

A photograph of two Australian Football League (AFL) players in mid-air, competing for a red football. The player on the right is wearing a maroon and yellow striped jersey, while the player on the left is wearing a black jersey with the number 19. The background is a blurred outdoor setting with trees and a building.

THE NEW HUNTER-CENTRAL COAST GOVERNANCE & INVESTMENT MODEL

STAKEHOLDER
INFORMATION

August 2018





THE FUTURE OF FOOTY IN HUNTER CENTRAL COAST

THE HUNTER-CENTRAL COAST IS A PRIORITY REGION FOR THE AFL AND A NEW ENHANCED LEAGUE GOVERNANCE MODEL AND INCREASED AFL FUNDING IS REQUIRED TO ENSURE FUTURE GROWTH AND SUSTAINABILITY OF COMMUNITY CLUB FOOTBALL

The AFL will help establish a new locally owned league, 'AFL Hunter Central Coast', which will retain the heritage and character of football in the region, whilst importantly benefiting from AFL affiliation, increased investment and additional support.

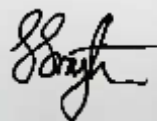
AFL Hunter Central Coast will ensure the alignment of junior and senior competitions, local ownership with local clubs as the controlling members, integrated governance under one local league body and independent decision making.

Significant increased AFL investment will be used to fund increased resourcing across club development, operations and commercial functions, as well as reducing the current affiliation fees being paid by clubs and players in order to better support and grow the competitions and clubs.

Importantly, the new League will be the only AFL affiliated League in the region from 2019 as it will meet the minimum governance standards for AFL affiliation which amongst other things ensures access to talent programs, club and player insurance, facility development, FootyWeb, league and club websites, Auskick and AFL9s, coach and umpire accreditation.

This document provides background and outlines the plan to take Australian Football to the next level across the Hunter-Central Coast.

We look forward to you and all community football stakeholders in the region joining us on this exciting and important journey



Simon Smyth
Regional Manager Northern NSW
AFL NSW/ACT



WHAT ARE THE BENEFITS OF THE NEW MODEL?

- ✓ Retain local ownership with clubs as the controlling members of league
- ✓ Independent and democratic league governance (clubs as only voting members)
- ✓ Junior and senior alignment across the region
- ✓ Utilise AFL frameworks and policies for competition growth and sustainability
- ✓ Decreased costs to the league (reduced salary contribution & integration savings)
- ✓ Lower affiliation fees for senior and junior clubs and players
- ✓ Greater resourcing for junior and senior competitions and clubs (100% AFL funded)
- ✓ Clubs continue to enjoy the benefits of AFL affiliation
(access to talent pathways i.e. Sydney Swans Academy, Representative Football, AFL facilities and grant funding, FootyWeb, SportsTG databases, player and club insurance, use of AFL name and logo etc)

WHY ARE WE HERE?

POST THE NATIONAL FUTURE DIRECTIONS OF FOOTBALL PROJECT, AFL NSW/ACT CONDUCTED A STATE COMMUNITY FOOTBALL REVIEW IN 2017 WHICH HIGHLIGHTED SEVERAL FUNDAMENTAL AREAS WHICH NEEDS TO BE ADDRESSED TO ENSURE THE LONG-TERM SUSTAINABILITY OF AFL COMPETITIONS ACROSS THE HUNTER-CENTRAL COAST

The key issues for football in the region as identified through the review include:

- » no alignment across junior and senior competitions
- » low player transition from junior to seniors
- » low player and umpire transition from junior to seniors
- » low club participation vs. population
- » declining senior male participation (despite population and junior participation growth)
- » limited resourcing levels to run competitions and support clubs
- » relatively high affiliation fees for clubs and players
- » challenges with the existing league governance structures

AFL NSW/ACT then embarked upon a 12 month stakeholder consultation process throughout 2017 to develop a new model for football in the region. Significant AFL funding has been secured to capitalise on the opportunity in the region under a new AFL endorsed locally owned single league governance model across juniors and seniors.

The proposed league amalgamation was supported by 13 of 19 junior clubs at a vote in March – just below the requisite legal threshold to amalgamate the two associations. Subsequent feedback from key stakeholders has confirmed that the majority of clubs remain supportive of the proposed league governance and investment model, and that primarily concerns related to the uncertainty of transition and the process.

In readiness for 2019, where junior & senior alignment and minimum governance standards are pre-conditions for affiliation, we have commenced a process to ensure the benefits of affiliation continue under an enhanced governance and resourcing model which capitalises on significant AFL investment to support competitions and clubs.



THE NEW LEAGUE GOVERNANCE MODEL

THE AFL WILL HELP ESTABLISH A NEW LOCALLY CONTROLLED LEAGUE ACROSS SENIOR AND JUNIOR FOOTBALL, AFL HUNTER CENTRAL COAST INCORPORATED, THE SOLE LEAGUE IN THE REGION AFFILIATED TO AFL NSW/ ACT

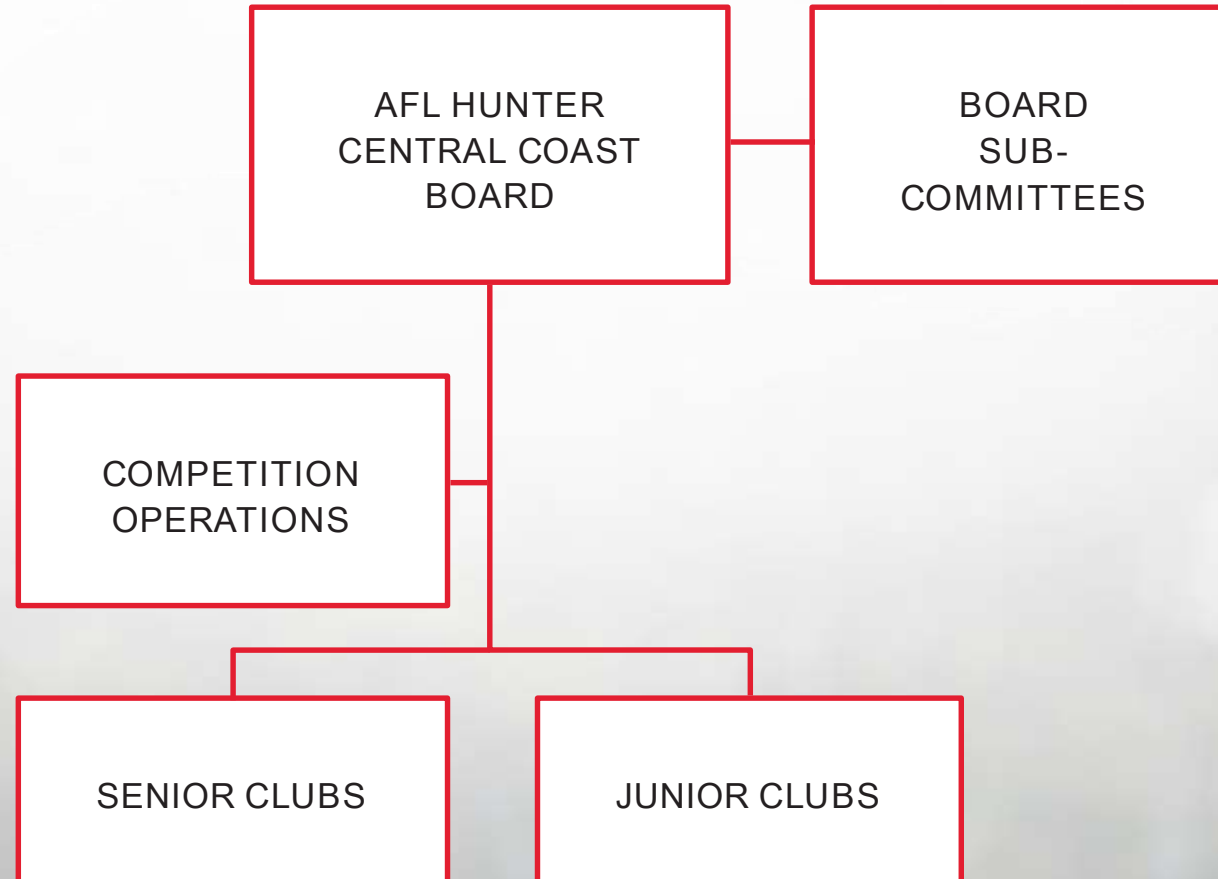
- » The League will govern all AFL affiliated junior and senior competitions in the region
- » Junior and senior club members will retain existing rights as members (and with consultation via Club Delegates Meetings and other regular forums)
- » Clubs will be the only voting members of the new league (i.e. clubs have greater control than the current BDAFL model)
- » AFL NSW/ ACT will not be a voting member
- » The Board will comprise 4 club elected members and 3 AFL approved local members (i.e. clubs elect the majority) as follows:
 - 2 x senior club representatives (to be determined by senior clubs)
 - 2 x junior club representatives (to be determined by junior clubs)
 - AFL appointed Board members must reside within the region (the local AFL NSW/ ACT Regional Manager, plus two non-AFL NSW/ ACT employees)'
- » The League will have independent governance with 3 x AFL appointed independent Board members
- » The minimum league governance standards are consistent across all community football leagues in NSW/ ACT
- » To ensure a smooth transition from the two current junior and senior League Boards, a transitional working party has been established, which will amongst other things facilitate the process for the members of the new league to vote for the initial Club Elected Board members



AN ENHANCED AND STREAMLINED GOVERNANCE AND ADMINISTRATION MODEL

NOTES:

- » Clubs and Umpires Association are the only voting members of the league (not currently the case in the BDAFL).
- » The Board and Competition Operations to be integrated across junior and senior competitions (not currently the case).
- » AFL NSW/ ACT development staff to indirectly report to the League Board (not currently the case).



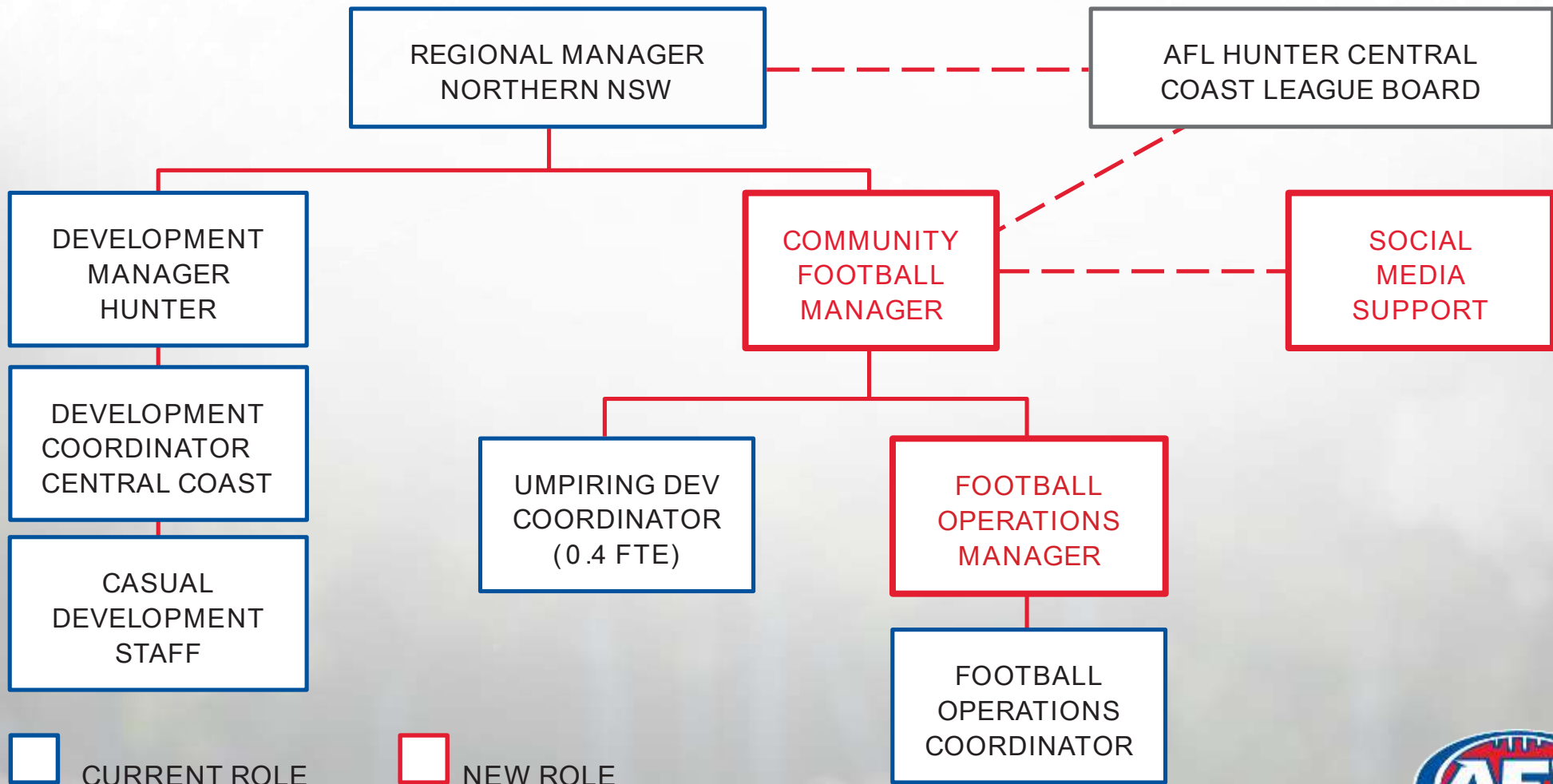
THE RESOURCING STRUCTURE

INTEGRATE THE ADMINISTRATION OF SENIOR AND JUNIOR COMPETITIONS UNDER AN INCREASED RESOURCING MODEL TO BETTER SUPPORT COMPETITIONS AND CLUBS

- » 3 full-time dedicated community football roles – up from 10 FTE in current structure.
 - New Community Football Manager focusing on club support and development, junior and senior alignment, commercial and marketing, competition strategy, in addition to overseeing operations and umpiring
 - 2 full-time Football Operations roles under new streamlined administration structure (i.e. not separate junior and senior competition roles – fully integrated with a Football Operations Manager and a Football Operations Coordinator);
- » Roles to provide regular reporting to the League Board
- » Provide shared services or contracted media support for the promotion of competitions and clubs – manage website, social media channels, external communications, graphic design
- » AFL to incur full cost of new staff and salary increases
- » The current financial contribution by leagues (via clubs) to operational staff resourcing will reduce
- » Senior clubs no longer required to pay significant honorariums for operations, marketing and financial functions as these roles will be assumed by full-time staff





JUNIOR AND SENIOR COMPETITIONS TO BE ALIGNED AND BETTER SUPPORTED THROUGH ADDITIONAL FULL-TIME PROFESSIONAL STAFF



THE FINANCIAL MODEL

CLUBS WILL BE CONTRIBUTING LESS FINANCIALLY AND RECEIVE GREATER VALUE UNDER THE NEW LEAGUE FINANCIAL MODEL

- » The financial model including AFL investment will see an increase in net return to clubs and a decrease in affiliation fees as key founding pillars
- » New league model will deliver a forecast \$226K in additional value for the league and clubs per annum
- » AFL will provide a grant to the new League as one-off seed funding
- » The Transition Working Party will finalise the initial draft League Budget including the appropriate allocation of additional AFL seed funding
- » The league will benefit from financial savings and resourcing efficiencies through integration and removal of duplication

<p>CURRENT CONTRIBUTION</p> <ul style="list-style-type: none"> » Senior Club/ Team Affiliation Fees - \$103K » Junior Player Affiliation Fees - \$89K » League Affiliation Fees - \$1k <p>(not including player, league, club and umpire insurances paid to JLT - \$69K)</p> <p>TOTAL CONTRIBUTION \$193K</p>	<p>CURRENT MODEL</p> 	<p>CURRENT RETURN</p> <ul style="list-style-type: none"> » % Regional Manager » 2 x PT Football Operations staff » 1x PT Umpiring Dev Coord » 2 x FT Development Staff » AFL Facilities Funding - \$160K » AFL Grants & Supplies - 25K » Office, IT etc - \$30K » Umpiring Incentives \$5k <p>TOTAL RETURN \$627K</p>
<p>PROPOSED CONTRIBUTION</p> <ul style="list-style-type: none"> » Senior Club/ Team Affiliation Fees - \$80K » Junior Player Affiliation Fees - \$80K » League Affiliation Fees - \$2k <p>(not including player, league, club and umpire insurances paid to JLT - \$69K)</p> <p>TOTAL CONTRIBUTION \$162K</p>	<p>CURRENT MODEL</p> 	<p>PROPOSED RETURN</p> <ul style="list-style-type: none"> » All of the current returns above (excl ops staff) - 567K » 2 x FT Football Ops staff & » 1x FT Community Football Manager - \$245K » Shared Media/ Marketing role » AFL funded website redevelopment - \$10k <p>TOTAL RETURN \$822K</p>

Note: Current Contribution and Current Return refers to 2017 figures.



THE NEW LEAGUE WILL BE THE ONLY LOCAL LEAGUE ENJOYING AFL AFFILIATION

PARTICIPATION IN AFL HUNTER CENTRAL COAST ENSURES THAT CLUBS, PLAYERS, UMPIRES AND COACHES CONTINUE TO RECEIVE THE SIGNIFICANT BENEFITS OF AFL AFFILIATION

- » AFL grants and funding programs
 - Facility upgrades – circa \$650K provided for local club venues in past 5 years
 - Other grant programs such as the establishment of new teams – circa \$30K provided to local clubs in 2017
- » Player opportunities
 - Eligibility for talent and representative programs – such as Sydney Swans Academy and Women’s Winter Series
 - Access to League Representative Football
- » AFL FootyWeb Registration System – at no cost
 - Access to the NSW Government Active Kids Voucher and online functionality
 - Competition management system (ladders, fixtures, statistics etc)
- » National JLT insurance program – the most competitive cover in the industry
- » League and club websites – at no cost
- » Access to NAB AFL Auskick and AFL9s programs and related collateral including packs and junior AFL memberships
- » Club development – access to and support from AFL development staff and related programs including relationship development with schools, the AFL Player Appearance Program and AFL Community Camp activities
- » Use of AFL IP – including AFL logo, and word marks ‘AFL’ and ‘Australian Football League’
- » Access to coach and umpire accreditation and development programs
- » Regulatory assistance – access to the appeals process related to national and state regulations, and advice on regulatory matters including interpretation and enforcement of national and state regulations and policies

For further AFL affiliation benefits please visit: <http://aflnswact.com.au/community-football/benefits-of-affiliation/>



HOW WILL TRANSITION TO THE NEW LEAGUE OCCUR?

A TRANSITION WORKING PARTY HAS BEEN ESTABLISHED TO ASSIST WITH THE TRANSITION TO A NEW LOCALLY OWNED LEAGUE, 'AFL HUNTER-CENTRAL COAST', FOR 2019 ON BEHALF OF CLUBS AND OTHER KEY STAKEHOLDERS

A Transition Working Party has been established involving two senior club representatives, two junior club representatives, a AFL Hunter Coast Juniors Board representative, a BDAFL Board representative, a umpires association representative, an independent representative and two AFL NSW/ ACT representatives.

The Transition Working Party will plan the transition to the new local league structure later this year on behalf of its stakeholders including:

- » the incorporation process with initial members and the constitution of the league
- » the voting for the initial club elected Board Members

- » finalising the initial league budget and affiliation fees
- » provide input into the process to recruit new staff
- » recommendations for 2019 competition structures

The new league model will maintain the elements previously developed in consultation with local stakeholders including local ownership, clubs as the only voting members, clubs electing the majority of the League Board and, importantly, significant additional AFL resourcing and seed funding.



WHAT HAPPENS NEXT?

THE IMPOST ON CLUBS IS MINIMAL BUT ACTION IS REQUIRED NOW

The Transition Working Party is established and work is underway to ensure smooth transition to the new league in 2019 including structures, personnel, staffing and finances.

The AFL Hunter Coast juniors – an independent league association – has confirmed its support of the new league model for 2019 onwards.

Given this will be a new League entity, there will be no need for a vote of existing league members to establish the entity, and clubs can simply directly affiliate to the new League individually. Junior clubs, seniors clubs and the umpires association will now need to formally agree to become a member of the new league to vote for the initial club elected board members and enjoy the benefits of the new model from 2019 onwards.

AFL NSW/ ACT and the Transition Working Party will facilitate this process in consultation with and on behalf of clubs.

Clubs will continue to be updated as to the progress of the Working Party by AFL NSW/ ACT and via their respective representatives.

This is a once in a generation opportunity for clubs and competitions in the Hunter-Central Coast region and we look forward to working collaboratively with all stakeholders in the best interests of the game.

