

Secretary
House Standing Committee on Infrastructure, Transport, Regional Development and Local Government
House of Representatives
Parliament House
Canberra ACT 2600

**Dear Committee Members** 

# Re: Inquiry into a new Regional Development Funding Program

The inquiry that you are conducting has an opportunity to change the way in which Governments at all levels cooperate to deliver important community infrastructure.

The attached response is intended to inform the Committee about:

- The WA governments' Sport and Recreation (DSR) funding programs;
- Key issues impacting infrastructure;
- The relationship between DSR and Area Consultative Committees; and
- Suggested ways in which community infrastructure can be better planned, funded and managed.

Yours Sincerely

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Rob Didcoe

A/Director Facilities and Camps

5 August 2008

House of Representative Inquiry – Regional and Local Community Infrastructure Fund

A submission by the Western Australian Department of Sport and Recreation (DSR)

### **Inquiry Terms of Reference**

The Committee's report is to:

- 1. Provide advice on future funding of regional programs in order to invest in genuine and accountable community infrastructure projects;
- 2. Examine ways to minimise administrative costs and duplication for taxpayers;
- 3. Examine the former government's practices and grants outlined in the Australian National Audit Office report on Regional Partnerships with the aim of providing advice on future funding of regional programs; and
- 4. Examine the former government's practices and grants in the Regional Partnerships Program after the audit period of 2003-2006 with the aim of providing advice on future funding of regional programs.

#### Introduction

Sport and Recreation is synonymous with the Australian way of life. From community level sport right through to elite level competition sport brings joy and excitement to the vast majority of the population. Recreation activities, such as walking, continue to grow and play an important role in the health of our communities. Participation in sport and recreation activities has health benefits including a reduction in stress, diabetes, obesity, osteoporosis and many others.

Australians generally enjoy a high level of facility provision supported by past capital investment, however many of these facilities have not been adequately maintained or kept pace with changing community profiles and needs.<sup>1</sup>

Local Governments across Australia and internationally are facing a renewal challenge. In Western Australia a recent study reported that Local Government had a maintenance backlog of \$1.75b. A PricewaterHouseCoopers study from November 2006<sup>2</sup> reports that nationally, this level of backlog is in the order of \$14.5 billion.

It is likely that these figures will be substantially higher as local governments have generally not demonstrated a clear understanding of the issues or future requirements, often due to a lack of adequate information systems. The Systemic Sustainability Study (WALGA 2006)<sup>3</sup> highlighted that:

<sup>&</sup>lt;sup>1</sup> Historian, Futurist or Both, IPWEA Conference Paper, R. Didcoe; June 2007

<sup>&</sup>lt;sup>2</sup> National Financial Sustainability Study of Local Government, PriceWaterhouseCooper; November 2006

<sup>&</sup>lt;sup>3</sup> Systemic Sustainability Study, WALGA; August 2006

...the under-spending on the renewal of existing infrastructure by WA councils is partially explained by inadequacies in asset management practices. Only a small proportion of councils have asset management policies in operation, or plans to establish asset management practices. Too little consideration is given to the extent to which future generations are expected to pick up the tab for renewing council- provided infrastructure.

Much of our infrastructure was created from the 1950s to the 1980s and is now nearing the end of its economic life. Some facilities are nearing the end of their functional life and may yet present an opportunity to provide an appropriate service level to the community.

In Australia this renewal challenge will only be successfully met with appropriate support from all three tiers of Government and in some cases a preparedness by communities to rationalise infrastructure.

### **Key Issues**

In a paper to the Sport and Recreation Ministers Council (SRMC) in early 2008 the department identified the following key issues:

- The limited level of information / mapping of sport and recreation infrastructure;
- A lack of information regarding the condition of each facility / asset and where it sits in its life-cycle in order to predict future maintenance, replacement and disposal requirements;
- A past tendency to provide single-use facilities rather than multi-use;
- The historically poor application of asset management and life-cycle costing to sport and recreation infrastructure by local government;
- Rapid population growth, especially in outer-metropolitan areas requiring new infrastructure investment that may otherwise be directed to maintenance and renewal;
- Population decline in rural Australia;
- Aging assets are usually the product of development supported by past State and Federal Government capital investment. Limited strategic reinvestment strategies have been implemented by the two top tiers of government;
- Limited implementation of 'sinking' funds or 'reserve' accounts to fund future needs prior to changes in accounting standards;
- Limited revenue-raising capacities of local governments and their subsequent sustainability. The capability of smaller regional councils is particularly low;
- Changes in community expectations of facility standards, e.g. moving from outdoor pools and basketball / netball courts to complex indoor aquatic and court centres;

- Lack of strategic cooperation between councils on larger scale infrastructure,
   e.g. regional level facilities
- Lack of strategic cooperation or alignment between State and Federal Government on facility planning and grant funding;
- 'Term-of-Office' planning;
- Climate change impacts on facility design and operations; and
- The potential negative impacts on public health of sport and recreation assets that fail, become unsafe to use or become unavailable

## The SRMC paper also stated:

The issue of dealing with aging infrastructure, whilst problematic until clear funding support is identified, should also be seen as a strategic opportunity for all three levels of government to:

- Improve decision making by councils and challenge the notion that all existing assets need renewal or replacing;
- Address past failures in planning and to extend planning horizons beyond shortterm timeframes;
- Educate communities and sports bodies across the country on the cost of providing and maintaining infrastructure;
- Modify community expectations on the level of provision that can be serviced;
- Develop facilities based on life-cycle cost principles rather than lowest initial cost and ensure appropriate asset management plans are implemented;
- Rationalise infrastructure where appropriate;
- Better align facility funding programs across the tiers of government, minimise work for grant applicants and improve whole-of-Australian government project delivery; and
- Address climate change impacts in an integrated planning approach and taking into account significant climatic change requiring adaptation to new types of facilities and playing surfaces<sup>4</sup>

### **Defining Regions**

It is clear that a definition of regions is necessary for the new funding program. Ideally, regions will align with those used within State jurisdictions. What is clear is that one definition that suits the entire country will be difficult to achieve. Western Australia covers nearly 1/3 of the landmass, some 2.5 million square kilometres. By comparison, Victoria in its' entirety covers approximately 227,000 square kilometres or one-tenth of WA. Nonetheless, parts of Victoria are classed as regional / rural.

Comparative advantage or disadvantage may however be similar in these areas for a variety of reasons.

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<sup>&</sup>lt;sup>4</sup> SRMC 37, Submission by Western Australia, 2008

Regions do not always have commonly accepted boundaries. Regions can be defined by formal boundaries (as in the case of state or local governments), by a sense of economic and social interdependence, by natural environments and landscapes, or by other connections that distinguish them from neighbouring areas.<sup>5</sup>

This new program should be flexible enough to respond to the myriad of proposals that are put forward, whether they are based on a joint approach of councils within an area, an individual council within a geographical region or a program across an entire metropolitan area.

It is proposed that the Federal Government consider aligning its' new funding program to the ten regions generally applied by the State Government. These are:

- 1. Greater Perth Metropolitan Area
- 2. Peel
- 3. Southwest
- 4. Great Southern
- Midwest
- 6. Wheatbelt
- 7. Goldfields-Esperance
- 8. Gascoyne
- 9. Pilbara
- 10. Kimberley

This will enable a logical planning, assessment and auditing process to be applied and offers an opportunity for specific regional issues to be accommodated within a broader framework. These regions are utilised by DSR.

It is also important to note that the Department of Sport and Recreation has a Service Agreement with the Commonwealth for the Indian Ocean Territories. This model provides one alternative to delivering services required under the new Regional and Local Community Infrastructure Program.

The concept of the word 'Regional' will also require consideration. For many, the word immediately conjures a belief that such a funding program will only be available to rural communities and this should not be the case.

A significant proportion of Western Australia's population lives in the greater metropolitan area however there remain areas of disadvantage due to economic circumstance and outer-growth councils remain under significant stress. To remove these areas from the program would be a dilution of Federal responsibility to equality of access.

<sup>&</sup>lt;sup>5</sup> About Australia's Regions 2007, Dept. of Infrastructure, Transport, Regional Development and Local Government: 2008

The Issues paper identifies several classes of region based on the booklet, About Australia's Regions. These include: Major Cities of Australia, Inner Regional Australia, Outer Regional Australia, Remote Australia and Very Remote Australia. These categories are considered inadequate as there will be subsets within each.

The Committee is encouraged to recommend the program be renamed to the "Community Facilities Funding Program" which will still facilitate sub-programs to sit within an overarching program title.

# TOR 1: Provide advice on future funding of regional programs in order to invest in genuine and accountable community infrastructure projects

In responding to this term of reference a fundamental precept is that the fund will enhance community sustainability and liveability. Ultimately, we are all in the futures business.

As previously highlighted, there is a significant maintenance backlog within local government in Western Australia. The most recent figures provided indicate that this backlog is in the order of \$1.75 billion across various infrastructure types however we believe this figure is understated as sport and recreation infrastructure issues remain poorly defined.

A key risk to communities across Western Australia is the failure of existing community sporting and recreational facilities and the delayed provision of new facilities in growth areas.

In a planning sense, many funding programs, despite the good work they do, facilitate short-term thinking. It is about what is to be done tomorrow or next year rather than what is to be done in five, ten or twenty years. Notional funding commitments can be made further out in budget cycles, allowing more detailed business planning and feasibility assessment to occur with a more formal commitment being triggered at least 12-18 months ahead of project commencement.

This framework brings a greater degree of certainty to the planning processes rather than the present systems of making applications and wondering what will happen. Under present systems if an applicant is successful they know they can proceed, if not the project may falter with consequential impacts on other funding partners and the community. It would enable local governments to plan with more certainty for their communities and help communities understand the timeframes within which infrastructure can reasonably be delivered.

Another potential benefit of this structure is that it can reduce the opportunity for termof-office planning or political interference.

# **Defining Community Infrastructure**

The Committee has sought a definition of community infrastructure. The following may be considered:

- Sport and Recreation infrastructure built and natural environments such as parks, pools, trails, camps, ovals and buildings
- Libraries
- Theatres. Museums and Art Galleries
- Community Health buildings
- Playgrounds
- Community Centres / Town Halls
- Telecentres
- Volunteer shared office spaces
- Youth Centres
- Churches
- Hospitals
- Jetties
- Surf Clubs
- Senior Citizen Centres / Autumn Clubs

## **State Infrastructure Strategy**

The Western Australian Government will shortly publish the first State Infrastructure Strategy whitepaper which identifies approximately \$1.2 billion of community level sport and recreation infrastructure over the next twenty years. It is important to note that less than 50% of Councils responded to the survey during 2007 therefore this figure will be considerably higher. The capacity of local government to identify projects, particularly over this long timeframe is limited.

This framework begins to set the foundation for a move toward longer term planning, especially for larger facility types (aquatic centres, indoor sports halls, regional playing fields). The department has been moving towards a similar model over the past three years.

The recent Local Government sustainability report<sup>6</sup> recommends that local authorities move toward developing Long Term Strategic Plans (10 years). Information from such plans will be able to inform the State Infrastructure Strategy.

The State Infrastructure Strategy should be reviewed by the Federal government with a view to developing funding sub-programs that address relevant project types in a strategic manner across the State.

#### **Retitling the Proposed Program**

<sup>&</sup>lt;sup>6</sup> The Journey, Sustainability into the Future; February 2008

Retitling the new fund to the 'Community Facilities Funding Program', 'Better Communities Program' or similar, facilitates a range of sub-programs underneath. Each sub-program may be unique in its criteria, quantum of funding, applicability to different parts of the country, applicability to different market sectors, application, assessment and audit process (including whether fixed or rolling grant program), expectation of contributions by other funding providers and the period of time that it operates (some may be ongoing and others may be fixed term).

A structure such as this offers the government significant flexibility to meet changing community needs, better align with State initiatives and respond to budget restrictions. It also better facilitates targeted funding opportunities, even with the sub-programs. As an example, if sport and recreation was a specific sub-program the opportunity exists to create a targeted initiative within it to address climate change impacts (i.e. water and energy reduction projects). The targeted initiative may only be available in certain areas rather than state-wide.

## Avoiding duplication of programs

The Issues paper highlights the following question:

In establishing the framework for a new regional development funding program, how does the government avoid duplication with other Federal, state or local funding projects; and how can a new program work in cooperation with other funding programs?<sup>7</sup>

This is a critical question given Australians generally believe they are over-governed for the size of the population. Already, there are multiple strategic plans from all three tiers of government as well as individual strategic plans within agencies and these may work at cross-purposes. Our constituents expect us to work collaboratively to deliver good community outcomes

The complexity of providing the wide variety of services will continue to be limiting between the three tiers of government. There is a clear need to establish exactly what role Federal agencies should play and what level of expertise they have in particular fields.

There is no compelling argument to suggest the Federal agencies have expertise in the planning or management of sport and recreation facilities, particularly at a local or state level. This expertise is available within State and Local government. Nonetheless, the majority of Australians would expect that a proportion of the revenues the Federal government collects to be returned to the community for community purposes such as sport and recreation. It is often said that "sport and recreation is the glue that binds

<sup>&</sup>lt;sup>7</sup> What is the Purpose & Objectives of the program, Issues Paper, July 2008

communities together', especially in regional / rural areas. Sport and Recreation facilities are often the most significant piece of infrastructure and meeting place.

There is a need for an agreement to be reached between the three tiers of government that defines the role and responsibilities of each. Existing agreements, such as the 'Tripartite Partnership Agreement for Population Ageing in Tasmania' may be used as a reference point with any agreement being facilitated through the Standing Committee on Recreation and Sport (SCORS).

# The State Governments Community Sporting and Recreation Facilities Fund (CSRFF)

The department operates the Community Sporting and Recreational Facilities Fund (CSRFF) and has done so for some 30 years. This program is often referred to as a model funding program for other agencies. The State Government currently provides \$9 million per annum to fund sport and recreation projects and the government is considering increasing this.

Projects are also funded via other agencies such as Lotterywest who participate in the CSRFF Advisory Committee, the body that makes recommendations to the Minister. Lotterywest often contributes to larger projects where elements may not fit CSRFF criteria.

The CSRFF program is an annual application process, although consideration has been given to bi-yearly application processes for small grants (below \$50k) to enable minor projects to be delivered seasonally (i.e. winter clubs / summer clubs).

This annual application process generally works well as it is supports local government budget processes /timeframes. It has been noted in recent years that some Local Governments are making their own funding support conditional on applicants being successful in the CSRFF program and there has, in some cases, been a reduction by some councils of funding support – in effect a form of cost-shifting from local government to community sport and recreation clubs.

Unlike many other funds the CSRFF program operates on a reimbursement system, therefore ensuring that applicants may only claim for works completed. Applicants may claim 75% of the grant when the project is 50% complete based on evidence that costs have been incurred. The balance may be claimed upon completion. For larger projects DSR will consider additional staged payments linked to key milestones.

The CSRFF program is usually seen as a catalyst for other funding providers, including local government, to contribute. This has certainly been the experience with the

previous Regional Partnerships Program (RPP). There is a belief that if DSR funds a project that the applicant has adequately demonstrated need and viability. This history presents an opportunity to streamline grants processes.

The CSRFF program generally provides for a grant up to one-third (33%) of the total project cost however it also includes a '**Special Assistance**' provision that enables disadvantaged communities, all outside the metropolitan area, to qualify for a bonus that may increase the grant to a maximum of 50% of total project cost.

The Federal program should be complementary to State based programs such as CSRFF and may only be available to projects over a particular value, subject to any special assistance criteria. The issue is about shared responsibility, not duplication.

Funding can be targeted from time to time to achieve specific performance or strategic outcomes. Examples include Indigenous project priorities, sustainable / climate initiatives or a focus on specific growth corridors.

# **Better Planning and Facility Management**

We have a number of strategies to improve facility planning and facility/asset management including:

- A documented asset management guide used nationally and internationally
- A documented life-cycle cost guide used nationally and internationally
- A documented Needs Assessment guide used nationally and internationally
- A documented Feasibility Study guide used nationally and internationally
- A documented Decision Making Guide used nationally and internationally
- A facility / club mapping project (GIS style) is underway to inform strategic planning and to bring varied date sets together
- State Sporting Association Strategic facility Plans are being progressed with cricket, Aussie rules, bowls, tennis complete and soccer / hockey in progress.
- Consultancy advice is provided to local government, clubs and other state or federal agencies
- An Indigenous Sport and Recreation plan is being developed

Poor past planning and facility / asset management practices have resulted in some of the infrastructure issues faced by communities today.

As a leader in the field, we freely share these resources and is ready to cooperate with the Federal government to achieve optimal outcomes in the sector.

### **Funding Principles**

Any Federal Government funding initiatives should be implemented on the basis of the following principles:

- Needs based facility planning;
- Comprehensive feasibility assessments;
- Projects planned under a life-cycle cost approach;
- Requirements for the implementation of sound asset management policies and plans;
- Improved integration with existing state and territory based funding programs including timing of applications;
- Requirement to demonstrate ESD principles in new or renewed infrastructure;
- Councils should cooperate on larger scale facilities rather than compete;
- Appropriate facility rationalisation or downsizing is supported and may attract a 'development bonus' contribution as an incentive;
- Planning horizons should be a minimum of five years with a preference for ten and twenty year plans; and
- Infrastructure audits are required to establish an accurate understanding of asset condition and life-cycle status

#### **Cost Escalation**

There has been some discussion about how to control project costs. We advise applicants to provide for cost escalation and the application form includes a specific line item for this aspect.

Our agency uses the Building Cost Index produced by the Department of Housing and Works as an escalation provision guide but also refer to regional indices in other publications such as Rawlinson's Cost Guide for non-metropolitan projects.

The fact that the program operates on a reimbursement system minimises the chance of projects being funded for costs that do not arise, however the provision of adequate cost escalation reduces the risk of project under-funding.

The Federal funding program should apply similar cost provisions and is encouraged to operate on a reimbursement system. If the Federal government contracts state agencies in the assessment and funding process this could bring consistency and simplify matters for applicants

# TOR 2: Examine ways to minimise administrative costs and duplication for taxpayers

The Department has developed a good working relationship with the Perth and Wheatbelt Area Consultative Committees and has also improved it's relationships with some of the other regional ACC's.

In regard to sport and recreation projects the Federal government should refer to state agency project evaluations rather than duplicate via their own process. Individual state sport and recreation departments can be expected to have the following advantages:

- a level of sport and recreation corporate intelligence
- strategic planning specific to the industry
- relationships with individual local governments
- a statewide perspective rather than by individual regions (ACC's)
- relationships with other key state government agencies (Education, Planning, Public Works)
- relationships with State and National Sporting Associations
- relationships with Peak industry bodies (e.g. Parks and Leisure Australia)
- relationships with industry based consultants / planners
- relationships with other jurisdictions sport and recreation departments

Options exist to utilise the expertise within State agencies rather than duplicate services via Federal government offices. Such options include:

- 1. Providing annual untied or tied funding to State agencies to apply statewide for the purposes of developing sport and recreation infrastructure. In this way, State agencies will be able to consider a Federal contribution to a project at the same time as considering state funding, thus expediting the application, assessment and approval processes. State agencies would report annually on funding provided. This system would also facilitate a clearer link with strategic infrastructure planning undertaken at local and state levels.
- 2. The Federal government can enter into a Service Delivery Agreement, similar to that undertaken for the Indian Ocean Territories. Under the current agreement, DSR assesses CSRFF applications for program consistency and viability and makes a recommendation on funding. The Federal government then considers that recommendation and funds the applicant directly.
- 3. The Federal government could have one member who sits on the CSRFF Advisory Committee that considers applications from across the state. This process could be used as the assessment phase rather than duplicating at a later stage, thereby minimising delays for applicants.

For applicants it is desirable to minimise the different opinions that they will receive from funding agencies on the merits of their particular project. This can best be achieved by limiting the number of people / agencies that the applicant has contact with. The option to contract state agencies to perform this role obviously streamlines the process.

In the Issues paper the following question was posed:

In assessing applications, what should be the role of local Members and Senators?

There should be no role for local Members and Senators in assessing applications and their support for a particular project should be irrelevant to the evaluation. This is how the CSRFF program operates.

While a Minister for Sport and Recreation can direct how funds are allocated they do not do this as the existing process is robust. The Minister receives recommendations on all applications from the CSRFF Advisory Committee and acts upon these. This committee comprises DSR staff, local government representation (metro and regional), sporting representation, a person with experience in indigenous areas and members from the Department of Education and Training and Lotterywest.

The department will consider adding a representative from Regional Development Australia to this committee if required once the structure of the program is known.

# Autonomy of Regional Development Australia (RDA) offices

There has been some debate about the new RDA offices having a higher level of autonomy including an annual allocation of grants funds to approve without reference to Canberra. The concept has some merit but also flaws.

Providing such autonomy is likely to expedite the grant approval process for some applicants and therefore enable smaller projects to begin quicker than past experience indicates.

The introduction of this autonomy does increase risk levels in compliance and advisory consistency due to the differing interpretations individual staff / offices may apply, thus bringing the program/s into disrepute with applicants. It may also complicate macro level analysis / comparison across the state.

If such autonomy is introduced there should be a maximum grant amount or annual budget and a mechanism to assess statewide impacts.

## Relationship to Infrastructure Australia.

One key issue in considering this new funding programme will be whether or not there is a relationship between Regional Development Australia and Infrastructure Australia and if so what that relationship is and how it will be managed. Too often, social infrastructure is not considered as important as other major parts of infrastructure such as road, rail, airports and ports. There is however a significant investment in social infrastructure of various types across the country and this infrastructure plays a fundamental role in the delivery of community social capital, sustainability, liveability and well being.

In this context and developing this funding programme the government needs to consider three areas:

- Strategic development or Strategic planning
- Policy or regulation
- Project Management

In regard to strategic planning the government is undertaking an international infrastructure audit however this does not include social infrastructure such as sport and recreation facilities. As such any new funding programmes will not be founded on a clear understanding of the quantity and quality of infrastructure across the country and the impacts that the conditions of those facilities or assets will have on the need for public investment over the next 20 years. There have been previous attempts to undertake a national audit of sport and recreation facilities in the mid 90's however these failed.<sup>8</sup>

TOR 3: Examine the former government's practices and grants outlined in the Australian National Audit Office report on Regional Partnerships with the aim of providing advice on future funding of regional programs.

TOR 4: Examine the former government's practices and grants in the Regional Partnerships Program after the audit period of 2003-2006 with the aim of providing advice on future funding of regional programs

The Australian National Audit Office report is comprehensive. It is not considered appropriate or of particular value to comment specifically on the former governments' practices. A more general comment is made in response to these terms of reference.

It is critical in any funding program to ensure that it is robust in process and limits the opportunity for any undue political influence.

<sup>&</sup>lt;sup>8</sup> Rethinking the Funding of Community Sporting and Recreational Facilities; House of Representatives Standing Committee on Environment, Recreation and the Arts, June 1998

The centralisation of decision making in Canberra has been reported to us by Local Government staff to be one of the failures of the previous program. The views put forward suggest that decision makers are out of touch due to their remoteness and lack of understanding the WA context. We cannot comment specifically on this matter however it does indicate that a better relationship is required between State and Federal agencies, working in partnership with local government.

Our own view is that with the Regional Partnerships Program not streamed into categories and being a continuous program it has raised other concerns. These include:

- An inability to adequately compare projects within an infrastructure type (i.e. sport and recreation)
- An inability to prioritise projects statewide (i.e. within Western Australia)
- A limiting of coordination between state and federal funding bodies
- Project delays caused by state and federal programs having different application timeframes.
- A lack of strategic alignment between the three tiers of government
- Funding of a project by the Federal government leads to an expectation the State will also fund it and vice-versa. This can lead to project delays and disenchantment if funding is not forthcoming.

In regard to a previous inquiry conducted by the House Standing Committee on Environment, Recreation and the Arts from the late 1990's the report notes (P138; 9.17) that "a number of lessons about the best way in which to operate a grants program was learnt from the CCRSF<sup>9</sup> program. The ANAO reported that it was not entirely clear what the aims of that program were and no consideration had been given to what individual projects were going to achieve, or who is going to benefit and how they are going to benefit. The programs' objectives had not been clearly defined. Furthermore, monitoring of the programs effectiveness was inadequate."

Despite this, and the production by the ANAO of a best practice guide for the administration of grants, the Regional Partnerships Program appears to have suffered similar issues.

### Conclusion

The continuation of a Federal Government funding program that supports community level infrastructure is both warranted and essential.

The Federal Government did, until the late 1990's provide a specific program titled the Community Cultural Recreational and Sporting Facilities Program (CCRSF). Since this program ceased alternate Federal Governments have used different mechanisms (funding programs and election commitments) to fund sport and recreation infrastructure

<sup>&</sup>lt;sup>9</sup> Refers to the Community Cultural Recreational and Sporting Facilities Program – A Federal program

across the hierarchy of facilities. A significant proportion of the Federal governments funding is directed towards elite sport.

None of these mechanisms have been particularly strategic in their outlook. Elite athletes must be developed from grass-roots sport played across the nation. These are the places where the foundation blocks of talent and coaching are identified, maturing through the pathways to the elite level.

Without adequate built infrastructure and supporting organisational systems at the local and state levels the nation's capacity to support the elite level will be diminished, impacting our performance in competitive sport at a national and international level.

The previous inquiry by the House Standing Committee on Environment, Recreation and the Arts and the Governments June 1998<sup>10</sup> response provide a good context for many of the issues being considered by this committee. A number of the recommendations are as relevant today as they were a decade ago.

Unfortunately, a number of these recommendations do not appear to have been acted upon. It is difficult to know for certain whether the extent of our infrastructure issues may have been lessened if they had been, primarily as the infrastructure spend could have been smoothed over a longer timeframe.

The Department of Sport and Recreation looks forward to working with the Federal government in developing the concept for a funding program that will respond to community sport and recreation infrastructure needs.

As a stakeholder with significant experience in the field we are prepared to meet with the Committee to discuss these issues if required.

<sup>&</sup>lt;sup>10</sup> Government Response, Rethinking the Funding of Community Sporting and recreational Facilities: A Sporting Chance, June 1998