Government and Sport: The Case of the Western Australian Football Commission

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Government and Sport:
The Case of the Western Australian Football Commission

By

Gregory Italiano
B.Bus.

A thesis submitted in the partial fulfilment of the requirements for the
award of

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Edith Cowan University

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Abstract

This study is based on the premise that sport occupies a unique and prominent position in Australian culture, such that it can be considered in institutional terms. Sport's interaction with another institution in Australian society – government, has undergone significant changes in the second half of the twentieth century. This changing relationship has had a substantial impact on sports public policy. The purpose of this study is to describe and explore this relationship in greater depth by examining the case of the Western Australian Football Commission (the ‘Commission’).

Australian Rules Football (‘Football’) is the largest spectator sport in Australia and is Australia’s major indigenous sporting innovation. It is also a reflection of larger dynamics in Australian society. On the one hand it is a big business, driven by commercial considerations and its positions of power are coveted by the rich and influential, and those aspiring to be so. However, its roots are firmly anchored in tradition, the common people, identity and rivalry.

Despite the relative importance of sport in Australian society it remains the case that it has only recently began to attract serious academic attention, this situation is amplified even further in relation to Football. The Commission’s performance has not been subjected to systematic external review, even though its decisions have a direct impact on thousands of Western Australians and it has received substantial ongoing public funding.

This case study will use a public policy approach to evaluate the performance of the Commission. It will seek to provide an answer to a question that has been prominently and frequently debated in the Western Australian community -- has the Commission delivered on its range of objectives and in particular how has the public interest been served by the legacy of the government’s 1989 rescue of Western Australian Football?
Declaration

I certify that this thesis does not, to the best of my knowledge and belief:

(i) incorporate without acknowledgment any material previously submitted for a degree or diploma in any institution of higher education;
(ii) contain any material previously published or written by another person except where due reference is made in the text; or
(iii) contain any defamatory material.

Signature

Date 11.12.2002
Acknowledgments

I would like to express my gratitude to Associate Professor Harry CJ Phillips for his coaching and guidance during this project and his judicious use of the ‘bible’ from time to time.

I would also like to recognise my Father for passing on to me a love of football that has sustained me through this project and acknowledge his contribution to football as a player, coach and administrator. He is but one example of the thousands of rarely acknowledged parents and volunteers that underpin the great Australian game.

Finally, to Mariette for her support, which has made this project and many other things in my life possible.
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**Definition of Terms**

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<tr>
<td>AFL</td>
<td>The Australian Football League, known as the VFL until 1990</td>
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<td>ASC</td>
<td>The Australian Sports Commission</td>
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<tr>
<td>The Commission or WAFC</td>
<td>The West Australian Football Commission</td>
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<tr>
<td>FFC</td>
<td>Fremantle Football Club also known as the Fremantle Dockers</td>
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<td>Football</td>
<td>Australian Rules Football</td>
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<tr>
<td>FDT</td>
<td>The Football Development Trust. A trust formed to fund and oversee junior Football player development in Western Australia</td>
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<tr>
<td>IPL</td>
<td>Indian Pacific Limited, parent company of the WCE</td>
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<td>MCG</td>
<td>The Melbourne Cricket Ground</td>
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<tr>
<td>SANFL</td>
<td>South Australian National Football League</td>
</tr>
<tr>
<td>VFL</td>
<td>The Victorian Football League, which became the AFL in 1990</td>
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<tr>
<td>WACA</td>
<td>The Western Australian Cricket Association Ground</td>
</tr>
<tr>
<td>WAFL</td>
<td>The Western Australian Football League (known as Westar Rules between 1997 and 2000) currently comprising nine Football clubs</td>
</tr>
<tr>
<td>WAFL Inc.</td>
<td>The central WAFL administrative body that was the predecessor of the Western Australian Football Commission</td>
</tr>
<tr>
<td>WCE</td>
<td>The West Coast Eagles Football Club</td>
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CHAPTER ONE - AUSTRALIAN SPORT AND PUBLIC POLICY

For a few weeks in September 2000 the Australian nation was transfixed with events which were taking place in Sydney. It had been forty-four years since the Olympic games had been held in Australia at the famous Melbourne Cricket Ground, birthplace and home of Australian Rules Football. In Sydney, when the stock horses rode out into Stadium Australia to the music from the Man From Snowy River many Australian hearts were brimming with national pride. The biggest show on earth had arrived and against all odds it was taking place in Australia. In that moment, and in many others over the subsequent days, Australia seemed a different place, a little closer, more tolerant and perhaps more comfortable with its history and its place in the world. The potential uniting power of sport was on display. The Sydney Olympic Games represented a pinnacle of Australian sporting achievement, an achievement based on strong sporting traditions and partnership with government. Sport has a unique place in Australian culture, in fact it has been elevated to such an extent that some have questioned as to whether it borders on an unhealthy obsession. It led Donald Horne (1966, p. 22) in his 1960’s account of Australian society The Lucky Country to observe, “sport to many Australians is life and the rest is shadow. Sport has been the one national institution that has no ‘knockers’.”

SPORT AND AUSTRALIAN CULTURE

Defining what it means to be Australian has never been a straightforward task. A nation which began as a far removed portion and dependent part of the British Empire transformed into a country keen to make its own way in the world and more recently to a multicultural, but still predominantly European nation in the Asian region of the world. Australia’s Constitution, (notwithstanding John Howard’s attempt at a preamble in the 1999 Republic referendum) was principally written to distribute power in a federal form of government rather than to express the identity of a new nation. Without the benefit of a formal national definition of what it means to be Australian a list of character contenders have grown to fill the vacuum. One of the most frequently stated and persistent of these has been the role of sport in Australian national identity. In addition to Donald Horne’s oft quoted remark about the position of sport in Australian
society in *The Lucky Country* a number of other authors have made similarly strong claims. Dunstan (1973, p. 1) claimed that sport in Australia "is the ultimate super religion." Jobling's (1999, p. 239) institutional account of Australian sport observes that it is frequently described as a national religion or obsession. According to Cashman (1995, p. vii) "for better or worse, sport is central to the business of being Australian and appeals to many Australians." There are various historical reasons offered for the prominent role of sport in Australian society. Mandle (1973) and Jobling (1999) describe cricket as being an important means through which Australians proved their worth, particularly in the eyes of the British. The appropriately named 'test matches' were an important medium through which Australians could demonstrate that their convict origins had not prevented the development of a decent and worthy society. Houlihan (1997, p.26) has termed this phenomena as 'cricketing nationalism'. Horne (1966, p. 156) comments that sport was the only means, prior to supporting the British in war, which Australians could utilise to prove their worthiness. Despite the eagerness to prove themselves against the 'old enemy', Australia's sporting traditions (as with many other institutions in Australian society) owe much to their British heritage. Sport as a means of building character and supporting notions of 'muscular christianity' were key themes to emerge from the influence of the English education system in early Australian sport (Horne, 1966, p. 105; Cashman, 1995, pp. 54-57). In addition to the inheritance of British values, other reasons offered for Australian interest and success in sport have been the climate, the amount of open space, the availability of leisure time and a love for physical activity (Houlihan, 1997, pp. 26-27).

Despite the enthusiasm displayed by many social commentators, the position of sport in Australian culture is not beyond criticism. Furthermore, the notion that Australian sport has been relatively free of class, gender and race discrimination has been significantly criticised (Cashman, 1995; Booth & Tatz, 2000). Australian sport has not been divorced from the society in which it has existed and as a result it has reflected both desirable and undesirable elements. In other words, sport is not, as it is sometimes portrayed, something that always represents the good and best of human behaviour. However, the purpose of this work is not to debate the merits of sport's place in Australian culture but rather to accept that - rightly or wrongly - sport for many is
central to what it means to be an Australian and that this has had a demonstrable impact on Australian public policy.

AUSTRALIAN GOVERNMENT AND SPORT

Just as Australian society has changed considerably since federation, so too has two of its major institutions – government and sport. The relationship between the two has transformed from mutual disinterest, through a period of reluctant courtship, leading finally to something of a practical, financial/political partnership, perhaps given its ultimate expression in the Sydney Olympics. Successive governments came to recognise the political and social benefits that sport could offer and sport, particularly those sports incapable of generating sufficient revenue from the marketplace, were to recognise that elite performance and growth in participation could only be achieved through public funding. There has traditionally been a sense of unease on behalf of both sport and government about their relationship, perhaps best expressed in the maxim that politics and sport should not mix. Like many other maxims, this one is best left to idealists and those who cling to the amateur notions of the past. Much of sport today is big business and big business belongs in the political big league. Furthermore, sport has by no means been immune from its own political machinations and has produced some remarkable political stories in its own right.

While the primary focus of this study is Australian public policy and sport (and in particular Football), it is worth noting that the growth in government involvement in sport reflects a worldwide trend, a trend which Johnson and Frey trace back to the mid-1960s (1991, pp.7-9). There are various reasons offered in the literature for this global change in government’s stance towards sports policy. Firstly, the general increase of government involvement in all policy areas throughout the twentieth century (Beresford, 2000, pp. 42-56; Henningham, 1999, p.4; Johnson & Frey, 1991, p.2; Houlihan 1991, p. 151). Secondly, the transformation of elite level sport from that of an essentially amateur competition, organised by voluntary administrators, to a commercial, highly paid, business-like activity run by multi-billion dollar organisations. The idea of sport as a business and a form of work was resisted in Australia well into the twentieth century (James, 1994, p. 12). Thirdly, there has also been a change in the
ethical and social standing of sport. It has shifted, particularly at the elite level, from the virtue and enjoyment of competing, to the compulsion to win and the associated financial rewards. Houlihan (1991, p. 5) expands on this trend by arguing that the blurring of the line between sport and politics provides further evidence of the demise of sport as representing higher aspirations and ideals. Finally, several authors such as Johnson & Frey (1991), Houlihan (1991 & 1997), Jobling (1999), Gratton & Taylor (1994) take up the argument that the increasing level of government involvement in sport can be explained by government recognition of the ability of sport to promote politically desirable outcomes such as patriotism, cohesion and national identity.

The reasons for government funding of sport and recreation are well represented in the 1999 report *Shaping Up: A Review of Commonwealth Involvement in Sport and Recreation in Australia*, which is one of the most recent major reviews of the Commonwealth’s sport and recreation policy settings. These include:

- Investing in the community because of sport’s integral position in Australian culture, its historical significance and its ability to generate and maintain nationalist sentiment;
- Sport’s ability to foster social cohesiveness and unity;
- The role of sport in developing young people and producing desirable qualities of citizenship;
- Participation in sport and recreation activities improves individual health and fitness;
- Sport promotes inclusion and brings diverse groups closer together in a multicultural society; and
- Participation in sport has been linked to reduced levels of crime and social dysfunction.

Prior to the 1970’s (notwithstanding the obligatory last minute rescue of the 1956 Melbourne Olympic Games) there was relatively minor involvement by government in sport (Jobling, 1999, p.252; Cashman, 1995, p.121; Armstrong, 1994, p.188). This deliberate non-policy was predominantly based on the view that sport was a personal activity and a matter of individual choice about how one wanted to spend their leisure
time. In essence, it was an activity confined to the personal sphere and beyond legitimate government interference, a view firmly anchored in the idyllic notions of sport being an amateur pursuit that produced intrinsic benefits (Phillips, 1997, p. 2; Cashman, 1995, pp. 120-121; Armstrong, 1994, p. 188; Johnson & Frey, 1991, p. 5).

The generally held consensus revealed by the literature is that the first systematic attempt by any Australian government to intervene in sports policy was made by the Whitlam Labor government with the establishment in 1972 of the Department of Tourism and Recreation (Cashman, 1995, p. 123; Houlihan, 1997, p. 69). In terms of elite sports funding, the Whitlam government allocated $1 million in its first budget to assist Australian amateur athletes to participate in national and international competitions. Total sports funding by the Commonwealth in 1973 amounted to 5.2 cents per capita (Jobling, 1999, p. 253). Even after allowing for inflation, the enormous difference in funding for athletes participating in the Sydney Olympic Games is a vivid reminder of how much the relationship between government and elite sport has changed. The election of a new Coalition federal government in late 1975 was to have major implications for sports policy. The Fraser government did not share its predecessor’s commitment to federal funding for sport and preferred to leave decisions on sport funding allocation to state and local government, wishing to avoid the appearance of being a centralist, big government (Armstrong, 1994, p. 189). This approach was jolted, however, when the Australian Olympic team failed to win a gold medal at the 1976 Montreal Olympics. Agitation for greater government assistance to sport began to be heard across the political spectrum.

The election of the Hawke Labor government in 1983 saw a return of sports policy to the centre of the political agenda. In its first budget the Hawke government doubled expenditure on sport and recreation to $50 million. Two influential reports were conducted in the initial years of the Hawke government; the 1983 The Way We P(l)ay: Commonwealth Assistance for Sport and Recreation report from the House of Representatives Standing Committee on Expenditure and the report by the Interim Committee for the Australian Sports Commission (ASC) in March 1984, which laid the foundation for the ongoing government involvement in sport and recreation through the establishment of the ASC.
The federal policy development and elite performance enhancement structure is mirrored at the state level. In Western Australia, the move to bring sport and recreation under Ministerial responsibility was achieved in 1978 when the Youth, Sport and Recreation Act replaced the 1972 Youth, Community Recreation and National Fitness Act (Gray, 1980, p. 106). Changes in the level of public expenditure on sport and recreation in Western Australian also reflected the growing involvement of government in service provision and a growing bureaucracy to oversee the industry. Between 1973/74 and 1977/78 the sport and recreation budget increased from $597,000 to $2,353,00 (Gray, 1980, p. 106). At the elite level, the Western Australian Institute of Sport was established in 1984 and in 2002 the Institute employs more than 50 people and has an annual budget in excess of $5 million (Western Australian Parliamentary Debates [WAPD], 12 September 2001, p. 3617).

The greatest ongoing policy debate about sport in Australia is how government policy should deal with seeking to achieve an appropriate balance between funding policies aimed at promoting mass participation and policies focused on elite performance. This policy tension is well represented in a number of major sports policy reviews at state and federal level, such as Bloomfield (1978), McLeay (1983), Australian Sports Commission (1992), Oakley (1999) and the High Performance Working Group (2002). As Jobling (1999, p.255) states, "the issue of whether governments should promote 'elite sport' as compared to 'sport for all' is a continuing one." Achieving a balance between elite development, entertainment, revenue and community participation is also an issue for Football administrators and a Football specific examination of this policy challenge is to be found in reports such as those by Tannock (1992), Fong (2000), Australian Football League (2001 & 2002) and McAullay (2001).

The Sydney Olympics provided a vivid reminder of just how much the relationship between sport and government has changed in the twentieth century. The Federal Government keenly aware of the wide ranging benefits realisable from a successful performance by the host team, boosted funding to record levels and gave priority to Olympic sports. Sport during the twentieth century has become increasingly commercialised and politicised, a trend that was to impact significantly on government
and sports administrators. Football, despite its uniqueness and relative global isolation, did not escape these seemingly irresistible forces.

**AUSTRALIAN FOOTBALL**

If sport in general has a special place in fabric of Australian society, then Football has a truly unique place in Australian sport. The game originated in Melbourne in the 1850s and spread across Australia’s southern states where it is was to rapidly become the dominant winter sport. Football represents Australia’s major indigenous sporting innovation and is watched by more spectators than any other sport. The 1993/94 Australian Bureau of Statistic’s *Overview of Sport and Recreation* estimated that total Football attendances were 14.4 million, the next most popular spectator sport was Rugby League at 8.5 million (ABS, 1997, pp. 11-12). In 2001, 6.8 million spectators attended AFL games (Evans, 2002). In addition to Football’s considerable crowd attendance figures there is the significant numbers of Australians more closely involved with the game. The AFL estimates that there are 48,000 volunteers supporting 400,000 players from 10,000 clubs across Australia (Duffield, 2002, p.3).

Football represents as well as any other Australian sport the changes that have transformed sport in the twentieth century. Football in Australia, anchored in its suburban, tribal roots based on tradition, loyalty and identity, has moved to a fully professional and national competition that in 2001 saw the AFL generate a record $116.6 million in revenue (Gough, 2002). Nadel (2000, p. 218) has observed the paradox between the game’s roots and the recent strategies of its administrators, “the strategic development of the competition has oriented towards television, sponsorship, business supporters (see Colonial Stadium) and away from the traditional supporter for over two decades.” The relationship between Football and government has varied from time to time and from State to State. However, two factors have had a relatively consistent impact on the relationship between government and Football. Firstly, the game at the elite level is largely self-supporting, that is, it is capable of generating sufficient revenues from the market. This factor should reduce Football’s need to seek or rely on government funding relative to other sports. Secondly, Football is not an
international sport and as a result it does not attract funding for the same reasons as sports played at an international level such as Olympic sports.

A number of authors such as Jobling (1998), Phillips (1995), Houlihan (1991 & 1997) and Cashman (1995) have noted the relatively late arrival of sport's related academic research. Football has tended to follow this general trend, if anything it has been inclined to attract even less academic attention. The academic treatment of Football is generally acknowledged as commencing with Leonie Sandercock and Ian Turner's *Up Where Cazaly? The Great Australian Game* (1981). This book was followed by Stewart's *The Australian Football Business: A Spectator's Guide to the VFL* (1983) and together they laid the foundation for a series of other works in the 1990's. The impact of ever growing commercialisation on Football's traditions has proved to be an enduring theme. Stewart and his co-editor Rob Hess were to produce the more comprehensive and historically focused *More Than A Game*, which was published in 1998. This book has the benefit of being written after the national expansion of the VFL, which became the AFL in 1990. Of particular interest are Dave Nadel's chapters *Colour, Corporations and Commissioners 1976-1985* and *The League Goes National 1986-1997*. When combined with Gary Linnell's *Football Ltd: The Inside Story of the AFL*, the reader is able to obtain a detailed account of the entrepreneurial inspired ructions that characterised the VFL throughout the 1980's.

Of great importance were the direct ramifications for Western Australian Football, including the significant impact on the financial well being of the WAFL clubs arising from the major reduction in the VFL club's capacity to offer player transfer fees, which were a significant portion of the WAFL club's income (Mitchell, 1983). The VFL's financial problems also prompted the entry of the WCE into the VFL in 1987. This was to drastically and permanently alter the WAFL competition and provided the momentum that was to take the already cash strapped WAFL down the road to financial collapse (Linnell, 1995; Nadel, 1998).

Just as the more powerful and wealthier Federal Government has come to dominate the public policy settings in the Australian system of government, so too did the VFL/AFL come to dominate Australia's 'federal' football system. A point more colourfully
depicted by Linnell (1995, p. 245) when he observed, "... when the VFL sneezed, Western Australian football came down with pneumonia." As is demonstrated above, it is impossible to gain an understanding of developments in the policy environment for Western Australian Football in the 1980's without having regard to what had transpired in the VFL.

**WESTERN AUSTRALIAN FOOTBALL**

Football in Western Australia has its own rich traditions. According to Blainey (1990, p. 80) the first game of Football was played in 1868 in the grounds of the Bishop's Collegiate School by the visiting 14th Regiment and by the 1880s Football had succeeded rugby as the dominant football code. The Western Australian Football Association was formed in 1885 and became the Western Australian Football League in 1908. Most of the clubs participating the current WAFL competition have been in existence for over one hundred years. Despite Western Australia's own rich Football traditions, the great majority of Football's academic works have emanated from Victoria. This is not surprising, given the VFL's historical roots and long standing status as Australia's premier competition. A review of the literature reveals that similar works based on Western Australian Football are comparatively scarce, notwithstanding the contributions of those who have documented the histories of various leagues and clubs such as Christian (1985 & 1988), Spillman (1998-2000), Lee (1998) and Casey (1995). However, these works have in the main been written from a narrative viewpoint and have not sought to offer an overall perspective on the governance of the game. For the greater part they are detailed histories of individual Football clubs and players.

A major change occurred in the governance of Western Australian Football in 1989 when the Western Australian Football Commission ('WAFC' or 'the Commission') was established to oversee all aspects of the sport in Western Australia1. It is the review of this body and its relationship with the State Government that forms the basis of this study. The period since the formation of the WAFC, with the exception of Atwell,

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1 A detailed account of the establishment of the Commission is contained in Chapter Two.
Scott & Williams (1993) and Crawford (2001), remains unsubjected to external and systematic critical review. The Labor Opposition in the lead up to the 2001 State election promised a public inquiry into Western Australian Football (West Australian Labor Party - Sport and Recreation Policy, 2000). However, since obtaining government no inquiry has been conducted.

Even the reviews conducted by Atwell et al. (which was a report to the Minister for Sport and Recreation) and Crawford were primarily concerned with the Commission's structural and constitutional arrangements, rather than attempts to answer broader questions about the quality of the Commission's governance. While there is a clear relationship between how a body is constituted and the policy formulation process (i.e. an appropriate structure maximises the possibility of obtaining effective outcomes), neither report explicitly answers the question of whether the Commission has done the job it was intended to do, according to its range of objectives and against the background in which it was established. Crawford's report in particular was seen as the most important external review of the Commission since its inception. However, in many respects it leaves gaps in relation to some of the major questions about the Commission's performance. Crawford himself raises such issues when he posed the following:

 Whilst acknowledging the need for a strong independent Commission such as that which was created to ensure football interests are protected and advanced, there is a need for the Commission to be accountable for its stewardship. This raises the question of to whom is accountability owed – government, the public, or the constituent parties involved in football throughout the state [emphasis added]? The question is addressed by recommending changes in the way Commissioners are elected, by giving those involved in football a greater say in those elections (2001, pp. 3-4).

Crawford's view that the accountability question is best answered by the method of election of office bearers may be adequate in the context of a constitutional review conducted under terms of reference agreed with the Commission, but is by no means an answer to the broader question. However, it would be unfair to portray Crawford as totally non-judgemental about the overall performance of the Commission. He states

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2 It is questionable as to whether Crawford's report is truly an external review (though conducted independently) in the sense that it was commissioned by the WAFC under its terms of reference.
that the Commission (2001, p. 1) "... is seen to have been successful in fulfilling the goals and objectives that led to the formation of the Commission, being the stabilising and financial restructuring of Football in Western Australia." Clearly, financial stability was the number one goal and the primary driver behind the establishment of the Commission. However, it is worth noting that the first object of the Commission according to its Constitution amended on 16 June, 1989 (pp. 3-7), is "to promote, develop, control, manage and encourage football matches and competitions in and out of WA with the aim of maintaining the West Australian League as an elite and successful competition." The second object is "to provide guidance, planning, control and leadership to the football industry and for the benefit of the public." Against the background of these objectives, any overall critical review of the performance of the Commission should take a broader view than financial stability alone.

Notwithstanding the efforts of Atwell et al. and Crawford, by far the most prolific reviewer of the policy direction of Western Australian Football has been the Commission itself, with a series of major reports, including Tannock (1992 & 1995), Gloede (1994), Fong (2000) and McAullay (2001). Tannock, Fong and Gloede were primarily concerned with what has remained as the Commission's most persistent challenge – how the WAFL (which was called Westar Rules between 1997 and 2000) should be structured, its appropriate place in the Western Australian Football market place and its role in the player development pathway? The reports prepared for the Commission should not be subject to criticism for failing to deal with issues outside their intended scope and it should be emphasised that they were predominantly prepared as internal Commission documents for the Football industry. Clearly, the Commission has sought to regularly review its direction and this would be expected of an organisation with the Commission's responsibilities.

Furthermore, it is worth noting that from time to time the Commission has been placed under significant scrutiny by the media. The West Australian newspaper in particular has provided significant coverage of Football governance issues through sports

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1 These two objectives are considered to be the most suitable basis on which to evaluate the Commission's performance. The 1997 WAFCA Annual Report contains a more recently developed mission statement, principal objectives and divisional goals and achievements. While offering value to this study, these are considered to be of lesser significance than those contained in the Constitution.
journalists such as Mark Duffield, John McGrath, and Bevan Eakins. Without reviewing the contents and quality of each of the numerous articles produced by these writers, there is a need to provide an overall comment on the shortcomings of relying on media reports as an effective means of external review of the totality of the Commission’s performance. Again, as with the Commission’s own reports, the deficiencies arise largely from the purpose and perspective from which the literature is produced. Newspaper reports are intended to convey a story, attract interest, gather comment and offer opinions. Such reports do not offer a comprehensive review over a period of time and often fail to evaluate the subject of the report against any stated criteria or perspective. They provide useful and informative snapshots, but they do not satisfy the rigorous and systematic approach required of academic inquiry.

It remains the case that apart from periodic interjections by those in the political sphere the literature reveals an absence of a critical public policy based review of the Commission’s performance. This lack of systematic external review has occurred despite a period of substantial change in Western Australian Football. Clearly, the Commission has sought to evaluate its own direction, but self-analysis is a poor substitute if legitimate public interest issues exist. The core question is whether the Commission is (or should be) in any substantial sense publicly accountable? If the Commission is viewed as a body which is essentially nothing more than a private business owner (it is the owner and licence holder of two large businesses – the WCE and FFC) then there is a very marginal case to argue that the Commission should be in any sense a publicly accountable institution. It is of course, in a narrow sense accountable to its constituents – members of the Football industry, but is not in any formal way responsible to the Minister for Sport (or if it were a statutory authority to the Parliament). However, such a narrow view ignores several key factors that provide a basis for arguing that a legitimate public interest in the Commission’s performance does exist. These are:

- The Commission was established with assistance from public funds;
- The Government was heavily influential in the development of the Commission’s constitution and membership;
• The Commission continues to receive substantial ongoing support from taxpayers through the contribution of funds to areas such as the Football Development Trust and the redevelopment of Subiaco Oval;

• The Commission's first objective calls upon it to maintain the elite status of a competition (the WAFL) that has a long tradition and strong attachment to the Western Australian community. Its second objective requires it to govern football for the public benefit;

• Football has achieved and maintained its status because of public support. Without the interest, participation and expenditure of the public, Football would cease to exist as we have come to know it; and

• Football extends far wider and deeper into the community than the elite AFL competition and the WAFL. For the greater part it is a sport that takes place in suburbs and country towns. It covers hundreds of senior and junior clubs, their players and volunteers. According to Fong (2000, p.4), "we cannot over emphasise the strong links that football creates with all facets within society." Football is a major part of the Western Australian community. Decisions by the Commission, therefore, can have wide ranging ramifications that go beyond the mere conduct of the game.

For the reasons stated above, the Commission is a social institution worthy of scholarly investigation and the Western Australian community is entitled to ask about how the Commission has performed in relation to its objectives and its broader public obligations.

**Problem/Question/Purpose**

Analysis of government decision-making is a critical component of the Australian political system, given that political institutions have a significant influence on the things we share and value (Capling, Considine & Crozier, 1998, p. 1). Decisions regarding the allocation of resources in society are a reflection of the competition between ideas, interests and ideologies that comprise our political culture (Bridgman & Davis 2000). In simple terms, what governments choose to do or not to do forms an important part of the society we live in. According to Boreham, Stokes & Hall (2000,
The critical analysis of Australian politics requires attention to be given to at least three areas:

- The political ideas and discourse used in advocating or resisting a course of political action;
- The institutions (public or private) or organisational means through which such ideas and values are pursued; and
- The policies by which such institutions are intended to operate and bring government’s goals to fruition.

The justification for this study revolves around the requirement that critical analysis of the type described above is an essential part of understanding the political system. The decision by the State Government to rescue Football in Western Australia and its insistence upon certain conditions being attached to that rescue has had significant implications for a large part of the community. Despite Football’s significance in Western Australian culture, there has been an absence of systematic evaluation of the policy making institution established with the support of the government – the WAFC. Even though the Commission has no formal statutory relationship with government there are strong grounds on which to justify that there is a legitimate public interest in the Commission’s performance. The public interest basis of the State Government’s contribution to Western Australian Football has been acknowledged by the Commission. The Commission’s Chief Executive Officer, Jeff Ovens, stated the following the WAFC’s 2000 Annual Report:

The contribution made by the State Government, not only towards the support of Subiaco Oval redevelopment ($1.5 million p.a. for 20 years) but also in respect of junior development and country football, is much appreciated. It would be easy to take Government support for granted in respect of these matters but we know that its support is given on the basis of making a meaningful contribution to the quality of life of all Western Australians and in this case through one of the most popular sports available (WAFC, 2000, p.7).

The following excerpt from a statement made by the then leader of the Opposition, now Premier, Geoff Gallop in Parliament on the 15 June 2000, gives an indication of the potential issues:
We all need to acknowledge that football in Western Australia is at the crossroads.... Like many other modern institutions, our football authorities have put moneymaking ahead of people and their beliefs. They have forgotten the difference between corporate support and corporate control of football. Football is a people’s game – our national game. It needs more than just spectators; it needs commitment.... We need a major review of WA football that will look at, among other things, player development, the Westar competition, community based football generally and the future of the Eagles and Dockers (WAPD, 15 June 2000, p.7705).

Since attaining government there has been no major public review. The aim of this study is to attempt to answer some of the questions posed by the Premier by delivering a public policy based evaluation of the Commission’s performance. It is important to adopt such a frame of reference to avoid the political opportunism, nearsightedness and interest promotion that has characterised much of the public comment on the Commission’s performance. The study is based on the following proposed research questions:

1. Has the Commission succeeded in fulfilling the major policy objectives for which it was established? Namely:
   - The return to financial stability of the Western Australian Football system; and
   - The transferral of control over Football from the WAFL clubs to an independent body.

2. Has the Commission met its primary objectives (as defined in its Constitution – refer to page 10) regarding the governance of Football in Western Australia?

3. Has government support for the Commission served the public interest?  

**METHODOLOGY**

This is an exploratory descriptive case study, which utilises qualitative research methods. Rist (2000, pp. 1001-1017) discusses the use of qualitative research to

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4 What constitutes the ‘public interest’ is contestable. The use of the term here is consistent with that proposed by Ryan, Parker & Hutchings (1999, p.298). “The public interest is associated with the interests of the community as a whole including social cohesion and provision of public amenities and cultural facilities.”
evaluate policy accountability, impacts and outcomes and his comments go to the very nature of this study.

When a program reaches the stage that it is appropriate to discuss and assess impacts, qualitative research provides a window on the program that is simply not available in any other way. Qualitative research allows for the study of both anticipated and unanticipated outcomes, changes in understandings and perceptions as a result of efforts of the program or policy ... and the strengths and weaknesses of the administrative/organizational structure that was used to operationalize the program (2000, p.1009).

It is acknowledged that case study is not a methodological choice but rather a choice about what is to be studied. Punch (1998, p. 150) describes the case study approach as follows:

The basic idea is that one small case (or perhaps a small number of cases) will be studied in detail, using whatever methods seem appropriate. While there may be a variety of specific purposes and research questions, the general objective is to develop as full an understanding of that case as possible.

Grigsby (2002, pp. 16-18) offers a discussion of the case study approach as a method of thinking scientifically about politics. According to Grigsby, case studies have a number of benefits over other research approaches, the major advantage being the ability to provide a thoroughly in-depth analysis and provide rich detail in relation to the subject. Despite the limitations of non-generalisability and time-bound limitations, Grigsby concludes that case studies can ‘provide fascinating information’. The purpose of this study is to provide such detail in relation to the WAFSC.

The study relies upon documentation as its chief source of data. Punch (1998, p. 190) recognises the relevance of documentary data:

Documents, both historical and contemporary, are a rich source of data for social research. A distinguishing feature of our society may well be the vast array of ‘documentary evidence’ which is routinely compiled and retained, yet much of this is neglected by researchers, perhaps because the collection of other sorts of social data has become more fashionable.
The primary source of documentation is the Commission itself, which has produced a number of important policy reviews in the form of major reports. These documents, in combination with those produced by the State Government (including *Hansard* records), provide the basis of the primary sources. All significant reports produced by the Commission up to and including the year 2001 have been analysed in this study. In addition, a number of secondary sources, such as AFL publications, books, journal articles, government reports and newspaper articles were also reviewed and analysed. The documentation was analysed according to its relationship with the policy phases of the Commission’s existence and its objectives. Many of the individuals associated with the writing of the key Commission documents analysed in this study were available for interview. This helped to overcome the issue raised by Hodder (2000, pp. 703-714) where he describes the difficulties in interpreting written texts that are separated in time and space from the authors.

Semi-structured interviews (see Appendix One for the schedule of interviews and Appendix Two for sample interview questions) are employed to add additional information, fill gaps in knowledge and provide an additional perspective to the documentary evidence. For a discussion of utilising interviews for this and related purposes see Fontana & Frey (2000), Silverman (2000), and Punch (1998 & 2000). This study utilises the principles underlying Denzin’s triangulation framework, which provides for the checking of documentary sources to reduce the likelihood of misinterpretation. McDonald and Tipton (cited in Punch, 1998, p. 191) stress the importance of “checking from more than one angle” in documentary research and that “nothing can be taken for granted”. To be considered for inclusion in interviews, potential subjects must have had a close association with the establishment of the Commission, have been or are involved in its operation at a senior level, or have had a senior involvement in West Australian Football.

There is a need to provide additional commentary on the public policy methodology utilised in this study. This is somewhat problematic as the definition of public policy as a specific field of inquiry is elusive. This has been noted by a number of authors (Beresford, 2000; Bridgman & Davis, 2000; Colebatch, 2002; Woodward, Parkin & Summers, 1997; Fenna, 1998). According to Beresford (2000, p. 3), “at its simplest
level, policy is all the things that governments choose to do and not to do.” According to Fenna (1998, p. 3) public policy is about what governments do, why and with what consequences. Woodward, Parkin & Summers (1997, p.415) state, “the expression public policy is often used as a general term denoting the purpose, substance and effect of governmental action.” Grigsby (2002, p. 10) describes public policy as a sub-field in political science that is concerned with “studying how laws, regulations, and other polices are formulated, implemented, and evaluated.” The public policy methodology utilised in this study is simply asking the question as to whether the policy aims (stated or otherwise) and objectives of the Western Australian State Government and the WAFC have been met. It aims to analyse the long term impact of a government policy decision by evaluating the performance of an institution that is both a product of that decision and a policy making institution in its own right. This methodology is described by Boreham, Stokes & Hall (2000, p.12) as internal critique, that is, it involves an analysis of a policy and an institution against the “criteria, values or assumptions that they would accept as applicable or valid”. Typical questions that arise from such an approach are:

- What did governments (or any institution, agency or actor) plan to do, and did they achieve their goals?
- What did governments (or any institution, agency or actor) say they had done, and did they do it?

These types of questions closely resemble those on which this study is based. This method accepts the stated policy goals and objectives of the research subject and seeks to locate data that will either support or question whether these have been achieved. The focus on objectives is consistent with one of Colebatch’s assumptions about social order and the idea of policy. According to Colebatch (2002, p.8):

The first assumption is *instrumentality*: that organization in general, and public organization in particular, is to be understood as a device for the pursuit of particular purposes. We understand an organization by asking ‘what are its objectives?’, and a successful organization is one which achieves its objectives.
This study does not attempt analysis of the kind that Boreham, Stokes & Hall (2000, p. 13) categorise as ‘external critique’. "External critique is driven by the critic’s attachment to criteria, values or assumptions that are largely external to, or independent of the topic of study or the ‘object’ of the critique." This study does not evaluate the Commission by comparing it to an ‘ideal’ set of criteria based on how such a body should conduct its affairs. Although there is arguably a great deal of merit to such an approach and the development of such criteria would form a useful study in its own right, such an approach is beyond the resource and time limitations of this study. The temptation to strictly utilise a ‘model of good government’ such as those proposed by Beresford (2000) and Crawford (1996) as a basis for evaluating the Commission’s performance has therefore been resisted for this study, with the acknowledgment that their application is worthy of further future investigation. However, elements of Beresford’s (2000, pp. 22-35) components of good government (political leadership, strong revenue base, the need for preventative approaches, strategic planning and consultation) are utilised in the evaluation of the objectives under review in this study and feature in the findings presented in Chapter Five. In summary, this study is about developing an in depth understanding of a government policy decision — that is, why the Government intervened to rescue Western Australian Football. The substance of those actions — what it did or did not do, and the effect of that policy decision — what have been the consequences of the Western Australian Government’s involvement for both the public interest and the Football industry?

The chapter structure of this thesis has been designed to breakdown the Commission’s existence into distinct periods, consistent with the policy challenges faced by the Commission in those eras. Chapter Two will focus on events directly leading up to the establishment of the Commission, its actual formation and the initial years of its operation up to the point where financial stability of Football in Western Australian had been achieved. Chapter Three will examine a period of consolidation in the Commission’s history and the critical strategic decisions that were taken during this

5 The question of exactly what sort of ‘body’ the Commission is complicates decisions in relation to the criteria or model of governance on which this study should be based. That is, it is not accurately classified under such labels as public, private, not for profit, statutory authority, corporation, board of directors, government or an association. It shares many of the characteristics commonly associated with a number of these organisational classifications.
period. Chapter Four covers the impact of the major decisions described in Chapter Three and details the basis of the growing discontent with the Commission and how this discontent was to ultimately manifest itself. Chapter Five presents the study’s findings.
CHAPTER TWO — BIG MONEY AND FOOTBALL

The decade that was the 1980s is often remembered for the emergence of high profile entrepreneurs, many of who became household names in Australian society. Individuals such as Alan Bond, Christopher Skase, Lindsay Fox, Bob Ansett and John Elliott not only shared notoriety for their business ventures (and later, in some cases their significant losses) but also were prominently involved with Football. According to Nadel (1998, p.220) “the values of the 1980s could also be seen in the changing organisation of football. Football executives spoke the language of marketing and corporate management, as did the innumerable reports they wrote or commissioned.”

The entrepreneurial business culture of the 1980s was to further accelerate the commercialisation and corporatisation of the game that had emerged in the VFL in the 1970s. The direct involvement of corporate identities in Football can be seen as both a cause and result of the changes that were taking place in Australia’s sporting market place. The pressures caused by rapid cost escalation and the ever-increasing need to produce more revenue, has created a cycle that has proved to be an enduring feature of elite Football. The desire by the VFL/AFL to operate a competition based on a level playing field (that is, the entrenched wealthiest clubs don’t always win the premiership) has been a constant struggle.

THE RACE TO BUY THE PREMIERSHIP

In 1972, the VFL decided to grant all players that had accumulated ten years service a free transfer. This short lived rule allowed such players to place themselves on the ‘open’ transfer market and invite bids from other clubs for their services. The result was an unprecedented bidding war that led to a number of experienced players shifting clubs (Ross, 1996, p. 260). Realising the potential for such a system to lead to an unsustainable cost escalation, the VFL quickly moved to change the rules, but not before the North Melbourne Football Club had pounced. North Melbourne administrators Ron Joseph and Allen Aylett (a future VFL President) recruited ‘super coach’ Ron Barassi and a host of experienced players from other VFL clubs and talented players interstate. In a short time, North Melbourne has transformed from mediocrity to a premiership team, winning the Grand Final in 1975. A high degree of significance has been attached to North Melbourne’s formula for success. The formula
embraced a new degree of professionalism, based on luring the best players through higher transfer fees and increased match payments to players, together with a move towards creating full-time footballers. To be able to financially sustain their strategy North Melbourne had to significantly grow its revenues and this it did by generating funds from what at that time were non-traditional sources such as business sponsorships and membership services. Between 1968 and 1974, North Melbourne's annual revenues increased from $65,000 to $274,000 and were used to offset the estimated $1 million it cost to win the 1975 premiership (Stewart, 1998, pp. 197-198; Ross, 1996, p.272). Stewart (1998, p. 198) summarises the impact of Melbourne's strategy on the VFL as follows:

This transformation had an impact on other clubs, who could see the results of expanding their revenue base and offering players inflated match payments. But it also meant that clubs with few resources such as Fitzroy and South Melbourne were left further behind in the bidding race for players.

The race to 'buy' premierships was on and so was the cycle of cost escalation that was to take most VFL clubs to the verge of insolvency by the early 1980's. VFL clubs needed to raise funds in order to afford talented players, players realising their new found bargaining power played clubs against one another to inflate their worth and clubs were increasingly forced to seek assistance from the corporate world in order to generate sufficient funds. In 1978, the average annual earnings of a VFL player were $6,000; by 1981 this had doubled to $12,000 (Stewart, 1983, p.129). This cycle produced a number of direct effects on the VFL, and as will be examined later, had a major impact on other competitions, including the WAFL. Notable direct effects on the VFL were the entry of the entrepreneurs (the corporate white knights) and a rapid exacerbation of the already existing gulf between the haves and have-nots of the VFL clubs. As Stewart (1998, p.198) has observed above, not all clubs had the same ability to access the additional resources now needed to field a competitive team. However, this did not necessarily stop those who could not do so from trying and as a consequence there was a massive increase in the debt level of VFL clubs. The 1984 McKinsey Report, commissioned by the VFL, revealed that the VFL's operating expenses were exceeding operating revenues by nearly $2 million per annum and that six of the twelve clubs were technically bankrupt (Nadel, 1998, p.220).
By 1984 it had become clear to the VFL that the competition was unsustainable in its current form and that major change was required. The question confronting VFL administrators was what form the change should take. Amid these considerations an ideological battle was taking place between the leaders of the have and have-nots VFL clubs. The have, embodied in the person of Carlton President John Elliot, were growing tired of competing in a 'socialist' competition, in which the wealthiest clubs were both subsidising and being held back by the poorer clubs. Elliott's favoured 'market' solution was to open up the VFL to interstate competition and jettison the poorer VFL clubs - let the strong survive. The have-nots argued that their presence was essential to continuing the traditions and fabric of the game and that the VFL ought to take measures to de-escalate the cost increases and establish a more even basis for the competition. It had become obvious that the control of the game could not remain in the hands of those who represented their individual football clubs.

In October 1984, the second report of the VFL Task Force formed in the wake of the McKinsey Report, recommended among other things, that “.... a five member commission be set up to independently run the game and free up conflict of interest” (Linnell, 1998, p. 83). The idea of a commission type structure was not new, for example, the 1983 Mitchell Report on the WAFL competition had recommended that a similar structure be established to govern Western Australian Football. The newly formed VFL Commission set about establishing a strategy for the future structure of the competition, which revolved around three core components. Firstly, an expansion of the competition to introduce interstate teams, the initial conditions of which gave an indication that the emphasis was on raising revenue rather than a commitment to a truly national competition. This was to change over time. Secondly, to implement measures to reign in costs and reduce inequities amongst VFL clubs. These included the introduction of a salary cap, a national draft and limits on player lists (then 50, now 35). The third component of the strategy was to rationalise the number of Melbourne based clubs by offering incentives for teams to merge and encouraging the sharing of facilities, such as football grounds (Nadel, 2000, pp. 132-138). The argument over what should be the appropriate number of AFL clubs located in Melbourne continues to this day. However, apart from the relocation of South Melbourne to Sydney in 1982 and the merger of the Brisbane Bears and Fitzroy in 1996, the Melbourne based clubs have
proved to be remarkably resilient (as have their WAFL equivalents), despite the fact that there have been a number of 'very near things' in relation to mergers and bankruptcy.

TOWARDS A 'NATIONAL' COMPETITION

The VFL Commission's decision to admit two interstate teams into the competition for the 1987 season was to have a profound impact on the VFL and WAFL. The price of admission was an up front licence fee of $4 million, paid by each of the new teams - the West Coast Eagles from Western Australia and the Brisbane Bears from Queensland. While there has been a great deal of speculation, typically based upon parochial lines, about who saved whom by expanding the VFL competition, any objective review of the status of both the VFL and WAFL competitions reveals that such an expansion was inevitable if both competitions were to remain viable. In particular, the typically Western Australian claim that the WAFL was in 'good shape' prior to the introduction of the WCE is highly dubious at best.

As has already been mentioned the WAFL competition has its own rich traditions and has been responsible for producing some of Football's greatest players. At various times it could lay claim to being the premier Football state in Australia, such as in 1977 when in the first State of Origin game the Western Australian team convincingly beat the Victorian team at Subiaco Oval. Although it is notoriously difficult to resolve arguments about the relative qualities of competitions and players across various eras, there is a strong argument that the WAFL was experiencing one of its peaks in the late 1970s and early 1980's. Mitchell (1983, p.1) quotes a Victorian newspaper's assessment that ranked the top 40 players in the VFL in the year 1983 - 24 of which were Western Australians. It so happened that this peak coincided with the 'open cheque book' approach to recruitment taking place in the VFL. As a consequence there was a rapid explosion in the transfer fees paid for Western Australian players and WAFL clubs reaped the benefits, even if it meant the best players from the WAFL competition were being siphoned off every year to the VFL. For example, Stewart (1983) estimated that when Gary Sidebottom transferred from his WAFL club Swan Districts to VFL Club St Kilda in 1977 the transfer fee was $40,000. Five years later when Subiaco player Gary Buckenara transferred to Hawthorn, the fee was $120,000.
The move to the VFL was the accepted career path and the majority of Western Australia's talented players were willing to pursue such opportunities to play in the highest standard competition in Australia and receive the higher rewards on offer for doing so.

The downside to the rapid increase in transfer fees being paid by VFL clubs to WAFL clubs was the ever growing reliance by WAFL clubs on such fees. Mitchell (1983) made the following observation, "operating deficits of the 8 league clubs as at 31 October 1982 was $318,747 and at 31 October 1983 was $251,603 ... without transfer fees the 1983 loss would have been $1,543,033. This situation is set to continue." If transfer fees were removed from the incomes of WAFL clubs in the period 1978-1983 the operating loss for that period would have been $3,834,000. However, it was not only the masking effect of the VFL's inflated transfer fees that was flowing on to Western Australian Football. The increased player payments in the VFL also raised payments to WAFL players by placing pressure on WAFL club administrators to retain players. According to Mitchell (1983) the VFL's 'lack of discipline' was having the same effects on the overall health of the WAFL as it was in the VFL itself, albeit on a lesser scale. The plight of the WAFL in 1983 led to an approach to the State Government, then led by Premier Brian Burke, for financial assistance. Mitchell's inquiry was conducted in response to this request and it concluded that three fundamental issues needed to be addressed:

• Structural changes were needed in the direction and administration of Football;
• There needed to be a rationalisation of grounds and increased facility sharing among WAFL clubs; and
• Amendments should be made to liquor and gaming laws in order to permit clubs to raise greater revenues from their licenced facilities.

The first two recommendations almost mirror those that would be made in relation to the VFL competition the following year. A major change to result from the Mitchell
Report was the establishment of a new Independent Board of the WAFL\(^1\). The Board comprised Roy Annear, Peter Fogarty, Richard Colless, Tom Stannage and Dwane Buckland. The President of the WAFL, Vince Yovich and Bill Mitchell were also added to the Board which was established in February 1984 (Nadel, 2000, pp. 163-170). Despite such changes, the irresistible forces in the Football market place meant that a far more radical transformation of Western Australian Football would be required to secure its financial future. When the VFL’s capacity to pay high transfer fees ceased in the mid-1980s and in the face of declining attendances in its own league the WAFL was left with little option but to apply for licence to enter the expanded VFL (WAFL, 1988, pp. 6-7). To not do so risked having to endure an intolerable waiting period before accessing the benefits available from participating in the elite competition. It also risked the prospect of allowing other potential licence applicants that were not under the control of the WAFL to gain entry.

The strategy of securing a place for a Western Australian team in a national competition was pursued by the WAFL throughout the mid-1980s. By 1986 the VFL had come to the view that a national expansion was in its own best interest and although the proposed conditions for the competition did not represent the WAFL’s preferred model, the combination of circumstances meant the WAFL had very little choice but to accept entry on the VFL’s terms (Nadel, 2000, pp. 174-180; WAFL, 1988, p. 8). The entry of the WCE into the VFL in 1987 resulted in a permanent change to the WAFL competition. According to the WAFL (1988, p. 16) “the impact of VFL football in Western Australia as a result of the advent of the Eagles has been significant and greatest on the WAFL and its member clubs, more so than on other elements of the football industry in this State.” After a hundred years of being the elite Football competition in Western Australia, the WAFL was suddenly confined to a lesser position. A point recognised in the Fong Report (2000, p.4), “there is also a common view that the Westar Competition will never recover its halcyon days prior to the introduction of the AFL national competition.” Even though the WAFL clubs

\(^1\) The Board did not prove to be ‘independent’ enough for the State Government in 1988/89 who were still firmly convinced that an appropriate structure did not exist for the proper governance of Western Australian Football (Edwards, 1 July 2002) – refer to changes to the WAFL Inc. Constitution later in this chapter. The WAFL clubs had the power to nominate, vote and replace Directors on the Independent Board (WAFL, 1988, p. 39) (Tannock, 2 September 2002).
recognised the potential for such a negative impact from the entry of the WCE into the national competition there was also an appreciation of the ramifications of not joining the expanded VFL competition.

By agreeing to apply for a licence from the VFL, the WAFL clubs were endeavouring to achieve two major outcomes; firstly to prevent the player drain to the east and secondly to benefit from the expected royalties that the WCE would generate (Nadel, 1998, p. 230; Linnell, 1995, p.248). While a two-year moratorium on recruitment of Western Australian players and subsequent draft concessions granted to the WCE may have seen the first outcome secured in the short term, unfortunately for the WAFL the anticipated revenues from the WCE did not materialise. The WAFL had secured access to a national competition that was not based on its preferred model. Instead the WAFL entered an expanded VFL (which was run as such) ahead of other potential rivals and the South Australians who would not enter at the time because of the VFL’s conditions. According to the WAFL's 1988 Review of Future Structural Needs of Western Australian Football the Western Australian Football system was ill prepared as a result of the haste to enter the expanded VFL.

The WAFL's decision to join the expanded VFL competition in 1987, whilst considered reasonable and appropriate at the time by the majority of the relevant WAFL decision makers, was probably premature in a strategic sense by one year or possibly longer. The opportunity by virtue of a joint abstention of the WAFL and the SANFL from entering the VFL competition in 1987 to establish if the VFL would contract the number of Melbourne based clubs and modify certain of its requirements for entry to its expanded competition was lost. The cause of a more acceptably structured national competition was put back at least two years (WAFL, 1988, p. 8).

In 1986 the WAFL Inc. and its clubs were still burdened by excessive debt and revenues were not keeping pace with rising costs - little had changed since the Mitchell Report in 1983. Under such circumstances the WAFL was faced with the problem of how to raise an additional $4 million for the WCE's licence fee and at the same time convince concerned WAFL clubs that royalties generated by the WCE would offset any reduction in revenues. The strategy (with little option) was to essentially place all the eggs in one basket – the WCE. Capital to fund the licence fee and establishment costs of the WCE was to be raised via the public float of a company to be known as Indian Pacific
Limited. IPL would be granted a sub-licence by the WAFL Inc., in return for which IPL would make royalty payments to the WAFL Inc. The responsibilities placed on IPL were by any realistic assessment highly onerous. IPL had to undertake a successful capital subscription, pay $4 million up front to assist in the stabilisation of the VFL, assemble and fund a new Football team (which realistically was an additional $10 million), deal with a set of rules imposed by a VFL fearful of the WCE’s impact on the competition, and to drag the WAFL Inc. and its clubs out of debt. In addition to meeting the above challenges, IPL also faced the extra burden of having to achieve these goals within a very short time frame. This perhaps unrealistically optimistic strategy was to unravel almost from the outset. The float of IPL was significantly under subscribed and as a result instead of being a ‘mums and dads’ company it relied on five individual investors, each of who contributed $1 million each (Nadel, 1998, p. 230). The share holding concentration was to prove highly influential in future negotiations by the WAFC to buy back all shares in IPL.

Despite the relative on field success of the WCE in 1987 and 1988 (the WCE made the final five in 1988 which was a remarkable achievement under the circumstances), the overall revenue available to the WAFL Inc. actually declined -- in other words the revenue pie did not grow sufficiently. A report prepared by the WAFL Inc. in 1988 titled *Future For Football in WA* concluded that the WCE had in fact caused the WAFL to make more losses due to lower revenues, reduced television coverage and higher than expected establishment costs incurred by IPL. IPL’s royalties were simply not sufficient to allow the WAFL Inc. to operate on a profitable basis, especially given the pre-existing level of indebtedness faced by the WAFL Inc. and its clubs (WAFL, 1988, p. 2). The same report concluded that Football in Western Australia experienced a $3.2 million loss in 1987 and even after the offsetting effect of royalties and interest, the loss still amounted to $1.9 million. The budgeted loss for 1988 was $4.5 million (WAFL, 1988, p.11). The WAFL Inc. had reached the point of no return, the strategy of a WCE driven rescue had not eventuated and had in fact further exacerbated the situation. Realising that it was no longer in a position to facilitate its own recovery, the WAFL Inc. turned to a long time supporter and the only body which was in a position to render assistance – the Western Australian Government.
THE ESTABLISHMENT OF THE COMMISSION

There has been a lengthy record of Government support for Football in Western Australia and the WAFL's request for additional assistance in 1988/89 should be placed in this context. An indication of the level of financial support prior to the establishment of the Commission is contained in response to a question in the Legislative Council in October 1989. The Minister for Sport and Recreation, Graham Edwards revealed that the State Government had contributed $3.45 million to the WAFL Inc. over the five year period 1984/85 – 1988/89 (WAPD, 31 October 1989, pp. 4064-4066). The level of support was also detailed in a report prepared by Exchequer Corporation Limited for Cabinet consideration in 1988. It identified that the Government was supporting the WAFL Inc. with a treasurer's letter of surety to the Rural & Industry Bank (now the privately owned Bankwest, but then 100 percent publicly owned) and the Town & Country Building Society for $3.25 million, payment of all capital, interest and operating costs of Subiaco Oval ($450,000 per annum) and $80,000 per annum to the Football Development Trust. It should also be emphasised that because of the Government's exposure, via the Rural & Industry Bank (the R & I Bank), it was also a major creditor faced with the proposition of not being able to recover a sizeable debt.

The Government's long term status as the major lender to Western Australian Football gave it even greater grounds for playing a prominent role in any restructure (Nadel, 2000, p. 163). The WAFL Inc. and the WAFL clubs as at the 31 October 1988 had a total debt of $8,501,0002 of which $6,372,0003 was owed to the R & I Bank (Mullin, 1989, p.2). According to Mullin (1989, p.4):

> Since the R & I Bank potentially has the greatest exposure to loss if a viable solution cannot be found to the financial problems of football in Western Australia, it seems appropriate that some form of funding be sought from Government, on a basis that is financially feasible.

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2 Peter Metropolis (President of WAFL club Subiaco) has argued that most of this debt had been created by the WCE (IPL) and not the WAFL clubs (Metropolis, 12 August 2002). In any event it was a debt the Western Australian Football system had to bear.

3 According to a former Commission member, interest on the WAFL Inc.'s debt was accruing at 24% with no prospect of repaying principal or interest (Ovens, July 3 2002).
The direct and indirect assistance by local and state government to Football in Western Australia of course extends back much further than that detailed above. However, the support in the period immediate prior to the establishment of the Commission provides a context directly applicable to the policy environment at the time of the Government's decision. It is interesting to reflect on the policy environment at that time, given that it was abundantly clear that without increased government assistance Western Australian Football would face ruin. In a very real sense the question was not so much whether government should intervene to rescue Football (it would have been politically suicidal for any Western Australian government to sit back and allow Football in Western Australian to self-destruct) but rather what conditions should be attached before government would commit increased funding?

It is clear through the public record that the chief policy priority for government was to ensure that changes be made to the administrative structure of Football, to ensure that the future use of public funds would occur on a more responsible and accountable basis. The point was made clear in the Parliament by the Minister for Sport and Recreation Graham Edwards:

Members would be aware that earlier this year I withheld approval for further financial assistance to football until it was prepared to make some fundamental changes to its management structure so that it could resolve its problems. That resulted in the formation of the new Western Australian Football Commission. Since its formation the commission has put together a comprehensive strategy to resolve its financial difficulties and out the game on a viable footing (WAPD, 19 September 1989, p. 2186).

Interestingly, the role of government implied in the above response contrasts with a previous response given by the Minister in the Parliament three months earlier in relation to the Government's role in the establishment of the Commission:

It was the WAFL's suggestion that a commission be formed, and talks are continuing in relation to that commission....The people who will be making the decisions are the existing commissioners, the eight club presidents and IPL. I simply want to ensure that as much information as is available is placed before them. The decision is theirs. I will simply be asking them to make a decision as to whether they want Government assistance; if not I am happy to leave them to their own decision making processes. The only reason we got involved was because we were asked to get involved. We
believe in trying to assist what is a fundamental part of our society, and we are happy to do that, although I wish at times that we had not (WAPD, 12 April 1989, pp. 815-816).

It is also interesting to note the sentiment conveyed by the Minster's closing remarks in the above statement. A review of Hansard reveals a peculiar paradox in relation to government involvement with Western Australian Football. On one hand there is the attitude that the Minister for Sport and Recreation should not have to answer questions relating to the WAFC as such matters are outside the Minster's responsibilities. On the other there is the seemingly irresistible urge to become involved in Football matters. The conflict of responsibility and interest are represented in the following remarks from the President of the Legislative Council:

The reason I call the member to order is that I have for many years had difficulty in regard to the asking of questions in connection with the administration of football in Western Australia. Although in the past there may have been reasonable grounds for believing that ministerial involvement may have been effective .... We usually let such questions go because we are all interested in what is happening in the football area and sometimes the Minister has inside information that is of interest to us (WAPD, 12 April 1989, p. 816).

The position of Football in Western Australian culture and the historically close relationship between Football and Western Australian government united as political forces to ensure that the Government would set aside arguments that the market should be left to determine the fate of Western Australian Football. In addition to these factors, which were probably sufficient to sway any Western Australian Government regardless of which party held power, as noted by Nadel, (2000, p. 165) the incumbent Burke Labor Government “had a ‘pro-business’ and interventionist policy.”

While the Government played a significant role in the establishment of the Commission, it is clear from the WAFL Inc.’s and IPL’s own documents that they too accepted that a commission type structure was necessary. The Fong Report (2000, p. 10) confirms the negotiated nature of the eventual solution, “the State Government’s support was conditional on the administration of football in WA being restructured in a manner mutually satisfactory to the football systems and the Government.” Both parties recognised that there needed to be a stronger alignment between the interests of the
WCE and the WAFL and that under the current administrative structure such an outcome could not be achieved. The WAFL Inc. (1988, p.2) recognised that inherent conflicts of interest could not be effectively dealt with in the absence of a "strong independent body to run football." Of particular interest to this study is the WAFL Inc.’s conclusion (1998, p. 9) that the administrative structure was also unsuitable on the grounds that there existed "a lack of accountability to the football public and government. Consequently there is a need to segregate the football policy administration from the administration of football 'the business'.” In April 1989, the WAFL Inc. released a Position Statement in relation the proposed WAFC. It stated:

The formation of an appropriately constituted Commission is a priority for the development of football in this State and it must ensure strict discipline over all clubs whilst at the same time having the confidence of the entire football industry. Its major objective must be to develop all levels of football from juniors through to the Eagles [WCE] under a united umbrella and ensure maximum public support and involvement in the game.

The combination of government imposed conditions and the pragmatic realisation by the Western Australian Football industry that fundamental change was required led to the establishment of Western Australian Football Commission when the WAFL Inc. Constitution was amended on June 16, 1989. The Government provided additional assistance to enable the Commission to be formed and to provide a basis for it to be able to become self-supporting. The assistance included:

- $100,000 for establishment costs;
- An additional $250,000 per year for the Football Development Trust;
- The vesting of Subiaco Oval in hands of the Commission (Subiaco Oval is a Crown Reserve vested in the City of Subiaco. The revestment did not actually proceed. However, in February 1991 the Commission entered into a 99 year lease agreement with the City of Subiaco);
- A five year moratorium on the servicing of debt for the two tier grandstand at Subiaco Oval; and
A government backed guarantee for $2.1 million\(^4\) to provide funds for the Commission to secure the future of Football (WAPD, 19 September 1989, pp. 2186, 2187 & 31 October 1989, p. 4066).

The appointment of initial Commissioners proved to be somewhat troublesome. Following a period that saw the appointment of an interim Commission, an inaugural Commission and a revised Commission, the final appointments were made – Dr Peter Tannock (Chairman), Mr Kevin Edwards and Mr John Fuhrmann (WAFC Annual Report, 1989, p.6). The multiple attempts to finalise the Commission’s composition were related to the need to find candidates acceptable to both the Government and the Football industry (Ovens, 3 July 2002). The newly amended Constitution granted significant powers to the Commission\(^5\). It is important in the context of the evaluation of the Commission to consider the rationale behind the Commission being granted such extensive authority over all aspects of Western Australian Football. Given the WAFL’s extended slide into financial difficulty of the past decade, the Government was not about to commit extra funding without strong reassurance that the WAFL would ‘get its house in order’. According to Edwards (11 July 2002) “the structure of the clubs running Football was akin to putting Christopher Skase in charge of passports.”

The price to be paid for government assistance by the WAFL was a transfer in the control of Football from the WAFL clubs to the Commission. Tannock (2 September 2002) has described this transfer of control as something of “an imposed solution rather than a natural one”, suggesting that the reduction in control by the WAFL was not entirely of their choosing. The Government ensured this transition by insisting upon constitutional arrangements that would grant extensive powers to the new Commission and by exerting influence over the initial appointment of Commissioners. The Government’s efforts to reach agreement on the initial composition of the Commission are expressed in a letter from the Minister for Sport and Recreation to the Chairman of the WAFL Inc. in March 1989. The letter stated, “I must reiterate that I have given careful consideration to the composition of this Commission, whose formation is dependant on Government monies being granted .... It is my view that you should

\(^4\) This guarantee was pivotal to reducing the Commission’s interest expense (Tannock, 2 September 2002).
accept these nominations and that everyone should get behind these five people [the interim Commission announced on 8 November 1988 (WAPD, 16 November 1988, p. 5292) comprised five members, the final Commission was to be comprised by the three members named above] and work to ensure a better future for football in this State."

The time had come for a change in who was running Football in Western Australia and given the relative bargaining position of the parties, the Government carried considerable weight in the negotiations.

THE END OF THE BEGINNING

The Commission’s initial years were dominated by the need to return Western Australian Football to a sound financial basis. Instrumental in this being achieved was the off and on field success of the WCE. Although the earlier reliance on the WCE had proved to be initially problematic, by 1990 matters were beginning to turn in the Commission’s favour. Under a new Victorian coach, Michael Malthouse, the WCE reached the finals in 1990 and eventually finished third at the end of the season. Attendances at WCE games in Perth increased by 30 per cent and the WAFC received royalty income of $789,000 (by 1994, the WCE contribution had risen to $2,251,000). According to the WAFC Chairman (WAFC Annual Report, 1990, p.3) “Football will continue to rely heavily upon the income generated by the West Coast Eagles in this state to enable the fabric of our football system to continue to prosper.”

Interest payments on the high levels of debt inherited by the Commission and costs associated with the settling lease arrangements with IPL and the City of Subiaco in relation to the use of Subiaco Oval prevented the Commission from recording an operating profit in 1990, but all the signs were there that the financial situation was beginning to turn around (WAFC Annual Report, 1990, p.3). In 1991, the Commission (once again mainly due to the performance of the WCE) and 7 out of the 8 WAFL clubs recorded operating profits (WAFC Annual Report, 1991, p.4). It was also the year that

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3 This did not directly affect the WAFI club’s constitutions or assets.
6 Tannock (September 2 2002) described the Commission as “in some ways the receiver/manager for Football in Western Australia.
7 It should be noted that by 1989 the WAFC had via a debt for equity swap effectively secured control of IPL and hence was the majority owner of the WCE. However, it would take until 2000 for the WCE to become a wholly owned entity of the Commission (WAFC Annual Reports, 1989 & 2000).
witnessed the execution of the 99-year lease with the City of Subiaco that the Government had facilitated via legislation in December 1989. The prolonged negotiations to settle arrangements related to ground use and income from Subiaco Oval had finally come to an end and the WCE and the WAFC had finally secured a basis on which to plan for future development.

While there was much to be satisfied with in relation to the Football’s overall financial position, the status of the WAFL competition continued to be of concern. The WAFL clubs were now operating in an environment in which the intensification of interest in the WCE had been accompanied by a reduction in attendances and the standing of the WAFL competition. In 1986, the year prior to the introduction of the WCE, 630,000 people had attended WAFL games, in 1987 that number dropped to approximately 300,000. It was not until 1991 that combined football attendances in Western Australia (WAFL games and WCE home games) exceeded the 1986 total when it reached approximately 625,000 (Tannock, 1995). Interestingly, the total attendances in 1979 were approximately 800,000, a period which corresponded with the peak period in the WAFL described earlier in this paper. The WAFL clubs were now in a position in which they had become heavily reliant on the Commission to distribute income in the form of Coaching and Management Grants. The size of distribution was influenced by the earnings of the Commission, which of course was principally determined by the performance of the WCE (and later the Fremantle Dockers).

The relationship between the WCE and the WAFL had turned full circle. The WAFL had been responsible for the creation of the WCE and now the viability of the WAFL was significantly dependant on the ability of the WCE to direct income to the WAFC. The WAFL’s dependence on the Commission as a source of income was also accompanied by a lack of ability under the WAFC Constitution to influence the membership or policy of the Commission. Prior to the amendment of the WAFC Constitution in 1994, the WAFL clubs, via the President’s Council (the Presidents of the WAFL clubs, elected by their members) could only suggest candidates for election to the Commission. It was the Commission which appointed Commission members and an appointment could only be vetoed by a ¾ majority of clubs (WAFC Constitution, amended 1989, Section 3). The 1989 Constitution also granted the Commission the
right to annually review licences to participate in the WAFL competition and a licence could be removed if ¾ of the Commissioners voted in favour of expulsion. Other fundamental issues such as the relocation of WAFL clubs required a ¾ majority of the WAFL clubs to object to a Commission decision for it not to take effect (WAFC Constitution, amended 1989, Sections 7&9). Despite the extent of its powers the Commission did not use them to reshape the WAFL competition in its early years. However, the changes in the Western Australian Football marketplace made the prospect of further change inevitable. The question was how would it be achieved and what form would it take?

By 1991 the Government's decision to fund a rescue of Football and to negotiate for a powerful and independent Commission to administer the game in Western Australia appeared to have been successful. Within the space of three years the primary goal of stabilising the financial status of Western Australian Football had been achieved without any significant resistance from the Football industry or the public. The decision to assist Football partly reflected the political reality that the Government could not remain idle and allow Football to collapse and that Football had arrived at a position where it could not save itself. It also reflected the historically close partnership between government and Football in Western Australia, a partnership that had resulted in government being the principal lender of money to Football. The decision should also be seen in the context of the position of sport, and in particular Football, in Australian culture. The Minister for Sport and Recreation at the time confirmed his 'strong feeling' that the Government should help Football because of its support for sport in general and the unique place of Football in Australian culture (Edwards, 11 July 2002).

Given these broad and specific social and political parameters, the decision should neither be viewed as complex or politically courageous. However, as 'natural' as it may have seemed for the Government to render assistance, the Government was not in such a hurry to help as to forget the legacy of decades of what it regarded as poor

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8 There was not a total absence of resistance, for example Nadel (2000, p. 208) refers to the activities of the 'Fight For Football Campaign' in the late 1980s. However, this was nothing like the scale of conflict that was to take place in the 2000-2001 period, which is detailed in Chapter Four.
9 Discussed in detail in Chapter One.
administration. It did not want to have to confront the prospect of another assistance package in five years time. The Government’s proposed solution achieved a shift in who was running Football in Western Australia and set in place a Commission with a Constitution that while achieving the Government’s aim of giving the Commission sweeping powers to carry out the changes that those in the Government felt were overdue, did not make it particularly accountable to its immediate constituency, or for that matter to the public, via any formal Ministerial involvement. If the public interest was going to be monitored it would have to be achieved in a way removed from public scrutiny and indirectly through the ongoing funding relationship between government and the Commission.

The issue of finding the appropriate balance between the independence of the Commission and its need to be responsive and accountable to its constituents would not surface in a substantial sense for a number of years. Nevertheless, the roots of the issue are to be found in the circumstances surrounding the establishment of the Commission and the role of the Government in this matter should not be overlooked. However, none of these issues were prominent in 1992. Having secured the immediate future of Football in Western Australia the Commission was in a position to turn its attention to important strategic matters such as the redevelopment of Subiaco Oval, the securing of a licence to admit a second Western Australian based team to the AFL and the restructuring of the WAFL competition. These matters form the basis of the next chapter.
CHAPTER THREE – THE WAY FORWARD

After achieving the initial goal of returning the Western Australian Football industry to financial stability, the Commission was in a position to consider three critical strategic elements of its future. Firstly, the development of a permanent ‘home’ for AFL Football in Western Australia, that is, a venue to house the WCE’s training and administrative facilities and to host AFL games. Secondly, the Commission was keen to pursue changes in the structure and market positioning of the WAFL competition. In particular, the Commission held the view that the traditional location of WAFL teams no longer was appropriate given the changes in the Football market place and the demographic shifts in the Perth metropolitan area. Thirdly, the Commission was promoting the desirability of establishing a second AFL team in Perth. Under the current single team situation there was no AFL game held in Perth every alternate week of the AFL season when the WCE travelled to the eastern states. The Commission was struggling to justify the investment of tens of millions of dollars in a facility that would be vacant every second week of the Football season. The introduction of the WCE has proved to be the vehicle for the self-sustainability of the Football industry, a second team, although clearly unlikely to be as successful, as rapidly, as the WCE, nevertheless offered the potential to grow the ‘Football revenue pie’ even further.

This chapter is the story of these three strategic decisions taken by the Commission. This is not to suggest that the Commission was inactive in other areas of its governance, but these three areas, considerably more than any others, were to shape the direction of the Commission for the next ten years and ultimately provide the basis for much of the criticism that was to subsequently be directed at the Commission. The Commission was also in a position to consider its strategic options due in part to the continued support and financial backing of the Government. As at the end of the Commission’s 1991 financial year its $4.9 million in loans were secured by government

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1 This study does not offer a detailed separate analysis of the Commission’s football development activities, which are in the main carried out via the Football Development Trust. Although this area arguably represents a major component of the Commission’s governance the scope of this thesis does not allow for all elements of the Commission’s activities to be examined in depth. The issue is reviewed as part of the section on the restructuring of the WAFL and is also dealt with in Chapter Five. The recently completed McAullay Report provides a detailed review of the Western Australian Football development pathway.
guarantee and the WAFC had received over $3 million in government funding since its inception (WAPD, 21 October 1992, pp. 5776-5777).

THE REDEVELOPMENT OF SUBIACO OVAL

Subiaco Oval had long been regarded as 'League Headquarters', in addition to being the home of WAFL team the Subiaco Football Club, it had also been the long-term venue for WAFL finals matches and interstate games. However, Football itself did not own or control Subiaco Oval. The implications of this were recognized by the Minster for Sport and Recreation:

I hope members will support me as I feel strongly about this matter. So far as I am concerned, football is something uniquely Australian and is part of our culture and heritage. It is unfortunate that after 104 years of the game it does not have its own asset, either at league level in terms of a headquarters, or at club level. I guess that says something about the management of football over all those years, particularly when one compares that with cricket, which is much better placed (WAPD, 28 September 1989, p. 3033).

As indicated in Chapter Two, the City of Subiaco did not support the vesting of Subiaco Oval to the Commission and there was a protracted period of negotiation between the State Government, the City and the WAFC. The situation was to eventually find a remedy in the reaching of a 99-year lease agreement between the two parties. The Commission agreed to pay a 'peppercorn' rental for the use of the Oval and for all intents and purposes it had importantly, for the first time, secured control over its principal asset. Redevelopment could finally proceed with the confidence that the Commission was now in a position to exert control over its principal assets.

Subiaco Oval's long-term status as the 'Home of Football' in Western Australia meant that it was still the most obvious candidate in the Commission's search for developing an AFL standard venue in Western Australia. According to the Commission (WAFC Annual Report, 1993, p.2), alternative sites were considered, "but after studying all options, it was found none came close to matching Subiaco Oval, given the long and favourable lease the Commission has on the ground, its existing infrastructure and the

2 There were concerns that vesting of Subiaco Oval to the WAFC would represent an erosion of local government rights and control over crown reserves (Fuhrmann, 2 August 2002).
costs associated with developing any alternative venue.” It had become obvious to the Commission that the venue no longer met the standards expected in the AFL competition. According to the Chairman of the Commission:

A highlight of the year’s football [the year 1991] was to see the first AFL final ever played outside Victoria conducted at Subiaco Oval and this event reinforced the need for improved facilities at this venue if the success and following of the game is to continue at current rates (WAFC Annual Report, 1991, p. 3).

While the desirability of new facilities was clearly apparent, the WAFC faced a problem that its predecessor body, WAFL Inc., also had to face in earlier years – how to fund the capital cost of a major redevelopment without significantly impacting on the Football industry and in particular the now highly grant dependent WAFL? Unlike other states, such as South Australia, Football in Western Australia had not taken steps in earlier decades to secure the ownership and develop infrastructure at a time when the game was arguably in a much more advantageous position to do so. In referring to the deficiencies in past planning the WAFL’s 1998 Review of Future Structural Needs of Western Australian Football (p. 8) commented that “the most notable of these is seen to be the failure to acquire a headquarters ground for major level football in this State, similar to Football Park in South Australia.” The Mitchell Report (1983, p. 21) had, as early as 1983, cautioned against proceeding with further redevelopment without having first secured government support and funding commitment. In the Report’s view Subiaco Oval had already been invested in to a point beyond the capacity of Western Australian Football. According to the Report:

It is beyond doubt that the provision of much needed public facilities at Subiaco Oval has created an enormous drain upon the already stretched finances of the League and consequently upon the dividends of all clubs. The cost of the clubs in terms of diminished dividends in 1984 will be $576,705. This amount is directly attributable to the improvements at Subiaco Oval and does not include the annual rent (1983, p. 21).

1 In South Australia, the major venue is Football Park (recently renamed AAMI Stadium after a corporate sponsorship deal), which was owned by Football in South Australia when the South Australians entered the AFL competition. This meant that at a time of rapid change and escalating cost pressures, the South Australian Football system has not had to support large debt repayments to fund infrastructure as has been the case in Western Australia – a crucial point of difference.
However, in 1991 the W AFC was beginning to reap the benefits of the cash flow generated by the successful WCE and there was a degree of confidence that this would continue to grow in the foreseeable future. Nevertheless, the fact remained that entering into another large debt carried risk and that government support was still very much needed in order to proceed with an acceptable degree of confidence. As mentioned in Chapter One, the relationship between Football and government has been influenced by the relative ability of Football to generate revenues from the market and the non-international nature of the sport. These factors have featured in the debate over government funding for the redevelopment of Subiaco Oval.

Mitchell (1983, p. 21) argued that Subiaco Oval should be regarded as a public entertainment venue in the same way as the Entertainment Centre or His Majesty’s Theatre and should be funded by government accordingly. The Report also recognised that it would be easier to attract funding for Subiaco Oval if it were to be the venue for sports other than Football (Subiaco Oval has hosted major Rugby Union and Soccer events). Venue use in Perth contrasts with Victoria for example where the Melbourne Cricket Ground (the ‘MCG’) is the home of Football, cricket, hosted the Olympic Games in 1956 and is to be the main venue for the Commonwealth Games in 2006 ($400 million is being spent on the MCG’s redevelopment, most of which is coming from public funds). The Victorian Government would not contemplate such an investment in the MCG for Football alone, the Commonwealth Games gives enhanced legitimacy to the expenditure (Gough, 2002). Cricket and Football also share venues in Brisbane and Sydney.

In Perth, the Western Australian Cricket Association ground (the ‘WACA’) is the home of cricket and Subiaco Oval the home of Football. While there were attempts by Football and cricket administrators to reach agreement on developing either the WACA (Football has been played on and off at the WACA for a number of years, more recently AFL night games were hosted by the venue, prior to the installation of lighting at Subiaco Oval and the eventual transfer of all Football to that venue) or Subiaco Oval, a mutually satisfactory arrangement could not be reached (Ovens, 3 July 2002, Fuhrmann, 2 August 2002). There have also been attempts by the Western Australian Government to facilitate a higher degree of facility sharing between cricket and Football. The Burke Government in the mid-1980s forced Football and cricket to come together by funding
the installation of lighting at the WACA (Aisbett, 2002, p.5). The Court Coalition Government had hoped to persuade both the WACA and the Commission to relinquish their respective facilities and use the proceeds to fund a new stadium that the Government would construct at the Belmont Park racecourse. This stadium was to be the major stadium for the 2006 Commonwealth Games and later it was to be the shared venue for Football and cricket. In the end the Government did not proceed with its bid for the Commonwealth Games as the terms and conditions of the Commonwealth Games Association were not acceptable to Treasury and so the stimulus that the Games may have provided for a rationalisation of Western Australia’s major sports venues was lost (Moore, 9 September 2002). More recently the Gallop Government tried to convince cricket administrators to conduct their major matches at Subiaco Oval, a move that cricket declined to make (Aisbett, 2002, p.5). Despite the efforts of successive State Governments, cricket and Football remain at separate venues. As a result, the Western Australian sports market and taxpayers have supported development at two major sports complexes, one largely unutilised in summer, the other in winter.

Both cricket and Football have at various times entered into considerable debt to fund facilities (the WACA for its redevelopment in the mid-1980s and Football on several occasions, including the most recent redevelopment of Subiaco Oval). In ideal circumstances both cricket and Football administrators from their perspective, understandably prefer to be in complete control of their respective facilities. However, the question must be asked whether, given the specific circumstances in Western Australia, there was greater scope for government involvement to attempt to facilitate an agreement between cricket and Football (and other sports) that would have seen public funds concentrated in the development of a single multi-use facility? Perth has suffered from the lack of a coordinated long term sporting facility plan, a situation which extends back in time to the nature of the facilities that were constructed for the Empire Games (now Commonwealth Games) held in Perth in 1962.

The long-term impact of sports facility planning cannot be underestimated and Western Australia currently finds itself in a poor situation in comparison to similar Australian

4 In the 1970s the VFL constructed a stadium at Waverly in Melbourne (now sold and replaced by the Docklands Stadium) in part to escape the influence of the Melbourne Cricket Club at the MCG and South Australia has Adelaide Oval for cricket and Football Park for Football.
states. An attempt to address this situation has been made with the recently released State Sporting Facility Plan (Baddock, 25 July 2002). The story of the development of Western Australia's major sporting facilities is long and complex and well beyond the scope of this thesis. However, even the most superficial review of previous decades readily reveals that the interests of individual sporting organisations have driven major facility planning. It is one thing for sporting organisations to advance their own interests (even if the associated debt brings the sport to the brink of collapse); it is another thing entirely when public funds are being used to facilitate such plans. The role of government should be to act in the overall long-term public interest. Historically, sporting facility planning in Western Australia appears to have been driven by other political priorities and the ability of individual sporting codes to pursue their own direction.

The first phase of the redevelopment of Subiaco Oval was the construction of the 'Southern Stand' (to be known as the Town & Country Stand by the time of its opening by the Prime Minister in May 1995 after the Town & Country Bank invested $1 million dollars in the resurfacing of the Oval and improvements to spectators facilities on the eastern side). The cost of the Stand was offset by an $8 million grant from the Federal Government, to which the WAFC added in the vicinity of an additional $4m to achieve greater spectator capacity (WAFC Annual Report, 1993, p.6). In 1996, Planning Commission approval was granted to allow for the construction of lighting at Subiaco Oval, which allowed for the playing of night games at the venue. The AFL, the FFC and the WCE each contributed $1 million to the project, with the remainder being funded by the Commission (WAFC Annual Report, 1996, p. 5).

The final component of the redevelopment of Subiaco Oval was undertaken throughout 1999/2000 and involved the provision of additional spectator seating, taking the ground capacity to 43,500, the installation of two electronic scoreboards and new administrative and training facilities for the WCE. According to the Parliamentary record, the final cost was $42 million (WAPD, 13 June 2001, p. 7606). This was funded from a number of sources. The State Government agreed to contribute $30 million over twenty years

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3 For example, the most recent $12 million redevelopment of the WACA is being funded without any government contribution (Aisbett, 2002, pp. 4-5).
($1.5 million per annum) towards the principal borrowed by the Commission\textsuperscript{6}. The AFL agreed to support the interest expense on $5 million of borrowings ($325,000 per annum, which roughly equated to the capital cost of the WCE’s facilities) and the WCEs also contributed to the cost of their new facilities (WAFC Annual Report, 1998). The final funding arrangements did not reflect the preferred position of the Commission, which relied on a much greater contribution from public sources. Its funding model called for an equal cost sharing between the State and Federal Governments and private debt raised by the Commission (Tannock, 1992, p.12). Based on this funding arrangement, the Commission was optimistic that the redevelopment would not adversely impact on other aspects of Western Australian Football (Tannock, 1992, p.12). However, given the final funding arrangements, the Commission was less confident that the larger than expected increase in debt would not have a detrimental effect. According to the Chairman:

The Commission enters into the next decade with a substantial debt, mainly related to the development of Subiaco Oval. While this debt has been entered into on a fully commercial basis, and with the support from the State Government in relation to principal payments, it will nevertheless be a burden that for the next few years will restrict the availability of cash from the Commission to meet emerging needs (WAFC Annual Report, 1998).

The decision to redevelop Subiaco Oval in the manner in which it was undertaken has been subject to a degree of criticism. However, much of this criticism has arisen from the flow on effects to other areas of Football, such as reductions in grants to WAFL clubs and admission prices to Subiaco Oval, rather than the redevelopment itself. These criticisms will be dealt with in depth in the following chapters, including an examination of the role of government in the redevelopment. However, it is necessary at this point to consider what, if any, other options were available to the Commission.

As far as Football is concerned (and many other sports) the shift in the nature in the consumption of sport has had a dramatic impact on sporting administration. The ‘traditional’ football spectator has changed throughout the 1990s, described in the

\textsuperscript{6} According the McGlue (2002, p.6) the WAFC has a total debt of about $25 million in relation to the redevelopment of Subiaco Oval. The Commission’s 2001 interest bill was $2.74 million, which according to McGlue suggests a high interest rate. Aisbett (2002, pp. 4-5) states the WAFC’s debt is $34.5 million with an annual interest bill of $2.5 million. According to the Commission its debt stands at $33 million (Lague, 2002, p. 64).
Crawford Report as a ‘purchaser of a theatre ticket’ (2001, p. 10). Football has become another entertainment product, existing in an increasingly diverse and competitive market place. While there are doubtless those who regret the passing of the days when it was more affordable to attend a match and stand in the outer to cheer on their team (perhaps with good reason), unfortunately those days are fast coming to an end. The cost and market pressures on Football demand high quality facilities that will attract and retain ‘premium’ consumers, especially those from the corporate sector, so necessary to grow and maintain the revenues of the WAFC’s cash cows— the WCE and the FFC. A point recognised by the Commission:

In previous annual reports we have reported the significant plans for the development of Subiaco Oval as a necessary requirement for the long-term development of the game. Not to develop Subiaco Oval would have left the Commission with a deteriorating return on royalties and as a consequence limited our ability to invest in the games and its development at other levels (WAFC Annual Report, 1998).

In reality, the Football market place left the WAFC with very little choice but to redevelop Subiaco Oval. There should be no misconception surrounding the fact the decision in part reflected the ever increasing pressure of commercialisation on Football and it would be unreasonable to hold the WAFC accountable for its response to pressures well beyond its control. The Commission also needed to provide its AFL teams with the same opportunities for revenue generation and high standard training/playing facilities, which would enable them to compete with the facilities enjoyed by Victorian and South Australian based teams. The Commission’s resolve to proceed was strengthened by $38 million in Federal and State Government funding, which is a significant contribution in terms of public funding for Western Australian sporting bodies (Fuhrmann, 2 August 2002). While there may be matters of contention in relation to timing, design and financing, the Commission made the decision to

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7 The term ‘theatre-goer’ is also used by Nadel (2000, pp. 276-277) to describe the orientation of the AFL’s attendance strategies. Nadel questions whether theatre-going attendees are a significant factor in football attendances, arguing that aligned club supporters still make up the vast majority of Football spectators.

8 In 2001 only 3,000 seats out of Subiaco Oval’s 42,000 seats were available at the general adult admission price of $15.75 (Tickner, 2001, p. 3). All other seats are subject to a varying degree of ‘premium’ loading.

9 The redevelopment of Subiaco Oval has attracted criticism on the basis that it proceeded at a rate beyond Football’s capacity to support it (Metropolis, 12 August 2002). This must be balanced with the considerable cost savings of proceeding with the total extent of the development at the same time.
redevelop Subiaco Oval in the long term interests of Football, even if it meant that there would be some short term financial pain for the Western Australian Football industry. After all, the role of providing overall leadership was one of the major driving factors behind the Commission’s establishment.

**Restructuring the WAFL**

Chapter Two described the lasting impact on the WAFL of the expanded AFL competition. The WAFC has sought from the very beginning to restructure the WAFL to more appropriately reflect the changes in the Western Australian Football marketplace. While the WAFC has sought to exercise control over WAFL clubs finances in such areas as debt reduction and cost controls (Tannock, 1992, pp. 2-3); by far the most controversial and resisted WAFC initiated changes have related to attempts to restructure the competition. In essence this has revolved around the number of teams in the competition and the location of those teams. These matters strike at the very heart of club identity and tradition and it is not surprising that much of the angst between the WAFL and the WAFC that was to intensify later in the Commission’s existence, was to be generated from this issue. It should be remembered that the Commission was in a powerful position, both constitutionally and financially, to exert control over the WAFL. This position of relative strength has influenced the nature of the relationship between the WAFL and the WAFC leading to claims of autocracy and lack of consultation. The call for greater democracy and accountability in the governance of Western Australian Football is dealt with in Chapter Four; the focus at this stage is to understand the changes that were made to the WAFL, why they occurred, and how they were achieved.

The first major policy statement by the Commission in respect to the restructure of the WAFL was the *WA Football 2000: A Plan for the Development of Australian Football in WA* released in 1992. The document’s key recommendations were as follows:

- The development of the WAFL into the premium state league in Australia, consisting of 10 teams, eight of which would be located in the metropolitan area and two in the country;
- That all WAFL clubs should be debt free, independent and self-supporting;
• There should be two AFL teams based in Perth that play their home games at a redeveloped Subiaco Oval;

• That the Football Development Trust should be the major body underpinning the development of the game; and

• The leadership and management structure of the sport be developed in a way which achieves an appropriate balance between all parties and interests and which helps to ensure the financial viability of the sport.

The prime reasoning underlying the Commission's plans for the WAFL was that teams needed to be located in areas of population growth to capture the interest (and hopefully participation) of junior players. The days when young Australian males predominantly played cricket in the summer and Football in the winter have of course long since disappeared. The fight to capture the participation of Australia's youth is an ongoing concern for sports policy makers, an endeavor that now competes with a vast array of other sporting and non-sporting options. The absence of WAFL teams in Perth's growth corridors - the South West (Mandurah/Rockingham), the North West (Waneroo/Joondalup) and the South East (Armadale/Gosnells) was in the view of the Commission an impediment to capturing junior participation in Football. The Commission's preference was to relocate some of the existing WAFL clubs to these areas of growth (Tannock, 1992, p.4). Despite the Commission's preference for relocations to occur, the only example was the move of West Perth Football Club to Joondalup in 1994.

By 1995, it was becoming clear that the Commission was dissatisfied with the pace of reform in the WAFL and the reluctance of the established clubs to accept change. Tannock's 1995 Report, Restructuring the WAFL in 1996/97, makes it clear that the time for action had arrived and that there should be a new look for the competition in 1997 (1995, pp. 1-2). That new look was to be achieved via the admission of additional teams to the WAFL (the WAFC had originally hoped for two, in the end it was to be one). While the Commission (Tannock, 1995, p. 2) still held the view that mergers and relocations were the preferable course of action, it was no longer prepared to tolerate delays to the "vital injection of new blood and new communities into the WAFL"
Peel Thunder's introduction was to lead to an ongoing campaign to remove them from the competition, principally led by elements within the WAFL and more recently to some extent by the Commission itself. Much has been made of the club's struggle to achieve on-field success. The question of whether Peel Thunder was ever given an adequate opportunity to field a competitive side is debatable. Former and current Commissioners have remarked that the major regret in relation to the introduction of Peel Thunder was that the Commission did not do enough to support the club\textsuperscript{11} (Ovens, 3 July 2002; Parker, 16 August 2002). Detractors have also pointed to the impact of having a nine team competition on fixturing, which creates the need for a bye and the resultant disruption to the home and away season. It should be noted that it is not mandatory for Peel Thunder to be removed from the WAFL in order to achieve an eight team competition. However, the focus has predominantly been that Peel Thunder should be the team to be removed, despite the fact that according to the McCusker Report\textsuperscript{12} it is not entirely obvious that Peel should be the team to go. In this sense, the eight team competition argument has frequently been used to exclude Peel Thunder when the focus could legitimately be applied to other WAFL clubs. There is a strong element of last on, first off. Other arguments against Peel Thunder have included:

- The substandard nature of their home ground facilities;
- The fact that their supporters do not travel to games away from Mandurah (the home town of Peel Thunder, located one hours drive from Perth);
- That Peel Thunder has diluted scant WAFL resources; and
- The introduction of Peel Thunder has had a detrimental effect on the Peel Football League.

The most interesting aspect of the Peel Thunder issue to this study has been the role of the Commission. Up until 2000 the WAFC had been strong in its public stance that the introduction of Peel Thunder had been justified and although it had not been as successful as it would have liked it would be a retrograde step to remove them from the

\textsuperscript{11} Part of the compromise to obtain enough votes from the traditional WAFL clubs for the admission of Peel Thunder was that minimal funds should be directed towards its establishment, therefore minimising the impact on the funding of existing clubs.

\textsuperscript{12} The Report by Malcolm McCusker QC was an audit of all nine WAFL clubs and assessed each club's on-field competitiveness, current financial position, future financial viability, potential for growth, football development and facilities (Lewis, 2002, p.11).
WAFL. This was to change with the publication of the *Review of the Westar Rules Competition* Report in December 2000, more commonly referred to as the Fang Report (the Chairman of the Review Committee was Dr Neale Fang). The Fang Report was the first major review of the WAFL since 1995. The Report rejects much of the Commission's earlier reasoning (Fong, 2000, pp. 19-21). In particular it challenges the basic premise that WAFL teams need to be located in areas of high population growth.

Peel Thunder's strategic importance to Westar has not eventuated, as there has been no significant new supporter base to the competition. The argument has been put that with such a large growth area then Peel needed to be serviced for football. This point is most in that there is a counter argument that it does not require a Westar club to be located in that region for football in a region to be developed (Fong, 2000, p. 21).

The Fang Report concludes that the withdrawal of Peel Thunder is the best option for restructuring the WAFL. The Report has subsequently received a great deal of support from the WAFL clubs and more recently, from the Commission itself. In 2002, now under the Chairmanship of Dr Neale Fang, the WAFC admitted that the introduction of Peel Thunder had been a mistake. According to Fang, (cited in Lewis, 2002, p. 94) "The issuing of the original licence to Peel FC in 1996 is considered to be, in hindsight, an incorrect decision. Whilst at the time the location of teams in population centres was considered appropriate, that view is no longer held." Many do not share the current Commission's view, including former Commission members. The attempt to retain Peel Thunder in WAFL competition has had the support of the AFL, the State Government, at least one other WAFL club¹³ and the former leader of the Federal Opposition (Peel Thunder is located in his electorate). Despite views to the contrary, it is obvious that the Commission now prefers the arguments put forward by the majority of the WAFL clubs. (Lague & Lewis, 2001, p. 56; WAPD, 2 August 2001, pp.1957-1960; WAPD, 9 May 2002, p. 10198; Lague, 2002, p. 64).

The question that must be asked from a policy standpoint is what had changed between 1995 and 2000 for there to be a reversal of thinking of such magnitude? There are two strands to a potential answer to this question. Firstly, the reversal could be a result of the WAFC's ability to review the introduction of Peel Thunder after it had been in

¹³ In May 2002 the West Perth Football Club voted for the retention of Peel Thunder in the WAFL competition.
existence for over five years. Such an evaluation could legitimately demonstrate that the experiment had not worked. The Fong Report essentially puts forward such an argument. The other alternative is that the change in thinking could have arisen as a result of changes in the composition/style of the Commission. In other words, it is not so much that the facts underpinning the competing arguments have changed, but rather, that the Commission's position in relation to the arguments had shifted. The precise impact of both factors cannot be measured with any degree of accuracy. However, it is clear that the Commission's approach to dealing with the Peel Thunder issue is indicative of the style of leadership adopted by the Commission following the election of a new Chairman in December 2001. According to Fong:

We had to build a culture of working together in the industry. The culture had become such that there had been a fair bit of animosity and mistrust of the various parts of the football industry....We want to go about being much more participative and consultative in our management of the industry (cited in Lewis, 2002, p. 10).

The question of whether Peel Thunder would remain in the WAFL competition in 2003 came to a head when the traditional eight WAFL clubs voted to remove Peel Thunder from the competition (the vote was seven to one) in May 2002. Peel Thunder immediately moved to take legal action, arguing that their licence had not been legitimately cancelled and sought a court ruling that they were entitled to be treated in the same way as any other licence holder in the WAFL competition (Lagué, 2002, p. 114). The prospect of a costly, drawn out legal dispute did not appeal to the WAFC, which could ill afford an estimated $500,000 in legal fees that would have to be funded by the Football industry. The final outcome was not so much a solution as a postponement. In return for increased coaching and management grants from the WAFC, the traditional WAFL clubs agreed to Peel Thunder being granted a licence to compete in the 2003 WAFL season (Lague, 2002, p. 66). While costly legal action had been averted, the issue remains that in the absence of any mergers taking place before the 2004 WAFL season, the WAFC will find itself in precisely the same position.

The prospect of a merger taking place was illustrated by the reaction of certain WAFL clubs during the period when Peel Thunder's future was being determined. There have been rumors of mergers involving Peel Thunder and East Fremantle Football Club, Peel
Thunder and South Fremantle Football Club and even traditional rivals South Fremantle and East Fremantle. None of the talk has translated into concrete action and some club presidents, such as the East Fremantle President, have felt the angry reaction of club members at the mere prospect of merger talks (Lague, 2002, p. 114). It will take a brave or desperate president to ask their members to vote on a merger proposal. Not surprisingly, in June 2002, the President of the WAFL Council of Presidents confirmed that there were no current merger proposals between any WAFL clubs (Lague, 2002, p. 66). Given the long standing nature of the WAFL clubs resistance to change and despite the WAFC offering an attractive incentive package for clubs to merge, it is likely that the Commission is still going to have to confront the Peel Thunder issue in the future. The issue has been and continues to be a strong test of the Commission's leadership and its capacity to act independently of individual stakeholder interests when circumstances demand that it do so. For the time being the Commission will be hoping for a merger, which everyone in Football thinks is a good idea as long as it does not involve their Football club. Despite the current stance of the Commission, the question remains, was the introduction of Peel Thunder a good concept that has suffered from a lack of support and poor implementation, or just a plain bad idea?

A SECOND AFL TEAM

As mentioned above, the 1992 Report WA Football 2000: A Plan for the Development of Australian Football in WA called for the establishment of a second AFL team in Perth. This followed on from a recommendation of the Hatt Committee14 in 1991 that a second team be entered into the AFL by 1994. In 1993 the AFL granted the WAFC a licence to enter a Fremantle based team into the AFL competition commencing in 1995. The decision for the new team to have Fremantle as a base was not a difficult one. According to Nadel (2000, p. 223) plans for a second Western Australian team in the national competition based in Fremantle had existed since 1984. The Fremantle area has a strong association with Football and it was this sense of tradition and identity that the team to eventually be known as the Fremantle Dockers was designed to capture. According to Nadel (2000, p. 24) "Fremantle attempted to anchor itself in the myths of

14 The Committee had been formed in October 1990 and was chaired by David Hatt then from the Australian Sports Commission and later CEO of the FFC and also included Mal Brown, Dwane Buckland, Tom Stannage and Merv Cowan (Nadel, 2000, p. 223).
its region as the port of the city. (In fact it wears an anchor on its jumper) It “chose the
name” (i.e. the Dockers) “quite deliberately after a long period of research.” This
element of differentiation was essential if the FFC was to create a separate market niche
to that of the well established WCE.

The factors underlying the establishment of the FFC were not totally dissimilar from the
thinking that underpinned the introduction of the WCE. The FFC would help to grow
the revenue available to the Commission, although some cannibalisation of the WCE’s
market share was anticipated, it was thought this would be marginal and over time
would not be a factor. As stated in the WAFC Annual Report (1993, p. 2) “it is the
opinion of the Commission that a second WA-based team in the AFL was inevitable
and that such a team would ultimately be advantageous to football in this state.” The
FFC would assist the Commission by allowing the redeveloped Subiaco Oval to be
utilised every week of the Football season, therefore allowing for greater resource
utilisation. The FFC would also offer an additional opportunity for young Western
Australian Footballers to be able to stay in their home state and play Football at the
highest level. The idea of a second AFL team in Perth appealed to the AFL
Commission who in addition to being supportive of the WAFC’s plans also wanted the
game to continue its national expansion.

There are a number of factors that were to differentiate the introduction of the FFC from
that of the WCE eight years previous. Significant among these were that the revenue
expectations in relation to the FFC were not only more modest, but also less critical
than the revenue needed from the WCE in the late 1980s. The FFC did not have the
same financial expectations and it was not under the same initial pressures to succeed.
This is entirely appropriate, not only in light of the FFC being the second team in a
market dominated by the successful WCE, but also due to a recognition of the
difficulties faced by new teams, principally related to their ability to assemble a
competitive player group. After some difficult initial years in which the WCE suffered
from a lack of facilities and unfavourable AFL imposed rules designed to reduce the

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15 Maybe true in 1995 but after the ending of initial draft concessions and the operation of an unrestricted
national draft the eventual destination of Western Australian Footballers is something of a lottery.
16 Western Australian Football was not verging on insolvency when the FFC was admitted into the AFL.
17 Unlike the VFL’s 1986 demand that the $4 million WCE’s licence fee be paid up front, the AFL
allowed the WAFC to repay the FFC’s licence fee over ten years (Nadel, 2000, p. 224).
threat of a virtual State team, the AFL was persuaded to grant more favourable conditions to the WCE in the interests of the nationalisation of the game (Linnell, 1995, p. 257). As a result of draft concessions and an increased player list the WCE were able to secure access to the cream of WAFL talent. While not being in the true sense a State team, the final result was something very close to it. The Fremantle Dockers were not given the same degree of access, nor did the WAFL in 1994/95 after years of operation of the national draft contain the richer pickings that had been available to the WCE. According to Nadel (2000, p. 225)

Fremantle officials have since expressed some concern about the level of draft concessions, but while it may not compare favourably to the assistance given the Eagles between 1989 to 1991, some years after their foundation, the concessions were still the best recruiting conditions given to an expansion club for its first season and were markedly better than those Port Adelaide was to receive in 1996.

There has been an ongoing debate about whether the FFC maximised the recruitment concessions it was offered. However, for the purposes of this study it is sufficient to conclude that for a variety of reasons the FFC was not able to assemble a player squad of comparable strength to that of the initial years of the WCE. Given that on-field success is vitally important to areas such as membership, sponsorship and attendances, the inability for the FFC to field a team with a realistic prospect of playing finals Football has proved to be an ongoing concern, placing an even greater emphasis on the management and governance of the club.

While the initial limitations imposed on the FFC’s ability to field a competitive team are relevant, the purpose of this study is once again to focus on the role of the Commission in the plight of the FFC. Unlike the introduction of Peel Thunder there has been no serious campaign mounted against the concept of the FFC. However, like Peel Thunder there have been many questions raised about the implementation aspects of the FFC. It must be emphasised that the FFC is in essence a ‘division’ of the WAFC, that is, from the outset it has been one hundred percent owned and ultimately controlled by the WAFC. This structure was actively sought by the Commission. The Annual Report (1993, pp. 2-3) states “the Commission also holds the view that it is necessary for financial stability and the development of football in WA that a second team should come under the control of the Commission. It is pleasing that the AFL concurs with this
view.” The Commission exerts control over the WCE and FFC through the appointment of board members to IPL and FFC Limited. The IPL and FFC Limited boards in turn exercise overall governance over the WCE and the FFC, which have their own boards. The question of how board members of these entities should be appointed and what should be the appropriate relationship between the two Western Australian AFL clubs and the Commission are major features of the Crawford Report, which is discussed in detail in Chapter Four. For the purposes of this current analysis it is sufficient to state that the Commission carries a degree of responsibility for the overall performance of the FFC and that its performance up until 2001 has been poor. While it is legitimate to argue that the Commission ought to be held principally accountable in a general governance sense, rather than a day to day operational sense, it remains the case that the Commission appoints those who were responsible for running the FFC. Maladministration of either AFL club has the potential to have a significant adverse impact on the entire Western Australian Football. This is not to argue that the Commission should be heavily involved in operational matters, in ideal circumstances the Commission should maximise the independence of the board it has appointed to do its job free from external interference. However, when there are major problems over an extended period the Commission ought to be compelled to act.

The year 2001 was in many respects a year of crisis for the FFC. In that year:

- The coach was replaced mid-season;
- The FFC finished the AFL season in last place;
- The FFC made a loss of $2.5 million (in 2000, the FFC made a loss of $1.37 million); and

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18 The power the WAFC exerts over the FFC and the WCE is exercised through the two legal entities of Indian Pacific Limited (in the case of the WCE) and Fremantle Football Club Limited. The purpose of the two boards is to provide some distance between the WAFC and the direct running of the two AFL clubs. According to Fuhrmann (2 August 2002) such arrangements reflected the concerns of the AFL who were worried that if both AFL clubs were under more direct control from the Commission that they would essentially represent a united voting block as AFL level. Despite the complexity and perhaps cumbersome nature of the arrangements, in the end the WAFC owns and holds the licence for the WCE and FFC and is therefore is ultimately in a position to control appointments.

19 Some commentators such as McGlue (2001, p.6) have argued that the WAFC should have no control over the WCE or the FFC and that the current arrangements represent an unhealthy conflict of interest.

20 Since 1995 the FFC has contributed more than $12 million to Western Australian Football through payment of royalties, ground rental fees, transfer fees for WAFL players and its contribution to the installation of lighting at Subiaco Oval (McGrath, 2002, p. 56).
• It was fined a total of $130,000 and given draft penalties in the 2002 draft for breaches of the salary cap.

According to Lague (2001, p. 60), "the poor performance of Fremantle on and off the field, and the consequences of this for the rest of the WA Football industry, is the most pressing issue facing newly elected WA Football Commission chairman Neale Fong and his new look Commission." The continued losses and salary cap breaches led to both the AFL and the Commission expressing concerns about the FFC Board. In August 2001, a report prepared for the AFL Commission by its General Manager of Football Operations Andrew Demetriou became public. It made some scathing criticisms of the FFC and the WAFC. It expressed strong concerns about the state of Football in Western Australia and in particular the FFC board. The conclusions of Demetriou's report were strongly criticised by the WAFC and the Chairman of the FFC (Wilson & Duffield, 2001, p. 64). By 2002, the WAFC Chief Executive Officer was attending FFC board meetings. This followed on from a WAFC investigation of the events surrounding the FFC's breach of the AFL's salary cap regulations. By this time the Commission was less ambiguous about its views on the FFC. According to the WAFC Chairman (cited in McGrath, 2002, p. 56) "when you make a $1.7 million loss [eventually $2.5 million] and are in disarray, as they were with salary cap problems, is it any wonder the Commission has someone there?" The effect of the AFL and the WAFC's 'concerns' in relation to the FFC were to be felt in changes made for the 2002 season. For season 2002, the FFC had a new Chairman, new deputy Chairman, six of its eight member board were new appointments, a new Chief Executive Officer, a new Coach and a new Chief Financial Officer (Smith, 2002, p. 22).

There are many circumstances that led to the financial and operational position that the FFC found itself in 2001. These circumstances included the inability to achieve on-field success, the burden of assisting the WAFC to service debt related to the redevelopment of Subiaco Oval\(^\text{21}\) and the cost of developing its own club and training facilities at Fremantle Oval. Despite the mitigating influence of these and other factors, the fact remains that the FFC has not delivered in the way that the Commission had expected. The Chairman of the Commission (cited in Lague, 2001, p. 60) made this clear by

\(^{21}\) Between 1999 and 2000 the ground rental for Subiaco Oval increased from $950,000 to $1.65 million (Eakins, 2001, p. 58).
stating "our main revenue base is the two AFL clubs but at the moment it has been all West Coast, with nothing coming from Fremantle." The WAFC had not unreasonably expected the FFC to be making a positive contribution after several seasons. It is vital for the health of the entire Western Australian Football industry that the FFC is able to become profitable. The question of prime importance to this study that is left hanging over the entire FFC saga is whether the Commission appropriately exercised its authority to ensure the good governance of the FFC. The question has a basis in McGrath's (2002, p. 60) comments when he states, "the AFL is still not convinced the right people are there to ensure the Docker's financial viability." Even when the full variety of circumstances are taken into account, it remains the case that it was the clear responsibility of the WAFC to make sure that the 'right' people were running the FFC.

The redevelopment of Subiaco Oval, the introduction of Peel Thunder into the WAFL, and the entry of the FFC into the AFL were among the most significant decisions taken by the Commission in the 1990s. In particular, their significance can be found in the ramifications that they were to have on the Commission at the end of that decade. Their impact was to ultimately combine with other forces to bring about a period of instability and change in Western Australian Football administration not seen since the late 1980s. Chapter Four covers the fallout from these decisions and offers an analysis of their impact.
Towards the end of the 1990s the Commission was beginning to feel the effects of a decade of decision making. With a constitution and membership designed to enable it to make the 'hard' decisions in relation to Western Australian Football and a management/leadership style to match, the Commission had to now confront the emergence of serious public criticism of its performance emanating from both within and outside the Football industry. The outcomes from some key decisions (covered in detail in Chapter Three) in combination with other events served to sharply focus attention on the Commission's performance. These included:

- A simultaneous poor on-field performance by the WCE\(^1\) and the FFC and a continuation of the FFC's off-field problems. The impact of the poor performances led to a decrease in Commission revenues and the impact was felt throughout other areas of the Football industry;
- The impact of the servicing interest payments on the debt associated with the redevelopment of Subiaco Oval on the Western Australian Football system;
- A campaign of criticism led by WAFL clubs on a number of issues, the admission/continuation of Peel Thunder and the management style of the Commission being the most prominent;
- A resurgence of supporters and Football identities voicing their disapproval with the Commission's performance and direction;
- A State election campaign in which the Labor Opposition were calling for a public inquiry into Western Australian Football. Upon attaining office the Gallop Labor Government has made regular public comment about Football related matters; and
- Widespread calls for changes in the structure and constitutional arrangements of the WAF C aimed at furthering the democratisation of the Commission and the boards of the WCE and FFC. The aim of these changes was to give the Football industry and club supporters greater scope to influence the appointment of persons to Football's key governing bodies.

\(^1\) 2000 was the first year that the WCE had not made the finals since 1989, although they have not won a premiership since 1994.
The purpose of this chapter is to provide further detail on the period 2000/2001. The chapter seeks to consolidate the impact of the issues raised in Chapter Three and to provide detail on recent developments that provided the momentum for the most significant period of change in the Commission's existence. The chapter includes an analysis of the significant criticisms that have been directed at the Commission.

LA FORTUNA

The study of the decline in power of institutions and leaders offers the insight that their fate is often attributable to a combination of factors rather than a single all encompassing explanation, although there is seldom total agreement on the causes. A study of the Commission in the period 2000/2001 tends to lead to similar conclusions. While in this instance the Commission's existence itself was never seriously questioned, there were many within the Football industry and State politics that were calling for major changes. The momentum for change had arisen from a combination of events, some more directly attributable to the Commission's own actions than others. As Machiavelli had so accurately observed in The Prince (Marriott, c. 1505/1958) 'la fortuna' can play a significant role in politics. Whether it was more the product of poor fortune or bad governance, the Commission seemed to be suddenly under unprecedented pressure from many quarters. While it cannot be said that there are many quiet and uncontroversial periods in Football politics, even by Football's standards this period was the most tumultuous in the Commission's brief history. Reflecting this changing mood in the Football community, Dr Peter Tannock, Chairman of the Commission since its inception, remarked in his final Annual Report (1998, p.2),

"finally, the game has benefited greatly during the decade from the harmony, stability and unity that has generally marked the relationships between all the major 'players'. The continuation of this stability and unity is absolutely vital for the future of the game." Events were to unfold that were to place tremendous strain on the Football industry's ability to suppress the conflicts that were arising.

As is the case with governments, it is far more difficult for criticisms to make an impact if key result areas show the government to be performing well. For example, when the

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For example see Chapter 25 'What Fortune Can Effect in Human Affairs, And How to Withstand Her.'
Howard Federal Government faced an election in 2001 it entered the election with world leading economic growth, low inflation, a growing export sector and record low interest rates. Its skills as an economic manager were widely acknowledged, even if other areas of its performance were far more questionable. Prime Minister Howard was seen as performing well in many of the areas that count. The application of this political dynamic to the Commission is that although there have been legitimate questions about its performance across the range of its responsibilities for many years, to most football supporters the situation was not apparent until both Western Australian based AFL teams were performing badly at the same time. All of a sudden, the most apparent health test of Western Australian Football indicated that something major was wrong. This added enormous impetus to the public perception that the Commission was performing poorly and in the need to apportion blame it was the most obvious target.

As stated by McGlue (2001, p. 6):

> When the teams are winning [the WCE and the FFC] most people don't give a second thought to the management and control structures but when both sides are swinging the handbag at the same time, you'll find dissension and scapegoats chasing on the rise. And what better targets than the group of businesspeople who control footy in Western Australia through their membership of the elite boards?

However, on proper reflection, of all the arguments that were used to criticise the Commission, the on-field performance of the WCE and the FFC ought to carry the least weight. The WCE had made the finals every year between 1990 and 1999, although realistically the team had not been a legitimate premiership contender since probably 1996. The ability to sustain superior performance in the AFL with its salary cap, draft, travel requirements and competitive intensity, has proved to be an elusive goal in the modern era. The notion that the WCE would be a permanent fixture in the AFL finals is an unrealistic expectation even with the WCE’s relatively well performed administration. As a result of the WCE lower on-field performance, for the first time the Commission had to confront diminishing returns from WCE royalties.

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3 This is an observation about the importance of economic data in election campaigns; it is not an endorsement of the primacy attached to such data.

4 Poor on-field performance typically translates into lower attendances and a decline in membership numbers - both of which occurred at the WCE.
This may not have been as critical had the Commission’s diversification strategy of establishing the FFC borne fruit. However, as described in Chapter Three, for a range of reasons, including the Commission’s own governance, the FFC was not in a position to help fill the void created by the WCE’s drop in revenue. According to WAFC Chief Executive Officer Wayne Bradshaw (cited in Lewis, 2002, p. 64), “while West Coast have been fantastic in meeting their obligations, their return wasn’t up to projections, while Fremantle just didn’t meet expectations.” From the Commission’s point of view the poor performance of both of its AFL teams could scarcely have occurred at a more inopportune time. Faced with the needs to generate cash to meet interest payments on its increased debt, the Commission was now receiving less than expected revenue. This led to a reduction in the funds that the Commission was able to redistribute to other areas of the Football industry. In 2002, the WAFL’s budget was reduced by $715,000 and the Football Development Trust’s by approximately $300,000. The reduction in Coaching and Management Grants to WAFL clubs still resenting the introduction of Peel Thunder was not well received. The reliance on the WCE and FFC to produce adequate revenues to support the Western Australian Football system continues to be a major concern, a point acknowledged by the current WAFC Chairman Dr Neale Fong:

Our revenue for footy is so narrow and so tied to the success of our AFL clubs. That puts a huge responsibility on West Coast both administration-wise and team-wise, because it is actually funding a lot of football. When it doesn’t go well we’ve got less funds. The challenge is to get Fremantle up to where it is providing revenue for the game (cited in McGrath, 2002, p. 54).

If the reduction of the Commission’s earnings had been entirely attributable to the cyclical nature of the competitiveness of its two AFL teams, then there would have been less criticism directed at its performance. However, the FFC was not suffering a cyclical decline in performance, it had yet to live up to expectations after seven years in the AFL competition and the Commission could not claim to be a totally innocent bystander in this regard. The financial well being of the Commission would be further eroded by the consequences of events described in the introduction to this chapter. In

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3 See Chapter Three.
4 In 2002 each WAFL’s clubs Coaching and Management Grant was reduced from $263,000 to $210,000 and $238,000 was cut from the WAFL’s central administration (Lewis, 2002, p. 64).
2001, Western Australian Football incurred a range of extraordinary costs. These included:

- The costs of contract settlements with the coach of the WCE (terminated after the WCE poor performances in 2000/2001) and WAFC Chief Executive Officer Jeff Ovens (resigned as a result of pressure from Football stakeholders, principally from WAFL clubs);
- The salary costs for the interim FFC coach to replace the coach sacked mid-season;
- The expense of the Crawford and McCusker Reports; and
- Provision for legal expenses in relation to the anticipated court action involving the exclusion of Peel Thunder from the WAFL competition in 2002.

The total cost of these extraordinary items amounted to $1.135 million (Duffield, 2001, p. 60). Again, it should be emphasised that it is not appropriate to place the responsibility for all these costs directly on the Commission, nor is it being argued that all of the above costs could have or should have been avoided. Conclusions about the Commission's role will be drawn in Chapter Five. The point of the above is to emphasize that at a time in its existence when the Commission needed every dollar it could find it was facing declining revenues and extraordinary costs and this provided fertile ground for those seeking to make changes to the Commission.

THE DEMAND FOR A VOTE

A number of groups were agitating for change at the Commission in 2000/2001. These groups included the Labor Opposition (and after the February 2001 State Election the Gallop led Government) the majority of WAFL clubs, the Freo MOB and a lobby group led by prominent lawyer Marcus Ahern. As would be expected, there was not total agreement among all concerned about what should be changed and how and why. One of the consistent demands from the various parties was for changes to be made to

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7 Legal action did not proceed (see Chapter Three).
8 Represented by the WAFL's Council of Presidents.
9 The Freo MOB (Members Own Board) is a lobby group concerned with the governance of the FFC. Their major demand is that FFC members be given voting rights to elect FFC board members.
10 The lobby group also included former FFC coach Gerard Neesham, ex-players Haydn Bunton, Bruce Monteath and Ben Allan, WAFL club presidents Brian Lawrence and Len Hitchen, former parliamentarian Ron Edwards and sports journalist George Grjulich (Eakins, 2000, p. 72).
the method of appointment for Commissioners. As has been described in previous chapters the constitutional amendments that established the Commission granted the Commission strong powers. The ability to exercise these powers was enhanced by making it difficult for Football's stakeholders to derail the Commission from its course by voting\textsuperscript{11} to remove Commissioners opposed to their interests. The Commission (at the insistence of the Government) was granted the authority and the immunity it needed to put Western Australian Football back on a secure footing. Such arrangements may be acceptable in the short term, for example, we have seen assemblies implement laws during times of war and crisis that would not pass in more normal circumstances. However, in the long term, such arrangements were unlikely to sit comfortably within a society that generally embraces the concept of having their say in the election of office holders. In reflecting on the overall performance of the Commission the former Minister for Sport and Recreation remarked:

I think first of all the big problem for the Commission was always going to be down the track, five, six, seven, years after. After they had jumped over the hurdles and knocked over the obstacles that they initially had to get over there was always going to be the problem of democracy .... It was always going to be a problem; it was recognised at the time. However, there were bigger fish to fry, bigger problems to deal with. The important thing was that the Commission was set up in an independent way so that they could make those tough and to some degree unpopular decisions (Edwards, July 11 2002).

However, in 2001 it was the State Government itself that was one of the groups calling for change. A point not lost on Gerard Neesham (2001, p. 63) who claimed, "the present WAFC only exists due to the patronage of the State Government. It is time for Geoff Gallop and Allan Carpenter [current Minister for Sport and Recreation] to implement their election mandate and introduce positive change, including new personnel to WA Football." The lobby group of which Neesham and Ahern were members had succeeded in placing the future of Football on the 2001 State election agenda. As Eakins (2000, p.72) reported "the committee will vigorously encourage the football industry and all football supporters to support whichever political party and whichever candidates at the next State election produce the most appropriate football

\textsuperscript{11} As was explained in Chapter Two, the Commission's Special Members (the WCE, the FFC and the WAFL Clubs) did not have the capacity to vote under the WAFC's constitution, only to exercise a power of veto.
policy." The move to make Football a partisan issue in the 2001 election campaign was something of a departure from the practice of the previous decade.

The pressure for changes in the structure and election processes of the Commission led to the appointment of David Crawford\(^1\) to review the provisions of the Constitution of the Western Australian Football Commission and to report and make recommendations in relation to its:

- Objects;
- Powers;
- Relationships with its special members and associated leagues;
- Governance of itself, its subsidiary organizations (including the appointment of Commissioners and the Boards of the AFL Clubs) and the WAFL competition; and
- Related matters of importance.

Crawford’s recommendations recognised the calls for voting rights for Football’s stakeholders by endorsing a new election process.\(^3\) The Report called for members of the FFC and WCE to be given voting rights to elect board members of their clubs. It also recommended changes to be made to the financial arrangements between the WAFC and its AFL clubs to grant the AFL clubs greater independence and financial incentives to grow profits. The Report’s recommendations were generally well received by the Football industry, although the recommended changes did not go far enough for some parties (West Coast Eagles, 2001; Duffield, 2001, p. 60). According to respected Western Australian Football commentator Dennis Cometti (2001, p. 61), “Crawford is telling the commission that the time has come to modify its role. That it needs to put its faith in the very elements that made its creation necessary.” Given that the WAFC itself had initiated Crawford’s review and the momentum for the implementation of his recommendations, the Commission promptly moved to adopt the new election system. The decision to embrace the new voting structure was to have almost immediate consequences for the composition of the Commission. The new election system (see

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\(^1\) Crawford had conducted a similar review into AFL operations in 1993 and had built his reputation as a corporate doctor (Lewis, 2001, p. 56).

\(^3\) See Appendix 2.
Chapter Three) facilitated the appointment to the Commission of new members\textsuperscript{14} who could generate support from Football's stakeholders and virtually ensured that those strongly associated with the Commission's decisions of previous years were placed under strong pressure to leave the Commission. Among the changes to occur in the wake of the Crawford Report was the election of Dr Neale Fong as Chairman\textsuperscript{15}. Fong had been successful in generating significant support, particularly from the traditional WAFL clubs. Fong replaced former Premier Barry MacKinnon\textsuperscript{16} who had held the Chairmanship for three years (Eakins, 2001, p. 64).

There can be no question that the voting structure adopted post-Crawford has made the Commission more responsive to its constituency. Whether the new election system has undermined to an undesirable degree the Commission's ability to act with an appropriate degree of independence is yet to be fully tested. John Fuhrmann, a long time Commissioner and highly experienced sports administrator, holds the view that the governance of sport is best conducted under a 'guided democracy' (Fuhrmann, August 2 2002). Fuhrmann maintains the view that the governance of the integrated Football system in Western Australian will be best served by a Commission that is not beholden to any special interests. This view was also expressed by Crawford (2001, p. 3):

It is important to recognise at the outset that the major stakeholders were unanimous in that there is a need for the continuation of an independent and strong Commission that is capable of acting in the interests of football in Western Australia and not be, or be seen to be, responsible to or aligned with any factional group or groups.

Just how 'independent' an independent Commission needs to be is a major question confronting the future of Western Australian Football. It is premature to assess the longer-term impact of Crawford's reforms, but it would be inconsistent with Crawford's desire for an independent Commission if those aspiring to be elected to the Commission

\textsuperscript{14} The new voting structure was utilised to replace retiring Commissioners in 2001 when Ross Kelly and Brian Beresford were elected to the Commission despite the fact at the time of the election the WAFC's constitution had not been formally amended to reflect the new voting structure (Eakins, 2001, p.64).

\textsuperscript{15} Football's stakeholders do not directly elect the Chairman of the Commission; the position of Chairman is determined by the Commissioners. Nevertheless, it is clear that Fong's level of support among the WAFC's constituency was instrumental in him receiving the Commission's endorsement (Metropolis, 12 August 2002).

\textsuperscript{16} MacKinnon had been a Commissioner for seven years; he faced opposition from some WAFL clubs when he was re-elected in December 2000 (Duffield, 2000, p. 54).
can succeed by catering to individual interests. Given the vote weighting attached to the various stakeholders it is to be hoped that this will be difficult to achieve. In the short term, Crawford’s election reforms have contributed in part to paving the way for the removal of those from the Commission that were seen to be an obstacle to ‘healing the wounds’ inflicted in previous years. This is consistent with the preferred style of governance under the Commission’s new Chairman, an approach that many have been viewed as necessary to the restoration of a functional relationship among Western Australia’s Football industry members and with the AFL (Metropolis, 12 August 2002). The dysfunctional impact of the conflict in the industry in 2000/2001 was recognised by Duffield (2001, p.57) when he states, “the question needs to be asked whether any football administration can claim to be successful while overseeing the levels of discontent and mistrust which exist in the football industry here [Western Australia].” For the time being, the conflict that characterised the administration of Football in 2000/2001 has relented and this has at least enabled the Commission to focus its attention on Football’s more pressing issues.

Despite the Commission’s implementation of Crawford’s election reforms, not everyone is convinced that an element of democracy in the administration of AFL clubs is necessarily a good thing. Former WCE Chairman, Murray McHenry questioned the ability of members to select the best people and argued that open elections would lead to factions battling for control of clubs (O'Donoghue, 2001, p. 114). McHenry was certainly in no doubt that the WCE was a business and should be run as such. McHenry’s comments must also be seen within the context of the structure of Western Australian Football, a structure that is inconsistent with the introduction of a totally democratic system. The structure largely reflects the WAFC’s need to exercise control over all elements of Western Australian Football in order to ensure that the WCE and the FFC act in accordance with the needs of the Football industry in general and that their revenues can be redirected to other elements of the Football system. Crawford (2001, p. 9) recognised the historical basis for the structure:

Much has happened since the current structure dictating the relationship between the Commission and the two AFL clubs was implemented. Whilst the structure then put in place was considered appropriate at the time, it

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17 The AFL clubs do not support the reduction in their vote weighting from 50% to 30% under Crawford’s recommendations (Metropolis, 12 August 2002).
should now be regarded in that historical context and as such, is no longer relevant in today’s environment.

The structure of Western Australian Football referred to by Crawford has been described as having ‘socialist’ characteristics (Fuhrmann, 2 August 2002). This is a valid observation because the structure has been designed in part to facilitate the redistribution of goods. Revenues generated from the activities of the FFC and the WCE are redistributed to other aspects of the Western Australian Football system. For example, under current arrangements eighty percent of the WCE’s profits are paid to the WAFC. This is in contrast with most other AFL clubs, which are directly licenced by the AFL Commission because these clubs are able to retain their profits for their own purposes. According to WCE Chief Executive Officer Trevor Nisbett (cited in McGrath, 2002, p. 119), “if you’re Essendon [another AFL club] and you make $1 million you spend $1 million on your club. If you’re West Coast and you make $1 million you retain $200,000 and $800,000 goes back into football [in Western Australia], which is great for footy but means we can’t do some of the things we’d like to do.”

The structure of Western Australian Football also ensures that the non-AFL components of the structure have a strong interest in the success and policies of the FFC and the WCE. A key role of the WAFC is to balance these interests, although this can be problematical because in practice the WCE and the FFC deal directly with the AFL on many matters (Metropolis, 12 August 2002; Nadel, 2001, p. 225).

While the structure of Western Australian Football has enabled the Commission to control its assets for the benefit of the entire industry, it has also led to a curious status for ‘members’ of the FFC and WCE. On one hand members of the FFC and WCE cannot be considered to be shareholders because they are not equity participants. Both Western Australian AFL clubs are one hundred percent owned by the WAFC. Nor are they truly members of a club, because the FFC and WCE are not constituted as membership associations in the way that many other AFL clubs are.

The term ‘member’ when applied to the FFC or WCE supporters in reality means ‘season ticket

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18 For example, the AFL and the WCE/FFC supported the introduction of Saturday afternoon matches in Perth in the 2002 season. This placed such matches in direct conflict with WAFL matches, which are traditionally held on Saturday afternoons.

19 South Australia’s and Western Australia’s AFL teams licences are held by their respective state Football Commissions, all other AFL clubs are licenced directly by the AFL. Most other AFL clubs are in essence ‘owned’ by their members who have rights under their respective constitutions.
holder'. Their membership secures them access to home games and ensures that the revenue that flows from their attendance goes into their club's coffers and not to the AFL.\(^{20}\)

The issue of Football supporters being given voting rights should also be seen within the context of the commercial forces for change in sport described in Chapter One. Authors such as Nadel (2000) have argued that since the mid-1980s the VFL/AFL's strategies for growth have been focused on treating Football supporters as consumers ('theatre-goers') and Football has unashamedly been run as a corporation. However, the treatment of Football supporters as consumers is inconsistent with granting them voting rights. For example, just because a person consumes Coca-Cola, he or she does not expect to qualify to vote at Coca-Cola Company's annual general meeting. The democratisation of Western Australian Football is connected to issues that go far deeper than simply giving people a say, it has developed out of a crisis of who owns the game. It represents a tension between the competing forces of decades of tradition, which has been built on community, identity and being a part of something; the modern market forces of a sports industry that demands AFL clubs be run as corporations; and the need for Western Australian Football to be operated as an integrated system that redistributes income so necessary to enable the game to survive at grass roots and semi-professional level. The status of members of Western Australia's AFL clubs is an interesting one. They are not owners, nor are they truly members and yet as supporters in the tradition of Australian Football there is a strong cultural claim that they ought to be given a right to determine who runs their clubs.

Finally, it must be stated that even if both the WCE and FFC eventually have the presence of democratically elected boards, this alone should not be assumed to result in higher quality governance. The history of Football (both WAFL and VFL) is littered with poor administration by boards elected by members. It was, after all, member elected administrators that had overseen the financial crisis that developed in Western Australian Football in the 1980s. What will ensure higher quality governance is a

\(^{20}\) The way in which gate revenue is distributed in the AFL means that member's receipts are retained by their club and do not flow into general AFL revenue. This means that all AFL teams place a strong emphasis on maximising membership numbers. As a result, teams such as the Adelaide Crows with their large membership successfully capture the majority of the revenue generated by attendances at Football Park.
process which ensures that persons with appropriate skills and experience are appointed and that adequate oversight of such boards exists so that poor performing administrations are addressed in a timely fashion. This is the intended outcome of Crawford’s reforms which seek to give members a voice in the election of board members, increase the independence of the boards of the FFC and the WCE and to clearly specify when the Commission should be entitled to act to address poor performance.

THE GOVERNMENT TAKES THE FIELD

Given the public policy focus of this study it is appropriate to revisit the role of the State Government in Western Australian Football some eleven years after the establishment of the Commission. As described earlier in this chapter, the Labor Opposition and then the Labor Government played a prominent public role in calling for changes to the Commission. In the 2000/2001 period Western Australian Football had become something of a political ‘football’ itself. The cultural status and popularity of the game that had served it so well in its relationship with government over the decades21 was beginning to prove to be something of a double edged sword. The increasingly instrumental basis to the relationship between sport and government that had evolved throughout the latter half of the 20th century22 appeared to be in evidence in Western Australia. Just as it had been perceived that there was political mileage to be gained in rescuing Football in the late 1980s (or at least avoiding an electoral backlash for letting it collapse), suddenly there appeared to be a perception that there were votes to be gained in publicly criticising the governance of Football.

The Labor Opposition, sensing an opportunity to tap into disaffection with the Commission (promoting the widely held and perhaps accurate view that corporatisation was destroying traditional Football culture) and the ‘crisis’ created by the simultaneous poor performance of the WCE and FFC, announced that it would conduct a major

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21 Football has arguably enjoyed a closer and more fruitful relationship with the State Government than most other Western Australian sports. For example, Fuhrmann remarked on the significance of receiving $30 million in State Government funding for the redevelopment of Subiaco Oval (2 August 2002).

22 See Chapter One.
review into Western Australian Football. The overt politicisation of Football was generally at odds with the political status of Football in the previous decade. During this period State Government concerns with the Commission had generally been given an airing behind closed doors, although from time to time the Government of the day took the opportunity to remind the Commission that its receipt of public funds were not entirely without expectations as to how they would be used:

The minister [The Hon. Norman Moore] has advised that the State Government provides $803 000 to the Western Australian Football Commission by way of a three year-year business agreement to conclude in 2000. In return for this investment the WAFC has as one of its goals the priority of ensuring that the Westar [WAFL] competition is relevant to the community and that support for the competition is sustained (WAPD, 26 October 1999, p. 2632).

During most of the Commission’s existence it had enjoyed bipartisan support. Concerns such as those expressed by the Leader of the National Party that the establishment of the Commission would result in a government takeover of Football that would be to the detriment of non-metropolitan Football were dealt with ‘in-house’ (Fuhrmann, 2 August 2002). Its relative absence from the political agenda had in the view of the former Chief Executive Officer of the WAFC, Jeff Ovens (cited in Eakins, 2000, p. 72) been a good thing, “for a group of football supporters to have an opinion that suggest football would be better off by politicisation is naive in the extreme.” Ovens knew that Football had relied on and benefited from the ‘goodwill’ of government since the Commission had been established and that this could be threatened by elements in the Football industry aligning their cause with a political party (Ovens, 3 July 2002).

It is pertinent to analyse the contribution by the Government to the controversy that surrounded the WAFC in the 2000/2001 period. One of the major areas of contention has been the redevelopment of Subiaco Oval, described in detail in Chapter Three.

23 Although promoting the idea of a review the Government has never released its ‘blueprint’ for how Football in Western Australian ought to be governed or defined what should constitute an appropriate relationship between the Commission and the Government.

24 Unless otherwise indicated for the purpose of this analysis the term Government applies to the current Gallop led State Government and includes its actions when in was in Opposition prior to the 2001 State Election.
Because of the State Government’s $30 million funding\textsuperscript{25} of the redevelopment and the traditional role of government in contributing to sports infrastructure, it is not unexpected that this would be an element of the ongoing debate to receive Government attention. According to the Minister for Sport and Recreation, Alan Carpenter, the debt the Commission entered into is the biggest problem facing Football in Western Australia:

It is clear to me that much of the present dispute at WAFL level between the eight ‘traditional’ clubs and Peel can, in fact, be traced back to the debt burden from the Subiaco Oval redevelopment .... Anyway it is clear that there is a need to address the issue of the Subiaco Oval debt to reduce the financial pressure on the whole football system.... Something needs to be done (cited in Lewis, 2001, p. 58).

The Minister (cited in Aisbett, 2002, p. 5) has also questioned other aspects of the redevelopment of Subiaco Oval. In Aisbett’s article he suggested that the public funding for the redevelopment had led to an excessive investment in the Oval. “We even thought Subiaco Oval had been over-capitalised by the $30 million of government money put in. That left football with a financial problem we are struggling with now in WA. But having said that it’s a good facility.” However, in a response to a question in Parliament, Sport and Recreation Minister Alan Carpenter appeared to suggest that the redevelopment did not create sufficient capacity:

Over the years, this State has suffered as a result of the previous Government’s ad hoc approach to sporting facility development [unfortunately this approach goes back much further than the previous Government] and its inability to make a decision. The decision about the redevelopment of Subiaco Oval has caused more problems than it has solved. It has created a huge debt for the West Australian Football Commission, which it is having great difficulty servicing. The State Government contributes $1.5 million a year for the principal, and the commission pays the balance plus interest. The oval’s size has also created a problem in that it seats fewer than 50 000 people. Major international sporting events – such as athletics meetings, the Olympic Games and the Commonwealth Games – require seating for more than 50 000 people (WAPD, 13 November 2001, p. 5400)

The Premier has also commented on the Subiaco Oval redevelopment by calling for lower ticket prices and standing room only areas (Lewis, 2002, p. 10; Tickner, 2001,

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\textsuperscript{25}This funding commitment was entered into by the Court led Coalition Government.
p.3). Essentially the Premier holds the view that the contribution of public funds to the redevelopment ought to lead to a greater number of lower price tickets to make attending Football matches at Subiaco Oval more affordable. He also expressed the view that more affordable tickets would lead to an increase in attendances. While few would argue that Football would be better off if it had less debt to service and its admission prices were more affordable, there are certain inconsistencies in the Government’s comments on the redevelopment of Subiaco Oval. On one hand the Government appears to want a large (50,000 plus) stadium capable of hosting a number of different sporting events other than Football and affordable admission prices. This would be consistent with a policy logic that would suggest a lesser contribution by Football and greater public funding for the redevelopment. On the other hand the Government has been critical of the level of debt the WAFC has entered into to provide a suitable venue for elite Football in Western Australia.

Given the parameters surrounding this decision outlined in Chapter Three, it is interesting to ponder what other options the Government believed the Commission had available to it. The extent of public funding the Commission was able to attract relative to the capacity, cost and quality of facilities that had to be developed, inevitably led to a level of debt that would prove to be a significant burden in the short term. It is almost certain that the Commission would not have rejected additional public funding and preferred to borrow less money. As Jeff Ovens (cited in Eakins, 2001, p. 11) pointed out, “this $2.7 million annual interest payment has to be met and it leaves football with limited options and little room to manoeuvre.” This is not to suggest that the Commission should not endeavour to make attending AFL matches at Subiaco Oval as affordable as possible. However, it must be accepted that the Commission has to be commercially free to set ticket prices at a level consistent with its responsibility to ensure the financial stability of Football in Western Australia. The ticket pricing issue again reflects the tensions that confront the Commission as it tries to hold together an integrated Football structure. As the beneficiary of substantial public funds the Premier’s views on the Commission’s pricing policies should be considered as

26 Debt levels are not the only cost pressures placing demands on the Football system in Western Australia to generate revenue. AFL average player salaries have increased by 50 percent since 1998 (Duffield, 2002, p. 68). Parker (16 August 2002) also commented on the inflationary pressures caused by the AFL’s highly competitive environment. This includes significant rises in costs associated with coaching and administration.
legitimate. As the owner of two large profit orientated businesses and collector of revenue for subsidising other needy elements of the Western Australian Football industry the Commission is subject to other pressures. As McGlue has stated:

The rapid commercialisation of the sport [Football] is a killer of a conflict for the commission .... The commission has struggled to identify who it serves in the community. Carpenter [the Minister for Sport and Recreation] is indicating clearly that the millions in taxpayer funding received by the commission in recent years means its community role comes before swilling fine wines with the AFL commissioners (2001, p. 6)

In the 1990s the Commission inherited the legacy of decades of poor planning by both Football administrators and successive State Governments. Faced with the pressing need to secure and develop a facility capable of hosting elite Football matches to a standard expected of stadia in the modern sports market it is difficult to identify what substantially different course of action was available to the Commission. Furthermore, it is likely that the burden of the debt entered into by the Commission will not be as significant as it may appear presently in the longer term. Even if the performances of both its AFL teams vary over time it is unlikely that the Commission will have to face a similar revenue drought to the one that occurred in 2000/2001. In the longer term the Commission will not only be in a better position to afford its interest commitments, but it will have secured control of an impressive stadium with $38 million of combined government assistance. Considering the position of Western Australian Football in the late 1980s that should be regarded as no small achievement.

The Government also involved itself in the calls for greater levels of democracy in Western Australian Football. The Government has held off conducting its own review of Western Australian Football in order to be able to analyse the outcome of Crawford's inquiry. While the Minister for Sport and Recreation initially gave Crawford's recommendations qualified support, saying that they did not go as far as the Government would have liked (Duffield, 2001, p. 60), it seems in the end that the

27 This is not to suggest that the WCE and the FFC will become permanent fixtures in the AFL's top eight teams. However, it is reasonable to expect that in the future the FFC should move to a profitable trading position and that the WCE will remain profitable even in years of poor performance. The keys will be a proportional reduction in the reliance on the WCE, a possible restructure of the WAPC's debt, changes in the profit/revenue arrangements between the Commission and its AFL clubs and a new revenue stream raised from selling the naming rights to Subiaco Oval to a corporation (McGraft, 2002, p. 115).
Government has come to the view that Crawford's recommendations were sufficient.23 Within a week of the public release of the Crawford Report the Minister was less equivocal in his support for its recommendations in a letter to the Chief Executive Officer of the WAFC. In the letter he stated:

All positions on the Football Commission should be spilled and a new commission elected through the model recommended by Crawford. This should happen as soon as is practicable, certainly within three months....One of the most difficult things for an organisation to do is to face up to the need for change – to change itself. That review provides an opportunity and a blueprint for reform in Football in WA. It may be difficult for some people to face the need for change but it is clear that we do have to change things (cited in Duffield, 2001, p. 60).

Notwithstanding the fact that the Minister may well be correct in his assessment, what is of particular interest to this study is the degree of involvement of the Minister. What is implicit in the Minister's comments is that he believes that the Commission has not done a good job and that those running it ought to move on. Again, this is indicative of the relationship between Football and government in Western Australia. It is difficult to envisage the Minister for Sport and Recreation publicly calling for the Western Australian Cricket Association or Tennis Association to make similar changes even though these bodies, like many other sporting associations, have benefited from public funding. Similarly, it is unlikely that the Victorian Government would issue such a call for change directed at the AFL. It should also be remembered that it was a previous Labor government that had been instrumental in pushing for the constitutional arrangements that the Minister for Sport and Recreation was now so keen to change.

Football in Western Australia has been conducted as something of a partnership with Government for a long period, although that partnership has no firm foundation. McGlue (2001, p. 6) captures the essence of the relationship, "Carpenter [The Minister for Sport and Recreation] has no ability to direct the commission and the clubs about what to do, beyond holding over them the threat to withhold funding when the hat comes around next time." Does the Government's financial support of the Commission justify

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23 There has been no indication that any Government inquiry will proceed. According to Metropolis, (August 12, 2002) the Government came to the view that the Commission and its constituents were making satisfactory progress without requiring direct Government involvement. A key component of this 'satisfactory progress' were the changes made to the Commission's composition and the new leadership's demonstrated ability to make changes.
its involvement in Football’s affairs\textsuperscript{29} to the extent we have seen under the current Government? If the Government wants to achieve certain outcomes in return for its funding, how ought it structure and conduct its relationship with the Commission and would this be consistent with its policy approach to other sporting bodies? The answers to these questions and an overall assessment of the Commission’s performance are dealt with in Chapter Five.

\textsuperscript{29} The current Government has also been a strong supporter of retaining Peel Thunder in the WAFL competition and the Minister for Sport and Recreation has directly intervened to lobby Football stakeholders for its retention. At the same time the Minister has been in favour of giving WAFL clubs a greater say in the structure and operation of the WAFL competition. Given that the campaign to remove Peel Thunder has principally been led by the WAFL clubs there is a contradictory element to the Minister’s actions.
CHAPTER FIVE – FINDINGS

This study has sought to evaluate the success, or otherwise, of the State Government’s decision to rescue Western Australian Football in the late 1980s when it insisted upon the establishment of an independent Commission to govern the sport. That decision created a structure of governance that was to shape Western Australian Football for the next decade and raises important policy questions about the outcomes for the general public and the Football industry arising from the relationship between government and Football in Western Australia. The purpose of this chapter is to provide responses to the three major research questions posed in Chapter One. These are:

1. Has the Commission succeeded in fulfilling the policy objectives for which it was established? Namely:
   - The return to financial stability of the Western Australian Football system; and
   - The transferral of control over Football from the WAFL clubs to an independent body.
2. Has the Commission met its primary objectives regarding the governance of Football in Western Australia?
3. Has government support for the Commission served the public interest?

POLICY OUTCOMES

The first research question posed by this study asked whether the Commission has succeeded in fulfilling the policy objectives for which it was established? One of the tasks of this study has been to identify those objectives. It would be an over simplification to suggest that the only objective that the Government was seeking to achieve was a return to financial stability of Western Australian Football. Such a narrow interpretation of the Government’s actions ignores the historical and political aspects of the policy environment in which the decision was made and the implications that were to flow from the control structure that was put in place. It would be more accurate to suggest that what Government was seeking to achieve was a major change in who was running Football in Western Australia and that by installing a different style of administration it was the Government’s view that this would lead to a higher quality of
governance for the sport. Responsible financial management was one of the intended outcomes that would arise from the change in administration, but not the only one. To understand the motivation of Government at the time, there is a need to revisit the unique nature of the relationship between the Western Australian Government and the State's Football industry. That relationship has a long history characterised by cooperation and support and has generally acted to serve the interests of both parties. It is a relationship that shares a number of similarities with the general evolution in the relationship between sport and government in Australia. That evolution has been marked by growing commercialisation and the use of sport to achieve political objectives. The rescue of Western Australian Football by the State Government in the late 1980s reflected political realities that were based on the cultural and social significance of Football in the Western Australian community.

The closeness between government and Football in Western Australia added a political legitimacy to the rescue that was to have a lasting impact on the governance of the sport. The sentiment underlying the decision to rescue Football might be best described as something akin to the reaction of a frustrated parent having to deal with a consistently unruly child. The closeness of the relationship between Football and government shaped the nature of the policy solution. In essence, the Government at the time had come to the conclusion that Football was not capable of effectively managing its own affairs. The Government insisted upon a Commission that was designed to give it assurance that Football would be governed on a more responsible and independent basis. This was essentially the Government's core objective.

The Commission's structure was inspired by the need to safeguard the future investment of public funds and to protect its status as a major creditor through the Government's exposure via the R & I Bank. However, the decision to set up a structure to restore financial stability went much further in its effect on Western Australian Football. The sentiment underlying the Government's intervention also resulted in putting in place a Commission who's style of decision making (and to some extent the decisions themselves) was deliberately remote from the sport's traditional administrators. This remoteness or independence was seen as necessary for making the 'hard' decisions that were needed to achieve a turnaround in the fortunes of Western Australian Football. To a large extent, this degree of independence was essential to the Commission's ability to
implement change at a rate that would not otherwise have been achievable. As has been described in Chapter Two, by the early 1990s the Government’s policy appeared to have been successful and Football had recovered to the point of self-sustainability. However, the structure that had been put in place and the leadership style associated with it that had been to a large extent the Commission’s strength, was beginning to show signs that it might be partially responsible for the Commission’s policy failures.

The ability to adapt to a changing environment is an important element of success. In the case of the Commission, its ability to insulate itself, that is the constitutionally afforded protection to act with a high degree of independence, persisted throughout a period when much had changed in the Western Australian Football market place. This protection encouraged an atmosphere of disconnection from Football’s traditional elements and it was arguably this style of governance that contributed to dissatisfaction with the Commission more than any other factor. From a government perspective it should have acted earlier to review the Commission’s performance and constitutional arrangements. The 1993 Submission of the Review Committee to Examine the Structure of Football in Western Australia to the Minister for Sport and Recreation gave a clear indication that concerns existed at government level and yet no major reforms flowed from it. The fact that Western Australian Football did not have an adequate ‘release valve’ meant that eventually the conflict within the industry spilled over into the political arena in 2000/2001 and very few positives were ever likely to flow from making Football a partisan issue.

In summary, the major criticism that should be directed at government is that it allowed the ‘child’ it had helped to create to remain unchanged for too long. It was necessary for government to act because there were insufficient mechanisms for the Football industry itself to facilitate the necessary adaptations to the Commission’s structure. The Government’s objectives to achieve an independent structure to govern Western Australian Football and to return the sport to a sound financial position should be viewed as being substantially achieved1. However, the impact of the structure put in

1 There have been some questions raised about the Commission’s financial management credentials given the impact of the debt entered into for the redevelopment of Subiaco Oval. However, any suggestion of comparisons between the financial state of Western Australian Football in 2001 and 1988/89 should be regarded as highly dubious.
place to facilitate those objectives, also contributed to an unhealthy degree of conflict in
the Western Australian Football system that could have been more readily resolved had
adequate mechanisms been put in place. The policy failure by government was to not
establish a satisfactory review mechanism to facilitate an evolution in the Commission’s
structure that was consistent with the changes in the Football industry that took place
throughout the 1990s. The Commission retained a structure that allowed it to act too
independently for too long, the robustness of its independence should have been
reduced sooner. With the benefit of hindsight, Crawford's reforms were several years
overdue. It should be emphasised that the actual decisions taken by the Commission did
not in themselves justify government intervention. It was not as though the Commission
was so poor in its performance that this in itself necessitated government action. It
certainly was not failing to fulfil its basic obligations. However, a break down in
crucial relationships and a lack of trust can be as damaging to good governance as poor
policy decisions. Ultimately it was the style of decision making encouraged by the
Commission’s structure that was more responsible for dissatisfaction with its
performance than any other single factor. Government has been closely involved in the
establishment of the Commission. This was not a case of relying on arguments that
government should not interfere with the administration of sport, it had already done so.
Government should have recognised its responsibility to facilitate changes designed to
achieve measured reform in the structure of Western Australian Football and for policy
settings to keep pace with the significant changes that had taken place in the Western
Australian Football industry.

In summary it can be asserted that the Government’s policy objectives underlying the
establishment of the Commission were achieved. However, a more strategic long term
view of the Football industry could have been adopted, which would have seen the
Government take a more active role in seeking to adjust the Commission’s
constitutional arrangements as the policy environment shifted considerably through the
1990s. Such an adjustment would have acted as a preventative measure to the conflict
that arose in the 2000/2001 period.
The second major research question posed by this study asks about the performance of the Commission itself in terms of its own objectives. The Commission's first objective calls upon it to maintain the WAFL as an elite and successful competition. This objective recognises the WAFL's foundational role in Western Australian Football and was designed to protect the WAFL's interests in the face of Western Australia's entry into the national competition. This has proved to be a major challenge for the Commission. There has been a major shift in Western Australia towards the AFL competition in terms of revenue, membership, attendance, sponsorship and media interest. This inevitable shift has confined the WAFL to a lesser position in the State's Football hierarchy, a position that has resulted in a degree of reliance on funds redistributed by the Commission. The WAFL currently exists at a level of 'professionalism' that is not supported by the market in which it operates.

The Commission, having accepted that the WAFL must undergo significant readjustment to find a suitable niche in the Football market, sought to relocate the WAFL competition to a more sustainable position. These adjustments, among other things, involved the introduction of Peel Thunder (which is discussed in detail below) and the introduction of 'host club' arrangements whereby FFC and WCE interstate recruits were placed at one WAFL club. It has been argued that these 'adjustments' acted to the detriment of the status of the WAFL competition and undermined its integrity. Until recently the Commission's decisions have reflected a bias for placing other elements of the Football industry ahead of the WAFL's interests. Given the prominence attached to the status of the WAFL in the Commission's constitution, it is open to conclude that the Commission did not do enough to maintain the 'elite' nature of the WAFL competition. Resource and policy decisions of this period reflected the Commission's view regarding the role of the WAFL in the Western Australian Football

2 Exactly what constitutes the objectives of the Commission is open to some interpretation (see commentary in Chapter One). This study has selected the first two objectives in the Commission's constitution (WAFC, 1989, pp. 3-7). Firstly, "to promote, develop, control, manage and encourage football matches and competitions in and out of WA with the aim of maintaining the West Australian League as an elite and successful competition." Second, "to provide guidance, planning, control and leadership to the football industry and for the benefit of the public."

3 The WCE's players were initially placed at the Claremont Football Club and subsequently the East Perth Football Club. The FFC's players were allocated to South Fremantle Football Club. In 2002 the host club arrangements were abandoned.
market. One of the major shifts that accompanied the changes to the Commission's composition in the 2000/2001 period was the emergence of a different view about the role the WAFL should occupy. The current Commission is supportive of devoting greater resources to the WAFL. This is consistent with the Commission's view that the WAFL competition plays a major role in the development of young Footballers and providing a high standard competition for retaining the great majority of senior players that do not progress to AFL level. Despite the current Commission's desire to raise standards in the WAFL competition it is severely constrained in its ability to do so due to lack of funds.

In the absence of a marked shift in the ability of WAFL clubs to generate their own revenues or a major change in the way the AFL's rules reflect its view's on state based competitions, the reality is that to a large extent the elite nature of the WAFL competition and its success will rely upon the size of the Football revenue 'pie' and the size of the 'slice' the Commission is prepared to allocate to the WAFL. Just as governments are frequently confronted by requests for resources that exceed their revenue generating ability, so too the Commission must make resource allocation judgements about what is in the best interest of the entire Western Australian Football system. These types of decisions frequently hinge on the priorities of the incumbent decision makers. Until recently the Commission placed a lesser priority on the WAFL competition and a greater emphasis on its AFL teams and Football development activities. While it will always be difficult to argue about degrees of priority, the Commission should be accountable to its constitutional objectives and it is in this light that the current stance of the Commission must be seen as being more consistent with its obligations.

To highlight the Commission's performance in relation to its second objective, this study chose to detail three critical strategic decisions taken by the Commission in the 1990s. The redevelopment of Subiaco Oval represented the single greatest financial commitment made by the Commission. Chapter Three covered the planning shortfalls

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4 Both the Fong and McAullay Reports advocated a more prominent role for the WAFL.
5 For example, under the current arrangements players can be drafted into the AFL after having played just one game with a WAFL club. This means that the majority of the cream of Western Australian Football talent is drafted into the AFL before participating for a period in the WAFL competition.
of both the State Government and Football administrators that led to the circumstances the Commission confronted in the 1990s. While there has been undoubted short term pain inflicted on the Western Australian Football industry by the debt entered into by the Commission to redevelop Subiaco Oval, this study concludes that the Commission decision to proceed with the redevelopment was consistent with its obligations to provide for the long term well being of the game. Within a relatively short time frame Western Australian Football will have gone from having no control over its principal assets to having secured virtual ownership of a modern stadium capable of servicing Football's need into the future and will have done so with the aid of $38 million in government assistance. While there may be some merit to the criticism that the development proceeded too rapidly, this pales into insignificance when the size of the achievement and its long term benefits are properly considered.

The introduction of Peel Thunder into the WAFL competition in 1997 was also examined in detail in Chapter Three. This decision, more than any other, underpinned an extended period of poor relations between the WAFL and the Commission. One of the major factors underlying the Commission's decision to establish Peel Thunder was the perceived need to base WAFL teams away from their traditional inner city locations and place them in areas of population growth to attract junior players to Football. The Fong Report rejected this reasoning, arguing that it was not necessary for teams to be located in an area in order for that area to be adequately serviced in relation to junior player development. This study finds that the logic adopted by the Commission was sound and although there may be other reasons why Peel Thunder should not have been admitted to the WAFL competition, this was not one of them.

The Commission's major problem with the introduction of Peel Thunder is that it could not generate a genuine consensus among the WAFL for its admission to the competition. As a result, the establishment of Peel Thunder had serious flaws from the outset brought about by the high degree of compromise made by the Commission to secure sufficient support from the majority of other WAFL clubs. Peel Thunder was not adequately resourced and as a result its on-field and off-field performance has been poor. This in turn has made Peel Thunder an easy target for its detractors. The licence granted to Peel Thunder has been the subject of constant speculation as to whether it was temporary or the same as every other WAFL club's. To introduce a team into the
competition that has a different status from the others simply does not make sense and has added to Peel Thunder’s inability to plan for the long term when it faces the almost annual prospect of omission. Although the Commission took the view that a compromised Peel Thunder was better than no Peel Thunder at all, this study concludes that the compromises were too great. If the Commission could not have generated sufficient support for the concept it should have delayed the introduction of an additional licence to compete in the WAFL until an acceptable level of support could be attained or merger activity facilitated further rationalisation. Ironically, the Commission still finds itself in this position in 2002. While the logic that underpinned the introduction of Peel Thunder should be supported, its implementation has been flawed.

Regardless of the merits of the decision to admit Peel Thunder to the competition the fact is that the Commission still needs to resolve the issue prior to the 2004 season. Should Peel Thunder remain in the competition and what process should be followed to decide the issue? The first point to be made is that it is unfortunate that the fate of Peel Thunder largely rests in the hands of the other WAFL clubs. Under the WAFC Constitution it is the vote of the ‘traditional’ WAFL clubs that decides whether Peel Thunder can continue to participate in the WAFL competition6. While the views of the ‘traditional’ WAFL clubs ought to be taken into account there is a massive degree of self-interest involved in the position the clubs have taken. This situation clearly calls for the overall leadership role for which the Commission was established.

This study concludes that the path taken by the McCusker Report offers the best way forward. Although it is notoriously difficult to reach agreement on the criteria that should be used to assess the well being of a Football club and even harder to gain an accurate assessment of where they stand in relation to that criteria, the way forward should be based on an objective assessment. It would be disastrous to fight a long and expensive legal battle to exclude Peel Thunder from the WAFL competition in 2004 if one or more of the other WAFL clubs is not in a sustainable position in the short to medium term. An objective assessment based on the current and future well being of each of the WAFL clubs ought to be used as the basis for decisions about the future structure of the competition, including the fate of Peel Thunder and possible mergers.

See the results of the 2002 vote to exclude Peel Thunder in Chapter Three.
The FFC has enjoyed mixed fortune since it entered the AFL competition in 1995. On one hand it has made a significant contribution to Western Australian Football in many ways and the merits of its introduction have never been seriously questioned. On the other hand the FFC has generally failed to live up to the on and off field expectations of its supporters and the Football community in general. This study does not underestimate the magnitude of the task of establishing a new AFL team. With the exception of the Adelaide Crows, the WCE (which were both new teams established in traditional Football cities with the enormous initial benefit of being the only teams in those cities) and Port Adelaide Power\footnote{Port Adelaide Power was the second team to be admitted into the AFL from South Australia in 1997.}, the history of the AFL suggests that new teams have taken a number of years to make an impression on the AFL competition.

In addition to the normal challenges faced by new AFL teams, the FFC faced considerable player recruitment difficulties and the millstone of comparisons with the WCE\footnote{The focus on comparison and rivalry with the WCE, which produces some positives, has also generated an unhealthy focus that has not always served the best overall interests of the FFC or the Western Australian Football industry in general. To some extent this situation was driven by the FFC itself. This situation has changed somewhat in 2002.}. Despite all of these challenges, by 2001 it was questionable as to whether the FFC had made satisfactory progress. As far as the health of the Western Australian Football industry was concerned the results of the FFC's administration\footnote{Some of those interviewed as part of this study have suggested that it was primarily Football operational decisions taken by the coaching staff and match committee that were responsible for the overall poor performance of the FFC, rather than poor administrative decisions. This is possibly the case. In any event, the FFC Board is responsible for the appointment of the coaching staff and the key Football operations personnel.} had led to a less than desirable situation. The question of prime importance to this study is the role of the WAFC in the FFC's performance. As was stated in Chapter Three, this study does not advocate a role for the Commission in operational matters of the two AFL clubs it owns. However, the Commission retains the responsibility, by virtue of its ownership and its ability to appoint members to the boards that do oversee the operational aspects of its AFL clubs, to act when circumstances require it to do so. It also is obligated to act to protect the overall interests of the Western Australian Football community. It should not be overlooked that the Commission was the only external body capable of addressing the problems at the FFC. Members of the FFC could not bring about change because they had no ability to elect board members; the responsibility to appoint appropriate persons belonged to the Commission alone.
It is acknowledged that there were obstacles to the intervention of the Commission in the running of the FFC. Not the least of which was the fact that the Commission was responsible for appointing the FFC board members in the first place. As was pointed out in one of the interviews conducted by this study, it is inappropriate to put a board in place one moment and the next be responsible for “cutting it off at the knees” (Fuhrmann, 2 August 2002). However, it is an equally unsustainable practice to allow under performance over an extended period of time without taking necessary action.

Crawford (2001, pp. 9-13) makes several recommendations regarding the relationship between the WAFC and its AFL teams. Of key interest to this study is his description of the suggested basis for the redefinition of that relationship, which includes the following points. Crawford suggests a relationship that:

- enables both AFL clubs to operate more independently through appropriately appointed Boards;
- [is] free from day to day interference from the Commission;
- [is] held accountable for achieving or not achieving agreed budgets, goals and business plans, with;
- the failure to perform resulting in their independence being restricted.

Crawford’s point is essentially that there ought to be a pre-agreed point at which both parties (the WAFC and the AFL team board) acknowledge that the Commission has a legitimate right to intervene. The historical lack of such an arrangement meant that the Commission faced considerable difficulty in establishing the basis for its intervention and hence it was delayed beyond a reasonable period of time. This was further exacerbated by a sense of loyalty to those the Commission had appointed to the FFC board and a breakdown in the relationship between the WAFC and a FFC suspicious of a Commission which was also the owner of its greatest rival – the WCE. The processes put in place by the FFC and WAFC that led to the positive changes that have taken place at the FFC in 2002 should be regarded, together with the implementation of Crawford’s recommendations, as providing an appropriate basis for moving forward.

The question many FFC supporters and many in the Football community in general are asking is why did it have to take so long? The Commission must accept its part of the blame for the delay.
It is acknowledged that the redevelopment of Subiaco Oval, the introduction of Peel Thunder and the governance of the FFC form an incomplete picture of the totality of the Commission’s performance in relation to the second of its objectives under review in the study. Nevertheless, these three key areas provide a valuable illustration as they represent the most controversial and high impact decision taken by the Commission since its inception. The Commission has generally succeeded in providing guidance, planning, control and leadership to the football industry and for the benefit of the public. It has endeavoured to act in what it regarded as the best overall interests of the game of Football in Western Australia and comparisons with the state of the game in 1989 and 2001 generally serve to portray a positive view of the Commission’s performance. No organisation should be judged without due regard for the full range of parameters that constrain and complicate major decisions. Although this study has directed criticisms at the Commission’s performance in relation to the implementation aspects of Peel Thunder and the FFC it should be stressed that given the long term nature of these decisions, we are yet to reach an appropriate time period over which these decision should be more properly evaluated.

The general consensus to emerge from this study, including that gained from those generally critical of the Commission, is that on balance, the Commission has served the interests of Western Australian Football well. There has been no serious suggestion that Western Australian Football would be better off without the Commission or that the achievements of the past twelve years could have been gained without such a structure in place. As Cometti (2001, p. 61) has stated with respect to his experience with Western Australian Football in the mid-1980s, “let me share a secret with you. The WA Football Commission saved WA Football, no ifs no buts.” The performance of the Commission has generally justified the decision taken by the Football industry and the State Government to create it.

The Commission’s major overall shortcoming was that it failed to adjust its approach to leadership as the Football industry changed in the second half of the 1990’s. On the difficult and subjective question of the balance between independence and accountability, this study concludes that the Commission remained too ‘independent’ for too long. This in itself would not have necessarily been a problem. However, when this approach translated into a climate of mistrust and hostility, generated by poor
communication and lack of consultation, the Commission's critically important ability to generate support from its constituents was reduced. In simple terms, the Commission's style was genuinely interfering with its ability to deliver on the substance. This is a pity on two fronts. Firstly, it reflected poorly on the Commission even though it had generally delivered well on the 'substance'. Secondly, had the 'style' adapted more appropriately to the changing environment, there is a very good chance that the 'substance' would have been even better. Finally, the above comments should not be taken to be a recommendation for a Commission held captive by its constituency; the tail should not be allowed to wag the dog. In the short term, the implementation of the reforms recommended by Crawford should be a priority for the Commission provided the spirit of the reforms are adhered to. The Crawford Report demonstrates the benefit of the Commission subjecting itself to review from outside its own ranks. This should be a regular feature of the Commission's approach to governance and should greatly assist in ensuring that the Commission continuously adapts to its changing and challenging environment.

In summary, the overall performance of the Commission must be rated highly. Its major shortcoming was the breakdown in the trust and communication among the Football industry's various elements. This substantially arose from a lack of consultation and a leadership style that did not sufficiently adjust from the 'receiver/manager' mentality. The Commission was responsible for guiding Western Australian Football out of its most serious financial crisis and it has provided a solid platform upon which the industry can determine its own future.

THE PUBLIC INTEREST

The final research question posed by this study was the issue of whether the State Government's support for Football has served the public interest? In posing this question, this study has acknowledged the very real difficulty that exists in defining what constitutes the public interest. To assist in answering this question this study has detailed the policy rationale for why governments in general provide funding to sporting organisations and documented the changing nature of the relationship between sport and governments in the twentieth century. It has also sought to establish the cultural and social significance of Football in Western Australia and how this affected the political
legitimacy attached to the Government’s actions. The combination of the above factors leads to the finding that by assisting Football the Government is contributing to an activity that benefits both directly and indirectly a large portion of the Western Australian community. What the Football industry lacks in economic terms, it makes up for in cultural and social terms. It is an important industry, as deserving of the Government’s support as many others.

This study finds that the Government’s support for Football is consistent with the policy rationale for government support for other industries and specifically consistent with the public interest arguments advanced for supporting sporting organisations in general. Government support has underpinned an activity that makes a very real, if somewhat intangible, contribution to the Western Australian community. What makes the case of Western Australian Football somewhat different is that the closeness of the relationship with the Government exceeds that generally found in relation to other industries or indeed other sporting organisations. This has led to some distortions in the usual separations that would generally characterize such a relationship.

There are three aspects to the State Government’s involvement with Football that have been evaluated in this study. Firstly, the decision to assist in the rescue of Football in the late 1980’s and negotiate for an independent Commission to govern the sport. This study has concluded that this policy decision achieved its objectives, although its legacy was allowed to remain unadjusted for too long. Secondly, the ongoing support the Government has given over many years to Football, which continued after the establishment of the Commission. This support includes funds for the WAFL, the FDT and the redevelopment of Subiaco Oval. Thirdly, the current Labor Government’s actions in the lead up to the 2001 election and since it attained office. The establishment of the Commission and the ongoing support for its activities are consistent with the public interest objectives discussed above. However, the activities of the Labor Government are deserving of further attention because they go directly to an important sub-question arising from the public interest analysis offered in this study. That is, what should be the appropriate relationship between the State Government and the WAFC?
The distortions referred to above in the relationship brought about by the closeness between the Government and Football in Western Australia were never more in evidence than during the 2000/2001 period. As has been indicated in this study, the role played by the Government was to a large extent instigated by the inability of the Football industry to resolve its issues 'in house' (a situation significantly contributed to by the previous actions of Government). The conflict invited the involvement of the Labor Party in the heady atmosphere of an election campaign. Despite the pre-election rhetoric, the Labor Party's promised review of Football did not eventuate, due substantially to the Football industry's ability to resolve its issues without direct intervention from the Government. This reinforces the view that the role of government should be to facilitate and enable industry to be successful (including the Football industry) and that where the situation offers sufficient justification, government should provide funding on a clear, coherent and transparent policy platform. According to former Minister for Sport and Recreation, Norman Moore (9 September 2002) "the Government's role in sport, in my view, is to support, but in no way provide specific direction or to be involved in the administration of sport.” The Government's direct funding of the redevelopment of Subiaco Oval, the conduct of WAFL games in regional centres and the FDT are all examples of where Government funding is linked to certain outcomes. In these cases the Government is entitled to expect that those outcomes are achieved and should require the Commission to report to its satisfaction on such outcomes.

However, when the Government's involvement goes beyond an enabling role or the provision of specific funding attached to certain up front policy outcomes, there ought to be an element of extreme caution exercised. Despite its popularity, cultural importance and potential political significance, government should resist the temptation to directly involve itself in the governance of Football. That is not to say that the State Government is not entitled to express a view and that such views ought to be taken into account by the Commission. The funding relationship and political realities demand

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10 According to former Minister for Sport and Recreation Norman Moore (9 September 2002), the Government's funding of Subiaco Oval was based on the Commission providing 3000 lower cost seats. According to Moore, this number was consistent with the Commission ability to service its debt obligations. Another condition that was attached to the funding was the requirement that Subiaco Oval be made available for athletic/main stadium purposes if events such as the Commonwealth Games were to be staged in Perth (Tannock, 2 September 2002; Moore, 9 September 2002).
that the Commission treat the views of the Government very seriously (Tannock, 2 September 2002). However, the Government should limit its role to that outlined above. The task of running Western Australian Football is best left to a properly constituted and functional Commission.

In summary, the Government’s support for the Commission and Western Australian Football fits within the policy arguments advanced for government support for sport and recreation activities in general. Given the cultural and social importance of Football to the Western Australian community, Government support has served the public interest by assisting the Football industry through a major financial crisis and, more recently, through the provision of funding for infrastructure, junior development and regional/community based initiatives. The unique closeness of the relationship between Government and Football in Western Australia should not be used by either party as a basis for distorting the policy principles that favour the existence of clear boundaries between the two bodies. These boundaries should assign Government an enabling role and one that is consistent with its policy approach to other sporting bodies.

FUTURE CHALLENGES

Football faces challenging times and in many respects the cost pressure and inequities that necessitated the major changes that took place in Football governance in the 1980s are showing signs of reemergence. Whether it is in the AFL, in State competitions such as the WAFL or in country Football, there are many Football clubs struggling for survival across Australia. As major changes take place in patterns of sporting participation, entertainment preferences and demographics of the Australian community the traditions and future well being of Football are under constant pressure. This places an enormous emphasis on bodies such as the Commission to get their decision making right. Football in Western Australia, as a result of the joint efforts of the Commission and the State Government, is at least in a position to control its own destiny. For better or worse, in the foreseeable future the well being of Western Australian Football is substantially dependent on the ability of its two AFL teams to be successful and provide adequate funding for the rest of the Football system. With this in mind, the Commission is working to both broaden and strengthen its revenue base (Fong, 30
August 2002) and this represents a critical component of the Commission’s strategic outlook. It must endeavor to secure arrangements that will provide it with access to a secure and growing source of funds and at the same time provide adequate incentive and independence for its AFL clubs. Having secured more satisfactory revenue generating arrangements the Commission must then make sound judgments about how those funds should be redistributed. Those decisions will ultimately shape the future of semi-professional, amateur and junior Football in Western Australia. In the not too distant future it is likely that more fundamental questions will be raised about the existence of the Commission and its role in the Australian Football system. The increasing centralist power of the AFL and the pressure to 'normalize' the ownership and operation of Western Australia’s AFL teams are likely to be key factors in determining the future role of the Commission.
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Internet


Video


Conference Presentations

# APPENDIX 1 — INTERVIEW SCHEDULE

<table>
<thead>
<tr>
<th>Name</th>
<th>Date Interviewed</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Jeff Ovens</td>
<td>3 July 2002</td>
<td>Former Chief Executive Officer of the Commission</td>
</tr>
<tr>
<td>Mr. Graham Edwards MHR</td>
<td>11 July 2002</td>
<td>Former Western Australian Minister for Sport and Recreation</td>
</tr>
<tr>
<td>Mr. Phil Baddock</td>
<td>24 July 2002</td>
<td>Senior Consultant – Department of Sport and Recreation</td>
</tr>
<tr>
<td>Mr. John Fuhrmann</td>
<td>2 August 2002</td>
<td>Former Member of the Commission</td>
</tr>
<tr>
<td>Mr. Peter Metropolis</td>
<td>12 August 2002</td>
<td>President of the Subiaco Football Club and former Chairman of the Council of WAFL Presidents</td>
</tr>
<tr>
<td>Dr Helen Parker</td>
<td>16 August 2002</td>
<td>Current Commission Member</td>
</tr>
<tr>
<td>Mr. Michael Moylan</td>
<td>29 August 2002</td>
<td>Football Administration Manager Fremantle Football Club</td>
</tr>
<tr>
<td>Dr Neale Fong</td>
<td>30 August 2002</td>
<td>Current Chairman of the Commission</td>
</tr>
<tr>
<td>Dr Peter Tunnock</td>
<td>2 September 2002</td>
<td>Former Chairman of the Commission</td>
</tr>
<tr>
<td>Mr. Norman Moore MLC</td>
<td>9 September 2002</td>
<td>Former Western Australian Minister for Sport and Recreation</td>
</tr>
</tbody>
</table>
APPENDIX 2 – SAMPLE INTERVIEW QUESTIONS

1. Could you please describe your background and involvement with West Australian Football? (Position, length of service, qualifications, etc.)

2. What were the responsibilities/duties of your role?

3. Please describe the circumstances from your perspective that led up to the formation of the Western Australian Football Commission?

4. What factors in your view influenced the government decision to support Football and what were the influencing factors/objectives of the Football Industry and Government?

5. How would you characterise the relationship between government and the Commission? Are there any specific instances in which government has sought to have a direct influence?

6. What were from your perspective the major objectives the Commission?

7. What have been the major challenges faced by the Commission? How successful has it been in meeting these challenges?

8. In retrospect what, if anything could the Commission have done differently to obtain better outcomes?

9. How would you rate the overall health of the Football industry in Western Australian today and on what basis would you make those judgments?

10. How did/does the Commission seek to deal with its various stakeholders and balance the demands of the interests that arise from its various stakeholders?

11. Has the change in the makeup and leadership of the Commission over the years influenced its policy direction?

12. Is there anything that you like to comment on that has not arisen from my questions?
APPENDIX 3 – WAFC VOTING SYSTEM

Prior To The Implementation of Crawford’s Recommendations

WAFC calls for expressions of interest

WAFC interviews applicants

WAFC recommends successful candidate to special members
  - FFC, WCE and WAFL

Special members can either accept recommendations or veto them
  - vote weighting – WCE 25%, FFC 25% and WAFL 50% - candidate must win more than 50% approval to be appointed

Candidate Accepted

If veto is invoked a second and if needed a third recommendation is made by the WAFC

If third candidate is vetoed the Minister is decides on the appointment

Crawford’s Voting System

Five person review committee formed

Committee advertises for expressions of interest

Committee makes recommendations to parties entitled to vote

Voting based on House of Representatives system

Voting Structure

Current Commissioners 20%
WCE 20%
FFC 20%
WAFL 30%
The WA Country Football League 5%
The Metropolitan Football League 5%
APPENDIX 4 – WESTERN AUSTRALIAN FOOTBALL REPORTS


