The Australian sport system and its stakeholders: Development of cooperative relationships

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The Australian sport system arrested its unrelenting decline in the 1970s to become a model of best practice perplexes many countries. This paper aims to give an insight into the way the system was transformed and became successful. The paper reviews the decline, and then the evolution and devolution of the system, and analyses the stakeholders involved, and the inter relationships developed to achieve success. The study is based on a document analysis examining 74 annual reports from 35 national sporting organizations over a period of four years, before and after the Sydney Olympic Games. The results of the study show that in the face of financial instability and an over-reliance on government funding, sport stakeholders sought alternative sources of income, amalgamated or worked in collaboration with other stakeholders, and/or opted for intra-organizational cooperation. The sport system in Australia has proven resilient and able to adapt to an ever-changing environment via the cooperation of its stakeholders and their willingness to work together towards a common goal.
Introduction

Success in sport in Australia is epitomized by an effective national sports system that offers improved participation in quality sports activities by all Australians and helps those who are talented and motivated to reach their potential excellence in sports performance. This success is measured by the medals won on the international stage by elite athletes and by the number of people participating in sport at a community level. Continuing elite success and increasing community participation demonstrate the effectiveness of the sport system in Australia. The way Australia has recently achieved results is the envy of many sport systems globally. However, to reach its current phase of development, the sport system in Australia underwent – and is still experiencing – critical transformation.

The way the Australian sport system recovered from its inability to win a gold medal in the 1976 Olympics to win an all time high of 17 gold medals in 2004 perplexes countries worldwide. Previous efforts to explain this success have concentrated on the contribution of sport science and sport medicine to the development of the system. Other studies have examined the importance of retaining volunteers for a sustainable system. There is no study that analyses the stakeholders, their roles, relationships, involvement and impact on sport. The aim of this paper is to elucidate the way Australia has created a model of best practice in sport through examining sport stakeholder relationships.

First, this paper addresses the developmental changes of the Australian sport system since the 1950s as reflected through three distinct stages: the slow decline, the evolution, and the devolution of the Australian sport system. The classification of these stages is based on significant sporting events (e.g., Olympic Games) and the government policies/actions they prompted. An understanding of the transformations the system underwent is important to understand how Australia has adapted to a changing global sport environment.

This paper analyses the stakeholders involved with the system, their roles and interrelationships. In doing so, it explains the way stakeholders cooperate and interact to achieve a sustainable sport system in Australia to deliver quality programs equally for mass participants and elite athletes. The second section is important in demonstrating the impact that each developmental stage has had on sport stakeholders and the ways they managed different pressures. This section reports the results of a study that used 74 annual reports collected from 35 participating national sporting organizations (NSOs) covering the years from 1999 to 2002 as its primary source of data generation. The annual reports constitute the formal written source of information that reflects NSOs’ operations with regard to sport, and interactions with the federal government and other key stakeholders. Additionally, these reports provide the annual contributions of all state sporting associations (SSAs), staff and members of the board of directors collectively in a reliable publicly available form on which to develop an understanding of stakeholder roles and interrelationships for a successful sport system. Data analyses revealed themes of internal changes and governance level approaches to management and these are used to discuss the Australian sport system and its key stakeholders.

Finally, the paper presents the future issues and trends that stakeholders may be faced with and concludes that a critical ingredient for the sustainability of the Australian sport system is its capacity to adapt to a complex environment. In this respect Australia has learned from its past and has become proactive with a long-term vision and strategies to sustain a successful sport system.
The changes of the Australian sport system

The way sports integrate into social life varies from society to society, and the way they are organized differs from place to place and time to time. These different approaches to developing sport depend largely on the ideological position of governments at different levels. Leach suggested that the two contesting major ideologies are liberalism and socialism. Liberalistic ideology advocates minimum government, as well as individual and market freedom. In this view, extensive state welfare provision is generally seen as undesirable. In contrast, socialist states view state welfare provision (hence involvement with grassroots sport) as a form of collective intervention which is designed to meet a range of social needs and solve important social problems in the general interest. Political ideologies help interpret governments’ approach to manage sports.

In a comprehensive study on sport systems and their approaches to success, Green and Oakley point out that, amongst a number of select countries, Australia has demonstrated the most notable sustained improvement in efficiency regarding output of Olympic medals. They identify two factors as political and financial catalysts for developing Australia’s sport system: first, the poor performance at the Olympic Games of 1976 and the second was the bidding for and hosting the 2000 Olympic Games in Sydney. These two factors are used here are the basis for distinguishing the modern Australian sport system into three developmental stages: the ‘slow decline’, the ‘evolution’ and the ‘partial devolution’ that the system has been, and is still, experiencing (see Table 1).

The seminal characteristics of the first era of the modern Australian sport system, that lasted until about 1976 were a lack of government involvement with and finance of sport, and an amateur, unorganized and uncoordinated approach to administering sport. During the 1950s and 1960s, sport was ideologically and financially an issue of free choice for the individual, hence considered outside the realm of federal government responsibility. Some assistance for team travel and accommodation to Commonwealth and Olympic Games and for costs associated with hosting such events was available but overall financial support was meagre. Sport was almost exclusively controlled and implemented by volunteers and voluntary organizations which, along with sport participants, were the main stakeholders within the sport system.

The traditional ideological position of conservative/liberal approaches to involvement in sport coupled with the relative success of Australian Olympic performances prior to the 1976 Olympic Games in Montréal reinforced conservative thinking that Australia was naturally a superior sporting nation. However, the ‘hands-off’ approach to sport was slowly taking its toll on the system. Elite athletes’ international performances could not match the success of athletes from countries such as former East Germany and the former Soviet Union. These countries were investing vast resources to promote research and used sport sciences and technology to identify and prepare athletes for competition.

The second era of the modern Australian sport system, ‘the evolution’, began after 1976 and was characterized by the introduction of numerous sport agencies and organizations, the move toward professionalism and commercialized sports, and,
more importantly, an increasing investment and involvement from the federal government. That involvement changed the way sport was delivered in Australia.\textsuperscript{11}

The Whitlam Labor government, elected in December 1972, recognized sport as a legitimate area of involvement and expenditure.\textsuperscript{12} The then Minister of Sport, Frank Stewart, commissioned John Bloomfield of the University of Western Australia to prepare the first detailed report on sport – \textit{The Role Scope and Development of Recreation in Australia}.\textsuperscript{13} For the first time in the history of Australia, sport was politically recognized as an integral part of Australians’ lives and received federal government attention.\textsuperscript{14} The importance of the report was the framework it established for federal government support and assistance to national sporting organizations (NSOs). (These bodies are known as sports federations or national sports government bodies in other sports systems.)

Whitlam’s democratic social policies that introduced sport and recreation were significantly different to the subsequent Fraser Liberal government (1975-1983). The Fraser government gave a distinct emphasis on developing elite athletes. The then government was hoping Australians would simulate elite success.\textsuperscript{15} However, following pressures to improve Australians health, Fraser initiated the ‘Life. Be in it’ program to create incentives and encourage physical activity.

The most influential development during the system’s evolution were the establishment of the Australian Institute of Sport (AIS) in Canberra and the Australian Sports Commission (ASC), Australia’s primary national sports administration and advisory agency during the 1980s.\textsuperscript{16} The ASC was established with the objectives to: (a) “sustain and improve Australia’s level of achievement in international sporting competition”, (b) “increase the level of participation in sport by all Australians”, and (c) “increase the level of assistance from [the] private sector”.\textsuperscript{17} The institutional base of federal support changed in May 1989, with the amalgamation of the AIS and the ASC, to form a new commission under the ASC Act 1989.\textsuperscript{18}

Also, in the 1980s a number of NSOs became well established and started work in partnership with their SSAs. At this stage, Australian sport was managed by volunteers under the ‘delegate system’. Under this system, nominated representatives of clubs, regions, or states were appointed to the governing body. With sport rapidly changing in nature and demands, this system, however democratic, became inflexible and unable to deliver results.\textsuperscript{19} Increased government funding, together with the pressures of commercialization, forced a cultural change within sporting organizations that historically existed under systems of ‘institutionalised amateurism’.\textsuperscript{20}

Another characteristic of the evolution of the system was the move towards professionalism.\textsuperscript{21} In particular, government funding marked the growing recognition of the importance of professionally played sport in Australian society.\textsuperscript{22} Consequently, high levels of government funding contributed to the professionalism of Australian sports organizations and increased involvement of stakeholders, such as sponsors, and helped shape the multifaceted industry of sport.

The move towards commercialization and professionalism contributed to unprecedented success on the international stage. During this stage, sport organizations questioned the effectiveness of their relationships with the government and other stakeholders in the industry, and the ramifications of an increased reliance on government finance in the system. For example, sports, in anticipation of funding reductions,\textsuperscript{23} expressed the need to restructure and increase their membership numbers.\textsuperscript{24, 25}
Since 1989, the federal government has allocated money in discrete packages to the development of elite sport every four years. Examples include the *Next Step* initiative from 1989 to 1992, which poured $217 million into sport over the four-year cycle.\textsuperscript{26} The *Maintain the Momentum* program from 1992 to 1996 injected another $293 million over its four-year cycle and handed more power to NSOs.\textsuperscript{27}

Whilst sport was restructuring to adapt to the new environment, Australia’s elite success at an international level during the 1990s was improving. Australia won 27 medals at the 1992 Barcelona Olympics including 7 gold, and 41 medals at the 1996 Atlanta Olympics with 9 gold. Sponsors saw the potential gains of associating their names and products with that success and, as they invested in sports, there was a need for sports to adjust to an even more complex landscape.

Until the mid 1980s, at the junior and youth (i.e., until the age of 18 years) sport levels, the Australian sport system predominantly focussed on identifying elite performers.\textsuperscript{28} The early 1980s did not give rise to any significant programs to promote mass participation or develop an integrated approach involving NSOs and state authorities.\textsuperscript{29} Hence, while elite sport was reaping the rewards of increased stakeholder focus, mass participation numbers started to decline. One of the outcomes of the focus on elite was a high dropout rate in the adolescent age groups.\textsuperscript{30}

Under normal circumstances, the four-year funding cycle would have run its course in 1996, the year of the Atlanta Olympic Games. However, circumstances changed on 23 September 1993, when the International Olympic Committee awarded the 2000 Olympic Games to Sydney.\textsuperscript{31} In response the federal government, through the ASC, decided to continue with the *Maintain the Momentum* funding cycle and, in 1994, announced the *Olympic Athlete Program* (OAP), a A$135 million six-year package. In addition, in 1995, the ASC formally established a Sport Development Division.

According to the Sport 2000 Task Force, while Australia’s results in international sporting competitions were exceptionally good and showed that “elite sport has been served well by the ASC”,\textsuperscript{32} the lack of real growth in the membership levels of sporting organizations and the decline of numbers participating in organized sport during the previous 25 years suggested that “strategies have not achieved increased participation in organised sport”.\textsuperscript{33}

This lead to the third phase of development of the Australian system. It began after the 2000 Olympic Games and is still in effect. This phase is characterized by an emphasis on additional programs for community participation in sports,\textsuperscript{34} less central control by the ASC, and an effort to maximize the input of the stakeholders within the system. The anticipated success of the various programs and resources supporting the development of Australian athletes at the Sydney Games was expected to help sports increase their mass participation numbers. However, appropriate infrastructure to capitalize on that success was lacking. On 24 April 2001, the Australian government announced the 10-year *Backing Australia’s Sporting Ability – A More Active Australia* plan. This plan included funding of A$408 million for the new *Sport Excellence Program*, which was introduced to build upon the achievements of the elite athletes at the international and national levels.\textsuperscript{35} There was also provision for an A$82 million infusion of funding (over a four-year period starting 2001–02) through *Active Australia* to increase mass participation in sport at the club level.\textsuperscript{36} Putting additional resources into sport did not necessarily fit the prevailing ideology of neo-liberalism; however, supporting sport was seen to have a strong electoral appeal.\textsuperscript{37}
According to the Department of Industry, Science and Resources, there has been a slight policy shift towards participation programs, and in particular talent identification initiatives, with the ultimate aim of increasing the pool of elite athletes. So, while catering for the elite level remained a policy priority, the four-year plan announced in 2001 saw participation as a means of increasing the pool of talented athletes and not as an end itself. Smith perceived this attempt to increase in community sport as a possible response to one of the key findings of the Sport 2000 Taskforce’s *Shaping Up* report, that too many Australians were inactive and that more resources needed to be directed to participation programs and campaigns.

Stewart-Weeks predicted that the Australian sport system would face a third phase of development in the post-2000 Olympic Games era, with the main trend towards less public funding at all levels of sport. However, after the Games, the Australian government continued to provide unprecedented levels of funding to sport. For example, in its 2006-07 budget it allocated A$204 million to the ASC, trying to tackle head-on the challenge from other countries seeking to emulate Australia’s Olympic success as well as to invest in initiatives that offer improved participation in quality sports activities by all Australians.

Nevertheless, a new direction emerged post 2000. In his discussion on changes to the sport system, Bloomfield outlined a new era of sport, where the ASC extended NSOs’ power to increase their administrative and financial efficiency and carry out functions independent of the commission. The aim was to maximize NSOs’ ability to function at full capacity and deliver sports in a more efficient and self-sufficient way. For this to take place, NSOs needed to reduce their reliance on federal government funding and establish greater independence as a necessity for financial survival. By implication, an assumption drawn from Bloomfield is that NSOs are no longer seen as instruments of sport policy, but rather as organizations able to shape power relations.

The ASC provides leadership in all facets of sport from the elite level through to the wider sporting community. To achieve its goals, it works with a number of stakeholders ranging from governments and organizations at all levels to corporations and individuals. These stakeholders interact closely to achieve success in sport. The following section discusses the different roles of these stakeholders and describes the interrelationships they have established in order to achieve that success.

### Stakeholder relationships

Stakeholder theory suggests that an organization has relationships with many constituent groups, or ‘stakeholders’, that affect and are affected by its decisions. A stakeholder is defined as a group or an individual who can affect and is affected by the actions, decisions, policies, practices, or goals of the organization. According to Mitchell et al., stakeholder theory seeks to systematically address the question of which stakeholders do or do not require or deserve management attention through evaluation of relationships between organizations and stakeholders. In that sense, stakeholder theory is useful in understanding and evaluating the sport industry stakeholders and their relationships that this paper reports.

The results support Jones’ assertion that the organizations that develop cooperative relationships with stakeholders will have a competitive advantage over other organizations. NSOs argued that success in sport is inconceivable without the cooperation and the coordinated input of stakeholders for the delivery of strategies, policies and programs. Stakeholder coordination is more commonly problematic.
within federal systems (e.g., Canada, Australia, Spain) where different states/regions have a degree of political autonomy. The roles different stakeholders hold within the Australian sport system is a reflection of the Australian federated model. This model includes governments at the national (e.g., federal government), state (e.g., state departments), and local levels (e.g., local councils). Sport organizations are structured similarly and are represented by national sporting organisations (NSOs), state sporting associations (SSAs) and local clubs.

NSOs form the primary link to the ASC and implement the strategies the commission formulates. Hence, NSOs, as sports’ national representatives, manage and coordinate the participation and development aspects of their sports. At the same time, as Farmer and Arnaudon, noted NSOs are involved in organizing and conducting national championships, liaising with the international parent body, marketing and promoting national events, fund-raising for national teams, selecting and developing talent, selecting national teams for international events, and liaising with the federal government. Over time, the ASC and the NSOs have developed a close working relationship, a partnership, to achieve sport goals. Interaction between the ASC and NSOs often takes place through sports consultants.

While the primary responsibility for developing and directing individual sports lies within the NSOs, it is the ASC that delivers the government’s policies to (a) promote and encourage community participation in sports, and (b) significantly improve Australia’s sporting performance at the elite level. In addition, the ASC offers leadership, coordination of funding and other support to individual sports and the organizations that represent them. The NSOs work closely with their state and territory associations, academies, and institutes of sport, schools, community groups, and local clubs to deliver sport programs. Governments and these organizations collectively have either an interest in, or the power to, affect the sport system through shaping sport strategies or instigating programs.

Stakeholders within the sport system have different responsibilities and roles, varying from shaping to implementing policies, strategies, and programs. As stakeholders perform their tasks they interact with each other and form relationships that assist them achieve their goals. The necessity for stakeholders to work with each other to fulfill their objectives has been documented by a number of researchers in organizational theory. These relationships are under constant review as stakeholders aim to maximize their contribution to the system and minimize federal government reliance. As a result, sports tend to lobby or search for alternative sources of income, change their structure to streamline their organization, amalgamate to strengthen their sport, and shape intra-organizational relationships to advance their governance style.

The relationships various stakeholders have within the system, in particular those of governments and organizations, are largely driven by the federal government through the ASC. Consequently, the operations of many organizations and governments are influenced by the ASC’s policy direction, priorities, and resource distribution. Due to the centrally controlled sport system through the ASC, during the evolution phase of the system, many sporting organizations and governments operating at different levels were, and still are, not self-sufficient. This economic and strategic reliance (as well as other external factors such as professionalism) has put pressure on many sports organizations. The nature of ASC funding has important implications for the sport system as it affects operations, especially of NSOs, and influences sports organizations’ governance strategies and structure.
The theoretical perspective of resource dependency helps explain inter-organizational links and power relationships. More specifically, resources dependency theory is characterized by interdependencies created between organizations or stakeholders because of the stakeholders needs to acquire resources. As a result, some stakeholders exert more power over others as they have control over the needed resources. The ASC provides resources (financial and human) and programs for both the elite athlete and membership/participation ends of the sport system. In return for this investment, the commission requires that sports increase ‘their popularity’, public profile, awareness and growth in participation numbers, and international success and medals at the elite level. In essence, the commission’s involvement allows the government to establish success criteria at all levels and implement performance benchmarks in return for allocating grants. A critical ASC policy requires NSOs to report to the statutory authority on the ways they intend to or have implemented the policies/programs through strategic plans and annual reports. Plans and reports are forms of formal communication; an important element in successful partnerships that enables common understanding of terms and conditions, agreements and decisions.

The ASC grant allocations have fluctuated over time and the nature of that funding has been somehow provisional and uncertain. Bourne and Waler explain that some stakeholders (the ASC in this instance) that have a stake in the entity (i.e., sports), have certain expectations, and consequently, engage in certain types of behaviour, sometimes supportive and some times unsupportive. As noted earlier, Stewart-Weeks speculated that post-2000 Australia’s sport policy would be a combination of less public funding (in relative terms) at all levels and growing expectations for service and performance. Shilbury recognized the need for NSOs to reduce their dependence on government funding in the post-2000 policy agenda and explained that this “is not an argument to reduce overall Government funding, but recognition that such funding will not continue”.

Grant fluctuation and financial uncertainty compels NSOs to lobby the government through the Confederation of Australian Sports or search for alternative funding. Thibault and Harvey argued that in order to deal with uncertainty, sport organisations establish strong links with various stakeholders to coordinate their efforts and increase their resources. Shilbury’s cluster model emphasized and drew attention to the need to be less reliant on government funds. Depending on the sport, the most common source of income for NSOs’ financial viability derives from either intensified effort to increase members/participants and adjust membership fees, or financial assistance from sponsors. Although sports recognize sponsorship as an important source of revenue, not all manage to attract corporate funds. Australian Canoeing, for example, found the post-2000 Olympic sponsorship market very difficult and as a result, they remained reliant on government funding for the majority of their programs.

Implications to the sport system
The results of this study showed that, depending on the NSOs’ elite and mass participation outputs, the commission’s funding continued, increased, was reduced or was withdrawn. These funding patterns directly affect NSOs’ operational choices. For example, continuous or increased funding has positive results on maintaining elite success but it does increase the NSOs’ funding reliance and accountability to the commission. Government funding fluctuations and in particular reduction or withdrawal of grants negatively can affect elite athletes and their ultimate success.
In addition, these fluctuations raise concerns about overall operations and provision of services in sports. Many sports recognize their substantial dependence upon government funding to maintain their level of operations. When low funding or withdrawal of grants to NSOs leads to the termination of staff employment contracts, the workload of remaining staff increases. Therefore, some have difficulty in hiring and keeping the number of staff necessary to meet operational needs. In response, NSOs report that sport organizations often develop higher levels of teamwork and realize the potential that joint efforts have to offer to their future survival. 63 64

Shilbury 65 recognized the need for sporting organizations to consider alternative forms of structure and management procedures to ensure best practice. His concern was that the immaturity on the part of some sporting organizations in Australia limited their ability to be financially autonomous. Increasingly, though, many organizations appear more prepared to develop/alter their structures. Internal restructuring, with the flexibility to restructure as required, is becoming common practice within sporting organizations to ensure they are well placed to meet the challenges and demands of their sport.

Organizational structuring presents a challenging and powerful tool to ensure that sporting organizations can adapt to the environment in which they operate. 66 Athletics Australia provides a good example. Ryan 67 claimed that, after its initial unsuccessful effort to amalgamate, eventually Athletics Australia’s organizational restructuring boosted its organizational performance. He suggested that small NSOs, seeking to run their sport like a business, “could do well to follow the governance overhaul example set by Athletics Australia”. 68 Flexible structures enable NSOs to work in collaboration, advance their communication and reduce duplication, develop networks and shape effective linkages with each other. It is commonly accepted by the ASC that the development of structures that promote appropriate financial controls, unity of purpose and successful risk management practices, has a “significant impact on the performance of a sporting organisation”. 69

At a governance level, the two major patterns emerged involving organizational partnerships of intra-organizational cooperation or amalgamations. Intra-organizational cooperation is evident between NSOs and SSAs. NSOs delegate membership/participation strategies and program implementation, support and funding to SSAs. NSOs have an indirect involvement with mass participation rather than a sole focus on elite success, and share responsibilities for mass participation and junior and talent identification programs with their SSAs. The sphere of the NSOs’ support to SSAs appeared to be extensive. The central areas of provision to SSAs are programs to attract/retain members and participants, and identify/develop talented players. In addition, NSOs assist their state associations with management/administration needs and provide SSAs initiatives to develop coaches/umpires at the community level. Hence, it could be argued that through growing intra-organizational cooperation, a balanced approach within the sport system, catering for all participation levels, is achieved.

These results are in accord with Elias, Cavana and Jackson’s stakeholder analysis that recognized that “stakeholders exist beyond the boundary of a single organisation into a partnership infrastructure”. 70 Notably, the NSOs support SSAs in actively increasing membership and participation. Therefore, intra-organizational cooperation between NSOs and SSAs, as well as the flexibility for organizational restructuring, assists sporting organizations at the national level in filtering down funding, support and sport development responsibilities to the state level, which provides a balanced approach to sport within Australia.
NSOs also receive funds from the ASC to assist clubs/associations at the local level in areas such as club development, attracting young people, and encouraging clubs to appoint junior development officers. SSAs and clubs/associations are responsible for the delivery of programs developed and funded by the NSOs. As well as NSOs, state governments, through their diverse offices for sport and recreation, such as the Office for Recreation, Sport and Racing of South Australia, Sport and Recreation Victoria and the NSW Department of Sport and Recreation, financially support many of the SSAs’ activities. Also, local clubs join together to construct common facilities for training and playing; clubs, schools and communities share resources and build facilities; and local governments in regional areas establish sporting hubs in their communities to centralize resources.

In their study examining tourism development and stakeholders, Sautter and Leisen noted that collaboration “among key players is a fundamental ingredient in sustainable development efforts”. The various sporting associations across Australia look to work together on a range of long-overdue initiatives for strengthening and expanding sport into the future. Basketball Australia provides an example of how cooperation in the governance of sport can work. The vision and agenda for the future of the sport developed is the result of the cumulative efforts of those in the basketball community. The “One Basketball” program highlighted the need for integration and unification in all that they did, and the need for consistency in branding and program delivery. Overall, intra-organizational cooperation enhances the ability to share responsibilities, effectively communicate and assist each other to achieve goals, and implement national initiatives.

In addition to intra-organizational cooperation, other collaborative patterns at the governance level involve amalgamations. Amalgamation is the unification process that brings selected sporting organizations under one national umbrella. Brown argued that in the recreation and sport industry amalgamation generally takes one of two forms: a merger that brings two or more organizations together in a new entity; and a takeover “when one or more organisations cease to exist in their own right and their resources, assets and roles are consolidated into an existing entity”. Mahony and Howard referred to the synergy between sporting organizations and the merging of teams, leagues, and organizations in the same industry as horizontal integration.

Soccer (football) provides a case in point, where amalgamations were achieved for the good of the game. In its effort to unify the game, New South Wales Soccer Federation and New South Wales Amateurs formed Soccer New South Wales in 2002. The same year, the South Australian Soccer Federation, the South Australian Amateur Soccer League, the South Australian Junior Soccer Association and South Australia Women’s Soccer Association formed a new body – Soccer SA. Brown observed that even though soccer reaped the benefits of reduced duplication of activity and resources and gained sponsorship, “it has taken time to build trust amongst the group”, share information and put aside many past difficulties.

Other examples of sport amalgamations, such as that of the Women’s Hockey Australia and the Australian Hockey Association’s (men’s hockey), to form Hockey Australia, have also led to initial disadvantages, such as loss of volunteers and members, loss of jobs and clashes of cultures. Phillips explained that “amalgamating sporting associations often faces financial barriers and inequalities, clashes over facilities and debates over board representation - all flavoured by egos both strong and fragile”. For example, following the recommendation from hockey’s international body in 1998 for Women’s Hockey Australia (WHA) and the Australian Hockey Association to amalgamate, gender issues made the process very complex.
Specifically, WHA felt their independence was in jeopardy, while Australian Hockey was more open to the change because their role was unchallenged and they saw the amalgamation as an opportunity to capitalize on the strong profile of the women’s hockey team.

Schraeder and Self demonstrated that mergers and acquisitions are becoming a strategy of choice for organizations attempting to maintain a competitive advantage. While two or more organizations may work well together, when merge they have the potential to complement each other in the future. For instance, the amalgamation of the two national bodies of hockey provided “a window of opportunity for hockey to be seen as a sport that is producing world class athletes, coaches, administrators, and facilities. There must be positive long-term goals to provide a legacy for the sport”.

Significant other stakeholders
So far, this paper has discussed governments’ and organizations’ roles and relationships, and the implication of these relationships to the sport system and the way it operates. In addition to the sport organizations and governments at all levels that primarily initiate strategies and programs and provide resources, other significant stakeholders are actively involved with sport in Australia. This group of stakeholders includes volunteers (e.g., umpires, administrators), paid staff (e.g., coaches, sport development officers), participants/members at various levels of skill, including athletes, spectators and supporters, and sponsors. These stakeholders contribute towards the implementation of the sport strategies, programs and events that governments and organizations provide (e.g., sport development officers and coaches implementing programs, volunteers involved with running of events). These stakeholders may also participate in those programs, work for these organizations/governments, or attend/watch sporting events and have a stake in the achievement of sport policy objectives.

Professional and effective management of sport organizations is important for the sustainability of operations in a complex and volatile national and international environment. Environmental conditions place increasing demands on management/administration staff and the boards of directors. As the professional end of the sporting spectrum becomes more commercial, NSOs are exposed to a range of new pressures. It is becoming very challenging to ensure that sport is “appropriately stewarded, governed, and nurtured in an increasingly aggressive, litigious environment”. Hence, the professional management of sports, by administration staff and board of directors, and a commercialized approach to sport have the potential to ensure growth. Corporate contributions can reduce sports’ financial problems. It enables sports to achieve development and growth goals through the implementation of development programs, competitions across all levels and in due course elite success.

Despite this increasingly commercialized and professional environment, volunteers are still the most valuable asset to sports. Volunteers, whether active participants or not, may include members of the board, club members, field and court operators, family and friends. They may be involved in player development, coaching, refereeing and officiating in programs at all levels, administering sporting organizations, and making decisions of strategic importance as members of boards. The variety of tasks that volunteers undertake, from website services, to officiating, promotions to development work and the smooth running of programs and events, shows how important they are. Cuskelly, McIntyre and Boag claim that despite the trend towards hiring paid staff to follow professional sport management procedures,
volunteers remain important to the operation of many sports organizations. They maintain that the nexus between volunteers and sports organizations is important because the delivery of community-based sport “is reliant upon the willingness of a large number of volunteers to commit their time and energy”. Significantly, this time and energy is translated by almost all sports into considerable fiscal savings and ultimately the future viability and health of sports.

The contributions of paid officers and personnel are also important. Paid staff positions may vary from contracted officers and support staff to coaches, umpires and administrators or members of the board, and provide the human resources infrastructure of sport.

At the elite level, the results achieved by athletes would not be possible without the support and hard work of coaches, and in today’s competitive and professional sporting environment, coaching resources are vital in making sure Australia continues to groom stars of the future. Previous research describes coaches as co-pilots lending their experiences and enabling and guiding athletes to navigate and reach desired goals. The coaches’ role is also recognized at a community participation level. In addition to coaches, sport development officers (SDOs) play a significant role in achieving the objectives of growth of sport by promoting it and increasing its public profile.

Finally, active participants and the people who follow, support or watch sports give meaning and purpose to all the other stakeholders and act as the ultimate stakeholders that shape the future of sport in Australia through their changing needs, wants, skills, and requirements. This group of significant stakeholders is the lifeblood of the Australian sport system. Part of their contribution can be estimated in economic terms. For instance, the total expenditure by Australian households on sport and recreation products in 2003-2004 was A$6,332.5 million. This includes the expenditures of 7.1 million people aged 15 years and over who exercised three times per week or more and of the 7 million people aged 18 years and over who attended at least one sport event in 2005.

The challenges ahead
Stakeholder theorists suggest that all stakeholder interests must be attended to for an organization to be successful. Stakeholders in the sport industry will need to consider strategies and modifications of the way sport is played if they want to keep it relevant to the changing society. This way, the decline in Australian children’s physical activity and increasing obesity coupled with the declining birth rate and an ageing population could lead to opportunities to create innovative and effective programs rather than threaten the system. The Active After-Schools Communities program is an example of the ASC’s involvement in addressing the problem of childhood obesity and decreasing motor skill development. Also, rather than just relying on elite athlete performances alone to encourage the community to take up exercise, existing or retired elite athletes have actively become involved as role models through coaching/training camps and sponsorships (carefully designed and mindful of athletes busy schedules). The Australian Government Healthy Active Ambassador Program, announced in July 2006, brought together current and former champions from a variety of sports as ambassadors to motivate and educate Australian children. The program’s aim was to raise awareness among Australians, particularly young people, of the importance of healthy eating, physical activity, and maintaining and healthy weight.
Another issue is the sport delivery structure, traditional versus contemporary pathways, and the emergence of less organized participation patterns amongst young adults who wish to push themselves to the limits of their physical ability and fear through extreme sports. Extreme sports, such as ice climbing, often involve speed, height, or highly specialized gear. These sports are usually individual rather team sports and push the limits and boundaries of the way current sports are ‘played’ and delivered to the public on an ad-hoc individual basis rather than through clubs.

Several countries, including the United Kingdom, South Africa, France, and Canada, hire Australian sporting personnel in their efforts to learn from the Australian sport system. Australia is also hiring personnel from overseas, in particular coaches in sports such as table tennis. This inflow-outflow of expertise is an example of good business and positive for the Australian economy. Losing knowledgeable and capable coaches, sport managers, sport scientists, and athletes to rival countries may present a threat to Australia as it leaves the country with less talent and perhaps necessitates the overseas quest for quality staff.

Australia will have to invest more money in science/technology advancements and innovative talent identification programs if it wants to match current overseas groundbreaking talent identification initiatives. Benefiting from its lottery system, the United Kingdom is offering a program by which they recruit young athletes of different ethnic/racial background, who possess certain physical characteristics that give them a performance advantage in several sports over athletes of Anglo-Celtic origin.86

Conclusion
The aim of this paper was to elucidate the way Australia has created a model of best practice in sport through examining sport stakeholder relationships. The identification and evaluation of stakeholders and stakeholder relationships, helps organizations better respond to the environment they operate in and formulate more informed strategies.87 The economic environment the Australian sport delivery system experienced leading into 2000, and possibly afterwards, is very similar to the circumstances and economic context of the 1990s in Canada. Fiscal restraints exercised by the government and a period of uncertainty. Thibault and Harvey88 examined the nature and extent of inter-organizational linkages between the partners involved in Canada’s sport delivery system during this economic environment. Results from this study reinforced the argument that in order to deal with uncertainty, links between stakeholders need to be established, fostered, and maintained. Linkages between stakeholders will assist in sharing resources, in the coordination of work-related activities and to fulfil their objectives.

The concept of resource dependence does not mean that sporting organizations are totally at the mercy of their environment. Rather, “it means that they must develop strategies for managing both resource dependence and environment uncertainty”.89 This paper has argued that sporting organizations should tailor their structure as a strategy to cope with the environment. These results support contentions in the literature on organizations’ responses to uncertainty that demonstrate a close connection among environment, structures, and effectiveness.90

In the immediate future, the Australian sport system will be faced with challenges. To ensure sustainable success in sport, the right strategies, actions, practices, and relationships need to be in place. There is evidence that Australia is working towards its sporting future. The ASC 2007 annual forum addressed what
needs to be done in sport at all levels to ensure that the Australian sports system is a relevant, robust, sustainable, progressive, and contemporary industry in the 21st century. In addition, in 2007, the ASC reviewed the *Australian Sports Commission Act 1989* for appropriateness and adequacy of the provision of ASC Act. This has enabled the ASC to reflect and respond to the availability of emerging technologies, shifts in lifestyles and societal trends in order to deliver outcomes that give effect to the Government’s sport policy.

A critical ingredient for the sustainability of the Australian sport system is its capacity to adapt to a complex environment and be prepared to deal with future trends and challenges. To do that, NSOs still need to reduce their reliance on federal government funding and establish greater independence to be financially viable. Organizational theory literature relating to non-professional sport suggests that such organizations operate in a volatile environment. In response, sporting organizations amalgamate, tailor their structure, or strive for inter-organizational cooperation. Galaskiewicz noted that no organization or stakeholder is totally self-sufficient. The results of this study illustrate that stakeholders enter into inter-organizational relationships with other stakeholders to secure resources, and they create or develop linkages between them for the achievement of their goals.

Although stakeholders strive for functional and financial autonomy, this state is hardly ever fully realized. Considering that not all NSOs are ready for that move, and in recognition of the need for NSO support towards that transition, the ASC offered a new wave of assistance through the Governance and Management Improvement Program (GMIP). Freeman’s seminal book on stakeholder theory posits that successful organizations must systematically attend to the interests of various stakeholder groups. Indeed, this program helps NSOs in relation to their structure, governance, management, and strategic direction. This assistance is focused on increasing the capacity and capability to work towards their strategic objectives. In efficient and effective sport systems “links are in place between funding agents and those leading programmes; roles and relationships are clearly defined and understood”. In Australia, a National Elite Sport Council (NESC) has been established for this very purpose. NESC, in its role as the national coordinating group, is committed to fostering enhanced collaboration and coordination among the AIS, state institutes, and academies of sport and the national high performance sport network, as well as across sports. An integral component of this program is a continued commitment to foster cross- and multi-disciplinary exchange, ensuring that Australia remains at the forefront of high performance sport development.

It is reasonable to suggest that the power to sustain a successful sport system lies within the cooperation and relationships of governments, sporting organizations, sport managers, sport management academia and significant others. This study argued that stakeholder theory is an appropriate method of building inter-organizational relationships. These results are in congruence with previous research that used stakeholder theory to study the stakeholder relations within the sporting industry. The relationships this paper presents are the outcome of a dynamic and competitive industry that demands results and continuing re-evaluation of sport strategies.

The Australian sport system is resilient and has adapted to its ever-changing environment. It has delivered successful elite performances at an international level and catered for the masses of the Australian population and their needs. The system has the foundations and the pathways in place to deliver future participation opportunities. However, the stakeholders involved within the sport system in Australia will have to work with diligence in order to adapt to a complex, constantly
evolving and uncertain environment, prepare to deal with future challenges, and become financially strong.
Table 1. Policy stages of the modern Australian sport system

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>1950s to mid-1970s</th>
<th>Mid-1970s to 2000</th>
<th>From 2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dominant ideology/ies</td>
<td>Conservative/liberal approach: Australia seen as a naturally superior sporting nation</td>
<td>Social democratic policy and Neo-liberalism: Sport as a legitimate public policy issue of concern</td>
<td>Neo-liberalism: Decentralization and devolution of sports organizations - increasing independence as a necessity for financial survival</td>
</tr>
<tr>
<td>Role of government</td>
<td>Lack of systematic government involvement</td>
<td>An increasing government investment and involvement</td>
<td>ASC extended NSOs’ power to increase their administrative and financial efficiency and carry out functions independent of the commission</td>
</tr>
<tr>
<td>Approach to management</td>
<td>Highly volunteer based, amateur/unorganized and uncoordinated approach to sport management</td>
<td>Introduction of numerous sport agencies and organizations, a trend toward professionalism and commercialized sports, and subsequent fall in volunteer numbers</td>
<td>Sport organizations seen as more autonomous entities to strive for their financial survival</td>
</tr>
<tr>
<td>Performance</td>
<td>Hands-off approach – Limited support for travelling</td>
<td>Frazer (liberal) government (1975-1983), saw a re-focus on elite</td>
<td>Howard (liberal) government (1998 – current) targets elite sports with greater potential for medals, elite sport still a policy priority - Emphasis on talent identification</td>
</tr>
<tr>
<td>Participation</td>
<td>Participation based on infrastructure created during 1930s and 1940s – Creation of the National Fitness Council and Fitness Australia Campaign in the late 1960s</td>
<td>Whittam (labour) government (1972-1975), saw sport as a vehicle to improve peoples well being - Fraser (liberal) government (1975 – 1983), “Life. Be in it” program. Expectation for grassroots participation to be simulated by elite success</td>
<td>Howard (liberal) government (1998 – current), sees a cause of concern in dropping participation numbers and places a new emphasis on grassroots participation.</td>
</tr>
</tbody>
</table>
Notes

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