



Inquiry into the use of State funding by the
Western Australian Football Commission

Submission from the West Australian Football Commission

PUBLIC ACCOUNTS COMMITTEE

31 July 2020

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1. EXECUTIVE SUMMARY

An overview of the West Australian Football Commission (WAFC), the structure of the football industry and an overview of the WAFC Funding Agreement, has been provided prior to addressing the Terms of Reference and specific Committee questions. This overview provides essential background and context to the WAFC's current funding and operations.

1.1 Overview of the WAFC

The WAFC is a not for profit sports association that acts as the caretaker of football throughout the State and is governed by a voluntary Board of Commissioners. The WAFC operates in line with its constitutional objectives whilst delivering against the 2017 – 2022 strategic plan, which sets out the clear vision, goals and priorities for the WAFC and the WA football Industry.

The catalyst for the formation of the WAFC dates back to 1988, when debts of the WAFL Clubs and the then governing body the WAFL Inc totalled approximately \$8 million. Most of the WAFL Inc debt was related to the construction of a new three-tier stand at Subiaco Oval. Following an approach to the State Government for financial assistance, former Minister for Sport and Recreation, Graeme Edwards was involved in the establishment of the WAFC, an independent Commission to act as caretaker and governing body for the sport in WA. The establishment of the WAFC was dependent on agreement of the WAFL Clubs.

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. At this time, it was also agreed that the State Government would provide for the WAFC to have complete control of Subiaco Oval which would provide security for the industry's financial future.

WAFL Inc initiated the purchase of the West Coast Eagles (WCE) license which was held by Indian Pacific Ltd and subsequently WAFC. This license was acquired out of football community funds, not State funds. The original intent of purchasing the license was to ensure long-term financial sustainability for the football industry. Thus commenced the term and the concept of 'football funding football'.

In 1991, the WAFC was granted a 99-year lease of Subiaco Oval. This was an asset provided to football to support the growth and development of the game. As an asset for football, the WAFC, along with the funding from the State Government, developed Subiaco Oval into a fully seated 43,500 capacity stadium that hosted AFL matches, WAFL finals plus a range of major events and concerts as WA's largest stadium. Importantly for the WAFC, Subiaco Oval provided office accommodation for staff, was the home base and training ground for WCE and through the 30 plus matches and events at the Stadium annually, contributed approximately \$15 million net annual revenue for WA football.



The WAFC's revenue during its tenure at Subiaco Oval mainly came from hire fees paid by our two AFL Clubs, which included the Fremantle Football Club (FFC) following the acquisition of a second AFL license and their entry to the AFL competition in 1995. Subiaco Oval also attracted functions, concerts, soccer, International rugby and hosted the Western Force, along with a number of other non-AFL activities, all providing revenue to support football across WA.

Whilst supported by the State in major developments of Subiaco Oval, the WAFC was responsible for all the operational expenditure and generation of revenue, to not only cover costs but to more importantly generate a return that could be invested back into WA Football. During this period, both the WCE and FFC became entrenched in the AFL as part of the new national competition, generating income for the WAFC through their home games being played at Subiaco Oval. Subiaco Oval also provided revenue streams through the support services of catering, ticketing, naming rights, supply deals (such as Carlton United Breweries) and sponsorship. Revenue was also, and continues to be, received from the WCE and FFC Licenses owned by the WAFC, through the royalties paid by those clubs, the amount of which depends upon their annual profits.

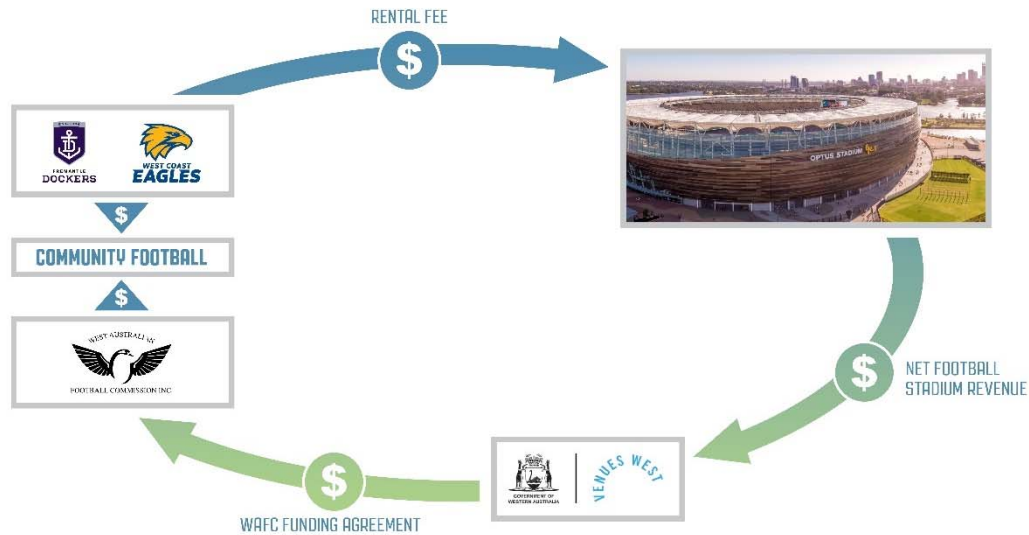
In 2011, the State Government announced it would build the new 60,000 seat Optus Stadium to open in 2018. The WAFC, along with the AFL and the two AFL Clubs, formed the Joint Football Working Group (JFWG) in 2014 and commenced negotiations with the State Government regarding user agreements for Optus Stadium and the WAFC's ongoing operational funding and future home, given the State's request that the WAFC surrender its lease over Subiaco Oval .

These commercial agreements were reached in principle in 2017 and finalised in July 2019 and provide a mechanism for the State to return football revenues from the Stadium to the WAFC as an ongoing stream of operational funding for football in WA. In essence, this replaces (in part) the income previously derived from the WAFC's Subiaco Oval lease. The fundamental concept of 'football funding football' was not changed by these agreements. Instead of the two AFL Clubs paying ground hire fees direct to the WAFC, they are now paid to the State and re-cycled (in part) to the WAFC. As part of this process, the WAFC surrendered the remainder of its 99-year lease over Subiaco Oval, allowing the redevelopment of the site, which is now well underway.

Utilising funds generated through our AFL Clubs, along with other revenue sourced from the AFL, commercial arrangements and registrations, the WAFC makes direct cash contributions to clubs and competitions whilst also employing staff to undertake roles necessary to meet its football objectives such as umpiring pathways, talent academies, integrity and tribunals, diversity and multicultural engagement, indigenous engagement and various game development activities.

"Football funding football" is visually depicted in the diagram overleaf.

FOOTBALL FUNDING FOOTBALL



A more detailed “Football Funding Football” diagram is included as **Appendix 24**, showing the range of areas the WAFC funds and develops.

The WAFC employs less than 130 people throughout the State, having just been adjusted through a restructure due to the financial impact of COVID-19.

The benefits of football to Western Australia have long been known, however a 2018 study by leading economic and public policy consultancy ACIL Allen measured the enormity of what football delivers to the WA community – in excess of \$220 million in economic benefits and a further \$225 million in social benefits. Football is so much more than just the game. Footy draws together more players, volunteers and spectators than any other sport, connecting communities, supporting and enhancing the health and well being of those involved in our game, whilst being a key economic driver of WA Football.

WA football generates more than \$220 million in economic benefits each year.

- Every dollar spent by football in WA generates two dollars for the local economy.
- Community football clubs support local businesses and suppliers by spending their money in the local community.
- For every person employed directly by football, another job is created in the community. In total, the equivalent of 1,470 full time jobs are generated by football across the state in industries as diverse as health, catering, photography and grounds management.

No other sport has the reach of football.

- There are close to 67,000 community participants involved in club-based football in WA.
- Each year, more than 2.2 million volunteer hours are contributed to club-based football by coaches, umpires, administrators and other volunteers.

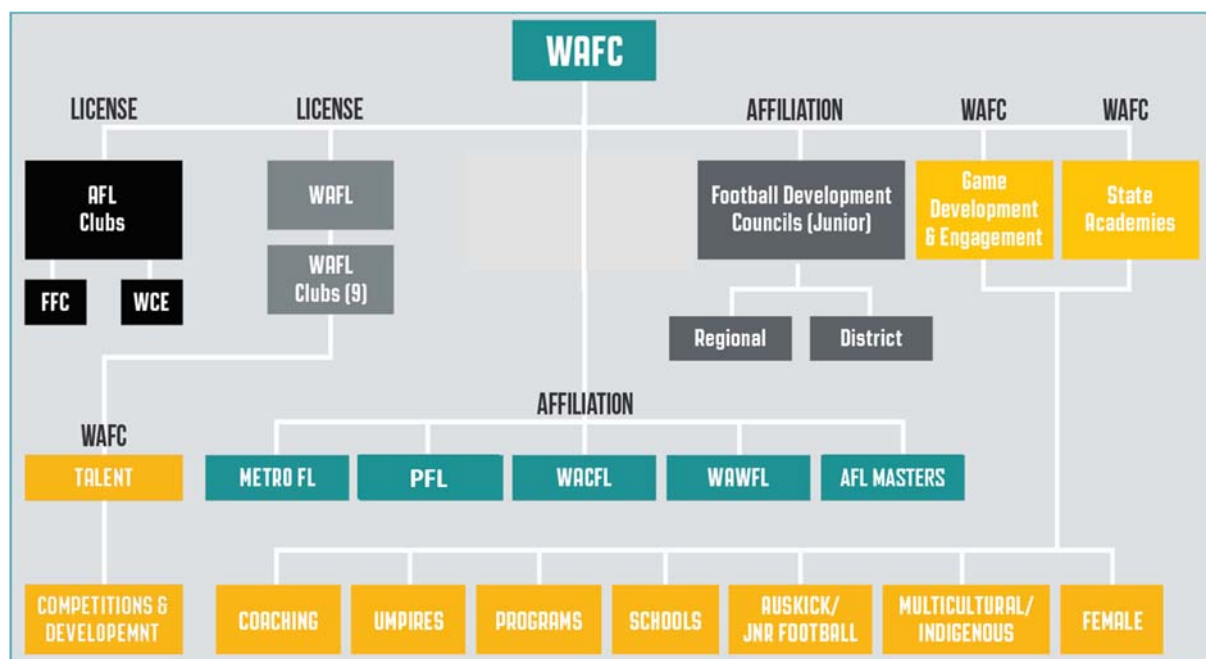
Research shows that being part of a football club gives every participant around \$3,000 worth of social benefits each year, in areas such as mental and physical health and personal wellbeing.

Please see **Appendices 1 and 2** for further information.

With almost 350,000 participants across the State, supporting over 460 Clubs and a rich history dating back to 1885, football is more than a game in WA, it's part of our cultural fabric. The WAFC places tremendous value on the significant social benefits and the creation of better communities through the values of teamwork, responsibility, respect, leadership, commitment and community participation.

1.2 Structure of the WA Football Industry

The WAFC governs and supports football in WA through a range of legal arrangements including constitutions, licenses, affiliations, contracts and Memorandum of Understandings (MOUs) with various Members and Affiliates. These arrangements set out the obligations of each party, their role in WA football and the funding arrangements. The following diagram details the structure of the WA Football industry and the relationship between the WAFC and other parties, noting that members of committees and Boards are all volunteers.



The table highlights the diverse mix of stakeholders that represent the WA Football family. The WAFC has a governance model that has evolved over time, such as when new Affiliate Leagues were established including the WA Women's Football League (WAWFL), AFL Masters Football League and the introduction of Junior Football Development Councils following the Parker report in 2002.



The WAFC constitution sets out its voting members, being each AFL Club plus the nine WAFL Clubs and its obligations as an organisation for WA Football.

The table below summarises the formal legal relationships across the WAFC affiliated members.

Partners / Affiliates	Foundation Agreement for Relationship
Australian Football League	Annual Funding Agreement - Game Development & Talent
Fremantle Football Club	Royalty agreement (2019) AFL license agreement, FFC sub-license FFC Constitution, WAFC Constitutional Arrangements
West Coast Eagles	Royalty agreement (2019) IPL Corporate Governance Agreement, IPL sub-license, IPL Constitution, WAFC Constitutional Arrangements
WA Football League	License agreement, Funding agreement, Constitutional arrangements
Perth Football League	Affiliation agreement (2014)
WA Country Football League	Affiliation agreement (2014)
Metro Football Development Council	Affiliation Deed (2020)
Regional Football Development Councils	Constitutional arrangements
Masters Football League	Affiliation agreement (2014)
Metro Football League	Affiliation agreement (2014)
WA Women's Football League	Affiliation agreement (2014)
Umpires	MOU with Western Australian National Football League Umpires Association (WANFLUA) (2020-2021)
Schools	Service the schools via program delivery

Set out below is an overview of the WAFC's role and relationship with the key football competitions and Affiliates across the State.

AFL Clubs – The WAFC's key role with the AFL Clubs is to oversee the conditions of formal agreements (including the Royalty arrangements), appoint directors for each Club Board and to oversee their good governance. In addition to the formal agreements with the WAFC, the two Clubs also have sponsorship and investment agreements into the WAFL and WAFLW competition and for their support of school programs.



WAFL – The WAFC has both a constitutional and an operational relationship with the WAFL Clubs and the WAFL competition. The WAFC provides key funding that supports the viability of each Club via annual grants, manages the competitions including League, Reserves, Colts and WAFL Women's. These agreements are underpinned via license and funding agreements that set out the obligations of each party. The management of the competition includes fixturing, by-laws, competitions rules and regulations, setting player points and equalisation strategies, draft rules, promotion, broadcast arrangements, sponsorship, supply rights plus the training, development and allocation of WAFL umpires. The WAFL represents the highest standard of competition below the AFL and has a long history in WA, with deep connections across communities and their Clubs and aligned fans. The WAFL has been central in developing and supporting talent, which is now being delivered via the WAFC Talent Pathway model. This new model established in 2018 as one of the key recommendations from the Boston Consulting Group review, has attracted significant investment from the AFL to adopt a more consistent, well-resourced pathway that remains connected with the WAFL Clubs and their associated metro and regional zones.

Perth Football League (PFL) – The WAFC has an Affiliation Agreement with the Perth Football League (Amateurs). The Perth Football League Inc., which began in 1922, has grown from a six-team competition to the largest single football competition in WA. The PFL operate with an independent, volunteer Board that is responsible for the strategic direction, governance, financial support and competition management of the League which now has 215 male teams, 37 female teams, supporting colts through to senior football, and ten All Abilities teams. The WAFC provides financial support to the PFL via funding and also employs the PFL staff, which includes covering overhead costs, office accommodation, IT and HR support. The PFL has eight staff employed to support the competition. The PFL operates with a user pay team registration model that supports the competition. The PFL has recently played a key part in supporting the significant growth in senior female football players, with team numbers more than doubling, from 16 in year 1 (2018) and increasing to 25 in year 2 and 37 in year 3.

West Australian Country Football League (WACFL) – The WAFC has an Affiliation Agreement with the WACFL. In 1973 at a meeting of the WA Football League and representatives of Country Leagues, it was resolved to form the WA National Country Football League (WANCFL). In 1974, the WANCFL oversaw the state, south of the 26th parallel and west of Kalgoorlie, divided into eight zones with each of the eight WAFL Clubs being allocated a regional zone. The WANCFL changed its name to the WACFL in 1979.

In 1981 an application was lodged for incorporation as an Associated Incorporation. The WACFL is a governance committee made up of 10 volunteer executive members and staff. In 2019, the WACFL affiliated network comprised of 25 Senior Leagues, 150 Country Clubs and around 12,500 players, with the volunteer Board and staff focussed on promoting, developing, managing and representing the interests of country football, with the primary responsibility for senior football.

The WAFC employs all WACFL staff which includes covering overhead costs, office accommodation, IT and HR support. The WACFL has 18 staff employed to support the competition.



In 2019, the WAFC undertook a major restructure of its operations to place greater emphasis on regional football by introducing an Executive Manager of Regional Football and Facilities and changing the regional staffing structure. The WAFC employs regional staff to support the development of country football, but under previous arrangements with WACFL and the Regional Football Development Councils (RFDC), the staff were focused on junior football. The structure has since changed where regional WAFC staff are now focused on supporting football for both juniors and seniors. The WAFC have more recently deepened their relationship and partnership to support regional football through these structural changes, with a clear focus on supporting leagues, clubs and game development activities.

West Australian Women's Football League (WAWFL) – The WAFC has an Affiliation Agreement with the WA Women's Football League, with the league beginning in 1987, starting with just four teams in its inaugural season. By 2018, nine clubs were competing in the WAWFL across League, Reserves and Rogers Cup divisions, each playing a home and away season followed by a finals campaign. In 2019, the WAWFL partnered with WAFC, and the WAFLW competition was born, representing a major position change in the pathways for WA female players to the AFLW. The WAWFL has an independent Board that is responsible for the strategic direction, governance and financial support for the competition. Since 2019, the WAFC has taken on the role for competition management, reducing the burden on volunteers whilst supporting the evolution of the female football pathway with the introduction of the WAFLW competition. The WAWFL currently has three grades of football across the competition.

AFL Masters Football League (AFL Masters) - AFL Masters operates community-based games for players aged 35 and over in the Metropolitan area. The WAFC has an Affiliation Agreement (2014) with AFL Masters with the League officially beginning its first official season of Masters Football in 1983. The original clubs were, Northern Districts Superblues, Victoria Park, Fremantle and Swanbourne. Since then, the competition has expanded to now represent 40 Clubs throughout WA. AFL Masters with an independent Board who oversee the strategic direction of the competition and its finances, play a key part in supporting teams in the National Carnival and more recently have accessed WAFC staff to support competition management.

Metro Football League (Metro FL) – The Metro FL is a community senior competition played on Sundays with 9 teams in the competition. The WAFC has an Affiliation Agreement with Metro FL (2014). The Metro FL (formally Mercantile Football Association) had its origins as a social league playing fortnightly in the 1980's. Some of the initial clubs were Cockburn Cement, Komatsu and The Rosemount Hotel. A change of administration in the late 1990's saw a more formalised competition, meaning an Incorporated League, member elected board, regular season, transfers and the introduction of accredited umpires.

Junior Football - Football Development Councils

In 2002, the WAFC implemented a review into WA football to understand the effectiveness of the junior football pathways and the model that saw the WAFL clubs responsible for their junior districts. This review recommended that community district associations, led by independent Boards, be established (rather than WAFL Clubs) to oversee the growth and development of junior competitions supported through game development activities of the WAFC.



This model served football well with significant growth in participation across the metropolitan and regional districts. Whilst this model was successful, the Boston Consulting Group review identified that it did place a significant workload on volunteers balancing governance, competition management, by-laws and fixturing plus the financial management of registrations and compliance. The review recommended there could be greater outcomes achieved by establishing junior football Regional Development Councils that combined three WAFL district zones together and took a more strategic role to support the WAFC in directly managing the competitions, pathways and providing continued game development support.

In 2019, an agreement was reached across the nine metro District Football Development Councils to dissolve and establish the new metro Regional Development Councils, which represents one of the most significant governance reforms in junior community football. In 2020, the WAFC took responsibility for the management of junior competitions, management of funds to reinvest into junior football and to oversee the growth and development of the Clubs, volunteers and players. Under this model the WAFC employed staff to oversee fixturing, competition management and club support activities, with the aim of reducing the burden on volunteers and improving the professionalism of delivery whilst focusing on club and player development.

The WAFC has an Affiliation Deed with the recently established metro Regional Development Councils (RDCs). The RDC's board comprises of members from all segments of football including the WAFC, WAFL, PFL and junior football to work and act in the best interests of growing and developing the game.

The Boston Consulting Group review also identified that a review of the governance model of regional football was required. The Regional Football Development Council (RFDC) is the Association, with an independent Board to oversee junior football in the regions. This model still exists today. The opportunity exists for this governance model in line with the WACFL governance model to be reviewed. Like the restructured operating and staffing model of the WAFC for regional areas where both senior and junior football development are equally prioritised, regional football also requires a governance model that supports and sets the strategic directions for all levels of the game in the regions, right across WA.

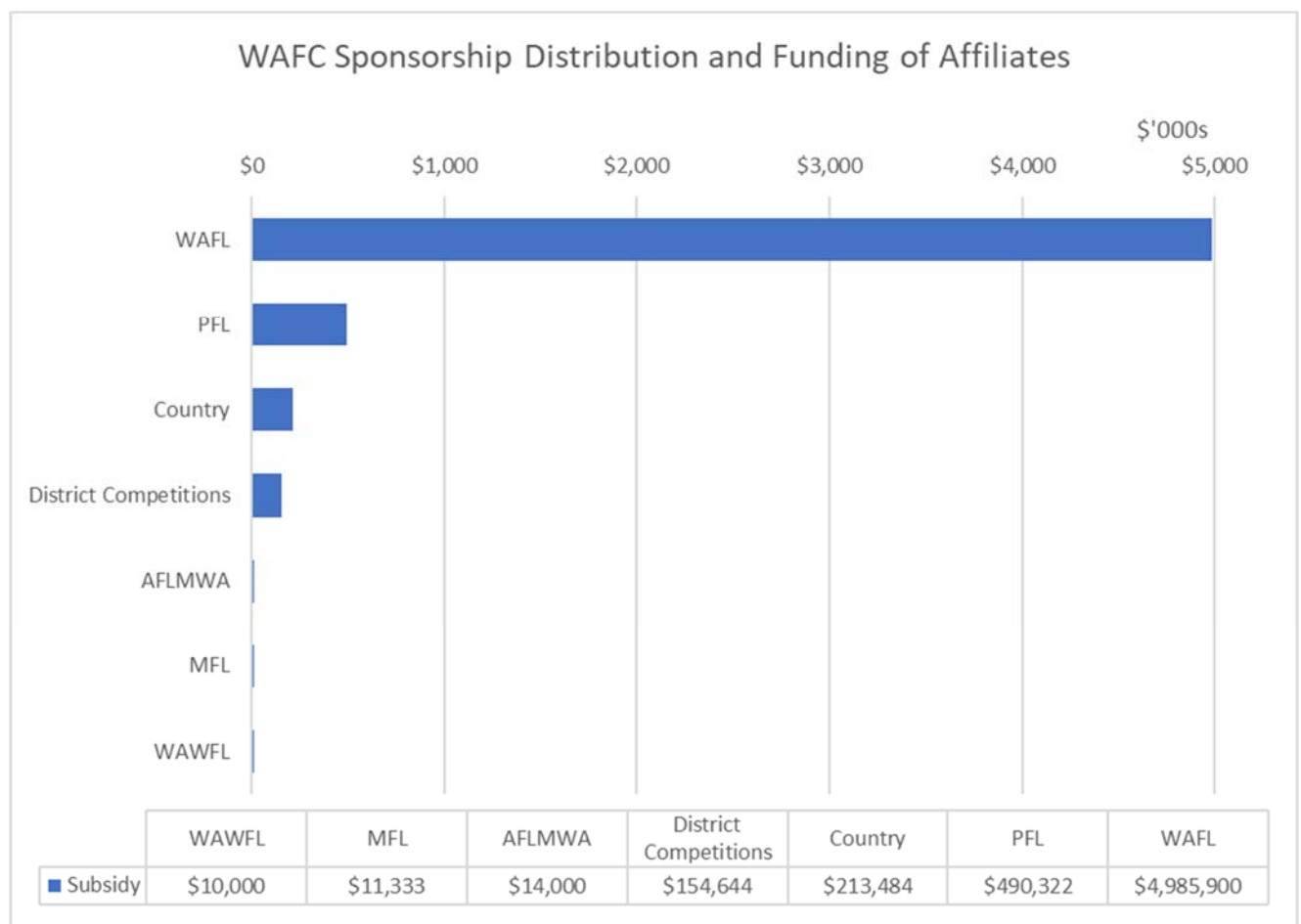
West Australian Football Commission

The WAFC has always played a role in supporting and developing football across WA. In 2003, the WAFC introduced a District Model, whereby participation along with the growth and development of the game was prioritised and established as a core focus of the WAFC. With the establishment of the District Model the WAFC took on a greater role in game development. This role was to ensure that across all levels of the game there was an overarching and consistent approach to how the game was developed through schools, Auskick, indigenous and multicultural communities, supporting clubs, players and volunteers, and the growth of female participation. The WAFC model provides governance across the industry and also delivers game development programs to grow and enhance football. This is consistent with other football governing bodies in South Australia (SANFL) and the AFL governed States. Under this model, during the period 2009 – 2018, Western Australia was the leading football state nationally increasing its participation by 270% (please refer to table in section 2.1.4.12).

One of the important roles of the WAFC is to provide and distribute funding across the industry, based on needs of certain segments of the game and to ensure alignment to the key strategic priorities of WA football. Outlined below is a summary of the investment that the WAFC provides to our Affiliates. The WAFC provides investment to Affiliates by way of grant funding, staffing, office accommodation, overheads (including IT and HR), joint commercial/sponsorship arrangements plus promotion of the game.

Of the \$30.9 million spent by the WAFC in 2019, \$5.9 million cash was paid direct to the WAFC's Affiliates as part of individual Affiliate grant funding agreements and sponsorship arrangements.

The \$5.9 million paid to Affiliates is broken down as below.



Each Affiliate, License or funding agreement sets out the terms for funding arrangements.

The WA Football system is unique in its structure and funding arrangements. It is the only model in Australia where the AFL Clubs directly fund and support community football via an independent body, being the WAFC. The more successful the AFL Clubs are, the more revenue is reinvested back to WA Football. At the same time, our AFL Clubs benefit from a football system in WA that creates more fans, more participants and more players in the game. Supporting the growth of the game through schools, Auskick, junior and youth competitions lays the foundations for players to transition into our senior competitions, ensuring these competitions can be sustainable and play a key part in their local communities.



Football in Western Australia is one of the cheaper participation sports, due to the fact of having limited bottom up funding. This is largely driven by the WAFC's approach to supporting Game Development activities through funding to ensure opportunity and accessibility for as many participants as possible. Through a model of football funding football, where the AFL Clubs invest into the game, it has ensured cost factors can be controlled and not be a prohibitive factor to participation.

Not only has football developed a successful football funding football model, it has also interconnected all segments of the game through the WAFC to ensure WA football is well resourced, supported and can continue to play its important role in developing and supporting healthy communities right across Western Australia.

Conclusion: The WAFC's role is to protect and grow all levels of football in WA, and the WAFC should continue to invest across all levels.

1.3 Overview of the WAFC Funding Agreement

WA Football has the best funding model of any sport in the country, with money derived from professional sport recycled into community sport via its various funding agreements, with the outcome being significant social benefit to thousands of Western Australians. Central to the WAFC's role is the administration and reinvestment of the funds generated by football for the overall development of the game.

The WAFC undertakes its role in an independent manner, impartial to individual clubs or competitions, with a focus on the greater good, and long-term development, of the game.

Specifically, the WAFC Funding Agreement with the State is fundamentally different in character to an agreement pertaining to the discretionary grant of funds by Government. Rather, it is a complex commercial arrangement spanning a period of 50 years in which the respective rights and obligations of the parties are defined in great detail. Its commercial provisions reflect the context in which it was executed, including the historical facts that:

- (a) The WAFC held a 99-year lease over Subiaco Stadium at a nominal rent, which was a highly valuable commercial asset for football in WA;
- (b) The two AFL clubs owned by the WAFC – namely the West Coast Eagles (WCE) and the Fremantle Dockers (FFC) – each paid significant fees to the WAFC to play games at Subiaco Oval;
- (c) The AFL Licenses used by those Clubs were acquired and the Clubs were founded and developed by the football community without significant Government support;
- (d) The fees paid by those two clubs for the use of the Subiaco stadium were the largest single source of revenue for the WAFC and after meeting the costs of running the stadium formed part of the revenue used by the WAFC to support and develop football in Western Australia;

- (e) This structure meant that football in Western Australia was self-sufficient, and that a significant portion of the revenue generated by the two AFL clubs came to the WAFC by way of stadium hire fees and was used by the WAFC to support and develop football in the state;
- (f) The revenue available for the support and development of football in WA was augmented by the royalties paid to the WAFC by the 2 AFL Clubs out of their profits;
- (g) In addition to the revenue received from the AFL matches played at Subiaco Oval, the WAFC's leasehold interest generated revenue from other sources including functions and events, such as rock concerts etc;
- (h) WAFC's leasehold interest at Subiaco also provided it with premises which it utilised for office space, unrestricted use of an oval and associated training and changing facilities. The stadium was also available for hire for various football related functions and events.
- (i) WAFC has since inception been entirely autonomous, and Government had no say or control whatsoever in relation to the way in which revenues derived by the WAFC were spent.

When the State decided to proceed with the construction of a new stadium at Burswood, it requested the WAFC to, in effect, dismantle this structure entirely by surrendering its leasehold interest in Subiaco Oval. The commercial advantages of the football funding structure in place at the time of the State's decision to construct the new oval were such that would have been a serious dereliction of the responsibilities and duties which the WAFC owed to its members (who represent football in WA) if it failed to obtain the best commercial terms reasonably available in association with the movement of AFL football from Subiaco to Burswood.

The basic terms of the agreement reached to enable that transition to occur were embodied in a document entitled "High Level Principles in relation to WAFC Funding" dated October 2017. Significantly the Australia Football League (AFL) was a party to that agreement. The AFL undertook not to withdraw any funding currently provided to the WAFC by reason of the funding to be provided by the State, and further undertook that it would not reduce the amount of funding provided to the WAFC in any different proportion to any reduction of funding provided for game development to other AFL State bodies. These undertakings are obviously of significant benefit to football in Western Australia, and were secured as part of the WAFC's agreement to relinquish its long-term lease at Subiaco, in return for the AFL obtaining the right to play games at the Burswood Stadium.

The High Level Principles reflect the fact that the parties agreed that the basic structure of football funding in Western Australia would remain unchanged - under which ground hire fees paid by the two AFL clubs owned by the WAFC would be used to fund the WAFC, and thereby to support and develop football in Western Australia generally. This is evident from Clause 2(f) of the High Level Principles which provides:

"2 The Parties acknowledge: ...

- (f) the hire fee charged to AFL, WCE and FFC to hire the Perth Stadium has been set to permit the WAFC to be funded pursuant to these high level principles".



Until the High Level Principles were agreed, neither the AFL nor WCE nor FFC had undertaken to play football at the new stadium (which by then was almost complete). Trevor Nisbett, CEO of WCE, has stated publicly that neither WCE nor FFC would have agreed to pay the hire fees proposed by the State for the use of the new stadium unless the State agreed to recycle those fees into football in Western Australia, through the WAFC, as had been the case at Subiaco Oval. The High Level Principles gave effect to that agreement, and each of the AFL Clubs agreed to the hire fees proposed and commenced playing at the new Stadium.

The terms of the WAFC Funding Agreement signed in July 2019 reflect and embody the maintenance of that fundamental principle, but instead of the AFL clubs paying fees directly to the WAFC for the use of Subiaco Oval, it was agreed that they would pay fees to the State for the use of the new stadium on condition that the State returned those fees to the WAFC on the terms set out in the WAFC Funding Agreement, for the support and development of football in Western Australia.

Put another way, when AFL football moved from Subiaco to Burswood the basic funding structure remained unchanged. The revenue generated by the AFL clubs at the new stadium was utilised in part to pay fees for the use of that stadium which were to be passed through to the WAFC to support and develop football in Western Australia. Put even more simply, football generated revenue was still to be used to support and develop football in WA.

In these circumstances, any attempt to treat the funds provided to the WAFC under the WAFC Funding Agreement as if they are the provision of discretionary funding by Government fundamentally misconceives the provisions of that agreement, the commercial context in which its terms were negotiated, and the history of funding of football in Western Australia.

Significant changes effected by the WAFC Funding Agreement included the partial surrender of the WAFC's complete autonomy in relation to the expenditure of funds which were to be provided pursuant to the Agreement, and the obligations of accountability and transparency which WAFC assumed under the Agreement. Those provisions, which had only been in effect for about 8 months when the pandemic crisis struck, need to be viewed in the historical context above.

A more detailed analysis of the Agreement, showing the various ways in which it embodies the continuing principle of football funding football, is contained in section 3.5. That analysis also deals with the constraints upon the expenditure of funds provided under the Agreement, and the reporting and accountability provisions of the Agreement. As will be seen from that review, there are significant differences in the way in which the Agreement operates during the Initial Term (up to 30 October 2027) and the way in which it operates in the 40 following years.

Conclusion: The WAFC Funding Agreement is not a grant of WA Government funds. It is a redistribution of revenue generated by football back into football via the WAFC.

1.4 The WAFC's Future Focus Areas

The WAFC constantly endeavours to ensure all areas of WA Football are equitably funded and resourced. There are a number of areas highlighted in the WAFC's revised strategy which we will focus on over the next two years as points of priority. Due to the financial pressures of COVID-19, the WAFC has reviewed and subsequently revised its strategy to ensure it can effectively rebuild and deliver football outcomes over the next two years. This strategic review highlighted the WAFC would have to reset its financial model and organisational structure to effectively deliver football outcomes in the challenging economic conditions facing the WA Football industry.

The revised strategy also considers how traditional programs and services can be delivered in more efficient but just as effective ways. A model of localised service delivery, that enhances the use of clubs and volunteers to strengthen community connection will be a key theme to the implementation of the WAFC's revised strategy.

Some of the key focus areas are:

1. Indigenous engagement and growing participation – in the first instance our focus is in the Kimberley and Pilbara regions which commenced in late 2019, but has been stalled due to COVID-19.
2. Increased participation at all levels of the industry for women (not just playing the game) and the development of female facilities. This will be facilitated by the Women in Football Advisory Committee which held its first meeting in the weeks leading up to the commencement of lockdown measures related to COVID-19.
3. Improved internal and external communication mechanisms (including with the WAFL). The WAFC needs to better communicate who we are and our role in the industry and bring together football stakeholders more often (like the recent WA Football Leaders – Footy Forum) to discuss key issues and challenges facing our game. Our strategy for the next two years includes a definition of all roles in the industry and an investment model revised accordingly, which refines and specifies the criteria for funding allocation.
4. Governance – in particular three key areas.
 - (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.
5. Game Development – continued focus on the growth and development of the game including supporting and educating volunteers, transitioning school participants into community clubs, and retention, with a key focal point being on the key drivers of club-based participation. This will be through a partnership approach whereby the WAFC will look to work closely with partners, third party providers, WAFL and AFL Clubs plus local governments in the delivery and achievement of aligned outcomes and objectives.



6. Talent Model – establish a revised talent pathway model with the AFL, AFL Clubs and WAFL Clubs. The model should support a consistent approach and more efficient delivery which embraces a player first focus and considers deepening the connection and role of the WAFL Clubs

2. ADDRESSING THE TERMS OF REFERENCE

2.1 How effectively State funds have been used to develop football across all levels

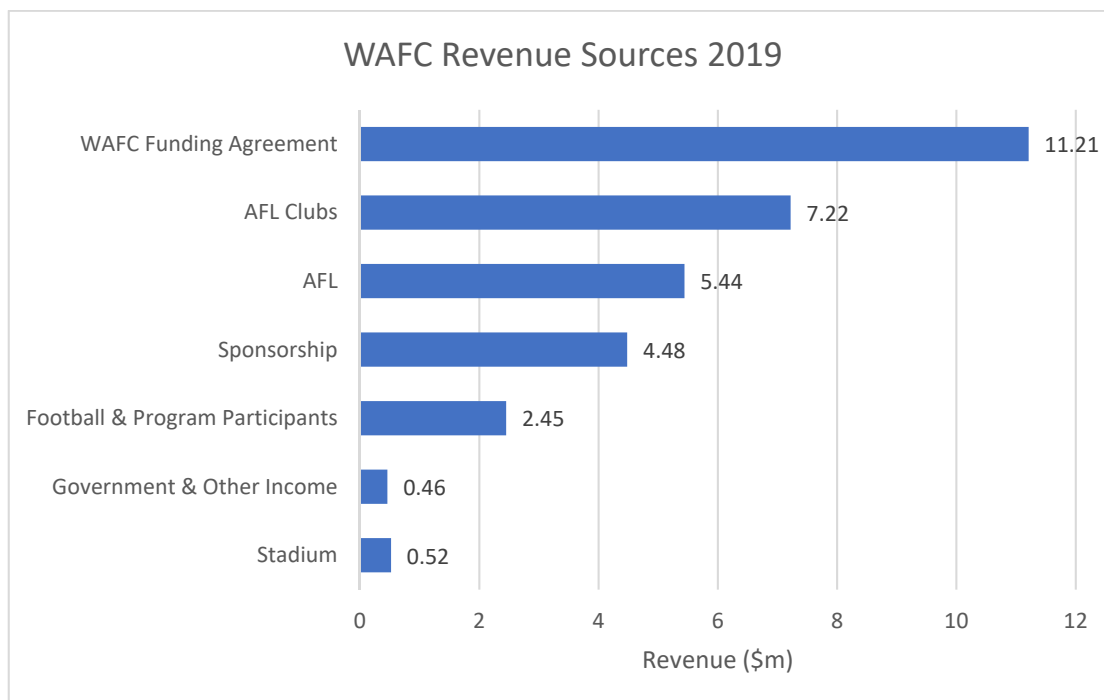
The WAFC has been very effective in using funding to develop football across all levels. Using a series of success measures, we develop strategies where necessary and track our effectiveness to ensure continuous business and industry improvement for the game of football in WA.

Our effectiveness in using State funds to develop football across all levels is evidenced through discussion of the following:

- 2.1.1 State funding and other revenue sources;
- 2.1.2 WAFC expenditure across all levels of football;
- 2.1.3 Demonstration of expenditure on development; and
- 2.1.4 Effectiveness of expenditure – the WAFC’s measures of success.

2.1.1 State Funding and other Revenue Sources

In 2019, the WAFC’s total revenue was \$31.8 million, with the football funding football model (via the WAFC Funding Agreement) providing approximately one third (\$11.21 million) of the WAFC’s revenue. Revenue sources are detailed in the following chart.



In response to the terms of reference which asks “how effectively State funds have been used”, it is important to point out that State Funding, by way of grant funding from the Department of Local Government, Sport and Cultural Industries, is a very small portion of our \$32 million revenue. As included in the revenue chart above, the total of Government (non WAFC Funding Agreement) and other miscellaneous income is only \$460,000. All other revenue sources are generated by football itself, including the \$11 million obtained via the WAFC Funding Agreement.

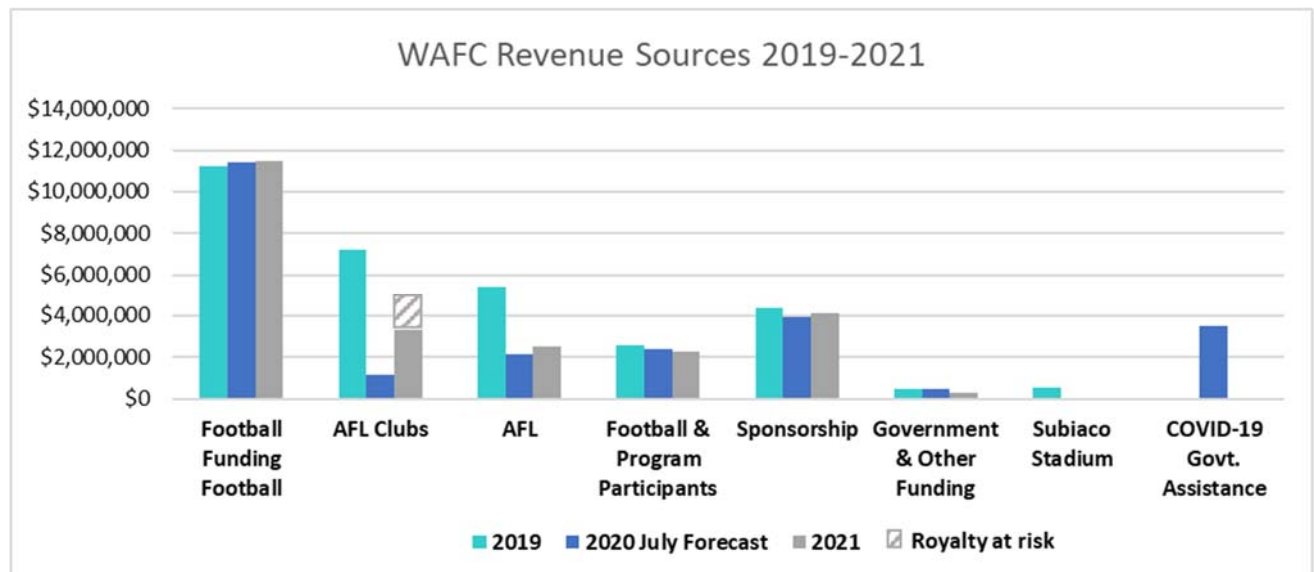
The approximately \$11 million received under the WAFC Funding Agreement is not allocated specifically to any activities. Instead, the total revenue base of approximately \$32 million (FY2019) is expended on football across all levels determined by need, alignment to WAFC’s strategic plan, commercial obligations or directed to specially funded programs as described in the following section.

The WAFC’s sources of revenue have taken a significant hit in 2020 relative to the original budget of \$32 million and is expected to be closer to \$21.5 million plus Government COVID Assistance payments. Due to COVID-19, the AFL Club Contributions to football expenses have been reduced to nil and their royalty payments reduced to the minimum, with some uncertainty on timing of receipt of even the minimum (floor) payments. This means there is an 81% reduction in 2020 for revenue from the two AFL Clubs and uncertainty around the recovery of royalty for 2021.

Furthermore, the AFL has cut any funding to a flat reimbursement for costs incurred up to 31 March 2020, which is a 61% reduction on revenue from the AFL which in making this decision, considered their obligations in the WAFC Funding Agreement. The expected funding from the AFL in 2021 will be higher than the 2020 reduced amount but still remains to be finalised.

Overall Sponsors have been supportive, yet some of the small to medium sized sponsors had to review their commitments in 2020, resulting in an expected 22% reduction in sponsorship income.

The impact of COVID-19 on FY20 revenue for the 2020 and 2021 (current projection) financial years has been reviewed in detail with financials outlined per the graph below:





It should be noted that in 2021, there is significant risk for the royalty income from the two AFL Clubs, due to potential restrictions on the ability to host matches at Optus Stadium with maximum capacity. The royalty agreement requires a minimum payment of \$1.1 million per Club with any uplift paid based on the profitability of the Clubs. Approximately \$1.4 million of royalty revenue is forecast above the minimum payment, but remains at risk in 2021, as the Clubs recovery from the impact of COVID-19 and uncertainty remains on the revised operating capacity of the Stadium and the related impact on the Clubs' profitability.

In 2020, the WAFC responded swiftly to the reduced revenue to minimise the impact upon any drawdown of reserves. During the months of April and May there was a reduction to skeleton staff, and once football was back, only staff required for the competition management were brought back to work. All staff continue with reduced pay or reduced hours. At the time of this submission some staff remain stood down, whilst receiving JobKeeper.

As a response to the reduction in revenue going forward, the WAFC has undertaken a review of its staff organisational structure and overall financial model. With the assistance of an independent HR Company, we have developed a new staff organisational structure that sees a reduction in approximately 25% of staff. This revised structure will be in place for the new 2021 financial year. The revenue forecasts for 2021 are made on the assumption that football will have returned at all levels of competition and importantly AFL football is being played again at Optus Stadium, with no limits being placed on stadium capacity, therefore rebuilding some of the key revenue streams of the WAFC. This assumption still carries risk and may require further financial review if these conditions do not occur.

The revised staff structure is aligned to the strategy reset that has also been undertaken since the pandemic commenced. Understanding the financial implications that would be in place for a number of years as a result of COVID-19, it was prudent to go back to our 2017-2022 strategic plan and determine what the strategic needs of the industry would be for the next two years. With the strategy reset and the revised staff structure, there will be opportunities to work with football industry stakeholders to review some of the programs and services that are currently being delivered by the WAFC to determine where we can work in partnerships for that delivery.

The WAFC recognises that post COVID-19 the delivery of football programs that support the development of the game will need to be reviewed. Whilst the WAFC has been extremely successful in the development of the game achieving some of the highest participation rates across Australia, the financial challenges of COVID-19 have presented an opportunity for review. In an environment with less resources the ability to partner with Clubs and Affiliates to deliver some of the traditional programs more efficiently but with a focus on being just as effective presents an exciting opportunity for the industry and our game.

A copy of the revised strategy and organisational chart are included in **Appendices 15 and 16**.

Conclusion: The WAFC has acted decisively to reduce costs in light of the reduction in revenue in 2020, which is projected to continue in 2021 and beyond.



2.1.2 WAFC Expenditure Across all Levels of Football

WAFC expends its funds in accordance with three high level obligations – the WAFC Funding Agreement, the WAFC’s constitution, our strategic plan and our license/governance agreements. The license or governance agreements have been in place for a significant period of time and outline the associated funding provided under those agreements.

Further discussion as to how the WAFC meets its obligations under the WAFC Funding Agreement is included in section 3.5. It is also pertinent at this point to discuss the constitutional objectives of the WAFC, as the WAFC Funding Agreement helps realise these objectives.

The constitutional objectives of the WAFC are to:

- (a) Promote, encourage and oversee the growth and development of Football
- (b) Provide guidance, planning and leadership to all levels of the Football industry
- (c) Promote, develop, and ensure the effective management of Football matches at all levels of the Football industry and recognise the WAFL as the pre-eminent league in the State of Western Australia
- (d) As owners, to oversee and ensure the effective management of the AFL Clubs and to promote, develop and encourage the AFL Clubs in Western Australia, and Football matches in Football competitions conducted by the AFL
- (e) Manage other sporting stadiums and provide guidance and planning for the efficient use of other Football facilities.

Please refer to **Appendix 4** for the WAFC’s constitution.

In order to deliver against our constitutional objectives, the obligations of the WAFC Funding Agreement, the Strategic Plan and our partnership agreements, the WAFC invests in the following areas of the football industry:

1. Community Football and Game Development
 - School competitions and the AFL School Ambassador program
 - Multicultural engagement programs
 - Indigenous engagement programs including the Nicky Winmar and Kirby Bentley carnivals
 - Auskick, junior and youth football
 - Junior competition management
 - Community facilities
 - Umpiring and coach development and accreditation
 - Volunteer support, development and recognition programs
 - All community competitions through our affiliated leagues
 - Community facility funding

2. The WAFL Men's and Women's Competitions

- Governance
- Licensing
- Club funding
- Umpiring
- Fixtures
- WAFL facilities
- Rules and regulations
- Tribunals and integrity programs
- Marketing

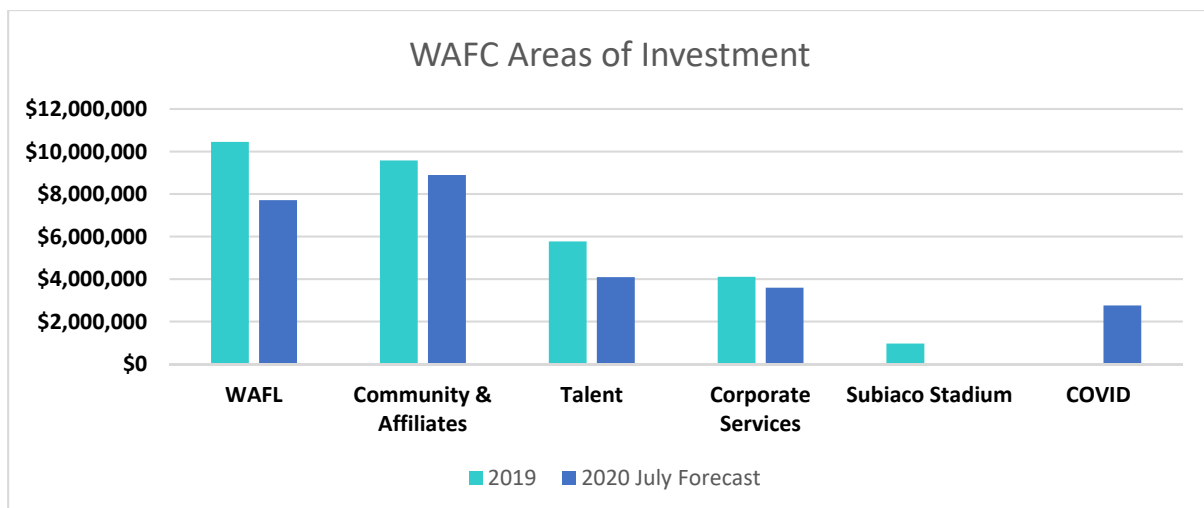
3. Talent

- WAFL Colts competition and supporting talent pathway
- State talent academies for males and females
- Umpiring talent pathway

4. Corporate Services

- Strategy
- Governance
- Executive Office
- Marketing (non WAFL)
- HR, Finance and IT
- Office facilities
- Partnerships and sponsorship.

In 2019 WAFC incurred expenses of \$30.9 million plus extraordinary charges and is forecasted in 2020 to spend \$24.3 million, plus COVID related expenditure. The WAFC's total expenditure across these four key areas of football, plus the one-off expenditure incurred under COVID, are detailed as follows.



The WAFC funds and invests in the areas of WAFL, Community and Affiliates plus Talent to the value of \$15.7 million (FY19). The value of funding paid directly to the Affiliates includes sponsorship distributions and grants equalling \$5.9 million (FY19). The balance of the \$9.8 million (FY19) is the investment of the 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.

The below table breaks down the \$15.7 million (FY19) invested by the WAFC to WAFL and Affiliates as part of the WAFC's \$30.9 million total expenditure in 2019. It is important to note that some Affiliates do contribute in part to these costs, such as employee and marketing costs which is reflected in the WAFC's revenue and would offset some of the costs outlined below.

WAFC Expenditure (FY19 Actuals)	WAFL	PFL	Country	MFL	AFLMWA	WAWFL	District Competitions	Total
WAFC Operating Costs	5,471,675	878,226	1,350,768	-	-	-	2,070,175	9,770,844
Cash Distributions	4,985,900	490,322	213,484	11,333	14,000	10,000	154,644	5,879,684
Total	10,457,576	1,368,548	1,564,253	11,333	14,000	10,000	2,224,819	15,650,529

The 2019 WAFC financial accounts include Marketing as a separate item, of which \$810,000 relates to WAFL Marketing and thus is included in the above table under WAFL.

Outlined in the governance agreements across football (refer to section 1.2), are the associated funding agreements which have been long standing. Whilst the investment model for football has been in place for a long period, the funding still balances the needs of each segment of our game with the limited financial resources available. Importantly across football there are segments of the game which are self-sustaining based on their ability to generate funds through player and/or team registration fees. This allows clubs, leagues and Affiliates to generate revenue through registration fees which in addition to fundraising, sponsorship and grant funding support their operations. A summary of the different user pay financial models for community football is included in **Appendix 17**. This model provides for the different leagues and Affiliates having a self-sustaining funding model via player and team nomination fees. It also identifies that due to the semi-professional nature of the WAFL and the important part that it plays as a State league and in talent development, there are significantly more costs and limited players to support a user pay model to support their operations, hence requiring a stronger commercial focus and a different funding model from the WAFC.

West Australian Football League (WAFL)

Within the WA football system the two areas which require the greatest investment include the WAFL and the male and female talent pathways and academies due to their limited registration "user pay" models and the greater cost associated with talent and a semi-professional state league competition. As a State League the WAFL does not have the ability to generate significant revenue through a large participation base and has the added obligation of providing a higher standard of coaching, player support and payments and administration costs. The WAFL Clubs play an important part in the talent pathway and some clubs are also taking a greater role in supporting community football and their local community. On an annual basis a WAFL Club has to generate approximately \$1.6 to \$1.8 million, receiving \$480,000 from the WAFC with the balance raised through memberships, sponsorships, match days, fundraising, grants and facility operations.

The WAFC employs 6 staff that directly manage and support the WAFL and more recently the WAFLW competition. In addition, the WAFC manages and funds all tribunals, integrity and governance requirements for the competition. The WAFC also employs staff that manage the commercial arrangements for the competition, including supply rights, sponsorship, marketing, social media and TV broadcast deals. A further key area of investment that supports the WAFL is the WAFL Umpiring pathway. The WAFC develops and rosters umpires for all WAFL matches and covers these costs on a weekly basis.



The support for the WAFL has also extended to the launch of the WAFLW competition in 2019 and covering all management and operational costs of this new and important competition. The WAFC also coordinates the finals series for the WAFL including taking the commercial risk for the WAFL and WAFLW Grand Finals.

The financial model for WAFL remains an ongoing challenge. Raising the required funds annually to operate a WAFL Club is a significant challenge. Balancing Club priorities on spending across football, facilities, staffing and efforts in community is an ongoing challenge for Clubs. Whilst in the AFL on field success is a key driver for significant financial returns, within the WAFL the financial uplift from winning Premierships is limited, yet this outcome can drive poor decisions that impact on Clubs' short and long-term sustainability.

West Perth Football Club went into voluntary administration in 2018, with the WAFC offering a \$250,000 5-year interest bearing loan to the Club. The WAFC's support was primarily based on the important role West Perth Football Club could play in supporting and promoting football in the northern corridor of Perth, with the loan provided to support the Club rebuild. The WAFC has also lent funds to the Peel Thunder Football Club who experienced significant financial challenges in 2011, with the WAFC establishing a loan for \$400,000.

History has shown that with new investment into the WAFL, such as the funds invested by the AFL Clubs when entering the WAFL and the funds invested through the new Talent Model, that the majority of Clubs do not develop their balance sheets or invest in areas outside of football to create new value or commercial opportunities.

The future of WAFL Clubs will be dependent on Clubs looking at their business model differently and finding new ways to diversify revenue streams, as the WAFC under its new financial model has less discretionary funding to allocate to the WAFL. Good examples of such initiatives include the VSWANS community program at Swan Districts, the Stephen Michael Foundation at South Fremantle and the Community Recycling WA initiative of Peel Thunder Football Club, all of which over the long term with good governance can support these Clubs becoming financially sustainable and playing a greater role in their community.

In the new environment in which WAFC subsidies are not affordable at pre-COVID levels, WAFL Clubs will need to review their cost structures if they are unable to develop new independent revenue streams.

WEST AUSTRALIAN COUNTRY FOOTBALL LEAGUE (WACFL)

The WAFC supports regional football through direct funding and also through the provision of regional staff across the State. The WAFC employs all staff within country football. By the WAFC employing staff it reduces costs and legal obligations on the WACFL, whilst the arrangement also includes office accommodation, IT, HR and marketing support. The WACFL Subsidy and WAFC Country Football staff expenditure by the WAFC totals approximately \$1.56 million annually (2019), pre-COVID.

WAFC provides WACFL 18 staff who execute all football activities in the regions across Auskick, Youth Football, Club Development, Umpiring, Coaching, Facilities and volunteer support for both senior and junior competitions.



PERTH FOOTBALL LEAGUE (PFL)

The WAFC supports the PFL through the direct employment of staff (subsidised by the PFL) and the provision of office accommodation, IT and Human resource support. In addition, the WAFC supports the training and development of community umpires and coordinates the community football tribunal. The overall WAFC expenditure on the PFL is \$1.37 million annually (2019), pre-COVID.

TALENT PROGRAMS

The WAFC also invests in the development of male and female talent, through State Academies, pathways, coaching and camps which require specialist resources and support. The funding in talent is typically supported by the AFL and the WAFC to ensure WA's most talented players have the best opportunities to develop and play at the highest standard of the game. Prior to COVID-19 the WAFC employed 32 staff in the male and female talent programs and pathways, investing over \$5.8m annually. In 2019 the WA State 18's side won for the first time in 10 years the National Carnival with the subsequent AFL National draft taking 19 players from WA, with six already debuting in the 2020 AFL season. From the State team a further eight players have made their WAFL senior league team debut already in the 2020 season.

Importantly 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. Following the change in the model in 2018, which saw the WAFC take responsibility for the pathway and introduce a consistent approach across the nine WAFL club programs, the AFL investment increased significantly. The AFL now provides close to two thirds of the funding required to support the WA talent model.

Part of the change in the model was the ceasing of payment of draft fees to clubs. The common misconception is that this money was provided by the AFL for players being drafted, when in reality this money was provided by the WAFC. It distorted programs to focus on achieving draft outcomes, rather than the more holistic approach of producing senior footballers. This money is now reinvested across all nine programs to ensure the desired outcomes can be achieved.

2.1.3 Demonstration of Expenditure on Development

The WAFC plays an important role in funding the ongoing development of football via our Affiliates, schools, competitions and academies across all WA communities. Driving participation in the game is a key deliverable for the WAFC. This ensures that football can have an active role in building better communities through various development programs.

In 2019, the WAFC invested \$10.41 million into specific football development activities. A detailed description of the WAFC's expenditure on development is provided in section 3.2 where we address the specific question from the Committee.



2.1.4 Effectiveness of Expenditure – The WAFC’s Measures of Success

The WAFC determines its effectiveness across all sectors of the WA football industry using a range of measures. From a participation perspective, on an annual basis the WAFC, in conjunction with the AFL, undertake a census process whereby all participants across the state are counted to determine participation rates for the sport. This is completed across all segments of the game including club-based participation, school participation, social participation, Auskick participation, program participation, along with promotional activities.

Importantly, this participation data is consolidated, audited and analysed by an independent demography company in Street Ryan to ensure absolute impartiality in the reporting and figures. Street Ryan then provide an overall final census figure for each state, along with an overall National participation figure. This neutrality ensures there is rigour around the participation and census reporting figures across all segments of the game.

Our key measures for success are detailed below.

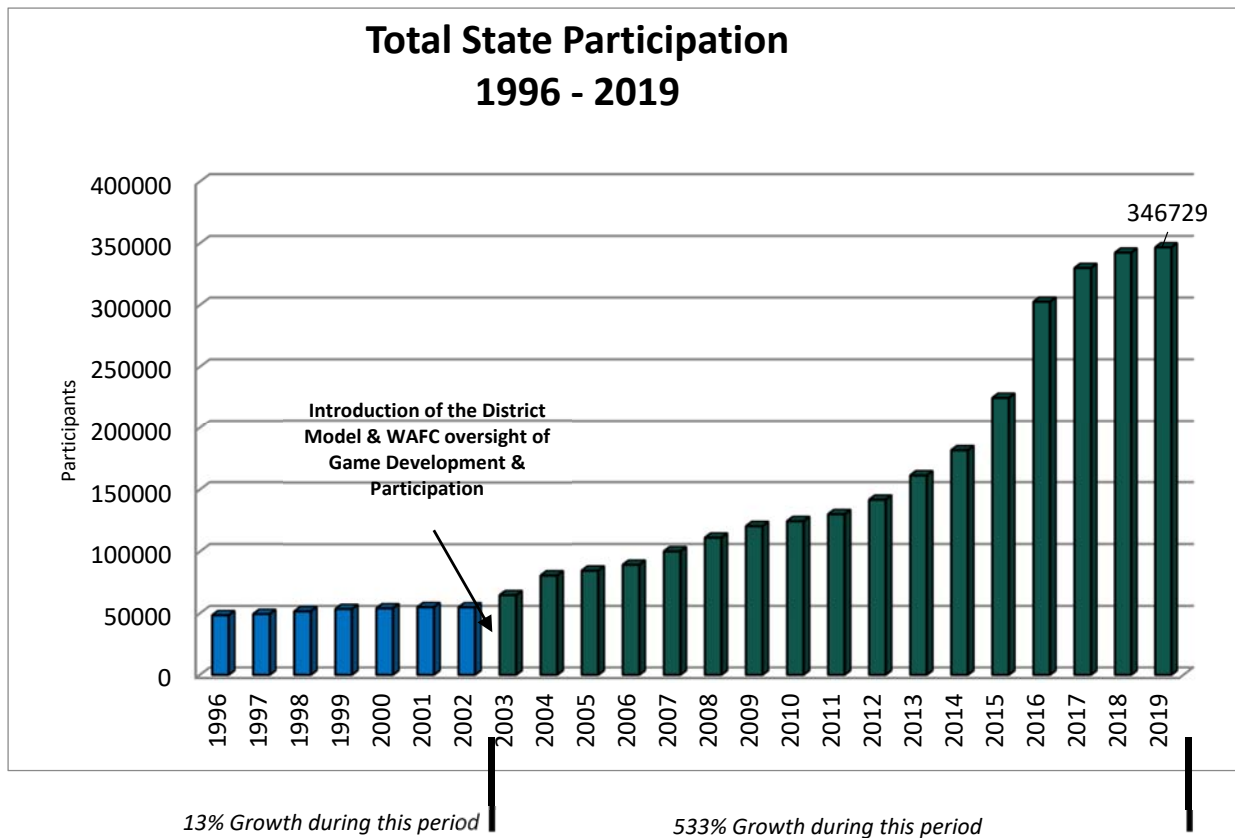
2.1.4.1 State wide football participation numbers

Western Australia has had strong participation outcomes over a number of years which has been largely led by the introduction of the WAFC District Model. A dedicated focus and prioritisation on participation has shown strong growth across the various segments of the game.

Prior to the introduction of the District Model and subsequent WAFC oversight of Game Development & Participation in 2003, participation growth in the sport had stagnated. Under a model whereby WAFL Clubs had responsibility for the growth and development of the sport, it grew by only 13% over a 7-year period. The Commission’s view is that this relative lack of success was largely due to competing priorities. Justifiably, from one perspective, the main priority of a WAFL Club is winning WAFL Premierships and specific outcomes only relevant to their zone as opposed to the broader objective of growing participation.

In 2003, the WAFC introduced a District Model, whereby participation along with the growth and development of the game was prioritised and established as a core focus of the WAFC. From this time participation has continued to grow significantly, and helped maximise the popularity of the sport in Western Australia, to still be the most popular club-based registered participant sport in the State.

The chart overleaf shows total player participation throughout the State, including club-based football, Schools programs, Auskick and other development programs.



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.

This outstanding result is largely attributable to the work and efforts of the WAFC frontline development staff in working closely with volunteers, leagues and clubs to grow participation, with a specific focus on retention strategies. The WAFC invests in front line development staff to support volunteers and community club football, and it is through this approach that participation continues to grow and develop right across all segments of community football. 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 oversee the development of the game.

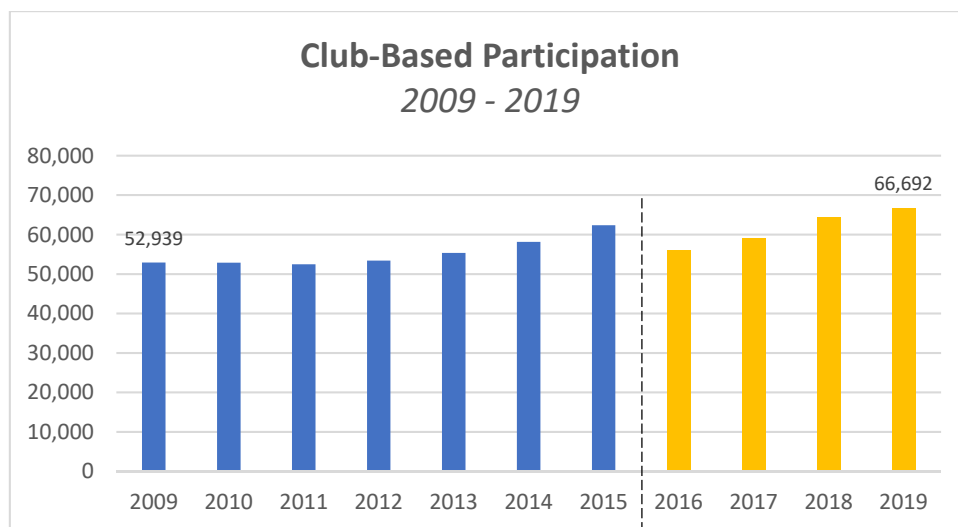
Key Drivers for Success: The WAFC is invested in having a clear understanding of the key drivers of participation and ensuring that clear data and evidence drive our decision-making processes. There are several key factors that assist in delivering strong participation outcomes. These include:

- Taking a holistic view on the best practise approach to Club development;
- A clear focus of WAFC Development Staff on club-based participation;
- A continued focus on school participation, through WAFC Development Staff engagement, but with the aim to drive conversion rates into community football clubs;

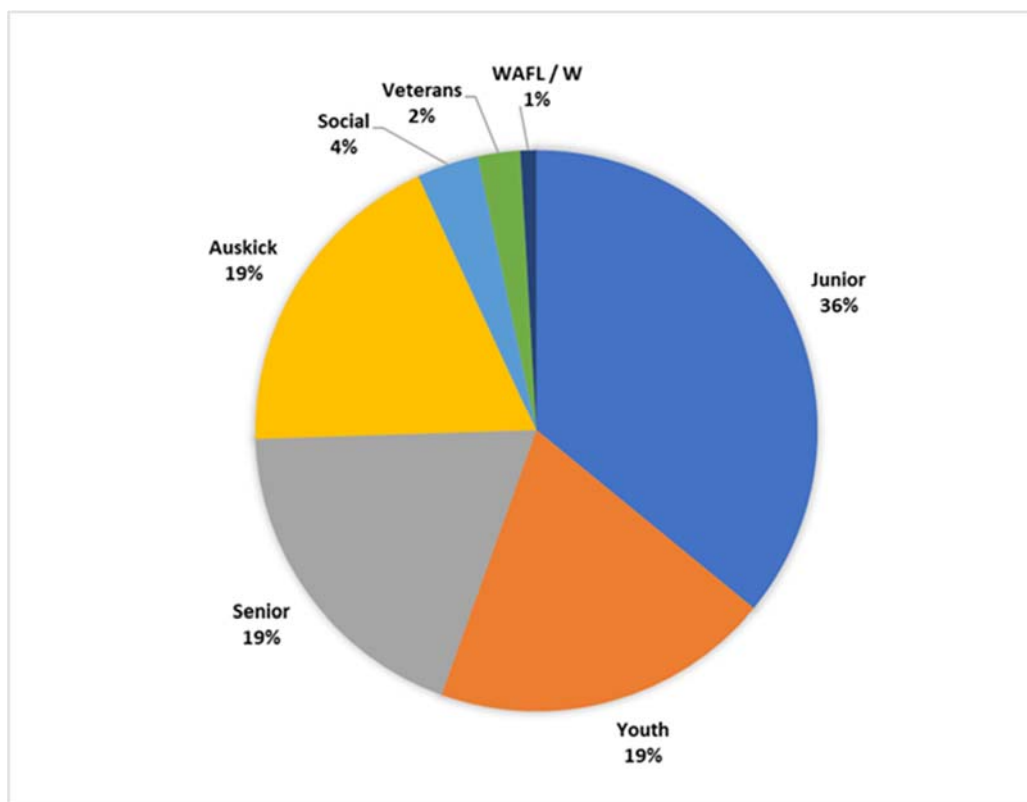
- A clear retention strategy for participants within the game;
- A focus on coach development in respect to education and accreditation;
- Data and research to drive decision making processes, including utilising this information in the tasking of WAFC Development Staff;
- A consistent and centrally managed structure that focuses on delivery systems and processes for participation and competitions;
- Education of all stakeholders on the pathway within the game, and the opportunities available to participants;
- A sequential football participation pathway that develops participants at the appropriate time and rate.

2.1.4.2 Club-based participation

Club-based registered participation (not including Auskick participants) has grown to 66,692 participants in 2019, which equates to a 26% increase over the past 10 years. It is important to note that in 2016 a change to the AFL Census reporting format occurred which impacted the numbers collected. This has been outlined through the change in colours of the graph. Since the change in reporting (the previous 4 years) club-based participation in Western Australia has seen a 19% increase during this time. Club-based participation is an important metric as it highlights participants who register and pay to participate, indicating a deeper involvement in the game.



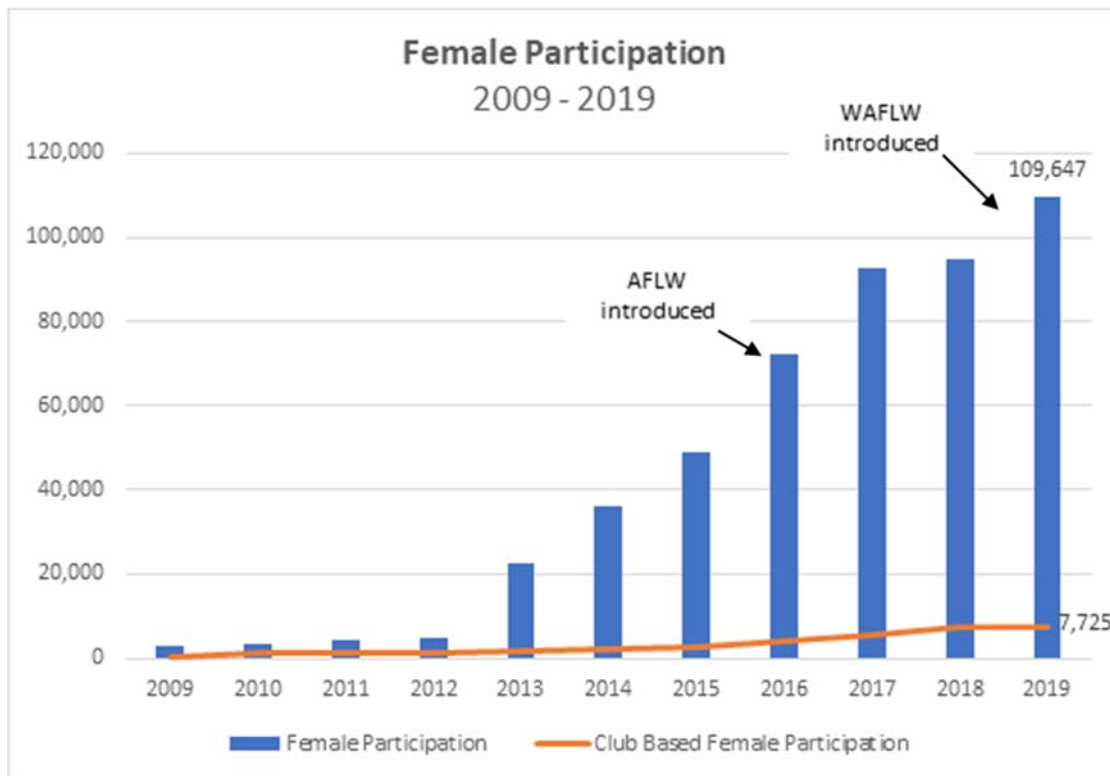
PARTICIPATION SEGMENT BREAKDOWN



The pie graph provides a percentage overview of the segment breakdown of club-based participation in 2019. As outlined, Community Football encompasses 99% of this footprint.

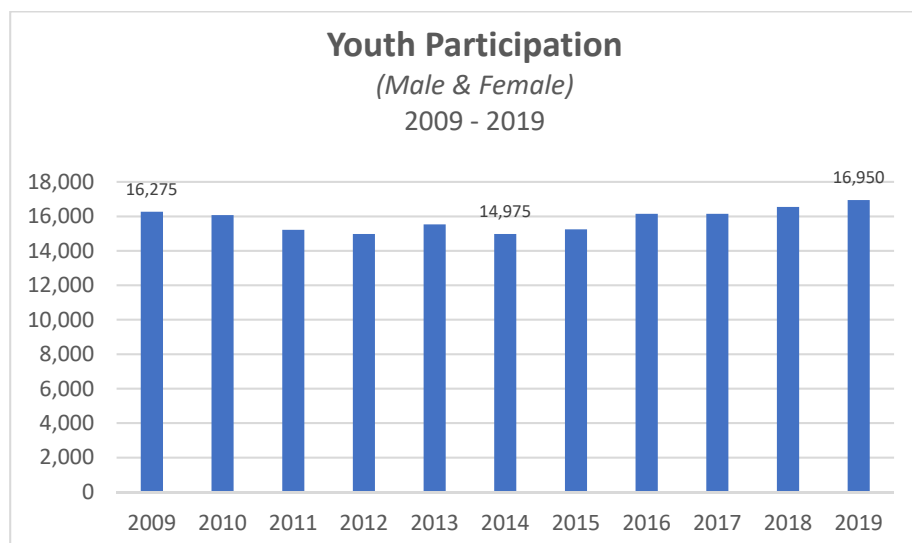
2.1.4.3 Female participation

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. Pleasingly, we are also 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%. With more and more females participating in school competitions and programs, we would expect to see the club-based participation continue to improve over the coming years. Please see chart overleaf.



2.1.4.4 Youth football

Overall, Youth Participation (13 – 18 year olds, both male and female) is beginning to show some positive signs in respect to participation growth. As can be seen from the graph below, in 2014 Youth Football was at the lowest point in its decline. This was on trend with sports internationally in respect to Youth Participation. In 2015 and 2016, the WAFC instigated a Youth Football Working Group to specifically develop strategies to arrest this trend. On the back of this strategy, along with WAFC investment into this segment, Youth participation has grown to 16,950 participants in 678 teams (a 13% increase from 2014).





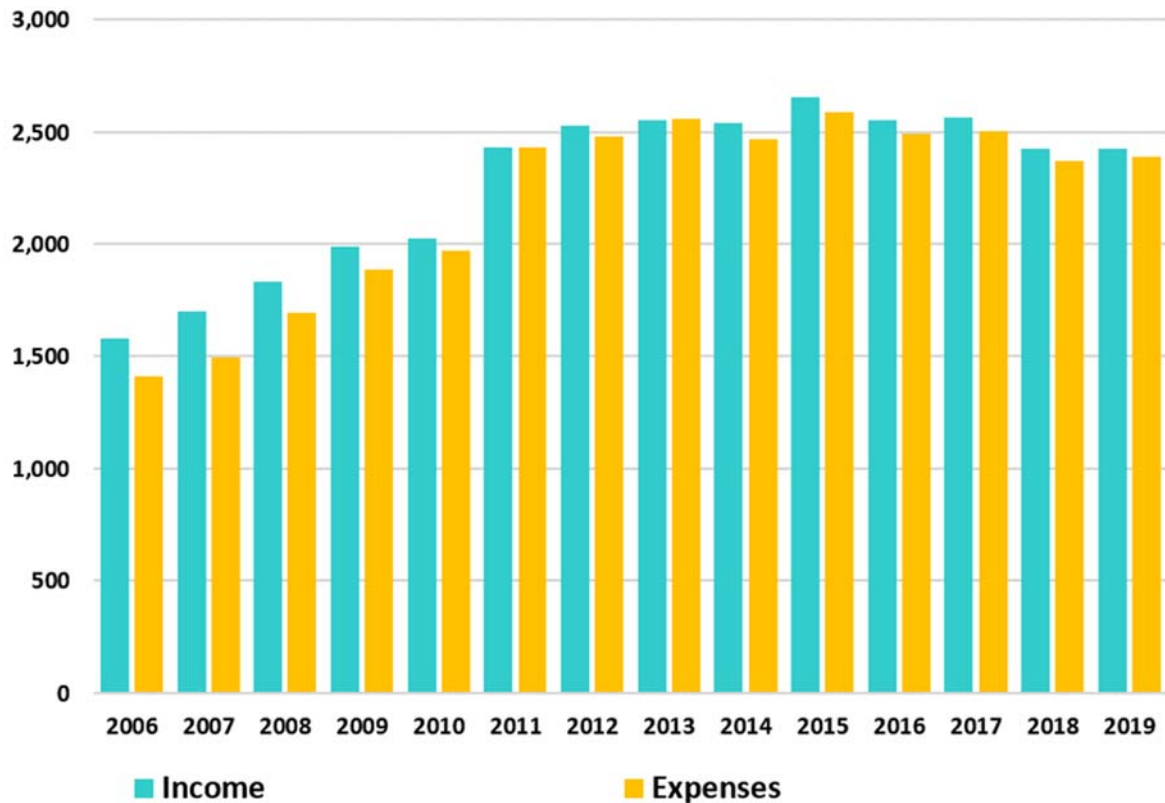
Additionally, the WAFC reports on Youth Male Participation as a critical participation segment for football, AFL talent development and senior community football. On the back of a decline in youth participation from 2010 – 2014, the WAFC instigated a Youth Football Working Group to establish strategies to arrest this decline. These strategies included the development of 15 a-side youth divisions, refining a youth participation calendar, night football opportunities, Year 11 / 12 competition and transition strategy, and engagement of coach coordinators to support coaches in the pathway. Positively, since the introduction of these strategies, as well as others, Male Youth participation has begun to show positive signs of growth, with small increases each year. In 2019, Youth Male participation grew by 1% to 14,397 participants.

2.1.4.5 WAFL club sustainability

It has been clear over a number of years that the sustainability of some WAFL clubs hasn't been at the level required to ensure long-term sustainability with three clubs in particular over the past ten years facing significant financial challenges. The WAFC worked closely with those Clubs to assist them through their difficulties. A key component of the new revised strategy for WAFC is the sustainability of WAFL clubs. This will involve the WAFC working with all WAFL clubs to reduce the overall costs including within their football departments, with a specific emphasis on player payments and football staffing costs. We expect the Clubs will also consider their off-field spending, which can be considered high relative to the level of revenue generated by each Club. Through grants from the WAFC, the WAFL Clubs have been able to continue operating at a relatively high cost level, which has placed significant pressure on the ability to generate revenue to match these expenses. The current constrained financial environment has placed pressure on this arrangement. Pleasingly some of the WAFL Club are now proactively looking at new ways to diversify revenue to support their sustainability through different community and commercial activities.

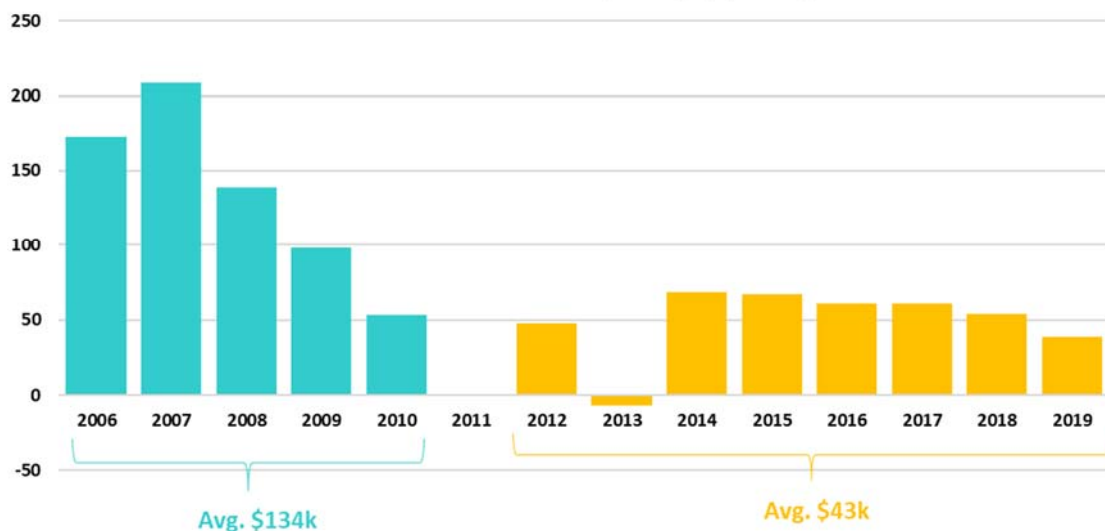
The chart overleaf shows the income and expenses on average for the WAFL Clubs, showing that since 2006 the gap between revenue and expenditure has significant decreased, raising the risk of sustainability of Clubs within the competition. The reliance on WAFC funding remains integral to the Clubs, whilst also recognising the need that Clubs must diversify and find new revenue streams for their long term sustainability.

Income and Expenses WAFL Clubs (Average) (\$'000)



The chart below illustrates the net profit result of the WAFL Clubs as an average and shows that Club profits have been on a significant decline over the years.

Net Profit WAFL Clubs (Average) (\$'000)



The WAFC is currently partnering with the WAFL clubs on a new innovation project aimed at securing new revenue and relevant opportunities through having a deeper connection with their community - not only the football community but the wider community from where they operate.



All WAFL clubs are acutely aware that the traditional way in which WAFL clubs have been run is not sustainable and are all on board with the new direction they need to take to ensure their long-term sustainability. The WAFC believes that in general, the WAFL Clubs understand that if WAFC revenue is reduced, grants to the WAFL Clubs must be reduced correspondingly, hence the importance of the WAFL Clubs generating new independent revenue sources. Some of the Clubs, including Swan Districts, are showing positive signs in this regard.

The WAFC as an independent governing body oversees the WAFL competition structure, the rules and regulations and the integrity of the competition. The WAFC continues to believe this function must be provided in an independent manner without links to any individual Club, to ensure decisions are made in the best interest of the competition as a whole.

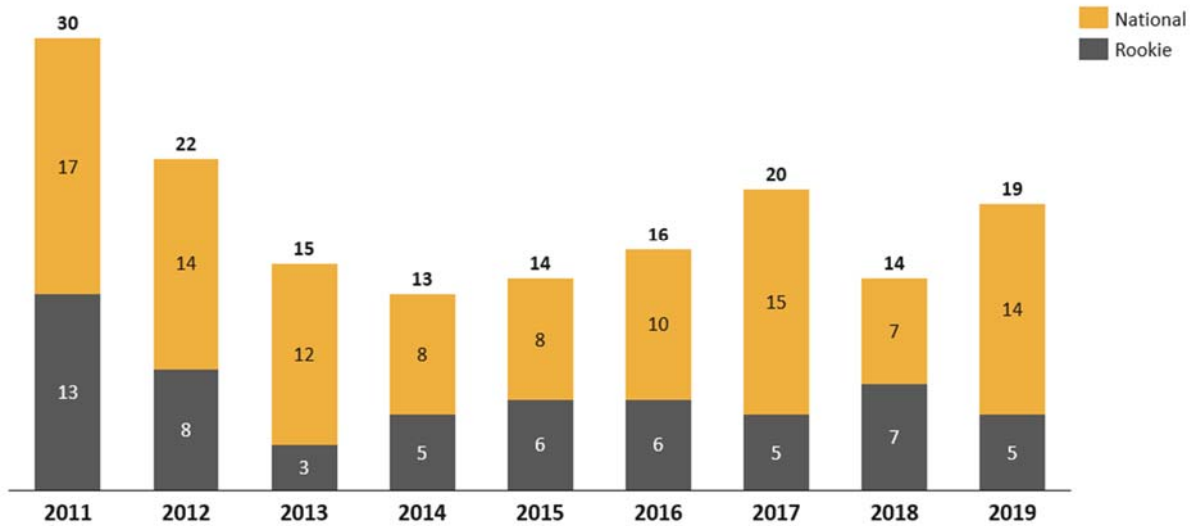
2.1.4.6 Talent/AFL draftees

The traditional measure for the performance and effectiveness of WA's talent programs has been the number of male players drafted into the AFL system.

However, the WAFC has commenced 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. Our programs aim to produce quality senior footballers, who perform well on and off the field. A senior footballer can pursue a successful football career at any level – from the AFL to the WAFL or community football in Perth or the country – and all of these pathways are viewed as a positive outcome from our programs. 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.

The traditional measure of the number of male players drafted into the AFL system has been delivering inconsistent results. We recognised this should be addressed and in 2018 the talent model changed, with responsibility shifting to the WAFC from the WAFL clubs. We are two years into a five-year agreement and at this stage, is too early to determine if the revised model will deliver success. It is important to note that the AFL directly funds this program, and this funding could be at risk if the delivery model is moved away from the WAFC.

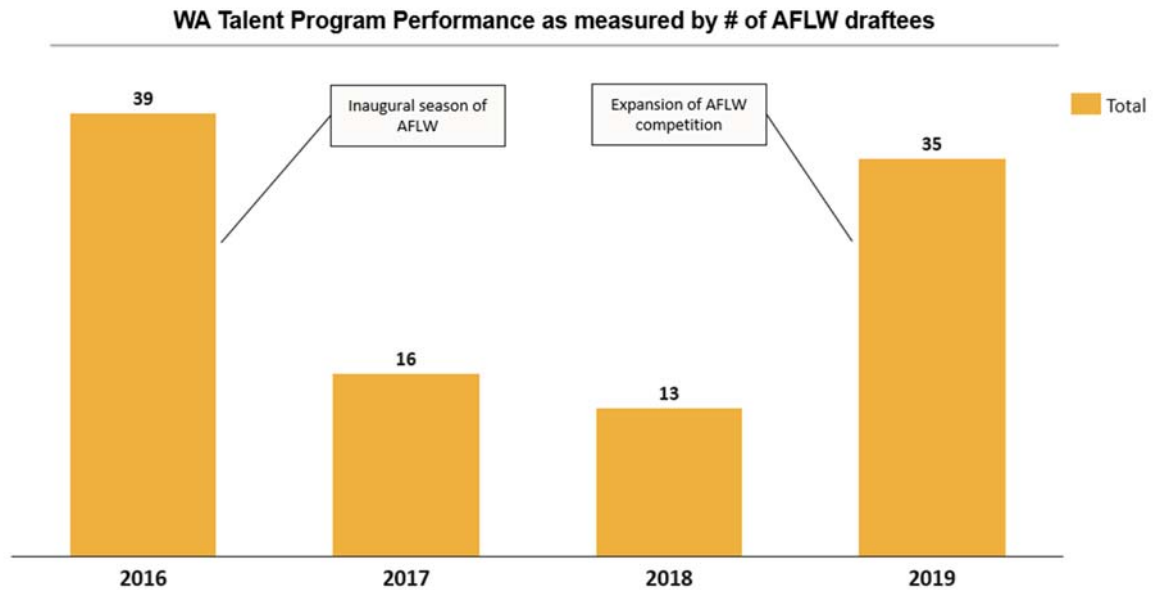
WA Talent Program Performance as measured by # of AFL draftees



Measuring the performance of our female talent programs has also taken on greater importance as investment into this area of our operations has increased in conjunction with the significant increase in female participation.

As our female talent programs are still in their early stages, we are pleased with our success of developing a significant number of players able to play at AFLW level and meet the growing needs of the competition as it expands. With the launch of WAFLW, we have also been able to develop a local competition that supports the needs of the AFL in providing quality players whilst ensuring our WAFL Clubs can play a part in the biggest growth area of our game.

In the AFLW, potential draftees are able to nominate States they are willing to relocate to, which then restricts player movement and the number of players selected. The majority of players that have been selected out of WA have been done so by Fremantle (2016 onwards) and West Coast (2019 onwards) with spikes in the number of players selected aligned with the timing of the respective teams entering the AFLW competition.



2.1.4.7 AFL clubs – financially sustainable and generating royalty funding

One of the key governance roles of the WAFC is to appoint the Boards that oversee the strategy, good governance and operations of the two AFL Clubs. In WA, our two AFL Clubs have been well managed, are sustainable and have both recently transitioned to new state of the art facilities. West Coast Eagles represents one of the most successful AFL teams both on and off the field, winning premierships, developing one of the largest membership bases, delivering community outcomes and driving profits that allow significant funding back into WA Football. Since their inception the WCE have invested significantly into WA Football via the royalty model.

Fremantle Football Club (FFC) also plays an important role in delivering community outcomes and was the first AFL Club in WA awarded an AFLW licence. The financial fortunes of FFC have been mixed however there has been a significant uplift, as the Club built on-field success it also developed a healthy supporter and membership base plus a strong commercial model that also allowed the Club to reinvest back into WA Football via the Royalty model.

The WAFC fully supports the Clubs being independent in their operations, whilst meeting their obligations under their license, constitution and royalty agreements. This model has served football in WA extremely well with two very successful AFL Clubs, that play a significant role in the community and also support WA Football through their various funding agreements. The WAFC owning the license of both AFL teams is a vital asset to WA Football, which interconnects all levels of the game and the financial model of WA football.



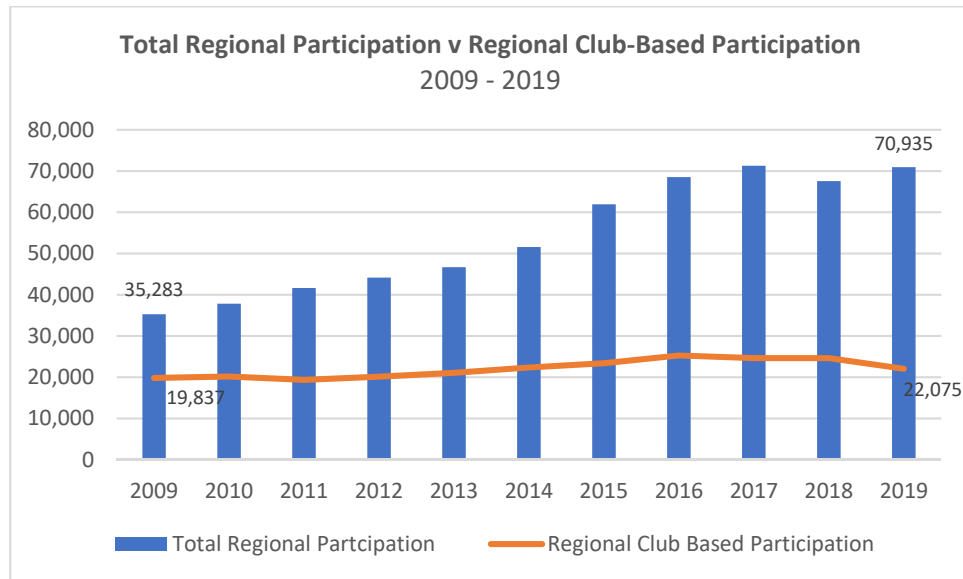
At Subiaco Oval both Clubs operated under different royalty model arrangements, with WCE operating under a net profit model and FFC moving in the late 2000's to a share of revenue model from their home games at the Stadium. With the shift of the AFL to Optus Stadium there was a need to develop a new royalty model that would be consistent for both clubs. The Royalty model has been established so that it provides a minimum base payment equally from each Club then a scaled percentage of profit paid to the WAFC with no caps on the amount that could be received. The revised model was designed to ensure that each year the WAFC would receive a minimum amount of funding yet can share in the financial success of the Clubs (particularly with the move to Optus). A unique element to the model is that when royalty returns exceed the operational requirements of the WAFC, surplus funds are held in dedicated reserves. These reserves (known as the Football Development Reserves) are then administered by a Committee of AFL Club and WAFC representatives to ensure the funds can be used to support new programs and services that align to the WAFC strategic plan and are for the benefit of football. To date, given its greater profitability, only WCE has contributed to these reserves.

The new royalty model provides good governance conditions for the AFL Clubs, whilst also providing a significant financial investment back into WA Football. The royalty model is something the AFL Clubs support as part of their obligation and commitment to support WA Football which in 2019 totalled an investment of \$5.1 million.

2.1.4.8 Regional football

Club-based football in regional Western Australia has remained relatively stable over the past 10 years, increasing by 11% during this period. It has fluctuated a little up and down during this period often on the back of remote participation levels. The overall total participation, which includes school participation, has increased through this period by 101%. Again, this total participation increase is driven largely by the WAFC frontline development staff who are based in regional localities to support and drive participation outcomes for country football.

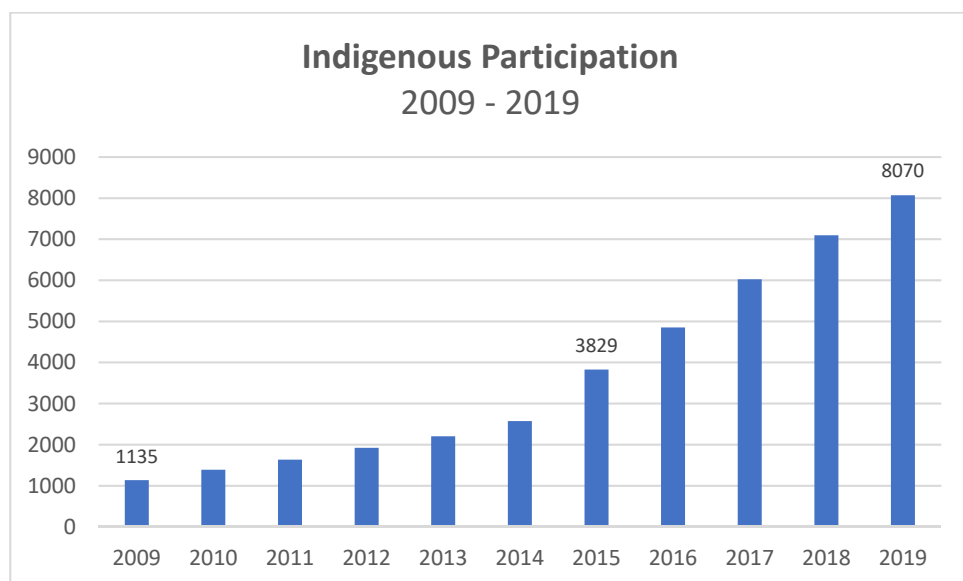
The WAFC recognises that trends to consolidation of farming properties, automation and FIFO have reduced regional growth opportunities in recent years. These factors combined with population changes and shifts in regional WA have a direct impact on football leagues and competitions. We believe the 11% increase is a strong result in this context, and a credit to the WACFL, RFDC's and WAFC staff with oversight of this area.



2.1.4.9 Indigenous football

The data on Indigenous participation in the game is taken from the player registration system whereby a participant is asked to identify as an Aboriginal or Torres Strait Island person when registering. What these figures don't include is players in the Kimberley and other remote competitions where the players may not necessarily register through the online registration system, hence the WAFC understands this is a conservative number. However, it provides an indicative position regarding indigenous participation.

Pleasingly, the Aboriginal playing population of club-based football is just over 12%. With Aboriginal people comprising 3.1% of the Western Australian population, this highlights the strength of Aboriginal player numbers in the WA Football system. From 2015, Aboriginal player registrations have grown by 110%.

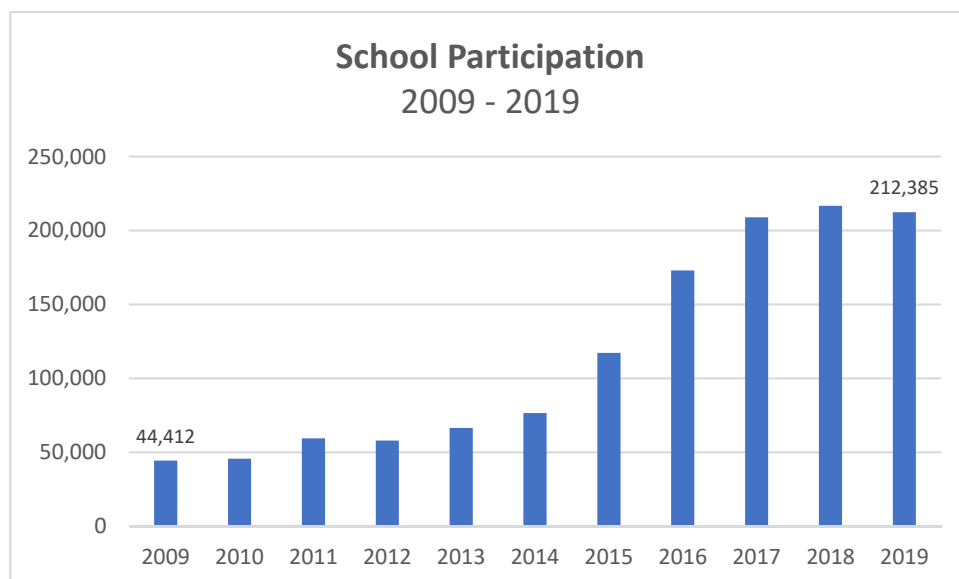


The WAFC has placed considerable focus on the development of Aboriginal participants within the game, and in fact were the first Western Australian State Sporting Organisation to implement an Aboriginal Advisory Group (AAG). The WAFC AAG has provided strategic insight into the ongoing development of Aboriginal engagement in football, along with being instrumental in the development of the WAFC Reconciliation Action Plan (RAP).

In the latter part of 2019 the WAFC, in conjunction with the AFL, commenced 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. This project is seen as a trial for the ways in which greater support for structured football competitions might be provided in other remote parts of the State. Unfortunately, the COVID-19 crisis has meant this project has had to be suspended while all levels of football, State and National, review the fundamentally revised economic landscape. However, resumption of the project remains a high priority for the WAFC.

2.1.4.10 Schools

School Participation continues to be a significant driver of participation in Western Australia. Having 212,385 students involved in football competitions and programs highlights the strength of the program in this market. Equating to a 385% increase since 2009, this engagement within schools through this period highlights the work and drive of the WAFC's front line Development Staff in growing the game through schools right across Western Australia. The focus of the WAFC on schools correlates directly with the objective of growing club-based participation. The WAFC's focus is on driving quality school participation opportunities and experiences and creating linkages to local community football clubs. In 2019, WAFC staff were tasked directly to focus on the development of quality experiences in schools to enable opportunities for transition to club-based participation. This is a key reason as to why school participation has plateaued slightly in 2019, as the focus is on transition as opposed to pure growth.

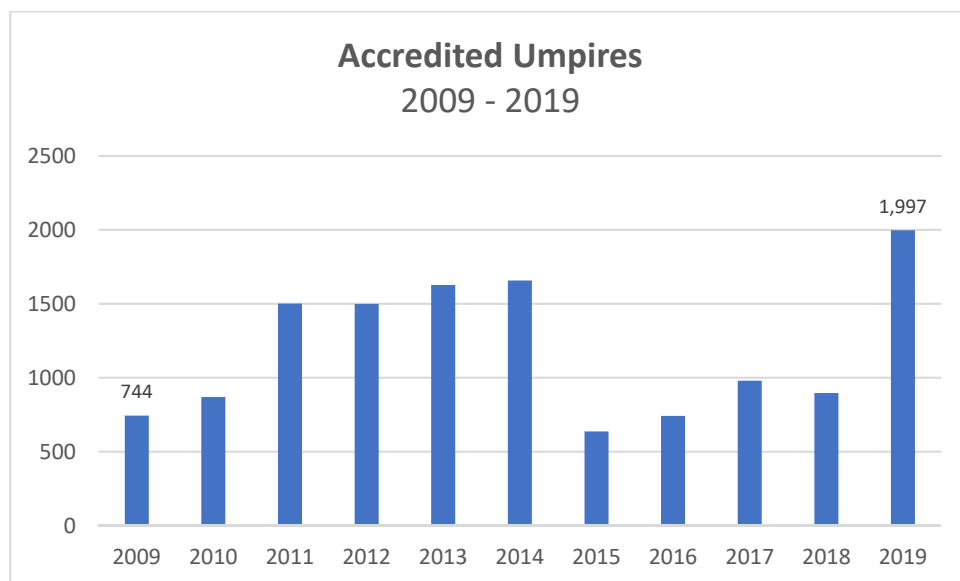


2.1.4.11 Umpire accreditation, coach accreditation and number of Clubs

UMPIRES

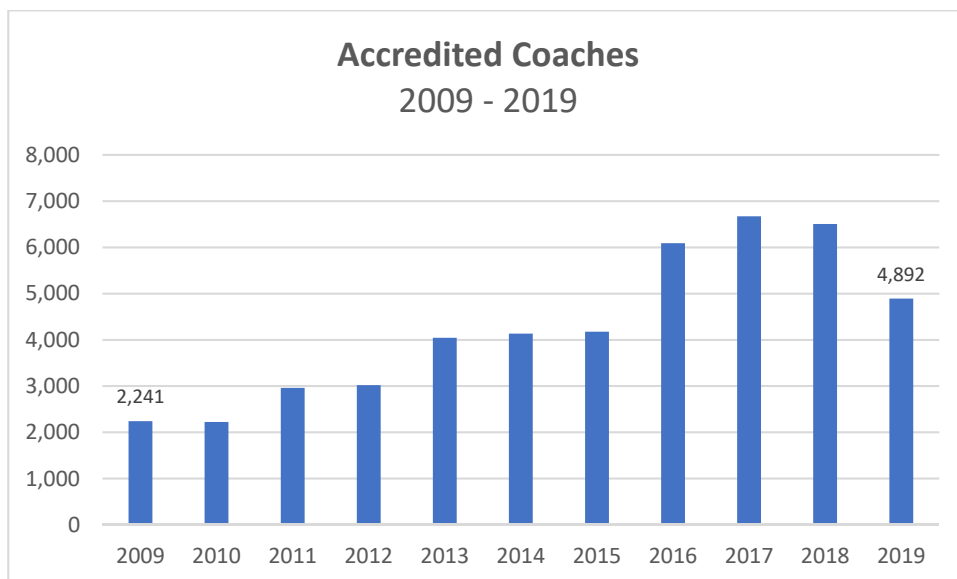
Across Western Australia, there are on average 1,240 games of community football each weekend, and without umpires there can be no football.

Umpire accreditation is conducted in conjunction with the AFL Umpiring Department. Following the Structural Review into WA Football, one of the key recommendations was Umpiring Development. In 2017/18 a significant investment was made into Umpire Development through increasing Umpire Development staff, with an aim to increase the number of accredited umpires and improve the quality of umpires across Western Australia. There continue to be challenges in umpiring from a regional context including umpire numbers and the coaching of umpires. These challenges are being worked through. Pleasingly, from the graph below it is evident that the investment is having a positive impact on accreditation numbers with 2019 being the highest level in the past 10 years with 1,997 umpires in WA being accredited (an increase of 168%).



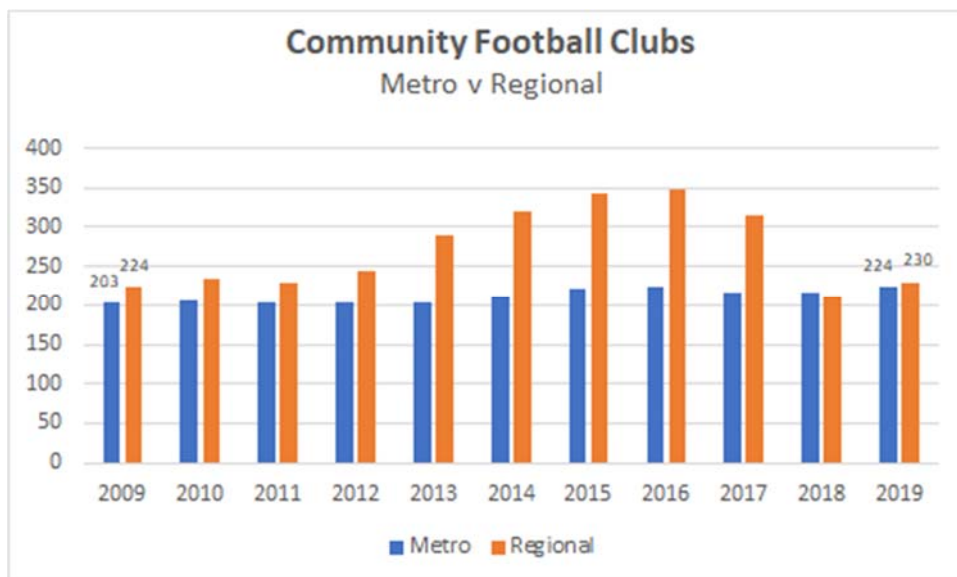
COACHES

Coaches play a critical role in the retention of players, the game day environments that are created, and the overall skill development of players. Over the last 4 years the WAFC has invested significantly into coach development, including the appointment of frontline coach coordinators to work alongside community coaches in their development. This is evidenced through the increase in accreditation over this 4-year period. The AFL nationally has adopted the CoachAFL program with the aim to improve the education of coaches, whilst providing up-to-date resources to assist with training and game day. It is important to note that accreditation occurs on a four-year cycle, so you will often experience blocks whereby accreditation rates increase, and similarly where the majority of existing coaches are accredited you may then have a drop in the numbers accredited in that particular year.



CLUBS

The number of clubs is an indicator of the health of the game, particularly throughout Regional areas. Pleasingly, Football Clubs in Western Australia over the past 10 years have grown by 27 clubs (an increase of 6% during this period). It is important to note that 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). This count was adjusted in the 2018 census period, hence the readjusted figure that occurs in the graph in 2018 with the drop in club numbers. This primarily impacted the number of Regional Clubs as seen in the graph below.



Over this 10-year period, Metropolitan based football club numbers have increased by 10.34% and Regional football club numbers have grown by 2.68%. As highlighted previously the societal impacts and population shifts impact upon these figures.



Participation is a key measure of success in sport that provides an indication of the health of the game. Through driving growth in participation, it is also important to note that the focus has to be equally on the quality of programs, competitions and services.

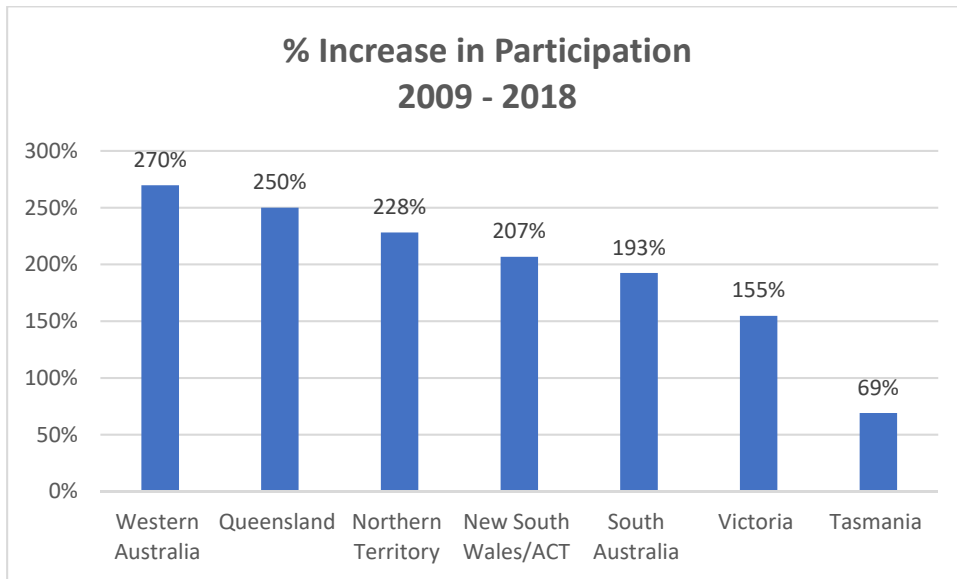
2.1.4.12 National comparison of WA participation rates and trends

The 2019 AFL Census, completed by independent demographers Street Ryan, saw Western Australia well placed nationally in terms of participation. A segment snapshot below provides a high-level overview of the success that the WAFC is having in growing participation, and where the state is positioned nationally.

Participation Summary

- **Auskick** – 42,720 total Auskick participants (with 16,137 club-based Auskick participants). WA is placed 2nd nationally in Auskick participation behind AFL NSW/ACT.
- **Junior Football** – 31,175 participants. WA has the highest junior saturation rates (participation v population) of any state (20.85%).
- **Youth Football** – 16,950 participants (2.4% growth). WA is 2nd behind AFL Victoria in youth participation.
- **Senior Football** – 16,925 participants (7.78% growth). WA is 3rd nationally behind AFL Victoria & AFL NSW/ACT in terms of Senior Football participation rates. This figure is 18,567 when inclusive of AFL Masters.
- **Overall Community Club Participation** – 66,692 Club Football participants (+3.5% growth). WA is 2nd behind AFL Victoria in total Community Football participation.

Participation across Australian states and territories can be compared via the annual *AFL Census – Reporting on the Health of our National Game Document* compiled by Street Ryan. During the period 2009 – 2018, Western Australia was the leading participation state nationally increasing its participation by 270%. The national comparison is provided in the graph overleaf. The national average was a 199% increase.



Throughout this period, Western Australia is well ahead in terms of participation growth and development when compared to other traditional football States such as Victoria or South Australia. Street Ryan and the AFL have yet to finalise the 2019 document due to the impact of COVID-19.

2020: Prior to COVID-19 Shutdown

Western Australia was ideally placed to grow participation in 2020 prior to the COVID-19 shutdown, and comparatively was again one of the leading participation states nationally.

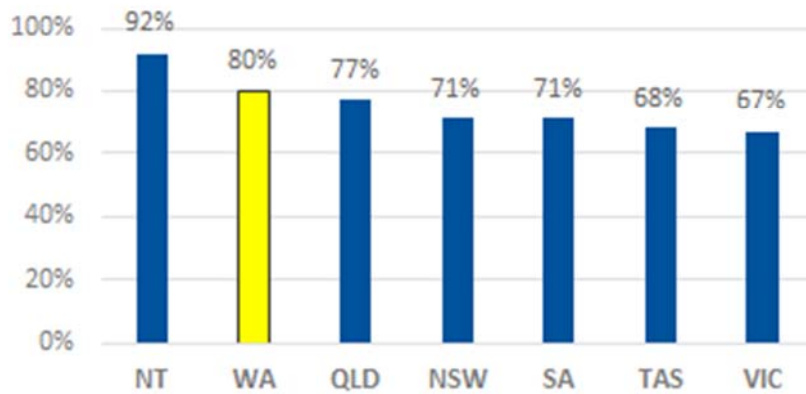
Overall, Community Football in WA was tracking 12% up compared to 2019, based on player registrations with the highest national percentage increase of all the states and sitting 2nd only behind Victoria in respect of total participants. On a per capita basis Western Australia was second behind the Northern Territory in terms of participation rates.

2020: Rebound from COVID-19

Western Australian Community Football participation has rebounded extremely positively post COVID-19, both from a community football and an Auskick perspective, to be well placed nationally. Both Junior & Youth Football participants have been recaptured at higher rates in Western Australia than all other major football States, highlighting strong participation engagement strategies, again led by WAFC staff working alongside club volunteers.

Throughout this period the WAFC made a concerted effort with staff to ensure participants were engaged. This encompassed ensuring stakeholders had programs, online resources, videos, and activities that could be conducted at home. There was also a clear focus on encouraging coaches to stay engaged with their players and many conducted online 'zoom' sessions for their players. It is these things that helped enable football to reconnect post COVID-19 and rebound strongly.

Community Football Nationally *Recapturing Participation Percentage*



Conclusion: Objective metrics clearly indicate that the WAFC has been effective in developing football across all levels using all of its funding.

2.2 Whether the WAFC is meeting its obligations under the funding agreement with the State

Yes, the WAFC is meeting its obligations under its funding agreement with the State. In addressing this term of reference, we have outlined two key areas:

- 2.2.1 WAFC's obligations under the funding agreement; and
- 2.2.2 How the WAFC is meeting its obligations.

Please note that we anticipate Section 3.5 regarding the terms and obligations of the Commissions' funding agreement with the State will be read in conjunction with this section.

2.2.1 WAFC's Obligations Under the Funding Agreement

Clause 6.2 of the Agreement provides that:

"WAFC must:

- (a) use the Funding in accordance with Football Party Good Industry Practice; having regard to all of the matters referred to in this Agreement;
- (b) expend the Funding for the Approved Purpose;
- (c) expend the Funding in a proper, commercially prudent, responsible, reasonable and transparent manner; and
- (d) where possible, minimise or mitigate costs incurred."

2.2.2 How the WAFC is Meeting its Obligations

Use the Funding in accordance with Football Party Good Industry Practice

"Football Party Good Industry Practice" is defined by Clause 1.1 of the Agreement to mean: "Good industry practice of major not-for-profit sporting organisations, including compliance with all Laws, Authorisations, relevant standards and good corporate governance standards, and which may include retaining a level of funds for contingency and balance sheet strength."

The WAFC is confident that the expenditure as outlined in Section 2.1.2 is consistent with the definition of football party good industry practice under the agreement.

Key performance indicators for the WAFC include an Annual Governance Review plus Health and Safety Compliance requirements which are overseen by the Risk & Governance Board Sub-Committee and reported back to the Board. The results of the review have consistently demonstrated that the WAFC operates at the highest standards of corporate governance.

WAFC Balance Sheet Strength

Policy provides for the following reserves to be held on the WAFC balance sheet, with the following purposes:



1. **Future Football Home Funds:** Funds put aside for the future investment into the facilities for WAFC administration training and community facility, to replace the facilities lost when WAFC surrendered its long-term lease at Subiaco at the request of the State.
2. **General Business Reserve:** Funds required to cover operating costs should income streams suddenly stop, or there are unexpected or unbudgeted costs, or other unforeseen emergencies.
3. **WCE/FFC Football Development Funds:** These are expected to be two reserves dedicated to the surplus royalties of each AFL Club respectively. The funds are to be jointly managed with the respective Club and applied to the broader benefit of WA Football.

The WAFC has taken a prudent and responsible approach to the management of its financial resources with a focus on maintaining balance sheet reserves for contingencies. The WAFC has the following reserve balances as at 31 October 2019 as per the 2019 Annual Report:

- WAFC Future Home Funds: \$1,226,758
- WAFC General Business Reserve: \$3,000,000
- WCE Football Development Reserve: \$1,039,470.

These balances increased in 2020 by \$1.251 million based on the AFL Clubs 2019 royalty investment.

These reserves have been critical in enabling the WAFC to continue to provide a high level of funding to all levels of WA Football, including particularly the nine WAFL Clubs. If the WAFC had operated on the basis that 100% of receipts were expended each year, the pain suffered by WA Football in 2020 would have been much more severe. For the 2020 financial year end we anticipate drawing down on the General Business Reserve as part of the WAFC's forecast loss. Without these reserves, football would have suffered significant additional cuts in 2020.

The WAFC intends to seek to replenish and increase reserves when revenues return to normal levels. As noted above, this is part of the definition of "Football Party Good Industry Practice" in the WAFC Funding Agreement.

Expend the Funding for the Approved Purpose

The term "Approved Purpose" is defined by Clause 1.1 to mean: "The purpose for which Funding may be used or expended, being:

- (a) in the Initial Term, 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; and

As is evidenced through this submission, we have documented our expenditure in relation to development of community level participation in, and talent development pathways for Australian Football in Western Australia including the State Leagues (see sections 2.1.2 and 3.2). Essentially all WAFC expenditure, including the funds derived under the Agreement are spent on the Approved Purpose, as all WAFC activities are directed to those objectives.

It would be impossible to oversee the scope of football in WA without a reasonably structured, sized and staffed administration area. The WAFC believes it has operated prudently in this respect.

Expend the Funding in a proper, commercially prudent, responsible, reasonable and transparent manner

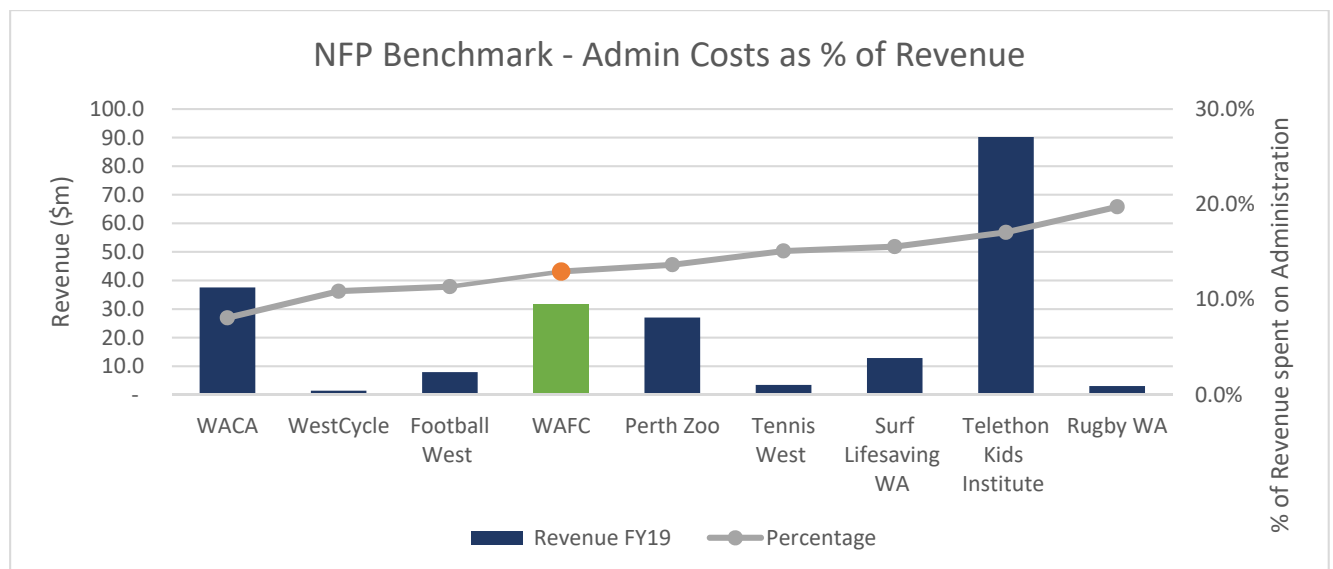
The financial activities, process, policies and procedures of the WAFC are overseen by the Finance, Funding and Commercial Committee, which then reports directly to the Board of Commissioners. At all times the direction from the Finance, Funding and Commercial Committee is to be financially prudent and transparent. The employees of the WAFC are bound to follow good governance financial policies with an internal audit oversight from the Finance, Funding and Commercial Committee.

The WAFC Annual Report contains the audited financial statements, please refer to **Appendix 3**.

Where possible, minimise or mitigate costs incurred

The WAFC is conscious of keeping costs to a minimum and as many funds available as possible for football and we continue to monitor administration expenditure. As noted above, the WAFC believes its administration expenditure has been prudent and appropriate at all times.

In 2019 the WAFC spent approximately 13% of its revenue on Corporate Services, which is in the middle of the scale when benchmarked against other WA based not for profits and sport associations. Refer to graph below. (Sources: publicly available annual reports)



In response to COVID-19, the WAFC Executive and Board moved swiftly in late March 2020 to:

1. Assess early the projected financial impact of the pandemic for both 2020 and 2021,
2. Cease all operational spending in the immediate term,
3. Stand down all staff, except for a skeleton team to continue to engage stakeholders, manage the WAFC's crises response and ensure ongoing compliance, and
4. Understand and apply for all available government assistance funding.

This effort to identify savings for the workforce is ongoing, with an organisation restructure recently finalised. This has resulted in 40 roles across all levels of the organisation being impacted through redundancy or salary reductions, some immediately and with the balance by 31 October 2020. As part of this process, the WAFC is also pursuing all available operating cost reductions, without jeopardising achievement of the WAFC's primary goals.

Subsidies for the WAFL Clubs and PFL have continued at 50% of the monthly payment from June through to the rest of the financial year (October). To 31 March, these organisations received 100% of budgeted monthly payments.



The WAFC is currently preparing its budget for 2021 and forecast for 2022. The restructured workforce will provide approximately 25% savings for permanent staff. Furthermore, the cost of the motor vehicle fleet will be reduced by the current implementation of a strategy of switching away from leasing to direct procurement of motor vehicles.

Subsidies to all parts of the football industry will be reviewed and their needs assessed. The overall goal is to seek a 25% reduction of subsidies paid out by the WAFC, in line with the projected drop in overall revenue.

Operational expenditure is similarly targeted to be reduced by 25%, which in line with our revised strategic plan will consider the feasibility of shared service models in areas such as HR, IT and Finance. Elsewhere there will be a focus on renegotiating contracts, and enforcing a more standardised approach to the allocation of uniforms, equipment, match day costs, volunteers, etc.

The WAFC is committed to operating within the available funding and is budgeting to break even in 2021 whilst noting that COVID-19 still presents many risks in achieving this outcome.

Conclusion: The WAFC has complied with all WAFC Funding Agreement obligations, by investing in football across WA, and building reserves to assist in tough times.

2.3 The effectiveness and transparency of monitoring and reporting functions included in the State's funding agreement with the WAFC

The WAFC has provided effective and transparent reporting to the State as per the WAFC Funding Agreement. These reports have been open and transparent, and effective in providing significant government oversight of WAFC operations and expenditure of funds.

In addressing this term of reference, we have outlined a number of key areas:

- 2.3.1 The WAFC's reporting requirements as per the State funding agreement;
- 2.3.2 Reports and information provided to the State;
- 2.3.3 Meetings with and updates provided to the State; and
- 2.3.4 Reporting effectiveness and transparency.

2.3.1 The WAFC's Reporting Requirements as per the State Funding Agreement

The Agreement includes the following provisions:

7.2 Financial year reports

On or before 30 March in the subsequent Funding Year, WAFC must provide to the State its annual report for the previous Funding Year (ending 31 October of the previous year) which includes:

- a) certified copies of the consolidated (if applicable) and unconsolidated independently audited statements of financial position and statement of financial performance of WAFC for the previous financial year; and
- b) certified copies of WAFC's statements of cash flows and profit and loss and other comprehensive income statements and notes to the consolidated financial statements.

7.3 Funding Year reports

- a. WAFC must provide the State with an annual report in respect of each Funding Year on or before 28 February in the following Funding Year containing in respect of the Funding:
 - i. independently audited account information (to the extent it is not included in the annual report required under clause 0);
 - ii. expenditure of Funding information (to the extent it is not included in the annual report required under clause 0);
 - iii. game development reports including reports on:
 - iv. participation activities across all settings and population groups;
 - v. membership and competition figures;
 - vi. coaching;
 - vii. umpiring; and
 - viii. club and volunteer development;
- b. WAFC must provide the State with a proposed budget and operational plan in respect of the expenditure of Funding for the upcoming Funding Year by 15 September of each Funding Year.



2.3.2 Reports and Information Provided to the State

Reports as required under the WAFC Funding Agreement have been provided, please see **Appendices 3 and 18**.

2.3.3 Meetings with and Updates Provided to the State

Regular meetings with both the Minister and DLGSCI representatives have been taking place.

Please see **Appendices 5, 19 and 20** for details.

2.3.4 Reporting Effectiveness and Transparency

The WAFC reports its operations and financials in an open and transparent way with all stakeholders, as well as with the State Government. Our Annual Report, including the audited financial accounts, details our activities and strategic focus areas which are generally developed in response to stakeholder consultation.

The effectiveness of our reporting is evidenced in the very positive feedback we have received from the Minister regarding the content of our reports. The WAFC has never been asked to undertake remedial actions or been requested to provide additional information to the State. It is important to note the WAFC Funding Agreement has only been in place for one full year and therefore there has only been reporting for that year of operations to the State.

The WAFC believes the reporting requirements within the State Agreement are appropriate and effective.

Please see letter from Minister Murray in **Appendix 6** with regard to the WAFC's annual reporting.

Conclusion: The WAFC has provided effective and transparent reporting to the State as per the WAFC Funding Agreement.

3.0 RESPONSE TO COMMITTEE QUESTIONS

3.1 Does the Commission have definitions of ‘development activities’ that cover the various levels and parts of football in Western Australia?

Yes, the WAFC is able to provide definitions for development activities covering the different levels and parts of football.

The term “development activities” relates to the broad range of programs, services and activities that the WAFC coordinates, delivers and manages to support the growth of football across WA. Development activities, also referred to as Game Development activities within football, cover the broad range of 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.

Development activities play a key part in supporting the transition of those interested in the game to becoming a player at a Club and starting their journey in football to share in the many benefits of the game. The WAFC Development activities are delivered right across the State but are also tailored to meet the needs of local communities.

As outlined in the following, the WAFC supports and delivers eight key Game Development activities.

The Game Development work undertaken by the WAFC is about creating opportunities and pathways for people to participate within the game at the level that meets their need. The WAFC 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.

In doing 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. Our objective is to ‘grow the game’ across all facets of football, and to ensure the experience of participants and the environments in which they participate are safe, fun and fair.

Development Programs undertaken by the West Australian Football Commission, or through partnerships, are extensive, with specific programs and well defined roles for the WAFC in the development activities as follows:

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



The tables below provide a comprehensive overview of Development Programs in each of these areas.

ENGAGEMENT AND COMMUNITY FOOTBALL

	DEVELOPMENT PROGRAMS	SUMMARY
DIVERSITY PROGRAMS	Footy Means Business	<p>Definition: The Footy Means Business program provides education, training and employment opportunities for 50 young Indigenous men from across Australia. The participants are engaged in two one-week residential camps and are exposed to the environment of a professional AFL player, including high-performance testing, training and conditioning as well as leadership development. A highlight of the program is the opportunity to play the curtain-raiser to Dreamtime at the G between Richmond and Essendon!</p> <p>The Role of the WAFC: The WAFC manages and oversees the program, in conjunction with the AFL, from a WA perspective. Support is provided from Selection of the participants, to mentorship, to provide on the ground program support.</p>
	Flying Boomerangs	<p>Definition: The Rio Tinto Flying Boomerangs is a football development and leadership program. The participants are the best rising Indigenous talent in the nation and are given the opportunity to represent their country. Twenty-five of the most talented Indigenous players are selected from State run Kickstart Programs to participate in two residential camps. The participants are exposed to elite training environments and standards to assist their transition into the mainstream talent pathway. A core component of the program is to also strengthen their cultural identity.</p> <p>The Role of the WAFC: The WAFC manages and oversees the program, in conjunction with the AFL, from a WA perspective. Support is provided from Selection of the participants, to mentorship, to provide on the ground program support.</p>
	Reconciliation Action Plan	<p>Definition: The second WAFC RAP plan was developed following a series of workshops in February and March 2020. This Plan will focus on the actions that need to occur in the few years as reconciliation embeds further into the fabric of the WA Football Commission.</p> <p>The Role of the WAFC: The WAFC understands the important role that football can play in reconciliation across WA, and through the development and delivery of our RAP, the WAFC looks to develop a united environment whereby we can go forward together. The WAFC has achieved a number of the key strategies that form part of the RAP including the implementation of NAIDOC Football rounds across the WAFL and Community Football, and an extensive cultural awareness training program for Commissioners, Staff, WAFL Clubs and Community Football Leagues and Clubs.</p>



ENGAGEMENT AND COMMUNITY FOOTBALL (...continued)

	DEVELOPMENT PROGRAMS	SUMMARY
Game Development - DIVERSITY PROGRAMS	NAIDOC Round	<p>Definition: The WAFL NAIDOC Round was instigated by South Fremantle and Claremont instigated the event in 2007. NAIDOC Round at the WAFL coincides with the National Aboriginal and Islander Day Observance Committee (NAIDOC) week celebrations, which are held annually across Australia to celebrate the heritage, achievements and culture of Aboriginal and Torres Strait Islander peoples. Community Football Clubs also take part in these celebrations, by the hosting of NAIDOC rounds and recognizing the wonderful contribution of indigenous footballers in WA.</p> <p>The Role of the WAFC: The WAFC provides support, oversight and funding to clubs and leagues in the promotion of NAIDOC celebrations. A key component of this is also the cultural education training that the WAFC provides to clubs and leagues.</p>
	Kick Start/All Nations	<p>Definition: The AFL provide funding to the State bodies to run high-performance talent and leadership programs that will transition into the National AFL Indigenous and Multicultural Programs. This new locally run format allows a greater number of young (under 15) Multicultural and Aboriginal and Torres Strait Islander players to be involved and exposed to state-based talent and leadership programs.</p> <p>The Role of the WAFC: The WAFC Coordinates, manages and oversees the program and associated camps from a WA perspective. WAFC Staff provide mentorship and guidance to participants, and provide links to continue to support the individual development of the participants. Originally the program also included a National Carnival where WA has won the past 8 National Kick Start Championships.</p>
	Deadly Sista Girlz	<p>Definition: The Deadly Sista Girlz Program aims to build proud Aboriginal and Torres Strait Islander girls that thrive in the Third Space. It is delivered by strong Aboriginal and Torres Strait Islander role models and mentors who offer a stable environment in which they can discuss current and personal issues they may be facing.</p> <p>The Role of the WAFC: Delivered through the Wirrapanda Foundation, the WAFC partners to provide coaches and mentors to the program to support positive outcomes.</p>
	Multicultural Gala Days	<p>Definition: The WAFC Multicultural Days welcome new players from all backgrounds and skill levels to Australian Rules Football. Students will enhance their skills and compete in a tournament.</p> <p>The Role of the WAFC: The WAFC staff plan, manage and coordinate the delivery of a series of Multicultural Gala Days across Western Australia to promote the benefits of community sport and football to multicultural communities.</p>

ENGAGEMENT AND COMMUNITY FOOTBALL (...continued)

	DEVELOPMENT PROGRAMS	SUMMARY
SOCIAL PROGRAMS	AFL 9s	<p>Definition: AFL 9s is the AFL's social version of the game. It's a fast, free-flowing game that involves 9 players on each team playing on a smaller field. Best of all, it's 'touch football' with no tackling or bumping, making it suitable for people of any age or skill level. Importantly, AFL 9s is easy to play, not too physically demanding and provides an environment where fun, enjoyment and safety are a priority.</p> <p>The Role of the WAFC: The WAFC delivers, administrates, and coordinate the delivery of the social equivalent of football. Development staff organise and deliver seasonal competitions for participants that by circumstance or choice are unable to commit to club-based football, or for those who can't get enough in the off season.</p>
	AFLX	<p>Definition: AFLX is a new and exciting game created by the AFL to showcase some of the most thrilling elements of Australian Football. AFLX is played on a rectangular field with seven players on the field and three on the bench. AFLX is an express form of the game, with explosive action exhilarating fans of all ages. There are 10-point super goals, last-touch out of bounds and non-stop action on and off the field.</p> <p>The Role of the WAFC: The WAFC staff deliver, administrate and coordinate the delivery of the social equivalent of football. Development staff organize and deliver seasonal competitions for participants. A significant number of Youth participants are engaged in this program either through the winter season, or in the off season.</p>

DEVELOPMENT PROGRAMS	SUMMARY
Auskick Competition	<p>Auskick is the introductory program for participants aged 5 – 8, and takes place at Junior Football Clubs and/or schools. The focus is on fun activities that enable skill development and the development of confidence with the game.</p> <p>The Role of the WAFC: As per Above the WAFC plays a critical role in the delivery of Auskick across Western Australia. The WAFC also runs, coordinates and delivers a number of school based Auskick centres across the state.</p>

ENGAGEMENT AND COMMUNITY FOOTBALL (...continued)

	DEVELOPMENT PROGRAMS	SUMMARY
CLUB DEVELOPMENT	Club Improvement Program	<p>Definition: The Club Improvement Program, which is based on the Sport Australia Healthy Club Checklist, provides clubs an opportunity to assess their strengths and weaknesses and provide a clear direction of ongoing development and improvement from a club governance and operational perspective.</p> <p>The Role of the WAFC: The WAFC coordinates and liaises with club volunteers in delivering the program working alongside club committees to undertake the check with their respective club. The WAFC then assists the club in developing an action plan to work to improve the governance and operations of the club.</p>
	True Sport	<p>Definition: True Sport is a WA State Government initiative that highlights the values of sport participation, and encourages sports, leagues and clubs to commit to the values.</p> <p>The Role of the WAFC: The WAFC actively promotes the True Sport program and messaging to ensure that clubs have developed their own values and promote the wider sport values. The WAFC does this through linking the values to our Codes of Conducts, and through promotions and messaging that call out the values of True Sport</p>
UMPIRE DEVELOPMENT	Umpire Accreditation Programs	<p>Definition: All new and developing umpires undertake a National Umpire Accreditation process which aims to educate and support umpires with football.</p> <p>The Role of the WAFC: The WAFC Umpiring staff work alongside community umpires to guide, mentor and support new and developing umpires with an aim of retention. As part of this support the WAFC coordinates the accreditation process, and ensures that all umpires meet the requirements.</p>
	Parent Umpire Program	<p>Definition: In some Junior Competitions, parents are required to be part of a Parent Umpire Program where training and accreditation is provided to parents in the area of umpiring. The parents will then umpire the lower grade (Year 3's) competitions.</p> <p>The Role of the WAFC: The WAFC coordinates, runs and manages all the Parent Umpiring Programs to ensure that parents are appropriately upskilled. Generally, the Parent Umpire Programs exists where they may have a shortage of developing Junior Umpires.</p>



ENGAGEMENT AND COMMUNITY FOOTBALL (...continued)

DEVELOPMENT PROGRAMS	SUMMARY
Community Football Tribunal	<p>Definition: The Community Football Tribunal is an independent tribunal that oversees any tribunal hearing from a community football perspective, from Juniors to Seniors to Masters. The Community Football Tribunal appoints highly skilled panel members who often have an extensive background as a lawyer, magistrate, or extensive football related experience</p> <p>The Role of the WAFC: The WAFC coordinates and manages the operations of the tribunal providing administrative and secretarial support. The findings of the tribunal are binding for football participants as part of their registration.</p>

DEVELOPMENT PROGRAMS	SUMMARY
Competition Management Databases: Sports TG	<p>Definition: Sports TG is the competition management and registration database that supports all of football nationally. The system enables participants to register and pay, along with providing clubs and leagues the competition management capability as in fixturing, competition ladders and game day reports.</p> <p>The Role of the WAFC: The WAFC coordinates and manages the Sports TG system from a WA context. This involves extensive training and education sessions with clubs and volunteers, as well as being on hand to answer any questions and trouble shoot any issues that arise. The WAFC is also able to run participation reports and data tracking from the system in order to make informed decisions on participation.</p>



COMMUNITY PROGRAMS

DEVELOPMENT PROGRAMS	SUMMARY
Community Auskick Centres	<p>Definition: NAB AFL Auskick is the best introduction for kids into the world of Australian Football. Auskickers run, jump, kick, laugh, express themselves and create their own special moments that just happens to be footy. No matter if you know the game or not, Auskick is inclusive for everyone aged 5-8 at any ability to play.</p> <p>The Role of the WAFC: The WAFC coordinates and liaise with club volunteers in delivering the NAB AFL Auskick program. We provide education and program support to clubs and parents to promote the development of fundamental movement skills in children, foster later life club participation in physical activity, and encourage community volunteerism. The WAFC also plays a key role in liaising with the AFL in respect to the Auskick Program and delivers significant support for clubs with WAFC staff attending and supporting Auskick volunteers on a weekly basis.</p>
Starkick	<p>Definition: Starkick is an All Abilities football program for boys and girls aged 5 and upwards. Founded and launched by the Coolbinia Bombers JFC in 2015, the program promotes inclusion, equality and opportunity and runs as an integral part of the clubs' Auskick Centre. Starkick caters for children who by circumstance or choice are unable to join into the clubs existing Football programs. These children may need extra support or time to achieve their goals, and are guided through sessions based around the new Auskick program by a team of dedicated volunteers. Starkick aims to cater for all abilities and runs by a simple mantra – “If you want to play, we will find a way”.</p> <p>The Role of the WAFC: The WAFC engages with Starkick clubs and participants alike to remove the barriers to club participation for people that identify as living with a disability. We liaise 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.</p>
Footy Fundamentals	<p>Definition: Footy Fundamentals is a carefully planned and structured toddler AFL program, which encourages your active toddlers to develop their fundamental movement skills in an AFL environment, using AFL equipment.</p> <p>The Role of the WAFC: The WAFC coordinates, manages and promotes the program, manages registrations, and facilitates the delivery of the Fundamental Movement Skill Program across WA.</p>



COMMUNITY PROGRAMS (...continued)

DEVELOPMENT PROGRAMS	SUMMARY
School Holiday Clinics	<p>Definition: These school holiday clinics are open to boys and girls of any skill level. Our coaches place an emphasis on maximising fun and skill development, with participants encouraged to bring their friends along.</p> <p>The Role of the WAFC: The WAFC, often in partnership with the WAFL Clubs, promotes, administers, and coordinates the clinics. The WAFC manages registrations to transition players through the WAFL Club pathway and to increase the WAFL Club fanbase, whilst also delivering a fun experience for the kids.</p>
Nightfields	<p>Definition: Nightfields is an Football-based program developed by the WAFC, that is delivered to kids and youth between the ages of 6 and 18. The program aims to engage children and youth in sporting activities and help link them to social, community and health services. The after school footy program was developed by the WAFC and is run in partnership with WA Police, various Local Governments, and Shires as well as a broad range of local service providers and state sporting associations.</p> <p>The Role of the WAFC: The WAFC oversees and manages the program, often in partnership with inter agencies, to support and resources NightFields programs to support at risk youth. This diversionary program sits alongside local governments and foundations, like the Stephen Michael Foundation.</p>



SCHOOL PROGRAMS

DEVELOPMENT PROGRAMS	SUMMARY
School Ambassador Program	<p>Definition: The AFL School Ambassador program was launched in WA in 2004 by the WAFC, and has now become a national program. There are over 650 active AFL School Ambassadors across WA primary and secondary schools. Free professional development opportunities are available throughout the year for teachers, and their schools, and they are provided resources to support the development of fundamental movement skills and football skills.</p> <p>The Role of the WAFC: The WAFC established this national program with an aim to support teachers in their deliver of physical education in the school environment. The WAFC supports the AFLSA's with promoting AFL at their school, providing opportunities for them to register their schools to participate in programs and competitions, and communicating on a regular basis to keep them engaged and up-to-date with what is occurring in relation to best practice and competitions within the school football space.</p>
Eagles Cup	<p>Definition: The Eagles Cup is an interschool football competition for students in Years 5 & 6 played during Terms 2 or 3. This program is sponsored by the West Coast Eagles Football Club. The Eagles Cup uses modified rules to allow for maximum participation, enjoyment and skill development and involves schools of similar size and in close proximity to each other playing on a weekly basis (min 3 weeks). Each WAFL district has a coordinator who organises and administers the competition.</p> <p>The Role of the WAFC: The WAFC staff coordinate, manage and oversee the competition across WA, providing support and assistance to the division coordinators so that they can run an effective and engaging competition. The WAFC also provides equipment to schools and trophies for this competition.</p>
PSA Primary Competitions	<p>Definition: The independent primary school sports association.</p> <p>The Role of the WAFC: The WAFC coordinates and liaises with the PSA competitions to provide support and advice relevant to AFL programs and competitions.</p>



SCHOOL PROGRAMS (...continued)

DEVELOPMENT PROGRAMS	SUMMARY
Freo Dockers Shield	<p>Definition: The WAFC support & resource winter sports carnivals (conducted in regions or divisions as per swimming/athletics carnivals) where football is played via the Freo Dockers Shield. Games are played under AFL Junior rules with an emphasis on participation, enjoyment and skill development. This program is sponsored by the Fremantle Football Club.</p> <p>The Role of the WAFC: The WAFC Staff coordinate, manage and oversee the competition across WA, providing support and assistance to the carnival coordinators so that they can run an effective and engaging competition. The WAFC also provides equipment and trophies for this competition.</p>
Simply Energy Cup (Year 11/12 Male)	<p>Definition: The Simply Energy Cup offers a well organised & high-quality interschool competition catering for over 3,000 students from country and metropolitan schools throughout WA. 2020 marks the 33rd year of the competition which is coordinated by both the West Australian Football Commission and the Secondary School Football Advisory Committee (SSFAC) with the support of School Sport WA.</p> <p>The Role of the WAFC: The WAFC manages and coordinates the competition across WA by coordinating team registrations, fixturing, umpiring, finals matches and the appointment of division coordinators. We also provide equipment and trophies.</p>
Eagles Schoolboys Cup (Year 8 /9 Male)	<p>Definition: The Eagles Schoolboys Cup, sponsored by the West Coast Eagles Football Club, is an interschool competition for boys in Years 8 & 9. The competition enters its 37th year in 2020 and is coordinated and managed by the West Australian Football Commission.</p> <p>The Role of the WAFC: WAFC staff oversee and manage the competition across WA by coordinating team registrations, fixturing, umpiring and the finals series. We also provide equipment and trophies for this competition.</p>
PSA & ACC Secondary Competitions	<p>Definition: The independent secondary school's sports associations.</p> <p>The Role of the WAFC: The WAFC provides support and advice relevant to AFL to the PSA and ACC. We also support with the provision of the appointment of umpires, equipment and trophies for these competitions.</p>



SCHOOL PROGRAMS (...continued)

DEVELOPMENT PROGRAMS	SUMMARY
Eagles Faction Footy (Year 4/5/6 Boys and Girls)	<p>Definition: Eagles Faction Footy is an intra-school program which offers students the opportunity to learn the skills of footy in a fun, safe environment with friends from their own school faction. This non-contact program is ideal for physical education lessons or lunch time competitions. Schools can run competitions during any school term using AFL 9s, modified or student-derived rules with points going towards the school's faction shield/trophy. This program is sponsored by the West Coast Eagles Football Club.</p> <p>The Role of the WAFC: The WAFC manages and oversees the program across WA, providing support and assistance to teachers so that they can run an effective and engaging program. We also provide equipment and trophies for this program.</p>
Freo Footy Skills (Intra Year 4/5/6 Boys & Girls)	<p>Definition: Freo Fast Ball, Freo Kwik Kick and Freo Long Bomb are curriculum-based football activities, that is partnered with and sponsored by the Fremantle Football Club, that gives students another platform to develop their skills. By registering, teachers are provided with educational and promotional resources to assist in their implementation of these competitions.</p> <ul style="list-style-type: none"> • Freo Fast Ball is a team handballing competition • Freo Kwik Kick involves students kicking in pairs over a short distance for three minutes • Freo Long Bomb involves students kicking a football as far as they can. <p>The Role of the WAFC: The WAFC manages, coordinates and oversee the program across WA, providing support and assistance to teachers so that they can run an effective and engaging program. We also provide equipment and trophies for this program.</p>
Freo House Footy (Year 7-12 Male/Female/Mixed)	<p>Definition: Freo House Footy is a modified game (AFL 9s) that can be played as a male, female or mixed competition during any school term or incorporated as part of your AFL physical education program. This program is sponsored by the Fremantle Football Club.</p> <p>The Role of the WAFC: The WAFC Coordinates and oversees the program across WA, providing support and assistance to teachers so that they can run an effective and engaging program. We also provide equipment and trophies for this program.</p>
Sporting Schools Program	<p>Definition: Sporting Schools is a federal government initiative designed to help schools to increase children's participation in sport, and to connect them with community sporting opportunities. Sporting Schools programs are provided free to children and their families to help students build the confidence and capability to be active for life.</p> <p>The Role of the WAFC: The WAFC manages and coordinates all football programs and assign program requests for our development staff to coordinate and deliver at those schools.</p>



SCHOOL PROGRAMS (...continued)

DEVELOPMENT PROGRAMS	SUMMARY
Freo Schoolgirls Cup (Year 8/9)	<p>Definition: The Freo Dockers Schoolgirls Cup, sponsored by the Fremantle Football Club, is an interschool competition for girls in Years 8 & 9. The competition enters its 3rd year in 2020 and is coordinated by the West Australian Football Commission.</p> <p>The Role of the WAFC: The WAFC staff coordinate and manage the competition across WA by coordinating team registrations, fixturing, umpiring and the finals series. We also provide equipment and trophies for this competition.</p>
IGSSA	<p>Definition: The Independent Girls Schools Sports Association (IGSSA).</p> <p>The Role of the WAFC: The WAFC provides support and advice relevant to AFL to the IGSSA. We also support with the provision for equipment, trophies, umpires and staff assistance for their AFL competitions.</p>
SSWA Country Week	<p>Definition: School Sport WA is an association of school teachers whose principle purpose is to promote, organise and coordinate sporting competitions for school students at a local, regional, interstate and international level.</p> <p>The Role of the WAFC: The WAFC provides support and advice relevant to AFL to SSWA. We also support with the provision for equipment, trophies and staff assistance for their AFL competitions.</p>
ACC Carnivals	<p>Definition: The Associated & Catholic Colleges of WA is an independent secondary school's sports association providing Sport in the Right Spirit to over 60 schools around the state.</p> <p>The Role of the WAFC: The WAFC provides support and advice relevant to AFL to the ACC. We also provide the equipment and trophies required for their AFL grand finals.</p>
Freo Dockers Cup Carnivals	<p>Definition: One day lightning carnivals, that are sponsored by the Fremantle Football Club, to provide opportunities for schoolgirls to either try football in a safe and fun environment, and/or enhance their football skills developed through their PE program.</p> <p>The Role of the WAFC: The WAFC coordinates, manages and oversees the competition across WA, providing support and assistance to the carnival coordinators so that they can run an effective and engaging competition. We also provide equipment and trophies for this competition.</p>

SCHOOL PROGRAMS (...continued)

DEVELOPMENT PROGRAMS	SUMMARY
Freo Dockers Cup (Year 10/11/12 Female)	<p>Definition: The Freo Dockers Cup, Sponsored by the Fremantle Football Club, is an interschool competition for female students in Years 10/11/12). The competition is played either as a one-day lightning carnival (organised by individual schools or WAFC Development Officers) or in a round robin format (min 3 weeks). The modified rules allow for maximum participation, enjoyment, and skill development.</p> <p>The Role of the WAFC: The WAFC Coordinate and manages the competition across WA by coordinating team registrations, fixturing, umpiring, finals matches and the appointment of division coordinators. We also provide equipment and trophies for this competition.</p>
AFL/WAFL Village	<p>Definition: Through the support of the AFL, the WAFC has identified some significant opportunity and potential benefit in engaging participants in low socioeconomic area through a different approach to connecting, engaging and transitioning participants from a school environment into a community club structure.</p> <p>The Role of the WAFC: The WAFC staff, working in collaboration with the local WAFL club, to deliver results on providing opportunities for participants and then looking to transition them into club-based environments. The WAFC had commenced a partnership pilot with a WAFL Club on this village concept just prior to COVID-19, at which stage the pilot was postponed.</p>
Design a Jumper Competition	<p>Definition: Design a new jumper for the school football team, use local landmarks, school ethos, population, location etc. The competition opens in Term 1. The major prize is a set of jumpers in the winning design presented to the winning schools (one regional, one metro) - Proudly Supported by Burley Sekem.</p> <p>The Role of the WAFC: The WAFC coordinates, manages and oversee the competition across WA, including promoting it thoroughly to all schools, organising the entries as they are submitted, coordinating the voting procedure and presenting the prizes to the winning schools.</p>
School Clinics	<p>Definition: School clinics are offered to all schools whereby staff coordinate football programs and activities for classes during school hours. These clinics cater for all students of all abilities and are designed to be both educational and engaging. The end goal is to transition as many students as possible from these school clinics into junior community clubs.</p> <p>The Role of the WAFC: WAFC Staff book, coordinate and deliver clinic requests within all schools across Western Australia with the aim to support teachers and schools, whilst promoting football participation.</p>

COACHING

DEVELOPMENT PROGRAMS	SUMMARY
Coach Education Sessions	<p>Definition: These sessions aim to upskill coaches so we can provide all stakeholders in the game with the best possible experience and create positive Game Day/Training Environments for the players to develop and enjoy their footy. The Education workshops that have been developed over the last 12-18 months and clubs are encouraged to pick topics that will benefit their current crop of coaches. Each session goes for between 1 - 1.5 hours and involves a combination of theory and/or practical.</p> <p>The Role of the WAFC: The WAFC provides Community Coaches with a clear understanding of positive game day environments, provide relevant game sense activities and ideas to develop game skills. Through these Coach Education sessions, the WAFC staff (Coach Coordinators) support volunteer coaches to ensure that they provide the best environment and experience for all participants in the game.</p>
AFL Coach Masterclasses	<p>Definition: Masterclasses are hosted by the AFL Club Coaches to educate and upskill community Coaches. All AFL Assistant coaches are required to present on their specialty topics during these sessions.</p> <p>The Role of the WAFC: The WAFC manages and collaborates with the AFL Assistant Coaches to arrange and organise coach education sessions, and assigns AFL coaches to sessions with community coaches at local clubs.</p>
Coaching - Level 2	<p>Definition: The Level 2 coach accreditation consists of a 1 day face-to-face and a post course self-reflection task that is to be completed during the season you are coaching. It is designed for coaches who have coaching roles in either youth or senior age groups during the year of completing the course.</p> <p>The Role of the WAFC: The WAFC manages and coordinates the Level 2 coach sessions in WA. Working in collaboration with the AFL to administer and deliver full day courses right across the state following the criteria outlined by the AFL and Sport Australia regarding accreditation.</p>
Coaching - Level 3 (WA based)	<p>Definition: The Level 3 course accreditation is for coaches involved in AFL, state leagues, development squads or other programs in the AFL Talent Pathway. Coaches working in or aspiring to this level may apply to be invited to a week-long, live in program or 3x 2-day courses. The course covers in greater depth those areas dealt with in Level 2 as well as relevant current issues, including technology, public relations and coaches as program managers and mentors.</p> <p>The Role of the WAFC: The WAFC works in collaboration with the AFL to administer and deliver 3 phases of the Level 3 course in Western Australia, following the criteria outlined by the AFL and Sport Australia regarding accreditation.</p>

COACHING (...continued)

DEVELOPMENT PROGRAMS	SUMMARY
Tackle Your Feelings Mental Health	<p>Definition: TYF is a mental health training program for community footy clubs and coaches presented by the AFL Coaches Association and the AFL Players' Association. The program was inspired by a mental health education course developed for AFL professional coaches and players, consisting of a face-to-face presentation from a psychologist and additional online learning.</p> <p>The program aims to provide community coaches with the tools to understand, recognise and manage signs of mental health. More broadly, the program seeks to:</p> <ol style="list-style-type: none"> 1. Raise awareness of mental health in the footy community 2. Reduce the stigma associated with mental health (self and social) 3. Change the behaviours associated impacting one's mental health. (help seeking) <p>The TYF program is funded by Zurich Australia through its charity arm, the Z-Zurich Foundation (ZZF), and is therefore completely free for community clubs and coaches.</p> <p>The Role of the WAFC: WAFC staff coordinate and deliver the program right across Western Australia, and have partnered with the TYF Program to ensure a smooth roll out through the state in 2020 and beyond. We collaborate with local coaches and clubs to host workshops where we send a WAFC facilitator to accompany a TYF trained psychologist.</p>



VOLUNTEERS

DEVELOPMENT PROGRAMS	SUMMARY
Optus WA Football Volunteer of the Year	<p>Definition: The Optus WA Football Volunteer of the Year has become a prestigious award on the WA Football calendar. The Award was developed in WA by the WAFC, and has now been adopted nationally. The importance of volunteers cannot be underestimated. They enrich our society, bring us together as a community, and help keep businesses and organisations afloat. For this reason, the WAFC prides itself on recognising and rewarding the unsung heroes who enhance the lives of others and inspire the WA football community.</p> <p>The Role of the WAFC: Partnering with Optus, the WAFC organises, promotes and administers nominations for the program and host events to recognise volunteers in WA Football. This culminates with the overall Volunteer of the Year being presented at the Sandover Medal Night, being recognised on similar footing with the champion players.</p>

AFFILIATES & COUNTRY DEVELOPMENT

DEVELOPMENT PROGRAMS	SUMMARY
Senior Football	<ul style="list-style-type: none"> • Perth Football League • Metro Football League • AFL WA Masters • WA Country Football League <p>The Role of the WAFC: The WAFC supports these leagues with the administration of their competitions. From fixturing to tribunal support, the WAFC plays an active support role.</p>



DISTRICTS

DEVELOPMENT PROGRAMS	SUMMARY
Junior Football	<ul style="list-style-type: none"> • Modified – Year 3 to Year 6 • Youth – Year 7 to Year 12 <p>The Role of the WAFC: The WAFC staff manage and coordinate the junior competitions with the metro area, and supports the coordination and delivery of the regional leagues. WAFC staff support clubs on game day to ensure that the experience and environment is as positive as possible.</p>
RDC's & RFDC's	<p>Definition: The metro Regional Development Councils (RDC's) and the Country Regional Football Development Councils (RFDC's) are incorporated associations that provide strategic advice and direction on the running of Junior Football in each specific area. They are comprised of a volunteer board that focus on the participation pathway, and support the WAFC in meeting their game development objectives.</p> <p>The Role of the WAFC: The WAFC works collaboratively with each of the RDC's and RFDC's to establish clear outcomes for junior participants within the game. The volunteer boards are comprised of individuals from key segments of the game including the WAFL Clubs being represented. The WAFC appoints the Chairman of these groups.</p>
Next Generation Academies – Fremantle & West Coast Eagles	<p>Definition: The AFL, in partnership with AFL clubs and state league bodies, has established a national network of AFL club Academy Programs, Next Generation Academies (NGA), which aim to identify and develop young talent, introduce school aged children to community football competitions and feed into existing state and territory and national talent programs. The academy process will be fully inclusive of all participants, but targeted for participants of indigenous and multicultural backgrounds. Multicultural participants must either have been born overseas, or has one parent who was born overseas.</p> <p>The Role of the WAFC: The WAFC partners with the AFL Clubs to assist in the delivery and coordination of the NGA Academies, with WAFC providing on the ground delivery support.</p>



WAFL TALENT

DEVELOPMENT PROGRAMS	SUMMARY
WAFL Colts	<p>Definition: The premier Under-18 male competition in WA football consisting of 9 teams representing the WAFL clubs</p> <p>The Role of the WAFC: Since 2018 the WAFC has coordinated, funded and delivered the programs which deliver the Colts competition. This includes employing program managers, coaches, strength and conditioning staff, well-being experts and medical support staff to design and deliver the programs. The WAFC's WAFL operations team also manages the overall competition including fixturing and tribunals.</p>
WAFL Futures	<p>Definition: The premier Under-16 male competition in WA football consisting of 10 teams representing the WAFL clubs and the South West</p> <p>The Role of the WAFC: Since 2018 the WAFC has coordinated, funded and delivered the programs which deliver the Futures competition. This includes employing program managers, coaches, strength and conditioning staff, well-being experts and medical support staff to design and deliver the programs. The WAFC's WAFL operations team also manages the overall competition including fixturing and tribunals.</p>
Development Squads	<p>Definition: The first touch point for talented young footballers (Under-14s and Under-15s) with the WA talent pathway consisting of a short development program and carnival, based at the WAFL clubs</p> <p>The Role of the WAFC: Since 2018 the WAFC has coordinated, funded and delivered the Development Squad programs at each WAFL club. This includes employing program managers, coaches, strength and conditioning staff, well-being experts and medical support staff to design and deliver the programs.</p>



The previous table provides an overview of the Development activities and programs undertaken across community and school environments. The WAFC also provides additional education and training sessions in respect to the integrity of the game.

INTEGRITY

DEVELOPMENT PROGRAMS	SUMMARY
Working with Children	<p>Definition: The Working with Children Check provides a screening of volunteers that work with Children in Football, to determine how suitable they are, based on criminal history, to work with kids.</p> <p>The Role of the WAFC: The WAFC coordinates and liaises with club volunteers in ensuring compliance and reporting of any child related matters, including ensuring all eligible volunteers have a WWCC completed and logged. The WAFC works alongside the WA Department of Communities in undertaken training and education sessions with both staff and volunteers.</p>
Match Policy & Rules and Regulations	<p>Definition: Each segment of the game has its own unique rules and regulations; however they are all under the national guidelines that govern the sport. These rules and regulations, along with the respective Match Policies ensure the integrity of the sport and the competitions.</p> <p>The Role of the WAFC: The WAFC has oversight of the National Policies with the AFL and ensure that all rules and regulations are adhered to and competitions are compliant.</p>
WAFL Integrity Education	<p>Definition: Before the start of every season the WAFL Integrity department deliver Player Education Programs to all WAFL and WAFLW players. These programs are tailored and delivered to suit the particular group being either males, females or underage players. The main topics covered in these programs include Anti-Doping (ASADA), Vilification and Discrimination, Social Media, Concussion, Gambling Policy, Harassment/Bullying, and Grievance Procedures.</p> <p>As way of follow up from these programs, all WAFL players over the age of 18 are required to complete online registration specific to the Gambling Policy and agree to the rules and regulations in relation to the policy. In addition to this, all WAFL league players are required to complete an online education course specific to the Anti-Doping Policy.</p> <p>The Role of the WAFC: WAFC staff deliver the integrity programs and education sessions with all male and female players in the WAFL and WAFLW. The WAFC also oversees compliance of all programs, and ensuring that all requirements are met prior to the commencement of the season.</p>

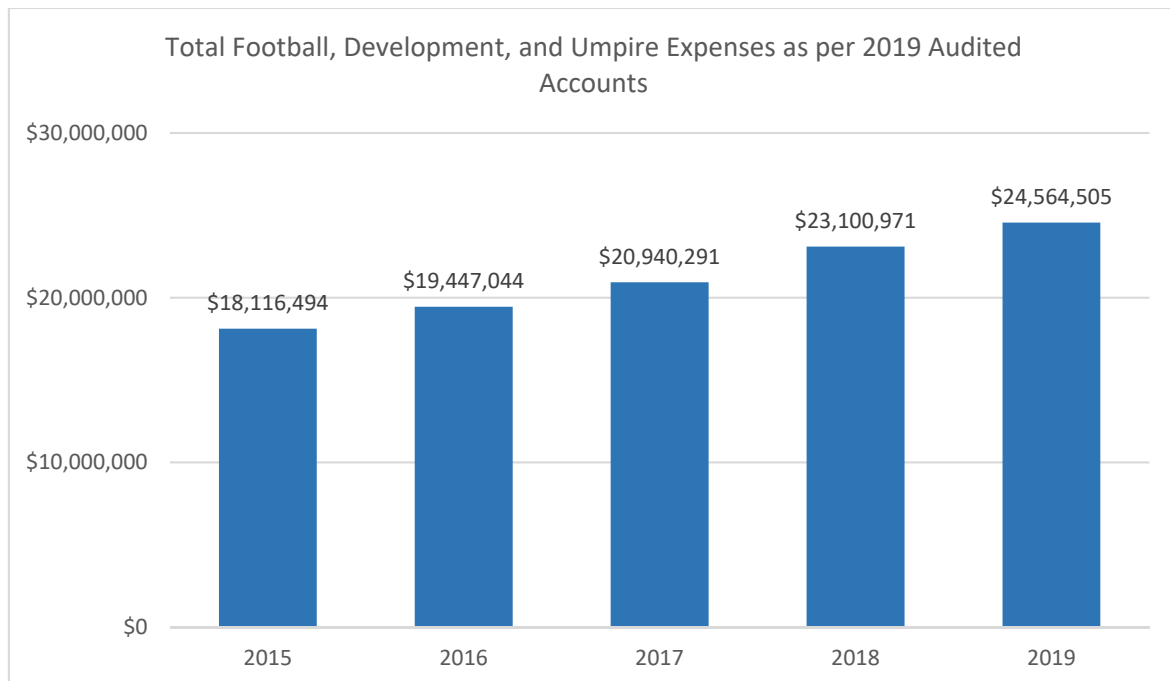
3.2 Can the Commission provide a breakdown of its expenditure covering these various activities?

Yes, total development expenditure from 2015-2019, as well as a breakdown by the eight different development areas for FY2019, has been provided below.

It is important to note that development is only one of three categories of direct expenditure on football delivery. The WAFC financial statements include the following three direct football expenditure categories:

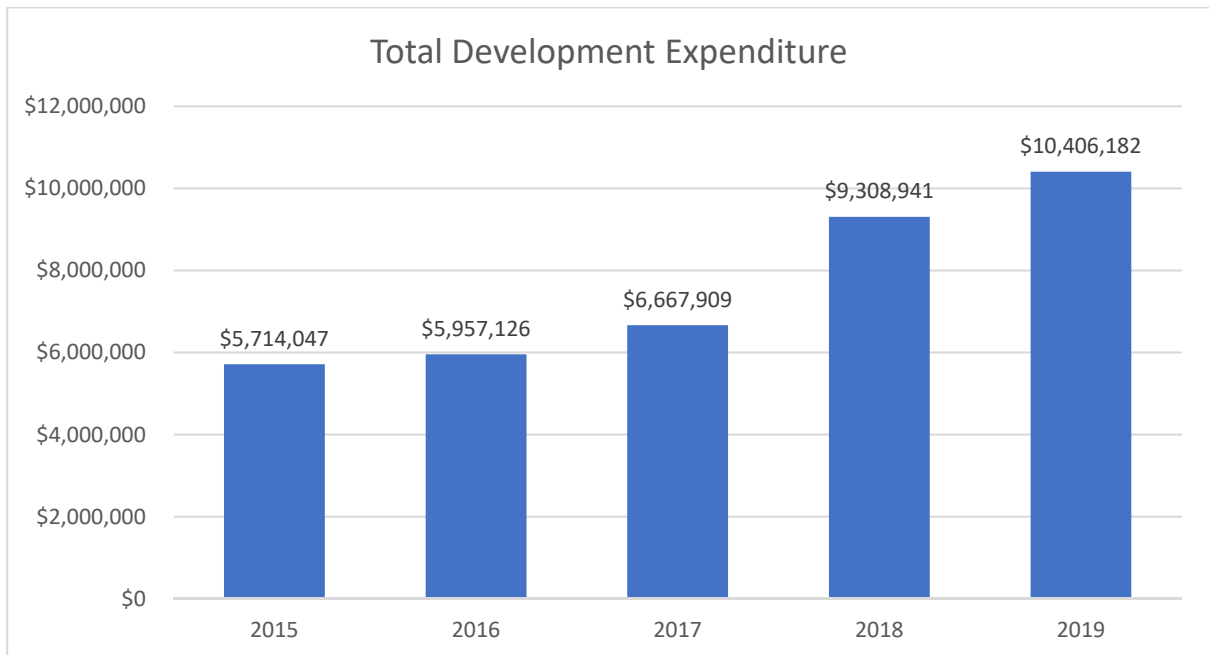
- Football expenses – which includes WAFL operating and broadcast costs, cash distributions to WAFL Clubs, commercial operations, State talent costs and the CUB pourage distributions to the WAFL and AFL Clubs;
- Development expenses – see below for detailed definition of development expenses; and
- Umpire expenses – which includes the cost of coordinating umpires for leagues across WA as well as umpiring costs for the WAFL and WAFLW competitions.

The total expenditure across these three categories for the five years 2015 to 2019 has increased from just over \$18 million to over \$24.5 million as below:

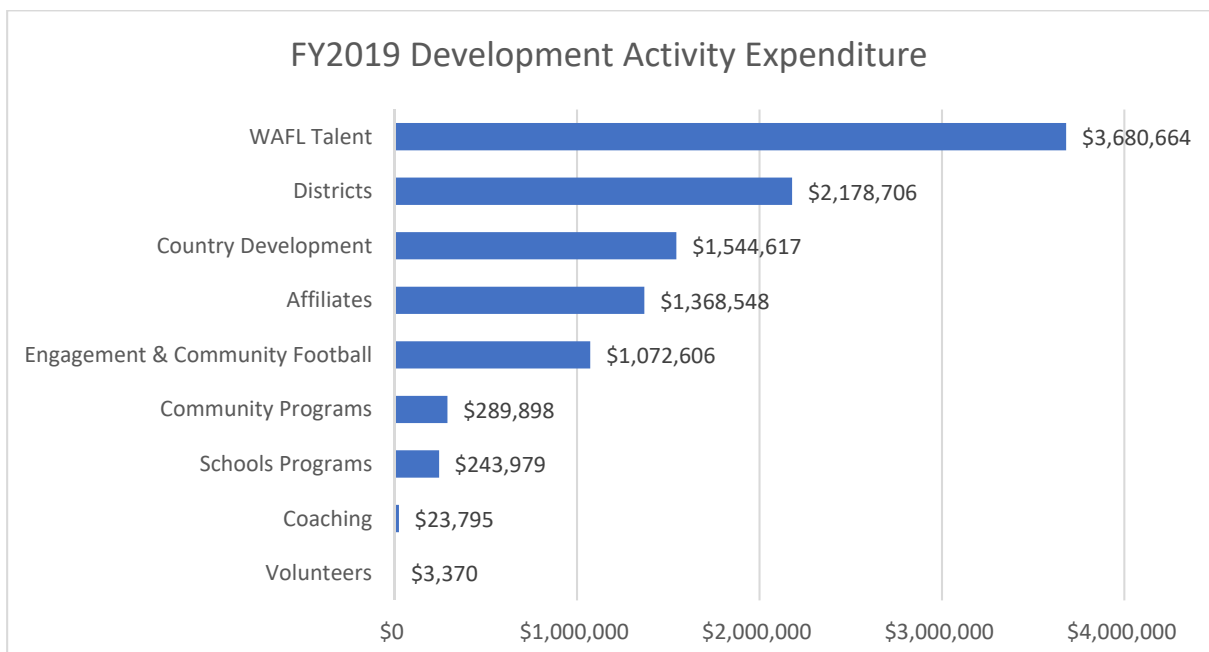


This graph highlights that in 2015 the WAFC was investing 45% of its revenue in football with significant responsibility for Subiaco Stadium management costs. In 2019 this had increased to 77.5% which in part has been driven by the WAFC no longer having management of Subiaco Oval and an alignment on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

Development expenditure for the five years 2015 to 2019 is detailed in the following chart.



The chart below provides a summary breakdown of expenditure reported as Development Expenses as per our financial statements for FY2019 (\$10.4 million in total).



The following table details the 2020 WAFC staff working in each of the development areas, other areas of football (i.e. State Academies and WAFL) and in support departments. Of our total staff, 75% are directly employed in the frontline delivery of football.

Development Area	Number of Staff	Externally Funded	Total Number of Roles
Engagement & Community Football	27 (staff work across all development areas)	1	28
Community Programs			
Schools Programs			
Volunteers			
Coaching	3	0	3
Country Development	14	4	18
Districts	12	0	12
Affiliates	0	8	8
WAFL Talent	9	13	22
SUB-TOTAL DEVELOPMENT	65	26	91
State Academies	4	7	11
WAFL	6	0	6
TOTAL	75	33	108

Development and WAFL staff are supported by the following departments, all WAFC funded. Without this investment, the staff directly employed in development of football in WA would have no structure or oversight, which could lead to uncoordinated and inconsistent results.

Department	Number of Staff
CEO's office	3
Commercial and Marketing	4
Corporate Services – Finance, IT, Payroll	9
Governance, Strategy, People and Reception	7
TOTAL	23

As noted within this Submission, an organisational restructure has taken place which reduces the number of staff employed by the WAFC.

3.3 What criteria are used to determine what proportion of annual revenue is allocated to which activity carried out for or by the Commission in its role of caretaker for football?

One of the most important roles of the WAFC is the allocation of resources and funding across the industry to support the growth and development of the game. The WAFC's financial model has undergone significant change during the period of transition from Subiaco Oval with the associated lease and management rights, through to the current arrangements now in place with AFL football played at Optus Stadium and the Subiaco Oval Lease having been surrendered.

This has also meant a significant change to the financial model of the WAFC. The WAFC has had to move from Subiaco Oval to Tuart College, reset operations in line with the new funding model and continue to meet its funding commitments across the industry. During the period 2015-2017, with Subiaco Oval as a revenue earning asset, the WAFC reported total revenue of between \$36m to \$40m. In 2018 with Subiaco Oval not operating as an AFL stadium the WAFC's revenue significantly dropped to \$31.6m incorporating the \$11m generated under the new WAFC Funding Agreement. This level of revenue was retained through 2019, with the majority of the WAFC's funding sources now being linked to agreements as outlined below:

- WAFC Funding Agreement – Revenue linked to CPI in first 10 years.
- AFL grant – Fixed amounts for a set period with funds being tagged to deliver specific programs, academies or game development activities.
- AFL Clubs – Royalty linked to Clubs performance with any upside being held in reserve for jointly agreed reinvestment back into WA Football. Sponsorship of programs linked to CPI, such as WAFL, WAFLW and schools programs.
- Commercial – Agreement typically linked to CPI. This includes sponsorship programs and commercial assets such as the Channel 7 broadcast arrangement, where all revenue generated is invested back into the costs of production and promotion.
- Registrations – Not linked to CPI but funds are captured then reinvested back into the Affiliates and competitions.

Each year the WAFC determines its revenue forecast to then build its budget with the intent of delivering a slightly better than break-even financial result, to support building a balance sheet for the WAFC. The balance sheet of the WAFC is an important asset for the industry as it provides stability during periods of financial crisis (such as COVID-19) where the WAFC has been able to support the industry, whilst also putting funds aside for the WAFC's future home.

The consideration of how funding is allocated across the industry is primarily driven by the WAFC's Strategic Plan 2017-2022. This plan developed through deep consultation and engagement with the industry determined the key priorities, areas of focus and major reform projects to support the growth and development of WA football. In a changing financial model the WAFC has committed to meeting its long term funding agreement commitments across the industry, delivering against sponsorship and grant outcomes and prioritising discretionary expenditure in line with the priorities of the WAFC Strategic Plan. Please refer **Appendix 7** for Strategic Plan 2017-2022.



The WAFC operates under a continuous improvement framework where each year a review of performance is undertaken to determine areas for improvement. This process which includes a deep review of data, trends, feedback and performance allows the WAFC to identify areas of need or opportunity to support football. A good example of this in practise was the WAFC organisational restructure based on the challenges being faced with regional football. From reviewing all of the participation trends and engagement with WACFL it was determined a new staffing model was required to place greater emphasis on supporting all levels of regional football. The data showed club-based participation was very strong in the metropolitan areas but there were mixed results occurring across Western Australia. Through redesign of structures within existing budgets a new regional football staffing structure was introduced, that has deeply integrated the work between the WAFC and WACFL, established an Executive role to focus on regional football with a team spread across WA looking after junior, senior competitions plus the development of the game.

In summary, the WAFC's criteria used for the allocation of funding across the industry and for WAFC activities is determined by:

- Determining the available revenue for the following year's budget
- Developing an annual operating budget that delivers a better than break even result.
- Meeting existing funding agreements with football stakeholders
- Allocating funding in line with grant KPI's and outcomes
- Meeting all commercial and sponsorship deliverables
- Prioritising funding and resources in line with the WAFC Strategic Plan
- Reviewing the trends, opportunities and challenges where specific funding may be required to enhance or support activities.

In 2020 the budget was set with an expected revenue of close to \$32 million, yet due to COVID-19 the expectation is that it will be closer to \$21.5 million, without the JobKeeper subsidy and \$25.1 million with the JobKeeper subsidy.

The projection for 2021 revenue is currently around \$25 million and the WAFC is undertaking significant review of its operations to ensure that expenditure for 2021 will be within the expected revenue and thus be a breakeven result. To be fair to all participants in WA football, all parts of the expenditure budget, including administration costs, will be reviewed as a result of the "smaller pie".



3.4 How are the various stakeholders included in making the Commission's funding decisions?

The WAFC seeks to be independent of any single football industry participant, while engaging with and listening to all participants to understand their needs and wants. Consultation is of vital importance, and the WAFC believes that it adheres to this principle. All industry players receive a "fair hearing".

The development of the 2017-2022 Strategic Plan provided the WAFC with the framework to prioritise expenditure across key projects, priorities and areas of development within WA Football. The development of the WAFC's strategic plan included a deep engagement and consultation with all stakeholders of WA. The strategic plan set out key pillars of Talent, Sustainability and Engagement with associated projects that are linked to achieving the goals of the WAFC.

The strategic plan provides a strong tool to support the financial planning and funding decisions of the WAFC. Each year the WAFC reviews its performance against the plan, key projects highlighted for the subsequent years and prioritises funding accordingly to meet these strategic objectives.

The WAFC's funding decisions are also connected to license, funding and affiliation agreements with key stakeholders across WA football. These agreements set out the amounts plus the associated terms and conditions of funding.

3.5 What are the terms and obligations of the Commission's funding agreement with the State?

The terms of the WAFC Funding Agreement

1. The Parties

The AFL is a party to the WAFC Funding Agreement, just as it was a party to the High Level Principles. Clause 6.5 of the Agreement contains undertakings from the AFL in much the same terms as those embodied in the High Level Principles. These undertakings are of significant benefit to football in Western Australia and were part of the consideration extracted by the WAFC for its surrender of the lease at Subiaco in order to enable AFL football to be played at the new stadium, to the benefit of the AFL.

2. The date of the Agreement

The Agreement was executed on 3 July 2019 – 20 months after the High Level Principles were agreed. Any comparison of the High Level Principles with the Agreement reveals the hotly contested and extensive nature of the commercial negotiations which preceded the execution of the Agreement in July 2019, on the eve of demolition of the Subiaco stadium.

3. The Recitals

The Agreement commences with an express acknowledgement of the background to the Agreement, including a reference to the High Level Principles which were to be superseded by the execution of the Agreement. Significantly, the same acknowledgement with respect to the basic structure of the Agreement, as was contained in the High Level Principles was carried forward to the Agreement itself, in which clause (C)(g) acknowledges:

"The hire fee charged to AFL and the Clubs to hire the Stadium has been set to enable WAFC to be funded pursuant to this Agreement, however, the forecast models indicate the hire fee may not be sufficient to cover the funding provided in its entirety."

Clause (F)(b) of the Agreement also expressly acknowledges that WAFC relinquished a portion of its lease to support the development of the State's "Inner City College" project, and clause (C)(d) acknowledges that the WAFC was ceding its lease of Subiaco Oval to the State.

4. The Term of the Agreement

The Agreement potentially operates over the 50 years from 1 November 2017 to 31 October 2067. Those 50 years are broken down into five discrete terms each of ten years – the first such period being described as the "Initial Term" and the subsequent periods as "Subsequent Term 1", "Subsequent Term 2" and so on.

5. Funding

Of course, many of the provisions of the Agreement are concerned with the funding to be provided to the WAFC pursuant to its terms. The most significant provisions in that respect are found in Clauses 3-6. An understanding of those clauses is assisted by an appreciation of the different arrangements which apply in respect of funding during the Initial Term, and the arrangements which apply to funding in any Subsequent Terms.

During the Initial Term the WAFC is to receive each year a fixed amount of \$10,947,000 (in 2018), adjusted by CPI to the September quarter of each year. This amount is defined in the Agreement as the “Funding Cap”. Significantly, this amount is less than the net revenue usually generated from the operation of Subiaco Oval in the years preceding the move to the new Stadium. It is also less than the amounts paid to the State by the 2 AFL Clubs owned by the WAFC for their use of the new Stadium.

During Subsequent Terms, the State is to pay to WAFC the funding agreed during a Review or as determined by expert determination in accordance with Clause 11.2.

However, the State’s obligations in Subsequent Terms are subject to a very significant constraint imposed by Clause 3.2 (c) which provides:

“For the avoidance of doubt the Funding for any Subsequent Term agreed during a Review or otherwise determined in accordance with Clause 11.2, cannot exceed the lesser of:

- (i) the Net Football Stadium Income for that Funding Year; and
- (ii) the Funding Cap for that Funding Year.”

This provision is, in effect, a downward ratchet. It is advantageous to the State and disadvantageous to the WAFC. Under the arrangements pertaining to Subiaco Oval, in good years when both clubs were playing well, WAFC could retain additional revenues derived to offset poorer returns in years in which revenues were reduced. However, under the terms of the Agreement, during Subsequent Terms in years in which Net Football Stadium Income is projected to be good, WAFC will be restricted to the Funding Cap, and the State will retain any surplus. On the other hand, in poorer years when Net Football Stadium Income is projected to be below the Funding Cap, the WAFC will receive the lesser amount and will not receive the Funding Cap. Put more bluntly, under this provision of the Agreement, there is no upside for WAFC, only downside.

Leaving to one side the disadvantageous nature of this arrangement from the perspective of WAFC, a very significant aspect of these provisions is the component which defines the funding to be provided by reference to Net Football Stadium Income. Those provisions reflect a continuation of the fundamental structure which applied at Subiaco Oval – namely, the structure under which the fees paid by the AFL Clubs to use the stadium are recycled, after meeting stadium costs, to the WAFC to be used for the support and development of football. However, unlike the arrangements relating to Subiaco stadium, during Subsequent Terms the WAFC can never receive more than Net Football Stadium Income, but can receive less.

Clauses 4 and 5 of the Agreement contain elaborate and detailed provisions with respect to the review process which is to precede any Subsequent Term. Because Subsequent Term 1 is still seven years away, it is unnecessary to review those provisions in detail at this stage. It is however important to observe that the object of each Review is to agree:

- (a) the Funding Need; and
- (b) the Net Football Stadium Income; and
- (c) the funding to be provided for each Funding Year of the proposed Subsequent Term.

Again, the reference to the need to agree Net Football Stadium Income as part of the process of Review reflects the continuation of the previous funding structure of football and its embodiment in the Agreement.

The Agreement contains elaborate provisions for the identification of “Net Football Stadium Income” and the formulae to be used for that purpose. “Funding Need” is defined by Clause 1.1 to mean:

“WAFC’s need for State funding for the funding, operation and development of community based participation in, and talent development pathways for Australian Football in Western Australia, including the State Leagues in each Funding Year of a Subsequent Term, being the amount to be agreed by the parties during a Review or otherwise determined under Clause 11.2.”

The expression “State Leagues” is defined to mean: “The Australian Football competitions based in Western Australia, including the Western Australian Football League.”

Clause 4.9 of the Agreement lists a number of matters to be considered in the Review process. Those matters include various aspects of Funding Need, including the efficiency and effectiveness of the WAFC’s business model, the need to invest in the long term growth of Australian Football in Western Australia, non-State funding and revenue opportunities and whether WAFC’s costs are proper, commercially prudent and transparent.

The same clause requires account to be taken of the Football Stadium economy which includes the capacity of Net Football Stadium Income to support the Funding Need including the AFL football clubs’ contribution to overall stadium income and the State’s management of Governance Costs. Again, this provision emphasises the connection between football stadium income and the funding to be provided to the WAFC, consistently with the historical arrangements which applied at Subiaco Oval.

The same clause also provides that the State might provide support to WAFC in the form of a transfer of rights in relation to the stadium – such as signage rights, stadium memberships or pourage rights, again reflecting the prospect of a return to the arrangements relating to Subiaco Oval, under which revenue from the stadium might pass directly to the WAFC.

Clause 4.11 provides for the circumstance in which it appears that the likely amount of funding determined for a Subsequent Term is, will or may be less than the Funding Need. The clause expressly provides that in such a case any shortfall would not be the responsibility of the State and that: “WAFC may, as part of that Review, request additional State funding and the State may accept or reject that request, with or without conditions, in its absolute discretion having regard to, amongst other things, any actual or projected uplift in Net Football Stadium Income and the WAFC’s increased income through its ownership of the Clubs and the AFL’s increased income through the increased capacity through finals matches.”

Significantly, none of the provisions relating to Funding Need, the identification of Net Football Stadium Income or a shortfall in Funding Need have any application to the Initial Term, which does not expire until 31 October 2027, except to the extent that the Agreement provides for a trial of the Review process from 1 November 2020 for the purpose of ensuring that adequate data is being captured to enable the Review process to be effective, when it kicks in prior to the expiry of the Initial Term in 2027 (see Cl.4.13)

2.6 Spending by the WAFC

Clause 6.2 of the Agreement provides that:

“WAFC must:

- (a) use the Funding in accordance with Football Party Good Industry Practice; having regard to all of the matters referred to in this Agreement;
- (b) expend the Funding for the Approved Purpose;
- (c) expend the Funding in a proper, commercially prudent, responsible, reasonable and transparent manner; and
- (d) where possible, minimise or mitigate costs incurred.”

“Football Party Good Industry Practice” is defined by Clause 1.1 to mean: “Good industry practice of major not-for-profit sporting organisations, including compliance with all Laws, Authorisations, relevant standards and good corporate governance standards, and which may include retaining a level of funds for contingency and balance sheet strength.”

The term “Approved Purpose” is defined by Clause 1.1 to mean: “The purpose for which Funding may be used or expended, being:

- (a) in the Initial Term, 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; and
- (b) Subsequent Term:
 - (i) the Funding Need; and
 - (ii) in accordance with the objects of WAFC’s Constitution, also for other purpose as approved by the State ...”



Pursuant to these provisions, the constraints upon expenditure during the Initial Term are less prescriptive than in Subsequent Terms, during which expenditure must be in accordance with the detailed provisions of the Funding Need agreed or determined (under CI 11.2). Consistently with this structure, Clause 6.3 of the Agreement, which provides for reviews of WAFC expenditure has no application during the Initial Term. However, the State's right to insist upon an audit pursuant to Clause 7.5 of the Agreement enables the State to satisfy itself that the WAFC has complied with the more general obligations imposed during the Initial Term.

In addition to the State's entitlement to require an audit, Clause 7 of the Agreement contains detailed provisions for the maintenance of financial records by WAFC, the provision of Financial Year Reports and Funding Year Reports covering various matters. Those obligations apply throughout the Agreement, including the Initial Term. They are addressed in more detail in the section of this submission dealing with the Committee's second and third Terms of Reference

6. Confidentiality

Clause 10 of the Agreement obliges each Party to keep confidential all "Confidential Information." That term is defined by Clause 1.1 to include the High Level Principles, the Agreement itself, and the negotiations for the High Level Principles and the Agreement and any detailed information provided by the parties to each other pursuant to the terms of the Agreement.

Clause 10.3 provides that disclosure is permitted in certain circumstances including, by Clause 10.3(c)(v):

"Disclosed to satisfy the requirements of Parliamentary Accountability or any other recognised public obligations of the State ...

having, to the extent practicable, consulted with the other party or parties (as applicable) with a view to agreeing the form, content, timing, and manner of disclosure."

Clause 10.4 provides that if a party does disclose Confidential Information it must use its reasonable endeavours to ensure that no person to whom it disclosed Confidential Information discloses it to any other person, provided that nothing in the Agreement prevents disclosure of Confidential Information to a Minister, or by a Minister to Parliament.

3.6 What are the Commission's reporting requirements regarding its annual grant from the Department of Local Government, Sport and Cultural industries?

- 3.6.1 WAFC Funding Agreement Reporting Requirements
- 3.6.2 DLGSCI Grant Funding Requirements
- 3.6.3 Healthway Grant Funding

3.6.1 WAFC Funding Agreement Reporting Requirements

Reporting requirements from the WAFC Funding Agreement are as follows.

7.2 Financial year reports

On or before 30 March in the subsequent Funding Year, WAFC must provide to the State its annual report for the previous Funding Year (ending 31 October of the previous year) which includes:

- c) certified copies of the consolidated (if applicable) and unconsolidated independently audited statements of financial position and statement of financial performance of WAFC for the previous financial year; and
- d) certified copies of WAFC's statements of cash flows and profit and loss and other comprehensive income statements and notes to the consolidated financial statements.

7.3 Funding Year reports

- b. WAFC must provide the State with an annual report in respect of each Funding Year on or before 28 February in the following Funding Year containing in respect of the Funding:
 - ix. independently audited account information (to the extent it is not included in the annual report required under clause 0);
 - x. expenditure of Funding information (to the extent it is not included in the annual report required under clause 0);
 - xi. game development reports including reports on:
 - xii. participation activities across all settings and population groups;
 - xiii. membership and competition figures;
 - xiv. coaching;
 - xv. umpiring; and
 - xvi. club and volunteer development;
- c. WAFC must provide the State with a proposed budget and operational plan in respect of the expenditure of Funding for the upcoming Funding Year by 15 September of each Funding Year.

The WAFC has complied with the reporting requirements as detailed in Section 2.2 and 2.3.



3.6.2 DLGSCI Grant Funding Requirements

To ensure transparency, the WAFC receives two key grants from the WA State Government through the Department of Local Government, Sport and Cultural Industries (DLGSCI). These are the:

- **Industry Investment Program** – The WAFC receives funding under this program and ensures that it meets all obligations under that funding agreement, including the submission of the Final Annual Key Result Schedule (AKRS) Report. The objective of this funding is to increase the capacity and capability of individuals and organisations to deliver football opportunities to Western Australians, with key performance measures and a focus on True Sport, Diversity and Leadership, Community Engagement, Women and Girls in Sport and Recreation, whilst ensuring all relevant policies and strategies are addressed.

The WAFC has a strong working relationship with DLGSCI, meeting regularly to discuss the progress against KPI's, and ensuring that it meets all requirements of this funding, through working collaboratively with Department Staff to ensure that this funding supports community stakeholders in the delivery of football.

- **Regional Servicing Grants** – The WAFC also receives funding as part of the Regional Servicing Program which aims to improve the capacity and grow participation at a regional level, and to improve the quality of sporting opportunities for people in regional Western Australia. The WAFC allocates this funding across each of the eight country regions on an equitable basis to ensure the objectives are met.

Similarly, the WAFC schedules regular progress meetings with DLGSCI to work through the delivery components of this funding ensuring all objectives are met, and then submits an acquittal statement, and financial summary as part of the obligations of the funding criteria. The WAFC focuses on the following key objectives as part of this funding; Implementation of Regional Servicing Plans, Governance and Risk Management compliance, ensuring all relevant policies are implemented, and Regional Talent Development processes.

3.6.3 Healthway Grant Funding

The WAFC has a Partnership with Healthway whereby they are the partner for all WAFC Junior Competitions, with naming rights, and leveraging opportunities, under the 'Go for 2 & 5' healthy eating messaging. The target audience and objectives of this partnership are:

Target Audience:

1. Primary Audience: Children aged 12 and under and Young People aged 13-17
2. Secondary Audience: Adults aged 18-54



Partnership Objectives:

- To increase awareness and understanding of the “Go for 2 & 5” health message among the target audience;
- To encourage behaviour change leading to good health;
- To facilitate structural and policy change to create healthy environments;
- To promote and maintain all West Australian Football Commission events as smoke free;
- To promote the Government of Western Australia and Healthway as sponsoring the project and promoting the Go for 2 & 5 health message

The WAFC meets regularly with Healthway staff to ensure all obligations under the partnership agreement are achieved, along with a specified annual acquittal process occurring. The WAFC is meeting all obligations under this partnership, has a strong working relationship with Healthway, and is invested in the promotion of health messages across community football networks.

3.7 Can the Commission provide details and copies of any external and internal reviews of its operations since its creation in 1989, including any current reviews under way?

A number of reviews have been conducted into the operations of the WAFC since 1989, as summarised below, with the full reviews being contained in **Appendices 8, 9, 10, 11, 12, 13 and 14**.

Boston Consulting Group (2016) "Structural Review of Football" - The Boston Consulting Group was engaged to undertake a structural review of WA football to undertake a detailed review of the football structures in Western Australia to assess their effectiveness in delivering football outcomes in a sustainable system across the State. This work culminated in development of the WAFC's Strategic Plan 2017-2022.

McCusker (2009) and Crawford (2001) Constitutional Reviews - Reviews of the Constitution of the West Australian Football Commission conducted as a requirement at the creation of the Commission, that a review of the Constitution be conducted on a regular basis.

Taylor Report (2007) "Community Football Future Directions" – A review of the role and impact of senior community football as part of the new District Development Model; the need to service the growth of metropolitan Perth (including Peel) via the development of both short and long term visions for vibrant and sustainable senior metropolitan community football competitions; and to determine the best management structure to effectively and efficiently manage and distribute resources that will cater for the future growth and development of senior metropolitan community football.

Parker Report (2002) - commissioned by the WAFC as a review of one of its divisions with the purpose being to examine the present delivery structure and to explore other options to achieve the best development outcomes for football in WA. The review looked at how quality competitions and stronger affiliations could be built by improving linkages among stakeholders involved in junior football to ensure the best outcome for football development.

Fong Report (2000) "A Review of the Westar Rules Competition" - The Westar Competition (now the WAFL) had changed from being the premier competition in the state to a second-tier football league. This review was conducted as Westar football was suffering from large reductions in attendances, consequential financial difficulties and concerns from clubs as to their future. The review sought to secure the future of the Westar Competition and to see the whole of football in WA prosper.

Gloede Report (1994) – A report outlining recommendations for the ideal structure of the WAFL.

We are also aware of two further reviews, but have been unable to source them:

McAullay, K. (2001). Review of the WA Football Development Pathway

Tannock, P.D. (1992). WA Football 2000: A Plan for the Development of Australian Football in WA



2020 Internal Reviews:

As a result of the forecast reduction in revenue, the WAFC has just undertaken a review of its current 2017-2022 strategy, financial model and correlated workforce structure. This review has seen the development of a strategy reset for 2021-2022 and an aligned reduced workforce structure.

The strategy reset is included as **Appendix 15**.

The revised organisation structure is included as **Appendix 16**.



3.8 Can the Commission provide a breakdown of the number of Western Australian players drafted to AFL Clubs since the Commission's inception:

Although the number of male players drafted into the AFL has been the traditional measure of success of WA's talent programs the WAFC has commenced a process of broadening our measures of success, taking a whole of football system view of the outcomes delivered by our programs. Our programs aim to produce quality senior footballers, who perform well on and off the field. A senior footballer can pursue a successful football career at any level – from the AFL to the WAFL or community football in Perth or the country – and this is viewed as a positive outcome from our programs. 2020 will be the first year with defined metrics for player retention out of our talent programs, to assess their next transition in the game wherever they end up across the football system.

a. By year, age and school attended

Since the inception of the AFL National Draft in 1988, there have been 644 male players who have been drafted from Western Australia. A comprehensive list of AFL Draftees is provided in **Appendix 21**. Unfortunately, the school that the player attended nor ages have been recorded as part of the WA Football AFL Draft records, rather the WAFL Club they played for has been included.

Importantly, the WAFC has also included a list of Female players who have been drafted to the AFLW in **Appendix 22**. Since the first draft for the AFLW competition in 2016, there have been 103 drafted players from Western Australia. It is important to note that the AFLW Draft works slightly differently whereby players nominate a State in which they wish to be drafted from, therefore limiting the potential for player movement, and that players can be re-drafted under the existing AFLW system. Again, school records are not kept in respect to where a player went to school.

b. By WAFL or other prior club (and how many games had each played with their respective clubs prior to being drafted)

The West Australian Football League (WAFL) or West Australian Football League – Women's (WAFLW) / West Australian Women's Football League (WAWFL) Club from where the player was drafted from is provided in **Appendices 21 and 22**, along with a list of how many WAFL, WAFLW or WAWFL games the player played. This game tally includes all WAFL, WAFLW or WAWFL Games, so could include games played prior, during or after their AFL/AFLW career.

- c. What funds were received from the AFL for each draftee – broken down by year – and where does that money go?

It is a common misconception that the AFL pays a dividend to the WAFC for each draftee, however this is not correct - the AFL provides a base amount of funding that the WAFC determined they would provide to each WAFL Club for each draftee. The details of how this took place is outlined in the paragraphs to follow.

Since at least the early 2000s the WAFC has received an annual fixed amount of \$365,000 from the AFL as Development Fees. These funds have been distributed to the WAFL Clubs as Draftee and Rookie Fees of \$35,000 and \$15,000 respectively depending upon the number of players recruited to the AFL for the prior year's draft for each WAFL Club. A WAFL club would receive an additional \$20,000 when a player was elevated from Rookie and placed onto an AFL list (drafted).

Thus, the fixed funding received from the AFL by the WAFC is paid out as variable funding, with the WAFC taking the risk for the shortfall or retaining the surplus for investment into other talent programmes.

Following the change in the WA talent model in 2018, which saw the WAFC take responsibility for the pathway and introduce a consistent approach across the nine WAFL club programs, the AFL increased their investment significantly. Part of this change was to fund WAFL based programs consistently with the AFL and WAFC investment. The shift to consistent program funding, rather than the draft fee model, has taken away a distortion driven by a focus on achieving draft outcomes versus the broader development of players. The new funding model encourages a more holistic approach of producing senior footballers for the betterment of WA football overall.

The fees paid for the 2017 draftees were distributed to the relevant WAFL Clubs in 2018, even though 2018 was the first year of the new WAFC managed model. In 2019, the \$365,000 was retained by the WAFC to apply to the new WAFL Talent Pathway programme, to support both metro and regional talent development in partnership with the WAFL Clubs.

- Refer to **Appendix 23** for the schedule of funds received by the WAFC and paid out to each WAFL Club since 2015. In summary the WAFC has received \$1.46 million from the AFL and paid out \$1.81 million over the 4-year period up to and including 2018, requiring the WAFC to fund \$353,000 from other sources.
- The WAFL Clubs were historically responsible for their Region's development, and a WAFL club paid \$1,000 to the regional club once the player played his first league match. Upon a regional player playing his 20th league match, the WAFL club paid \$750 to the Country Regional Development Committee.
- Responsibility for the regional development became the responsibility of the WAFC in 2018 under the new Talent Pathway programme as managed by the WAFC. The WAFC has invested in the Regions since taking over the Talent Pathway programme: \$74,575 in 2018, \$165,851 in 2019 and pre-COVID has spent \$83,655 in 2020, with \$128,655 forecasted for the full year.
- NOTE: There have not been any draft fees applicable to the AFLW competition.