NATIONAL LEAGUE IMPACT STUDY

COMMISSIONED BY

SCORS

STANDING COMMITTEE ON RECREATION AND SPORT

Presented by Prospect Management Consulting

October 1996
# Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Executive Summary</strong></td>
<td>ii</td>
</tr>
<tr>
<td><strong>Part A - Introduction</strong></td>
<td></td>
</tr>
<tr>
<td>Introduction</td>
<td>2</td>
</tr>
<tr>
<td>Methodology</td>
<td>5</td>
</tr>
<tr>
<td><strong>Part B - Key Issues</strong></td>
<td></td>
</tr>
<tr>
<td>Grass Roots Development</td>
<td>8</td>
</tr>
<tr>
<td>Elite Athlete Development</td>
<td>14</td>
</tr>
<tr>
<td>The Product and Financial Viability</td>
<td>20</td>
</tr>
<tr>
<td>Sponsorship Investment</td>
<td>26</td>
</tr>
<tr>
<td>Media</td>
<td>32</td>
</tr>
<tr>
<td>Socio-Economic Impacts</td>
<td>36</td>
</tr>
<tr>
<td>Capacity to Support National Leagues</td>
<td>40</td>
</tr>
<tr>
<td><strong>Part C - Structural Considerations</strong></td>
<td></td>
</tr>
<tr>
<td>Models</td>
<td>43</td>
</tr>
<tr>
<td>Impact Model of National League Development</td>
<td>48</td>
</tr>
<tr>
<td><strong>Summary</strong></td>
<td>49</td>
</tr>
<tr>
<td><strong>Appendices</strong></td>
<td></td>
</tr>
</tbody>
</table>
The National League Impact Study is an initiative of the Standing Committee on Recreation and Sport (SCORS). Members identified the need to examine the type and scale of impacts on Australian sport which are directly and indirectly attributable to the emergence and growth of National League competition programs. The project parameters included an analysis of the future of National Leagues and National League teams. Prospect Management Consulting was commissioned by SCORS to undertake the project.

This review has divided National Leagues into three categories to recognise the significant differences in size, profitability and administrative structures.

Category P (Professional)
- Australian Football League (AFL);
- Australian Rugby League (ARL);
- National Basketball League (NBL);
- Super 12 Series (Rugby Union).

Category S (Semi-Professional)
- Australian Baseball League (ABL);
- National Soccer League (NSL);
- Sheffield Shield (Cricket);
- Women’s National Basketball League (WNBL).

Category A (Amateur)
- Men’s Hockey League (MHL);
- Women’s Hockey League (WHL);
- National Fastpitch League (Softball);
- Netball Super League;
- National Surf-Lifesaving League;
- National Water-Polo League.

The methodology of the study involved a three tier information gathering process using existing research, a Delphi* survey and interviews with sporting industry experts throughout Australia.

The impact of National Leagues on sport in Australia has been examined in relation to a number of key themes.

* Futuristic Survey Technique
Executive Summary

Grass Roots Development

- National League competitions receiving extensive television coverage impact on the grass roots participation numbers of their sports. Children relate to the role models they see on television playing in National League competitions and featuring in advertising campaigns.

- There is a moderate correlation between a successful National League team or Australian representative team and more children playing the sport.

- One of the key factors that encourage children to remain in a sport, particularly into their teenage years is the existence of a recreational stream of the sport which allows them to play for ‘fun’.

Elite Athlete Development

- There is a link between National Leagues, the development of elite athletes and the performance of Australian representative teams in the international arena. The strength of this link depends on the sport.

- There is a short-term trade-off with eliteness for the sake of expansion of the league.

- Overseas athletes have raised the standard of National Leagues in sports which generally do not have a long tradition and history in Australia.

- Effective feeder systems are integral to maintaining a high standard of players and competition in National Leagues.

The Product and Financial Viability

- The most successful National Leagues in terms of financial viability and longevity both in Australia and overseas have a fundamentally sound product which is fun to play and watch and have a strong evenly balanced competition. It is suggested that sports can develop their ‘product’ by maintaining the key traditions and foundations upon which their games are based while changing rules and formats where necessary.

- Financial viability remains a key issue for many National Leagues and National League teams. It is unlikely, in the face of an economic downturn that any National League or National League team will survive without a solid financial base. There will come a time when the strong will no longer support the weak.

- Planning in relation to financial management, long-term strategic focus, market research and human resource management has been identified as a key ingredient in initiating and running National Leagues.
EXECUTIVE SUMMARY

Sponsorship Investment

- Sponsors require a positive financial/sales based analysis prior to and for renewal of sponsorship packages. The relationship between National Leagues and sponsorship is viewed as a partnership for the quantifiable benefit of both parties.

- Many sponsors are attracted to sports which offer them opportunities to promote their products to the international marketplace. National Leagues which can offer this type of exposure to a sponsor are now finding themselves in a position to choose from a number of prospective sponsors.

- There is a clear difference in the amount and number of sponsorship opportunities available to women’s sports. The best sponsorships can be obtained where there is a nexus between the sport and the product eg. surf lifesaving and breakfast cereal.

Media

- Exposure through the media, specifically television, will continue to be a major factor in the success of National Leagues. Media exposure usually translates to sponsorship and ongoing financial viability. Category S and Category A National Leagues are continually searching for ways to increase the amount of television coverage they receive.

- Pay TV will not offer many opportunities to Category S and Category A National Leagues in the short-term.

- Some National Leagues may need to carefully consider the processes they have in place to meet the needs of the media, who demand a high level of professionalism and accessibility.

Socio Economic Impacts

Employment

- There has been a significant increase in employment opportunities in National Leagues this decade which is likely to continue in the short-term, particularly for Category P Leagues. However, management salaries are considered to be an average of $10,000 below their commercial mainstream counterparts.
EXECUTIVE SUMMARY

Merchandising

- If managed effectively merchandising provides Category P National Leagues with a multi million dollar revenue source. Merchandising opportunities for other National Leagues may come from unified marketing to their participation base.

Facilities

- The major facilities of the future will continue to be multi-use with an emphasis on a range of excellent corporate facilities, spectator amenities, media facilities and lighting.

Capacity to Support National Leagues

- It is likely that there is a saturation level at which point Australian cities and states will be unable to support an increasing number of National League teams. There is also likely to be a saturation level at which point Australia will be unable to support an increasing number of National Leagues. Any downturn in the economy is expected to have a corresponding negative impact on overall sport sponsorship.

- Overseas markets offer attractive expansion opportunities for many National Leagues and it is likely that many National Leagues will undergo a careful international expansion in the future.
EXECUTIVE SUMMARY

Models

There is much debate concerning an ideal model for a National League and some sporting representatives would question whether a ‘best practice’ model exists. This review has identified that the most successful National Leagues and National League teams in the future will incorporate state and regional feeder systems as part of a holistic approach to the development of the sport. The National League will work with these leagues to ensure the best utilisation of limited resources. The Australian Football models in Western Australia and South Australia are highlighted as successful implementations overall.

Stage

1. Establishment of National League/Team
2. Various impacts on State/Premier League
3. Repositioning/Refocus of State/Premier League
4. Repositioning/Refocus of other metropolitan, country and junior competitions
PART A

INTRODUCTION
INTRODUCTION

The Standing Committee on Recreation and Sport (SCORS) comprising representatives from Federal, State, Territory, New Zealand, and Papua New Guinea Departments responsible for sport, initiated a study to examine the impact of National Leagues on sport in Australia. The Office of Sport and Recreation was given the responsibility to develop a research brief for the study and following a detailed assessment of prospective tenders, Prospect Management Consulting was selected to undertake the review. The report aims to provide useful information for representatives of sporting organisations, governments, corporate sector and other agencies involved in the delivery of sport to assist them in future decision making.

Over the last 20 years the concept of national sporting leagues in Australia has gained much support. Although these structures vary greatly, most National Leagues are formed with similar visions and goals. These include:

- to provide a regular elite competition which will assist top athletes in developing their skills and the standard of competition in Australia, and prepare athletes for international competition;
- to raise the profile of the sport across Australia; and
- to be financially viable.

It is hard to give a precise definition of a ‘National League’ as research has identified quasi National Leagues such as the Sheffield Shield Competition, tri-nation leagues embodied in the Super 12 Series and more legitimate National Leagues like the Australian Football League. For these reasons this study seeks to define a National League in broad terms. A National League within this report is an elite sporting competition coordinated through an administrative body which comprises teams from at least three different states or territories and seeks to generate income.

There are currently 14 National Leagues operating in Australia with additional leagues in the feasibility stage of development. It must also be noted that several have also been forced to fold primarily due to financial constraints. As the structures, issues and phases of development of respective leagues differ, it has necessitated the need to categorise sports for a more accurate analysis of the impacts identified within this report.
David Shilbury¹, seeks to introduce and define the concept of corporate sport in the Australian sports system. It is believed to be a particularly useful definition as it examines the nexus between sport and business and the characteristics of his definition form the basis for the three categories of National League sports.

**Category P (Professional)**, includes those National Leagues which:

- possess a significant administrative structure;
- pay regular league athletes an income which can usually support them as full time professionals;
- employ significant numbers of fulltime professional administrators and coaches; and
- have the ability to generate substantial income and profit.

This review has nominated the following leagues as Category P:

- Australian Football League (AFL);
- Australian Rugby League (ARL);
- National Basketball League (NBL);
- Super 12 Series (Rugby Union).

**Category S (Semi-Professional)**, includes those National Leagues which:

- possess a significant administrative structure;
- pay a small minority an income which can usually support them as full time athletes and the majority a semi-professional wage;
- employ fulltime professional administrators and coaches; and
- have the ability to generate income and profit in the medium to long term.

The study has nominated the following leagues as Category S:

- Australian Baseball League (ABL);
- National Soccer League (NSL);
- Sheffield Shield (Cricket);
- Women’s National Basketball League (WNBL).

¹ Shilbury, D; Managing Corporate Sport and the Australian System, ACHPER National Journal, Spring 1990
Category A (Amateur), includes those National Leagues which:

- possess an administrative structure;
- generally do not pay athletes to play or provide them with a nominal income;
- have administrators and coaches predominantly comprising amateurs; and
- are not perceived to generate significant income and profit in the medium to long term but have the ability to be a financially viable competition.

The review has nominated the following leagues as Category A:

- Men’s Hockey League (MHL);
- Women’s Hockey League (WHL);
- National Fastpitch League (Softball);
- Netball Super League;
- National Surf-Lifesaving League;
- National Water-Polo League.
METHODODOLOGY

The review methodology involved a three-tier information gathering phase. Extensive research was undertaken incorporating existing reports, articles and papers on national sporting leagues in Australia. Whilst this topic has been explored in the past there has been no study undertaken in Australia which has incorporated more than four sports as a sample base. This phase also involved a search for quantitative data on National Leagues through sources such as Annual Reports, The Australian Bureau of Statistics and other surveys and studies such as the Sweeney Reports. It is important to note however, that accurate quantitative data from National League and state sporting associations is scarce. This statement does not apply to any category in particular, although some Category P leagues have invested in some useful socio-economic impact studies such as the one commissioned by the AFL in 1993.

The second phase of the project involved a three phase survey instrument known as a Delphi. The Delphi Study is a well validated future search technique that over time has been found to be a valuable predictor of future trends. The study involved a three round survey of a number of acknowledged industry experts from different National League orientations (eg. administrators, owners, media, sponsors, business leaders etc). Appendix 1 acknowledges those individuals who have made a contribution to this study.

Rounds two and three of the survey gave each participant feedback from participants of the previous round. Future responses were then modified according to the input of others. A further benefit of the Delphi Study is that it involved a wide range of people in the project who were not accessible for face to face input. This is considered to enhance the objectivity of the study, in conjunction with state/territory visitation for the survey. The results of the Delphi are summarised in Appendix 2.

The third component of the information gathering phase involved state / territory visitation to interview a cross section of identified key industry “experts”. The following cities were visited:

- Sydney
- Canberra
- Geelong
- Adelaide
- Darwin
- Brisbane
- Newcastle
- Melbourne
- Hobart
- Perth
- Townsville
The interviews and Delphi surveys targeted seven main themes based on the briefing for the study with SCORS Steering Committee members. These were:

- Grass roots sport;
- Elite athlete/player development;
- Financial viability;
- Media;
- Sponsorship investment;
- Socio-economic impacts; and
- Capacity to support National League models/structure.

Part B of the Report endeavours to summarise the issues pertaining to the above mentioned themes, as seen by the different categories or individual leagues. All qualitative and quantitative research is utilised in presenting this information and forms the basis for the analysis and recommendations.

Part C looks at existing National League models, attempts to analyse a number of administrative structures and examines their inter-relationship with other bodies associated with the delivery of the sport in Australia.

The final section contains the Appendices which incorporate supporting research for Part B and C. The Study has been presented so as to provide a brief, and comprehensive analysis of the key findings and associated considerations for the future in the body of the Report.

Where references from external documentation have been used, or interviewees quoted directly, a reference has been provided in the form of a footnote. In the main this report uses statements and draws conclusions from over 120 interviews, and the Delphi survey process which can not be referenced to a particular individual or organisation.
PART B

Key Issues
GRASS ROOTS DEVELOPMENT

KEY FINDINGS

Introduction

All sports recognise that grass roots participation numbers (defined as children fifteen years and under) are an important element in the mix of factors necessary to ensure the long-term success of a National League. It is from this pool of young players that tomorrow’s elite champions will emerge and sponsors are often attracted by the associated marketing opportunities. Many Category P sports such as the AFL (through their Development Foundation) receive large sponsorships solely for their junior competitions. Privately owned National League teams with a pure business focus channel resources into grass roots development, although the level of support varies substantially from large ‘donations’ to the provision of players for school visits and coaching clinics.

If the equation is reversed and the question is asked as to whether National Leagues directly affect grass roots participation numbers, then the answer is less clear. This review has examined the following questions:

- Does a strong National League competition directly translate to a large and/or increasing grass roots participation base?
- To what extent does the maintenance of large grass roots participation numbers in Category A sports such as Netball and Category S sports such as Soccer depend on the success of their National League competitions?

REVIEW FINDINGS

Overall

- It is not usually the National League itself that encourages children to take up a sport but its profile in the media. If a National League gives a sport greater visibility in the marketplace through increased media exposure and produces heroes and role models, children are often encouraged to play that sport.
- Ensuring that National League players have an involvement in junior development is the most effective means of raising interest.
- Nike and Reebok have also been associated with the increase in participation at the grass roots level through their highly effective advertising campaigns.
National Leagues have an impact on grass roots participation, but there are other more or equally important factors other than National Leagues which also impact upon grass roots participation. These include:

- the availability of facilities;
- good coaching;
- good development programs and development officers;
- good infrastructure;
- astute marketing;
- the 'fun' element; and
- exposure and support at school and club level

There is a strong correlation between a successful (winning) team at a National League or international level and more children taking up the sport.

In some sports the profile and success of the Australian team is the key factor in grass roots development and the National League has minimal or no impact.

There is a lack of reliable data concerning grass roots participation numbers and many sports admitted that their figures were estimates at best.

**ANALYSIS**

*Media Relationships and Role Models*

A common thread throughout the review has been the power and importance of the media on sport in Australia. All categories of National Leagues continually seek to increase the level of media exposure they receive. The leading factor in the launch of more than one National League has been the major sponsors’ desire for television coverage. One of the reasons Basketball has changed the timing of the National Basketball League season is to increase media coverage of the sport. Emerging Category S and Category A leagues attempting to emulate the success of established competitions list media coverage as a key success factor. The power of the media to influence children is evidenced by a recent survey conducted by the Sun Herald Newspaper in Melbourne. This survey showed that 48% of children surveyed in years five to ten rated American basketball player Michael Jordan as their favourite sports person in the world.

---

2. *Herald Sun, Melbourne, 28 March 1995*
Many comments made throughout the interview process support this view.

"National League equals TV equals more children playing the sport. It's all about entertainment and image, although we have to recognise that the NBA has helped us as well."

Barry Richardson, Adelaide 36ers.

New technology and the emergence of Pay TV are likely to ensure that the influence of the media continues to grow and children will continue to find their heroes on television. National Leagues receiving good media coverage have produced many role models with whom children can identify and this has only assisted the growth of these sports at the grass roots level. For example the Sydney Swans openly admit that the signing of Tony Lockett has substantially raised the interest and profile of Australian Football in NSW.

"National League clubs, especially new clubs need a personality eg. Barassi or Lockett who are media friendly."

Steven Brassel, Sydney Swans

When Ian Botham played for Queensland in the 1987/1988 season, crowds to Sheffield Shield games at ‘The Gabba’ increased by 276% on the previous year³.

There is an element of danger for sports in developing role models that become bigger than the sport itself. Grant Kenny raised the profile of Surf Lifesaving in Australia but was then instrumental in the establishment of a rival competition outside the control of the national body. The National Surf League has been developed around a state team concept without many of the profile competitors in the sport, yet still rated well on television. It is recognised, however, that there is potential for greater exposure with the inclusion of these athletes.

Coaching and Development Programs

Many sports and clubs have contractual arrangements to ensure their National League players become involved in junior development. Common forms of involvement include school visits, coaching clinics, coaching teams and associations with junior clubs eg. acting as patron. Basketball has done this particularly well which has been a key factor in the increase in its grass roots participation numbers. An important part of this strategy is the ability of a sport to pay players, usually as part of their contract to perform these duties. Category A leagues such as Water Polo, Netball and Softball whose National League players mostly work full-time are at a disadvantage in this regard and may have to make some difficult decisions concerning the allocation of limited funds to promote key players more heavily. This is potentially a high risk strategy but one which may pay large dividends in the future.

3. Barry Richards, Queensland Cricket, February 1996
The review indicated that coaching and development programs had benefited from the success of Category P National Leagues by receiving more funding so that coaches and development officers could see a genuine career path. Coaching at junior levels has improved with the increasing accreditation, however, there is still a lack of funding and resources in many instances. Women’s Basketball identified only a handful of full-time paid coaching and development positions which were considered to discourage National League players from entering the field upon retirement.

Facilities

There are many elements which combine to produce a successful National League and this is also true in relation to grass roots sports programs. The availability and standard of facilities available was identified as a major issue. The focus is currently on the development of elite sporting venues where National League competitions can be played, yet many sports identified situations where children were being turned away because of unavailable and poor standard facilities. The major issue identified in the Delphi Survey was the impact of non-traditional sports on existing facilities, which indicates that competition for facilities is increasing without a corresponding increase in availability. For example junior basketball fixtures in some states are being scheduled at times of 10 pm because facilities can not keep up with demand. Governments have channelled substantial funds into establishing and renovating elite sporting facilities. Many sports questioned whether a more appropriate future focus may be to provide funding for more community based facilities. Failure of sports to recognise and address this problem in the medium term will see a reducing level of grass roots participation across many sports.

Recreational Playing Streams

The ‘fun’ and safety elements were identified as being extremely important to the development of grass roots sports and were one of the key reasons why sports without professional National League competitions are still able to attract children. For example, Netball had the largest grass roots participation base in Australia long before the establishment of their current National League. Traditional sports such as Rugby League and Rugby Union are well aware of public perceptions concerning injury rates. These sports and others such as Cricket and Softball which have traditionally enjoyed a degree of dominance in school sporting programs are now facing increasing competition from other sports. Their administrators recognise that they will have to work harder in the future to maintain their grass roots participation numbers.
Many children were identified as looking for a recreation stream of sport away from the traditional elite competition. This is an area largely neglected by some National League sports. Cricket is currently examining its game in an attempt to make it more exciting and appealing to children of all ages and abilities. In the USA Slowpitch Softball has captured a strong recreational participation base which has translated into many marketing and merchandising opportunities for the sport. Part of this success may be attributable to the fact that both males and females can play the sport. Likewise the sport of Touch has the same appeal and is one of Australia’s fastest growing sports. Discussions with junior sporting representatives indicate that children and adults are attracted to sports that allow both sexes the opportunity to compete.

In the long-term a strong National League competition will likely be underpinned by the success of its junior and recreational streams.

“The structure of the game hasn’t changed although we have recognised a need to cater for recreational players by introducing Slowpitch, which has 10 players and is used for lower grade competitions, including mixed.”

Kylie McLean, NSW Softball

The Role of the National Team

The success of their representative Australian teams was seen by many sports as having a greater impact than National Leagues on the number of children playing the sport. When the Australian Women’s Hockey team won the gold medal at the Seoul Olympics, the number of girls playing the sport subsequently increased. The profiles of many Category S and Category A sports come from their international successes.

Many sports see the establishment of a National League as the only way to increase their profile, however, an often overlooked vehicle for emerging sports is the ability to raise the profile of the Australian team. Children relate closely to players from Australian teams. Cricket has to date successfully relied on the Australian team as its main promotional vehicle.

“Cricket development is always easier in the year after a successful Ashes series.”

Ken Jacobs, Victorian Cricket Association

Some National League administrators and media representatives interviewed believed that smaller sports with extremely limited revenue sources may be better served by channelling funds into the promotion of their Australian teams, rather than launching a National League without a sound financial base.
FUTURE CONSIDERATIONS

- The establishment or existence of a National League is often not enough to ignite interest in young people. Sports may need to consider fostering the development of role models whom young people can relate to. Astute sports administrators and sponsors have recognised the 'pulling power' of sports people who through their performances, personality and commitment to the sport have introduced in many benefits including increased grass roots participation numbers.

- Sports may need to assess whether their focus is centred upon developing children as spectators instead of participants. A National League competition needs to be underpinned by good development programs, coaching programs and facilities. The provision of a recreation stream for those children not looking for elite competition will keep them interested and active in the sport.

- Sports considering establishing a National League to raise the profile of the sport may need to consider whether the same aim can be achieved by devoting resources to raising the profile of the Australian team. It is suggested that existing National Leagues consider, plan and manage the Australian representative program (where relevant) to work with the National League program and not against it.
ELITE ATHLETE DEVELOPMENT

INTRODUCTION

There is consensus that a National League is an effective means of lifting the standard of the sport and in turn developing elite athletes. The development of elite athletes is a source of our nation’s national pride and identity. It fosters patriotism and in turn significant government support. However, Australia is an isolated continent and therefore is starved of regular international competition in some sports. This was of primary concern upon the initiation of the National Water-Polo League. There is a fear for some sports that without a strong domestic competition, athletes may not find adequate preparation prior to international competition.

The Sheffield Shield for instance has been described as the “best” standard domestic cricket competition in the world. Not only does it act as a development agent for future Australian representatives, it allows current Australian players to develop their skills in the absence of international Test Series. The strength of the domestic competition also has a direct correlation with international performances. For instance, using the same example of cricket, the Australian team is ranked the number one test nation in the world. Similarly, upon the commencement of the NBL in 1979, the Junior Men’s Basketball Team was ranked tenth in the world. This can be compared with their current world ranking of second.

In contrast, some National Leagues like the AFL, focus all their attention on the league entity as a “means in itself”. It could be argued that Australian Football, being inherently Australian, does not need to benchmark its standard of competition with other countries as there is nothing to benchmark. The winners of the premiership are the world champions! The increase in the standard of the competition can be attributable to the significant raising of the profile of the sport on a national basis which in turn attracts a stronger grass-root level support which provides greater depth in the feeder system to the AFL. The AFL product has been greatly enhanced over recent years by sustaining an even competition with the “Rugby League States” coming of age in 1996. It must also be noted that technological advances in coaching methods and Sports Science have also played a part in the development of elite athletes.

The majority of National Leagues are facing increasing overseas competition to retain their elite Australian athletes. The financial rewards offered to elite athletes playing overseas can far outweigh levels of remuneration available in Australia. Current trends show that more and more elite athletes are considering playing overseas and in many cases forgoing the Australian National League competition. This has traditionally been a problem for sports such as Soccer and Baseball, however it is becoming an issue for Women’s Hockey and Basketball.

4. Don Cameron, Coaching Director AIS Water-Polo, March 8 1996
5. Barry Richards, QLD Cricket, 13 February 1996
GENERAL FINDINGS

■ The majority of those interviewed supported the link between a National League and the development of elite athletes.

■ The importation of international players has been integral in boosting the standard and profile of some leagues.

■ The presence of the National League has provided another vital step in the player development pathway.

■ There is an increase in the depth of elite athletes, and in some cases the gap has been bridged between elite and the "second tier" elite athletes.

■ The National League is a necessary 'warm-up' vehicle for international competition.

■ The increase in the commercialisation of sport has placed athletic performances under closer scrutiny and these pressures have contributed to an increase in standard.

■ State Leagues have been forced to restructure their competition to provide an effective filter system to the National League.

■ Elite athletes are being developed at a younger age.

■ Most elite athletes desire some form of remuneration from sport and many are prepared to play in overseas competitions if the financial rewards are available.

FINDINGS BY SPORT/CATEGORY

■ There is a short-term trade-off with eliteness for the sake of expansion of Leagues. (Category P finding.)

■ Category S respondents are experiencing the trend of becoming exporters of talent.

■ Intensive Training Centre (ITC) programs have allowed for a broadening of talent identification and opportunities Australia wide.

■ WHL and Softball have maintained or improved standards at elite level over the last three years.
Netball has seen a slight increase in standard attributable to the National League.

The sport of Basketball has enjoyed the most significant increase in playing standards.

Some Category A respondents felt that the increase in playing standard has not equated to an increase in coaching and administration standards.

**ANALYSIS**

**Category A Leagues**

The link between a strong National League and the development of elite athletes was not as strongly supported by Category A representatives. This is reflective of the early development stages that many of these leagues are in. It is seen as too early in the leagues' history to detect notable improvements in the standard of athletic performances compared to the previous championship format.

**Imports**

The importation of international players into some Australian National Leagues is seen as acting as a catalyst for the acceleration of the growth and profile of the sport. This is particularly so in sports such as Baseball, Basketball and Soccer, which in Australia have traditionally not enjoyed a high profile. As Bob Turner from Basketball Australia stated, “we owe a debt of gratitude to our imports.” The import who has played in top level competition overseas generally is a focal point for the team and has strong marketing potential. Individuals like Leroy Loggins not only boost the profile of the game but have made significant contributions to the skill development of fellow players. In fact the gap between Australian players and imports has drastically been reduced. For example some NBL teams in 1996 decided to go with fewer imports and the ABL best and fairest was awarded to an Australian. It is fair to say that the standard of import is no longer the only indicator to the success of the team. Basketball and Baseball see the import system remaining in the structure of the game. It is possible that as the standard of Australian players increase so too will the standard of imports. As a result, we may see more Major League Baseballers and even NBA players coming down under in the not too distant future.

Sports such as Netball, and Hockey have generally focussed on developing their own talent, since their cost benefit analysis simply does not justify importation. Some state cricket teams tried using imports to boost their performances in the Sheffield Shield, however, most found that they were better off developing their own talent. These sports can be differentiated from the above as they have a tradition in this country and have demonstrated strong international performances.

---

The exportation trend has also emerged as the standard of athletic performances has improved. This is particularly evident in Category S sports like Soccer. There are approximately 100 Australians currently playing soccer overseas. Undoubtedly if these players came back to Australia the standard of the NSL would significantly improve. However semi-professional leagues do not have the bargaining power to match the six figure incentives being offered overseas. They are sometimes left to enticing retiring age overseas players back to Australia. It has been stated that if the National League could support annual player salaries of approximately $60,000 fewer players would be enticed to leave.

This comment may have some merit, albeit subjective. Category S leagues have a long way to go before they can compete with the European or American professional leagues. In this category, our best players will continue to be enticed overseas for the large part of their professional careers.

There is one possible exception however and that is the sport of Baseball. The timing of the ABL season allows the best talent to come back and play in the American off-season. Baseballers such as David Nilsson and Graham Lloyd, continue to make a contribution to the development of the ABL. Thus the timing of an Australian season must be carefully planned to fully maximise athletic talent potential.

**Feeder Systems**

Category P leagues are admittedly dependent upon an effective feeder system. This involves strong commitment and cooperation by state leagues and sporting associations. Many state leagues have struggled with the reality of being a developmental league and it is paramount that the National League works together with the state league or second tier competition, to avoid animosity. The NBL, CBA, state leagues and AIS basketball and ITC programs are often used as an example of a feeder system where the development of elite athletes is catered for at each level. The CBA however must be differentiated from state league competitions as it was borne, nurtured and supported by the National League in contrast to state leagues, many of which have been stripped of their traditional identity, power base and profile and have been left to pick up the pieces. Although this paints a somewhat harsh picture of National Leagues, the redeeming quality can be seen in how the National League assists the state league in the transition and ongoing support of its feeder system. The National League must allow ownership over its goals and objectives to the feeder system to ensure solid commitment to the development of the league and athletes at all levels and avoid fragmented and self interested decision making.

---

7. Peter Russell, Soccer Australia, March 1996
The gap between the elite and the second tier has, according to Category P and S respondents, been bridged in recent years. The pool of elite players has grown and this has ignited a debate on horizontal versus vertical expansion of the league. Whilst horizontal expansion can be seen as accommodating all stakeholder’s interests, it has been conceded that the eliteness of the competition can be sacrificed\(^8\). In contrast, vertical expansion by having a second tier national level retains the eliteness of the competition but may cause repercussions due to the sensitive nature of club tradition. Whilst the Super 12 series comes under the banner of a National League for the purpose of this study, a National League Rugby competition encompassing every state and territory has been proposed to bridge the crucial gap between the elite (Super 12) and the reserve class player\(^9\).

John Phelps examines the following reasons behind the perceived need for a Rugby National League as:

- there is a large gap between the elite Wallaby A team player and the midweek or reserve class player;
- to assist in closing this gap a much wider catchment area is needed;
- the Super 12 competition will cater for the already established elite player, but below that level there is not a particularly wide scope for talent identification;
- if Australia is to maintain its pre-eminence on the international scene, it is vital that replacement players be as good as those they replace; and
- it is not in the best interests of Australian rugby to develop a breed of “next best” players.

The role of state sporting associations and their relationships with National Leagues varies greatly depending on the state and the sport. Most administrators agree that state sporting associations have a strong junior and senior elite athlete development role, however, there is strong disagreement on their future involvement with National Leagues. Our research indicates that those sports agreeing on the roles of the national association, the National League and the state sporting organisations, and who are able to work together will have an advantage in the market place.

If it is accurate that a National League increases profile by having a broader exposure and providing an elite level of competition, it follows that this also can be true for the second tier competition. Yet where does this leave state leagues? They play in the same city as the National League, are competing with the same sponsorship market and suburban rivalry does not seem to create the same atmosphere as city or inter-state rivalry.

---

8 John Quayle, Australian Rugby League, 7 May 1996
CONSIDERATIONS FOR THE FUTURE

- National Leagues and National League clubs are encouraged to consider promoting and financially supporting their feeder systems as much as possible. The best way of doing this would appear to be working with National and State Sporting Associations, so there is limited duplication of effort.

- Feeder systems should be empowered with some ownership and involvement in the National League’s direction.

- The League’s timing should continue/begin to complement elite international player schedules to allow them to participate.

- Horizontal expansion of a National League can be sustained if the competition is healthy, viable and key stakeholders are given some decision making ability.

- Vertical expansion is the most effective means of providing elite performance at the top level.

- Sports are encouraged to work to accommodate each stage of an athlete’s career and each level should provide the appropriate link with the next through effective communication channels, mutual understanding and respect.

- Strong international performances must be shown to be linked to the National League in order to justify government funding to National Sporting Associations running National League competitions.

- Elite athletes will continue to seek financial opportunities overseas. National Leagues facing this issue which have traditionally kept most of their players in Australia, are encouraged to research the likely effect of the absence of some top players on the League and plan accordingly.
THE PRODUCT AND FINANCIAL VIABILITY

INTRODUCTION

Every National League in Australia grapples constantly with a myriad of financial issues. These may include paying players as professionals in Rugby Union, enforcing eligibility criteria so that unfinancial teams leave the National Basketball League, setting strict financial requirements for clubs in the National Soccer League or for smaller leagues, or simply finding the money to fly players to National League competitions.

Is there a formula for a National League that equals financial viability? Probably not, however, many of the people interviewed as part of this study indicated the importance of having a good sporting product. The product is recognised as a key to the success of any business venture and if 'sport is business' as commonly stated, then it makes sense that the product plays an important part in the success of sport and in turn National Leagues. The product is probably best defined as the sport itself, made up of the rules, the equipment, the players, the teams, the playing area and the presentation. If the 'consumers' - the spectators are not interested in and entertained by the product then sponsors are likely to withdraw their support and financial viability is unlikely in the long-term.

FINDINGS

Overall

- The most successful National Leagues in terms of financial viability and longevity both in Australia and overseas, have a fundamentally sound product which is fun to play and watch and has strong evenly balanced competition. Every television representative interviewed or surveyed referred to the need to have a game which transfers well to television.

- Sport will continue to have to make tough decisions concerning rules and playing formats. The aim is to balance the traditions upon which the sport has been based, while still making it entertaining and interesting to play and watch. Sports and National Leagues which fail to meet this challenge will suffer in the medium to long-term, losing ground to their more innovative competitors.

- National Leagues must plan to be financially viable as a stand alone business. Governments are unlikely to fund National Leagues in the medium to long-term.

- The future of National League teams remaining unprofitable in the medium to long-term looks bleak. There will come a time when the strong (financial) will refuse to fund the weak (unfinancial).
- Women's Sporting National Leagues face some of the greatest challenges to remain financially viable. Where there is a men’s competition they may need to consider working together if they are not already, to maximise revenue and minimise costs. The WNBL has generally been successful in maintaining its own identity and support base while still working with the men’s competition.

- Planning has also been identified as a key ingredient in successfully running National Leagues. The business demands on sports administrators such as financial management, strategic planning, market research and human resource management are rapidly increasing. Many administrations are run on a shoe string budget which makes planning all the more important to prioritise the distribution of limited resources.

- A strong player base does not necessarily link to a financially sound National League competition.

*Category P Leagues*

- Development of the product nationally and internationally is seen as the next step for the majority of Category P Leagues.

- The Leagues themselves are financially viable, although some of the teams are not.

*Category S Leagues*

- Most Category S Leagues will survive in the long-term, however, financial viability is still a concern. Professional administration and careful financial management will be necessary to sustain growth.

- Some National Leagues are struggling to gain acceptance by the Australian public.

*Category A Leagues*

- The cost of running a National League is substantial—travel expenses alone can account for over 50% of total expenditure in Category A leagues. The opportunities for these National Leagues and the teams that play in them to produce long term profit is questionable.

- Financial considerations have been the overriding reason behind the failure of Category A National Leagues in Australia and remain a primary area of concern.
Some National Leagues have been launched without appropriate planning, especially from a financial and strategic perspective, which often leads to short term gains. As a result, avoidable mistakes have been made and the particular sport has lost face. Many existing National Leagues, national sporting bodies and National League clubs have no long-term plans in place. Their tendency to be reactive rather than proactive results in lost opportunities for growth.

ANALYSIS

Product Appeal

With increasing competition for the spectator dollar those sports which are enjoyable and exciting to watch are likely to prosper in the Australian marketplace. Australian Football is a case in point; with extremely limited scope for international competition it has managed to expand its National League successfully into most states in Australia and is currently the only sport to have its own Pay TV channel. The reasons for its success are many and varied, however, the review indicates that one of the fundamental factors is the basic appeal of its ‘product’ to television audiences and spectators. The sport is exciting to watch, scoring is frequent and is coloured by many personalities and traditions. It is truly Australian and has a strong presence in all Australian states and territories.

Rules and Structure

Sports such as Hockey and Rugby Union are currently struggling to make decisions concerning rule changes. The challenge is to maintain traditional support bases while attempting to appeal to a wider audience. Sports such as Surf Lifesaving have tailored their National League competition to meet the needs of a discerning public who like action and short time frames. They would argue that there are still refinements to be made, however, the principle of innovative change has produced positive responses from the public, sponsors and the media.

Financial Survival and Competitiveness

One of the most emotive issues investigated as part of the project was the medium to long-term survival of ‘financially challenged’ National League teams, who in many cases were positioned near the bottom of their respective National League competition ladders. Traditionally, National Leagues, particularly those in Category P have voted to support teams who cannot meet their financial obligations. This has been done for many reasons - some sports were loathe to lose teams from key states and cities in Australia, while others had clubs with a long history in the competition and the league bowed to public sentiment.
Many National League representatives interviewed indicated that the time will come when National Leagues will be forced to address this issue and make some tough decisions. This has been evidenced recently by the NBL’s decision to decrease the size of their competition by excluding those teams unable to meet strict eligibility criteria. The Super League concept will not go away.

“The Super League controversy occurred because changes had to be made and they had to be forced. There is a need for change and a need for reduction in teams. The rules also need to be sped up with rewards for attacking play.”

Mario Fenech, former ARL player

The public, sponsors and the media are demanding a better standard of product and will not support one sided competitions. Many National League teams are unlikely to remain financially viable in an economic downturn and National Leagues themselves will not have the resources to support them. It is possible that some teams will survive with a mixture of niche marketing, regional support and astute management, however, this will probably be the exception and not the norm.

While Category P Leagues deal with the financial viability of the teams in their competitions, some Category S and Category A leagues struggle to maintain their National Leagues as a whole. Sports such as Hockey, Water Polo and Softball have poured large amounts of money into the establishment and running of their competitions and are still attempting to cement their National Leagues as a permanent part of the Australian ‘sporting calendar.’ Other sports such as Netball are restructuring their National League in an attempt to ‘shore up the foundations.’ Sports like Soccer and Baseball are still attempting to gain acceptance from the Australian sporting public. This comment from the Brisbane Bandits is similar to those made by many others.

“Australians are very patriotic about their own games. Baseball is in its embryonic days.”

Peter Woods, Brisbane Bandits

In a country the size of America there are only four or five true National League competitions, which are highly profitable. It is unrealistic for sports to expect that a country with the population of Australia, can support a growing number of National League competitions. This should not discourage sports from launching National Leagues to develop their elite athletes, but there needs to be a realistic estimation of the financial commitment required, and a careful “step by step” approach to expansion. Currently, opportunities exist for some Category S sports in Asia, if they can develop a competition acceptable to the media and the public in both continents.
Government Funding

The Australian Sports Commission provided 93 million dollars of funding to sport in 1995, excluding direct funding for the Sydney Olympics. Every government representative interviewed agreed that it was not the role of government to fund National Leagues or National League teams, although there was a recognition that funding was sometimes provided indirectly. Realistically future government support is likely to focus on Olympic Sports and their elite developmental and national programs leading up to Sydney 2000. There are instances where initial capital has been provided to some National Leagues, however, any National League hoping to survive on government handouts will need to identify an alternative revenue source.

"Government should not be the 'holder of the purse strings'! If government gives sport money they must have performance indicators and criteria."

Geof Pearce, South Australian Department of Sport Management and Planning

It is possible that not all National Leagues particularly those in Category A, will survive.

Those that do, will have or are likely to, have a product and financial focus that is based on:

- Professional administration - so that the running and marketing of the National League and the sport is operated as a business, and decision making is quick and effective. Those sports that fail to deal effectively with national body and state relationships and the associated politics are less likely to succeed.

- Long-term planning process - so that a well thought out step by step process is applied to the development of the League and the sport itself.

- Strong financial base - so that all areas of revenue are maximised and money is spent according to planned priorities.
FUTURE CONSIDERATIONS

- It is suggested that sports administrators should continually monitor and refine the elements of their sports (the product) to remain competitive in the national and international marketplace.

- There are opportunities for some National League teams to expand their competitions in Asia.

- National Leagues must set some strict financial criteria for their teams and act firmly on breaches.

- Sports considering launching a National League should ask themselves some basic questions such as:
  - Why do we want a National League?
  - Can the National League effectively replace the existing National Championships?
  - What are the real costs versus benefits?
  - Can we really afford it and what areas will receive decreased resources as a result?

If the decision is made to go ahead, long-term plans should be put in place. It is suggested that the League should be able to stand alone in the long term as a financially viable competition.

- State Associations need to have input into National Leagues and may field teams in the competition. The National League itself must be administered as a business entity, preferably by a professional stand alone body, while maintaining a strong relationship with the National Association.
SPONSORSHIP INVESTMENT

INTRODUCTION

The issue of attracting corporate support through sponsorship is determined by the profile and product of the sport, league or team, through which the image of corporate entities can be conveyed to potential target markets. The charity element of sponsorship no longer exists and like any business, sponsors expect a return for their investment. Sporting leagues must be able to provide sponsors a return and those Leagues which have a product that complements that of the sponsor, stand in good stead. An illustration of an effective sponsorship partnership is that between the National Surf Lifesaving League and Kelloggs. Despite being a Category A League, there is a high awareness of the sponsor Kelloggs, the two products are highly compatible, and the investment is influenced by strong competition with a rival sponsor for corporate supremacy in Surf Lifesaving\(^\text{10}\).

National Leagues make up just one component of the sponsorship pie. National League teams, Australian teams, state leagues and other feeder systems are all vying for the corporate sponsorship dollar. There is little doubt that the Sydney Olympics will greatly reduce the level of sponsorship available to National Leagues and National League teams in Australia. Those sports which have the highest profile, intrinsically linked to media attention, will attract the biggest slice of the pie. It is therefore an issue for others not enjoying the same profile in seeking to maximise their sponsorship support.

GENERAL FINDINGS

- Sponsors require a positive economic/sales based analysis prior to and for renewal of sponsorship packages.
- The product must align with the business philosophy of the sponsor.
- Participation numbers in the sport have a strong bearing on sponsorship interest especially for shoe manufacturers.
- There is increasing usage of professional management groups to negotiate sponsorships on behalf of the league or team.
- The profile of individual teams influences attractiveness to sponsors.
- Sponsorship for women’s sport has moved from a traditional individual basis to include more leagues and teams as the profile has lifted through the media.

10. Sweeney & Associates, Australians and Sport, December 1992
Focus has shifted to a business partnership between National Leagues and sponsors.

Sports with a strong international focus are perceived as attractive sponsorship opportunities by many multi-national organisations.

Changes to the structure of the league or team can influence sponsorship interest.

The presence of high profile role models in a team or league is very influential.

Image conveyed through uniform design makes the product more sellable.

Sponsorship monies are not infiltrating through to the feeder systems.

Naming rights to teams have allowed increases in sponsorship investment for Category A sports.

State leagues and other feeder systems are targeting different levels of sponsors, i.e. those associated with the community or government bodies.

The entertainment value for sponsors and consumers is an important element.

Many sports believe that there are too many teams in some major cities and states for the level of sponsorship monies available. It is suggested that rationalisation will continue to occur.

**FINDINGS BY CATEGORY/SPORT**

Softball and Water-Polo lack league sponsorship at the national level.

Category A and S National League teams have an ongoing struggle to secure sponsors.

Tasmania and the Northern Territory do not have an adequate pool of potential corporate sponsors to target.

There are significant differences in sponsorship investment for male and female National Leagues.
ANALYSIS

Relationship

The concept of partnership is a popular description of the sponsorship relationship. The Oxford Dictionary defines a partner as; “One who shares or takes part in business with another or others with shared risks and profits.” Is this an accurate description of the sponsor, league/team relationship? If the league/team is offering a medium for exposure and promotion for a corporation then it is offering a service. It follows that as service providers, the league or team must treat sponsors as customers.

Those service providers which have:

- the ability to show value for money;
- a competitive and popular product which is attractive to the consumer;
- a national/international identity; and
- an effective administrative structure which caters for sponsors and their customer’s needs;

possess the ingredients for success.

Many public sector organisations have been faced with culture change due to the emergence of commercialisation and so too must sporting leagues if they wish to survive in the future. Leagues must be dynamic and responsive to change.

Defining Responsibilities

One of the difficulties with sponsorship is to determine the responsibilities of the league and the team. Conflict can occur when these roles are not clearly defined. For example if the responsibility is left to the individual teams to gain sponsorship and the league retrospectively changes the rules to sponsorship, i.e. naming rights, where does this leave the team and their sponsor? Hard decisions must sometimes be made, but the league as a whole must benefit from these decisions.

It is important to ensure that responsibility for sponsorship is left in the hands of people with expertise in this area. Category A leagues are starting to address this issue by employing marketing advisers and some Category P leagues are outsourcing this area to management groups. Interestingly, the roles have reversed with some sponsorship opportunities characterised by a ‘shift in onus to the sponsor to make a presentation to the sport as to why they should be considered as a suitable sponsor’ [1].

11. Vince Sherry, National Sales Manager, Reebok Australia, February 1996
Saturation

There seem to be diverging opinions as to the benefits of a one team town. On the surface it seems that being the only National League team in a city would greatly assist in the sponsorship market as there is no competing element with the same product. Yet the Western Australian experience has shown that sponsorship investment in Australian Rules has increased approximately 500% with the advent of two National League Australian Football teams

It will be interesting to see whether this experience is repeated in South Australia pursuant to Port Adelaide entering the AFL competition in 1997.

Globalism

The global philosophy of sport has emerged as a significant factor amongst the sponsor population. With increased technology the global marketplace is becoming smaller and a global product is now achievable. If sponsorship is a vehicle for promotion of a good or service on an international scale it is submitted that global sport products will be a more viable sponsorship investment in the medium to long term. Consider the following two examples:

■ Channel 7 paid 100 million dollars for the television rights to the Atlanta and Sydney 2000 Olympics, sharing a potential audience of 5 billion people.

■ It is estimated that Pay TV will be in 60% of Australian households by the year 2000, all including a sports channel.

Footwear sponsors are particularly focussed on having a global product. Reebok have stated that the Wallabies were a very attractive sponsorship opportunity as they ‘could capitalise on them internationally’13. The international marketing campaigns of Nike and Reebok have been mutually beneficial for the sport of Basketball and product sales. Australian children readily identify with the type of shoe Michael Jordan wears and the Herald Sun interview responses indicated a perception that overseas sports people ‘run faster and jump higher’14.

This perception by Australian school children is undoubtedly linked to the marketing campaigns of these sporting companies using the identity of NBA stars as a highly persuasive medium for promoting a ‘sporting accessory’ culture.

12. Jeff Ovens, WAFC, March 1996
13. Vince Sherry ibid
14. Herald Sun, Melbourne, 28 March 1995
Many sponsors have targeted the Asian market for future expansion. There is strong interest in a League that is able to incorporate teams from Asia, offering sponsors continued exposure in the Australian marketplace and giving them access to spectators and television viewers in Asian countries.

This does not necessarily mean that sports like AFL or even Rugby League will struggle in the future in terms of sponsorship because they do not possess such an international flavour. There is a widely held belief that corporations will continue to support a good product and the Australian identity of the sport is particularly attractive to the image of some sponsors such as Castlemaine Perkins. There is also longer term scope for sports like Australian Football to successfully export their product and be the ‘mother figure’ for other Australian Football National Leagues overseas.

**Gender Differences**

The study has identified a significant difference in the level of sponsorship investment for female National Leagues. Historically women’s sport has not attracted the same level of media coverage as men. Debbie Simms from the Australian Sports Commission Women’s Sport Unit states that it has been harder to get ‘bums on seats’ and therefore women’s competitions have often run ‘back to back’ with men\(^15\). She believes the public do not see women’s sport as a separate entity in its own right. Male sports are generally perceived as offering a faster, more exciting entertainment package and as the product and profile are directly related to sponsorship investment, women’s leagues are typically the ‘poor cousins’ to male leagues.

There appears to be acceptance of this among female National Leagues which have a male counterpart. However, female National Leagues are beginning to recognise the need for change and to become commercially driven. The NWHL is currently reviewing its rules to make the game more attractive to spectators and there has been a gradual acceptance that sex appeal is a legitimate marketing tool, illustrated by changes to uniforms in many female sports in recent years. However, if you consider a unisex sport such as tennis with a faster and higher standard male equivalent but with similar profiles, audience and sponsorship levels, one wonders whether equality is all that unrealistic. A product is only as good as it is marketed!

It is also interesting to consider the sport of Netball which has no male National League counterpart. The ABS Sport Attendance Statistics (1995) show that 312,300 (rating just under Rugby Union) people attended at least one netball match in a 12 month period with the lowest number of spectators attending only once\(^16\). Netball must capitalise in the next few years on this spectator interest at National League games. With average crowd figures in the vicinity of 1000 at National League games it is submitted that the league can command significant growth in attendance and sponsorship interest in the short to medium term.

\(^{15}\) Debbie Simms, Women’s Sport Unit, ACT, March 1996

\(^{16}\) W McLennan, Sports Attendance, ABS, March 1995
Statistics also show that three times as many females as males attend female league sports such as Netball\(^7\), which may be a useful consideration in marketing strategies. This type of concern was addressed in Rugby League's marketing strategy a few years ago incorporating the Tina Turner campaign to attract more females to the game.

**CONSIDERATIONS FOR THE FUTURE**

- Sponsorship responsibilities should be clearly defined and in the hands of those with commercial acumen, negotiation skills and sporting or corporate industry knowledge and contacts.

- A clear, uniform vision and planning as to how the product is to be marketed will assist in identifying potential sponsors and vice versa.

- National Leagues should be able to demonstrate a cost/benefit analysis in the proposal phase for sponsorship.

- Spectator demographics should be analysed and utilised in marketing and sponsorship strategies.

- Sponsorship decisions must be made on the basis of what is best for the league as a whole and retrospective decision making should be avoided.

- Expansion of a league internationally will attract a larger pool of potential sponsors.

---

17. W McLennan, Sports Attendance, ABS, March 1995
MEDIA

INTRODUCTION

The power of the media is indisputable in relation to sport and National Leagues. The 1995 Sweeney Report 'Australians in Sport' reveals that 98% of people surveyed watch some form of sport on TV with Cricket being the most popular sport and the AFL the most popular National League. The emergence of Pay TV has resulted in more televised sport, however, the benefits to the majority of Category S and Category A National Leagues have been minimal in the short-term.

During the last five years sports have:

- changed their rules, presentation and the timing of their games to be more appealing for television, spectators and sponsors;
- established National Leagues to maximise media coverage;
- received payment (sometimes millions) for television rights or at the other end of the scale paid for media coverage of National Leagues;
- committed to training their elite players to deal with the media and sponsors;
- developed individual media role models;
- in the case of Rugby League and Cricket, had their sports divided over what is/was principally a media war.

Many media impacts on National Leagues have already been identified under other headings. This section aims to examine those areas not previously addressed elsewhere.

FINDINGS

Overall

- Other than Rugby League, Australian Football and Cricket, all other sports have in the past or are currently addressing serious issues concerning their National Leagues and television coverage.
- Competition between Australian National Leagues for television coverage with other events such as golf and international sport is fierce, and only those sports which produce good ratings will continue to receive television coverage.

Category P

- Internationally, television rights are the greatest source of revenue for major leagues throughout the world. Some Category P National Leagues are still to develop a strong television following for ‘live’ games.

Category S

- Category S leagues have differing strategies concerning the best type of media coverage. Some sports such as Baseball are considering a highlights package while other sports such as Women’s Basketball prefer the telecast of a game per week.

Category A

- In the medium-term Pay TV offers limited opportunities for Category A sports. Pay TV operators commonly classify their sport into three categories as follows:

  1. Driving Product eg. Rugby League, Rugby Union, Soccer, Cricket, Golf;
  2. Quality Sport eg. Tennis (non grand slam), International Cricket (without Australia);
  3. ‘Fill’ eg. lesser Australian domestic sport and American sport (which is cheap).

- The majority of Pay TV Operators classify Category A National Leagues as ‘Fill’ and are not prepared to spend money producing it for television when they can get international sporting events for a nominal fee. It is questionable whether smaller sports can ever expect increased exposure from Pay TV.

- There is disagreement between Category A sports as to the benefits of producing a highlights package for all news reports on all stations versus paying for the telecast of the whole game.

- Some of the media representatives interviewed for the study noted that some Category A National Leagues were unprofessional in their dealings with the media.
ANALYSIS

Television Coverage

There are no easy answers for National Leagues in dealing with media issues. Television coverage is clearly the main area of concern for most sports. The average Australian watches 147 minutes of television a day\textsuperscript{19} and it is the aim of all sports to ensure that at least some of that time in season is spent watching their product.

The football codes dominate sports on Australian television during winter. This is also peak rating time and stations are less inclined to telecast sport if an alternative program rates more highly. Traditional winter sports such as Basketball have changed the timing of their seasons to avoid this period and media coverage was one of the key factors in their decision making process.

The expansion of Category P Leagues Australia wide and in some cases internationally has made them an attractive product for television resulting in increased coverage. In many instances this has come at the expense of television coverage of state competitions. The Queensland Rugby League competition received prime time coverage (in Queensland) of major matches until the Australian Rugby League competition expanded to include a Brisbane team. Although the QRL competition is still broadcast (although not in prime time) the profile of the competition has dropped dramatically. There is little that state and local competitions can do to increase television coverage when competing with an established National League.

The majority of Category S and Category A League representatives indicated that the National League was receiving greater television and media coverage than the state championships. In many cases this was a “gut feel” unsupported by quantifiable data. Television can be attracted to a National League that is colourful and well packaged, however, many sports still continue to pay for television coverage. Sports need to consider whether this is the best use of limited funds.

Pay TV

Pay TV will not be the goldmine for National Leagues that may initially have been expected. There is little doubt that it may offer opportunities to some National Leagues in the medium to long-term (5 years) as more people subscribe, but its initial impact is expected to be minimal.

\textsuperscript{19} Australian Bureau of Statistics, 1993
Professional Media Relations

It is suggested that the key for most sports, particularly those Leagues in Category A, is to operate as professionally as possible with the media at all times. Media representatives interviewed cited instances where the dates on Press Releases were incorrect and a reporter had been sent to cover an event to find no one there. On other occasions requests by the media for information were not met. There was also a feeling that many of these sports had not learnt to market effectively to the media, and were inflexible in their attitudes to match scheduling and promotion.

Future Considerations

- Pay TV offers a medium to long-term opportunity for Category S and Category A National Leagues. It is important that these sports ‘build bridges’ with Pay TV Operators now to take advantage of future opportunities. This may mean paying production and telecast costs in the interim.

- It is suggested that competition among all National Leagues and other sporting events for media coverage will continue to increase. National Leagues will need to continue to become more proactive rather than reactive in meeting media requirements.
Socio-Economic Impacts

Introduction

The final theme in this section is a potpourri of other socio-economic impacts of National Leagues identified by this Study. These are:

- employment opportunities;
- merchandising revenue; and
- facility development.

During the past few decades sport has emerged as an industry in its own right and has enjoyed significant growth in recent years. Consistent with this, there has been an increase in employment opportunities in National Leagues for a variety of administrative, marketing, coaching, catering, trades and other professions. There has also been an increase in revenue generated from merchandising sales. Conversely, the impact of National Leagues on facility development has been less noticeable with upgrades on existing facilities being the most significant impact in this area.

Employment

Paid Involvement in Sport

The ABS Involvement in Sport Survey (1993) indicated that only 213,000 persons, (less than 5%) of people received some payment for their involvement in sport with coaching being the activity for which most persons were paid (Appendices 3 & 4). This is representative of the traditional perception of sport being a leisurely pastime or largely an amateur pursuit.

However with a new era of professionalism in sport there has been a rapid growth in the sport management industry with National Leagues beginning to seriously plan their strategies and human resource needs. Dr David Shilbury from Deakin University believes that the trend towards full-time paid staff is now irreversible (21). Salary levels are also beginning to reflect the expertise and qualifications required although they are an estimated $10,000 below that of their mainstream commercial counterparts.

20 Castles, I; Involvement in Sport in Australia, March 1993, ABS
National League Employment Opportunities

There has been a significant increase in employment opportunities in National Leagues this decade particularly for Category P Leagues. Take for example the Sydney Kings, (NBL) who in 1989 had four employees compared to the 16 that they currently employ. There has also been an increase in employment opportunities for Category S and A leagues albeit not as marked. Queensland Cricket had eight employees in 1989 compared to the present number of 25. The NSL's criteria state that teams must have a full time Media Liaison, Marketing and Development Officer and there is a full time General Manager for the NWHL.

Australian Football Employment

The AFL's 1993 socio-economic impact, (Socio Economic Impact of Australian Football, Street Ryan and Associates, May 1996) has a useful breakdown of employment in that sport.

- Approximately 39,000 Australian Football volunteers contributed over 4.6 million working hours in 1992, worth the equivalent of $54 million in labour effort.

- Australian Football peak bodies, leagues, associations and clubs employed approximately 4,650 people in 1992.
  - 23% full time
  - 32% part time and
  - 45% casually

- This represented in excess of 2,000 “full time equivalent” jobs.

- The main occupations of people employed by Australian Football leagues and clubs were:
  - Catering/Hospitality 35%
  - Grounds/Building Maintenance 12%
  - Ticket Sales 9%
  - Cleaners 9%
  - Secretaries/Receptionists 7%
  - Managers/Executives 6%
  - Accountants/Finance 5%

- Remuneration paid to players, coaches, trainers and umpires accounted for the equivalent of a further 2,560 full time jobs.
It is conceded that it would have been useful to have 1995 comparative figures to ascertain employment growth, although these figures are interesting nevertheless. Although event management commanded the highest employment figures, the jobs were predominantly in the part-time or casual category whereas the majority of full time positions were in administration and management (Appendices 5 & 6). Although there will always be a large number of casual and part-time employees in event management for National Leagues, by the year 2000 National Leagues will experience a significant growth in full time employment in the management and administration areas. The age of the ‘volunteer backbone’ for National Leagues has almost come to an end. In the future the demand for marketing, sales and finance will increase and the stakes will get higher, ie legal liability, as the league moves towards, or strives to maintain a truly professional status. Volunteers will still remain important to “feeder” competitions.

**MERCHANDISING**

Merchandising has been an important source of revenue for many National Leagues. In 1995 approximately $325 million of sports merchandise was sold in Australia. The AFL is the leading Australian National League with sales of $61 million in 1995 (Appendix 7). The value of these revenue streams varies widely across National Leagues. Category P National Leagues have merchandising sales in the multi millions while some Category A National Leagues reflect merchandising sales of less than $5,000 per season.

During the 1980’s sports merchandising in Australia was generally conservative. Children would buy a copy of their favourite players’ football jersey and not much else. The 1990’s have seen Category P National Leagues begin to maximise their merchandising returns through innovative marketing campaigns, expanded clothing ranges and appropriate licensing across a range of different products. Retail outlets selling only sporting merchandise have flourished. The merchandising story is not always positive, as conflict has arisen between National Leagues and National League teams, especially where equalisation rules apply that split merchandising revenue evenly between all National League Clubs. This has been a key conflict issue between some Rugby League teams and the ARL.

The majority of National Leagues have recognised the benefits of merchandising and at the very least have designed uniforms to be attractive to the general public. Women’s sports have been extremely proactive in this area in the past few years. There has also been a tendency within many National Leagues and National League teams to hand merchandising over to a professional firm. This has been a sound strategy in the majority of cases.

Many people interviewed from Category S and Category A National Leagues indicated that their merchandising campaigns are increasingly focusing on their sport’s overall participant base through the provision of products such as sunscreen, uniforms and equipment. Category P National Leagues have the most success in marketing to the general public because of the large levels of media exposure they enjoy.
FACILITY DEVELOPMENT

The majority of issues relating to facilities have been addressed in previous sections of this report. Detailed below are key issues concerning the major sporting facilities of the future.

- All Category P and Category S National Leagues now operate in multi-use facilities.

- Size alone is no longer the single major factor in stadiums. Extensive corporate facilities, spectator amenities, media facilities and lighting are now major areas of emphasis.

- Proper facilities are now a prerequisite in gaining major corporate support.

- There are now well documented examples of the impact of facilities on increased crowd numbers and corporate support. Cricket and Australian Rules National League teams in Queensland have waiting lists for the new corporate boxes constructed as part of the new stand at the ‘Gabba’.

- The ability of the commission to relocate major games (regardless of nominated home ground) has resulted in a vast increase of crowd size in the AFL (particularly in the use of the MCG, Waverley Park and the Sydney Football Stadium).

- Television scheduling and the playing of matches at different (non-traditional) times has allowed major stadiums to be used several times during the one week.

- Some teams have, possibly against their wishes been forced to relocate their home ground.
CAPACITY TO SUPPORT NATIONAL LEAGUES

FINDINGS

■ National Leagues and teams operate in the same marketplace as other sporting organisations and sporting special events.

■ A unanimous feeling exists that at some point in time a ‘saturation’ level will be reached.

■ Sponsorship is becoming a far more sophisticated exercise and increasingly requires a return on investment.

■ Any downturn in the economy is expected to have a corresponding negative impact on overall sport sponsorship.

■ The Sydney Olympics are expected to impact on available sponsorship in the two year period prior to 2000.

■ A quality product is seen as fundamental to any marketing success.

■ Sport is a business and therefore payment of debts, accountability and shareholder/director responsibility are the rules.

■ Some National League teams are seeking to broaden their business interests by considering off season interests (facility usage and social club facilities.)

■ Tapping the overseas markets will continue to be attractive for Australian National Leagues. New Zealand is rapidly becoming a consideration, as is South East Asia. Sports which have a cultural significance to Asia (cricket, netball, soccer, hockey - British Commonwealth) and ‘Americanised’ sports (softball, basketball) have already been shown interest. The advent of pay television may well advance this.

■ Many believe that category P and S Leagues are moving towards an ‘entertainment’ package at live sporting performances.

ANALYSIS

■ Underlying market forces are increasingly becoming a major factor in reviewing, positioning and guiding National League growth.
The economics of National League and team survival are built around:

- an attractive product;
- sponsor appeal;
- spectator facilities;
- television; and
- other income sources, e.g. merchandise.

Ongoing market research is used by several organisations to monitor each of the above.

The unknowns associated with pay television will make it difficult to facilitate league development around a pay TV market.

Population, interest in the sport and television potential make National League expansion into South East Asia a distinct possibility. Attempts of a minor nature to date have met with mixed success. There are greater costs associated with travel, and cultural factors are also an issue (Asian teams like to be winners).

**Implications for the Future**

- The influence of Pay television will need to become known before expansion associated with television take place.

- Sophisticated market research will need to take place in an ongoing manner to understand the dynamic nature of market influences.
Part C

Structural Considerations
MODELS

INTRODUCTION

National Leagues have been ‘evolving’ over the past few decades. Most evolution has occurred with a short to medium term focus rather than on a longer term planned approach that incorporates the wider implications of the sport, or other factors such as financial well-being or growth.

Certainly some factors have governed the National League growth of many sports in a unique Australian environment. These include:

- a relatively small national population limits the overall capacity for the number of teams per city. Newer leagues are better able to address this, rather than some historically founded older leagues who have ‘over supply’ in some cities;
- the high cost of domestic travel requires either airline support or large corporate sponsorship;
- a more recent move to economic rationalisation with fewer, higher quality and better performing teams; and
- a belief by many that some National Leagues are in fact Television Leagues. This medium is then the foundation for national sponsorship, promotion and financial stability.

This section examines the various ‘models’ that govern or are perceived to govern the establishment, evolution and growth of National Leagues.

FINDINGS

- National Leagues, depending on their category, are a small, medium or large business. Sport is a service industry.
- Television (free to air and pay) is largely seen as the foundation of any professional National League.
- Almost without exception the introduction of a National League (or league team) has had a major (initially negative) impact on the previous state or premier league.
- National League teams and leagues emerge from:
  - existing teams or ‘tribal’ backgrounds;
  - geographical area identities;
  - being “artificially” put together.
Apart from the realisation that supporters desired winning teams, few organisations saw a ‘customer relationship’ and used such methods as market research to investigate needs, wants, dislikes and generally solicit feedback.

National Leagues and special events are in the bigger picture competing with themselves for finite sponsorship or support dollars.

There have been strong and mixed reactions to the concept of private ownership of National League teams.

People with strong business and marketing skills are in high demand.

Victoria and New South Wales are the ‘hub’ of major sponsorship decisions and as such the other states and territories become ‘branch offices’.

Integrated models of sport development appear to work best in the development of National Leagues (i.e. strong relationships between governing bodies, franchise teams and local associations).

There is a strong relationship between on-field success and business ability.

Sponsor expectations are becoming more sophisticated - the ‘philanthropic’ sponsor has disappeared and performance indicators are becoming the norm.

A ‘fewer’ but ‘higher quality’ teams philosophy is rapidly receiving prominence within many National Leagues.

Television is seen as the foundation block to sponsorship, marketing, merchandising and crowd support by most professional and semi-professional leagues.

An independent commission (comprising appropriately skilled people) is seen by several National League analysts as a positive, professional approach to guiding National League development.

Many observers believe that Australian Football in Western Australia and South Australia have implemented the best models of ‘realignment’ due to a National League presence.

**ANALYSIS**

Guaranteed television exposure is almost a prerequisite for major sponsorship.

Some analysts have commented that unless National League Sport becomes a more suitable television product then it will risk losing/lowering television support.
Television is commercially driven and ratings will eventually dictate the level of television support.

Some sports have very drastically altered their product (i.e. rules, seasons etc.) to have greater television appeal, eg. Cricket, Netball, Women’s Basketball, AFL.

With the impact of a National League or team the previous premier or state league has had to review and refocus its role. In some cases this has been drastic. In many instances state leagues have become development bodies, as their previously high profile competitions have become the “poor cousins” of the National League.

Travel equalisation initiatives have in selected sports reduced the burden of travel costs for some teams/states.

Distance, travel and population factors work against smaller states and territories being highly competitive in National Leagues. However, areas such as the Northern Territory and Tasmania on a per capita basis produce in some sports an extremely high percentage of high calibre athletes.

The geographical boundaries of the previous premier/state league have in many cases required review and redefinition. This has further implications for neighbouring and associated leagues.

Although there have been many approaches to the establishment and growth of a National League with varying degrees of success, there is an overall recognition that even with television and large corporate sponsorship the local supporter base is still fundamental to the overall success of an organisation.

National Leagues not only compete with other leagues for sponsorship and support but also with other sporting special events, i.e. championships, Indy Grand Prix and a somewhat unknown but likely highly significant 2000 Olympics.

It is considered that with a strong business emphasis on National Leagues and teams that private sector business and marketing skills are needed. There is acknowledged less emphasis on employing grassroots ‘love of the sport’ sports practitioners or former champions and some graduates of the sports administration programs. These people are now widely seen as more appropriate for sports development roles.
Attitudes towards private ownership are strong and varied. At this stage, most attitudes tend to be polarised on the sport itself or within a sport according to a faction. Many cause and effect relationships are associated with private ownership.

- Within the AFL there is now widespread feeling against private ownership, citing the Swans and Bears examples, and part private ownership of several other clubs. Several AFL analysts believe that private ownership and club ownership cannot co-exist.

- The majority of Basketball (NBL) teams and certain sections of Rugby League believe that private ownership is the future of National League development.

- Other more traditional sports such as Cricket and Rugby Union do not see private ownership as a likely eventuality.

- Some prominent individuals within higher profile sports believe that private ownership will bring the leadership and management ability necessary to develop National Leagues.

Governing bodies of representatives of each team are unlikely to take a nationally objective view of development considerations. Sectional interests will continue to dominate in these situations.

Several sports have been less than successful in the overall integration of a National League presence due to poor overall consultation and planning with affiliate bodies.

**Implications for the Future**

- The introduction of a National League or Team will have a far reaching 'ripple effect' on existing state and supporting structures and leagues.

- Maintenance of the status quo is not a viable option. Preservation of the past and resistance to change can almost be predicted.

- The history of National League development has provided valuable lessons in each of the categories P, S and A. The learnings from each should be carefully considered in any future undertaking.

- The implications of any National League development will have a significant impact on that particular sport in terms of elite competitor pathways. For maximum coordination of effort and focus, an interactive planning session should be held frequently.
Governing bodies of National Leagues should seriously consider an independent commission or governing body to manage and guide the League. This step further recognises the financial responsibilities of these businesses.

Private ownership or part private ownership may well re-emerge as an alternative factor in times of declining sponsorship and heightened need of professional management.

Historical sentimentality will be put aside in the expectations of National League or Team financial performance.

The role of government may be a factor in subsidising travel for geographically removed teams.

The Australian Football models in Western Australia and South Australia have considerable merit for other Leagues and teams to emulate.
IMPACT MODEL OF NATIONAL LEAGUE DEVELOPMENT

STAGE

1. Establishment of National League/Team
2. Various impacts on State/Premier League
3. Repositioning/Refocus of State/Premier League
4. Repositioning/Refocus of other metropolitan, country and junior competitions
There have been some significant impacts on sport attributable to the introduction of the National League concept in Australia. The transition in many instances has not been smooth, however, it has been a catalyst for improved standards of athletic performance and an increase in interest and profile for many sports nationally.

The days of amateurism in National Leagues are numbered. Australia has entered into a new era of commercialisation of sport where National Leagues are held increasingly more accountable for their actions. This has necessitated the need for professional administration, coaching and an era of well paid professional athletes. Not all leagues are there yet and in fact some have a long way to go. The future of National Leagues is largely in the administrators’ hands.

Lessons can be learnt from past experiences and new lessons will be learned as leagues strive towards achieving a successful professional entity. Their success will largely depend on sound strategic, marketing and financial planning linked to maximising and conveying the attractiveness of the product to spectators, sponsors and the media. In order for this to be achieved Leagues, must be satisfied that decision making responsibilities are in the hands of those with sound commercial acumen and business expertise.

Leagues should be dynamic and responsive to change. The world is “getting smaller” through technological advances and leagues are attempting to become more global in outlook. This trend will accelerate in the near future with National Leagues extending into South East Asia as the next logical step beyond New Zealand. However, Leagues must be careful not to be too ambitious too early and ensure that their own backyard is tidy before seeking to expand prematurely.

A healthy National League is dependent on an effective and cooperative feeder system. These options are mutually dependent. The National League should invest as much as possible in feeder development as it is an ‘investment in its own future.’

While some of the initial goals have been achieved such as increasing the standard of domestic competition for elite athletes, sport is now largely perceived as a business and the objectives are shifting to a more economic focus. Although there is room for some leniency in the establishment years, at the end of the day National Leagues must be self sufficient and financially independent.
APPENDIX 1

ACKNOWLEDGMENTS

We would like to acknowledge the contributions of the following people to the Study.

Linden Adamson, Australian Hockey Association
Margaret Angove, SASI Netball
Garry Bail, Hockey Queensland Inc
Ed Biggs, Australian Football League
John Boothby, Reebok Australia
Ken Breen, Australian Volleyball Federation
Phil Brown, AIS Women’s Basketball
Sharon Buchanon, Women’s Hockey Australia
David Buckingham, Sport and Recreation
Tasmania
Brian Burke, The Australian
Jack Busch, WA Ministry of Sport and Recreation
Don Cameron, AIS Water Polo
Brenda Cawood, Women’s Hockey Australia
Brian Cook, West Coast Eagles
Lisa Cranfield, TAS Water Polo Inc
Peter Cummisky, QLD Australian Football League
Helen Curtis, ACT Hockey
Pat Dart, ACT Netball Association
Steve Davies, Geelong Supercats
Scott Derwin, Surf Sports Australia
Stephen Dobbie, ACT Australian Football League
Christine Dobson, ACT Hockey
David Dodds, Foxtel
Terry Doyle, Queensland Rugby Union
Mike Dunlap, Adelaide Eagle Super Sixers
Greg Durham, Geelong Football Club
Mario Fenech, Channel 9
Robert Finch, Hunter Mariners
Graham Fish, Tassie Islanders
John Forbes, Puma
John Fuhrmann, WA Ministry of Sport and Recreation
Lindsay Gaze, Victorian Basketball Association
Darren Godwell, Australian Sports Commission
Neville Goldspring, NSW Dept of Sport and Recreation
Robyn Granger, QUIT Garville
Leanne Grantham, Women’s National Basketball League
Graham Halbish, Australian Cricket Board
Roger Hampson, Essendon Football Club
Kathy Harby, ETSA Contax
Brett Harris, The Australian
David Hatt, Fremantle Football Club
Tricia Heberle, SASI Women’s Hockey
Mark Holly, Melbourne Tigers
Tim Horan, Australian Rugby Union Representative
Trevor Howard, WA Football League
Amanda Huckstadt, ACT Softball Association
Brian Hughes, NSW Cricket Association
Pat Hunt, AIS Basketball
Andrew Ireland, Brisbane Bears
Ken Jacobs, Victorian Cricket Association
Bob Jenkins, Melbourne Waverly Puma
Kyle Johnston, Carlton United Breweries
Stefan Kamasz, Soccer Australia, formerly Australian Baseball League
Denis Keeffe, Townsville Suns
Allan Ladewig, Brisbane Blazers
Lorraine Landon, Sydney Kings, Sydney Flames
Roger Leforte, Perth Glory
Tony Mann, WA Cricket Association Inc
Pip March, NT Hockey Association
Roy Masters, Sydney Morning Herald
Ian Maurice, Channel 9
Gordon McCloud, AIS Men’s Basketball
Richard McGruther, Australian Rugby Union
Duncan McKenzie, Adidas
Kylie McLean, NSW Softball Association
Ian McLeod, Australian Softball Federation
Graham McNaney, Basketball Australia
Keith Meskell, Canberra Raiders
Andrea Mitchell, Ministry of Sport & Recreation
Paul Morgan, Pacific Sports Entertainment
Brian Mott, Sport and Recreation Victoria
Erv Moyd, NT Baseball League
Lydia Najlepszy, Qld Academy of Sport
Kathy Nelson, ETSA Contax
Kevin Neil, Canberra Raiders
Geoff Northcott, Castlemaine Perkins
Rob Nugent, South East Melbourne Magic
Ross Oakley, Australian Football League
Gary O’Donnell, Queensland Volleyball
Bridget Oppermann, Sunbirds
John Ostermeyer, Australian Baseball Federation
Jeff Ovens, WA Football Commission
Bill Palmer, National Baseball League
David Parkin, Carlton Football Club
Harold Peacock, Qld Basketball Inc
Geof Pearce, SA Recreation and Sport
Roger Plastow, Qld Dept of Emergency Services & Sport
Louise Pilling, Fremantle Pumas
Barry Richardson, Basketball SA
Peter Russell, National Soccer League
John Quayle, Australian Rugby League
Mike Rees, Eventscorp, WA
Barry Richards, Queensland Cricket
Michael Scott, SA Office for Recreation and Sport
David Scott, Basketball Tasmania
Kevin Sheedy, Essendon Football Club
Vince Sherry, Reebok Australia
Debbie Simms, Women’s Sport Unit
Pam Smith, Netball Australia
Alastair Snell, New Zealand Netball
Geoff Strang, Australian Institute of Sport
Nigel Taylor, Surf Life Saving Victoria
Gaye Teede, AIS Netball
Bob Turner, Basketball Australia
Paul Tynan, Newcastle Falcons
Randall Upton, National Fastpitch League
Matti Urvet, Northern Territory Government
Paul Vautin, Channel 9
Alan Vessey, Brisbane Strikers
Michael Von Berg, SA Rugby Union
David Weir, Brisbane Bullets, formerly Qld Department of Tourism, Sport & Youth
Steve Williams, Brisbane Bullets
Peter Woods, Brisbane Bandits
Mike Young, Baseball Queensland
## APPENDIX 2

**DELPHI STUDY IMPACT OF NATIONAL LEAGUES**

Sample Size = 30

<table>
<thead>
<tr>
<th>RANK</th>
<th>ISSUES</th>
<th>GRASS ROOTS</th>
<th>ATHLETE DEVELOPMENT</th>
<th>FINANCIAL VIABILITY</th>
<th>SPONSORS</th>
<th>SATURATION</th>
<th>SOCIO-ECONOMIC</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>Government has failed to recognise the impact of &quot;non-traditional sports&quot; re facilities.</td>
<td>At the elite level the Australian standard is improving continually.</td>
<td>Costs of competing in a National League are significant, especially travel.</td>
<td>The spin-off from sponsorship to local/state competition has been minute.</td>
<td>Finances are saturated, not the growth potential of the sport.</td>
<td>National Leagues have created a mentality of entertainment rather than participation.</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>Coaching accreditation at junior levels has improved.</td>
<td>More emphasis has been placed on talent identification programs.</td>
<td>Teams do not have the expertise to market their product and so opportunities for financial gain are lost or jeopardised.</td>
<td>Sponsors concentrate on media promoted sports.</td>
<td>Lack of top class facilities and coaching is stifling the growth of the sport.</td>
<td>Increased employment opportunities for specialists.</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>National League player involvement in junior development is an effective means of raising interest.</td>
<td>The training commitments have increased significantly over the last few years.</td>
<td>Increased financial pressures have created a focus on non-government sources of revenue.</td>
<td>National League is a more marketable product and sponsorship investment has increased.</td>
<td>Timing of the season is crucial due to the large number of National League sports.</td>
<td>Number of paying spectators are increasing each year.</td>
</tr>
<tr>
<td>4</td>
<td></td>
<td>Media coverage is generally much higher at all levels because of the national league.</td>
<td>More opportunity for players to play in the top level of state or local competition.</td>
<td>National League teams are struggling to compete in the market place due to lack of television coverage.</td>
<td>Sports which cannot rely on a large gate or television will always be disadvantaged in the sponsorship market.</td>
<td>The population and demographics of a city will determine how many National League teams it can support.</td>
<td>Income sharing strategies are inequitable.</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>Has been a move away from the recreational involvement at grass-roots to a focus on the elite.</td>
<td>More emphasis should be placed on developing local talent rather than importing.</td>
<td>National League teams are not financially viable and are a financial burden to others.</td>
<td>Sports which are attractive to the global market will be the most successful re sponsorship in the future.</td>
<td>There is no perceived saturation point as there are many ways to accommodate growth i.e. pools/divisions to split geographic logiques.</td>
<td>State League merchandise/gate takings have been severely reduced.</td>
</tr>
</tbody>
</table>
# APPENDIX 3

## PAID & UNPAID INVOLVEMENTS
### BY TYPE OF INVOLVEMENT

## AUSTRALIA

<table>
<thead>
<tr>
<th>Type of involvement</th>
<th>Paid involvements ('000)</th>
<th>Unpaid involvements ('000)</th>
<th>Total involvements ('000)</th>
<th>Participation rate Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Playing involvements</td>
<td>57.0</td>
<td>3906.5</td>
<td>3963.6</td>
<td>29.1</td>
</tr>
<tr>
<td>Non-playing involvements:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Coach/instructor/teacher</td>
<td>97.8</td>
<td>433.7</td>
<td>531.5</td>
<td>3.9</td>
</tr>
<tr>
<td>- Referee/umpire</td>
<td>63.1</td>
<td>362.8</td>
<td>425.8</td>
<td>3.1</td>
</tr>
<tr>
<td>- Administrator/committee member</td>
<td>26.0</td>
<td>604.9</td>
<td>630.9</td>
<td>4.6</td>
</tr>
<tr>
<td>Other involvement</td>
<td>15.4</td>
<td>378.9</td>
<td>394.3</td>
<td>2.9</td>
</tr>
<tr>
<td>Total non-playing involvements</td>
<td>202.3</td>
<td>1780.3</td>
<td>1982.5</td>
<td>...</td>
</tr>
<tr>
<td>Total involvements</td>
<td>259.3</td>
<td>5686.8</td>
<td>5946.1</td>
<td>...</td>
</tr>
</tbody>
</table>
### APPENDIX 4

**PERSONS WITH PAID & UNPAID INVOLVEMENT IN SPORT BY GENDER AND STATE, AUSTRALIA**

<table>
<thead>
<tr>
<th>State of usual residence</th>
<th>MALES</th>
<th>FEMALES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total persons</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NSW</td>
<td>2,288.4</td>
<td>2,322.2</td>
</tr>
<tr>
<td>Vic</td>
<td>1,409.6</td>
<td>1,789.9</td>
</tr>
<tr>
<td>Qld</td>
<td>1,713.6</td>
<td>1,643.5</td>
</tr>
<tr>
<td>WA</td>
<td>646.7</td>
<td>653.8</td>
</tr>
<tr>
<td>SA</td>
<td>484.7</td>
<td>493.6</td>
</tr>
<tr>
<td>Tas</td>
<td>224.7</td>
<td>291.4</td>
</tr>
<tr>
<td>NT</td>
<td>211.9</td>
<td>193.9</td>
</tr>
<tr>
<td>ACT</td>
<td>281.9</td>
<td>257.9</td>
</tr>
<tr>
<td><strong>Unpaid involvement</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NSW</td>
<td>876.7</td>
<td>533.3</td>
</tr>
<tr>
<td>Vic</td>
<td>667.7</td>
<td>312.4</td>
</tr>
<tr>
<td>Qld</td>
<td>424.7</td>
<td>449.8</td>
</tr>
<tr>
<td>WA</td>
<td>229.7</td>
<td>291.4</td>
</tr>
<tr>
<td>SA</td>
<td>261.7</td>
<td>257.9</td>
</tr>
<tr>
<td>Tas</td>
<td>88.8</td>
<td>83.4</td>
</tr>
<tr>
<td>NT</td>
<td>12.1</td>
<td>3.9</td>
</tr>
<tr>
<td>ACT</td>
<td>0.1</td>
<td>-</td>
</tr>
<tr>
<td><strong>Paid and unpaid</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NSW</td>
<td>841.0</td>
<td>2,860.2</td>
</tr>
<tr>
<td>Vic</td>
<td>188.9</td>
<td>1,241.7</td>
</tr>
<tr>
<td>Qld</td>
<td>437.0</td>
<td>1,021.0</td>
</tr>
<tr>
<td>WA</td>
<td>498.0</td>
<td>2,268.0</td>
</tr>
<tr>
<td>SA</td>
<td>346.1</td>
<td>343.0</td>
</tr>
<tr>
<td>Tas</td>
<td>261.1</td>
<td>1,990.4</td>
</tr>
<tr>
<td>NT</td>
<td>30.4</td>
<td>30.4</td>
</tr>
<tr>
<td>ACT</td>
<td>1.6</td>
<td>1.6</td>
</tr>
<tr>
<td><strong>Per cent</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NSW</td>
<td>38.8</td>
<td>16.5</td>
</tr>
<tr>
<td>Vic</td>
<td>38.9</td>
<td>22.0</td>
</tr>
<tr>
<td>Qld</td>
<td>39.0</td>
<td>24.1</td>
</tr>
<tr>
<td>WA</td>
<td>39.1</td>
<td>24.0</td>
</tr>
<tr>
<td>SA</td>
<td>39.3</td>
<td>24.3</td>
</tr>
<tr>
<td>Tas</td>
<td>39.4</td>
<td>24.0</td>
</tr>
<tr>
<td>NT</td>
<td>39.5</td>
<td>24.0</td>
</tr>
<tr>
<td>ACT</td>
<td>39.6</td>
<td>24.0</td>
</tr>
</tbody>
</table>

Note: Participation rates are calculated as the percentage of the total population in each state and territory.
JOBS IN FOOTBALL

TYPE OF EMPLOYMENT

TYPE OF OCCUPATION

Socio Economic Impact of Australian Football, Street Ryan and Associates Pty Ltd, May 1993
### OCCUPATIONS OF PERSONS EMPLOYED BY LEAGUES AND CLUBS, 1992

<table>
<thead>
<tr>
<th></th>
<th>Victoria</th>
<th>South Australia</th>
<th>Western Australia</th>
<th>New South Wales</th>
<th>Tasmania</th>
<th>NT &amp; ACT</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FT</td>
<td>PT</td>
<td>Cas</td>
<td>FT</td>
<td>PT</td>
<td>Cas</td>
<td></td>
</tr>
<tr>
<td>Administration</td>
<td>63</td>
<td>103</td>
<td>15</td>
<td>60</td>
<td>15</td>
<td>60</td>
<td>227</td>
</tr>
<tr>
<td>Management/Executives</td>
<td>30</td>
<td>35</td>
<td>15</td>
<td>30</td>
<td>15</td>
<td>30</td>
<td>90</td>
</tr>
<tr>
<td>Development/Officers</td>
<td>30</td>
<td>100</td>
<td>15</td>
<td>120</td>
<td>0</td>
<td>0</td>
<td>150</td>
</tr>
<tr>
<td>Marketing/Publicity</td>
<td>25</td>
<td>100</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>200</td>
</tr>
<tr>
<td>Accounting/Finance</td>
<td>25</td>
<td>125</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>275</td>
</tr>
<tr>
<td>Catering/Hospitality</td>
<td>50</td>
<td>135</td>
<td>100</td>
<td>50</td>
<td>30</td>
<td>100</td>
<td>285</td>
</tr>
<tr>
<td>Ticket Sales</td>
<td></td>
<td>200</td>
<td>50</td>
<td>122</td>
<td>45</td>
<td>270</td>
<td>417</td>
</tr>
<tr>
<td>Parking</td>
<td></td>
<td>239</td>
<td>50</td>
<td>130</td>
<td>45</td>
<td>270</td>
<td>417</td>
</tr>
<tr>
<td>Security</td>
<td></td>
<td>239</td>
<td>50</td>
<td>222</td>
<td>22</td>
<td>50</td>
<td>331</td>
</tr>
<tr>
<td>Maintenance</td>
<td></td>
<td>70</td>
<td>34</td>
<td>150</td>
<td>34</td>
<td>150</td>
<td>150</td>
</tr>
<tr>
<td>Grounds/Building</td>
<td></td>
<td>50</td>
<td>18</td>
<td>50</td>
<td>18</td>
<td>50</td>
<td>118</td>
</tr>
<tr>
<td>Unspecified</td>
<td></td>
<td>10</td>
<td>0</td>
<td>10</td>
<td>0</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>TOTAL</td>
<td>568</td>
<td>678</td>
<td>1000</td>
<td>220</td>
<td>490</td>
<td>270</td>
<td>1020</td>
</tr>
</tbody>
</table>

1995 MERCHANDISING REVENUE

Business Review Weekly,
17 June 1996

National Leagues Report October 1996