Date Introduced: 9 May 1985
House: House of Representatives
Presented by: Hon. John Brown, M.P., Minister for Sport, Recreation and Tourism

Short Digest of Bill

Purpose

To establish the Australian Sports Commission (ASC) as a statutory authority to advise on priorities in sporting development, to attract private sector funds and to distribute funds to sporting bodies.

Background

The Commonwealth's first involvement in assistance to sports arose from concern over the fitness standards of recruits in the early part of the Second World War. The National Fitness Act 1941 created a Commonwealth Council for National Fitness to advise the Commonwealth, and National Fitness Councils in each State which channelled funds to sports and fitness bodies. Special grants were introduced in 1951 to assist areas of special importance, such as the 1956 Olympic Games in Melbourne.

The administration of sports development was transferred to the Department of Tourism and Recreation in December 1972. Between this time and the abolition of the Department in 1975, the Sports Assistance Program was introduced and the Sports Advisory Council established. In 1975 the administration of sports programs was transferred to the Department of Environment, Housing and Community Development. Two reviews of the Commonwealth's role in sport, conducted by the Administrative Review Committee and the Task Force on Co-ordination in Welfare and Health,[1] called for rationalisation of programs and a national co-ordinating role for the Commonwealth. The latter review resulted from the lack of success at the Montreal Olympic Games in 1976 which, more than other reason, prompted the Government to reconsider its commitment to sports assistance.

Between 1977 and 1983, several significant steps were taken to improve sporting assistance. Of these, the most important were the creation of the Australian Institute
of Sport (AIS) and the introduction of a Sports Development program to provide funds for major sporting bodies. The administration of sports assistance was transferred to the Department of Home Affairs and Environment in 1978.

The election of a new Government in 1983 saw a number of changes in assistance to sport, with administration being transferred yet again, this time to a new Department of Sport, Recreation and Tourism. An ASC was part of the Australian Labour Party's 1983 election policy, and on 13 September 1983 the Minister announced that an Interim Committee was to be established to advise on the structure and functions of the ASC. The report of the Interim Committee has not been made public. The Prime Minister announced, on 13 September 1984, that the ASC was established from that date. An ASC was considered by the House of Representatives Standing Committee on Expenditure in its report on Commonwealth Assistance for Sport and Recreation which concluded 'that a Commission structure was only one and not necessarily the best of a number of organisational models...'.[2]

Funding for sports assistance is appropriated to certain categories. Excluding the administrative costs of the Department ($3.5m in 1984/85), the major programs are:

1. A scheme to provide assistance on a dollar for dollar basis to the States for the establishment and development of international sporting facilities. The scheme comprised a three year $25m program from 1980/81 to 1983/84 and a $27m program for the years 1984/85 to 1987/88. $10.8m was allocated to the scheme in 1984/85, $8m being provided in 1983/84.

2. A general sports and recreation program which provides assistance to national sporting bodies, sport and recreation for the disabled and to life saving bodies. $11m was appropriated for this purpose in 1984/85, compared with $8.5m in 1983/84.

3. Assistance to the AIS, which is estimated to cost $8.9m in 1984/85, $5.6m being spent in 1983/84.

4. Development of the National Sports Centre. This is anticipated to cost $20.8m in the 1984/85 year. $10.2m was allocated in 1983/84.[3]
A large contribution to sports funding is also made by private enterprise. As such expenditure is fragmented between companies and individuals across Australia it is very difficult to estimate the precise contribution to sports funding by private enterprise. However, it appears that such contributions are very substantial, the Minister estimating, in his Second Reading Speech, that the private sector contributes $50m yearly in sponsorship. This figure takes no account of sports-related advertising.

Outline

The ASC is to be created as a statutory corporation, to advise the Minister, encourage private sector contributions to sport, provide leadership in sports development and to administer the distribution of funds. The ASC is to have power to form an Australian Sports Aid Foundation (ASAF) to raise funds for sports development from the private sector.

The Minister has power to make directions with respect to the policy and practice of the ASC. The ASC's strategic plan, which will provide long-term co-ordination of sports funding, will also be subject to Ministerial approval.

The ASC is to comprise a Chairperson and Deputy Chairperson, to be appointed on a full or part-time basis, and between 10 and 20 Commissioners, who shall be part-time only. All appointments are to be made by the Governor-General.

The ASC is to allocate funds, according to its strategic plan, raised by the ASAF, and those allocated by Parliament. The administrative costs of the ASC are estimated to be $937,000 for the period 13 September 1984, when it was established, to 30 June 1985.

Main Provisions

The ASC is created by Part II of the Bill which also details its objects, functions and powers. The creation of an Australian Sports Aid Foundation and the ASC's strategic plan are also detailed in Part II.

The composition of the ASC and the procedure for its meetings is covered by Part III of the Bill. For a detailed explanation of the provisions of the Bill, refer to the Explanatory Memorandum.
Remarks

As the taxation legislation currently stands, donations by the private sector to the ASAF will not be tax deductible. Although this Bill does not make such donations deductible, the Minister stated in his Second Reading Speech:

"In line with a commitment given during the last election campaign by the Prime Minister, the Government is giving full consideration to the provision of full tax deductibility for donations to the Foundation". [6]

For further information, if required, contact:

21 May 1985

Education and Welfare Group
LEGISLATIVE RESEARCH SERVICE

References

2. Ibid., p.77.