

RB NOTES FOR PRESENTATION TO
PRODUCTIVITY COMMISSION REVIEW OF PHILANTHROPY
PUBLIC HEARING

CANBERRA 14 FEBRUARY 2024

Commissioners in Attendance: Alex Robson, Krystian Seibert

We thank the Productivity Commission for the opportunity to speak today.

CAS has made a full submission in May last year entitled *'The Case for Sporting Organisations to Access Charitable Status'* and a supplementary response to the PC's Draft Report was made last week.

CAS has been working on this issue for the past 8 years and in every survey of the Issues, Priorities and Challenges facing Australian sport – Charitable status for sport has been in the top 5 issues. The most recent submission made to the Finance, Sport and Charities Ministers in Dec 2022 contained the signatures of CEOs of some 40 National Sporting organisations.

Our Major Request: Is that the Commission reconsider the decision to continue excluding Sport, particularly community sport as a charitable purpose.

It appears that the Commission has relied upon the *2001 Charities Definition Inquiry* that states 'sport is played principally for amusement and competition'. We believe this is too narrow and is not accurate.

We note the PC statement that *"sport for the purposes of amusement or competition should not be considered charitable, but should be considered charitable where used to further another charitable purpose."*

We argue that participation at the community sport level achieves a range of Public Benefit objectives that are inextricably linked which should be recognised as a package of benefits and that amusement and competition are only two of these and should not be separated out.

The PC position fails to take into account the significant changes to Australian society that have evolved over the past 25 years.

In 2001 I was National CEO of the Royal Life Saving Society Australia and I contributed to that review.

We undertook research that showed that over 95% of parents enrolled their children in swimming lessons – not because they wanted their child to be the next Ian Thorpe or Kate

Campbell but because they wanted their child to learn the skills and knowledge to keep them safe in the water.

If we look at the reason that Parents enrol their children in community sport today there is a similar theme.

Parents want their child to build their physical fitness and capacity, to be immersed in an environment that is inclusive, friendly and promotes positive mental health and to develop important skills for life:

Parents want their child to:

- Be active – work at Moderate and Vigorous physical activity levels to achieve positive fitness and physical health outcomes
- Learn physical skills that have broader application and to improve their performance and achieve success over time
- To develop strategic and tactical appreciation
- To work cooperatively with others – working together to achieve a common goal. Learning to play a role that is only one cog in the wheel but contributes to the success of the whole.
- Striving to win and learning to lose – these are important life lessons
- Learning to have self-discipline, to respect the rules and respect the referee and their decisions
- To meet and engage with others for friendship and collaboration – to build relationships
- Community sport brings together people from a wide range of backgrounds – much broader than just a set of school class-mates. They learn important social skills
- The team spirit and club spirit binds individuals and communities together – and makes people feel that they belong.
- It provides an inclusive, welcoming and largely nurturing environment

All of these skills prepare a person for life – they are essential for any person in the workforce and within the family unit.

So what of Amusement and Competition?

These are positive contributors:

- If you are enjoying an activity – amusement – then you are more likely to continue. Particularly in today's society – if someone is not enjoying an activity they simply stop.
If sport is enjoyable and rewarding then people will continue and will continue to accrue the benefits mentioned previously.
- Similarly Competition – adds an extra element that can be exciting, challenging and inspiring. For many people this is an important reason that they stay engaged and it is a driver for them.

So – amusement and competition are valuable components of sport but they do not, in themselves over shadow or replace the wide range of benefits that sport provides.

Sporting Organisations – Harm Prevention and Health Promotion

It can be argued that the work of Community Sporting organisations meets the definition of both Health Promotion Charities and the newly re-created Harm Prevention category.

Community sport, particularly at the local club level, plays an essential role as a vehicle for engaging with and supporting a diverse cross-section of Australian society. This is now occurring at a time when resources available to families are under severe stress and the expectations on a diminishing number of club volunteers is growing greater every year.

The major focus of Community Sport is on the individual person – providing direct relief – striving to achieve a positive outcome for the individual and then collectively to the Club to ensure its ongoing success and sustainability.

We suggest that Australian society today is very different to 2001, particularly with respect to the mental health of the population. This is particularly so with younger people and those living in regional, rural and remote locations.

I quote the Research - *The kids are not alright: differential trends in mental ill-health in Australia* - Melbourne Institute Working Paper No. 03/23 - February 2023 states:

There is recent evidence from many countries that population mental health has worsened over time. In Australia, this pattern is most strikingly illustrated by the increasing rates of reported mental and behavioural disorders, increasing from 9.6% of Australians aged 15 years and over in 2001 to 20.1% in 2017/18 and increasing even further to 21.4% in 2020/21 (Australian Bureau of Statistics, 2022).

HARM PREVENTION ASPECTS:

So community sport plays an important role in Harm prevention:

- Builds physical strength, health and fitness through a range of activity at prescribed levels of MVPA - prevents the on-set of chronic disease - cardio-vascular conditions and combats overweight and obesity
- Builds personal confidence and resilience – prevents sense of failure and anxiety and the on-set of mental ill-health
- Builds connectedness and relationships - prevents social isolation, loneliness which leads to depression and other mental ill-health conditions
- Learn to follow rules and recognise authority - prevents anti-social behaviour and criminal tendencies

To further this last point – involvement in the inclusive club environment focusses the attention of the potentially ‘disengaged/at-risk’ individual towards a positive use of their time and ensures they are not focussing unduly on negative pursuits of alcohol, drugs, violence and anti-social behaviours which are all drivers of crime. This is particularly so for lower socio-economic communities including indigenous communities.

I Quote Jenny Prior – winner of the **Volunteer of the Year** at the 2023 National Indigenous Sport Awards – Jenny is 65 years old and has been volunteering for the Bindal Sharks NRL Club in Townsville for 35 years – Jenny says – “I do it for the men in our community – I fear that without Rugby League they will have too much time on their hands and turn to alcohol, drugs, fighting and crime. The Sharks are my family and I will do everything I can to protect my family.”

Quote Aunty Pam Pedersen at 80 years old Pam won the **Elder Sportsperson of the Year** at the 2023 Indigenous Sport awards - Pam started running at 50 years of age and now regularly competes at Long Distance events including the Melbourne Marathon. “I do it (my advocacy) for my community – when I was 50 I was very overweight and we know that chronic diseases threaten our people. I was worried about my own health and I now try to get everyone in the community to take up sport – for the health benefits and the joy it brings.”

Further research is also instructive on why people participate in sport. In this case it is about Women’s re-engagement in masters sport following a period of non-participation.

The research paper ***Retaining the Membership of Women in Sport*** (2013) interviewed 1,100 female participants from the Australian Masters Games about the place of sport during their lives.

Many had dropped out of sport at various stages - body image, career, marriage, children were all factors that emerged.

The major reasons given for re-engaging in sport later in life was not amusement or competition – it was generally for personal health and wellbeing and to socially re-connect.

While it is true that sporting activity can provide amusement and competition for participants - other important elements are provided at the same time as an integral part of their involvement.

PRESSURE ON COMMUNITY CLUBS

I would also like to draw the Commission’s attention to the present day environment that community sport operates in.

In striving to meet the needs of today’s society Clubs must cope with a much wider range of challenges and legal requirements than ever before. All of these imposts make the success and sustainability of local sport very much harder.

Issues now dealt with include:

- Safety of Children: requiring Working with Children police checks on all those working with young players
- Inclusion issues such as disability access and gender identification and assignment
- Increasing costs and time required to deal with compliance issues and reporting
- The continual up-keep of Facilities

- Climate change factors
- Accreditation for coaches, referees and administrators

All of these elements may indeed be necessary but collectively they do place a much greater burden on volunteer club personnel.

TIME CRITICAL

In closing – again we ask the Commission to accept our case and over-turn the current recommendation that continues to exclude Sport as a charitable purpose.

This decision is time critical - You have the opportunity - now - to address this inequity – it is clear that the health of many of our community clubs has declined significantly since 2001 – let's not wait another 20 years to provide much needed recognition and support.

Thank you

POTENTIAL WORDING:

Harm Prevention Category:

Potential Object clause for inclusion in Sport Club constitution:

Through the provision of MVPA delivered in a welcoming, inclusive, structured environment (Community Sport Entity 'X') strives to prevent the potential harm caused by physical inactivity, mental ill-health and social isolation.