



Department of
**Local Government, Sport
and Cultural Industries**

State Sporting Infrastructure Plan Review

2019



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To obtain such permission, please contact the Corporate Communications team at:

Department of Local Government, Sport and Cultural Industries

Leederville office

246 Vincent Street
Leederville WA 6007

Postal address: PO BOX 8349,
Perth Business Centre WA 6849

Email: info@dlgsc.wa.gov.au

Website: www.dlgsc.wa.gov.au

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About DLGSC

The DLGSC works with partners across government and within its diverse sectors to enliven the Western Australian community and economy through support for and provision of sporting, recreational, cultural and artistic policy, programs and activities for locals and visitors to the State.

The department provides regulation and support to local governments and the racing, gaming and liquor industries to maintain quality and compliance with relevant legislation, for the benefit of all Western Australians. This publication is current at October 2019.

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Introduction

Purpose of the Plan

The State Sporting Infrastructure Plan (SSIP, previously the State Sporting Facilities Plan) has been developed by the Department of Local Government, Sport and Cultural Industries (DLGSC) to serve as forward planning for the provision of infrastructure to service State, National and International level sporting competition.

The plan is regularly reviewed to maintain relevancy given the changing requirements and demands of sport. The last significant review occurred in 2013 and was a result of significant changes in sporting infrastructure. The review prioritised major and minor capital investments through consultation with State Sporting Associations (SSAs) and highlighted the need for a structured funding framework supported by the development of Strategic Asset Management Plans. The framework supports infrastructure planning and development over the next 10 years and the planning principles of the SSIP are consistent with the Strategic Asset Management Framework (SAMF)

The plan has therefore been reviewed with the following objectives in mind:

- To take stock of infrastructure requirements;
- Provide an update to the State Sporting Infrastructure hierarchy model and future upgrade and expansion plans;
- Examine current issues and opportunities within the state's sporting environment; and
- Develop strategies to improve outcomes within infrastructure investment and the sporting environment.

The Importance of Investment in Sport in Western Australia

Sporting infrastructure investment is an important component of sporting system that enables value to be generated through activity, participation, volunteering and attendance. Studies investigating the value of sports and recreation have highlighted:

- The combined socio-economic value of sport in WA has been estimated to be \$9.2 billion in 2017, including economic, health and education benefits. This represents a return of \$7 for every dollar invested;¹
- The sport and physical recreation industry supported approximately 24,000 jobs in Western Australia in 2017;¹
- As an industry, WA based sports and physical recreation generated approximately \$1.4 billion of income in FY2011/12, equivalent to \$1.6 billion in 2018;²
- In 2017, WA sporting volunteers contributed an estimated 18 million hours from 200,000 volunteers, equivalent to 9,700 FTEs;¹ and
- Regular participation in sport and active recreation contributes to a 4% sustainable increase in productivity for workers.³

Sport exists within a competitive environment and has an advantage of producing positive impacts while being locally based. The impact of sporting activity is felt by every participant and is therefore transferred throughout society and the local economy.

1 https://www.ausport.gov.au/nationalsportplan/downloads/Intergenerational_Review_of_Australian_Sport_2017.pdf

2 [http://www.ausstats.abs.gov.au/Ausstats/subscriber.nsf/0/A48910CF5F68EE18CA257C0D000F95F2/\\$File/4156055002_2013.pdf](http://www.ausstats.abs.gov.au/Ausstats/subscriber.nsf/0/A48910CF5F68EE18CA257C0D000F95F2/$File/4156055002_2013.pdf)

3 https://www.clearinghouseforsport.gov.au/__data/assets/pdf_file/0020/563321/Frontier_Research_The_Economic_Contribution_of_Sport_summary_report.pdf

Key benefits of participation in sport are known to be⁴:

- Increased life expectancy and decreased health care costs;
- Reductions in crime and anti-social behaviour;
- Improved educational outcomes and employability;
- Increased workplace productivity; and
- Improved social cohesion.

The broader industry value, and socio-economic benefits of sports participation, provides the strategic context for government support of State Sporting Infrastructure. Sports face a significant challenge in maintaining and increasing overall rates of participation given competition from other activities. In providing funding support for infrastructure the State considers the financial capacity of sports to self-fund major facilities. More broadly, there is an increasing need for the industry to improve its competitiveness, attract more participants, and demonstrate the value generated through this investment for the community. Government support is therefore being tailored to incentivise innovation in the industry, creating an improved offering for current and future sport and recreation participants, while improving the financial sustainability and future strength of the industry.

The Role of State Sporting Facilities

The sport system comprises a range of activities. At one end of this range is community level activity, typically supported through clubs, schools and smaller private organisations. At the other is state, national and international high-performance training and competition. State Sporting Infrastructure provides the capacity for high-performance sports activity and therefore play an important role in providing a pathway for Western Australian athletes to train and compete in state, national and international competitions. In doing so, they form an important part of the local sporting system.

The design and competition standards of State Sporting Infrastructure are high, as mandated by sporting bodies for national and international competition. A smart approach to facility design and operation can enable flexibility of use and higher rates of utilisation across the spectrum of activity. High rates of utilisation are the key for achieving value from the State's investment. Ongoing collaborative efforts are required to ensure that facilities are designed, upgraded and operated in a manner that maximise their benefit to all Western Australians.

4 https://www.clearinghouseforsport.gov.au/research/smi/the_future_of_australian_sport

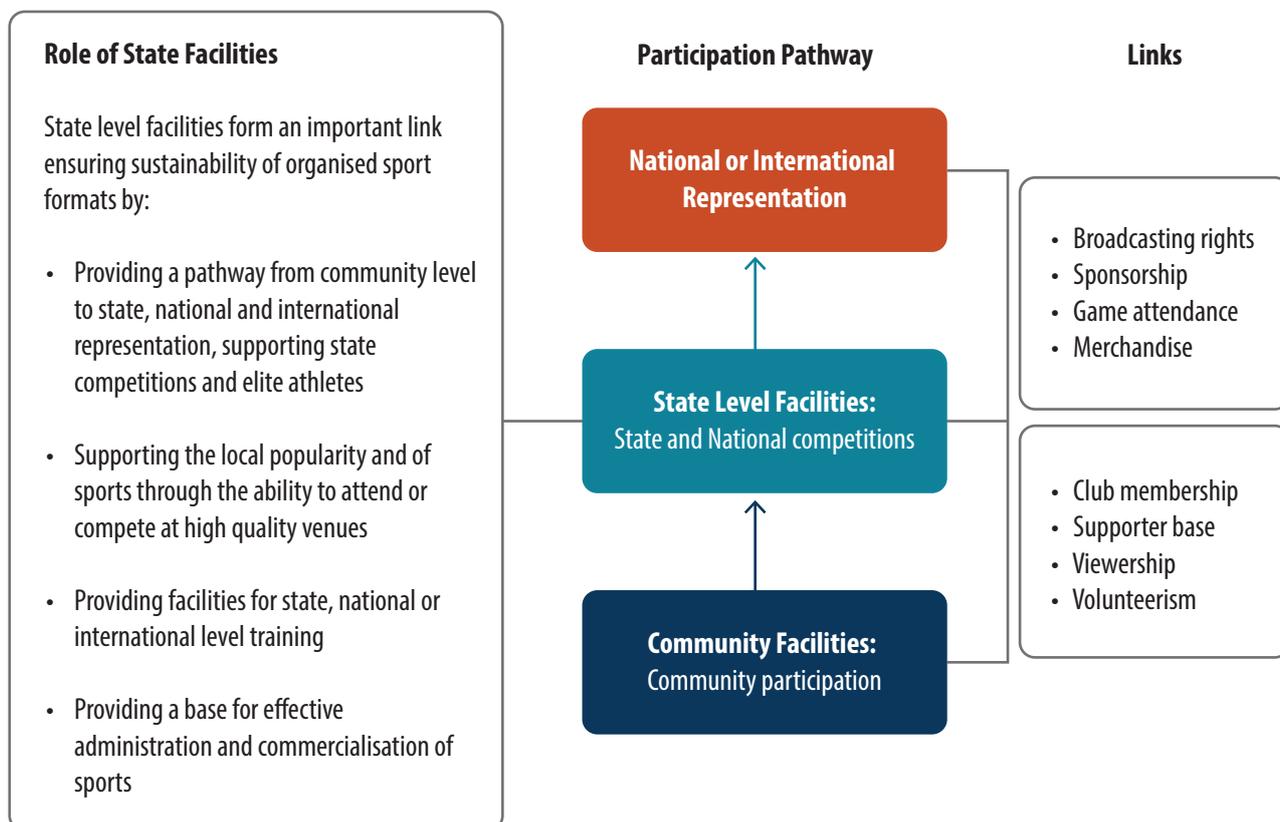
A range of sporting performance, financial and socio-economic outcomes should be considered in the operation and management of facilities.

The role of State Sporting Infrastructure provision and operation is therefore to:

- Provide priority access for high performance training and competition;
- Provide the ability to host major state, national and international competitions and events; and
- Provide flexibility of use, ensuring facilities are utilised for community sporting training and competition, and cultural and community event hubs where-ever practicable.

Figure 1 outlines how State Sporting infrastructure fits into the broader sporting system, providing a pathway for participation and a means of supporting the ongoing viability and growth of Western Australian sport.

Figure 1. The Role of State Sporting Infrastructure



Objectives and Benefits of State Sporting Infrastructure

The construction and use of State Sporting Infrastructure can have a positive and long-lasting impact on the state. The impact of State Sporting Infrastructure is influenced by how they are managed and by the objectives assigned to them. Objectives are set by government with funding support being targeted to help ensure these objectives are achieved. Achievement of these objectives creates positive impacts within the society and economy. Figure 2 illustrates the objectives associated with State Sporting Facilities and the associated impacts.

Impacts are the effect of a combination of objectives being achieved, for instance, ‘providing a compelling events schedule, supporting the growth of the Western Australian sporting industry’ contributes to state-wide employment creation and Gross State Product (GSP).

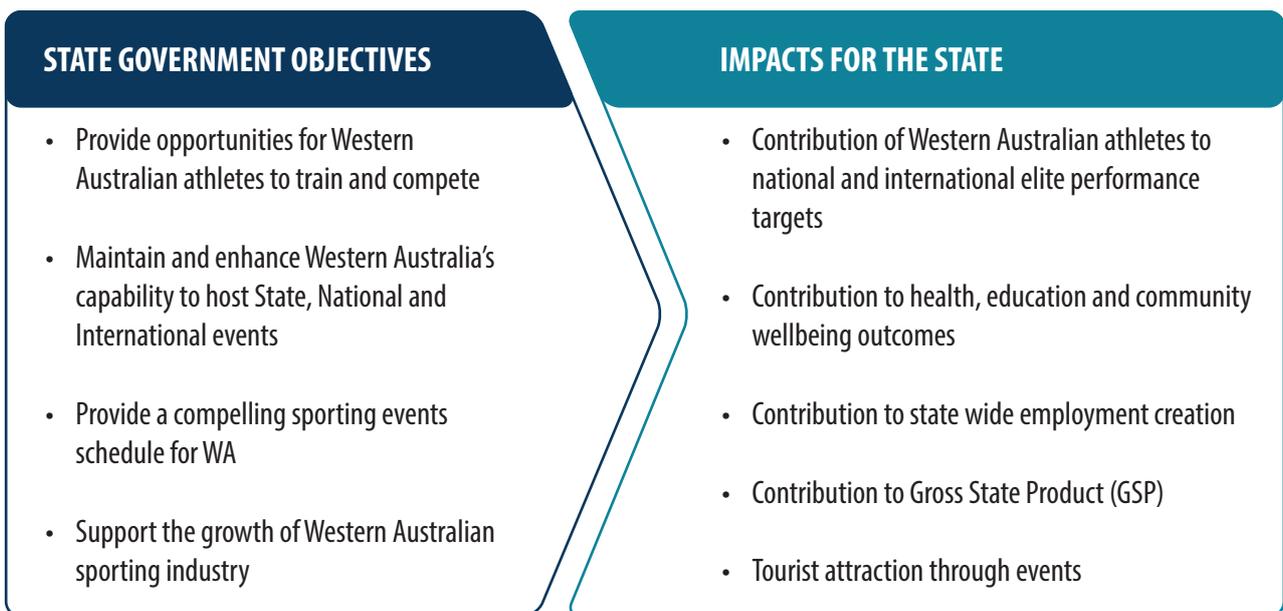
Policy Alignment

Governing the use and purpose of State Sporting Facilities are the overarching SSIP principles, objectives and broader State Government Policy.

Policy addresses the intent of an organisation, it clearly specifies the desired results from the activities it undertakes. Both national and state level policy have a number of objectives that will be in alignment with the existing objectives and potential new objectives of the SSIP. This alignment is necessary to ensure that, at the highest level, both state and national goals are achieved and that the objectives of plans such as the SSIP align with the overall objectives of government.

The principles outlined below represent good practice and have been embedded into the operation of State Sporting Infrastructure

Figure 2. Objectives and Impacts of State Sporting Infrastructure



The SSIP Policy context

The SSIP is governed by a set of guiding principles that reflect how facilities are assigned priority, how they are funded and the attributes that should be prioritised. These are:

- The inclusive consideration of a broad range of stakeholders.
- Preference for joint provision and shared use.
- Pursuance of best practice.
- Commitment to probity and transparency of process.
- Equity and fairness in overall resource allocation.

The framework has a number of objectives that govern how funding related to the SSIP is distributed, how infrastructure is prioritised, and the standards under which it is built. These are:

- Education of project proponents in realistic timeframes for developing a facility and the requirements of sound planning and governance and management of a facility.
- Planning projects in order that they cater for multi-sports and meet required national and international sporting competition standards. In addition, ensuring that relevant lead-in times are provided to prepare a case of support.
- Funding is justified, planned and sustainable.
- Prioritisation of eligible and attainable State level infrastructure projects in accordance with the Department of Treasury's Strategic Asset Management Framework (SAMF).
- Sustainability of the asset by demonstrating it will be effectively governed, managed and operated.
- Communication of the plan to all stakeholders and government agencies.

National Policy

National Sport Plan

In the National sport plan, Sport 2030, the Australian Government articulates a clear and bold vision for sport in Australia — to ensure Australia is the world's most active and healthy nation, known for integrity and sporting success. The plan acknowledges that success will only be achieved with greater collaboration between industry, government and community.

The plan aims to build a more active Australia and reduce inactivity amongst Australians by 15 per cent by 2030. Areas of focus include:

- Driving movement for life participation in sport and physical activity with a focus on life stages
- Ensuring all children have the confidence and motivation to be active for life and safe in the water
- Physical literacy
- Early years framework
- Reducing barriers to sports and physical activity, and actively promote incentives for participation
- Co-ordinating investment in sport and recreation infrastructure.

The SSIP will play an integral role in ensuring that these focus areas can be achieved by providing appropriate pathways for participation in sports.

State Policy

Our Priorities: Sharing Prosperity

Our Priorities is the Western Australian Government's response to the challenges faced by the Western Australian community and in unlocking the state's full economic, social and environmental potential. As a statement of intent, it aims to guide continuous improvement in Government and lays out a set of ambitious whole-of-government targets. Under the statement, measurable targets have been established for the following priorities:⁵

- A strong economy
 - Create jobs
 - Repair the State's finances
- A bright future
 - Improve the health and wellbeing of children in the early years
 - Increase student reading and numeracy
 - Increase participation in STEM
- A safer community
 - Reduce youth reoffending
 - Reduce illicit drug use
- A liveable environment
 - Build METRONET and increase homes close to public transport
 - Increase conservation for future generations
 - Make a cleaner, more sustainable environment
- Aboriginal wellbeing
 - Reduce the overrepresentation of Aboriginal people in custody
- Regional prosperity
 - Deliver stronger regional economies

The provision and sound operation of sporting infrastructure is an important lever for achieving our whole-of-government objectives and it will be important for the industry to demonstrate and communicate the impact of State Sporting Infrastructure in these identified areas.

Enhance the Liveability of Western Australia

'Liveability' is defined as the qualities of a place that contribute to the quality of life experienced by residents and others. Perceptions of liveability are largely determined by the condition of the 'public' space – those places where people interact with each other and the broader community.

Departmental goals relevant to the SSIP aimed at supporting better places, safer communities, maximising participation and enhancing experiences include:

- Supporting a strong and diverse sport and recreation system that is accessible, encourages maximum participation and develops talent
- Supporting the planning and development of the urban form and facilities to enhance and contribute to community health, well-being and active lifestyles for all Western Australians
- Creating art and cultural hubs and precincts that bring together cultural entities (such as arts and culture, creative technologies, and design and production) that will serve the arts and cultural sector, private development interests and community aspirations – which can be applied to sports precincts
- Maximising the potential of existing spaces to be made available for uses with higher activation
- Improving infrastructure and operational systems to facilitate efficient and effective service delivery and ensure quality user experience.

5 <https://www.wa.gov.au/government/our-priorities-sharing-prosperity>

Support Economic Growth

The creative, sport and hospitality industries contribute to Western Australia's economic growth and create jobs.

The Department has a role to play in ensuring that the Western Australian economy maximises its opportunities for growth through the sport, recreation, hospitality, racing, gaming and creative industries sectors. Department objectives relevant to the SSIP include:

- Leveraging investment to capitalise on the new and improved sporting, arts and cultural facilities to establish Western Australia as a favoured host of events to ensure the viability and sustainability of Western Australia's cultural and civic infrastructure
- Supporting and creating job opportunities in the Western Australian sporting, hospitality and arts and culture sectors
- Providing sporting and cultural experiences, hubs and precincts that identify Perth as an attractive city, to increase visitation to Western Australia and provide incentives to investors
- Supporting hospitality, sporting and creative industries sectors to be 'tourism-ready'.

Sustain Cultural Identity

Sport is an important element of Western Australian culture. It is through sports that communities can unite and participate at a competitive level. Sport plays a significant role in contributing to the establishment of identity and to the development of positive role models for young people. Sport plays a unique role in the health system, contributing positively to both physical and mental health and well-being which results in a reduced burden on the health sector. Further, sport is recognised as a fundamental contributor to the justice system through diversionary activities, especially for at-risk youth.

Build Capacity and Capability

Through building capacity and capability, the Department supports individuals and organisations to obtain, improve, and retain the skills, knowledge, tools, equipment and other resources needed to do their jobs competently or to a greater capacity. This helps to provide larger scale, more diverse offerings, larger audiences and greater impact.

The Department supports capacity and capability development in sport and recreation and culture and the arts, in addition to its Aboriginal and multicultural programs as well as through local government. Actions relevant to the SSIP include:

- Supporting, leading and building the capacity of local governments, sporting, arts and culture organisations through investment in skills, capabilities, resources and assets to support diversity, stability, security and sustainability
- Providing affordable and equitable access to encourage participation of people from diverse social, cultural and economic backgrounds
- Delivering public open space to provide equitable access to facilities and secure strategically important regional open spaces.
- Identifying and addressing skills gaps in sport, recreation, culture, arts and local government
- Equipping the sport and recreation, and culture and arts sector with fit-for-purpose functioning and accessible facilities

Longterm State plans

State level strategic planning documents that influence the Department's development of infrastructure and thus the SSIP include:

State Planning Strategy 2050

The strategy⁶ advocates that one of the key challenges for the future development of the state is the recognition and investment in cultural tourism (the arts, sports, cultural history and heritage). An objective of the plan is to ensure sustainable supply, use and development of land.

The Government's Strategic Asset Management Framework provides the context for allocating resources for cultural events, sports and recreation grounds and open spaces.

A strategic approach to tourism advocates that the State's tourist attractions are highly accessible. A strategic approach to health and wellbeing seeks to provide direct and safe access to health facilities, cultural events, social support networks, sport and recreation activities and public open spaces.

Directions 2031 and Beyond

Directions 2031⁷ recognises the benefits of a more consolidated city while working from historic patterns of urban growth. Importantly, the framework sets achievable goals that will promote housing affordability over the longer term. Directions 2031 addresses urban growth needs and takes the need to protect our natural ecosystems into consideration.

The framework provides for different lifestyle choices, vibrant nodes for economic and social activity and a more sustainable urban transport network. The framework will also encourage a long-term approach to the provision of infrastructure in an economically sustainable way.

Planning for this growth, with a goal to successfully deliver an increased focus on vibrant nodes for economic and social activity will require increased attention to the importance of culture, art and sport and recreation provision. It will also be important to plan for increased vibrancy through hospitality and cultural diversity. This is relevant for the SSIP as it identifies new ways to plan State Sporting Infrastructure as part of vibrant economic and social nodes.

Draft Perth and Peel Green Growth Plan for 3.5million

The draft Green Growth Plan aims to integrate environmental protection and land use planning and is based on the largest urban-based environmental assessment ever undertaken in Australia. It has allowed the cumulative environmental impacts of growth to 3.5 million people to be considered and minimised at an early stage and will deliver a long term and comprehensive program of conservation actions at a landscape scale.

The draft Green Growth Plan aims to provide certainty in relation to the environmental outcomes that will be delivered, the areas where development can be contemplated and the environmental obligations that will apply in terms of avoidance, mitigation and conservation actions.

This is important to the Department as tracts of environmentally sensitive land have notionally been identified across the Perth and Peel region. In some circumstances, the identified land coincides with land identified as being of cultural significance. Conversely, areas previously identified and zoned as being for recreational purposes are now identified as having higher environmental value.

It should be noted that at the time of writing the Green Growth Plan was undergoing an independent review that is expected to be completed in mid-2019. As such, it is subject to change.

6 <https://www.planning.wa.gov.au/publications/6561.aspx>

7 <https://www.planning.wa.gov.au/publications/826.aspx>

Perth and Peel@3.5million: Transport Network

With anticipated population and job growth within the Perth and Peel regions, additional pressure will be placed on the transport network. This document highlights the range of strategies required to alleviate road congestion such as the appropriate management, upgrading and offering of feasible public transport options which can:

- Encourage people to work near where they live;
- Promote and encourage employment opportunities which meet the skill base of the local commuting population; improve integration of transport within activity centres;
- Investigate transport options, including new routes and technology;
- Provide movement network improvements including upgrades and extensions of road, rail and transit priority routes; and

The development of METRONET and related activity centres provide an opportunity to ensure integrated land use planning within a transport hub context required for its successful activation. This activation includes a range of services and facilities that also reflect formal and informal cultural, artistic, sporting and recreational uses within the hub precinct.

Planning for cultural, sporting and recreational facilities and activities close to integrated METRONET and transport hubs enhances the extended use of public transport for the users of those facilities resulting in improved accessibility.

Infrastructure Planning Framework

Stadium Hierarchy Model

The Stadium Hierarchy model has been designed to cater for a number of different sporting formats and changing spectator demand. The updated stadium hierarchy model below recognises the commercial realities of sports in which attendance levels have increased. The model ensures that sports can take advantage of this increase in attendance and supports the provision of required new and upgraded infrastructure. The model will be continually assessed against the needs of sports, with a number of priority facilities having been identified for further investigation in collaboration with SSAs (see Section 4.1 Current Forward Planning).



Figure 3. Stadium Hierarchy Model

Stadia Definition	Sports	Current/Proposed Provision
Outdoor Stadium 60,000 (70,000 proposed)	Football, Cricket, Soccer, Rugby, Major Community Events	Perth (Optus) Stadium
Outdoor Rectangular Stadium 21,000 (25,000 proposed)	Soccer, Rugby Union, Rugby League, Major Community events	Perth Oval (HBF Park)
Outdoor Stadium 10,000-15,000	Cricket, Major Community events (capable of hosting rugby, soccer)	WACA Ground
Outdoor Stadium 5,000 – 8,000	Athletics, Soccer, Rugby Union, Rugby League, 2nd tier community events, Hockey	WA Athletics Stadium Perth Hockey Stadium
Outdoor Stadium Up to 4,000	Soccer, Rugby League, Rugby Union, Tennis	State Football Centre* State Tennis Centre*
Outdoor Stadium Up to 1,000	Various Shooting Sports, Rowing, Kayaking	Whiteman Park International Shooting Complex Pinjar Rifle Range Champion Lakes
Indoor Stadium 15,000	Basketball, Netball, Tennis, Major Community events	Perth (RAC) Arena
Indoor Stadium 3,000 – 5,000	Netball, Basketball, Regional/State Indoor Events for 2nd tier sports	HBF Stadium
Indoor and Outdoor Stadium 1,500 – 3,000	Basketball, Netball, Volleyball, Badminton. Equine, BMX, Community Events, Roller Sports, Cycling, Weightlifting, Baseball, Softball	WA Basketball Centre State Equestrian Centre Midvale Speed Dome Baseball Park State Softball Centre HBF Arena
Indoor Stadium 0 – 1,500	Netball, Basketball, Volleyball, Badminton	State Netball Centre Loftus Centre Kingsway and various other venues that provide for state level competition
Indoor or Covered Outdoor Stadium for Swimming 2,000 – 3,500	Swimming and other pool-based water sports	HBF Stadium
Motorsport	Motor vehicles, motorcycles, speedway, drag racing	Perth Motorplex, Wanneroo Raceway

* Proposed facility subject to review

Governance and Management of State Sporting Facilities

Responsibility for the governance and management of State Sporting Facilities is distributed between the State Government (through Venues West), local governments, SSAs and private organisations on a case-by-case basis. Owners and operators of State Sporting Facilities are required to develop an Asset Management Plan (AMP). Planning is supported by DLGSC where appropriate and includes detailed investigation of the required capital and recurrent investment in the infrastructure.

Supporting documentation provided by DLGSC to support facility planning include (amongst others):

- The Management Plan Guide
- Life Cycle Cost Guidelines
- Asset Management Plan toolset
- Shared Use Guide
- Needs Assessment Guide
- Feasibility study guide

The development of AMPs, in particular, allows for the responsible allocation of resources given the maintenance requirements of facilities, forward planning of funding support and assessment of new facilities or facility upgrades. Similarly, planning for major new facilities should incorporate a sound understanding of the impact on the financial sustainability of SSAs and other relevant bodies.

State Sporting Infrastructure Fund (SSIF)

Introduced in 2006, the State Sporting Infrastructure Fund (SSIF) supports the implementation of the SSIP and provides assistance for the construction, maintenance and upgrade of non-VenuesWest State Sporting Facilities. It's stated aims are:

- To ensure facilities are at a level capable of hosting state, national and international level sporting competition;
- Provide ongoing access to high performance training venues;
- Provide community access to well-run, well maintained facilities to host lower tier competition where appropriate; and
- Minimisation of asset downtime.

Governance bodies are expected to understand and budget for facility maintenance, repairs and upgrades. The SSIF provides a supporting mechanism to ensure that particular needs can be met where they fall outside of the capacity of the responsible party. Recent investigations have shown that the current funding level of \$2 million per annum caters for approximately 25%⁸ of ongoing facility requirements, exclusive of Venues West governed and managed facilities and major upgrade works. Ongoing consultation has highlighted that particular SSAs are likely to come under increasing funding pressure. The SSIF will therefore be continually reviewed in conjunction with the provision of organisational development support to improve facility management approaches and the overall financial sustainability of sports.

⁸ Based on analysis of future proposals over 10 years

Trends in Sport

The changing trends in sports provides important context for the State Sporting Infrastructure Plan. Changes in participation and attendance provide much needed information for future iterations of the plan over the long-term. Changes in observed trends may necessitate a change in the focus of future facility construction either in terms of attendance capacity, the number of playing environments procured per facility, or the associated ancillary facilities.

Analysis of trends is required to identify changes in the sporting environment that are misaligned with government objectives or represent specific problems and opportunities. Changes can subsequently be made to exploit these opportunities or to minimise negative effects. This could include investment in the construction of facilities to support video streaming or those supporting more fluid types of competition to fit in with participants busy lifestyles. Monitoring of these long-term trends is essential to inform future facility planning and ensure that State Government objectives are met.

Qualitative Trends in Sport

Figure 4 summarises the major trends that are affecting the use of sporting facilities. These trends are likely to influence the demand, access and use of sporting facilities governed in the State Sporting Infrastructure Plan now and into the future.

Figure 4. Major Sporting Trends

Trend	Impact	Infrastructure Implications
Alternative sporting formats	New sporting formats such as 20/20 cricket and AFLX are changing the way that sports are consumed and played. This change effects associated infrastructure demands, Alternative formats typically require a lower time commitment and are much more focused on entertainment aspects.	Alternative sporting formats place additional demands on infrastructure not traditionally used. Further monitoring will be required to track how these alternative formats will change the demand for particular facilities.
Societal pressures influencing participation	Changing societal pressures are influencing who plays sport and for what reasons. Young adults are expected to suffer significant declines, particularly young women, due to a combination of a less active childhood, an absence of free time and insufficient flexible and appropriate sporting options.	Policy makers will need to be cognisant of the need to combat this trend to effectively continue building utilisation in sporting infrastructure.
Digital influence and investment	The sporting sector has not responded quickly to the digital revolution and for the large part is being left behind. There is an increasing divide between consumer expectations and the ability of sports to deliver. This will continue to widen if sports do not respond. For context, Australian sport invests on average one quarter of the rate of charities and non-profit organisations on digital technology.	Investment is needed to equip SSA's and infrastructure to take advantage of new technologies. Equipping infrastructure with the ability to take advantage of digital opportunities such as streaming can improve participation, viewership and potentially revenue generating opportunities.
The increasing commercialisation of sport	Sports that are able to access commercial revenue streams have greater capacity to invest in infrastructure.	National Sporting Organisations with access to commercial revenue streams will be better able to provide infrastructure to support their sporting competitions.
Increasing Facility Standards	The constant change in facility standards by international and national sporting organisations have made it increasingly difficult for funders, facility owners and operators to keep up with demands. Increased competition from alternative viewership formats have driven an increase in customer expectations. This has increased expectations for amenity, technology and facility standards for sporting competitions.	Changing facility standards and customer expectations have led to increasing costs of new facilities and legacy facilities that no longer fit the technical requirements of their sports.

Trend	Impact	Infrastructure Implications
Tendering for Major Competitions	There has been a recent shift from allocating sporting competitions under a rotational basis to now allocating under a tender basis. This has resulted in more a competitive environment for event bidding and facilities, with increasing facility standards and capacity being used as a tool to attract events.	A strategic approach to facility provision and events bidding is required. Direct competition with the eastern-states is unlikely to prove successful, rather Western Australia should concentrate on specific target markets that align with our geographic location and international connections.
LED and other audio-visual technology impact on fan experience	The advent of LED lighting in sporting facilities is one of the most influential implementations of technology in the sporting arena, improving fan experience significantly. This technology has changed the fan experience in the following ways: <ul style="list-style-type: none"> • Improved fan involvement • Flicker free replays • Clearer visibility • Fewer delays • Flexibility in stadium tenancy • Reduced power usage and UV light output 	LED lighting has significantly enhanced the fan experience. Investment in LED lighting is likely to continue to be necessary and expected from the public point of view. As a result investment will be required to ensure this standard is reached in current and future facilities. LED lighting will also provide flexibility in allowing multiple teams (with different colours) to have a home stadium, reducing set up complexity.
Sustainability practices and expectations	The growing community expectations on minimisation of water and energy use coupled with waste management practices has seen and will continue to see a growing influence in design, management and procurement practices.	Design of infrastructure continues to evolve on site power generation, waste recycling and water re use. Higher initial capital costs may be offset by lower life cycle costs

Source: Pracsys 2018, Australia Sports Commission “Connecting Digital and Technology with Australia’s Competitive Sport Obsession” 2013, CSIRO “The Future of Australian Sport” 2013, BCG “Intergenerational Review of Australian Sport” 2017, Slater and Tiggermann 2010

Given these trends, and their respective implications, there are three major themes that can be identified:

- The need for strategic facility provision, targeting key international events and sports, and allowing for flexibility of use to accommodate an increasing range of formats and maintain cost effective operation outside of major events;
- The need to incorporate new technology in both facility design and management; and
- The need to support and enable smaller sports that have less commercial opportunity to better generate income to support their operations.

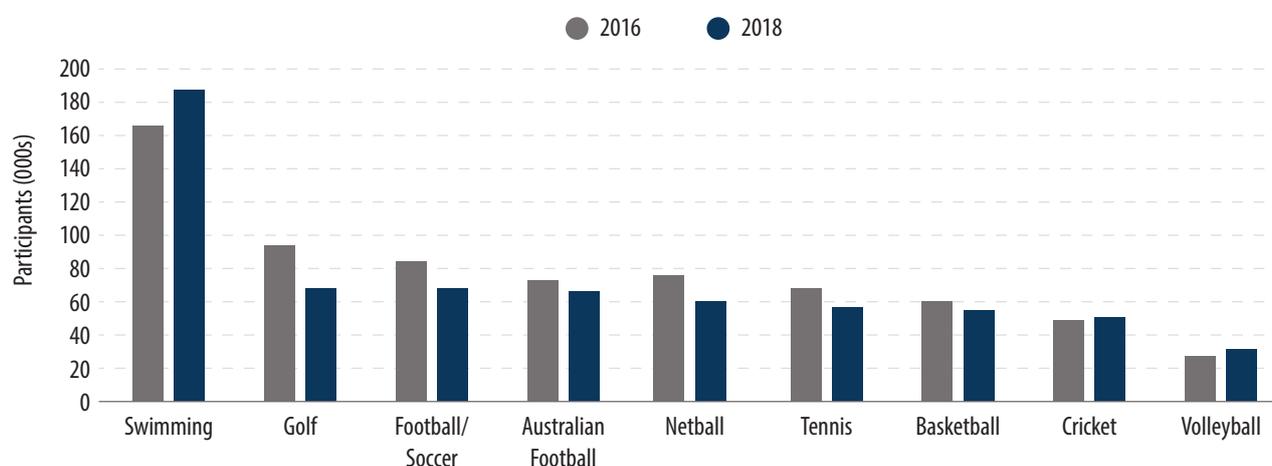
Effectively responding to these themes will ensure that a healthier sporting industry is created that better serves to achieve State Government objectives. This is further explored in Section 4.4.

Sports Participation

Overall participation rates in organised sport and the demand for high-performance activity supported by State Sport Sporting Infrastructure are important considerations for future planning. AusPlay data showing broad-base (both community and high performance) venue use in various sporting codes between 2015-16 and 2017-18 is illustrated in Figure 5. The trend in venue use is almost universally down across the most popular sports, however as a short-term trend these results require further monitoring.

On a national scale Roy Morgan Statistics show that total participation in organised sport is down 7% between 2001 and 2016, from 4.2 million to 3.9 million participants. This is a significant per capita fall when considered against an increase of approximately 5 million persons in population over the same period.⁹

Figure 5. Western Australian Organised Sport Venue Use by Activity



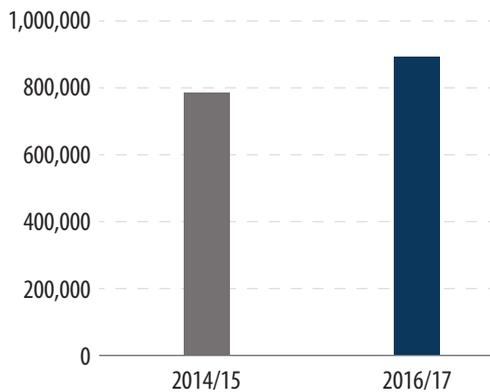
Source: AusPlay WA Data Tables

⁹ <http://www.roymorgan.com/findings/7182-decline-in-competitive-sports-participation-australia-december-2016-201703200905>

Despite overall falling participation in organised sport, memberships in SSAs have recorded a rise from 2014-15 levels to 2016-17 levels in Western Australia (Figure 6). There has been growth of almost 110,000 members, which indicates an increase of patronage however levels of activity generated are unclear.

The results highlight the importance of ongoing case-by-case needs assessment, currently required for major upgrades or new facilities. Overall, the availability of centralised data for the utilisation of State Sporting infrastructure is low. An understanding of the role of State Facilities, and how they are used by both SSAs and the general public, is reliant on this data as it informs the appropriate level and standard of facility provision. Given this, implementing processes to collect and use venue-specific data in a structured decision-making framework is an important step in strengthening the local sporting industry.

Figure 6. Organised Sport Participation – SSA Memberships



Source: DLGSC, SSA's

Consultation

Consultation was undertaken to provide an industry perspective regarding current trends, issues and future facility requirements. This approach was used to identify factors that could influence future facility planning and informed the development of implementation strategies that are aligned to State and National objectives.

Methodology

The consultation method sought to provide a balance between reach across the range of SSAs, opportunity to provide feedback and the detail of information collected. As such, it was important that all SSAs were given the opportunity to provide feedback while also collecting the detailed information required to update the SSIP and provide recommendations for the State Sporting environment in Western Australia.

Consultation methods are typically qualitative or quantitative and when used together form a complementary dataset containing anecdotal and opinion-based information together with numerical and comparable data. A combination of these methods was used to extract the best information possible.

The following methods were used to assist with the collection of data:

- Survey: Qualitative and quantitative data was collected from the SSAs via a survey distributed in excel format. This information was used to feed into various recommendations.
- Phone consultation: Phone follow ups were undertaken for selected SSA's who answered the survey. This was used to clarify information where necessary.
- One on one consultation: One-on-one consultation was undertaken with individual SSA to understand their views around the current state sporting environment.

Current Forward Planning

Figure 7 outlines current major forward planning works as determined and reported by State Sporting Associations (SSA's) and stakeholders. Timeframes have been assigned to indicate the current level of need. Further planning and business cases will be required to be developed with the support of DLGSC to investigate opportunities for co-location, facility viability and position within the Stadium Hierarchy Model given the demand for high-performance activity and ability to attract major events.

Timeframes refer to the following;

- Short term: 1-5 years
- Medium term: 6-9 years
- Long term: 10+ years

Figure 7. Forward Planning of Facilities

Sport	Project	Timeframe
Baseball	Master Plan realisation	Long term
BMX	State Facility business case and feasibility planning	Short term
	State Facility	Medium term
Cycling WA	Criterion track feasibility study	Short term
	Criterion track facility	Medium to long term
	SpeedDome	Medium to long term
Equestrian	Upgrades	Medium to long term
Hockey	Major Upgrades	Medium to long term
Lawn Bowls	State Centre	Long term
Softball	State Centre business case	Short term
	New State Centre	Medium to long term
Surfing	New Administration and Training Facility	Short term
Table Tennis	State Table Tennis Centre / Table Sports (Planning)	Short term
	Table Sports Facility	Medium to long term
Rugby League	Admin and Training Facilities Business Case	Short to medium term
	Admin and Training Facility	Medium to long term
Squash	State Squash Facility	Short term
HBF Stadium	Major Upgrade	Short to medium term
HBF Park	Masterplan realisation	Long term
	Business Case Update	Medium - Long term
Cricket (WACA Ground)	Redevelopment	Medium - Long term
Dryland Diving	Dryland diving facility	Medium term
Tennis	State Tennis Centre	Short term
Football (Soccer)	State Football Centre	Short term
Shooting	Whiteman Park International Shooting Complex upgrades	Medium – Long term

Survey Results Summary

A key outcome from consultation was that the majority of State Sporting Associations that responded to the survey are bidding for events. Despite this, facility standards, lack of access, cost and State Government investment in events (through tourism) were flagged as possible issues for event bidding. Some of these issues could be solved through coordination between relevant stakeholders.

Consultation has also revealed that many facilities have a significant portion of community use and local competition. Larger facilities tend to be used as cultural and event hubs, while smaller tend to be driven through utilisation by the community and local sports. Given this, strategic decision making and facility planning is required to achieve successful mix of attractive major events hubs and other State Sporting Infrastructure that are supported by a mix of high-performance and broad-base community or commercial use.

Themes from Consultation and Trend Analysis

The following problem and opportunity statements outline issues within the current State Sporting system that were highlighted through the review and consultation process.

Problems

Access: A lack of access to facilities, or sub-standard facilities, can impact the ability of particular sports to bid for, and host, large national or international events. This in turn can affect sporting viability and athlete benchmarking or performance on a national or international scale.

Tenure: In some instances, land tenure creates uncertainty over the future of facilities and impacts the ability to make long-term strategic investments. This can be a problem particularly when considering the significant investment required to make shared facilities.

Resources: There is a wide disparity in resource capacity between various sports, with broad-base, high viewership sports receiving the most commercial revenue. Sports with lower inherent levels of commercial opportunity face the risk of further declines in participation due to their low levels of resourcing and exposure. A lower diversity in sports offerings is likely to have a negative impact on participation rates.

Planning: State sporting facilities present a challenge for fiscal management, as they incur significant ongoing operation and maintenance costs. Ongoing funding requirements for operation and maintenance are significant and may not always be factored into long term financial planning to the detriment of all levels of activity. Repairs and maintenance are often reactive, further impacting operating costs and facility life. Prudent financial planning of facilities should consider avenues for revenue generation and operational cost savings.

Opportunities

Technology: Technology is rapidly changing the way people view sporting events, with digital streaming becoming increasingly prevalent. This trend has the effect of levelling the playing field between sports, offering cost effective access to commercial income and viewership. Sports with lower rates of commercialisation should aggressively pursue innovative ways to increase their exposure and ability to capture commercial revenue, such as advertising and sponsorship.

Transport and Connectivity: Perth is becoming increasingly connected. New direct international flights provide the opportunity to further connect with local and international target markets. Projects such as METRONET are also improving local transport links to the broader Metropolitan Area. These developments provide increased opportunities to host international competitions, demonstration events and off-season training, as well as drive the creation of sporting venues as wider integrated cultural hubs (see below)

Tourism: Sport and sporting facilities play an important role in attracting tourist visitation through sports, cultural and entertainment events. There is an opportunity to further partner with tourism bodies and private partners to coordinate strategic objectives, facility planning and marketing drives. In broader terms, there is scope for a vastly expanded events strategy that incorporates multiple departments across Western Australia as well as across state borders to exploit complimentary opportunities with a joint sport tourism approach.

Cultural Hubs: Sport is arguably Australia's most popular cultural past-time and there is a significant opportunity to create integrated cultural hubs or precincts that provide both efficient use of shared facilities and offer a wider variety of cultural and entertainment offerings, further integrating sport into our local way of life. Facility provision therefore requires continued integration with broader strategic planning and local government planning processes.

Implications for State Sporting Infrastructure Planning

Each of the identified problems and opportunities fall into one of three broad categories:

- The need to better communicate the positive impact that sport (and sporting infrastructure) has on the community and using this to grow the pool of funding;
- The need for more efficient use of existing funding and facilities to support better outcomes; and
- A need to improve governance and operational expertise of facilities in a manner that achieve value beyond a specific sport.

The key levers available for the improving the impact of State Sporting Facilities on the Western Australian sports industry are therefore:

- Strategic funding

Government funding allocations should be more transparent, be linked to clear targeted outcomes and should incentivise the leveraging of funding and expansion of the total available funding pool. This will require alignment with both government objectives and commercial opportunities for investment.

- Efficient use of funding

Continuing opportunities for reducing duplication across infrastructure are evident given the number of facilities that are operated as single use facilities despite their capability to host multiple sports. There is general agreement from sporting bodies that shared facilities help improve ongoing financial sustainability, which is the key issue facing the long-term success of many sports. There may also be further opportunity for shared facilities that co-locate based on ancillary infrastructure

as opposed to playing surfaces. As such, efficient spending encompasses the need to plan and make decisions in alignment with other stakeholders. This will require an increased level of inter-agency cooperation between government departments, sporting bodies and, potentially, private operators. The efficient use of funding encompasses the need for sports co-location, a coordinated events strategy, planned infrastructure provision and facility management. This approach is consistent with the development of sporting hubs that are integrated with public transport, cultural and commercial activities.

- Operational and Governance Assistance

The current state of infrastructure operation and management can be improved. Strategies must be developed and resourced to enable SSAs to minimise the operational burden that State Sporting Facilities place on their activities and work to improve the utilisation of facilities and overall sporting outcomes for the state. This includes exploring revenue and activity generating initiatives in both SSAs and infrastructure operations, using State Sporting Facilities for their full potential in high-performance, community sport, and broader cultural and commercial activities where market failures exist.



Funding Models

The ability to fund infrastructure in a fair, efficient and equitable way is an important outcome. The review process has indicated that changes to the current funding model may achieve better outcomes with the limited funding available. Predominantly, there is a need and an opportunity for the current funding paradigm to drive the clear achievement government goals and objectives, grow the funding pool and assist in SSAs in servicing infrastructure.

The funding options assessed included:

- Bonds and debt arrangements¹⁰
- Open grant or funding application process
- Outcomes based funding
- Structured investment programme
- Public Private Partnerships

Current Model

The SSIF is currently allocated on an annual basis in accordance with Asset Maintenance Plans and completed business cases. A shortfall of funding availability prevents the SSIF from delivering optimal outcomes for sports when relied upon heavily. Key issues associated with the current model are:

- Operating with a low level of funding, with approximately 25% of the funding required to address maintenance and minor upgrades or capital works only;
- Low levels of redundancy and ability to respond to unexpected requests for urgent works;
- Inability to cater for significant works that represent a large proportion of the annual budget;
- The need to respond to reactive maintenance rather than provide for more cost-effective preventative maintenance; and
- Communication of internal funding allocation decisions to various stakeholders.

Given the current level of available funding, the SSIF operates as an efficient method of addressing the various urgent needs of SSAs in maintaining the serviceability and increasing the utilisation of their facilities. Its core issues stem from its inability to provide the funding certainty required to support larger or longer-term projects that achieve higher impact for both sporting bodies and the State.

¹⁰ Bond and debt arrangements would be required to be arranged via Local and/or State Government through the Western Australian Treasury Corp, which may reduce their availability

Model Options

Multicriteria analysis (MCA) has been undertaken to assess a range of potential funding models for efficacy. The MCA criteria are intended to reflect the overall aims of government and the ability for each funding model to deliver optimal outcomes for DLGSC and the overall sporting environment.

Figure 8. Multicriteria Analysis Criteria

Transparency	Ease of SSAs to identify why funding was distributed the way it was
Flexibility to adapt to change	Ability of the funding model to adapt to new opportunities in a timely manner
Complexity and the ability for SSAs to operate	Complexity of the funding distribution mechanisms and ease to operate by the SSAs
Efficiency	Ability of the funding model to operate efficiently with minimal wastage and overheads for the SSAs
Ability to influence desired behaviours and outcomes	Ability of the funding model to influence public behaviours and achieve desired outcomes through funding
Equity of access and opportunity	How equitable the funding is in terms of the ability for each SSA to be funded
Ability to leverage further funding	Ability of the funding model to leverage further funding for external sources

Figure 9. Multi Criteria Analysis Results

Model	Pros	Cons	Score (out of 5)
Bonds and Debt Arrangements	Efficient Flexible	Ability of less commercial SSAs to service debt Equity of access	2.7
Open Grant Funding Applications	Efficient Low complexity Flexible	Equitable Ability to drive government objectives	2.7
Outcomes Based Funding	High transparency Flexible High ability to drive government objectives	Potential complexity Lower efficiency	3.7
Structured Investment Program	High transparency Low complexity Equity of access	Low ability to leverage further funding Flexibility Low ability to drive government objectives	3.0
Public Private Partnerships	High ability to leverage further funding	Limited to facilities with high revenue potential Only applicable to facilities over \$100 million	2.3

Under the current model, the objectives of the Department’s support in facility investigation, design and funding are clearly communicated and incorporated into SSIF allocation decision making, and seek to increase the efficiency of facility operation while providing for increased utilisation and participation. The review concluded that there is an opportunity to investigate gradual changes to the current model involving a more formalised approach to outcomes measurement and funding distribution, providing the ability to clearly demonstrate the value achieved by sporting bodies as a result of State Government support. Larger projects with higher levels of commerciality warrant further in-depth investigation of the preferred funding mechanism. Potential outcomes measurement mechanisms will be investigated with a view to streamlining processes and ensuring that the administration burden is not increased for SSAs and other effected sporting bodies.

Demonstrating Outcomes

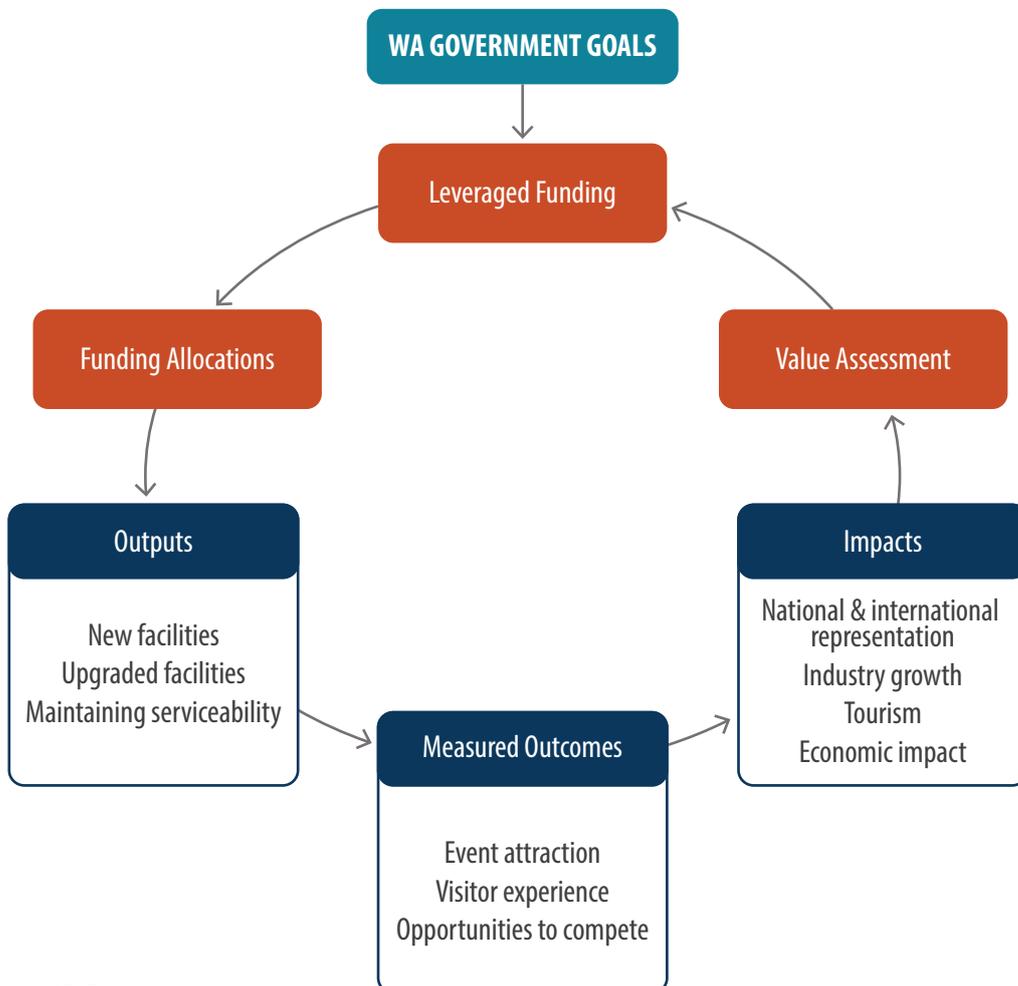
The Opportunity

The ‘age of data’ has made demonstration of funding outcomes more viable and cost-effective. Significant amounts of data can be collected easily, and new technologies ensure that increasingly detailed data can be collected efficiently. In an outcomes-based funding system, this data is used to quantify the value and impact that funding generates as well as providing a feedback loop informing continuous improvement efforts. When this ability to track and collect data is combined with clear, defined policy objectives, and a transparent acquittals process, a powerful incentive structure is created for achieving improved outcomes for all.

This approach recognises that there is an inherent link between the capacity and standard of facilities and the ability to support training, competition and events, all of which can be measured as outcomes. A well planned and operated facility will achieve high levels of utilisation, attract major events and provide avenues for revenue generation for SSAs.

Figure 10 captures the building blocks of this system, each step in this feedback loop works to achieve state pre-defined State Government and broader sporting outcomes, encompassing policy, measurement definitions and the acquittals process.

Figure 10. Outcomes Measurement Feedback Loop

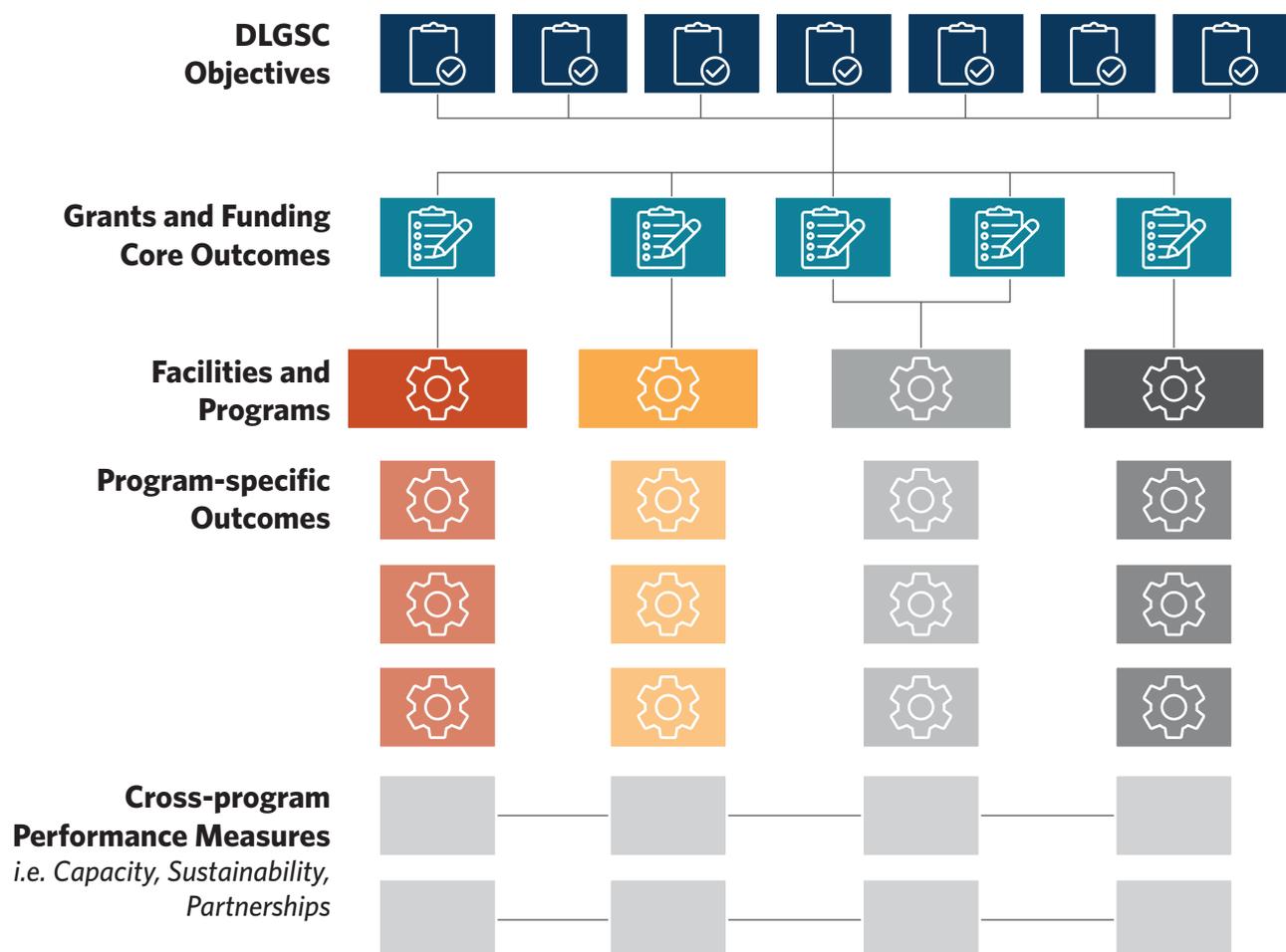


Source: Pracsys 2018

Value and measurement definitions (outcomes) act as the link between policy and funding distribution, with impact and value of outcomes achieved influencing portfolio balance and demonstrating achievement of policy outcomes. In an outcomes based system, a clear link is established between funding, resulting impacts and value-for-money (Figure 11).

The development of evidence-based outcomes enables alignment with external funding objectives. By illustrating this alignment with external objectives, SSAs will be better positioned to access external funding pools as they arise, such as Federal funding or private partnerships. Importantly, this strategic alignment ensures that funder and applicant actions and goals are aligned, and government objectives are achieved rather than a narrow focus on internal organisation pursuits.

Figure 11. Policy Hierarchy



Source: Pracsys 2018

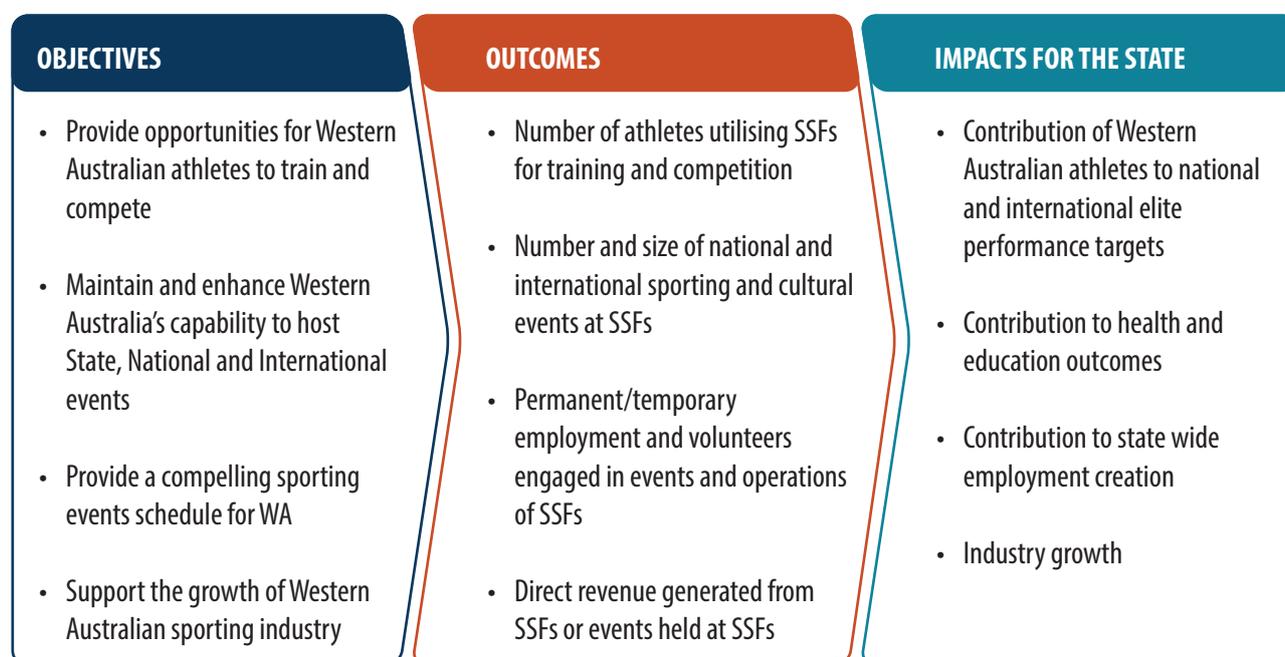
Objectives of State Sporting Infrastructure Provision and Operation

Outcomes based funding frameworks allow for value demonstration in a way not achievable by other funding models. The additional quantification and achievement of outcomes means that a clear link between outcomes and financial value can be demonstrated.

The objectives below have been formed to improve Western Australia's ability to develop high performance athletes and host events for the benefit of the state's sporting industry and broader community.

Objectives should directly relate to measurable outcomes and overarching impacts for Western Australia. An example framework for translating objectives into outcomes and impacts is provided below.

Figure 12. Example Objectives, Outcomes and Impacts



Source: Pracsys 2018

Measuring the Impact of State Sporting Facilities

Governing bodies and those utilising State Sporting Facilities have a responsibility to demonstrate how they are effectively using public funding and how they are planning to increase the value generated from facilities in the future.

Measuring objectives, outcomes and ultimate impact will require data collection. DLGSC acknowledges the need to minimise the reporting burden on SSAs and will investigate practical methods of monitoring and reporting the impacts of Western Australia's State Sporting Facilities using existing information and processes where-ever possible.

A comprehensive understanding of the value of State Sporting Facilities has two significant benefits:

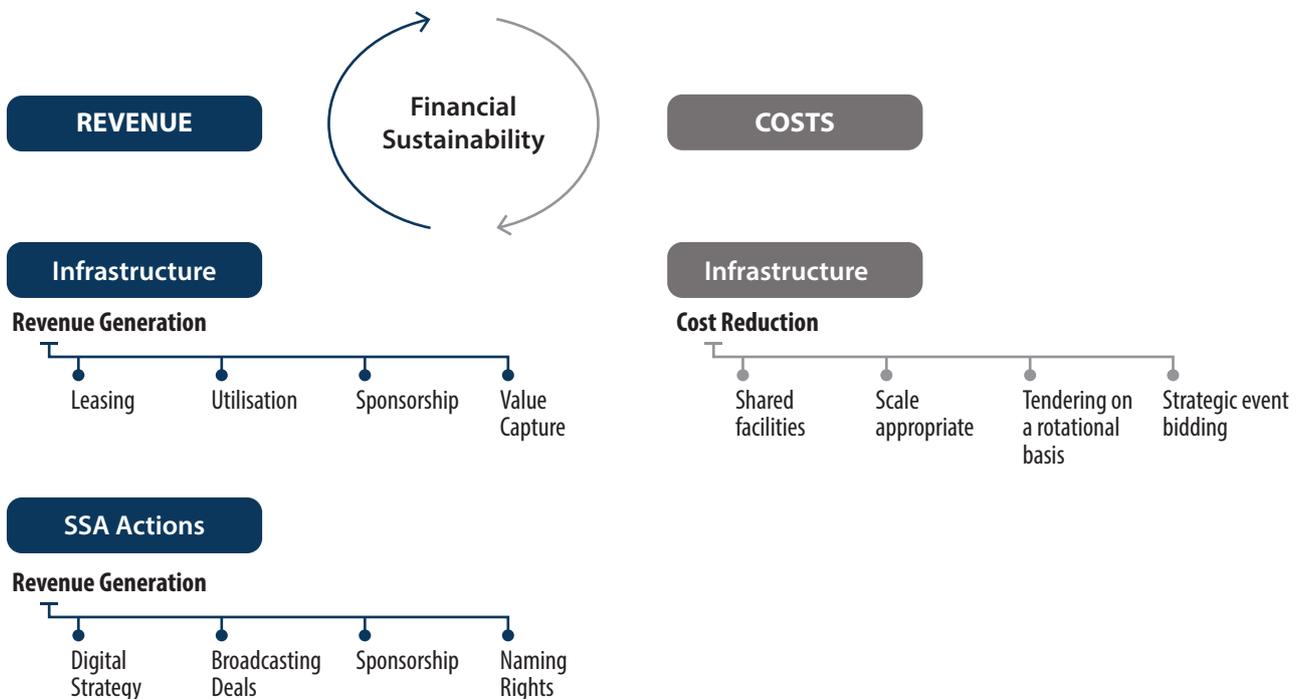
- On a facility-facility basis, an evidence-based understanding of value assists sound decision making regarding the provision of new facilities and facility upgrades. For example, aged and sub-standard facilities generate significant maintenance and reinvestment costs while being unable to generate benefits associated with major sporting competition, this opportunity cost should be considered when considering funding for new facilities. Subsequently, new facilities and major facility upgrades should be accompanied by an associated utilisation and major events schedule as is currently the case when completing business cases.
- On a collective level, demonstrating the combined value of State Sporting Facilities in both sporting performance outcomes and wider socio-economic benefits will strengthen the case for increased future funding and investment, from both public and private sources.

Financial Sustainability Opportunities

Financial sustainability is a function of costs and revenues. Opportunities for financial sustainability ultimately come from increasing revenues, decreasing costs or a combination of both. These opportunities can be initiated through the management of infrastructure or through the operation of the SSAs themselves. Given this, the key to financial sustainability and de-risking operations is diversification of funding and reducing the costs that need to be serviced. When these goals are achieved, the total pool of funding available for productive investment will be maximised, leading to better outcomes for sports.

Figure 13 illustrates the various options open to SSAs and DLGSC in improving the financial sustainability. Some of these are more realistic than others and many will require the assistance of DLGSC to implement.

Figure 13. Financial Sustainability



Cost Reductions

One of the core issues identified through the consultation and review process has been that of missed opportunities for both operational efficiencies and secondary revenue generation. These include:

- Tendering on a rotational basis
- Strategic event bidding
- Shared facilities
- Land banking

Events Tendering on a Rotational Basis

Events allocation practices have recently shifted toward competitive tendering. This has the effect of pitting the states against each other in a bid to attract competitions when they are a significant funder of sport. This can lead to a fundamentally unsustainable system that is designed to extract the maximum amount of public monies on a typically unprofitable sector. Rotational tenders allow for efficient use of money by promoting functional and value based spending. Given this, DLGSC should lobby for the return of rotational event tendering, given the efficient use of spending that it promotes. Alternatively, substitute events could be pursued, through a shift in event bidding strategy.

Strategic Shift in Event Bidding

Following from the above, there is a need for a strategic shift in how events are targeted and bid for due to a shift away from rotational tendering. Western Australian sport can exploit its natural advantages to achieve the greatest return on its asset base. Policy that supports the creation and development of sporting events that are not in direct competition with events in the East Coast, and instead focuses on Western Australia's innate advantage in its proximity to the Indian Ocean Rim and Asia should be pursued. This will require a coordinated approach across government agencies and SSA's to build events attraction strategies.

This has the following advantages:

- Reduced need for bidding (limiting the impact of an infrastructure arms-race)
- Formalises the commitment to events and infrastructure to allow targeted investment
- Set agreements would give infrastructure a baseline utilisation of State Sporting Infrastructure able to be planned for (and worked around if necessary).
- Improvements to both revenues and reduction in costs

Any shift in events bidding should coincide with developing a specific events strategy. The events strategy should incorporate multiple agencies including tourism so that coordination can be achieved and marketing money spent in an efficient targeted way to leverage the most advantage and best outcomes.

This shift in event strategy is already underway. The department is currently investigating the feasibility of the DLGSC Mid-Tier Funding Program. The DLGSC Mid-Tier Event Funding Program could provide a mechanism for organisations in WA to receive financial support to secure and host mid-tier sport and recreation events in both metropolitan and regional areas. Mid-tier events are those defined as events that do not achieve the significant media and tourism impacts required to satisfy the criteria for Major/Regional Events Funding through Tourism WA. The program aims to achieve the following objectives:

- Providing significant sport development value and legacy.
- Delivering vibrancy and economic benefits to the WA community.
- Attracting participants, supporters and spectators to WA.
- Providing opportunities for mass participation.
- Providing opportunities for education and development of WA based coaches, officials and administrators/volunteers.

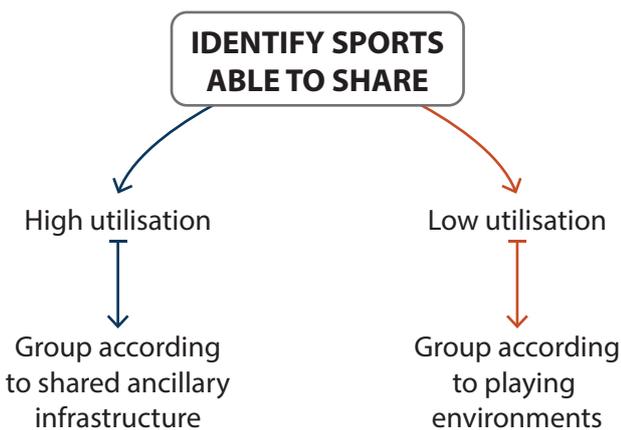
Shared Facilities

The opportunity to group facilities to share common infrastructure was identified in consultation as a necessary step for financial sustainability. Shared facilities drive a number of operational benefits including:

- Economies of scale
- Higher utilisation and patronage providing increased opportunities for revenue generation
- Greater usage and reduced duplication of common infrastructure (e.g. parking) enabling permanent event overlays and media facilities
- Consolidated marketing and event promotion

Continued implementation of a shared facilities model requires ongoing forward planning and collaboration between sporting bodies. Despite potential facility management challenges, shared facilities provide SSAs with opportunities to improve the financial sustainability of their operations. A coordinated approach that combines various sports and other commercial opportunities will achieve the greatest cost efficiencies. The planning process must consider land requirements given the size of such facility hubs.

Figure 14. Shared Facility Identification Process



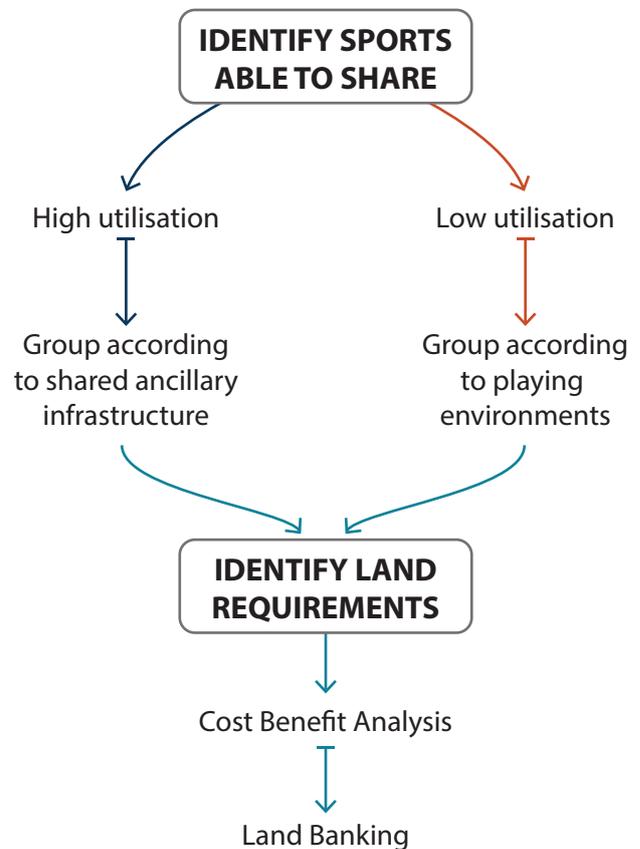
The Department's business case development process is used to properly ascertain the possibilities for shared facility arrangements. These shared sporting facilities may be best placed as part of wider cultural hubs (land permitting) to further drive commercial opportunities through activation.

Land Banking

Strategic shifts in the way infrastructure is developed will likely necessitate the need for land banking for strategic reasons. Shared facilities, particularly those that incorporate multiple playing environments, are likely to require large land footprints. This will need to be combined with good transport accessibility to service large SSA catchments. Land banking will be a necessity to enable future cost savings and operational improvements.

Planning for land banking will need to be accommodated with appropriate legislative frameworks that minimise claims against value of the site. Government landholdings and other possible site locations that would be able to hold and accommodate sporting precincts would need to be considered in a business case process. This process should be integrated with that of developing shared facilities given the nature of infrastructure and land. This process is identified in Figure 15.

Figure 15. Land Banking Process



This may include utilising regional open space identified in Perth and Peel@3.5 million (for appropriate sports). This assessment of land parcels and costs and benefits should be undertaken as part of a broader business case process that considers all viable land acquisition scenarios as part of an options analysis process. Importantly, this process should consider all supporting infrastructure instead of the facility and land parcel in isolation. This will require a collaborative approach. In general, any approach to land banking should be a collaborative exercise between multiple agencies, from identifying the correct parcel of land, to ensuring that it is serviced with the correct infrastructure and fits into government aims.

Land banking will be integral in ensuring that any shared facility initiatives are optimal for the needs of the sport and for the success of the facility. Locations with transport accessibility will facilitate the success of facilities minimising their financial burden on the state.

Potential Revenue Generating Initiatives

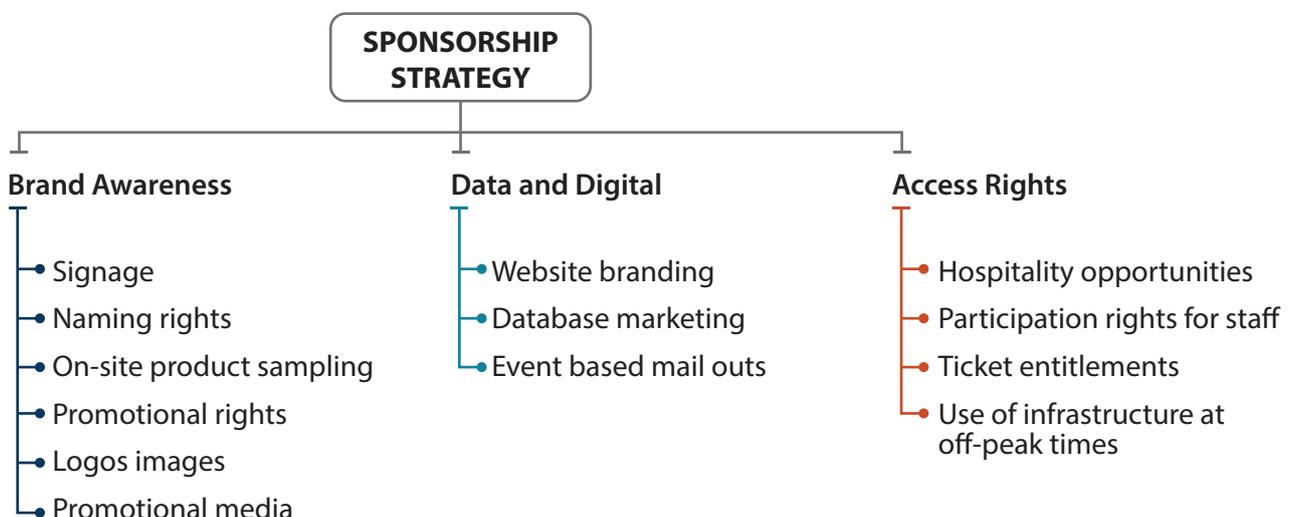
Crowdfunding, Sponsorship and philanthropy is a viable avenue for funding in sports, these opportunities are often underrepresented in smaller sports owing to a lack of expertise in identifying, pursuing and negotiating these opportunities. Likewise, crowdfunding gives the public an opportunity to fund and implement something they support and want to happen. These strategies can inject significant financial resources into SSAs.

Sponsorship Strategy

Sponsorship is something that smaller sports often have difficulty setting up and often believe that they are too small to receive. This is often not the case as advertisers and potential sponsors are looking for multiple avenues to promote their brand, often stretching across multiple uses and prospects, ways that these opportunities can be incorporated are shown in Figure 16.

It is important that proposed funding amounts should be realistic and often small, sponsorship should be viewed as supplementary funding rather than all-inclusive and a way of diversifying and deepening funding sources and revenues.

Figure 16. Sponsorship Strategy



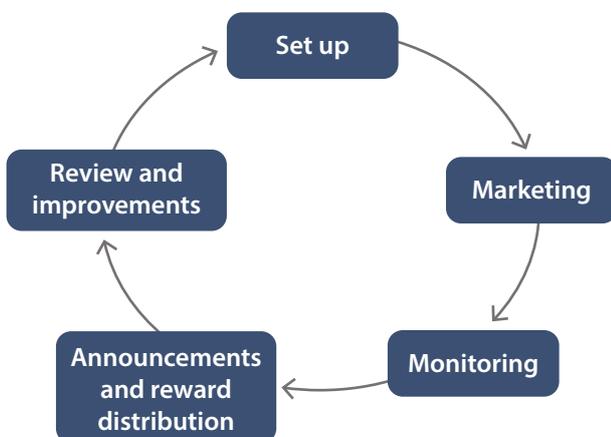
Crowdfunding Strategy

Crowdfunding works similarly to sponsorship and philanthropic endeavours but typically covers once off payments for specific initiatives. Funding targets can include a core goal as well as “stretch” goals, stretch goals are superfluous to the core goal and are “nice to haves” if funding exceeds expectations. As crowdfunding relies on the public to donate they typically need to be linked to something that the public wants to support. It differs from traditional fundraising as it requires a target to be set and achieved for the funding to be realised. Additional incentive structures must be built into the crowdfunding to entice those to fund, but it offers an entirely new audience to typical fundraising channels and hence a completely new source of revenue for sports. They operate best once a digital strategy has been implemented and the sport has an online and digital presence that it can leverage.

Crowdfunding will need human resources, likely volunteers, to complete the necessary tasks, these are shown in Figure 17.

Trust is paramount in crowd funding and any breach of trust and mismanagement of publicly donated funds will sacrifice significant goodwill. Proper implementation of a crowdfunding strategy will enable many events and opportunities to be funded, potentially increasing revenues and sporting participation for SSAs.

Figure 17. Crowdfunding Process



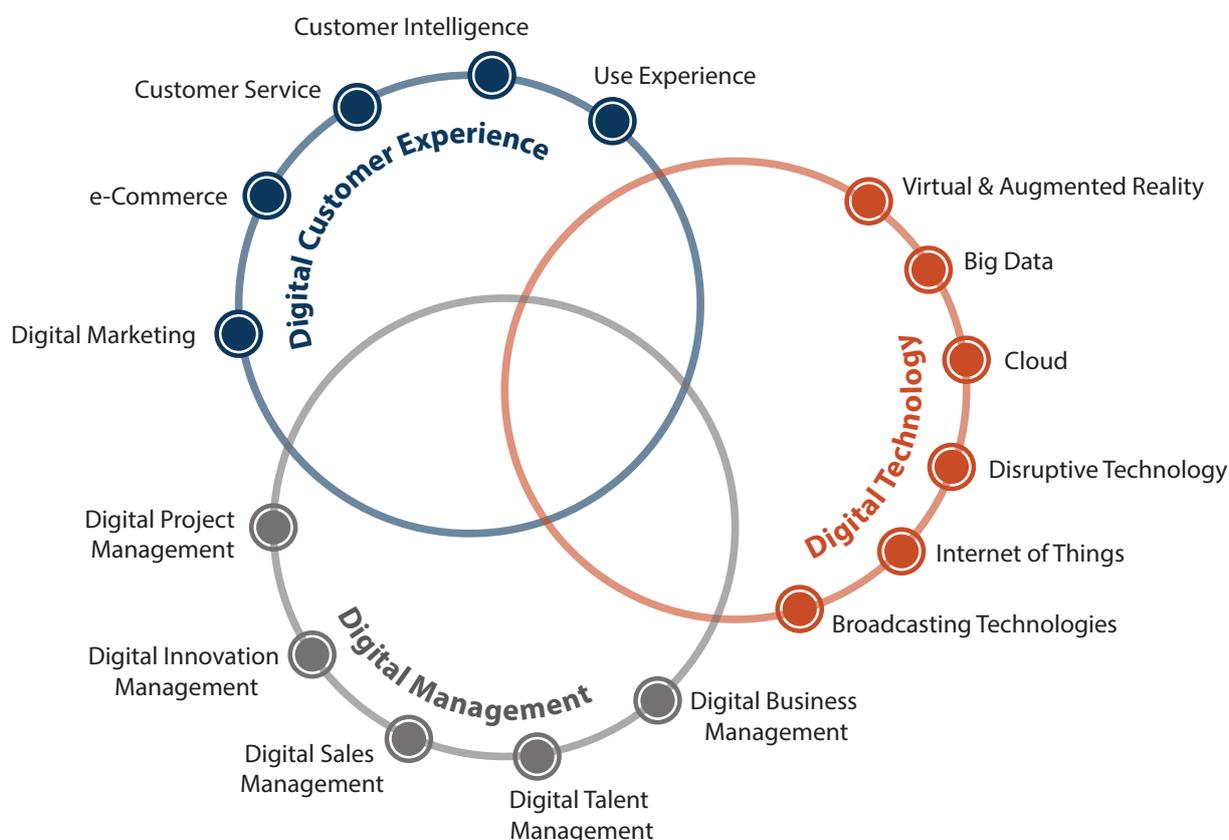
Digital Strategy

Sports have traditionally been slow in the uptake and development of digital strategies. Most sports are well behind other competing forms of entertainment with only the larger sports embracing digital strategies.

Western Australian sporting organisations of all forms can benefit from increased utilisation and uptake of digital channels, emerging sports and sports broadcasting technologies, and engagement opportunities. These new opportunities and technologies (Figure 18) open up new opportunities for infrastructure utilisation, revenue generation, sponsor value, improved customer experience and pathways to achieve sporting objectives such as increased fan engagement, participation and awareness. The increase in communication channels and broader engagement with audiences offers new opportunities to increase viewership, participation and ultimately link in with revenue generating strategies such as higher participation (fees), event revenue, broadcasting deals, sponsorships and crowdfunding.

The expanding list of sports delivery mechanisms to viewers represents a growing opportunity for sports organisers of all sizes. With the right digital strategy, the organisers of these sports have an opportunity to create new digital business models which produce revenue streams that did not previously exist. In the process they can reinvest this additional revenue, growing their sporting brand, their facilities, their sporting performance, opportunities for expanded competition, and continue to expand their opportunities for reinvestment and sponsorship opportunities that are attracted by the additional exposure.

Figure 18. Digital Strategy



Broadcasting Models for Sports

Opportunity exists for niche and small sports to engage in shared revenue broadcasting (where national sporting bodies do not prevent this). Under the model, sports enter free-to-air television broadcasting agreements, generating additional revenue and growing their code, opportunities may also exist to develop live streaming of significant events. In Australia, the major sporting codes such as AFL, NRL and cricket are built on selling broadcasting rights to media partners.

The traditional model for revenue generation is unpalatable to broadcasters when it comes to niche or emerging sports that lack a large following. The shared revenue broadcasting business model, most recently seen with Nine and Telstra's signing of Netball Australia to a prime time free-to-air television slot, is made possible via broadcasters accepting a reduced fee for the broadcast rights, but a share in revenue from the sporting code itself. In the process, the broadcaster also injects funds into the sport, helping to support it by sharing the costs associated

with player salaries, club distributions, enhanced sponsorship opportunities for the code and individual teams or athletes, and additional exposure to the sport.

For niche sports and smaller grass roots sporting organisations, the ready availability of digital services represents the emergence of a marketing opportunity; television deals for sports with a small but dedicated viewer base that were previously infeasible are now well positioned to take advantage of digital technology. Social media giants are increasingly moving into niche sports broadcasting. Facebook, for example, now streams games from the NBA Development League and similar deals may eventually be open to niche sports in Australia if they are prepared. Similarly, technology has increasingly made straight to online broadcasting services a viable alternative for niche sporting outlets. Often this just requires a camera a laptop and the right support and facilities. Importantly this does not always have to be revenue driven and can instead be accessibility driven to increase awareness, support and participation with the aim to increase downstream opportunities.

Naming, Pouring, Catering and Signage Rights

Naming, pouring, catering and signage opportunities must be identified as part of a broader strategy for infrastructure. It must be considered in terms of marketing strategy (ensuring that values are aligned) as well as any leasing strategy. If considered as part of an overall strategy, these components can all work together to provide an additional revenue stream for the infrastructure, while minimising upfront costs and providing a cash injection. Each of these components will be required to be considered on a case-by-case basis and should be looked at in the design stage to obtain expressions of interest. State level facilities (particularly if they are part of broader shared facilities and cultural hubs) are likely to attract significant interest and warrant the planning required to attract and assess bids.

Any naming, pouring, catering and signage rights should be pursued in-line with government objectives and desired outcomes for the facilities, and care should be taken to avoid contracts with onerous terms and should likely include some form of profit sharing arrangement.

Facility Operations and Leasing

Increased commercialisation can improve the outcomes of sporting facilities and events by improving utilisation of spaces and increasing attendance, creating an overall positive experience for all those involved. Given this, there is an opportunity and a need for a shared resource at DLGSC that can provide support for sporting bodies to investigate commercialisation opportunities available via their facilities. This would typically take the form of leasing spaces or facilities to third-party for commercial purposes. Opportunities may also exist to engage specialist commercial facility managers who can provide services to SSAs in a mutually beneficial manner enabling SSAs to use their limited resources to manage the core responsibilities of their sports.

The continued shift toward shared facilities and broader cultural hubs will create greater leasing and commercial opportunities for facility operators. Cultural hubs will be activity anchors with activation across wide time periods owing to their uses. Similarly, the location of future facilities in areas with excellent transport linkages will drive usage. These qualities will be attractive to many potential tenants who will desire an installed customer base, excellent activation and stable activity anchors that drive visitation across day time and night-time. Taking advantage of these opportunities will bring in much needed commercial revenue to facility management as well as increasing the utility of the facility.

Summary

Sport is an integral part of Western Australian culture. It delivers benefits across a wide spectrum of measures, from community sense of pride and social connectivity, to tourism, health and productivity. The benefits arising from sport result in a favourable return on investment, providing a clear rationale for the continued investment in sport. Facilities, in particular, are the enablers of sport and continued investment in high quality facilities will ensure that these benefits of participation and high-performance activity can continue to be generated. Ongoing strategic forward planning and facility management will ensure that facility investment is efficient and assists in achieving both sporting and government objectives.

Policy direction, consultation and review have highlighted that changes are required to achieve sustainable facilities investment and support a healthy sporting industry. In particular:

- Improved financial sustainability of sports
- Monitoring, evidence and research
- Leveraging facility investment

There is a need to better target investment towards improved outcomes, increasing the level of funding available to the sector and making better use of the existing facilities. These changes are needed in a time when trends of falling participation and declining sports performance are apparent and there is an increased need to justify government funding in all spheres. Similarly, funding must equip sports with the ability to take part in the uptake of new technologies, so they are not left behind and can reduce their reliance on government funding.

These trends and policy objectives have made apparent the need for efficient use of funding that avoids duplication, increases communication between central planning agencies and other stakeholders and develops inclusive events planning strategies. There is a need to utilise the government funding in a strategic way, ensuring that funding is directly linked to broader government objectives. Similarly, there is scope for assisting State Sporting Agencies to increasingly commercialise and improve the utilisation and financial sustainability of their facilities.

Greater planning between central agencies and stakeholders will need to take place. Events planning that encompasses multiple sports and stakeholders will ensure that money invested in sports achieves greater impact and value for the state. This will include a strategic shift toward higher likelihood events without competitive tenders that make use of Western Australia's natural advantages. A move toward shared facilities will ensure duplication of infrastructure is reduced and utilisation of facilities as a whole is increased through the development of cultural hubs, opening up commercial opportunities associated with State Sporting Facilities and major events.

Potential revenue generating initiatives, when supported through facilities investment and other resources, can result in greater outcomes for State Sporting Associations and the Western Australian public. Moves toward assisting State Sporting Associations modernise and enter the digital marketplace will increase utilisation and their ability to generate revenue and funding. Similarly, organisational support throughout the design and operation of facilities will improve State Sporting Association's ability to generate their own revenue, reducing reliance on public funding.

Directly linking the achievement of government objectives to facility funding will increasingly require data and evidence. The measurement of sporting outcomes associated with State Sporting Facilities presents the opportunity for Western Australian sports to clearly demonstrate their impact and attract a wider range of revenue and funding sources.

These changes will support better planning and a more sustainable sporting sector, ensuring improved value and superior outcomes for all Western Australians.

Appendix A: Key Survey Results

Key results from the survey of SSAs are summarised below and discussed in Section 4.2.

Figure 19. Number of State Sporting Agencies Bidding for Events

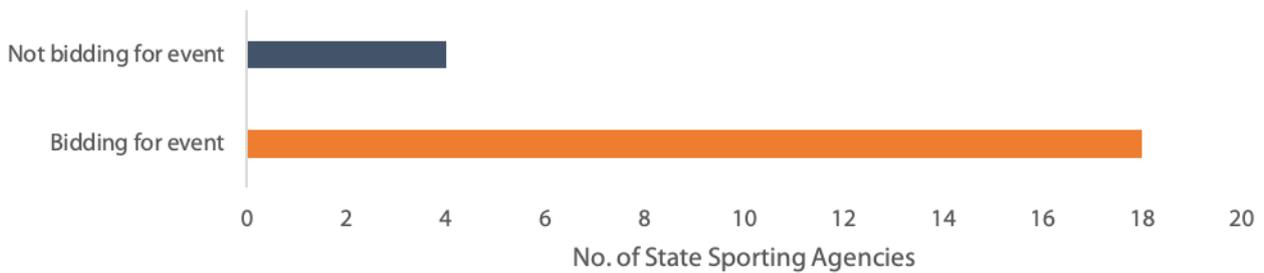


Figure 20. No of State Sporting Agencies that Experience Issues When Bidding for Events

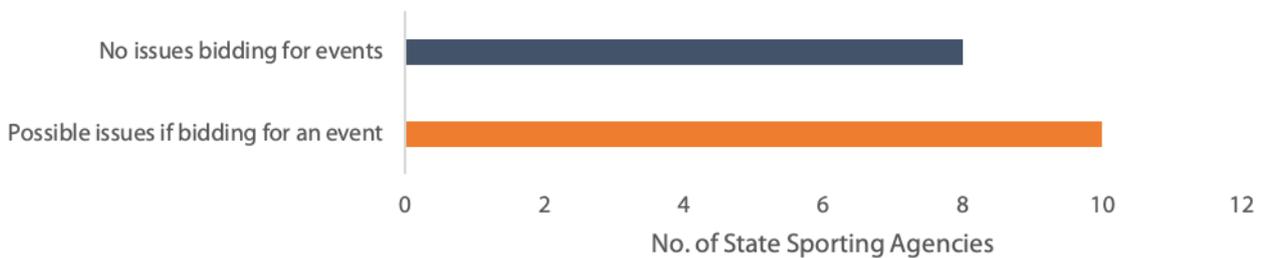


Figure 21. Issues identified as Reasons for not Bidding (No. of Respondents) – Self assessed

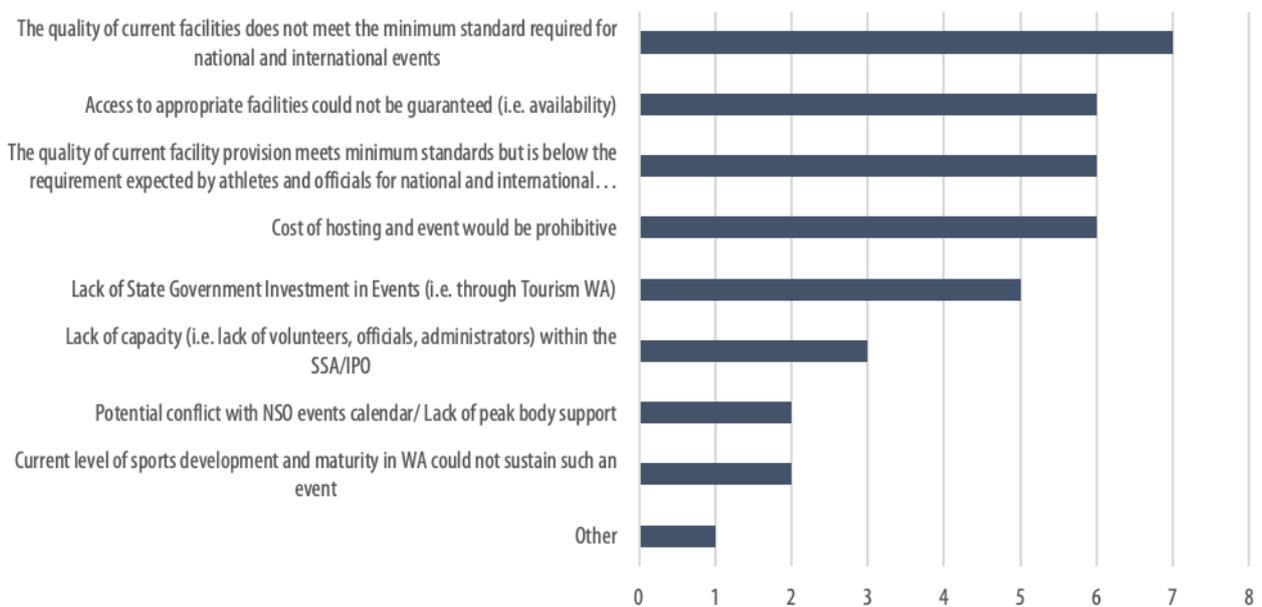


Figure 22. Rating of Various Components of State Facilities

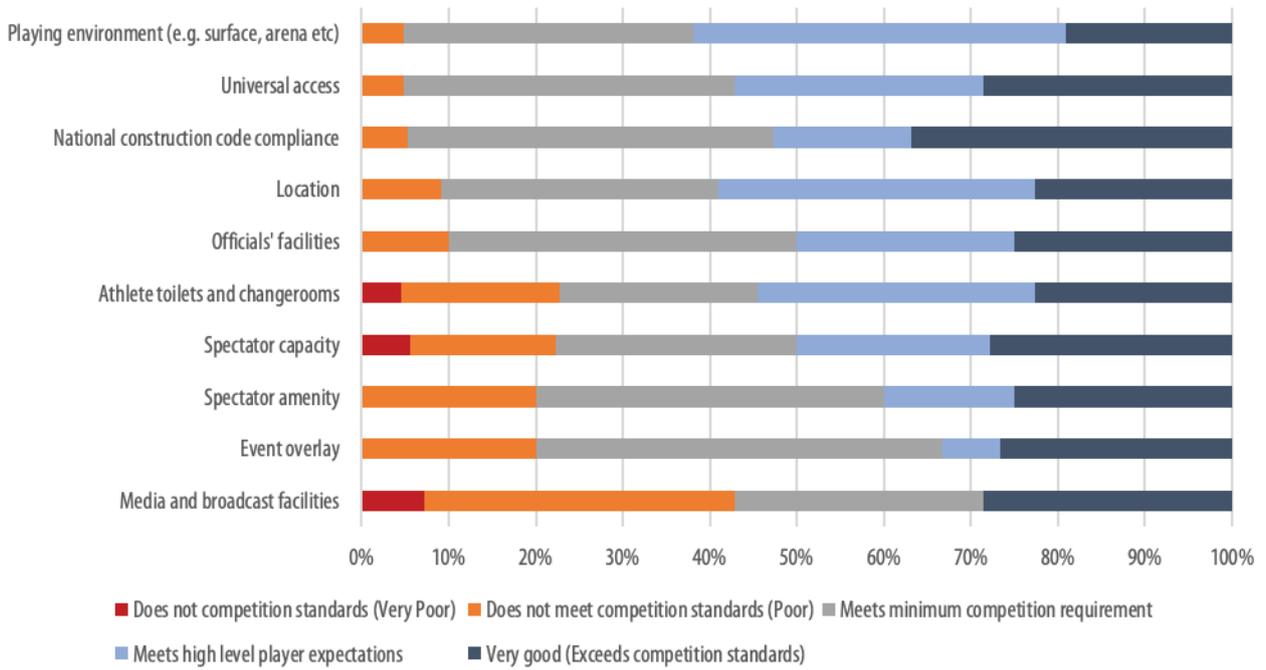


Figure 23. Average Usage of State Facilities Across all Sports

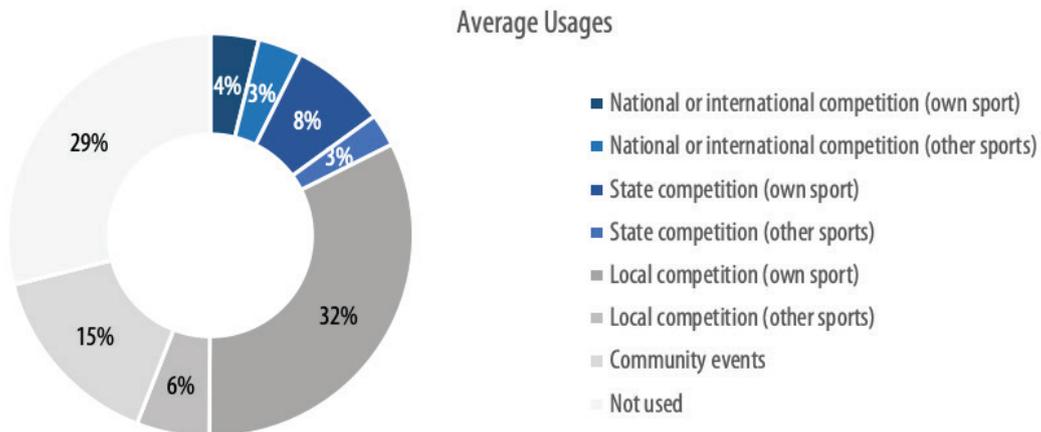
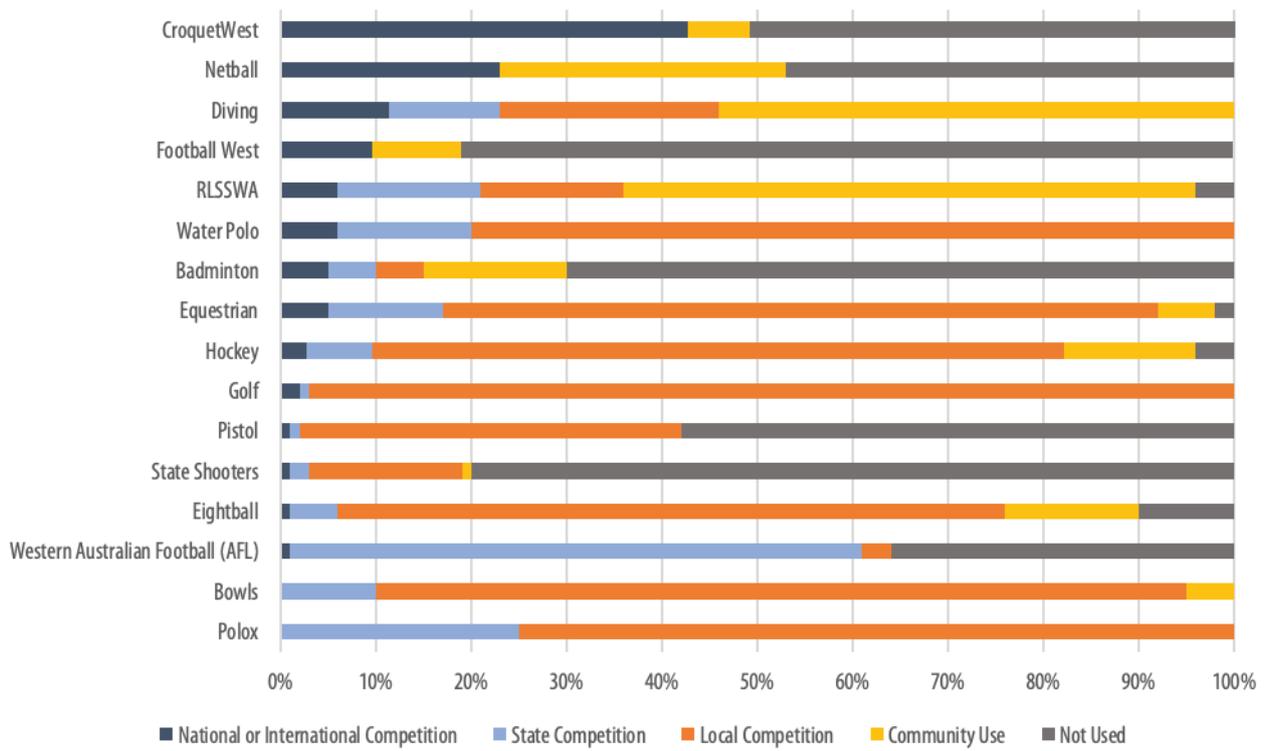


Figure 24. Average Use of State Facility by Sport (Sorted by International and National Competition Use)





**Department of Local Government,
Sport and Cultural Industries**

Perth office

Gordon Stephenson House
140 William Street
Perth WA 6000

Leederville office

246 Vincent Street
Leederville WA 6007

Postal address: GPO BOX 8349,
Perth Business Centre WA 6849

Email: info@dlgsc.wa.gov.au

Website: www.dlgsc.wa.gov.au