

The Betterment of the Game - The Compelling Case



2025

22nd August 2019

A Tasmanian AFL Licence Preamble. Proposal commences page 3

There is no doubt that Tasmania deserves a licence, has earned a licence and has been the victim of the most misleading and patronising treatment against a founding state for Australian Rules Football and founding state of the constitution of Australia to the extent our football collapsed.

The AFL claims to be a national competition while it deliberately persecutes Tasmania to the extent that we are forced to pay for AFL content while every other state has been granted at least 2 teams and receive massive AFL dividends. Even the lowest amount paid to a state is \$27 million to Western Australia compared to Tasmania paying directly \$7 million. That is a difference of \$34 million and what is even worse is that the AFL fail on 3 of their core values or purposes that are there as the very reason the AFL exists and the very reason it self-assesses as tax exempt. This failure costs the Australian people \$92.2 million per annum in unpaid tax so Tasmania suffers again in that money is unavailable every year for the good of Australians.

The AFL can rectify this, they can legitimately self-assess as being tax exempt if they comply with their very own values and make the competition truly national with the inclusion of Tasmania which would prove that they would then be behaving for the **betterment of the game** which is the key tax exemption criteria. They should do this before they look afield and try to grow the game by buying new supporters.

The AFL must comply with their values unlike the banks who binned their values. They must become accountable or in turn be investigated as with the big banks who claimed, along with the government, that they had nothing to hide – we all know the result.

It is quite unbelievable that it was pointed out in my submission to the Select Committee, 18th June 2019, a copy of which was sent to the CEO of the AFL, that the AFL have an error on their website “Our Purpose” and at the point of writing this they are yet to rectify it. It clearly demonstrates that they do not care, do not look at their values, let alone comply with them and Tasmania is dispensable at their will as they have demonstrated over the last 10 years.

What has been put forward in my submission clearly shows that we can afford a team, we will be sustainable, and we can be united if we handle it properly. My proposed budgets are conservative in nature and include fair and realistic funding from the AFL. It does not ask for a team tomorrow but one in a realistic timeframe but we cannot go out and plan, approach sponsors, set up a club, appoint a board, commence infrastructure, talk to government or in fact do anything because it all starts off with from whoever we talk to: “When does the Tasmanian team commence playing?” We sit back and say, “We don’t know; the AFL refuse to tell us or indeed even talk to us” The response is then “Well how do you expect us to have meaningful discussions with no goal posts to aim for”

The AFL know this, and it is a calculated move by them to make sure we cannot gain traction. **Not providing a timeline should be condemned for what it is. However, can we prove to the AFL that we will be:**

- Viable and Sustainable
- **Add value to the AFL**
- Provide opportunities for the competition to move forward with a new and exciting structure
- Be ground-breaking with its relationship with the broadcasters to set up the competition as the ultimate sporting body

Yes, we can – please see below: The Betterment of the Game - The Compelling Case

The Betterment of the Game - The Compelling Case

A Tasmanian AFL Team – Pure Added Value to the AFL

I have been asked to look outside of the box. How can we, as Tasmanians, put aside the wrongs of the past 29 years and come up with a compelling case whereby we add value to the AFL? We will prove that:

- **The AFL cannot continue to ignore our quest for a team**
- **This case will prove that Tasmania is adding value to the AFL competition**
- **This case will prove that not only are we making the competition better we are doing it with no cost to the AFL and in fact**
- **We will be providing additional funds to the AFL for them to continue to prop up teams such as:**
 - Brisbane Lions, Greater Western Sydney, Gold Coast Suns, St Kilda, Western Bulldogs. Melbourne and North Melbourne and not having to prop up Tasmania.
- **Tasmania will create a team asset base prior to 2025 and continue to build upon those assets**

What this means is that Tasmania would be doing what no other team has had to do. It is quite remarkable; totally without fairness and forces a whole state; that should have been granted a team in 1995, to fund the whole process and then some.

The following proposal will show what can be done to achieve this and will very much look outside the box and it will include costings and timelines for many things that will form part of the whole process.

The sacrifices Tasmania will have to make should come with some upside should the AFL have better than expected incomes in the future and there must be concessions with the team make up as has been the case with other new teams in the competition.

- Draft picks
- Players made available from the existing 18 clubs
- Rosters that ensure all clubs play in Tasmania at least once every 2 years
- A 5 - year moratorium on GWS and GCS playing in Tasmania and
- More to be negotiated

The proposal should be sent to the existing 18 clubs because the only people the AFL are accountable to are those teams so that other clubs can see we will not be a burden to them and will not take a slice of their pie.

How do we add value to the AFL?

There are a number of areas that will do this; some that can be quantified and others that enhance the reputation of the competition.

I will look at the following:

1. ***Tasmania will increase overall attendances***
2. ***Tasmania will provide additional TV rights income***
3. ***Tasmania will finally legitimise the competition as being truly national***
4. ***The AFL has become a juggernaut with money the driving force in their actions. Its values need to be revisited. Tasmania will be a major step in that direction.***
5. ***A 19-team competition opens the door for a future revamp of the competition and with TV rights potentially stagnating or falling there needs to be creative thinking***
6. ***The football public will await the arrival of Tasmania unlike the following of GWS and GCS***
7. ***The added value to the broadcasters will flow to the AFL***
8. ***TV Rights must not be the driver of the Tasmanian Team timeline***
9. ***We can kill off parochialism and unite a whole state***

10. Be prepared for all scenarios

11. We pay our own way

1. Tasmania will increase overall attendances

In an environment of the NRL increasing TV ratings and the poor attendance figures for GWS and GCS having Tasmania enter the competition will have a positive impact. There will be an increase in Home and Away Games from 198 to 209 so that alone will increase overall attendance figures, probably by 5.56%. But in preparing a draft budget I have been conservative and have used home game attendances of 13,000 which is a cautious move while the team gains momentum. With Hawthorn and North Melbourne out of the state, which should be at the end of 2021, there will be a period of other AFL content in Tasmania until our team commences. This will remove the divisive nature that currently exists, and everyone can get behind a united Tasmania team. Attendances will grow but what we are about with this proposal is being conservative. Away games are a little harder to predict but based on North Melbourne's away games attendances of just under 28,000, I have used that number. The question would be how can the away games be higher? It is a reality, when you look at 2017 attendances there were 10 teams that had higher away attendances than home; Brisbane, Carlton, GWS, GCS, Hawthorn, Melbourne, North Melbourne, St Kilda, Sydney and Western Bulldogs.

The following table shows the impact of having a Tasmanian team in the AFL with gains for the AFL with Hawthorn and North Melbourne returning to Melbourne and the direct Tasmania numbers.

A 5.25% (less than the 11 extra games calculation of 5.56%) increase in attendance is a significant **added value to the AFL** and it may well be better as the football heartland states will show more support for Tasmania than when GWS and GCS play away. Additional attendances clearly assist the AFL in its battle with the NRL and quite clearly there is an added benefit to Hawthorn and North Melbourne with additional attendances of 136,508. The AFL may argue that the loss of sponsorship from Tasmania for the 2 teams is a far greater loss, but this is a nonsense as sponsors come and go – it is up to those 2 teams to find sponsors as Tasmania will have to do. Increased attendances – ***the betterment of the game.***

Additional attendances with a Tasmanian team in the AFL Home and Away				
Hawthorn return to Melbourne for 4 home games				
Average attendance York Park since 2012				13,828
Average attendance in Melbourne since 1997				34,013
Additional attendance by returning to Melbourne				20,185
			4 games	80,740
NM return to Melbourne for 4 home games				
Average attendance Bellerive since 2012				12,269
Average attendance in Melbourne since 1997				26,211
Additional attendance by returning to Melbourne				13,942
			4 games	55,768
Additional attendance per annum both teams				136,508
Tasmania				
Attendance Home games				13,000
Attendance Away games				28,000
Average attendance				20,500
Additional games 209 versus 198				11
Additional attendance with Tasmania				225,500
Overall additional attendance for AFL per season				362,008
AFL attendances 2018				6,893,909
Overall percentage increase for the AFL				5.25%

2. Tasmania will provide additional TV rights income

This is the area that is conclusive that Tasmania will add value to the AFL. The AFL rhetoric is that TV rights may fall after the record breaking 6 - year \$2.508 billion current deal expiring at the end of 2022. But this is misleading and is an excuse, (yet another one) and it must be challenged.

When I met with the AFL last year, they used this line – it cannot be used as a reason to deny Tasmania.

It may well be the case that the TV rights might fall but the facts are that with Tasmania being in the AFL there are 11 more home and away games. That is 5.56% more games and as shown above more attendances. 11 more games equates to more viewers.

Currently there are 23 home and away rounds with 20 rounds of 9 games and 3 rounds of byes with 6 games for a total of 198 games.

With Tasmania there will be 24 home and away rounds with 21 rounds with 9 games with 1 team having a bye each week and 3 rounds of additional byes where there will be 2 weeks of 7 games and 1 week of 6 games.

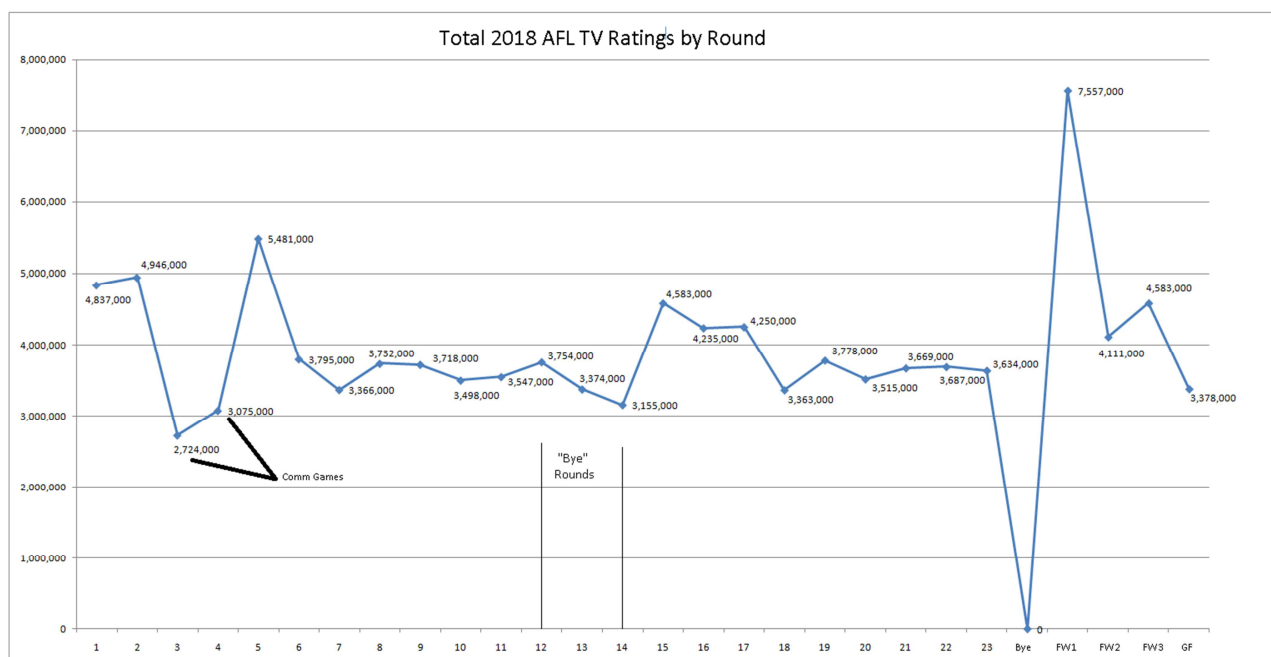
See proposed AFL 19 Team Roster Page 15

I have examined the attendances by round for 2018 and have compared them directly with the TV Ratings by round for the same year. This exercise was completed for Home and Away games and also for the finals. What is missing is the break-up of the TV Rights dollars as to how they relate to games, attendances and TV Ratings.

I have therefore for 2018 made assessments based on the following:

- The TV rights dollars would revolve around TV ratings and when looking at the home and away rounds there is a reasonable consistency by round with an average TV rating for 2018 of 3,813,739. See table below.
- The TV Rights dollars would obviously be considerably higher for finals matching the increased TV Ratings over and above the home and away games. See table below.
- The TV Rights dollars were then allocated pro rata to TV Ratings across the rounds and the finals to arrive at an allocation for the \$2.508 billion for 6 years. See table below.
- This was then expressed as a multiple of TV Rights dollars (for 1 year only) to attendances resulting in a multiple for home and away and a multiple for finals. See table below.
- The multiple of home and away was 49.55 and for finals 109.13. See table below.
- The multiple for home and away was applied to the additional attendances as a result of Tasmania and Hawthorn and North Melbourne returning to Melbourne resulting in an **added value to the AFL** of \$17,936,013 per annum. See table below.
- This was then discounted by 10% on the assumption that TV Rights may decline resulting in an **added value to the AFL** of \$16,142,411 per annum. ***The betterment of the game*** – no doubt.
- I have also re looked at the draft budgets for Tasmania and made the following changes:
 - **Reduced the AFL funding from \$20,000,000 to \$13,100,000 which is the lowest of all the existing 18 teams, but this is not taking from the existing pie it is taking from the added value pie of \$16,142,411. This still leaves \$3,042,411 which is effectively Tasmania not just paying its way but generating the equivalent of a subsidy to the existing 18 teams of \$169,023 each.**
 - **Increased the government contribution from \$12.5 million to \$14 million**
 - **Increased the sponsorship by \$1.2 million from \$7 million to \$8.2 million and**
 - **Reduced the Team “just in case cost” from \$2 million to \$200,000. Not required**

Attendances and TV ratings by Round 2018								
Round	Attendance	Games	Per game	TV ratings	Average	TV Ratings Ratio to attendance	\$2.508b split	TV rights \$'s per attendance
Round 1	375,114	9	41,679	4,837,000		12.89	113,011,281	50.21
Round 2	339,530	9	37,726	4,946,000		14.57	115,557,949	56.72
Round 3	393,587	9	43,732	2,724,000		6.92	63,643,318	26.95
Round 4	284,030	9	31,559	3,075,000		10.83	71,844,054	42.16
Round 5	381,880	9	42,431	5,481,000		14.35	128,057,646	55.89
Round 6	317,832	9	35,315	3,795,000		11.94	88,666,077	46.50
Round 7	302,578	9	33,620	3,366,000		11.12	78,642,955	43.32
Round 8	280,105	9	31,123	3,732,000		13.32	87,194,150	51.88
Round 9	291,379	9	32,375	3,718,000		12.76	86,867,055	49.69
Round 10	220,057	8	27,507	3,498,000		15.90	81,726,992	61.90
Round 11	322,362	9	35,818	3,547,000		11.00	82,871,824	42.85
Round 12	243,316	7	34,759	3,754,000		15.43	87,708,156	60.08
Round 13	167,266	6	27,878	3,374,000		20.17	78,829,866	78.55
Round 14	192,441	6	32,074	3,155,000		16.39	73,713,168	63.84
Round 15	295,018	9	32,780	4,583,000		15.53	107,076,846	60.49
Round 16	326,995	9	36,333	4,235,000		12.95	98,946,201	50.43
Round 17	263,264	9	29,252	4,250,000		16.14	99,296,660	62.86
Round 18	313,343	9	34,816	3,363,000		10.73	78,572,863	41.79
Round 19	286,798	9	31,866	3,778,000		13.17	88,268,890	51.30
Round 20	361,813	9	40,201	3,515,000		9.71	82,124,179	37.83
Round 21	312,770	9	34,752	3,669,000		11.73	85,722,223	45.68
Round 22	326,763	9	36,307	3,687,000		11.28	86,142,773	43.94
Round 23	295,668	9	32,852	3,634,000		12.29	84,904,486	47.86
Total H&A	6,893,909	198	34,818	87,716,000	3,813,739	12.72	2,049,389,613	49.55
Finals	700,393	9	77,821	19,629,000		28.03	458,610,387	109.13
Total incl finals	7,594,302	207	36,687	107,345,000		14.13	2,508,000,000	55.04
check							2,508,000,000	
TASMANIA impact	362,008			17,936,013				
Adjust by a 10% reduction in TV rights				16,142,411	Added value to AFL pa			
AFL funding to Tasmania at lowest level				13,100,000	See revised budget			
Balance remaining				3,042,411				
Equivalent of a subsidy by Tasmania to existing 18 clubs				169,023				



The revised Compelling Case Budget with 40,000 members being the target

Tasmanian AFL Team Draft Budget		Tasmanian Team budget like for like other clubs 2017, 30,35,40,45,50K members						
Russell Hanson August 2018		5 Variation options						
Income	Current 2018	30,000 Members	35,000 Members	40,000 Members	45,000 Members	50,000 Members	Comments	North Melbourne 2017
AFL direct funding	-	13,100,000	13,100,000	13,100,000	13,100,000	13,100,000	*	15,722,000
Tasmanian Government	7,000,000	14,000,000	14,000,000	14,000,000	14,000,000	14,000,000	**	-
The AFL must NOT include the Tasmanian Government contribution in their calculations for AFL Direct Funding								
Sponsorships	-	8,200,000	8,200,000	8,200,000	8,200,000	8,200,000	This is \$3,000,000 less than many clubs Tasmania is a destination state so this is very conservative	9,342,000
Memberships	-	4,902,709	5,719,827	6,536,946	7,354,064	8,171,182	***	6,593,000
Merchandise	-	819,622	956,225	1,092,829	1,229,433	1,366,036	4*	1,002,000
Gate	-	987,697	987,697	987,697	987,697	987,697	5*	1,723,000
Commercial business, events, fundraising	-	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	50% North Melbourne	2,963,000
Stadium bonus and signage	-	200,000	200,000	200,000	200,000	200,000		600,000
Other	-	500,000	500,000	500,000	500,000	500,000		1,773,000
Total Revenue	7,000,000	44,210,028	45,163,750	46,117,472	47,071,194	48,024,916		39,718,000
Football spending		25,247,000	25,247,000	25,247,000	25,247,000	25,247,000	Average of AFL clubs	23,852,000
Other spending		18,279,600	18,279,600	18,279,600	18,279,600	18,279,600	6*	15,233,000
Team and Management Infrastructure		200,000	200,000	200,000	200,000	200,000	7*	
Total Expenditure		43,726,600	43,726,600	43,726,600	43,726,600	43,726,600		39,085,000
Net Profit		483,428	1,437,150	2,390,872	3,344,594	4,298,316		633,000
Members	17,500	30,000	35,000	40,000	45,000	50,000		40,343
There are approximately 17,500 who are Tasmanian members of Hawthorn and North Melbourne								2018 40,789
Income per m/ship plus boxes and reserved seating		North Melbourne	161	One of the AFL's lowest	AFL CLUB FUNDING		IN 2018	IN 2017 % increase 2018 v 2017
					GWS Giants		24,700,000	26,600,000 -7.14
					Brisbane		24,000,000	21,300,000 12.68
		NM	Tasmania	Tasmania	Gold Coast		23,900,000	25,300,000 -5.53
Average attendance Home		22,678	17,000	13,000 use 13,000	St Kilda		22,000,000	22,200,000 -0.90
Average attendance Away		27,713	28,000	28,000	W. Bulldogs		19,300,000	19,400,000 -0.52
Average attendance Total		25,196	22,500	20,500	Melbourne		18,100,000	17,400,000 4.02
Gate		1,723,000	1,291,604	987,697	North Melbourne		17,900,000	17,400,000 2.87
* AFL funding		The lowest of all 18 teams			Port Adelaide		15,800,000	15,700,000 0.64
					Carlton		15,800,000	15,400,000 2.60
** Tasmanian Government		Almost certain to double			Richmond		15,000,000	16,000,000 -6.25
		The government has supported AFL football since 2001, both parties			Essendon		14,900,000	15,100,000 -1.32
		So this is clearly achievable. 10 year guarantee			Collingwood		14,900,000	14,000,000 6.43
*** Memberships		using North Melbourne earning per member (very low)			Sydney		14,500,000	13,800,000 5.07
		Extra members			West Coast		13,600,000	12,100,000 12.40
4* Merchandise		Using North Melbourne low amount			Fremantle		13,400,000	12,900,000 3.88
		Increase due to extra members and new club spending (extra 10%)			Adelaide		13,300,000	13,600,000 -2.21
5* Gate		Using lower home games due to 2 stadiums and capacity and same			Hawthorn		13,200,000	13,000,000 1.54
		for away games. Based on NM averages. Low home attendance in short term			Geelong		13,100,000	13,600,000 -3.68
6* Other spending		20% higher than North Melbourne			Total		307,400,000	304,800,000 0.85
		Includes operations 2 stadiums			Average per club		17,077,778	16,933,333 0.85
7* Team and management infrastructure		Ongoing proactive expenditure - insurance			Average Queensland clubs		23,950,000	23,300,000 2.79
					Average GCS GWS clubs		24,300,000	25,950,000 -6.36
Sponsorships					AFL Membership Ladder			
NB. The team will be called Tasmania and this branding will give the Tasmanian Government its return					Rank	CLUB	2018	L.Y. 2017 Variation
Other sponsors will be like other AFL clubs with the appropriate branding.					1	Richmond	100,726	72,669 38.61
It is therefore not a duplication.					2	Hawthorn	80,302	75,663 6.13
					3	West Coast	80,290	65,064 23.40
		If Tasmanian membership was 40,000			4	Essendon	79,319	67,768 17.04
		We would rank 12th out of 19 teams			5	Collingwood	75,507	75,879 -0.49
					6	Adelaide	64,739	56,865 13.85
		We would have more members than the			7	Geelong	63,818	54,854 16.34
		combined Queensland total of 36,975			8	Sydney	60,934	58,838 3.56
		or			9	Carlton	56,005	50,326 11.28
		or more members than the			10	Fremantle	55,639	51,254 8.56
		combined total of GWS and GCS 37,351			11	Port Adelaide	54,386	52,129 4.33
					12	St Kilda	46,301	42,052 10.10
					13	Melbourne	44,275	42,233 4.84
					14	Western Bulldogs	43,246	47,653 -9.25
					15	North Melbourne	40,789	40,343 1.11
					16	TASMANIA 40,000		
					17	GWS Giants	25,243	20,944 20.53
					18	Brisbane	24,867	21,362 16.41
					19	Gold Coast	12,108	11,665 3.80
					Totals		1,008,494	907,561 11.12

3. Tasmania will finally legitimise the competition as being truly national

The impact of the AFL finally legitimising the competition as a truly national one would finally give the Commission a respect that they do not have at the moment. This Commission has shown it is not accountable to anyone other than the existing 18 teams and as a result of massive TV Rights the 18 clubs are the major beneficiaries.

But even the clubs have shown support for Tasmania and have expressed their views that hard core economics cannot be the only driver of a competition that has an obligation to serve ***“for the betterment of the game”***

Ignoring a heartland state; a state second only to Victoria to play the game and then spend on buying new supporter bases before including Tasmania is plainly wrong but too late – its there now.

But accepting Tasmania will put the competition where it should be – truly national, it will legitimise the AFL self-assessment of its tax-exempt status as it will finally be acting for ***the betterment of the game***, across the nation not just mainland Australia as it currently does.

If there was an enquiry of the AFL as with the banks and adverse findings were made with respect to not all Australians experiencing ***“the betterment of the game”*** the potential tax to be paid to the Australian people would be \$92.2 million per annum in unpaid tax.

Grant Tasmania a licence and the boxes are ticked and the \$92.2 million per annum is not as risk.

This is Tasmania **adding absolute value and insurance** to the AFL.

4. The AFL has become a juggernaut with money the driving force in their actions. Its values need to be revisited. Tasmania will be a major step in that direction.

The AFL do not adhere to their core values. They fail on 3 of the 4 “OUR PURPOSES” please refer to my submission to the Select Committee June 2019.

The AFL may be a big business but they are actually a sporting organisation and that is why that can self-assess to being exempt from tax; but you cannot have a set of values that relate to your very existence that entitle you to tax exemption in the first place and claim to be a national body for ***the betterment of the game*** and then not apply those values or statements to one of the states of Australia. It is discrimination on a grand scale of some 530,000 Tasmanians.

Tasmania being granted a licence rectifies those deficiencies and again protects the competition from the current perception that the people are ignored and forgotten, and the almighty dollar is all that runs through the veins of the Commission.

That is true **added value** if the inclusion of Tasmania takes place and can only be to ***the betterment of the game***.

5. A 19-team competition opens the door for a future revamp of the competition with TV rights potentially stagnating or falling

The competition between 1991 to 1994 had 15 teams and byes were required each week. It did not harm the competition. Again in 2011 the competition had 17 teams and a bye was required each week.

At my meeting I had with the AFL last year it was claimed that an 18-team roster is difficult to put together let alone a 19-team competition. Quite unbelievable. On page 15 is a proposal for a 19-team roster with byes. It may be claimed that it will be unfair with some teams getting a bye close to the finals, but this was not a problem between 1991 to 1994 nor in 2011. The reality is by mid-year there will be a situation that certain clubs with finals claims may be rostered a bye on the eve of finals. Take a decision to switch some byes around. An organisation the size of the AFL has the ability to be creative. – use it.

The **added value to the AFL** is that this proposal has the competition being 19 teams for the years 2025 to 2028 (the end of the next TV Rights deal)

That is 4 years:

- To monitor how the roster works,
- How it impacts on TV Rights,
- Is it time to consider 20 teams,
- Is it time the competition splits into 2 divisions?
 - it does not have to be promotion/relegation
 - it could have additional finals and
 - a super final and
- It may well allow the competition to be re invigorated if a climate of reduced TV Rights happen as the AFL fears

The **added value** of including Tasmania is to test all of these scenarios and work with the media giants to make changes for the good of the competition and to the benefit of the broadcasters as well. We must commence the dialogue right now with the broadcasters as to a new beginning from 2025 for the competition and making it clear to the broadcasters that the next 6 years to 2028 will have Tasmania in for the last 4 years creating the ability to test all options.

As negotiations are happening right now it is imperative, they are aware of the next deal potentially having 2 years of 18 teams and 4 years of 19 teams, with an extra 11 games and a live trial of what could happen in the future. Tasmania should also be in contact with the broadcasters right now enlightening them as to the absolute potential of a new and exciting revamped competition.

Quite frankly this is a huge potential area of **added value to the AFL** – all driven by the inclusion of Tasmania and all *to the betterment of the game.*

6. The football public will await the arrival of Tasmania unlike the following of GWS and GCS

There is no doubt that football followers in the football heartlands will embrace Tasmania, unlike GWS and GCS. There will be an instant **added value to the AFL**; how to quantify this is extremely difficult, but Tasmania may well become the fans second team – that alone will impact on TV ratings and ultimately attendances. There will be a number of expats across Australia who will become new AFL TV viewers boosting TV ratings with an excitement of the long-awaited arrival of Tasmania all to *the betterment of the game* and the broadcasters can ride that wave.

7. The added value to the broadcasters will flow to the AFL

The broadcasters need to be involved in the process right now to understand:

- What has happened to Tasmania over the years?
- The public association and realisation that Tasmania deserves a team

- Tasmania is potentially everyone's second team
- The drawing power on TV for a game with Tasmania versus the likes of GWS and GCS. Those teams might ultimately build their TV ratings, but Tasmania will garner an instant reaction.

The **added value to the AFL** is just what is this worth to the broadcasters. It may ensure there is no reduction in TV Rights, or a marginal reduction compared to what the AFL may be expecting. Either way it can only be a positive. The broadcasters need to be advised of the potential to reinvigorate the competition down the track with possibly 2 divisions. Tasmania should make contact with the broadcasters and sell our side of the story. Having the broadcasters involved and being a part of history being created is pure gold and pure ***betterment of the game.***

The AFL will be the winners – to what extent is up to them in how they sell it.

8. TV Rights must not be the driver of the Tasmanian Team timeline

As indicated the AFL are already working on the next TV Rights deal. If we look at history the current deal was settled in August 2015 for the period of 6 years commencing 2017 and ending 2022. That is 1.5 years out from the start period of 2017. What we do not know is when negotiations commenced but we do know that negotiations have started for the next period which will probably be another 6 years 2023 to 2028.

If that is the case and a deal is struck by August 2020 that would be 2.5 years out from the start date. It may be that it will take another 2 years to August 2021 to sign a deal but it could also mean that there is undue haste to lock in a deal or have it so advanced it can't be changed to head off any momentum Tasmania has for a team. Nothing would surprise and if this is the case it effectively sets a roadblock up to the end of 2028 for a Tasmanian team to even be considered and at best a team would commence in 10 years' time; 2029

This scenario would ignite absolute anger in Tasmania and would precipitate an all-out attack directed on the credibility of the AFL and a move to put every effort into other sports and not into Australian rules. The questions over the AFL's tax-exempt status and its discrimination of Tasmania would be aired for all to see.

Having a so-called national body continuing to deliberately isolate a founding football state has to have implications on what the AFL's values really are and are they compliant in all aspects of their operations.

This surely, is ***not for the betterment of the game*** in Australia.

A perception that the make up of the competition cannot change within a TV Rights period is just a ruse – it's a little like saying an 18-team roster is difficult so a 19-team roster is too hard which I indicated previously the AFL have claimed.

- What happens if a club falls over during the TV Rights period?
- Does that cancel the deal?
- Surely there are safeguards within the deal?
- If there is to be a potential change to the makeup of the competition 3 things should occur
 - Have the dialogue now with the broadcasters
 - Get the attention of the broadcasters who may well see the benefit of Tasmania in a changing climate for TV Rights and may well have incredible insights as to the possibilities
 - Use the next round as the bedding in of a new 19 team competition and the endless possibilities that it could throw up for the future

If the AFL were creative, set the timeline for a 2025 start for Tasmania and involve the broadcasters. There is no doubt in my mind and many others that this **adds value to the AFL** as never before. ***For the betterment of the game as never before.***

9. We can kill off parochialism and unite a whole state

The AFL have always used parochialism as their “battering ram” excuse for no team.

- We can kill it off.
- Why don't we kill it off?
- Because we are reluctant to hand over certain decisions to people better qualified to make those decisions
- We need to have the strength of character to let certain things go ***for the betterment of the state***

We all accept that the home games for a Tasmanian Team will be shared equally north and south and that is a uniting result. It is clear that current attendances are on a par; varying only because of the popularity or lack of it of the current teams involved. The odd number game can be used as an incentive for better attendances or can be a year on year swap or any creative idea that we can use – like maybe in a regional area.

We know that shared games ensure that the regional areas of the north west and north east are looked after and equally regional areas of the south and south east are looked after. It is a no brainer and parochialism on this issue is buried.

However, where the team is based is already a parochial issue, you can feel it – but why? The shared games create the economic benefit for all regions of the state far in excess of what the current arrangements do. Therefore, the question of where the team is based must be about the team and nothing but the team.

We will only get one shot at where the team will be based and there are many factors that are relevant to that decision and whatever that decision is, it must be based on a range of areas:

- Economics, with attendances being a part of it,
- logistics,
- what is best for the team
 - team performance,
 - team management,
 - medical specialists and facilities
- player retention and
- player welfare.

The most important factor is player retention - it has been shown time and again that the inability to hang onto players leads to:

- poor team performance
- which in turn leads to more loss of players
- which in turn leads to poor attendances
- which in turn leads to reduced incomes
- which in turn leads to requiring greater AFL handouts which in Tasmania's case could lead to intense pressure to succeed or a loss of licence or
- which in turn leads to requiring greater government support which is not a healthy result.

A live example of this is the Gold Coast Suns; the players just do not want to be there but in their case the AFL will not accept a licence removal as the decision to create this team was based purely on TV rights in a new market therefore the cheque book remains jammed wide open at record levels after 9 years of constant failure and player desertion. We do not want that situation in Tasmania, and we should not expect the same treatment for Tasmania down the track as TV rights will not drive the decision for our inclusion.

We are not the experts on a team or player welfare. Who are? The AFL and the AFL players Association. Let them decide where the team is based using their live knowledge of what will give the best chance of success for the team and the welfare of the players.

An AFL decision and being part of the licence buries any chance of parochialism playing a part in the decision making and best of all it prevents political expediency from taking a part in the decision. **It neutralises totally parochialism.**

So, we have a Tasmanian Team that has 2 home grounds which is from a playing perspective – 2 fortresses, just like Hawthorn and North Melbourne have in Tasmania. They play 7 home games in Melbourne and 4 in Tasmania and they are fortresses. We will have 6 at one ground and 5 at the other – very hard for the opposition.

Therefore, there are no other issues to ignite a north south divide; its simple and it will unite the state behind the team. Leaving it up in the air will ignite problems.

A united Tasmania with access for all Tasmanians to the games will **add enormous value to the AFL** and will create attendances far in excess of the conservative 13,000 I have used in the budget. This is all about gains for the AFL and ***the betterment of the game*** in a truly national competition.

10. Be prepared for all scenarios

The AFL is in a precarious situation with the ongoing massive funding to GWS and GCS together with massive funding requirements to Brisbane and substantial additional funding to 4 Victorian teams.

This is all in the context of Tasmania being able to perform on the national stage with no ongoing liability concerns from the AFL. What happens if the AFL can't keep throwing money at these clubs?

- A team could fold
- Teams could be forced to amalgamate
- Attendances could reduce
- TV Ratings will drop
- Which means TV Rights will drop

This makes it even more vital that the AFL gives us a timeline of 2025. What this does is:

- Tasmania can immediately plan well ahead of the start date
- We can organise sponsors
- We can set up infrastructure
- We can set up a board, a chairperson, a planning team
- We could investigate the creation of a multi – purpose stadium with federal support
 - We could involve and work with others on this – soccer, basketball, cricket
- If any of the above happens and a licence comes up prior to 2025 Tasmania would be ready

None of the above changes the shared games agreement – that's a given for the good of Tasmania.

Tasmania being ready is something the AFL should treat as insurance and if there is no team failure that Tasmania fills the gap then the 2025 commitment remains with 19 teams and all the scenarios and options that could flow in conjunction with the broadcasters.

This is pure added value to the AFL, its insurance and its an absolute winner when it comes to ***the betterment of the game***; the national game.

11. We pay our own way

A unique experience for the AFL - **now that's added value**

Tasmania will create an asset base for the team prior to game 1 and continue to build upon those assets

In this Compelling Case Tasmania recognises it needs firstly a Club, a Board, a Chairperson and it needs an asset base. The AFL well and truly owe Tasmania and when Hawthorn and North Melbourne leave the state at the end of 2021, we will have 3 years, 2022 to 2024, that we need AFL content. There should be 6 games per annum for 3 years at a cost of \$3,000,000 per annum to be fully paid for by the AFL.

The government should use the existing \$7,000,000 per annum for those 3 years and bank it as an asset of the Tasmanian Football Club. Additionally, the revised budget for this compelling case, see page 6, calls for \$14,000,000 per annum from the government and part of this should commence from next year allocating \$4,000,000 per annum into the asset base. The combination of this would be net assets by the end of 2024 of \$41,000,000; the year before the team commences.

From that point the forecast profits are used to build the net assets to \$50 million by 2028.

Tasmanian Football Club Asset Base									
The budget for the Tasmanian Team calls for \$14,000,000 from the Tasmanian Government									
Year	8 Games Cost Total	6 Games Cost Total	6 Games Cost AFL	6 Games Cost TAS	TAS Team cost	TAS team asset cost	Tas Team Surplus	TFC Assets	TFC Assets Prog.
2019	7,000,000								
2020	7,000,000					4,000,000		4,000,000	4,000,000
2021	7,000,000					4,000,000		4,000,000	8,000,000
2022		3,000,000	3,000,000	-		4,000,000		11,000,000	19,000,000
2023		3,000,000	3,000,000	-		4,000,000		11,000,000	30,000,000
2024		3,000,000	3,000,000	-		4,000,000		11,000,000	41,000,000
2025	Game 1				14,000,000		2,390,872	2,390,872	43,390,872
2026					14,000,000		2,390,872	2,390,872	45,781,744
2027					14,000,000		2,390,872	2,390,872	48,172,616
2028					14,000,000		2,390,872	2,390,872	50,563,488

There are issues that must come with the licence, that respect what Tasmania is doing for the AFL in the process. There must be protections for Tasmania which are detailed below.

- Tasmania is accepting the lowest funding grant from the AFL of all existing AFL clubs to prove it is viable and sustainable and will not be a burden on the AFL; **in fact, they add value to the competition by setting the benchmark to the majority of other clubs.**
 - It is \$4,000,000 per annum less than the average of all the 18 clubs.
 - It is also just over half of what GCS and GWS get and they have been in the competition for 9 and 8 years respectively.
 - It is also just over half of what Brisbane get and they have been in the competition for 33 years

- There are 5 clubs West Coast, Fremantle, Adelaide, Hawthorn and Geelong who receive similar to Tasmania ranging up to \$500,000 more.
- The other 10 clubs receive between \$1,400,000 to \$9,100,000 more than Tasmania
- On the basis of the above we are being treated unfairly and should the situation arise that TV Rights do not reduce by 10% then for every 1% improvement the AFL will receive an extra \$4,180,000 per annum so an adjustment to the Tasmanian grant should be made at the rate of \$1,000,000 per annum additional for every 1% gain until the Tasmanian grant reaches the highest grant paid to the Victorian clubs.

TV Rights analysis should there be reduction in the next round 2023 to 2028					
Tasmania has used a 10% reduction in TV Rights to calculate the add on value to the AFL					
and has taken the lowest of all clubs funding from the AFL					
For every % better than a 10% reduction in TV Rights the AFL are pay an additional \$1,000,000 per year					
until funding to Tasmania equals that of the highest Victorian club					
	Existing rights	% reduction	Over 6 years	Reduction PA	
	2,508,000,000	1%	25,080,000	4,180,000	
		2%	50,160,000	8,360,000	
		3%	75,240,000	12,540,000	
		4%	100,320,000	16,720,000	
		5%	125,400,000	20,900,000	
		6%	150,480,000	25,080,000	
		7%	175,560,000	29,260,000	
		8%	200,640,000	33,440,000	
		9%	225,720,000	37,620,000	
		10%	250,800,000	41,800,000	
		11%	275,880,000	45,980,000	
		12%	300,960,000	50,160,000	
		13%	326,040,000	54,340,000	
		14%	351,120,000	58,520,000	
		15%	376,200,000	62,700,000	
		16%	401,280,000	66,880,000	
		17%	426,360,000	71,060,000	
		18%	451,440,000	75,240,000	
		19%	476,520,000	79,420,000	
		20%	501,600,000	83,600,000	
		21%	526,680,000	87,780,000	
		22%	551,760,000	91,960,000	
		23%	576,840,000	96,140,000	
		24%	601,920,000	100,320,000	
		25%	627,000,000	104,500,000	

I have also included a timeline from now to the end of the next TV Rights deal, expected to be the end of 2028. This exercise has been completed using 2018 numbers so whatever increase in funding from 2018 to 2025 is to be applied to Tasmania.

Conclusions:

The AFL have avoided their responsibilities for 29 years. They should be doing all of this and advising Tasmania of the conditions and the timelines and making the competition what the whole of Australia want – a truly national competition. Tasmania has proved it can and will be an asset, an added value to the AFL at no cost to them. When the presentation to the AFL is made at year end the press should be well and truly briefed as to this proposal.

The Tasmanian Team timelines

2019:

The Tasmanian Football Board has been created and will need to act as a uniting body for Tasmanian football as well as the ongoing improvements with pathways and grass roots in conjunction with AFL Tasmania. The Select Committee will report by calendar year end. The AFL Project Team will present its business case and proposed timeline by calendar year end.

2020:

(Early) The AFL announce a Tasmanian Team will commence in the competition in year 2025.

The Tasmanian Government announce there will not be renewals of Hawthorn and North Melbourne deals. The AFL finalise negotiations for a new TV rights deal 2023 to 2028 based on the first 2 years being an 18-team competition 2023 to 2024 and the last 4 years will be a 19-team competition including Tasmania and will include an additional 11 games per annum. Uneven team numbers are not a new situation – The AFL had 15 teams for 4 years 1991 to 1994 and 17 teams in 2011. The bidders would be advised that the TV rights deal commencing 2029 will use the success or otherwise of the 4-year period of 19 teams as a guide to continuing that from 2029 or going to 20 teams with a potential for 2 divisions or go back to 18 teams. The bidders would have input into those options.

North Melbourne to host Hawthorn at Bellerive – immediate action required.

2021:

The contracts with Hawthorn and North Melbourne finish at year end.

Tasmanian VFL team commences. The state-wide league is disbanded replaced by the VFL team. The TFL, NTFA and NWFU are recreated as feeding competition for the VFL. The VFL will be the back up to the AFL team where players not selected for the AFL team will play in the VFL team.

2022:

AFL TV rights deal finishes.

The first of 3 years of 6 games of visiting AFL team commences 2022 to 2024 and paid for the by the AFL

2023:

New AFL TV rights deal commences for 6 years 2023 to 2028

2nd year of 6 games of visiting AFL teams

2024:

3rd year of 6 games of visiting AFL teams

2025: Tasmania commences in the AFL. The competition is 19 teams for 4 years 2025 to 2028

2026:

Year 2 Tasmania

2027:

New AFL TV rights deal for 6 years announced 2029 to 2034.

AFL decide if 19 team or 20 team or 2 divisions competition continues from 2029

2028:

2029:

New AFL TV rights deal commences

2030: Tasmania plays first final

AFL 19 team roster																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											</
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What is the impact on varying home game attendances?

Home game attendance numbers analysis - 40,000 members			
Attendance	13,000	17,000	20,000
Gate	987,697	1,291,604	1,519,534
Merchandise	1,092,829	1,199,446	1,279,410
Net profit	2,390,872	2,801,396	3,109,290
Extra AFL attendance	362,008	384,008	400,508
AFL attendances 2018	6,893,909	6,893,909	6,893,909
% increase	5.25%	5.57%	5.81%
TV ratings average per round	3,813,739	3,813,739	3,813,739
TV rights \$'s per attendance	49.55	49.55	49.55
Extra TV Rights dollars	17,936,013	19,026,023	19,843,530
Less 10% reduction TV Rights	16,142,411	17,123,420	17,859,177
Less AFL funding proposed	13,100,000	13,100,000	13,100,000
Excess profit to AFL after AFL minimum allocation	3,042,411	4,023,420	4,759,177
Break even funding if AFL allocated excess to Tasmania	16,142,411	17,123,420	17,859,177
Which is effectively the average of all current AFL funding for 2018	17,077,778	17,077,778	17,077,778
This still leaves net profit to Tasmania	2,390,872	2,801,396	3,109,290
If the AFL funding stayed at \$13,100,000 and the AFL excess was granted to reduce the governments contribution the government exposure would be	10,957,589	9,976,580	9,240,823
The potential if the excess and the net profit was applied to the government contribution would be	8,566,717	7,175,184	6,131,533
NOT RECOMMENDED			

