

40TH PARLIAMENT



Public Accounts Committee

Report 17

MORE THAN JUST A GAME

The use of State funds by the WA Football Commission

Presented by
Dr A.D. Buti, MLA

November 2020

Committee Members

Chair	Dr A.D. Buti, MLA Member for Armadale
Deputy Chair	Mr D.C. Nalder, MLA Member for Bateman
Members	Mr V.A. Catania, MLA Member for North West Central
	Mr S.A. Millman, MLA Member for Mount Lawley
	Mrs L.M. O'Malley, MLA Member for Bicton

Committee Staff

Principal Research Officer	Dr Alan Charlton, PhD BA(Hons)
Research Officer/s	Dr Sam Hutchinson, PhD

Legislative Assembly
Parliament House
4 Harvest Terrace
WEST PERTH WA 6005

Tel: (08) 9222 7494
Email: lapac@parliament.wa.gov.au
Website: www.parliament.wa.gov.au/pac

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Public Accounts Committee

MORE THAN JUST A GAME

The use of State funds by the WA Football Commission

Report No. 17

Presented by

Dr A.D. Buti, MLA

Laid on the Table of the Legislative Assembly on 12th November 2020

Inquiry Terms of Reference

On 26 June 2020 the Public Accounts Committee resolved to establish an Inquiry with the following terms of reference:

The Public Accounts Committee will inquire into and report on the use of State funding by the West Australian Football Commission (WAFC) in its role as caretaker of football in WA. The inquiry will focus on:

- a) How effectively State funds have been used to develop football across all levels
- b) Whether the WAFC is meeting its obligations under the funding agreement with the State
- c) The effectiveness and transparency of monitoring and reporting functions included in the State's funding agreement with the WAFC.

Chair's Foreword

Football or 'Aussie Rules' has played a significant role in the lives of Western Australians for more than 130 years. As former Premier Dr Geoff Gallop remarked: 'no sport has had such a critical impact on our social and cultural development as Australian Football.'

Football is a game that develops 'tribal' loyalties and arouses passions. But it is 'more than just a game'. As noted by Dr Neale Fong, a former Chairman of the Western Australia Football Commission (WAFC), the history of football in WA is not only about the footballers, clubs and supporters. It also involves relationships with 'networks of politicians, governments, businesses and personalities involved in the game.'

The WAFC, established in 1989, is the body charged with responsibility 'for the overall development and strategic direction of football' in this State. The creation of the WAFC is unique to WA; no other jurisdiction has a similar government created body responsible for the management of football. The WAFC receives funding from several sources, including the two WA-based AFL teams – the West Coast Eagles and the Fremantle Dockers. A considerable portion of its funding also comes from the public purse, directly and indirectly.

The catalyst for this inquiry was a series of stories in *The West Australian* reporting on concern over salaries expenditure in the organisation and unease across the football community with some of the WAFC's activities. There was concern that public funds provided to the WAFC were not being used to best effect.

These concerns led to the Public Accounts Committee (the Committee) resolving to inquire into the WAFC's use of State funds. However, as the inquiry proceeded, other issues and criticisms of the WAFC were revealed and articulated. As the premier audit and risk Committee of the WA Parliament, we could not ignore these revelations and thus have looked into them and made subsequent findings and recommendations.

We have made 58 Findings and 23 Recommendations dealing with issues around the behaviour and responses by the WAFC during this inquiry, State funding of football, elite talent and grassroots football development, the composition and election of WAFC Commissioners, and the transparency of the Commission. The rationale, analysis and commentary behind our findings and recommendations are contained within this report, titled *More Than Just A Game: The use of State funds by the WA Football Commission*.

The Committee has worked collaboratively throughout the process of receiving and considering the evidence, and I would like to take this opportunity to acknowledge the hard work and contribution of my fellow committee members: Deputy Chair Mr Dean Nalder, MLA (Member for Bateman); Mr Simon Millman, MLA (Member for Mount Lawley); Mrs Lisa O'Malley, MLA (Member for Bicton), and Mr Vince Catania, MLA (Member for North West Central). Further, on behalf of the Committee, I would like to thank our secretariat: Principal Research Officer Dr Alan Charlton; and Research Officer Dr Sam Hutchinson, for their excellent assistance and dedication throughout this inquiry.

Before continuing, I would like to note that while many witnesses to the inquiry had criticisms and concerns with the WAFC, there was also acknowledgement that the Commission has done many things well. There was also a broad recognition that the oversight role of the WAFC is necessary and important to the ongoing success of football in WA.

In submissions and testimony from the WAFC and the West Coast Eagles CEO, Mr Trevor Nisbett, there was a mistaken view that the funding the Commission receives from the State Government was in effect 'football money'. Any proper reading of the terms of the Funding Agreement (the Agreement) between the WAFC, the AFL and the State, shows that the funds received by the Commission under the Agreement are State monies. The Agreement guarantees the WAFC funding of around \$11 million per year for the first 10 years, which accounts for around one third of the annual budget for the Commission. The State also took over a residual loan of \$5.6 million as part of the move to the new Optus Stadium, having paid down \$14.5 million in 2005. In addition to this substantial funding support from Government to the WAFC, the State also provided \$23 million over the last five years to individuals, clubs, local governments, and associations to support grassroots football. We also note that the State provided \$10 million each to the West Coast Eagles and the Fremantle Dockers to assist them build training and administration facilities. The level of State funding (directly and indirectly) provided to the WAFC and to football in general in WA, means that the WAFC is not above scrutiny by Government and Parliament.

In our interactions with the WAFC, we at times observed a resistance to making information public and a restrictive view of transparency. The WAFC sought to have the Agreement withheld from public view. Although they argued this was required under the terms of the Agreement, it was disappointing that at 2.46pm the day before the scheduled hearing with the WAFC, the Committee Secretariat received a request from the Commission to discuss 'how the Committee will deal with the confidential nature of the WAFC Funding Agreement'. This appeared to us to be mischievous timing by the WAFC.

The WAFC did itself no favours in countering the view that it sought to restrict transparency when it withheld information requested by the Committee about AFL draftee school history. Further, the attempt to hold inexperienced staff members responsible for failing to provide this information does not reflect well on the leadership of the WAFC. The Commission withheld requested information from the Committee and the leadership of the WAFC must accept responsibility for this.

The Committee heard repeated claims that in a meeting of WAFL and WAFC talent managers, WAFC Executive Manager, Mr Simon Moore-Crouch referred to our inquiry as a 'dog and pony show'. Mr Moore-Crouch refuted the claims and, amidst apparent concerns about reprisals, whether warranted or not, we received no further corroborating evidence about those statements and could not make a definitive finding on the matter.

More troubling was the behaviour of WAFC Commissioner Mr Grant Dorrington. We found that he interfered in the inquiry process by seeking to persuade the Swan Districts Football Club from making a submission to the inquiry. This finding against Mr Dorrington could have resulted in the Committee raising the matter of contempt of Parliament in the Legislative

Assembly. However, in light of the fact that the club in the end did make a submission, and its CEO and President appeared before us, and while not diminishing the seriousness of the actions taken by Mr Dorrington, we have decided not to raise the matter in the Assembly.

It was also concerning that Mr Nisbett, when given two opportunities by the Committee at a public hearing, did not refute allegations that at a meeting organised by the WAFC and attended by WAFL representatives and others, he said: 'if we do not work together we could lose our government funding'. The fact that Mr Nisbett was unable or unwilling to refute this allegation is troubling. It does nothing to dispel the perception that the WAFC and other prominent players in the WA football 'ecosystem' were overly concerned with seeking to restrict information being provided to the inquiry, and that the views of the WAFC should be the only views presented to the Committee.

Notwithstanding the serious concerns raised above, we were pleased to receive 21 submissions across a wide range of participants and organisations. We received formal submissions from eight WAFL clubs, although there was hesitancy among some about making their submissions public – one club sought initially to keep its submission private, although later agreed to make the information public. The only WAFL club not to make a submission was West Perth, who has received financial support from the WAFC to help recover from a serious predicament and whose President, Dr Fong, is a candidate for the upcoming election for new WAFC Commissioners.

In relation to the election of WAFC Commissioners, the process is overly complex and restrictive and the WAFC board is not fully representative of all parts of the football community. Currently the two WA-based AFL Clubs hold 40 percent of the votes for the appointment of Commissioners, which combined with the existing Commissioners who also vote, makes up a 60 percent 'voting bloc' in the determination of new Commissioners. The WAFL Clubs have 30 percent of the votes, with the Affiliates (metropolitan and non-metropolitan Regional Football Development Councils, Perth Football League, Metro Football League, WA Country Football League, WA Women's Football League, AFL Masters) sharing 10 percent of the votes. In a nutshell, the two AFL Clubs and the WAFC Commissioners have too much power vis-a-vis the other stakeholders in determining the composition of the WAFC Board. This needs to change to create a fairer voting system among the wider football family, specifically to ensure that the Affiliates have greater representation on the WAFC board.

We believe the WAFC Constitution should be amended so that Commissioners cannot be members of the WAFC and that Affiliates become members of the WAFC. And in reforming the WAFC board's nomination and election processes, regard must be had to ensure greater representation from the various stakeholders and the wider football community, including the need for greater representation from the various Affiliates. Possible reforms include: existing Commissioners to have no role in appointing new Commissioners; term limits on WAFC board appointments; and employees of WAFC, the two AFL Clubs, the WAFL clubs and Affiliates to be prohibited from being appointed as Commissioners.

On the issue of boards, we note that the West Coast Eagles and the Fremantle Dockers are the only clubs among the 18 in the AFL competition that do not have some member-elected

board positions. This only exacerbates the 'insularity' of the current arrangement – that is, where two WAFC-owned AFL clubs, along with the Commissioners themselves, hold a controlling vote on the determination of new Commissioners to the WAFC board. As stated above this needs to change.

In relation to the operations of the WAFC, more than 50 percent of Commission employees work in 'grassroots' areas, but the data and figures provided by the WAFC are unnecessarily opaque, which made the connection between expenditure and activity difficult to ascertain. It is not clear or discernible exactly how much support 'grassroots' football receives from the WAFC and its employees. This again raises questions about the transparency and accountability of the Commission's activities. We believe that publicly acknowledging the number and financial cost of employees is something the State, stakeholders and the public should expect of an organisation receiving substantial public funding.

The WAFC has an important role to play in managing football across all levels. It is a challenging role which requires balancing of resources and many demands. There have been positive developments in female football and all-abilities football. There has also been some good work done by the junior metropolitan and non-metropolitan Regional Development Councils, but segments of junior and youth football in parts of the State are struggling to maintain viable competitions. And in relation to country football, which plays such an important role in regional communities, there are many challenges. These require the WAFC to focus on providing appropriate support to growing the game and increasing the pool of talent and opportunities for young people in regional areas.

The Committee was interested to understand participation figures, which the WAFC used as evidence that it is performing well. While the figures appear impressive, at their inquiry hearing the WAFC admitted that general participation numbers are not particularly meaningful. Other witnesses also questioned them, saying there was multiple counting of the same individual. This is not an acceptable situation, particularly when considerable State funds are involved in the sport. A more accurate and credible method of reporting participation rates must be developed.

In recent years, and particularly since the 2017 Structural Review of Football commissioned by the WAFC, there has been a deteriorating relationship between the WAFC and the WAFL. Responsibility for talent development and competitions has moved to the WAFC from the WAFL clubs. This change, along with changes to the governance model for junior football, has resulted in a decreasing ownership and connection of WAFL clubs to their geographical locations and communities. To assist the WAFL reconnect with their communities, the WAFL Colts competition should return to being controlled by the clubs rather than the WAFC, and the WAFL needs to be more fully involved in talent and junior development. The WAFC must ensure that the WAFL continues to be the premier State competition; history, traditions and the fabric of our communities demands as much.

In relation to talent development, a highly disproportionate number of school AFL draftees come from a small number of PSA schools. While there may be many reasons for this, at the very least it raises questions of equity in relation to WAFC development programmes and access to resources, which should be addressed by the WAFC and Government.

Finally, on the issue of AFL draftees, we believe consideration needs to be given to increasing the draft age. An older draft age has much merit, including allowing young people the opportunity to pursue further education and training before entering the AFL system. Of course, the AFL draft age is an AFL responsibility, but we believe the WAFC and the Minister for Sport and Recreation and the Department of Local Government, Sport and Cultural Industries (the Department) should work together to argue for a more appropriate older drafting age to promote to the AFL. We also believe that WAFC and the Department must do more to ensure greater player welfare and support, such as developing a rigorous mechanism to track and report on the development of draftees throughout their careers, and gathering data on the number of players who drop out of football, especially the AFL, and the reasons for this.

The report makes a series of recommendations, which can be summarised thus:

- The WAFC has done many things well but there are many concerns and problems that need to be addressed, including a concerning level of distrust between the WAFC and many stakeholders.
- The WAFC must accept that it is the beneficiary of significant State funding and thus must be more open and transparent to scrutiny, both from Government and Parliament.
- The WAFC board must be more representative of the whole football 'ecosystem', with membership from across the various components and Affiliates that make up football in WA.
- The WAFC must be careful to ensure its focus is on governance, and it should coordinate with member and affiliate clubs and leagues to devolve its service and delivery functions to the appropriate stakeholder.
- The Minister and Department should work with the WAFC to ensure there is greater clarity about the impact and effectiveness of expenditure allocated to the WAFL and other parts of the football 'ecosystem', including the Affiliates.
- The Department and the WAFC must do more to ensure greater player welfare and support and work towards lifting the AFL draft age.
- The Minister and Department should monitor the WAFC's responses to all recommendations in this report directed at the WAFC. If the Minister and Department deem the WAFC's responses to be insufficient, the Minister and the Department should reconsider funding arrangements.



DR A.D. BUTI, MLA
CHAIR

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Executive Summary

Football is an important part of life in Western Australia. It reaches all parts of society and all parts of the State. And in many ways it is a great equaliser. Kids having their first go at Auskick are as important as elite athletes competing in a Western Derby. The Halls Creek Hawks and the Kurrurrungku Roos were nervous and hopeful before the East Kimberley Football League grand final just like the Claremont and South Fremantle players were before the WAFL grand final.

Football, like all sport and much social activity, belongs as much to volunteers and non-players as it does to those on the park. Across the State, mums and dads and neighbours and friends ferry kids from ground to ground, sometimes doubling up as coaches and water carriers. Others run kitchens, while some manage teams or run clubs and associations because they love the game. Some folk just go and watch their local team. Some do all of these things.

But football is not only a thing of the heart. It is also a major business, and a lot of money is spent playing, running and watching it. Beyond the myriad individuals and families that build football from the ground up, there is a structure that is intended to support and foster the game at all levels. Central to that structure, and created specifically to take care of the game, is the West Australian Football Commission (WAFC). Part of the funding for its work comes from the public, some from participants, some from commercial sponsorship and partnerships. And a considerable portion of it comes from the public purse, both directly and indirectly.

This inquiry was born out of a rising public concern that the public funds provided to the WAFC were not being used with best effect. A series of news stories in June 2020 asked whether too great a portion of those funds were being spent on what some saw as the football bureaucracy. This Committee chose to inquire into the situation. The key observations we make in this report are:

- Notwithstanding the broad support for the WAFC's important role in governance and oversight in WA football, we found a high level of distrust amongst many stakeholders.
- The WAFC appears overly concerned with protecting its reputation and had a limited approach to transparency that impacted its relations with its stakeholders. This was evidenced by one Commissioner who interfered with one football club's engagement with this inquiry, and the WAFC withholding information requested by the Committee.
- The State invests \$11 million directly into the WAFC annually, and has provided \$23 million more broadly to football over the last five years.
- More than 50 percent of WAFC employees work in 'grassroots' areas, but the figures were unnecessarily opaque, and the connection between expenditure and activity was difficult to ascertain.

- There have been improvements in reported participation across the board, most pleasingly in women's football. However, the participation figures themselves were problematic.
- The WAFC board was not fully representative of all parts of the football community, and the election process was overly complex, and restrictive.
- The balance of elite talent development and grass roots support was contested, especially the role of WAFL clubs. We also noted that a very high proportion of AFL draftees attended a small group of private schools, raising questions about equitable resource allocation.

In choosing to inquire into the use of State funds by the WAFC, this Committee did not set out to determine the 'best way' to run football, and certainly did not look into how it is or should be played or umpired. We were interested to see that there were clearly defined and sensibly managed ways to share the considerable resources available to the WAFC across the whole spectrum of football activity.

During our inquiry we received much evidence from football clubs and their representatives, from local junior clubs to WA's two AFL clubs. Of course, we also heard from the WAFC and the Department of Local Government, Sport and Cultural Industries. We heard a broad conviction that the WAFC plays a vital role in administering football, especially regarding governance and oversight. Witnesses from across the football 'ecosystem' believed that an independent entity like the WAFC was necessary to manage the complex interplay of needs and wants involved in the sport. We agree.

Beyond the general belief that the WAFC plays an important role, we found a less rosy picture. We found a concerning level of distrust from many stakeholders. In part this was based on an uncertainty about the place of the various levels of football in the overall scheme of things. No doubt this anxiety has been exacerbated by the impact of COVID-19, with its resulting job losses and massive changes to football competitions in 2020. But the tensions we observed were deep-seated, and the WAFC has acknowledged this needs addressing. We believe this tension has been built at least in part on the WAFC's tendency to limit transparency and openness.

In Chapter 1 we provide a background to the inquiry, giving some context to the game and our engagement with the area. We have also used this Chapter to explore some worrying activities and approaches from the WAFC. A key point to note is the unusual nature of football in WA vis a vis other sports. Football does not have a 'normal' national structure, where State bodies feed into a national organisation which then represents the nation in international activity. Rather, football is in practice dominated by the AFL – which is a competition first and foremost, rather than a 'keeper of the game'. Even more unusually, the WAFC is the sole owner of the two WA AFL clubs, which compete against each other, and which provide funds to support the WAFC's activities.

In its dealing with the news stories that preceded this inquiry, we found the WAFC appeared to be more concerned with protecting its reputation than with any material risk inherent in

the material that was leaked (and never made public). More worryingly, we found that a Commissioner of the WAFC had interfered with the conduct of this inquiry, by repeatedly suggesting to officials from Swan Districts Football Club that they should not make representations to the inquiry. While the WAFC argues that the club's subsequent submissions and attendance at hearings shows there was no interference, we believe the attempt is the issue, rather than the outcome. We were also disappointed that the WAFC failed to provide a requested set of information until being prodded into action at a hearing.

Funding football is central to its administration. In Chapter 2 we found that the WAFC is well served by Government in this area. According to the WAFC's own estimation, Government provides about one third of its annual budget, which has usually been about \$31 million per annum (this figure will be lower this year and likely next, a result of the impacts of COVID-19). A Funding Agreement between the WAFC, the AFL and the State was established as part of commissioning the new stadium at Burswood. This guarantees the WAFC funding of around \$11 million per year for the first 10 years of a possibly 40-year contract period. The State also took over a residual loan of \$5.6 million as part of the move to the new stadium, having paid down \$14.5 million in 2005. In addition to this substantial funding support from Government, we found that the State has provided \$23 million over the last 5 years to individuals, clubs, local governments and associations to support grassroots football. We also note that the State provided \$10 million to each WA WAFL club to assist them build training and administration facilities.

Rather than being a drain on the activities of football, we found that the new arrangement, although admittedly in its early days, has seen a broad continuation of resources available to the WAFC. This is especially so when the costs of running the old Subiaco Stadium are removed from the equation.

We were happy to see that the majority of staff employed by the WAFC are engaged in local, junior and country football. It reported that in 2019 it spent \$15.7 million towards the WAFL, Affiliates and country football. WAFL clubs received about \$4.8 million in cash. But we were disappointed that the WAFC was so reluctant to provide that information. While the figures were complex, they were also extremely opaque. The relationship between budget areas and expenditure was never fully revealed. The WAFC had a very closed approach to staffing costs and numbers, such that they do not appear in the financial statements as a separate line. We do not argue that this approach to reporting fails any legal or probity measure. The annual statements are audited, and we saw no evidence that they had received qualifications or any reported matters of significance. However, we believe that publicly acknowledging the number and financial cost of employees is something the State, stakeholders and the public should expect of an organisation receiving substantial public funding.

Throughout this inquiry the Committee has never taken a view on the individual costs of positions, or the appropriate number of employees. Nor do we have a view on whether 'too much' was being spent overall on salaries and people. We found that 51 percent of WAFC employees worked in grassroots football, and received 42 percent of all salaries. Even after a major restructure due to the falling revenue after COVID-19 struck, the results were similar.

We also found what we might call a ‘normal’ spread of employment across the WAFC – 55 percent of employees were paid the lowest salaries (up to \$75,000), with the smallest number receiving the highest sum.

Chapter 3 deals with one of the key questions asked by this inquiry – how well the WAFC has fulfilled its requirements to manage football across all levels. It is a challenging role, that requires a delicate balancing of resources. We found that in fact there was an uneasy balance between elite talent management and grassroots development, but there were areas delivering improving outcomes.

Female participation in football had, not surprisingly, increased in recent years, as had efforts to support it. Total participation had increased to 109,647, up nearly 4,000 percent over the decade (from an admittedly very low base). Similarly, club-based numbers were up by 1,349 percent to 7,725. One drag to further improvement was the inadequate state of changing facilities across WA, where at least two thirds of grounds had no suitable arrangements for female players.

In junior football, signs were mixed. Club participation figures have returned to those of a decade ago, after a period in decline. Overall participation figures have risen by a reported 385 percent since 2009, up to 212,000 in 2019. There was significant disagreement between witnesses over the current structure of junior football development, where the WAFC had centralised its management, and reduced the role of WAFL clubs.

Country football is another challenging area, linked as it is to changing economic and demographic situations in regional areas. The participation data suggested that country football was in something of a holding pattern, with a marginal increase in club numbers overall and fairly static participation. No doubt these broad figures include more dramatic local changes, although we did not examine this in detail. We did hear that the WAFC provides staff into eight regional centres, and limited financial support for the WA Country Football League. We also heard the new restructure had created a formal executive responsibility for country football in the WAFC. However, more remains to be done to ensure this important part of WA football receives the support it needs to thrive.

The significant role of Indigenous players in football, and of football in many Indigenous communities, is well known. We were encouraged to find the WAFC has made improving and building on Indigenous participation a Focus Area for its future activity. The figures were positive, with participation more than doubling since 2015.

We were also pleased to see some gains in all-abilities football. Making the sport more accessible to people who have historically been denied access can only be a good thing. In particular, we want to highlight the efforts of the Perth Football League with its Integrated Football program, and the WAFC’s Starkick program.

The place of the WAFL in the WA ‘ecosystem’ was a major debating point throughout this inquiry. Having been the pinnacle of football before the first AFL team came to town, the WAFL has had to reinvent itself. That process is ongoing, and its place remains unclear. As such, it was not surprising that the area was highly contested by many witnesses. The

current situation has resulted in a deteriorating relationship between the WAFC and the WAFL, which must be repaired. The WAFL clubs recognised the need to refocus, and to make themselves again a central part of the community. The WAFC appeared to think the WAFL had not made enough changes so far to be completely trustworthy. And other witnesses, such as the Perth Football League, saw the WAFL as an over-funded second tier competition. We believe this is not a zero-sum game, and that improving the position of the WAFL should happen alongside proper recognition of the other parts of the ecosystem.

The role of talent identification exemplified many of the challenges regarding the relationship between the WAFL and the WAFC. Managing talented players, and guiding them towards achieving the most they can, has always been part of football. We were concerned in this inquiry to see how far that general approach had become focused on providing ‘better’ draftees for the AFL. A change in recent years has centralised the talent program, with it now led by the WAFC, including the operation of the WAFL Colts program. AFL clubs and indeed junior football clubs told us that this approach had reduced the connectedness young talented players have to any club. We were concerned that this loss of connection could lead to higher drop-out rates, especially before those young players reach the final draft stage. We also noted that elite private school students are massively overrepresented in AFL draft numbers, raising important questions of how equitable resource allocation on development programs really is.

In looking at the administration of football, we wanted to understand how Commissioners are appointed to the WAFC, and how well WAFC processes represent the broad football polity. Chapter 4 shows that, as a not-for-profit Incorporated Association, the WAFC is bound by its constitution, but it became clear that representation was an issue for most witnesses and organisations that submitted to the inquiry. Our first point is that the election process is unnecessarily convoluted and complex, involving eight distinct steps, and at least two separate voting steps. Simplifying this process should be seriously considered.

More pertinently, the voting rights within that process are skewed to the major players, and do not provide real representation to the organisations that represent the vast majority of participants. We heard concerns that this pattern of representation allowed for clear control by the WAFC and the two AFL clubs. While we saw no evidence that a voting bloc existed in practice, the broad concern about the potential for such a bloc was itself concerning. We note that the final confirmation vote for new Commissioners rests with the WAFL clubs and the two AFL clubs. The arrangements mean that if the AFL clubs vote alike, only one WAFL club is needed to create the majority. Again, we saw no evidence of this having occurred, but its possibility does not increase transparency or accountability, or build confidence in stakeholders. We believe that a simplified voting process with more representation of Affiliate entities can only improve the standing of the WAFC, and help improve relationships in the football world.

In a similar line, we were surprised that neither of the AFL clubs have member-elected directors. Both clubs explained their positions cogently, and we accept there is value in boards seeking out people with particular expertise to improve their capabilities.

Finally, Chapter 5 looks at an overarching matter of transparency and openness. In it we conclude that the WAFC has demonstrated a restricted approach to transparency, which has led to stakeholder dissatisfaction and mistrust. We start by acknowledging that the WAFC meets its technical reporting requirements as laid out in the Funding Agreement, although these are vague and general. We also found the Department, representing the State in the Agreement, did not rigorously review that reporting.

We heard that witnesses were concerned that a major review undertaken by the WAFC in 2016 was something of a *fait accompli*, and some thought the WAFC was ‘remote’, often literally. Further, a wide range of witnesses spoke of frustration in trying to understand the financial picture provided by the WAFC, finding them unnecessarily opaque.

There was even more concern with the participation figures discussed in Chapter 3. These figures, especially the broad ‘participation’ figures, were routinely questioned by witnesses, and even the CEO of the WAFC told us they should be considered as ‘promotional’ numbers. We note that similar figures from other sports have been shown to be vastly inaccurate. At the very least we believe they suggest that an unrealistically large proportion of people in WA are participating in football.

Ministerial Response

In accordance with Standing Order 277(1) of the Standing Orders of the Legislative Assembly, the Public Accounts Committee directs that the Minister for Sport and Recreation report to the Assembly as to the action, if any, proposed to be taken by the Government with respect to the recommendations of the Committee.

Findings and Recommendations

Chapter 1 – Background – and some concerns about interference and misleading information

Finding 1

Page 2

There are more than 460 football clubs across the State. These range from enormous and highly commercial enterprises participating in the Australian Football League (AFL) to clubs in remote Indigenous communities and suburban teams created for people with intellectual disabilities.

Finding 2

Page 2

Football is an enormously important part of sporting and social life in Western Australia (WA).

Recommendation 1

Page 3

To deliver the greatest accountability and assurance to Parliament and the public, the Minister for Sport and Recreation (the Minister) and the Department of Local Government, Sport and Cultural Industries (DLGSC), as the State's representatives in the major football funding agreement, should work closely with the WA Football Commission (WAFC) to monitor the implementation of the recommendations in this report.

Finding 3

Page 5

There is a complex 'ecosystem' of football that reaches from local volunteer-based junior football clubs to multi-million dollar AFL clubs.

Finding 4

Page 7

There is broad recognition that the oversight role of the WAFC is necessary and important to the ongoing success of the code in WA.

Recommendation 2

Page 7

The WAFC should continue to provide oversight and governance to football in WA.

Finding 5

Page 8

Football in WA is unusual on two fronts:

- the commercial competition that is the AFL holds a position somewhat similar to a national body in other sports, but does not have the same powers as such a body, and has no real international body;
- the WAFC as caretaker of the sport is the sole owner of two WA clubs competing in the AFL, but uses funds from those clubs and the AFL to fund its own activities.

Finding 6

Page 11

The WAFC's response to what appears to have been an inadvertent release of salary information was heavy-handed and seems to have been more concerned with perceived risk to the Commission's reputation than to any material risk to the organisation.

Finding 7

Page 13

The Committee received repeated claims from football clubs that Mr Simon Moore-Crouch, Executive Director Commercial and Talent at the WAFC, had disparagingly referred to this Committee's inquiry as a 'dog and pony show'. When questioned on the matter, Mr Moore-Crouch refuted the claims. Due to apparent concerns about reprisals, whether warranted or not, we received no further evidence about those statements, and therefore could not reach a conclusion on the matter.

Finding 8

Page 18

Grant Dorrington, a former employee and current Commissioner of the WAFC, on three occasions told leaders at the Swan Districts Football Club that they should consider not providing information to this Committee's inquiry. The Committee finds that he interfered in the Inquiry process by seeking to persuade the Swan District Football Club from making a submission to the inquiry.

Finding 9

Page 18

While eight of the nine WA Football League (WAFL) clubs made submissions to the inquiry, at least one club was uncomfortable with making its submission public, and originally requested it be kept confidential.

Finding 10

Page 18

While this Committee does not have the power to formally pursue the matter, the Committee believes that Finding 8 presents a strong case for being considered as a contempt of Parliament. As such we feel it would be well within our rights to raise the matter in the Legislative Assembly. However, in light of the fact that Swan Districts Football Club in the end did make a submission, and its CEO and President appeared as witnesses in hearings, and while not diminishing the seriousness of the actions taken by Mr Dorrington, we have decided not to raise the matter.

Finding 11

Page 19

The West Coast Eagles CEO, Mr Nisbett, when given two opportunities by the Committee at a public hearing, did not refute allegations that at a meeting organised by the WAFC and attended by WAFL representatives and others, he said: 'if we do not work together we could lose our government funding?'

Recommendation 3

Page 19

The WAFC should make concerted efforts to educate its staff and Commissioners on the propriety of public pronouncements and at all times behaving ethically and with full recognition of the limitations inherent in their role as Commissioners.

Finding 12**Page 20**

The DLGSC exhibited a very cautious approach to ‘protecting’ the Funding Agreement. It handed responsibility for releasing the document to the Minister. This may have been its only choice, in that the DLGSC is not the signatory to the document, but this attitude does not reflect best practice in dealing with public contracts, and does not form the basis of open and transparent relationships within the football ‘ecosystem’.

Finding 13**Page 21**

The WAFC exhibited more than simple caution in its attempts to restrict access to the Funding Agreement. The Committee understands the WAFC’s perceived need to be seen to defend the confidentiality of the Funding Agreement, although it does not believe such protections are the best approach to public contracts. However, it was disappointed by what appeared to be mischievous timing to discuss those concerns.

Finding 14**Page 23**

Senior leadership of the WAFC chose not to provide information about draftee school history that it knew was of interest to the Committee.

Finding 15**Page 23**

The attempt to pass off the impact of a staffing decision as a technical access issue does not reflect well on the leadership of the WAFC.

Chapter 2 – Football has a strong self-funding ideology, but State funding is central to its well-being

Finding 16**Page 26**

Football is a multi-million-dollar enterprise in Western Australia. The WAFC had a turnover of \$31.6 million in 2019. The Fremantle Football Club generated net revenue of \$41.5 million, and the West Coast Eagles figure was \$66.7 million.

Finding 17**Page 27**

The State Government provided \$23.3 million directly to support football in the years 2015-16 to 2019-20, outside of any regular WAFC funding.

Finding 18**Page 27**

The State provided \$20 million to support the development of training facilities for the Fremantle Football Club and the West Coast Eagles. This was matched by funding from the Commonwealth Government.

Finding 19**Page 29**

WAFC revenue rests predominantly in funds provided by the State through its Funding Agreement, and funds provided by the AFL and the two WA AFL clubs.

Finding 20

Page 31

WAFC's expenses have increased, especially in terms of football development. This shows that there has been an increasing available revenue, especially when the effect of expenses relating to Subiaco Oval are removed.

Finding 21

Page 34

The WAFC reports that it invested \$15.7 million in WAFL, community and Affiliates football in 2019. Of this figure, 38 percent was distributed as cash to the leagues and organisations in question, while the majority went to WAFC operating costs.

Finding 22

Page 34

Of the \$4.3 million that the WAFC expended in 2019 on operating costs for Affiliates, community and country football, 97 percent went on salaries.

Finding 23

Page 35

The WAFC has chosen not to provide clear and simple information about its employees and their costs and benefits. This limits the transparency and accountability of the Commission's activities.

Finding 24

Page 36

The WAFC is not in competition with other Football Commissions, and has no need to hunker down behind walls of commercial-in-confidence protection. It is a body funded by the State and a national competition to take care of a public sport, and needs to open its activities to its stakeholders.

Recommendation 4

Page 36

The Minister should require more transparent reporting by the WAFC, to increase its accountability to its stakeholders. This should include at the minimum more openness about its staffing, including the numbers of employees, their broad employment areas and the overall cost of their salaries and benefits.

Finding 25

Page 38

It is not clear or discernible exactly how much support 'grassroots' football receives from the WAFC and its employees.

Finding 26

Page 38

The WAFC work structure is built on a complicated and unclear set of job titles, and what appeared to be slightly arbitrary streams of work. This showed even at the executive level, where two executive managers ran corporates services, strategy and workforce, one managed commercial activities and communications (and also managed Talent), and three managed more general football matters.

Finding 27**Page 39**

In 2019, 51 percent of WAFC employees were formally engaged in grassroots football, and accounted for 42 percent of salaries, although it was never made completely clear how those roles played out. WAFL and Talent accounted for 25 percent of people and 23 percent of salaries; Administration and corporate services accounted for 24 percent of people and 35 percent of salaries.

Finding 28**Page 40**

There is a fairly standard employment distribution at the WAFC. Of all employees in 2019, 63 FTE were paid less than \$70,000 per annum; 26 FTE received \$70,000-\$100,000; 18 FTE received \$100,000-\$130,000; and 7 FTE received \$130,000-\$180,000.

Chapter 3 – There is an uneasy balance between WAFC’s elite talent management and grassroots development

Finding 29**Page 48**

The growth in women’s football is creating pressures on the availability of resourcing to support this growth.

Recommendation 5**Page 48**

The DLGSC should work with WAFC to develop mechanisms to track, monitor, and report on how the appropriate resources are being secured to support the continued growth in all aspects of women’s involvement in football.

Finding 30**Page 51**

Segments of junior and youth football in parts of the State are struggling to maintain viable competitions.

Recommendation 6**Page 51**

The Minister and the DLGSC should work with the WAFC to explore options to further improve and support junior and youth football development and participation. This includes looking at other ways to work with local clubs and schools in developing strong competitions.

Finding 31**Page 53**

Over the last ten years (2009-2019) there has been a total increase of only six regional football clubs.

Finding 32**Page 55**

Though all parties acknowledge the importance of country football, there is an insufficient focus on developing, and providing appropriate support to growing the game and increasing the pool of talent and the opportunities for young people in regional areas.

Recommendation 7

Page 55

The Minister and the DLGSC should work with the WAFC to explore ways to develop and increase participation in country football. Measures should be put in place to track and report on progress.

Finding 33

Page 57

Encouraging gains have been made in Indigenous football.

Recommendation 8

Page 57

The Minister and the DLGSC should work with the WAFC to ensure adequate measures for further supporting Indigenous football are in place as a future priority for the WAFC. These measures should be tracked and monitored for progress, and periodically reported on.

Finding 34

Page 58

There are signs of growth in all-abilities football.

Recommendation 9

Page 58

That the Minister and the DLGSC should work with the WAFC to ensure there is continued investment to support expansion of programs promoting all-abilities football.

Finding 35

Page 58

There is a broad social benefit to focusing resources on junior football, regional football, women's football, Indigenous football, and all-abilities football at the grassroots level.

Finding 36

Page 58

Performance across the areas of junior football, regional football, women's football, Indigenous football, and all-abilities football is variable, and further development opportunities exist.

Finding 37

Page 61

The role of WAFL clubs is changing, and they are now looking to repurpose towards focusing on their engagement with the community.

Finding 38

Page 62

The structural changes to WA football have resulted in a deteriorating relationship between the WAFL and the WAFC.

Recommendation 10

Page 62

The WAFC should increase its support to WAFL clubs to assist them repurpose towards community engagement.

Finding 39**Page 64**

There is a structural tension across WA football between allocating resources to lower-level community football, and on sustaining a large and profitable football industry.

Finding 40**Page 64**

There are mixed views on the extent to which the WAFC is balancing the development of grassroots football and elite talent.

Finding 41**Page 64**

Structural changes have diminished the WAFL clubs' responsibility for talent development.

Finding 42**Page 66**

A highly disproportionate number of AFL draftees come from a small number of Public School Association schools, raising questions of equity in relation to the WAFC development programmes and access to resources.

Recommendation 11**Page 66**

The Minister for Sport and Recreation and the Minister of Education and Training should work together to maximise the opportunities for public school footballers to reach their full sporting potential, including looking at resource allocations. In doing so, they should also work with the WAFC to determine the most effective ways in which it can assist.

Finding 43**Page 70**

The increasing centralisation of the WAFC and its focus on service delivery and operational roles, has diminished the WAFL's role in WA football, and in particular their responsibility for community development.

Recommendation 12**Page 70**

The WAFC should provide mechanisms to ensure that the WAFL continues to be, and remains sustainable as, the premier State competition.

Recommendation 13**Page 70**

That the WAFC coordinate with member and Affiliate clubs and leagues to devolve its service and delivery functions to the appropriate stakeholder. As part of this, the WAFC should work with the WAFL clubs to:

- More fully involve them in talent and junior development, in order to strengthen WAFL clubs' connection with their communities
- Shift control of the Colts competition back to the WAFL clubs.

Recommendation 14

Page 70

That the Minister and the DLGSC monitor the WAFC's responses to the recommendations. If they deem the action taken by the WAFC to be insufficient, the Minister and the DLGSC should reconsider funding arrangements (both the 10-year term under the WAFC Funding Agreement, and the other funding available to the WAFC as a State Sporting Association).

Finding 44

Page 74

The WAFC does not provide adequate evidence or assurance that the ongoing welfare of football talent is a priority.

Finding 45

Page 74

The data to assess the quality of wraparound monitoring of the careers of talent-tracked players is fragmented and incomplete. The absence of this data and associated tracking raises concerns about the duty of care shown by the WAFC and the DLGSC to young footballers.

Recommendation 15

Page 74

To ensure greater player welfare and support, the DLGSC should work with the WAFC to develop rigorous mechanisms to track and report on the development of draftees throughout their careers, and gather data on the number of players who drop out of football, especially the AFL, and the reasons for this.

Finding 46

Page 76

A number of witnesses agreed the current drafting age was too young, and ignores the potential developmental and educational costs to young people.

Recommendation 16

Page 76

The DLGSC and WAFC should work together to arrive at a more appropriate older drafting age to promote to the AFL, recognising the benefits of allowing draftees greater development as individuals rather than merely as footballers.

Chapter 4 – The process to elect the WAFC board is complex, and unreflective of WA football as a whole

Finding 47

Page 79

The process of electing WAFC Commissioners to the board is overly complex and raises questions about the transparency of the process.

Finding 48

Page 81

The two AFL teams, major businesses in their own right, and their owner, the WAFC, together hold a 60 percent postal ballot voting share for the WAFC board.

Finding 49**Page 81**

All Affiliates together share just 10 percent of the postal ballot voting rights for the WAFC board, and have no say in the secret ballot.

Finding 50**Page 84**

The WAFC election process leaves significant segments of WA football lacking appropriate representation.

Finding 51**Page 84**

The process for nominating and appointing the WAFC board creates a power imbalance in the current WAFC membership.

Finding 52**Page 84**

Though the Affiliates, representing a large participation base, have voting rights for the selection of the Commissioners, they are not WAFC members and have marginal influence on the WAFC.

Recommendation 17**Page 88**

The WAFC Constitution should be amended so that:

- Commissioners cannot be members of the WAFC.
- Affiliates become members of the WAFC.

Recommendation 18**Page 88**

The WAFC should reform the board's nomination and election processes to ensure it more fully represents the various stakeholders and the wider football community, including the need for greater representation from the various Affiliates.

Suggested reforms include:

- Existing Commissioners should have no role to play in appointing new Commissioners.
- There should be term limits on WAFC board appointments.
- Employees of WAFC, the two AFL Clubs, and the WAFL clubs and Affiliates should not be able to be appointed as Commissioners.

Recommendation 19**Page 88**

Any appointed Commissioner, while they may be a 'representative' of the 'body' that nominated them, must operate with full cognisance that they have an obligation to make decisions in the interest of football in WA. To facilitate this, all incoming Commissioners should receive appropriate board training.

Recommendation 20**Page 88**

That the Minister and the DLGSC monitor the WAFC's responses to all recommendations directed at the WAFC. If they deem the WAFC's responses to be insufficient, the Minister and the DLGSC should reconsider funding arrangements.

Finding 53

Page 91

Neither of WA's two AFL clubs have board members who are elected by their membership. This makes them unique in the AFL.

Chapter 5 – The WAFC's restricted approach to transparency has led to stakeholder distrust and dissatisfaction

Finding 54

Page 95

The WAFC delivers the reporting required under the Funding Agreement. It provides Annual Reviews with audited financial statements, and more detailed reports to the Minister.

Finding 55

Page 95

The DLGSC does not rigorously review the information provided by the WAFC in its annual reviews or Ministerial reports. This limits the assurance and accountability that Government and the public should expect from the substantial investment in football.

Recommendation 21

Page 95

The Minister should ensure that the DLGSC tests the quality and impact of WAFC reporting. This should include a focus on WAFC analysis of player wellbeing.

Finding 56

Page 98

Evidence provided by several witnesses showed there is a lack of trust between the WAFC and stakeholders, particularly WAFL clubs.

Finding 57

Page 98

Several witnesses were concerned that the WAFC's financial statements and explanations were unnecessarily opaque, with up to \$3.48 million in expenditure unexplained to WAFL clubs' satisfaction.

Recommendation 22

Page 99

The Minister and the DLGSC should work with the WAFC to ensure there is greater clarity about the impact and effectiveness of expenditure allocated to the WAFL and other parts of the football ecosystem.

Finding 58

Page 101

The participation figures used by the WAFC were contested by numerous witnesses, and admitted by the WAFC to be 'promotional' and suggest an unrealistically high proportion of people are participating in football. The WAFC also said that club registration numbers were more important to it.

Recommendation 23

Page 101

The Minister should work with the WAFC to ensure that reported participation and membership figures are accurate and explicable.

Chapter 1

Background – and some concerns about interference and misleading information

[F]ootball is more than a game in WA, it's part of our cultural fabric

WAFC Submission¹

Football is a major part of life in Western Australia

- 1.1 Sport has a long-acknowledged and important role in Australian life, and the same is true in Western Australia (WA). The State has a long history of organised, popular and successful sporting participation.
- 1.2 Cricket, hockey, netball, soccer, water polo, rugby, and various racing formats among others have been and continue to be popular. The first cricket match took place in 1835, making it the first recorded formal sporting contest in the Perth and by 1839 there were clubs in Perth and Guilford.² Netball had 33,000 financial members in 2019, of which 23,000 were juniors. It also reached 50,000 students.³ Cricket reached 223,000 school and club participants in 2019, with 506 teams for boys up to 12 years of age. Female involvement in cricket rose by 45 percent on the previous year.⁴
- 1.3 While seasonal, gender and regional differences apply, football⁵ has long been the pre-eminent winter code. The first recorded football match in WA took place in 1858⁶. This was 27 years after the sport was invented in Melbourne.⁷
- 1.4 Now, football dominates participation and the media in WA. As the Swan Districts Football Club (Swan Districts) told us

It is a sport with the power to unite people, create hope and speak to people in a language they can understand. Australian rules football is sport's universal language in WA.⁸

1 Submission 17, WA Football Commission, p. 8.

2 Anthony J. Barker, *The WACA: An Australian Cricket Success Story*, Allen & Unwin, St Leonards, 1998, pp. 1-2.

3 Netball WA, Annual Report 2019, pp. 18-9.

4 WACA, *WA Cricket Leading The Way*, 21 August 2020, accessed 28 October 2020, <https://www.waca.com.au/news/wa-headlines-national-participation-growth/2017-08-11>.

5 Throughout this report, we use the term 'football' to refer to Australian Rules football. The term 'AFL' applies to the Australian Football League, both as a particular competition and as an organisation.

6 Submission 17, WA Football Commission, p. 6.

7 James Coventry, *Time and Space: the tactics that shaped Australian rules – and the players and coaches who mastered them*, Harper Collins, Sydney, 2015, p. 11.

8 Submission 6, Swan Districts Football Club, n.p. [p. 5].

- 1.5 There are more than 460 football clubs across the State, involving more than 66,000 people.⁹ These range from enormous and highly commercial enterprises participating in the Australian Football League (AFL) to remote clubs in Indigenous communities and suburban teams created for people with intellectual disabilities. In country WA there are 25 senior competitions, traversing the land from the Central Kimberley to Esperance.¹⁰ The Perth Football League (PFL) is the largest single adult competition in the State, and involves 69 clubs which field more than 260 teams.¹¹ The metropolitan Regional Development Councils (RDCs) told us there are about 47,000 junior participants in football in Perth.¹²

Finding 1

There are more than 460 football clubs across the State. These range from enormous and highly commercial enterprises participating in the Australian Football League (AFL) to clubs in remote Indigenous communities and suburban teams created for people with intellectual disabilities.

Finding 2

Football is an enormously important part of sporting and social life in Western Australia (WA).

- 1.6 In part reflecting the sport's wide footprint, radio, television and print media devote much air time and print pages to football. Multi-page liftouts and detailed coverage of WAFL and AFL games are the norm. Online media has extended discussion of games and competitions to lower levels of football.¹³ In this year, when sport, like the rest of life, has been constrained by the impact of the COVID-19 pandemic, the coverage of football remains extensive. Football also generates substantial economic activity. In 2019 direct football revenue across the two WA AFL clubs and the WA Football Commission (WAFC) was more than \$150 million.¹⁴
- 1.7 As we discuss in detail in the following chapters, the State invests significant funds into football, but has little oversight of outcomes or performance. We believe, however, that the Minister for Sport and Recreation and the Department of Local Government, Sport and Cultural Industries have an important role to play in providing assurance over the investment of public funds. In that light, we have made significant recommendations across many areas of the WAFC's activity, including its relationships with other parts of the football world. Making these work to best effect, and to give Parliament and the public the greatest comfort that progress is being made, will in practice rely on the Minister and Department working in concert with the WAFC.

9 Submission 17, WA Football Commission, p. 8.

10 WA Football Commission, Responses to Questions on Notice and Further Questions, 17 September, 2020, p.8.

11 Submission 20, Perth Football League, p. 3

12 Submission 16, Metropolitan Regional Development Councils, p. 2.

13 E.g., *Perth Footy Podcast*, <http://www.perthfootball.com.au/news/18976/perth-footy-podcast-is-here>, accessed 1 October 2020.

14 WA Football Commission, *2019 Review*, p. 26.

Recommendation 1

To deliver the greatest accountability and assurance to Parliament and the public, the Minister for Sport and Recreation (the Minister) and the Department of Local Government, Sport and Cultural Industries (DLGSC), as the State's representatives in the major football funding agreement, should work closely with the WA Football Commission (WAFC) to monitor the implementation of the recommendations in this report.

Football is a complex 'ecosystem', played at many levels

- 1.8 In a game as far-reaching as football, it is not surprising that there is a wide range of opportunities to play and otherwise be involved. Numerous witnesses and submissions noted that this range and complexity was best described as an 'ecosystem'. Mr Frank Cooper, Chairman of the WAFC from 2010-2015, noted this ecosystem included all levels of football and involved 'a high level of interdependence'.¹⁵ The Chief Executive Officer of the Fremantle Football Club (Fremantle) told us that he

intentionally use[s] the word "ecosystem" when referring to the WA football industry as it essentially infers that to be truly effective, there really is that shared reliance on all stakeholders, regardless of size and status, to play their part to ensure it is working as effectively and efficiently as it possibly can.¹⁶

- 1.9 The Director General of the Department of Local Government, Sport and Cultural Industries (DLGSC) told us that supporting an ecosystem was important to player well-being.¹⁷ While the interrelationships are real, and the idea of an ecosystem deals well with the complexity and range of competitions and experiences, there is also an undeniable degree of hierarchy in the levels of football in WA. Figure 1.1 shows how the WAFC pictures the various parts of the football ecosystem, at least in structural terms.

15 Submission 1, Mr Frank Cooper AO, p. 1.

16 Mr Simon Garlick, Fremantle Football Club, *Transcript of Evidence*, 16 September 2020, p. 3.

17 Mr Duncan Ord, Department of Local Government, Sport and Cultural Industries, *Transcript of Evidence*, 21 August 2020, p.8.

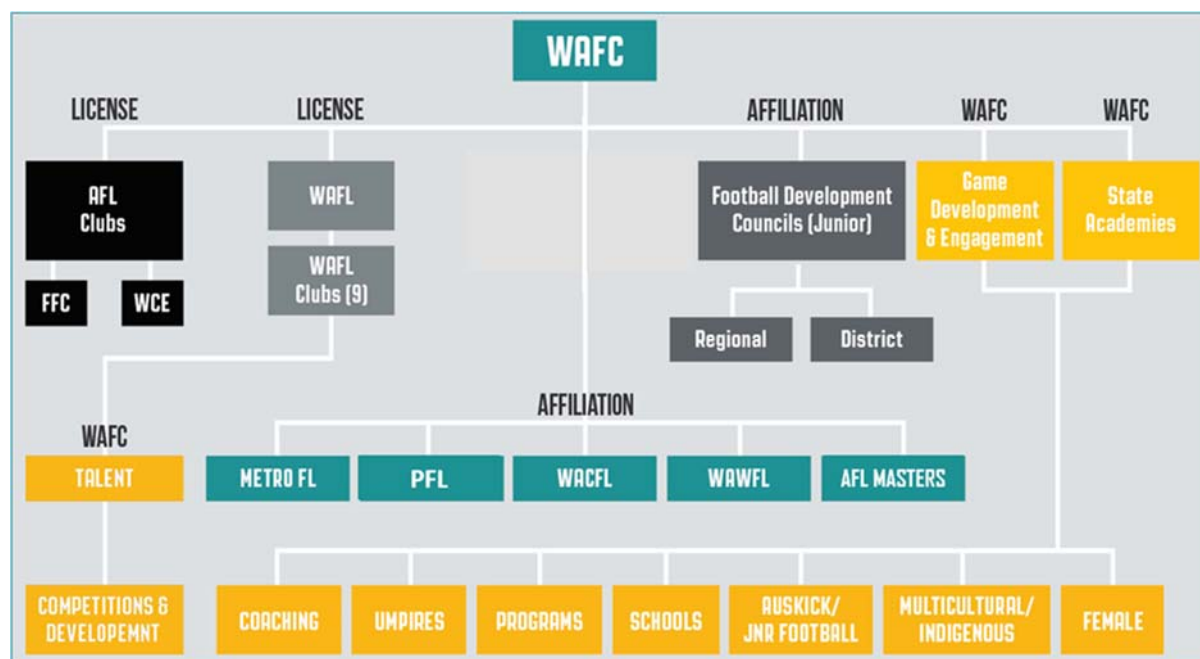


Figure 1.1: Structure of football in WA¹⁸

- 1.10 There is no escaping the overall dominance of football in Australia by the Australian Football League (AFL). The AFL runs a men's and a women's national competition, supports lower level football across the nation, and is responsible for Auskick – a children's participation program. The men's AFL competition includes 18 clubs situated in five States, while the AFLW competition includes 14 teams across five States.¹⁹ In 2019 the AFL reported gross revenue of \$794 million.²⁰ Fremantle and the West Coast Eagles (West Coast) each have teams in both the men's and women's competitions.
- 1.11 A level below the AFL is the WA Football League (WAFL). The WAFL includes nine teams, eight Perth-based clubs plus a team from the Peel region. In 2019 West Coast entered a stand-alone team in the WAFL league competition, as the West Coast reserves, but withdrew from the 2020 season due to limitations imposed by the AFL COVID-19 response. Fremantle is aligned with the Peel Football club, but in 2020 its players were also unable to compete in the WAFL due to AFL COVID-19 restrictions, although Peel did compete.²¹
- 1.12 The WAFL has been the major WA competition since 1885.²² Until the creation of West Coast and their addition to what is now the AFL, the WAFL was the pinnacle of professional football in WA. The WAFLW, the women's competition, played its first season in 2019, with five teams included,²³ although a WA Women's Football League had run since 1987.²⁴

18 Submission 17, WA Football Commission, p. 8.

19 AFL, *2019 Annual Report*, Melbourne, 2019, passim.

20 *ibid.*, p.31.

21 There have been other alignments between WAFL and AFL clubs over time – East Perth and West Coast; South Fremantle and Fremantle, for example.

22 WAFL, *About Us*, <https://www.wafl.com.au/about>, accessed 2 October 2020.

23 WA Football Commission, *2019 Review*, <http://www.wafootball.com.au/wafc/annual-reports>, p. 26.

24 Submission 17, WA Football Commission, p. 11.

1.13 Beyond the professional AFL and WAFL parts of the game lays a vast expanse of community football. This includes the vast majority of players, coaches, umpires and volunteers involved in football. This non-AFL/WAFL part of the game was variously estimated to involve 99 percent of participants. At senior level there is the PFL and the Metropolitan Football League, and the 25 leagues operating under the Country Football League banner in regional WA. There is also AFL Masters league across 16 clubs in Perth, and in 24 regional areas.²⁵ Women's football is incorporated across these organisations to varying degrees.

1.14 Junior football takes place through a combination of schools, Auskick (which is run by the AFL) and youth competitions. There are three metropolitan RDCs and nine non-metropolitan Regional Development Councils that oversee junior football. In 2019 there were 116 junior clubs in metropolitan Perth with 1,350 teams.²⁶ There are also several schools competitions.

Finding 3

There is a complex 'ecosystem' of football that reaches from local volunteer-based junior football clubs to multi-million dollar AFL clubs.

The WA Football Commission was created to be the caretaker of all football in WA

1.15 As we showed in Figure 1.1, the WAFC is the overarching body responsible for the sound management of football in WA. As the Commission's submission put it:

The WAFC was created in 1989 with responsibility for the overall development and strategic direction of football in WA including running all WA football leagues and competitions.²⁷

1.16 The decision to create the WAFC was based on concern about increasing debt and administration by WAFL Inc., the then controlling body. The Chairman of the WAFC told us

essentially, the WAFL was the pre-eminent competition in Western Australia but it was in dire financial states. It was in debt. By 1988 that debt was around \$8 million, which in 1988 was a lot of money. That debt was incurred putting up the three-tiered stand at Subiaco Oval. Also, by 1988, of course, a group of individuals had got together to form the West Coast Eagles through Indian Pacific Ltd and to buy a licence in what was then the VFL and, predictably enough, interest in football in Western Australia shifted very much towards that league and away from the WAFL. So, by 1988, things were in a pretty unhappy state of affairs, and they got worse when Indian Pacific also suffered financially and basically was not able to continue without support.²⁸

25 AFL Masters WA, *About our game*, <http://www.aflmasterswa.com.au/about-us/our-game>, accessed 2 October 2020.

26 Mr Geoffrey Wolfenden, Chairperson, Metro South Regional Development Council, *Transcript of Evidence*, 23 September 2020, p. 2.

27 Submission 17, WA Football Commission, p. 5.

28 Hon Wayne Martin AC QC, Chairman, WA Football Commission, *Transcript of Evidence*, 19 August 2020, p. 2.

1.17 Similarly, the CEO of West Coast told us:

Football in WA was broke in 1987 and was in serious trouble at the end of 1989. The change in structure meant that the role of the West Coast Eagles changed somewhat in that the club became responsible for assisting its owner, the WA Football Commission, in raising revenue to the football fraternity.²⁹

1.18 We note that a 2000 report into the state of football in WA puts the matter more bluntly. In 1988, it says, 'the football system could have been bankrupted'. WAFL clubs collectively owed \$2.1 million, the WAFL as an entity itself owed \$6 million mainly due to constructing a 3-tiered stand at Subiaco Oval, and Indian Pacific Limited, the public company which owned West Coast, 'could not meet its obligations to the WAFL'.³⁰ We also note that the initial prospectus for Indian Pacific Ltd included obligations to:

- Secure the existing domestic WAFL competition and maintain its standard and viability
- Develop the game throughout the State at all levels
- Maintain the financial stability of the current structure of football, in particular, keeping the eight WAFL clubs financially viable.³¹

1.19 In the years 1984-89, the State Government provided \$3.45 million in funding to the WAFL.³² In 1989 the then Minister for Sport and Recreation withheld financial assistance to WAFL Inc. until the structure was changed. One commentator of the period has explained that the WAFC was created because the existing arrangements had an 'inherent lack of accountability to the football public and government'.³³ Considerable effort was involved in finalising the board of the original WAFC, 'related to the need to find candidates acceptable to both the Government and the Football industry'.³⁴ We note that while the then Minister for Sport and Recreation described the WAFC as 'a private body over which the State Government has no authority'³⁵, there was an obvious and ongoing influence in play, and financial support from Government was the norm. We explore this involvement in more detail in Chapter 2.

1.20 One of the reasons for the Commission's creation and continued relevance was the commonly voiced perception that, at least historically, WAFL clubs had been too focused on winning premierships, and less focused on their viability and sustainability as organisations. We discuss the position of the WAFL in this regard further in Chapter 3.

1.21 It is important to note that no witness to the inquiry suggested that the WAFC was not central to a healthy football environment. Rather, we were consistently told, even by

29 Mr Trevor Nisbett, CEO, West Coast Eagles, *Transcript of Evidence*, 16 September 2020, p. 1.

30 WA Football Commission Review Committee, *Review of the Westar Rules Competition [aka the Fong Report]*, WA Football Commission, 2000, p. 10.

31 Supplementary submission, Submission 10a, Mr Ron Alexander AM, p. 1.

32 Hon Graham Edwards, Minister for Sport and Recreation, Legislative Council, *Hansard*, 31 October 1989, p. 4065-6.

33 Gregory Italiano, *Government and Sport: the Case of the Western Australian Football Commission*, Honours Thesis, Edith Cowan University, 2002, p. 32.

34 *Ibid.*, p. 33.

35 Hon Graham Edwards, Minister for Sport and Recreation, Legislative Council, *Hansard*, 31 October 1989, p. 4065.

witnesses who had some specific concerns, that the WAFC was both required and in general doing well. In particular, we heard that:

- ‘Broadly, the thing is going all right.’³⁶
- ‘Our system, basically, is a very good one.’³⁷
- ‘...the footy commission does some very, very good work—make no mistake.’³⁸
- ‘It is our view that the WAFC should retain its role in governance of football as its core function for which it was originally established.’³⁹
- ‘...the WAFC remain an independent body responsible for the governance and compliance of our competitions.’⁴⁰
- ‘The AFL supports the need for a governing body to oversee the complexities of the AFL structure in Western Australia, including the WAFL competition, development pathway, of both participation and talent.’⁴¹
- ‘...this system in Western Australia is structurally very sound’.⁴²
- ‘...there are some real strengths here that should be acknowledged and recognised, and look to be leveraged in the future for the betterment of the whole industry.’⁴³

Finding 4

There is broad recognition that the oversight role of the WAFC is necessary and important to the ongoing success of the code in WA.

Recommendation 2

The WAFC should continue to provide oversight and governance to football in WA.

1.22 While there was broad support for the role of the WAFC, the football structure in WA is not common to other sports or other States. The CEO of West Coast said ‘This is a very different model to the other states.’⁴⁴ His Fremantle counterpart agreed, noting the unusual position that Fremantle ‘play within the WA football community as the wholly owned subsidiary of the commission and as an owner of the sublicense from the football commission to participate in the AFL.’⁴⁵

1.23 Throughout the inquiry we noted the unusual role of the AFL in the football ecosystem. The AFL plays the part normally taken by a national governing body (like, for example, Cricket Australia or Football Federation Australia (FFA), which governs soccer). In those examples, the governing body is part of an international framework. The FFA also established a national professional competition, although it is currently separating that part of its business

36 Mr Sam Birmingham, President, Perth Football League, *Transcript of Evidence*, 31 August 2020, p. 5.

37 Mr Ron Alexander AM, *Transcript of Evidence*, 24 August 2020, p. 4.

38 Ibid., p. 12.

39 Submission 3, South Perth Junior Football Club, p. 1.

40 Submission 15, Perth Football Club, p. 1.

41 Submission 19, Australian Football League, p. 1.

42 Mr Simon Garlick, CEO, Fremantle Football Club, *Transcript of Evidence*, 16 September 2020, p. 3.

43 Ibid., p. 8.

44 Mr Trevor Nisbett, CEO, West Coast Eagles, *Transcript of Evidence*, 16 September 2020, p. 1.

45 Mr Simon Garlick, CEO, Fremantle Football Club, *Transcript of Evidence*, 16 September 2020, p. 2.

from the overall sports governance role.⁴⁶ Similarly, Cricket Australia is part of the international cricket framework. It is made up of six member associations representing the Australian States, as well as managing national teams and competitions.⁴⁷

- 1.24 Unlike these sports, the AFL is first and foremost a competition, and obviously is not part of a major international governing framework for the sport. While not a traditional national body, it has become the dominant but not formal governing body across the nation. In the WA context, at least one witness noted this difference as not entirely positive. The Director General of DLGSC told us that

Australian Rules football is at a disadvantage relevant to other SSAs in that other SSAs consider pathways to compete at an International level. For Australian Rules football the talent development pathways reflect the ability for players to compete the AFLW and AFL as well as the respective State equivalents (WAFLW and WAFL).⁴⁸

- 1.25 The President of the Perth Football League also raised the unusual construction of football in Australia. He noted that

there is a fascinating situation in the governance of football probably Australia-wide where the AFL is a league—that is its name. Their product is very, very different to what kids are playing at Armadale on the weekend ... That is participation. This other thing is this TV product, and... all of the power and the money sits up top and it is constantly moving towards TV and being dictated to by broadcasters versus grassroots, that is a real challenge. But that is a whole-of-sport challenge.⁴⁹

Finding 5

Football in WA is unusual on two fronts:

- the commercial competition that is the AFL holds a position somewhat similar to a national body in other sports, but does not have the same powers as such a body, and has no real international body;
- the WAFC as caretaker of the sport is the sole owner of two WA clubs competing in the AFL, but uses funds from those clubs and the AFL to fund its own activities.

This inquiry was established after public concerns were raised about the administration of the WAFC

- 1.26 The Committee became aware of particular concerns about the use of State funds in football when a series of news stories appeared in the press in June 2020. A series of stories in *The West Australian* reported on what it believed was a concerning expenditure on salaries by

46 Football Federation Australia, *Who we are*, <https://www.ffa.com.au/about/who-we-are>, accessed 5 October 2020.

47 Cricket Australia, <https://www.cricketaustralia.com.au/about>, accessed 5 October 2020.

48 Submission 2, Department of Local Government, Sport and Cultural Industries, p. 3.

49 Mr Sam Birmingham, President, Perth Football League, *Transcript of Evidence*, 31 August 2020, p. 19.

the WAFC.⁵⁰ These were followed by a number of stories and editorials about the WAFC's decision to establish an investigation into the leaking of salary information.⁵¹

1.27 Following these stories, and after considering the possible risks to public funding described in the various articles, the Committee initiated an inquiry into the matter on 25 June 2020. One factor recognised from the beginning was that making submissions to a Parliamentary inquiry could put football clubs, leagues, stakeholders and individuals in a difficult position. No matter the reality of the situation, and with the best working relationship in the world, the centrality of the WAFC to football funding and administration could at least potentially cause some reticence from some people and organisations about coming forward, or somehow limiting their evidence to us.

1.28 Notwithstanding the serious concerns we raise later in this chapter, we are happy to report that we received 21 submissions across a wide range of participants and organisations (see Appendix 3 for a list of submissions). We received formal submissions from eight WAFL clubs. The ninth club, West Perth, did not make a submission. We note that the club has received substantial financial support from the WAFC to help recover from a serious predicament and their President, Dr Neale Fong, is one of the candidates for the upcoming elections for new WAFC commissioners. We received formal submission from eight WAFL clubs:

- Claremont Football Club
- East Fremantle Football Club
- East Perth Football Club
- Peel Thunder Football Club
- Perth Football Club
- South Fremantle Football Club
- Subiaco Football Club
- Swan Districts Football Club.

1.29 We also received submissions from West Coast, from the largest metropolitan community football league, from country football, masters football, junior football clubs, district coaching councils and several individuals.

1.30 We heard as witnesses the WAFC and the Director General of DLGSC. At one hearing we heard CEOs from five WAFL clubs and presidents from two clubs, who appeared as representatives of their individual clubs and as Chair and Deputy of the WAFL Council of Presidents. We also heard the CEOs of both WA AFL clubs, previous AFL club board members, and individuals with experience playing, coaching and in administration at

50 John Townsend, 'WAFC Money War', *West Australian*, 9 June 2020, p 68, p. 65. John Townsend, 'Changes Coming for WAFC', *West Australian*, 12 June 2020, pp. 88, 86; Mark Duffield, 'Reveal the WAFC wages and play on', *West Australian*, 13 June 2020, p. 179

51 Josh Zimmerman, 'Leave whistleblower alone', *West Australian*, 15 June 2020, p. 15; Peter Law, 'Footy witch hunt', *West Australian*, 20 June 2020, p.1; Editorial 'WAFC's leak probe', *West Australian*, 20 June 2020, p. 11.

government, AFL, WAFL, country, community and junior levels, (see Appendix 4 for details on who testified at hearings).

- 1.31 From the time we announced our inquiry, the Committee has been surprised and at times concerned by the often contradictory approach taken by the WAFC to issues arising. In response to the news stories about its salary position, the WAFC Chairman posted the following note on its website;

I'd like to directly address with you the leak of WAFC salaries earlier this week. At the best of times this is a highly sensitive topic and I fully understand in the current environment sensitivities are at an all-time high. From my perspective this is a deeply regrettable situation and I apologise for the angst it has no doubt caused, particularly for our staff. A full independent investigation is being undertaken on this issue.

There are a couple of points I'd like to specifically address. Firstly, at a headline level, I know the total amount paid in salaries looks like a substantial number but I would ask that you remember it takes a significant number of people to deliver outcomes such as talent academies, competitions, umpiring, indigenous engagement, coaching and school programs across all levels of footy in WA....⁵²

- 1.32 It was entirely reasonable for the Commission to find out how the salary information was released, but its investigatory approach, which involved bringing in a named security company, was surprising. The Committee was somewhat taken aback that the WAFC appeared more concerned with protecting its own reputation than dealing with questions about the merits of its salaries bill. It brought in external 'investigators' to deal with the 'issue'. The company engaged to carry out the investigation was Resilience Solutions, a private investigation company whose Directors and Senior Investigators list significant international security and WA policing experience.⁵³

- 1.33 It was reported on 10 June that a WAFL talent manager had been 'suspended and faces disciplinary action for allegedly revealing' the information.⁵⁴ The following month, the *West Australian* reported that the WAFL talent manager had been cleared of any impropriety and that a senior WAFC manager had 'inadvertently included the spreadsheet in a suite of budget documents sent to talent managers.'⁵⁵ The WAFC informed us that this investigation was carried out at a cost of \$13,000 and that 'a written warning was issued to a WAFC employee in respect of misconduct.' Regarding outsourcing the investigation, the WAFC told us:

Given the nature of the information confidential to its employees that was widely distributed, the WAFC needed to provide its staff with a level of assurance that this matter was being taken seriously. The WAFC considers that this approach was

52 WA Football Commission, *An update from the WA Football Commission Chairman*, 10 June 2020, <http://www.wafootball.com.au/news/18881/an-update-from-the-wa-football-commission-chairman>, accessed 6 October 2020.

53 Resilience Solutions, <https://resiliencesolutions.rocketsparkau.com/>, accessed 19 October 2020.

54 John Townsend, 'WAFC wage ire blasts', *West Australian*, 10 June 2020, p 90.

55 John Townsend, 'Manager cleared in salary leak', *West Australian*, 8 July 2020, p 67.

entirely reasonable and that a similar approach would likely have been taken by any organisation faced with a serious breach of confidentiality in relation to the personal information of its employees, and which wished to ensure a fair and independent process of investigation...⁵⁶

Finding 6

The WAFC's response to what appears to have been an inadvertent release of salary information was heavy-handed and seems to have been more concerned with perceived risk to the Commission's reputation than to any material risk to the organisation.

1.34 In the months before our inquiry, the WAFC had responded to the effects of the COVID-19 pandemic. As sport was closed down at all levels, and income dropped correspondingly, the Commission announced major reductions in staff and workload in March 2020:

The sustainability measures that have been put in place by the WAFC include:

- Closure of WAFC offices at Tuart College and all associated costs.
- 72 full-time WAFC staff being stood down, with further reviews in line with the football close-down period until May 31st, 2020.
- WAFC CEO and Executive taking a reduction in salary.
- Remaining WAFC staff to work limited hours with a resultant reduced salary.
- Freeze on WAFC recruitment and discretionary spending.
- A 50% reduction in funding to WAFL clubs from May 31st.
- Establishing a WA Football COVID-19 Emergency Sustainability Fund to assist leagues and clubs across WA.
- Implementing both WAFL and community club support packages to provide guidance to clubs on reviewing operations and making sustainable savings.
- Assisting WAFL clubs with access to emergency loans if they are still facing financial challenges after undertaking operational and cost saving measures.
- Forming a COVID-19 - Industry Steering Group to guide and support the WAFC and football through the crisis.⁵⁷

1.35 This was the most specific response to the impact of COVID-19, although the Commission had released other strategy documents in 2017 outlining many sometimes dramatic changes to the administration of football in WA.⁵⁸ In response to the 'salary leak', the Chairman of the WAFC was reported as saying that the Commission was already 'taking drastic action' to

56 Hon Wayne Martin AC QC, Chairman, WA Football Commission, Letter, 16 October 2020.

57 WA Football Commission, *WA Football financial sustainability measures*, 26 March 2020, <http://www.wafootball.com.au/news/p/210>, accessed 6 October 2020.

58 WA Football Commission, *Structural review of football*, Subiaco, 2017.

remodel the WAFC and its business, and that this was ‘not a reaction to the recent [salary] furore’.⁵⁹

- 1.36 In light of the perception of risk-avoidance and the reported unease across the football community with the WAFC’s activities, the Committee resolved to inquire into the Commission’s use of State funds. As our inquiry progressed, other issues of concern and criticism were revealed and articulated. As the premier audit and risk Committee of Parliament, the Committee could not ignore these revelations and thus have inquired into them and accordingly made a series of related findings and recommendations.

Concerns of potential interference and misleading information from the WAFC

- 1.37 The role of Parliamentary Committees is central to effective Parliamentary performance. Committees are created across party political lines, and operate to understand complicated issues and to provide clear and independent conclusions to Parliament. A vital part of that process is the protection provided to witnesses to make their views known without fear of legal consequence. This Parliamentary privilege is the same provided to elected members speaking in Parliament. The protection provided to witnesses is nothing, of course, if witnesses are prevented from giving testimony, or are pressured to consider not giving evidence.

Three instances of inappropriate pressure on possible witnesses

- 1.38 As the Committee received submissions on its terms of reference, we were told there had been some discussion involving senior staff and board members of the Commission which concerned us. At the very least the matters suggested that those people had misunderstood their relative powers regarding Parliamentary inquiries, confusing the power of a united public position with the public good. At worst, the Committee believes they amount to contempt of Parliament.
- 1.39 The submission by Swan Districts included the accusation that, at a meeting of WAFL and WAFC talent managers, a WAFC Executive Manager, Mr Simon Moore-Crouch, had referred to this inquiry as a ‘dog and pony show’.⁶⁰ In the interest of fairness and transparency, at the first public hearing of this inquiry, we asked Mr Moore-Crouch, directly if he had used that phrase at that meeting. He told us that he had ‘also heard those allegations’, and denied using that phrase. Rather, he said, the matter came up from:

a question from a member of my team about whether this particular inquiry would impact our ability to tell staff whether they had jobs or not. My response was that in the context of the restructure, this inquiry was not important, because under the state funding agreement, this committee could not tell us how many staff to employ or what areas of the business to employ them in.⁶¹

59 John Townsend, ‘Changes coming for WAFC’, *West Australian*, 12 June 2020, p 88.

60 Submission 6, Swan Districts Football Club, p. 2

61 Mr Simon Moore-Crouch, Executive Manager, Talent and Commercial, WA Football Commission, *Transcript of Evidence*, 18 August 2020, p. 16.

1.40 The hearing moved on to other matters, but this question did not end. The following day we received information from a representative from one of the clubs present at the meeting. They told us that they had gathered statutory declarations of people who attended the meeting confirming that Mr Moore-Crouch used the phrase.

1.41 More testimony came from the hearing with WAFL clubs on 24 August. Mr Jeff Dennis, CEO of Swan Districts told us that the incident, and the use of the phrase,

was reported to us through our staff who were at that meeting. Our staff has contacted other people at that meeting. Everyone he has contacted has indicated yes, that was said, but there is the fear of reprisal in this system. I am sure you are well aware, in relation to taking it any further, it is difficult; it is very challenging. That fear of reprisal covers all of us. It covers all of our clubs as well.⁶²

Finding 7

The Committee received repeated claims from football clubs that Mr Simon Moore-Crouch, Executive Director Commercial and Talent at the WAFC, had disparagingly referred to this Committee's inquiry as a 'dog and pony show'. When questioned on the matter, Mr Moore-Crouch refuted the claims. Due to apparent concerns about reprisals, whether warranted or not, we received no further evidence about those statements, and therefore could not reach a conclusion on the matter.

1.42 There was further evidence that a current Commissioner and former General Manager of the WA Football Trust (the predecessor to the WAFC), Mr Grant Dorrington, had placed pressure on at least one WAFL club not to make a separate submission to the inquiry. In its submission, Swan Districts told us it was concerned:

that a WAFC Board member recently canvassed our club's CEO in a meeting and subsequent email, and also Board members at a home match day to not provide a submission to the PAC. The Board member suggested that football should only have one submission to the PAC, being from the Chairman, Wayne Martin.⁶³

1.43 We received copies of an email from Mr Dorrington to Mr Dennis, which we print in full. It relates to a meeting the two had on 17 July 2020:

Jeff....CONFIDENTIAL

Thanks for the catch up this afternoon. As I stated your model is exciting and will lead the WAFL clubs into a future where they have a genuine purpose through their local community connections.

I have already been thinking through the next steps to ensure that this model with three clubs is piloted asap.

I will ensure that some of the lack of trust issues that have stifled this concept over the past three years as you stated, are identified and more importantly addressed.

62 Mr Jeff Dennis, CEO, Swan Districts Football Club, *Transcript of Evidence*, 24 August 2020, p. 9.

63 Submission 6, Swan Districts Football Club, p. 2.

Keep me informed as you think through our conversations.

It is important that you (as the originator of this concept) take time to build a respectful relationship with senior WAFC exec...- This must happen both ways or your excellent model will never reach its potential exciting outcomes. I share with you a saying an old wise friend /mentor of mine said to me "he who angers you masters you ". My drive and personality required this advice which I still try and follow today.

The issue of trust and whats[sic] best for the entire WA footy family we touched upon requires you (your club) to support our games[sic] presentation to the Govt select Committee by indicating to Wayne [Martin – Chair of WAFC] of your clubs[sic] concerns but also stating for the sake of WA footy family you will not lodge papers. That gesture of goodwill /support does not say that the WAFC is right or the issues your club has with the WAFC aren't real but for the future funding benefits of our game in WA you will follow the whole of footy strategy to be [led] by Wayne...

Your clubs[sic] support of this will[sic] highly political State govt review committee presentation will be greatly appreciated and be a show of the trust that we both spoke about. My above comments are offered by me who has had a life time of engagement in our game and hence has a very strong commitment to both the WAFL's and our game overalls future.

Please keep in touch and call me any time to continue our conversations.

Kind regards and thanks again on your vision for the WAFL.

Dorro

Ps the opening of the Woman's footy facility was an outstanding achievement and an excellent PR exercise. Congrats to you, your board and team for achieving this. Your club leads Woman's footy engagement and is a credit to everyone involved.

Could you please keep this request by me confidential as we don't need any media comments about Commission seeking to stop your club.⁶⁴

1.44 We note that Swan Districts requested that the Committee not name Mr Dorrington, for fear that his 'long service in football would be tainted.'⁶⁵ Subsequent events took that choice out our hands.

1.45 On 28 August a story and editorial in the *West Australian* reported on this matter, with further coverage on 29 August. The latter article commented that this behaviour presented

64 Email correspondence provided to Public Accounts Committee.

65 Email correspondence provided to Public Accounts Committee.

‘a continuation of the insular and often childish view the WAFC takes of potential scrutiny from outside.’⁶⁶

- 1.46 As a result of this public discussion, Mr Dorrington, wrote to the Committee Chair on 30 August, and stated that he wanted to

record my sincere apologies to you and Committee Members. There was never any intention on my part to disrespect or subvert the parliamentary process.⁶⁷

- 1.47 Following these exchanges, the Committee invited Mr Dorrington to provide testimony at a public hearing, which took place on 9 September 2020. At that hearing, Mr Dorrington was asked about his conversations and correspondence with Mr Dennis. He again confirmed he had made the comments, but that he was not directing the club to any particular action. It was, however, his personal belief that football was better served by keeping out of the spotlight. He told us

I still believe that today, because what I have seen in my time in football, too often, usually through the media, our washing is hung out. It does not need to be doing that. We can solve it ourselves.⁶⁸

- 1.48 The Committee also heard that Mr Dorrington spoke to a Swan Districts board member, Mr Des Hardiman, on a separate occasion, and also suggested the club should not respond to the Committee’s inquiry. Mr Dorrington told us that in a broad-ranging discussion with Mr Hardiman, his previous discussion with Mr Dennis came up, and ‘let Mr Hardiman know as a board member my feelings’ about the matter of the Committee’s inquiry.⁶⁹ Mr Hardiman’s recollection of events was somewhat different. In an intra-club email (which was provided to the Committee) he noted that

I was sitting next to Grant Dorrington for the duration of the Swans Presidents Luncheon event on Saturday 18 July.

Immediately after the Life Membership presentations, and prior to our table moving to the buffet, we had a general conversation about the Swans financial recovery and our community programs. He was complimentary of our Club’s turnaround. He was not aware of the extent of the Taxation liability in 2016. He was also impressed with the quality and length of service of our new LM [name removed] and asked for his details to send a letter of congratulations, which I did - on my business card.

GD then asked if I was aware of the pending PAC enquiry and quite strongly expressed the need for the Club to present any issues it had to the WAFC and not direct to the PAC.

66 Mark Duffield, ‘Swans told to toe the line: Veteran’s WAFL inquiry plea’, *West Australian*, 28 August 2020, p. 11; Editorial ‘No way you can fix local footy in secret’, *West Australian*, 28 August 2020, p.4; Mark Duffield, ‘WAFC drops money ball’, *West Australian*, 29 August 2020, p.156.

67 Mr Grant Dorrington OAM BEM, Letter, 29 August 2020, p. 1.

68 Mr Grant Dorrington OAM BEM, *Transcript of Evidence*, 9 September 2020, p. 7.

69 Ibid., p. 11.

Any Club submission should be sent in to the Commission so that a combined WA Football case could be put.

He mentioned the State financial agreement was a complicated commercial one and not to be considered a State Grant. It was imperative that the agreement is protected by a combined submission presented by the WAFC.

He was happy to have a private conversation with our Board, or to contact him personally if I wanted more information.

It was quite a lengthy conversation, as we were left as the last two on our table to go to the buffet.

Although at the time I felt it unusual for his request for our submission 'about the WAFC' to go to them, I did not engage in the obvious debate.

I informed Jeff Dennis (and I think Peter Hodyl) of the discussion later that afternoon.

I do not recall any mention of it being his request or that of the Commission. Don't think that it was mentioned.

1.49 Following Mr Dorrington's appearance at the inquiry, Mr Hardiman contacted us directly. Having viewed the video, he commented that Mr Dorrington had said:

We spoke on a number of issues. He indicated I said – "...you were at the club earlier in the week and I saw you up here Mr Dorrington at the (Women's) opening and you met with Jeff Dennis and ... what was the conversation about"

For the record, I was not at the opening of the Women's Changeroom on Tuesday 14th July. I was playing competition golf for the WA Police Golf Club at Meadow Springs in Mandurah, and could not get back for the function.

Mr Dorrington instigated the discussion on the PAC by asking if I was aware of the enquiry. I did not enquire about a conversation with Mr Dennis the previous Tuesday.

The balance of his comments and the general conversations over lunch were accurate.⁷⁰

1.50 We note that the Chair of the WAFC initiated an inquiry into the actions of Mr Dorrington, and that Mr Dorrington was aware of this fact at the time of his hearing. This inquiry involved seeking statements from Mr Dennis and Mr Dorrington, which Mr Martin told us were circulated to all other Directors, to be discussed at a meeting of the WAFC (in Mr Dorrington's absence) on 12 October. Mr Martin wrote to the Committee on 23 October with the outcome of those considerations. In his letter, Mr Martin told us

The Commission concluded that Mr Dorrington made errors of judgement in his dealings with representatives of Swan Districts Football Club. However, the

70 Email correspondence from Mr Des Hardiman to PAC, 11 September 2020

Commission was not satisfied that Mr Dorrington was attempting to inhibit or interfere with the Committee's inquiry and noted that there is no evidence that anything which he did or said had that effect.⁷¹

1.51 The Committee recognises the WAFC's authority to arrive at its own conclusions regarding this matter. However, we came to a different conclusion. Based on the evidence provided to us by Mr Dennis, Mr Hardiman and Mr Dorrington we believe that Mr Dorrington interfered in the inquiry process by seeking to persuade Swan Districts not to make a separate submission to the Inquiry.

1.52 We have based this finding on the following:

- the undisputed content of the discussion between Mr Dennis and Mr Dorrington held at Swan Districts on 17 July;
- the email from Mr Dorrington to Mr Dennis of the evening of 17 July, especially the request to keep its contents confidential. This indicates a clear understanding that the idea involved could easily be perceived as interference;
- the emails from Mr Hardiman – where Mr Dorrington again appears to have unilaterally raised the subject of this inquiry and said it would 'be better' if Swan Districts did not make a separate submission.

1.53 We recognise that Mr Dorrington may have been ill-informed about Parliamentary Committees, notwithstanding his many years as chairman of the Road Safety Council. He wrote to the Chair and Committee on 30 August, to

place on record my sincere apologies to you and Committee Members. There was never any intention on my part to disrespect or subvert the parliamentary process.⁷²

1.54 When he appeared before the Committee, Mr Dorrington offered:

my sincere and unreserved apologies, as I also stated in my recent letter to you and the committee members, for the effects and implications of these comments. It was never my intention to impede or interfere with the inquiry to be conducted by the Public Accounts Committee. Rather, my intention was to suggest an approach which I thought would present a unified front for WA football to the public and allow us to resolve our differences internally and in private. I was coming from a position of trying to enhance football in Western Australia.⁷³

1.55 We accept that Mr Dorrington may have thought he was acting in the best interest of football, and acknowledge his lifelong commitment to football in WA. However, the fact remains that his suggestions to Mr Dennis and Mr Hardiman can only be seen as efforts to interfere in the inquiry process. That they did not succeed does not mean the attempt was not made. While Swan Districts did make a submission, and its CEO and President appeared as witnesses to the inquiry, we note that there was some hesitancy among some WAFL clubs

71 Hon Wayne Martin AC QC, Chairman, WA Football Commission, Letter, 23 October 2020, p. 1.

72 Mr Grant Dorrington OAM BEM, Letter, 30 August 2020.

73 Mr Grant Dorrington OAM BEM, *Transcript of Evidence*, 9 September 2020, p. 1.

about making their submission public, and one club sought initially to keep its submission private, although it later agreed to make its information public. We provided Mr Dorrington the opportunity to comment on our finding, and his response is included at Appendix 2.

Finding 8

Grant Dorrington, a former employee and current Commissioner of the WAFC, on three occasions told leaders at the Swan Districts Football Club that they should consider not providing information to this Committee's inquiry. The Committee finds that he interfered in the Inquiry process by seeking to persuade the Swan District Football Club from making a submission to the inquiry.

Finding 9

While eight of the nine WA Football League (WAFL) clubs made submissions to the inquiry, at least one club was uncomfortable with making its submission public, and originally requested it be kept confidential.

Finding 10

While this Committee does not have the power to formally pursue the matter, the Committee believes that Finding 8 presents a strong case for being considered as a contempt of Parliament. As such we feel it would be well within our rights to raise the matter in the Legislative Assembly. However, in light of the fact that Swan Districts Football Club in the end did make a submission, and its CEO and President appeared as witnesses in hearings, and while not diminishing the seriousness of the actions taken by Mr Dorrington, we have decided not to raise the matter.

1.56 We were told of other figures who raised similar messages, but with less concrete evidence to support the accusations. West Coast has been a powerful part of football since its inception. During our hearing with the Chief Executive Officers of both WA AFL teams, we raised the question of potential interference with Mr Trevor Nisbett, CEO of West Coast, and to evidence from Mr Ron Alexander, who told us that 'I think there is basically a ruling class in WA football'.⁷⁴

The CHAIR: When this inquiry was announced, and since the inquiry, we have had people who have appeared before us and there have been allegations and counter-allegations about trying to impede this inquiry. We will not go over those allegations but they are all public, in the transcripts. I refer to a meeting that was held at the Tuart Hill headquarters of the Western Australian footy commission not long after this inquiry was announced. I think at that meeting all the WA football presidents were there and also the CEOs. It was facilitated by an external person. I am putting this to you, Mr Nisbett, because it gives you the chance to respond: did you, at that meeting, say if we do not work together we could lose our government funding?

74 Mr Ron Alexander AM, *Transcript of Evidence*, 24 August 2020, p. 9.

Mr NISBETT: I cannot recall exactly what I said at that meeting, but I explicitly said that football should work with football on all occasions. Certainly, there was no intention to impede this inquiry. We actually welcome this inquiry.

The CHAIR: Are you refuting the allegation that you made that comment?

Mr NISBETT: I cannot recall saying that comment at the meeting, sir.

The CHAIR: As you also know, there have been media reports. Obviously, there has been quite a high-profile media report in regard to the inaugural West Coast coach, Ron Alexander, who appeared before our committee. We also took evidence from him in closed session, which obviously I am not going to reveal at the moment. In an article that appeared in *The West Australian* on 1 September 2020, titled “WA Footy ‘Underbelly’” it goes through allegations or statements that Mr Alexander is making about an underbelly or a clique that controls football in Western Australia. It goes back in time, him referring to the time that Brian Cook was CEO of the club. Mr Alexander, in his evidence, referred to an earlier article going back a long time, from 1989, written by Bevan Eakins. It refers to a number of people who are still involved or have been involved in football in Western Australia, including your good self, Mr Nisbett. The talk about an underbelly—I put this as a bit of a rhetorical statement in referring to things that have been said or whispered and referring to one of my favourite films: are you considered or have you heard that you might be referred to as the “Godfather” of football in Western Australia?

Mr NISBETT: No, sir, I have not. That may be an opinion of someone, but I have been in football for 45 years and, coming from the country, being in the WAFL system, I understand the system well. I have been with the West Coast Eagles for 31 years. I have been in football all of my life and I have devoted my life to football. I find those sorts of comments nonsense. There is a CEO role that I follow—I conduct. I am responsible to a board of directors and, in turn, we have one owner. We are responsible to our owner. Most of the clubs have a CEO who is obviously responsible to their board members. I think our performance as a football club illustrates that, and some of the directors of our club over a number of years would probably be offended to think that was the case, or that was the assertion.⁷⁵

Finding 11

The West Coast Eagles CEO, Mr Nisbett, when given two opportunities by the Committee at a public hearing, did not refute allegations that at a meeting organised by the WAFC and attended by WAFL representatives and others, he said: ‘if we do not work together we could lose our government funding?’

Recommendation 3

The WAFC should make concerted efforts to educate its staff and Commissioners on the propriety of public pronouncements and at all times behaving ethically and with full recognition of the limitations inherent in their role as Commissioners.

75 Mr Trevor Nisbett, CEO, West Coast Eagles, *Transcript of Evidence*, 16 September 2020, p. 7.

The WAFC fought against making the key funding agreement public, and withheld information about AFL draftees from the inquiry

- 1.57 In our dealings with the WAFC we have observed a recurring trait of what could most generously be called overly cautious thinking about making information public, but which we conclude indicates an overly legalistic and restrictive view of transparency. We understand that football is in part a commercial exercise, and that questions about commercial confidentiality require careful consideration. And we acknowledge that football can be a highly emotional enterprise where feelings often run high. We also know football generally operates outside of Government and Parliamentary oversight, and that most people currently involved in managing football have little or no experience in Parliamentary practice and Committee protocols. However, we were disappointed by the apparent disinclination to transparency we found throughout our inquiry. While we will deal with most examples of this in Chapter 5, here we will deal with two specific cases.

Finding 12

The DLGSC exhibited a very cautious approach to ‘protecting’ the Funding Agreement. It handed responsibility for releasing the document to the Minister. This may have been its only choice, in that the DLGSC is not the signatory to the document, but this attitude does not reflect best practice in dealing with public contracts, and does not form the basis of open and transparent relationships within the football ‘ecosystem’.

- 1.58 The first revolves around the Funding Agreement between the State, the WAFC and the AFL, which provides some \$11 million per annum to the WAFC. There was a great wariness from both DLGSC and the WAFC about providing the Committee with a copy of the Funding Agreement. Although there are technical reasons for being cautious in releasing Government contracts that must be considered, we think this example belies an all-too familiar reticence in WA public life to make information about State contracts as public as possible.
- 1.59 As we made clear in our 2019 report into contract management, we believe that transparency about contracts is a good in itself.⁷⁶ And while we recognise the Funding Agreement is an unusual case in point, it commits the State to the transfer of many millions of dollars over many years, and thus warrants the same commitment to transparency.
- 1.60 Neither the DLGSC nor the WAFC were easily convinced that this Parliamentary Committee should have access to the agreement. When we asked DLGSC to provide a copy, it referred us to the Minister’s office, because the Minister of Sport and Recreation was the party representing the State in the Funding Agreement, his approval was required to release the document. Upon review, the Minister made the Agreement available to the Committee.
- 1.61 When the WAFC made its submission, it included a few extracts from the Agreement, but asked that the Committee redact them from public view. While this in some ways reflected the requirements of the Agreement, we believe it had been taken to an unnecessary level. The Agreement includes confidentiality clauses, which require any parties seeking to make

⁷⁶ Public Accounts Committee, *Report No. 13 Knowing what good looks like: Challenges in managing major public sector contracts*, Perth, November 2019, p. 40.

parts of the Agreement public to inform the other parties of this decision. It also requires the parties to endeavour to minimise the publication of the contents, although it also (as all public contracts must) allows for Parliamentary access. We accept that the WAFC felt required to attempt to protect its contractual partners. We do not believe, however, that such clauses, or such strict interpretation of such clauses, benefit the public. Nor does such an interpretation of what is a quite standard and un-controversial document, set a solid basis for openness within the football ‘ecosystem’.

- 1.62 As a final note on this point, we were disappointed by what appeared to be mischievous timing in some of the WAFC’s correspondence. Having set a morning hearing date some weeks ahead of time, we were surprised and disappointed at 2.46pm the day before the hearing to receive a request from the WAFC to discuss ‘how the Committee will deal with the confidential nature of the WAFC Funding Agreement’. In particular, the WAFC Chairman was

concerned that many of the WAFC responses could refer to confidential information contained in the WAFC Funding Agreement, potentially making it difficult for him to respond openly without breaching confidentiality.⁷⁷

Finding 13

The WAFC exhibited more than simple caution in its attempts to restrict access to the Funding Agreement. The Committee understands the WAFC’s perceived need to be seen to defend the confidentiality of the Funding Agreement, although it does not believe such protections are the best approach to public contracts. However, it was disappointed by what appeared to be mischievous timing to discuss those concerns.

- 1.63 Our final point in this chapter is more substantive, and deals with what we can only conclude was either a knowing withholding of information, or evidence of WAFC witnesses acting unprofessionally and disdainfully towards the Committee. In the main, the Commission has been very forthcoming. Its original submission, for instance, ran to 87 pages plus 350-odd pages of appendices. However, that document did not include some specific information that we had requested, about how many AFL draftees had been educated at Public School Association (PSA) schools (which we deal with in Chapter 3).

- 1.64 In the first instance, the Commission told us this information was not available to it. In its submission it stated that neither ‘the school that the player attended [nor] ages have been recorded as part of the WA Football Draft records.’⁷⁸ While surprised, we were willing to accept that fact, and would likely have recommended this information be gathered in future. However, when the matter came up during the WAFC hearing, it became clear the situation was not so straightforward.

- 1.65 During the hearing, the Chair commented on this specifically:

In one of the questions that was put to you in regards to provide information to this commission, one was the schools that the draft picks attended and your

⁷⁷ Email from WA Football Commission, received 2.46pm, 18 August 2020.

⁷⁸ Submission 17, WA Football Commission, p. 86.

response was that you did not have information, which I must say I find very surprising. Would not ... ,the state talent manager, have the details of what school the draft picks from last year attended?

1.66 We include the full sequence that followed:

Mr MOORE-CROUCH: I appreciate your question, Mr Chairman. The West Australian Football Commission's draft records prior to the 2011 season are not as detailed as we would like them to be, so if you are after specific information for the last 10 years in terms of the schools that draft picks have attended, and you referenced 2019, we can provide that information. What we were asked to provide was the complete draft records from Western Australia, and we do not have the information about that for —

The CHAIR: You did have that for 2011, so you could have provided —

Mr MOORE-CROUCH: Correct. We can take that on notice.

The CHAIR: Your response was—it is quite clear—you did not have that information, so that is not completely correct.

Mr MOORE-CROUCH: Sure.⁷⁹

1.67 We found this extremely disappointing. We had initially asked the WAFC for information on school attendance for all WA AFL draftees. We were grateful that the WAFC could provide some information about all people drafted since that process began in 1988. And we accept that the data on school attendance might not have been collected across every year since that time. However, where the information was available for part of period, we expected to receive it. The testimony in the hearing showed that the information was known to be available then, even if it were not known when the submission was being prepared.

1.68 Following the hearing, we asked the WAFC again to provide the schools-based information for those players drafted after 2010. In the covering letter to that information, and by way of explanation for the initial failure to provide the information, the WAFC told us

At the time of our initial submission, information regarding school/s attended was not accessible to the WAFC within the SportsTG database. Following our appearance before the Committee we have been able to work with SportsTG to access further data captured within their system. This has included school/s attended where that information has been captured.⁸⁰

1.69 We were rather surprised by the implied timing described in this note. It suggested the information had become newly available since the time the WAFC was preparing its submission. To clarify matters, we sought further explanation as to why the information was

79 Mr Simon Moore-Crouch, Executive Manager, Talent and Commercial, WA Football Commission, *Transcript of Evidence*, 19 August 2020, p. 16.

80 WA Football Commission, Response to Questions on Notice and Further Questions, 17 September 2020, p. 5.

‘not accessible’ at the time of the original submission. As it turned out, the problem was not with some new information or process or type of access. Rather:

The staff members that were involved in compiling the initial submission were not experienced, nor aware of the ability to access additional information within the SportsTG database [the system used across football nationally] which could have been used to supplement the WAFC’s internal draft records. The ability to access the additional information was brought to the attention of the internal working group when a staff member who had more detailed knowledge of the SportsTG database capabilities and who had been on reduced hours and not part of the internal working group heard the WAFC had not been able to source the information requested by the PAC. Subsequently this information was then sourced and provided to the PAC.⁸¹

1.70 The issue arising here is not so much that a short-handed team did not know that certain material was available. No doubt the WAFC did not undertake its emergency restructure with a Parliamentary request in mind. Rather, our concern lies with the manner in which a request for information from a Parliamentary inquiry has been dealt with by senior management at an organisation receiving millions of public dollars annually.

1.71 The senior management at the WAFC are and must accept to be responsible for the collection and transmittal of evidence to the Committee. And that leadership group must be clear and transparent about its knowledge of its own information. In this case we believe that the WAFC chose not to provide information it knew was of interest to the Committee.

Finding 14

Senior leadership of the WAFC chose not to provide information about draftee school history that it knew was of interest to the Committee.

1.72 We can accept that the people in the organisation who understood the system were not involved in pulling the information together in the first instance. That happens. But we cannot accept the decision not to pass on that information when it became clear it was available. And we believe that attempting to pass off the impact of a staffing decision as some sort of technical access issue does not reflect well on the leadership of the WAFC. This seems to us to be a case where a tendency towards secrecy has combined with an accident of staffing to ill effect. Whatever the cause, we can only find that the WAFC withheld information from this Committee’s inquiry.

Finding 15

The attempt to pass off the impact of a staffing decision as a technical access issue does not reflect well on the leadership of the WAFC.

1.73 The question of ‘tone’ became something of an ongoing interest during our hearings. We understand that football can involve what are called power struggles, and that a lot of people are keen to protect ‘their patch’. This might be part of the nature of the business, but

81 Hon Wayne Martin AC QC, Chairman, WA Football Commission, Letter, 2 October 2020, p.1.

it was not always edifying. The CEO of the PFL, for example, made many fine points about the value of community football, which we refer to in more detail Chapter 3. We were not swayed, however, by his consistent and persistent view that diminishing the WAFL competition and clubs would improve the lot of community football. He referred to many success stories, both personal and particular clubs. And we were extremely happy to hear about the innovation and success of the Integrated Football initiative, bringing football to many people with intellectual disabilities. But for every North Beach Football Club, with its undeniable on-field and off-field success, there is a story like the apparent collapse of player numbers in the eastern metropolitan region. It is not clear how reducing the role of the WAFL would alter those situations. Striking down one league will not raise up another. We return to this matter in Chapter 3.

Chapter 2

Football has a strong self-funding ideology, but State funding is central to its well-being

I have no doubt that we have the best financial model for the support of football in Australia. I say that having spoken to colleagues in other states. They are madly envious of our model under which the money that is generated by the AFL clubs is used to support and develop grass roots-level football. That is a terrific model.

Hon Wayne Martin AC QC, Chairman, WAFC⁸²

The football economy is substantial

- 2.1 As we noted in the introduction, football is a very popular sport, and beloved of West Australians. Beyond its popularity, though, football is also a big business, with significant revenue and expenditure streams. The AFL, the most influential and high profile competition in the country, generated revenues of \$793.9 million in 2019.⁸³ While the WA figures are smaller by comparison, they are not in themselves insignificant.
- 2.2 The WAFC reports on what it terms the 'consolidated' financial position and statements for football in WA. This includes the figures for activities of the WAFC, Fremantle and West Coast. In 2019 it reported that total revenue across those three entities was \$168.8 million (Table 2.1). After accounting for the cost of goods and services, the figure was \$122.2 million. While there were variations over time, and the types of revenue changed, the totals remained remarkably constant over the last five years.

Table 2.1: Consolidated WA football revenue 2015-2019

Consolidated football	2019	2018	2017	2016	2015
Revenue	\$157,605,137	\$153,235,969	\$138,316,384	\$136,333,563	\$142,133,278
State funding	\$11,207,000	\$10,947,000	\$10,947,000	-	-
Sundry	-	-	-	-	\$1,782,637
Sub-total	\$168,812,137	\$164,182,969	\$149,263,384	\$136,333,562	\$143,915,915
Cost of goods	\$46,586,104	\$45,261,681	\$23,273,129	\$24,480,981	\$24,842,171
Total	\$122,226,033	\$118,921,288	\$125,990,255	\$111,852,582	\$118,073,744

Source: WAFC annual reports

- 2.3 Neither of the two AFL clubs publish easily accessible annual reports, although they are lodged with the Australian Securities and Investments Commission, and can be found via

⁸² Hon Wayne Martin AC QC, Chairman, WA Football Commission, *Transcript of Evidence*, 19 August, p. 8.

⁸³ AFL, *Annual Report 2019*, p. 31.

various sites.⁸⁴ West Coast, which is technically the operating name of the company known as Indian Pacific Limited, raised revenue of \$88.7 million in 2019, which netted out to \$66.7 million (after costs of goods sold were removed). It reported an ordinary surplus of \$8.0 million.⁸⁵ Fremantle had revenue of \$57.8 million, with costs of \$16.3 million, giving total revenue of \$41.5 million, and a loss of \$1.6 million.⁸⁶ The royalty system for the AFL clubs requires a minimum payment of \$1.1 million annually, with an undisclosed percentage of club profits adding to that figure.⁸⁸

Finding 16

Football is a multi-million-dollar enterprise in Western Australia. The WAFC had a turnover of \$31.6 million in 2019. The Fremantle Football Club generated net revenue of \$41.5 million, and the West Coast Eagles figure was \$66.7 million.

- 2.4 Of the reported \$168.8 million, the WAFC portion amounted to \$31.7 million. This included general revenue of \$20.5 million, with another \$11.2 million coming from State funding (via the Funding Agreement pertaining to the football stadium, about which more below). This resulted in an operating profit of \$802,000 and, as discussed below, a final profit of \$4.6 million.⁸⁹
- 2.5 The WAFC revenue figures shown in Table 2.2 reveal that total revenue in 2019 had fallen from \$40.1 million in 2015, and from a high of \$47.3 million in 2017, although it appears to have steadied at about \$31.6 million in 2018 and 2019. The major change in revenue was that State funds were introduced.

Table 2.2: WAFC revenue 2015-2019

WAFC	2019	2018	2017	2016	2015
Revenue	\$20,471,312	\$20,618,773	\$36,326,171	\$35,945,529	\$40,148,550
State funding	\$11,207,000	\$10,947,000	\$10,947,000	-	-
Total	\$31,680,331	\$31,567,791	\$47,275,188	\$35,947,545	\$40,150,565

Source: WAFC annual reports

- 2.6 The WAFC submission showed that its revenue came from several sources. Figure 2.1 shows the main categories. The 'AFL Clubs' category refers to funds provided by the two WA AFL clubs. The 'AFL' category refers to funds provided directly by the AFL. 'Football and program participants' refers to moneys provided in part for particular programs operated by the WAFC. 'Government and other income' refers to grants from the DLGSC and LotteryWest.

84 Sports Industry AU, *2019 League, Club, Stadium Annual Reports*, http://www.footyindustry.com/?page_id=4982, accessed 9 October 2020.

85 Indian Pacific Limited, *Financial statements and reports*, Australian Securities and Investments Commission, http://www.footyindustry.com/?page_id=4982, p. 18, accessed 5 November 2020.

86 Fremantle Football Club Limited, *Financial statements and reports*, Australian Securities and Investments Commission, http://www.footyindustry.com/?page_id=4982, p. 8, accessed 5 November 2020.

87 We note that the \$168.8 million figure suggests a sub-total for the two AFL clubs of \$137.1 million, and that their reported figures total \$146.5 million. As the difference does not specifically pertain to the operations of the WAFC, or its use of State funding, we did not seek to clarify the difference.

88 Submission 17, WA Football Commission, p. 13.

89 WA Football Commission, *2019 Review*, p. 35.

- 2.7 In the years since 2015-16, the State has provided direct funding totalling \$23.3 million outside that which appears in the WAFC accounts (Table 2.3). This funding averages \$4.3 million each year, even accounting for low figures that reflect the unusual circumstances of 2019-20. These funds have been provided directly to individuals, football clubs, organisations and local governments, and sits well outside of anything that might be described as 'football funding football'.⁹⁰ In addition, the two WA AFL clubs received considerable Government funding to support the development of their training and administrative facilities in the City of Victoria Park and the City of Cockburn, with DLGSC overseeing grants of \$10 million to each club.⁹¹ The Commonwealth Government also committed \$10 million to each project, as noted in the submission by Mr Ron Alexander and collaborated by other sources.⁹²

Table 2.3: Other State funds provided for football 2015-16 to 2019-20⁹³

Description	Amount
Community Sporting and Recreation Facilities Fund	\$9,144,347
KidSport	\$4,885,653
Local projects and other grants	\$1,529,326
Regional Development Council funding	\$398,000
Teams, Clubs, Associations and Organisations funded	\$282,867
Albany and Bunbury redevelopments (football portion)	\$5,393,000
Total	\$23,333,693

Finding 17

The State Government provided \$23.3 million directly to support football in the years 2015-16 to 2019-20, outside of any regular WAFC funding.

Finding 18

The State provided \$20 million to support the development of training facilities for the Fremantle Football Club and the West Coast Eagles. This was matched by funding from the Commonwealth Government.

90 A phrase often used by the WAFC. In particular, see Submission 17, WA Football Commission, pp. 5-7.

91 Mr Duncan Ord OAM, Director General, Department of Local Government, Sport and Cultural Industries, Response to Questions on notice and Further Questions, 21 October 2020, n.p. [p. 3].

92 West Coast Eagles website, <https://www.westcoasteagles.com.au/news/327361/lathlain-park-precinct-development-off-and-running>, accessed 26 October 2020; Fremantle Football website <https://www.fremantlefc.com.au/news/728372/freo-welcomes-10-million-federal-government-commitment-to-cockburn-central-west-project>, accessed 26 October 2020; Mark Duffield, 'Dockers get Federal cash for Cockburn move', *West Australian*, 6 December 2013, p. 3; Submission 10, Mr Ron Alexander AM, p. 1; ABC news story 20 September 2017, <https://www.abc.net.au/news/2017-09-20/should-taxpayers-fork-out-millions-for-afl-perth-stadium-move/8961474>, accessed 27 October 2020.

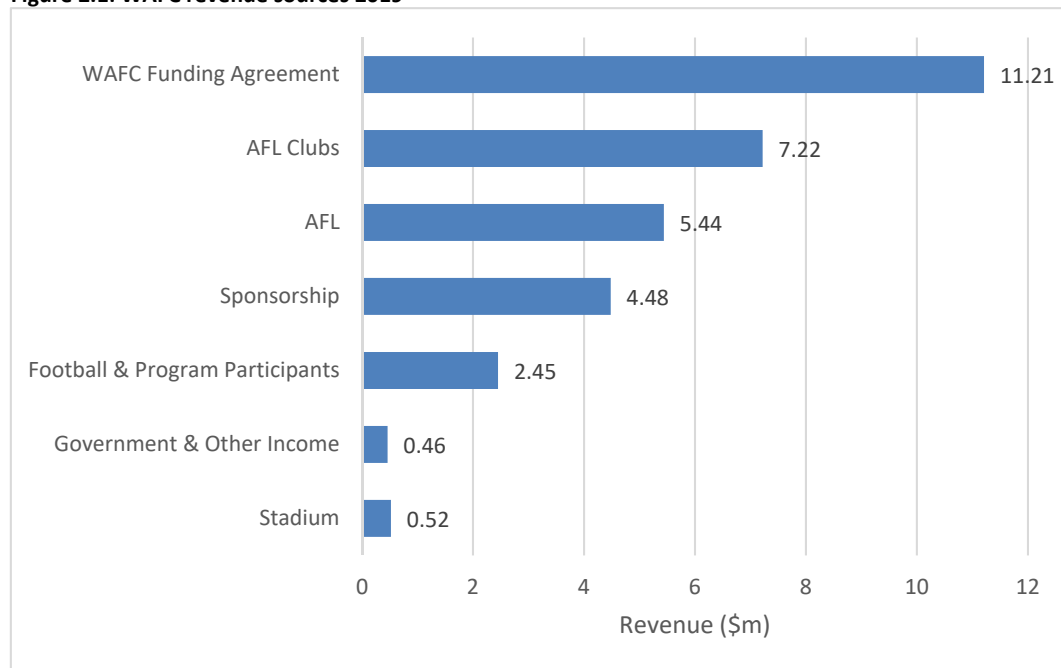
93 Mr Duncan Ord OAM, Director General, Department of Local Government, Sport and Cultural Industries, Response to Questions on Notice and Further Questions, 21 October 2020, n.p.[pp.1-4].

- 2.8 As we discuss further in Chapter 3, appropriate facilities are important in many ways to football, especially increasing diversity and gender equity of access. Since 2016-17 a total of \$9.1 million has been awarded through the Community Sporting and Recreation Facilities Fund to assist local governments to improve football facilities. Two major redevelopments of sporting facilities were funded by the State in Albany and Bunbury at a total cost of \$10.9 million. DLGSC calculates the football proportion of these investments at \$5.4 million. A further \$1.3 million was awarded through other grants.⁹⁴
- 2.9 The DLGSC also provides financial support through its KidSport voucher program. This subsidises sporting club registrations for up to \$150 per annum for children 5-18 years who are Health Card holders. In the five years to 2020, \$4.9 million has been allocated through more than 34,000 applications. We note that \$4 million in extra funding was announced in the latest Budget for a Back to Sport fund, additional to the KidSport program.⁹⁵
- 2.10 When we return to the WAFC, the key point to note is that State funding is the dominant single funding source, accounting for 37 percent of revenue (including the Funding Agreement and other grants). We note that DLGSC has awarded \$1.9 million to the WAFC since 2015-16, mainly in its role as a State Sporting Association. The two AFL clubs together make up 19 percent; central AFL distributions account for 14 percent. The WAFC submitted that the State provided only 'a very small portion of our \$32 million revenue', but that excluded the \$11 million.⁹⁶ We disagree with that interpretation.

94 Mr Duncan Ord OAM, Director General, Department of Local Government, Sport and Cultural Industries, Response to Questions on Notice and Further Questions, 21 October 2020, n.p. [p. 3]. NB – this figure was calculated by DLGSC as a 'football-only' figure: where facilities have joint use, a proportion of the total sum was allocated according to its football component.

95 Hon Mick Murray, Minister for Sport and Recreation, media release '24,500 more kids can bounce back to sport thanks to Lotterywest', 20 October 2020.

96 Submission 17, WA Football Commission, p. 20.

Figure 2.1: WAFC revenue sources 2019⁹⁷**Finding 19**

WAFC revenue rests predominantly in funds provided by the State through its Funding Agreement, and funds provided by the AFL and the two WA AFL clubs.

Football expenses

2.11 This inquiry is not engaged in the financial performance or expenses of the two AFL clubs, but the activities inside the WAFC's control or oversight. In this Chapter we explore the reported position of WAFC expenses rather than their impact on football activities. We note there might be some overlap with discussion of the AFL clubs, especially given that the WAFC is the sole owner of the two AFL clubs, and so has an interest in their performance. We also note that activities involving Affiliates will necessarily arise, even where that activity is outside direct WAFC control. These areas are interrelated, and some overlap is inevitable.

2.12 The highest level reporting of WAFC expenses shows there has been some variation in expenditure over time, which broadly matches the variations of revenue, as we would expect. Table 2.4 shows the last five years' expense figures from the WAFC annual reports.

⁹⁷ Submission 17, WA Football Commission, p. 19.

Table 2.4: WAFC expenses 2015-219

WAFC	2019	2018	2017	2016	2015
Admin, Corp, Marketing, Comms	\$4,799,5757	\$4,628,951	\$4,023,279	\$4,492,028	\$4,356,138
Borrowing costs	\$137,928	\$203,124	\$176,995	\$218,883	\$242,434
Football expenses	\$12,687,056	\$12,546,934	\$12,893,524	\$12,168,718	\$11,399,565
Development expenses	\$10,406,182	\$9,308,941	\$6,667,909	\$5,957,126	\$5,744,741
Facilities expenses	\$1,293,889	\$2,682,070	\$17,791,010	\$16,594,867	\$16,677,969
Umpires expenses	\$1,471,267	\$1,245,096	\$1,378,858	\$1,321,200	\$1,181,793
Facilities/ club development	\$80,000	\$70,000	\$70,000	\$70,000	\$76,064
Total	\$30,875,898	\$30,685,116	\$43,001,575	\$40,822,822	\$39,678,704

Source: WAFC annual reports

2.13 There has been some change over time in the reporting categories, so this table includes some aggregation. One clear observation is a steady investment in football expenditure over time, and increased funding for development, especially in 2018 and 2019. The second clear change relates to the expenses paid for facilities.

2.14 Facilities expenses across 2015, 2016 and 2017 totalled \$51 million. Since then, these expenses have fallen dramatically, and in 2019 totalled \$1.5million. The key explanation for this is the move away from Subiaco Oval and the move to Optus Stadium. This is the shift that resulted in the State Funding Agreement. The WAFC noted this relationship in its submission, when it told us that

in 2015 the WAFC was investing 45% of its revenue in football with significant responsibility for Subiaco Stadium management costs. In 2019 this had increased to 77.5% which in part has been driven by the WAFC no longer having management of Subiaco Oval and an alignment on investment with the WAFC's new strategic plan.⁹⁸

2.15 The WAFC was clear in its submissions that it believed the move away from its arrangement at Subiaco Oval was a net loss for the Commission. In its submission the WAFC claimed that the Funding Agreement was an overall negative to the position and well-being of the WAFC. It said:

The provision is, in effect, a downward ratchet. It is advantageous to the State and disadvantageous to the WAFC... Put more bluntly, under this provision of the Agreement, there is no upside for WAFC, only downside.⁹⁹

⁹⁸ Submission 17, WA Football Commission, p. 70.

⁹⁹ Ibid., p. 77.

- 2.16 In particular, the WAFC submitted that the position it had at Subiaco Oval, where it had been granted a 99-year lease, and had the ability to accommodate its own staff and hold commercial events, 'contributed approximately \$15 million net annual revenue for WA football.'¹⁰⁰ This, the WAFC Chairman told us, was 'a very happy and comfortable situation.'¹⁰¹ We note that while the WAFC might have been comfortable with the situation at Subiaco Oval, the situation for members of the public was not particularly comfortable.
- 2.17 While the running of Subiaco Oval no doubt provided income streams, it also created considerable expenses. Our analysis shows it is not clear this position was as highly profitable as it suggested.
- 2.18 Table 2.5 shows a different picture. Rather than a decreasing position, our analysis suggests that removing the operations of Subiaco has been at least financially neutral for the Commission. When we remove the facilities expenses from the equation, rather than a shrinking funding pool, we see a gradually increasing amount of money available to the WAFC.

Table 2.5: WAFC expenses net of facilities

	2019	2018	2017	2016	2015
Total expenses	\$30,875,898	\$30,685,116	\$43,001,575	\$40,822,822	\$39,678,704
Facilities expenses	\$1,293,889	\$2,682,070	\$17,791,010	\$16,594,867	\$16,677,969
Net expenses	\$29,584,028	\$28,005,064	\$25,121,582	\$24,229,971	\$23,002,750

Source: WAFC annual reports

Finding 20

WAFC's expenses have increased, especially in terms of football development. This shows that there has been an increasing available revenue, especially when the effect of expenses relating to Subiaco Oval are removed.

- 2.19 We also note that the provision of a new stadium followed a long period of dissatisfaction with the quality of the Subiaco Stadium. Mr Grant Donaldson, a former Director of Fremantle, described the WAFC as 'a woeful stadium administrator'.¹⁰²
- 2.20 Finally, we note that one important factor in the WAFC's 2019 financial position was due to its outstanding loan of \$5.6 million (repayments for redevelopment of part of Subiaco Oval) being forgiven¹⁰³, and taken on by Government. The *West Australian* of 29 August 2020 reported that the State had paid 'just about all' of the \$30 million loan to redevelop the Eastern Stand. It also suggested a full upgrade would have cost \$250 million and left a cramped stadium with a ground 'sawn off by Roberts Road'.¹⁰⁴ Mr Alexander's submission

100 Submission 17, WA Football Commission, p. 5.

101 Hon Wayne Martin AC QC, Chairman, WA Football Commission, *Transcript of Evidence*, 19 August 2020, p. 4.

102 Mr Grant Donaldson SC, *Transcript of Evidence*, 23 September 2020, p. 6.

103 WA Football Commission, *2019 Review*, p. 26.

104 Mark Duffield, 'WAFC drops money ball', *West Australian*, 29 August 2020, p 156.

claimed the WAFC had in effect failed to pay or been relieved of \$27.5 million in debt through this the life of this loan.¹⁰⁵ A similar analysis showed that Government had paid down \$14.5 million in 2005, meaning that at least \$21 million had been carried by Government rather than the WAFC. The 2006-06 Annual Report of the then Department of Sport and Recreation noted that \$17.6 million had been used to retire debts for football and hockey during that year (but did not specify the split).¹⁰⁶

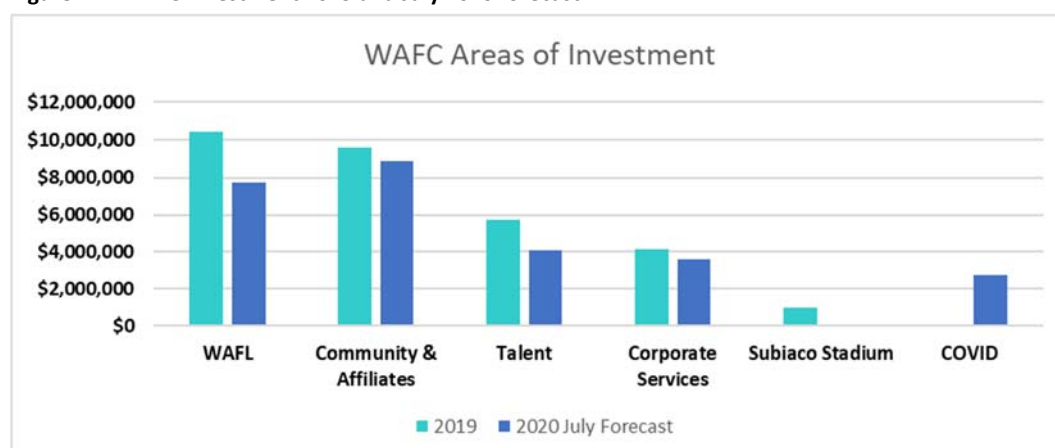
- 2.21 The removal of the remaining portion of the \$30 million loan had a significant impact on the financial position of the WAFC. It was the major factor in the Commission reaching its final annual profit of \$4.6 million.

Detailed expenditure information including salaries

- 2.22 The WAFC provides many services to football in WA, including administrative support, coaching, competition organisation, talent identification and support, among others. The broad categories outlined in the previous section give a limited view of where its business is carried out, and where its personnel are focused.
- 2.23 In this section we will tease out a more detailed picture of 'where the money gets spent'. Chapter 1 listed the major football organisations that are supported by WAFC activity. One of the Committee's key questions throughout this inquiry has been to understand how much of the \$31 million WAFC manages annually reaches the various levels of football. We were also keen to understand the staffing arrangements in place to support that effort. In part this came as a result of the public concern raised through press coverage in June 2020.
- 2.24 Our main observations are that:
- there is insufficient clarity in the WAFC's public documentation and reporting to assist its stakeholders reach an informed opinion on the current (and now changing) position;
 - there is a wide range of staffing and financial support to the various leagues and competitions;
 - almost universally, witnesses to this inquiry had little confidence in the explanations provided by the WAFC. This point will be explored in detail in Chapter 5.
- 2.25 The WAFC submission provided a figure which suggested that in 2019 it spent \$30.9 million. Figure 2.2 shows that in the last 'standard' year, the WAFC expended \$10.5 million on the WAFL competition, \$9.6 million on community and affiliated competitions, \$5.8 million on Talent programs, and \$4.1 million on corporate services.

105 Submission 10, Mr Ron Alexander AM, p. 1.

106 Department of Sport and Recreation, *Annual Report 2005-06*, p. 96.

Figure 2.2: WAFC investment 2019 and July 2020 forecast¹⁰⁷

2.26 The Committee was pleased to note that 84 percent of expenditure in 2019 was focused on football and talent delivery, amounting to \$25.8 million. The estimated figure for 2020 was almost identical in percentage terms, but expected to be slightly lower at \$23.1 million. This calculation is based on splitting the identified 'COVID' revenue, which in practice refers to Commonwealth provided JobKeeper payments, proportionally across the operational categories. In testimony to the inquiry, Mr Martin told us the WAFC expected revenue of around \$24 million.¹⁰⁸

2.27 While both the headline numbers and the high proportion focused in the key business of football are impressive, the picture at a more fine-grained level is less clear. Figure 2.2 suggests that just over \$20 million was invested in WAFL, community and Affiliates in 2019. We accept this in good faith, but found it difficult to clarify just how this figure was reached.

2.28 In its explanation of figure 2.2, the WAFC told us that of the \$25.8 million, it 'invested' \$15.7 million, and that the other \$9.8 million was expenditure incurred by the WAFC to support Affiliates by way of employee costs, office accommodation, IT, HR, motor vehicles and resources such as competition suppliers, etc.¹⁰⁹ It then told us that the \$15.7 million was 'invested' thus:

Table 2.6: Expenditure on WAFL and Affiliates 2019¹¹⁰

2019 expenditure	WAFL	PFL	Country	MFL	AFLMWA	WAWFL	District Comps	Total
WAFC operating costs	\$5,471,675	\$712,077	\$1,516,917	-	-	-	\$2,070,175	\$9,770,844
Cash distribution	\$4,985,900	\$356,491	\$320,320	\$19,866	\$32,463	\$10,000	\$154,644	\$5,879,684
Total	\$10,457,576	\$1,086,567	\$1,837,238	\$19,866	\$32,463	\$10,000	\$2,224,819	\$15,650,529

107 Submission 17, WA Football Commission, p. 23.

108 Hon Wayne Martin AC QC, Chairman, WA Football Commission, *Transcript of Evidence*, 19 August 2020, p. 4

109 Submission 17, WA Football Commission, p. 23

110 Original figures: Submission 17, WA Football Commission, p. 23.

Revised figures: WA Football Commission, Response to Questions on Notice and Further Questions, 17 September 2020, p. 46.

- 2.29 Table 2.6 shows that perhaps unsurprisingly, the greatest single beneficiary was the WAFL, which revived \$10.5 million, made up of \$4.9 million in cash contributions, and \$5.5 million in 'WAFC operating costs'. The PFL and country football received comparable amounts, especially given the need for staffing across the vastness of the State.
- 2.30 Across the board, cash distributions – where funds are handed directly to organisations, clubs or leagues – made up \$5.9 million. We were somewhat surprised that these distributions accounted for only 38 percent of total expenditure in these areas, with the other \$9.8 million or 62 percent taken up by what the WAFC described as operating costs. As we will discuss in Chapter 5, the recipients of these services were also sometimes surprised by the figures, especially the operating costs portions.

Finding 21

The WAFC reports that it invested \$15.7 million in WAFL, community and Affiliates football in 2019. Of this figure, 38 percent was distributed as cash to the leagues and organisations in question, while the majority went to WAFC operating costs.

- 2.31 Table 2.7 shows the staffing portions of the WAFC costs for the PFL, Country and District competitions referred to in Table 2.6. It shows that 97 percent of the 'WAFC operating costs' was spent on salaries. In particular, \$4.1 million in workforce costs is going towards the PFL, country football and District Competitions.

Table 2.7: Affiliates workforce costs¹¹¹

	PFL	Country	District Comps	Total
Workforce	\$697,205	\$1,432,167	\$2,022,987	\$4,152,358
Operational expenditure	\$14,872	\$84,751	\$47,188	\$146,811
Total	\$712,077	\$1,516,917	\$2,070,175	\$4,299,169

- 2.32 On face value these figures make a strong case that effort is going into the core business of managing and supporting football, but concerns remain, not least about exactly what is being spent where.

Finding 22

Of the \$4.3 million that the WAFC expended in 2019 on operating costs for Affiliates, community and country football, 97 percent went on salaries.

- 2.33 The key public concern with the operations of the WAFC in recent times has been based on the cost and range of salaries of its employees and contractors. This formed the basis of the news stories published in early 2020. The only details involved in those original news stories was that the total wages and salary figure was around \$9 million per annum, and that around 130 people were employed.

111 WA Football Commission, Response to Questions on Notice and Further Questions, 17 September 2020, p. 46.

- 2.34 As part of our inquiry we sought to understand the actual staffing picture, as it stood before the impact of COVID-19 and as the WAFC plans to go forward. The first challenge we faced was that this information very opaque at even the most general level. Nowhere do the WAFC's financial statements of recent years include a figure for salaries, which we found surprising. Instead, employees' salaries and benefits are included in the category 'payments to suppliers and employees'.¹¹² This approach to reporting limits the Commission's transparency and accountability.

Finding 23

The WAFC has chosen not to provide clear and simple information about its employees and their costs and benefits. This limits the transparency and accountability of the Commission's activities.

- 2.35 Even in its report to the Minister, the matters are not made clear. Figure 2.3 shows the most detailed view of planned expenditure in the 2019 report. It gives much detail on how much will be spent, which is commendable. But it provides no clear view on how it was to be spent.

Figure 2.3: 2019 budget model¹¹³

Category	WAFL Operations	Talent	Community Operations	Affiliates	Facilities Management	Strategy	Commercial & Marketing	Administration and Finance costs
Spent On	WAFL	Colts & Development Squads	Community	Affiliates	Strategic Facilities	Strategy	Commercial & Marketing	Administration Costs
	\$2,381,768	\$3,613,826	\$1,673,983	\$1,493,426	\$394,518	\$228,825	\$1,050,049	\$3,520,495
	WAFL Subsidies	State Academies	Regional				Supply Rights	Depreciation
	\$4,320,945	\$1,909,309	\$1,361,792				\$2,253,406	\$128,963
	Umpiring		Districts		Stadium		Communications	Interest paid
	\$1,314,151		\$2,459,343		\$645,794			
	Broadcast		Schools		Events			
	\$1,048,648		\$248,684		\$518,072			
	\$9,065,512	\$5,523,135	\$5,743,802	\$1,493,426	\$1,558,384	\$228,825	\$3,353,421	\$3,722,538
	\$30,689,043							

- 2.36 Before going on, it is important to note that we have no concerns about the legal propriety of the WAFC's reporting. The financial statements are audited and received a clear audit opinion. The WAFC told us that this style of reporting was common in sporting organisations, and gave several examples, including excerpts from the latest financial statements from two Victorian AFL clubs and the WA Cricket Association.¹¹⁴
- 2.37 We accept that there are many ways to legally report an organisation's financial position. However, we believe that in an entity where staff are one of the key expenses (and one of

¹¹² WA Football Commission, *Annual Review 2019*, p. 39

¹¹³ Submission 17, WA Football Commission, Appendix 18 – Ministerial end of year report 2019, n.p. [p.328].

¹¹⁴ WA Football Commission, Response to Questions of Notice and Further Questions, 17 September 2020, pp. 17-20.

the key sources of value), a better approach would also make their costs public. We especially believe this is the case when substantial public funds are involved.

- 2.38 Finally, we can point to several AFL clubs where this information is reported as a line item in the statements. We also note that the example of the WACA was erroneous. While the page supplied (the third page of financial statements, on cash flow) does not specify employees, the first page of statements – on profit or loss – reports employee benefit expense of \$20,011,200.¹¹⁵ We also note that as long ago as 2005 and as recently as 2014, the WAFC reported not only its employee costs, but the names and positions of all their employees.¹¹⁶
- 2.39 We have formed the opinion that this apparently simple and potentially insignificant matter of staffing reporting is indicative of a broader cultural issue within the WAFC. The WAFC is not like a Melbourne-based AFL club. It is not in competition with other Football Commissions, and has no need to hunker down behind walls of commercial-in-confidence protection. It is a body majority funded by the State and a national competition to take care of a public sport, and needs to open its activities to its stakeholders.

Finding 24

The WAFC is not in competition with other Football Commissions, and has no need to hunker down behind walls of commercial-in-confidence protection. It is a body funded by the State and a national competition to take care of a public sport, and needs to open its activities to its stakeholders.

Recommendation 4

The Minister should require more transparent reporting by the WAFC, to increase its accountability to its stakeholders. This should include at the minimum more openness about its staffing, including the numbers of employees, their broad employment areas and the overall cost of their salaries and benefits.

- 2.40 Notwithstanding these issues, the WAFC provided us with its employment details. Table 2.8 shows the high level figures for 2019. The high value for casual umpiring reflects that the vast majority of football umpires are employed 'by the game' rather than on fixed contracts.

115 WA Cricket Association, *Financial Statements/Annual Report 2019-20*, p. 8. For football examples, see Richmond Football Club, *2019 Concise Financial Report*, p.18; SANFL, *2019 Annual Report*, p. 12

116 WA Football Commission, *Annual Report 2006*, p.9; *Annual Review 2014*, p. 32.

Table 2.8: WAFC salaries and wages 2019¹¹⁷

Category	Permanent staff	Casual staff	Total incl super
Admin, marketing, corporate	\$1,649,449	\$25,337	\$1,833,891
Football	\$2,250,419	\$28,011	\$2,494,881
Development	\$5,025,014	\$81,659	\$5,591,806
Facilities	\$192,197	\$33,822	\$247,491
Umpiring	\$395,292	\$650,984	\$1,145,672
Total	\$9,512,371	\$819,812	\$11,313,741

2.41 A further breakdown of employment is shown in Table 2.9.

Table 2.9: WAFC workforce 2019

WAFC area	Salary (ex-super)	FTE
Commercial & Marketing Operations	\$451,128	4.8
Community Engagement	\$643,953	8.8
Country Regions	\$1,068,986	14.9
Facilities & Events	\$107,500	1
Finance	\$380,300	4.6
IT	\$247,800	3
Junior Competitions & Game Development	\$1,781,371	28
People, Culture & Safety	\$293,586	4.2
PFL	\$513,903	6.6
State Talent (Male & Female)	\$893,202	9.8
Strategy & Governance	\$206,000	2
Talent Pathway	\$805,209	10
Umpiring	\$392,632	4.6
WAFL Operations	\$488,549	5
Executive	\$1,343,640	8
Grand Total	\$9,646,172	115.3

2.42 This Committee has never taken a view on the individual costs of positions, or the appropriate number of WAFC employees. We have been interested in the relative spread of employees, and trying to understand how many are employed in senior positions, and how many appear to be employed in 'grassroots' football. We understand that higher level competitions will employ more people per participant than community competitions, which are heavily reliant on volunteers.

117 WA Football Commission, Response to Questions of Notice and Further Questions, 17 September 2020, p. 16

Finding 25

It is not clear or discernible exactly how much support 'grassroots' football receives from the WAFC and its employees.

- 2.43 It was pleasing to see that these figures show something of a concentration on grassroots activity. Our analysis shows that 51 percent of WAFC employees in 2019 were engaged in community, country and junior football. The WAFL and Talent effort accounted for 25 percent of employees. Administration, strategy and the executive made up the other 24 percent. On a cost basis, the figures were not altogether different. Grassroots employees make up 42 percent of the total salary cost; admin (which includes senior executives on the highest salaries) accounted for 35 percent, and Talent and the WAFL accounted for 23 percent.
- 2.44 Beyond establishing the ratios of employment, the key understanding we sought was about how those resources were utilised, with a particular focus on grassroots. What we found was a complicated and not very clear set of job titles, and what appeared to be slightly arbitrary streams of work. This showed even at the executive level, where two executive managers ran corporates services, strategy and workforce, one managed commercial activities and communications (and also managed Talent), and three managed more general football matters.

Finding 26

The WAFC work structure is built on a complicated and unclear set of job titles, and what appeared to be slightly arbitrary streams of work. This showed even at the executive level, where two executive managers ran corporates services, strategy and workforce, one managed commercial activities and communications (and also managed Talent), and three managed more general football matters.

- 2.45 Table 2.9 shows that 28 FTE were employed in 2019 in Junior Competitions and Game Development. Of these, eight were junior development officers attached to individual WAFL club districts. Six were junior competition administrators; six were competition and development leaders. Three were coaching coordinators. One was described as a schools' specialist.
- 2.46 Nine people were employed in Community engagement. These included an Aboriginal and Inclusion leader, which makes perfect sense given the importance of Aboriginal footballers to WA's sporting history, and the importance of football to many Aboriginal communities. We admit to being taken aback by the fact that this was the first time the WAFC had employed an Aboriginal person.¹¹⁸ The other positions included an Auskick and junior football coordinator, a schools specialist, and several development, coaching, participation and diversity coordinators.
- 2.47 The PFL had 6.6 FTE in staff, employed through the WAFC. In evidence to the inquiry, Mr Sam Birmingham, President of the PFL, described this situation as a 'recharge model'. The

118 WA Football Commission, *2019 Review*, p. 4.

staff were formally employed by the WAFC, but the funds for their employment came from the PFL.¹¹⁹

- 2.48 Country football was serviced by 14.9 FTE. Six of the nine WA regions had one Regional Development Manager. The Great Southern had an additional 0.5 FTE position. The Kimberley had another FTE. The South West region had 2 additional FTE.
- 2.49 There were two sets of talent development staff. 'Talent Pathway' included talent managers at each of the nine WAFL clubs, plus a manager. The 'State Talent' group of 9.8 FTE included coaches for Under 16 and Under 18 sides, plus various development, coaching and wellbeing officers. There were five positions (4 FTE) dedicated to women's and girl's development. We note that in the restructured program, only one 0.5 FTE wellbeing position remains as a dedicated women's and girl's development position.
- 2.50 Five people were charged with administering the WAFL competition.

Finding 27

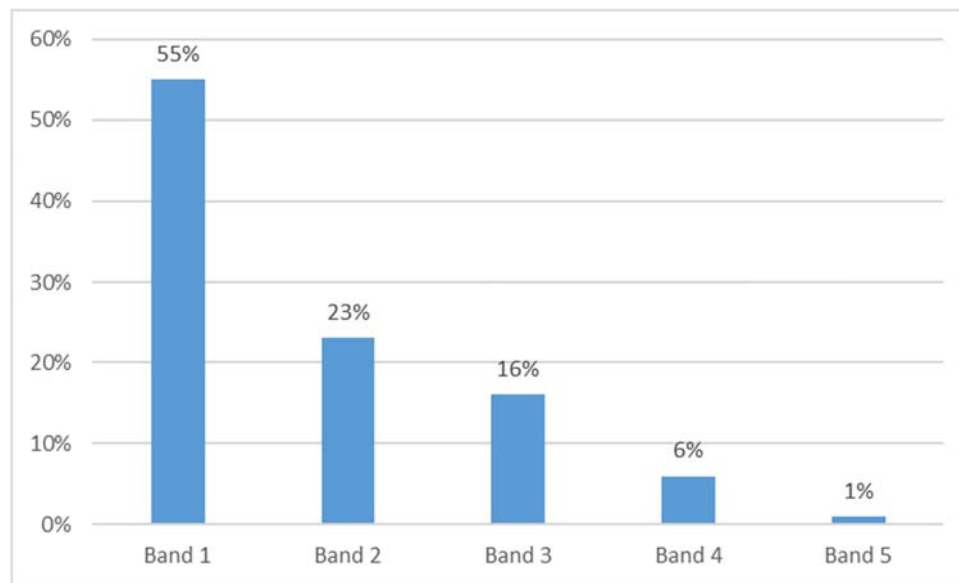
In 2019, 51 percent of WAFC employees were formally engaged in grassroots football, and accounted for 42 percent of salaries, although it was never made completely clear how those roles played out. WAFL and Talent accounted for 25 percent of people and 23 percent of salaries; Administration and corporate services accounted for 24 percent of people and 35 percent of salaries.

- 2.51 We also looked at how many people were employed at what salary levels, to understand if there was an over-abundance of high level salaries. We used the WAFC's own five-band system:
- Band 1 – up to \$75,000
 - Band 2 - \$70,000-\$100,000
 - Band 3 - \$100,000-130,000
 - Band 4 - \$140,000-\$180,000
 - Band 5 - the CEO, with a higher salary package.¹²⁰
- 2.52 Taking the data behind Table 2.9, we found that there was a fairly standard employment curve, with most people employed at the lower level, tailing to a very few highly paid people (see Figure 2.4). In 2019, 55 percent of employees (63.3 FTE) were in the lowest salary group band; 23 percent (26.2 FTE) in the second; 16 percent (18.3 FTE) in the third; and 6 percent (6.5 FTE) in the fourth. The last band was occupied solely by the CEO.

119 Mr Sam Birmingham, President, Perth Football League, *Transcript of Evidence*, 31 August 2020, p. 7.

120 WA Football Commission, Response to Questions of Notice and Further Questions, 2 October 2020, n.p. [p.2].

Figure 2.4: 2019 employees by salary band



Finding 28

There is a fairly standard employment distribution at the WAFC. Of all employees in 2019, 63 FTE were paid less than \$70,000 per annum; 26 FTE received \$70,000-\$100,000; 18 FTE received \$100,000-\$130,000; and 7 FTE received \$130,000-\$180,000.

Impact of COVID-19

2.53 The impact of COVID-19 has obviously been dramatic in football as elsewhere in society. The WAFC told us that the shutdown of all football had immediate impacts, that required drastic action. It said this led to an immediate and likely ongoing reduction in its revenues:

In round terms, last year's total income stream for the football commission was around \$31 million to \$32 million; this year we expect it will be around \$21 million plus the JobKeeper money that we have received. We are expecting next year that our revenue will be 25 per cent down on the pre-COVID years; we are expecting around \$24 million next year.¹²¹

2.54 In terms of staffing changes, Mr Martin told us that the WAFC began reviewing its staffing position in March, and has now worked through its position in detail:

The net result of that has been a significant reduction in the number of staff, which will reduce numbers by around 25 per cent consistent with our reduction in revenue.¹²²

121 Hon Wayne Martin AC QC, Chairman, WA Football Commission, *Transcript of Evidence*, 19 August 2020, p. 7.

122 *Ibid.*, p. 7.

2.55 In answering follow-up questions about the staffing changes the WAFC was planning or had put in train, we were told that the review targeted a 25 percent reduction in salaries. The WAFC told us that the result of the review included:

- 23 individual roles were made redundant
- 8 individual contract roles would not be renewed on expiration of their current contract
- 13 individual roles had salaries reduced
- A revised workforce of 93.6 FTEs
- Roles were benchmarked and a new salary banding model was set for the WAFC
- No changes were made to the Perth Football League structure
- Total estimated salaries and wages savings from the staff restructure (including casuals and seasonal) amounts to \$2.384M excluding super.¹²³

2.56 Our analysis shows that these aims and claims were mostly achieved:

Table 2.10: Post-COVID restructured workforce

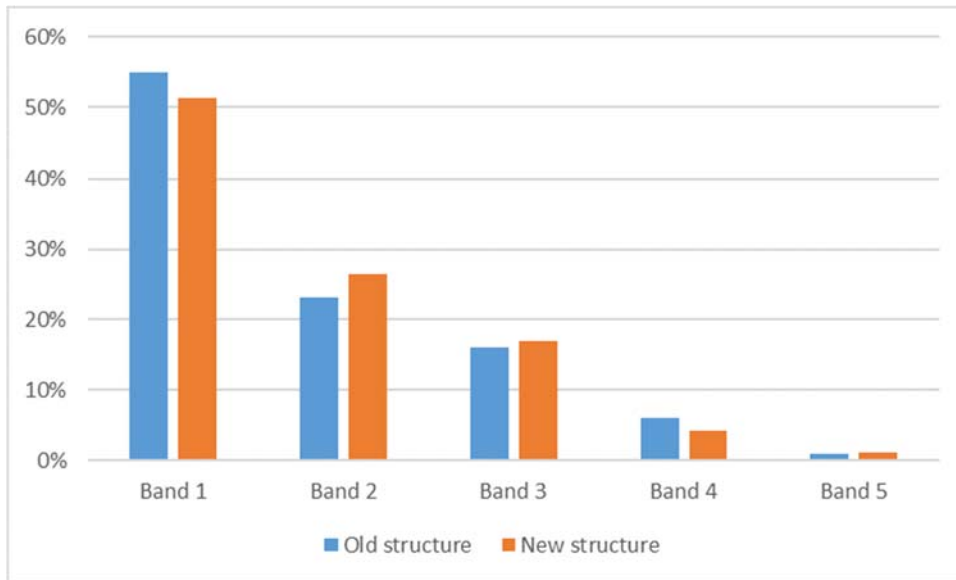
2020 – post restructure	Salary (ex-super)	FTE
Commercial & Marketing Operations	\$385,000	3.8
Community Engagement	\$479,000	7
Country Regions	\$962,266	12.8
Facilities & Events	\$165,000	2
Finance	\$259,300	3
IT	\$147,800	2
Junior Competitions & Game Development	\$1,345,000	21.6
People, Culture & Safety	\$200,449	2.6
PFL	\$513,403	6.6
State Talent (Male & Female)	\$602,186	7.8
Strategy & Governance	\$100,000	1
Talent Pathway	\$636,709	9
Umpiring	\$381,325	4.6
WAFL Operations	\$357,500	3.8
Executive	\$1,005,000	6
Grand Total	\$7,539,938	93.6

123 WA Football Commission, Response to Questions on Notice and Further Questions, 2 October 2020, n.p. [p.2].

2.57 The post-COVID-19 restructure will result in a saving of \$2.1 million, or 22 percent compared to 2019. Numerically, it has resulted in cutting 21.7 FTE or 19 percent. Pleasingly, the proportions of grassroots employees remained static at 51 percent.

2.58 The shape of the employment profile has also remained similar:

Figure 2.5: Employment structure pre and post restructure



Chapter 3

There is an uneasy balance between WAFC's elite talent management and grassroots development

I think the closer you can get to the grassroots, the better you are going to be in grassroots administration or delivery of grassroots services.

Grant Donaldson SC¹²⁴

The WA State Football Funding Agreement requires the WAFC to devote its resources to developing all levels of WA Football

- 3.1 The WAFC Funding Agreement sets out its Approved Purpose as 'the funding, operation and development of community level participation in, and talent development pathways for, Australian Football in Western Australia including the State Leagues'.¹²⁵
- 3.2 Similarly, in Article 4 of its Constitution, the WAFC's purpose includes overseeing the development and providing leadership to all levels of football, to 'ensure the effective management' and to 'recognise the WAFL as the pre-eminent Football league' in WA. A further purpose is to oversee and ensure, as owners, 'the effective management of the AFL Clubs and to promote, develop and encourage the AFL Clubs and Football matches and competitions conducted by the AFL'.¹²⁶
- 3.3 The WAFC, then, has a certain balance to maintain. Within the limits of its resources, it must ensure it promotes and manages its two AFL clubs, which are a major source of funding for the WAFC, while also developing all levels of community football.
- 3.4 A defining question for the Committee was whether the WAFC, given the substantial public funds it receives, has got the balance right in developing 'grassroots' football relative to 'elite' football. To put it another way, are the activities and resources for which the WAFC is primarily responsible skewed in favour of an elite talent development program at the expense of developing the game at the community level?
- 3.5 Unsurprisingly, the evidence in this inquiry showed strong agreement that focusing resources on the various levels of community football carried substantial social benefits. This is, of course, a position this Committee strongly endorses.
- 3.6 However, the evidence also suggested an ongoing tension between parts of the football 'ecosystem' as to whether the WAFC is focusing on non-elite levels of football in a manner

124 Mr Grant Donaldson SC, *Transcript of Evidence*, 23 September 2020, p. 6.

125 The State of Western Australia, Australian Football League, and West Australian Football Commission Inc., *WAFC Funding Agreement*, p. 7.

126 WA Football Commission Inc., *Constitution*, (endorsed) 12 June 2019, Article 4, p. 4.

commensurate with their importance to the communities and grassroots organisations they derive from.

WAFC performance across development areas is variable

3.7 The WAFC provided a formal definition of ‘development activities’. It told us that it covered ‘the broad range of programs, services and activities that the WAFC coordinates, delivers and manages to support the growth of football across WA’, and the programs and services ‘that introduce players to the game, develop their skills, support the many volunteers roles essential to the game and also transitions players into community football clubs.’¹²⁷

3.8 The WAFC said it ‘invests significantly in the coordination and delivery of a considerable number of Development Programs that enhance the game of Football, right across Western Australia from a grassroots community perspective.’¹²⁸ To achieve this:

the WAFC employs a state-wide network of development staff to work collaboratively alongside volunteers, clubs, schools, community agencies, and government (state & local), on the delivery of Development Programs and Community Competitions.¹²⁹

3.9 It also said it supports and delivers the following eight ‘Game Development activities’:

- Engagement and Community Football
- Community Programs
- Schools Programs
- Volunteer Development
- Coaching Development
- Affiliates and Country Development
- Districts
- WAFL Talent.¹³⁰

3.10 The WAFC submitted an 18-page overview 57 initiatives it undertakes itself or delivers through partnerships.¹³¹ The WAFC’s definition was expansive. But other witnesses held a different view as to where the WAFC’s focus lies.

3.11 In the Committee’s hearing with representatives from the WAFL clubs, Mr Jeff Dennis of Swan Districts claimed the WAFC’s ‘key metric is participation. I think they are unreserved with that.’¹³² Mr Dennis said his own football club, by contrast, said ‘personal community social impact is the big driver. That is what frames who we are as a club. It is not the output of participation or draft picks.’¹³³

127 Submission 17, WA Football Commission, p. 51.

128 Ibid.

129 Ibid.

130 Ibid.

131 Ibid., p. 52.

132 Mr Jeff Dennis, CEO, Swan Districts Football Club, *Transcript of Evidence*, 24 August 2020, p. 17.

133 Ibid.

- 3.12 For Mr Dennis, the WAFC had their priorities backward. He said growth in participation is important but should be the result of delivering strong positive impacts on the community, and of developing a ‘strong connection, a broad and deep connection, through to our community.’¹³⁴
- 3.13 In its submission, the WAFC said it was meeting its obligation to invest in the development of football, and listed various measures of support under the headings of Community Football and Game Development; The WAFL Men’s and Women’s Competitions; Talent; and Corporate Services.¹³⁵
- 3.14 We also note the WAFC places emphasis on social returns on investment (SROI) aimed at ‘Ensuring the contribution of football to the WA economy and community is demonstrated and enhanced’, evidenced by its commissioning of a 2018 report – *The Economic and Social Benefits of Club-Based Football In Western Australia* – and the listing of SROI as a KPI target.¹³⁶ This is encouraging.
- 3.15 Still, the most prominent measure of WAFC’s ‘effectiveness’ is indeed participation numbers for clubs, schools, Auskick, and various other social and promotional activities and programs. The WAFC gathers this data via a census, which is then audited and analysed.¹³⁷
- 3.16 At general level, the WAFC told us:
- Prior to the COVID-19 shutdown, Football in Western Australia was seeing extremely positive participation results and was on track to achieve record community club participation levels. Community Football was 12% up on previous years, whilst Auskick was up 8%. This was a significant achievement that positioned Western Australia as one of the leading participation states nationally.¹³⁸
- 3.17 It outlined its reported participation figures:
- Over the past 10 years (2009 - 2019), State-wide Total Participation has grown from 120,470 to 346,729 participants. Over the 10 year period this is an increase of 188%. This successful effort requires a level of oversight, and the WAFC makes no apology for developing a strong corporate structure to over[see] the development of the game.¹³⁹
- 3.18 Drilling down to club-base participation, the WAFC said this ‘has grown to 66,692 participants in 2019, which equates to a 26% increase over the past 10 years.’¹⁴⁰ Further, it provided data to support its claims that WA was performing well in a number of areas of football when measured against other Australian States.¹⁴¹

134 Mr Jeff Dennis, CEO, Swan Districts Football Club, *Transcript of Evidence*, 24 August 2020, p. 17.

135 Submission 17, WA Football Commission, p. 23.

136 Ibid., Appendices, pp. 86, 289, 310, 325, 393.

137 Ibid, p. 27.

138 Ibid., p. 28.

139 Ibid.

140 Ibid., p. 29.

141 Ibid., pp. 41-43.

- 3.19 As we discuss further in Chapter 5, we have reservations about the accuracy of the accounting methods used to derive these figures, and indeed what these figures can tell us. Here we simply note that as to the extraordinary 346,729 participant figure, the WAFC Chairman Mr Martin accepted that ‘a big chunk of that number is school-based participation.’¹⁴² and CEO Mr Taylor said the ‘really important indicator is club-based participation.’¹⁴³ Later in the hearing, Mr Taylor accepted the overall figure was ‘a promotional number.’¹⁴⁴
- 3.20 Moreover, as Mr Martin suggested, numbers alone are not all. It matters ‘who is participating.’¹⁴⁵ To that end, we now look at the WAFC’s efforts across five areas: women’s football; junior football; country football; Indigenous football; and all-abilities football.
- 3.21 Notwithstanding our reservations, the numbers generally had a good story to tell. But we also heard enough to suggest there is much room for improvement.

Progress made in supporting women’s football is encouraging

- 3.22 The Committee was heartened by evidence of the progress, albeit from a low base, of women’s football across the State. Though there are questions around participation figures, it was clear that there has been substantial growth in this area. The WAFC submitted that over the last decade
- Total Female participation has grown to 109,647, inclusive of all community club and school competitions. This is an incredible growth of 3,777%, making female participation one of the fastest growing segments in the game.¹⁴⁶
- 3.23 The WAFC also said it was ‘seeing really strong growth in female Club Based participation of 7,725 females playing at clubs (both Junior & Senior) across Western Australia. This is an increase of 1,349%.’ The trajectory shown in Figure 3.1 seems to be headed in the right direction.¹⁴⁷ It also appears this not limited to urban centres. As Mr Martin told us, ‘women’s football has gone mad in the Kimberley’.¹⁴⁸

142 Hon Wayne Martin AC QC, Chairman, WA Football Commission, *Transcript of Evidence*, 19 August 2020, p. 5.

143 Mr Gavin Taylor, CEO, WA Football Commission, *Transcript of Evidence*, 19 August, 2020, p. 6.

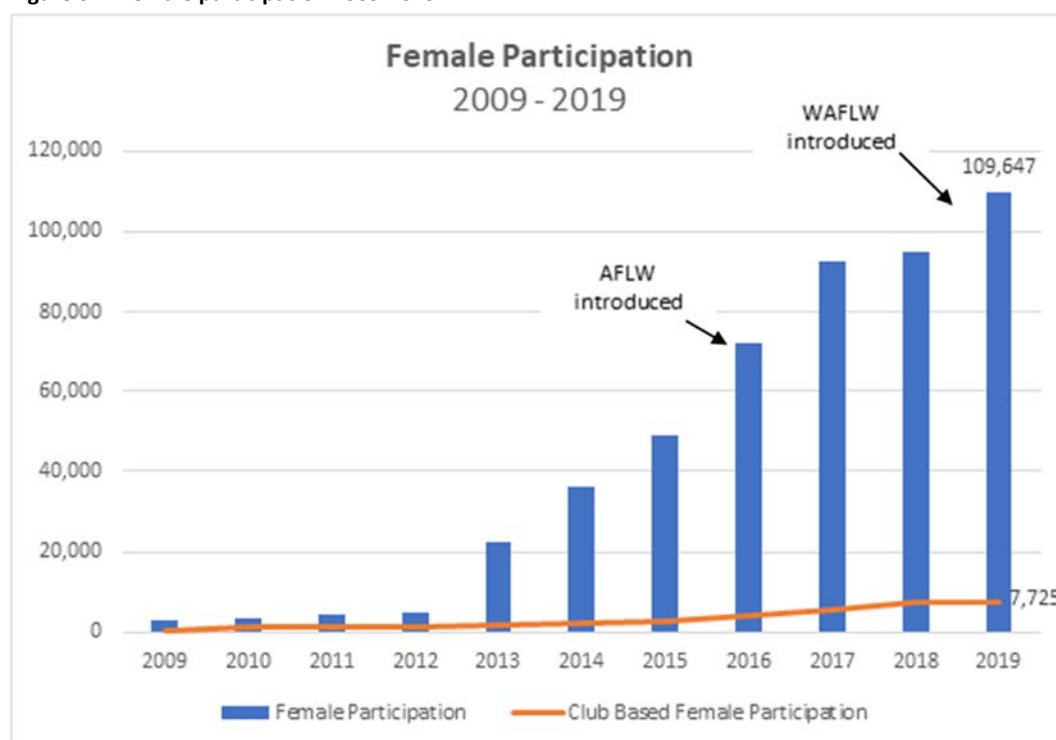
144 *Ibid.*, p. 9.

145 Hon Wayne Martin AC QC, Chairman, WA Football Commission, *Transcript of Evidence*, 19 August 2020, p. 9.

146 Submission 17, WA Football Commission, p. 30.

147 *Ibid.*

148 Hon Wayne Martin AC QC, Chairman, WA Football Commission, *Transcript of Evidence*, 19 August 2020, p. 11.

Figure 3.1: Female participation 2009-2019¹⁴⁹

3.24 Other witnesses agreed. The Fremantle CEO stressed his club's

investment ... made over the years in resourcing and program support to the growth of the women's game in Western Australia. This investment of ours was recognised by the AFL with the club being awarded one of the inaugural AFLW licences.¹⁵⁰

3.25 Geoff Wolfenden of Metro South Regional Development Council described the growth in women's participation in football as a 'tsunami ... and it is brilliant and we want to see that increased.'¹⁵¹ Ron Alexander said 'the AFL and the WA footy commission have done an outstanding job in women's sport.'¹⁵² Similar statements were made by Perth Football League.¹⁵³ Even WAFL club representatives, who were critical of WAFC performance in other areas, acknowledged that the WAFC has done a commendable job with women's football.¹⁵⁴

3.26 However, while all this is positive, questions remained over the adequacy of facilities and resources required to support this growth in the community. Mr Wolfenden noted the 'need to be ready' for this shift and to resource facilities in a proportionate way.¹⁵⁵ For Ron Alexander, the answer to such questions was simple: 'If you put more money into the

149 Submission 17, WA Football Commission, p. 31.

150 Mr Simon Garlick, CEO, Fremantle Football Club, *Transcript of Evidence*, 16 September 2020, p. 3.

151 Mr Geoffrey Wolfenden, Chairperson, Metro South Regional Development Council, *Transcript of Evidence*, 23 September 2020, p. 3.

152 Mr Ron Alexander AM, *Transcript of Evidence*, 24 August 2020, p. 13.

153 Mr Sam Birmingham, President, Perth Football League, *Transcript of Evidence*, 31 August 2020, p. 8.

154 Mr Peter Capes, CEO, Subiaco Football Club, *Transcript of Evidence*, 24 August 2020, p. 14.

155 Mr Geoffrey Wolfenden, Chairperson, Metro South Regional Development Council, *Transcript of Evidence*, 23 September 2020, p. 5. See also Submission 14, WA Country Football League, p. 2.

community sporting and recreation facilities fund, local government would be able to help you out.’¹⁵⁶

3.27 The WAFC recognised the issue, and said it ‘has identified facility development as an ongoing focus area, including the retrofitting of existing facilities, and we are working with State and Local Government on the ongoing development of female friendly facilities.’¹⁵⁷ It said it ‘has developed a strategic facilities plan that looks to address the growth of female football from a facilities perspective.’ It said it had identified that:

- 87 percent of metropolitan area facilities where female football is played are not considered suitable for female participants
- 74 percent of regional facilities where female football is played are not considered suitable for female participants.

3.28 In response, WAFC told us it was undertaking a project to retrofit older facilities.¹⁵⁸

3.29 These figures indicate there is much work to be done. Reassuringly, one of the WAFC’s ‘Future Focus Areas’ is the prioritisation of ‘Increased participation at all levels of the industry for women (not just playing the game) and the development of female facilities’. This was to be ‘facilitated by the Women in Football Advisory Committee’ which held its initial meeting earlier this year.¹⁵⁹ We think this is a project that requires robust oversight.

Finding 29

The growth in women’s football is creating pressures on the availability of resourcing to support this growth.

Recommendation 5

The DLGSC should work with WAFC to develop mechanisms to track, monitor, and report on how the appropriate resources are being secured to support the continued growth in all aspects of women’s involvement in football.

Mixed results for junior and youth football

3.30 The WAFC was less buoyant in its reporting of junior football. It told us ‘Youth Participation (13 – 18 year olds, both male and female) is beginning to show some positive signs in respect to participation growth.’¹⁶⁰ It said that ‘in 2014 Youth Football was at the lowest point in its decline’ following international trends, and in ‘2015 and 2016, the WAFC instigated a Youth Football Working Group to specifically develop strategies to arrest this’. As a result, ‘along with WAFC investment into this segment, Youth participation has grown to 16,950 participants in 678 teams (a 13% increase from 2014).’ Of these, 14,397 were boys.¹⁶¹

156 Mr Ron Alexander AM, *Transcript of Evidence*, 24 August 2020, p. 13.

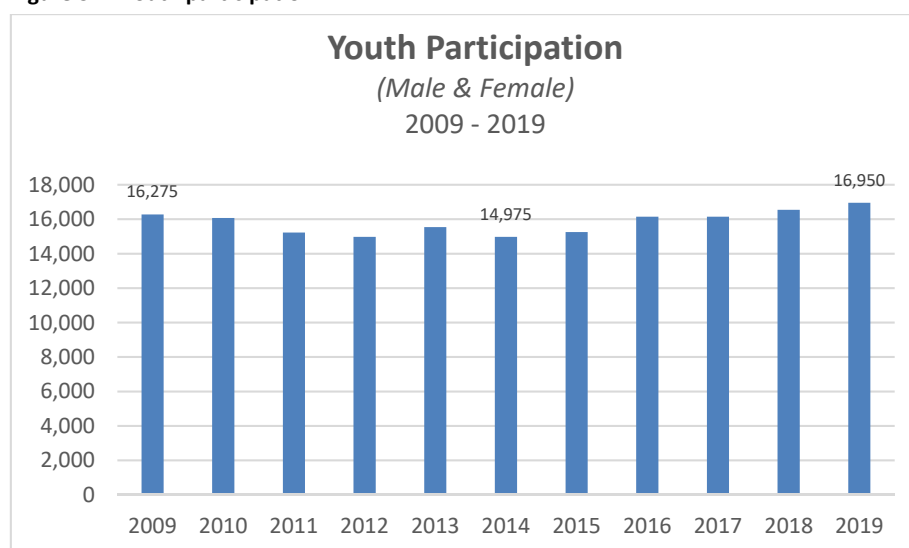
157 WA Football Commission, Response to Questions on Notice and Further Questions, 17 September 2020, p. 41.

158 Ibid., p. 42.

159 Submission 17, WA Football Commission, p. 17.

160 Ibid., p. 31.

161 Ibid.

Figure 3.2: Youth participation¹⁶²

3.31 To achieve these outcomes, the WAFC told us it ‘works alongside schools and teachers on the delivery of school programs across the state’, investing in primary and secondary school programs and supporting AFL School Ambassadors to promote football in schools.¹⁶³

3.32 Moreover, the WAFC said it budgeted for ‘the delivery of the following programs:

- AFL Academy Hub (male)
- Male 18s
- Male 16s
- Female 18s
- Female 16s
- North West Academy (male)
- Jan Cooper Cup (female)
- Metro Development Squads (female).¹⁶⁴

3.33 As noted above, the WAFC said school-based participation was a major driver of overall participation figures, with ‘212,385 students involved in football competitions and programs’ equalling ‘a 385% increase since 2009’. It said the ‘focus of the WAFC on schools’ correlates directly with the objective of growing club-based participation.’¹⁶⁵

3.34 The Metro Regional Development Councils are key players in junior football. By their own description, they encompass 47,000 community club and Auskick participants, their families, and associated junior football clubs. Mr Wolfenden said WA ‘is in fairly good shape from a junior-youth perspective, and we continue to have participation outcomes that are consistently in the top one or two nationally across Australia.’¹⁶⁶ Although Mr Wolfenden

¹⁶² Submission 17, WA Football Commission, p. 17, pp. 31-2.

¹⁶³ WA Football Commission, Response to Questions on Notice and Further Questions, 17 September 2020, p. 25.

¹⁶⁴ Ibid., p. 27.

¹⁶⁵ Submission 17, WA Football Commission, p. 39.

¹⁶⁶ Mr Geoffrey Wolfenden, Chairperson, Metro South Regional Development Council, *Transcript of Evidence*, 23 September 2020, p. 2.

considered the current model to be 'okay' and was cautious of changing it without substantial consultation, he was 'happy to listen to anybody who has something else that they wish to propose and discuss it openly.'¹⁶⁷

- 3.35 The Committee heard testimony that while the WAFC took over responsibility for junior football because of previous sub-optimal performance from the WAFL clubs, there was still need for improvement. In the youth football space, Mr Nisbett claimed: 'I do not think anyone, including the WAFL clubs, can sit there and say that we have done a good job in our zones with youth football, because I do not believe we have in our state.'¹⁶⁸ He said some five years ago 'when the football clubs or WAFL clubs were responsible for youth football, the deterioration in youth football was massive. That has not been arrested, unfortunately...'.¹⁶⁹ He continued:

I think what we missed is the opportunity to have a larger base of participation at youth football and we have concentrated too heavily, probably, on the academy programs and the talent coming through the youth programs [...] we have not made a mess of it, but we have not got it right.¹⁷⁰

- 3.36 'Consequently', he said,

it is a chance to [...] reboot what we do, but we certainly need a much larger base and keep people engaged until they are 17, 18 and 19 and all of a sudden we will find that the talent will then rise to the top regardless of how many teams and how much focus there is on certain elements of the youth football pathway.¹⁷¹

- 3.37 Others were more critical of the WAFC. Mr Dennis of Swan Districts commented on the diminished role the WAFL now plays in junior football, despite their continued participation and investment in this area. He said WAFL clubs receive little or no funding from the WAFC to develop junior football.¹⁷²

- 3.38 Indeed, Mr Dennis said the WAFC simply expects the WAFL clubs to participate in delivering junior development programs despite it being 'not in our remit'.¹⁷³ Rather, he said 'We do it because it is the community club we are. ... If there was financial support from the football commission, we could quadruple what we do. There is so much more we could do.'¹⁷⁴ Other WAFL club representatives agreed.¹⁷⁵

- 3.39 There are some positive signs. We are encouraged by Auskick, for example. But we remain concerned over whether enough is being done to keep younger players in the game as they mature.

167 Mr Geoffrey Wolfenden, Chairperson, Metro South Regional Development Council, *Transcript of Evidence*, 23 September 2020, pp. 2-3

168 Mr Grant Nisbett, CEO, West Coast Eagles, *Transcript of Evidence*, 16 September 2020, p. 13.

169 Ibid.

170 Ibid.

171 Ibid.

172 Mr Jeff Dennis, CEO, Swan Districts Football Club, *Transcript of Evidence*, 24 August 2020, pp. 20-21.

173 Ibid, p. 20.

174 Ibid., pp. 20-21.

175 WAFL club representatives, *Transcript of Evidence*, 24 August 2020, p. 21.

- 3.40 Media reports in September 2020 warned that ‘junior teams are in decline according to local clubs’.¹⁷⁶ The President of Gosnells Junior Football Club was cited as laying blame partly with the WAFC for splitting age groups and thinning the number of teams. He referred to ‘the lack of support from the WAFC’, and said the ‘fact is we are almost at season end and I am yet to see even one WAFC official come down to our grounds.’¹⁷⁷
- 3.41 An earlier newspaper article also expressed concerns about ‘the decline in junior football players’ in the southern corridor. A source cited said ‘This problem has been around for several years but has not been addressed at the highest level of football administration in this state.’¹⁷⁸ Another source said ‘he was concerned about the future of amateur football in the local community.’¹⁷⁹
- 3.42 Such accounts further complicate our understanding of the true state of junior football in WA, beyond raw participation figures. Other witnesses agreed junior football was facing struggles in certain areas, especially, as we heard, in the under 17 competitions.¹⁸⁰ We also heard evidence that significant costs for supporting aspects of grassroots junior football are born by the players’ parents.¹⁸¹ As our inquiry progressed, the Committee still had unanswered questions about whether the actions taken by the WAFC were achieving the best for local clubs and schools, and the parents supporting young grassroots players.

Finding 30

Segments of junior and youth football in parts of the State are struggling to maintain viable competitions.

Recommendation 6

The Minister and the DLGSC should work with the WAFC to explore options to further improve and support junior and youth football development and participation. This includes looking at other ways to work with local clubs and schools in developing strong competitions.

Efforts have been made in supporting country football, but progress is unclear

- 3.43 The development of WA country football is also less than clear. The WAFC submitted that participation in club-based football in regional WA ‘has remained relatively stable over the past 10 years, increasing by 11% during this period’. It added that it ‘has fluctuated a little up and down during this period often on the back of remote participation levels.’¹⁸² The WAFC also said overall participation increased over the period by 101 per cent, but this included school participation. As noted elsewhere, the Committee treats these figures with caution.

176 Geraldine Alphonse, ‘Club’s desperate bid to increase juniors’, *The Examiner*, September 24 2020, p. 11.

177 Ibid.

178 Geraldine Alphonse, ‘This is our future’, *The Examiner*, 10 September 2020, p. 6.

179 Ibid.

180 Mr Darrell Panizza, *Transcript of Evidence*, 31 August 2020, p. 7.

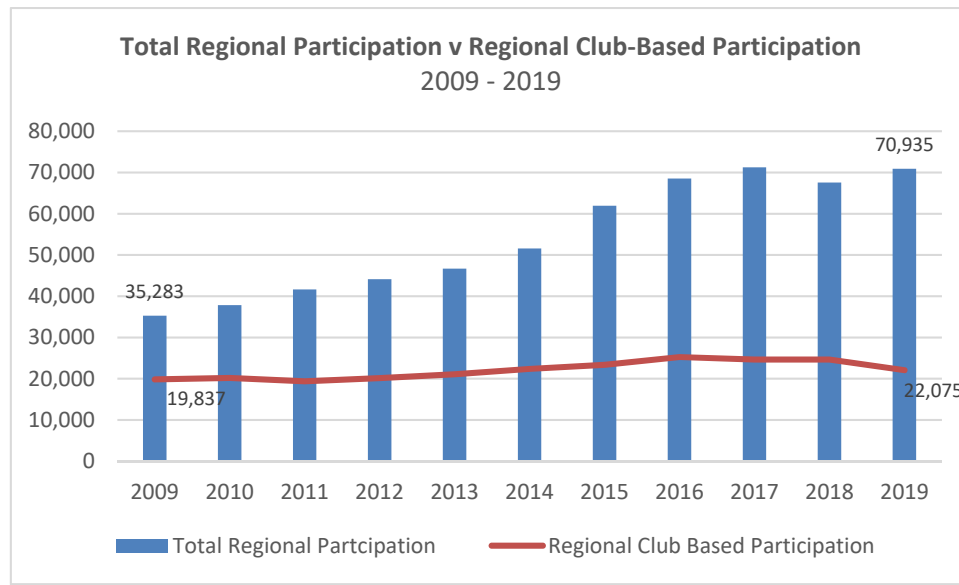
181 Ibid., p. 4.

182 Submission 17, WA Football Commission, p. 37.

3.44 The WAFC claimed that club-based 11 percent increase was ‘a strong result’. It was especially so given:

trends to consolidation of farming properties, automation and FIFO have reduced regional growth opportunities in recent years. These factors combined with population changes and shifts in regional WA have a direct impact on football leagues and competitions.¹⁸³

Figure 3.3: Regional participation¹⁸⁴



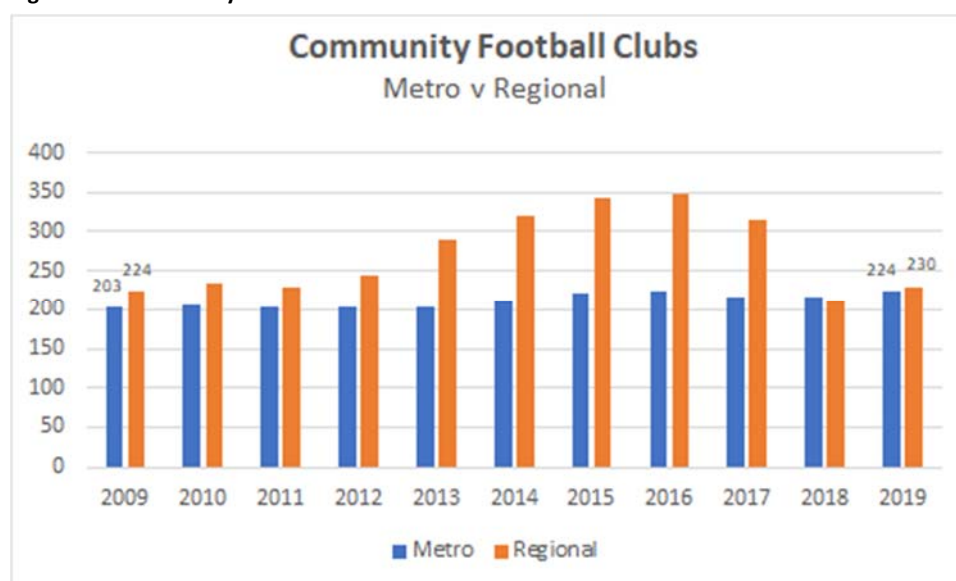
3.45 The WAFC said the ‘number of clubs is an indicator of the health of the game, particularly through Regional areas’.¹⁸⁵ However, the WAFC also provided evidence that there was a steep decrease in the number of regional football clubs from 2017 to 2018, and an overall increase in regional clubs from 2009-19 of just 2.68 per cent, from 224 to 230 clubs, as indicated in Figure 3.4.¹⁸⁶

183 Submission 17, WA Football Commission, p. 37.

184 Ibid., p. 38.

185 Ibid., p. 41.

186 Ibid.

Figure 3.4: Community football clubs¹⁸⁷

3.46 By way of explanation, the WAFC said ‘in the period of 2013 – 2017, the AFL census included a club count for teams that played in competitions that were not necessarily classified as a club (i.e. remote indigenous carnivals).’¹⁸⁸ The adjustment of this count in the 2018 census period mainly affected regional club numbers.¹⁸⁹ The WAFC also stressed that ‘the societal impacts and population shifts impact upon these figures.’¹⁹⁰ Even so, if the number of clubs is as important an indicator as the WAFC says, a total increase of six regional clubs over 10 years raises questions about the state of the game’s growth in the country.

Finding 31

Over the last ten years (2009-2019) there has been a total increase of only six regional football clubs.

3.47 WAFC CEO Gavin Taylor told us how the Commission delivered services to regional football:

There are two parts to the funding that we provide through to country football. The first part there is direct funding that we provide through to the Country Football League, and the second part is the provision of our regional staff to support the growth and development of the game in our regional areas.¹⁹¹

3.48 As we discussed in Chapter 2, in 2019 the WAFC had 13 staff working in regional football, 10 of whom were based in the regions.¹⁹² The WAFC had Regional Development Specialists in Broome, Karratha, Geraldton, Northam, Narrogin, Kalgoorlie, Albany and Bunbury.¹⁹³

¹⁸⁷ Submission 17, WA Football Commission, p. 41.

¹⁸⁸ Ibid.

¹⁸⁹ Ibid.

¹⁹⁰ Ibid.

¹⁹¹ Mr Gavin Taylor, CEO, WA Football Commission, *Transcript of Evidence*, 19 August 2020, p. 10.

¹⁹² WA Football Commission, Response to Questions on Notice and Further Questions, 17 September 2020, p. 3.

¹⁹³ Ibid.

- 3.49 Mr Taylor told the Committee the WAFC has worked closely with the WA Country Football League in recent years, and had implemented a new consolidated approach to developing the game in the regions. Mr Taylor said the WAFC recognised they ‘were having challenges, particularly in some of our remote regions, where numbers were falling away with the changes of demographics and populations.’ He said the WAFC has established a new executive structure to oversee country football.¹⁹⁴
- 3.50 These new measures offer some assurance. However, in response to Committee questioning, Mr Martin conceded: ‘we know there are areas of country football where we need to do better. We accept that and we are trying to do better.’¹⁹⁵
- 3.51 For its part, the WA Country Football League, who spoke positively of their relationship with the WAFC, said ‘Resources are relatively thin in the regions. As an example there is one staff member in the Kimberley region. This is 450,000sqkm of territory. More equitable funding across the industry is required.’¹⁹⁶ As they put it, ‘Football’s relevance to Country communities is very important to the general health of all communities.’¹⁹⁷
- 3.52 In his hearing before the Committee, Mr Darrell Panizza spoke of the particular difficulties facing young players from the country regions:
- What we always found was any country boys that come to Perth were always sent home very shortly after attending the city—no social skills of being able to live in the city and also just their fitness level and their skill level was not up to standard.¹⁹⁸
- 3.53 Mr Panizza said he initiated work to assist these players, with notable success. It is concerning, however, that he also told us that ‘basically what we found was that we were doing all the work and everybody else was taking the accolades of “We developed those players” and they had them for 12 months.’¹⁹⁹
- 3.54 We were also concerned to hear Mr Panizza tell us that about the WAFC’s limited consultation with the football clubs in implementing the structural changes to football flowing from the Boston Consulting report. Mr Panizza said that speaking from the country point of view, he ‘was never asked my opinion or what I actually thought, and that is in numerous years of being involved in that particular area—even just to sit down and maybe give them some reasons why.’²⁰⁰
- 3.55 Representatives of WAFL clubs were also critical of the WAFC’s approach to the regions. Peter Capes of Subiaco Football Club said:

194 Mr Gavin Taylor, CEO, WA Football Commission, *Transcript of Evidence*, 19 August, 2020, p. 10.

195 Hon Wayne Martin AC QC, Chairman, WA Football Commission, *Transcript of Evidence*, 19 August 2020, p. 11.

196 Submission 14, WA Country Football League, p. 2.

197 Ibid.

198 Mr Darrell Panizza, *Transcript of Evidence*, 31 August 2020, p. 1.

199 Ibid., p. 2.

200 Ibid, p. 3.

It sounds like we are picking on the footy commission, but when they took over the talent model, effectively they took a lot of our stronger links with country areas. Younger kids, with their families, are moving to Perth to play football. That is part of the journey they make. That was where you get strong connections back to your country areas.²⁰¹

- 3.56 It is the Committee's view that while efforts have been made, and all parties acknowledge the vital importance of building and sustaining country football, there appears at present to be an insufficient focus on developing, and providing appropriate support to it. As we discussed in the previous chapter, there is a limited and not easily explained amount of funding which directly serves regional football. We are concerned that the amount currently provided will not improve the situation.
- 3.57 Country football faces a host of challenges. Players face pressures to relocate to take advantage of greater opportunities. This can strain connections to their families and clubs, which can have flow-on effects. In extreme cases, players might give up on the game due to a real or perceived lack of playing prospects. Or they might permanently leave their communities.
- 3.58 As the Committee noted during its inquiry, there are significant gaps in regional WA Football, and more needs to be done to increase the pool of talent and the opportunities available to young people in the country, throughout the State. We appreciate that the WAFC recognises the issue and acknowledges more needs to be done.²⁰² Rigorous measures must be put in place to ensure country football gets the support it needs to thrive.

Finding 32

Though all parties acknowledge the importance of country football, there is an insufficient focus on developing, and providing appropriate support to growing the game and increasing the pool of talent and the opportunities for young people in regional areas.

Recommendation 7

The Minister and the DLGSC should work with the WAFC to explore ways to develop and increase participation in country football. Measures should be put in place to track and report on progress.

Indigenous football is making gains

- 3.59 Besides the growth in women's football, the other stated area of progress in club-based participation was in Indigenous football.²⁰³ The WAFC figures showed that Aboriginal players participating in club-based football made up just over 12 percent of all players (from population base of 3.1 percent). They told us that since 2015, 'Aboriginal player registrations have grown by 110%.²⁰⁴

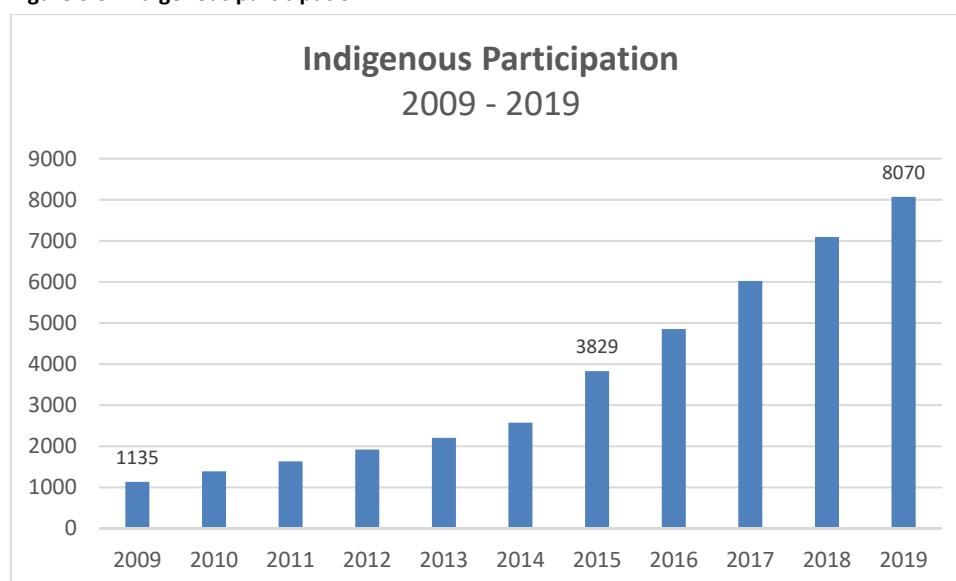
201 Mr Peter Capes, CEO, Subiaco Football Club, *Transcript of Evidence*, 24 August 2020, p. 11.

202 Mr Gavin Taylor, CEO, WA Football Commission, *Transcript of Evidence*, 19 August, 2020, p. 27.

203 Hon Wayne Martin AC QC, Chairman, WA Football Commission, *Transcript of Evidence*, 19 August 2020, p. 9.

204 Submission 17, WA Football Commission, p. 38.

Figure 3.5: Indigenous participation²⁰⁵



3.60 The WAFC qualified these figures, saying they are taken from a registration system where participants are asked to identify as Aboriginal or a Torres Strait Islander, but do not include players from some remote competitions who might not have registered through the online registration system. For this reason, the WAFC said theirs were likely conservative, if indicative, figures of Indigenous participation.²⁰⁶

3.61 These figures are, indeed, pleasing. The WAFC also said it was ‘the first Western Australian State Sporting Organisation to implement an Aboriginal Advisory Group (AAG)’ which has ‘provided strategic insight into the ongoing development of Aboriginal engagement in Football, along with being instrumental in the development of the WAFC Reconciliation Action Plan (RAP).’²⁰⁷

3.62 The WAFC also told us that late last year the WAFC, with the AFL, started

a project to restructure and provide greater support for football at all levels in the Kimberley, which will, when implemented, hopefully have a positive impact upon overall indigenous participation levels.²⁰⁸

3.63 While the COVID-19 pandemic meant this initiative was paused, the ‘resumption of the project remains a high priority for the WAFC.’²⁰⁹ This is a ‘Future Focus Area’ for the WAFC, and we agree it should be area of priority.²¹⁰ Clearly, the disruption caused by COVID-19 was unforeseen, but we think the measures underway should be expanded, tracked and monitored for progress.

²⁰⁵ Submission 17, WA Football Commission, p. 38.

²⁰⁶ Ibid.

²⁰⁷ Ibid., p. 39.

²⁰⁸ Ibid.

²⁰⁹ Ibid.

²¹⁰ Ibid., p. 17.

Finding 33

Encouraging gains have been made in Indigenous football.

Recommendation 8

The Minister and the DLGSC should work with the WAFC to ensure adequate measures for further supporting Indigenous football are in place as a future priority for the WAFC. These measures should be tracked and monitored for progress, and periodically reported on.

All-abilities football is an area of potential growth

3.64 Finally, we wish to draw attention to an area of football that deserves wider recognition as a community good in itself. Recent years have, as Mr Martin pointed out, seen signs growth in all-abilities football.²¹¹

3.65 The WAFC made mention of Starkick, an all-abilities football program for boys and girls aged 5 and older, which was founded by the Coolbinia Bombers in 2015. As the WAFC's submission stated, 'Starkick caters for children who by circumstance or choice are unable to join into the clubs existing Football programs', and who are helped through sessions by dedicated volunteers.²¹² The program and is guided by the idea that 'If you want to play, we will find a way'.²¹³

3.66 The WAFC says it 'engages with Starkick clubs and participants alike to remove the barriers to club participation for people that identify as living with a disability' and it liaise[s] closely with the AFL and clubs alike in establishing and delivering the best practice model following the guidelines of the NAB AFL Auskick program in an adapted and inclusive setting.²¹⁴

3.67 Besides Starkick, we also heard about the Perth Football League's Integrated Football program, launched in 2011, to 'encourage inclusion and participation of athletes with an intellectual disability in community club environments.'²¹⁵ According to the PFL:

The program continues to grow and achieve incredible community and social outcomes, through the hard work of our clubs and volunteers who support [approximately] 250 Integrated footballers representing the ten teams in that competition on any given winter weekend.'²¹⁶

3.68 The PFL said they have also 'recently established [an] approved charitable entity, the WA All Abilities Football Association (Inc).'²¹⁷ PFL President Mr Birmingham stated that the Integrated program was 'the most powerful thing I have been involved in in our league.'²¹⁸

211 Hon Wayne Martin AC QC, Chairman, WA Football Commission, *Transcript of Evidence*, 19 August 2020, p. 9.

212 Submission 17, WA Football Commission, p. 57.

213 Ibid.

214 Ibid.

215 Submission 20, Perth Football League, p. 3.

216 Ibid.

217 Ibid.

218 Mr Sam Birmingham, President, Perth Football League, *Transcript of Evidence*, 31 August 2020, p. 2.

- 3.69 We agree there is much to be proud of in this excellent initiative, as there is for Starkick. Programs such as these highlight just how much value can be gained when resources are devoted to developing the game with a strong focus on social impacts. The Committee applauds both of these programs, and strongly encourages the WAFC to do its utmost to support their ongoing growth and development into the future.

Finding 34

There are signs of growth in all-abilities football.

Recommendation 9

That the Minister and the DLGSC should work with the WAFC to ensure there is continued investment to support expansion of programs promoting all-abilities football.

Finding 35

There is a broad social benefit to focusing resources on junior football, regional football, women's football, Indigenous football, and all-abilities football at the grassroots level.

Finding 36

Performance across the areas of junior football, regional football, women's football, Indigenous football, and all-abilities football is variable, and further development opportunities exist.

The role of the WAFL in WA football

- 3.70 A theme throughout our inquiry was the role played by the WAFL in WA football. The WAFC has an important role in regulating the WAFL competition, and providing necessary funding to the WAFL clubs.²¹⁹ As previously noted, the WAFC's Constitution states the WAFL is 'the pre-eminent Football league' in WA.²²⁰ This is undoubtedly so. Yet, in practical terms, the position of the WAFL within the State's football 'ecosystem' is unclear.
- 3.71 We were presented with a number of views on developments regarding the WAFL, and in particular the shifting of talent pathways from the WAFL to the WAFC, which we discuss further in the following section. In these various accounts, the WAFL was seen as:
- simply a competition;
 - a talent source for the AFL;
 - the core of club football;
 - a second-tier link between community football and the AFL.

219 Hon Wayne Martin AC QC, Chairman, WA Football Commission, *Transcript of Evidence*, 19 August 2020, p. 8.

220 WA Football Commission Inc., *Constitution*, (endorsed) 12 June 2019, p. 4.

- 3.72 Mr Martin of the WAFC suggested the WAFL clubs were now essentially trying to locate themselves in the football system, 'having gone from the pre-eminent competition in the state in the mid-1980s to now the second-tier competition'.²²¹
- 3.73 The WAFL clubs themselves accepted the environment had changed. Mr Dennis described the WAFL's diminution from being 'the big dog in town' and the 'heart and soul of the community' to being largely 'left with a second-tier competition', a shift that 'is unsustainable in the current business model that we operate in'.²²² For Mr Dennis, 'all of a sudden, we are competing for relevance against the central body. There is no harmony, there is no alignment in relation to all kicking in the same direction, looking for the best outcomes for football'.²²³
- 3.74 Mr Dennis agreed that the general position of the WAFL clubs towards the WAFC could be summarised as follows: 'through the influence of the AFL, the [WAFC] is not leveraging the potential of the WAFL as much as it could be'.²²⁴ Rather, Mr Dennis said the WAFC sees the WAFL as a 'poor distant cousin'.²²⁵
- 3.75 In their submission, Swan Districts said the WAFC's increasingly centralised role was marginalising WAFL clubs, and 'the WAFC has been controlling its grip on every element of the game [while] the WAFL clubs have been struggling to redefine their purpose'.²²⁶ The submission even suggested 'the WAFC has been negligent in its leadership to assist clubs re-purpose and build an operating model to ensure it can successfully deliver football in their communities'.²²⁷ It talked of a relationship 'devoid of trust', of a 'top-heavy organisation' creating 'a "them and us" environment', and 'a master/servant relationship with WAFL clubs, exploited through some clubs' financial dependence and fear of recrimination or loss of funding if they speak out'.²²⁸
- 3.76 Similar positions were stated by other WAFL club submissions.²²⁹ If this feeling is as widespread as the evidence suggests, it indicates an alarming breakdown in the relationship between key players in WA football. This is clearly an untenable situation.
- 3.77 It is in the best interests of all of football to resolve the tension between the WAFL and WAFC. Grant Donaldson expressed the view that WA AFL clubs would naturally want the WAFC to support the WAFL as a strong second-tier competition to ensure a steady stream of match-ready and developed talent.²³⁰

221 Hon Wayne Martin AC QC, Chairman, WA Football Commission, *Transcript of Evidence*, 19 August 2020, p. 14.

222 Mr Jeff Dennis, CEO, Swan Districts Football Club, *Transcript of Evidence*, 24 August 2020, pp. 2-3. See also Mr Ron Alexander AM, *Transcript of Evidence*, 24 August 2020, p. 13.

223 Mr Jeff Dennis, CEO, Swan Districts Football Club, *Transcript of Evidence*, 24 August 2020, p. 3.

224 *Ibid.*, p. 20.

225 *Ibid.*, p. 5.

226 Submission 6, Swan Districts Football Club, n.p. [p. 2].

227 *Ibid.*

228 *Ibid.*, n.p. [pp. 3-4].

229 Submission 8, Subiaco Football Club, pp. 2-3; Submission 11, South Fremantle Football Club, p. 2.

230 Mr Grant Donaldson SC, *Transcript of Evidence*, 23 September 2020, p. 2.

3.78 Moreover, Mr Donaldson said any prospect of a model focusing on recruiting and training young players in an elite environment independently of the WAFL would be ‘a massive duplication of resources’ meaning ‘the death of the WAFL club’.²³¹ He had a clear view of the issue: ‘I often hear—I am sure you do—the WAFL clubs are poorly managed. I think that is largely a function of them being starved of funds and resources.’²³²

3.79 Other evidence presented a more critical interpretation of the WAFL’s position. Mr Birmingham of PFL recognised that:

We have an AFL tier which is incredibly well funded and incredibly well patronised by the eyeballs. That has got a really clear purpose. We have a community tier and that has a clear purpose: works its butt off, delivers incredible outcomes across society. And the reality is that the WAFL does sit in between.²³³

3.80 Further, Mr Birmingham said this ‘happens in essentially all sports where the TV dollar has become so mighty, there is this really clear focus on that top player, and the sub-elite has been challenged.’²³⁴ However, he also argued that ‘what we need to see is a rationalisation of the spending that is going to the WAFL.’ While he agreed ‘it is an important competition’ he also said the flow of funding ‘is incredibly disproportionate.’²³⁵

3.81 The metropolitan RDCs submitted that

Prior to 2003 (when the WAFL Clubs were responsible for the growth and development outcomes of the game) there was virtually zero growth in participation. Participation was stagnant under the earlier WAFL Club model, and it is certainly NOT a model that the RDCs and junior football stakeholders wish to return to.²³⁶

3.82 According to the RDCs, the

priority and focus of a WAFL Club is to win premierships, not developing participation across all levels of football. WAFL Clubs do not have the staff expertise in growing participation, and it is flawed thinking to expect them to deliver participation across WA.²³⁷

3.83 When the Committee questioned Mr Geoff Wolfenden on his comments on the WAFL, Mr Wolfenden conceded that the WAFL clubs were, besides focusing on winning premierships, renewing their focus on community engagement, and he did not want to be seen as disparaging the WAFL.²³⁸ The basic point, he suggested, was that the RDCs and the WAFL

231 Mr Grant Donaldson SC, *Transcript of Evidence*, 23 September 2020, p. 7.

232 Ibid., p. 6.

233 Mr Sam Birmingham, President, Perth Football League, *Transcript of Evidence*, 31 August 2020, p. 6.

234 Ibid., p. 6.

235 Ibid., p. 4.

236 Submission 16, Metropolitan Regional Development Councils, pp. 3-4.

237 Ibid.

238 Mr Geoffrey Wolfenden, Chairperson, Metro South Regional Development Council, *Transcript of Evidence*, 23 September 2020, p. 7.

were ‘different businesses’ and ‘we all need to work together collaboratively to be a community.’²³⁹

- 3.84 As one WAFL club itself acknowledged, the ‘perception’ that WAFL clubs had focused exclusively on winning premierships had some basis as the clubs struggled to understand their place in WA football with the introduction of the two AFL clubs.²⁴⁰ However, their submission stated:

All WAFL clubs now understand to ensure sustainability they need to work towards financial independence from the WAFC and relevance in the modern world, delivering community engagement programs with outcomes benefitting and addressing social issues is a must.²⁴¹

- 3.85 For East Perth, ‘A decentralised model will allow clubs to introduce a localised, relevant approach within their districts across WA.’²⁴²
- 3.86 Before we move to discuss the related issues of the WAFC’s control over talent pathways, and its recent shift further into operational and delivery roles, we wish to comment on some criticisms we heard of the WAFL during the inquiry. In particular, PFL repeatedly questioned the proportion of financial support given to the WAFL clubs.
- 3.87 Certainly, the WAFL clubs are no more immune from criticism than any other body. Equally, the PFL is undoubtedly an important part of WA football. Mr Birmingham rightly pointed to the large number of players in the PFL in support of this fact. It is the Committee’s view, though, that Mr Birmingham underplays the importance of the WAFL clubs within WA football.
- 3.88 In weighing such things, it is not merely a matter of the number of players involved, but also of the membership of the clubs, their fan base, the attendance at their games, and general public interest and community engagement. The WAFL is seeking to re-purpose, as well it might. But suggesting a portion of the funding it receives should instead go to the PFL or other Affiliates seems to the Committee to be misguided. In other words, we agree the PFL could make good use of extra funding, as could other leagues. But we see no good reason why the WAFL should be the ones to bear the cost of this. An approach that would rob Peter to pay Paul is surely not the way to create a sustainable basis on which to build the future of community football.

Finding 37

The role of WAFL clubs is changing, and they are now looking to repurpose towards focusing on their engagement with the community.

239 Mr Geoffrey Wolfenden, Chairperson, Metro South Regional Development Council, *Transcript of Evidence*, 23 September 2020, p. 6.

240 Submission 18, East Perth Football Club, p. 2.

241 Ibid.

242 Ibid.

Finding 38

The structural changes to WA football have resulted in a deteriorating relationship between the WAFL and the WAFC.

Recommendation 10

The WAFC should increase its support to WAFL clubs to assist them repurpose towards community engagement.

Talent pathways and the AFL

3.89 As we have suggested above, a crucial factor in assessing the balance between developing elite and grassroots football relates to the focus on talent programs. The WAFC acknowledged that the WAFL, as the leading WA-based competition, with deep community connections, ‘has been central in developing and supporting talent, which is now being delivered via the WAFC Talent Pathway model.’²⁴³

3.90 The ‘model’ referred to was adopted in 2018 following the 2016 Boston Consulting Group review. This found inconsistency in the WAFL’s performance in developing talent. As the WAFC’s subsequent 2017 Structural Review of Football put it:

This reform will involve the complete transfer of responsibility for the WA talent pathway to the WAFC, including the operation of the existing nine WAFL club development programs and Colts programs. Whilst the WAFC will assume full operational, financial and governance responsibility for the pathway, the nine programs will continue to be aligned with and branded as the nine WAFL clubs.²⁴⁴

3.91 In its submission, the WAFC said it ‘invests into the development of male and female talent, through State Academies, pathways, coaching and camps which requires specialist resources and support.’²⁴⁵ It emphasised that:

the WA talent model is not just about the development of AFL players, it is a holistic set of programs designed to develop well rounded, skilled footballers who are well prepared to transition to senior football across the AFL, WAFL and community football. The model is funded from a combination of AFL funding, participant fees and direct WAFC contributions.²⁴⁶

3.92 The WAFC said although traditional performance measures for WA’s talent programs centred on the number of male AFL draftees, it has begun ‘a process of broadening our measures of success for our talent programs, taking a whole of football system view of the outcomes delivered by our programs.’²⁴⁷

243 Submission 17, WA Football Commission, p. 10.

244 WA Football Commission, *Structural Review of Football*, p. 7.

245 Submission 17, WA Football Commission, p. 26.

246 Ibid.

247 Ibid., p. 34; Hon Wayne Martin AC QC, Chairman, WA Football Commission, *Transcript of Evidence*, 19 August 2020, p. 10.

3.93 While affirming that AFL drafts remain an important consideration, the WAFC said ‘2020 will be the first year with defined metrics for player retention out of our talent programs, wherever they end up across the football system.’²⁴⁸ As it was only two years into a five-year agreement, the WAFC said it was ‘too early to determine if the revised model will deliver success’ and noted ‘the AFL directly funds this program, and this funding could be at risk if the delivery model is moved away from the WAFC.’²⁴⁹

3.94 The Committee was certainly glad to hear the WAFC is looking beyond the AFL in determining its own success, and that they intend to keep the talent program ‘deeply connected to each WAFL club.’²⁵⁰ However, we also heard from other witnesses who were troubled by what they saw as the WAFC’s continued prioritisation of elite football over the needs of local communities.

3.95 Swan Districts, for instance, described the WAFC as ‘an extension of the AFL’ where ‘[m]any decisions are made to suit the AFL at the expense of local football. This has been used by the WAFC to attract additional AFL revenue to build its empire.’²⁵¹

3.96 Other WAFL clubs expressed similar views. East Perth said that by ‘focusing only on Talent, the significant majority of participants and the community at large miss out on many of the benefits the government funds are intended for.’²⁵²

3.97 The WAFL clubs’ emphasis on the need to build community over what they perceived to be the WAFC’s overriding focus on developing AFL talent was strongly communicated when representatives of the WAFL clubs appeared jointly before the Committee. Mr Capes told the Committee that the

talent model that has been around for a long while has always had a focus on AFL draftees. ... But it is a pathway; it is not a destination. ... When things changed in 2017, I think there was a stronger focus [on] the AFL funding a talent program through that Boston report.²⁵³

3.98 Mr Dennis said he saw ‘a systemic focus on talent [and] on how to produce the next AFL player’ over the last three decades.²⁵⁴ Whereas, he said the ‘root nature of sporting clubs in the past was building community, connecting with people. Sport has largely been losing that because it has been focused on talent development programs.’ He said:

The WAFL clubs can be the heart and soul of the communities to which they belong in both metropolitan and, absolutely equally, regional communities. It is of critical importance. We have to create an opportunity that any kid—male, female,

248 Submission 17, WA Football Commission, p. 34.

249 Ibid.

250 Mr Gavin Taylor, CEO, WA Football Commission, *Transcript of Evidence*, 19 August 2020, p. 23.

251 Submission 6, Swan Districts Football Club, n.p. [p. 2].

252 Submission 18, East Perth Football Club, p. 3. See also submission 7, East Fremantle Sharks, p. 1; submission 15, Perth Football Club, p. 2.

253 Mr Peter Capes, CEO, Subiaco Football Club, *Transcript of Evidence*, 24 August 2020, p. 3.

254 Mr Jeff Dennis, CEO, Swan Districts Football Club, *Transcript of Evidence*, 24 August 2020, p. 19.

whatever race or religion—has the same opportunity as any other kid no matter where they live around the state.²⁵⁵

3.99 Similarly, Travis Burrows, of South Perth Junior Football League, and a director of Perth Football Club, described the WAFC as having ‘almost wedged WAFL clubs out of the way and lodged themselves in that talent development area.’ As a consequence, ‘a lot of clubs and a lot of junior clubs do not have anywhere near the relationship that they once upon a time had with their WAFL club.’²⁵⁶

3.100 In any case, the WAFC said the new talent pathway model is ‘under review, and the WAFC may decide to move to more of an oversight role, rather than a delivery role, from 2021 on a trial basis.’²⁵⁷ As Mr Martin put in at the WAFC hearing:

there is a need for [the WAFL clubs], with our encouragement and support, to realign themselves more closely with the communities that they serve. I think that will be a giant step forward for football and for them getting closer to community football in their area and going back to talent. We are certainly up for that.²⁵⁸

3.101 We discuss the potential devolution of service delivery to the WAFL clubs more below. Here we simply make the point that the major parties seem to have reached a level of agreement on the potential for the WAFL clubs to be more heavily involved in community football.

Finding 39

There is a structural tension across WA football between allocating resources to lower-level community football, and on sustaining a large and profitable football industry.

Finding 40

There are mixed views on the extent to which the WAFC is balancing the development of grassroots football and elite talent.

Finding 41

Structural changes have diminished the WAFL clubs’ responsibility for talent development.

255 Mr Jeff Dennis, CEO, Swan Districts Football Club, *Transcript of Evidence*, 24 August 2020, pp. 19-20.

256 Mr Travis Burrows, President, South Perth Junior Football Club, *Transcript of Evidence*, 24 August 2020, p. 2.

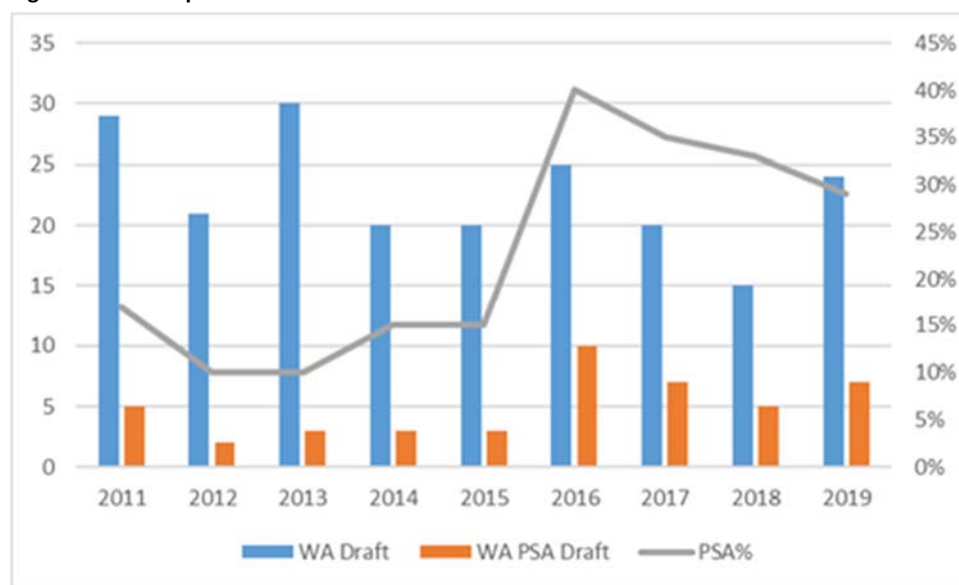
257 WA Football Commission, Response to Questions on Notice and Further Questions, 17 September 2020, p. 39.

258 Hon Wayne Martin AC QC, Chairman, WA Football Commission, *Transcript of Evidence*, 19 August 2020, p. 15.

A disproportionate number of school draftees come from elite private schools

- 3.102 A related issue of equity relates to the schools in which AFL draftees were educated. In particular, there is an overrepresentation of draftees who came from Public Schools Association (PSA) schools.
- 3.103 There are around 170 State secondary schools, and a further 130-odd non-government secondary schools. These numbers include a range of school types, sizes, and compositions.²⁵⁹ There are seven PSA schools in WA, or just over two percent of the total of the approximately 300 secondary schools across the State.
- 3.104 We discussed in Chapter 1 the difficulty we had in receiving an answer to our request for a breakdown of the WA players drafted to AFL clubs according to the schools they attended. However, we did receive the data, and although it has some gaps, which the WAFC acknowledged, there was sufficient material to analyse. In doing so, we found the proportion of draftees coming out of the tiny number of PSA schools relative to all draftees was strikingly high.²⁶⁰

Figure 3.6: PSA representation in AFL drafts²⁶¹



- 3.105 As Figure 3.6 shows, the proportion of PSA students drafted spiked in 2016 at around 40 percent and, though it has since declined somewhat, remained high, at almost 30 percent of all draftees in 2019. The apparent imbalance in this situation is alarming.
- 3.106 Mr Moore-Crouch of the WAFC countered any suggestion of an imbalance in draftees' school background by saying that 'even players who are involved in the PSA system still

²⁵⁹ Department of Education, Alphabetical List of WA Schools, <https://apps.det.wa.edu.au/publicreports/SchoolsList0880.pdf>, accessed 3 October 2020.

²⁶⁰ We refer here only to the data received on male draftees.

²⁶¹ WA Football Commission, Response to Questions on Notice and Further Questions, 17 September 2020, p. 53ff.

benefit from the work we do in the WAFL talent pathway.’²⁶² But such reasoning misses the key point regarding the equitable, if not necessarily equal, distribution of resources. As the Committee said at the time: ‘there needs to be a little bit more focus on those non-PSA schools because those PSA kids are getting the benefit of your program plus the outstanding PSA program’.²⁶³ In this sense, it seems PSA schools carry an unfair advantage over non-PSA schools.

3.107 In sum, a disproportionate number of school attendee draftees seem to be drawn from just seven select schools in the State. While there may be many reasons for this, it does, at the least, raise questions of equity in relation to the WAFC development programmes. It also raises questions about the improvements needed in sport and football programmes in Government schools, and again, as we have discussed above, the potential need for the WAFC to devote greater resources to Government schools.

3.108 More needs to be done to ensure that all school attendees, irrespective of where they live, or which schools they attend, have the opportunity to benefit proportionately from the WAFC’s programs.

Finding 42

A highly disproportionate number of AFL draftees come from a small number of Public School Association schools, raising questions of equity in relation to the WAFC development programmes and access to resources.

Recommendation 11

The Minister for Sport and Recreation and the Minister of Education and Training should work together to maximise the opportunities for public school footballers to reach their full sporting potential, including looking at resource allocations. In doing so, they should also work with the WAFC to determine the most effective ways in which it can assist.

There are conflicting opinions on the WAFC’s role in governance over delivery

3.109 We have already noted the range of programs the WAFC plays a hand in delivering. A question we heard repeatedly in our inquiry regarded whether the WAFC had too active a role in delivering football programs, such as the Colts competition, across the State.

3.110 The WAFL clubs held a near-consensus view that the WAFC should step back from football delivery as such, and focus its energies and resources on areas such as funding, strategy, advocacy and governance.

262 Mr Simon Moore-Crouch, Executive Manager, Talent and Commercial, WA Football Commission, *Transcript of Evidence*, 19 August 2020, p. 26.

263 Dr Tony Buti, MLA, Chair of the Public Accounts Committee, hearing of the WA Football Commission, *Transcript of Evidence*, 19 August 2020, p. 26.

- 3.111 Unsurprisingly, the WAFL clubs felt they themselves ‘are best positioned to be those stakeholders that can help deliver football’.²⁶⁴ As Mr Dennis put it, the WAFL clubs ‘because of their local connections, are by far best suited, rather than a central, nebulous body, to connect with clubs.’ The WAFL clubs see ‘an opportunity to unlock considerable additional revenues’ if ‘given the remit to help deliver community football.’²⁶⁵
- 3.112 However, Mr Dennis suggested that not all WAFL clubs currently have the capacity and capability to achieve this aim.²⁶⁶ The WAFC should therefore ‘engage and empower the WAFL clubs to provide the delivery of football in their respective metropolitan and regional communities.’²⁶⁷ This view was supported by other WAFL clubs in their submissions to the Committee.²⁶⁸
- 3.113 As part of the Swan Districts submission, Mr Dennis also submitted a proposed new community model ‘to help the WAFC improve the delivery of football.’²⁶⁹ The proposal contained several points of detail, but essentially signalled the WAFL clubs’ commitment towards greater community engagement, local delivery, development and outcomes.²⁷⁰ Mr Dennis said his presentation was based on a principle of co-design between the WAFL and the WAFC, rather than a simple transfer of power back to the WAFL.²⁷¹
- 3.114 Comparable testimony was given by other witnesses. Mr Ron Alexander suggested the ‘WAFL logically should be the major delivery vehicle for football development.’²⁷² He said they ‘are best placed to attract volunteers and supporters and to build an ongoing sustainable cost-effective base where it counts most, in the local community. WAFL are present where football is taking place.’ As such, the WAFC ‘should be a policy driven organization charged with the overall healthy operation of all the various Football entities. Not a hands-on delivery agency.’²⁷³
- 3.115 Likewise, Mr Panizza said football development should have remained with the WAFL clubs.²⁷⁴ When asked about the WAFC’s stronger shift towards operations and delivery, Mr Panizza said:

Where they have gone to now is that they are trying to have control over the development of the players rather than just administer the program or the business side of it all. They have tried to get involved in best practice of how you should train, what drills you should do and all those types of things.²⁷⁵

264 Mr Jeff Dennis, CEO, Swan Districts Football Club, *Transcript of Evidence*, 24 August 2020, pp. 2, 19.

265 Ibid., p. 3.

266 Ibid., p. 19.

267 Submission 6, Swan Districts Football Club, n.p. [p. 1].

268 Submission 7, East Fremantle Sharks, p. 1; submission 8, Subiaco Football Club, pp. 1-2; submission 12, Claremont Football Club, pp. 1-2; submission 13, Peel Thunder Football Club, pp 1-2; submission 15, Perth Football Club, p. 1; submission 18, East Perth Football Club, pp 1-3.

269 Submission 6, Swan Districts Football Club, n.p. [p. 5].

270 Ibid.

271 Mr Jeff Dennis, CEO, Swan Districts Football Club, *Transcript of Evidence*, 24 August 2020, p. 15.

272 Submission 10, Mr Ron Alexander AM, p. 3.

273 Ibid.

274 Mr Darrell Panizza, *Transcript of Evidence*, 31 August 2020, p. 2.

275 Ibid., p. 6.

3.116 For Mr Panizza:

football clubs are great community places for kids that are lost in society as well—it can be something that brings them back into the community and understand how to fit back into society and those types of things. [The WAFC] are sort of getting involved in that side of it, which is not healthy. Football clubs, generally, have been going for 100 years and they are the ones that understand what their community needs are, and different areas need different things.²⁷⁶

3.117 We were concerned to hear Mr Panizza say the greater shift toward the WAFC delivering programs was not something debated by stakeholders with the WAFC. Rather, Mr Panizza said, they were ‘basically told this is what was going to happen.’²⁷⁷

3.118 In their response to such suggestions, the WAFC said it ‘refutes that it has a remit of just “funding, governance and compliance” as this is not represented in the WAFC’s constitution or Strategic Plan’ and ‘is not and never has been an accurate statement of the role or function of the WAFC.’ It also noted the WAFC’s original Constitutional ‘remit was not limited to funding, governance and compliance.’²⁷⁸

3.119 The WAFC said, ‘like every other State Sporting Association (SSA)’, the ‘delivery of the development aspects of the game... is a key priority and objective’.²⁷⁹ Further, the WAFC said it ‘has played a pivotal role with the delivery of programs across community football to enhance participation outcomes and to further support clubs and volunteers since the introduction of the WAFC.’²⁸⁰

3.120 Moreover, it said, there was ‘no evidence to suggest that WAFL clubs are better placed to implement program delivery generally.’ Rather,

Evidence shows the current model is one of, if not the best performing model in Australia for game development and program delivery activities for football. This is based on the annual (audited) census data that shows the growth in Club-based and overall participation, compared to population and results achieved across other States.²⁸¹

3.121 However, Mr Martin also acknowledged that WAFL clubs have changed since the WAFC took control of the Colts program. Mr Martin said that the WAFL clubs ‘did not then have the same approach to integration with community football that we have seen them develop over the last couple of years.’²⁸² On this basis, Mr Martin said the WAFC would consider

276 Mr Darrell Panizza, *Transcript of Evidence*, 31 August 2020, p. 6.

277 Ibid.

278 WA Football Commission, Response to Questions on Notice and Further Questions, 17 September 2020, p. 32.

279 Ibid.

280 Ibid., p. 33.

281 Ibid., p. 38.

282 Hon Wayne Martin AC QC, Chairman, WA Football Commission, *Transcript of Evidence*, 19 August 2020, p. 14.

devolving local service delivery, such that the WAFL could retake control of the Colts, if this increased community engagement.²⁸³

- 3.122 More generally, the WAFC had identified ‘an opportunity to work closely with WAFL clubs to test and trial opportunities whereby WAFL clubs can take a greater role in program delivery.’ It said it ‘is considering the devolution of programs and services across the industry and will consider which stakeholder is best placed to deliver these programs and services.’²⁸⁴ However, it warned such a move posed a risk to the growth of the game if program delivery was devolved to individual WAFL clubs, given the potential to create a ‘nine speed participation model.’²⁸⁵
- 3.123 The WAFC said it would base its assessment of ‘the most appropriate stakeholder’ to test these opportunities according to their experience, their suitability, their effectiveness, their efficiency, their skill-set, funding potential, and the level of support of the RDCs.²⁸⁶
- 3.124 The WAFC’s position that it is best placed to deliver football services, is, as we have seen, disputed by other witnesses. Such statements are especially open to scrutiny if based on questionable overall participation figures, as we discuss in Chapter 5. Beyond this, it is the Committee’s view that Mr Martin’s statements suggest an under-appreciation of the strong traditions and importance of WAFL clubs to WA Football and the general community.
- 3.125 Moreover, any concerns over a ‘nine speed participation model’ could be nullified by the WAFC fulfilling its role of providing robust governance and oversight of this arrangement. This would be a benefit of the model being co-designed.
- 3.126 Disagreements on the matter of service delivery speak to the broader issue of governance in WA football. After reviewing the evidence, and considering the WAFC’s openness to changing its current approach, the Committee believes that there are good reasons, not least the potential for greater community involvement, for the WAFC and the WAFL to take the opportunity to work with each other to devolve service delivery functions.
- 3.127 In our view, it is crucial that the WAFL clubs maintain their connections with the communities to the greatest extent possible. To do so, they must be more than a second-tier competition. Rather, they should be empowered to have a prominent role in the development of young players. This can be achieved through the WAFL clubs having a stronger hand in the academies and Colts competition than they have at present. In supporting the WAFL clubs to play a greater role in delivery, the WAFC should retain a robust overview and governance role, and coordinate closely with the WAFL.
- 3.128 Further, we agree with the assessment that, at present, the WAFC operates in a way that leaves itself open to charges that it prefers a top-down approach. There may have been sound reasons for temporarily centralising services, but, given the need to prioritise

283 Hon Wayne Martin AC QC, Chairman, WA Football Commission, *Transcript of Evidence*, 19 August 2020, p. 14.

284 WA Football Commission, Response to Questions on Notice and Further Questions, 17 September 2020, p. 38.

285 Ibid.

286 Ibid.

community involvement, this centralisation should only last so long as it is absolutely required. In which light, we make the following findings and recommendations.

Finding 43

The increasing centralisation of the WAFC and its focus on service delivery and operational roles, has diminished the WAFL's role in WA football, and in particular their responsibility for community development.

Recommendation 12

The WAFC should provide mechanisms to ensure that the WAFL continues to be, and remains sustainable as, the premier State competition.

Recommendation 13

That the WAFC coordinate with member and Affiliate clubs and leagues to devolve its service and delivery functions to the appropriate stakeholder. As part of this, the WAFC should work with the WAFL clubs to:

- More fully involve them in talent and junior development, in order to strengthen WAFL clubs' connection with their communities
- Shift control of the Colts competition back to the WAFL clubs.

Recommendation 14

That the Minister and the DLGSC monitor the WAFC's responses to the recommendations. If they deem the action taken by the WAFC to be insufficient, the Minister and the DLGSC should reconsider funding arrangements (both the 10-year term under the WAFC Funding Agreement, and the other funding available to the WAFC as a State Sporting Association).

Player welfare

3.129 Another issue that came to the fore over the course of the inquiry was the welfare and retention of talent-tracked players. Football is, we reiterate, big business and a major entertainment industry in itself. But it is much more than that. Football delivers significant social benefits for communities across the State, overwhelmingly consisting of players and participants who will never feature in elite competitions.

3.130 Most young players who are recruited to the elite ranks of the system will be unable, for many reasons, to forge a career out of the opportunity. This experience can have negative effects on the players and on their families. It is important that robust structures are in place to support these individuals.

3.131 Several witnesses told us of their concerns for players who are drafted and churned through the system without achieving a lasting career, or in some cases even playing a game at the elite level. Some young players enter the talent program and do not get drafted. Those who dream of being drafted but fall short risk being lost to the game completely.

- 3.132 Witnesses agreed the risks were high. As Mr Alexander put it, there is ‘a lot of carnage’ involved for those who do not ‘make it’, which can make those individuals ‘feel like failures and it is pretty unfortunate.’²⁸⁷ Grant Donaldson considered those ‘kids who do not make it at the elite level [and] stop playing’ to be ‘one of the great failures [...] in Western Australian football.’²⁸⁸
- 3.133 WAFC Commissioner Grant Dorrington agreed with the Committee’s concerns for players who had the potential to make the elite grade, but prematurely exited the system.²⁸⁹ When the proposition was put to him that Government might work with the WAFC to lobby the AFL on player welfare and development, Mr Dorrington said would he consider this to be a worthwhile outcome.²⁹⁰
- 3.134 Mr Dennis emphasised the importance of creating ‘a sense of belonging and connection to the talent kids’ by staying attached to their clubs even if they could run the program itself.²⁹¹ He acknowledged
- there are very few kids that end up going to the AFL draft. The majority of them remain with the club. It is incumbent on us as clubs to ensure that we retain those kids in the football system and, if they go to the AFL and they are not successful ... they have a home to return to. It is critically important...²⁹²
- 3.135 However, he said the WAFC’s centralised structure did not allow this to happen. This created an environment where some young players are disconnected from their clubs, potentially losing the welfare offered by them and associated volunteers.²⁹³
- 3.136 Mr Dennis said he did not recall player welfare arising when the WAFC was consulting with WAFL clubs.²⁹⁴ Moreover, he said the WAFC still has an expectation the WAFL will continue to develop players in the higher levels.²⁹⁵ But, he said, the WAFL clubs ‘do not receive any funding’ for such activity. Rather it ‘is just a part of us working together to try to get the best opportunity for our kids, because they are; they are our kids.’²⁹⁶
- 3.137 We heard evidence of chaplaincies, counselling, and other services. This is good and necessary. However, more needs to be done to give assurance that the appropriate level of support exists both for talent-tracked players who drop off club lists, and for those who remain with their local clubs.
- 3.138 On this point, we make two further comments. First, we did hear from the WAFC a number of positive stories about the success of individuals through the talent pathway.²⁹⁷ Indeed,

²⁸⁷ Mr Ron Alexander AM, *Transcript of Evidence*, 24 August 2020, p. 5.

²⁸⁸ Mr Grant Donaldson SC, *Transcript of Evidence*, 23 September 2020, p. 7.

²⁸⁹ Mr Grant Dorrington OAM BEM, *Transcript of Evidence*, 9 September 2020, p. 11.

²⁹⁰ Ibid.

²⁹¹ Mr Jeff Dennis, CEO, Swan Districts Football Club, *Transcript of Evidence*, 24 August 2020, pp. 4-5.

²⁹² Ibid., p. 5.

²⁹³ Ibid.

²⁹⁴ Ibid.

²⁹⁵ Ibid.

²⁹⁶ Ibid.

²⁹⁷ See for example Mr Simon Moore-Crouch, Executive Manager, Talent and Commercial, WA Football Commission, *Transcript of Evidence*, 19 August, 2020, p. 23.

individual successes in making it to the elite level, especially those who have surmounted particular obstacles to get there, are rightly to be celebrated. They are also well-tracked and often well publicised.

3.139 However, in some ways such examples only highlight how focused the WAFC is on AFL success stories. To restate the obvious, the vast majority of players who enter the talent system will not succeed in this way. What happens to these players continues to be an issue of prime concern for this Committee.

3.140 Important though this matter is, we are troubled that we received very little evidence of what the WAFC is doing to assure itself it has been sufficiently tracking the movement of players back out of the talent system. A more rigorous approach to monitoring both draftees, and aspiring players who are not drafted, throughout the system is required if we are to avoid seeing unnecessary collateral damage – in the form of disillusioned young players lost to the game – while all attention is turned to AFL picks.

3.141 When it was put to them, Mr Taylor of the WAFC recognised ‘it is an issue, and it has been an historical issue.’²⁹⁸ Mr Taylor said they are ‘broadening’ measures to track the mental and physical preparation of players to participate in the AFL, and tracking the upward movement of Colts players.²⁹⁹ However, he said, ‘the retention piece is something that we need to work on more specifically.’³⁰⁰

3.142 Mr Moore-Crouch added that the WAFC has

come up with a measure around the percentage of players within the talent pathway that are retained within a football environment. ... We are trying to broaden that measure to say that if you are involved in our talent program, we want you to be retained within the football system and not spat out the other side.³⁰¹

3.143 Ultimately, Mr Moore-Crouch conceded the WAFC does not currently measure the numbers of those lost to the game. He said this has been identified ‘as something we do need to measure.’³⁰² As Mr Moore-Crouch said, it is ‘not a good use of our money or the AFL’s money if we are just focused on 19 draftees and spending \$5 million on them.’³⁰³ We agree.

3.144 Likewise, when we asked the Department how it measured and assessed the number of WA draftees or aspiring draftees who go through the system but are subsequently lost to the game, the Director of Sport and Recreation Development informed us ‘that is a metric we do

298 Mr Gavin Taylor, CEO, WA Football Commission, *Transcript of Evidence*, 19 August, 2020, p. 22.

299 Ibid.

300 Ibid.

301 Mr Simon Moore-Crouch, Executive Manager, Talent and Commercial, WA Football Commission, *Transcript of Evidence*, 19 August, 2020, p. 22.

302 Ibid., p. 23.

303 Ibid.

not capture'.³⁰⁴ However, the Department also signalled it was prepared to work with the WAFC in capturing this data.³⁰⁵

3.145 We believe that the Department, as the administrator of the WAFC Funding Agreement, and which describes its role as ensuring 'safe and inclusive'³⁰⁶ participation, can and should do more to persuade the WAFC to collect the information needed to safeguard the welfare of those who risk being overlooked. The Department and the WAFC have important roles to play in seeing that young players feel valued and retain their sense of belonging to the sport. This is a matter going beyond the health of football itself, and goes to the physical and mental wellbeing of young members of our communities.

3.146 There is also the question of what additional measures might be taken to ensure the welfare of young players. We note, for example, a recent initiative out of the Willetton Football Club, which has developed the idea of so-called Youth Employment Pathways (YEP). In a bid to encourage participation, and working with the Clontarf Academy, the club said potential talent needed to be offered something in return. As Club President Perry Kleppe put it in a local newspaper report:

What YEP does is connect these kids' affinity with football to an opportunity to secure a worthwhile career through traineeships, apprenticeships or cadetships with various local employers while their involvement with the club provides them with the structure, discipline and mentorship to maximise their likelihood of completing their pathway into a career.³⁰⁷

3.147 Mr Kleppe said graduates of Clontarf Academy wishing to play community football could join a junior group and be eligible for the program. And to be recommended to an employment panel they would be required 'to complete year 12 to any level, just stay in school, as well as display the character requirements we identify.'³⁰⁸ Willetton FC is in communication with local schools about the program.

3.148 The program is yet to be tested, and we make no comment on its practicality at a wider level, except to say that such ideas show the potential to be more proactive in helping young players. This kind of approach, moreover, clearly carries social benefits far beyond that captured by the metric of team participation or drafting figures. We encourage the WAFC to explore how initiatives like these might be researched, developed and implemented.

3.149 It is crucial that support and resources are offered not only to those who 'make it', but also to those whose participation, local connections, and community involvement bring less visible, but no less important, social benefits to the State.

304 Mr Steven Humfrey, Director, Sport and Recreation Development, Department of Local Government, Sport and Cultural Industries, *Transcript of Evidence*, 21 August 2020, p. 7.

305 Mr Duncan Ord OAM, Director General, Department of Local Government, Sport and Cultural Industries, *Transcript of Evidence*, 21 August 2020, pp. 7-9.

306 Ms Kim Ellwood, Executive Director, Sport and Recreation, Department of Local Government, Sport and Cultural Industries, *Transcript of Evidence*, 21 August 2020, p. 5.

307 Geraldine Alphonse, 'From footy to a career', *The Examiner*, 17 September 2020, p 10.

308 Ibid.

Finding 44

The WAFC does not provide adequate evidence or assurance that the ongoing welfare of football talent is a priority.

Finding 45

The data to assess the quality of wraparound monitoring of the careers of talent-tracked players is fragmented and incomplete. The absence of this data and associated tracking raises concerns about the duty of care shown by the WAFC and the DLGSC to young footballers.

Recommendation 15

To ensure greater player welfare and support, the DLGSC should work with the WAFC to develop rigorous mechanisms to track and report on the development of draftees throughout their careers, and gather data on the number of players who drop out of football, especially the AFL, and the reasons for this.

There are mixed views on the appropriateness of the current drafting age

3.150 A related matter was whether the current drafting age was appropriate. Though opinions were not unanimous, most witnesses favoured raising it from the current age of 18.

3.151 As the Committee heard, an older drafting age might have positive flow-on effects for players to develop emotional and physical maturity, retain and build a strong local connection with club and community, and allow more time to complete formal education or training.

3.152 In their hearing before the Committee, Mr Moore-Crouch said the WAFC was aware of the issues around the current drafting age and they

have been advocating with the AFL's talent department and senior executives there for a raising of the draft age. The WAFL clubs and our affiliates—country football and the Perth Football League—have been involved in us compiling that feedback and providing that to the AFL.³⁰⁹

3.153 Mr Moore-Crouch was unsure whether this would result in a change.³¹⁰

3.154 Similarly, Mr Capes said the WAFL clubs had long agreed the drafting age was too young.³¹¹ While he did not wish for players who were ready to be drafted to be held back, an older drafting age, he said, could allow younger players to develop in ways they otherwise might not.³¹²

309 Mr Simon Moore-Crouch, Executive Manager, Talent and Commercial, WA Football Commission, *Transcript of Evidence*, 19 August, 2020, p. 22.

310 Ibid.

311 Mr Peter Capes, CEO, Subiaco Football Club, *Transcript of Evidence*, 24 August 2020, p. 6.

312 Ibid.

3.155 Mr Birmingham of the PFL agreed there would be benefits for community football in an older drafting age. He noted the

disappointment factor with the talent pathway and that dream flickering out. There are some other big challenges in that youth transition pathway that are not just talent; they relate to school distractions.³¹³

3.156 Grant Donaldson noted the issue of players who may not have fully developed in a physical sense playing against older men, saying ‘there will be times when you need a 22-year-old body, who has played against men for four years, to be slotted in.’³¹⁴ Mr Donaldson told us: ‘I personally think it is a pretty extraordinary thing that 18-year-old kids are running around. It just does not happen in any other physical contact sport like AFL, anywhere—not against men.’³¹⁵ He said: ‘I personally think it is not necessarily a good thing, but do not get me started on that.’³¹⁶

3.157 The State’s two AFL clubs took differing approaches to the issue. Mr Nisbett said he too had concerns over the current drafting age, and his club had ‘always been very clear’ that 18 was too young, and lifting it would benefit

the majority of young people—because it gives them an opportunity to go to university for 12 months, start an apprenticeship, do something else other than be drafted and taken across the country. And some of these guys are lost to football.³¹⁷

3.158 Simon Garlick of Fremantle, on the other hand, said: ‘I do not discount the potential of raising the draft age having a positive impact, but I do not know if it is the panacea.’³¹⁸ However, he concluded that ‘We are certainly happy to participate in an industry discussion and to really assess the full impact of changing the draft age in the entire football system.’³¹⁹

3.159 It is important to note that the drafting age is not set by the WAFC. This responsibility sits with the AFL. However, the Committee is persuaded by the view that the social benefits of raising the draft age would likely outweigh any negative impacts, particularly when considering the opportunity costs of an incomplete education. In any case, mechanisms could be put in place to ensure any such change did not put at a disadvantage those who were deemed by certain criteria to be ‘ready’ to begin their careers at a younger age.

3.160 The Committee does not propose a particular drafting age. This is something that should be determined after conducting the necessary research and consultation, and should take into consideration matters such as allowing for physical and mental development, and opportunities for further education and training.

313 Mr Sam Birmingham, President, Perth Football League, *Transcript of Evidence*, 31 August 2020, p. 12.

314 Mr Grant Donaldson SC, *Transcript of Evidence*, 23 September 2020, p. 8.

315 Ibid.

316 Ibid.

317 Mr Grant Nisbett, CEO, West Coast Eagles, *Transcript of Evidence*, 16 September 2020, p. 13.

318 Mr Simon Garlick, CEO, Fremantle Football Club, *Transcript of Evidence*, 16 September 2020, p. 14

319 Ibid.

Finding 46

A number of witnesses agreed the current drafting age was too young, and ignores the potential developmental and educational costs to young people.

Recommendation 16

The DLGSC and WAFC should work together to arrive at a more appropriate older drafting age to promote to the AFL, recognising the benefits of allowing draftees greater development as individuals rather than merely as footballers.

Chapter 4

The process to elect the WAFC board is complex, and unreflective of WA football as a whole

The election process for WAFC Commissioners, West Coast Eagles and Fremantle Football Club board members is considered by many to be secretive, shrouded in mystery, potentially conflicted and requires total transparency and a thorough investigation.

Ron Alexander AM³²⁰

The WAFC is a not-for-profit incorporated association governed by a voluntary board of Commissioners

- 4.1 In this Chapter we look at the structure and electoral processes of the WAFC. We consider the challenges in the current electoral process, report on witnesses' concerns, and offer some potential improvements.
- 4.2 The WAFC is a not-for-profit organisation, governed by a voluntary board of Commissioners, and constituted as an Incorporated Association.³²¹ At the time of writing there are eight serving Commissioners, including a Chair and Deputy Chair.
- 4.3 Under its Constitution, the WAFC's membership consists of Ordinary Members and Nominee Members. Ordinary Members are the WAFC Commissioners themselves, while Nominee Members include one appointee each from WA's two AFL clubs, and one from each of the nine WAFL clubs, totalling 11 Nominee members. These Nominee members, who must all be the Chair, President or equivalent of their respective clubs, attend and can vote on resolutions at General Meetings, and can also vote to elect Commissioners.³²²
- 4.4 Besides the designated WAFC members, the other key group noted in the WAFC's Constitution is the Affiliated Associations (Affiliates), namely, the Metropolitan Football League; Perth Football League; WA Country Football League; WA Women's Football League; AFL Masters Football League; Metropolitan Regional Development Councils; and non-Metropolitan Development Councils.
- 4.5 The Affiliates pay a fee to the WAFC and are bound by its rules.³²³ While they do have some voting rights for the selection of Commissioners, as well as representation on the Community Football Advisory Council, Affiliates cannot vote on WAFC resolutions, such as

320 Submission 10, Ron Alexander AM, p. 2.

321 WA Football Commission Inc., *Constitution*, (endorsed) 12 June 2019, Article 4.3, p 5; WA Football Commission, *Strategic Plan 2017-2022*, p. 2.

322 Submission 2, Department of Local Government, Sport and Cultural Industries, p. 2.

323 Ibid.

those required to confirm appointments of WAFC Commissioners. We now turn to explain this process further.

The WAFC board election process is overly complex and convoluted

4.6 The appointment of a new Commissioner usually follows an election process.³²⁴ This process is highly complex, but involves three key stages: a shortlisting of candidates; an initial postal ballot; and a subsequent secret ballot to confirm an appointment (see Figure 4.1). While there can be circumstances where complicating factors arise, to avoid unnecessary confusion we summarise below the essential points in a typical process, such as that proposed for the 2020 Commissioner Elections.

4.7 First, the board seeks expressions of interest (Eols) for new Commissioners, and appoints an independent Returning Officer (who cannot be a serving board member or WAFC employee) to oversee the election process. Once received in the agreed timeframes, the Eols are sent to Nominee Members, Ordinary Members, Affiliates, and the Nomination Committee, the last being established to consider the Eols and to recommend a short list of candidates (Recommended Candidates) to the WAFC board.

4.8 The board then meets to decide which of the Recommended Candidates to endorse (Endorsed Candidates), and to include on the ballot paper for a postal vote by both Members and Affiliates. Once the Endorsed Candidates have been decided, the WAFC distributes postal ballot papers. The WAFC told us that:

Between the distribution of the ballot papers and the close of voting it is the usual practice to invite the Endorsed Candidates to participate in an interview which may be attended by any representatives of any organization entitled to vote in the ballot.³²⁵

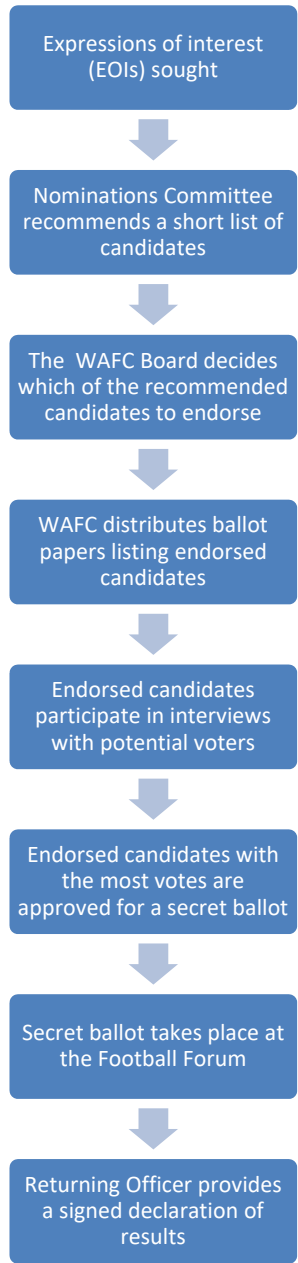
4.9 At a general meeting of the Commission, known as the Football Forum, the Returning Officer provides a signed declaration of the postal ballot's outcome to the Forum Chair. The Endorsed Candidates with the highest number of votes are then approved (Approved Candidates) for the third, secret ballot, stage of the election process. The number of Approved Candidates will depend on the number of existing vacancies.

4.10 The Football Forum Chair then proposes separate resolutions for the Approved Candidates to be considered as potential Commissioners by Nominee Members, through an ordinary resolution by secret ballot. This vote takes place at the Football Forum. The Returning Officer then tallies the votes and, if the resolution(s) is passed, provides a signed declaration of the results to the Football Forum Chair, and the name of the Approved Candidate(s) as the newly appointed Commissioner(s).

324 'Usually', because if the number of Commissioners falls below the minimum required (being four), or a casual vacancy arises, the board can make an appointment.

325 WA Football Commission, Response to Questions on Notice and Further Questions, 17 September 2020, p. 52.

Figure 4.1: WAFC board election process



4.11 Before we look more closely at the representativeness of the vote and the WAFC board, we wish to make the point that this process appears to be highly convoluted and, considering the self-evident importance of transparency in such exercises, probably unnecessarily so.

Finding 47

The process of electing WAFC Commissioners to the board is overly complex and raises questions about the transparency of the process.

The apportioning of voting rights is skewed in favour of the major players

4.12 Having outlined the stages in the election process itself, we now look at how voting rights are apportioned among those involved.

The Nominations Committee

4.13 The Nominations Committee consists of six ‘Representatives’. These include two WAFC Commissioners (including the Chair); the current chairs or presidents of the two AFL clubs; the current president of the WAFL Council of Presidents; and the current chair or president of the Community Football Advisory Council, the last being ‘established by the Commission to represent Football competitions in Western Australia (other than the AFL and the WAFL Competition)...’.³²⁶

4.14 In other words, of the six Representatives on the Nominations Committee tasked with recommending a short list of candidates, four come from existing Commissioners and the two AFL clubs that are solely owned by the WAFC.

The Postal Ballot

4.15 Once the WAFC board endorses candidates recommended by the Nomination Committee, and the postal ballot takes place, the allocation of votes is: Ordinary Members have 20 percent; the two AFL clubs each have 20 percent; the nine WAFL clubs have a combined total of 30 percent, with each receiving an equal number of votes; and the seven Affiliates have a combined total of 10 percent.

4.16 That is, again, 60 percent of the vote is held by the existing Commissioners and the two WAFC-owned AFL clubs. Moreover, the 10 per cent allocated to the Affiliates is such that approximately three percent sits with the PFL and the WACFL, and the remaining Affiliates have approximately one percent each.

Table 4.1: Allocation of votes

Voter	Percentage of votes
Ordinary members	20%
Indian Pacific Ltd. (West Coast Eagles)	20%
Fremantle Football Club	20%
WAFL clubs	30%
Affiliates	10%
Total	100%

The Secret Ballot

4.17 Finally, a secret ballot is held at the Football Forum to confirm the successful candidates(s). The voting breakdown at this stage (Table 4.2) follows that of ordinary resolutions under the WAFC Constitution, such that the nine WAFL clubs share 50 percent, each receiving an equal number of votes; and the two AFL clubs each receive 25 per cent of the vote. Notably, the

³²⁶ WA Football Commission Inc., *Constitution*, (endorsed) 12 June 2019, p. 2.

Affiliates, being non-members, take no part in the final stage of the process in which the Commissioners are confirmed.

Table 4.2: Allocation of votes for all resolutions

Voter	Percentage of votes
WAFL clubs	50%
IPL (West Coast Eagles)	25%
Fremantle Football Club	25%
Total	100%

4.18 The WAFC informed us that ‘At no stage within the election process are any of the votes non-binding.’³²⁷ This is true. However, the secret ballot to confirm candidates only involves the two AFL clubs and the nine WAFL clubs, so the Affiliates have no vote at this stage.

4.19 In the following section we weigh the evidence we heard on the process to appoint Commissioners to the board. But first we want to re-iterate this point: in the key phases of the process to elect Commissioners to care for and develop WA football, the WAFC itself and the two AFL clubs together hold a 60 percent share of the postal ballot vote. By comparison, the seven Affiliates, representing the large majority of WA footballers, share between them a 10 percent share in the postal ballot and take no part in the final vote.

Finding 48

The two AFL teams, major businesses in their own right, and their owner, the WAFC, together hold a 60 percent postal ballot voting share for the WAFC board.

Finding 49

All Affiliates together share just 10 percent of the postal ballot voting rights for the WAFC board, and have no say in the secret ballot.

Witnesses agreed the WAFC’s electoral model can be improved

4.20 Witnesses generally agreed that the current model for electing Commissioners did not sufficiently represent WA football. Some also saw amending this situation as an issue of priority.

4.21 Affiliate groups were, not surprisingly, strongly opposed to the limits on their ability to give voice to their respective organisations. Mr Sam Birmingham of the PFL, who generally spoke favourably of the WAFC, said that given the current apportionment of votes for the WAFC, the distribution of power in the WAFC was not in balance: ‘Plainly, it is not equitable. It is not representative of football.’³²⁸

327 WA Football Commission, Response to Questions on Notice and Further Questions, 17 September 2020, p. 52.

328 Mr Sam Birmingham, President, Perth Football League, *Transcript of Evidence*, 31 August 2020, p. 9.

- 4.22 In his submission for the PFL, his view was: ‘the membership and overarching governance model of the WAFC must be reformed to better represent the existing mix of football stakeholders at all levels across Western Australia.’³²⁹ When asked whether Affiliates should be made members of the WAFC, Mr Birmingham replied: ‘Yes, undeniably’.³³⁰
- 4.23 Mr Wolfenden, representing the metro RDCs, largely shared this view. Mr Wolfenden, who also generally spoke highly of the WAFC, suggested the share of voting rights held by the RDCs was unsatisfactory. He said it ‘beggars belief that we, as one of the largest, arguably, footprints across the football landscape, only have one per cent of a vote.’³³¹
- 4.24 For the RDCs, the governance model of the WAFC was the ‘biggest issue that faces Community Football, and the game as a whole’. The key issue, as they saw it, was not only the convoluted nature of the voting system, but that it ‘does not give community stakeholders any voting rights.’³³² ‘Accordingly’, the RDCs said, the large number of players represented by the Affiliates ‘have no ability to effectively influence who sits on the WAFC Commission, and the decision-making process.’³³³
- 4.25 AFL Masters WA likewise submitted that
- the current governance structure needs attention, as there is no means or opportunity for community stakeholders to vote for commissioners that are responsible for decisions regarding the largest population of participants in the WA football family.³³⁴
- 4.26 Tellingly, the WAFC Chairman largely accepted these views. When it was put to him that Affiliates might feel they lack weight in electing Commissioners, Mr Martin acknowledged that the
- point has been made forcefully to us and it is a good point, because if you look at the number of the people playing football in Western Australia, the affiliates and the amateurs are under-represented, and that is something we want to address.³³⁵
- 4.27 In another hearing, Mr Grant Donaldson said that although the current model ‘where the commissioners have gone through a process of effectively being appointed by the two AFL clubs ... is not the worst model in the world’, he acknowledged that ‘if I were at a WAFL club or busting my gut in junior development or amateurs I would not feel as though I was particularly represented in that.’³³⁶

329 Submission 20, Perth Football League, p. 7.

330 Mr Sam Birmingham, President, Perth Football League, *Transcript of Evidence*, 31 August 2020, p. 9.

331 Mr Geoffrey Wolfenden, Chairperson, Metro South Regional Development Council, *Transcript of Evidence*, 23 September 2020, pp. 3-4.

332 Submission 16, Metropolitan Regional Development Councils, p. 6.

333 Ibid.

334 Submission 4, AFL Masters WA, p. 2.

335 Hon Wayne Martin AC QC, WA Football Commission, *Transcript of Evidence*, 19 August 2020, p. 29.

336 Mr Grant Donaldson SC, *Transcript of Evidence*, 23 September 2020, p. 5.

4.28 Both Mr Nisbett of West Coast and Mr Garlick of Fremantle accepted that, especially regarding the Affiliates, a change in the voting rights for appointing new members should be on the Commission's agenda.³³⁷ Mr Garlick said

I think the 20 percent voting rights [for] the AFL clubs ... is appropriate, given it allows for us to have an influence without having any sort of majority, but we would certainly be open to looking at how it might be rebalanced.³³⁸

4.29 Mr Dennis, in the joint WAFL club hearing, also said the current election process was inadequate. 'The way this has been crafted, where the board members have self-imposed membership to the incorporated body, I just do not think is fair nor reasonable.'³³⁹

4.30 Others went further. Mr Panizza likened the current distribution of voting rights to 'Big Brother ... telling everybody else what to do'.³⁴⁰ Mr Panizza also said Affiliates should be members of the WAFC.³⁴¹

4.31 More alarmingly, Mr Alexander submitted that the WAFC election process 'is considered by many to be secretive, shrouded in mystery, potentially conflicted and requires total transparency and a thorough investigation.'³⁴² As such, he suggested that 'Appointments appear to be controlled in a manner that could restrict meritorious candidates and the overall progress and development of Western Australian Football.'³⁴³

4.32 Moreover, Mr Alexander said it was in fact hard to know exactly how the election process unfolds in practice 'because there is no transparency'. As he put it, 'No-one tells you who is on these panels, no-one tells you who nominated who and no-one tells you who else would have liked to have gone on there and did not get a nomination.'³⁴⁴

4.33 Mr Alexander suggested that parts of WA Football are controlled by a small group of people. This, he suggests, is an outcome of the process itself, which opens 'the opportunity for the system to be gamed.' This system was, he said, not necessarily corrupt, but it was open to exploitation if powerful players could exercise influence through a large voting share. This situation was, he said, something governments should be concerned about.³⁴⁵

4.34 We note that when it was put to him whether West Coast in fact control WA Football, Mr Nisbett noted that as

one of the biggest clubs in the country ... there may be some perception that we do have a firm hand on the control of football in this state, but we do not; we are part

337 Mr Grant Nisbett, CEO, West Coast Eagles, *Transcript of Evidence*, 16 September 2020, p. 12.

338 Mr Simon Garlick, CEO, Fremantle Football Club, *Transcript of Evidence*, 16 September 2020, p. 12.

339 Mr Jeff Dennis, CEO, Swan Districts Football Club, *Transcript of Evidence*, 24 August 2020, p. 13.

340 Mr Darrell Panizza, *Transcript of Evidence*, 31 August 2020, p. 9.

341 Ibid.

342 Submission 10, Mr Ron Alexander AM, p. 2.

343 Ibid.

344 Mr Ron Alexander AM, *Transcript of Evidence*, 24 August 2020, p. 3.

345 Ibid.

of the system and we work in a really brutal industry at AFL level to do the best we possibly can both on and off field.³⁴⁶

- 4.35 Clearly, this is a process that is seen by major industry players as unsatisfactory and in need of amending in order to be more representative. We now turn to what witnesses thought could be done to ameliorate the problem.

Finding 50

The WAFC election process leaves significant segments of WA football lacking appropriate representation.

Finding 51

The process for nominating and appointing the WAFC board creates a power imbalance in the current WAFC membership.

Finding 52

Though the Affiliates, representing a large participation base, have voting rights for the selection of the Commissioners, they are not WAFC members and have marginal influence on the WAFC.

Witnesses disagreed on where the problem lay

- 4.36 Though witnesses largely agreed there was a problem, there was less agreement as to what exactly this problem was.
- 4.37 For some Affiliate groups, there was disproportionate power in the hands of WAFL clubs. The RDCs said the current model meant ‘that a vocal minority (the WAFL clubs), have too great a say, and too great an influence on Commissioners.’³⁴⁷
- 4.38 Likewise, for the PFL, the current voting model ‘means that the eleven WAFC members (nine of which are WAFL clubs which collectively contribute a meagre [approximately] 1% of total football participation across the State) effectively control the Commission.’³⁴⁸ In the PFL’s view, it is the proportion of the vote held by the WAFL clubs, not the two AFL clubs, that is most problematic.³⁴⁹ Indeed, the overall thrust of the PFL’s evidence was generally supportive of the WAFC, and critical of the influence currently held by the WAFL within WA football.
- 4.39 Mr Alexander, on the other hand, emphasised the combined weighting of votes towards the WAFC and the two AFL clubs, and in particular the influence of the latter. He said the current election process meant that, ‘West Coast or Fremantle determine who they would like to

346 Mr Grant Nisbett, CEO, West Coast Eagles, *Transcript of Evidence*, 16 September 2020, p. 9.

347 Submission 16, Metropolitan Regional Development Councils, p. 6.

348 Submission 20, Perth Football League, p. 7.

349 Ibid.

nominate, then send their nomination through to the footy commission, who, as I understand, generally tick it off.’³⁵⁰ He continued:

you could argue that the footy commission is electing the two [AFL team] boards and the two [AFL team] boards are electing the football commission. That does not seem to be particularly fair when the [two AFL team] clubs between them have 148 000 members and not a single one of them gets a vote.³⁵¹

4.40 We discuss the election of the AFL club boards below.

4.41 The WAFL clubs, in their turn, saw the 20 percent voting share of the WAFC itself as perhaps the most problematic element in the process. Mr Dennis told the Committee bluntly that the WAFC’s ‘20 percent vote of who gets on that board should not be there.’³⁵² Elsewhere, Mr Dennis said that ‘WAFC Board members should not be members of WAFC Inc.’³⁵³

Witnesses disagreed as to what changes should be made

4.42 Unsurprisingly, differing views on what the key problems with current model were led to different suggestions about what could be done to fix it.

4.43 Although Mr Wolfenden insisted that the current voting model needed to be looked at, he did not suggest an alternative model. Rather, he said the model needed to be ‘more reflective of the largest segments in the game’. He rejected the idea that the WAFL clubs should lose any proportion of their votes.³⁵⁴

4.44 Mr Birmingham on the other hand was forthright in calling for a reduction of the WAFL current voting share. He accepted that one option for reform would be to reallocate the WAFC’s voting share, and advocated a model where the WAFC’s board had appointed positions, given the importance of diversity on boards and also skill sets.³⁵⁵ He said the Affiliates’ share of the vote should be ‘significantly’ enlarged beyond the current ten per cent.³⁵⁶

4.45 However, for Mr Birmingham, the ‘the low-hanging fruit and the obvious change in terms of proportionality is still the WAFL.’ Referring to the WAFL clubs, he said ‘it does not make sense that 30 percent of the voting right sits with one percent of the participation.’³⁵⁷ He suggested a more equitable figure would be 10 percent, a figure he said ‘is still massively over-indexing but recognises that it is still an important part of the state league.’³⁵⁸

350 Mr Ron Alexander AM, *Transcript of Evidence*, 24 August 2020, p. 3.

351 Ibid.

352 Mr Jeff Dennis, CEO, Swan Districts Football Club, *Transcript of Evidence*, 24 August 2020, p. 13.

353 Submission 6, Swan Districts Football Club, n.p. [p. 4].

354 Mr Geoffrey Wolfenden, Chairperson, Metro South Regional Development Council, *Transcript of Evidence*, 23 September 2020, p. 12.

355 Mr Sam Birmingham, President, Perth Football League, *Transcript of Evidence*, 31 August 2020, p. 9.

356 Ibid.

357 Ibid., pp. 20-21.

358 Ibid., p. 20.

4.46 Mr Travis Burrows of South Perth Junior Football Club also had a view on the weighting of votes for commissioners, and whether Affiliates should be members of the WAFC. He told us that

It would certainly help if people had the opportunity to have their say on how the game is run. The world does not revolve around the two AFL clubs and the WAFL. We should remember also that a lot of those community clubs, which the juniors are part of, but particularly the juniors in this case, are the future of the game.³⁵⁹

4.47 The WAFL clubs took a different view. While Mr Dennis of Swan Districts accepted that the 10 percent voting share for Affiliates was not representative, he emphasised that any redistribution of voting rights should instead be taken from the WAFC's 20 percent share.³⁶⁰

4.48 Mr Birmingham's suggestion to reapportion the voting share of the WAFL clubs seemed to be based in large part on the idea that WAFL voting rights should be proportionate to their participation figures.³⁶¹ When the Committee put it to him that, by the same logic, the two AFL teams were also over-represented in voting rights for the board, Mr Birmingham appeared to accept the argument.³⁶²

4.49 We also note that the PFL, as an amateur competition dependent on participant fees and volunteer-based events, operates under a different financial model to the WAFL clubs. The WAFL clubs, by contrast, with just nine clubs, rely primarily on attendance and sponsorship arrangements. The WAFL clubs' revenue has been affected by the introduction of the AFL clubs in a way the PFL has not. We believe that both leagues are important to football, but they are fundamentally different. Both should be afforded the chance to be represented appropriately.

4.50 In any case, the arguments presented by the PFL rely on a zero-sum approach such that the only way to strengthen the representation of one vital segment of football is to diminish another. The Committee does not accept this trade-off. We heard more appealing and equitable alternatives to the current voting model for selecting football Commissioners over the course of the inquiry.

4.51 Mr Donaldson suggested that a model preferable to the current system, though not without potential risks, would be to have direct representation of stakeholders on the WAFC board. He gave the example of WAFL clubs or Junior Development Councils having their own direct representatives.³⁶³

4.52 Most suggestions we heard assumed the maintenance of the current number of Commissioners on the WAFC board. However, in answer to a proposition from the Committee about increasing the number of WAFC Commissioners, rather than drawing

359 Mr Travis Burrows, President, South Perth Junior Football Club, *Transcript of Evidence*, 24 August 2020, p. 5.

360 Mr Jeff Dennis, CEO, Swan Districts Football Club, *Transcript of Evidence*, 24 August 2020, p. 16.

361 Mr Sam Birmingham, President, Perth Football League, *Transcript of Evidence*, 31 August 2020, pp. 20-21.

362 *Ibid.*, p. 21.

363 Mr Grant Donaldson SC, *Transcript of Evidence*, 23 September 2020, p. 4.

down existing votes of another party, Mr Nisbett of West Coast said this would pose no impediment to the workings of the board.³⁶⁴

4.53 Indeed, Mr Nisbett suggested an expansion of board numbers ‘might be the opportunity that the commission would look at to try and involve some of the stakeholder representatives’. Though he expressed the need for caution in not allowing stakeholders to undermine the independence of the WAFC, he accepted that the ‘diversity, with an increase in numbers, would certainly assist.’³⁶⁵

4.54 We think there is much value in the WAFC reconsidering the election process for board members. The process is too important to be left open to accusations that it is unrepresentative, and lacking in transparency. Unfortunately, the current process makes it easy for such suggestions to sound plausible.

4.55 We of course understand the importance of the AFL and the WAFC board members in the WA football ‘ecosystem’. However, the current system simply seems to give too much weight to these members, at the expense of a more prominent voice for other organisations involved with the community. Increasing board numbers might allow the key issue of representation to be resolved in a way that does not seemingly penalise another group.

4.56 Needless to say, **any** appointed Commissioner, despite any other commitments they might have, will always have an obligation to make decisions in the interest of all WA football, and accordingly they should receive adequate training to equip them with the necessary skills to do so.

4.57 Finally, we note that ‘Governance’ was rightly listed as one of the WAFC’s ‘Future Focus Areas’. Its key areas were:

(1) Review outstanding constitutional changes recommended by the Boston Consulting Group (BCG) Structural Review of Football; (2) Review of the number and identity of Nominee Members (voting rights) under the Constitution; and (3) A more formal structure for the WAFL Council of Presidents and WAFL Management Committee as provided in the WAFC Constitution.³⁶⁶

4.58 The Committee is cautious about becoming too involved in technical matters that football alone should be leading. Yet, considering the substantial amount of State funding involved, and the issues we have heard in this inquiry, we are comfortable in making the following recommendations for the WAFC to consider as part of its ‘Future Focus’, in order to give more stakeholders a greater voice at the decision-making table.

4.59 The Committee’s view is the WAFC should consider alternative approaches, including models in other jurisdictions. Whatever the means, it is important the goal is a more representative board composition, including the potential for key stakeholders to be apportioned nominations or have direct representatives. To this end we offer the following points for consideration as components of one possible model for an alternative board structure:

364 Mr Grant Nisbett, CEO, West Coast Eagles, *Transcript of Evidence*, 16 September 2020, p. 12.

365 Ibid.

366 Submission 17, WA Football Commission, p. 17.

- Increase the number of Commissioners to 10, such that the two AFL clubs nominate one Commissioner each, and the 9 WAFL clubs together nominate two Commissioners;
- One Commissioner nominated by Perth Football League;
- Two Commissioners nominated by the WA Country Football Leagues;
- Three Commissioners nominated by other Affiliates on a rotating basis;
- And the Chair of the WAFC should be appointed by the Commissioners.

Recommendation 17

The WAFC Constitution should be amended so that:

- Commissioners cannot be members of the WAFC.
- Affiliates become members of the WAFC.

Recommendation 18

The WAFC should reform the board's nomination and election processes to ensure it more fully represents the various stakeholders and the wider football community, including the need for greater representation from the various Affiliates.

Suggested reforms include:

- Existing Commissioners should have no role to play in appointing new Commissioners.
- There should be term limits on WAFC board appointments.
- Employees of WAFC, the two AFL Clubs, and the WAFL clubs and Affiliates should not be able to be appointed as Commissioners.

Recommendation 19

Any appointed Commissioner, while they may be a 'representative' of the 'body' that nominated them, must operate with full cognisance that they have an obligation to make decisions in the interest of football in WA. To facilitate this, all incoming Commissioners should receive appropriate board training.

Recommendation 20

That the Minister and the DLGSC monitor the WAFC's responses to all recommendations directed at the WAFC. If they deem the WAFC's responses to be insufficient, the Minister and the DLGSC should reconsider funding arrangements.

AFL Club boards are not member-elected

4.60 A closely related issue raised during the inquiry was the process for electing the boards of WA's two WAFC-owned AFL clubs. Both clubs, as we have noted before, are dominant features of the football landscape, and are major entities in their own right. West Coast has in the order of 100,000 members, and Fremantle has over 50,000 members.

4.61 As far the Committee could determine, within the AFL competition, the two WA clubs are unique in that their boards are filled solely on the basis of appointments (though Fremantle did feature member elections until recent years). Other AFL clubs have at least some board members elected by club members. A question for the Committee was how the two WA teams justified this situation.

4.62 Mr Garlick told the Committee that in most of the 15-year period when Fremantle did have member-elected directors, elections did not in fact take place due to a lack of nominations. He said the last election, in 2012, saw just 2,000 votes cast, which

represented less than seven percent of the eligible voting membership base that could cast a vote, and that was in a year when the election voting numbers were considered as relatively high...³⁶⁷

4.63 Mr Garlick rejected the idea that members are excluded from club matters in a 'clandestine manner'. Rather, he said Fremantle now operates in a way more in tune with the contemporary business environment. In fact, Mr Garlick continued, the Victorian AFL clubs are now shifting to 'board-appointed structures'.³⁶⁸ Rather than being a 'sort of cynical grab for control or to keep the club in the hands of an exclusive group' Mr Garlick said this shift

is rather to keep up with the demands of what is a fast-paced and competitive industry. We are now complex organisations that need expertise, diversity and capability across more than just football. We are media and entertainment and communications companies. We need expertise and capabilities across complex commercial deals and arrangements...³⁶⁹

4.64 Though Mr Garlick recognised some club members might take issue with the arrangement, he said

[t]here are specific mechanisms through which our members can look to submit an interest to join the board. It is done so in a measured and contemporary manner that looks to provide the best outcome for the club.³⁷⁰

4.65 For his part, Mr Nisbett said 'in my time at West Coast we have not had elections and it has proved fantastic for our football club.'³⁷¹ He continued:

We have been able to engage outstanding directors via the West Australian Football Commission and the nominations committee. We have been able to get people engaged with the right skill sets. It has been a highly successful system.³⁷²

4.66 Mr Donaldson shed some light on past processes at Fremantle, and said 'I thought that we were incredibly enriched by the member-elected process when I was on the board.'³⁷³ However, he also raised some caveats: 'The other side of elected club boards is you may well

367 Mr Simon Garlick, CEO, Fremantle Football Club, *Transcript of Evidence*, 16 September 2020, p. 6.

368 Ibid.

369 Ibid.

370 Ibid., pp. 6-7.

371 Mr Grant Nisbett, CEO, West Coast Eagles, *Transcript of Evidence*, 16 September 2020, p. 7.

372 Ibid.

373 Mr Grant Donaldson SC, *Transcript of Evidence*, 23 September 2020, p. 12.

end up with what has happened in Victoria, where they are very political.’ He gave the example of clubs where ‘all directors are member-elected’ and ‘who have very high profiles and then tend to run them as their own fiefdom. I think that is a very undesirable thing. The two WA clubs have been well managed because that has never happened here.’³⁷⁴

- 4.67 Mr Donaldson said he was not in favour of all board members being elected but he noted ‘the people who were member-elected directors when I was on the board I thought were fantastic, and I thought it was a good thing.’³⁷⁵ This too could be seen as an argument for more member involvement in the election process, not less.
- 4.68 The above statements raise a number of interesting points on a complex matter, and we of course agree that selecting individuals on the basis of their skills and expertise is necessary. We make the following observations in response. Mr Garlick noted the low participation rate at the most recent Fremantle election. He seemed to suggest this was one reason why member-elected boards are falling out of favour. Yet, it is not overly surprising that participation would be low when members are not required to vote. In this light, another way to view the situation is that it was the club’s responsibility to do more to encourage members to vote.
- 4.69 Moreover, as Mr Donaldson suggested, part of the reason for the low participation rate might have been a perception on the part of voters that certain high-profile candidates were, in any event, unbeatable.³⁷⁶
- 4.70 Beyond this, the election process for the AFL clubs returns us to the bigger issue. As outlined above, at present the AFL clubs have a substantial say in voting for the WAFC board. As we have also outlined, the same clubs cite their significance within WA football as a rationale for this representation. While we understand the logic in the argument Mr Garlick presented, it remains concerning that the membership of the AFL clubs have no vote for the clubs’ boards, or, by extension, the entity that then appoints AFL club representatives onto the WAFC. This only compounds our sense that the current arrangement – where two WAFC-owned AFL clubs, along with the Commissioners themselves, together hold a controlling vote on the WAFC board – is highly irregular.
- 4.71 There is in this situation another difficult balance. The AFL clubs are large and successful businesses and have certain obligations to fulfil. And yet, they are not simply any large business. They belong to a tradition in which the members of football clubs are involved in managing those clubs. This has been a vital feature of Australian football in the past, and a core component of community engagement. It is the Committee’s view that this aspect of the sport is to be advocated for, rather than dismissed as obsolete.
- 4.72 Finally, we reiterate that the two AFL clubs benefit from the current Optus Stadium arrangement, and from the State money put into their headquarters. The State therefore

374 Mr Grant Donaldson SC, *Transcript of Evidence*, 23 September 2020, p. 11.

375 Ibid, p. 12.

376 Ibid.

has an interest in ensuring that the football community more broadly sees the greatest possible benefit from this situation.

Finding 53

Neither of WA's two AFL clubs have board members who are elected by their membership. This makes them unique in the AFL.

Chapter 5

The WAFC's restricted approach to transparency has led to stakeholder distrust and dissatisfaction

There needs to be some transparency on where the money is going and who is determining that. There needs to be transparency on the spend.

Ron Alexander AM³⁷⁷

5.1 Throughout this inquiry and this report, we have had complicated dealings with the WAFC's approach to transparency. In this Chapter we will deal with these matters in some detail. This may involve some repetition of matters raised in other parts of the report, but we feel this is warranted because the sum of the matters is somewhat greater than merely the collection of the individual parts.

5.2 First we deal with the technical reporting and transparency requirements of the WAFC, especially those covered through the Funding Agreement. Then we look at how the WAFC uses its information, especially about participation. Finally, we draw some observations based on the evidence we received showing unhealthy levels of mistrust and dissatisfaction amongst football stakeholders.

The WAFC meets the standard and loosely defined reporting requirements of the Funding Agreement

5.3 As noted in Chapter 1, the key single mechanism for funding football in WA is the WAFC Funding Agreement. The parties to the Funding Agreement are the State of Western Australia, the AFL, and the WAFC. The agreement grew out of the practical requirements of moving AFL football to the new stadium. It replaced a set of High Level Principles which were established on 20 October 2017, and was finalised on 3 June 2019.

5.4 Under the Agreement, a determined set of calculations based on 'football revenue' and 'funding need' are used to formulate an annually adjusted figure to be provided to the WAFC. These calculations include the State's costs of operating the football stadium. 'Football revenue' is defined as:

The sum of all amounts received or receivable by the Operator [of the stadium] from or related to Football Events...including (without limitation):

- Stadium hire fee(s)
- Food and beverage revenues

377 Mr Ron Alexander AM, *Transcript of Evidence*, 24 August 2020, p. 13.

- Food and beverage supply volume rebates
- Merchandise revenues
- Ticketing fee rebates
- Signage revenue commercialised for Football Events only
- Any other revenues wholly related to a Football Event (for example, corporate suite sales for AFL Finals Series Matches).

5.5 'Funding Need' is defined as

WAFC's need for State funding for the funding, operation and development of community level participation in, and talent development pathways for, Australian Football in Western Australia including the State Leagues.

5.6 The amount provided is fixed at a base of \$10,947,000, CPI-adjusted for the first 10 years of the Agreement.

5.7 Under Clause 7.2 of the Agreement, the WAFC is required to provide financial year reports on or by 30 March of each year (the football financial year runs from 1 November to 31 October). Under Clause 7.3, it must provide an annual report on or before 28 February of the Funding Agreement. These reports must include:

- independently audited account information
- expenditure of funding information
- game development reports including reports on:
 - participation activities across all settings and population groups
 - membership and competition figures
 - coaching
 - umpiring
 - club and volunteer development.

5.8 Not surprisingly, the Funding Agreement is silent on how any of this material should be presented. Having assessed numerous annual reports (called Yearly Reviews), we are comfortable that they meet the requirements under the Funding Agreement. They include audited financial statements which meet the legal requirements. We saw no evidence that the auditors had ever qualified the WAFC's statements, or identified items of major concern.

5.9 The Annual Reviews also contain considerable commentary on performance, participation and, as is right and proper, significant football moments from the preceding year.

5.10 In addition, the WAFC reports to the Minister for Sport and Recreation, providing more detailed analysis of performance.³⁷⁸ These reports also outline responses to strategic goals.

378 Submission 17, WA Football Commission, Appendix 18.

Finding 54

The WAFC delivers the reporting required under the Funding Agreement. It provides Annual Reviews with audited financial statements, and more detailed reports to the Minister.

5.11 While we accept that the WAFC meets its prescribed reporting requirements, we were also interested in how that material was interrogated by the DLGSC on behalf of the Minister. We believe that rigorous assessment and questioning of performance data should be expected of the Department on behalf of the State. We understand that football in WA might not be the major concern of the Department – it must work with 88 sports, many of which are small and in need. Football on the other hand is prosperous and professional. It is, however, the recipient of substantial Government funding, as we saw in Chapter 2.

5.12 We found that the Department in effect assesses the structure of WAFC reporting – to determine that it meets the outlined areas laid out in the Funding Agreement – rather than assessing the merit or accuracy of the information reported. In answer to questions about assessing the reporting by the WAFC, the DLGSC told us that it did not formally assess the information provided. The Director General did, however accept that it would be possible to follow up more critically.³⁷⁹ We believe this is important to improving accountability. This is particularly important to ensure that WAFC makes the best uses of its information about players' wellbeing, as we discussed in Chapter 3.

Finding 55

The DLGSC does not rigorously review the information provided by the WAFC in its annual reviews or Ministerial reports. This limits the assurance and accountability that Government and the public should expect from the substantial investment in football.

Recommendation 21

The Minister should ensure that the DLGSC tests the quality and impact of WAFC reporting. This should include a focus on WAFC analysis of player wellbeing.

Witnesses were concerned that the WAFC's 2016 review was a fait accompli

5.13 As noted in Chapter 3, the WAFC carried out a major review in 2016, through the services of the Boston Consulting Group. A revised version of this report became the WAFC Strategic Plan 2017-202 (we will refer to both documents as the 'Plan'). Structural reviews are notoriously fraught with opportunities for division to arise. We cannot be certain of the process or the causality, but we found that this review was not perceived as straightforward or apolitical by many stakeholders.

379 Mr Duncan Ord OAM, Director General, Department of Local Government, Sport and Cultural Industries, Response to Questions in Notice and Further Questions, received 14 September 2020, pp. 2-3; *Transcript of Evidence*, 21 August 2020, p. 9.

- 5.14 It must be noted that the review identified relationship and perception issues in the industry already. The Plan recognised that the

The WAFC is perceived by some as not representing the interests of all of football and being too heavily weighted towards the AFL or the WAFL.³⁸⁰

- 5.15 It set a goal to 'Develop and seek endorsement of a revised WAFC governance model that more accurately represents the existing mix of WA football stakeholders'.³⁸¹ While we commend the WAFC on those intentions, we heard that stakeholders were not convinced that the review was open and actively inquisitive. When asked, two WAFL CEOs thought the report had been written up based on predetermined outcomes. Mr Capes believed that this was 'absolutely' the case.³⁸² Mr Dennis agreed:

We did, and it was a shame. I think it was evident through their selling process in order to sell a lot of the strategies within that report. It was very evident.³⁸³

- 5.16 We received a similar perspective from Mr Panizza. He told us

I reckon the last time we would have seen anybody in great mass was when the Boston report came out, when they came and told us that there was no money and we had to do these things and whatever else, and tried to sell to the country football fraternity that all football was going to become centralised and they were going to run it.³⁸⁴

- 5.17 While some witnesses believed the Plan was pre-ordained in some way, we must note that not all recommendations made by the Boston Group were adopted in the Plan. For instance, the Boston Group report called for a wholly separate Colts competition, with only six teams, entirely divorced from WAFL clubs. The WAFC did not believe that was the right way forward. Mr Martin told us

As a football commission, we rejected that recommendation because we believed inherently that the pathways and the districts and the model of the WAFL and the support that they can play in producing talent was warranted, but we needed to take an approach where we could also ensure that best practice aligned with AFL standards, a better injection of resources and, importantly, more money from the AFL through this model could ensure that it was going to be effective and really focused on having a more equal approach to each of the players.³⁸⁵

Perceptions about transparency and trust

- 5.18 In the hearing of WAFL clubs, Mr Dennis gave an overarching vision of dissatisfaction with the transparency of the WAFC:

380 WA Football Commission, *Strategic Plan 2017-2022*, p. 15.

381 Ibid.

382 Mr Peter Capes, CEO, Subiaco Football Club, *Transcript of Evidence*, 24 August 2020, p.9.

383 Mr Jeff Dennis, CEO, Swan Districts Football Club, *Transcript of Evidence*, 24 August 2020, p.9.

384 Mr Darrell Panizza, *Transcript of Evidence*, 31 August 2020, p. 3.

385 Hon Wayne Martin AC QC, Chairman, WA Football Commission, *Transcript of Evidence*, 19 August 2020, p. 24.

I suppose there is an ongoing concern that we, the WAFL clubs, have had, and this is something that is chatted amongst the WAFL clubs ad nauseam—just trying to get all the information, the detailed information. We understand that some things are under privilege and cannot be released, but there is a whole lot of information we feel that could be released. If we are all working off actual data, real data—not hype, not spin, and not, as was put forward, promotional figures—we are in a far better place to come up with a co-design approach to deal with challenges. That is an ongoing issue that we have, trying to get information—even information feeding into the recent innovation project. We came up with the modelling and we are trying to get the validation of some of the numbers put into the financial modelling inside those models. It is very, very difficult.³⁸⁶

5.19 In another context, Mr Capes raised the issue again. He believed there was a general lack of trust, whereby

all clubs have an issue and have had that discussion with the football commission about a lack of trust between the two parties, and the lack of trust, I think, stems largely from the accountability issues, the transparency of numbers, the transparency of roles and all our expectations. Probably a bit of that goes both ways—I acknowledge that—but we have been quite clear in the fact that there is a trust issue between clubs and the football commission, and I think it stems from a lot of those types of things.³⁸⁷

5.20 Mr Stewart, President of East Fremantle Football Club and Chair of the WAFL Council of Presidents, was hopeful things could improve. Still, he noted that all parties ‘have to move away from a dysfunctional relationship to how we can be honest and have trust’.³⁸⁸

5.21 There was a widely held view that the WAFC was remote from people ‘on the ground’. In many ways we expected to hear something like that; oversight bodies are often seen as distant. We were surprised that, with the exception of the two AFL clubs, this view was nearly consistent across all levels of the game.

5.22 Mr Burrows, president of a junior club, but also on the board of a WAFL club, certainly felt it was true. He asked:

Does the football commission listen to those bodies? I really do not know. I certainly do not see any reason to suggest that they necessarily do. I think they will tell you they do, but I do not think enough of them come down and have really watched enough junior football or observed enough junior football, community football, to see what goes on and understand the impact of the current compliance issues around match day setup and things like that that are forced onto clubs.³⁸⁹

386 Mr Jeff Dennis, CEO, Swan Districts Football Club, *Transcript of Evidence*, 24 August 2020, p. 14

387 Mr Peter Capes, CEO, Subiaco Football Club, *Transcript of Evidence*, 24 August 2020, p. 14

388 Mr Mark Stewart, President, East Fremantle Football Club, Chair WAFL Council of Presidents, *Transcript of Evidence*, 24 August 2020, p. 20.

389 Mr Travis Burrows, President, South Perth Junior Football Club, *Transcript of Evidence*, 24 August 2020, p. 5

5.23 Mr Panizza had a similar complaint, and told us that in his area

[we] probably have not seen anyone from the footy commission for as long as last year's grand final, which would have been September, which is nearly 12 months. In regard to that, I know that we use COVID-19 as "We can't get out of the city", or whatever, but the disconnection is there.³⁹⁰

Finding 56

Evidence provided by several witnesses showed there is a lack of trust between the WAFC and stakeholders, particularly WAFL clubs.

Financial figures

5.24 As we discussed in Chapter 2, a considerable sum is dedicated to administering and supporting the WAFL competition. However, the WAFL clubs were not confident in the figures produced by the WAFC.

The CHAIR: The WA Football Commission told us that they commit \$10.5 million on an annual basis to the WAFL clubs, \$5 million in cash distribution and \$5.5 million in its own operating costs. Does that seem correct to you?

Mr CAPES: No, Mr Chairman. I do not know where that number has come from. Their own figures are at \$7.98 million, even though we have asked quite often what that actually is about. The WAFL clubs get approximately \$4.5 million distributed between the clubs, so in my maths that leaves \$3.48 million that we are unsure about what gets spent and on what—and we have asked.

The CHAIR: And you have not got an answer?

Mr CAPES: No.³⁹¹

5.25 Mr Capes also told us that in his experience information about 'financials is closely guarded'.³⁹² Mr Donaldson, a long-time former director of the FFC, also spoke of his frustration with financial pronouncements of the WAFC:

That frustration was largely a result of my inability to understand where the money that was paid into the Football commission was actually spent. I used to look at the football commission's annual reports in those days and I could not understand from the accounts that were published where the very significant sums were spent.³⁹³

Finding 57

Several witnesses were concerned that the WAFC's financial statements and explanations were unnecessarily opaque, with up to \$3.48 million in expenditure unexplained to WAFL clubs' satisfaction.

390 Mr Darrell Panizza, *Transcript of Evidence*, 31 August 2020, p. 2.

391 Mr Peter Capes, CEO, Subiaco Football Club, *Transcript of Evidence*, 24 August 2020, p. 14.

392 Ibid., p. 16.

393 Mr Grant Donaldson SC, *Transcript of Evidence*, 23 September 2020, p. 2.

Recommendation 22

The Minister and the DLGSC should work with the WAFC to ensure there is greater clarity about the impact and effectiveness of expenditure allocated to the WAFL and other parts of the football ecosystem.

Participation figures

5.26 The use of participation figures is an ongoing practice across the sporting world. When many people and sports are seeking attention and wanting to increase their game's pulling power, and its financial attraction for Government and other sponsors and investors, it is important to be able to show how many people are involved in your game. The WAFC uses these figures much like other sports. And much like other sports, they are an almost inexplicable matter. As we saw in Chapter 3, the reported numbers for participation in football in WA are high, and getting higher. The WAFC claims that WA is leading the way. We have a couple of issues with these figures, and their use.

5.27 First, the WAFC itself admits that general participation numbers are not particularly accurate or meaningful. The CEO of the WAFC, Mr Taylor told us that the trumpeted figure which states that 346,000 people 'participated' in football should be seen as 'a promotional number'. He went on to say that the figures around club membership were more important to the Commission,³⁹⁴ but reading any recent Annual Review would lead one to think otherwise.

5.28 Second, there were several comments from witnesses that suggested no one really believes the stated participation figures matched actual participation. Other witnesses were well aware of the issue, and not taken with the concept of inflated figures.

5.29 Mr Donaldson spoke of his exasperation with the figures:

I just cannot remember now how many sessions I sat through and had it explained to me how participation numbers were fantastic and higher than they had ever been. I could never understand the basis upon which those assessments were being made. Have you had it explained to you? You have double counting ...I was going to say, triple counting means one—I do not know. I have given up. It just was not necessarily being reflected in what I saw.³⁹⁵

5.30 Mr Donaldson returned to his unease with participation figures:

Whenever I asked for an explanation, I could never understand the explanation. Maybe that is just part of the way it is done, I do not know. But I think it is good to be able to measure success on all things that an institution is responsible for. Maybe the football commission says they do measure it and they are doing well, but I could never understand what the measurements were.³⁹⁶

394 Mr Gavin Taylor, CEO, WA Football Commission, *Transcript of Evidence*, 19 August 2020, p. 9.

395 Mr Grant Donaldson SC, *Transcript of Evidence*, 23 September 2020, p.3.

396 Ibid., p.4

5.31 Mr Panizza asked rhetorically, ‘why are you counting the same kid five times?’, before telling us that his own son was counted that many times.³⁹⁷

5.32 Swan Districts made the most fundamental claim about the figures and their use:

The WAFC often misrepresents its achievements to validate its central business model. An example of its ‘smoke and mirror’ statistics on football development is in the way it emphasises football participation growth.³⁹⁸

5.33 Mr Alexander noted similar concerns:

I am a professional sports administrator and I know some of the tricks because they have promotional numbers. Have you heard of promotional numbers?

The CHAIR: Yes.

Mr ALEXANDER: Well, you are up-to-date; that is very good. You play at Mt Lawley, Hamer Park, and then school plays and then you are in an elite squad—that is three! They do not take the numbers. You can sometimes divide them by two—generally not by three. Everyone is in a race to impress the local government and the state government about their numbers, so you have so many things at play.³⁹⁹

5.34 We note that there have been concerns raised with similar methodologies employed by other sports. Cricket Australia’s overly optimistic participation figures came into question in 2019. In its Census, published in June 2019, it claimed that 1.65 million people, or one in 15 Australians, played cricket in the previous year – with nearly a million children participating in schools, and 700,000 registered club players. Analysis by the *Sydney Morning Herald* showed that the actual club figure was 247,000.⁴⁰⁰ The system involved was originally managed by the same firm that assists in producing the football participation numbers.

5.35 We acknowledge that the participation modelling is carried out under the auspices of the AFL, and not by the WAFC. Nonetheless, we were surprised with the overall figure presented by the WAFC of 346,729. This equates to 13 percent of all people in WA, or approximately one in eight, almost twice the figure provided by Cricket Australia. We were not convinced.

5.36 The use of questionable figures by a major sporting organisation cannot go unchallenged, especially when considerable State funds are involved. The WAFC proudly promulgates the idea of massive participation growth. In its submission to us it stated that

Objective metrics clearly indicate that the WAFC has been effective in developing football across all levels using all of its funding.⁴⁰¹

397 Mr Darrell Panizza, *Transcript of Evidence*, 31 August 2020, p. 10.

398 Submission 6, Swan Districts Football Club, p. 3.

399 Mr Ron Alexander AM, *Transcript of Evidence*, 24 August 2020, p. 11.

400 Malcolm Knox and Nigel Gladstone, *Caught out: Cricket’s inflated playing numbers revealed*, 21 July 2019, <https://www.smh.com.au/sport/cricket/caught-out-cricket-s-inflated-playing-numbers-revealed-20190720-p5292s.html>, accessed 10 August 2020.

401 Submission 17, WA Football Commission, p. 44.

- 5.37 We believe that the metrics are not obviously objective, and disagree that they clearly indicate anything. The apparent massive increases discussed in Chapter 3 may well show increased activity. They might also show changed recording protocols. But they are unlikely to provide a true picture of how many people are participating in football in WA.

Finding 58

The participation figures used by the WAFC were contested by numerous witnesses, and admitted by the WAFC to be 'promotional' and suggest an unrealistically high proportion of people are participating in football. The WAFC also said that club registration numbers were more important to it.

Recommendation 23

The Minister should work with the WAFC to ensure that reported participation and membership figures are accurate and explicable.

Appendix One

Committee's functions and powers

5.38 The Public Accounts Committee inquires into and reports to the Legislative Assembly on any proposal, matter or thing it considers necessary, connected with the receipt and expenditure of public moneys, including moneys allocated under the annual Appropriation bills and Loan Fund. Standing Order 286 of the Legislative Assembly states that:

5.39 The Committee may -

- 1 Examine the financial affairs and accounts of government agencies of the State which includes any statutory board, commission, authority, committee, or trust established or appointed pursuant to any rule, regulation, by-law, order, order in Council, proclamation, ministerial direction or any other like means.
- 2 Inquire into and report to the Assembly on any question which -
 - a) it deems necessary to investigate;
 - b) (Deleted V. & P. p. 225, 18 June 2008);
 - c) is referred to it by a Minister; or
 - d) is referred to it by the Auditor General.
- 3 Consider any papers on public expenditure presented to the Assembly and such of the expenditure as it sees fit to examine.
- 4 Consider whether the objectives of public expenditure are being achieved, or may be achieved more economically.
- 5 The Committee will investigate any matter which is referred to it by resolution of the Legislative Assembly.

Appendix Two

Response from Mr Grant Dorrington

Grant Dorrington OAM BEM
100 Flock Street
WATERMANS BAY WA 6022
11th October 2020

Dr AD Buti MLA
The Chair
Public Accounts Committee
Legislative Assembly of Western Australia
By email: japaci@parliament.wa.gov.au

Dear Dr Buti

PAC Inquiry into WAFC - notification of findings

Thank you for your letter of 27 October 2020.

I respond to the findings of the committee as follows:

1. I accept that the evidence as to facts identified by the committee is correct, including Mr Hardiman's evidence as to who initiated our discussion about the inquiry.
2. I do not accept that I interfered with the inquiry process. I think that another view is available.
3. The only entity with which I engaged in relation to the inquiry was the Swan Districts Football Club (SDFC) which, in fact, made a submission to the inquiry.
4. My overall intention was not that the views of the SDFC not ultimately be made known to the inquiry, but I did seek to persuade that club that it would be better for football generally if its views could be presented through the WAFC. My intention was that, if the SDFC still wished its views to be known to the committee after discussions with the WAFC, it not make a separate submission but do so as part of the WAFC's submission. This is clear from my email to Mr Dennis and Mr Hardiman's internal email.
5. In my long involvement in the football industry, I have always considered that better outcomes are achieved for football generally if the various stakeholders in the code are represented by a central body in their public facing activities, even if that central body needs to indicate that the stakeholders have different, or even a range of, views. In the present football environment, the appropriate central body is the WAFC.
6. I genuinely believed that I was acting in the best interests of football in my personal engagement with the SDFC. I have apologised in writing and in person to the committee for my conduct. I have been counselled by the Chair of the WAFC for my conduct which was not authorised by the WAFC nor undertaken on behalf of that body. My relevant conduct will not be repeated.

I thank you for the opportunity to respond to the committee's findings in respect of my conduct. I would be pleased to clarify or expand upon my response if that would assist the committee.

Yours sincerely,

Grant Dorrington OAM BEM

Appendix Three

Submissions received

No	Name	Position	Organisation
01	Mr Frank Cooper AO	Individual	
02	Mr Duncan Ord OAM	Director General	Department of Local Government, Sport and Cultural Industries
03	Mr Travis Burrows	President	South Perth Junior Football Club
04	Mr Nathan Dixon	Chairman	AFL Masters WA
05	Mr Rob Geersen	President	Coolbinia Bombers Junior Football Club
06	Mr Peter Hodyl Mr Jeff Dennis	President CEO	Swan Districts Football Club
07	Mr Mark Stewart	President	East Fremantle Football Club
08	Mr Mark Lawrence Mr Peter Capes	President CEO	Subiaco Football Club
09	Mr Trevor Nisbett	CEO	West Coast Eagles
10	Mr Ron Alexander AM	Individual	
11	Mr Peter Christie Mr Cameron Britt	President CEO	South Fremantle Football Club
12	Mr Darcy Coffey	CEO	Claremont Football Club
13	Mr Robert Ryan Mr John Ditchburn	President CEO	Peel Thunder Football Club
14	Mr John Shadbolt	President	WA Country Football League
15	Mr Robert Shields Mr Russ Clark	President CEO	Perth Football Club
16	Mr Geoff Wolfenden Ms Hayley McNamara Mr Ian Brotherton	Chair Metro South Chair Metro Central Chair Metro North	Metropolitan Regional Development Councils
17	Hon Wayne Martin AC QC	Chairman	WA Football Commission
18	Mr Dean Turner	CEO	East Perth Football Club
19	Mr Andrew Dillon Mr Sam Graham	GM – Game Development GM – Head of States and Game Development	AFL
20	Mr Sam Birmingham	President	Perth Football League
21	Mr Don McCausland	Individual	

Appendix Four

Hearings and briefings

Date	Name	Position	Organisation
19 August 2010	Hon Wayne Martin AC QC	Chairman	WA Football Commission
	Mr Gavin Taylor	CEO	
	Mr Simon Moore-Crouch	Executive Manager Talent and Commercial	
21 August 2020	Mr Duncan Ord OAM	Director General	Department of Local Government, Sport and Cultural Industries
	Ms Kim Ellwood	Executive Director Sport and Recreation	
	Mr Steven Humfrey	Director Sport and Recreation	
24 August 2020	Mr Ron Alexander AM	Individual	
24 August 2020	Mr Dean Turner	CEO	East Perth Football Club
	Mr Peter Capes	CEO	Subiaco Football Club
	Mr Jeffrey Dennis	CEO	Swan Districts Football Club
	Mr Russell Clark	General Manager	Perth Football Club
	Mr John Ditchburn	CEO	Peel Thunder Football Club
	Mr Peter Hodyl	President	Swan Districts Football Club
	Mr Mark Stewart	President	East Fremantle Football Club
24 August 2020	Mr Travis Burrows	President	South Perth Junior Football Club
31 August 2020	Mr Sam Birmingham	President	Perth Football League
	Mr David Armstrong	General Manager	
31 August 2020	Mr Darrell Panizza	Individual	
9 September 2020	Mr Grant Dorrington OAM BEM	Individual	
16 September 2020	Mr Trevor Nisbett	CEO	West Coast Eagles
	Mr Simon Garlick	CEO	Fremantle Football Club
23 September 2020	Mr Geoffrey Wolfenden	Chairperson	Metro South Regional Development Council
23 September 2020	Mr Grant Donaldson SC	Individual	



Parliament House
4 Harvest Terrace, West Perth WA 6005
Telephone: +61 8 9222 7222
Email: laco@parliament.wa.gov.au
Website: www.parliament.wa.gov.au