



July 31, 2020

Public Accounts Committee
Parliament of Western Australia
Level 1
11 Harvest Terrace
WEST PERTH WA 6005

Dear Committee Members

West Coast Eagles Submission to the Public Accounts Committee
Inquiry into the use of State funding by the Western Australian Football Commission

We understand the Public Accounts Committee (**PAC**) is conducting an inquiry into the use of State funding by the Western Australian Football Commission (**WAFC**) and is accepting public submissions in respect of this inquiry. The West Coast Eagles Football Club (**WCE**) is a highly relevant stakeholder in this matter and we request you consider this submission during the course of your inquiry.

At the outset, we urge the PAC to consider the State funding supplied to the WAFC in a different manner to grant funding the State supplies to many organisations in the community. The \$11 million of funding supplied to the WAFC under the WAFC Funding Agreement represents a commercial agreement negotiated between key football stakeholders in WA, including the WCE, during the course of the WAFC surrendering its management rights and the remainder of its 99 year lease over Subiaco Oval and AFL matches moving to Optus Stadium.

Football in WA has a unique and highly successful financial model where the elite level of game, represented by the WCE and Fremantle Football Club (**FFC**) in the AFL competition, generates significant funding that is reinvested in the development and sustainability of the sport in the state. Historically this was substantially achieved via the WAFC holding the lease over Subiaco Oval which allowed it to channel funds raised through the WCE's tenancy at Subiaco Oval as its administrative headquarters, training facility and hosting AFL matches back into all levels of WA football.

The WAFC Funding Agreement was struck to ensure funds generated by the WCE (and FFC) playing AFL matches continued to flow back into the development of football via the WAFC.

In addition, the WCE continues to pay a royalty directly to the WAFC for re-investment into WA football. This royalty model was re-cast at the time AFL matches moved to Optus Stadium and prior to the effects of COVID-19 on the 2020 AFL season, resulted in an increase in the royalties we pay to the WAFC, and therefore the investment they are able to make into the various levels of football in WA.



The WCE is incredibly proud as an organisation to play a significant role in financially supporting football in WA. We are strongly of the view it is essential that an independent body, such as the WAFC, is in place to administer this funding, as there will always be competition for funds among the multitude of leagues, clubs and other stakeholders throughout football. Juggling the competing interests of the various components of the WA football community will always be a key challenge for the WAFC and we believe they manage this admirably. In a sporting environment, individual stakeholders will always believe their claim to funding has greater merit than others however on balance, it is our view the WAFC has balanced these priorities appropriately.

I expect the WAFC will provide the PAC with various measures regarding the health of the game in WA, so we don't intend to provide those details in our submission, however all of the statistics we see indicate football is in an extremely healthy position in WA. These include overall participation numbers, talent management, growth in female participation, indigenous engagement, Auskick, umpiring, coaching and many others important areas of the game. We are of the view success across a broad range of metrics is the most appropriate way to measure the success or otherwise of the WAFC's strategy for the development of the game in WA. The WAFC deserves credit for the strength of these measures across the board.

We are also aware of the WAFC's recent actions to significantly reduce operating expenditure in response to the constrained funding environment brought about by the COVID-19 pandemic. We understand they have committed to reduce costs as necessary to achieve a breakeven result in 2021. We view this as prudent financial management and it is consistent with our experiences with the WAFC.

Specifically addressing your terms of reference, we are of the opinion the WAFC has used State funds in a highly effective manner to develop football across all levels of WA and met its obligations under the agreement in respect of directing funds in an appropriate manner. We are not in a position to comment on the effectiveness and transparency of monitoring and reporting functions under the agreement, as this is clearly a matter between the WAFC and the State.

We thank you for considering our submission and as a key stakeholder in WA football we would be pleased to discuss any matters contained herein with you further during the course of your inquiry.

Yours sincerely

Trevor Nisbett
Chief Executive/Managing Director