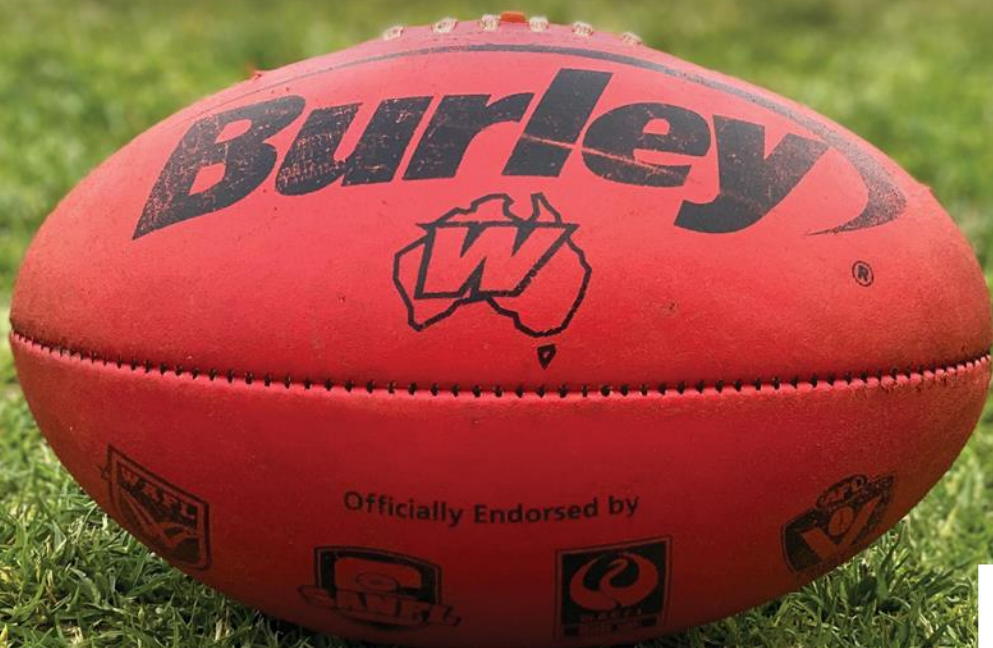




# ***Socio-Economic Contribution of SANFL Clubs***

**AUGUST 2021**



## 1. BACKGROUND

The South Australian National Football League (SANFL) was established in 1877 (initially as the South Australian Football Association) and is the oldest State League competition in Australia, one week older than the Victorian Football Association. More broadly, Australian Football is one of the major sports in Australia and is among the largest individual business sectors within the sports and recreation industry. Of course, the economic contribution and participation in the game has been substantially impacted by the COVID 19 pandemic in 2020 and 2021 with games and competitions at elite and grassroots level cancelled, and for those that continued, there were restrictions on movement and crowd numbers. Prior to the onset of the COVID pandemic, Australian Football, at all levels, recorded:

- Over 16 million spectator attendances annually
- 1.716 million regular participants
- Direct employment of around 8,500 full time equivalent people (excluding players and umpires).
- Annual economic contribution of almost \$7 billion.

The 2020 SANFL season was disrupted by the COVID-19 pandemic as the declaration of the pandemic occurred three weeks prior to the scheduled start of the premiership season. As a result, the SANFL season was suspended until a revised fixture was announced in June. South Australia's two AFL clubs, Adelaide and Port Adelaide, did not field teams following a ban by the AFL prohibiting its clubs from fielding AFL-listed players in state leagues.

This brief report presents an assessment of the Economic and Social Contribution of SANFL State Level Clubs, to help in demonstrating the value of football to South Australia. The assessment is based on a 'typical year', using 2019 and 2019-20 financial years as the base for relevant calculations. Sources used for this assessment have been:

- AFL Census of Players and Participation 2019 (Street Ryan 2020)
- AFL National Economic Impact 2018 (Street Ryan 2019)
- Health benefits methodology by Sports Business Partners 2020
- Interviews and data supplied by a selection of SANFL Clubs (Glenelg, Woodville West Torrens, and Norwood)
- Annual reports and financial statements from a selection of SANFL Clubs (reports Glenelg, Woodville West Torrens, Norwood and West Adelaide)
- Australian Bureau of Statistics resident populations 2018.

Estimates presented in this report have been entirely derived from the above sources and, therefore, their accuracy is dependent on the extent to which these sources are truly representative of SANFL Club activities and contributions. Neither the South Australian National Football League and its affiliated bodies, nor its consultants Street Ryan and Associates Pty. Ltd., accept any responsibility for the accuracy of information or estimates presented, or for decisions taken as a result of material in this report.

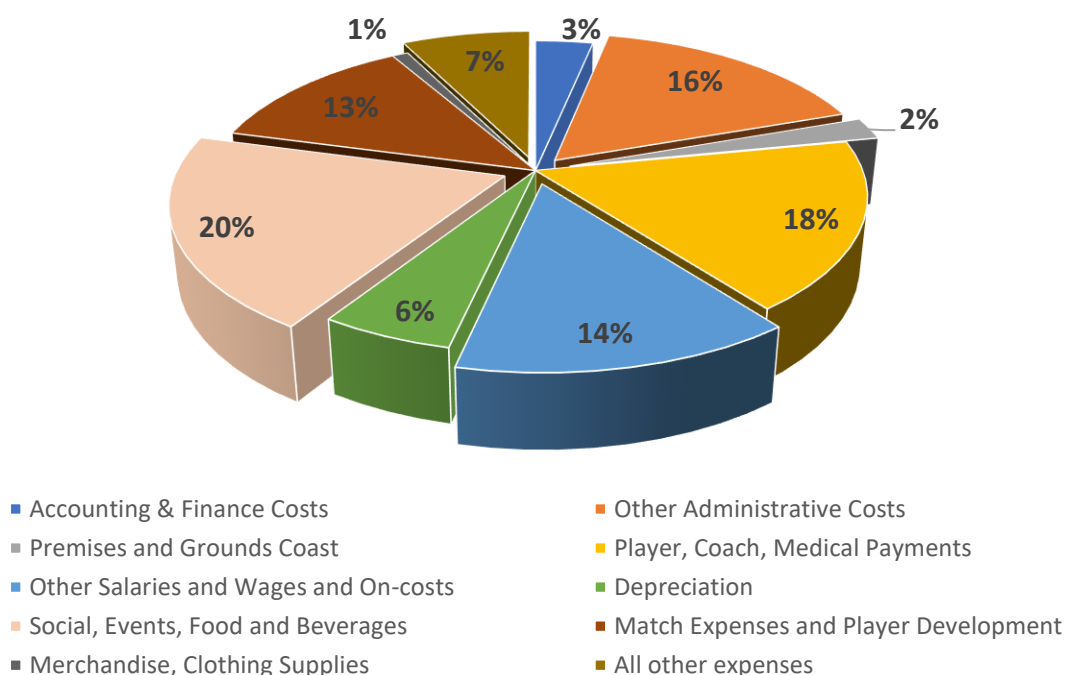
## 2. ECONOMIC CONTRIBUTION

### Financial Analysis

Annual direct expenditure by SANFL Club's, on average, is \$4,773,000 and the main expenses (also shown in Figure 1) are:

- 20.1% social activities, events and functions (including food and beverages and entertainment)
- 17.6% player, coaching, training and medical support payments
- 16.4% administrative costs (excluding salaries and wages)
- 14.0% staff salaries, wages and on-costs
- 12.5% match expenses and player development.

**Figure 1 SANFL Average Club Expenditure**



Total annual financial contribution of a SANFL Club is estimated to be \$9.858 million. Segments contributing to this total are shown in Figure 2.

**Figure 2: Annual Economic Contribution of a SANFL Club**



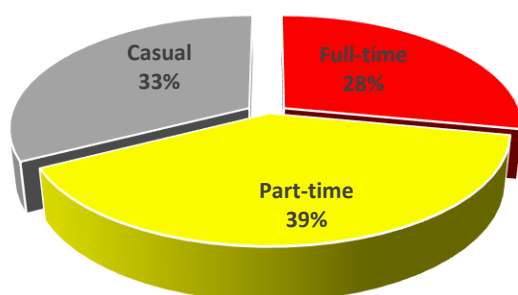
### Employment

Sport and recreation has generally been a growth industry, in employment terms, for at least two decades and employment in Australian Football has been among the more significant contributors to this growth.

SANFL clubs provide an average of 66 jobs in football operations and administration,

- 28.0% are full time
- 39.4% are part time
- 32.6% are casual.

These jobs account for an estimated 33.7 'full time equivalent' jobs.

**Figure 3      Administrative and Football Operations Jobs (excluding Players)**

SANFL Clubs offer regular salaries to senior players and professional remuneration to coaches, trainers and providers of health-related services (such as preventative and injury treatments, massage and physiotherapy).

The overall number of jobs supported by a SANFL Club includes:

- Full time management, administrative and football operation staff	19 jobs
- Part time management, administrative and football operation staff	26 jobs
- Players and other casual jobs	77 jobs
- Total (headcount)	122 jobs
- Estimated full-time equivalent	39.2 FTE jobs

### 3. SOCIAL CONTRIBUTION

#### Volunteers

Until the 1970's, the sport and recreation industry in Australia was largely the domain of the voluntary sector. However, the ever-increasing commercialisation of many (but not all) tiers of sport, the need for professionalism, and the greater social acceptance of sport and recreation as legitimate business activities, have appeared to change the nature of voluntary input to sport. In reality these changes have occurred in the upper echelons of sport. Australian Football League clubs, and other prominent leagues and clubs (including SANFL) now employ many administrators, operational staff, and sports professionals in order to keep up with competitive factors and commercial demands.

Among small, local football organisations and junior leagues and clubs the voluntary sector continues to thrive, and football is enhanced by this voluntary input.

The average number of volunteers at SANFL Clubs is 47. These volunteers provide an estimated 9,300 hours of voluntary input each year.

Estimating the equivalent financial contribution of voluntary workers generally results in a conservative value being placed on volunteer labour; a consequence of several factors. For example:

- In many cases the output of a voluntary worker is not equal to a paid worker (although it is generally true that output even among paid workers is seldom equal)
- It is difficult to achieve perceived or real accountability among workers who are not paid
- Voluntary positions are not necessarily filled by either the best available people, or even people with the skills to effectively undertake the work. If someone is offering their time freely it is difficult to complain about the standard. From the volunteer worker's point of view, the job is often taken as part of a commitment to the game/organisation or pressure from other club members to contribute, and it cannot be expected to be the highest priority at all times.

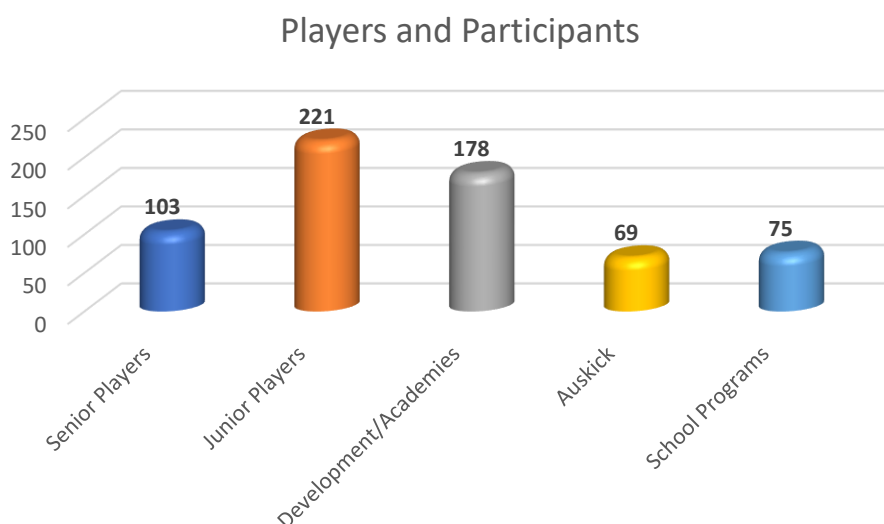
With these limiting factors understood, an hourly contribution of \$22.59 has been calculated for 2019-20. Therefore, the equivalent labour contribution by 47 SANFL Club volunteers is \$210,131.

### Players, Other Participants, Members and Spectators

The number of players, program participants, members and spectators at a SANFL Club, on average, is:

-	Players	502
-	Program participants	144
-	Members	2,296
-	Spectators	28,741

**Figure 4**      **Players and Other Participants at SANFL Clubs, on Average**



Expenditure on football by Australian Football players includes equipment, clothing, membership, transport and other items (such as canteen items, and social functions). Members make financial expenditure to football organisations in four main forms:

- ♦ Membership subscriptions (usually annual), although a small number of members may be honorary or life-members
- ♦ Participation in social functions and/or regular licensed clubhouse sales
- ♦ Purchase of merchandise through the club
- ♦ Fundraising.

Many members also participate as spectators at matches, which generates additional expenditure in ticket sales (except where membership covers admission charges) and refreshments.

Annual expenditure by players, program participants, members and spectators at a SANFL Club, on average, is estimated to be:

- Players and program participants	\$353,045
- Members and spectators	\$1,472,243

### Health and Wellbeing

Participation in football as a player, volunteer or active member provides an important outlet for physical and mental relaxation and contributes to social inclusion. The physical health benefits analysed in this assessment are derived from the prevention of chronic diseases (such as breast cancer, coronary heart disease, diabetes, bowel cancer and stroke) and mental health benefits are derived from the prevention of anxiety and depression. The value of SANFL Club average health contribution for participants has been based on the prevention of these physical and mental diseases. They are focussed on selected health issues which are evidenced to be attributed to physical inactivity. The value of estimated health benefits are:

	Annual participation	Lifetime participation <sup>1</sup>
- Physical health benefits	\$ 7,863	\$ 196,575
- Mental health benefits	\$ 28,649	\$ 716,225
Total	\$ 36,512	\$ 912,800

### Relationships with Community Organisations

South Australia is a heartland of Australian Football participation. South Australia accommodates 7.01% of Australia's resident population but it has 12.96% of Australian Football participants as shown in Table 1. Participation is extremely strong in regional South Australia. This participation is, in part, a reflection of SANFL Clubs working in their respective zones or regions to promote and develop the game. SANFL Clubs play an important role in working with their grassroots base schools, clubs and community groups in both metropolitan Adelaide and regional South Australia.

<sup>1</sup> Calculated at 25 years



**Table 1 South Australian Football Participation in 2019**

	Participants <sup>1</sup> 2019	% in 2019	Resident Population <sup>2</sup>	% of Australian Population
<b>South Australia</b>				
Adelaide Metropolitan Regions	135,093	7.87%	1,315,346	5.35%
Country Regions	87,314	5.09%	408,325	1.66%
<b>Total South Australia</b>	<b>222,407</b>	<b>12.96%</b>	<b>1,723,671</b>	<b>7.01%</b>
<b>TOTAL AUSTRALIA</b>	<b>1,716,276</b>	<b>100.00%</b>	<b>24,592,907</b>	<b>100.00%</b>

<sup>1</sup> Excluding promotional experiences. Street Ryan, Australian Football National Census of Participation 2019

<sup>2</sup> Australian Bureau of Statistics, Australian Regional Population Growth June 2018 (released August 2019).

In delivering on the SANFL Clubs' game development role, they have established relationships with community organisations where they support regular programs in entry level and school football, as well as recruiting players for academies/centres of excellence and other game development initiatives. On average, each SANFL Club:

- Supports 4 community groups (including Indigenous communities)
- Supports at least 1 philanthropic foundation
- Supports more than 45 clubs and schools
- Has direct relationships with 9 local businesses (often 2-way; sponsorship and contracts).

**Figure 5 SANFL Club Metropolitan Football Zones**



## SANFL SOCIO-ECONOMIC CONTRIBUTION: ADDITIONAL TECHNICAL NOTE

### Business and Multiplier Effects

A plethora of business activities flow from Australian Football clubs. Many businesses and public sector organisations have a proportion of their annual turnover derived from the expenditure made by clubs involved with football. Income multipliers were generated from the DECON model and financial statements and are consistent with those used in the AFL National Economic Impact assessments.

Business types with flow on activities from football include

- Food
  - Catering
  - Retail/Wholesale
  - Manufacturing
- Sports Goods
  - Retail
  - Manufacturing
- Construction
  - Grounds maintenance and a range of trades
- Media and IT
- Community Services
- Transport and Travel
- Accommodation
- Business Services
  - Sports Management
  - Legal
  - Insurance.

The income multipliers for the Australian Football industry, for States with input-output tables available are presented in Table 1. Sectors which have grown most rapidly in recent years have been:

- ◆ Business services (through considerable increases in information systems, consulting and insurance premiums)
- ◆ Media and information technology
- ◆ Accommodation.

**Table 1: Income Multipliers for the Australian Football Sector**

Industry	SA
Insurance/Legal/Marketing	1.6
Printing/Media/IT	1.8
Health Care/Education	1.6
Retailing/Catering	1.7
Construction	2.0
Accommodation	1.8
Transport	1.9

### Health Benefits

Regular participation in physical activity provides significant health benefits to individuals from both a physical and mental perspective. The physical health benefits analysed in this assessment are derived from the assumed costs associated with prevention of chronic diseases (such as breast cancer, coronary heart disease, diabetes, bowel cancer and stroke). Mental health benefits are derived from the prevention of anxiety and depression.

The assessment is similar to many previous sport and recreation industry studies and includes data input related to the reduction in Disability-Adjusted Life Years (DALY) from the Australian Institute of Health and Welfare and the Australian Government Department of Health using methodology from Sport Business Partners.

Australian Government Department of Health Physical Activity and Sedentary Behaviour Guidelines suggest that Australian adults aged 18 to 64 years should “accumulate 150 to 300 minutes (2 ½ to 5 hours) of moderate intensity physical activity or 75 to 150 minutes (1 ¼ to 2 ½ hours) of vigorous intensity physical activity, or an equivalent combination of both moderate and vigorous activities, each week”. The Disability-Adjusted Life Years (DALY) from the Australian Institute of Health and Welfare is 250 hours of physical activity. The value of a Statistical Life Year in the 2019 assessment is \$197,528.

Mental disorders are the third most burdensome disease and are most prominent among younger people and females. Based upon evidence used by the Department of Health to support current physical activity guidelines, a conservative estimate of the preventative effect of adequate levels of physical activity is a 25% reduction in risk of anxiety and depression.