

Amalgamation of Sport Structures
as an option for Addressing
Participation

Industry Research Paper

VicSport
January 2006

TABLE OF CONTENTS

1. Executive Summary	1
2. Introduction	2
3. Review of Current Literature	5
4. Case Study Evidence	17
i. The Kaniva Community Tennis Centre Incorporation	17
ii. The Allies Football Club Incorporation.....	19
iii. Laharum Sports Incorporation	22
iv. Mirboo North Recreation Reserve Committee.....	24
5. Discussion	26
6. Conclusion	32
7. Recommendations to VicHealth	33
8. References	34
9. Acknowledgements	35

1. Executive Summary

There are a many reasons why sport and recreation clubs may seek to merge or amalgamate; decreasing participation rates, declining volunteer support, rising administrative costs, increasingly complex compliance requirements, or in some cases a directive from a governing or funding body.

No matter what the driver for change may be however, investigative results are showing amalgamation brings with it a range of tangible benefits for both the sporting clubs themselves, and the broader communities in which they operate.

For clubs, amalgamation creates significant economies of scale as overhead costs are reduced through the rationalisation of time consuming administrative and governance tasks. This generates financial savings as well as decreasing the amount of work spent on administrative tasks - an outcome greatly appreciated by the many volunteers who give up their own time to support their local clubs.

For the community, benefits are also realised as groups who choose to join forces move away from their traditional narrow internal single sport focus to a more beneficial community vision. The result of this change in attitude is a greater range of participation opportunities being made available for all. Such a process plays a key role in promoting not only better physical and mental health benefits for members of the community, but also in developing invaluable social infrastructure.

Unfortunately, while the benefits of amalgamation cannot be doubted, the reality is without the threat of imminent demise through financial difficulty or an external directive, mergers would in all likelihood not take place. Traditionally club structure has developed around the "one club, one sport" model, and clubs not surprisingly are reluctant to relinquish total control of their affairs to share facilities and funding with others.

In today's climate of increasing costs and decreasing funding pools, small clubs are finding it increasingly difficult to survive. Already many clubs, particularly those in rural and regional areas, have been forced to fold and this trend looks set to continue unless some essential structural changes are made.

The key to the future for our community clubs lies in promoting structures that encourage better utilisation of limited financial, facility and volunteer resources, while at the same time sharing an ever increasing administrative workload. The development of amalgamated Community Clubs are a key to our sport and recreation future and those at the policy making level along with those at the coal-face must work together to promote these joint ventures to ensure the ongoing viability of the sport and recreation sector.

2. Introduction

Sport and recreation clubs do more than just provide participation opportunities for people; they are community institutions that provide significant health, social and economic benefits for all those involved. Sport and Recreation Clubs make a vital contribution to the physical, social and mental health of individuals and are critical to the social cohesion of a community.

By far the most common type of club structure found in Victoria, and in fact across Australia, is an independent single club structure. As independent entities, each club has its own governance committee and controls its own operations separate of any other similar organisation, even if such an organisation offers compatible activities or uses the same facilities.

While the traditional single club structure offers organisations the greatest degree of autonomy in managing their own affairs, there is no doubt the social and economic changes of recent decades has made it increasingly difficult for small single sport clubs to survive as they struggle to attract members, fundraise, manage finances, maintain facilities and meet increased community and industry expectations.

Evidence provided by Cricket Victoria and the Victorian Country Football League highlights the struggle sport and recreation clubs face to simply survive, particularly in population and economically declining rural areas. In the five-year period from 2000 to 2005, Cricket Victoria reported an overall net loss of 128 cricket clubs in Victoria. It was estimated in participant terms this equated to a loss of around 3500 members.

Similarly, between 1990 and 2003, the Victorian Country Football League reported 36 Australian Rules football clubs and 6 leagues had disbanded as financial and other pressures made survival increasingly difficult. The result of these closures was a significant reduction in the number of participation opportunities being offered across rural Victoria.

The demise of small single sport clubs across Victoria is not due to any one factor. Rather it is due to a combination of factors working together to make it more difficult for clubs across the board to provide a service palatable to the changing needs of today's society in a financially viable way.

Without doubt one of the major factors affecting clubs is the increasing difficulty small groups have in procuring funding. Recent changes to Government policy, in particular a shift at the Federal level away from support of grass-roots sport and recreation clubs, has had a significant impact on the total funding pool available for smaller sports clubs, especially those in rural and regional areas.

In addition, the general economic decline in rural areas has placed significant financial strain on clubs. Traditionally, the community has supported sport and recreation clubs, however as members of communities struggle to make ends meet financially, the amount of disposable income available to support clubs, either through playing fees or fundraising support has decreased. Similarly, as rural businesses have seen a decline in profits, their capacity to provide sponsorship or other support to sport and recreation clubs in their area has declined.

Compounding the problem of decreased funding support options are the added financial pressures of continuously increasing basic operational support costs such as insurance premiums, facility hire fees, and in rural areas, water fees. While clubs have

tried to accommodate these increasing financial burdens, the reality for many is the gap between income and expenses is quickly becoming an unbreachable chasm.

The real life example of a small South West Victorian Australian Rules Football club raising money to purchase a sprinkler system to make it easier for volunteers to water their ovals; only to find once they had installed the sprinkler system they did not have the funds to pay for their water fees, simply highlights the difficulties some clubs face.

Declining volunteer support also continues to create problems for club survival. Research shows the sport and recreation sector is highly reliant on volunteers for survival. A recent study by Sport and Recreation Victoria estimated around 75% of sport and recreation support in Victoria is provided by volunteers.

As demands on limited time resources increase, the amount of time individuals can commit on a volunteer basis is decreasing, leaving organisations in the unenviable position of asking fewer volunteers to take on greater support roles. This is of particular concern in light of increasingly complex compliance requirements making club administration more demanding than ever. For many volunteers, the time they have to dedicate to simply meeting these requirements rather than working on promoting their sporting activities makes the prospect of volunteering a much less attractive prospect than it was in the past.

Time restrictions are also having a negative impact on participation rates as a competing array of interests vie for precious leisure time. Industry trends are suggesting there is a current shift away from a preference to make a commitment to participating in rigid structured activities toward more flexible convenience-based options. As a result of this trend, sport and recreation groups persisting with a traditional rigid attitude find their membership numbers are decreasing as people choose to participate in less structured activities better suited to their busy and highly variable lifestyles.

Decreasing participation rates in structured sport, declining volunteer numbers, increased administrative costs and compliance requirements, and shrinking funding pools are all factors working together to make it more difficult for small community based grass roots sport and recreation clubs to survive.

Despite all the negatives however, evidence is showing there is a viable future for those grass roots sport and recreation clubs willing to move away from the traditional narrow single structure focus of the past, and think smarter for the future.

For some time now forward thinking members of the sport and recreation industry have been searching for ways ensure the future provision of sport and recreation services, particularly at the community level. One of the key factors underpinning any of the options discussed to date is the need for groups to come together to better utilise available knowledge and resources.

The traditional single club structure so commonly seen in Australia in the past, while they do allow the greatest freedom for individual sports to control their own affairs, unnecessarily tie up time and resources on basic administration and operational requirements which could easily be shared across groups.

By coming together and consolidating administration, management and compliance requirements, individual sport, recreation and other community groups can reduce their administration and overhead costs, leading to significant financial savings. The human

resource savings made as a result of reduced administration workloads relieves pressures on limited volunteer resources and frees up more time to be spent on the promotion of actual activities rather than paperwork.

Combining resources to develop and maintain larger multi-purpose facilities, shared club rooms and administration areas also provides more benefits for a greater range of participants than does spending large amounts of money on the upkeep of several smaller single purpose facilities.

One of the most important benefits of joint initiatives, which must not be underestimated, is the benefit to the community itself. Bringing groups together under one umbrella shifts the focus away from the narrow internal vision of the single sport to encompass a broader community perspective. As a result, a greater number of activities can be offered, giving individuals more opportunities to engage in physical activity and to come together and interact. The physical, mental and social health benefits to the individual as they become involved in a vital community structure are invaluable.

Given the benefits to not only the individual organisation involved, but also to the community, the concept of amalgamation to form community-focused clubs is one that has great merit for the future. Amalgamated community clubs can ease the growing pressure on single sport clubs, ensure sustainability of sport and recreation as essential community support services into the future, and provide a focal point for future community development.

VicSport, with the support of VicHealth, has undertaken this research to investigate the viability of amalgamated community focused club structures, and if appropriate to promote such structures as highly beneficial models for consideration in the future.

3. Review of Current Literature

Amalgamation – A Guide for Recreation and Sporting Organisations

Office of Recreation and Sport, Government of South Australia (June 2003)

In South Australia, amalgamations and mergers are playing an increasingly important role in determining how sport and recreation is organised and administered. As part of their paper *Amalgamation – A Guide for Recreation and Sporting Organisations*, the South Australia Office of Recreation and Sport uses a number of mergers between sport and recreation groups to highlight both positive and negative aspects of amalgamation.

SA Gymnastics Association and Kindergym Association of SA

In 1998, SA Gymnastics Association and Kindergym Association of SA merged to form Gymnastics SA. The merger was a direct result of pressure from Gymnastics' National Governing body and other funding agencies who questioned why in South Australia, they should fund two separate organisations when in every other state, Kindergym was incorporated into the mainstream gymnastics organisation.

With input from a committee made up of three representatives each from both organisations, the merger process progressed to finally see the dissolution of SA Gymnastics and Kindergym and the creation of the new Gymnastics SA organisation which had a both a new constitution and a new governing board.

While a major positive benefit of the merger was securing of ongoing government funding for the new organisation there were some negatives, in particular for the smaller Kindergym Association. There was an initial expectation all Kindergym members would become part of the sport of gymnastics and Kindergym would be seen as a legitimate part of the gymnastics community. This was in fact not the case and as a result of the removal of Kindergym as its own entity from the marketplace, it is suggested there has been a decrease in the number of young people involved in the sport overall.

Cove Sports and Community Club

Changes to the governance structure of the Cove Sports and Community Club were driven by the twin issues of financial sustainability and operational and management efficiency. Originally home to 8 sporting clubs, this multi-use centre realised changes to its traditional narrow sport focus would have to be made to develop a new centre with stronger connections to all sectors of the community if it was to remain a financially viable operation into the future.

A primary factor in achieving the key aim of improved operational and management efficiency was the restructuring of the committee of management away from the traditional sole representation from sports clubs to include representatives from local businesses and community as well. This change was considered vital for ensuring fair and effective management of the facility which to date had not been evident.

The move away from a sport only to a broader community focus was strongly supported by the local council who believed this change would lead to considerable community benefits.

A major barrier that had to be overcome as part of this amalgamation was the realisation the future lay in re-imagining the complex as a leisure club serving the needs of the leisure consumer as well as those of traditional sports. While the increased community ownership of the facility as a whole and the move toward self-sufficiency indicate these changes have had a positive impact, striking a balance agreeable to all was difficult.

Brighton and Seacliff Hockey Clubs

Amalgamation of the Brighton and Seacliff Hockey Clubs was driven by financial and resource concerns. As separate entities, one club had a strong membership and Premier League status, while the other had new facilities including an artificial playing surface. Both clubs realised by sharing resources, a much stronger and financially viable amalgamated club could be formed.

Amalgamation of the Brighton and Seacliff Hockey clubs was driven by the committees of management with strong support from the local Council and the State Hockey Association. As the concept of amalgamation was driven internally, rather than a directive from above, it progressed relatively quickly and within a year a new club committee, with equal representation from both parent bodies commenced management of a new combined club.

Even when driven from within however, the process of amalgamation was not without difficulties. Issues around the new club uniform, colours and name, new fee structures, and cultural differences; with one club being elite player oriented and the other more socially focused, all had to be worked through until a resolution acceptable to the majority was found.

By working together for the long-term good of both clubs these issues were overcome, and while there was some loss of membership from both clubs initially, since the amalgamation, membership has grown to exceed that of the original parent bodies, and a stronger volunteer base has developed.

Soccer SA

In South Australia, soccer has been traditionally governed by four separate organisations – South Australian Soccer Federation, South Australian Amateur Soccer League, South Australian Junior Soccer Association and South Australian Women's Soccer Association.

The concept of creating a "peak" soccer body in South Australia was driven by difficulties in gaining funding and sponsorship, a generally poor public and media perception of soccer overall in South Australia, and by the realisation there was a great deal of unnecessary duplication of activity and resources.

After discussions spanning more than four years, the four existing soccer organisations joined to form a new body – Soccer SA. This newly formed entity differs from most traditional amalgamations in that each organisation retains incorporation and control of their own affairs. For these groups the benefit of developing an “alliance” rather than pursuing full amalgamation lay in the fact they could come together to work on bigger picture issues such as sponsorship and marketing, a common registration database and better coordination of events and fixtures, while maintaining their individual identities and control of their own business affairs. This was an important issue given the long and somewhat volatile history between these groups.

For Soccer SA, the major hurdle has been to put aside the long history of distrust and competition between organisations to work together for the good of the sport as a whole. While the barriers have not been completely overcome yet, the long-term goal is to see Soccer SA incorporated as an entity charged with governing all aspects of the sport in SA.

Based on evidence presented in these real life case studies, the SA Office of Sport and Recreation concluded total integration between organisations is not easy, and in some cases may not be the most appropriate path to follow. The paper also clearly points out there is no singular amalgamation model to suit all circumstances, and recommends organisations adopt goals and a process to suits their specific needs and circumstances.

Despite the difficulties however, for many groups amalgamation can be extremely beneficial. According to the SA Office of Sport and Recreation, elements critical to a successful amalgamation include careful planning, development of relevant strategies to manage change, a shared vision, strong leadership, open and effective negotiation and communication and a commitment from all groups to the final outcome.

The benefits and common problems of amalgamation were presented as follows -

Benefits -

- Development of a cohesive strategic approach
- Simplified administration at club level
- Decreased costs through economies of scale
- More effective allocation of resources
- Spreading of risk
- Increased quality or quantity of services
- Increased marketing opportunities
- Improved government and corporate support

Problems -

- The unfair allocation of funds and resources between groups;
- Mistrust between organisations;
- Inequity of decision-making powers;
- Culture clashes, particularly between merging gender organisations;
- Loss of volunteers or members; and
- The fear of position or job loss.

Inquiry into Country Football – Final Report

Rural and Regional Services and Development Committee, December 2004

The Inquiry into Country Football provided a detailed investigation into the impact country Australian Rules football clubs have in rural and regional Victoria. While the report presented a broad range of findings, a key issue discussed was the impact of amalgamation and disbandment of clubs on their country towns.

Statistics presented in the report showed in the years from 1990 – 2003, 36 clubs and 6 leagues had disbanded and 66 clubs and 10 leagues amalgamated. In both cases, major factors cited as drivers for either disbandment or amalgamation were demographic changes within rural towns and a clubs inability to recruit a big enough player base.

Submissions to the inquiry presented a number of positive outcomes of club amalgamations. In the case of the Orbost and Snowy Rovers Football Clubs who were traditional rivals, it was reported the merge between these two clubs assisted in breaking down rivalries and improved communication between communities. Similarly, the Sea Lake Nandaly Tigers, formed from the merger of four clubs over a number of years, indicated amalgamation had led to more cooperative relationships between towns being established which encouraged an increased sense of community unity and pride.

Kate Palmer, CEO of Netball Victoria commented the relationships between football and netball clubs has helped foster community connectedness and encouraged communities to work and play together. The partnership between football and netball clubs has provided an opportunity for families to share and benefit from both sports, and has helped to create a positive and healthy environment for young people to meet.

There were a number of negative outcomes of amalgamation also presented. Reported negatives included:

- A decline in participation rates where player or team numbers decrease through amalgamation;
- Players may have to travel greater distances to training or to play in local competitions;
- An amalgamated club may have to maintain more than one ground; and
- Loss of some members and supporters who choose to leave rather than give up their loyalties and old connections to their club and its traditions.

How hockey avoided merger meltdown

Sharon Phillips, Australian Sports Commission, 2002

In late 2001, Women's Hockey Australia and the Australian Hockey Association, two separate entities governing women and men's hockey in Australia respectively, merged to form a new national governing body – Hockey Australia. The Hockey Australia merger arose simply as a result of a clear directive from the International Hockey Federation (FIH), hockey's international governing body, to "amalgamate or risk disaffiliation".

In 1998, as Australia's hockey teams prepared for the 2000 Sydney Olympics, the FIH suggested Australia's teams may not be eligible to play at the Sydney games if men's

and women's hockey did not amalgamate. At this time Australia was one of the last member countries of the 150-plus FIH members not to have amalgamated their teams.

Feedback from both associations indicated a merger had not been considered prior to the directive from FIH. Both the men's and women's bodies had concerns over the implications of amalgamation for their respective associations, however it is argued the men were more open to amalgamation as they didn't see their role challenged in any way. For men's hockey, who believed they would continue to hold the power in an amalgamated organisation, incorporating the high profile women's team into a mainstream organisation was an added bonus.

Women's hockey however had significant concerns over amalgamation, in particular over the potential inequities they had to face in terms of access to finances and facilities, and equal representation in key governance roles. In 1998, as a result of their outstanding international, and in particular Olympic success, women's hockey in Australia had a much stronger profile and reputation than that of men's hockey. Understandably, Women's Hockey did not want to risk losing their profile, identity, staff and corporate relationships through a merger with the men's national governing body.

Given the alternative of disaffiliation however, hockey had no choice but to move forward with amalgamation. The journey from concept to amalgamation was a long process taking almost 3 years to complete. During this time there were as expected clashes over governance and operational issues, and strategic focus. According to Hockey Australia President Pam Tye, who was the Women's Hockey Australia President at the time, where the men's focus was on finance and elite athletes, development for grass roots players was a core issue for the women.

Tye suggests the key to finally reaching a workable solution was compromise. "It was a give and take process. Sometimes you just had to let discussions play out. Sometimes we (the women) had to back off to gain the things we thought were important for the sport."

According to researcher Angela Woodham-Clarke, laying aside personal issues and remaining focused on what is best for the sport is one of the most difficult things to do in any merger situation. It is also the key to long-term success.

One area in which women's hockey refused to concede was equality of representation on the board. Tye said that too often she had seen women walk away from involvement on male dominated boards. With the assistance of a facilitator a new governance structure acceptable to both organisations was developed. Enshrined within the constitution as part of this new structure was equal representation on the board.

While there can be no doubt that for Hockey Australia the process of amalgamation was long and at times difficult, and as Tye is the first to admit, would probably not have taken place without direction from the FIH, Tye also concedes there were many benefits from the amalgamation. Hockey's overall member base has increased, as has their pool of skilled volunteers. Amalgamation has also achieved economies by reducing duplication, and has given hockey greater strength when dealing with the media and other groups.

For players, the benefits of amalgamation are also evident with stronger development programs, more effective participation programs, and a conscious effort to have balance in all areas.

As difficult as it may seem at the time, amalgamation can achieve great benefits if the process is approached with a focus on doing what is best for the sport. According to Tye, "I believe most sports present a stronger voice if amalgamated and if gender balance is implemented on boards and in all aspects of administration. It may be more difficult where there is a very high profile for one gender, but with sensitivity and support it can be beneficial."

In closing, author Sharon Phillips offers the following tips to assist with the amalgamation process –

- Take time on interpersonal relationships between organisations and develop an atmosphere of trust;
- Review the strategic direction of both organisations and find common ground;
- Be prepared to share information about the state of affairs of each club;
- Define all processes and steps in a formal agreement for each party; and
- Consider using an independent third party with appropriate expertise to facilitate the process

**Sustainable Community Sport:
The Heytesbury Mt Noorat Football Netball League Project**
South West Sports Assembly, 1999

The core task of the Sustainable Community Sport Project, funded by Sport and Recreation Victoria, was to develop a generic model of principles that could be adapted by any club for use in developing sustainable community sport and community partnerships. This project took an innovative approach toward addressing the issue of sustainability and community sport by looking at a "sporting cluster" rather than the traditional method of targeting clubs or leagues in isolation.

For the purposes of this project the sporting cluster is defined as the league, clubs, communities, regional/state sporting bodies, regional sports assembly, local and state government agencies. The results of this project were based on an identified 'sporting cluster' involving the Heytesbury Mt Noorat Football Netball League, its clubs, and state and regional sport support agencies.

In summary, the report identified the following as key principles for sustainable community sport:

- Communication - in particular a central point all members of the cluster can access for information;
- Resources – responsive and timely resource provision;
- Collaborative partnerships – increased resource sharing and coordinated planning;
- Innovation – willingness to break with tradition to maximise returns on facility development; and
- Community Focus – to promote the benefits of the community-sport relationship and community involvement in and ownership of sport.

Partnership development was seen as a critical principle in the enhancement of 'sustainable community sport'. Evidence indicated a partnership linkage between sport and recreation providers and sport support agencies offers increased opportunities to access funding, participants and skilled personnel. Increased activity developments were also highlighted as a positive benefit of multi-group arrangements.

The Sustainable Community Sport report also identified declining volunteer rates as one of the factors potentially limiting the future development of community sport opportunities. Evidence indicates volunteer numbers are on the decline and steps need to be taken to develop alternative sporting structures and strategies to relieve volunteering pressure. One such method is the development of community clubs through amalgamation. Bringing a number of groups together in particular relieves duplication of governance and management tasks, which in turn decreases the number of volunteer hours required to run a club.

In closing, the authors commented that total amalgamation isn't the only, or necessarily the best option and recommend alternatives, such as an arrangement of co-existence between clubs, also be considered. As an example, the project highlights a number of partnerships developed between football and netball clubs that have been highly successful in sustaining community sport.

Sporting Directions 2010 - Developing the competitive sport system in the next decade – A strategic discussion paper

Hillary Commission, 2000.

SPARC, Sport and Recreation New Zealand, as part of strategic discussions conducted with sport organisations, used a concept paper "Sportville 2010" to put forward the idea of community sports groups as a possible solution to the financial and management issues threatening the existence of many clubs today.

The "Sportville 2010" paper outlines typical scenarios for the years 2000 and 2010. In 2000, in what could be considered a reasonable reflection of our current structure, the community of "Sportville" has a population of 10,000 people. Of the 6800 adults, 2200 are sports club members. There are 25 independent sports clubs in Sportville with combined building and facility assets worth millions. Not surprisingly, it is getting increasingly difficult for this community to continue to operate every club as an individual entity as pressure on volunteer and financial resources required to keep these clubs going continues to increase.

By 2010, in what is a major step forward, there have been significant amalgamations between like clubs. Some of the benefits of merging clubs and pooling resources include children being able to participate for free, sporting talent increasing, clubs combining greater pools of funding to provide better services and facilities and information about the clubs can be sourced from one central location.

From their industry discussions, SPARC identified a number of different community club models that range along a continuum from a facility-sharing model to the more holistic full amalgamation/community development model. Whatever the structure chosen however, the underlying message is clear - reshaping community sport structures and encouraging club people to change their traditions will provide a long-term benefits for communities.

Rethinking the funding of community sporting and recreational facilities: A Sporting Chance.

*House of Representatives Standing Committee on Environment
Parliament of the Commonwealth of Australia, 1997.*

A key element of the strategy proposed in the “Rethinking the funding of community sporting and recreational facilities” report is the development of multi-use community based clubs that can be used for a broad range of purposes. The strategy identified 4 potential areas for future development:

- i) Multi-use facilities – the report argued multi-purpose indoor and outdoor facilities that can be used for a range of purposes are more likely to be used more regularly and offer more sporting prospects than single use venues.

State and Local Government showed support for multi-purpose facilities with many indicating they gave preference to facility funding submissions promoting multi-purpose facilities, particularly those which if carefully planned, could be used for both sporting and cultural or other events.

It is interesting to note very few sporting groups promoted multi-purpose facilities with those who did mostly belonging to small sports. The sports groups interviewed indicated a reluctance on behalf of volunteers associated with specific sports to contribute to the running of centres not wholly their own territory was the major drawback of multi-use facilities.

- ii) Shared regional facilities – the report indicates the concept of developing regional shared facilities is gaining support. As a result of decreased capital funding available for the development of sport and recreation facilities, councils are beginning to explore opportunities to pool resources to construct regional facilities.

The concept of coordinated approaches across councils to provide a broader range of facilities across the region with each council taking responsibility for the sporting facility located in their particular locality was also thought to be gaining in popularity.

- iii) Co-located facilities – co-location of facilities has advantages in terms of supporting infrastructure economies of scale. Sharing infrastructure required to support facilities, such as access roads, car parks, clubhouses, toilets and change rooms, reduces the costs of developing and maintaining facilities. Co-location may also stimulate participation rates as a greater range of opportunities exist in the one area.
- iv) Joint use facilities – explores the concept of two or more groups sharing the use of facilities, for example sporting clubs using schools facilities outside school hours. University owned facilities were also highlighted as potential share facilities, however as the Australian University Sport Association pointed out, the fact universities do not operate on limited time frames as do school makes this more difficult for university owned facilities.

While joint use arrangements do offer potential benefits, according to the Australian Sports Commission, there are a number of significant issues that need to be resolved before successful joint use arrangements become commonly accepted.

These issues include:

- Joint funding arrangements;
- Joint management arrangements;
- Lack of storage for multiple users;
- Security;
- Cleaning;
- Supervision/caretaking;
- Advertising and sponsorship on school property;
- Access restrictions;
- Insurance;
- Liability; and
- Safety.

Playing their part: the role of physical activity and sport in sustaining the health and well being of small rural communities

Townsend, M., Moore, J. & Mahoney, M., 2002

In their paper, Townsend et.al. presented findings of research conducted into the extent and nature of community involvement in sport and recreation activities, and the extent to which this participation contributed to physical and social wellbeing in small rural communities. Two small Victorian rural communities – Hopetoun in the Southern Mallee region (population 670) and Peshurst in the Wimmera region (population 503) were chosen as research targets.

Townsend et.al. reported over the last 20 years the population of both towns had decreased by over 20% and both had also lost many of the services that had made them community hubs. Results of their research showed as the overall population and the number of services and institutions decreases, the relative importance of sport and recreation clubs within the community grows as they increasingly become the community focal point.

In fact in both towns, it was shown over 70% of the population had some playing or non-playing involvement with football. In addition other organised activities, such as basketball, cricket, netball, lawn bowls, golf, pony clubs, pigeon clubs, tennis, angling and racing were also provided. Non-structured activities like walking, jogging, swimming and cycling were also regularly undertaken – quite a broad array of activities for communities with populations under 1000 people.

Overwhelmingly, feedback from both towns consistently reiterated the message sport and recreation is vital to the social and economical viability and sustainability of these towns. In addition to the physical and mental health benefits sport and recreation activities provided, participants identified social interaction, fund raising to assist community members facing difficulties, mentorship, developing a sense of community pride and loyalty and a means of uniting people across age groups, as vital functions of community sport and recreation clubs.

As one respondent noted:

If we didn't have them (the clubs) it would be a dead town. It is vital for the kids – there are hundreds of kids at Friday night basketball, it involves families – there's not much for children to do otherwise...it keeps kids off the street.

Based on the high degree of importance members of these communities themselves placed on sport and recreation clubs, Townsend et.al. emphasised the need to protect sport and recreation activities within communities stating:

“...given the comparatively poor health of rural Australians already, any threat to the viability and sustainability of rural sporting organisations (which currently help to balance other negative influences on rural health) must be regarded as potentially disastrous”.

The outcomes of this research suggests mechanisms need to be developed urgently to assist sporting clubs in small rural communities sustain themselves, and through them, their communities. The authors state creative strategies need to be devised particularly to address the shortfall in human and financial capital affecting rural communities and clubs. Failure to do this could ring the death knell of clubs in small rural communities, thereby further compounding the already relatively poor state of health of Australia's rural population.

Sporting Capital: Changes and challenges for rural communities in Victoria
Driscoll, K & Wood, L. 1999.

Driscoll and Wood investigated the impact of current social and economic changes on sport and recreation clubs and organisations in six South West Victorian municipalities. Results of their research showed while every community unanimously reiterated and reinforced the importance and value of sport and recreation, they also had grave concerns for the ongoing viability and sustainability of sport and recreation clubs.

Community feedback clearly highlighted the important role sport and recreation activities play in the ongoing development and survival of small regional communities. Sport and recreation clubs and events were identified as the site of many community gatherings, from small functions for juniors playing tennis through to major events. A key issue of importance highlighted by members of the community was the fact these gatherings were more than simply sporting events – they are about people and communities coming together to play, to talk, to share stories.

Across the board, communities identified the twin issues of population decline and increasing costs without commensurate increase in revenue as the key factors impinging on the survival of regional clubs. In addition to people and money, other factors affecting the viability and sustainability of clubs and organisations included:

- Requirement to comply with an ever increasing number of government and industry regulations and standards;
- Increasingly complex management requirements as clubs try to run on a more businesslike basis;
- The broad range of club and organisation processes, while they vary greatly between clubs, are often not given appropriate recognition and consideration;
- Increasing expectation from government for communities to take control of and responsibility for a greater range of service areas including sport and recreation;
- Too few people with available time to take on volunteer roles;
- Financial issues as costs continue to increase, while revenue options concurrently decrease;

- Changes to State and Local Government funding criteria placing an increased emphasis on multi-use facilities making it difficult for small single use facilities in rural areas to attract funding support they require for maintenance; and
- Increasing fundraising difficulties as small communities become poorer and community members do not have the same financial capacity to contribute to fundraising events.

With these key concerns in mind, Driscoll and Wood put forward the concept of the development of Community Activity Hubs in small towns as a way to improve sport and recreation viability and sustainability in rural communities. The aim of these hubs would be to coordinate planning, fundraising, facility maintenance and management of sport and recreation resources.

It was proposed Community Activity Hubs would be made up of a range of representatives from sport, recreation and leisure clubs in the community, as well as representatives from the relevant Government Authority. Ideally these Hubs would provide a forum for members of the community to come together and make locally based decisions. Driscoll and Wood proposed Community Activity Hubs be funded through Sport and Recreation Victoria's Country Action Grants Scheme.

In their report, Driscoll and Wood also touch on the impact of Electronic Gaming Machines (EGM's) on sport in rural communities. In South West Victoria, EGM's have become a feature of all urban centres with a population of 3000 or more, and without doubt, the introduction of EGM's has brought with them significant increases in revenue for some sporting clubs.

While EGM's do have the ability to bring in large volumes of revenue, their use as revenue raisers comes at a cost to individuals and the community. A 1997 study by the Victorian Casino and Gaming Authority concluded while EGM's contributed to improved facilities for those clubs with gaming machines and provided a new and safe source of entertainment, "the negatives associated with the introduction of EGM's outweigh the positives."

Besides the obvious ethical issue of inducing gambling, other reported negatives included small regional communities who did not have venues with EGM's losing income to larger towns, and for larger towns with EGM's, there was a negative impact on retail expenditure within the town itself as money was spent gambling instead.

Shaping Up. A Review of Commonwealth Involvement in Sport and Recreation in Australia.

Oakley, R (Chair), 1999.

The Oakley Report was commissioned to review government involvement in sport and recreation. As part of this review Oakley identified the increasing desire for more quick and convenient options as a major trend contributing to the decline in sport participation rates, both for the player and the volunteer. The need for more 'fast food' sport options where consumers can take part in shorter games and not commit themselves to other club activities, along with the rising number of leisure and entertainment options available in the market were identified as key drivers of change.

Oakley suggests the future will include community participation away from traditional sports, coupled with decreasing membership as both the financial and volunteer support base decrease. According to Oakley, the clubs that will survive will be those who can adapt to the changing environment and provide a flexible and high quality service. Clubs continuing to operate under the more traditional rigid structure will fold due to a lack of interest from both participants and volunteer administrators.

Oakley also noted it was his belief the solution to the problem of decreasing participation opportunities lies within sport rather than government, stressing that sports must meet these challenges by becoming more professional and business-like.

Community Sports Clubs in the Australian Capital Territory

VicSport (Sports Federation of Victoria) Industry Research Paper 2003

In 2003, VicSport conducted an investigation into the structure of community sports clubs in the Australian Capital Territory.

Results of this research showed there were 52 licensed clubs operating in the ACT in 2003 who between them contributed a significant amount of income to the sport and recreation sector. Under the Gaming Machine Act 1987, ACT licensed Clubs are required to contribute 7% of Net Gaming Machine Revenue back to the community. In 2001/02, \$9.5 million (72.4%) of this community contribution went into sport and recreation organisations supported by licensed clubs.

Each licensed club in the ACT generally has affiliated with it a number of sporting clubs who each operate as separate incorporated bodies controlling their own funding and operations. The majority of funding derived from licensed club support is directed toward operational and administrative support for clubs, and in many cases, these funds enable clubs to develop and maintain quality facilities and services with no additional costs to the Government. In fact, in the ACT, many major facility works have been developed through the support of licensed clubs.

Sport and Recreation Summit 2001 Discussion Paper – Issue: Small Sports

Act Bureau of Sport and Recreation, 2001.

As part of their Sport and Recreation Summit 2001, the ACT Bureau for Sport and Recreation conducted a Small Sports forum in an attempt to identify ways smaller, non-traditional sports could deal with current issues such as lack of funding, profile and facilities, small membership and volunteer bases, increased costs, media and marketing restrictions and insufficient political 'clout'.

Recommendations from this discussion included consideration for struggling organisations to share venues, facilities, administrators, volunteers and marketing with other like-minded organisations to help ease growing pressures. It was noted the key to successful sharing is for organisations to adopt a more lateral and less possessive attitude toward their resources.

4. Case Study Evidence

i. The Kaniva Community Tennis Centre Incorporation - Four Clubs consolidating as one

In 1998, the Kaniva Community Tennis Centre was formed through the amalgamation of the Budjik, Kaniva, Lillimur and Yearlinga tennis clubs - four senior clubs from North West Victoria's Kaniva District Tennis Association. At this time, all four clubs faced the similar problems of declining membership numbers and deteriorating facilities.

Each organisation was operating on a limited budget and relying on volunteer input to keep their clubs running. None of the individual clubs had enough members to field senior teams for the summer competition. The increasing difficulty each organisation was experiencing in trying to maintain individual clubs operations and facilities led to members raising the concept of amalgamation.

The concept of a merger arose initially as a result of club players, who were also committee representatives, casually discussing their concerns around the issues of declining player numbers and facility maintenance demands on game days. From these initial conversational discussions it was decided a meeting be convened between all four clubs to discuss possible solutions to these issues, one proposal being to amalgamate under a single structure.

After groups discussions clubs voted to amalgamate into a new legally incorporated association, the Kaniva Community Tennis Centre (KCTC). The idea of rationalising club operations under a single structure was a logical choice as it would significantly reduce demands on volunteer time, facility maintenance requirements and overhead expenses.

Initially clubs were concerned that by amalgamating as one association, they would lose their club team's individual identity. To alleviate this concern it was agreed the original district club teams would be retained under the new association to maintain a healthy competitive rivalry and to ensure the local district competition was not weakened as a result of the merge.

The Kaniva Tennis Club was chosen as the home of the new association as all clubs agreed it was the most central and most accessible for participants. It also hosted better facilities, with eight tennis courts and a functional clubhouse.

The key to successful amalgamation for these clubs was the development of a set of agreed operational processes for the new Association. As the priority, a new Committee of Management (CoM) structure, requiring equal representation and contributions from each of the original clubs was agreed on. The clubs decided the four major roles of President, Vice President, Secretary, and Treasurer would be taken up by one member from each of the four clubs and would be rotated on an annual basis. Two representatives from each club filled the additional eight general committee positions.

The newly incorporated association adopted a constitution based on the model rules provided under Victoria's Associations Incorporation Act. As this was the case the roles

and responsibilities of the CoM were defined by the standard governance guidelines as outlined in the model rules.

The financial resources of each club were combined and contributed to the administrative and compliance costs of the new KCTC Incorporation. By agreeing to reform as one association managed by a single committee and coexisting in a shared facility, all four parent clubs were able to rationalise their operations. With the operations of four clubs amalgamated under the KCTC banner, one affiliation fee is paid to the state body, Tennis Victoria; the KCTC carries a single comprehensive insurance cover; and one lease agreement is entered into between the KCTC and the local government, requiring one payment for hiring of facilities.

The process of amalgamation has also eased pressures on volunteers. The decision to base all clubs at one facility has cut down on the amount of volunteer labour required for maintenance. Securing funding through grant applications and fundraising activities is now a combined effort with volunteers focusing their skills on shared needs. The KCTC has recorded a growth in membership, which has largely been attributed to relocating to a more centralised facility.

With four separate teams still operating under the KCTC banner, the team selection process had to be carefully defined to ensure each team remained equally competitive. The composition of each team and the allocation of new members is organised by a representative from the CoM. When a person joins the club they pay a membership fee to the KCTC and the CoM representative allocates this new member to the team most in need of players. Teams are prevented from recruiting their own players. This process is in place to ensure the competition between teams remains as even as possible.

The Kaniva Community Tennis Centre has continued to grow in strength. The KCTC is now seen as a thriving community hub making a significant contribution to the social cohesion of this small rural community by allowing a greater number of people to gather and enjoy their tennis activities together.

For the people of the Kaniva District, the decision by four struggling district tennis clubs to come together to form a single community based tennis centre has been a great success.

ii. The Allies Football Club Incorporation - An Amalgamation between four Australian Rules Country Football Clubs

The Allies Football Club is not your typical country football club. It is in fact the result of an amalgamation between four country football clubs that were once independently incorporated associations. Over the course of a 16-year period, the four parent clubs of Devon, Welshpool, Won Wron and Woodside from East Gippsland in Victoria, have gradually come together to exist under a single club structure.

Historically, the amalgamation process began in 1982 when Won Wron and Woodside football clubs merged. In 1995, Devon and Welshpool football clubs followed suit, and finally in 1997 these four original clubs came together to form the Allies Football Club.

The main driver for amalgamation was a simple case of declining player numbers due to rural demographic changes. The demands of facility maintenance, over worked volunteers and financial pressures of running these individual clubs were also key contributing factors. As a result of these pressures, each club realised they would need to rationalise operations if they were to continue to provide Australian Rules Football participation opportunities in their district.

In an effort to seek options for long-term survival, representatives from the managing committees of each club, usually the club president or secretary, started to discuss the concept of mergers between clubs. Not surprisingly, while the need to merge for the sake of longer-term viability was recognised by all, the fear of loss of identity was a key concern for all clubs.

Won Wron Football Club was particularly apprehensive given their past experience in merging with Woodside Football Club in 1982. Under this merger, Won Wron felt they lost their sense of identity and history as a result of Woodside, who being the stronger club controlled negotiations, insisting the new alliance take on Woodside's team colours and home ground. As Won Wron were in desperate need to merge, they felt they had no other option but to agree to this deal.

This had a detrimental effect on Won Wron, with the Club losing players and losing some of the community network of support that originally existed. Some players and supporters of the original Won Wron Club opposed the take-over proposal and felt they could not join a new alliance, which, while it strongly identified with the Woodside Club, had no obvious connections to Won Wron, the Club with which their passion and pride lay. Rather than compromise their values, these people chose to leave.

In stark contrast to the Won Wron – Woodside case, the Welshpool and Devon merger highlights the positive experience of merging on equal terms. In 1995, Welshpool Football Club was experiencing difficulties in attracting players and realised they would need to merge with another club if they were to ensure their players remained in the local competition.

Welshpool entered into merger discussions with two neighbouring clubs Toora and Devon. While Toora offered a straight out take-over deal, Devon offered a merger based on equality and sharing of resources. Welshpool members, not willing to lose their club's identity, voted overwhelmingly to merge with Devon under a new structure where their club name and colours could be maintained, rather than simply become part of another club.

Under these conditions, the merger was highly successful, with most of their original players and support base staying with the new alliance. The Devon-Welshpool Football Club also experienced the added bonus of winning back-to-back premierships in 1995 and 1996. This was a particularly outstanding result given the clubs finished bottom of the ladder in the previous season.

The very different approaches taken toward the Won Wron-Woodside and Devon-Welshpool mergers clearly highlight some of the key factors that can hinder or facilitate the amalgamation process. Where the Woodside take-over left Won Wron feeling they had lost their sense of identity, the Devon-Welshpool merger created an increased sense of ownership amongst both clubs. Clearly, the Devon-Welshpool merger succeeded where the Won Wron-Woodside merger failed due to the attitude of equity and sharing with which the merger was approached.

The year of 1996 was tough for country football clubs. Player shortages were a major problem for country football clubs and this lack of players saw about 40 clubs disband across the state. The committees of the Devon, Welshpool, Won Wron and Woodside clubs did not want to become a statistic and voted on an equal merge arrangement between these Clubs.

Initially the Yarram Football Club approached the Won Wron-Woodside Club with a take-over deal, however this option was rejected and plans to merge with Devon-Welshpool went ahead as planned. In 1997, the Allies Football Club Inc. was officially adopted as the new club name to represent the alliance between the Devon, Welshpool, Won Wron and Woodside football clubs.

All four parent clubs placed a high priority on preserving their identity under a new alliance and maintaining the club's name and team colours was critical to each group as it kept tradition and history alive.

As a matter of priority a new Allies club uniform, made up of colours from all four parent clubs was agreed on. It was also agreed the home grounds used by the Won Wron-Woodside and Devon-Welshpool football clubs would be used by the new Allies Club. This meant the two home grounds based in Devon and Woodside would be used for match-day purposes and the eight home games were split equally between these grounds. With the two home grounds being 40km apart, this option was chosen in an effort to strike an equal balance in the distance travelled between the players and supporters from each of the four towns.

The down side of using two home grounds meant that a greater upkeep of facilities was required, which was more demanding on volunteers. There were also concerns raised from competing clubs having to travel to different home grounds. However the new alliance found this arrangement to be the best options as it assisted with the club retaining a greater number of players and a greater section of their supporter base.

Under the Allies merger, the Committee of Management positions of President and Secretary were jointly shared between clubs, with general committee member's positions being filled by any volunteers willing to assist. All clubs became incorporated under the one constitution, which was voted in at special general meeting. The new club committee sought legal advice to have the new constitution drawn up, and the funds of each club were integrated into one budget.

The mergers between these clubs did not come without a cost however, with some players being lost to other clubs or lost from the competition all together. Player loss

was in some cases due to a lack of playing opportunities with more players available than positions, while in other cases players disagreed with proposed mergers and went to a new club or stopped playing all together. Travelling greater distances to new home grounds was also a problem which prevented some people from participating.

On the positive side however, today the Allies are able to field a full squad of teams for the local competition (seniors, reserves, thirds and fourths) and have entered junior teams in an adjoining competition. Greater community networks have developed as a result of the supporter groups from each club coming together to support one team. The overall volunteer base of the club is larger and has more skill depth as volunteers have come together to share their knowledge and help progress the club.

Each club involved in the merge felt joining forces was the best option to ensure football, as a sport remained a viable participation option for the local community. The four clubs that were once enemies on the field are now standing united to ensure the new alliance of the Allies Football Club survives and thrives well into future.

iii. Laharum Sports Incorporation - Local communities working together

Finding ways to reduce the workload for volunteers in sport is critical for any club aiming to retain this vital support network from year to year. In today's climate, where issues of legal compliance, fund procurement, facility maintenance and liability protection place more demands on volunteers, maintaining a volunteer workforce is at the same time more difficult, and more important than ever.

In the small rural town of Laharum in northwest Victoria, the local football, cricket, netball and tennis clubs each realised they had in common the issue of stretched volunteer resources. They also realised by combining their operations, the workloads of volunteers could be greatly reduced, particularly since the same people were volunteering for each of these sporting clubs.

The catalyst behind amalgamation for these clubs came when the Presidents of the Laharum cricket and football recognised the opportunity for clubs to streamline the administrative requirements of incorporation. With all clubs having to complete the same obligations of Incorporation, the club Presidents realised by coming together, duplication of club administrative tasks could be reduced.

From their initial discussions, the Laharum Football and Cricket clubs put forward the concept of an amalgamation. The local football, cricket, netball and tennis clubs were all approached with the concept of the merger, and as all clubs were in agreement such a move was a positive step forward for all, the process of creating the Laharum Sports Incorporation began.

Under the Laharum Sports model, each club is classified as a sub committee of the Incorporation. Each club continues to operate independently, maintaining its own budget, organising its own participation activities and servicing its own membership base. On an annual basis, each club provides financial statements to the Laharum Sports committee who then submits a joint report and pays renewal costs for incorporation on behalf of all four clubs.

Once the Laharum Sports Incorporation was operating successfully, committee of management members turned their interests to potentially developing a successful joint initiative to better manage the facilities and grounds in which their clubs operated. Three of the four Laharum sporting clubs are located on the local recreation reserve. The local recreation reserve committee, the Cameron Oval Recreation Reserve Committee; a fully sanctioned Committee of Management of the local council, is responsible for the ground maintenance of these clubs.

Representatives from the Laharum Sports committee found themselves meeting regularly with the Recreation Reserve committee to discuss ground maintenance issues. As many of the individuals involved acted as representatives on both the Sports and the Recreation Reserve committees, it was decided a single "cooperative" made up of these two groups be formed to save time, and to allow for broader discussion of issues.

It was agreed the cooperative would be made up of two representatives each from the sporting clubs, and representatives from the Recreation Reserve Committee. The positions of president and secretary are elected from within the Committee. The Committee does not manage a budget, as the individual clubs still manage their own budget, therefore the position of treasurer is not required. A junior participant and

community people with an interest in local sport have also been invited to join the cooperative to allow for greater input from the community.

The new alliance between the Laharum Sports Incorporation and the Recreation Reserve Committee is not a legally binding merger, but rather a cooperative arrangement. Activities that were once completed separately are now coordinated and have input from a wider section of the sporting community.

The four sports in partnership with the Recreation Reserve Committee now jointly manage the maintenance and development of the Reserve facilities, share public liability insurance coverage provided by the local council, apply for joint funding grants, and combine all community fundraising efforts.

This successful move has further reduced demands on volunteer time, and has allowed the groups to explore other areas of club management that could be improved by working together. As an example, the cooperative is now planning to assist the tennis club to relocate to the recreation reserve and is coordinating the development of new facilities to accommodate both the tennis and netball clubs.

With these community groups combining efforts, a more coordinated approach to planning and managing club activities has been achieved. Administrative and compliance tasks requirements have also been effectively reduced at club level, allowing volunteers to direct their efforts into providing quality participation activities for the community.

iv. Mirboo North Recreation Reserve Committee - Sporting Clubs taking a coordinated approach to Facility Management

Providing safe and welcoming sport and recreation facilities can be one of the most demanding responsibilities for any sporting club aiming to provide participation opportunities for a community. For some clubs, it can be a constant battle to find the resources required to maintain and improve facilities. Without adequate funds, volunteer input and local government support, some sporting clubs struggle to meet this challenge.

Having a coordinated approach to recreation planning and facility management within a local community can ensure clubs make the best use of limited resources and time, particularly for those located on a shared recreation reserve. The Mirboo North Recreation Reserve Committee (MNRRC) are one such group who have successfully pooled their resources and agreed to operate from a shared plan to reduce the burden on volunteers and improve the sport and recreation services offered to a local community.

There are six clubs located on the Mirboo North Recreation Reserve - the Mirboo North Senior Football and Netball Club, the Junior Football Club, the Cricket Club, the Golf Club and the Baromi Tennis Club. These clubs are collectively referred to as the 'user groups' of the reserve.

The MNRRC coordinates the activities of all sport and recreation clubs located on the Recreation Reserve under shared recreation development and facility management plans. The Committee is made up representatives from the local government, active community representatives and the six local sporting user groups.

While the MNRRC approach has been highly successful in promoting better access to and use facilities, as a management group the MNRRC did not always function effectively and in such a coordinated fashion. The Committee, which was established in 1996 as a fully sanctioned Committee of Management of the South Gippsland Shire Council, had developed a poor record for coordinating the development and maintenance of the Reserve. Most capital works projects were undertaken in an ad hoc manner and the Committee had little success in attracting funding for capital works development. Individual clubs, while they were part of the Committee, worked very much independent of each other, and there was little community involvement in recreation planning.

It was not until 1999, when clubs were forced to update their constitutions in line with the new Associations Incorporation Act amendments, that this Committee started to develop some shared direction. Changes to the Associations Incorporation Act introduced in 1988, exposed the fact that most of the volunteer club committees using the reserve did not understand their legal compliance requirements.

As committee members quickly realised they did not have the skills amongst them necessary to deal with these legal issue they sought assistance from a parent with the necessary skills and experience who was also an active member of this local sporting community.

This parent quickly realised these clubs, although they were part of a single committee using common facilities and who also had a common goal in terms of promoting participation opportunities, worked in a very ad-hoc and dysfunctional fashion. A huge

potential for these groups to work together to streamline their operational and administrative compliance requirements and develop better recreation planning and facility management processes was identified.

The process of restructuring and refocusing this committee required funding support, and realising the committee did not have the capacity or drive to develop an appropriate funding proposal this parent once again stepped in to rally up the support of a group of like-minded community professionals to produce a strong application for funding.

As a result of their work, this group were successful in gaining funding through the Sport and Recreation Victoria Country Action Grants Scheme. With the assistance of funding support, in a relatively short time frame the first objective of this restructuring project, to assist clubs update their constitutions, was completed. The second and more complex objective, to assist the Committee to commence work on developing a shared strategic plan to encourage the user groups to work collaboratively to advance the development of the Reserve and improve the function of the Recreation Reserve Committee, then started

The development of this Strategic Plan involved facilitating an agreement between all members of the Committee; that is the Council, the sport and recreation user groups and community representatives, on capital works priorities for the future. This was highly successful, with the Committee adopting a five-year capital works plan focused on shared facilities acquisition and maintenance plans for the Reserve formally agreed to by all members.

Working under this new coordinated approach, the Committee have achieved some outstanding results already. So far, the Reserve clubrooms have been upgraded into multi-purpose function rooms which accommodate all sporting clubs; tennis courts have been upgraded and lights installed; netball courts extended and surfaces improved; and a children's playground and BBQ area has been built.

Other benefits of this Committee working in a more coordinated and collaborative way include the delivery of professional development workshops, the development of shared risk management and alcohol management policies, and joint fundraising activities.

Today the Reserve Committee has a greater cross-section of representation from the community and along with the sport and recreation user groups and Council now also includes skilled community business people allowing for better consultation and collaboration between the community and Council. As a result, a more cohesive and stronger sport and recreation community now exists that has full utilisation of quality facilities.

From a somewhat dysfunctional beginning, the Mirboo North Recreation Reserve Committee has developed into one of Victoria's most forward thinking and dynamic facility management groups that is the envy of many.

5. Discussion

Results of a review of current literature and actual case study investigations clearly shows amalgamation, if approached with a positive and forward thinking attitude, does work.

The four case studies completed as part of this research prove the value of entering into collaborative arrangements, particularly in small communities where volunteer, funding and facility resources are limited. For the clubs of the Kaniva Community Tennis Centre, the Allies Football Club and the Laharum Sports Incorporation, amalgamation not only saved them from almost certain imminent demise, it actually created more prosperous and supportive community based organisations.

As the South Australian Office of Sport and Recreation indicates in their Amalgamation Guide for Sport and Recreation Clubs, there are a number of significant benefits of amalgamation, including a cohesive strategic approach, simplified administration requirements, decreased overhead costs, more effective allocation of resources and spreading of risk, increased service provision and improved government and local support.

Case study evidence supports these findings. For both the Allies Football Club and the Kaniva Community Tennis Centre, amalgamation created far more effective and active sporting bodies as resources were freed up to concentrate on participation rather than administration.

The Allies Football Club and Hockey Australia both identified generation of a larger membership base and a rationalisation of resources as key benefits of amalgamation they identified included. For other groups, such as the Laharum Sports Incorporation, the broader focus created through amalgamation led to the development of more participation opportunities and a broader range of activities for the community.

The community benefits - one of the most important considerations of amalgamations - are often overlooked in favour of the smaller internal club benefits. For the broader community however, amalgamation ensures ongoing participation opportunities are available for all. Amalgamations, particularly those which bring a number of neighbouring groups together also creates new social networks and facilitates communication between communities.

For the Laharum Sports Incorporation and the Mirboo North Recreation Reserve Committee (MNRRC), amalgamation allowed these groups to take a more strategic approach to facility use and development which has in turn provided a greater range of access opportunities for a broader cross-section of the community.

Anecdotal evidence also suggests the social capital of a community increases when sporting clubs and associations successfully amalgamate. Greater cooperation exists between individuals as they merge and a sense of common purpose is realised. As Townsend et.al. found, overwhelming feedback from the towns involved in their study consistently reiterated the message sport and recreation is vital to the social development of a town.

An amalgamated club acting in the interests of the greater community can quickly become a social pillar as the MNRRC proved. Unfortunately, one of the greatest

difficulties the sport and recreation sector currently faces is trying to make internally focused single sport or recreation groups take some responsibility for the overall development of their sector. In the fight for funding and facilities, many organisations have become internally focused in their vision, reluctant to change and cautious of outside parties. This does not bode well for the concept of creating amalgamated community based clubs in the future.

While there are undeniable benefits of amalgamation, the option of surrendering total control of operations to share resources is still not the chosen option for most organisations. Loyalties to the “old club”, resistance to change, and an unhealthy focus on the present often overshadows long-term survival.

Power and money continually arise as the greatest barriers to amalgamation. Disparity in the level of control parties perceive they should have, and actual differences in financial assets or liabilities held between parties considering merging complicates the amalgamation process.

This was most certainly the case in the Hockey Australia merger where the women had the greater asset in terms of the highly successful Hockeyroos team, and the men the stronger power base. While the men, assuming they would retain control of the new organisation were keen to move forward with amalgamation as it would bring under their control the Hockeyroos, the women were justifiable wary of being subsumed in the new organisation.

In the case of the Won Wron and Woodside football clubs, a merger actually had a detrimental effect on the Won Wron football club. In this instance Woodside, being the stronger club, took control of the negotiations leaving Won Wron with a feeling they had simply been taken over by Woodside and as a result had completely lost their identity.

In a similar situation, the Kindergym Association of South Australia lost not only their identity, but also their membership base when under a national directive they were required to merge with the stronger South Australia Gymnastics Association. The result of this inequitable merger was a loss of participants not only from the Kindergym organisation, but from the sport of gymnastics as well.

Fortunately for Won Wron Football Club, they had a second opportunity to enter into an equitable amalgamation as part of the Allies Football Club. In this instance Won Wron were very careful to ensure they had an equal role to play in the newly formed Allies Club.

Successful mergers, such as the Allies Football Club and Kaniva Community Tennis Centre have proven the amalgamation process, if approached fairly and equitably with a positive and open-minded attitude, can generate significant benefits for the clubs involved and the broader community. As Sharon Phillips noted when reviewing the process of amalgamation between Australia's Women's and Men's hockey organisations, taking time to develop an atmosphere of trust, finding the common strategic ground and openly sharing information help to ease the merger process and ensure the needs of all groups are met.

Evidence collected as part of this research project clearly indicates the benefits of amalgamation to clubs and the community will almost certainly outlast the difficulties experienced in the process of merging. Given there are significant benefits, it therefore follows that the concept of bringing groups together to better share resources and cut

down on costs is one we should be promoting more widely as the option of choice for the future.

It could be considered somewhat surprising then, given the numerous positive benefits mergers can provide to both the organisations involved and the broader community, to find most amalgamations that have taken place to date have been driven by necessity, rather than choice.

To date the key drivers for change identified by research have been financial viability or a governance directive. For all four case study groups, the process of amalgamation began because of financial difficulties. Due to increasing administration costs, falls in membership numbers leading to less revenue, and decreasing government grant and sponsorship funds available, clubs found they were struggling to generate the income required to run their clubs and activities, and to maintain facilities. For these clubs, amalgamation was driven purely by a need to rationalise costs, or risk a complete demise.

For Hockey Australia and Gymnastics South Australia, amalgamation was driven by a governance directive, in the case of hockey from the international governing body, and for gymnastics, from the National Sports Organisation and other funding support bodies.

Although it is quite clear in these situations amalgamation was due to a variety of external factors forcing a change rather than any profound future insight on the part of the groups involved, what has emerged as a result of amalgamation for whatever reasons is a long list of benefits. As Pam Tye, President of Hockey Australia conceded, even though the process of amalgamation was long and difficult and would probably never have taken place without a directive from the international body, there have been many benefits including an increased membership and volunteer base, increased financial capacity and greater strength when dealing with the media and other groups.

As the evidence presented in this report clearly shows, no matter what the driver for change may be, and no matter how difficult the process is, amalgamation does bring positive benefits to merging groups. The key to amalgamation success is a positive and open-minded attitude, and choosing the amalgamation structure that best suits the needs of all your stakeholders.

The amalgamation structures we most commonly see cover a broad spectrum ranging from a simple operational agreement to a complete community club amalgamation into a new entity. The choice of where to sit along this spectrum is largely determined by the level of autonomy and control over their affairs groups wish to maintain, and their financial capacity to do so.

Those organisations who are the most reluctant to relinquish control of their finances and operations, or who are very much separate entities, but who can see the value in working together at some level often choose to develop a Memorandum Of Understanding (MoU) arrangement to work together at an identified level.

The MoU developed between the Laharum Sports Incorporation and the Cameron Oval Recreation Reserve Committee offers an example of such a model. Under these arrangements, the newly formed Laharum Sport Incorporation found they were meeting regularly with the Recreation Reserve Committee to discuss issues around facility use and ground maintenance. While both groups were quite separate entities, they realised they were working closely together for the common purpose of providing better facilities

for all. As many of the same people were representatives on both committees, the groups decided to form a cooperative made up of sports club and reserve committee members to discuss facilities issues.

In this case, the merger between these two groups is not a legally binding alliance, but is rather based on a simple MoU. To date this group has been highly successful in decreasing administration workloads, better managing funds, and in the larger scale scenario, in improving existing and developing new facilities.

In a step further along the spectrum toward a complete amalgamation, other groups have entered into a “quasi-amalgamated” structure where a new entity is formed to take on a number of specific governance and administration tasks, however each member of the umbrella organisation maintains its own individual incorporated identity.

The formation of the Laharum Sports Incorporation and Soccer South Australia are examples of groups coming together to form a new entity to work on bigger picture projects, such as sponsorship, marketing, database registration and events and fixtures, with each individual member group maintaining control of their own affairs as sub-structures of the larger group.

This quasi-amalgamated structure works well for groups like Soccer SA, whose members traditionally have an inherent sense of competitiveness and distrust, or the Laharum group who, representing a range of different sports found it easier to maintain control at the operational level. For both the models discussed thus far, the effectiveness of the working relationship will be largely determined by the strength of the common purpose.

While both these models stop short of a full sharing of resources, they do at least take an important step toward the concept of working together for the future. If organisations continue to work together in an open and honest way, this first tentative step may pave the way for a fully cooperative amalgamation in the future.

The Community Club model of amalgamation is a complete merger of independently incorporated clubs into a newly formed legally recognised entity. Under this model, individual groups dissolve their current structures and consolidate their assets and resources to become a newly incorporated organisation. An appropriate constitution is developed for the new organisation and a new committee of management with responsibility for the governance, management and administration tasks of the amalgamated organisation is elected.

The Allies Football Club, Kaniva Community Tennis Centre, Hockey Australia and Brighton/Seacliff Hockey club are all examples of incorporated associations born through amalgamation of a number of clubs. As the fully amalgamated entity has a common purpose and is responsible for the growth and development, it is potentially the model that will derive the greatest benefits for all concerned.

One of the less talked about, but highly successful structures are community sports clubs similar to those in the Australian Capital Territory. Under this model, licensed clubs contribute significant amounts of the income they derive from their operations back into the community sporting clubs they support.

It is suggested this model is less frequently discussed due to the ethical debate the use of gaming machines elicits. Driscoll and Wood touch on the impact gaming machines have on communities, and while as evidence in the ACT clearly shows the benefits to

the community are extensive, as Driscoll and Wood point out, the use of gaming machines as revenue raisers comes at a cost to both the individual and the community. Laying aside the ethical debate over the use of gambling machines as revenue generators however, the fact remains the inclusion of licensed clubs in the sport and recreation support structure adds a significant source of income to an otherwise declining funding pool. As such, government and other relevant stakeholders should give due consideration to the promotion of licensed community clubs as potential funding providers.

Each of the models outlined above has advantages and disadvantages. The key to promoting amalgamation is the realisation merging is not a simple as one size fits approach. The unique circumstances of each club and the community it serves will determine the type of combined or umbrella entity is most appropriate.

Where groups are considering entering into a collaborative arrangement, organisations should consider a range of important internal and external factors when determining which level of integration best suits their needs.

Internal factors to be considered include:

- Current and future participation trends;
- Ability to sustain club administration and participation activities using a volunteer-based structure;
- Financial viability; and
- Ability to maintain facilities.

External factors to be considered include:

- Implications of a merger on the local community, including issues around social capital, community identify and community cohesion;
- Implications on key stakeholder relationships, including government, sponsors, supporters, funding providers, sport governing body;
- Current and future community demographics;
- Access to ongoing funding; and
- Access to safe and adequate facilities.

Once the collective has identified the amalgamation structure that will best suit their needs, they must then commence the difficult process of defining operational details. The difficulty with this process is not as much in the development of processes as it is in managing the needs and concerns of each group involved. The evidence provided in the literature review and case studies shows there are a number of basic principles which if adhered to can pave the way for a smooth amalgamation process.

First and foremost, the goal for amalgamation must be clearly identified and all members must be fully committed to working toward the achievement of that goal. According to Pam Tye, as difficult as amalgamation may seem at the time, it can achieve great benefits if the process is focused on doing what is best for the sport.

Any negotiations around amalgamation must be open and honest and all parties should be treated fairly and have their individual concerns and opinions considered with due respect. Amalgamation discussions must also involve all bodies directly affected by the amalgamation. This includes local or state government bodies who may be involved as facility owners or major funding bodies for example.

It is also recommended organisations looking to merge seek the support of a knowledgeable professional to help facilitate the process. A skilled negotiator can not only help ensure all parties are treated equally, they can also assist with some of the more difficult amalgamation issues.

The legal area is one area where professional assistance can be highly beneficial. The legal process of dissolving, merging or creating new entities can be complex. Resolutions need to be drafted and voted on by members and constitutions that comply with the requirements of the Associations Incorporation Act must be developed. Once this is done, the organisation must be duly registered under the Act and if appropriate, an Australian Business Number must be registered. The overall legal process can be time consuming and may be beyond the internal skill set of the club or organisation. Seeking professional and/or legal advice as required makes the process of amalgamation much easier for all involved.

6. Conclusion

The anecdotal evidence presented as part of this research clearly proves successful amalgamation is possible and highlights the important role amalgamation and the development of community clubs must play in the future. While amalgamation and sharing of resources is currently rarely seen as the option of choice, the reality facing those clubs who refuse to work together to provide high quality more flexible opportunities is driving home the need to make this option a priority for the future.

There are a number of reasons why a sporting club may seek to merge or amalgamate; decreasing participation in structured sport, declining volunteerism, rising administrative and compliance costs or better use of resources. Through amalgamation, economies of scale are achieved by reducing the duplication in administration and this has the flow on effect of decreasing the burden on volunteer and financial resources.

Of course the process of amalgamation is not easy, and no single amalgamation model suits all circumstances. There are many issues such as organisational culture, resource allocation, and representation in decision-making and leadership roles to be worked through to mutually acceptable resolutions. While a sharing of resources makes sense on paper, when the issue of actually relinquishing total control for the bigger picture is placed in front of many organisations, the immediate response is one of fear and distrust rather than positive acceptance.

As indicated by the anecdotal evidence collected here, the key drivers for merger have been either imminent financial collapse, or a directive from a key funding or governing body. Fear of loss of control, and an unhealthy attachment to traditions which, while they have served an important purpose in the development of grass roots sport and recreation, do not meet the current needs of society, sees many groups preferring to struggle on in the face of adversity, rather than take the initiative to share resources.

Without doubt the future for grass roots sport and recreation clubs, particularly those in smaller rural and regional areas where financial, facility and volunteer support is stretched to the absolute limit is a sharing of resources. While the full-scale amalgamated community club structure is not the only option, the bigger picture focus such an organisation has means it is the structure with the greatest potential to bring maximal benefits to both the organisation and the community.

Currently, amalgamation is rarely looked upon as the preferred option for change in the first instance. In fact, without some governing directive or major financial hardship, it is speculated amalgamation would not have been considered as an option in the past. An increasing number of successful amalgamations are however proving to the sport and recreation sector amalgamation does work to the benefit of all, and as such should be seen as a priority for moving forward rather than a last ditch attempt to avoid complete collapse.

In an ideal world, each and every sporting or recreation club in each and every town in Victoria would have its own purpose built facility to conduct activities every day. In our current climate, where funding and facilities are scarce, such a situation can be nothing more than a dream however. The reality for the near future at least, is a better utilisation of the resources we have, and a community approach to developing new facilities for the future.

7. Recommendations to VicHealth

1. Based on the findings of this research project promote the concept and benefits of amalgamation to relevant stakeholder groups such as SSA's, LGA's, RSA's and clubs themselves.
2. Procure funding to complete a club amalgamation pilot project. The aim of this pilot will be to identify a number of clubs who would benefit from, and are open to the concept of amalgamation, and to work with these groups to facilitate the process from concept through to completion.

This will allow us to gain a first hand insight into an amalgamation process and to identify areas of difficulty and develop methods for working through these problem areas.

3. Procure funding to develop an information resource detailing recommended correct best practice procedures that can be used by a range of organisations, such as SSA's, LGA's, RSA's and clubs themselves to understand and work through the process of amalgamation.
4. Through further scoping research investigate funding and other support mechanisms to facilitate collaborative partnerships for clubs or associations looking to amalgamate.
5. Conduct further scoping research to ascertain if mergers and amalgamations within metropolitan communities can be achieved as effectively as in rural communities.
6. Conduct further scoping research to determine the effectiveness of working with facility funding groups to develop funding options which encourage groups to consider joint facility funding proposals.

8. References

ACT Bureau of Sport and Recreation - *'Sport and Recreation Summit 2001 Discussion Paper- Issue: Small Sports'*, ACT BSR, Canberra, 2001.

Brown, S on behalf of the Government of South Australia Office of Sport and Recreation – *"Amalgamation - A Guide for Recreation and Sporting Organisations"* Government of South Australia Office of Sport and Recreation, June 2003.

Driscoll, K. & Wood, L., - *"Sporting Capital – Changes and Challenges for Rural Communities in Victoria"*, RMIT Centre for Applied Social Research, May 1999.

Hillary Commission - *"Sportsville 2010"*, Hilary Commission, New Zealand, 2002.

Oakley, R. (Chair) – *"Shaping Up. A Review of Commonwealth Involvement in Sport and Recreation in Australia. A Report to the Federal Government"*, AGPS, Canberra, 1999.

Phillips, S. *"How hockey avoided merger meltdown."* Australian Sports Commission, 2002.

Rural and Regional Development Committee – *"Inquiry into Country Football – Final Report."* Parliament of Victoria, December 2004.

South West Sports Assembly – *"Sustainable Community Sport – The Heytesbury Mt Noorat Football Netball League Project."* South West Sports Assembly.

Townsend, M., Moore, J. & Mahoney, M., - *"Playing their part: the role of physical activity and sport in sustaining the health and wellbeing of small rural communities"*. Deakin University of Health Sciences, August 2002.

VicSport – *"Community Sports Clubs in the ACT"* Industry Discussion Paper, August 2003.

VicSport – *"The Taskforce Report: The Cost of Delivering Sport and Recreation to the Victorian Community"*, March, VicSport, 2001.

9. Acknowledgements

VicSport would like to thank VicHealth for providing funding support for this important industry research, and for their broader ongoing support of community sport and recreation in general.

VicSport would also like to thank members of the:

- Kaniva Community Tennis Centre
- Allies Football Club
- Laharum Sports Incorporation
- Mirboo North Recreation Reserve

For their time and effort in providing vital case study information.