

CORRECTED TRANSCRIPT

RURAL AND REGIONAL SERVICES AND DEVELOPMENT COMMITTEE

Inquiry into country football

Warrnambool – 10 March 2004

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Mr C. J. Keating (sworn).

The CHAIR — Welcome, Craig. Thank you very much for giving us your time today. As you were here previously, I will not read the preface. You are obviously attending in a private capacity?

Mr KEATING — Correct.

The CHAIR — Could you provide us with your full name and address, just for the purposes of the transcript?

Mr KEATING — My name is Craig James Keating. I reside at 24 Stephen Street, Heywood. I am here basically as someone who has been involved with football for a while. My background, and I suppose my reason for being here, is that I was president of the Heywood Football Club in the Western Border Football League for 15 years and I am vice-president currently and I have been a delegate to the Western Border Football League for 15 years also. Our club has seen the gamut of results and procedures in that time. I suppose I have learnt a little bit about what goes on in footy. I presented to the forum that Denis organised at Heywood some three or four months ago now. As a result of that I thought I would come and say what I have to say about your terms of reference for the parliamentary inquiry.

The CHAIR — If you would like to just fire away for just 5 minutes or so, we will ask some questions afterwards.

Mr KEATING — The first thing I would like to say is that I fully support the VCFL submission that has been presented to this inquiry. With my experience, I find it to be thorough and accurate and absolutely demanding of attention of government at all levels. My first remarks would be that I believe that document to be absolutely correct in its identification of the problems facing country footy and rural communities generally, and so I have absolute confidence in that document. It has been my experience that the things they raise are indeed the major issues that face country footy.

Rather than me go through the six terms of reference and talk about them, I wanted to focus more on some recommendations that you guys might be able to make. The findings that the VCFL have come up with on the terms of reference have been backed up with lots of research and consultation with stakeholders — being clubs' needs and all sorts of information that we provided them with — and they are all people who know about rural issues. So I cannot emphasise enough the validity of the findings of that VCFL submission. Some of their suggestions I think would go a long way to assisting country footy.

My focus is perhaps more on what governments of all persuasions can do. By all persuasions, I am talking Liberal and Labor, local government, state government and federal government. The electronic media is a particular beef of mine. Ten years ago I could listen to local football on the radio every Saturday and some Sundays, with results services, news bulletins and general items of interest. The clubs milked it for all it was worth — it was great PR, with a great capacity. Now if you turn on the local radio station, all you will hear about footy is Rex Hunt. The AFL has absolutely consumed the electronic media. The AFL has had to grow, and it has grown massively in the last 15 to 20 years. You only have to look at the papers this weekend: a pre-season competition has as much coverage in the sports section of the *Herald Sun* as the grand prix had. It is just absolutely ridiculous, the level. All that does is take people's interests. They are almost by saturation gaining the interest of a larger audience. I understand they had to grow, too, but they have actually consumed all the electronic media.

As a result of that, grassroots sponsorship is not only harder to find but it is worth a whole lot less. I am also a sponsor of a couple of footy clubs: my own club and a couple of district clubs from the South West District Football Netball League. I find I cannot justify the sponsorship dollars as easily as I could once. You do not do it because it is great business sense; you do it because it helps your associations and makes your customers feel warm and fuzzy. It is much harder to justify now because the leagues and clubs are not able to gain the exposure that gives my business a wider access to consumers. So the fact that it is all AFL has made that sponsorship almost worthless — it is not just that the clubs cannot find sponsors, but it is harder to justify it.

Maybe we need to have some local content on local radio, just as we do with the arts. People in the arts would scream if there were no quotas for Australian content on Australian TV. Maybe we can do something in that area for local country radio stations. Maybe a demand could be put on them that they provide a couple of hours on a weekend for local sport. Some stations still do that, but it is always at the fringes. Because football is being covered

all day Saturday with the AFL, football does not get its fair crack of the hour or so that might be available. That is all it would be. We need an hour of the AFL coverage, not the hour that goes to local hockey and basketball.

What to do about it? If you cannot beat the AFL expansion, let us make use of it. Something that I have been quite interested in is the Tipstar experience. I notice that Eddie and his mates — this is under parliamentary privilege, I believe — have been running Tipstar. It was hugely successful last year — they lost only about \$1.5 million. That is pretty good going. Tipstar is a great opportunity. If I can give you an example. The turnover revenues of the actual sales of competition entries was \$1.9 million for the year, of which \$1.3 million was paid out in prizes and \$300 000 went to the government. So it is really not worth the effort for the government, it is certainly not worth the effort for the consortium and the punters are not getting much of a deal out of it either. Why do we not remove it from the footy consortium? They should be pretty happy to take it once they run out of tax breaks. Surely they are not going to want to keep putting money in? If it was taken from them, it might actually solve their own problem. Maybe we could hand it over to the amateurs, the VCFL or the Victorian Metropolitan Football League to administer.

This is how I view it happening. Just imagine you have 880 country footy league and netball clubs. If 100 members invested \$10 a week for the 22 home-and-away rounds — and I can assure you we would have no trouble getting 100. I only have to walk into the local pub. There are two footy tipping competitions running side by side. I looked at the board and saw it is still up from last year because my name is at the bottom. There were 60-odd in one and 30 or 40 in the other. One of them cost \$100 to be in and the other cost \$50. Every one of those people is a member of my footy club, so every name on the board was a paid-up member of the Heywood Football Club. So we would have no trouble getting 100 and I am sure more, and I am sure others would be the same. If you extend it out, with \$10 a week each as their commitment, that would be \$19.5 million in revenue for the tipping competition from day one. With that big pool you would have punters starting to invest in the pool. All that it would mean would be that instead of giving the consortium a commission the clubs or the VCFL would take the commission on the way through.

I have actually thought about how you could instigate it. I am also in an industry-based footy tipping competition run on the Internet. I log my tips once a week on the Internet, they are locked in, they email them back to me. It is a pharmacy-based one, and they come back to me with reports where the Guardian group is ahead of the Amcal group in tipping, the Victorian country guys are beating the Victorian metro — they dice it down to all sorts. There is no prize. They had 550-odd people on the thing last year. I think only about 10 dropped out during the season. Even though they could not win, people were still sending in their tips. It is like a habit. If you were charging a fee and the footy clubs could take some money on the way through, wouldn't that be fantastic? Tattersalls could still coordinate it. You could have a registration card and at the end of each month 10 per cent of that — or whatever the commission fee is — could go back to the club that recruited that person.

You could even have city people nominating a country club where they came from and saying, 'I would like my commission to go to the Heywood footy club because I played there 15 years ago', or 'my grandson plays there' — something like that. It would be a win-win situation. The government would win, because I can guarantee you that the government will get more than \$300 000 out of it; it will be a win for country footy, because there will be some revenue coming in; and it will be a win for the punters, because they will get some decent dividends. I do not know whether you have noticed the Tipstar dividends, but they are not worth having, which is why they cannot make it work. I am convinced that this would work.

There are other areas where government could have some input. Incorporation is another favourite hobbyhorse of mine. The incorporation requirements on accounting are a touch too demanding. Our league and our club both pay a CPA to audit their books at the end of the year, partly because of what I believe is an urban myth — that is, that no-one else is allowed to do it — but also partly because no-one wants to do it. Once upon a time the local bank manager audited books, and that was a condition of his bank having your business. We do not have a local bank manager any more, but if we did he would not be game to do it. He would no longer be prepared to do it because he would be frightened of litigation. Our club had a retired shire secretary, or chief executive officer as they call them now, and he did it for five years, and it cost us one \$50 membership ticket for his wife. He bought his own ticket and we gave his wife a membership ticket for doing the books. We are now paying \$800 a year for it, and it goes up by 20 per cent every year. We have a fantastic treasurer; she has been doing it for five years. The books are done on Quickbooks, and all they do is look at it and match up a few things. I could do it, but people are too frightened to

do it because of the fear of litigation and the myths that get around. They think if you give a big tick and say, 'These books are right', and they are not, then you could be liable.

Another thing with incorporation is that we have lots of office-bearers, or potential office-bearers, who are reluctant to take office because, again, there are urban myths that say, 'If the club goes under they can take your money'. The protection afforded by incorporation is not made anywhere near clear enough to the layperson. I reckon a media campaign would be good to dispel some of these myths about litigation and incorporation. People see red tape and think all of a sudden there is a huge problem. Sometimes there is not and it is just a matter of educating people. Maybe there is a role for government to advertise or promote the fact that if you are a community-minded person and you are working in the best interests of your club, no-one is going to sue you. But people are scared of it because they may hear of that odd case. Footy is great! When Chiltern was being charged through the courts and the club was going to fold, there was a huge uproar about it because the guy had done the wrong thing. The club had nothing to fear if it had not done anything wrong. We need to get that across. Every club in the state read that report and was concerned about what would happen if Joe Blow goes and biffs a guy. None of us knew that this guy had done it four times in about six weeks, so the only reason it went further was because the club maybe could have done something about it. We need some more information, but people run scared. And that is my point; we need to encourage people to become office-bearers, not frighten them away from it.

Maybe we need to encourage professionals or even accountants. Maybe we should go to CPA Australia and say, 'As part of your accreditation we want you to do a desk audit on football clubs', like pro-bono things that solicitors do. Maybe we can go to CPA Australia and say, 'Hey you guys! How about giving a bit back instead of ripping money out of these clubs and leagues?'. As I said, in the Western Border Football League alone I know that the league pays \$600, our club paid \$800, and I know that every other club paid to have their audit done. So there are 10 clubs, and if they are all paying the same us, that is nearly 10 grand that has gone out of football for what is virtually a requirement. None of us has ever been called to account for the stuff — our members do that. I understand the need to have these things done, but when you are talking of turnovers between \$100 000 and \$250 000 a year, there is not a whole lot you can do wrong. Let us face it, the people who are charged with the responsibility are answerable to the members. It is a bit like politicians. When we are going well and the club is winning games nobody criticises us, but when we are losing we are scrutinised. So if we lost money members would come out of the woodwork to check it. I think we have to have some more trust in those checks and balances.

Distribution of grants is another area where government can help. It is an absolute furphy that groups like local government bodies are asked to assist in the recommendation of who gets grants and to rank them, as I believe is the current practice. For one thing they have no idea of what the clubs' real needs are. They are reading a submission; it gets down to the best submission writer. In Hamilton and Portland we now have people, ex-local government employees, who are writing submissions for clubs, trying to write the best one, because they know that is how they get the money. That is demoralising to the small club which writes its own submission with a worthy requirement and gets it knocked over because some professional submission writer has knocked them off and done a better job. It needs to be going back to the people who use facilities. The grants could be taken out of the Community Support Fund and maybe handed to Football Victoria or the VCFL, then it virtually could go down the food chain to the clubs where they know it is most needed, to things like infrastructure grants. If you did it through local government — —

I will give you an idea. Mount Gambier was very supportive of having lights at Vansittart Park, but each of the four Mount Gambier clubs wanted lights. A couple had them, but at varying levels. But the local government authority was only going to put the lights on one ground and the clubs would have to share it. That was a huge advantage, but it never happened because the other three clubs would not allow one club to have the huge advantage, the one club that used that council-owned ground. Yet council would only want to put the money into that one ground. That might be a really good idea from the council's point of view, but you can understand why the other three clubs would not support such an issue. It needs to be done by football people, and maybe you can get around some of the difficulties as you go.

There are often small clubs. I do not deny the right of the hockey club to get \$500 for first aid, but in a lot of cases at local government level football clubs are deemed to be self-sufficient, because we do not go to councils for a lot of help. That may be our own fault up to a point. It is also seen that we pay footballers and coaches, and that if we did not pay players we could have all these facilities. That is a furphy, and I will go through that a bit later on. But

we are often defeated at the expense of small fringe clubs that might have only 20 or 30 members. Football clubs can have 400 or 500 members, and some have even more, but they are being overlooked for a smaller group because they are deemed more needy. I am not sure that the need is anything to do with the size of the organisation.

Players and coaches who command fees are usually highly motivated, highly disciplined and highly skilled people. They are just the people we need in rural Victoria. I happen to believe that paying footballers is an investment for country clubs. Sure, we will make a bad investment every now and then and get a bad egg. Then you get rid of him and get another one. They add value to the community and raise the standard of our football. In most clubs, certainly in Western Border clubs that employ coaches on \$15 000 to \$30 000 a year depending on their credentials, they all demand that those guys go and give a bit back to the community. They get them into the schools because those clubs can see, 'If we are going to spend that money on this guy, he has got to give us something back', and in the main that is what happens. Even when bringing players in, they bring skills with them that maybe are not in your own community. So this business about paid players being the problem for football leagues, I do not believe that to be the case. The salary cap is an absolute joke. I heard comments about it before. We do not need a salary cap because we cannot police it — we do not police, we do not attempt to police it properly. How do you police it accurately when some clubs have places where they can employ staff? It is outside the realms — —

By having a salary cap we are taking one good person out of my administration, and that is all he does — the salary cap. Then he knows that nobody actually looks at it. The system is set up so that someone has to complain first and no-one wants to be the first to complain. One day someone will do it; it has happened in Bendigo, and clubs have lost points. But at the end of the day it is not being policed, so why have it? If you have a rule and you cannot enforce it, why have it? I believe the salary cap is not the clubs' biggest problem in funding.

There are some federal issues, including PAYE, GST and superannuation guarantee legislation being made simpler for clubs. I asked for an ATO ruling on paying footballers. It was a 15-page document that had about seven scenarios, and I could not fit my situation into any one of those, so I still was not able to get a clear-cut answer. We are all scared of ringing the tax office and asking for a ruling anyway, because you never know what might happen after you ask for one! If you clarify the rules, that will enhance compliance.

With occupational health and safety, I would love to see the state government take some responsibility for infrastructure levels. At the moment we all run around and say, 'This looks dangerous!' or 'That looks dangerous!', but there needs to be someone who is an expert who can say, 'This is what is acceptable', and come and have a look at our regions. Why not employ somebody to go around and look at all the football grounds and say, 'These are things that need doing', and then go to the CSF and apply the funds to bring them up to scratch. Training programs for clubs would identify potential problems, say where to go to get help, show how to solve the problems, and ensure that the volunteers feel confident that they are well equipped to do the job.

There are liquor licensing control issues. Under-age members is a huge issue at our club. We have lots of under-18 members, because we have an under-18 football team, an under-16s club affiliated with us, and we have under-13 and under-15 netball. At 8.30 p.m. we kick them out unless they have got their parents with them; it cannot even be a responsible adult. That is overpoliced. I would rather see the kids in an environment like the one our club has rather than having them drink under a bridge around the corner, which is what they do when you kick them out at 8.30 p.m., because they have nothing else to do. I think clubs should be encouraged to be a safe environment for junior members and I believe they are. I think it is far better to have them with their peers and with people who administer the clubs and who do care for them rather than have them out somewhere else where they might be running amok.

Just a couple of general issues on volunteers and administrators: the community have these myths I spoke of before about your responsibilities and the lines of responsibility. There are lots of myths that need to be corrected because people are frightened to get in and do things. There are good people out there who would be quite happy to take on an administrative role, but who are too frightened to do it because of something so-and-so said. Often the person who said it is someone who does not want to do it and uses that as an excuse not to be administrator and that then spreads to everybody else. We need to correct that image and make being a volunteer good. That does not mean giving a certificate. The AFL asked us to nominate people for certificates. We did not do it because if we had nominated 50 people, the 51st member of our club who does a bit would have had their nose out of joint, so we did not ask for anything. I think those sorts of things mean nothing to people who truly volunteer. The ones who chase a bit of paper to stick on the wall in all honesty probably are not worth having at your club.

The CHAIR — Thanks, Craig, that was very comprehensive. You have obviously put a lot of thought into it.

Dr NAPHTHINE — On the Tipstar proposal, have you raised that with VCFL?

Mr KEATING — They have listed it in their submission. I have raised it with our regional manager, who is now no longer in the job — he is only an assistant regional manager; he has not made it bigger. I believe they are certainly interested in taking it over, but I am not sure they know how to go about doing it, to be honest — about taking it forward. I suppose a licence has to be issued, but I know they think it should have been done that way in the first place, rather than being handed to the consortium.

Mr CRUTCHFIELD — What is your view on the AFL's contribution to grassroots football, if there is any at all? Other presenters have raised issues that the AFL contributes on a needs basis, particularly to some of the district leagues, in terms of the capital side, for infrastructure, or programs.

Mr KEATING — Most of the AFL programs that they trumpet about are for the elite pathways and 99.9 per cent of their expenditure is for just that. Even the development officers become pseudo taxidrivers. Jock Whiting would never forgive me if he knew I had said that, but that is what they have become. They ferry these kids all over the state. Along with a guy from Mildura whom you may know, Tony Hickey — you might have heard from him; I reckon you will if you have not yet — I have written a letter through the VCFL about the way they are taking all the really good kids out of the country areas. They are the kids who are the role models. Our best two 17-year-olds went to play with the North Ballarat Rebels. The other 16 in the under-18s team thought that they were just sensational. They followed everything they did and they commanded huge amounts of respect. Those kids were taken out of our system and I think between them they have played five games of seniors for our club in five years. Although they are both still officially registered with our club, one is on the rookie list at Essendon and the other one has gone to Perth to try to further his career. Those kids would have been leaders if they had been left with us. We were proposing a shorter, carnival-style thing for the VFL talent scouts to come and watch these kids, rather than a 20-round structure. Those structures of the North Ballarat Rebels and those clubs cost a huge amount of money to run. Where does that money come from? No-one goes to watch those games; no-one is a member of the club — it comes from the AFL.

The other thing is that the National Australia Bank pathways was the greatest con ever perpetuated on the football public — with Garry Lyon the ambassador. That is an elite pathways promotion and they dress it up as being grassroots. It is not grassroots; it is looking after the kid they identify at 15 and tag him all way until he becomes an AFL footballer. They have got away with it because you see it on TV with Garry Lyon and everyone thinks it is fantastic and say, 'Look at what the AFL is doing'. It is computers, not money — it is computers and things like that that go to the clubs of the boys who have been selected to go to the draft camp. How many clubs have one of those in a year? Some clubs actually get lots of those kids because they know if they go there they will be seen. So it is really just a really great marketing campaign by the NAB and the AFL.

The CHAIR — Thanks, Craig. There is lots of food for thought there. Thanks for the effort you have put into the recommendations as well. We will send you a copy of the transcript and you can correct matters of fact or grammar, but not matters of substance.

Mr KEATING — Thank you.

Witness withdrew.