



ESSENTIAL ECONOMICS

Greater Shepparton

Economic Analysis of Sport and Recreation

DRAFT

Prepared for

Greater Shepparton City Council

by

Essential Economics Pty Ltd

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EXECUTIVE SUMMARY

Greater Shepparton City Council is currently preparing a Sports Participation Strategy and has engaged Essential Economics Pty Ltd to undertake economic analysis of the sport and recreation sector as supporting input to the Strategy.

The main findings of this study are:

- 1 Greater Shepparton provides considerable sports and recreation facilities and services to a regional catchment (comprising the municipalities of Greater Shepparton, Benalla, Campaspe, Moira and Strathbogie) of approximately 150,000 persons.
- 2 This catchment is projected to expand by 40,000 persons by 2031, highlighting the need for further investment in the sector to meet growing future demand.
- 3 Greater Shepparton's existing facilities include 150 sporting clubs, 90 parks and reserves and four major sporting organisations. Approximately 30 sports and recreation activities are catered for in the municipality, and these activities are spread across Shepparton, townships and rural areas.
- 4 A number of nationally and regionally significant sports events are hosted annually in the municipality including: Greater Shepparton Basketball Junior Tournament, BMX titles, Country Tennis Week, Victorian Bowls Open, Challenge Triathlon and the Victorian Short Course Swimming Championships.
- 5 These events have the ability to attract significant visitation and increase the typical length of stay of visitors in the region driving economic benefits for the host community.
- 6 Greater Shepparton Council Plan 2013 – 2017 and Greater Shepparton Sport 2050 Strategic Plan provides clear direction to Council with regard to the sector's ongoing development and management of facilities. The Sports Participation Strategy builds upon this Plan. Other policies, such as the Greater Shepparton Economic Development Strategy, Hume Strategy and Greater Shepparton 2030, highlight the importance of lifestyle, active communities, and personal well-being and the supporting role of the sport and recreation sector in this regard.
- 7 The economic value of Greater Shepparton's sport and recreation sector has been determined by a number of factors including direct output (which includes Council spending, sector wages etc), spending of sport and recreation goods and services, visitor induced spending through sports events, sponsorships, and estimates for the value of volunteerism and health benefits associated with the sector.
- 8 The analysis shows that Greater Shepparton's sport and recreation sector is worth approximately \$110 million to the economy each year, supporting 850 full time equivalent (FTE) jobs of which approximately 400 FTE are direct jobs (mainly located in Greater Shepparton) and approximately 450 FTE are indirect jobs (many of which will be supported in the broader regional catchment).

- 9 Approximately 3,500 volunteers are associated with Greater Shepparton's sport and recreation sector, with 115,000 visitors (including 30,000 overnight visitors) attracted to the municipality each year through the sector's activities providing a stimulus to a wide range of businesses including those associated with accommodation, retail, cafes and restaurants, and transport.
- 10 Table A provides a detailed summary of the economic analysis.

Table A: Greater Shepparton Sport and Recreation Sector –Economic Analysis

Economic Value	Result		
Economic output	\$20.1 million pa		
Household spending	\$36.7 million pa		
Visitor spending	\$16.1 million pa		
Volunteerism	\$16.6 million pa		
Private sponsorship	\$1.5 million pa		
Health benefits	\$20.9 million pa		
Total Economic Value	\$111.9 million pa		
Employment	All	<i>Direct</i>	<i>Indirect</i>
Sport and recreation	350 FTE jobs	140 FTE jobs	210 FTE jobs
Household spending	350 FTE jobs	185 FTE jobs	165 FTE jobs
Visitor spending	150 FTE jobs	80 FTE jobs	70 FTE jobs
Total Employment	850 FTE jobs	405 FTE jobs	445 FTE jobs
Visitors	All	<i>Day trip</i>	<i>Overnight</i>
Total Visitors	114,000	83,000	31,000
Volunteers	3,500		

INTRODUCTION

Background

Greater Shepparton City Council has commissioned Essential Economics Pty Ltd to undertake an economic impact assessment of the municipality's sport and recreation sector. The analysis will form part of Council's Sports Development Strategy which is currently being prepared.

The Sports Development Strategy builds upon the Greater Shepparton Sport 2050 Strategic Plan, the key Council document guiding the long-term direction of the sector within Greater Shepparton.

Council's overarching vision for sport and recreation is that all Greater Shepparton residents participate in sport, recreation and physical activity as part of their daily life.

The economic analysis will highlight the impacts of the sport and recreation sector to Greater Shepparton, in terms of factors such as employment, economic output, business formation, events attraction, visitation and visitor spending, volunteerism and so on.

The primary focus of the study will be on Greater Shepparton, however economic impacts on the broader region, which includes the shires of Benalla, Campaspe, Moira and Strathbogie, will also be examined.

Objective

The objective of this study is to prepare an economic impact assessment in relation to Greater Shepparton's sport and recreation sector.

This Report

This report contains the following chapters:

- Chapter 1:** **Context Analysis** – Provides an overview of the region, identifies the sport and recreation catchment, and provides a summary of key Council policies underpinning the sector.
- Chapter 2:** **Evaluation Framework** – Presents key assumptions and definitions and a methodological framework to guide the analysis.
- Chapter 3:** **Economic Impact Assessment** – Provides analysis of the size of sector (facilities, participants, number of businesses/organisations etc), direct and multiplier employment, economic output (Gross State Product), events calendar (including major events), visitation and visitor expenditure impacts, household spending, sponsorship, and the value of health and volunteerism.

1 CONTEXT ANALYSIS

1.1 Regional Catchment

Sporting Catchment

Greater Shepparton serves a very large sporting and recreation catchment, with current users coming from a wide geographic area including places such as Echuca, Benalla, Euroa, Kyabram, Nagambie and Cobram.

In general, the sporting catchment can be described as the Goulburn Valley and parts of the Hume Region. In terms of Local Government Areas, the catchment can be summarised as follows:

- Greater Shepparton City Council
- Benalla Rural City Council
- Campaspe Shire Council
- Moria Shire Council
- Strathbogie Shire Council

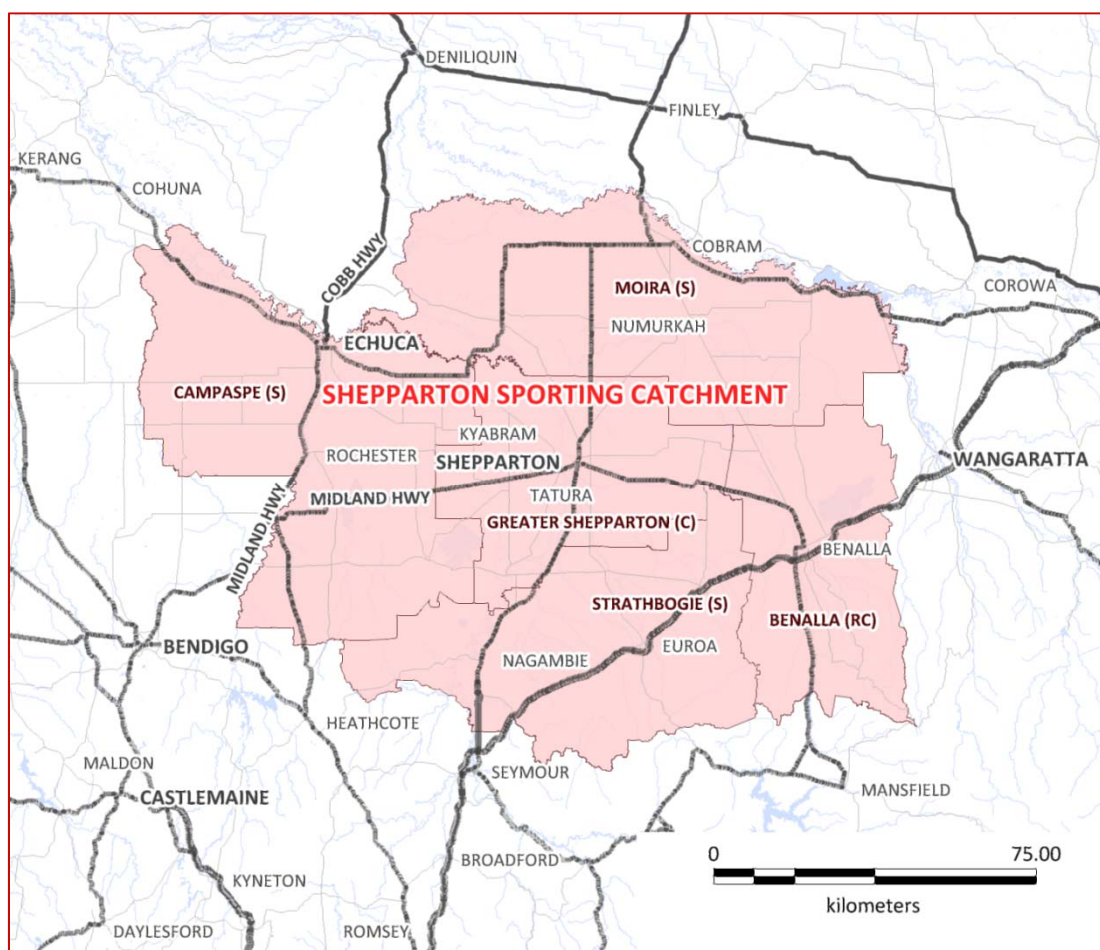
Figure 1.1 illustrates the catchment boundaries.

Population Growth

Strong population growth is forecasted for the Catchment Region over the coming decades, with the current population of approximately 150,000 persons projected to expand to approximately 187,000 persons by 2031. By 2021 an additional 22,000 persons will be living in the Region and this will increase to an additional 37,000 persons by 2031, with growth anticipated across all age cohorts.

Importantly, while the Region will experience an aging of its population (like most other areas in Victoria and across Australia) population growth is anticipated across all age cohorts, including the 5-14 year cohort (+700 persons); 15-29 year old cohort (+1,330 persons); and the 30 to 44 year cohort (+3,760 persons) – with these cohorts generally being the most important in terms of participation in sporting activities.

Greater Shepparton also has a relatively high migrant population and a high proportion of residents from non-English speaking backgrounds (especially from countries such as Afghanistan and Iraq). As Table 1.2 shows, nearly 8,000 residents (or 13% of the population) were born overseas, and this compares to 11% for regional Victoria. Importantly, nearly 6,000 residents (or 10% of the population) are from non-English speaking backgrounds which is a considerably higher proportion than the regional Victoria average of 6%. In this regard, sports and recreational activities (participation and spectating) can be very important in a social sense in assisting new migrants and communities in establishing in a new location.

Figure 1.1 Greater Shepparton Sport and Recreation Demand Catchment

Source: Essential Economics with MapInfo and StreetPro

Table 1.1 Greater Shepparton Sporting Catchment Population Projections, 2011-2031

	2011 ⁽¹⁾	2021 ⁽²⁾	2031 ⁽²⁾	Change 2011-31	Annual Average Growth Rate 2011-31
Benalla	13,750	15,250	16,020	+2,270	+0.8%
Campaspe	36,670	41,890	45,540	+8,870	+1.1%
Greater Shepparton	61,740	71,290	77,800	+16,060	+1.2%
Moira	28,440	33,160	36,880	+8,440	+1.3%
Strathbogie	9,620	10,520	11,090	+1,470	+0.7%
Sporting Catchment Region	150,220	172,110	187,330	+37,110	+1.1%

Source: ⁽¹⁾ ABS Regional Population Growth, Australia Cat. No. 3218.0 (March 2012); ⁽²⁾ Department of Planning and Community Development, *Victoria in Future 2012*
 Figures rounded

Table 1.2 Greater Shepparton – Ethnic Composition, 2011

City of Greater Shepparton		2011	
Birthplace	Number	%	Regional VIC
Total Overseas born	7,930	13.1	10.6
Non-English speaking backgrounds	5,990	9.9	5.5
Main English speaking countries	1,940	3.2	5.1
Australia	48,850	80.8	84.3
Not Stated	3,660	6.1	5.0
Total Population	60,440	100.0	100.0

Source: ABS Census of Population and Housing, 2011
 Figures rounded

1.2 Sport and Recreation Overview

Greater Shepparton provides a significant range of sport and recreation opportunities for its residents and those living in the broader region.

Currently the municipality hosts approximately 150 sports clubs, 90 parks and reserves, including many in the municipality's townships and rural areas.

Greater Shepparton has a number of regionally significant facilities including the Greater Shepparton Regional Sports Precinct, incorporating the Shepparton Indoor Sports Stadium, which attracts over 500,000 visitors per year attending and spectating the 30 or so sports codes it accommodates. Council is currently planning for significant expansions to the Sports Precinct, including an upgrade of the Indoor Stadium.

The Shepparton Regional Aquatic Centre (Aquamoves) also provides regional-level facilities including a hydrotherapy pool and attracts in excess of 650,000 visits per annum.

Greater Shepparton's sport and recreation sector also supports many businesses, jobs and provides significant volunteer opportunities for the community.

Chapter 3 provides a more detailed analysis of the size and scope of the sector and the economic benefits derived at a local and regional level.

1.3 Policy Overview

Greater Shepparton Council Plan 2013 – 2017

The Greater Shepparton Council Plan 2013 – 2017 (the Plan) is the key document that drives the strategic direction of Council for the next four years and beyond, and is a requirement under the Local Government Act 1989. The themes have been identified following extensive consultation with the Greater Shepparton community.

Economic Prosperity: Make Greater Shepparton the regional sporting capital of Victoria and a leading sporting destination. Council aims to become the sporting capital of Victoria through ongoing development of high quality sporting infrastructure throughout Greater Shepparton and facilitating the conduct of regional, intrastate, interstate and national sporting events.

Strategies have been identified to include:

- Pursue opportunities
- Build partnerships
- Continue the development of the sporting precinct
- Continue to implement masterplans that have been prepared for recreation reserves and sporting facilities.
- Review, adopt and implement the Tourism and Major Events Strategy to enable the breadth and quality of major events and tourism experiences to grow.
- Complete the Shepparton Showgrounds redevelopment
- Develop plans and prepare a feasibility study for the redevelopment of the Shepparton Sports Stadium.
- Continue to develop Aquamoves and environs as a regional aquatic and water park facility.

In community events the arts and organised sport, with a high level of community ownerships and pride, our people are socially connected.

From the consultation the community has clearly described the hopes and aspirations for the future of Greater Shepparton. Many of our youth and other members of our community value the many sporting opportunities provided across the Goulburn Valley. There is strong community support for the future development of the Shepparton Sports Precinct, with this initiative having the potential to significantly contribute to the local economy via the continued attraction of international, state and regional events.

Greater Shepparton Sport 2050 Strategic Plan

The Greater Shepparton Sport 2050 Strategic Plan (prepared by @leisure,2011), provides Council with strategic direction for the sector over a 40 year period. Specifically, the Plan outlines the following:

- Council's future role within the sector
- Future demand for sport in the municipality
- Future distribution of sports facilities, including actions to cater for smaller and emerging sports
- Recommendations for the development of Council's two major sporting assets – Shepparton Sports Precinct and the Shepparton Indoor Sports Stadium
- Guidance on the management of facilities
- Infrastructure development recommendations, including criteria for prioritising capital works and a strategic capital works plan.

Since its adoption by Council, the 2050 Strategic Plan has been used as the basis for ongoing development of the sector, including a RDAF funding application for the redevelopment of the Shepparton Sporting Precinct and further feasibility work on the expansion and redevelopment of the Shepparton Indoor Sports Stadium.

Greater Shepparton Economic Development Strategy 2009-12

The Greater Shepparton Economic Development Strategy 2009-12 (Essential Economics Pty Ltd) identified a number of important factors associated with sport and recreation. These include:

- The need to promote lifestyle aspects of the economy, including Greater Shepparton's sports and recreation facilities, which will assist in attracting new residents and retaining young people within the region (p45-46)
- The need to support the development of Greater Shepparton's tourism sector, which includes the attraction and staging of sporting events which draw visitors to the region (p66).

Hume Strategy 2010-2020 – Goulburn Valley Sub Regional Plan)

The purpose of the Goulburn Valley Sub Regional plan is to identify specific actions for this sub region as part of the broader Hume Regional Strategy. These include recommendations for collaboration and partnerships that can benefit communities which share interests and opportunities that extend beyond a single municipality.

One of the Hume Strategy's priority objectives is to "*enhance participation in arts, culture, sport and recreation*" (key direction 6.4). A specific sub-regional action of relevance to sport and recreation is to including "*develop sub regional strategies for development of significant recreational infrastructure such as recreation/leisure centres and aquatic centres*" (6.4.4).

Greater Shepparton 2030

Greater Shepparton 2030 identifies the preferred future community direction for a 20-30 year period. Greater Shepparton 2030 is underpinned by a vision and strategy to guide planning, leadership, decisions and expectations about the municipality in the future. It is a holistic statement about the Greater Shepparton community and area, addressing a broad range of topics and issues that will shape the quality of life, character and well-being of the environment and those who live, work or visit it.

One of the major issues identified in Greater Shepparton 2030 is the need to continue to develop sports and recreation facilities and to resource adequate maintenance, upgrade of facilities on a continuous basis (p.17)

The following desired outcomes are of particular relevance to sport and recreation:

The municipality is healthier (outcome 4.3.10, p.24):

“The design of the built form has been further enhanced to encourage walking and cycling and less use of cars. The municipality has marshalled its resources (community and funds) to broaden the range and quality of recreation and sporting facilities available both in Shepparton and the outlying communities.

The municipality is more active (outcomes 4.3.13, p.25):

“More people will be participating in sporting and recreation activities for social and health benefit. Community facilities are of high quality and designed to maximise multipurpose use.”

1.4 Summary

Greater Shepparton provides extensive sports and recreation facilities and services to a large regional catchment including approximately 150,000 persons. Importantly, the population of the catchment is forecast to increase by 40,000 persons over the coming 20 years highlighting the need for further investment in the sector to meet future demand.

Existing facilities include 150 sporting clubs and 90 parks and reserves spread across the municipality and including 30 different sports and recreation activities.

Strong policy support for the sector exists at a local and regional level, most notably the Greater Shepparton Sport 2050 Strategic Plan which provides direction to Council for the ongoing development, maintenance and management of facilities and services over the coming 40 years. The Greater Shepparton Economic Development Strategy, Hume Strategy and Greater Shepparton 2030 also highlight the importance of lifestyle, active communities, and personal well-being and the role the sport and recreation sector can play in this regard.

While community benefits associated with the sector are generally well documented, the economic value of sport and recreation within Greater Shepparton and the broader region has not been examined to date.

The following chapters provide an evaluation framework and economic impact assessment which quantifies the value of the sector at a local and regional level.

2 EVALUATION FRAMEWORK

2.1 Definitions

Sport and Recreation

For the purposes of this study Council's definition of sport and recreation has been used:

“Structured and unstructured activities undertaken in a person's discretionary time that are for the purpose of competition, self-fulfilment, enjoyment, social and/or physical well-being with the primary activity requiring physical exertion and the primary focus is on human activity”.

2.2 Evaluation Period

Where possible data for the 2012/13 financial year has been used to provide a consistent benchmark year. In instances where data is not available for this year, adjustments have been made to align with the 2012/13 period and an appropriate description is provided in the text.

2.3 Data Sources

A wide range of data sources have been used in the preparation of the analysis and these include the following:

- ABS Census of Population and Housing
- ABS Counts of Australian Businesses, including Entries and Exits 2008 to 2012
- ABS Place of Work, 2011
- ABS Social Trends, 2008
- ABS Sports and Recreation: A Statistical Overview Australia, 2010
- ABS Value of Sport in Australia (based on Household Expenditure Survey), 2013
- Department of Planning and Community Development – The Economic Value of Volunteering in Victoria, 2012a
- Department of Transport Planning and Local Infrastructure – Victoria in Future 2014
- Economy id (National Institute of Economic and Industry Research (NEIR), 2014
- Essential Economics, Shepparton Sports Stadium Redevelopment – Economic Impact Assessment, 2013
- Essential Economics, Shepparton Sporting Precinct Redevelopment – Economic Benefits Statement, 2013

- Greater Shepparton City Council – Budget 2013/14
- NATSM, Distribution of Expenditure on Health Goods and Services by Australian Households, 2008
- Urban Enterprise – Population and Visitor Estimator (PAVE), Urban Enterprise, 2007
- Sport and Recreation Alliance – Our Game of Life, 2012
- Sport England – Economic Value of Sport in England, 2013
- Tourism Research Australia – State of the Industry 2012
- Tourism Research Australia 2013 (unpublished data)
- Tourism Victoria – Murray Marketing Profile, 2012
- Tourism Victoria – Domestic Tourism Expenditure in Victoria, 2008-2013

2.4 Economic Indicators

Based on available data, the following indicators have been developed to assess the economic impact of Greater Shepparton's Sports and Recreation sector:

- **Size of sector** – estimates for participants, clubs, associations, facilities, programs, number of registered businesses.
- **Major events** – identification of annual events of regional, state and national significance which attract participants and spectators from outside Greater Shepparton.
- **Economic Output** – estimate of Gross Regional Product derived directly from the sector.
- **Visitation and visitor spending** – estimates for the number of participants and spectators attracted to Greater Shepparton annually through sport and recreational events and activities and the estimated visitor spending leveraged for the municipality.
- **Household spending** – estimates of spending by Greater Shepparton and regional households on sports and recreational goods and services within the municipality including spending on items such as sports equipment, clothing, footwear, gym memberships, physiotherapy etc.
- **Investment** – estimates of council spending in the sport and recreation sector (recurrent, grants, infrastructure) and financial support from Federal, State or other sources.
- **Sponsorship** – estimates for sponsorship received by Council for the sector, as well as private sponsorship received by local clubs and organisations.
- **Employment** – estimates of direct and multiplier employment supported by sport and recreation activities and programs, sports-induced visitor spending, and household spending on sport/recreational goods and services.

- **Volunteerism** – estimates of the value of volunteerism associated with the sport and recreation sector.
- **Health** – estimates of the value of health benefits derived for the economy from sport and recreation activity.

3 ECONOMIC IMPACT ASSESSMENT

3.1 Size and Scope of Sector

Sports Clubs

Greater Shepparton hosts 152 sports clubs which undertake a wide range of sporting, recreational and associated activities.

As Table 3.1 shows, some 29 sports activities are represented through these clubs, with Australian Rules Football (26 clubs), tennis (22 clubs), netball (19 clubs), cricket (17 clubs) and bowls (12 clubs) having the largest representation. Sports with a smaller representation include baseball, callisthenics, canoeing, touch football and triathlon.

Parks and Reserves

Greater Shepparton contains 87 parks and recreation reserves which are widely dispersed across the municipality including townships and rural area, as outlined in Table 3.2.

Facilities range from 57 parks and reserves located in in Shepparton to two each Kyabram and Murchison, and one in Katandra.

No. of Businesses

Economy id data (prepared by NEIR, and based on ABS Business Counts data) shows that Greater Shepparton's Arts and Recreation sector had 48 registered businesses in 2012/13. No specific data is available at the sport and recreation sub-level, therefore the ratio of Full Time Equivalent (FTE) employment for sport and recreation (80%) from the total Art and Recreation sector (ABS Census 2011) has been used to estimate business numbers. This calculation, which is shown in Table 3.3, indicates there are 38 sports and recreation business in Greater Shepparton or approximately 0.6% of total businesses

Sports Organisations

Greater Shepparton has a number of major sports organisations and organisations which provide sports education and training located in the municipality, these include:

- Valley Sport
- ASHE - Academy of Sport Health and Education
- SEDA - Sports Education and Development Australia
- TAFE - Technical and Further Education

Table 3.1: Greater Shepparton – Number of Sporting Clubs by Activity, 2014

Activity	Number
Athletics	2
Australian Rules Football	26
Badminton	2
Baseball	1
Basketball	6
Bowls	12
Callisthenics	1
Canoeing	1
Cricket	17
Croquet	2
Cycling	2
Equestrian	4
Fishing	2
Golf	3
Hockey	2
Horse Racing	3
Motor Sport	3
Netball	19
Outdoor Recreation	1
Regional Sports Assembly	2
Shooting	6
Soccer	7
Swimming	1
Table Tennis	1
Ten Pin Bowling	1
Tennis	22
Touch Football	1
Triathlon	1
Umpires	1
Total	

Source: Greater Shepparton City Council

Table 3.2: Greater Shepparton – Number of Parks and Reserves by Location, 2014

Location	Number
Katandra	1
Kialla	4
Kyabram	2
Mooroopna	14
Murchison	2
Shepparton	57
Toolamba	3
Toolamba West	4
Total	87

Source: Greater Shepparton City Council

Table 3.3: Greater Shepparton – Estimated Number of Sport and Recreation Registered Businesses, 2012/13

	City of Greater Shepparton Sport and Recreation	City of Greater Shepparton Total Economy	Sport and Recreation Share
Arts and Recreation	48	6,400	0.8%
Sport and Recreation (estimated)	38	6,400	0.6%

Source: National Institute of Economic and Industry Research (NEIR), 2014 – compiled and presented in economy.id

3.2 Major Events

Greater Shepparton hosts a wide-range of sporting events which generate visitation to the municipality from regional, metropolitan and interstate participants and spectators, and also spending in terms of providing the necessary infrastructure and services to host events.

Examples of the major annual events include:

- **GSBA Annual Junior Basketball Tournament.** This event is held at Shepparton Sports Stadium and attracts approximately 165 teams, 1,500 players and an estimated 2,500 spectators over two days (first weekend in December).
- **BMX Nationals.** This event is held over six days and attracts over 1,300 riders from all over Australia. A two-day welcome to Victoria event is run prior to the Nationals, meaning many riders and visitors stay in the region for at least eight nights. Approximately \$200,000 is spent on local infrastructure and services to support the event.
- **Country Tennis Week.** This event attracts 185 teams and 1,200 players from across Victoria and interstate, with most participants (and accompanying partners) staying in the region for five nights. \$70,000 is spent on local infrastructure and services to host the event.
- **Victorian Open Bowls.** This event includes 1,100 players from across the State competing over a six day period. The event is spread across 14 venues in the

municipality and on average competitors (and accompanying partners) stay three nights in the region. \$20,000 is spent on local infrastructure and services to support the event.

- **Challenge Triathlon.** This event includes 1,400 participants and is held over two days. A high accompanying partner rate is noted for this event. Approximately \$150,000 is spent on infrastructure and services for the event.
- **Victorian Short Course Swimming Championships.** This event attracts 600 participants and is run over two days, with a pre-event attracting 100 additional visitors. \$20,000 is spent on local infrastructure and services associated with hosting the event.

3.3 Economic Output

Information sourced from Economy id (prepared by NEIR) shows that in 2012/13 the direct output from Greater Shepparton's sport and recreation sector was \$21.1 million as shown in Table 3.4.

This output is principally made up of factors such as wages, operational expenditures and revenues etc associated with facilities etc, but excludes indirect outputs such as the impacts of household spending on sporting goods and services (which fall under categories such as retail, medical etc) or visitor spending associated with the staging of events in the municipality (which fall under categories such as accommodation, cafes and restaurants, retail etc) which are quantified later in this Chapter.

Table 3.4: Greater Shepparton – Estimated Sport and Recreation Economic Output, 2012/13

	City of Greater Shepparton Sport and Recreation	City of Greater Shepparton Total Economy	Sport and Recreation Share
Output/total sales	\$21.1m	\$5,216.9m	0.4%
Value add	\$7.4m	\$2,362.2m	0.3%
Exports	\$0.9m	\$1,632.5m	0.1%
Imports	\$20.5m	\$1,867.5m	1.1%
Local Sales	\$21.4m	\$3,526.2m	0.6%
Worker productivity (\$ per worker)	\$34,000	\$85,215	-

Source: National Institute of Economic and Industry Research (NEIR), 2014 – compiled and presented in economy.id

3.4 Household Spending

Equipment

ABS data for 2009/10 based on the national Household Expenditure Survey (Value of Sport 2013), shows that on a national basis each household on average spends \$18.94 per week (the equivalent of \$20.70 in 2012/13 dollars) on sporting and physical recreation products, which are defined as follow:

- Sport and recreation vehicles (Bicycles, boats, accessories)
- Sports, physical recreation and camping (camping equipment, fishing equipment, golf equipment, sports and physical recreation footwear, swimming pools etc)
- Sports and physical recreation services (hire of sports equipment, health and fitness studio charges, sporting club subscriptions, spectator admission fees, sports facility hire charges, sports lessons etc)

Greater Shepparton has many sports and recreation outlets which service both local and regional residents. These outlets include:

- The Athletes Foot
- Drummond Golf
- Sportsfirst
- Wayne Ritchies Skiers Edge
- High Street Cycles
- Sportsco
- Sportsmans Warehouse
- Trellys Fishing and Hunting World
- Sportspower
- Rebel Sport

Information from sports retail outlets and from the Shepparton Show Me Program (*Assessment of Economic Benefits*, Essential Economics 2008) indicates retail customers come from across the region to shop in Shepparton such as from Euroa, Nagambie, Echuca, Rochester, Benalla and Seymour.

Physiotherapy and Medical

In addition to household spending on sports equipment and services, significant expenditure is also made on sport-related medical assistance through physiotherapists, GPs, and other professionals.

Relevant sports-related services located in Greater Shepparton include:

- Shepparton Sports and Spinal Physiotherapy
- Goulburn Valley Physiotherapy
- Shepparton Myotherapy
- Improved Movement Remedial and Sports Massage

- GV Osteopathic Clinic
- Shepparton Osteopathic Clinic
- Complete Osteopathic Care

Additionally, Greater Shepparton has 13 therapist businesses which offer sports massage.

A study undertaken by NATSEM (Distribution of Expenditure on Health Goods and Services by Australian Households (2008) shows that average weekly household expenditure on optician, physiotherapist, chiropractor and health practitioner fees were \$2.79 in 2003/04, or \$3.64 in 2012/13 dollars. Assuming 25% of this expenditure is associated with sport and recreational related needs, then a value of \$0.90 (rounded) can be applied to each household on a weekly basis.

As Table 3.5 shows, Greater Shepparton's economy benefits by \$36.7 million annually through household spending on sports and recreation goods and services. This comprises \$28.1 million from Greater Shepparton residents, and \$8.6 million in spending from residents within surrounding municipalities recognising the strong regional role Shepparton plays in providing retail and health services.

Table 3.5: Estimated Household Expenditure on Sport and Recreation Goods and Services, 2012/13

	City of Greater Shepparton Household Spending	Surrounding Region Household Spending	Apportionment of Regional Household Spending to Shepparton (20%)	City of Greater Shepparton Household Spending (Local + Regional)
Number of households	25,000	38,340	-	-
Spending per household	\$21.60	\$21.60	-	-
Total spending (week)	\$540,000	\$830,000	\$166,000	\$706,000
Total spending (annual)	\$28,080,000	\$43,160,000	\$8,632,000	\$36,712,000

Source: Victoria in Future, 2014; ABS Value of Sport, 2013; NATSEM (Distribution of Expenditure on Health Goods and Services by Australian Households (2008); Essential Economics

3.5 Visitation and Visitor Spending

Visitation

Visitor estimates for 2007 (Greater Shepparton Population and Visitor Estimator, Urban Enterprises, 2007), show the City of Greater Shepparton attracted 1,725,000 visitors in that year comprising approximately 1,280,000 day trip visitors and 445,000 overnight visitors.

Visitors came to Greater Shepparton for a variety of reasons, including to participate and spectate at sporting events as highlighted in Table 3.6. Sports-related visitation accounted for 5.5% of all visitation to Greater Shepparton in 2007, attracting an estimated 95,500 persons including 65,500 daytrip visitors and 30,000 overnight visitors.

Table 3.6: Greater Shepparton – Estimated Sport and Recreation Visitation, 2007

	Overnight Visitors		Daytrip Visitors		Total	
	No.	%	No.	%	No.	%
Visiting relatives	155,140	34.9%	202,890	15.8%	358,030	20.8%
Holiday leisure / relaxation or getting away	73,140	16.4%	211,640	16.5%	284,780	16.5%
Visiting friends	68,740	15.5%	104,930	8.2%	173,670	10.1%
Business or other work	65,930	14.8%	208,840	16.3%	274,770	15.9%
Sport – participation	21,740	4.9%	46,430	3.6%	68,170	4.0%
Work (as driver or transport crew)	12,770	2.9%	-	0.0%	12,770	0.7%
Entertainment or attending a special event	11,210	2.5%	36,320	2.8%	47,530	2.8%
Sport – spectating	8,260	1.9%	19,110	1.5%	27,370	1.6%
Conferences, exhibitions or tradefairs	7,750	1.7%	4,520	0.4%	12,270	0.7%
Shopping	4,760	1.1%	310,740	24.3%	315,500	18.3%
Personal appointments / business	3,740	0.8%	28,230	2.2%	31,970	1.9%
Health-related	3,350	0.8%	69,210	5.4%	72,560	4.2%
Education	2,220	0.5%	11,640	0.9%	13,860	0.8%
Training and research	2,090	0.5%	-	0.0%	2,090	0.1%
Other	1,580	0.4%	1,920	0.1%	3,500	0.2%
Employment or leisure	1,570	0.4%	-	0.0%	1,570	0.1%
Providing transport	820	0.2%	24,200	1.9%	25,020	1.5%
Sport Total (participation and spectating)	30,000	6.8%	65,540	5.1%	95,540	5.5%
Total	444,810	100.0%	1,280,620	100.0%	1,725,430	100.0%

Source: Greater Shepparton – Population and Visitor Estimator (PAVE), Urban Enterprise (2007)

No updated data is available for Greater Shepparton, however, Tourism Victoria data for the period 2008-2012, shows the campaign region in which the municipality is located (Murray) has experienced an increase of 0.6% pa for overnight visitors and 3.0% pa for day trippers over this period.

Applying these growth rates to the 2007 Greater Shepparton visitor numbers indicates that in 2012 total visitation to the municipality was 1,945,000 comprising 1,485,000 daytrip visitors and 460,000 overnight visitors.

Assuming sport-related visitor shares remained constant between 2007-12, then an estimated 115,000 sport-related visitors (rounded) were attracted to Greater Shepparton in 2012, comprising approximately 31,000 overnight visitors and 83,000 daytrip visitors.

Visitor Spending

Tourism Victoria data shows that in 2012, the average visitor spend in the Murray Region was \$113 for daytrip visitors, while Tourism Research Australia data shows that in 2012 sports visitors in Victoria averaged \$215 per night in spending.

Applying these averages to sports-related visitation indicates the sector generates \$16.1m pa for the local economy, comprising \$6.7 million in overnight spending and \$9.4 million in day trip spending. These estimates are shown in Table 3.7.

Table 3.7: Estimated Value Sport and Recreation Visitation to Greater Shepparton, 2012

Visitor Type	No. of Visitors	Average Spending	Total Spending
Day trip visitors	83,000	\$113 per day	\$9,400,000
Overnight visitors	31,000	\$215 per night	\$6,700,000
Total Visitors	114,000	\$141	\$16,100,000
Source:	Greater Shepparton – Population and Visitor Estimator (PAVE), Urban Enterprise (2007), Tourism Victoria – Murray Marketing Profile, 2012; Tourism Victoria – Domestic Tourism Expenditure in Victoria, 2008-2013; Tourism Research Australia 2013 (unpublished data).		
Note:	Figures Rounded		

Tourism is a composite sector which comprises a number of interrelated sub-sectors. Visitor spending therefore benefits a wide range of businesses in the economy and supports jobs across a wide range of activities. Tourism Research Australia data shows in 2012, the main employment beneficiaries of tourism spending were cafes, restaurants and takeaway services (27%), retail trade (18%) and accommodation (14%), while other sectors such as transport, education and training, cultural services, sport and recreational services etc also received employment support through visitor spending. The composition of the Tourism Sector is summarised in Table 3.8.

As Table 3.9 shows, Greater Shepparton has 650 businesses associated with retail trade, accommodation and food services, with many of these businesses likely to benefit directly from sports-related visitor spending.

Additionally, other important industry sectors such as agriculture (food, wine production) and transportation (car hire, bus tours etc) will also benefit through the provision of support services to the tourism sector.

Table 3.8: Composition of Australia's Tourism Industry (by share of Employment), 2012

Sub-sector	Share
Cafes, restaurants and takeaway food services	27.1%
Retail trade	17.9%
Accommodation	13.6%
Travel agency and tour operator services	7.3%
Air, water and other transport	7.2%
Education and training	6.4%
Road transport and transport equipment rental	5.5%
Other industries	5.5%
Clubs, pubs, taverns and bars	4.8%
Other sports and recreation services	3.0%
Cultural services	1.2%
Casinos and other gambling services	0.4%
Rail transport	0.1%
Total tourism	100.0%

Source: Tourism Research Australia – State of the Industry 2012 .

Table 3.9: Registered Businesses by Industry, Greater Shepparton, 2012

Industry	No.	Share
Agriculture, Forestry and Fishing	1,461	22.8
Mining	9	0.1
Manufacturing	254	4.0
Electricity, Gas, Water and Waste Services	12	0.2
Construction	963	15.0
Wholesale Trade	180	2.8
Retail Trade	415	6.5
Accommodation and Food Services	239	3.7
Transport, Postal and Warehousing	370	5.8
Information Media and Telecommunications	16	0.3
Financial and Insurance Services	381	6.0
Rental, Hiring and Real Estate Services	686	10.7
Professional, Scientific and Technical Services	391	6.1
Administrative and Support Services	193	3.0
Public Administration and Safety	18	0.3
Education and Training	40	0.6
Health Care and Social Assistance	275	4.3
Arts and Recreation Services	48	0.7
Other Services	319	5.0
Industry not classified	133	2.1
Total Businesses	6,401	100.0

Source: ABS Counts of Australian Businesses, including Entries and Exits 2008 to 2012, Cat No. 8165.0

3.6 Expenditure and Investment

Recurrent Expenditure

As Table 3.10 shows, total Council expenditure on sport and recreation – which is generally administered through the Active Living Department – was \$8.2 million in 2013/14.

This includes recurrent operational and infrastructure spending on the Shepparton Sporting Precinct, Shepparton Indoor Sports Centre, recreation reserves, Regional Aquatic Centre, outdoor pools, programs, events etc. This expenditure was offset by revenues of \$3.8 million associated with user fees and other revenues, resulting in a net expenditure of \$4.4 million for the financial year.

Table 3.10: Council Recurrent Expenditure on Sport and Recreation, 2013/14

	Revenue	Expenditure	Net Cost
Indoor sports	\$197,000	\$338,000	\$141,000
Recreation services	\$170,000	\$1,848,000	\$1,678,000
Rural outdoor pools	\$53,000	\$335,000	\$282,000
Sports facilities and premier places	\$0	\$1,080,000	\$1,080,000
Regional Aquatic Centre	\$2,841,000	\$3,091,000	\$250,000
Regional Adventure Playground	\$441,000	611,000	\$170,000
Healthy Communities Program	\$137,000	\$503,000	\$366,000
Active Living Management and Coordination	\$0	\$415,000	\$415,000
Total	\$3,839,000	\$8,221,000	\$4,382,000

Source: Greater Shepparton Council – Annual Budget 2013/14

Infrastructure Spending

Capital works spending on sport and recreation facilities in 2013/14 was approximately \$4.4 million, with the majority of investment made by Council (\$3.7 million) and the remaining funding coming from external grants (\$750,000). As Table 3.11 highlights capital works funding covered a range of items, most notable the Shepparton Sporting Precinct redevelopment (\$2.3 million) and renewal program for recreational facilities (\$1.2 million). Other expenditure included \$80,000 for Council's Sporting Futures capital grant fund.

Table 3.11: Council Capital Work Expenditure on Sport and Recreation, 2013/14

	External Funds	Council Funds	Total
Aquamoves utility management	-	\$650,000	\$650,000
Sporting Future	-	\$80,000	\$80,000
Recreation facilities renewal	-	\$1,190,000	\$1,190,000
Shepparton Sporting Precinct redevelopment	\$750,000	\$1,550,000	\$2,300,000
SPC Ardmona Kids Town	-	\$10,000	\$10,000
Building renewals	-	\$119,000	\$119,000
Furniture, fittings and equipment	-	\$40,000	\$40,000
	\$750,000	\$3,639,000	\$4,389,000

Source: Greater Shepparton Council – Annual Budget 2013/14

3.7 Sponsorship

Council

Sporting Clubs / Recreation Facilities

Local sports clubs and recreation facilities receive considerable support in terms of sponsorship and direct financial contributions from Shepparton's business community and other organisations. Examples of these contributions are provided as follows:

- Kids Town Adventure Playground is an innovative community project located in the bushland between Shepparton and Mooroopna. It is dependent on support, donations and voluntary work of many local businesses, service clubs and individuals. Greater Shepparton's major employer SPC Ardmona has donated approximately \$350,000 over the past decade for this project, with approximately 50 other businesses and organisations also sponsors of the facility.
- Shepparton Swans Football Club has one major sponsor (Peppermill Inn Hotel) plus 22 platinum and gold sponsors .
- Shepparton Football Netball Club has approximately 80 sponsors including a major sponsor (Quality Hotel Sherbourne Terrace), associate sponsors and club sponsors.
- Shepparton Soccer Club has three major corporate sponsors (Brown Baldwin Accountants, Riordan Legal Lawyers and Flight Centre), and numerous other sponsors.

While no financial information is available relating to club sponsorships, if a nominal amount of \$10,000 per club in corporate/business contributions is allocated (recognising the larger clubs would generate more than this value, and the smaller clubs significantly less), then it is estimated \$1.5 million is generated in sponsorship within the sector on an annual basis.

3.8 Volunteerism

According to the ABS Social Trends, organised sport and physical recreation has by far the highest rates of volunteerism in Australia, with these activities having significantly higher volunteer rates than education/training activities, religious activities, community welfare and emergency services.

ABS Census data for 2011 shows Greater Shepparton has 9,340 volunteers working for an organisation or group. This represents approximately 20% of the population aged 15 years and over, a higher level than the Victorian average of 18%. ABS data (Sport and Recreation: A Statistical Overview Australia, 2010) indicates that sport and recreation volunteers account for approximately 37% of total all volunteers on a national basis (compared to 22% for religious organisations, and 21% for both community and welfare organisations).

When this ratio is applied to Greater Shepparton's total volunteer population, then 3,450 volunteers are estimated to be involved in sport and recreational activities within the municipality.

In economic terms, *The Economic Value of Volunteering in Victoria* study (DPCD, 2012) estimates each volunteer contributes the equivalent of \$4,800 to the economy each year based on the estimated average adult annual volunteer hours (155 hours) multiplied by the estimated hourly value of volunteer work (\$ 31 per hour) – this value is based on 2011 wage data included in the report, but adjusted for 2013 dollars.

Applying these values to Greater Shepparton's sport and recreation volunteers shows the sector contributes \$16.6 million per year in economic value to the local economy.

3.9 Employment

Employment supported by Greater Shepparton's Sport and Recreation sector comprises the following segments:

- Jobs within the sector (Council, sporting organisations, sporting facilities, sports education and training etc)
- Jobs supported through household spending on sports and recreation goods and services (retail equipment, gymnasium memberships, physiotherapists)
- Jobs supported through sports-related visitor spending (accommodation, retail, fuel, entertainment, food and beverage etc)

Additionally, each of these segments has a direct and indirect employment component.

Jobs within Sector

Economy id shows there were 140 FTE jobs associated with the sector in 2012/13. This information is based on modelling prepared by NEIR.

A further 210 FTE jobs are supported in the broader economy (including many in the surrounding municipalities) through the employment multiplier effect, based on the ABS multiplier for sports of 2.5. In total the sector supports 350 FTE jobs both directly and indirectly.

Jobs Supported through Household Spending

Essential Economics estimates approximately 185 FTE jobs are directly supported through household spending on sports goods and services in Greater Shepparton (\$36.7 million pa). This figure is based on applying a ratio of \$200,000 in spending to support every 1 FTE job.

A further 165 FTE jobs are supported in the broader economy (including many in the surrounding municipalities) through the employment multiplier effect, based on the ABS multiplier for retail trade of 1.9.

In total household spending supports 350 FTE jobs both directly and indirectly.

Jobs Supported through Visitor Spending

Essential Economics estimates approximately 80 FTE jobs are directly supported through sport-induced visitor spending in Greater Shepparton (\$16.1 million pa). This figure is based on applying a ratio of \$200,000 in spending to support every 1 FTE job.

A further 70 FTE jobs are supported in the broader economy (including many in the surrounding municipalities) through the employment multiplier effect, based on the ABS multiplier for retail trade of 1.9.

In total visitor spending supports 150 FTE jobs both directly and indirectly.

Table 3.12: Greater Shepparton – Estimated Sport and Recreation Employment, 2012/13

	Sport and Recreation Sector Employment	Household Spending Employment	Visitor Spending Employment	Total Employment
Direct Jobs (FTE)	140	185	80	405
Multiplier	2.5	1.9	1.9	-
Indirect Jobs (FTE)	210	165	70	445
Total	350	350	150	850

Source: National Institute of Economic and Industry Research (NEIR), 2014 – compiled and presented in economy.id; ABS Input Output tables; Essential Economics

3.10 Health and Social Benefits

The *Our Game of Life* report (Sport and Recreation Alliance, UK) assessed a wide-range of evidence which exists to demonstrate the sport and recreation sector's economic and social benefits.

These benefits include:

- Improved productivity
- Improving public health
- Reducing crime and anti-social behaviour
- Fostering social cohesion.

Specific health factors identified in the study include benefits in relation to :

- Cardiovascular disease
- Mental health
- Muscular skeletal health
- Diabetes
- Weight management
- Cancer

The *Economic Value of Sport in England* study (Sport England, 2013) estimates 15.5 million participants (or 36% of the adult community over 16 year old) played sport at least once a week at moderate intensity for at least 30 minutes. These participants are estimated to have generated the equivalent of \$20.2 billion to the UK economy in health benefits in 2013 (direct and preventative). This equates to \$1,300 per participant per year.

Assuming a similar sport participation rate in relation to the Greater Shepparton community (36% of persons over 18 years in age – which represents the best fit available data) and the same level of economic benefit per participant (\$1,300), an estimated \$20.9 million in health benefits are derived for the local economy annually (ie 16,100 sports participants x \$1,300 economic value per participant)

3.11 Marketing

While not specifically quantified here, the sport and recreation sector contributes to the marketing efforts of Greater Shepparton. For example, the staging of a major sporting event generates exposure at a regional, state and national level providing potential new opportunities for investment in the municipality, and specific opportunities relating to those visiting Greater Shepparton as a participant or spectator – including possibilities of repeat trips for holiday purposes etc.

The staging of sporting events which generate a high level of media interest (radio, newspaper and TV) provide the highest value in terms of marketing benefits for the economy. While Greater Shepparton does not yet fall into this category, proposed major redevelopments within the Sporting Precinct might provide the impetus to attract such events.

In this regard it is noted future sporting targets for Greater Shepparton include:

- A-League and W-League regular season football matches
- Melbourne Storm NRL pre-season games
- Melbourne Rebels ARU pre-season games
- AFL NAB Challenge pre-season games

Note, practice matches for the above codes have been staged in Shepparton in recent years and it is anticipated upgraded facilities would better position the municipality to attract formal pre-season and regular season games.

3.12 Conclusions

This economic impact assessment has identified the following:

- 1 Greater Shepparton's sport and recreation sector comprises over 155 clubs and organisations, nearly 90 parks and reserves, approximately 40 businesses.
- 2 Sport and recreation facilities are geographically widespread and cover a wide range of sports and recreation activities, including 30 different sports.
- 3 The sector attracts 115,000 visitors to Greater Shepparton each year (including 30,000 overnight visitors) either as participants or spectators through the many local, regional and national sport and recreation events hosted in the municipality.
- 4 An estimated 3,500 volunteers are involved with sport and recreation activities in Greater Shepparton.
- 5 Greater Shepparton's sport and recreation sector has an annual economic value of approximately \$110 million comprising:

- Economic Output	\$20.1 million pa
- Household spending	\$36.7 million pa
- Visitor spending	\$16.1 million pa
- Volunteerism	\$16.6 million pa
- Private sponsorship	\$1.5 million pa
- Health benefits	\$20.9 million pa
Total	\$111.9 million pa
- 6 An estimated 850 Full Time Equivalent (FTE) jobs are supported in Greater Shepparton and the broader region through direct spending within the sector and indirectly associated with household and visitor expenditures. Employment comprises:

- Direct jobs	405 FTE (principally in Greater Shepparton)
- Indirect (multiplier) jobs	445 FTE (local, region, metropolitan, interstate)
Total	850 FTE

- 7 Greater Shepparton's sport and recreation sector generates incomes and jobs for many business sectors in the municipality and broader region, including accommodation, retail, cafes and restaurants, bars and clubs, transport and tour operators.
- 8 While not quantified in this study, Greater Shepparton will derive some marketing benefits from the sport and recreation events staged in the municipality. In view of Council's plans for significant investment and upgrades to the Shepparton Sports Precinct and Shepparton Indoor Stadium, in the future the municipality will be better positioned to attract high exposure events (such regular or pre-season A-League, AFL, NRL, ARU matches) with national TV audiences which will provide new marketing opportunities for Greater Shepparton's business community.