

CORRECTED TRANSCRIPT

RURAL AND REGIONAL SERVICES AND DEVELOPMENT COMMITTEE

Inquiry into country football

Robinvale – 23 March 2004

Members

Mr M. P. Crutchfield
Mr B. P. Hardman
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Witnesses

Mr G. Jones, Administration Manager (sworn)
Mr K. Forbes, Commissioner (sworn);
Mr N. Ward, Commissioner (sworn), Sunraysia Football League.

The CHAIR — Under the powers conferred on this committee by the Constitution Act and the Parliamentary Committees Act, this committee is empowered to take all evidence at these hearings on oath or affirmation. I wish to advise all present at these hearings that all evidence taken by this committee, including submissions, under the provisions of the Constitution Act is granted immunity from judicial review. I also wish to advise witnesses that any comments made by witnesses outside the committee's hearings are not protected by parliamentary privilege.

This is an all-party parliamentary committee, including members from the Liberal and National parties and an Independent member.

Welcome, gentlemen. I invite each of you to give your full name and address, and if you are representing an organisation, the name of that organisation and your position within it.

Mr FORBES — My full name is Kevin Roy Forbes. I am a commissioner of the Sunraysia Football League. I live in Euston Avenue, Irymple, in Sunraysia.

Mr JONES — My full name is Geoffrey Colin Jones. I am the administration manager of the Sunraysia Football League. I live at 5 Bingarra Close, Mildura.

Mr WARD — My full name is Neville Innes Ward, and I live at 66 River Avenue, Merbein. I am a commissioner with the Sunraysia Football League.

The CHAIR — I invite you to make some brief introductory remarks, and members of the committee will then ask questions.

Mr JONES — The committee has our submission on behalf of the Sunraysia Football League, so I will précis some of it and add a little bit here and there.

To combine all football clubs in country Victoria you would have the largest service club in the state. To qualify that statement, there are over 860 football clubs in country Victoria. Most of them have three teams. You therefore have a minimum of 80 players per club. That club has a committee of, on average, 10 members. To that figure you must add support staff, trainers, timekeepers and club volunteers. There are well over 30 000 non-players involved in the direct running of football/netball clubs in country Victoria.

Football clubs make purchases in their local area, such as medical equipment, bread rolls and so on from the bakery, sandwich fillings, hot dogs, meat, soft drinks, ale, football purchases, football jumpers, shorts and socks, and raffle prizes. They also pay rates, insurance, umpire fees, public liability insurance, player payments, and the list goes on. Most of these purchases and payments are made in the town or region where a football club is based. This type of revenue spent by football clubs is vital to the business houses in the town or region which rely on this business as part of their viability.

I believe football clubs act as an employment agency — I will elaborate a little bit further — and also social workers. Like an employment agency, football clubs find jobs for out-of-town players who are coming in to play, newly appointed coaches and players in the district. They also assist young players by encouraging them to participate in a sport that can occupy some 12 or more hours per week — time that is spent not roaming the streets and causing problems in the community.

The eight teams in the Sunraysia Football League average \$186 000 to \$210 000 in expenses each football season. This puts back into the community an average of \$1.5 million per year. A football club in the Sunraysia league needs to raise in excess of \$25 000 per month per football calendar — I am talking February to September — to survive.

The Sunraysia Football League is fortunate to have irrigation facilities in all venues and does not have the problem that other leagues have in being able to water their grounds.

The major concerns and the areas where we believe this inquiry can assist our football and netball clubs in the Sunraysia area are as follows. Although the Victorian Country Football League (VCFL) has worked very hard to deliver a most cost-effective insurance program for many years, particularly in a climate where overall insurance costs have gone through the roof, there still remain two issues that worry us. The first is that, even though the

personal injury insurance is pretty good cover it does not to give a player full cover for the gap caused by the excessive charges of medical practitioners. There has been growing trepidation by volunteers to get involved in football clubs particularly because of fear of litigation. We understand that the new volunteer protection legislation of 2002 does protect them, and so does the VCFL's public associations liability, but we believe the government should be proactive and commit to television and radio advertising campaigns to allay those fears, to put it out in front and give our volunteers the confidence to get involved or stay involved in a club.

The second extremely serious issue is that of facilities, particularly with netball being an integral part of our football season. The change room facilities at all grounds are badly in need of upgrading. Some were erected some 50 years ago. There is no provision for change or shower facilities for female umpires or for netball girls at any of the Sunraysia Football League grounds.

All change rooms are in urgent need of upgrading, including the toilet and shower facilities and the upgrading of general change rooms on top of the extra facilities to cover the female umpires and netball players.

Football club rooms are used by other sports and community groups for such things as sporting nights, presentation functions and weddings, and they are not always restricted to football clubs. Councils these days are very reluctant to give funds for the upgrading of facilities, even though they are multipurpose use facilities. In the case of the Mildura Rural City Council, it is not in a position to finance the upgrading of buildings because of lack of funds. Football clubs are not in a position to commence any upgrading of facilities for the same reasons, with the result that nothing happens and the facilities further deteriorate. I would like to expand a little bit on that.

If you have a look at a football club, unless you own a sporting club where there are poker machine facilities very few football clubs in country Victoria that I am aware of have any assets apart from their players and maybe their football jumpers and a few other items around their training facilities. Outside of that they do not have any assets. So where does a club go if it wants to borrow some money and the bank or whoever is asking them to put up some assets? They do not have any. So where do they go to get that sort of money? Usually council is the only way.

If you have a look at the council situation, who benefits from any improvements? Almost all of those football grounds are not owned and are on council land, so the facilities are council owned. Any improvements by football clubs — and they do some improvements, or put up some social rooms — are never owned by a football club but are owned by a council.

In fact it is an asset put onto the council when it comes to looking at the valuable things that are put into the football area. So the football club really has no assets, those assets are owned by the city council, and they have limited area in where they can go to try and borrow the amount of money. Financial assistance for infrastructure is vital to football clubs which are undertaking renovations to update change rooms and to provide decent facilities that will serve the community. I use the word 'community' because most rooms now are used multilaterally by other community users. I notice that you have president of the Robinvale Football Club, and I might be stealing a bit of his thunder, but the Robinvale Football Club has recently acquired funds from the Swan Hill City Council to commence alterations to its change rooms to accommodate female change rooms with toilet and shower facilities. The extensions are to cost \$75 000, and the club has to pay back the amount borrowed from council, but the club also has to finance the balance to cover the cost of renovations. This amount puts an additional burden on the Robinvale Football Club, which is trying to provide a facility that will serve the community. For all clubs to upgrade their facilities or change rooms they need to go heavily into debt to finance such ventures. Clubs in this region are not in a position to consider such projects.

There is a range of other issues; however, these are the two vital to the sustainability and growth of our football and netball clubs in the Sunraysia area.

Mr CRUTCHFIELD — Match payments; you probably will not agree with me publicly, but I am sure certain clubs in your area are way outside the salary cap. That is a very difficult issue to police, and your clubs would be in a budget of between \$100 000 and \$150 000 per year. What is your view on salary cap issues, and the paradigm that people look at football clubs as raising all this money from sponsorship but not putting any money in themselves? Sorry, that is not quite right. Some football clubs or some football netball clubs are reluctant to put any of their own cash into capital on their own properties and say it is the responsibility of everyone else other than themselves and put all their finances into paying players.

Mr JONES — To answer your question of salary cap, the Sunraysia Football League is a major league, and salary is capped at \$50 000, although we have had notification today that it has increased to \$70 000. We have a salary cap officer within the league, and it is his job to scrutinise the balance sheets of all the football clubs. The football clubs also have to submit to the league three reports per year: one at the start of the year, which gives all the names of the players who are registered and who are being paid, and it also has the players' payments in it; a mid-season report is also submitted which has the players and what they have received to date; and an end-of-year report, which is submitted and gives the balance of the amounts of the payments made to players.

As a football league we have the right to audit any in that salary cap, and we have done so. In fact we have counted a couple of breaches already this year or last year. What we have done is gone to a club, picked out players and asked them to make a statutory declaration as to what they are being paid. It varies in a couple of cases from what the club has put on its sheets. We know that paper bags are being placed under the table, but I do not know how to stop that. We know that \$150 is going in the shoe of a player in the change rooms, and I do not know how to stop that. We are trying desperately to police the salary cap, but it is extremely hard, because I believe — and I know my two colleagues believe — that the salary cap is forcing clubs to go broke; it is as simple as that. It is nice to buy a premiership, and it is nice to win one, but when the balance sheet comes out at the end of the year and shows you are \$40 000 in the red, who wants to be the next president?

Mr CRUTCHFIELD — How else can you be assisted to do that? If you agree that there should be a salary cap, and you agree then that perhaps compliance or enforcement of it is not within the resources of the league, what is the answer? I do not want to give you the answer!

Mr JONES — It is pretty hard because the AFL does not have the answer either.

Mr CRUTCHFIELD — It is getting very close.

Mr JONES — It may be that a few things have come out; I do not know. We would be open to any suggestions that may be put forward.

Mr CRUTCHFIELD — What about the VCFL in terms of resourcing at a country or league level, because some of the issues that revolve around these leagues are volunteers taking on these roles? What about Football Victoria or a VCFL ever having someone who is dedicated to salary cap issues, if you like?

Mr JONES — That is happening. I believe the VCFL will be appointing someone to go around and visit country areas and do roughly what the league is doing in this area. It is going to target players at clubs and basically go through their balance sheets to see if we can erase that problem. It is definitely a problem that causes more problems in country football than just about anything else you would like to name. Everyone likes to get that elusive premiership. It costs money and you can import players, but is it worth it?

Mr FORBES — Can I just add something to that: there is the salary cap of \$50 000, or \$75 000 as it is going to be — they are the figures that Geoff has spoken of — but the average club in Sunraysia Football League operates on a budget of roughly \$200 000. That is on the figures they provide, which of course do not exceed the salary cap. So the average that a club may put into the community, if you are exceeding the salary cap — and I do not remember saying clubs are — is in excess of that \$200 000.

Mr CRUTCHFIELD — Putting it into the community, or putting it into players' pockets, I would argue.

Mr FORBES — The \$210 000 we are talking about here is the average amount the football clubs need to survive. With \$50 000 of that \$210 000, if they are putting more into a player's pocket, it is above and beyond that \$210 000. But getting back to what are saying about what assistance could be given — I do not know whether something could be legislated this way — but we are not permitted to act on innuendo. Obviously we can ask players to provide statutory declarations, as Geoff stated, but the AFL has a bit more power in what it is allowed to do in investigation. Whether there is some way some legislation could be placed in that allows us to thoroughly investigate — —

Mr CRUTCHFIELD — Put the wind up a few!

Mr FORBES — At the moment we are relying on a player signing a statutory declaration. We know that is perjury, but it does not seem to scare players, and that is about all we can do.

Mr McQUILTEN — What does the AFL have in its armoury which you do not?

Mr INGRAM — The ATO! The Australian Taxation Office goes through the players' books. Do you see that as something that possibly could be — —

Dr NAPHTHINE — Most do not declare taxation; that is the problem.

Mr JONES — It would probably open Pandora's box a bit, because every player then should be declaring what he earns.

Dr NAPHTHINE — That will never happen.

Mr FORBES — What they are paid according to the salary cap they are obviously taxed if the clubs take out tax. I guess in that case, to answer your question as best I could, is that we are talking about a lot more money, and the tax office is far more interested in \$50 000 or \$200 000 than an extra \$1000 per player. If you consider that there are 70 000 or 80 000 players in Victoria — not all being paid, I gather — if they all getting \$1000 it is a lot of work for the tax department, whereas if an AFL player is cheating the system and he is getting \$40 000 or \$50 000, I guess it is obviously worth the tax department putting in the resources to follow that through.

Mr McQUILTEN — Are you saying that it is the Australian Taxation Office, not the Australian Football League, that is enforcing the salary cap? Is that what you are saying? Or is it a bit of both?

Mr FORBES — Yes, I guess so, a bit of both.

Dr NAPHTHINE — Can I change the subject slightly? I understand that HotFM gives good coverage to your league. One of the questions that has been raised with the committee in terms of country football, or the perceived decline in country football, is the move away from local radio stations and local media providing coverage as you have an influx of AFL coverage. What is the arrangement with HotFM? Is it from the league level? What are the benefits to the league, and are there real things that are good for country footy about trying to encourage this sort of coverage on local radio or television?

Mr JONES — As the committee probably knows, HotFM is owned by Mr Max Thorburn. He owns community radio. Max broadcasts the football games on Saturday around the area, depending on where the landlines are or where the main matches are. Radio 3MA did it for 25 years, and when it was taken over by DGM, I think, from Albury, it became basically a landline radio station which has local content of a morning, with local announcers, and then it goes over to a landline where all those radio stations owned by that person receive the same program, so Melbourne football and the results from 3AW are broadcast out of here.

So far as local content is concerned, I think it is great that we should retain our local content and have our local support broadcast by local people because they know whom they are talking about, and it creates interest. It is very easy to tune into radio and get the Melbourne scores, but you do not have to listen to that all the time. Local football seems to have a fairly high interest in the town. If you are getting high interest and you are getting broadcasting, obviously you are getting listeners to it as well. I am a great supporter of local football being broadcast by local people.

Dr NAPHTHINE — Should the committee perhaps do more to encourage a lot of the FM stations — which have community-based licences and get licences on the basis of their community activities — and put pressure on the federal government, which allocates these licences, to realise that part of that is community sport and support for sport at a community level rather than just — —

Mr JONES — It is difficult to answer. We have only one community station here, and it is supporting community football now. There are commercial realities on the other side of it. I think money talks many languages, does it not? I think most of their income comes from those other things apart from football. Community radio does not charge to present football, and it virtually has no advertising in its broadcasting, whereas if you go to a commercial radio station you have those commercial breaks, and the football is being supplemented by those commercial people who are paying to have their advertisements put on during the radio broadcast.

The CHAIR — The committee has heard today about the foreshadowed increase in the salary cap from \$50 000 to \$70 000-odd. Do you see that as just a realisation that that is the reality, that clubs are paying maybe

more around about that amount of money, or do you think it will just put more pressure and competition on clubs and that that is another \$20 000 to \$25 000 they will have to raise to pay players?

Mr JONES — My own personal view is that it will give further problems to clubs, because clubs are under the impression that they have to spend \$50 000 to pay players, which is not the case. It is an allowance of up to \$50 000, and for some unknown reason football clubs have the notion that they have to pay \$50 000 to players, and to me that is a detrimental thing. If we go back to the Sunraysia league, about six or seven years ago one club went amateur; it was that far in debt that it could not afford to pay players. It paid a coach a fairly miserly sum. It went amateur, and in two years it got itself out of debt simply because it did not pay players. Player payments are not good for football if they are utilised in the wrong way.

The CHAIR — Do you think there will be an impact because of this increase, or do you think clubs will be able to absorb that increase in the salary cap?

Mr JONES — We have seven out of eight clubs that are trading in the red now. I do not think another \$25 000 on top of the \$50 000 salary cap will help the situation; in fact, I think it will only worsen it. It might encourage clubs to spend more money importing players to do that, but at the same time they still have to bring some money in to pay for them.

Mr INGRAM — Some areas have another issue again. Some issues have been raised with the committee regarding young people moving out of areas because of education and employment opportunities and things like that. The committee has heard that in a couple of areas that is not as strong. Geelong is probably one area where there are a number of opportunities around. What is it like up here? What can government do, I suppose, to reduce that drain of young people out of areas?

Mr JONES — We are fortunate that we have a TAFE college, and we now have a branch of the La Trobe University here, although there are problems there because they have limitations put on them by the federal government as to how many people they can put into those institutions. I attended a luncheon where it was quoted that La Trobe University in Mildura has had 40 students cut from its area. That does not help if 20 of them play football. They have to either go elsewhere for their university education, if they can get in, or go to a TAFE institution so maybe after one or two years they can use what they have received in the way of credits to get into university. It is difficult to answer, but it is like a school closing down — if a school closes down the population moves elsewhere, and that affects people anyway.

Mr INGRAM — What is the level of opportunities in the Mildura district for young people?

Mr JONES — There is no industry really in Mildura, not big industry like you have around areas like Wodonga. We have small engineering firms, but nothing big, so there is not that opportunity where they can be employed in that sort of industry.

Mr FORBES — We have had surveys done because we were trying to ascertain the best age grouping. The survey found that 50 per cent of kids leave home for tertiary education or for employment. If you are in a place like Geelong or Bendigo, where the universities are much bigger — a lot of our kids tend to go to Bendigo, Adelaide or Melbourne — —

Mr JONES — It is also a lot closer to the cities so they can come home.

Mr FORBES — I suppose if someone is leaving Bendigo to go to Melbourne, maybe someone is leaving Mildura to go to Bendigo, that may balance out. However, Mildura is a very small branch of the university, and hopefully it will increase, but 50 per cent is about the level of the young ones leaving. Unfortunately, up there we breed clever children that can go on to university, and they also happen to play football.

Dr NAPHTHINE — But is it not fair to say that along the river in Mildura and Robinvale there is relatively very little employment and that you are actively trying to attract tradespeople and others to this area because of the needs of the growing horticultural and other industries? That is what the committee is being told from down south.

Mr JONES — I would query that. I thought that Mildura had one of the highest unemployment rates in country Victoria, simply because it does not have an industrial area where people can be employed. You are talking of an area of dry farming, which is out of the road, and they do not need heaps of people to do it. Citrus farms are

seasonal when it comes to picking. You have got dried fruit, which has seasonal employment — only during picking season. The return on dried fruit at the moment is \$1400 a tonne, bearer to bearer, so that makes costs, and there is no real avenue for — —

Dr NAPHTHINE — The local councils, both in Mildura and Swan Hill, have told me in recent times that their biggest problem is shortage of people. They are massively trying to attract people to these areas. There is a shortage of skilled people.

Mr JONES — I stand to be corrected, but my understanding is, and I do not know the figures, that there is fairly high unemployment in Mildura.

Mr CRUTCHFIELD — I digress to that old chestnut, the AFL. The AFL will claim that it has put millions of dollars into regional, country and other areas of grassroots football via Football Victoria, which filters down considerably to the VCFL. What is your opinion of the AFL in terms of the drip-feed that appears to be evident in areas like this? And what is your view about other efforts it can make that would make a difference on the ground, whether they be, as someone suggested, capital grants, like the state government's, or council grants per municipality, for argument's sake, or other areas where you can see the AFL could make a discernible difference to your football league?

Mr JONES — As an ex-regional manager with the VCFL, Kevin would probably be in a better position to answer those questions than I am.

Mr FORBES — As far as funding goes, the VCFL has expanded its region. As of this year, Sunraysia, Swan Hill and Central Murray have joined at the helm, but that did not reduce the funding. The funding will be in two lots.

Mr CRUTCHFIELD — We had a long — —

Mr JONES — Alan Davies.

Mr FORBES — The funding up until this year — and I presume it is going to double — was about \$36 000 going into the area, which I guess came as a drip-feed from the AFL, plus any player who was recruited to the AFL, and that affects the club. As an example, when Josh Hunt, who was recruited from the Mildura Imperials by Geelong Football Club, was drafted — and do not quote me on these figures — the fee was \$2500. For his first senior game it was \$3500. For his tenth senior game it was \$2500. He is still on the list after three years, and it is about eleven grand all up that goes to the club the chap was recruited from. Of the \$36 000, as you said, it drip-feeds down through the VCFL into the local region. Alan Davies would have explained to you that that money is used in junior development, not in the senior football leagues.

Mr CRUTCHFIELD — Are you happy with the AFL programs? Are they too focused on elite development, or should they be more focused on elite development?

Mr FORBES — With AFL programs in the area, you are lucky to get a club that is going to provide that money for a player who is injured to come up. That is about it. You pay for the airfare and his accommodation. As far as the elite level — and we are talking of the Bendigo Pioneers — personally, I do not have a problem, because I think you have got to encourage kids to get to that elite level. I would say the general football public in Mildura does have a problem. Bear in mind that we are geographically a bit different, but footballers have to leave Mildura when they want to play for Bendigo. If they are going to make it they have to relocate. It is a 4-hour drive; you cannot play for Bendigo Pioneers and live in Mildura. That is it in a nutshell. So the general public in Mildura would say that the AFL is taking its footballers away. There are a lot of footballers who are at the TAC Cup level, and when they are jettisoned they never tend to come back to Mildura; they stay in Bendigo or whatever region they are in. So I do not have a problem, because I believe we should be supporting the kid, but I would say that the general football public in our region has a major problem.

The CHAIR — Thank you very much for your insights into country footy. You will receive a copy of the transcript. You will be able to correct any matters fact or grammar, but not matters of substance. Thank you very much.

Witnesses withdrew.