

**PUBLIC ACCOUNTS COMMITTEE SUBMISSION – SWAN DISTRICTS FOOTBALL CLUB INC.**  
**JULY 2020**

**Overview**

Swan Districts Football Club is a staunch advocate for major change to the way football is delivered, managed and governed in Western Australia. We provide this submission as a major stakeholder of the game with a strong sense of responsibility to not only members of our club, but to every person involved in football at all levels across the State.

Our submission is underpinned by the following key principles:

- it is the *members* of the West Australian Football Commission Inc. (not the WAFC) that are the custodians of football in WA;
- as a collective, we - the members - are responsible for WA football which extends to the way in which the WAFC operates;
- The football stakeholders, and not an external or government body, should be responsible for football finances and resources including the funding allocated to football in the State government funding agreement;
- WA football should continue to be managed by an independent Board dedicated to football; and
- The WAFC must change its purpose from governance and delivery contemporaneously to governance only.

We recognise criticisms raised in this process cannot only be levelled at the WAFC, and as such, the role of the WAFL clubs, their relevance and the critical need to adapt to the current climate are also highlighted in our submission.

We believe it is an indictment on the WAFC Board and Executive Management that we have reached this juncture and given cause for a parliamentary inquiry into the WAFC.

To appropriately consider and respond to two of the three items in the Terms of Reference of the PBC inquiry, it would have been helpful to have the details around the State funding agreement, including the reporting functions, between the State government and WAFC. We contacted the WAFC, the PAC Chair, and the Minister's office for further information on the agreement, however we understand that it's a confidential document with which the information within could not be provided to us.

It is important to table upfront the reservations our club holds, based on past experiences with the WAFC leadership, that genuine change will be forthcoming. We have received promises in the past, including as recently as February 2020, when the WAFC said it would 'press the reset button' and 'rebuild trust' with its stakeholders. Once again, there has been little evidence of change.

It is critical the football industry embrace this opportunity to identify the root causes of WA football's problems so we can collectively create strategies to appropriately respond. We need a deep and candid review to provide meaningful and genuine reform.

That said, we provide our submission with the hope that this might be a turning point for football in Western Australia.

**1. The Role of the WAFC**

The WAFC was formed by the State government in 1989 to change the governance of football to an independent body with the purpose to return WA football to a sound financial basis. Over recent decades, and even more so in recent years, the role of the Commission has manifestly changed from overseeing the promotion, development and management of football to being solely responsible for delivery of almost every aspect of the game.

The WAFC has assumed responsibility for both governance and delivery. To this end, it has become a top-heavy bureaucracy, which lacks transparency, and reportedly spends over \$12 million p.a. on salaries.

The WAFC should return to being the caretaker of WA football responsible for the overall development of the game. Its purpose should be governance, funding, advocacy, compliance, strategy, and education, not delivery. It should engage and empower the WAFL clubs to provide the delivery of football in their respective metropolitan and regional communities.

Sporting codes build participation through their clubs and national teams. Players, volunteers and supporters connect with a sport through local clubs competing in local, State and National competitions. They do not engage through a nebulous central body.

Further evidence of the WAFC strategy to 'own' football is through its continued promotion of itself. The WAFC logo has been emblazoned on a wide range of resources including footballs, staff clothing, vehicles and promotional material to the detriment of local club brands (WAFL and AFL). It has even used the historic WAFL Sandover Medal Award Night and WAFL Grand Final to promote itself. This navel gazing allocation of resources comes at the expense of the growth of the game.

The WAFC has centralised football's resources, and in such, stripped the role and responsibility of the delivery of football (community and talent) away from the WAFL clubs by. Instead, it's role should be to educate, empower, resource and energise clubs to localise the promotion and development of the game. The historical connection of WAFL clubs to community and their geographic locations place them in an ideal position to fulfill this role.

Paradoxically, the WAFC highlights the need of WAFL clubs to better engage the football community, while not providing them the resources to achieve this. In fact, it competes against the clubs in this role.

Over a sustained period of the time, while the WAFC has been controlling its grip on every element of the game, the WAFL clubs have been struggling to redefine their purpose. As such, many clubs have lost the capability and/or capacity to provide this role.

While the WAFL clubs should take responsibility for continuing to manage their businesses with out of date, unsustainable business models, 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. This reform will assist clubs to protect their long and rich histories by building relevance and becoming financially sustainable.

The WAFC have become an extension of the AFL. Many 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.

## **2. Leadership**

In 2017, the Boston Consulting Group (BCG) provided a "once in a generation review ensuring the long-term success and sustainability of WA football at all levels". This report laid the foundation for the WAFC to further centralise its operations by taking the responsibility of talent development from the WAFL clubs.

The sustainability of (most) clubs since the BGC report is still a critical issue and may have become worse as a direct result of the report and its 'strategy'. It should be noted that there has not been evidence of any measurement of the first three years of the BCG strategic plan.

Within only three years since the release of the review and plan – which further centralised the delivery of football, there has been a consistent (and often public) narrative about the division and discontent in WA Football, culminating in significant negative media coverage in recent months.

It is of great concern to our club that a WAFC Executive Manager would tell their staff that this enquiry is "a dog and pony show" and that "the State Government cannot tell the Commission what to do".

It is also a concern 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.

In what appeared to be a direct reaction to the announcement of the parliamentary inquiry, the WAFC coordinated a Football Forum for stakeholders to 'share their views' and 'outline opportunities for how we can continue to grow and develop football'. While it was broad in nature, from our perspective it lacked depth or genuine intent.

### 3. Culture

Evidenced by the WAFC's "The Inside 50" report (refer attached), staff have little faith in the current leadership and no confidence in the organisation. SDFC believes this view is shared by most WAFL clubs and the findings in the report appear to present systemic, not isolated issues. This significant cultural problem extends to the WAFC's relationship with its football stakeholders.

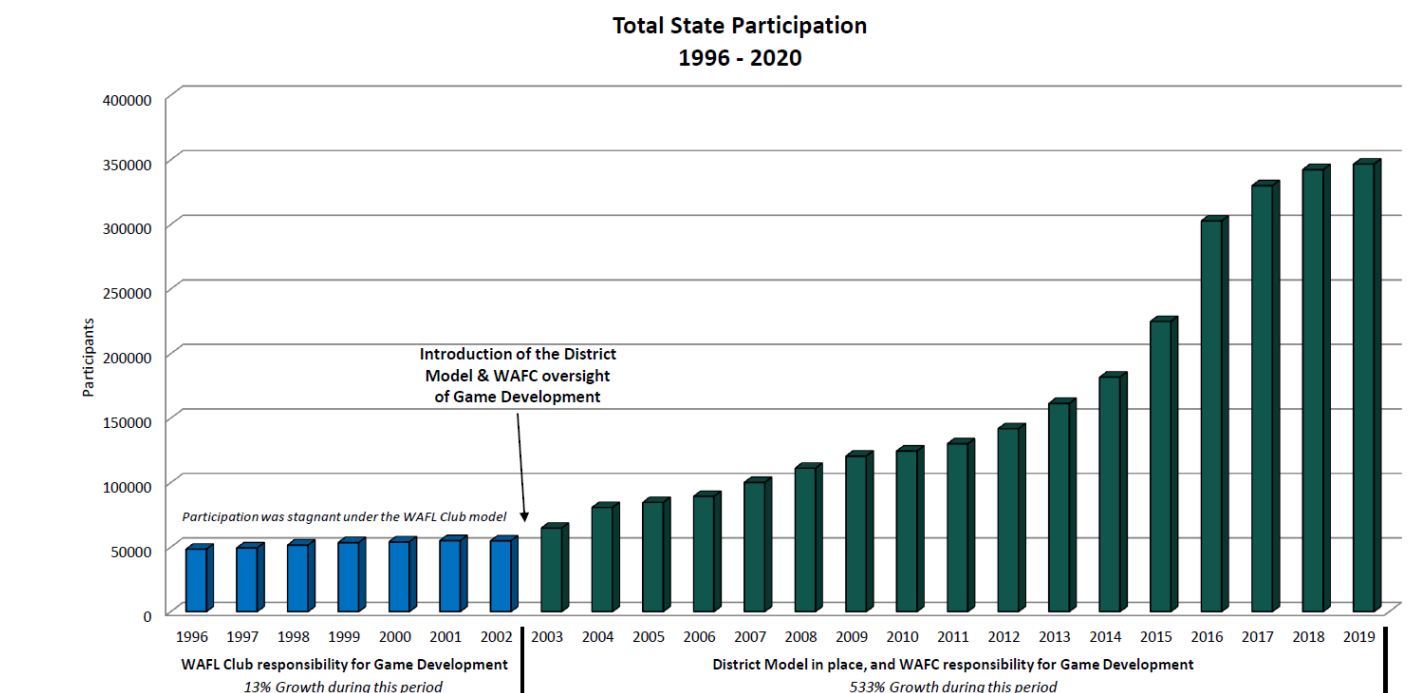
The relationship between the WAFC and the WAFL clubs is devoid of trust, with the implementation of the new talent model best highlighting this. It is our view that the WAFC leadership has regrettably created a 'them and us' environment.

This mistrust also leads our club to believe consultation by the WAFC is carried out as a mere process, with little desire for genuine co-design.

Further, the WAFC is seen to be operating under a veil of secrecy - lacking scrutiny, transparency and accountability. Information flow is at its discretion and is often filtered. It is run like a mini AFL or a government body largely disconnected from the people it serves.

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 (below). It should be showing junior community boys, separate from girls, so that the real and sustained fall-off in boys participation (in particular the youth age group) is highlighted. While there's no doubt overall participation numbers have increased led by a significant growth in women's football, it doesn't reveal the challenges the sport faces.

## Participation Growth as part of a District Model



Football stakeholders, in particular many WAFL clubs and their staff, fear being outspoken and challenging the WAFC because it has control of the finances many so desperately need. There is a widely held view that the WAFC uses this to 'divide and conquer'.

In our view, the WAFC lacks the leadership to effect the change the code requires.

#### **4. Structure**

The WAFC Board and management have built a centralised, tightly controlled, top-heavy organisation. Despite this, external consultants are frequently engaged at significant additional expense.

WA football continues to be delivered in silos which does not deliver optimum/efficient outcomes. It has an ineffective centralised model in which the WAFC has inadvertently continued to suppress the game's stakeholders rather than enable them.

The WAFC has created 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.

The talent model, which the WAFC centralised in 2018, is also far too top heavy. It is well known that there has been a serious staff division in the WAFC's talent program which has been left to fester. This relatively new model was intended to be a genuine partnership between the WAFC and the WAFL clubs. Unfortunately, it has been continually pulled away from the clubs to become firmly entrenched in what we see as a burgeoning WAFC empire. A WAFC talent staff member working at our club was told "You now work for Team WAFC" and if you do not accept that, "then we have a problem".

If the WAFC business model was decentralised, it could redirect significant corporate services expenditure to the provision of increased and potentially more efficient front-line services.

There is evidence the WAFC bureaucracy has created duplication which, if addressed, would provide additional efficiency gains providing further funding to drive extra outcomes for WA football.

The current WAFC metropolitan and regional community staff roles have become increasingly administration focused. Its staff have decreased the time spent visiting schools and junior clubs providing direct contact with participants.

#### **5. Governance**

The WAFC undertakings in the reappointment of Murray McHenry in 2019 was unconstitutional. The fact that the majority of WAFC members agreed to this and allowed it to happen, does not right a wrong.

The WAFC Constitution requires amending.

- There is essentially a jerrymander permitting its Board to have significant power over who sits on the Board. The members should control an incorporated body and election of its elected Board members - not its Board.
- The WAFC Board members should not be members of WAFC Inc.

The WAFC has not provided license agreements to WAFL and WAWFL clubs to compete in the WAFL and WAFLW competitions since 2018. It should also be noted that the 2018 WAFL license agreement was only signed toward the end of the season in July. Notwithstanding continued requests from our club for these agreements to participate in both competitions, they have not been forthcoming, and clubs continue to compete in these competitions without an agreement with the WAFC. The WAFC has allocated significant resources to its corporate services including its governance division to provide these agreements.

#### **6. Re-purposing WAFL clubs**

WAFL clubs must re-purpose to survive. Traditional WAFL football revenues will continue to decrease, including WAFC funding, increasing pressure on clubs. It is critical clubs change their business models to become financially independent.

Some WAFL clubs continue to rely on the 'last WAFL generation' of supporters. It's essential clubs create and invest in strategies to build new audiences.

WAFL clubs have aging and inconsistent facilities which do not assist in the re-birth of community engagement hubs, nor do they support a strong second tier competition.

Strategy and guidance from the WAFC have been sadly lacking here. Its focus has been on building an empire and controlling the delivery of football. The WAFC must also re-purpose from a top heavy, centrally run delivery of football to empower the WAFL clubs to assume this role. The WAFC has lacked the leadership to effect this change.

WAFL club reform has been difficult because the clubs have been fearful of challenging the master servant relationship with the WAFC which controls the codes finances, and in such, over the years the clubs have become devoid of any sense of innovation.

## **7. A Breakthrough Strategy**

Notwithstanding the concerns we have with the WAFC, WA football does have many strengths.

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. This presents a powerful opportunity for our game to positively impact peoples' lives through a local community approach.

It has a pathway for young male and female footballers to follow their football dreams.

The WAFL is the strongest second tier competition in Australia and recognised nationally. The long and rich heritage of WAFL clubs have unrealised and untapped value. The clubs still have strong local networks including local media, governments, corporates and community partners.

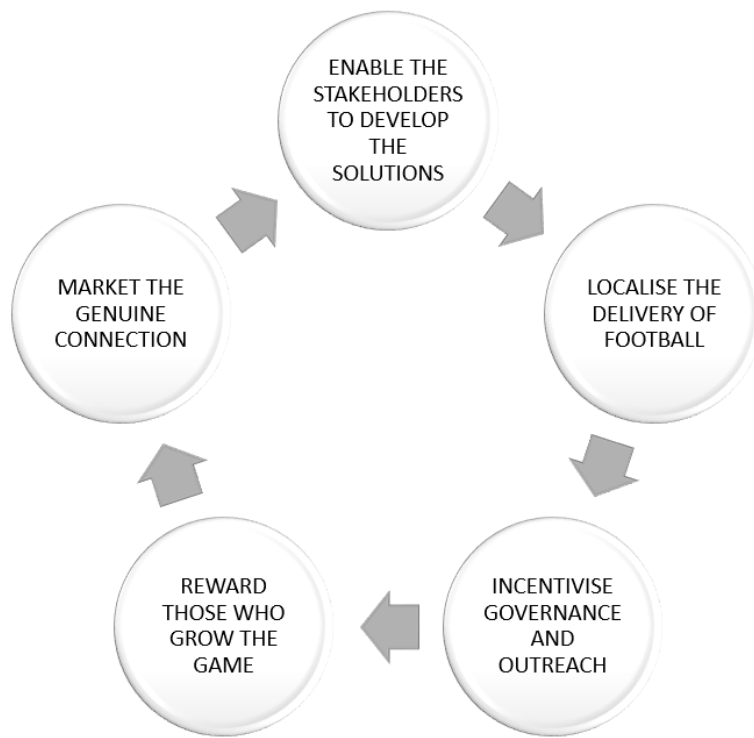
Most WAFL clubs have large venues in prominent locations creating opportunities to become community hubs. This could be a great sell to councils/govt. and others looking to build on community foundations.

The WAFL clubs have a tremendous opportunity to help drive continued growth of women's football participation and pathways.

The WAFL clubs recently presented a new community football model to help the WAFC improve the delivery of football (refer attached). This model provides the following benefits. It;

1. Creates a partnership between the WAFC and WAFL clubs with a whole of sport delivery model.
2. Provides strategic direction and guidance assisting WAFL clubs re-purpose.
3. Establishes WAFL club commitment to driving community football outcomes.
4. Reduces the WAFC employee headcount and expenditure.
5. Provides a minimum 40% additional funding for community football development through local activation.
6. Provides incentives for WAFL clubs to continue to expand their community engagement strategy.
7. Establishes minimum standards and measurable agreed outcomes aligned to the State Strategic Plan.
8. Provides the WAFC an opportunity to trial the new model with three Metro Central Regional clubs.
9. Provides a model which can be applied for the delivery of other football programs including talent and regional football development.
10. Provides a new revenue stream for WAFL clubs.
11. Increases WAFL club relevance and financial sustainability.

The WAFL clubs are now working on a new talent model to present to the WAFC later in August. Along the same lines as the new community model, the intent is to create a decentralised model, governed by the WAFC and delivered by the WAFL clubs.



1. The WAFL club CEO's have recently shown how effective this can be with the WAFL Club CEO's Innovation Strategy (Refer below).

2. Covid-19 taught us the importance of 'local'. WAFL clubs are perfect local conduits to assist the WAFC promote and deliver football. They have opportunities to build strong local government, business, media and community networks in their metropolitan and regional communities.

3. Linking WAFC finance to improved governance and community outreach. The role of the WAFC should change to one of setting overarching strategy and direction, and empowering stakeholders to be responsible for delivering outcomes in a new decentralised and integrated delivery model.

4. A proportion of AFL funding should be allocated to growing the game, encouraging clubs through participation rates – not just talent.

5. Any branding promoted by the WAFC on behalf of WA football should only be with clubs. Participants do not and will not participate, play for, or support the WAFC. They will only engage in football through a club identity i.e. community, WAFL and/or AFL clubs.