



The Economic Contribution of Sport to Australia

Presentation made to the Australian Sports Commission

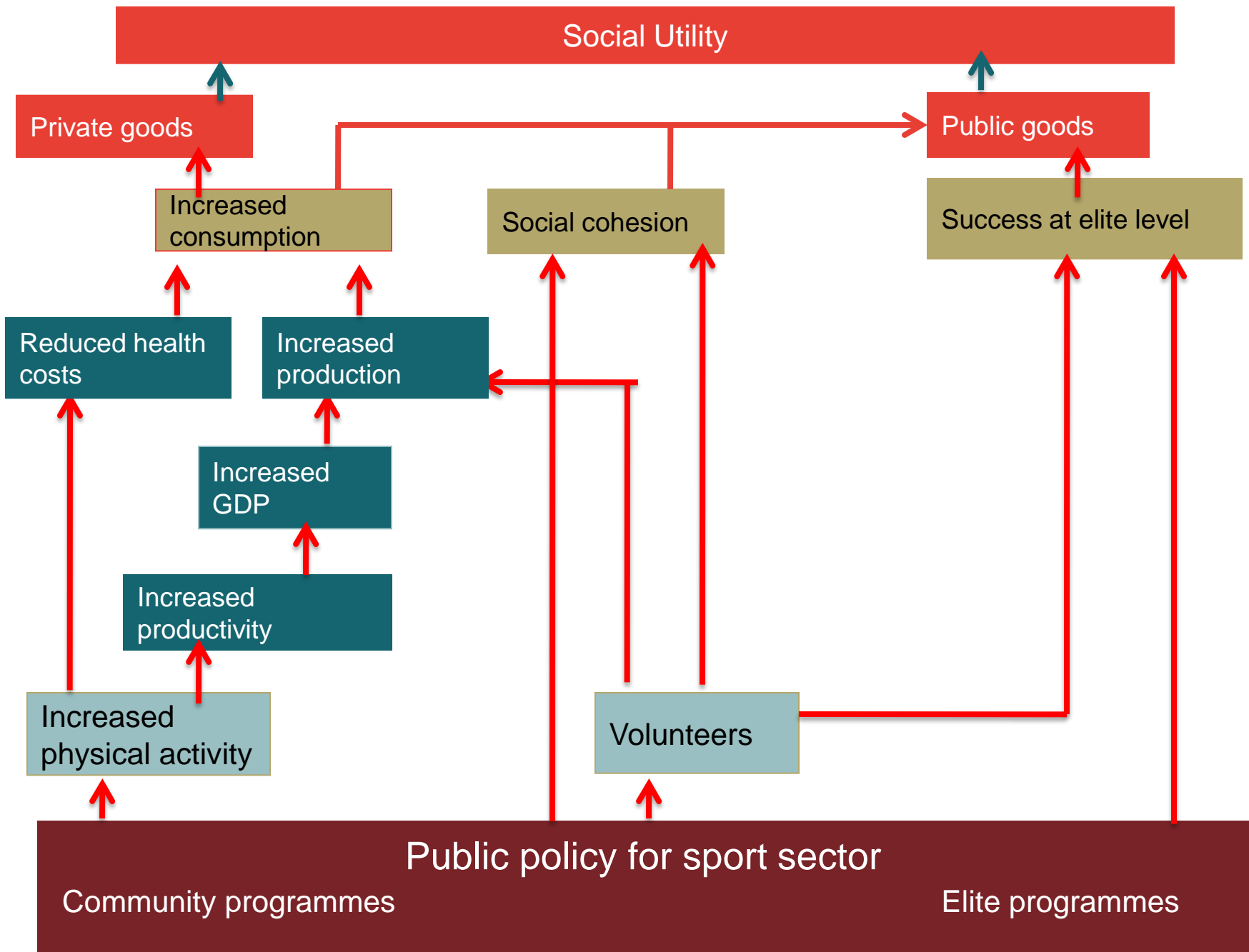
3 December 2009

Starting points

The key questions:

- What is special about sport?
- Why should government support it?

- Need to show that
 - Not “enough” sport without government support
 - Use of public resources for sport gives better outcomes than alternatives



Community level sport

Health

- Impact on measures of specific diseases
- Gross health costs savings \$1.2 billion pa
- Productivity induced GDP growth gains of about 1% pa (about \$12 bn)

Volunteers

- Sports volunteers account for 33% of all volunteers and 26% volunteer hours
- Imputed value about \$4billion
- Increases production of sport activity
- Some direct health benefits

Social cohesion

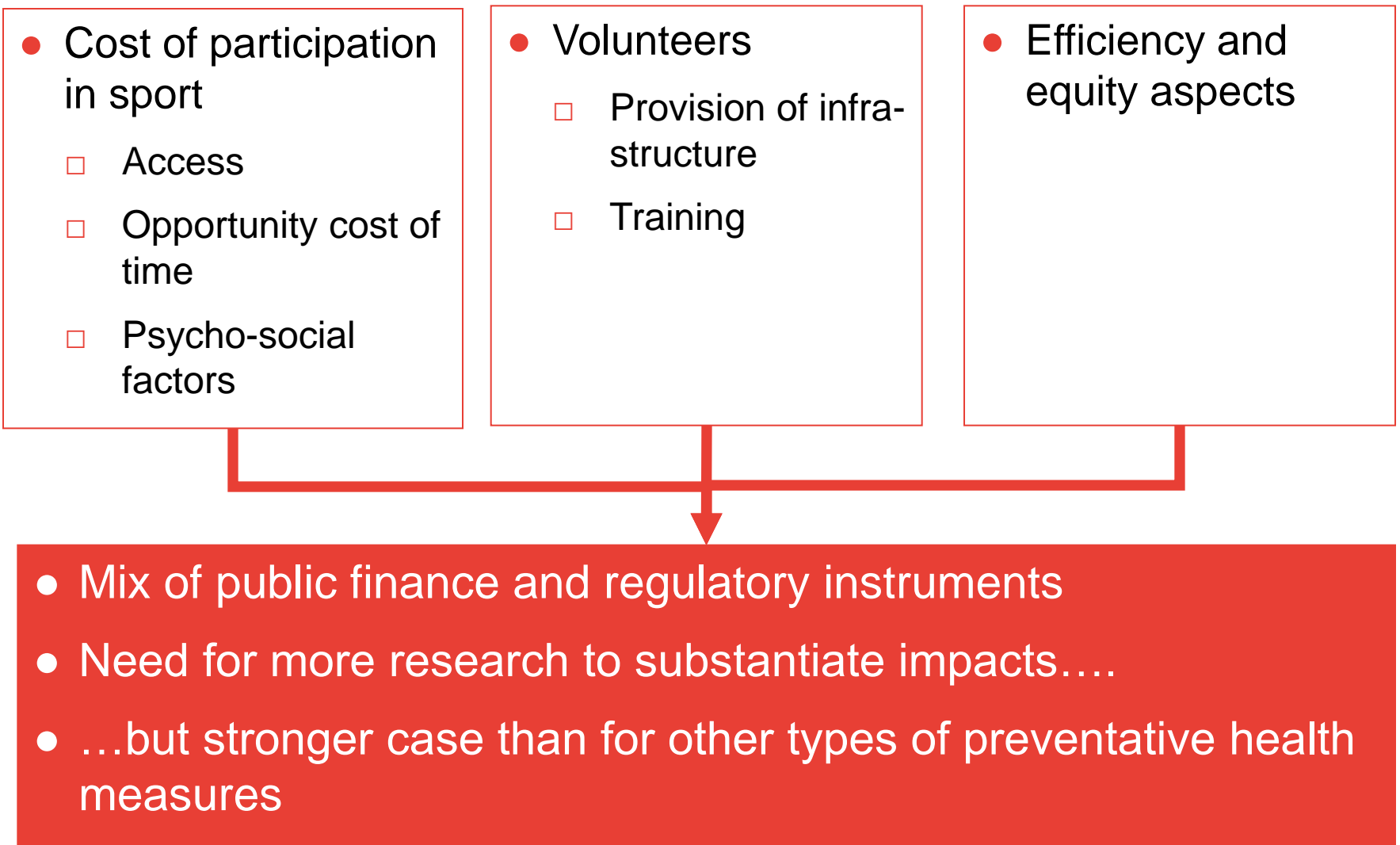
- Hard to quantify
- Intervening factors complicate analysis

Policy implications

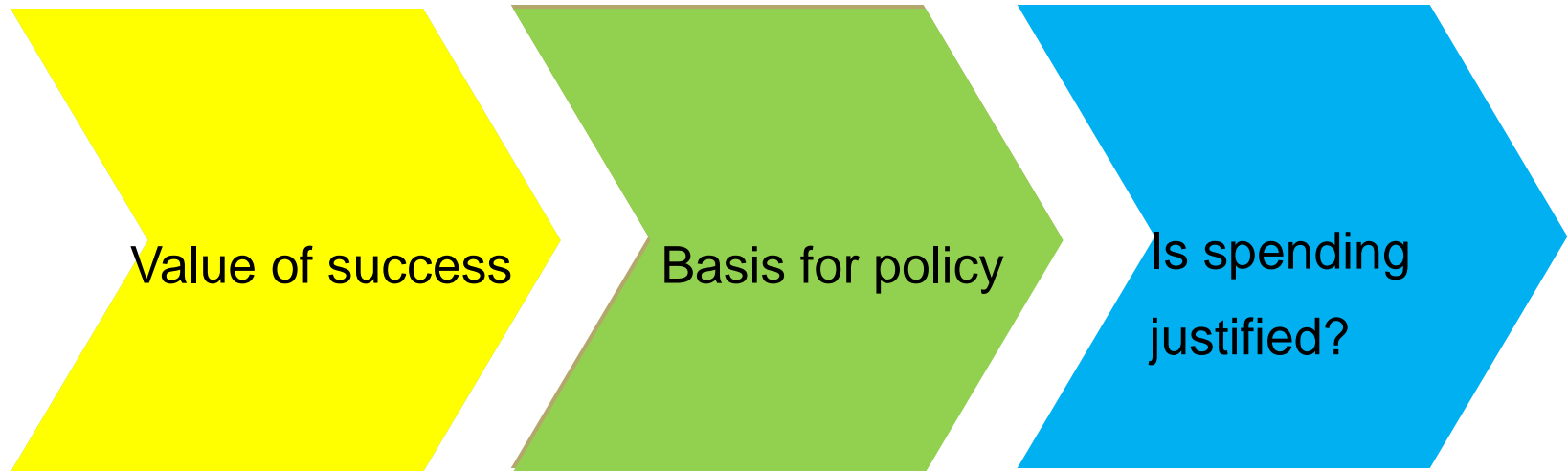
- Cost of participation in sport
 - Access
 - Opportunity cost of time
 - Psycho-social factors

- Volunteers
 - Provision of infrastructure
 - Training

- Efficiency and equity aspects

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- Mix of public finance and regulatory instruments
 - Need for more research to substantiate impacts....
 - ...but stronger case than for other types of preventative health measures

Elite sport



● Evidence

- Willingness to pay (WTP)
- Measures of well being

● A pure public good

- Limitations of markets

● Compare spending with WTP

- How much does well being change with change in spending

Elite sport – some rough numbers

What is WTP?

- About \$23 to buy a percentage point of happiness for 1 week per household
- Wellbeing index moved 2-4 points over Athens 2004
 - Based on Australian Unity Calculations

How does that compare?

- Total high performance sport budget about \$20 per household per year

Caveats

- Rough numbers
- Average, not marginal
- Not fine-grained for some policy issues

Policy implications

- Matching investment to demand

- Identify drivers of value

- Questions remain about marginal effects
 - E.g. valuation of changes to medal table
 - Valuation of certain sports

- Main need is for more thorough quantification of value/ willingness to pay

The remaining research agenda

- Evidence related to social benefits
 - impacts relative to other instruments
 - Which sports/ activities

- Understanding role of volunteers

- Measuring willingness to pay
- Which sports confer most satisfaction?

- Historically, sports policy largely aspirational in nature and based on emotional appeal
- Challenge is to meet demands of evidence based policy