

# **PUBLIC ACCOUNTS COMMITTEE**

## **INQUIRY INTO USE OF STATE FUNDING BY THE WEST AUSTRALIAN FOOTBALL COMMISSION**



**TRANSCRIPT OF EVIDENCE  
TAKEN AT PERTH  
WEDNESDAY, 23 SEPTEMBER 2020**

**SESSION TWO**

### **Members**

**Dr Tony Buti (Chair)  
Mr Dean Nalder (Deputy Chair)  
Mr Vincent Catania  
Mr Simon Millman  
Mrs Lisa O'Malley**

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**Hearing commenced at 10.20 am****Mr GRANT DONALDSON****Barrister, Former Director of Fremantle Football Club, examined:**

**The CHAIR:** Welcome. Thank you for appearing today to provide evidence relating to the committee's inquiry into the use of state funding by the West Australian Football Commission. My name is Tony Buti; I am the committee Chair and member for Armadale. With me today, to my left, is Mrs Lisa O'Malley, member for Bicton, and to my right is Mr Simon Millman, member for Mount Lawley. We have apologies from the Deputy Chair, Mr Dean Nalder, and also from the member for North West Central, Mr Vince Catania.

It is important that you understand that any deliberate misleading of this committee may be regarded as a contempt of Parliament. While your evidence is protected by parliamentary privilege, this privilege does not apply to anything that you might say outside of today's proceedings. I would also like to advise that today's hearing will be broadcast on the Parliament House website.

Do you have any questions about your attendance here today?

**Mr DONALDSON:** No.

**The CHAIR:** Before we ask some questions do you have a brief opening statement that you would like to make?

**Mr DONALDSON:** No. I was invited to come, so I am fine.

**The CHAIR:** Mr Donaldson, can you give us your views on how the current composition of the West Australian Football Commission board is actually made up, or the nomination process and the appointment process? We have had a lot of commentary in our inquiry so far about the way that is composed whereby the Eagles have 20 per cent, the Dockers 20 per cent and the existing commissioners have 20 per cent, and then 30 per cent for the WAFL clubs and 10 per cent for the affiliates. Do you have a view on that and if you think it should change?

**Mr DONALDSON:** It may assist if I give you a bit of a background to my experience with the Football Commission.

**The CHAIR:** Thank you.

**Mr DONALDSON:** I was one of the initial directors of the Fremantle Football Club; in fact, I did all the legal work leading up to the creation of the football club. I was a director in 1994, 1995 and 1996. I then ceased to be a director and went back onto the board in, I think it was 2009, for another seven years, so there is 10-year term on the Dockers' board. I should say that other than my service on the Fremantle Football Club board I have had very little to do with the football commission and I am not going to trade gossip as to what I hear goes on or does not go on. But I had an intense experience with the Football Commission during those two periods, and the experience during those two periods was fundamentally different, largely I think as a result of the nature of where the football club was initially and where it was in 2009.

Initially the WA Football Commission was expressed this way: the football commission viewed itself as the proprietor, whereas I personally viewed them as a shareholder. Initially the relationship between the football club and the football commission was actually quite hostile. In fact, the WA Football Commission was not wholly supportive of a second team in Western Australia at that time, so things were actually quite tense and quite difficult initially—certainly from my perspective

anyway—and there were very frequent disagreements between the board of the football club and the football commission at that stage.

Then when, as I said, I left the board, it was in part because of my frustration with having to deal with the football commission. I went back in 2009 and things had fundamentally changed by that stage, and the relationship was very much one of the football commission really being, essentially, a shareholder and there was, in fact, very little interaction between the board of directors and the football commission. I think the first year I was on the board there was a meeting of the whole of the board with the football commission and I stopped going after that. Shortly after that first meeting—that I attended anyway—I think that annual meeting ceased. So we had very little involvement directly with the Football Commission. During my time on the board on the second occasion I was there, I think the voting arrangement was as you have suggested and I assume that that is the current position now.

As to the composition of the Football Commission, oddly enough, it is a matter I thought quite a bit about over the years because I experienced a great deal of frustration with the WA Football Commission, even during the second period. It was not as intense a frustration as in the first period, but certainly in the second period it was there. That frustration was largely a result of my inability to understand where the money that was paid into the Football commission was actually spent. I used to look at the football commission's annual reports in those days and I could not understand from the accounts that were published where the very significant sums were spent. In those days the football commission was the stadium operator as well, and that was a wholly untenable arrangement and it is a very positive thing that that arrangement has now ceased, in my opinion.

Nonetheless, there was an awful lot of money going into the WA Football Commission and what, as an AFL club, we desired out of the Football Commission was often not delivered; and when it was delivered, it was difficult to deliver—if I could explain what I mean by that. I should say I speak wholly on my own behalf here; I am not representing the football club or anybody else. Essentially, what a Western Australian AFL club wants out of the football commission is a number of things. One of them is a strong second-tier competition—that is the WAFL competition.

An AFL club wants a strong second-tier competition so that players who are not playing in the first 22 in every game have a competitive competition where they can improve. If you have an uncompetitive second-tier competition or a grossly lopsided second-tier competition, then that is a failure, because the Victorian clubs have that. As I think you know, during the period I was on the board, the second time, the alignment model was introduced with the two WAFL clubs. That was a positive thing, certainly insofar as our club was concerned. Before that it was unsatisfactory because the players were spread over different clubs; there was no great interaction between a club with which they may have been associated or not. So the alignment model, certainly when I was on the board, I thought worked extremely well with Peel; and, of course, it had the consequence of bringing a club that had been wholly uncompetitive since it started up to a level of equality with some of the other clubs. I suspect Peel would say they are not necessarily related, but it always seemed to me that they were.

I think that was a positive thing, because if you look at it, if we had a player in those days playing with, say, East Fremantle and they were playing against Subiaco or they were playing against Peel, well, it was a 25-goal massacre every time they played, so that was not really an appropriate hit-out for our players. It is essential to both of the clubs, and I would expect West Coast would say exactly the same thing, that there is a strong second-tier competition. Certainly, when I was on the board, I thought there were concerns about the strength of that second-tier competition. That was largely because of the inequality in the WAFL competition at that time, with Subiaco having a particular

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funding stream specifically available to it, which meant that it was far away stronger than the clubs that did not have anything like that funding source—so Peel, East Fremantle, Perth, essentially. There is no surprise that they are the three most unsuccessful clubs over the last period. The Football Commission has to deliver that and it has to be, in my view, focused on that.

Secondly, the Football Commission should be responsible for producing elite, draft-able 18-year-olds into the system. The Western Australian clubs have an advantage in relation to Western Australian-bred elite 17 and 18-year-old footballers because the recruiters see them more, just as they have a disadvantage with Victorian 17 and 18-year-olds.

[10.30 am]

The football commission must be able to deliver, not only to the WA clubs but to the AFL system, elite 17 and 18-year-olds. My perception was, and this was not a unique perception, that in the period 2009 to 2016 they were failing at that. I vividly recall our head of recruiting at one stage at a board meeting telling us that the best midfielder kid coming out of the Western Australian system was not in the top 30 on running times. So there were 30 kids coming out of Victoria and South Australia that were doing better in the measurable elite running tests than any kid coming out of Western Australia. Now, that is a failure. It is critical that the Western Australian clubs are able to recruit kids from Western Australia, particularly midfielders, who can get into AFL fairly quickly. I will just talk about my own club, but Cerra and Brayshaw, for instance, they were able to come out of the Victorian system and play in the AFL pretty much straightaway. That did not seem to be happening to the same extent with Western Australian kids. Whatever the model was that was being used for elite development during those periods was clearly failing and that was a West Australian Football Commission responsibility, because the AFL clubs cannot do it—they are precluded from doing it. So, it must be the Western Australian system that has to produce those kids.

That was a very real frustration, not only to the club, but I thought extremely unfair to these kids as well because no doubt there were plenty of good kids coming through, but they just did not have the background in really elite conditioning and training to have them at the level that the Victorian kids were. That is reflected, I think if you look at the Teal Cup—it is called something else nowadays, but whatever the Teal Cup is called now—and I have not looked at this for some time but Western Australia has won the Teal Cup as many times as Queensland. I think WA has won the Teal Cup maybe four times. Whereas if you look at Victorian country and Victorian metro—they have two teams—South Australia has done better than Western Australia at Teal Cup. Now, that is not the whole answer to it but it is not a bad indicium of what your elite 17 and 18-year-old kids are looking like. That was a great frustration to me, particularly having regard to the money that the football commission had available to it.

The other thing the football commission is responsible for is junior development, or participation. I just cannot remember now how many sessions I sat through and had it explained to me how participation numbers were fantastic and higher than they had ever been. I could never understand the basis upon which those assessments were being made. Have you had it explained to you? You have double counting —

**Mrs L.M. O'MALLEY:** Double, triple, yes!

**Mr DONALDSON:** I was going to say, triple counting means one—I do not know. I have given up. It just was not necessarily being reflected in what I saw. I used to coach my little bloke's football team and did so for 10 years, and it did not seem to me that participation was as great as I expected it would be. I think Auskick is a fantastic program. Auskick is really one of the great development programs—and I am talking here of boys. Girls' football was not really a big issue when I was at the

football club; it was coming in at an elite level when I went off the football club, so I am talking really about boys here. There is a real problem with boys stopping playing football at 13 and 14 and it just gets worse from there. There are obvious reasons for that, but the greater depth that you can have and the number of kids playing and the better off, one, the elite competitions are going to be. I think footy is a great game—so is soccer—and the more kids that can be running around on grass in a team sport the better. I personally was just never able to measure the success or otherwise of football commission's grassroots development—I just do not know. Whenever I asked for an explanation, I could never understand the explanation. Maybe that is just part of the way it is done, I do not know. But I think it is good to be able to measure success on all things that an institution is responsible for. Maybe the football commission says they do measure it and they are doing well, but I could never understand what the measurements were.

I think that is a rather longwinded way of getting around to an answer, but insofar as the football commission is concerned, really, in my time, they had very little to do with the football clubs. In fact, the appointments to the board of certainly my football club were done completely independently of the football commission. They were advised of who was proposed to be appointed, and other than in one instance that was essentially just ticked. Although in my time on the football club board on the second occasion we had member-elected representatives as well so that was a different process. The football commission pretty much left us to run the business, which I thought was entirely appropriate. If that is entirely appropriate, you do not really need people on the Football Commission board, it seems to me, who are terribly experienced in running AFL clubs, because that is not what the Football Commission is about. The football commission, it seems to me, should be responsible for those matters that I have just discussed.

When I discuss things like development and elite development, there are differences within that as well between different parts of the metropolitan area, but particularly country areas. When we look at the amateur competition, there is effectively now only one general competition in the metropolitan area anyway, other than WAFL, and that is amateurs.

**The CHAIR:** There are couple of other small ones, but Perth Football League used to be amateurs.

**Mr DONALDSON:** In the old days there used to be the south suburban league, and the Sunday league, yes. I think, more or less, they are all associated now with the amateurs. Again, this is more a perception thing than anything else, but my perception is that we do not have as great a participation in that tier of football than there is in other states. I think that is a pity. I do not know how many amateur clubs or teams there are, but it is my perception that there is not as many young people—boys, or men—playing that than there are in other states. Again, I just do not really know that. Then, if you look at what the football commission, in my view the expertise it should have, it is in those areas, because getting a cheque from the AFL clubs does not take much skill really; it is how you spend it.

[10.40 am]

If all of that is right, then the voting model for football commissioners does not necessarily appear to reflect that. What can be done about it and how it can be changed—if there is any appetite for change—I am sure that many people would have different ideas on that.

The only thought I have had in that respect is one that has very significant downsides, I think, but is probably a preferable model to the current model. That is, that the major stakeholders—it is not a word I particularly like—in football are actually directly represented on the football commission board. For instance, the WAFL, as a stakeholder, would have a direct representative or direct representatives as would junior development councils. It may be that with WAFL clubs you have representatives from the Colts, because as I understand it now a lot of the elite development is

being proposed through the Colts competition. I do not have a particular precise model in mind other than that direct representatives of the actual stakeholders in the football commission is probably a preferable model to the model that we have now.

The model we have now is really a model where commissioners are chosen by the two AFL clubs and the commissioners, where the commissioners have gone through a process of effectively being appointed by the two AFL clubs. Now, that is not the worst model in the world, but if I were at a WAFL club or busting my gut in junior development or amateurs I would not feel as though I was particularly represented in that. Who are the commissioners now? You have got Wayne Martin. Well, I would have thought he is viewed pretty much as a West Coast appointee. Brian O'Donnell was on the commission, and I think he used to be on the board of the Dockers. Is Chris Cottier still on the committee?

**The CHAIR:** His term is up, but he is on it, yes.

**Mr DONALDSON:** Chris is a senior person at BHP, which is one of West Coast's major sponsors. Neil Randall is on it as well. I think Subiaco, because of the arrangement with Subiaco over many years, has been in a rather different position to most of the other WAFL clubs. I should say that these are all good people. I am not being critical of anybody, but I am just talking about the constituency that they might be perceived to represent. I am not sure who else is on the football commission.

**The CHAIR:** There is Stuart Love.

**Mr DONALDSON:** Oh, yes. He is a merchant bank-type.

**The CHAIR:** Then there is Drew Banfield's wife.

**Mr DONALDSON:** I do not know her. There is Cheryl Edwardes as well. Cheryl is a very good quality person. She is a mad West Coast supporter. And Grant Dorrington—and, again, Grant is a good quality person. I must say it has always seemed odd to me that a long-term employee of the Football Commission would then go into being a commissioner, and recent events that I have read about in the newspaper are disappointing.

**The CHAIR:** What is your view on a West Australian Football Commission board member working for a company that is a major sponsor of one of the AFL clubs?

**Mr DONALDSON:** A football commission board member?

**The CHAIR:** Yes.

**Mr DONALDSON:** Let me think of it in these terms, if I might, first. We would never have an employee of a major sponsor on the football club board. Fremantle Football Club would never have that. That would not be viewed as appropriate, and I cannot remember whether West Coast have had that. West Coast have a coterie of people who have been very involved in the football club from very early on, which Fremantle does not really have. It would be something that would not be thought of as appropriate for one of the clubs. Are we talking about Chris Cottier's arrangement here?

**The CHAIR:** Yes.

**Mr DONALDSON:** Well, I would have thought there would necessarily be a perception that as an employee of BHP—BHP being a very major sponsor of West Coast—that he may be viewed as leaning toward the West Coast side. Historically, because of the arrangement and relationship between the Fremantle Football Club and the football commission, and it was originally hostile, the arrangement between the football commission and West Coast was always close. They were the only show in town for a long time. It was certainly my perception early on and that of the football club that to a degree the football commission was actually trying to frustrate our progression,

because West Coast were right in the middle of their best period. They had won the premiership in 1992 and 1994. And 1995 was Fremantle Football Club's first year and no doubt West Coast's expectation was that they were in a premiership window, and they plainly were.

There has always been, as I have perceived it, a much closer relationship between the football commission and West Coast than there has between the football commission and the Dockers—much closer.

**The CHAIR:** The royalty arrangement or the payment of funds from the AFL clubs to the commission, obviously now it has changed since the new Optus Stadium arrangement. Correct me if I am wrong, but previously and probably when you were on the board, Dockers paid a percentage of revenue while the Eagles paid a percentage of profit. Is that true?

**Mr DONALDSON:** From my understanding, yes. I only knew what our arrangement was, and it was a constant source of negotiation between us and the football commission. They were always after more money, essentially. Yes, we paid a percentage of revenue. As I think I indicated before, part of the frustration was that I felt the football club was really devoting very substantial sums to the football commission and, one, we did not know what they were doing with it and, two, I did not perceive that the football commission was receiving a great return for it. Subiaco Oval was a disgrace. They were a woeful stadium administrator.

**The CHAIR:** You mentioned—and thank you very much—where you saw the focus should be of the commission. Should they, though, be actually delivering the programs or the services or should they have more of an overall governance role?

**Mr DONALDSON:** I am of that generation, I think, where I am a bit sentimental about the WAFL clubs, but it is sentimentality. I must say I do not really have a view on the best way of delivering what the football commission should be delivering, say in relation to grassroots football. Whether that is best done through allocating funds to the WAFL clubs and giving the WAFL clubs responsibility for it, which I would have thought—without knowing too much about it—was probably a sensible way of doing it, or it is done in a more centralised way, which I think is more or less how it is done. I think the closer you can get to the grassroots, the better you are going to be in grassroots administration or delivery of grassroots services. I often hear—I am sure you do—the WAFL clubs are poorly managed. I think that is largely a function of them being starved of funds and resources. I have friends who are on boards of WAFL clubs; it is pretty tough down there, for some of them anyway. So far as delivery of mass participation, I do not really have a view on the best way of doing that. I am sure the AFL commission does. Are you going to be speaking to the AFL commission?

**The CHAIR:** Not at this stage, no.

[10.50 am]

**Mr DONALDSON:** I am not going to tell you how to do your business, but they know lots. So far as elite development is concerned, I really look at what is obviously the best model, which is the Victorian model, because they just have so many more kids. If you look at the kids who are coming out of the Victorian model, like that kid who went first in the draft last year who played for Gold Coast; that an 18-year-old kid can come out of a system like that is truly extraordinary, really. Again, my understanding of the Victorian system is that that elite under-18s competition that they have with the Bushrangers, the Calder Cannons and whatever they are —

**Mrs L.M. O'MALLEY:** Gippsland Power.

**Mr DONALDSON:** Are you from Gippsland, are you?

**The CHAIR:** You have two Victorians here!

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**Mr DONALDSON:** You know more! I always get them rather confused with rugby union team names. My understanding of it is that those under-18 clubs are actually affiliated with the VFL teams, some of which have an affiliation with AFL teams—they are essentially reserves teams. If that is right, it appears to be that that program is really run through the equivalent of the WAFL clubs.

**Mrs L.M. O'MALLEY:** If I could just comment on that, because my nephew came up through Gippsland Power. My understanding is whilst that competition is not directly aligned with those clubs as such, they are obviously wonderful feeding grounds to the elite level—out of Gippsland Power to big names such as Collingwood, and wherever they have all gone on to. They did have the old regional affiliations, so the Gippsland area was Hawthorn affiliated. I think over here in WA it is a similar sort of thing. From my experience, looking back at those years when my nephew was playing, it was an incredibly strong competition, as you said, and it is a two-year comp, so it is the bottom year and the upper year. There was definitely, in that year, the coach of his side was a former Collingwood or Carlton player.

**Mr DONALDSON:** And they are well resourced.

**Mrs L.M. O'MALLEY:** They are extremely well resourced, but they also have the sheer numbers in the population, which is somewhat different. I am curious to hear how you see that working in a Western Australian context.

**Mr DONALDSON:** The only way that sort of model can work in a Western Australian context seems to me through the WAFL clubs, certainly so far as metropolitan is concerned—country is different. It was my understanding that with at least some of the under-18 teams, they were affiliated with VFL teams. When I say affiliated with them, probably not in the same way with a WAFL club, but they would share resources, they would be at the same oval, and some kids who needed it could be put up to play games against men.

**Mrs L.M. O'MALLEY:** I think you are right, and I am probably thinking from a regional perspective. But I think Casey might be—I could be getting it wrong here—with St Kilda, Moorabbin; so that area.

**Mr DONALDSON:** I think it does vary a bit there. That is a model where, as I understand it, whoever administers Victorian development, which I assume is the VFL—although that would be done with the AFL commission pretty heavily involved, I think—there is a real focus on bringing those kids into an elite environment and training them in that environment. In a Western Australian context, if that is going to be done independently of the WAFL clubs, that would be the death of the WAFL club; the WAFL is dead, if that is done. That would be a massive duplication of resources, I would have thought. I literally do not know how the football commission thought it was running the elite program. When I was on the board of the football club, all I knew was that it was failing.

**Mr S.A. MILLMAN:** Dean Nalder, who is the member for Bateman, is not here, and I am loath to speak on his behalf, but he often raises the issue of community engagement and player welfare, and he speaks about quite young boys getting recruited into the AFL from Western Australia and the tyranny of distance and those sorts of things. If, as you said before—it was a great line and it will feature somewhere in the report, I am sure—you want to develop the grassroots, you have got to give the power to the grassroots. Would not the same hold true for player welfare and community engagement, because players who are going into the system, and into the elite system, who might not necessarily make the grade, have got a family around them that they can return to?

**Mr DONALDSON:** Absolutely. And I think one of the great failures—again, this is more my perception—in Western Australian football as opposed to Victorian football and South Australian football is kids who do not make it at the elite level stop playing.

**The CHAIR:** Yes, that is right.

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**Mr S.A. MILLMAN:** That is my concern.

**Mr DONALDSON:** That is why I was saying before that the amateur competition just does not seem to be as important an institution in society in Western Australia as it is in Victoria. At the end of the day, these are very, very important institutions in our community and the better they can be, the better. There is a real risk, I think, if you put too many resources into the elite competition, so a kid who does not make the Teal Cup team thinks, “Well, I’ll stop playing footy”, while there are kids running around playing AFL who did not make Teal Cup teams. There are kids running around—surprisingly few—but it is why, again, we need an elite second-tier competition, because a young person like Tim Kelly can pop out. They miss out being drafted at 18 —

**Mr S.A. MILLMAN:** By the time they are 22, they are incredible.

**Mr DONALDSON:** Yes, and there can be all sorts of reasons for that—a physical maturing thing; there can be personal issues with young players. They are 18-year-old boys we are talking about.

**Mrs L.M. O’MALLEY:** Interestingly, when we talk about the second-tier competition and the importance of the WAFL in that respect, there are still those boys who make it through from the PFL as well.

**Mr DONALDSON:** Absolutely.

**Mrs L.M. O’MALLEY:** Having that strong amateur competition; those who virtually never set foot on a WAFL ground still make it from that competition into the AFL.

**Mr DONALDSON:** That is the other reason why an AFL club wants a strong competition. They do not only want a strong competition so the kids on their list are able to develop, but there will be times when you need a 22-year-old body, who has played against men for four years, to be slotted in. I personally think it is a remarkable thing that we have 18-year-old boys playing AFL football. That does not happen anywhere else in the world that 18-year-olds are playing. I personally think it is not necessarily a good thing, but do not get me started on that.

**The CHAIR:** Which is a question we want to ask, especially by Dean Nalder: do you think there is an argument to be made that the draft age—there may be a little bit of flexibility there—should be raised?

**Mr DONALDSON:** I would have, frankly, as ignorant a view on that as most people. Again, please do not think I am telling you how to do your business, but I know that Gerard Neesham, for instance, has obviously great experience in these matters, particularly having done the Clontarf academy as well, so there will be people who are much better informed than me. I personally think it is a pretty extraordinary thing that 18-year-old kids are running around. It just does not happen in any other physical contact sport like AFL, anywhere—not against men. I think back to when I was a kid playing, the only one I can think of is Tony Buhagiar, who played WAFL; who played league as a 17 or 18-year-old. It was very, very rare.

**The CHAIR:** He was a very special case.

**Mr DONALDSON:** Yes. And there would have been others, but it was very, very rare. Again, I can remember when Nick Riewoldt and Koschitzke were drafted. I think they went one and two in a particular year. In their first year, I just thought those two kids were going to be killed, frankly. They were just skinny, tall kids. It is a great credit to them that they survived. We are getting players through to 350 or 400 games, so I cannot say that the system is failing.

**The CHAIR:** Although the average of an AFL player is less than three years or less than two years.

[11.00 am]

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**Mr DONALDSON:** I think it is a massive ask on these kids; whether they are drafted at that age but cannot play more than a certain number of games in the first year. Again, the AFL, if you speak to them about it, they have a very well developed view on that. But my personal view is it is a pretty extraordinary thing.

**Mr S.A. MILLMAN:** I will just make a gratuitous comment on that. The AFL's motivations are driven by the fact that it is a business, so they are keen to see young players being recruited in order to generate commerce for their business.

**Mr DONALDSON:** I think, Mr Millman, it is easy to be cynical about the AFL Commission. In my dealings with the AFL Commission—because we used to meet with them regularly, and this of course was some time ago—I was always very impressed with the way the commissioners were primarily motivated by the state of the game. That is why it is disappointing that they have allowed the game to get in the state that it is in, in my opinion, but that is another matter. I do not think that is a complete answer to it. I would be surprised. That is something I am sure that they are looking at constantly. Kids keep popping up, like the young fellow at the Gold Coast; he is pretty extraordinary, really.

**The CHAIR:** Who then got that injury and was out for the rest of the year! Yes, his build was phenomenal.

Before we let you go, I want to take you back to the suggested model—not the suggested model, but one model of appointing commissioners to the West Australian Football Commission coming from stakeholders. You talked about how these are very important institutions, and government funding is involved. Is there a role for one of the commissioners, or more, to be appointed by government?

**Mr DONALDSON:** I think that the football commission is political enough. I was actually appointed as the mediator between the government and the football commission when this \$11 million payment came to be dealt with. Happily, I cannot actually remember anything that happened in that mediation, so I am not disclosing anything that I should not be disclosing. You know the theoretical basis underpinning that particular payment, and it is right to say that \$11 million is a substantial amount of money, but I am not sure that having a person on the commission is necessary to protect that investment, as it were. Were it me, I would be much more interested in having published accounts that enabled people to understand what the money was being spent on. Maybe it is my lack of expertise, but I could never understand from the published accounts what was what. We used to ask, and were told that they are on the website.

**The CHAIR:** Just one final question: the question is not that the commission should have a government rep, that the government should just appoint someone—it could be anyone—that the government has the ability to appoint one person, or more, onto the commission.

**Mr DONALDSON:** I would not be in favour of that. If your question is: we are putting in \$11 million, we should have a rep on it. Is the government going to have a rep on everything that it commits \$10 million to? It is a very important institution, there is no doubt about that. My view of it is it would be much better administered if it actually properly reflected its —

**The CHAIR:** The stakeholders.

**Mr DONALDSON:** — stakeholders. Sorry, I do not want to take up your time, but I think I said there are downsides with that. The downside is that somebody goes on and views themselves as representing one view, but I think at least those who are making the decisions actually hear that view loudly.

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**The CHAIR:** I think the way to try to alleviate that is to ensure they have proper directors' training, once they get appointed to the board.

**Mr DONALDSON:** I think that is absolutely critical. You do not need it at the AFL club levels. The two AFL clubs—I would say this—have been extremely well managed in Western Australia. There is no doubt they are both extremely well managed clubs. They both had periods where they had problems, but across the journey they have both been extremely well managed clubs. It is largely because of the calibre—again, I am blowing my own trumpet, but putting me to one side—of people who have been involved in them. But if we are going to have grassroots people involved in the football commission, then training is absolutely essential. I am not saying that would be the entire composition of the football commission, but I have no doubt that amateurs, junior football, country football. I think country football is an interesting thing; there is more than one country! Things are very different, you know, if you go up to the Kimberley and have a look at footy up there, it is very different to footy in Albany.

**The CHAIR:** Very much.

**Mr DONALDSON:** If there is representation from those constituencies, with others, I would hope that is a superior model to the one that we have.

**The CHAIR:** You are not taking up our time, so do you have anything else you would like to tell us?

**Mr DONALDSON:** I actually just jotted some notes.

**The CHAIR:** Yes, please do.

**Mr DONALDSON:** I thought you would ask me, because I have read in the paper that you have asked others, about the appointment process to the AFL clubs.

**The CHAIR:** Yes. I was going to ask you that, and I forgot.

**Mr DONALDSON:** I am not pushing my view, but —

**The CHAIR:** No. I had that down as one of the questions.

**Mr DONALDSON:** Because there are mysteries involved in it.

**Mr S.A. MILLMAN:** Can I do a preamble to that question? Part of what has come up in the course of the inquiry so far is that you have this significant representation on the football commission for the two AFL clubs. The AFL clubs, in part, have justified that by virtue of how big they are in football in Western Australia, which is fair enough, but the members of the clubs do not get to vote for the board or for the body that is thereafter appointing those people to the commission.

**The CHAIR:** And the Dockers used to have it.

**Mr DONALDSON:** It is a sort of an odd thing in one sense that the two subsidiaries, along with the current board members, appoint.

**Mr S.A. MILLMAN:** It is very strange.

**Mr DONALDSON:** But it is what it is, and what I was discussing with you is perhaps a better model. There are some mysteries associated with appointments to the AFL clubs, which I may be able to provide a perspective that might assist you.

**The CHAIR:** Yes, please do.

**Mr DONALDSON:** I can only talk about it from my life at the club. When I was on the board for the second time, there were board appointments that were made on the basis of the board itself appointing members. There was a process that was undertaken within the board to identify candidates on the basis of skills and experiences that we thought that we lacked, and they were

sounded out and recruited in that way. It is essentially the way in which every corporate board goes about identifying people to be appointed. They were all approved without any issue by the football commission. So the football commission, as a shareholder, essentially could reject that. As I said, other than one particular instance, there was never any issue with anybody. I should say that in that one instance the person was appointed but there was a bit of argy-bargy about it. I assume that is how West Coast goes about doing theirs; I do not really know. West Coast has always had, though, I think it would be fair to say, some celebrity directors. Julie Bishop, while she was foreign minister, was a director of West Coast. I would be interested to know how many board meetings she was able to attend, and I am not saying that she would not have been a good person to be on the board, but Fremantle has shied away from politicians being on the board, certainly serving ones. I thought that we were incredibly enriched by the member-elected process when I was on the board.

[11.10 am]

I thought one of the best board members I ever served with was Kate Grieve, who was just an absolutely fantastic board member in every respect. She was a member-elected person. Over a period of time, there were former players who started running as board members. It would not be right to say that they were sought out to do that, but they were not discouraged from doing it. All of the players—that would be Ben Allan, Peter Bell, Peter Mann and, I think, Stephen O’Reilly—I think they were all member-elected at one stage; if not all, then three of them would have been. They were all extremely good. Peter Mann is an extremely strategic thinker; comes from an engineering background. Stephen O’Reilly is from a finance background. Peter Bell has law degrees and various things; and Ben Allan comes from a business background as well. So they are all extremely good quality people. No-one is going to beat one of them, ever. It does not matter who you are; you are not going to beat one of those players.

I think over time, that system became a little bit sclerotic really. It is also right to say, from my personal point of view, I did not want somebody on the board who was going to be a troublemaker. When I say “troublemaker”, if someone has a different view that is perfectly fine, but somebody leaked from the board, somebody was not there for the right reasons, they would not have been welcome. We used to go through a process of sitting down with people who expressed a desire to nominate, just to explain to them what was involved in the process. I did that with a number of people. For some people, when it was explained to them what was involved and, more importantly, what was not involved—that is, you did not get to sing the club song after the game and things like that—that discouraged a few people.

**The CHAIR:** Eddie McGuire would not have been accommodated, would he!

**Mr DONALDSON:** No. It is interesting. The other side of elected club boards is you may well end up with what has happened in Victoria, where they are very political. If you look at Real Madrid and Barcelona, for instance—the two biggest community-driven clubs—those two organisations are more political than the Spanish government. What often happens, for obvious reasons, with clubs where all directors are member-elected, is that you do end up with figures like Eddie McGuire, John Elliott, Jeff Kennett, “Skinny” Brayshaw—James Brayshaw—who have very high profiles and then tend to run them as their own fiefdom. I think that is a very undesirable thing. The two WA clubs have been well managed because that has never happened here.

I think because the two AFL clubs here have been pretty well managed, I would not personally be in favour of all members of the board being elected. That is not to say there could not be a process of members having a vote on renewals, for instance. Even there, if you have a bad season and it just happens to be somebody’s turn to have their renewals director-voted on, and they are voted out, the members are not really voting on that particular member. What happens—the whole board

goes? I do not think that is a particularly easy issue. I must say, for my part, I was always very grateful for what I learned from the people who were elected as members of the Fremantle Football Club board, and I thought every one of them in my time was excellent.

I suspect, because this has happened after my time, the footy club board is now quite a diverse board. There are three women, maybe four women on the football club. I am just trying to think now. Colleen Hayward is on it, so there is an Aboriginal person on it, which was a real aspiration of ours for a very long time. I think that is fantastic. Whether you would be able to get that diversity through election, I do not know.

**The CHAIR:** The two WA AFL clubs are the only clubs that do not have any elected board members. Most of the other AFL clubs have a combination. Simon Garlick, in his answer to that question last week, mentioned that when they did have the directly elected board members, there was only seven per cent, or maybe less, that voted. That might seem small, but if you did not have compulsory voting in a general election here, how many people would vote? I do not think that is necessarily a true reflection on people not being interested.

**Mr DONALDSON:** In response to Simon's observation, I would say that over time, because players have run, the perception is no-one is going to beat them, which I think is right. Who is not going to vote for Peter Bell? Let us say there was a member elected and Matthew Pavlich ran. Who is going to beat him? Maybe that had, over time, given rise to a lack of engagement; I do not know. But I do not know what the numbers for voting of board members in Victorian clubs is. I suspect if Eddie McGuire ran, not many people would necessarily vote because they assumed he was going to win. I just do not know. As I said, the people who were member-elected directors when I was on the board I thought were fantastic, and I thought it was a good thing.

**The CHAIR:** Do you have any other comments that you would like to relay to us?

**Mr DONALDSON:** No. I hope that has answered your questions.

**The CHAIR:** Thank you very much for your evidence before the committee. We will forward a copy of this hearing to you for correction of transcription errors. Please make these corrections and return the transcript within 10 working days of receipt. If the transcript is not returned within this period, it will be deemed to be correct. New material cannot be introduced via these corrections and the sense of your evidence cannot be altered. Should you wish to provide additional information or elaborate on particular points, please include a supplementary submission for the committee's consideration when you return your corrected transcript of evidence. Thank you very much again, Grant.

**Hearing concluded at 11.18 am**

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