

STUART KENNEDY | AUGUST 10, 2017

Exports Sports tech an export bright spot



Sports tech: There is a lot of colour and movement in this photograph

The Australian Sports Technology Network (ASTN) wants to revive a version of a deal struck in the dying days of the second Rudd Labor government that could see Australia's sport tech exports grow into the billions.

ASTN was setup in 2012 with the goal of positioning Australia as one of the world's leading sports technology eco-systems. It is a not for profit with a budget of about \$500,000 and its database of stakeholders includes more than 500 sports tech businesses.

The organisation was the recent recipient of \$280,000 in funding from LaunchVic.

Back in 2012, ASTN chair James Demetriou was working hard to get a sports tech precinct concept rolling.

The deal finally announced in August during the 2013 election campaign would have seen the Federal Government plug \$6 million over four years into a Geelong headquarters for the precinct, which was to have nodes in Melbourne, Sydney, Canberra, Perth and Brisbane.

The AFL and Tennis Australia backed the project that would have seen sport tech outfits link with university research and attempt to propel the local sports technology export market from about \$286 million in 2013 to \$500 million by this year and create 1500 jobs across Australia in the process.

But the grand Geelong sports tech precinct was not to be, as the Abbott Coalition government swept to power and put the axe through this and many other Labor spending initiatives.

Meanwhile, the local sports tech export market has grown despite the Abbott government disinterest and now ranges around \$400 million, according to Mr Demetriou.

While that growth is OK, Mr Demetriou believes the urgency to have a coordinated crack at the sports tech export market is much greater than it was in 2013.

China landed a quantum punch on the sports tech game last year. “The Chinese announced a five-year plan involving eight hundred billion on sport,” he says.

“They doubled the world’s capacity requirements on sport in one hit.”

“About two to three hundred billion of that is related to sports technologies and the use of that innovation.”

He also sees a major appetite developing in the US venture market for investing in sports applications.

Because of the weight of sports tech money rising in the US, China and Europe, Mr Demetriou believes Australia’s sports technology brains trust is under assault as other countries gear up their people rosters.

“There’s been raids by US, Chinese and UK companies on our sports tech companies because they see the value of what Australia’s got.

He says so many Australian sports science, sports medicine and coaching staff have gone offshore that the Australian accent has become the dominant one in sport development facilities from London to San Francisco.

He points to local sports technology firms that have been sold to offshore interests such as SportsTG, an Australian sports management software and systems developer that was acquired by the US Blue Star Sports concern earlier this year.

“The UK is coming over here in September prior to the Gold Coast Commonwealth Games with a fistful of companies and funds to have a look at the Australian sports scene and then we have had a lot of Chinese coming to try and buy our sports IP.”

Mr Demetriou concedes that offshore interests attracting our sports tech talent and buying our sports tech IP is not all bad.

“It could be a good thing, we don’t have enough venture capital funds supporting the industry,” he says.

“There’s no doubt people desperately want our sports IP, the thing we haven’t been able to do is convert that desire into serious commercial benefit for Australia.”

He does point the finger at a lack of support for local sport techs from Australian corporates. “It’s diabolical – you can get it for mining or property but you can’t get it for anything else.”

He also wants more Federal government support for the sector after the disappointment of the Abbott government funding chop.

“We’ve dropped the ball,” says Mr Demetriou.

He wants to see the Federal government resurrect a form of the old Rudd government deal, possibly under the structure of a CRC.

Mr Demetriou is proposing a \$4 million investment from the Federal government that would be matched dollar for dollar by a network of investors and local universities with a sports tech research interest that would result in a program that could see Australia reaping a billion plus in sport tech export revenue within five years.

He has broached the idea with the office of Industry Minister Arthur Sinodinos in May but is still waiting for return dialogue.

“Why this is not a priority is still unfathomable,” he says.

