



FEDERAL GOVERNMENT 2020/21 PRE-BUDGET SUBMISSION FROM OLYMPIC, PARALYMPIC AND COMMONWEALTH GAMES SPORTS

Introduction

At the outbreak of the COVID-19 pandemic, the Australian Olympic Committee (AOC), Commonwealth Games Australia (CGA) and Paralympics Australia (PA), in collaboration with their Member Sports (the Sports), presented a 3-Point Plan to the Federal Government. The Plan was drafted in consultation with the Office of the Minister for Youth and Sport, Senator the Hon Richard Colbeck, Sport Australia (SA) and the Australian Institute of Sport (AIS).

The Plan focussed on the delivery of three (3) key outcomes so Sport could play its crucial role at the outbreak of the COVID-19 health crisis, during the subsequent economic upheaval and to be positioned to support the Australian community in recovery phase. The outcomes sought were:

1. **Certainty** – retaining business capability and capacity for the Sports;
2. **Community** – using the power of sport to reconnect and motivate the Australian community; and
3. **Performance** – securing Australia's international competitiveness to inspire the nation.

This submission, again developed by the AOC, CGA and PA in consultation with their Member Sports, updates and builds on the Plan, making recommendations for consideration in the formulation of the Federal Government Budget 2020/2021.

Collectively, the AOC, CGA and PA represent 53 Member Sports (list attached). The size and capacity of the membership varies. Their collective membership represents more than 9 million participants and millions more volunteers dedicating their time and effort across Australia.

The Sports cover all genders, young and old, all aspirations and skills and are represented in all of Australia's multicultural and Indigenous communities. The Sports are a great resource of inclusion and social capital for the nation.

Sport plays an important role in the national economy. The Government's own research has found that the direct economic, productivity and volunteering benefits

from sport create a total economic value to the national economy of approximately \$50 billion annually.

This same research also suggests a return to Australian communities of at least \$7 for every \$1 invested.¹

This submission's recommendations to the Federal Government are straight forward and aim to ensure the Member Sports of the three peak bodies, recognised by SA for funding, are able to continue to support the Australian community and contribute to the economic recovery and rebuilding of the nation.

SA's analysis of the COVID impact on National Sporting Organisations and National Sporting Organisations for people with a disability identified a \$60 million decline in revenue from membership, commercial receipts and net receipts from State Sporting organisations.²

Faced with similar challenges in the UK, Canada and New Zealand, governments have responded with the significant funding enhancements to assist sports.

In the UK, a funding package of up to £195million of public funding will be made available to help grassroots sport deal with the financial impact of the coronavirus pandemic.

New Zealand sport will receive a \$265 million lifeline as part of a dedicated *Sport Recovery Package* to assist sports at all levels to remain viable, get stronger and adapt.

Emergency funding of \$72 million was announced by the Canadian government which recognised sport as a "vital part of the social fabric of our communities."

The recommendations set out in this submission provide a structured strategy for the Government to implement with speed. Notably, there is no request for additional/new investment, only a commitment to maintain current Government funding at no less than the 2019/20 level provided to the Australian Sports Commission (comprised of SA and the AIS).

The AOC, CGA and PA also note that the Intergeneration Report (IGR) that was due this year has been postponed to 2021 with the expectation that it will be delivered to the Government in April 2021 ahead of the 2021/22 Federal Budget. The Sports recognise the importance of the next IGR and its impact of the 2021/22 Budget, but more importantly its impact in shaping and mapping the Government's priorities for the next five years resetting the health of the nation. The Government should be assured that the Sports have every intention of playing their part in this process.

The AOC and CGA, as is the case now, are not seeking any funds for their own activities.

¹ The Boston Consulting Group, *Intergenerational Review of Australian Sport 2017*, https://www.clearinghouseforsport.gov.au/data/assets/pdf_file/0004/808681/Intergenerational_Review_of_Australian_Sport_2017.pdf

1. Certainty – retaining business capability & capacity for Sports

As reported by Sport Australia², the Sports have benefited from Federal Government stimulus packages to a total of \$17.3m. Without this support, the Sports would have been in a materially worse financial position. This would have led to further redundancies and reduced staff hours, as well as potential financial distress. The Sports are appreciative of the Government's support.

SA analysis also observes:

“The negative financial impact of COVID-19 operations means that the majority (of sports) have minimal ability to absorb any further unforeseen financial shocks to their organisations, which threaten their ongoing viability.”

“Whilst proactive steps have been taken to safeguard financial sustainability, staff reductions and programme suspensions will likely negatively impact on the ability of Sports to assist in the reactivation of Sport; which will have wider longer term financial and social implications.”

Therefore, to ensure the effective reactivation of sport, the following actions are recommended to the Government:

- Provide SA and the AIS with funding for 2020/21, as well as a commitment for 2021/22 at no less than the 2019/20 level. The Sports note with thanks that the Government has allocated the MYEFO 2018-19 for another two years.

Unfortunately, despite assurances from Minister Colbeck, the AIS has held back the 2021/2022 allocation of funding from the majority of Sports. This lack of certainty in such exigent times, with the protracted impact of COVID-19 continuing to have a devastating impact on the entire operational framework Sports and their revenue streams, could not be happening at a worse time.

Accordingly, it is recommended that the AIS be directed to distribute the remaining \$25m funding amount through to June 2022, without any further conditions and that this be confirmed to the Sports.

- Fast tracking of approval requests by SA and the AIS to repurpose existing program funding allocations to support the direct operations of the Sports. This issue was highlighted by SA's analysis²:

“A high proportion of reported cash (held by the Sports) must contractually be used for specific purposes, and hence provides limited flexibility to be redirected to support the wider organisation through COVID-19. In many cases funding is also required to be held in a separate bank account.”

The AOC, CGA and PA appreciate that repurposing existing program funding allocations will need to be considered by the Expenditure Budget Review Committee. With respect, however, this action is one that the AOC highlighted to Minister Colbeck, SA and the AIS in the early phases of the COVID-19 crisis when it was apparent that the delivery of community sport programs and Sporting Schools would not be possible, thereby freeing up the funding supporting these programs for other use.

By actioning these recommendations, the Government will deliver:

- The volunteer Boards of the Sports with the financial certainty to plan and manage their businesses during this critical next two-year period;
- Create capacity for the Sports to fast track the efficient ongoing reboot of operations post COVID-19 of community activities and programs, including assisting their state affiliates and grassroots clubs; and
- The capability for the Sports to plan and deliver their rescaled performance programs, including ongoing employment of staff, and vital support services for their athletes in the compressed preparation period for:
 - the Tokyo Olympic and Paralympic Games in 2021,
 - Beijing Winter Olympic and Paralympic Games in 2022; and
 - Birmingham Commonwealth Games in 2022.

² SPORTAUS COVID-19 Financial analysis of NSOs/NSODs funded by the ASC. June 2020

2. Community – using the power of sport to reconnect and motivate Australia

Under the 3-Point Plan, the Sports and the three peak bodies committed to and have delivered on initiatives that use the power of sport to keep the Australian community connected and motivated. These initiatives have included:

- Activation of digital delivery of sporting activities to Australians while required to stay at home;
- Direct and public support of the Government's COVID-19 messaging by using athlete role models to deliver digital inspirational messages/campaigns to all Australians required to stay at home/self-isolate;
- Ready to activate community sporting activities immediately restrictions are lifted; and
- By the peak bodies:
 - AOC and PA have delivered digital versions of existing programs such as Olympics Unleashed and Olympic Change Maker (and Paralympic Education Program) for schools and communities, reaching 83 schools and 8,168 students in 96 on-line visits in NSW, Qld, SA and the ACT.

- PA has reached more than 12 schools and 600 students as part of its virtual school visits.
- PA has distributed over \$670,00 in the last year to athletes, clubs and NSOs as part of the Equipment Fund project, which provides opportunities for people with disability to participate in sport.
- PA worked with Outback Academy Australia to promote sport and health to Indigenous Australians; and Welcoming Australia to promote sport to refugees and migrant children with disability.
- Olympians and Paralympians have visited bushfire affected areas.
- AOC and PA live school visits programs are ready to reactivate post COVID-19 restrictions.
- CGA has supported its Member Sports activities and concentrated on nostalgia via its direct community activity through a digital program of events, including the launch of its Alumni and 50th anniversary celebrations of the 1970 Edinburgh Commonwealth Games.

Here again SA analysis² highlighted two (2) important conclusions:

“Whilst proactive steps have been taken to safeguard financial sustainability, staff reductions and programme suspensions will likely negatively impact on the ability of Sports to assist in the reactivation of Sport; which will have wider longer term financial and social implications.” and;

“The timely reactivation of Sport is vital to the ongoing financial viability of these organisations, given non-HP reliance on membership (directly and through State Sporting Organisations), and sponsorship.”

In taking these two (2) important conclusions into account and to ensure the Sports can reboot their regular operations, this submission recommends that in addition to the funding commitment noted in the first point above, the Government provide the Australian Sports Commission (ASC) Board with the latitude to:

- To re-purpose funding from existing SA programs to increase the level of direct grants to the Sports under the Sport Investment Framework over the 2020/21 and 2021/22 period; and
- Streamline the grant process to ensure funding is delivered quickly and for a two (2) year commitment.

While the individual SA programs have a role, what is vital is for the Sports in these difficult economic times is to have the certainty to restore capability and capacity quickly, in order to reactivate core operations.

Direct activation by the Sports and their volunteers will deliver a faster, more efficient step-change to quickly meet the immediate health and physical wellbeing needs of the community and reconnect and inspire the Australia once restrictions are fully lifted.

3. Performance – securing Australia’s international competitiveness and inspiring the nation

Through its National Sport Plan - *Sport 2030*, the Government set a strategic priority of achieving sporting excellence— National pride, inspiration and motivation through international sporting success. This priority is even more important in the current environment. This outcome cannot be achieved by desire alone and requires actual investment to:

- Ensure those Sports responsible for the performances of Australia’s athletes at the Olympic, Paralympic and Commonwealth Games can maintain continuity in their high performance programs in the lead into Tokyo 2020 and the compressed period after, which includes the both the Beijing Winter Olympic and Paralympic Games and Birmingham Commonwealth Games in 2022; and
- Assist the Sports in securing Australia’s competitiveness at future Games and therefore continue to meet the aspirations outlined in the *National High Performance Sport Strategy* by supporting athlete preparation and retaining highly skilled coaches, medical and support staff.

To achieve these outcomes, this submission recommends the following investment by Government:

- Committing to funding the AIS at no less than the 2019/20 levels for a further two (2) years, including to extending the Pathways and Wellbeing funding of \$27.1m per year for a further two years. This funding will assist NSOs improve their capacity to identify, develop, support and progress talent as well as fund the appointment of athlete wellbeing and engagement managers - and ensure the fast-tracking approval of repurposing program funding as noted in point one above;
- Provide the ASC board with the latitude to defer existing policies so as to:
 - Ensure the direct investment allocations to the Sports are maintained at no less than the 2019/20 levels for 2020/21 and 2021/22;
 - Suspend the contestable component applied to investment allocations by the AIS until end of 2022, thereby ensuring the Sports can efficiently and effectively manage their business with certainty;
 - Repurposed AIS program funding to provide direct investment allocations to Sports that have qualified or are likely to qualify athletes or teams for Tokyo Olympic and Paralympic Games, Beijing Winter Olympic and Paralympic Games and the Birmingham Commonwealth Games, which are currently unfunded in full or have underfunded disciplines or teams. Here it should be noted that other sources of revenue available to the Sports have been disrupted and will take time to recover. The continuing lock downs in various states is disrupting training and competitions and splitting squad preparations through boarder closers.

- At this time it is important to flag that with the ongoing uncertainty of the effect of the pandemic on Pre-Games preparation planning, including the potential requirement to quarantine athletes prior to departure to the Games, it is more than likely that the Sports will incur significant additional costs. Therefore, there will most likely be a need to seek Government support for these extraordinary one-off costs. The AOC and PA are currently working with the Sports to co-ordinate their plans and will update Government accordingly.

Summary

This 3-Point Plan forming the 2020/21 Pre-Budget submission from the AOC, CGA and PA on behalf of their member Sports is a measured submission that takes into account the many and important calls that are being made on the Federal budget during this unprecedented time.

At its core, this submission is a reasoned request that the Government commit to providing the ASC with no less than the 2019/20 level of funding for a further two (2) years.

The Sports also seek a commitment from the Government to fast track requests from the Commission's to repurpose existing program funding to directly fund the sports.

By acting on the recommendations in this submission now, Government will reduce the wider, long-term financial and social impacts on Sports and the sporting community - and promote support for an effective, efficient bounce-back once COVID restrictions are lifted.

In summary, by accepting the recommendations, the Government would deliver:

1. **Certainty** - by the Sports retaining their business capability and capacity to enable the fast track and efficient rebooting of operations post COVID-19;
2. **Support to the Community** – by the Sports and their volunteers direct activation delivering a faster, more efficient step-change to meet the immediate health and physical wellbeing needs of the community and reconnect and inspire Australians once restrictions are fully lifted; and
3. **Performance** – securing Australia's international sporting competitiveness and thereby providing in these tough times *“National Pride and Inspiration”*.

Matt Carroll AM
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Australia

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Chief Executive Officer
Commonwealth Games

24 August 2020

Sports

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