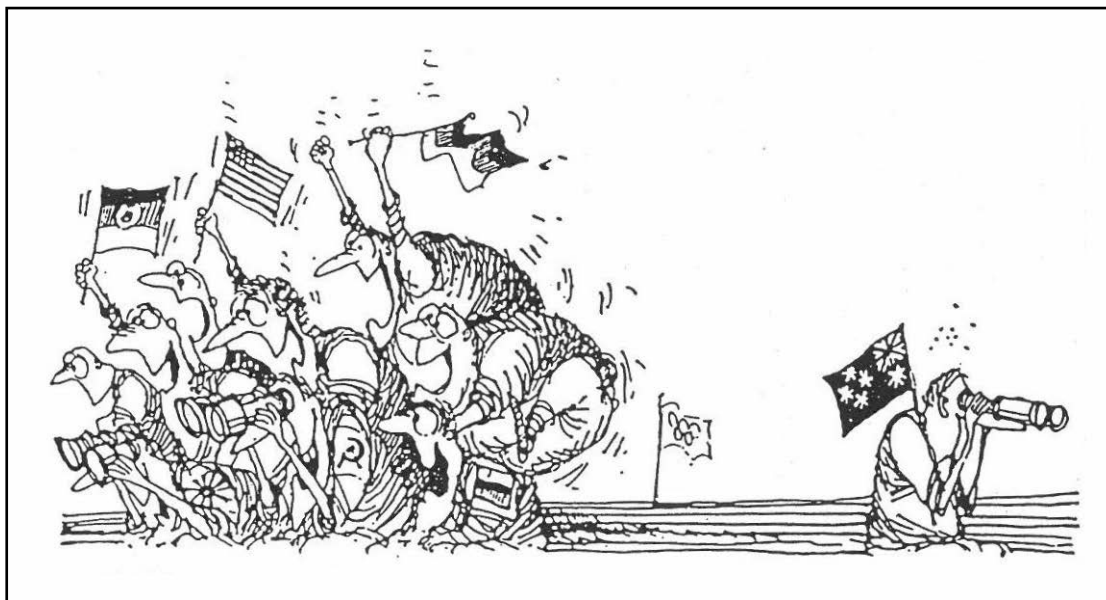
24. Bloomfield, *Australia's sporting success*, op. cit.

25. J Daley, *Quest for excellence: the Australian Institute of Sport*, AGPS, Canberra, 1991, p. 5.

26. B Cohen (Shadow Minister for Sport, Recreation, Tourism and the Environment), *Green Paper on sport and recreation*, [Canberra], ALP, 1980, quoted in DM Semotiuk, 'A debate in sports history: Commonwealth Government initiatives in amateur sport in Australia 1972–1985', *Sporting Traditions: the Journal of the Australian Society for Sports History*, vol. 3, no. 2, May 1987, pp. 155–56.

nation.²⁷ (As the figure below illustrates, the Government was also expected to redress a backward-looking approach to sport policy and development, which Bloomfield had previously identified.)

Figure 1: comment on Australia's sports system in light of its unspectacular performance in Montreal



Source: *Adelaide Advertiser*²⁸

The Government responded by allocating some funding for sports development and assistance to the Australian Olympic Federation as well as assistance to the Queensland Government for the staging of the 1982 Brisbane Commonwealth Games. There was some suggestion that as the Government appeared to be reluctant to fund sports directly, it should consider other options which could support sport at all levels. Establishing a sports lottery was one such suggestion, but this was soon dismissed in light of possible constitutional complications and objections from the states (see further discussion later in this paper).²⁹

A further motivation for the Government to fund sport arose around this time as evidence began to be presented about the number of preventable diseases that could in part be linked to the increasingly sedentary lifestyles of Australians. As a consequence, the Government agreed to provide \$1.8 million in funding over three years for a *Life Be In It* program. This program, originally a Victorian Government initiative, aimed to raise community awareness of the benefits to be gained

27. Australia's team of 184 athletes, 149 men and 35 women, returned from Montreal without a gold medal. Only five medals were won: one silver and four bronze. It was the first time Australia had not won a gold medal at the Games since 1936, and the lowest medal total since then.
28. Cartoon by Atchinson in *Adelaide Advertiser* as included in Daly, op. cit. Comment accompanying cartoon: 'It is not the winning, but the taking part'.
29. 'Sport lottery plan: Government's new idea to raise finance', *The Australian* 29 July 1976, cited in Bloomfield, *Australia's sporting success*, op. cit., p. 47.

from physical activity and to show how community facilities could be used for low cost physical activity.³⁰ But support for *Life Be In It* was short-lived; a 1980 government expenditure review committee recommended that funding for the program was discontinued.³¹

In 1978 Robert (Bob) Ellicott took control of the Home Affairs and Environment portfolio, of which sport was a part. Ellicott was responsible for the most significant contribution to sports policy made by the Fraser Government—the establishment of the Australian Institute of Sport (AIS/the Institute). Ellicott’s motivation to develop an institution that could nurture Australian talent and inspire ordinary people to emulate elite athletes came not only from his reading of the Bloomfield and Coles reports, but also from observing practical outcomes in athlete development on a visit to a sports institute in China.³²

Ellicott’s plan was criticised because the Institute was to focus on elite sport and because it would be situated in Canberra. Despite these criticisms, the idea was generally well accepted and 800 athletes applied to be admitted in the initial AIS intake. In January 1981 Prime Minister Fraser officially opened the AIS and welcomed the 152 athletes who had been offered training places in eight sports.³³

Ellicott attempted also to convince the Government to formulate a more comprehensive long term sports policy, but the Fraser Cabinet did not share his enthusiasm. Consequently, a report commissioned by the Minister which argued in favour of setting national policy objectives and coordinated action by all levels of government, sporting organisations and the sports industry was rejected in 1979.

While the Fraser Government appeared not to have a grand vision for sports policy, due to Ellicott’s foresight, it left a significant legacy through the creation of the AIS, and the Institute in turn, was a major step in the development of a professional sports system. In addition, the Government initiated programs which have been built upon by its successors. These include:

- the Sports Development Program established in 1977 to provide assistance to National Sporting Organisations to assist them to meet administration and coaching costs, to contribute to the attendance of athletes at international competition, to deliver development projects and to provide direct assistance to athletes.
- A Program of Assistance for Sport and Recreation for Disabled People established in 1982 to increase opportunities for people with disabilities to participate in sport and recreation.

30. Stewart et al, *Australian sport: better by design?* op. cit. p. 52.

31. Ibid.

32. Bloomfield, *Australia’s sporting success*, op. cit., p. 55.

33. The sports were: basketball, gymnastics, netball, soccer, swimming, tennis, track and field and weightlifting, Daley, *Quest for Excellence*, op. cit.

- The National Athlete Award Scheme introduced in 1981 to provide direct financial assistance to elite athletes. In 1982 the scheme was expanded to provide assistance to athletes who had potential to achieve world rankings.
- The International Standard Sports Facilities Program established in 1980 to assist in the construction of international standard sports facilities. The Program involved the federal government matching state and territory funding for projects.
- The National Coaching Accreditation Scheme developed from a coaching program first held in Western Australian in 1969. The program was taken over by the federal government in 1978.³⁴

Table 1: summary of sports funding: Whitlam and Fraser Governments

Year	Total Funding \$Ms
1973–74	6.6
1974–75	7.7
1975–76	8.7
1976–77	8.2
1977–78	5.8
1978–79	5.7
1979–80	6.7
1980–81	8.4
1981–82	18.7 (a)
1982–83	24.8

a. Significant increase in funding due to the Government’s commitment to provide \$25 million over three years to a program of assistance to the states and territories to establish international sports facilities. Program on a matching dollar for dollar basis.

Source: Australian Government Budget papers and Annual Reports of the Departments of Tourism and Recreation and Arts, Sport, the Environment, Tourism and Infrastructure. See Appendix B, Table 1 for more detail.

Hawke and Keating: a sports commission, the America’s Cup and beginning a balancing act

Basis of policy

Barry Cohen, who had been instrumental in developing the Whitlam Government’s approach to sport, produced a discussion paper in 1980 which was to form the basis of the Hawke and Keating Governments’ sport policies. Cohen considered the Fraser Government’s approach to sports policy reflected a time when ‘sport was primarily the domain of affluent gentlemen’; it was naïve and unrealistic in an era where less wealthy countries than Australia were politically motivated and prepared to devote considerable time and money to produce world class athletes.³⁵ In Opposition, the Labor Party maintained:

34. Information on programs derived from Department of Home Affairs and Environment annual reports.

35. Cohen, *Green paper*, op. cit.

...if Australia wanted to have a fit and healthy nation and to regain its position as a top sporting nation, it would have to be prepared to commit its financial, physical and human resources to achieve those ends.³⁶

It quickly began to implement a sports policy based on this philosophy on taking office in 1983.

The Minister with responsibility for sport, John Brown, released a White paper that indicated the new government, like the Whitlam Government before it, viewed sport in terms of potential for nation building. However, in contrast to Whitlam's emphasis on targeting recreational activities, Brown's paper indicated that the Hawke Government intended to adopt what it considered would be a more balanced approach supporting elite sport, grassroots participation programs and general recreational activities.³⁷ Throughout Labor's term in office, while this objective continued to be emphasised, in reality the funding balance favoured elite programs.

Not everyone was enamoured about adopting a balanced approach to sports funding, however. The first director of the AIS, Don Talbot, was one of those who criticised the Government for its intention to spend what he considered would be a 'piddling' amount on elite sport. Eventually Talbot resigned his position, in protest at the Government's lack of commitment to elite sport.³⁸ Similarly, some elite athletes complained that funding arrangements before 1989 did not provide sufficient assistance to compensate for the 'long grind' of achieving international success.³⁹

In framing its sports policy, the Government also received advice from a House of Representatives inquiry into sport, which had been asked by the previous government to investigate the efficiency and effectiveness of government expenditure on sport and recreation.⁴⁰ The Committee's report, *The Way we P(l)ay*, recommended overall expansion of government funding for sport. The Committee was particularly keen that opportunities for people with a disability to engage in sporting activities should be extended and that more tied grants should be instigated to develop international sports facilities as well as community recreation centres.

Australian Sports Commission (ASC)

A week after its election, the Hawke Government re-established a department which was responsible for sport—the Department of Sport, Recreation and Tourism. In his speech during the

36. Semotiuk, 'A debate in sports history', op. cit.

37. J Brown (Minister for Sport) *Sport and recreation: Australia on the move*, AGPS, Canberra, 1983.

38. The term 'piddling' used in *The Canberra Times*, 22 June 1983, as quoted in Daley, *Quest for excellence*, op. cit., p. 43. Talbot resigned 10 August 1983. He was succeeded by Dr John Cheffers, who was forced to resign in mid-1986 following allegations of mismanagement of AIS funds.

39. For example, Phil King (coach of track athlete Debbie Flintoff-King) and cyclist Gary Neiwand, House of Representatives Standing Committee on Finance and Public Administration, *Going for gold: the first report of an inquiry into sports funding and administration*, AGPS, Canberra, March 1989, p. 3.

40. House of Representatives Standing Committee on Expenditure, *The way we (p)lay: Commonwealth assistance for sport and recreation*, AGPS, Canberra, November 1983.

opening of Parliament the Governor-General cited the great cost of ill health as the motivation behind establishing the department.⁴¹

In 1985, in keeping with recommendations from *The Way we Play* inquiry, and following advice from an interim sports commission inquiry (the Harris inquiry), the Government also created an independent statutory authority, the Australian Sports Commission (ASC). The ASC was intended to fulfil the role of a coordinating body for sport—to foster cooperation, to allow for greater involvement of sports bodies in decision-making about sport and to broaden the financial base for sport.⁴²

Therefore, one of the fundamental operational tasks given to the new body was to deliver the balance between elite and community sport promotion and funding promised by the Government. Another important task for the ASC was to establish a foundation which would raise money by providing tax deductibility for donations to sport; funds that could supplement government spending on sport and maximise the contribution from the private sector. (See the section entitled the Australian solution later in this paper for more discussion on the Australian Sports Foundation.)

In 1989 a further parliamentary inquiry into sports funding and administration found that funding for sport was at times uncoordinated and AIS programs not sufficiently well-focussed. So while an unofficial merger of the ASC and the AIS occurred in 1985, the inquiry recommended that this arrangement was formalised.⁴³ Legislation confirming that the ASC could operate as the AIS when required was proclaimed under the *Australian Sport Commission Act 1989*.

Participation

One of the first jobs the ASC undertook in 1986 was to find a way to increase children's sports participation in response to concern that young people's activity levels had declined and that an overemphasis on competition was discouraging participation.⁴⁴ The solution to these problems, Aussie Sport, adopted a non-traditional approach, stressing that sport was not just about winning; it was also about having fun.

The Aussie Sport strategy proved successful, and by 1990, not only had half a million children participated in the program, it had been expanded to include options for students in secondary schools.⁴⁵ Funding for the program was directed to the states and territories, which in turn provided money to participating schools. For the three years from 1986–87 funding of \$1.7 million was set

41. Governor-General, Sir Ninian Stephen, speech on opening of twenty-third Parliament, 21 April 1983 quoted in Department of Sport, Recreation and Tourism, *Annual report 1982–83*, AGPS, Canberra, 1983, p. 5.

42. Australian Government, *Interim Committee for the Australian Sports Commission: report to the Minister for Sport, Recreation and Tourism*, (Harris Report), March 1984, AGPS, Canberra, 1985, viewed 21 January 2013, https://secure.ausport.gov.au/_data/assets/pdf_file/0015/317400/interim.pdf

43. *Going for gold*, op. cit.

44. The program was developed with the assistance of the Australian School Sports Council.

45. Australian Labor Party (ALP), *Record of achievements 1983–1990*, viewed 27 March 2013, <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22library%2Fparty%2F1052410%22>

aside for Aussie Sport; from 1989–90 the program was allocated \$5.8 million over a four year period.⁴⁶ The Government's Next Steps and Maintain the Momentum packages expanded the program and in 1995 the Government claimed that Aussie Sport was played in 96 per cent of Australian primary schools.⁴⁷ Figure 2 below shows the various components of Aussie Sport which evolved from the original program.

Aussie Sport received some criticism because it involved modified sports and focussed on participants doing the best they could. Critics saw this as compromising opportunities for talent identification and hindering those children who may have wished to specialise in particular sports.⁴⁸

Other Hawke and Keating Government programs that emphasised participation included youth programs, which fostered sports leadership and investigated and addressed the reasons young people ceased playing sport, and programs to assist volunteers involved in sport and to encourage participation by mature-aged Australians.

In addition, the Government established a Women's Sport Promotion Unit in 1988 to promote women's involvement in sport, and funding for sport for people with a disability was given more prominence. In 1987, the ASC took over the role of funding of sport for persons with a disability and conducted a review of existing arrangements with the intention of better aligning a new program with the sporting needs of this community. Recommendations from the review formed the basis of the Disabled Sports Program, which commenced operation in the financial year 1988–90 with funding of nearly \$1 million.⁴⁹ The Women's Sport Promotion Unit operated on a budget of half that of the Disabled Sports Program.⁵⁰

46. *Going for gold*, op. cit., p. 26 and ALP, *Record of achievements 1983–1990*, op. cit.

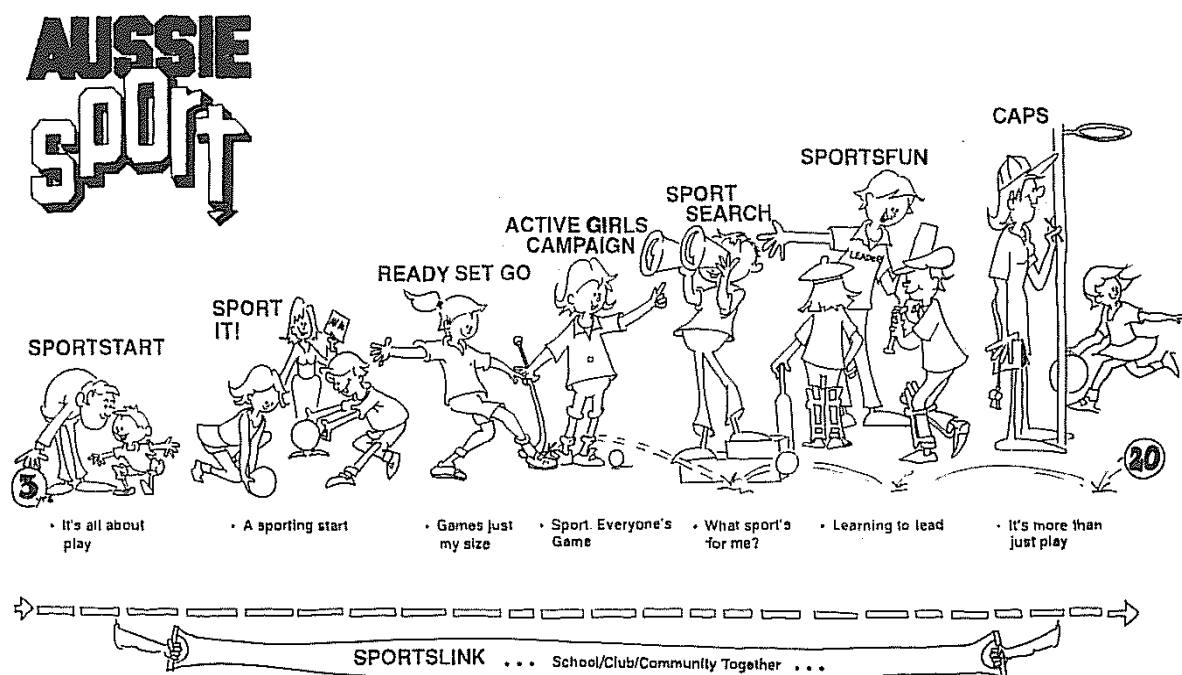
47. ALP, *Shaping the nation: achievements of the Labor Government*, 1995 viewed 5 April 2013, <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22library%2Fparty%2F1065460%22>

48. Stewart et al, *Australian sport: better by design?* op. cit., p. 61 and a similar view express by L Parry, 'To win is human, but to participate is divine', *The Age*, 28 March 2005, p. 5, viewed 8 April 2013, http://parlinfo/parlInfo/download/media/pressclp/AQKF6/upload_binary/aqkf63.pdf;fileType=application%2Fpdf#search=%22aussie%20sports%20program%22

49. Funding was \$959 640 for national sporting organisations for the disabled and for other sporting organisations to develop integration projects.

50. Actual budget was \$471 400.

Figure 2: Aussie Sport



Source: Maintain the Momentum⁵¹

Facilities programs

Labor made a number of promises in the lead up to the 1983 election that in government it would fund amateur, community-friendly sports centres. These would help overcome disadvantage in low income communities, encourage more people to participate in physical activity and expand the pool of young athletes who may later achieve elite status.⁵² The Community, Recreational and Sporting Facilities Program (CRSFP) was not introduced until after the 1987 election, however. The program provided funding on a dollar for dollar basis with state and local governments and appropriation for the program was \$13 million over three years from 1988–89 to 1990–91.⁵³ Later funding allocations brought the total funding for the program to \$62 million.

A revised version of this program, the Community, Cultural, Recreation and Sporting Facility Program (CCRSFP) which received funding of \$52 million for the four years from 1991–92 was to cause the

51. Department of the Arts, Sport, the Environment and Territories, *Maintain the Momentum: Australian Government sports policy, 1992–96*, 1992, viewed 8 April 2013,

https://secure.ausport.gov.au/_data/assets/pdf_file/0003/327513/mtm.pdf

52. E Johns, *Playing the game: the allocation of funding through Commonwealth sport facility programs over the past 25 years*, Crawford School of Economics, Australian National University, 2006, viewed 21 January 2013, http://dpl/E-ancats/ANU-Policy&Governance_DiscussionPaper/2006-No.9.pdf

53. Australian National Audit Office figures quoted in Johns, op. cit.

downfall of a Minister for Sport, Ros Kelly. This occurred after an Australian National Audit Office investigation found the Minister unaccountable in allocating funds to various projects due to the lack of record keeping on the reasons for decisions.⁵⁴

Funding for elite sporting facilities, which had been committed under the Fraser Government, was honoured by the Hawke and Keating administrations. The Government's own elite sporting facilities program (the National Sports Facility Program) ran from 1985 to 1990 and provided funding on a dollar for dollar basis with the states and territories for the development of international standard sports facilities.

Funding packages

In August 1989 the Minister for the Arts, Sport, the Environment, Tourism and Territories, Senator Graham Richardson, launched the Next Step initiative, a \$239 million package which the Government intended would be mostly allocated to the ASC to develop elite sport and grassroots participation programs.

Funding for elite sport in the Next Step package included commitment of an additional \$27 million to the AIS for the development of intensive training centres across the country and \$18 million to assist athletes to participate in the 1988 Summer and Winter Olympics, the 1990 Auckland Commonwealth Games and in competitions in the lead up to the 1992 Olympics. From 1983, Direct Athlete Assistance grants had helped athletes to prepare for competition (from 1988, coaches were eligible for these grants), and the package allocated an additional \$8.5 million to this program over a four year period.

Maintain the Momentum, a further funding package, which was announced in 1992–93 by Ros Kelly, committed another \$293 million to sports and physical activities.⁵⁵ The Government claimed the revised package, the result of consultation with the sporting community, would continue and expand what had become a significant and varied assortment of existing programs (see the box

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54. Following the ANAO report in December 1993 (ANAO, *Efficiency audit: the Community, Cultural, Recreational and Sporting Facilities Program*, Audit Report, no. 9 AGPS, Canberra, 1993), the media dubbed the allocation of funds as the 'sports rorts' affair and accused Minister Kelly of political bias in allocation of funding. The Minister's response that no records were kept on funding decisions, as all were made on a whiteboard that was regularly wiped clean, only made the situation worse. A House of Representatives Committee which reviewed the ANAO report was critical of the processes of funding allocation (House of Representatives Standing Committee on the Environment, Recreation and the Arts, *The CCRSFP: a review of a report on an efficiency audit by the Auditor-General*, AGPS, Canberra, 1994), http://www.aph.gov.au/Parliamentary_Business/Committees/House_of_Representatives_Committees?url=/reports/1994/1994_PP20.pdf. The Minister resigned a few hours before the Committee report was tabled. For more discussion see J McKinnon, 'The sports-rorts affair', *New Zealand Archivist*, vol. 5, no. 4, Summer/December 1994, viewed 5 April 2013, <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22library%2Fjrnart%2FMU5F6%22>
55. R Kelly, *Maintain the Momentum: Australian Government sports policy 1992–96*, speech to the Australian Sports Commission, 3 September 1992, viewed 8 April 2013, https://secure.ausport.gov.au/_data/assets/pdf_file/0004/327514/mtmspeech.pdf

below for a list of the programs). The majority of funding for the programs was allocated to the ASC for distribution.

Box 1: Maintain the Momentum: continuing programs

AIS Sport Scholarship Program
National Sports Program
Intensive Training Centre Program
Lifeskills for Elite Athletes Program
Elite Coaching Programs
Oceania Olympic Training Centre Program
National Sports information Centre Program
National Sports Research Centre
Sport science and Sports Medicine Centre
Sports Development Program (under which sports were required to have development plans in place in order for them to be assessed for funding)
Aussie Able Program (sport programs for people with a disability)
Women in Sports Programs
Australian Sports Foundation
Aussie Sports Programs

In addition to the Maintain the Momentum funding, \$135 million was allocated in 1994 over a six year period to the Olympic Athlete Program. In announcing this additional spending to make ‘great Australians’ the Minister linked the funding to the opportunity hosting the Olympics in 2000 brought for the nation to present itself on the world’s stage ‘as a successful, sophisticated, progressive and egalitarian society’. He iterated what was a familiar theme which accompanied sports funding announcements under Hawke and Keating: successful performances by elite athletes had ‘positive spin-offs, including serving as an inspiration for the entire community to participate’.⁵⁶

A drug testing agency

Sports funding responsibility brought with it the duty of maintaining integrity in sport, particularly in relation to ensuring that athletes were drug free. Australia commenced drug testing of athletes in 1988 and following recommendations made by a Senate inquiry into drugs in sport (the Black Inquiry) in 1989 the Hawke Government announced it would establish an independent, statutory sports drug agency in 1990.⁵⁷ The agency, the Australian Sports Drug Agency, was established under the *Australian Sports Drug Agency Act 1990* (ASDA Act) and began operations with a budget for its first four years of approximately \$4 million for testing and educational activities.⁵⁸

56. Department of the Environment, Sport and Territories, *Olympic Athlete Program: making great Australians*, June 1994, viewed 8 April 2013, https://secure.ausport.gov.au/data/assets/pdf_file/0008/327518/oap.pdf

57. Senate Standing Committee on Environment, Recreation and the Arts, *Drugs in sport*, Interim report, AGPS, Canberra, May 1989.

58. *Australian Sports Drug Agency Act 1990* (ASDA Act) is at: <http://www.comlaw.gov.au/Series/C2004A04093>

Assessment

The Hawke Government was the first to identify that there was potential for economic benefits to be gained from attracting tourists to sporting events. Hence, it allocated funding to develop infrastructure for the defence of yachting's America's Cup in Perth in 1987 and the Adelaide motor racing Formula One Grand Prix.

The Government was also the first to develop specific policies to encourage people with a disability to participate at an elite sport level. While a program for assistance for sport and recreation for people with a disability had been created by the Fraser Government, only a small amount of funding had been provided for this purpose.⁵⁹ The 1983 Budget more than doubled this funding and Labor continued to increase participation opportunities. By 1991, the 'Aussie Able' program was given a budget of \$1.6 million a year. The program included funding for international travel and offered some scholarships to athletes with a disability to attend the AIS.

In assessing the sports policies of the Hawke and Keating Governments, Bloomfield concluded that they completed the transition from an amateur to a professional sporting system which had begun under the Whitlam administration.⁶⁰ Under Hawke and Keating, sports policies had successfully evolved to develop associations with other policy benefits. Sports and physical activities could deliver health and economic benefits. In addition, sport delivered on traditional expectations—increasing national pride and enhancing Australia's reputation as a sporting nation. Yet, despite the significant growth in funding for all types of sport, and increases in funding correlating with improved results at the elite level, as Stewart et al point out, by world standards, Australian sport continued to be under-funded when the Howard Government came to power in 1996.⁶¹ In addition, despite the Government's rhetoric that it intended to balance support for elite sport and participation programs, in the final analysis the balance tilted significantly more in favour of elite sport.

The Howard Government: balancing act version two—aiming for a healthy active Australia

Getting active

In the lead up to the March 1996 election the Liberal Party's policy announcements signalled that if the Coalition won government it would also emphasise the dual aims of encouraging participation and developing elite sporting expertise.⁶² Once in power, the Coalition introduced the Active Australia framework, the result of a collaborative discussion between relevant federal and state

59. An amount of \$200 000.

60. Bloomfield, *Australia's sporting success*, op. cit. p. 107.

61. Stewart et al., *Australian sport: better by design?* op. cit., p. 61.

62. Liberal Party of Australia and National Party, *Encouraging players: developing champions*, Liberal and National Parties' sport and recreation policy document, 23 February 1996, <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22library%2Fparty%2F1279392%22>

government departments with responsibility for sport, local government and the sport and recreation industry. The framework was intended to motivate all Australians to become more active and to provide facilities, programs and services to assist them to do so.⁶³ Active Australia consisted of three streams which focussed on schools, local government organisations and providers. The schools stream aimed to provide physical activity and sport that was both challenging and fun, the provider stream looked towards improving the standard of programs delivered and the local government stream recognised the importance of this tier of government in the delivery of sport and recreation programs.

During 1997 the Government asked a House of Representatives Committee to examine a proposal to resume federal government funding for sports infrastructure as this involvement had effectively lapsed following the sports rorts affair, which occurred during Ros Kelly's tenure as minister under the Keating Government.⁶⁴ The Committee acknowledged that there was a large unmet demand for sporting and recreational facilities, and that there was almost universal support from community stakeholders for the Government to re-enter this field. However, with the exception of providing funding to disadvantaged communities, it was not convinced that it was the federal government's role to provide facilities directly. It would be better for government to assist providers to make better use of facilities and funding from sources such as the private sector.⁶⁵

The Coalition cited Active Australia among its policy successes during the 1998 election campaign. It claimed other sporting achievements including increased funding for the Olympic Athlete Program and re-structuring the Australian Sports Foundation to improve its capacity to boost tax deductible donations to sporting organisations.⁶⁶ (More discussion of the Australian Sports Foundation can be found in the section on funding options and debates later in this paper.) The Government promised also that it would guarantee sports funding and it would investigate federal interventions in sport since the Whitlam era as a precursor to developing a sports policy regime which would take Australia into the twenty first century.⁶⁷

After the election, a Sport 2000 Task Force was established to achieve this objective. The Task Force's *Shaping Up* report, published in November 1999, recommended Active Australia become a business unit under a body to be called Sport and Recreation Australia. Other units under the new body would deal with high performance sport, manage the Australian Institute of Sport and oversee funding and development of sport and recreation.

63. Sport and Recreation Ministers' Council, *Active Australia: a national participation framework*, Australian Sports Commission, Canberra, 1997, viewed 8 April 2013, https://secure.ausport.gov.au/data/assets/pdf_file/0020/327512/ActiveAustralia.pdf

64. House of Representatives Standing Committee on Environment, Recreation and the Arts, *Rethinking the funding of community sporting and recreational facilities: a sporting chance*, House of Representatives, Canberra, October 1997.

65. Ibid.

66. The Coalition, *Sport and recreation policy: a winning advantage*, Coalition policy document, Election 1998, viewed 11 April 2013, <http://www.australianpolitics.com/elections/1998/lib-policies/sport.htm>

67. Sport 2000 Task Force, *Shaping up: a review of Commonwealth involvement in sport and recreation in Australia: a report to the Federal Government*, November 1999, viewed 11 April 2013, <http://fulltext.ausport.gov.au/fulltext/1999/feddep/ShapeUp.pdf>

One of the Terms of Reference for the Sport 2000 Task Force was also to investigate sources of ‘off budget’ funding for sport. The Task Force was adamant that its new sport model would indeed require additional financial resources—the doubling of funding for Active Australia and additional funding for management systems, innovative research and national strategies to increase participation. It was less convinced that high performance sports would need a similar funding injection; in its opinion, while funding levels should be maintained, elite sport was adequately funded.

The Task Force considered a number of options for supplementary funding. It looked at a national lottery, but rejected the idea because of the possible social and economic implications of gaming and possible constitutional impediments (for more discussion, see the section on lottery funding of sport later in this paper). Other ideas it contemplated included:

- the federal government becoming an Internet-based gaming operator, thereby tapping into what the Taskforce astutely recognised was a potentially high revenue raising project (see further discussion later in this paper).
- Introducing an Athlete Contribution Scheme for elite athletes similar to the Higher Education Contribution Scheme (HECS), but involving a higher income threshold (see more detail in a later section of this paper, ‘Repaying the favour’).
- Changing the status of the Australian Sports Foundation (ASF) to make it more attractive to potential donors (see more discussion of the ASF in a later section of this paper).

The Government did not adopt the Task Force’s recommendations to set up the new sports coordinating body or its suggestions for subsidising government sports funding. At the same time, it adopted variations of some of the other review recommendations during the remainder of its time in office. For example, under *Game Plan 2006* it committed funds to initiatives to develop the sport and leisure industry with the intention that a more successful industry would better be able to assist elite athletes and foster more community participation in sport.⁶⁸

The Sydney Olympics

The Olympics were held in Sydney in 2000 during the Howard Government’s second term in office. Labor’s promise in 1991 to contribute \$150 million towards the construction of new Games facilities and infrastructure had helped Sydney put together its successful bid for the Games, which was announced during the Keating administration in September 1993. The Government had also committed resources in areas such as customs, immigration, transport and communications.

According to the official report on the Sydney Games, the election of the Howard Government resulted in significant funding uncertainty for the Games organisers. The Sydney Organizing Committee for the Olympic Games (SOCOG) remarked that it:

...had relied on strong but informally expressed commitments made by the former government in the Bid and early development phase. In mid 1997, the Federal Government determined that,

68. Department of Industry, Science and Resources (in conjunction with the ASC), *Game plan 2006*, Sport and Tourism Division, Canberra, 2006, viewed 15 April 2013, <http://fulltext.ausport.gov.au/fulltext/2001/feddep/gp2006.pdf>

as a general principle, wherever practicable, user charging/cost-recovery arrangements were to be put in place and charges should reflect full cost.

When the Federal Government and SOCOG were unable to agree on the cost of the service, the Federal Government considered whether it would deduct from any grant the difference between what SOCOG was prepared to pay and what it considered to be a reasonable price for the service. Where SOCOG had not requested a service be undertaken, but the Federal Government considered it to be integral to the staging of the Games and one for which cost recovery should be pursued, the same process applied. In SOCOG's view this approach was inconsistent with the commitments made by the Federal Government during the Bid process and seemed not to recognise the projected revenue boost of the Games to tax revenue.⁶⁹

However, despite the change in federal policy which resulted from the election of the Howard Government, both it and its predecessor contributed significantly to the staging of the Games, as the table below indicates.

Table 2: funding the Sydney Olympics

FUNDED BY ²	Venues, Facilities & Infrastructure	Events & Co-ordination	Total \$M
SOCOG	361.3	2,393.4	2,754.7
SPOC		116.9	116.9
NSW Treasury Foreign Exchange Gain (SOCOG transactions)		58.0	58.0
Olympics Induced Additional Tax Revenue to NSW Government		653.0	653.0
Private Sector	1,107.0		1,107.0
Commonwealth Government	150.0	97.3	247.3
Other	221.2		221.2
Total Funding	1,839.5	3,318.6	5,158.1

Source: Olympic co-Ordination Authority⁷⁰ (Note: SOCOG stands for Sydney Organising Committee for the Olympic Games and SPOC stands for Sydney Paralympic Organising Committee.)

A More Active Australia

In April 2001, the Government announced an updated sports policy called *Backing Australia's Sporting Ability: A More Active Australia*. In introducing the policy the Prime Minister and the Minister for Sport and Tourism, Jackie Kelly, noted:

The centrepiece of our policy is a new strategy to increase community participation in sport. It is true that more players mean more winners but there are also other benefits of being involved in sport. In addition to the obvious benefits of health and fitness, the Government appreciates that

69. Olympic Co-Ordination Authority, *The Sydney 2000 Olympic and Paralympic Games: a report on the financial contribution by the New South Wales Government to the Sydney 2000 Games*, 31 March 2002, viewed 22 April 2013, http://fulltext.ausport.gov.au/fulltext/2002/nsw/fin_cont_report.pdf

70. Ibid.

sport provides valuable opportunities for people of all ages to improve themselves, display teamwork and become more engaged in community activities.

Our aim is to see more sport played at the grassroots level, particularly amongst school aged children and in rural areas, where sporting groups are often a vital factor in the cohesion of local communities. To this end the Government has increased funding to encourage participation and has introduced new programmes directed at young Australians.⁷¹

Building a Healthy, Active Australia

Three years after Australians were urged to become more active, in June 2004, the Government launched a further initiative—*Building a Healthy, Active Australia*. A centrepiece of this program was Active After Schools Communities (AASC) which was in part inspired by Task Force 2000's suggestion that encouraging general recreation and activity was as important as supporting organised sport.

Active after Schools Communities

AASC began in 2005 with 900 primary schools and out of school hours care services participants (OSHCS). It remains a national initiative that provides primary school-aged children with access to free, structured physical activity programs after school. Important motivations underlying the program, apart from the obvious need to improve activity levels, have been to deliver a service that addresses parental concerns about the dangers of leaving children to play in unsupervised settings and the lack of time parents have to support out-of-school activities for their children.

AASC concentrates on a 'playing for life' approach centred on fun, and catering for participants of all abilities. The types of activities and games delivered through the AASC program range from traditional sports to non-traditional sports, such as frisbee and martial arts. Other structured physical activities, including dance and circus skills, are also available through the program.

An interim report of the AASC in 2007 concluded in general:

...that by participating in the AASC program, children have become more physically active in their leisure time, that they have grown to love structured physical activity and want to continue their involvement. In addition, participating schools and OSHCS increased their capacity to deliver structured physical activity outside of the AASC program, memberships at local clubs and structured physical activity organisations increased through their involvement in the AASC program and local communities were strengthened through the AASC program being delivered in their area. The program achieved exceptionally high stakeholder satisfaction ratings, and was considered safe, fun and inclusive.⁷²

71. J Howard (Prime Minister) and J Kelly (Minister for Sport and Tourism), *Backing Australia's sporting ability: a more active Australia*, 2001, viewed 8 April 2013,

<http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22library%2Fparty%2F4QPA6%22>

72. ASC, *Helping kids and communities get active: an interim evaluation of the Australian Sports Commission's Active After-school Communities program 2005–2007*, ASC, 2008, viewed 8 April 2013,

https://secure.ausport.gov.au/_data/assets/pdf_file/0020/261470/AASCevaluation.pdf

In the 2007 Budget funding of \$125 million was allocated to extend the AASC program to December 2010.⁷³ The Gillard Government further extended AASC in the 2012–13 Budget, by providing funding to support 2000 primary schools and 1300 out-of-school care services for two years until December 2013 (\$39.2 million).⁷⁴

Maintaining elite funding

The *Backing Australia's Sporting Ability* package in 2001 emphasised participation also. However, \$122 million of the additional funding of over \$161 million for a four year period provided to sport under *Backing Australia's Sporting Ability* was spent on high performance sport. This funding division led the Opposition spokesperson, Kate Lundy, to remark later that the Government was not genuinely interested in increasing the number of Australians participating in healthy physical activities.⁷⁵

On the other hand, the Chairman of the ASC at the time, Peter Bartels, praised the 2001 funding arrangements. Bartels saw them as marking the replacement of ad hoc, temporary funding received under initiatives such those provided under Maintain the Momentum, with guaranteed base funding enshrined for ten years.⁷⁶

There were some hiccoughs for the funding of elite sport during the Howard years; for example, the Olympic Athlete Program was to cease after the Sydney Olympics and many argued this would be detrimental to those athletes who did not receive funding from other sources. After some discussion and urging from the Australian Olympic Committee which argued Australia's performance would 'slump' in the Beijing Olympics without additional funding, the Government responded in 2005 by setting aside \$52 million for a new direct athlete support program (see more detail in a later section of this paper). Similarly, in 2000 the ASC was subject to a cut in funding in the budget of that year, but the 2002 Budget delivered a \$65.4 million funding commitment to assist in upgrading and expanding sports facilities at the Bruce campus of the AIS.

Revamping drug testing

Following allegations of doping within the AIS track sprint cycling program in 2003 and 2004, an inquiry was held to assess the effectiveness of the actions taken by Cycling Australia and the

73. Australian Government, *Budget measures: budget paper no. 2: 2007–08*, Commonwealth of Australia, Canberra, 2007, Communications, Information Technology and the Arts budget measures, viewed 12 April 2013, <http://www.budget.gov.au/2007-08/bp2/html/expense-05.htm>

74. Australian Government, *Budget measures: budget paper no.2: 2012–13*, Commonwealth of Australia, Canberra, 2012, viewed 8 April 2013, http://www.budget.gov.au/2012-13/content/bp2/html/bp2_expense-19.htm

75. K Lundy (Shadow Minister for Sport), *Active Australia ditched by the Howard Government*, media release, 21 November 2002, viewed 8 April 2013, <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22media%2Fpressrel%2FYQX76%22>

76. R Masters, 'Cash boost from top to bottom', *The Sydney Morning Herald*, 25 April 2001, viewed 12 April 2013, <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22media%2Fpressclp%2F4IW36%22>

Australian Sports Commission in dealing with the matter.⁷⁷ As a result of the inquiry and public concern, the Howard Government decided to enhance Australia's anti-doping regime. It introduced legislation to set up a National Anti-Doping Scheme and to introduce a new agency to replace ASDA—the Australian Sports Anti-Doping Authority (ASADA).⁷⁸

From early 2006 ASADA took over the functions previously performed by ASDA. It was also given power to investigate doping allegations and to present anti-doping violation cases at hearings before the Court of Arbitration for Sport or other sports tribunals.⁷⁹ ASADA carried out its functions within the context of a National Anti-Doping Scheme which was established to implement Australia's international obligations in relation to anti-doping rule violations in sport.⁸⁰ The new agency was given increased funding to undertake its tasks (see information on ASDA and ASADA funding at Appendix F).

Assessment

In an article for *The Age*, writer and broadcaster John Harms assessed the Howard Government's approach to sport in general.⁸¹ Harms concluded that despite the rhetoric and promotion of grassroots sports as the fundamental focus of the Government's sports policy, funding elite sport was the Government's real priority.

...the focus has been on the main traditional sports and Olympic and Commonwealth Games sports, particularly those in which Australia has a chance of doing well. Sports such as orienteering and skateboarding have lost their funding.

This is a systematic approach to winning gold medals and international competitions. It is the sort of approach for which the Eastern bloc nations were criticised during the 1970s and '80s. The Australian approach doesn't require the guise of military service; there is public support for it. Gold medals seem to satisfy the community. Poor performances (such as at the 1976 Montreal Games) don't.

Hero-athletes serve governments well. Reflected glory has been a part of politics forever and a day. But success at sport contributes to a strong sense of nation, which is what [Prime Minister]

77. R Kemp (Minister for Arts and Sport) 'The Anderson report', statement, 18 November 2004, viewed 2 May 2013, http://fulltext.ausport.gov.au/fulltext/2004/feddep/Anderson_report_Tabling_statement_Nov.asp and further information available at Australian Broadcasting Corporation, *Four Corners* report archive site, 23 November 2004, viewed 2 May 2013, <http://www.abc.net.au/4corners/content/2004/s1249757.htm>

78. *Australian Sports Anti-Doping Authority Act 2006* is at: <http://www.comlaw.gov.au/Details/C2006A00006>

79. See information on the Court of Arbitration for Sport, viewed 2 May 2013 at: <http://www.tas-cas.org/statistics>

80. In February 1999, the World Anti-Doping Agency (WADA), which is co-funded by the IOC and member governments, was formed. By 2003 a number of governments, including the Australian Government, as well as sporting organisations, had agreed to adopt a World Anti-Doping Code. All National Olympic Committees and International Sports Federations must sign the Code but, as governments were not bound by the Code, in October 2005 the United Nations Education, Science and Cultural Organisation (UNESCO) adopted the *International Convention against Doping in Sport*. As a party to the Convention, Australia is required to implement the Code.

81. J Harms, 'More than a game', *The Age*, 11 March 2006, pp. 16–18 A2, viewed 16 April 2013, <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22media%2Fpressclp%2FKB0J6%22>

Howard wants. At a time when grassroots sports clubs and organisations are crying out for better funding, to give Australians opportunity to participate, resources continue to be channelled to the elite.⁸²

Rudd and Gillard: balancing act version three—focus on prevention and reform

Labor returned to power in 2007. Its election policies relating to sport did not indicate that it intended to deviate radically from directions taken by the Howard Government. Hence, it emphasised the familiar mantra of government's dual role in encouraging community and grassroots participation and developing and supporting high performance athletes. This was couched in terms of benefits—greater social cohesion, public health improvements and inclusion for marginal groups. There was, however, a new-found stress on the need to find supplementary funding options to enhance government commitments.⁸³

By August 2008, it appeared there had been a change of mind. The Government released a document which argued that the sports system was in serious need of reform; new directions were needed to meet emerging challenges and to maintain Australia's status as one of the world's great sporting nations. Despite the need for change in two key areas—the way elite sport was supported and the manner in which sport was used to boost participation and physical activity to help build a healthier nation—the Government maintained it did not intend to:

...tear down the structures and systems that have made Australian sport as strong as it is today. Rather we are building on the good work done in the past to make sure Australian sport stays strong into the future.⁸⁴

It announced instead that it would appoint an Independent Sports Panel (the ISP) which would be given a brief of investigating what particular reforms may be required to ensure the Australian sporting system was prepared for future challenges.⁸⁵

Independent Sports Panel

The ISP consulted widely with key sport sector stakeholders, including national and state and territory sporting organisations, federal and state and territory departments of sport and recreation,

82. Ibid.

83. Australian Labor Party (ALP), *National Platform and Constitution 2007*, ALP policy document, adopted 27-29 April 2007, viewed 22 April 2013, <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22library%2Fparty%2F1024541%22>

84. Australian Government, *Australian sport: emerging challenges, new directions*, August 2008, viewed 9 April 2013, http://www.regional.gov.au/sport/resources/reports/files/australian_sport_emerg.pdf

85. Independent Sport Panel (ISP), *The future of sport in Australia*, (the Crawford Report), Commonwealth of Australia, Canberra, 2009, viewed 9 April 2013, [http://www.health.gov.au/internet/main/publishing.nsf/Content/1DDA76A44E5F4DD4CA257671000E4C45/\\$File/Crawford_Report.pdf](http://www.health.gov.au/internet/main/publishing.nsf/Content/1DDA76A44E5F4DD4CA257671000E4C45/$File/Crawford_Report.pdf)

federal government sporting agencies, regional and local sporting organisations and the general public

General themes that emerged from ISP consultations included many that had been on the agenda for some time. Concerns were raised, for example, about the sports participation and physical activity rates of children, and many stakeholders advocated a return to compulsory school sport and physical activity as part of the national education curriculum. The adequate provision of, and access to community sporting infrastructure was also identified as a barrier to participation in sports and physical activity. Cost of participation was another area of concern, and suggestions were made that some form of tax relief could be introduced to alleviate the cost burden on families (see the section on funding options later in this paper for more discussion of this issue).

The ISP reported to the Government in 2009 (the Crawford Report), making a number of recommendations for actions it concluded were necessary to realise the Government's ambitions.⁸⁶ Some of the more important general recommendations of the report are shown in the box below:

Box 2: Crawford Report recommendations

- A national sport policy framework should be developed to include measurable national objectives and priorities for public funding and should include financial and non-financial strategies.
- Roles and responsibilities of governments should be clear and the policy framework should be supported by robust data.
- The Australian Sports Commission should be responsible for developing the overarching strategy framework, proposing and measuring national outcomes, contributing to policy proposals, solving problems, allocating Australian Government money to elite and community organisations and strengthening and evaluating the national sporting organisations.
- The Australian Institute of Sport should be amalgamated with state and territory institutes and academies of sport, into a single Australian Institutes of Sport (AIsS), funded by the Australian Government, with existing combined funding levels.
- For elite sport, the Australian Government should be responsible for support of national level programs, state and territory governments for state and territory level programs and in association with local governments for developmental programs.
- National sporting organisations should have primary responsibility for development of their own high performance programs with assistance from the Australian Sports Commission on a case-by-case basis.
- The Australian Government and state and territory governments should make sport in schools an ongoing priority.
- Sports funding should be maintained at existing levels.
- Australian Sports Foundation governance, structural and operational arrangements should be reviewed to raise awareness⁸⁷ of opportunities it provides for fundraising.

86. Note: the panel was chaired by David Crawford – retired national chairman of the audit, tax and advisory group KPMG and director of several major companies, including BHP Billiton, Foster's Group, Lend Lease, National Foods and Westpac Banking Corporation.

Some of the comments made by the ISP, particularly those made in relation to the allocation of funding, elicited considerable criticism. The Panel noted that funding for sport distributed through the ASC is overwhelmingly directed towards elite Olympic sports and that this situation should be questioned as the outcomes it prompts ‘make little strategic sense for Australia’. In support of this view the ISP noted:

- nineteen Australian teams enjoy top three world rankings and more than half of these are in non-Olympic sports.
- More government funds are provided for archery than cricket despite the fact that cricket has more than 100 times the number of participants.
- Water polo receives as much high performance and AIS funding as golf, tennis and lawn bowls combined—even though these sports can rightly claim to be ‘whole of lifetime’ sports and significant contributors to a preventive health agenda.

The ISP was also of the view that the quantum of sports spending needs to be assessed more rigorously. Sustained levels of spending to win Olympic and Commonwealth Games medals is very high—in its estimation in the order of \$15 million per gold medal or \$4 million per medal. (Others consider the cost even higher. See Box 3 for more detail). The ISP acknowledged that the intangible benefits gained from this spending, such as national pride, may be underestimated, but in its opinion, benefits can be derived from successes in other sports. So, on what basis are they not equal claimants on the public purse it asked.

It concluded:

...we need to consider what we can afford to invest and how we appropriately balance this investment to support a broader definition of sporting success. This will mean more explicitly defining elite sporting success in the context of prioritising those sports which capture the country’s imagination and represent its spirit and culture. These are the sports where our performance on the national and world stage is important to our sense of success as a nation.

There should be debate about which sports carry the national ethos. Swimming, tennis, cricket, cycling, the football codes, netball, golf, hockey, basketball, surfing and surf lifesaving are among the most popular sports in Australia, a part of the national psyche. Many are team sports and are the sports we are introduced to as part of our earliest education and community involvement.

If more money is to be injected into the system then we must give serious consideration to where that money is spent. If we are truly interested in a preventative health agenda through sport, then much of it may be better spent on lifetime participants than almost all on a small group of elite athletes who will perform at that level for just a few years.⁸⁸

87. Crawford Report, op. cit.

88. Ibid.

The ISP was denounced by some. For example, one journalist opined:

After studying 650 submissions, of poking their noses into every dark corner of sport, this small panel has made some truly ridiculous statements about elite sport, most are [sic] which are predicated on the fact that most sports can become AFL clones.

They have totally misread an entire nation's love of the Olympics and the national pride of beating much larger countries on the international stage. They have not understood the country's expectation that from out of nowhere, an archer (Simon Fairweather), a pole vaulter (Steve Hooker), a hurdler (Sally McLellan), can shock, inspire and awe a nation.

They clearly can't remember the national embarrassment in Montreal of not winning an Olympic gold medal. They think—bizarrely—that finishing top 10 is good enough.⁸⁹

The journalist considered it ludicrous to suggest that more federal money should be given to sports (such as cricket and football) which derive significant funding from other avenues including the sale of broadcasting rights.⁹⁰

The President of the AOC, John Coates, considered the Crawford Report an insult to Australia's Olympic champions.⁹¹ Coates' view was that Olympic sports would not be able to survive without federal funding. (See the view of one cartoonist in the figure below.)

89. J Magnay, 'They have misread an entire nation's love of the Olympics', *The Age*, 18 (online edition), November 2009, viewed 11 April 2013, <http://www.theage.com.au/opinion/contributors/they-have-misread-an-entire-nations-love-of-the-olympics-20091118-il2b.html>

90. Ibid.

91. 'Coates "pissed off" by Crawford Report, ABC News online, 18 November 2009, viewed 11 April 2013, <http://www.abc.net.au/news/2009-11-17/coates-pissed-off-by-crawford-report/1146166>

Figure 3: Coates view of the Crawford Report



Source: *The Canberra Times*⁹²

Other comments were more supportive of the ISP's analysis. Danielle Cronin writing in the *Canberra Times* remarked that the Panel was not heretical for simply questioning the balance between funding different sports. Cronin added that in fact it seemed sensible to question whether funding is effectively distributed and well-targeted and whether investment in sport is producing expected results.⁹³

Response to the Crawford Report

In its response to the Crawford Report, the Government committed to an investment of \$1.2 billion in the 2010–11 Budget to be made in sporting programs at the elite and community levels as part of what it called a 'new strategic direction' and 'integrated whole-of-sport approach to the Australian sport system'.⁹⁴ In recognition of the significant leadership role played by the ASC, the sport agency was tasked with delivering the policy and distributing funding to maximise what the Government labelled a whole-of-sport reform agenda.⁹⁵

92. D Cronin, 'No free kick for sports funding', *The Canberra Times*, 20 November 2009, p. 21, viewed 11 April 2013, <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22media%2Fpressclp%2FR49V6%22>

93. Ibid., p. 21.

94. Australian Government, *Australian sport: the pathway to success*, 2010, viewed 8 April 2013, https://secure.ausport.gov.au/_data/assets/pdf_file/0010/372799/PathwaySuccess.pdf

95. Ibid.

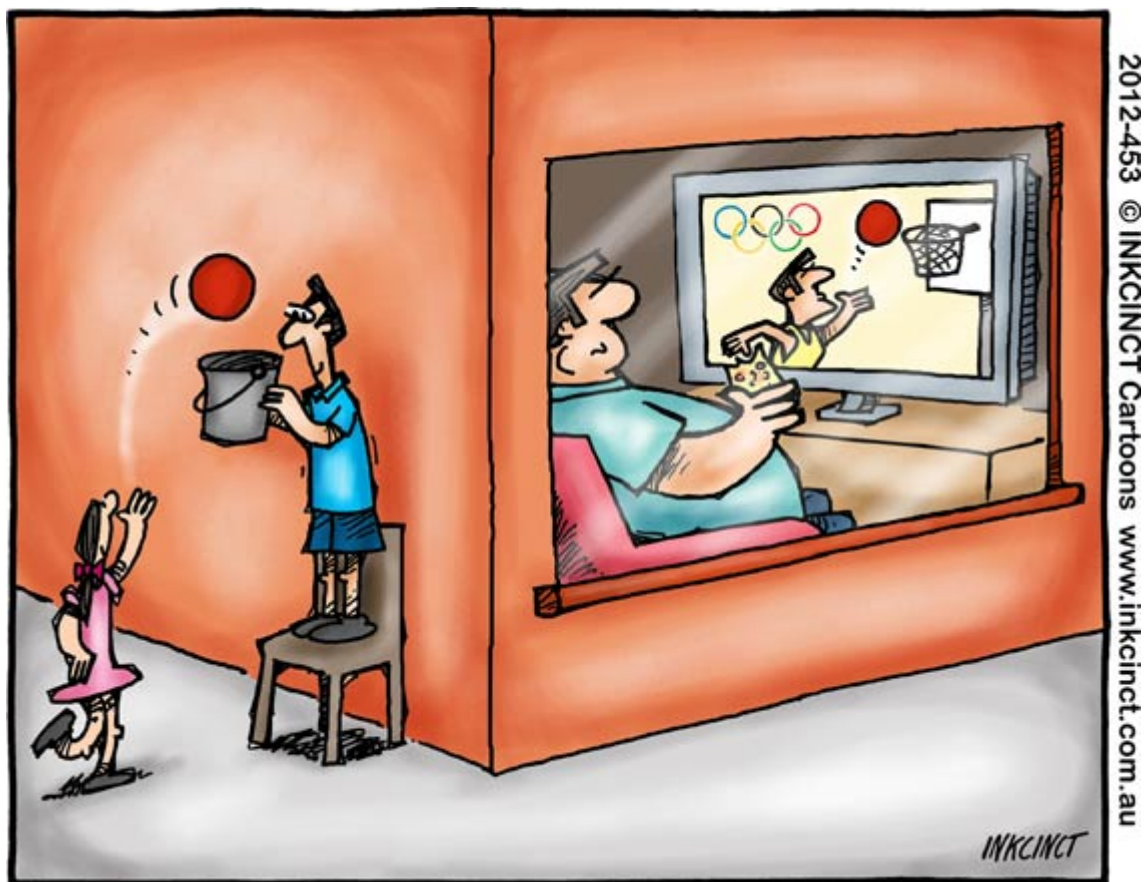
The Government's stated agenda included introducing:

- a Sport and Education Strategy to improve the number of children participating in sport
- changes to National Sporting Organisations (NSOs) agreements with the ASC to require more focus on participation outcomes as part of funding agreements
- new funding and measures to address issues affecting women's participation, advancement and leadership in sport
- new funding, training, support and mentoring to assist coaches
- increased funding to the talent identification program to ensure future champions are discovered and assisted to reach their full potential
- increased funding for sport development by increasing funding to a Local Sporting Champions program to provide financial support to 4000 more young Australians and expanding the number of domestic competitions in which Australian athletes can compete
- a new program to enable current and retired athletes to use their position as sporting role models to give back to the community or assist the development of aspiring sports men and women
- recognise the critical role of volunteers to the sports system by introducing measures to support, subsidise and reward their efforts
- increased funding support for our high performance athletes and retention of high performance coaches
- assistance for high performance athletes to attend and compete strongly in international competition.

In arguing that this new approach would contribute to its wider agenda of health reform, the Government noted the problem of obesity and the need to boost participation as a means to combat it (as is illustrated in the cartoon in Figure 4 below).

In addition, the Government responded specifically to the recommendations in the Crawford Report, agreeing wholly with the majority of the ISP's recommendations and supporting others in principle or in part. It disagreed with only four recommendations which recommended separation of the ASC and the AIS, establishing a national sport facilities fund and providing tax rebates or a voucher system of credits to assist in increasing participation. (See discussion of the Canadian Children's Fitness Tax Credit scheme later in this paper.)

Figure 4: the need to increase participation



Source: Inkcinct⁹⁶

Olympic hiccough

In 2011–12 it appeared that various participation strategies of governments since the 1970s were beginning to be successful. Over 65 per cent of Australians aged 15 years and over participated in physical activities—recreation, exercise or sport. Sixty per cent of children aged between five and 14 years participated in at least one sport that had been organised by a school, club or association outside school hours.⁹⁷

Elite sports policy appeared to be vindicated also with the further success for Australian athletes at the 2006 Melbourne Commonwealth Games and the 2008 Beijing Olympics. Then over 400

96. Inkcinct cartoons website, cartoons published in 2012, viewed 12 April 2013, permission to publish provided by cartoonist 19 June 2013, <http://www.inkcinct.com.au/web-pages/australian/sport-entertainment/2012-sport-entertainment.htm>

97. ABS, *Sports and physical recreation: a statistical overview, Australia 2012*, cat. no. 4156.0, ABS, Canberra, 2012, viewed 22 April 2013, <http://www.abs.gov.au/ausstats/abs@.nsf/Products/4156.0~2012~Chapter~Participation+in+sport+and+physical+recreation?OpenDocument>

Australian athletes went to the London 2012 Olympics and returned home with only 35 medals. This was 23 fewer than in Sydney in 2000 and 11 fewer than in Beijing. While London was not quite the Montreal disaster relived, many adverse comments were published about Australia's relatively poor performance. According to one assessment:

Australia has been in distress since the London Olympics began, watching a parlous performance in the pool where it usually performs exceedingly well. But there has been no Beijing haul of gold for the country's swimmers in London; just one gold in the women's 4 x 100 freestyle relay event, and nothing for the individual swims.

As a result, this sporting nation has been thrown into an identity crisis of sorts, played out in public as a tussle over what it means to be Australian. There are those who argue a poor gold medal tally is an appalling reflection of Australia's sporting prowess and an[sic] even worse for its self-esteem, playing out as it has on the international stage.⁹⁸

Despite criticism levelled at the 2012 team, Australia still ranked tenth in the overall medal tally at the conclusion of the Games, but this did not stop questions being raised about the cost of Olympic success. (See comments in Box 3 below.)

In addition, following the Olympic 'failure', two inquiries were held into Australian swimming (see a comment on Australia's swimming performance in Figure 5 below). Conclusions from these inquiries were that a 'confluence of circumstances', including cultural problems in the sport and poor management had led to Australia's underperformance.⁹⁹ With regards to funding, one of these reports noted that while all sports could benefit from more investment, funding for Swimming Australia was adequate for it to achieve its goals.¹⁰⁰ To turn around results in the future required better leadership, restructure and organisation and better use of resources. An earlier inquiry into Cycling Australia had reached similar conclusions about the need for better governance in that sport.¹⁰¹

98. M Attard, 'London Olympics: where is Australia?', CNN Asia, 7 August 2012, viewed 22 April 2013, <http://edition.cnn.com/2012/08/07/world/asia/australia-london-olympics-performance>

99. Bluestone Edge, *The Bluestone Review: a review of culture and leadership in Australian Olympic swimming*, abridged version of the report prepared for Swimming Australia, 30 January 2013, viewed 16 April 2013, <https://assets.imgstg.com/assets/console/document/documents/Swimming%20Australia%20Culture%20Review1.pdf> and W Smith, *Independent review of swimming: report prepared for Swimming Australia and the Australian Sports Commission*, 2013, viewed 16 April 2013, http://www.ausport.gov.au/_data/assets/pdf_file/0003/517512/Independent_Swimming_Review.pdf

100. Smith, *Independent review of swimming*, op. cit.

101. J Woods, *Cycling Australia Review*, report prepared for Department of Regional Australia, Local Government, Arts and Sport, Canberra, January 2013, viewed 16 April 2013, <http://www.regional.gov.au/sport/resources/reports/files/cycling-australia-review-20130111.pdf>

Box 3: cost per medal

The *Sydney Morning Herald* in its assessment of Australia's performance at the London Olympics calculated that each Australia medal at the London Games cost taxpayers \$10.6 million.¹⁰² The *Herald's* front page also calculated cost of medals dissected by sport as shown in the diagram below. Note that the *Sydney Morning Herald* article was published before the end of the Olympics period, and consequently, medal counts differ slightly.¹⁰³



James Connor of the Australian Defence Force Academy argues that most calculations of medal cost are, like the *Herald's*, based on federal support for the Australian Sports Commission and, as such, they seriously underestimate the actual costs of each Olympic medal. According to Connor, when funding by state and territory governments and sporting infrastructure costs are taken into account, the cost of a gold medal could exceed \$100 million.¹⁰⁴

However, to paraphrase one commentator, the question of what an Olympic Gold medal is worth, or for that matter what a championship title is worth, ultimately depends on the perspective from which you view it. The six grams of gold plating and 5550 grams of silver in an Olympic medal are worth approximately \$900, based on current metals prices, but for those who have trained and sacrificed for years, the prize is priceless.¹⁰⁵

102. C Johnston, M Moncrief and C Wilson, 'What price medals?' *The Sydney Morning Herald*, 11 August 2012, p. 1, viewed 15 April 2013, http://parlinfo.parlInfo/download/media/pressclp/1840252/upload_binary/1840252.pdf;fileType=application%2Fpdf#search=%22crawford%20report%22
103. Australian won three gold medals and one silver medal in sailing, which would change the cost analysis to \$5.4 million per sailing medal, and one gold and two silver medals in athletics, which would change the medal costing to \$10 million approximately.
104. R Hay, 'The real cost of Australian sport', *Dissent*, no. 28, Summer 2008–09, pp. 58–60, viewed 15 April 2013, http://parlinfo.parlInfo/download/library/jrnart/QKES6/upload_binary/qkes60.pdf;fileType=application%2Fpdf#search=%22australian%20sports%20commission%22
105. A Tillett, 'Olympic gold has a high price', *The West Australian*, 18 June 2012, p. 21, viewed 15 April 2013, http://parlinfo.parlInfo/download/media/pressclp/1719951/upload_binary/1719951.pdf;fileType=application%2Fpdf#search=%22australian%20sports%20commission%22

The ASC responded by releasing new governance principles for national sporting organisations which are to be linked to future sports funding.¹⁰⁶ It observed in introducing the new rules that the Australian public has the right to expect that sports which receive taxpayer funding will be well run and that better governance arrangements would not only pay dividends for Australia's high performance success, it would also improve the management of grass roots participation programs. There were two dimensions to the new regulations:

- mandatory governance principles imposed for larger partner sports receiving more than five million per annum in ASC funding and financial implications for non-compliance
- a stronger link to be established between sports' performance and funding—performance was to emphasise participation.

It remains to be seen whether new governance rules will benefit elite performances or bolster grassroots participation. What appears clear is that the perceived underperformance of elite athletes in London has ensured that any further consideration of the Crawford Report's recommendations to reconsider the focus of sports funding will not be a sports policy priority, at least for the foreseeable future.

New governance principles had been foreshadowed in late 2012 when the chair of the Australian Sports Commission, John Wylie, stated at the launch of a revised high performance sports policy, the *Winning Edge* strategy, that the ASC rejected the Crawford Report's advocacy for lowering of expectations about elite sporting success. Wylie cited the familiar: elite sport is central to who Australians are as a people. He used the usual terminology: sport 'sets a positive example to all Australians about achievement, endeavour, courage, integrity, sportsmanship, healthy lifestyles and community cohesion; and it enhances our standing on the world stage'.¹⁰⁷

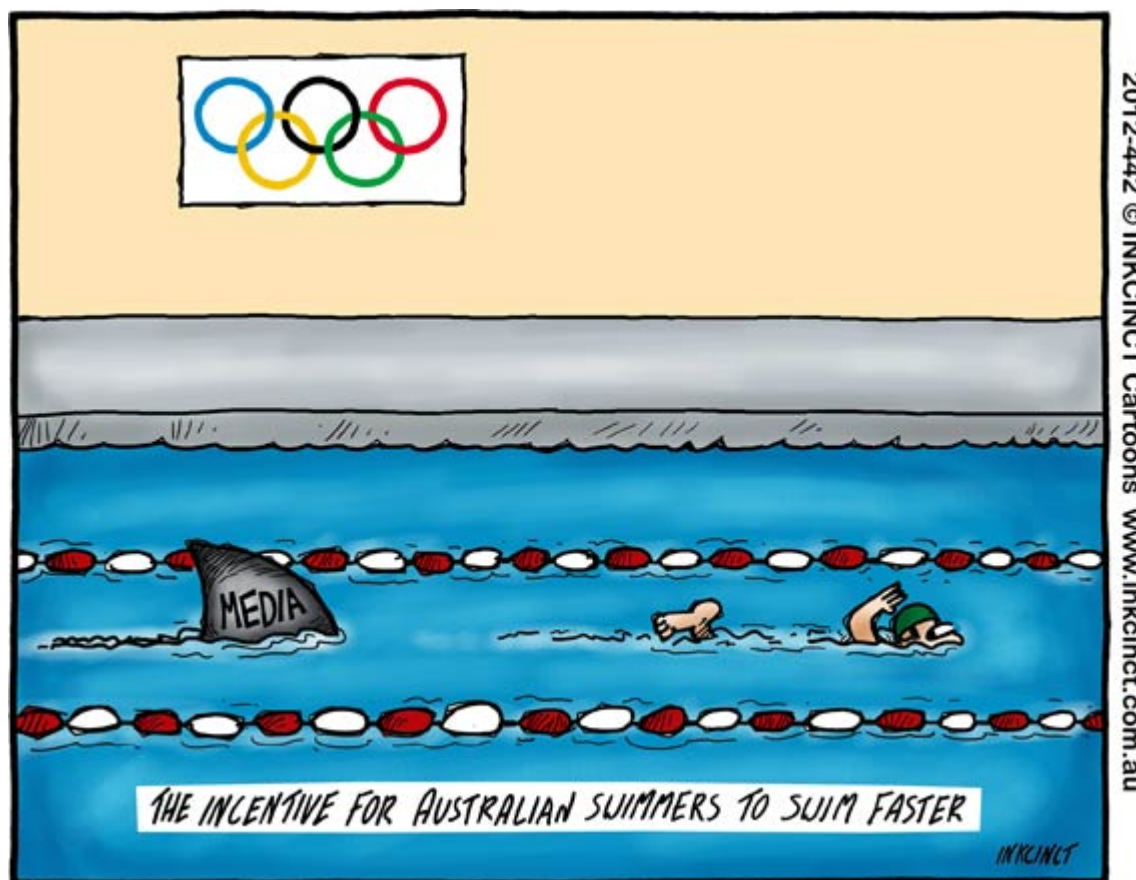
What appeared to have changed as a result of poor performance in London is greater recognition that sports funding does indeed come with obligations to invest wisely and effectively; that there are opportunities to improve efficiency, reduce duplication and complexity in delivery of programs and foster collaboration between national sporting organisations and the ASC. In effect, it appears that there is more recognition that high performance goals need to be achieved within existing government funding.¹⁰⁸

106. ASC, *ASC raises governance standards*, media release, 19 March 2013, viewed 16 April 2013, http://www.ausport.gov.au/news/asc_news/story_521102_asc_raises_governance_standards

107. J Wylie, *Launch of Australia's Winning Edge*, transcript of speech, 30 November 2012, viewed 22 April 2013, http://www.ausport.gov.au/ais/australias_winning_edge

108. Ibid.

Figure 5: comment on the Australian swimming team's performance in the London Olympics



Source Inkcinct¹⁰⁹

Part 2: funding options and debates

For some time there have been debates about how governments could raise more funding to support elite sport. There are similar debates about how government could better structure action to encourage people to become more physically active. In terms of improving participation for example, evidence strongly suggests that the physical and social environment of cities has a major impact on the extent of physical activity undertaken.¹¹⁰ WHO makes the point:

Crowding, crime, traffic, poor air quality, a lack of parks, sports and recreational facilities and sidewalks make physical activity and sports a difficult choice for many people. The challenge is therefore as much the responsibility of governments as it is for people, particularly for fostering

109. Inkcinct cartoons website, cartoons published in 2012, viewed 12 April 2013, <http://www.inkcinct.com.au/web-pages/australian/sport-entertainment/2012-sport-entertainment.htm>

110. E Almanza, M Jerrett, G Dunton, E Seto and M Pentz, 'A study of community design, greenness, and physical activity in children using satellite, GPS and accelerometer data', *Health & Place*, vol. 18 no. 1, January 2012, viewed 12 April 2013, <http://www.sciencedirect.com/science/article/pii/S135382921100164X>

the creation of sustainable environments which encourage the regular practice of physical activity and sport in the community.¹¹¹

From an Australian perspective most of the responsibility for the redesign of public spaces resides with state and local governments. However, it could be argued that there may be justification for direct federal government involvement in this area, provided that this falls within constitutional boundaries. Action could involve options such as directing more federal funding towards infrastructure or encouraging decentralisation of employment through grants that encourage employers to move to suburban hubs.¹¹²

There have been a variety of other possibilities suggested to improve participation. These range from health prescriptions to workplace activity programs, and some options involve a distinct role for government, such as those that provide tax relief.¹¹³

One tax relief solution would be to remove value added or goods and services style taxes from goods that could be used for physical activities or sports. Currently, in Australia goods and services taxes (the GST) apply to items ranging from ballet shoes to cricket bats. While removal of the GST on relatively cheap items of equipment, such as a pair of ballet shoes, may appear insignificant to affluent families, even minimal costs to participate in activities are prohibitive to families on low incomes. The burden of procuring more expensive items of clothing and equipment, particularly for families with a number of children, is obviously more onerous.

Tax relief example: Children's Fitness Tax Credit

Following the success of motivational programs which helped to decrease smoking rates in Canada, the Canadian Government introduced a motivational program that uses tax relief as an incentive intended to improve children's participation in fitness activity and sport—the Children's Fitness Tax Credit (CFTC) program. Under the CFTC, which commenced in January 2007, parents are able to apply for a tax credit of \$500 for fees paid for each of their children under 18 years who register in eligible physical activity programs.¹¹⁴

For programs to qualify under the CFTC, they must be:

111. WHO, *Health and development through physical activity and sport*, op. cit.

112. Queensland is one state that has already explored this type of option. See M Burke, J Dodson and B Gleeson, *Employment decentralisation in South East Queensland: scoping the transport impacts*, Urban Research Program, Research paper no. 29, Griffith University, April 2010, viewed 15 April 2013, http://www.griffith.edu.au/data/assets/pdf_file/0010/208378/urp-rp29-burke-et-al-2010.pdf

113. Workplace activity programs for example involve actions such as 'footprint' stickers to guide people toward the stairs, walking meetings and providing on-site facilities such as gyms or even showers, change room facilities and lockers for those who wish to cycle, walk or jog to work. Health prescriptions involve options such as health professional's written advice to a patient to be active physically, as part of the patient's health management. The patient is then eligible for support and advice from various organisations to assist in achieving that outcome.

114. Note: children must be under 18 years at the beginning of the tax year. Costs can include the costs of administration, instruction and the rental of facilities. 'Children's Fitness Tax Credit', Canada Tax credit.com, website, viewed 28 November 2012, <http://www.canadataxcredit.ca/child-fitness-tax-credit-benefits/>

- ongoing (either a minimum of eight weeks duration with a minimum of one session per week or, in the case of children's camps, five consecutive days)
- supervised
- deemed suitable for children
- activities involved must include a significant amount of physical activity that contributes to cardio-respiratory endurance plus one or more activities that develop muscular strength, muscular endurance, flexibility or balance.

There has been considerable criticism of the CFTC. Economics academic Kevin Milligan points out a number of these, including that it adds complexity to the tax system and it is costly to administer. In addition, in Milligan's view, much of the value of the credit goes to those who are already undertaking an activity; this entrenches the interests of beneficiaries and encourages them to lobby for further credits.¹¹⁵

In addition to the points raised by Milligan, it is argued by some that a number of issues in relation to the availability of sporting and other facilities for children (and indeed, for all the population) to participate in physical activities are not addressed by providing individual tax credits. The major criticism of the CFTC, however, is that it does not provide a viable solution for low income families that are unable initially to afford the cost of participation in physical activity. In effect, one critic insists, the scheme is essentially inequitable.¹¹⁶ The credit benefits only those parents who have sufficient disposable income to register their children in physical activity programs, but neglects to provide any additional advantages to lower income families.

Further, a study of tax credits by Canadian academic John Spence and his colleagues concludes that while more than half of Canadian parents with children have claimed the CFTC, it provides more benefits to wealthier families.¹¹⁷ Spence et al conclude:

A basic assumption of such tax rebates is they will help alleviate economic barriers that inhibit participation in PA [physical activity]. From an economic point of view, it is only rational to assume that people will make the right choice when presented with financial incentives. However, according to rational choice theory... people make choices while considering not only incentives and benefits but also constraints such as their budget. It seems logical that families with limited financial resources will be less likely to enrol their children in organized PA programs

115. K Milligan, 'Fitness a worthy goal—but not with gimmicky tax credit', *The Globe and Mail* website, 3 April 2011, viewed 28 November 2012, <http://www.theglobeandmail.com/report-on-business/economy/economy-lab/the-economists/fitness-a-worthy-goal-but-not-with-gimmicky-tax-credit/article1968880/>

116. M Henry, 'Dangling the tax incentive carrot to encourage participation in fitness programs: what is the healthiest approach?', *Tax quarry: making tax sexy* blog, 17 January 2007, viewed 28 November 2012, http://marshahenry.blogs.com/marsha_henry_ba_hons_llb_/2007/01/dangling_the_ta.html

117. J Spence, N Holt, J Dutove and V Carson, 'Uptake and effectiveness of the Children's Fitness Tax Credit in Canada: the rich get richer', *BMC Public Health* vol. 10, no. 356, 2010, p. 2, viewed 16 April 2013, <http://www.biomedcentral.com/1471-2458/10/356>

that have associated financial costs (e.g., registration, equipment, travel), regardless of whether a tax rebate may be claimed at the end of the year.¹¹⁸

The Australian solution: Australian Sports Foundation (ASF)

Establishing the ASF

In 1983 the House of Representatives Standing Committee on Expenditure considered various suggestions for using tax concessions to provide supplementary financial support for sport as part of an inquiry into federal government assistance.¹¹⁹ The Committee dismissed the various options, however, and concluded that as a general rule, direct government expenditure was more equitable and could be more effectively targeted to specific areas of need than taxation concessions.

At the same time, the Committee did not wholly reject the idea of using the tax system per se to benefit sport. It discarded certain suggestions including that a limited sales tax exemption for goods purchased for school and university sports could be extended to other sports organisations and that personal income tax concessions could be introduced for athletes and parents of junior players. It was, however, amenable to extending tax deductibility to gifts provided to sporting organisations, or to a specific sports aid foundation, as it considered that this may increase levels of financial assistance for sport.¹²⁰

The Hawke Government took note of the latter suggestion, and in 1986 it established the Australian Sports Aid Foundation to assist in the development of sport by providing tax deductibility for incorporated, non-profit organisations that registered and undertook fundraising to develop sports related projects.¹²¹ The Sports Aid Foundation was later re-badged the Australian Sports Foundation (ASF) with the passage of the *Australian Sports Commission Act 1989*.

Organisations eligible for ASF grants include sporting clubs, regional, state and national sporting organisations, schools or organisations associated with educational institutions, councils and community groups. Since 1986, grants totalling in excess of \$220 million have been made to Australian sport through the ASF and, in March 2012, 579 projects were registered with the Foundation. (The ASF sport donation process is described in the diagram below.)

Projects eligible for consideration for ASF funding can involve facility development, such as building new facilities and ancillary facilities or upgrading or extending existing facilities. Other eligible projects include purchase of non-consumable equipment, team travel for representative teams to state or national championships or international competitions, hosting a sporting event or sport development projects, such as programs designed to increase participations, benefit performance and/or provide exposure to a higher level of competition.

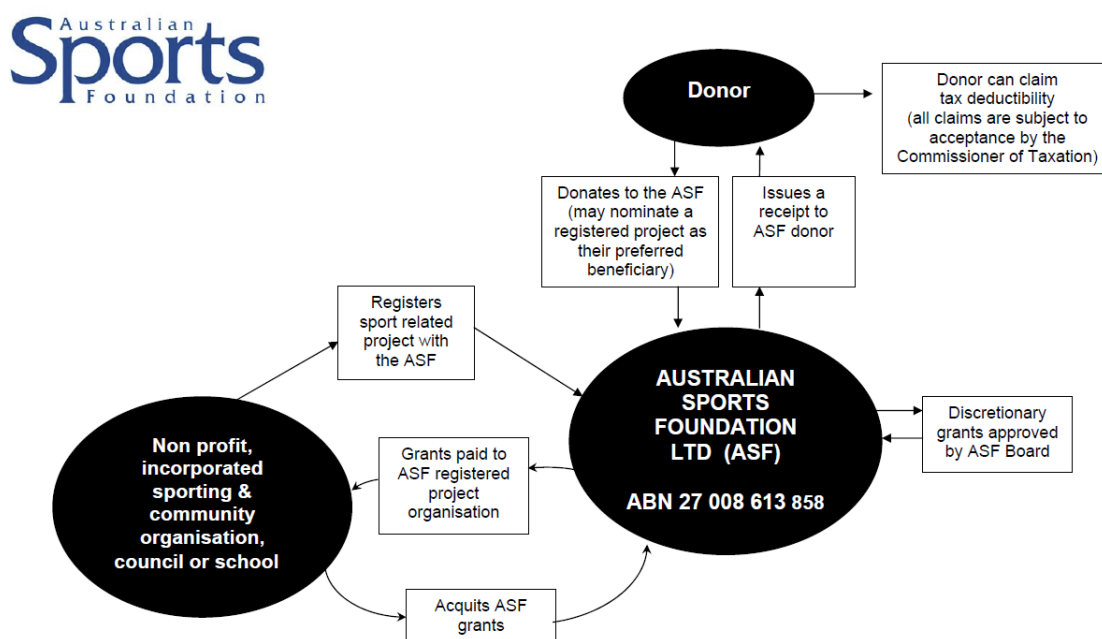
118. Ibid.

119. House of Representatives Standing Committee on Expenditure, *The way we p(l)ay*, op. cit.

120. Ibid.

121. An organisation is eligible to register a sport-related project with the ASF if it: is a non-profit or a government organisation; is incorporated in Australia under appropriate legislation; is financially viable and has an ABN.

Figure 6: Australian Sports Foundation donation process



Source: ASF¹²²

Possible improvements

The Sport 2000 Task Force, in considering the funding of sport in Australia, argued that the success of the ASF had been ‘limited by the fact that its presence and activities have not been widely known even within Australian sport’.¹²³ The Task Force suggested a number of ways that the Foundation could be more innovative in attracting donors including its re-establishment as a separate entity from the ASC. (Table 3 below shows the level of donations provided by the ASF over time.)

More recently, the ISP also argued that the ASF was a barely known source of funding:

It is still small and donors are put off by uncertainty, unsure their gifts will reach their intended destination. Preliminary analysis also suggests that the ASF is being used primarily by wealthier sporting clubs and needs to be reworked so that it is also able to support less wealthy sporting organisations.

The Panel believes that there is an important and necessary opportunity for the ASF to become a better facilitator of funds across the sports system. It is now an appropriate time for the Australian Government to review the effectiveness of the ASF and to determine the best

122. Australian Sports Foundation website viewed 6 June 2013, http://www.asf.org.au/data/assets/pdf_file/0008/253655/ASF_Process_Chart_Print_-_Oct_08.pdf

123. Sport 2000 Task Force, op. cit.

structure, governance and strategy required to deliver consistent and better co-ordinated funds to the sector.¹²⁴

The Government response to the ISP Report supported conducting a review of the ASF ‘with a view to improving awareness of, simplifying access to, and enhancing the services of the ASF for all sporting organisations and individuals’.¹²⁵ To date, no review of the ASF appears to have taken place.

Table 3: donations: Australian Sports Foundation

Year	ASF \$ms
1996–97	6.5
1997–98	3.6 (a)
1998–99	5.0 (a)
1999–00	5.2
2000–01	3.8
2001–02	6.2
2002–03	6.8
2003–04	7.0
2004–05	9.0
2005–06	9.9
2006–07	12.8
2007–08	16.8
2008–09	14.2
2009–10	14.3
2010–11	17.8
2011–12	20.8
2012–13	na

a. Following the government review of the ASF, it was decided that it would operate autonomously from the ASC. For three years from 1997–98 the ASC provided seed funding to the ASF. Figure reflects payments to sporting bodies made by the ASC for the year indicated.

The lottery funding debate

A number of countries make use of the proceeds of taxes or levies on state-run or state-licensed gambling or lottery services to fund or partly fund sport at elite and participation levels. In 2007 a European Commission (EC) white paper listed European countries that had adopted this option. These included Belgium, the Czech Republic, Denmark, Germany, Italy, Portugal, Spain and Switzerland.¹²⁶ In addition, Britain and New Zealand also support sport through national lottery proceeds. However, while this option to fund sport has been explored a number of times in Australia, it appears to have minimal support.

124. Crawford Report, op. cit.

125. Australian Government, *Australian sport: the pathway to success*, Commonwealth of Australia, 2010, viewed 25 January 2013,

http://www.ausport.gov.au/_data/assets/pdf_file/0011/368597/Australian_Sport_the_pathway_to_success.pdf

126. European Commission, *White paper on sport*, Brussels, 2007, viewed 29 November 2012,

http://ec.europa.eu/sport/white-paper/whitepaper8_en.htm#1

Lottery funding: Britain

The National Lottery in Britain was established by an Act of Parliament in 1993 and the first national lottery draw took place in 1994.¹²⁷ A National Lottery Commission, appointed by the Department for Culture, Media and Sport, awards and regulates a national lottery licence currently held by Camelot, a private sector consortium.¹²⁸

Of the money received in National Lottery sales, 12 per cent is paid in tax to the Government, 50 per cent is distributed in prizes and the operator takes ten per cent. The remaining 28 per cent is donated to 'good causes'.¹²⁹ Good causes are determined by the British Parliament and are currently listed as the arts, health, education, the environment, heritage, charities and sport.¹³⁰ Since 1994, the National Lottery has provided over £28 billion in grants to good causes; £4.5 billion of which has been distributed to sport.¹³¹ National Lottery funding contributed almost £2.2 billion towards the costs of staging the 2012 Olympic and Paralympic Games in London.¹³²

Four sports councils operating in England, Scotland, Wales and Northern Ireland are responsible for distributing National Lottery funding to sports organisations and communities. The sports councils fund a wide range of activities including capital projects, such as facilities and equipment and revenue projects.

More than 60 per cent of the British population regularly plays the Lottery and more than 90 per cent of the adult population has played the National Lottery at least once.¹³³

From the 1990s the idea of a national lottery has been criticised in Britain, particularly from moral and ethical perspectives. One accusation made is that the Lottery encourages underage gambling. Surveys in 1997 and 1999 appeared to support this view, revealing that 47 per cent of children between 12 and 15 years had gambled on National Lottery scratch cards and 40 per cent on the main lottery draw.¹³⁴ More recent surveys have, however, shown a decline in these figures.¹³⁵

127. The National Lottery was established by the *National Lottery Act 1993*, which was subsequently amended by the *National Lottery Act 1998* and *National Lottery Act 2006*. Tickets went on sale on 14 November 1994 and the first draw was conducted on 19 November 1994.

128. Camelot holds the licence until 2023. 'National lottery facts', Camelot website, viewed 29 November 2012, <http://www.camelotgroup.co.uk/business/our-uk-national-lottery-operation/TNL-facts/>

129. National Lottery Commission, 'Where the money goes', Commission website, viewed 29 November 2012, <http://www.national-lottery.co.uk/player/p/goodcausesandwinners/wherethemoneygoes.ftl>

130. The 1993 Act designated four permanent good causes—the arts, charity, heritage and sports. In 1997 the Government stipulated that funds should also be allocated to health, education and environmental causes.

131. Department for Culture, Media and Sport, 'Lottery grants search' page, Department website, viewed 29 November 2012, <http://www.lottery.culture.gov.uk/>

132. National Lottery Commission, 'Lottery facts', Commission website, viewed 29 November 2012, <http://www.natlotcomm.gov.uk/about-the-national-lottery/lottery-facts.html>

133. Camelot website, op. cit.

134. Evidence to the House of Commons Select Committee on Culture, Media and Sport, *The operation of the National Lottery*, 2001, viewed 25 January 2013, <http://www.publications.parliament.uk/pa/cm200001/cmselect/cmcomeds/56/5606.htm#n106> and J Ashworth and N Doyle, *Under 16s and the National Lottery*, National Lottery Commission, February 2000, viewed 25 January 2013,

Camelot has a strategy in place to prevent underage play, but there is no indication to what extent this has contributed to the decline.¹³⁶

Australian deliberations

The issue of a national lottery was discussed by the 1983 House of Representatives Standing Committee on Expenditure during its inquiry into federal government assistance to sport and recreation.¹³⁷

The Committee conceded that there was some support for the idea of a lottery but, crucially, the states were unenthusiastic as they considered it would inevitably erode their own lottery revenue bases.¹³⁸ Lotteries had indeed historically been ‘the sole legislative and financial preserve of state governments’ and the Department of Finance advised the Standing Committee that ‘legislative backing’ would be needed if the federal government was contemplating entering this arena.¹³⁹ Finance added that there appeared to be no provision in the *Australian Constitution* that grants power to the Commonwealth:

...to legislate with respect to lotteries or sporting matters as such’ [emphasis in original]. In the absence of a reference of power by the States a national sports lottery may not therefore be possible for constitutional reasons.¹⁴⁰

The Department of Finance listed other possible problems it perceived could arise if the federal government established a national lottery for sport. These included that funds for sport would be determined by subscriptions to the lottery, not by the needs of the sporting community, or by the government’s priorities. Funding sport in this way would put sport in a preferred position vis-à-vis other expenditure proposals, as its requests would not be subject to normal budget scrutiny. Therefore, there was potential for wasteful and unnecessary spending in the sport portfolio. Finance concluded that there was no compelling reason to set sport aside from other programs in this manner.¹⁴¹

The 1983 Committee agreed with the assessment that a national lottery was not feasible without the backing of the states, but even if that were to be realised, the Committee was not inclined to recommend a lottery proposal. It was unconvinced ‘that sport and recreation had such a high

[http://www.natlotcomm.gov.uk/assets-uploaded/documents/Under%2016s%20And%20the%20National%20Lottery%20\(February%202000\).pdf](http://www.natlotcomm.gov.uk/assets-uploaded/documents/Under%2016s%20And%20the%20National%20Lottery%20(February%202000).pdf)

135. Ipsos MORI, *Underage gambling in England and Wales*, National Lottery Commission, July 2012, viewed 25 January 2013, http://www.natlotcomm.gov.uk/assets-uploaded/documents/ipsos-mori-report-on-behalf-of-the-commission_1351768977.pdf

136. Camelot, *Strategy to prevent underage play*, National Lottery website, viewed 25 January 2013, <http://www.national-lottery.co.uk/player/p/help/responsibleplay/underageplaystrategy.ftl>

137. House of Representatives Standing Committee on Expenditure, *The way we p(l)ay*, op. cit.

138. Ibid. p. 94.

139. Ibid. p. 93 and Department of Finance submission to *The way we p(l)ay*, op. cit.

140. Ibid.

141. Department of Finance submission to *The way we p(l)ay*, op. cit.

priority or that the level of sport and recreation activity was so low as to warrant preferred treatment over other areas of need such as health and welfare'.¹⁴²

In 1995 a proposal to introduce a national sports lottery to assist with the staging of the Sydney Olympics was raised before another House of Representatives committee. Once again it was pointed out that a fundamental barrier to such a plan was 'getting the agreement of all the states to proceed'.¹⁴³ In 1997 the House of Representatives Standing Committee on Environment, Recreation and the Arts also revisited the sport lottery idea.¹⁴⁴ At that time it appeared that a national lottery scheme may be remotely possible as there was some disagreement among states and state organisations about the extent to which it would affect their revenues.¹⁴⁵ The 1997 Committee considered, however, that it was:

...by no means clear that a national sports lottery would tap uncommitted sources of money. Given the plethora of gambling opportunities available to the Australian public, it is likely that a national lottery would largely divert funds away from existing beneficiaries and thereby deprive the states and territories of income on which they already depend.¹⁴⁶

The Sport 2000 Task Force concluded that sources of revenue apart from government appropriations would benefit sport, it agreed with previous evaluations that questions of constitutional validity were an obstacle to a national sports lottery as a supplementary funding source.¹⁴⁷

The Task Force examined what it saw as alternative options to a lottery—Internet-based gaming and a national football tipping pools scheme. It concluded that the federal government could have some control over Internet gaming if it became an operator; as an operator it would benefit from receipt of profits, a large proportion of which would be from non-Australian gamblers. Legal opinion advised the Task Force that the Commonwealth would have the constitutional power to establish such a scheme. Alternatively, the Government could move the many, small and largely unregulated football tipping competitions into public hands to benefit gamblers by increasing tipping pool prizes and sport by delivering substantial complementary funding. However, it advised that it was critical for

142. House of Representatives Standing Committee on Expenditure, *The way we p(l)ay*, op. cit.

143. House of Representatives Standing Committee on Industry, Science and Technology, *Olympics 2000 ... and the winner is?* AGPS, Canberra, June 1995, viewed 16 April 2013, http://www.aph.gov.au/Parliamentary_Business/Committees/House_of_Representatives_Committees?url=report_register/bycomlist.asp?id=168

144. House of Representatives Standing Committee on Environment, Recreation and the Arts, *Rethinking the funding of community sporting and recreational facilities: a sporting chance*, AGPS, Canberra, October 1997, viewed 3 December 2012, http://www.aph.gov.au/Parliamentary_Business/Committees/House_of_Representatives_Committees?url=environment/sporting/sportrpt/index.htm

145. Victoria noted for example that a national lottery may mean a reduction in state funds available for health while the New South Wales Sports Federation considered that come what may the public would find additional funds with which to gamble.

146. House of Representatives Standing Committee on Environment, Recreation and the Arts, *Rethinking the funding of community sporting and recreational facilities*, op. cit.

147. Sport 2000 Task Force, op. cit.

these options to be investigated and acted upon quickly before others took advantages of these opportunities.¹⁴⁸ The Howard Government did not respond to these suggestions.

The most recent review of sports administration by the ISP iterated the findings of previous inquiries on the issue of a national sport lottery. The 2009 report of the ISP inquiry saw constitutional hurdles to a lottery, and importantly, it concluded there were enough opportunities available for people to engage in gambling—a sport lottery was therefore not warranted.¹⁴⁹ As the Government response to the ISP concurred with this assessment, the proposal has been abandoned yet again.¹⁵⁰

Supporting Australia's elite athletes

Until the recent announcement of proposed changes under the Gillard Government's Winning Edge strategy, athletes seeking elite training have been able to apply for scholarships at the Australian Institute of Sport or one of the state and territory academies of sport. (Winning Edge will not affect the arrangements for athletes who seek to attend state institutes, and these institutes are listed in the box below.)

Box 4: Academies of Sport

[Australian Capital Territory Academy of Sport](#)
[Queensland Academy of Sport](#)
[New South Wales Institute of Sport](#)
[Northern Territory Institute of Sport](#)
[South Australian Sports Institute](#)
[Tasmanian Institute of Sport](#)
[Victorian Institute of Sport](#)
[Western Australian Institute of Sport](#)

Athletes seeking AIS scholarships have undergone a selection process involving assessment by AIS coaching staff and their applicable national sporting organisation. Selection criteria for scholarships have varied across sports, but the basic requirement has been that athletes possess current (or pending) Australian citizenship and that they have achieved national championship-level performance.¹⁵¹

148. Ibid.

149. Crawford Report, op. cit.

150. Australian Government *Australian sport: the pathway to success*, 2010, viewed 3 December 2012, http://www.ausport.gov.au/_data/assets/pdf_file/0011/368597/Australian_Sport_the_pathway_to_success.pdf

151. Information relating to scholarship selection criteria for a specific sport can be found under the scholarships tab in a particular sport section of the AIS website viewed 16 April 2013, <http://www.ausport.gov.au/ais/sports>

Many AIS programs have been provided at its Canberra site, but a number have been delivered at satellite sites in Australia.¹⁵² When the AIS was first opened all programs were delivered in Canberra, but in 1984 the Institute began to decentralise delivery of programs. One reason for this was that the Canberra site was unable to expand quickly enough to support the inclusion of sports such as hockey, rowing and cycling. In addition, the original plan for the AIS had envisaged that branches would be set up throughout the country.¹⁵³ The first decentralised sport was hockey which was located in Perth.

In 2011 the AIS expanded its training capacity overseas when it opened a European Training Centre 'to replicate the training environment of the Australian Institute of Sport, and to provide athletes with a European "home away from home"'.¹⁵⁴

AIS programs have most often been residential, but they have also been non-residential and camp based. For example, the AIS women's water polo program has been a non-residential program; athletes train and compete in their home states with the support of their local state institute or academy of sport. Several times each year, the AIS team has trained at the Canberra campus.¹⁵⁵

Athletes involved in a national senior squad or in receipt of a scholarship with the AIS have also been entitled to access the services offered by the Athlete and Career Education (ACE) program. The program is jointly funded by the Australian and state and territory governments and was developed in response to concerns about career opportunities for athletes once they cease elite competition. The program assists by integrating learning, work and sports performance. More than 3000 elite athletes have been eligible to access ACE each year.¹⁵⁶

In summary, athletes with AIS scholarships have been provided with a training environment that includes access to coaching, facilities, sports science and sports medicine, program management, vocational and pastoral care and competition opportunities as well as opportunities to enhance career opportunities.

Direct Athlete Support

Programs to provide funding to individual athletes have been in place since 1981 when the miniscule amount of \$1235 was allocated through the National Athlete Award Scheme (NAAS). The NAAS allocation grew to \$773 000 in 1984–85 when Prime Minister Hawke announced that the program would be renamed the Sports Talent Encouragement Plan (STEP). Assistance under STEP was

152. For example, softball, (which is no longer an AIS sport), was administered from Melbourne, but the program had training centres in Queensland, New South Wales, Victoria and Western Australia, with satellite programs in the Australian Capital Territory and South Australia.

153. Daly, *Quest for excellence*, op. cit.

154. 'European Training Centre' AIS website, viewed 29 January 2013, http://www.ausport.gov.au/supporting/european_training_centre

155. AIS, *Sports camps at the Australian Institute of Sport*, Canberra, n.d., viewed 6 June 2013, http://www.ausport.gov.au/data/assets/pdf_file/0018/250740/Sports_Camps_Brochure.pdf

156. AIS website, Athlete career and education information page, viewed 6 June 2013, http://www.ausport.gov.au/ais/athlete_career_and_education

available to individual athletes and teams who had achieved world rankings of top 15 and above in open international competition. In its first year of operation STEP provided grants totalling almost \$800 000 to 209 individual athletes and 17 teams.

In conjunction with STEP the ASC established a two year pilot program to identify procedures and policies that would be most appropriate for an ongoing athlete assistance scheme. STEP funding continued until the announcement of an Olympic Athlete Program (OAP) which provided extra assistance in the six years leading up to the 2000 Olympics. A review of STEP around that time led to the amalgamation of all direct support scholarships into Direct Athlete Support under the OAP. This first version of Direct Athlete Support entailed providing funding to the National Sporting Organisations for various Olympics assistance programs including discretion to award funding to individuals.

Box 5: Olympic Athlete Program

Following the announcement that Sydney had won the right to host the 2000 Olympics, the Keating Government committed \$135 million in extra funding over six years from 1994 to assist elite athletes in preparation for the Games (\$20 million for each year for three years from 1994–95 and \$25 million each year for three years from 1997–98).

This funding was used for new coaching programs, increased exposure to international competition and additional national training camps. Some funding was also allocated to talent identification programs in secondary schools and to direct assistance for athletes.

Little information is available about what direct support funds were dispersed to individual athletes under the OAP; it appears, however, that this avenue of funding was not a priority. OAP funding did not continue beyond the Sydney Olympics and direct athlete support grants were not re-introduced until 2004.

As part of its 2004 election commitment to sport, the Howard Government undertook to provide \$6.8 million for its version of a Direct Athlete Support (DAS) program in the lead-up to the Melbourne 2006 Commonwealth Games. As with past programs, athletes were selected for this initiative on the basis of medal potential and individual need. Funding of a minimum of \$18 000 per year was allocated across all Commonwealth Games sports.

In the 2005–06 Budget the Government announced further funding of \$14 million over four years, based on an expected shared funding arrangement with the Australian Olympic Committee and retitled the scheme the Australian Government Sport Training Grant.

Labor continued funding for the athlete support scheme, which was again re-named; it is currently the Direct Athlete Support Scheme. Funding of \$8.4 million was provided under the scheme in 2011–12 for 703 athletes.¹⁵⁷

Under the Government's new Winning Edge approach, existing funding of \$20 million over the next four years will be redirected to athlete support, the establishment of a national centre to develop elite coaches and an annual process to identify athletes with elite potential.¹⁵⁸ (See Appendix E for detailed funding information on direct athlete support schemes.)

Repaying the favour?

When the AIS was opened in 1981 there appears to have been no suggestion that athletes would at any time be required to repay the financial assistance they received at the Institute.¹⁵⁹ Similarly, none of the reports on sports funding released in 1983, 1989 and 1990 suggested athletes should be required to pay for their training. The 1989 *Going for Gold* report also presented the general athletes' view that while they did not specifically seek financial gain from competing for their country, they did not consider they should be financially disadvantaged (by being required to repay scholarships, for example) in doing so.¹⁶⁰

However, as the Sport 2000 Task Force observed, training elite athletes is costly.¹⁶¹ In 1984 the Australian Bureau of Statistics reported it cost \$18 500 to keep an athlete at the AIS for one year.¹⁶² The Taskforce itself estimated the cost at \$28 000 in 1999. In 2012, one estimate was that \$50 000 is spent on training each AIS athlete each year.¹⁶³

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157. See also grant funding reports on the ASC website, viewed 19 April 2013, http://www.ausport.gov.au/supporting/funding/grants_and_scholarships/grant_funding_report?FundingCategory=DAS&RecipientName=&RecipientType=&RecipientState=&FinancialYear=2013&Submit=Filter
158. K Lundy (Minister for Sport), *Increases to Direct Athlete Support; sportsfunding and Australia's Winning Edge; Australian economy*, media release, (no date on press release, transcript of interview with Virginia Trioli, ABC News 24, 22 April 2013, see footnote 184), viewed 14 May 2013, http://parlinfo.parlinfo/download/media/pressrel/2389826/upload_binary/2389826.pdf;fileType=application%2Fpdf#search=%22winning%20edge%22
159. M Eiggins, *The AIS—an icon for excellence in sport*, Australian Institute of Sport, viewed 16 April 2013, <http://www.ausport.gov.au/ais/about/history>
160. *Going for Gold*, op. cit., p. 49.
161. The Task Force noted that at the time: the average cost to Australian governments of assisting an elite athlete was \$12 000 per athlete per year; there were about 4500 athletes in Australia receiving assistance. The cost to the Commonwealth of maintaining an AIS residential athlete was estimated at \$28 000 per athlete per year; there were about 590 athletes receiving this form of assistance. Sport 2000 Task Force, *Shaping up*, op. cit.
162. ABS, 'Australian Institute of Sport', *Year Book Australia 1984*, cat. no.1301.0 ABS, Canberra, 1984, viewed 19 April 2013, <http://www.abs.gov.au/ausstats/abs@.nsf/featurearticlesbytitle/09946FD7B2878C7CCA2569DE0025C189?OpenDocument>
163. 'A new Olympic ideal: paying your way', *The Age*, Education blog page, 14 August 2012, viewed 19 April 2013, <http://www.theage.com.au/national/education/blogs/third-degree/a-new-olympic-ideal-paying-your-way-20120813-244m6.html>

The Sport 2000 Task Force conceded that this investment in elite athletes ‘brought many rewards to the nation’. It judged that athletes in turn benefited significantly from government support. They received opportunities to train and compete at the elite level in national and international events and developed skills, such as the capacity to perform under pressure, which were ‘highly sought after and rewarded in the labour market’.¹⁶⁴ Consequently, the Task Force was of the opinion athletes ‘should put something back into the system’. It suggested this could occur through the introduction of an athlete contribution scheme similar to the scheme which exists for higher education—the Higher Education Contribution Scheme (HECS).

The Task Force considered the main difference between HECS and an athlete contribution scheme could be that the athlete version would require repayment at a higher income threshold.¹⁶⁵ That is, payments under the scheme would start when an athlete’s income was twice that of the base level repayments for HECS recipients. The rationale for this thinking was:

HECS payment is made by the tertiary student who has had the opportunity to gain an education that will provide the individual with specialised human capital to derive an income for life. In contrast, the elite athlete receives training and assistance that either provides a specific skill that will earn an income for a relatively short period (in most cases) or no income at all. However, the athletes derive other skills that make them more attractive in the labour market. In recognition of this, the athletes should not have to start to repay their accumulated debt until their earnings are twice that of their counterpart in the tertiary sector.¹⁶⁶

In the Task Force’s view, the scheme should apply to all elite athletes for the reason that government supported them either directly or indirectly. It was against requiring only AIS athletes to repay training, believing that if the scheme applied only to them ‘it would have the effect of distorting the decision on where athletes trained, which is not seen as a desirable outcome’.¹⁶⁷

The Task Force concluded that a contribution scheme:

...would provide a system whereby the Government could eventually recoup most of its investment in individual athletes. The only time this would not occur would be when an athlete never earns enough income to reach the base thresholds or when the athlete reaches the threshold for only a short period.¹⁶⁸

164. Sport 2000 Task Force, *Shaping up*, op. cit.

165. Ibid.

166. Ibid.

167. The report added that there could be flexibilities built into the overall scheme. For example, government may wish to consider the option of an athlete ceasing to be liable for the balance of repayment if he/she was no longer actively participating as a high performance athlete. At the same time, the Task Force was in favour of athletes remaining liable for repayment if they continued to receive sponsorship or payments for endorsements which were earned as a result of their high performance status.

168. Sport 2000 Task Force, *Shaping up*, op. cit.

In 2003, Richard Denniss from the Australia Institute proposed the introduction of a similar scheme. Denniss cited equity as the rationale for his proposal.¹⁶⁹ In Denniss's view, 'there is an important equity issue associated with providing taxpayer funded training to individuals who go on to earn millions of dollars per year from their sporting prowess' or whose sporting success when young can be translated into high incomes through sponsorship or public speaking or commentary positions.¹⁷⁰

Denniss labelled his proposed scheme the Elite Sporting Education Contribution Scheme (ESECS). Under the ESECS, upon advice from the AIS on the total cost of training each sports person, the Government would decide how much of the cost each individual should repay. To ensure that athletes were not discouraged by the scheme, a repayment threshold was to be set at a taxable income of \$100 000 per annum.¹⁷¹

Immediately in response to Denniss' recommendation, the Coalition Government's Minister for Sport, Rod Kemp, contended that forcing high profile sports stars to repay scholarships was not worth the effort.¹⁷² According to Minister Kemp, the revenue generated by a sports repayment scheme would not be sufficient to compensate for the cost of administering the scheme. In addition, the Minister believed that, as opposed to the benefits derived from a university education, the money most elite athletes earned as a result of their AIS funding would rarely translate into financial support for the rest of their lives.¹⁷³

In June 2004 Labor's Senator Kate Lundy also rejected Denniss's idea for similar reasons. Senator Lundy commented that when considering incomes from sport, two important factors needed to be taken into account:

Firstly, sports careers have a limited life span and the earning capacity of most athletes is limited to a relatively short period of success at the top. These earnings must be considered in both the context of compensating for out of pocket expenses incurred during ten years or more required to reach the top of the sporting field, and also of providing a base on which to build a future.

Secondly, unlike those who complete a university education, the skills and abilities learned during a sporting career rarely offer options for ongoing earnings in later life. As a result many athletes must both study and train to set them up for a future, and often incur both a HECS debt and out of pocket expenses due to costs associated with climbing to the ranks of elite sport.¹⁷⁴

169. R Denniss, *Funding sport fairly, an income contingent loans scheme for elite sports training*, Australia Institute, 10 February 2003, viewed 19 April 2013, http://dpl/E-ancats/AustralianInstitute_Webpaper/FundingSport.pdf

170. *Ibid.*, p. 1.

171. Denniss noted some of the difficulties with the scheme including that some athletes may accrue substantial earnings from sport outside Australia. He suggested that a funding provision could be required for athletes to contract to repay training costs based on their actual earnings, regardless of the country in which their income was earned.

172. Australian Associated Press (AAP), 'Be a sport, pay it back', *theage.com.au*, 10 February 2003, viewed 10 April 2013, <http://www.theage.com.au/articles/2003/02/10/1044725728324.html>

173. *Ibid.*

174. K Lundy (Shadow Minister for Sport), *Athletes HECS plan flawed*, media release, 9 June 2004, viewed 10 April 2013, <http://www.katelundy.com.au/2004/06/09/athletes-hecs-plan-flawed/>

The idea of athletes repaying some of their training costs re-surfaces intermittently. In the lead up to the 2007 election the Confederation of Australian Sport urged government to consider ‘a HECS style scheme for young aspiring athletes in non-professional sports to allow them to dedicate their efforts through a full time career in sport to facilitate the very best they can achieve for themselves and for their country.’¹⁷⁵

An October 2008 survey by Nielsen also showed strong public support for extending income-contingent loans. The survey on behalf of the Academy of the Social Sciences showed 72 per cent support for extending a HECS system for elite athletes to pay back government training funding.¹⁷⁶

The Rudd Government’s Independent Sports Panel was not in favour of a HECS style scheme for athletes. Instead, the ISP recommended that graduates from sports institutions should be required to donate time and/or expertise to the Australian sport system.¹⁷⁷ In its response to the Crawford Report the Government indicated that it favoured this ‘repayment’ option. It noted that it would therefore implement initiatives which would require AIS scholarship holders to volunteer at local community sporting clubs or junior sport programs in the capacity of coach, official or administrator to support grassroots sport development. It would also establish resources within the ASC to connect retired and current athletes with charity, government or non-government organisations.¹⁷⁸

The issue of payment for public funds invested in athletes’ training re-emerged in the context of how much each of Australia’s London Olympics medals had cost. John Bloomfield, author of the influential report on sport made to the Whitlam government in 1973, added his backing to the notion that athletes should have to pay something back for the training they receive—particularly in the context that governments needed to spend more on preventive health and that they may do so if they could be assured of recouping some of their expenditure on elite sport.¹⁷⁹

There is no denying that some athletes, including those who have benefitted from government scholarship funding, earn substantial money from sport as the table below illustrates. For this reason alone, it is likely that the debate about a HECS style scheme for athletes will continue.

175. Confederation of Australian Sport, *2007 election: sport industry platform*, n.d. Link no longer available online.

176. A Trounson, ‘HECS to inspire loan-fed revival’, *The Australian*, 15 October 2008, p. 25, viewed 10 April 2013, <http://www.theaustralian.news.com.au/story/0,25197,24497636-12332,00.html>

177. Crawford Report, op. cit.

178. *The pathway to success*, op. cit.

179. D Sygall, ‘A HECS on our athletes’, *The Sun Herald*, 12 August 2012, p. 5, viewed 19 April 2013, http://parlinfo.parlInfo/download/media/pressclp/1841658/upload_binary/1841658.pdf;fileType=application%2Fpdf#search=%22crawford%20report%22

Table 4: Australia's highest paid sports persons: 2012

Ranking	Name	AIS trained (a)	Sport	Earnings \$Ms
1	Andrew Bogut	Yes	basketball	13.0
2	Mark Webber	No*	motorsport	12.0
3	Adam Scott	No	golf ¹⁸⁰	10.5
4	Casey Stoner	No*	motorsport	8.0
5	Michael Clarke	Yes	cricket	5.5
6	Luke Wilkshire	Yes	soccer	5.0
7	Cadel Evans	Yes	cycling	4.5
	Tim Cahill	No	soccer	4.5
	Shane Watson	Yes	cricket	4.5
8	Grant Balfour	No*	baseball	4.0
	Jason Day	Yes	golf	4.0
9	Aaron Baddeley	No (b)	golf	3.8
10	Mark Schwarzer	No	soccer	3.5
	Brett Holman	No	soccer	3.5
	Ricky Ponting	Yes	cricket	3.5
	David Warner	Yes ¹⁸¹	cricket	3.5

a. Athletes marked with an asterisk compete in sports not eligible for AIS programs

b. Baddeley attended the Victorian Institute of Sport

Source: *Business Review Weekly* ¹⁸²

Dividing the funding pie

Australian Sports Commission

As has been noted previously in this paper, federal funding for sport in Australia is entrusted to the Australian Sports Commission (ASC). The roles and responsibilities of the ASC, which are set out in the *Australian Sports Commission Act 1989*, specifically require it to provide 'resources, services and facilities to enable Australians to pursue and achieve excellence in sport'.¹⁸³ The ASC supports the development of the Australian sport system from the grassroots, community level to high performance sport. It does this by giving national sporting organisations access to services and resources, including funding, policy development advice and management models, education, emerging information technologies and evaluation frameworks.

180. AIS program ceased in 2010.

181. David Warner and two other athletes were suspended by Cricket Australia and the AIS as a result of 'inappropriate treatment of Centre of Excellence (COE) accommodation facilities' in 2007. 'Cosgrove, Warner and Finch suspended from AIS', CricketWorld website, 26 July 2007, viewed 19 April 2013, <http://www.cricketworld.com/cosgrove-warner-and-finch-suspended-from-ais/12522.htm>

182. 'Top 50: Injury-plagued NBA star Andrew Bogut remains nation's highest-earning sportsperson for 2012', Fox Sports website, 14 December 2012, viewed 19 April 2013, <http://www.foxsports.com.au/other-sports/top-50-injury-plagued-nba-star-andrew-bogut-remains-nations-highest-earning-sportsperson-for-2012/story-e6frf56c-1226536597998>

183. The *Australian Sports Commission Act 1989*, viewed 19 April 2013, is at: <http://www.comlaw.gov.au/Series/C2004A03760>

Funding distribution

Funding for the ASC is currently distributed under two outcomes as shown in the box below.

Box 6: Australian Sports Commission: achievement outcomes

Outcome 1: Improved participation in structured physical activity, particularly organised sport, at the community level, including through leadership and targeted community-based sports activity.

Outcome 2: Excellence in sports performance and continued international sporting success, by talented athletes and coaches, including through leadership in high performance athlete development, and targeted science and research.¹⁸⁴

The following table shows appropriations for the ASC from 1996–97 by outcome and other ASC funding derived from independent sources.

Table 5: ASC: funding for sport: 1996–97 to 2012–13

Year	Total \$Ms	Appropriation participation \$Ms	Appropriation elite sport \$Ms	Equity injection \$Ms	Funding from independent sources \$Ms (a)	Other \$Ms
1996–97	99.6	84.3 (b)		-	15.3	
1997–98	107.8	90.0 (b)		-	17.8	
1998–99	106.6	89.3		-	17.3	
1999–00	136.1	112.9 (c)		-	23.2	
2000–01	125.7	97.6		-	22.1	6.0 (d)
2001–02	152.9	27.1(e)	97.3	-	20.0	8.5
2002–03	160.7	29.2	101.7	-	22.6	7.2
2003–04	155.2	27.3	95.2	-	21.5	11.2
2004–05	161.4	30.5	97.0	-	24.8	9.1
2005–06	226.3	57.7	111.0	20.7	23.8	13.1
2006–07	233.2	67.0	125.5	16.0	24.7	-
2007–08	243.0	72.9	131.5	0.1	35.0	3.5
2008–09	263.4	78.2	141.5	-	42.4	1.3
2009–10	256.2	78.2	143.9	0.09	32.8	1.2
2010–11	296.5	72.2	175.8	-	47.1	1.4
2011–12	318.2	97.8	170.9	-	47.3	2.2
2012–13	307.7	101.9	166.2	na	39.6 (f)	

184. ASC, *Annual report 2011–12*, viewed 19 April 2013,

http://www.ausport.gov.au/data/assets/pdf_file/0019/502804/ASC_Annual_Report_2011-12.pdf

- a. Independent sources of income are from the sale of goods and rendering of services, from interest payments and rental income and from miscellaneous sources as noted in ASC annual reports.
- b. No differentiation between appropriation for outcomes provided
- c. Funding division under three outcomes which do not directly relate to elite and mass participation.
- d. Includes GST component after 1 July 2000.
- e. From 2001–02 funding was provided under two outcomes: Outcome 1—an effective national sports system that offers improved participation in quality sports and Outcome 2—excellence in sports performance by Australians.
- f. Budget Estimates for 2012–13, annual report not yet released. Does not include possible income from GST.

Source: Australian Government budget papers 1995–96 to 2012–13, Departments of Environment Sport and Territories and Industry, Science and Resources and Communications Information Technology and the Arts and Health and Prime Minister and Cabinet and Regional Australia, Local Government, Arts and Sport portfolio budget statements and Australian Sports Commission annual reports.

Winning Edge

As noted earlier in this paper, in November 2012, the Government announced what the Minister for Sport, Kate Lundy later labelled as the biggest shake up in sport for a long time—the Winning Edge strategy.¹⁸⁵ Under a ten-year funding plan for elite sport to run to 2022 the AIS will cease to provide high-performance programs. That is, AIS scholarship programs will be phased out, and the Institute will be tasked with developing athletes with potential. High performance programs previously conducted by the AIS will become the responsibility of national sporting organisations, which will be provided with science and technology assistance from the Institute. The new strategy will not attract additional funding for elite sport programs; the ASC and the AIS will be expected to deliver elite results more efficiently through monitoring their own performances as well as those of national sporting organisations.¹⁸⁶

In April 2013 the ASC announced the first allocation of funding under Winning Edge. This was based on new principles of assessing various sporting organisations' ability to provide sound evidence that they could contribute to targets set for success at the elite level for the next decade. That is, for elite athletes in sports which receive funding, to be able to provide evidence that their representative athletes can assist Australia to rank in the five nations at the Olympics and Paralympics, the top 15 nations at the winter Olympics and Paralympics, to be number one at the Commonwealth Games and to produce more than 20 world champions each year.¹⁸⁷

185. V Trioli and M Rowland, 'increases to Direct Athlete Support, sport funding and Australia's Winning Edge; Australian economy: interview with K Lundy, *ABC News 24, News Breakfast with Michael Rowland and Virginia Trioli*, transcript 22 April 2013, viewed 6 June 2013, <http://www.katelundy.com.au/2013/04/22/increases-to-direct-athlete-support-sports-funding-and-australia%E2%80%99s-winning-edge-australian-economy/>

186. Wylie, *Launch of Australia's Winning Edge*, op. cit.

187. ASC, *ASC announces almost \$120 million investment in sports*, media release, 22 April 2013, viewed 6 June 2013, [http://www.ausport.gov.au/news/asc_news/story_526119_asc_announces_almost_\\$120_million_investment_in_sports](http://www.ausport.gov.au/news/asc_news/story_526119_asc_announces_almost_$120_million_investment_in_sports)

Other sources of sport funding

Australian Olympic Committee

In addition to funding provided by the ASC through the AIS, athletes who wish to compete in the Olympics may be able eligible for funding from the Australian Olympic Committee (AOC) which also provides funding to NSOs, athletes and coaches. The AOC does not receive direct funding from the Australian Government through the ASC. AOC funding is derived from income distributions from the Australian Olympic Foundation, grants from the International Olympic Committee (IOC), licensing and sponsorship activities of the AOC and fundraising by the AOC, State Olympic Councils and their Corporate Appeal Committees.¹⁸⁸

The AOC has budgeted \$18.8 million to be used to fund the 2016 Australian Olympic Team.¹⁸⁹

It has also budgeted for incentive funding for individual athletes who wish to compete in the 2016 Olympics. Athletes who won medals at the 2012 Olympic Games and who win medals in 2013, 2014 and 2015 at major international competitions in events on the 2016 Olympic program, will be eligible for consideration for incentive funding, known as Medal Incentive Funding, in the year after they win a medal.¹⁹⁰ Individual incentive funding amounts from a total incentive funding budget of \$4.4 million for the 2016 Games are shown in the table below:

188. Note: the Australian Olympic Foundation was set up in 1996. The Foundation 'is controlled and administered so as to develop and protect the Olympic Movement in Australia in accordance with the Olympic Charter including, in particular, funding the preparation and participation of the Australian Teams in the Olympic Games, Olympic Winter Games and Regional Games and the costs and expenses of the AOC'. Australian Olympic Foundation, *Annual report*, 2011, viewed 19 April 2013, http://corporate.olympics.com.au/files/dmfile/2011_AOF_Only_Annual_Report_Final17Apr.pdf The Foundation is worth over \$100 million; funds are based upon \$88.5 million in receipts from the 2000 Sydney Olympics. Also, Australian Olympic Committee (AOC), *Programs and funding guidelines for sports on the program of the 2016 Olympic Games in Rio de Janeiro (for the period 1 January 2013 to 31 December 2016)*, viewed 29 January 2013, http://corporate.olympics.com.au/files/dmfile/ProgramsandFundingGuidelinesRio_16November2012_final.pdf

189. AOC, *Programs and funding guidelines for sports on the programs of the 2016 Olympic Games*, op. cit.

190. Ibid.

Table 6: Australian Olympic Committee (AOC): Medal Incentive Funding

ATHLETES			
	<i>Gold</i>	<i>Silver</i>	<i>Bronze</i>
2013	\$15,000	\$10,000	\$7,500
2014	\$15,000	\$10,000	\$7,500
2015	\$20,000	\$13,400	\$10,000
2016	\$20,000	\$13,400	\$10,000

Source: Australian Olympic Committee¹⁹¹

There are certain conditions that need to be fulfilled in order for athletes to qualify for incentive funding, for example they must maintain appropriate training regimes. The AOC holds sole and absolute discretion over who receives incentive funding.¹⁹²

Sponsorship

Sponsorship of sport is important to companies worldwide. One analyst describes sports sponsorship as ‘one of the best ways to build a communication path toward consumers’.¹⁹³ In addition, sponsorship provides business with opportunity for it to be seen as involved in the community, and importantly, for it to counter adverse perceptions. In other words, sports sponsorship is a powerful marketing tool.

At the same time, sponsorship revenue ‘is a key source of income for sporting organisations from the grassroots level through to the upper echelons of professional sport’.¹⁹⁴

PricewaterhouseCoopers predictions that global revenues from sports sponsorship will increase from US\$35 billion in 2010 to US\$45.3 billion in 2015 confirm that all sport at all levels cannot afford to ignore sponsorship as a source of support.¹⁹⁵

Tobacco sponsorship was a principal source of funding for sport in Australia from the nineteenth century until recently. For decades during the 1900s tobacco companies argued that they were acting as responsible citizens of the community in sponsoring all types of sport at all levels.¹⁹⁶

191. Ibid.

192. Ibid.

193. N Buchan, ‘Sports sponsorship—still giving enough bang for the buck?’ *B&T Weekly*, vol. 56, iss. 2567, 2006, p. 5.

194. Crawford Report, op. cit.

195. PricewaterhouseCoopers, *Changing the game: outlook for the global sports market to 2015*, December 2011, viewed 19 April 2013, http://www.pwc.com/en_GX/gx/hospitality-leisure/pdf/changing-the-game-outlook-for-the-global-sports-market-to-2015.pdf

196. In the 1930s for example, the Australian cricket team was frequently portrayed on cigarette cards and even the cricketing legend Don Bradman appeared in advertisements for cigarettes. I Tyrell, *Deadly enemies: tobacco and its opponents in Australia*, University of New South Wales Press, Kensington, 1999, pp. 15 and 67. Tyrell notes that despite the Bradman endorsement, the cricketer maintained that athletes who did not smoke or drink would ‘have

Concern about the harmful effects of smoking however, led to restrictions being increasingly imposed on the advertising of cigarettes from the 1970s. A ban on radio and television advertising was introduced in 1976. However, an exemption for advertising that was considered to be an accidental or incidental accompaniment to other matters, (effectively an exemption for sponsorship), enabled the broadcasting of events sponsored by tobacco companies to continue into the 1980s. At that time, the three major tobacco companies then operating in Australia (Philip Morris, Amatil and Rothmans) were also the three largest sports sponsors in the country.¹⁹⁷

Legislation introduced in July 1993 to phase out tobacco sponsorship elicited vehement protests from sporting bodies such as Cricket Australia which argued that if tobacco company sponsorship was withdrawn from sport it would be difficult to find sponsors who were prepared to provide the same level of funding.¹⁹⁸

Sport survived the loss of tobacco sponsorship. Indeed, according to one assessment, in 2007 sport dominated Australian sponsorship investment, accounting for 60 per cent of sponsorship spending.¹⁹⁹ The National Preventative Taskforce created by the Government in 2008 noted in its report *Australia: The Healthiest Country by 2020*, that alcohol sponsorship has now taken the place of tobacco sponsorship.²⁰⁰ In 2006 for example, sponsorship of sporting events in Australia was worth more than \$1.25 billion per year and alcohol companies were represented among the top 40 sport sponsors.²⁰¹ Submissions to a Senate Community Affairs Committee inquiry in 2007 argued also that approximately 25 per cent of the income of professional sports codes was derived from alcohol sponsorship.²⁰²

the advantage' over those who did, quoting F Molesworth, *The downfall of Demos*, 1930, p. 79 (no other details cited) and advertisement in *The Age*, 18 June 1930, p. 9. In the 1960s Rothmans set up a national foundation to sponsor sport. According to company marketing, the foundation was based on the idea that as a 'citizen of the community' Rothmans had a civic responsibility to society. In 1964, the foundation sponsored 17 sports ranging from the high profile sports such as cricket, Australian Rules football and golf to low profile sports, such as judo and basketball. Rothmans National Sport Foundation, *Report*, 1964.

197. The largest sponsorship packages in Australia were those of Winfield (Rothmans) and the New South Wales Rugby League (reportedly worth \$14 million over five years), and the Benson & Hedges (Wills) and Australian Cricket Board deal (said to be worth \$15 million over five years), Anti-Cancer Council of Victoria, *Tobacco advertising and sport*, Melbourne, April 1983.

198. *Ibid.*, p. 7.

199. L Clarke, 'Sponsorship exposed', *Marketing*, December/January 2007, viewed 19 April 2013, <http://www.qafm.org.au/resources/sponsorshipexposeddec06.pdf>

200. National Preventative Health Taskforce, *Australia: the healthiest country by 2020: a discussion paper*, Australian Government, 2008, viewed 19 April 2013, [http://www.health.gov.au/internet/preventativehealth/publishing.nsf/Content/A06C2FCF439ECDA1CA2574DD0081E40C/\\$File/discussion-28oct.pdf](http://www.health.gov.au/internet/preventativehealth/publishing.nsf/Content/A06C2FCF439ECDA1CA2574DD0081E40C/$File/discussion-28oct.pdf)

201. Information on sponsorship taken from Victorian Government response to the Drugs and Crime Prevention Committee, *Inquiry into strategies to reduce harmful alcohol consumption*, September 2006, viewed 19 April 2013, http://www.parliament.vic.gov.au/images/stories/committees/dcpc/assaults/2006_Sep_Govt_Response_Strats_Reduce_Harmful_Alcohol_Consumption.pdf

202. ASC submission to the Senate Community Affairs Committee *Inquiry into the Alcohol Toll Reduction Bill 2007*.

It is ironic therefore, that two products which have been closely associated with sport and physical activity are in fact detrimental to health. The National Preventative Taskforce did not rate alcohol as much a danger to health as tobacco. Nevertheless, it recommended that marketing of alcoholic beverages should be restricted and that advertising and sponsorship of cultural and sporting events should be curbed.²⁰³

Given their reliance on alcohol sponsorships, it was not surprising that many sporting organisations' reactions to the Preventative Taskforce recommendations were negative; the major sports in particular complained that any move towards an alcohol ban would be disastrous for sport. Andrew Demetriou, Chief Executive of the Australian Football League argued, for example, that a sponsorship ban 'would cripple football'.²⁰⁴ Sponsorship Australasia, the professional association of the Australasian sponsorship industry, contended that banning alcohol sponsorships would have huge ramifications for many arts, cultural, entertainment, community and major sporting events, as well as grassroots youth and community programs.²⁰⁵

The Government responded to industry alarm by noting that it intended to pursue voluntary and collaborative approaches with the alcohol industry to promote a more responsible approach to consumption before it considered the option of mandatory regulation.²⁰⁶ In pursuing this approach in March 2008 it allocated funding from the National Binge Drinking Strategy to 12 sporting organisations 'to shun alcohol sponsorship'.²⁰⁷

Under the *Be the Influence* strategy, the organisations shared in \$25 million replacement funding.²⁰⁸ Other organisations have since pledged support for the strategy and rejected alcohol sponsorship (see all logos below), but the major codes have not shown any inclination to abandon their alcohol sponsorship deals. One reason for this is likely to be that the current government sponsorship is time limited; there is no certainty for those sports now supported under *Be the Influence* once funds are expended. Additionally, given the lucrative nature of alcohol funding agreements with the major

203. National Preventative Health Taskforce, *Australia: the healthiest country by 2020*, op. cit.

204. A Wood, 'Sporting organisations shun alcohol sponsorship in favour of federal funding', *The Daily Telegraph*, 23 June 2012, viewed 23 April 2013, <http://www.dailytelegraph.com.au/news/sporting-organisations-shun-alcohol-sponsorship-in-favour-of-federal-funding/story-e6freuy9-1226406069648>

205. Sponsorship Australasia, *Sponsorship and alcohol: responsibility is the key*, media release, 27 August 2009.

206. National Preventative Health Taskforce, *Taking preventative action: a response to Australia: the healthiest country by 2020*, Australian Government, 2010, viewed 23 April 2013, <http://www.yourhealth.gov.au/internet/yourhealth/publishing.nsf/Content/report-preventativehealthcare>

207. In March 2008 the Prime Minister announced a National Binge Drinking Strategy to provide \$53.5 million to address binge drinking among young people. The strategy included \$14.4 million for community level initiatives to confront the culture of binge drinking, particularly in sporting organisations and A Wood, *Sporting organisations shun alcohol sponsorship*, op. cit.

208. See the web page viewed 23 April 2013, at:

<http://www.health.gov.au/internet/main/publishing.nsf/content/tacklingbingeddrinking?Open>

sports, it would require more substantial government funding than that currently offered for them to abandon alcohol sponsorships.²⁰⁹

Figure 7: national organisations which reject alcohol sponsorship



Source: Be the Influence website²¹⁰

While alcohol may have replaced tobacco as the principal sponsor of sport in Australia, increasingly sporting organisations and individual clubs have accepted sponsorship support provided by junk food manufacturers and sports betting companies. McDonald's for example, sponsors teams in all major football codes as well as basketball teams; it is also a major sponsor of Little Athletics and an Australian Olympic Team partner. Sponsorship support from the company currently ranges from \$50 000 to \$750 000.²¹¹ Similarly, betting agencies and gambling companies have significant sponsorship deals with a number of sports. One review of football websites in 2009 found that 14 of the 16 teams in one league had sponsorship arrangements with commercial gambling providers, and

209. The AFL for example, signed a ten year deal with Carlton and United Breweries in 2012 which was believed to be worth at least \$50 million, C Wilson, 'AFL sponsor deal brewing', 27 April 2012, *The Sydney Morning Herald*, Sport section online, 27 April 2012, viewed 23 April 2013, <http://www.smh.com.au/afl/afl-news/afl-sponsor-deal-brewing-20120426-1xo0s.html>

210. Since this announcement was made four other organisations had joined this group—Australian University Sport, Australian Baseball League, Australian Baseball Federation and Surfing Australia.

211. Information taken from Australian Sponsorship News database.

that these providers included casinos, hotels, gaming machine manufacturers and online sports betting agencies.²¹²

Major sports in particular argue, as they do in relation to alcohol, that there would be dire consequences from limiting junk food and gambling sponsorship of sport. Some rugby league commentators for example, have noted that many league clubs may not survive without the support of gambling companies.²¹³

A number of similar concerns to those expressed about alcohol sponsorships have been raised about junk food and gambling sponsorships. There is mounting evidence that excess consumption of junk food is a major contributing factor to obesity, and gambling is a contributor to a variety of social problems.²¹⁴ Despite this, and in keeping with the approach to alcohol sponsorship, the federal government appears reticent to adopt radical measures to discourage sponsorship by alcohol, junk food or gambling companies.

Part 3: international examples: approaches to funding elite athlete success and grassroots participation

Funding for sport and recreation varies across nations. Sources can range from funds which emanate directly from the state to funding principally derived from charities and private institutions. As noted in the previous section, sponsorship is also an important worldwide source of funding for sport. Often, funding is a combination of these sources.²¹⁵

United States

Elite

The United States is one of a small number of countries which does not provide direct government aid in some form or another to support to elite athletes. An Act of the American Congress

212. M Lamont, N Hing and S Gainsbury, *Gambling on sport sponsorship: a conceptual framework for research and regulatory review*, Southern Cross University e publication, viewed 6 June 2013,

http://epubs.scu.edu.au/cgi/viewcontent.cgi?article=1573&context=tourism_pubs

213. M Robin, 'Could football survive without the gambling industry?' *Crikey*, 29 May 2013, viewed 6 June 2013,

<http://www.crikey.com.au/2013/05/29/could-football-survive-without-the-gambling-industry/>

214. There are numerous examples of studies which have linked the consumption of junk food with obesity, for example, one study over a 15-year period found participants who consumed fast food two or more times a week gained more weight and had twice as great an increase in insulin resistance than participants who consumed fast food less than once a week. '15-year study shows strong link between fast food, obesity and insulin resistance', *ScienceDaily*, 19 January 2005, viewed 6 June 2013, <http://www.sciencedaily.com/releases/2005/01/050111152135.htm>. S Thomas and A Jackson note also that problem gamblers are six times more likely to be divorced and four times more likely to have problems with alcohol than those without gambling problems, *Report to Beyondblue: risk and protective factors: depression and comorbidities in problem gambling*, 2008, cited on Australian Government Problem Gambling website, viewed 6 June 2013, <http://www.problemgambling.gov.au/facts/>.

215. 'State funding of elite athletes', Debatewise website, viewed 1 February 2013, <http://debatewise.org/debates/2870-state-funding-of-elite-athletes/>

established the United States Olympic Committee (USOC) 'for the purpose of establishing national goals for amateur athletic activities and to aid in and encourage the attainment of those goals'.²¹⁶ However, the USOC receives no continuous funding from the federal government, but relies on corporate and individual contributions and on the proceeds of its direct marketing program to deliver its services.²¹⁷

The USOC provides funding for athletes selected for national sporting teams through direct funding for individuals, health insurance, tuition grants, media and marketing opportunities, career services and performance-based monetary rewards. In addition, its training centre facilities provide performance services, such as sports medicine and performance technology.²¹⁸

The USOC also provides funds to the national governing bodies of sports to support training and athlete development programs. In addition, each sport governing body raises funds to train athletes, educate coaches, enhance training facilities, cover travel expenses and defray operating costs.

In 2011 USOC sponsors included McDonald's, Nike, Kellogg's and Mattel. Revenue from this source amounted to approximately USD\$98 million, while 41 per cent of USOC funding was received from public support through donations and direct marketing returns. Payments for broadcasting rights often add to USOC funds. Revenue raised by the USOC in 2011 was USD\$140.7 million.²¹⁹

A further source of financial support for elite athletes in America is the United States' Olympic Foundation. The Foundation, which was originally funded with surplus funds from the 1984 Los Angeles Summer Games and from revenue generated by the 1984 Olympic Coin Program, regularly provides funding to the USOC to redistribute to its member organisations.²²⁰ In accordance with the Foundation's articles of incorporation, its initial endowment of USD\$111 million must remain intact. Returns from the endowment are used to deliver an annual grant of five per cent of its assets to the USOC.

216. 'Inside the USOC', United States Olympic Committee (USOC) website, viewed 11 April 2013, <http://www.teamusa.org/About-the-USOC/Inside-the-USOC.aspx>

217. M Friedman, 'U.S. funding of Olympic athletes a private and community affair: individual citizens and corporations enable America's Olympic effort', 1 September 2007, America.gov archive, viewed 17 April 2013, <http://www.america.gov/st/peopleplace-english/2007/September/20060209164553jmnamdeirf0.9387018.html>

218. USOC annual reports and tax disclosure documents, viewed 17 April 2013, <http://www.teamusa.org/Finance.aspx>

219. This consisted of investments and grants, donations and program service revenue, tax disclosure document, USOC website, op. cit.

220. The US Olympic Foundation, a non-profit entity established after the 1984 Olympic Games in Los Angeles to benefit Olympic and amateur sports in the United States. The original capital investment—approximately \$115 million—was raised through the sale of commemorative Olympic coins by the US government and surplus funds from the operating budget of the 1984 Los Angeles Olympic Games. The foundation aims to reinvest up to 50 per cent of its investment income and distribute the other 50 per cent in grants to the USOC's member organisations to develop sports in the United States.

Since its inception, the Foundation has awarded more than USD\$262 million in grants and was valued at USD\$169 million at the end of 2011.²²¹

For American Olympic athletes sponsorship is a major source of funding. While most sponsorship is in the form of direct funding to athletes individually or to the USOC, certain sponsorship arrangements involve some form of employment. Most colleges and universities also offer scholarships to elite athletes. These may pay for all or part of a student's tertiary education.²²²

Recent comments have argued that the funding allocated from various sources to elite athletes in America is inadequate. Claims are that Olympic athletes are poor because the USOC does not have sufficient funds to support them. According to one analysis, because athletes receive no government support they are 'forced to cobble together an income made up of prize money, apparel contracts, grants and part-time work'.²²³ A survey of track and field athletes appears to confirm these types of claims; it found that half of those in the top ten rankings make less than USD\$15 000 a year.²²⁴

Grassroots and community

No American federal government agency is charged with overseeing general sports policy. The *Amateur Sports Act* requires the USOC to promote participation, and amateur sports are dealt with through its community development program. Funding to this program is minimal, however, with only USD\$9.4 million allocated in the period 1998 to 2010.²²⁵ In effect, sport for the masses is the prerogative of schools, local governments and non-profit organisations.

The President's Council on Fitness, Sports and Nutrition (the Council on Fitness/the Council) advises the American President about physical activity, fitness and sports, and recommends programs which promote regular physical activity that may improve the health of Americans.²²⁶ The Council on Fitness is a voluntary body and its programs receive the President's endorsement. The Council's recommendations are implemented with the support of private companies.²²⁷ The Presidential Youth Fitness Program, for example, is a Council initiative which is supported by a number of private

221. USOC, 'US Olympic Foundation', USOC website, viewed 31 January 2013,

<http://london2012.visionbox.com/usoc/about/us-olympic-foundation.aspx>

222. T Webb, 'Free scholarships for athletes', eHow website, viewed 17 April 2013,

http://www.ehow.com/about_4598609_free-scholarships-athletes.html

223. C Riley, 'Olympians face financial hardship', CNNMoney website, 10 July 2012, viewed 1 February 2013,

<http://money.cnn.com/2012/07/10/news/economy/olympic-athletes-financial/index.htm?iid=EL>

224. J Wickens, 'How much money do track and field athletes make?' *Track and Field Athletes Association Bulletin*, 8 May 2012, viewed 1 February 2013, <http://trackandfieldathletesassociation.org/blog/how-much-money-do-track-and-field-athletes-make/>

225. USOC, Annual report, 2010, USOC annual reports page, op. cit.

226. President's Council on Fitness, Sports and Nutrition website, viewed 17 April 2013, <http://www.fitness.gov/>

227. Funding for staffing, administration, et cetera, for the Council is provided by the federal government under Executive Order 13265 of 6 June 2002.

partners. It is a voluntary, school-based program that provides resources for teachers to support physical education and materials for parents and students to help them become physically active.²²⁸

A National Physical Activity Plan is also in place in America. This is a set of policies, programs and initiatives that aim to increase physical activity in all segments of the population. While the Department of Health and Human Services is a sponsor of the plan, it is essentially a collaboration between the private and public sectors.²²⁹

China

Elite

In contrast to the United States, the Chinese Government pours millions of dollars into elite sport and into developing a select group of athletes. At least since the introduction of a 'gold strategy' in the 1980s China's elite sports policy has focussed primarily on winning Olympic events.²³⁰ Assessing very young children according to their athletic potential and rigorously training them in state sponsored sports schools has been integral to achieving this aim.²³¹ (See an example illustrating these difficult training regimes in the picture in figure 8 below.)

One report summarises the system:

The principle of China's sports schools is the most rigorous selection of capable kids and grueling workouts. Education begins at age of six. As a rule, children in these schools learn the same things as everyone else, but after school they have to spend hours practicing in the gym under watchful supervision of strict coaches. Western journalists have repeatedly drawn attention to the dire conditions of training that are too much for any European adult. However, it would be wrong to portray the Chinese children in such institutions as subjected to violence. Training in sports schools is voluntary, but many parents are willing to pay a hefty sum for the sake of giving their child a chance to break into the Olympic Games.²³²

228. Presidential Youth Fitness Program, *Physical educator resource guide*, President's Council on Fitness, Sports and Nutrition, n.d., viewed 1 February 2013,

<http://www.presidentialyouthfitnessprogram.org/docs/Teacher%20guide%209-6.pdf>

229. The National Physical Activity Plan, n.d., viewed 17 April 2013, is at <http://www.physicalactivityplan.org/index.php>

230. H Li, L Meng and Q Wang, *The Government's role in China's Olympic glory*, 17 October 2007, viewed 1 February 2013, http://cms.sem.tsinghua.edu.cn/semcms/res_base/semcms_com/www/upload/article/image/2012_3/8_3/gx2wh5en5yzk.pdf

231. H Beech-Weifang, 'China's sports school: crazy for gold', *Time Magazine*, 12 June 2008, viewed 1 February 2013, <http://www.time.com/time/magazine/article/0,9171,1813961-3,00.html>

232. 'China's Olympic triumphs based on terrible pain', pravda.ru website, 3 August 2012, viewed 1 February 2013, http://english.pravda.ru/society/stories/03-08-2012/121836-china_olympic_games-0/

There is some indication that the 'overemphasis' on winning gold has moderated in recent times; that there has been a shift 'to graduating all-around athletes'.²³³ It remains, however, that government involvement is fundamental to the organisation and success of elite sports in China.

A number of sources emphasise that the Chinese Government does not publicise the extent of its elite sporting budget, but one declares that the scale of the budget is 'awesome' and that money for sport is apparently 'no object'.²³⁴ Another report maintains that China spent between USD\$400 billion and \$500 billion in preparing athletes for the Beijing Olympics.²³⁵ Yet another claims the State General Administration of Sports allocated AUD\$200 million in 2011 and AUD\$226 million in 2012 to train China's elite athletes.²³⁶ The same report adds that these figures do not include undisclosed contributions made by various regional governments, so the amount spent is probably considerably higher.²³⁷

Figure 8: achieving excellence in China's sports schools



Source: AVAX News²³⁸

233. L Chao and L Burkitt, 'How China's Olympic powerhouse ran out of steam', *Wall Street Journal*, 19 July 2012, viewed 4 December 2012, <http://online.wsj.com/article/SB10001424052702304373804577522681076276426.html>

234. I Johnson, 'The new Olympic arms race', *New York Review of Books*, 8 August 2012, viewed 1 February 2013, <http://www.nybooks.com/blogs/nyrblog/2012/aug/08/olympic-arms-race/>

235. C MacLeod, 'China ties Olympic gold to quest for worldwide esteem', *USA Today*, 14 June 2007, viewed 1 February 2013, http://usatoday30.usatoday.com/sports/olympics/2007-06-13-china-sports-schools-1a-cover_N.htm

236. The figures given in the article are 1.34 billion yuan in 2011 and 1.48 billion yuan in 2012. The Australian dollars figures are an approximate comparison.

237. Y Su, 'The flip-side to the Olympics: China's Olympic gold loses some glitter', *Asia Times Online*, 18 August 2012, viewed 1 February 2013, <http://www.atimes.com/atimes/China/NH18Ad01.html>

238. More photos of training at Chinese sports schools can be found on the AVAX website, viewed 2 May 2013, http://avaxnews.net/touching/Chinese_Sports_Schools.html

Grassroots and community

Academic Huan Xiong argues that following the foundation of People's Republic of China in 1949 sport played a complex role in the process of integrating people into the new communist social order and promoting health lifestyles. As a history of sport in China notes:

In the 1950s, workers, peasants, students, intellectuals were widely mobilised to take part in sport and physical exercises through their workplaces, agricultural communes or schools. In cities, exercises were arranged for workers at their break times in the morning or after work. Varieties of amateur competitive games were also organised among staff in public holidays. 'Sport Weeks' and 'Sports Months' were organised by local governments and a campaign of 'Ten-Minute Broadcast Exercises' was launched across the country in 1958. In the rural areas, peasants were also organised to participate in some sports activities after finishing working.²³⁹

The failure of Chinese athletes in the Olympic Games in 1952, however, led the Chinese Government to change its emphasis on overall sport participation from the 1960s. From that time, elite sports performance was seen as a means to raise China's international status and early success from its elite sports programs led China to develop an Olympic strategy, which it launch in the 1980s. While this strategy further improved outcomes for elite athletes, it was to the detriment of mass participation, as only minimal government funding was allocated to grassroots sports. The national sports budget for sport in 1995 for example, was USD\$347.5 million, but only USD\$1 million was spent on non-elite sport.²⁴⁰ In effect:

...mass sport was no more a concern of the government, and therefore they withdrew from making efforts to promote sport at the grassroots. Without governmental support and organisation, sports participation at the grassroots dropped very quickly. Many amateur sports teams were dismissed; morning exercises were cancelled; and individuals rarely took part in physical exercises.²⁴¹

As the result of the development of a market economy and the urbanisation of China during the 1980s many changes occurred in Chinese society; these included the re-emergence of concerns about promoting healthy lifestyles. Hence, from the late 1990s China began to allocate more funding to grassroots sport. In June 1995 the State Council of the PRC and the Chinese Olympic Committee (COC) established a National Fitness Programme (NFP). The program aimed to improve the health and physical condition of the population by encouraging all Chinese people to engage in at least one sport actively every day, to learn at least two ways of keeping fit and to have a health examination every year.

239. S Wu, *Zhonghua renmin gongheguo tiyu shi* [Sport history of People's Republic Of China 1949–1998], Beijing, 1999, quoted in Huan Xiong, 'The evolution of urban society and social changes in sports participation at the grassroots in China', *International Review for the Sociology of Sport*, vol. 42, no. 4, December 2007, viewed 4 February 2013, http://www.playthegame.org/fileadmin/openjournalism/documents/China_urban_sport.pdf

240. Law and Policy Department of Chinese Sports Ministry, 1997, p. 22, quoted in Huan Xiong, 'The evolution of urban society and social changes' op. cit.

241. Huan Xiong, 'The evolution of urban society and social changes', op. cit.

To assist in funding the NFP the Chinese Government accessed proceeds from a sports lottery, which was established in 1994. Sixty per cent of the lottery's revenues were used for public projects including sports events and fitness programmes. In the ten years from 1994 to 2003, of the USD\$3.1 billion raised from the sports lottery, only USD\$1.2 million was allocated to the NFP and USD\$1.9 million was provided to youth sport, sport for disabled people and hosting the Olympic Games in 2008.²⁴²

Apart from the sports lottery fund, sports authorities at local levels were required to increase expenditure on mass sport. Companies, government-financed institutions, public organisations and individuals were also encouraged to give financial support to sports and fitness activities. The government also invested billions of dollars in installing outdoor fitness centres throughout the country, all furnished with fitness equipment and facilities.²⁴³

New Zealand

Elite

Elite sport in New Zealand is funded through High Performance Sport New Zealand (HPSNZ) which is a government-funded organisation. HPSNZ calls its investment in sport approach a 'partnership' through which it delivers approximately NZD\$60 million per year in support for individual athletes and high performance programmes run by national sports organisations.²⁴⁴

HPSNZ funding support has been targeted primarily towards six Olympic disciplines—athletics, cycling, rowing, swimming, triathlon and yachting, as well as the sports of rugby, cricket and netball. In addition, funding support may be provided to projects submitted by other sports as the result of evaluation made by HPSNZ of the ability of those projects to deliver either creditable Olympic Games performances by athletes or medal winning world championship, Commonwealth Games or Paralympic performances.²⁴⁵

HPSNZ administers direct financial support grants to athletes—Performance Enhancement Grants (PEGs)—which are based on performance results. A gold medallist at a qualifying event for example is eligible for NZD\$60 000, while an athlete who achieved eight place in the event would receive NZD\$40 000. Approximately NZD\$7.0 million per a year is invested in PEGs.²⁴⁶

HPSNZ also administers the Prime Minister's Sport Scholarship program to assist talented and elite athletes to achieve tertiary and vocational qualifications. Under this program athletes receive up to

242. Elite sport also received funding from the lottery—US\$762.5 million, *Sports Daily*, 3 November 2004, quoted in Huan Xiong, 'The evolution of urban society and social changes', op. cit.

243. Ibid.

244. Source for information in this section is various pages on the High Performance Sport New Zealand website, viewed 4 February 2013, <http://hpsnz.org.nz/#>

245. Ibid.

246. Ibid.

NZD\$10 000 for tertiary fees and a living allowance of up to NZD\$2000 per six months. The annual scholarship allocation is NZD\$4.3 million.²⁴⁷

Grassroots

Sport New Zealand (Sport NZ) is the parent organisation and the sole shareholder of HPSNZ. Sport NZ's objectives include:

...creating a world-class sports system at all levels—from grassroots to high performance—which will encourage more Kiwis to participate, and reap the benefits of a life-long involvement in sport.²⁴⁸

In terms of grassroots sport, Sport NZ uses what it calls an investment approach to providing funding. It invests in organisations that are best placed in the national, regional and local sport and recreation communities to help achieve its aims. Its key partnerships are with national sport organisations, national recreation organisations, regional sports trusts and local authorities. Through these bodies Sport NZ not only invests funding, but also provides expertise that will improve the quality of services delivered to their members and participants.

Current Sport New Zealand priorities include development of community sport and recreation hubs and initiatives targeting older adult participation under an Active Communities program.²⁴⁹

Sport in New Zealand benefits greatly from funding received from a national lottery. This was established by the New Zealand Government in 1987 following recommendations in the 1985 report *Sport on the Move* which identified lotteries as a source of revenue which could benefit sport, recreation, arts, and community projects. There is strong support for the community-benefit lottery model. Profits from the lottery are distributed by the New Zealand Lottery Grants Board directly to charities and community organisations. In September 2011, lottery profits allocated to arts, cultural, sporting and community organisations had amounted to NZD\$3 billion.

Sport New Zealand has received over NZD\$36.7 million from the Lottery Grants board.²⁵⁰ At the same time as it receives substantial funding from the national lottery, the bulk of funding for Sport New Zealand is from government appropriations—NZD\$76.6 million in 2012. Of this funding NZD\$19.2 million was allocated to sport and recreation programs, NZD\$4.3 million was provided for sport education scholarships and NZD\$53.3 million to high performance sport.

247. Ibid.

248. Sport New Zealand, *Annual report 2011–12*, viewed 4 February 2013, <http://www.sportnz.org.nz/Documents/About%20Sparc/Sport%20NZ%20Annual%20Report%202012%20WEB.pdf>

249. Sport New Zealand, Active Communities page, viewed 10 December 2012, <http://www.sportnz.org.nz/en-nz/communities-and-clubs/Active-Communities/>

250. Sport New Zealand, *Annual report 2011–12*, op. cit.

Funding sport into the future

As has been pointed out in this and various other papers on Australian sport, federal government involvement in developing sports policy and funding sport and physical activity at the elite and grassroots level is relatively recent. The Whitlam Government was the first to categorise sport as a legitimate federal policy area. Its approach to funding sport was based on the idea that mass participation in sport would benefit the nation. All governments since Whitlam have concurred—participation in sport and physical activity help to make healthier Australians. Hence, all governments since Whitlam have developed programs to encourage participation; some to a lesser extent than others and some with an added emphasis in other areas of policy such as developing community infrastructure.

The Fraser Government, pressured by sports groups and academics and the press into facing the realities of changing sports systems around the world and Australia's declining international sports performances, effectively initiated federal involvement in the funding of elite athletes. Governments since Fraser have continued and increased that involvement.

Entering the sports policy area has brought dilemmas in terms of balance—what to fund, who to fund and how to fund to achieve the best results at elite and mass levels. What should be funded—organisations, individual athletes, community sports centres, talent development schemes. Who should be funded—organisations, athletes, communities, schools. What is the appropriate division of funding between elite and grassroots sport and between sport and unstructured physical activity. These questions have been ever-present and each government since Whitlam has brought its own ideological perspective in answering them. For example, the Fraser Government approached sports funding from a minimalist perspective, while the Hawke Government was more expansive and entrepreneurial. Ideological perspectives aside, in making who, what and how decisions in relation to sports portfolio funding, governments have increasingly been confronted with dealing with underlying interconnections between sport and recreation and healthy living and the increasing cost of financing elite athlete development and preventive health.

Despite any rhetoric to the contrary, it appears that the benefits of funding elite sport—potential success in international sporting arenas and concomitant increases in national pride— have been more influential in shaping who, what and how decisions. Therefore, despite rhetoric which at times has contradicted reality, funding allocated to elite sport has exceeded that provided to grassroots sport. In effect, the balance has always tipped in favour of support for elite performance.

It is usually only when elite performances at prestige events such as the Olympics fail to match expectations that this division of funding is openly questioned. In a number of instances government-commissioned reports have recommended alternative organisation and funding options for sport—the current Government's new governance rules for sporting organisations is one example which arose from recommendations in the Crawford Report. But it is difficult to imagine that this latest innovation will undermine what appears now to be established as the fundamental formula for allocating funding to sport and recreation in Australia. Essentially that formula is: governments provide funding to certain elite sports and the resulting success of athletes in those

sports inspires the population to compete and excel. While the rhetoric of fun, enjoyment and simple participation, whatever the level, accompanying mass programs such as Active Australia, belies the formula, the funding equation appears to confirm it.



Appendix A: ministerial responsibility for sport

Date	Department	Minister	Ministerial Tenure	Program
1973–76	Tourism and Recreation	Frank Stewart (ALP)	1972–75	
1976–81	Environment, Housing and Community Development	Ivor Greenwood (LP)	1976	
		Kevin Newman (LP)	1976–77	
		Ray Groom (LP)	1977–78	
		Bob Ellicott (LP)	1978–81	
1979–80	Home Affairs and Environment	Bob Ellicott (LP)	1979–81	
1981–83	Home Affairs and Environment	Ian Wilson (LP)	1981–82	
		Tom McVeigh (Nat)	1982–83	
1983–88	Sport, Recreation and Tourism	John Brown (ALP)	1983–end 87	
1987	Arts, Sport, the Environment and Tourism			
1988–93	Arts, Sport, the Environment, Tourism and Territories	Graeme Richardson (ALP)	1988–91 and 1994	Sport and Recreation
	Environment, Sport and Territories	Ros Kelly (ALP)	1991–94	
1993–96	Environment, Sport and Territories	John Faulkner (ALP)	1994–96	
1996–98	Environment, Sport and Territories	Warwick Smith (LP)	1996–97	Sport and Recreation
		Andrew Thomson (LP)	1997–98	
1998–2001	Industry, Science and Resources	Jackie Kelly (LP)	1998–2001	Sport and Tourism
2002–08	Communications, Information Technology and the Arts	Rod Kemp (LP)	2001–07	2001–2007 Arts and Sport
		George Brandis (LP)	2007	
2008–11	Health	Kate Ellis (ALP)	2007–10	2007–10 Youth and Sport
2011–12	Prime Minister and Cabinet	Mark Arbib (ALP)	2010–12	Sport
2012 to present	Regional Australia, Local Government, Arts and Sport	Kate Lundy (ALP)	2012 to present	Sport

Source: Annual reports of Government departments cited and biographical information for Ministers

Appendix B: funding sport and recreation: 1973–74 to 1995–96

Table 1: sports funding: Whitlam and Fraser Governments: 1973–74 to 1982–83

Year	Total (\$Ms)	AIS/ASC (a) (\$Ms)	Other elite (\$Ms)	Facilities (b) (\$Ms)	Sport development (\$Ms)	Community/fitness/lifesaving(c) (\$Ms)
1973-74	6.2			3.4	1.0	1.8
1974-75	7.7		1.5	4.6	0.2	1.4
1975-76	8.7		1.9	6.3		0.5
1976-77	8.2		0.4	6.9		0.9
1977-78	5.8		1.2	3.7		0.9
1978-79	5.7		2.5	0.9	1.4	0.9
1979-80	6.7		2.5	0.5	2.7	1.0
1980-81	8.4	0.9	3.1	0.4	2.9	1.1
1981-82	18.7	2.6	3.5	9.1 (d)	2.9	0.6
1982-83	24.8	4.0	0.8	15.5 (d)	3.7	0.8

- The Australian Institute of Sport (AIS) opened in 1981 and the Australian Sports Commission (ASC) was established in 1985. Funding figures for the AIS and ASC include funding from independent sources which was minimal in this period.
- Facilities funding includes provisions under the Capital Assistance for Leisure Facilities Program.
- From 1980-81 includes funding for disabled
- Includes assistance payments for approved international sport facilities program. Program allocated \$25 million over three years on a dollar for dollar basis with the states and territories.

Source: Australian Government budget papers 1972–73 to 1983–84, Departments of Tourism and Recreation, Environment, Housing and Community, Home Affairs and Environment associated budget papers and annual reports for the years cited and Australian Institute of Sport annual reports.

Table 2: Hawke and Keating Governments: funding sport and recreation: setting up Australian Sports Commission: 1983–84 to 1987–88

Year	Total (\$Ms)	AIS (a) (\$Ms)	ASC (b) (\$Ms)	National sporting facilities programs (\$Ms)	Sport and recreation programs (\$Ms)	Other (\$Ms)
1983-84	29.0	6.0	16.6	8.0	7.7	0.9
1984-85	63.3	10.5	21.7	10.8	8.9	11.4 (c)
1985-86	54.5	12.7	14.7	7.0	2.6	17.5 (d)
1986-87	39.4	14.1	9.2	7.0	2.6	6.5 (e)
1987-88	32.1	13.4	10.9	5.2	2.6	

- The Australian Institute of sport was opened in 1981. On 13 September 1984 it was announced that an Australian Sports Commission would be established. Legislation was introduced into the Federal Parliament in 1985 and proclaimed July 1985. The Australian Sports Commission Act, which came into force 1 May 1989, repealed the 1985 Act and merged the AIS and the ASC.
- Funding for National Capital Development Commission for National Sports Centre facilities at Bruce, ACT (\$10.2 million 1983–84; \$20.9 million 1984–85; \$6 million 1985–86)
- Includes funding for America's Cup defence (\$6 million) and Grand Prix circuit track (\$5 million)
- Includes funding for America's Cup defence (\$17 million)
- Includes funding for America's Cup defence (\$6 million)

Source: Australian Government budget papers 1983–84 to 1987–88, Departments of the Arts, Sport, the Environment, Tourism and Territories and Environment, Sport and Territories budget statements and annual reports, Australian Institute of Sport annual reports and Australian Sports Commission annual reports.

Table 3: Australian Sports Commission and other funding for Australian sport: 1988–89 to 1995–96

Year	ASC total (\$Ms)	Appropriation (\$Ms)	Independent sources of income (a) (\$Ms)	Equity (\$Ms)	ASF (b) (\$Ms)	Other (\$Ms)
1988–89	40.9	26.2	4.1	1.0	5.6	4.0 (c)
1989–90	64.6	42.5	5.2	0.6	9.0	7.3
1990–91	77.0	54.6	5.5	0.7	4.6	11.6 (d)
1991–92	93.6	56.7	8.6	2.6	4.9	20.8 (e)
1992–93	93.2	59.9	8.0	0.9	2.5	21.9 (f)
1993–94	144.5	62.8	9.3	0.6	2.1	69.7 (g)
1994–95	164.5	84.5	4.2	1.6	3.5	70.7 (h)
1995–96	169.5	87.0	12.3	-	5.4	64.8 (i)

- a. Independent sources of income: contributions from state and territory governments to assist in maintaining facilities located outside the AIS campus, sponsorship, interest from investments and deposits, revenue from public use of facilities, revenue from the AIS shop, proceeds from the sale of assets, revenue from residency facilities and miscellaneous revenues.
- b. Monies raised by the Australian Sports Foundation (ASF).
- c. Includes funding for sport for people with a disability, Community Recreation and Sporting Facilities Program (\$1.9 million) and Water Sport and Safety Program (\$1.3 million).
- d. Includes funding to Western Australia for staging World Swimming championships (\$9.0 million) and Water Sport and Safety Program (\$1.6 million).
- e. Includes Community Recreation and Sporting Facilities Program (\$17.8 million) and funding for Australian Sports Doping Agency (\$2.4 million).
- f. Includes Community Recreation and Sporting Facilities Program (\$14.1 million).
- g. Includes Community Recreation and Sporting Facilities Program (\$17.0 million) and \$50.0 million as first instalment of infrastructure funding for Sydney Olympics
- h. Includes Community Recreation and Sporting Facilities Program (\$13.0 million) and \$50.0 million as second instalment of infrastructure funding for Sydney Olympics
- i. Includes \$50.0 million as third instalment of infrastructure funding for Sydney Olympics and \$1.2 million of \$25.0 million committed for Paralympics

Source: Australian Government budget papers 1988–89 to 1995–96, Departments of Arts, Sport, the Environment and Territories and Environment, Sport and Territories budget statements and annual reports and Australian Sports Commission annual reports.

Table 4: Funding for Australian Sports Commission (ASC): 1996–97 to 2012–13

Year	Total (\$Ms)	Appropriation participation (\$Ms)	Appropriation elite sport (\$Ms)	Equity injection (\$Ms)	Funding from independent sources (\$Ms) (a)	Other (\$Ms)
1996–97	99.6	84.3 (b)		-	15.3	
1997–98	107.8	90.0 (b)		-	17.8	
1998–99	106.6	89.3		-	17.3	
1999–00	136.1	112.9 (c)		-	23.2	
2000–01	125.7	97.6		-	22.1	6.0 (d)
2001–02	152.9	27.1(e)	97.3	-	20.0	8.5
2002–03	160.7	29.2	101.7	-	22.6	7.2
2003–04	155.2	27.3	95.2	-	21.5	11.2
2004–05	161.4	30.5	97.0	-	24.8	9.1
2005–06	226.3	57.7	111.0	20.7	23.8	13.1
2006–07	233.2	67.0	125.5	16.0	24.7	-
2007–08	243.0	72.9	131.5	0.1	35.0	3.5
2008–09	263.4	78.2	141.5	-	42.4	1.3
2009–10	256.2	78.2	143.9	0.09	32.8	1.2
2010–11	296.5	72.2	175.8	-	47.1	1.4
2011–12	318.2	97.8	170.9	-	47.3	2.2
2012–13	307.7	101.9	166.2	na	a.6 (f)	

- Independent sources of income are from the sale of goods and rendering of services, from interest payments and rental income and from miscellaneous sources as noted in ASC annual reports.
- No differentiation between appropriation for outcomes provided.
- Funding division under three outcomes which do not directly relate to elite and mass participation.
- Includes GST component after 1 July 2000.
- From 2001–02 funding was provided under two outcomes: Outcome 1— An effective national sports system that offers improved participation in quality sports and Outcome 2—excellence in sports performance by Australians.
- Budget estimates for 2012–13, annual report not yet released; does not include possible income from GST.

Source: Australian Government Budget papers 1995–96 to 2012–13, Departments of Environment Sport and Territories and Industry, Science and Resources and Communications Information Technology and the Arts and Health and Prime Minister and Cabinet and Regional Australia, Local Government, Arts and Sport portfolio budget statements and Australian Sports Commission annual reports.

Appendix C: funding for National Sporting Organisations (NSOs) and Disability National Sporting Organisations (DNSOs): 2001–02 to 2012–13

Year/ recipient	AIS (\$s)	High performance (\$s)	Sport development/ Participation (\$s)	Other (\$s) (a)	Total (\$s)
2001–02					
NSOs (b)	15 334 478	39 146 211	4 520 410	2 599 822	61 600 921
DNSOs (c)	80 000	3 632 000	50 000	28 323	3 790 323
2002–03					
NSOs	15 328 294	39 602 650	4 730 000	5 553 791	65 214 735
DNSOs		4 040 000	154 000	8 123	4 202 123
2003–04					
NSOs	16 890 528	40 810 000	4 777 500	7 268 305	69 746 334
DNSOs		4 290 000	148 000	75 000	4 513 000
2004–05					
NSOs	17 178 000	42 436 000	4 830 001	4 203 006	68 647 007
DNSOs		6 438 150		31 443	6 469 593
2005–06					
NSOs	17 482 000	43 742 000	5 346 000	5 775 301	72 345 301
DNSOs		6 131 600		202 400	6 334 000
2006–07					
NSOs	20 852 400	50 177 287	5 791 400	6 676 990	83 498 077
DNSOs		6 209 905		8 300	6 218 205 (b)
2007–08					
NSOs	20 712 500	53 212 984	5 826 100	6 436 197	86 187 781
DNSOs		835 000		13 500	848 500
2008–09					
NSOs	20 844 349	58 725 582	5 766 100	7 672 586	93 008 617
DNSOs		1 025 000		310 000	1 335 000
2009–10					
NSOs	20 985 305	51 190 837	5 798 600	7 147 900	85 122 642
DNSOs		995 000		300 000	1 295 000
2010–11					
NSOs	21 161 472	75 009 400	18 873 600	5 345 831	120 390 303
DNSOs		1 135 000		275 000	1 410 000
2011–12					
NSOs	19 896 220	83 189 900	19 353 600	12 137 705	134 577 425
DNSOs		1 135 000	200 000	103 000	1 438 000
2012–13 (d)					
NSOs	18 333 063	81 285 400	17 17660	156 800	116 952 863
DNSOs				1 235 000	1 235 000

- a. Includes funding through the National Talent Identification and Development program, Indigenous Sport program, officiating scholarships, elite coach development program, Sport Leadership Grants for Women and the Targeted Sports Participation Growth Program.
- b. National Sporting Organisations.
- c. Disability National Sporting Organisations.
- d. Includes funding to Australian Paralympic Committee.

Source: Australian Sports Commission annual reports

Appendix D: additional funding measures: 1996–97 to 2013–14

Year	Measure	Funding (\$Ms)
1996–97		
	Funding for Sydney Paralympics (a)	25.0
	Funding to continue Maintain the Momentum Program	146.0 over 4 years
	Establishment of Indigenous Sports Program	2.0 (b)
1997–98		
	Funding associated with Sydney Olympics and Paralympics (c)	211.1 over 4 years
1998–99		
	Additional funding for Sydney Olympics and Paralympics	9.0
	Announced in 1999-2000 Budget	
	Funding of upgrade to York Park (Launceston)	5.0
	Funding to upgrade Bellerive Oval (Hobart)	5.0
1999–2000		
	Additional funding for Sydney Olympics and Paralympics	10.4
	Assistance for Paralympic athletes	1.8
	Confirmation of Australian Sport Commission funding to maintain national sports network to commence in 2000–01	146.1 over 3 years
	Tough on Drugs in Sport Program	5.9 over 4 years
2000–01		
	Additional funding for Sydney Olympics and Paralympics	32.0
	Additional funding Australian Sports Commission	5.0
	Additional funding Sydney Olympics drug testing	1.0
2001–02		
	Backing Australia's Sporting Ability—A More Active Australia	161.1 over 4 years
	AIS facilities funding	65.4 over 4 years
2002–03		
	See 2005–06 Budget	
2003–04		
	Announced in 2001–02 Budget	
	Melbourne Commonwealth Games	90.0 over 2 years (d)
2004–05		
	Funding for Paralympic athletes	0.6
	Upgrade Mt Panorama Racing Circuit	10.0
	Surf Lifesaving Australia	1.0 over 3 years
2005–06		
	Backing Australia's Sporting Ability continued funding	170.4 over 4 years
	Elite sport additional funding	41.3 over 4 years
	Euro Hub—European Training Base	11.0 over 4 years
	Upgrade Kogarah Oval (Sydney) (e)	8.0 over 3 years
	Various facilities funding projects (f)	2.0
	South Australian State Aquatic Centre — contribution	15.0
	Toyota Park (Sydney) — contribution to stadium upgrade	9.6

Year	Measure	Funding (\$Ms)
	Announced in 2002–03 Budget	
	Additional depreciation funding for Australian Institute of Sport	0.7
2006–07		
	2007 World Police and Fire Games — contribution	0.7
	Australian Institute of Sport — integrated sports system	54.3 over 4 years
	Sport — funding for regional universities	10.0 over 4 years
	Additional depreciation funding for Australian Institute of Sport	1.7
2007–08		
	Announced in 2007–08 Budget	
	Adelaide Oval — redevelopment	25.0 over 3 years
	Active After-school programme—continuation	124.4 over 4 years
	Contribution—Sydney Cricket Ground upgrade	25.0 over 2 years (g)
	Additional depreciation funding for Australian Institute of Sport	2.6 (h)
	Announced in 2008–09 Budget	
	Contribution — 2011 World Sailing Championships	8.6 over 4 years
	Campbelltown Sports Stadium (NSW)	8.0 over 2 years
	Contribution—Energy Australia Stadium upgrade (NSW)	10.0 over 2 years
	Football Federation	16.0 over 2 years
	Contribution— Leichhardt Oval upgrade (NSW)	3.0
	Local sporting champions — contribution	6.4 over 4 years
	Northern Territory Australian Football League and netball development — contribution	2.5 over 5 years
	Contribution—Penrith Valley Sports Hub	5.0 over 5 years
	Reclink	2.3 over 4 years
	Various community and sport projects	20.8 over 2 years (i)
	Australian Paralympic Committee — additional contribution	22.8 over 5 years (j)
	Australian Sports Commission — maintenance of sports grants funding	7.6 over 5 years (k)
	Cricket Australia Centre of Excellence — contribution	17.5 (g)
	National recreation safety organisations — continuation of funding	10.0 over 4 years (j) (k)
	Netball Australia — contribution	2.4 over 3 years (j)
	Pambula Surf Life Saving Club — contribution	0.09 (j)
	Punt Road Oval — contribution	2.0 (j)
	Ray Owen Sports Centre — contribution	0.2 (j)
	Saving lives in the water	12.2 over 4 years
	Special Olympics Australia — increased funding	1.2 over 4 years
	Sydney 2009 World Masters Games — contribution	8.5 (j)
2008–09		
	Surf Lifesaving technical support	4.4
	Australian Equestrian Olympic Team	1.5 (l)
2009–10		
	Continuation of funding for European Training Base	10.9 over 4 years

Year	Measure	Funding (\$Ms)
	Contribution—sporting facilities in Mackay	1.3
2010–11		
	Supporting football in lead up to 2015 Asian Cup	Commitment made (m) \$28 mioio28
	Response to Independent Sport Panel recommendations	328 0 over 4 years (n) 60.9 in 2010–11
2011–12		
	Response to Independent Sport Panel recommendations	65.8
	Contribution to Adelaide Oval redevelopment	30.0
	Contribution to Bellerive Oval redevelopment	15.0
	Contribution—football in Western Sydney	8.0
	Jim Stynes scholarships	3.0
	Contribution King George V Sports and Community Precinct (Glenorchy) City Council	8.7
	Contribution Manuka Oval lighting upgrade	2.5
	Contribution—Netball Australia	2.5 (o)
	Contribution—Olympic Park Precinct Community Sports Centre (Melbourne)	10.0
	Supporting football in lead up to 2015 Asian Cup	7.5
	Contribution— Sydney Cricket Ground upgrade	50. 0
	Contribution—Wayne Richards Park (Port Macquarie)	1.8
	Active After Schools Program extension	21.8
2012–13		
	Response to Independent Sport Panel recommendations	67.5
	Active After Schools Program extension	39.2 over 2 years
	Community Street Soccer and Reclink	2.6 over 2 years
2013–14		
	Response to Independent Sport Panel recommendations	68.4

- Confirmation of funding for Sydney Paralympics as announced in 1995–96 Additional Estimates
- Provided \$1.4m in 1996–97 and \$0.6m for expenses incurred in 1995–96
- Funding to assist with the staging of the Sydney 2000 Games. The measures were in four broad categories—security, promoting Australia, other Games related activities and assisting the Sydney Organising committee for the Olympic Games. As such, not funding directly linked with recreational, grassroots or elite programs, but with associated promotion and administration.
- This funding, which was to be used for the upgrade of the Melbourne Cricket Ground, was rejected by the Bracks State Government as it was unprepared to accept federal government conditions that required workers on the project to abide by federal industrial conditions. For more information see D Rood, 'MCG funding fallout' *The Age*, 6 June 2002.
- Including funding for 2004–05
- Funding provided in 2004–05 to contribute to sporting and recreational organisations and facilities to give effect to election commitments. Funding comprised: \$1.0 million for the Brookvale Oval, New South Wales; \$250 000 for the Pambula Surf Life Saving Club, New South Wales; \$150 000 for the Ridge Hills United Football Club, Queensland; \$130 000 for the Peninsula Cricket and Redcliffe Football Clubs, Queensland; \$60 000 for the Modbury Junior Football Club, South Australia; \$50 000 for the Boronia Football Club, Victoria; \$35 000 for the Ingle Farm Football Club, South Australia; \$35 000 for the Pooraka Football Club, South Australia; \$30 000 for the Golden Grove Football Club, South Australia; \$25 000 for the Para Hills Knights Soccer Club, South Australia; \$20 000 for the Hurstbridge Junior Football and Cricket Clubs, Victoria; \$15 000 for the Alexandra Recreation Reserve and Gallipoli Park, Victoria; \$25 000 for the Modbury Soccer Club, South Australia; \$20 000 for the Wallan Cricket Club, Victoria; \$15 000 for the Romsey Tennis Club, Victoria; \$10 000 for the Broadford Bowling Club, Victoria; \$10 000 for the Gisborne Netball Club, Victoria; \$10 000 for the Healesville Junior Football and Soccer Clubs, Victoria; \$10 000 for the Kilmore Bowling Club, Victoria; \$10 000 for the Macedon Football Club, Victoria; \$10 000 for the Seymour Junior Cricket, Football and Netball Clubs, Victoria; \$10 000 for the Wallan Football Club, Victoria; \$10 000 for the Warburton Cricket and Football Clubs, Victoria; \$10 000 for the Woodend/Heskett Netball, Football and

- Cricket Facilities, Victoria; \$10 000 for the Woori Yallock Junior Football and Cricket Teams, Victoria; \$10 000 for the Yarra Glen Cricket Club, Victoria; and \$10 000 for the Yarra Junction Memorial Reserve, Victoria.
- g. Conditional on NSW Government matching contribution.
 - h. Funding is ongoing from this year.
 - i. There were 91 projects to be funded under this measure. Significant projects included: \$1.5 million for the Parramatta Cycle ways in New South Wales, \$3.0 million for the Hidden Valley International Dragstrip in the Northern Territory, \$200 000 for the community sports field upgrade on Palm Island, Queensland, \$1.0 million for the North East Hockey Club in South Australia, \$750 000 for the Low Head to George Town Recreation Trail in Tasmania, \$550 000 for the Mallacoota Pathways in Victoria and \$1.0 million for Macedonia Park in Western Australia.
 - j. The funding for this project had been included in the forward estimates.
 - k. Surf Life Saving Australia, the Royal Life Saving Society Australia, AUSTSWIM and the Australian Ski Patrol Association.
 - l. The cost of this measure to be met from within the existing resourcing of the Department of Health and Ageing and the Department of Agriculture, Fisheries and Forestry.
 - m. Commitment made to provide up to \$38 million including \$23.9 million to be held in contingency reserve subject to the finalisation of the costs of the Local Organising Committee.
 - n. Included \$62.1 million provided in forward estimates to support the long-term sustainability of the Australian sport system; \$195.2 million over four years for a range of sport initiatives at elite and community levels; \$67.5 million over four years to continue support for the ASC's high performance programs (\$51.6 million), the Australian Paralympic Committee's high performance programs (\$14.9 million) and the broadcast of the 2012 London Paralympic Games (\$1.0 million); \$62.1 million over four years to the Australian Institute of Sport to support elite sport.
 - o. The cost of this measure will be met by reallocating funding from the *Indigenous Sport and Recreation Program* and the *Job Creation Package Sport and Recreation Program* in the Department of Regional Australia, Local Government, Arts and Sport.

Source: Australian Government budget papers

Appendix E: direct athlete support funding

Scheme	Year	Number of athletes	Support provided
National Athlete Award Scheme (NAAS)	1981		\$1235 (1981–85 in exact amounts)
	1982		\$24 669
	1983		\$253 922
	1984		\$513 500
NAAS/Sports Talent Encouragement Plan (STEP)	1985–86	170	0.8 (from 1985 in \$Ms)
	1986	173 + 18 teams	0.6
	1987	133 + 14 teams	0.6
	1988	109 + 18 teams	0.6
	1989	132 + 22 teams	0.7
	1990	145 + 25 teams	1.6
	1991	164 + 35 teams	2.7
	1992	157 + 43 teams	2.8
STEP/ Direct Athlete Support under Olympic Athlete Program (OAP)	1992–93	255 + 8 teams	2.0
	1993–94 and 1994–95 figures not available		
	1995–96	1454	3.6 inc 1.7 from OAP (a)
	1996–77	na	na
	1997–98	na	na
	1998–99	na	1.4
	1999–2000	na	1.4
No direct athlete support program operated from 2000–01 to 2003–04			
Direct Athlete Support	2003–04	201 Olympic 21 Paralympic	1.0
	2004–05	382 Olympic (b) 15 Paralympic	3.8
	2005–06	294 Olympic (c) 27 Paralympic	3.0
Sport Training Grant Scheme	2006–07	379	4.2
	2007–08	409	4.3
	2008–09	497	4.7
	2009–10	546	4.5
Direct Athlete Support	2010–11	637	8.7
	2011–12	703	8.4
	2012–13	457	na

a. Does not include funding for other support offered under the Olympic Athlete program, such as coaching and career and education planning.

b. progressive total

c. total number s of athletes for the two years 2003–04 to 2004–05.

Source: Australian Sports Commission annual reports

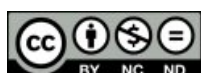
Appendix F: funding to Australian Sports Anti-Doping Authority

Year	Funding (\$Ms)	
1990–91	2.1	Australian Sports Doping Authority formed
1991–92	2.4	
1992–93	3.2	
1993–94	2.9	
1994–95	2.9	
1995–96	3.5	
1996–97	3.1	
1997–98	3.3	
1998–99	4.4	
1999–2000	6.2	From 1999–2000 includes independent sources
2000–01	7.6	
2001–02	9.0	
2002–03	8.5	
2003–04	8.1	
2004–05	9.0	
		ASADA Budget measures
2005–06 (a)	6.3	ASADA assumed roles and functions of ASDA 14
2006–07	14.7	\$4.5 million over two years: investigations
2007–08	14.9	
2008–09	14.4	\$4.4 million: compliance with World Anti-Doping
2009–10	15.4	\$21.1 million over four years various programs
2010–11	14.7	
2011–12	14.5	

a. Education programs, athlete testing regime, investigation and prosecution framework

Source: Australian Government budget papers Australian Sports Doping Authority and Australian Sports Anti-Doping Authority annual reports

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