

MOTORSPORTS NT
INC.

*Supporting
Territory
motor sport*

MOTOR SPORT -
driving sports
tourism benefits
in the Territory

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MOTOR SPORT IS ATTRACTING A LOT OF ATTENTION IN THE TERRITORY

- Around **170 000** spectators a year.
- Around **10 000** licenced competitors, pit crews, volunteers and officials regularly participate at MotorSports NT affiliated club events.
- Some **2 448 710 hours** in voluntary labour at MotorSports NT events each year.

MOTOR SPORT IS BENEFITING OUR ECONOMY

- **Local spending is growing** as a result of motor sport.
- The motor sport industry is an **important contributor to the local economy**, with participation in the Territory almost doubling in the last eight years.
- The world-class motor sport events we have in the Territory (V8 Supercars, Finke Desert Race, Red Centre Nats, ANDRA Series in Darwin and Alice Springs) along with NT and Australian Titles run by clubs attracts a **high volume of visitors** from intrastate, interstate and overseas. This results in more **money being spent** at local businesses and more **job opportunities** for Territorians.
- Nationally, **motor sport is big business**. The Confederation of Australian Motor Sports (CAMS) commissioned 2014 Ernst & Young report into the motor sport industry in Australia found that \$1.2 billion of the \$2.7 billion it said motor sport generated last year was 'indirect value add' and that the industry was directly responsible for 16,181 jobs.
- It is estimated that some **\$60 million is delivered into the Territory economy** each year through intrastate and interstate competitors, pit crews and spectators attending events in the Northern Territory. Local spending includes on travel, accommodation, food, entertainment and parts, and people attending often extend their time in the Territory for sightseeing.



MOTOR SPORT IS BENEFITING OUR COMMUNITY

- Territorians love their motor sport. According to the CAMS Report it is the **fourth most watched** sport in Australia, behind Australian Rules football, horse racing and rugby league.
- Motor sport is **deeply embedded in the Australian culture**. It offers significant social benefits across the community, along with offering a controlled and safe environment for motor sport fans to enjoy.
- **Grass roots motor sport** is a very big part of the Territory culture, it draws friends and family together and it keeps anti-social behaviour off our streets. Having such a large fan base in the Territory, motor sport **builds community cohesion** and brings people together.

THE PURPOSE OF THIS REPORT

The purpose of this report is to take a closer look at:

- The spending associated with motor sport events in the Territory. This spending highlights the direct and indirect economic benefits across the Territory.
- The expenses that are being incurred by MotorSports NT affiliated clubs in the day-to-day business of running motorsport events. Motor sports are not cheap, but they are a much-loved part of the Territorian lifestyle.

MOTOR SPORT MATTERS

Most of us understand the benefits of sport to the nation's health and well-being. Most Australians would easily identify with a sporting lifestyle, with many valuing the benefit it brings to their community, family and friends. Motor sports offers vast and wide-ranging benefits to the community, by offering a place for likeminded people to gather and enjoy the company of each other in a safe and friendly environment. This builds community capacity and strengthens social links.

There is little doubt that there is a big industry behind motor sport, and both participants and spectators are spending up at motor sport events, both at the grass roots and elite level. Exploring the spending that is occurring within MotorSports NT affiliated member clubs is a helpful way of understanding the reach and extent of these benefits.



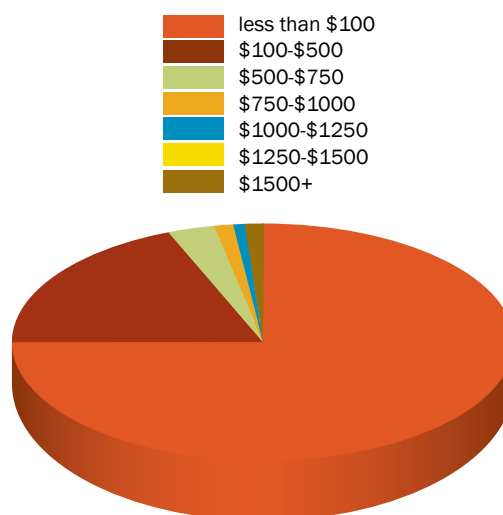
SPENDING UP BIG IN MOTOR SPORT

A survey of MotorSports NT members in late 2015 explored the spending that is occurring across the Territory by MotorSports NT members at Territory events. These are outlined and discussed below.

COST TO ATTEND BUT NOT COMPETE IN EVENT IN HOME REGION

On average, how much does it cost you to attend, but not compete at, an event in your home region?

Answer Options	Response Percent	Response Count
less than \$100	75.0%	123
\$100-\$500	18.9%	31
\$500-\$750	3.0%	5
\$750-\$1000	1.2%	2
\$1000-\$1250	0.6%	1
\$1250-\$1500	0.0%	0
\$1500+	1.2%	2
answered question		164
skipped question		25

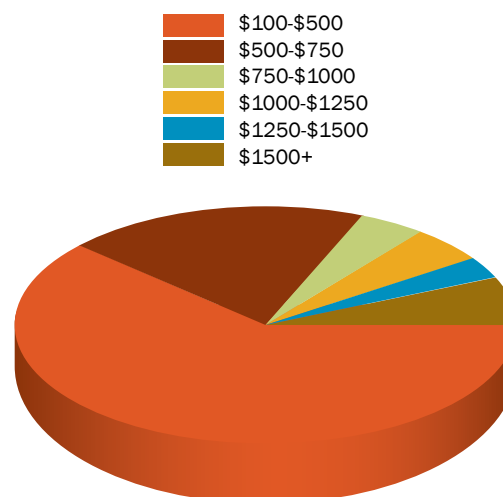


This data shows that when attending but not competing at an event in their home region, 75 per cent of members spend less than \$100, however there are 1.8 per cent of members that spend significantly more at over \$1000 per event.

COST TO COMPETE IN EVENT IN HOME REGION

On average, how much does it cost you to compete at an event in your home region?

Answer Options	Response Percent	Response Count
\$100-\$500	61.7%	87
\$500-\$750	19.9%	28
\$750-\$1000	4.3%	6
\$1000-\$1250	5.0%	7
\$1250-\$1500	2.8%	4
\$1500+	6.4%	9
answered question		141
skipped question		48

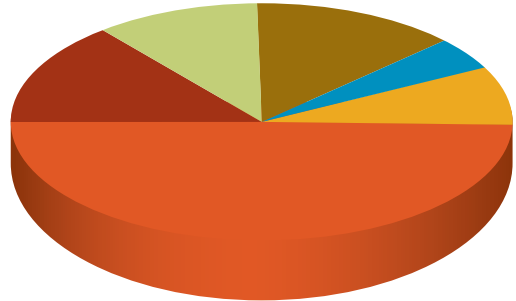
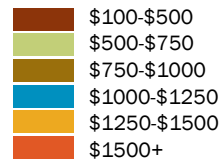


This data shows that when competing at an event in their home region, 61 per cent of members spend less than \$100, however there are 14.2 per cent of members that spend significantly more at over \$1000 per event. Compared to those who simply attend an event, there are a greater percentage of members spending more when competing, unsurprisingly.

COST TO COMPETE OUTSIDE HOME REGION BUT WITHIN TERRITORY

On average, how much does it cost you to compete at an NT event outside your home region?

Answer Options	Response Percent	Response Count
\$100-\$500	14.2%	16
\$500-\$750	10.6%	12
\$750-\$1000	13.3%	15
\$1000-\$1250	4.4%	5
\$1250-\$1500	8.0%	9
\$1500+	49.6%	56
answered question		113
skipped question		76



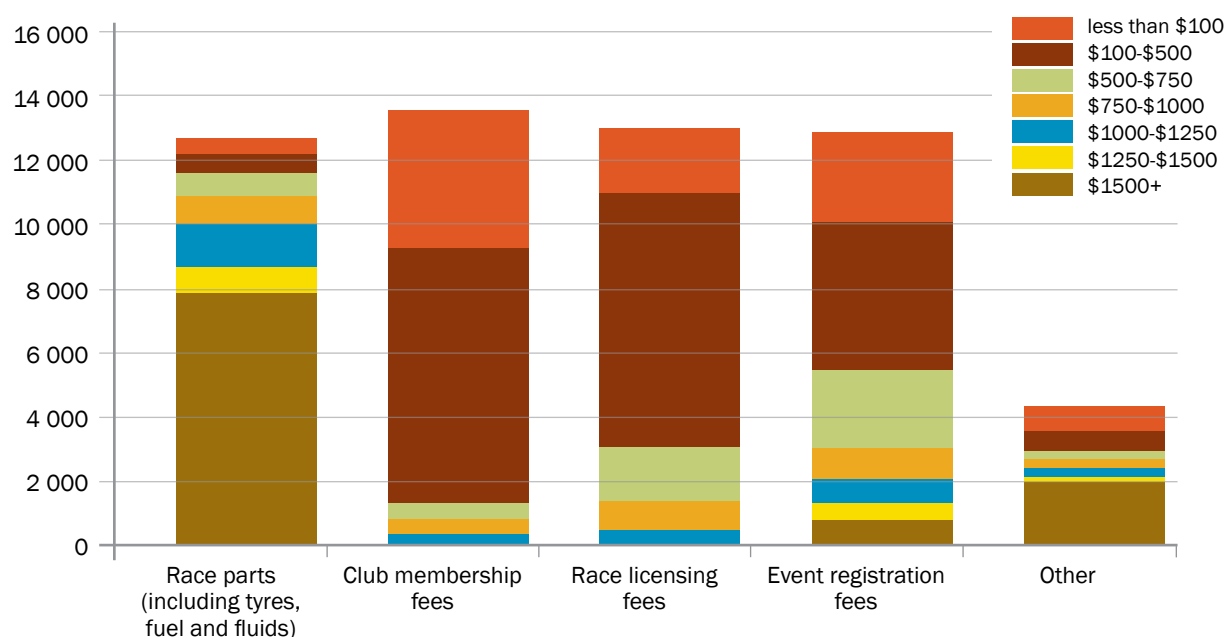
This data shows that when competing at an event outside of their home region, 62 per cent of members spend more than \$1000, which is again not surprising given that there are greater expenses when travelling away from home. Where this money is directed is explained later in this report.



ANNUAL SPENDING

What is your approximate spend on the following item annually?

Answer Options	less than \$100	\$100 - \$500	\$500 - \$750	\$750 - \$1000	\$1000 - \$1250	\$1250 - \$1500	\$1500+	Count
Race parts (including tyres, fuel and fluids)	5	6	7	9	13	8	79	127
Club membership fees	43	79	5	5	2	1	1	136
Race licensing fees	20	79	17	9	1	2	2	130
Event registration fees	28	46	24	10	7	6	8	129
Other - please specify	8	7	3	2	2	1	21	44
Other (please specify) answered question								39
								145



This data shows that that members spend a significant amount on items annually. Most notably, 79 members spent over \$1500 on race parts and 21 members spending over \$1500 on other items such as:

- protective gear for kids (armour, pants, gloves, goggles);
- safety gear;
- transport to and from events, including fuel and airfares;
- accommodation when away from home;
- CAMS regulated tyres;
- food and beverages;
- apparel;
- education;
- trailer and vehicle maintenance and registration;
- camera related equipment; and
- ambulance membership.

As outlined above, there is a lot of different spending and indirect benefits flowing as a result of the motor sport industry. It can be difficult to quantify this precisely, but there is anecdotal evidence that suggests that a significant amount of money is being spent on a regular basis.

MOTORSPORTS NT AFFILIATED CLUBS - INCOME VERSUS EXPENDITURE

MotorSports NT clubs generate a small income in the day-to-day running, for example through:

- memberships;
- sponsorships;
- canteen sales; and
- race day income (licences and nominations).

MotorSports NT affiliated club expenditure is significant - it is not a sport that can be run cheaply. There are various expenses that are incurred by clubs on a day-to-day basis, for example:

- buildings and facilities - repairs and maintenance;
- canteen expenses;
- operational expenses such as advertising, council rates, insurance, phone, power, water;
- ambulance;
- trophies; and
- equipment hire.

Income and expenditure reports from clubs across the Territory tell the same story - it costs more to run motor sports events than the income that is generated. This calls into question the sustainability of the industry in the Territory.

SUMMARY OF INCOME AND EXPENDITURE FOR MOTORSPORTS NT AFFILIATED CLUBS 2014/15

Income	Expenditure	Total loss
\$2 121 302.43	\$2 237 046.78	\$115 744.35

Source: MotorSports NT affiliated club expenditure and income statements 2014/15

Income includes such as items as membership fees, track sales and events and other (merchandise etc.). Income does not include grants for facility upgrades at MotorSports NT affiliated clubs.

Expenditure includes such items as utilities, training, advertising, events and other (such as track maintenance and equipment).



MOTOR SPORT IS GROWING IN THE TERRITORY

A year-by-year comparison shows that motor sport is growing in the Northern Territory:

Annual Participation - combined volunteers, spectators and participants

2007	99 547
2008	131 848
2009	136 444
2010	158 930
2011	156 936
2012	169 416
2013	157 823
2014	143 124
2015	184 442

- There are now **17 affiliated MotorSports NT clubs**.
- **8 730** spectators at club events (per month).
- **31 900** spectators at major title events (per annum).
- **79 600** spectators at V8 Supercars, Red Centre Nats and Finke Desert Race.
- **10 000** licensed competitors and pit crews are involved in motor sport each year.
- **2 448 710** volunteer hours per annum.
- The average hourly rate can be estimated at approximately \$25, therefore **\$50 000 000 in kind is donated each year by officials and volunteers** that are affiliated with MotorSports NT.
- Approximately **170 000** spectate annually at motorsports events in the Territory.
- Approximately **185 000** participants attended motor sports events in the Territory in 2015.

BREAKDOWN OF CLUBS

- Darwin Speedway Riders and Drives Association (DSRDA)
- Darwin Karting Association (DKA)
- Darwin Motor Cycle Club (DMCC)
- Territory Quad Association (TQA)
- Top End Moto Cross Club (TEMCC)
- Tennant Creek Speedway Club (TCSC)
- Top End Road Racing Association (TERRA)
- North Australian Motor Sports Club (NAMSC)
- Central Australian Drag Racing Association (CADRA)
- Hidden Valley Drag Racing Association (HVDRA)
- Alice Springs Off Road Race Club (ASORRC)
- Top End Mud Racing Association (TEMRA)
- Arunga Park Speedway Association (APSA)
- Katherine Motor Sports Club (KMSC)
- Alice Springs Motor Cycle Club (ASMCC)
- Alice Springs Karting Club (ASKC)
- Central Australian Rally Sports Club (CARS) - joined December 2015

NUMBER OF EVENTS

On average, clubs run approximately 12 events on a fortnightly/monthly basis over the season. Each month some **8 730** spectators attend MotorSports NT affiliated club events in the Northern Territory.

TYPES OF MOTOR SPORTS (DISCIPLINES)

Motor sport incorporates a range of disciplines, including circuit, speedway, rally, off-road, drag racing, go-karting and motocross.



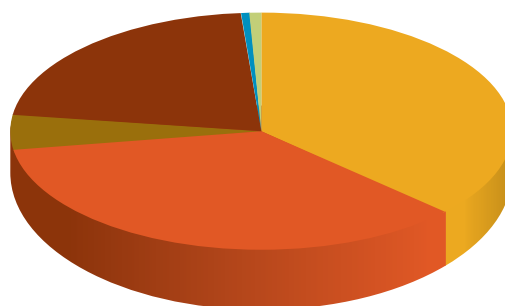
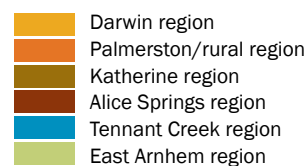
MOTORSPORTS NT MEMBER PROFILE

Motor sport - driving sports tourism benefits in the Territory

WHERE DO THEY LIVE?

Which region best describes where you live?

Answer Options	Response Percent	Response Count
Darwin region	37.0%	67
Palmerston/rural region	35.4%	64
Katherine region	5.0%	9
Alice Springs region	21.5%	39
Tennant Creek region	0.6%	1
East Arnhem region	0.6%	1
answered question		181
skipped question		8

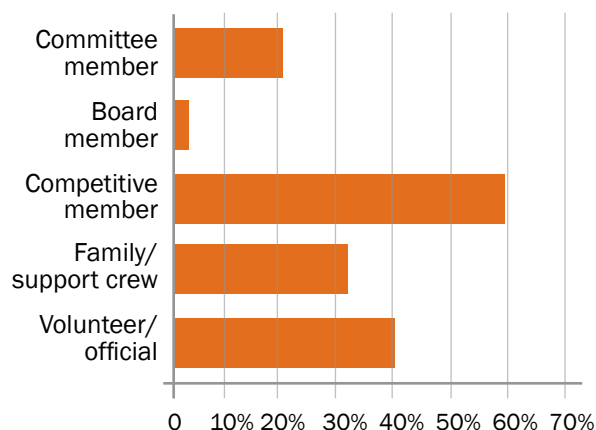


The majority of MotorSports NT members are located in the Darwin and Palmerston/rural region.

HOW ARE THEY INVOLVED?

What best describes your involvement in the club?

Answer Options	Response Percent	Response Count
Committee member	19.5%	32
Board member	2.4%	4
Competitive member	59.1%	97
Family/support crew	31.1%	51
Volunteer/official	39.0%	64
answered question		164
skipped question		25

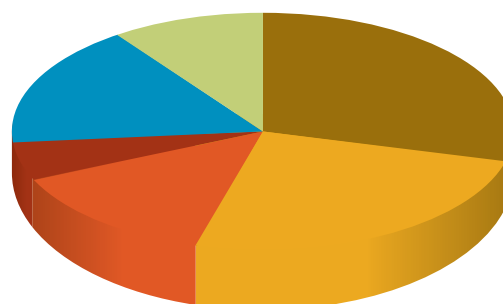
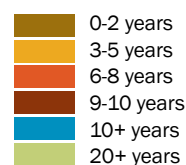


A large number of members are competitive (59.1 per cent). There is a high number of family and support crew (31.1 per cent) and volunteers/officials (39 per cent), and therefore there is a mix of involvement occurring.

HOW LONG HAVE THEY BEEN MEMBERS?

How long have you been a club member?

Answer Options	Response Percent	Response Count
0-2 years	29.3%	48
3-5 years	25.0%	41
6-8 years	14.0%	23
9-10 years	5.5%	9
10+ years	16.5%	27
20+ years	9.8%	16
answered question		164
skipped question		25



Over 50 per cent of members joined within the last five years, highlighting the recent growth in the motor sport industry in the Territory.

WHERE TO FROM HERE?

This report has provided a snapshot of what is happening in Territory motor sport. It has provided some insight into the costs and benefits from the motor sport industry. It not only shows that motor sport is growing in the Territory but that it is making a big contribution to the Territory's economy and community.

MotorSports NT is principally funded from two sources, an annual grant from the Northern Territory Government as a peak body and an annual affiliation fee on member organisations.

Government needs to continue it's support of the motor sports industry in the Territory to ensure its sustainability into the future.

WHO IS MOTORSPORTS NT?

MotorSports NT is the Peak Body for Northern Territory motor sports. With 17 affiliated clubs, MotorSports NT represents in excess of 10 000 licenced competitors, pit crew, volunteers and officials.

MotorSports NT's role includes:

- representing the interests of members to Northern Territory Government and stakeholders;
- promoting motor sports to the community;
- providing funding to member organisations for certain activities; and
- providing member services including advice and training.

Motor sports are a favourite past time of Territorians, and the goal of MotorSports NT is to continue to promote motor sport, attract new volunteers and officials, retain existing ones and strive for the best possible outcomes for the affiliated member clubs.

Visit www.motorsportsnt.com.au for more information.

SOURCES OF INFORMATION

- MotorSports NT Annual Report 2014-15
- MotorSports NT Participation Date 2015 - Survey of Affiliated Clubs and Major Events
- MotorSports NT Member Survey 2016
- Economic Contribution of the Australian Motor Sport Industry, Confederation of Australian Motor Sports, 2013



