

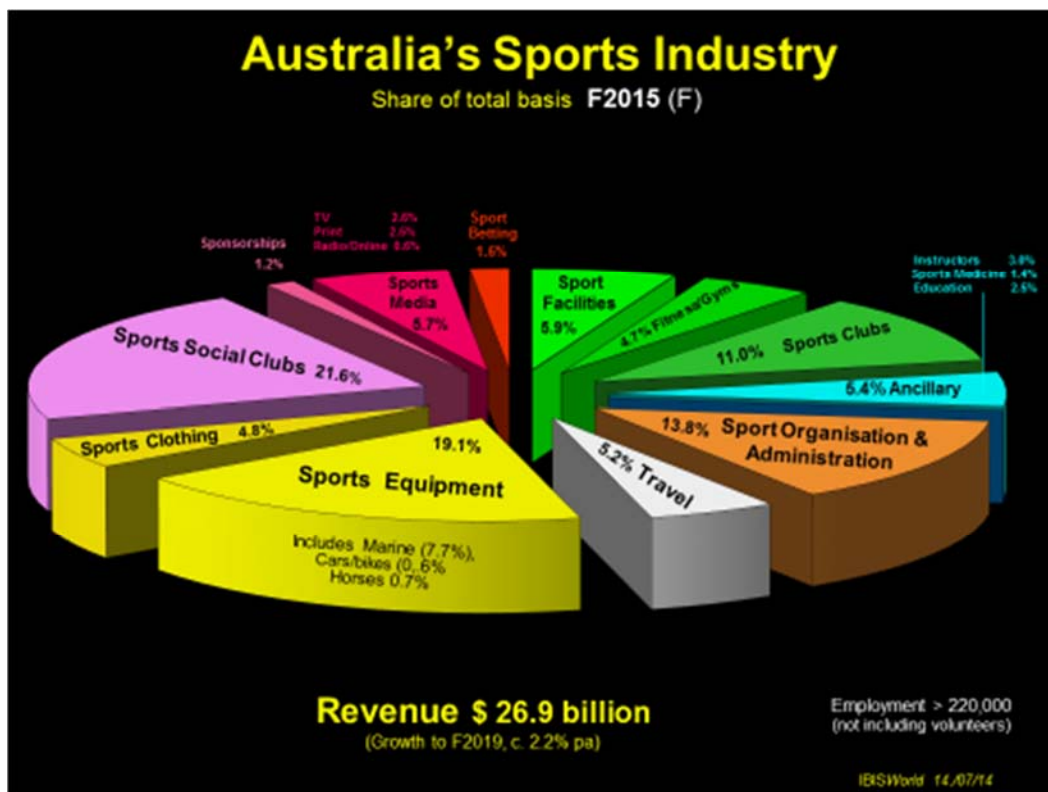
Sport in Australia

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This fiscal year to June 2015, the nation's sporting industry is expected to have a revenue of some \$27 billion of which some will be earned from exports via the hosting of international sporting events; and more of this shortly.

The break-up of the market is shown in the first chart.



Interestingly, the direct participation in sport is a small portion (21%) of this giant market, consisting of sports facilities, fitness centres and sporting clubs. Even equipment and clothing purchases, at 24% of the total is a bigger share; with marine equipment the stand-out with annual spending of over \$2 billion. As one famous yachtman said: it is like standing under a shower tearing up \$100 bills!

Even sports social clubs, accounting for an expected share this year of 21.6%, is bigger than sports participation.

Media and sponsorships have always been important even though they represent around only 6% and 1% of the total respectively.

A more recent entrant - as a legal as distinct from an illegitimate component – is sports betting, at 1.5% of the total but with significant growth in comparison with the total industry growth of a little over 2%. This modest growth is largely due to emerging saturation in the community with sport as participants, spectators and recreationists, but with ever-present searches for - and delivery of - new and exciting variations from providers..

The rise of soccer in popularity is one of the emerging changes. It has been a poor-cousin to Aussie Rules and the Rugby codes for most of the nation's history until recent times. But our entry into the World Cup this year, and the hosting of the AFC Asian Cup in January 2015 signify change.

It can now be added to the impressive list of Australia's history of participation in, and hosting of, many sports as the second exhibit reveals.

Australia's global hosting of sport

- ❖ **Olympic Games** (1956, 2000)
- ❖ **Commonwealth Games** (1938, 1962, 1982, 2006, 2018)
- ❖ **Formula 1 Grand Prix** (1928 as Australian Grand Prix to 2014)
- ❖ **Motor Cycle GP** (1989 onwards)
- ❖ **Tennis Open Grand Slam** (1905 onwards)
- ❖ **Cricket** (Ashes 1882 onwards, other internationals to present day)
- ❖ **International Golf** (PGA)
- ❖ **Rugby** (Union and League)
- ❖ **Soccer** (AFC Asian Cup January 2015)
- ❖ **Horse racing** (Melbourne Cup)
- ❖ **Yachting** (Sydney-Hobart, 1945 onwards))
- ❖ **Surfing**
- ❖ **Marathons and Fun Runs**
- ❖ **Athletics**
- ❖ **Swimming**
- ❖ **Cycling**
- ❖ **And more**

Australia has participated in all Olympic Games, hosted two, and been in the top handful of medal winners on a per capita population basis. Ditto the Commonwealth games, where we have hosted four with a fifth on the way in 2018.

Our involvement in motor vehicle racing goes back a very long way, over eight decades with our first Grand Prix staged in 1928, and now being part of the Formula 1 Grand Prix circuit each year.

And then there is cricket, with an even longer history and more passion; especially with the Ashes against The Poms! The Bredisloe Cup in Rugby Union, fought with our neighbour across the Tasman, isn't quite as big a deal, but with great passion nevertheless.

A sign of the changing times can be gained by looking at the larger enterprises in this giant \$27 billion market. The Football Federation Australia body (governing soccer) is now in the Top 10 sporting enterprises with a revenue of around \$110 million.

The others include: the AFL (c. \$600 million); the ARL (\$350 million); Australian Sports Commission (\$320 million); Cricket Australia (\$260 million); Tennis Australia (\$220 million); the MCG (\$150 million); Australian Grand Prix \$120 million); and Australian Rugby Union (\$110 million).

What is particularly interesting is how modest our international trade in sports has been. Both exports and imports have grown over the past decade. But imports (participation overseas) has grown from \$30 million to \$140 million, while exports (inbound participation) has grown from around \$45 million to the current \$100 million.

These amounts have to be adjusted upwards of course to include related spending on domestic travel, accommodation, meals, entertainment, retail shopping and other goods and services.

Total tourism, including sports related tourism, is around the \$35-36 billion mark each for imports and exports these days, with imports exceeding exports by several percent.

The sports tourism component would probably exceed \$ 1.5 billion both ways, maybe even over \$ 2 billion, when including all the ancillary spending.

The forthcoming Asian Cup in 2015 and the Commonwealth games in 2018 will give a boost to the annual sporting events that the nation has assiduously built up over more than a century.

And it is well to remind ourselves that sport is one of the truly important elements of fitness, economic activity, international trade, ambassadorship and peace-making among the world's 230 nations and principalities. The list below tease out the more important facets of the industry.

The Many Faces Of Sport

- ❖ **Sport encourages health and fitness**
- ❖ **It builds relationships and team spirit**
- ❖ **It can transcend race, religion, class and income**
- ❖ **It nowadays transcends physical disabilities**
- ❖ **It is an opportunity for philanthropy and volunteerism**
- ❖ **It builds international understanding & friendships**
- ❖ **It encourages competition** (personal, inter-personal , inter-team)
- ❖ **It replaces wars and conflicts, with peace** (as does trade)
- ❖ **It is fun in its many forms**
- ❖ **It is an activity that can pick up the disadvantaged**
- ❖ **For over a hundred thousand it is a career and income**
- ❖ **It is big business and significant in international trade**

Bread and circuses were the priorities in Rome it has been said, to keep the population contented. These days we have a lot more priorities, including health, but sport remains very high on the list in Australia.