

A Marsden Jacob report

# Active impacts

## The economic impacts of active recreation in Victoria

Prepared for

Sport and Recreation Victoria

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# ACTIVE RECREATION IN VICTORIA

12 headline numbers: Victoria in 2017

725  
million

Number of times  
Victorians aged 15+  
years participated in  
active recreation

612  
million

Hours of active  
recreation undertaken  
by Victorians aged 15+

3.071  
billion

Estimated active  
recreation METS by  
Victorians aged 15+

81%

Estimated % of physical  
recreation time spent  
on active recreation by  
Victorians aged 15+

74%

Estimated % of physical  
recreation METS from  
active recreation by  
Victorians aged 15+

37%

Proportion of total  
physical activity hours  
spent walking -  
Victorians' most  
popular physical  
activity

\$8.3  
billion

Estimated total  
spending on active  
recreation

51,000

Full-time equivalent  
jobs attributable to  
active recreation

\$5.2  
billion

Estimated gross value  
add attributable to  
active recreation

\$245  
million

Lifetime avoided  
healthcare costs from  
making physically  
inactive Victorians  
active

\$3.1  
billion

Lifetime workplace  
productivity impact  
from making physically  
inactive Victorians  
active

2.85  
million

Number of Victorians  
not doing enough  
physical activity

## Headline estimates of the economic value of Victorian active recreation

Participation (incidences of active recreation activity) by Victorians aged 15+ each year	726 million
Hours of physical activity by Victorians aged 15+ each year	612 million
Metabolic expenditure of task (MET) hours	3,071 million
<b>Active recreation annual expenditures—all sources (\$ 2014)</b>	<b>\$8.3 billion</b>
– Tourism-related expenditure	\$3.8 billion
– All other expenditure	\$4.5 billion
<b>Gross value added in 2017</b>	<b>\$8.1 billion</b>
– Direct	\$5.2 billion
– Indirect	\$2.9 billion
<b>Full-time equivalent jobs in 2017</b>	<b>51,000</b>
– Direct	39,400
– Indirect	11,600
Recreation value (consumer surplus per year, \$ 2017)	\$3.8 billion
<b>Lifetime impact of becoming physically active in Victorian 15+ population</b>	
Avoided healthcare costs (\$ 2016, one-off)	\$245 million
Workforce labour production benefits (one-off, human capital approach, \$ 2016)	\$3.1 billion
Home-based labour production benefits (one-off)	\$125 million

## Next steps

This report shows that Victoria's active recreation sector is an important part of the Victorian economy, and is likely to make far more of a contribution to Victorians' wellbeing and communities than many of us realise.

Many of the estimates in this report are approximations based on the best available data. Our main aim has been to present order of magnitude estimates of the economic and welfare contribution of Victoria's active recreation sector to our community, based that evidence.

Further work is needed to narrow and strengthen the estimates in this report, and to develop a consensus approach for evaluating the contribution of Victoria's active recreation sector in the future. This view is consistent with the recommendation we made in our recent work for Outdoors Victoria (MJA, 2016). In particular, we should do four things:

- Close data and knowledge gaps:** Several key knowledge gaps have been identified in this work, and they need to be closed. We need to understand how different levels of physical activity affect health and production outcomes. At the moment, using the best available models, we are limited to being able to attribute the health and production outcomes of shifting from insufficient physical activity (physical inactivity) and physical activity, as defined by meeting the standards set out in *Australia's physical activity and sedentary behaviour guidelines* (DoH 2014). This relatively coarse level of understanding limits the scope for clear evidence-based policy designed to shift Victorians from being physically inactive (as defined in the guidelines) to being active at a range of levels.