

Australian Football League Team for Tasmania

## Parliament of Australia Senate Inquiry

Inquiry into matters relating to the establishment of an Australian Football League Team for Tasmania

### Terms of Reference

On 28 August 2008, the Senate referred the following matter to the Senate Standing Committee on Rural and Regional Affairs and Transport for inquiry and report by 30 June 2009:

- a. whether the decision of the Australian Football League (AFL) Board Of Commission to prioritise admission to its competition of teams from western Sydney and the Gold Coast over a proposed team for Tasmania is fair and equitable;
- b. the capacity of the State of Tasmania to sustain a team in the peak national Australian Rules Football competition;
- c. the regional implications of the establishment of an AFL Team for economic development;
- d. whether the AFL commissioners' obligations to current supporters of the game override their desire to promote larger television audiences for it; and
- e. other related matters.

This is the joint submission of the Launceston City Council and York Park and Inveresk Precinct Authority (YPIPA).

## Introduction and Background

The Launceston City Council is the proud owners and managers of Aurora Stadium (formerly York Park), Tasmania's largest sporting venue which has hosted a range of national and international events since its redevelopment commenced in 1998.

York Park and Inveresk Precinct Authority (YPIPA) has been established under the Local Government Act to manage Aurora Stadium and the Inveresk Precinct.

The Hawthorn Football Club has been contracted to play five (5) games per season at the venue until 2011, attributable to the stadium's premier facilities and capacity. The Tasmanian State Government is also pursuing a license for a Tasmanian AFL team which would be based and play its home games at Aurora Stadium.

Australian Football League Team for Tasmania

Aurora Stadium is also the only accredited A-League football venue in Tasmania, hosting Melbourne Victory matches over the past three seasons.

The Stadium is host to a broad range of major concerts and State significant events. Its combined flexibility and capacity as a major events venue has resulted in its selection by a broad range of organisers.

Aurora Stadium has been established through the foresight of the three tiers of Government and community support and has been an outstanding success story for Tasmania.

Aurora Stadium has undergone a series of staged major developments in line with Council's Facility Master Plan. Below is a table showing the development stages of the Aurora Stadium Facility.

Project	Construction Period	Value \$	Timelines Achieved	Funding Source
Sand based, playing surface, broadcast standard lighting, 2000 seat grandstand, scoreboard	1998 - 2000	\$6.4m	Yes	Federal Gov't \$5M LCC \$1.4M
5700 Terrace seats, new toilets	2001 - 2002	\$2m	Yes	State Gov't \$1.7 LCC \$.3M
Terrace Roofs, Aurora Function Centre	2003	\$4.5M	Yes	State Gov't \$3.5M LCC \$1M
Extension to Main Grandstand (2000 seats), Video Replay Screen	2003 - 2004	\$5.7M	Yes	State Gov't \$5.7M
Extension to Main Grandstand (2000 seats), incorporating new media centre	2004 -2005	\$6.0	Yes	State Gov't \$4.7M AFL \$.6M LCC \$.7M

Australian Football League Team for Tasmania

Future planning for the facility has identified the requirement to extend the existing seating capacity to 25,000 seats. The existing facility currently provides seating for 11,700 people. The total ground capacity (seating and non-seating) is currently 20,000. At the time of writing this submission, the Launceston City Council has had a funding request submitted to the Federal Government for the redevelopment of the northern grandstand which if granted will enable a further increase in the seating capacity by an additional 2,125 seats.

As the success and popularity of Aurora Stadium continues to grow, the requirements to upgrade and improve the facility has been our focus. This will involve continuing to strive to increase the stadium seating capacity and associated amenities to ensure that larger national and international events are attracted to the venue with increased audience numbers. This will enable revenue generated at events to grow as well as providing economic benefits for the broader business community of Launceston and the region through increased retail expenditure, accommodation and tourism.

The following responses are specific to the terms of the inquiry, which will be used as headings:

**Whether the decision of the Australian Football League (AFL) Board Of Commission to prioritise admission to its competition of teams from western Sydney and the Gold Coast over a proposed team for Tasmania is fair and equitable**

The AFL is an extremely well managed and successful competition that has a strategic focus and a track record of growing the game and expanding its reach to all parts of Australia, summarised as follows:

- South Melbourne to Sydney;
- VFL to AFL;
- New franchises including West Coast, Adelaide Crows and Brisbane Bears and then Port Adelaide and Fremantle;
- Fitzroy merger with Brisbane Bears to form the Brisbane Lions;
- Regular season games played in Launceston (Hawthorn and St Kilda), Darwin (Western Bulldogs), Gold Coast and Canberra (Kangaroos, Melbourne and Western Bulldogs);

Although each of these changes has not been without some difficulty, the long term benefits of the strategy has seen robust growth of the AFL in Broadcasting Rights income, sponsorship income, club memberships, game attendance and participation.

Australian Football League Team for Tasmania

Tasmania has a long history of Australian Rules Football. The game was documented to have been played in Hobart as early as 1866 and in Launceston in 1867 ( ref; *A Game of Our Own, The Origins of Australian Football – Geoffrey Blainey 2003*). Tasmania's longest established team is the Launceston Football Club, formed in 1875.

It was recently reported that 95% of the Tasmanian population has an interest in AFL Football - an amazing statistic. Tasmania has also for many years had the highest participation rate per head of population of any State.

From a strategic (growing the interest in AFL Football) viewpoint therefore, the AFL focus on the Gold Coast and western Sydney is understandable. It is Council's and YPIPA's understanding that the Tasmanian bid for a team has not been dismissed by the AFL, but will be considered if an opportunity arises in the future. The Launceston City Council is supportive of the Tasmanian State Government bid for our own AFL team, but are also mindful of the need to ensure that the current partnership with the Hawthorn Football Club is not detrimentally impacted upon or jeopardised during the process.

**The Main game for our organisation is protecting the current level of AFL games at Aurora Stadium as a minimum and then progressively expanding the number of home games into the future if possible.**

**The capacity of the State of Tasmania to sustain a team in the peak national Australian Rules Football competition**

The Launceston City Council has not had full access to the business case presented by Gemba, the report commissioned by the Tasmanian State Government into the feasibility of Tasmania having its own AFL Team. The State Government has however indicated that the economic return from games played at Aurora Stadium was the second highest in Australia. We understand that the outstanding stadium economics was a crucial to the positive business case put forward to the AFL in December.

**The regional implications of the establishment of an AFL Team for economic development**

There have been substantial direct and indirect benefits from the AFL games played in Tasmania.

Australian Football League Team for Tasmania

**Direct and Flow On Economic Benefits from the games played at Aurora Stadium in 2006** (*Tourism Tasmania November 2007*)

Measure	Direct Benefit	Flow-on Benefit	Total Impact
Accommodation, cafes and restaurants	6,452,342	6,097,463	\$12,549,806
Tickets	806,543	300,034	\$1,106,577
Retail Trade	806,543	700,886	\$1,507,428
<b>Total Output (\$A)</b>	<b>\$8,065,428</b>	<b>\$7,098,383</b>	<b>\$15,163,811</b>

Measure	Direct Benefit	Flow-on Benefit	Total Impact
Value Added (\$A)			
Accommodation, cafes and restaurants	2,916,459	2,851,935	\$5,768,394
Tickets	615,392	145,984	\$761,376
Retail Trade	395,206	344,394	\$739,600
<b>Total Value Add (\$A)</b>	<b>\$3,927,057</b>	<b>\$3,342,313</b>	<b>\$7,269,370</b>
<b>Total Economic Benefit to the Tasmanian Economy</b>	<b>\$11, 992,485</b>	<b>\$10, 440, 696</b>	<b>\$22, 433, 181</b>
<b>Total Employment</b>	<b>75</b>	<b>35</b>	<b>110</b>

**Tasmanian AFL Team - Projected Direct and Indirect Economic Benefit**  
(Based on 2007 Tourism Tasmania Report on Hawthorn FC)

Australian Football League Team for Tasmania

It would be reasonable to assume that if 11 - 12 home games were played at Aurora Stadium as the base for a Tasmanian team, including games against the big clubs from Melbourne such as Collingwood, Essendon, Carlton, Richmond etc, that the economic impact would be exceptional.

Measure	Direct Benefit	Flow-on Benefit	Total Impact
Total Projected Output (\$A)	\$16, 130, 856	\$14, 196, 766	\$30, 327,622
Total Projected Value Add (\$A)	\$7,854,114	\$6,684,626	\$14,538, 740
Total Projected Value to the Tasmanian Economy (\$A)	\$23, 984, 970	\$20, 881, 392	\$44, 866, 362
<b>Total Projected Employment</b>	<b>150</b>	<b>70</b>	<b>220</b>

**Tasmanian AFL Team - Projected Direct and Indirect Economic Benefit**  
(Based on 2007 Tourism Tasmania Report on Hawthorn FC)

The master planning for Aurora Stadium would also need to be implemented to enable an increase in seating capacity to 25,000 to take full advantage of the stimulus which would result in further growth of the Launceston Airport, tourism and accommodation houses etc. Our assessment is that the regional implications of the establishment of an AFL Team for economic development would be immense (as no doubt highlighted in the Gemba report).

**Whether the AFL commissioners' obligations to current supporters of the game override their desire to promote larger television audiences for it**

The Launceston City Council is of the view that the AFL is the best judge of how to promote, develop and grow the game. They have a proven track record of being a well managed, strategically focussed organisation.