

# CORRECTED TRANSCRIPT

## RURAL AND REGIONAL SERVICES AND DEVELOPMENT COMMITTEE

### Inquiry into country football

Horsham – 11 March 2004

#### Members

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Mr B. P. Hardman  
Mr C. Ingram  
Mr J. M. McQuilten

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#### Witnesses

Mr N. R. Jacobs, Chief Executive Officer (sworn), and;  
Cr R. L. Gersh, Mayor (sworn), Shire of Hindmarsh.

**The DEPUTY CHAIR** — Welcome, Neil and Rob. Can you both please state for the record your full name and address and who you are representing, either yourself or the organisation?

**Mr JACOBS** — Neil Robin Jacobs, 112 Ellerman Street, Dimboola; chief executive officer, Hindmarsh Shire Council.

**Cr GERSH** — Robert Leonard Gersh, 4 Leahy Street, Nhill; mayor of the Hindmarsh shire, and also a lifelong involvement with my own local club at Nhill.

**The DEPUTY CHAIR** — The evidence that you are about to give will be taken down by Hansard reporters and will become public evidence in due course. I invite you to make a presentation and then members will have an opportunity to ask questions of you after that.

**Mr JACOBS** — Thank you, Mr Deputy Chair, and committee, for travelling all this way to the Wimmera and giving us the opportunity to present our views on this important issue. I speak as an example of all that is wrong with football in the Wimmera. No. 1, I was never a very good footballer; no. 2, I am 42 years of age, which is the median age of the population in our shire and it is way too old to play football; and no. 3, I have a crook knee and had a reconstruction from having played basketball.

In terms of the strength of our local football clubs, it is interesting to consider the past, where in a town like Nhill many years ago — current population 2000 and one of the few towns of that size which has grown in the most recent intercensal period, which we will touch on in a moment — there used to be a separate Lowan Star Football League with 12 teams. Today within a 25-kilometre radius of Nhill only three teams remain. It simply comes down to numbers and population.

As you would appreciate, in our area — along with many other areas of Victoria — the era has changed from the time where a family could make a living on a 1-square-mile, 640-acre farm. Now your average farming enterprise in our area needs 2000 or 3000 acres to survive. So there has been a great loss of rural population, and the population is ageing. As has already been mentioned today, apart from a lot of wheat, canola, barley and other useful things, which are 95 per cent exported, unfortunately our other key export is our young people as soon as they finish their secondary education. As we know, a football team needs at least a firsts and reserve sides, probably 40 fit, youngish men on the field, and a small army of supporters helping run the club in other aspects. More importantly, today it needs a community and a town behind it with the financial resources and the time resources to keep that club going.

There are an increasing number of shires across Victoria where unfortunately the death rate is now exceeding the birth rate. That will continue and the problem will exacerbate in the future. And of course predominantly rural Australia has an unfortunate record in being able to attract migrants. We see the future of football and the health of football as dependent on healthy communities, and what makes healthy sustainable communities is industry. In the case of Nhill, we have a town which is growing because of the success of local entrepreneurs who virtually have created new industries in poultry or duck processing, cereal manufacture and value-adding of our agricultural exports, and that is a proud record of achievement for that town. But if we look at most of Victoria, the latest ABS estimated residential population statistics will be released tomorrow, and we will probably see continued healthy growth in the metropolitan area, continued healthy growth in the regional cities, but in the rural areas outside that we will see continuing population decline. The long-term population decline of the Hindmarsh shire is approximately negative 1 per cent per annum. Our area has changed because of changes in farm technology. None of us wants to go back to carrying wheat in bags. We now have 52-tonne B-doubles on the roads instead of the old Bedford trucks, and the size of our farming enterprise has greatly increased, which the Treasury economists tell us is good for national exports and good for national productivity and GDP.

There have been a lot of changes in rural towns in terms of deliberate public policy decisions to change and downsize government and banking services. Unfortunately the so-called benefits of competition and deregulation have adversely affected many and most rural areas of Australia, and there have been disproportionate benefits in the urban areas where there is competition. Unfortunately we do not see that in the rural areas.

As we know, most governments in Australia appear to be dominated by the Treasury economists, so we have people with a particularly urban frame of reference from within the tram tracks who tend to dominate the public policy decisions and may not have that broader experience of life beyond the tram tracks. We have viable

agricultural industries and growing firms that are crying out for skilled and unskilled staff, and they find it very difficult to recruit staff because, as we know, the costs of doing business, the tyrannies of distance, the lack of access to infrastructure such as broadband and reticulated gas is holding back growth of our productive firms in a lot of Victoria. We see that if our productive firms were given some incentives to be able to better attract staff and if people were given incentives to work in non-metropolitan, non-regional city Victoria and Australia, we would be producing a great economic benefit to our value-adding and exporting firms, they would be employing more staff and there would be a greater pool of people in these towns from which the local football club could recruit players, supporters, fundraisers and volunteer workers.

In terms of other issues of acute interest to us as a shire council, we are currently maintaining four recreation reserves, which are the centre pivots of those communities, and we have a policy whereby we provide and subsidise each club in terms of 85 per cent of the fixed cost of their ground maintenance, water consumption and basic building maintenance. It is a very generous policy compared to some other councils, but that is a legitimate policy decision of the council — that is, recognising the importance of these institutions as a vital part of our social capital. As a council we also provide assistance to the clubs in terms of providing bulk insurance cover for their fixed assets, and we can do that because we have a large property portfolio and can arrange property insurance at a lower cost than the clubs could on their own.

We see the clubs facing particular problems in terms of the issues that have already been mentioned in terms of clashes with near-saturation football broadcasts on free-to-air and pay TV over the weekends. In a lot of our communities there is volunteer burnout. Our hardworking volunteers are worried by what they read in the *Herald Sun* and other worthy publications in terms of litigation. They want to help, but something is holding them back. They have read a horror story of a volunteer who has been taken to court. They want to volunteer. We would have an above-average community worried in that area; they are worried about the issues of risk. There is potential for leagues to be provided with funding to promote low-cost administrative systems and packages so that clubs are better able to encourage volunteers to become involved in club management issues. Also fundraising is a key issue for clubs. Obviously best-practice examples of fund raising in local communities could be promoted.

We are happy to take questions on issues of positive incentives which could be offered in rural areas to reverse the widespread pattern of population decline and ageing. My conclusion is that it really is a numbers game. If you have healthy industry in a town you will have a pool of population and 40 or more fit young men from which to recruit. In this sort of area, despite what they teach in the primary school, which is certainly an issue, there is probably not much else to do in most of these towns on a Saturday afternoon unless you are going to go out onto a football field or put on a netball skirt.

So we see there has been a range of policies which have adversely impacted on population in rural centres and we would suggest a number of incentives which could be used to provide employment for our growing and export-focused industries and therefore provide the numbers for the local sporting clubs. Mr Mayor, you have undoubtedly got some more practical issues than I have.

**Cr GERSH** — On the letters I have passed around, you see we have a major sponsorship. I am speaking for my own football club in Nhill. We have a very good supporter in one of our industrial firms and they prefer the money to go into junior sport. The letters that have been handed around are letters back to the company just advising them of some of the work that we see as a club we will be doing in both football and netball in the junior department. Again the statistics prove that we do have the numbers there. It is after the year 12s where we have a problem. That is just to show that most clubs do have very good junior sport. That is an acknowledgement of volunteers. Without volunteers in the rural areas right across the board we certainly would be in trouble.

The VCFL recommendation here is an excellent document. I have read right through that. Most points have been covered and we do not need to regurgitate that. Again when you are looking at your end result there are some great points in there that need to be taken on board.

The question was asked before about zoning from a football perspective. We were in Essendon zone here for many years, except for Ararat and Stawell — they were in the Collingwood zone. We had an affiliation with a league club. Whether it goes back to a full-blooded zoning, I am not sure, but there is an affiliation with a country league if you tie yourself to an AFL club, whereas at the moment they sit there like a sheep sale on draft day and they pick out their numbers. That is the way it is conducted, whereas if it was a zoning situation — and I am not sure that the

full zoning the way it was is the way to go, but I believe something like that would definitely be an advantage. You would have an affiliation with a league and also clubs.

The point that the chairman of the Wimmera league made before, that we very rarely see the AFL, with all due respect to your inquiry, I think it would be beneficial if the AFL came up and sat around along similar lines to what you are doing. I think that would be very advantageous for country football, for the AFL to come out and have a look at what is going on in the bush.

Money is a major problem. My own club last year turned over \$150 000. There would be a lot of small businesses in small towns that would not be turning over that sort of money. So again it is important. One of the problems we have is to get quality players we have to pay big money. I believe one of the major problems there is that a lot of the small country clubs that are still surviving have a very small population base of their own — that is, they have 40 players to put out and they may have 15 or 20 players. The only way for these clubs to survive is to bring in players from outside. In most cases the only way they are going to do that is to pay them. So what that does is put a money market out into the system and unfortunately it rubs off on all clubs. I think that is a major problem we are facing. It is great that the clubs have the money to keep going, but it is making a market out there that is detrimental, I believe, to the whole country football structure.

Again I suppose I can speak for my own town — and we have four towns in our shire — on the social fabric of a country football-netball club, without that you are gone. We have seen it, as Neil mentioned earlier, with small clubs that have gone from the area. That little area is just decimated because there is nothing there to hold them any more. The football-netball club held people together in a small community. When you have towns like Nhill, Warracknabeal and Dimboola, with populations of 1000 or 2000 people, 400 or 500 people are involved between football-netball juniors, seniors, volunteers and trainers — right down to your grassroots. Probably 25 or 30 per cent of the population would be involved in a country football-netball club of a Saturday. To me, it is just imperative that we somehow keep it going.

Some of the points that we have made from the shire: we see that if you have jobs you will have people; and if you have people you will have footballers. Unfortunately the trend is going the other way. From the government's point of view, if there is a way that you can attract people to the rural area — and I know that there are a lot of incentives and options at the moment to try to encourage people to move to the rural area; unfortunately the regional area is perhaps being supported by it, but it is not going right out to the smaller areas — whether that be education or whatever, I believe that is one way that small rural areas could be advantaged from your inquiry, if there was some assistance there.

**The CHAIR** — Thanks very much, Rob and Neil.

**Mr INGRAM** — This is a question for Neil, probably more than anything, but looking at some of the recommendations that have been made in the submission and that you touched on — that is, that positive government policy is required to make rural areas more attractive to business; and that state and federal governments should trial self-funded taxation incentives to encourage new jobs in industries in rural Victoria. I am not sure whether you are aware that our grants commission funds the shires across the state and that 30 per cent of all dollars that are delivered to councils, for either general grants for roads or grounds, are based on an as-of-right entitlement based on population. There are five or six councils in Victoria that receive money when they do not have any need to receive money for roads. What sort of impact does the inequity of that position have on your council in increasing rates? Would that be one way of actually making your council more efficient and competitive in attracting business and just with the cost of living in those rural areas?

**Mr JACOBS** — The federal government — I think it was started by the Whitlam government — introduced grants commission payments direct to local government. One of the federal principles is that there is a minimum as-of-right grant. The money in practice is passed to a state's grants commission, which assesses a range of disability factors of each local government. The broad national principle is that a person living in East Pilbara should have access to the same basket of reasonable government and public services as someone living in Prahran. So the small per capita subsidy that someone in Prahran is getting could be distributed across the needy rural shires and that would help us. But you must recognise that, in terms of the issue we are talking about today, 75 per cent of our budget is already expended on our local road network, which is an important item of community infrastructure — probably more important than the football oval — and yet even that enormous level of effort is inadequate for the task of maintaining that vital item of community infrastructure. So yes, a rejig of the funding

formulas would help us and that would enable us to better maintain our infrastructure responsibilities. It would be a marginal benefit at best, but it is still worthwhile.

**Mr WALSH** — Neil, could you explain what self-funding taxation initiatives are?

**Mr JACOBS** — I think there must be a range of parliamentarians and public servants who are lucky enough to be selected for the international study tours and exchanges. I have never been lucky enough to receive one, but I am more than open to offers. There are countless examples, specifically from the European Union where so-called disadvantaged regions are targeted for special assistance, and there are examples in Italy, Ireland and in the wheat belt of the United States where, for some reason, those governments take an active role in providing incentives to build up their agricultural and value-adding enterprises. The most obvious example — —

**Mr McQUILTEN** — In Ireland it was the EU that did that, by the way.

**Mr JACOBS** — And the most obvious example is enterprise zones. For example the manager of Luv-a-Duck at Nhill tells me that he is disadvantaged in terms of his higher cost of communications, cost of transport, cost of fuel and difficulty in attracting skilled staff. Why should he pay the same rate of company tax as someone with an enterprise in Prahran, for example? We have a zonal federal taxation system in Australia, and for some reason in World War II someone drew a line on the map and said that someone working in Darwin — probably because it was getting bombed at the time — would receive a lesser rate of personal income tax, and there was what seems now to be an arbitrary line drawn on the map so that there was zonal personal taxation. I could say without any regard to personal benefit that wage-earners in our shire are also disadvantaged in terms of high costs of communication, high cost of transport, high cost of living and lack of access to services, such as broadband, and disadvantaged in terms of health care. Again there could be a positive encouragement for both enterprises and individuals to participate in value-adding and exporting enterprises in those areas.

**Mr WALSH** — I have not been fortunate enough to travel overseas to look at that either, but I do know from reading that with incentives in Europe and America their farmer attrition rate and rural population decline are greater than ours as a percentage.

**Mr MITCHELL** — Can you tell me what the council is doing to proactively help and develop football and sporting clubs for the communities?

**Mr JACOBS** — Sure. As we said, we maintain 85 per cent of the basic costs of ground maintenance — that is, cost of water, cost of fertiliser, cost of cutting grass — not that it has grown in recent years with the drought — and basic pavilion maintenance. In terms of clubs having to raise funds, they know that 85 per cent of their basic costs will be met by local government, and we will help them out with their property insurance costs as well. From our observation of neighbouring councils, that is more generous than many others we have observed.

**Mr GERSH** — One of the major problems too is that where a lot of the clubs have amalgamated there are two ovals — that is, one club, but two ovals. Both towns do not want to give up their right to play, so there may only be three or four home games a year that are played on the oval, but the constituents require that that oval and area be maintained to a certain level. While it is not being used the cost is there. It is a problem, and somewhere down the track that is probably an issue that is going to have to be addressed — that is, that one of the towns is going to have to let go if we as local government are not able to afford and maintain both.

**Mr MITCHELL** — Do you encourage Little Athletics and that to use those particular ovals as well and try and get the most use possible out of them?

**Mr JACOBS** — All of the schools have free access to the ovals, but again many of the schools maintain their own facilities as well.

**The CHAIR** — Thanks once again, Neil and Rob, for the presentation and the time you have put in to it, and for waiting a bit longer to make your presentations.

**Witnesses withdrew.**