

# CORRECTED TRANSCRIPT

## RURAL AND REGIONAL SERVICES AND DEVELOPMENT COMMITTEE

### Inquiry into country football

Shepparton – 14 April 2004

#### Members

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

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Chair: Mr B. P. Hardman  
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Executive Officer: Ms K. Murray  
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#### Witness

Mr T. V. McCarthy (sworn).

**The CHAIR** — For the purpose of the transcript would you please give us your full name and address.

**Mr McCARTHY** — My full name is Terence Vincent McCarthy. I live at 33 Wright Avenue, Shepparton 3630. I might qualify that. My nickname is Bill, and I am known as Bill.

**The CHAIR** — Would you make some brief comments and then we will have some questions for you afterwards?

**Mr McCARTHY** — Thank you, Chair, for coming to Shepparton and giving us the opportunity to speak, and for the other people as well. As you know, I did put in a submission earlier on, and I suppose that is the reason I am speaking tonight. I did that because I have been involved in football for over 50 years now, as a player and mainly as a journalist, I suppose, but also at times as a delegate and on a tribunal at different times, but this submission is a personal one.

I am currently publicity officer for the Central Goulburn Football League, but I am not really acting for them. I have told them that I have put in the submission. They are happy about that. I did put in an enclosed attachment to show what my involvement with football was earlier on. Some of the things in the initial submission which I put in included the costs to players and clubs, which I note is pretty well within your guidelines. The players to my mind seem to have accepted the \$40 registration fee which was introduced for season 2003 and WHICH has come in again, and that includes an insurance component. You might like to ask some of the people from the Goulburn Valley league and others, from clubs and so forth who are now here, what they think of that fee and whether there are any things right or wrong with it. I understand this fee includes accident and public liability insurance, and a card which provides benefits through certain allied firms, et cetera, and that it helps to pay for the regional officers working for VCFL in the forward zones. The interesting thing about that is that it is a new fee. It was not immediately accepted by everybody, but I think it is now. It compares with what I think is \$38 senior registration in netball, which has been in for a long while, and \$16 for a player to affiliate with a club for Tennis Victoria, the state body, and both have had similar schemes for years.

In relation to the insurance component, I am told by various football clubs and leagues that they cannot find out from the VCFL how much of the money that is paid — about \$40 — goes to insurance: how much might go to the insurance broker, and how much is used for insurance in general. Surely that information should be available. If somebody is taking out insurance they should know exactly how much they are paying. Perhaps somebody should take that up with them. Maybe some of the clubs that are sitting behind me tonight might be able to find out. I know a lot of people who have not been able to find out. Comparing notes, I saw a pie chart once for netball and they gave me the exact amount that went in insurance — \$38. In Tennis Victoria it is 25 per cent. That is an anomaly that should be fixed up for the benefit of all the players in the clubs.

I also mentioned umpires, and you have probably had submissions from other people saying that there are problems in getting enough umpires and that there is a need to encourage them. The very encouraging thing in this area is that Valley Sport, part of sport and recreation in this area, has been working towards getting umpires in all sports better recognised and better looked after, and I hope that is successful. As you all know, football umpires get a lot of abuse. Football umpiring is a tough game, but we hope something can come out of this whole inquiry which will see football leagues in general and the bigger football bodies, the state bodies, put more into umpiring.

Quite a bit of my original submission was about player payments. One of the biggest problems in country football is player payments. I note that the Murray league people said a while ago that no club would be above the salary cap. In a lot of clubs the salary cap has been exceeded. I do not have any direct evidence — nobody writes that down and gives it to me, particularly as I am a journalist — but the fact is that a lot of people are above the salary cap. A lot of people are paid behind the back and so forth. I do not think there would be anybody in football in this room who would not know of instances of that. If that could be cut out it would be of tremendous benefit to football, to the leagues and to the clubs. It would take a lot of pressure off the officials, too, such as those gentlemen who were here before.

Having a proper salary cap would be close to ideal if clubs would stick to it and not allow payments to be made direct from clubs or supporters. The anomaly is that there is a lack of consistency. There is no market price, no setting of a fair price for a footballer. You buy a TV set in Sale, Bendigo, Warracknabeal or Kyabram and you pay much the same price, particularly if it is from a retail chain. Buy the services of a footballer and there is no price structure. Clubs are likely to pay what they can or perhaps what they cannot afford, and in that instance clubs in

major leagues can be competing against the whole state. A player on the market could go to the best deal in Bendigo, Shepparton, Albury or to a distant league club somewhere, so there are some problems with that.

The lack of transparency about player payments seems to be very unfair. Other players do not know how much the imported players or other paid players are getting. Quite often the committee and supporters do not know. It is not usually detailed in the balance sheet, particularly if some of it is paid behind the back. If there is time later I will point out that a lot of money could be saved if player payments in general could be cut, and I hope fairly dramatically.

One of the other things I put in my original submission is the need virtually all clubs have these days to run fundraisers. They have to raise a lot more money than they used to years ago. As I say, I have been involved for 50 years or so. At one stage country clubs did not have to raise very much at all. They might have run a ball and a few raffles and got good gates. Probably in those days more people on a percentage basis were going to the football, but these days football clubs have to have functions pretty well at every home game and at other times. They have to run things over the summer. They have to run wood drives, fishing contests, river cruises and all those kinds of things. This puts a great strain on officials, players and family, who usually feel obliged to support the club and community in any way they can. I think that is getting at your guidelines, Chair, about the effect it is having on country communities.

In my original submission I also mentioned grandstands and other such facilities. I suggest that when possible, either during official visits or at other times, the committee try to visit not just grounds like the Queen Elizabeth II Oval in Bendigo, the Horsham City Oval or Deakin Reserve here in Shepparton. You see very good facilities in all of those places. Some of the smaller ovals are very good and some of the other facilities in country grounds are very good, but some of them are not. To get a good view of what the facilities are like it would be great if you could get around to some of those smaller grounds at weekends or whenever you might have any spare time.

In relation to grounds and facilities, I realise there is obviously also limited money available through the councils and Sport and Recreation Victoria. You people would know better than me that the minister said fairly recently that councils could now put in only three applications for grants per year, and I think that time is coming up in most of the councils. Previously councils could make five applications. They did not always get them, although I think last year the Campaspe Shire Council got five applications granted. It varies a fair bit, but anything that can go into those facilities is good. Something very good is being done at Yea at the moment. They are fixing up their grandstand, which includes the visitors' change rooms. All that is very good and that is certainly to be encouraged.

I noticed the committee will also take netball and cricket into account as part of the football inquiry. Maybe that is because football and cricket are usually played on the same ovals. It be simplistic and inaccurate to say that young men play football in winter and cricket in summer. In fact footballers play a variety of sports in what we call the off season, so we should not be thinking along the lines that they are the only sports that are played. It is fairly important if in the end the money is to be divvied up by Sport and Recreation Victoria. You could go on for hours on that and I certainly will not try to do that!

Getting back to the player payment situation, I notice on page 10 of the very extensive submission made by the Victorian Country Football League that player payments are estimated at \$15.5 million per season. They add that the real figure is probably \$20 million. You might conclude from this that \$4 million or more could be saved if people did not pay above the salary cap, or you might go further and consider that if \$15.5 million is about the right amount — they could only estimate it, I think they did a good job of doing that — it would it be realistic and possible to greatly reduce this cost in the interests of country football, country living and country communities, which is what your inquiry is all about? You might also ponder whether the \$20 million estimate is conservative. It depends who you speak to, but a lot of money is paid out to players, and it is not all on the books. To me spending \$20 million a year on players and far less on umpires and club and league secretaries and other officials who deserve to be paid in various roles, all seems out of balance given that the players in the sport basically are there for the enjoyment. I do not think it would be fair to say overall that country football is a profession. Some people would like to think it is, but I think it is a country sport. I do not think it really is a profession.

If the clubs did not have to pay all that money for players, they would be much better off financially. They would be able to make their other commitments better — for example, medical supplies, water costs, if they pay them directly at their particular ground, their ground rental, lighting, jumpers, buses. There is a lot of money that could be put into thirds footballers and all those other things. There are other mitigating costs which need to be mentioned in

the costs of players. The VCFL gives the costs of players as 30 per cent of club costs. That is on page 52 of their submission.

One of the mitigating factors that also should come into is the effect of the Victorian Football League. The large amounts paid by some affluent clubs in Melbourne suburbia also, not just the VFL, not only ex-AFL and VFL players, but other players as well who seem to be able to get a big quid, shall we say, to play in those suburban competitions. Obviously it would be more attractive for a lot of those people to play around Melbourne because it is a long way to come to the country, although plenty of people do come to the country, but I think that also has an effect. It is not just player payments as we tend think of them in country Victoria.

Coming into this area, we have the Bendigo Bombers, formerly the Bendigo Diggers, which had an impact on country football. It certainly cost football in Bendigo a lot of money because it had to be propped up by the VFL and perhaps Football Victoria, I am not sure, but they had to be propped up for a couple of years. I am not 100 per cent sure how they are going this year, but they seem to have access to a lot of money that the general country clubs, such as the people sitting behind you, do not have access to. There was an instance last year of a player called Proctor who was signed by Tongala. He was going to play for Tongala until a couple of weeks before the season began last year, 2003, but suddenly he went off to the Bendigo Bombers, and I think the price was \$600 a week or \$800 a week, or something like that. So it seems that the VFL has access to funds which country clubs cannot match, presumably perhaps from TV rights, sponsorship and perhaps it comes from the AFL, I do not know, but it does have an impact. It probably has an impact more on major league clubs than the district league clubs.

Another remarkable aspect of football is the money provided by the AFL. Several AFL clubs in recent years have had financial problems and some still have them despite the huge money from TV rights, sponsorships and so forth. I invite members of the committee to look up an article, or get some of their staff to research it if they have not seen it, in the *Herald Sun* of last weekend where the huge growth in player payments and other costs of the Carlton Football Club, as an AFL example, were listed. This just showed the tremendous amount of money being available not only for players and the tremendous rise which had come out in the last few years in player payments, but also the much enlarged staff. This to me seems to be keeping up with the Jones's because if Essendon is doing it, some other club has to do it, and it is all football money. You might say it is remote from Tatong and Swanpool and those places, but it is all football money and it is a bad trend when those costs in Melbourne are going up all the time. Country people might well think perhaps we have to find some more money on a pro rata basis here as well.

The other thing that irks a lot of people in country Victoria, although they do not seem to say it very much publicly, is the visits from AFL clubs to country centres. They come into the town and they seek to sell memberships to their home matches in Melbourne. I do not notice any country clubs going to the suburbs or the city centre of Melbourne trying to attract Melbourne people to do the same. You might say, 'That it is a bit silly; they would not do that', but is it fair? They are trying to get money. They do get a fair bit of money, and it is a very expensive day at the football in Melbourne by the time you have travelled down as well as paid for your membership ticket and all that kind of thing. I say that has an effect on country football.

Of course there are big problems in Melbourne. We probably do not feel the same effect here in country Victoria in that the player agents seem to be a very big force. I think they have forced up the money, and it is probably a very bad trend for football as a whole. It might seem ludicrous to some people studying page 52 of the VCFL submission that player payments are at 30 per cent of total senior club costs, so that is about 10 times the cost of the insurances, or more than four times the amount estimated for power, water and ground rental. It does not seem logical to me. There might be some way to quantify it.

Given that all that money is being paid out, as I have been harping on, to players, and money perhaps being paid over the salary cap or paid within the salary cap, nobody seems to have tackled the problem. The VCFL does not seem to have adequately tackled the problem for 20 years or probably 30 years. How many clubs have been investigated? How many clubs have been fined or otherwise penalised for failing to submit salary cap returns on time? Perhaps you could look into this. Why would the problem apparently be too big for leagues and the VCFL to tackle? I put in my submission — and you will read it there — that suggests that perhaps the VCFL could allocate an amount of money like \$100 000 or \$200 000 say, in 2005, or in the future, to tackling this problem. If they did and if it meant a reduction of \$2 million or that \$4.5 million we were talking about before in savings to country football, it would certainly be well spent. It seems to me a businesslike proposition. I am not sure where the money would come from in the first place — a government grant, perhaps, Chair. I do not know.

It irks a lot of people that nobody seems to be doing anything about it. Since making my original submission a few months ago another concern which has come up from the clubs and leagues is the large amount of paperwork that is occurring between the clubs and the VCFL. I think the Murray league people might have touched on it in some way. One of these concerns is the need to re-register all of last season's players, not just by leaving the name on the list or supplying a list, but by actually filling out re-registration of the player, along with obviously registering new players coming into the club. It does not seem to have to be done to the same extent in other sports. I wonder whether that could be cut down a little bit.

What I find going to league meetings and talking to club people too is that the country clubs, through the VCFL, are being burdened with so many messages, emails et cetera, so much paperwork these days, and they are mainly volunteer people that are on the end of that, and with the powers of your inquiry, Chair, you might also be able to ask if you get back to the VCFL why that \$40 registration fee per player is not broken down in a list or in a pie chart of some kind for clubs to see how much is being paid for insurance, which is given as one of the reasons for the fee. Surely anyone paying insurance, even if through the VCFL or some broker acting as an agent for the actual insurer, is entitled to know exactly how much they are paying for that insurance. You are able to find that out if you go to AAMI and insure your car or something like that.

Apparently, from what I am told, the clubs have been unable to obtain that information. That does not seem fair. Maybe tonight your committee could ask other officials of clubs and leagues who are here if they have that information, or if they think they can obtain it, because I think that is the type of transparency that should be coming out from the VCFL. I suppose, having criticised the VCFL a bit, I should also say that the VCFL did gather a power of information to put together its submission, and clubs from throughout the country areas have had the opportunity to input there. It has done an excellent job in its submission. I cannot question whether the facts of it are right or wrong, but I think it would be pretty right, and it has done very well at estimating various things. I spent a lot of time talking about money and player payments and that kind of thing, but I think the VCFL has covered a lot of those things so I will not go into that too deeply.

One thing that did happen in this area, and it may have happened in other areas last year, was that the football season in the Goulburn Valley league started very early right at the end of March and that was a bit of a problem. Eric Bott, who is here tonight, played a big part as general manager of the Goulburn Valley league in getting that changed. The football in this league started a couple of weeks later this year, and I think that is going to be of benefit to everybody. I do not think football should be imposing on the time of other sports.

Just recently I read comments from the president of the Wangaratta and District Cricket Association, Geoff Welch, about demands from the Murray Bushrangers. The three players in cricket finals dating back to mid-March were compelled to play in Murray Bushrangers football trials and missed part of those cricket finals. It is understandable that Geoff Welch as president of the cricket association would have been displeased, but to put this in context, Geoff Welch is the former fullback and long-serving player of the Wangaratta Rovers Football Club as well as having been a leading cricketer in Wangaratta and representative cricketer et cetera, so I think his comments were very balanced. He was also a recruiting officer for the Melbourne Football Club with his brother John at one stage, so he also has strong football allegiances, and I took a lot of notice of what he was saying.

That is about all I can put to you, gentlemen, but I would be glad to try and answer any questions. I have also put out an addendum to my submission tonight. I will not go into that in detail unless you want it mentioned, but one of the things was very positive. It happened with the Kyabram Football Club in finding that 220 people were prepared to be volunteers during the year, this particular season, and it had about 130 or so last year. The only reason I mention it here is that if you are talking to clubs that are struggling, or the VCFL says clubs are struggling, perhaps this is an example of something they could take up.

The other subject that I have mentioned in that addendum tonight is cooperation between clubs in a designated area. Certainly this would not apply to all towns or to all clubs, but in the 20 years or so that I have been working and living in Shepparton I have had a fair bit to do with some of the clubs over in the Benalla area and before that I had a bit to do with Benalla Football Club when it was in the Ovens and Murray league. I have listed all the potential players in Benalla involved in football. It seems to me that it would be an ideal place for a case study on cooperation and how to bring together the various clubs, leagues and perhaps other players such as those from schools, Auskick et cetera for the good of the game. I have listed who those players are.

I am certainly not suggesting mergers, amalgamations or anything like that; I do not like that word very much — it is municipal amalgamations. However, that is not the idea of it. I just wonder if all those people could be got together by some of the people in Benalla who have a perfect background for something like this, such as an ex-VFL umpire who lives there, ex-players, ex-coaches, people with considerable expertise in sport and accounting and all those other things. I see Benalla as an ideal place for that to happen.. You might be going around the country and see somewhere else and say, 'Gee, that would work well in such a place', but it would not work everywhere. Overall I think that cooperation in football would help.

**The CHAIR** — Thanks, Bill. That is a very comprehensive submission. Have the members any questions?

**Mr McQUILTEN** — I think we have run out of time, Chair.

**The CHAIR** — You will receive a copy of the transcript so you will be able to correct any matters of fact or grammar but not of substance. Thank you very much for all the time you have put into your submission.

**Witness withdrew.**